COMISIÓN NACIONAL DEL MERCADO DE VALORES
Calle Edison 4
28006 Madrid

En Madrid, a 23 de marzo de 2017

D. Francisco José Riberas Mera en nombre y representación de Gestamp Automoción, S.A. (la "**Sociedad**"), Acek Desarrollo y Gestión Industrial, S.L. y Risteel Corporation, B.V., debidamente facultado al efecto por cada una de estas sociedades, declara que la versión en soporte informático del folleto informativo (*prospectus*) correspondiente a la oferta de venta y admisión a cotización de las acciones de la Sociedad en las Bolsas de Valores de Madrid, Barcelona, Bilbao y Valencia (el "**Folleto Informativo**") que se adjunta a este escrito coincide con la versión del Folleto Informativo registrada por la Comisión Nacional del Mercado de Valores el 23 de marzo de 2017.

Asimismo, autoriza a esta Comisión Nacional del Mercado de Valores para que publique en su página web el Folleto Informativo en soporte informático que se adjunta a este escrito.

Atentamente

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Gestamp Automoción, S.A.
D. Francisco José Riberas Mera

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Acek Desarrollo y Gestión Industrial, S.L.
D. Francisco José Riberas Mera

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Risteel Corporation, B.V.
D. Francisco José Riberas Mera

Offering of up to 155,388,877 ordinary shares of

Gestamp Automoción, S.A.

Offering price range: €5.60 to €6.70 per share

Acek Desarrollo y Gestión Industrial, S.L. ("**Acek**") and Risteel Corporation, B.V. ("**Risteel**", together with Acek, the "**Selling Shareholders**") are offering a number of ordinary shares of up to 155,388,877 (the "**Initial Offered Shares**"), with a nominal value of €0.50 per share, of Gestamp Automoción, S.A., a *sociedad anónima* incorporated under the laws of Spain (the "**Company**", "**Gestamp**" or "**we**") by way of an institutional offering to qualified institutional buyers in the United States under the United States Securities Act of 1933, as amended (the "**Securities Act**") and qualified investors in other jurisdictions outside the United States, including Spain (the "**Offering**"). The Offering outside of the United States will be made in compliance with Regulation S of the Securities Act ("**Regulation S**"). The ordinary shares of the Company have not been and will not be registered under the Securities Act.

Acek will grant Morgan Stanley & Co. International plc, or any of its agents, as Stabilization Manager (the "**Stabilization Manager**"), acting on behalf of itself and the other Managers (as described below), an option to purchase a number of additional shares of the Company up to 15% of the Initial Offered Shares (the "**Additional Shares**" and together with the Initial Offered Shares, the "**Offered Shares**") to cover over-allotments of Shares in the Offering, if any (the "**Over-Allotment Option**"). The Over-Allotment Option is exercisable, in whole or in part, by the Stabilization Manager (as defined in this Prospectus), on behalf of itself and the other Managers, upon notice to Acek, only for the purpose of covering over-allotments (if any), at any time on or before the 30th calendar day after the commencement of trading of the Shares on the Spanish Stock Exchanges (as defined below).

The Company is not issuing any new ordinary shares as part of the Offering and consequently will not receive any proceeds from the Offering.

Investing in the Offered Shares involves a degree of risk. See section "Risk Factors" beginning on page 19 for a discussion of certain matters that investors should consider prior to making an investment in the Offered Shares.

This document (the "Prospectus") constitutes a Prospectus relating to the Company and its subsidiaries (together, the "Group") and the ordinary shares of the Company for the purposes of Article 3(3) of Directive 2003/71/EC of the European Parliament and of the Council of the European Union (as amended, the "Prospectus Directive"), its implementing regulations in Spain and the Commission Regulation (EC) No 809/2004 (as amended, the "Prospectus Regulation") (together, the "Prospectus Rules"). This document has been prepared in connection with the admission to listing of the Company's shares on the Madrid, Barcelona, Bilbao and Valencia stock exchanges (the "Spanish Stock Exchanges") which are regulated markets for the purposes of Directive 2004/39/EC (as amended, the "Markets in Financial Instruments Directive") for trading through the Automated Quotation System (the "AQS") or *Sistema de Interconexión Bursátil Español* ("SIBE") or Mercado Continuo of the Spanish Stock Exchanges (the "Admission") and includes the information required by, Annexes I, III and XXII of the Prospectus Regulation and the application for the admission of the Shares to listing. This Prospectus has been approved by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the "CNMV"), in its capacity as Spanish competent authority under the consolidated text of the Spanish Securities Market Act approved by Royal Legislative Decree 4/2015, of October 23 (texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre) ("LMV") and relevant implementing measures in Spain.

Prior to this Offering, there has been no public market for the Shares. The indicative non-binding offering price range at which the Offered Shares will be sold in the Offering is €5.60 and €6.70 per Offered Share (the "**Offering Price Range**"). The Offering Price Range has been determined based on negotiations between the Selling Shareholders and the Joint Global Coordinators and no independent experts have been consulted in determining the Offering Price Range. The price of the Offered Shares (the "**Offering Price**") will be determined upon finalization of the book-building period (expected to occur on or about April 5, 2017) and will be announced by the Company through the publication of a relevant fact (*hecho relevante*).

The Shares are expected to be admitted to listing on the Spanish Stock Exchanges for trading through the AQS on or about April 7, 2017 under the symbol "GEST". The Initial Offered Shares are expected to be delivered through the book-entry facilities of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Sociedad Unipersonal* ("**Iberclear**") and its participating entities against payment therefor on or about April 10, 2017.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Offered Shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful. The Offered Shares have not been and will not be registered under the Securities Act, or with any securities authority of any state of the United States, and may not be offered, sold, pledged or otherwise transferred within the United States or to any U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of, the Securities Act, and in compliance with any applicable state or local securities laws. The Offered Shares are being offered: (i) in the United States, only to persons reasonably believed to be qualified institutional buyers (each, a "**QIB**") as defined in and in reliance on Rule 144A of the Securities Act ("**Rule 144A**") and (ii) outside the United States, only in offshore transactions as defined in, and in reliance upon, Regulation S and in this case, only to investors who, if resident in a member state of the European Economic Area (the "**EEA**"), are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive. This document is not to be treated as a "prospectus" for the purposes of Section 10 of the Securities Act. Prospective purchasers are hereby notified that the Selling Shareholders may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For additional information about eligible offerees see section "Transfer and Selling Restrictions".

Joint Global Coordinators and Joint Bookrunners

JP Morgan | Morgan Stanley | UBS

Joint Bookrunners

Banco Santander | Deutsche Bank | Société Générale Corporate & Investment Banking

Co-Lead Managers

BBVA | BNP PARIBAS | CaixaBank (in collaboration with Banco Português de Investimento)

Financial Advisor

Lazard

The date of this Prospectus is March 23, 2017

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

YOU SHOULD READ THE ENTIRE PROSPECTUS AND, IN PARTICULAR, "RISK FACTORS" BEGINNING ON PAGE 19 OF THIS PROSPECTUS WHEN CONSIDERING AN INVESTMENT IN THE SHARES.

None of J.P. Morgan Securities plc ("**JP Morgan**"), Morgan Stanley & Co. International plc ("**Morgan Stanley**") or UBS Limited ("**UBS**") (together, the "**Joint Global Coordinators**"), Banco Santander, S.A., ("**Santander**") Deutsche Bank AG, London Branch ("**Deutsche Bank**") and Société Générale (together with the Joint Global Coordinators, the "**Joint Bookrunners**"), Banco Bilbao Vizcaya Argentaria, S.A. ("**BBVA**"), BNP PARIBAS ("**BNP PARIBAS**") and CaixaBank, S.A. (in collaboration with Banco Portugués de Investimento, S.A., which itself is not a Manager) ("**CaixaBank**", together with BBVA and BNP PARIBAS, the "**Co-lead Managers**", and together with the Joint Bookrunners, the "**Managers**") or Lazard Asesores Financieros, S.A. (acting as financial advisor to the Company) ("**Lazard**"), or their respective affiliates make any representation or warranty, express or implied, nor accept any responsibility whatsoever with respect to the content of this document, including the accuracy or completeness or verification of any of the information in this document. This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Selling Shareholders, the Managers or Lazard that any recipient of this document should purchase the Offered Shares. Each purchaser of Offered Shares should determine for itself the relevance of the information contained in this document, and its purchase of Offered Shares should be based upon such investigation, as it deems necessary, including the assessment of risks involved and its own determination of the suitability of any such investment, with particular reference to their own investment objectives and experience and any other factors that may be relevant to such investor in connection with the purchase of the Offered Shares.

This document does not constitute an offer to the public generally to purchase or otherwise acquire the Offered Shares. In making an investment decision regarding the Offered Shares, an investor must rely on its own examination of the Company and the terms of the Offering, including the merits and risks involved. Investors should rely only on the information contained in this document. None of the Company, the Selling Shareholders, the Managers or Lazard has authorized any other person to provide investors with different information. If anyone provides any investor with different or inconsistent information, such investor should not rely on it. Investors should assume that the information appearing in this document is accurate only as of its date. The Company's business, results of operations, financial condition and prospects and the information set forth in this document may have changed since the date of this document.

Notwithstanding the foregoing, the Company is required to publish a prospectus supplement in respect of any significant new factor, material mistake or inaccuracy relating to the information included in this document which is capable of affecting the assessment of the Shares and which arises or is noted between the date hereof and the Admission, in accordance with Article 22 of Spanish Royal Decree 1310/2005, of November 4 (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) ("**Royal Decree 1310/2005**").

Investors should not consider any information in this document to be investment, legal or tax advice. An investor should consult its own legal counsel, financial advisor, accountant and other advisors for legal, tax, business, financial and related advice regarding purchasing the Offered Shares. None of the Company, the Selling Shareholders, the Managers or Lazard or their respective affiliates, makes any representation or warranty to any offeree or purchaser of the Offered Shares regarding the legality of an investment in the Offered Shares by such offeree or purchaser under appropriate investment or similar laws.

Each Manager is acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Offering and will not be responsible to any other person for providing the protections afforded to their respective clients or for providing advice in relation to the Offering. Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Managers under the Spanish Securities Markets Act or the regulatory regime established thereunder, none of the Managers accepts any responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it or any of them or on its or their behalf in connection with the Company, the Selling Shareholders or the Shares. Each of the Managers accordingly disclaims, to the fullest extent permitted by applicable law, all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

In connection with the Offering, the Managers and any of their respective affiliates acting as an investor for its or their own account(s) may purchase Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities, any other securities of the Company or other related investments in connection with the Offering or otherwise. Accordingly, references in this document to the Shares being sold, offered or otherwise dealt with should be read as including any offer to, or dealing by, the Managers or any of their respective affiliates acting as an investor for its or their own account(s). In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Managers or their respective affiliates may from time to time acquire, hold or dispose of Shares. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Neither this document nor the Offering forms part of an offer to sell, or a solicitation of an offer to purchase, any security other than the Offered Shares. The distribution of this document and the offer and sale of the Offered Shares may be restricted by law in certain jurisdictions. Any investor must inform themselves about, and observe any such restrictions. See section “Transfer and Selling Restrictions” elsewhere in this document. Any investor must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Offered Shares or possesses or distributes this document and must obtain any consent, approval or permission required for its subscription for, purchase, offer or sale of Offered Shares under the laws and regulations in force in any jurisdiction to which such investor is subject or in which such investor makes such subscriptions, purchases, offers or sales. None of the Company, the Selling Shareholders, the Managers or Lazard is making an offer to sell any Offered Shares or a solicitation of an offer to buy any Offered Shares to any person in any jurisdiction except where such an offer or solicitation is permitted or accepts any legal responsibility for any violation by any person, whether or not an investor, or applicable restrictions.

This Prospectus and the Offering are only addressed to and directed at persons in member states of the EEA who are “qualified investors” (“**Qualified Investors**”) within the meaning of Article 2(1)(e) of the Prospectus Directive (including any relevant implementing measure in each relevant member state of the EEA). In addition, in the United Kingdom, this Prospectus is only being distributed to and is only directed at Qualified Investors who are (1) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) or (2) persons falling within Article 49(2)(a)-(d) of the Order (all such persons together being referred to as “**Relevant Persons**”). The Offered Shares are only available to, and any invitation, offer or agreement to purchase or otherwise acquire such securities will be engaged in only with, (1) in the United Kingdom, relevant persons and (2) in any member state of the EEA other than the United Kingdom, Qualified Investors. This Prospectus and its contents should not be acted upon or relied upon (1) in the United Kingdom, by persons who are not relevant persons or (2) in any member state of the EEA other than the United Kingdom, by persons who are not Qualified Investors.

Any person making or intending to make any offer within the EEA of the Offered Shares should only do so in circumstances in which no obligation arises for the Company, the Selling Shareholders, or any of the Managers to produce a prospectus for such offer. None of the Company, the Selling Shareholders or the Managers has authorized or authorizes the making of any offer of the Offered Shares through any financial intermediary, other than offers made by the Managers which constitute the final placement of the Offered Shares contemplated in this document.

THE SHARES HAVE NOT BEEN REGISTERED WITH, OR APPROVED OR DISAPPROVED BY, THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED ON OR ENDORSED THE MERITS OF THE OFFERING OR THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

TABLE OF CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element is required to be inserted in the summary because of the type of securities and company, it may be the case that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary followed by the mention "not applicable".

Section A – Introduction and warnings		
A.1	Warning to investors	**THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THIS DOCUMENT (THE "PROSPECTUS"). ANY DECISION TO INVEST IN THE SHARES OF GESTAMP AUTOMOCIÓN, S.A. (THE "SHARES" AND THE "COMPANY", "WE" AND TOGETHER WITH ITS CONSOLIDATED SUBSIDIARIES, THE "GROUP", RESPECTIVELY) SHOULD BE BASED ON CONSIDERATION OF THIS PROSPECTUS AS A WHOLE BY THE INVESTOR.** **Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Union, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.** Under Spanish law, civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with other parts of this Prospectus, key information in order to aid investors when considering whether or not to invest in the Shares.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. We are not engaging any financial intermediaries for any resale of securities or final placement of securities requiring a prospectus after publication of this document and have not given our consent for any such resale or placement.

Section B – Issuer		
B.1	Legal and commercial name	Our legal name is Gestamp Automoción, S.A. and our commercial name is "Gestamp".
B.2	Domicile and legal form	We are a public limited company (a *Sociedad Anónima* or S.A.) incorporated in Spain under the Spanish Companies Act (as defined below). Our registered office is Polígono Industrial de Lebario s/n, 48220, Abadiño, Bizkaia, Spain, and with telephone number +34 94 450 70 10. We are incorporated for an unlimited term. Our LEI number is 95980020140005484363.

B.3	Current operations/principal activities and markets	We are one of the world's largest suppliers of automotive components and assemblies in terms of revenues (source: Roland Berger Study: Automotive metal components for car bodies and chassis, the "Roland Berger Study", and internal estimates based on Company's information and public filings of competitors). We design, develop, manufacture and sell highly engineered body and chassis components and mechanisms to original equipment manufacturers ("OEMs"), primarily for use in the production of light vehicles. We have cultivated strong, long standing relationships with our OEM customers by offering them leading technologies through our extensive global footprint of 98 production facilities, with ten additional plants under construction and 12 R&D centers, with an additional one under construction, in 21 countries over four regions (Europe, North America, South America and Asia) as of March 1, 2017. We classify our activities in five geographical segments: Western Europe, Eastern Europe, North America, Mercosur (Brazil and Argentina) and Asia. Our technological leadership and extensive geographical and customer footprint allow us to take advantage of global growth opportunities while maintaining a conservative, diversified risk profile. We offer our OEM customers a diverse product portfolio as a Tier 1 supplier of body-in-white ("Body-in-White") and chassis structures ("Chassis"), closure systems and mechanisms ("Mechanisms"), and tooling and dies and other related services ("Tooling and Other Products"). • *Body-in-White and Chassis:* Our Body-in-White product portfolio includes large component parts and assemblies, such as hoods, roofs, doors, fenders and other high quality "Class A" surfaces and assemblies, which are used to create the visible exterior skin of an automobile. This product portfolio also includes structural and other crash-relevant products, such as floors, pillars, door rings, bumpers, rails, wheelhouses, side impact and cross car beams, battery boxes, which together with the exterior skin component parts and assemblies form the essential upper and under body (platform) structures of an automobile. Our Chassis product portfolio consists of systems, frames and related parts, such as front and rear cross members, longitudinal beams, cradles, front and rear control arms and knuckles and integrated links, which link the vehicle body and powertrain and carry the load of the vehicle. These structures are essential for the vehicle's performance and safety, in particular affecting vehicle noise levels, vibrations, handling and behavior in the event of an impact. • *Mechanisms (Edscha):* Our Mechanisms product portfolio consists of mechanical components such as hinges for doors, hoods and trunk lids, door checks, lift gates, as well as pedal systems and hand brakes. This product portfolio also includes powered systems that allow automobile doors and trunks to open and close electronically and by remote activation. • *Tooling and Other Products:* We design, engineer, manufacture, service and sell dies and tools in support of our customers. We also design, manufacture and sell presses. We believe we are among the few Tier 1 suppliers that have significant, sophisticated in-house tooling and press manufacturing capabilities. In the year ended December 31, 2016, our revenue was €7,548.9 million and our EBITDA was €841.1 million, approximately 7.3% and 10.6% higher than in the year ended December 31, 2015, respectively. Of our total revenue for the year ended December 31, 2016, €6,067.4 million, or approximately 80.4%, was derived from Body-in-White and Chassis products, €902.4 million, or approximately 11.9%, was derived from Mechanisms products and €579.1 million, or approximately 7.7%, was derived from Tooling and Other Products. We believe that we are the leading supplier of components for Body-in-White

		products globally by revenue. In Chassis products, we believe that we are among the top three globally by revenue. In Mechanisms products, we believe that we are the clear market leader globally by revenue (source: Roland Berger Study and internal estimates based on Company's information and public filings of competitors).
B.4	Significant recent trends affecting the Group and the industries in which it operates	The global automotive market is characterized by various global megatrends. These trends can be classified in (i) technological and regulatory trends, (ii) geographical trends and (iii) trends related to the current strategy of OEMs. • *Technological and regulatory trends:* • Increasingly stringent global regulations and standards related to emissions. • Increased focus on active and passive safety. • Increasing focus on comfort features and dynamics. • Use of non-internal combustion engines, particularly electric vehicles. • Global vehicle production. • *Geographical trends:* • Regional shift towards emerging markets. • Market recovery in Russia and South America. • Localized production. • *Trends related to the current strategy of OEMs:* • Outsourcing parts of the production process to reduce capital requirements. • Movement towards common platforms and global models. • Autonomous driving technologies and shared mobility. All these trends support Gestamp favorably, as vehicles will require a Body-in-White and Chassis and we expect that products with enhanced features like the ones we produce in Mechanisms, will become more widely applied.
B.5	Group structure	As of March 1, 2017, the Group was comprised of 158 subsidiaries worldwide for which the Company is the holding company. Notwithstanding the legal structure of the Group (ownership/shareholding of each subsidiary), Gestamp's operations are organized in eight operational divisions apart from the support of corporate services: • *South Europe Division*: includes 32 plants located in six different countries: Spain, France, Portugal, Hungary, Turkey and Romania. All plants belong to Gestamp fully owned subsidiaries, except as follows: (i) our local partner "Faik Çelik Holding, A.S." owns a 50% stake of the subsidiary operating the five Turkish plants, with Gestamp owning the remaining 50% stake, (ii) the French public fund "Fonds d'Avenir Automobile" holds a 35% minority stake of the subsidiary operating four plants in France with Gestamp holding the remaining 65% stake, and (iii) the French Company MPO Group holds a 30% minority stake in the subsidiary operating the Romanian plant., with Gestamp holding the remaining 70% stake. • *North Europe Division*: includes 17 plants located in six different countries: Germany, the United Kingdom, Sweden, Poland, Czech Republic and Russia. All plants belong to Gestamp fully owned subsidiaries, except two plants in Russia where (i) the Spanish state-owned company "Compañía Española de Financiación al Desarrollo, Cofides, S.A." holds an indirect 16.87% minority stake in the subsidiary operating the plant and (ii) our local partner "Severstal", holds an additional 25.02% minority stake. Gestamp holds the remaining

		58.11% stake. • *North America Division:* includes 10 plants located in United States and Mexico. Our Japanese global partner, Mitsui & Co., Ltd, holds a 30% minority stake in the subsidiaries that operate all the North America Division plants and Gestamp holds the remaining 70% stake. • *Mercosur Division (South America):* includes 10 plants located in Brazil and Argentina. Our Japanese global partner, Mitsui & Co., Ltd, holds a 30% minority stake of the subsidiary that operates all the Mercosur Division plants with Gestamp holding the remaining 70% stake. • *Asia Division*: includes 9 plants located in three different countries: China, Korea and India. All plants belong to Gestamp fully owned subsidiaries, except as follows: (i) the Spanish state-owned company “Compañía Española de Financiación al Desarrollo, Cofides, S.A.” holds a 35% minority stake in a subsidiary that operates two plants in China, where Gestamp holds the remaining 65% stake as well as a 31.05% minority stake in one additional subsidiary that operates a plant also in China, where Gestamp holds the remaining 68.95% and (ii) Gonvarri owns a 50% stake in a subsidiary that operates one plant in India where Gestamp holds the remaining 50% stake. • *Edscha Division (Mechanisms):* has 15 plants located in ten different countries: Germany, Spain, Slovakia, Czech Republic, Russia, United States, Brazil, Korea, China and Thailand. All plants belong to Gestamp fully owned subsidiaries, except: (i) our local partner “Shanghai Tractor Internal and Combustion Engine Co., Ltd.” holds a 45% minority stake in a subsidiary that operates one plant in China and Gestamp holds the remaining 55% stake, (ii) our local partner “Jui Liu Enterprise Co. Ltd” and others hold a 50% stake in a subsidiary operating one plant in China where Gestamp held the remaining 50% stake (as of December 31, 2016), (iii) our local partner “AAPICO Hitech Public Co. Ltd” holds a 49% minority stake in a subsidiary that operates one plant in Thailand where Gestamp holds the remaining 51% stake and (iv) our local partner “PHA Pyeonghwa Automotive Co, Ltd.” holds a 50% stake in the subsidiary that operates a plant in Korea and Gestamp holds the remaining 50% stake. • *Tooling and Equipment Division:* includes 5 plants located in two different countries: Spain and Mexico. All plants belong to Gestamp fully owned subsidiaries, except one plant in Mexico where three different Basque public funds (Ekarpen Private Equity, S.A., Ezten FCR and Basque FCR) own in aggregate a 70% stake and Gestamp holds the remaining 30% stake. • *Research and Development Division (Autotech subsidiaries):* including 12 R&D centers (with one additional center under construction) located in eight different countries: Spain, Germany, France, Sweden, United States, Brazil, China and Japan. All centers belong to Gestamp fully owned subsidiaries. Some of our operational divisions (Edscha, tooling and equipment and research and development) form part of more than one of our geographical segments.
B.6	Major Shareholders	As of the date of this Prospectus, our issued share capital consists of 575,514,360 Shares with a par value of €0.50 each. Each Share carries the right to receive dividends and other distributions declared and paid following settlement of the Offering and to receive notice of and vote at any General Shareholders’ Meeting. On March 3, 2017, the Company’s extraordinary General Shareholder’s Meeting (as defined below) approved the distribution of a cash dividend in the amount of €0.1153 per Share out of distributable reserves which has been fully paid as of the date of this Prospectus. Following such

distribution, the Company does not expect to pay any further dividend in respect of the fiscal year 2016.

As of the date of this Prospectus, Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera and their respective direct descendants by nature or adoption (the "Riberas Family") control, indirectly through Acek, Risteel and Gestamp 2020, 566,763,720 Shares of the Company, representing 98.48% of the Shares. In this regard, the current shareholding structure of the Company is as follows:

- Acek Desarrollo y Gestión Industrial, S.L. ("Acek") holds 216,534,480 Shares or 37.62% of the issued share capital of the Company. After the Offering, Acek is currently expected to hold 123,042,083 Shares, representing 21.38% of the total issued ordinary share capital of the Company, assuming no exercise of the Over-Allotment Option, and 99,733,752 Shares, representing 17.33% of the total issued ordinary share capital of the Company, assuming full exercise of the Over-Allotment Option;

- Risteel Corporation, B.V. ("Risteel") holds 61,896,480 Shares or 10.75% of the issued share capital of the Company. After the Offering, Risteel is expected not to hold any Shares; and

- Gestamp 2020, S.L. ("Gestamp 2020") holds 288,332,760 Shares or 50.10% of the issued share capital of the Company. Gestamp 2020 will not participate in the Offering. Acek is the beneficial owner of 75% of Gestamp 2020's share capital while Mitsui & Co., Ltd. ("Mitsui") is the beneficial owner of the remaining 25%.

- Certain Group employees hold 8,750,640 Shares or 1.52% of the issued share capital of the Company. The Group employees will not participate in the Offering.

	Prior to the Offering		**Num-ber of Shares offered in the Offe-ring**	**Over-Allotment Option**	**Total (num-ber + Over-Allot-ment Option)**	**After the Offering**			
Owner	**Number of Shares con-trolled**	**%**	**Number of Shares**			**Number of Shares owned (assuming a full exercise of the Over-Allotment Option)**	**%**	**Number of Shares owned (assuming no exercise of the Over-Allotment Option)**	**%**
Riberas Family (1)(2)	566,763,720	98.48	155,388,87	23,308,331	178,697,208	388,066,512	67.43	411,374,843	71.48
Employees	8,750,640	1.52	0	0	0	8,750,640	1.52	8,750,640	1.52
Free Float	0	0	0	0	0	178,697,208	31.05	155,388,877	27.00

(1) As of the date of this Prospectus the Riberas Family holds its participation through Acek, Risteel and Gestamp 2020, in accordance to the following detail: Acek holds directly 216,534,480 Shares of the Company, representing 37.62% of its share capital,; Acek also holds, indirectly, (i) 61,896,480 Shares of the Company, representing 10.75% of the share capital of the Company through Risteel Corporation B.V. and (ii) 1,802,080 shares of Gestamp 2020 representing 75% of its share capital and therefore, indirectly, 216,249,600 Shares of the Company, representing 37,58% of the share capital of the Company.
(2) As of the date of this Prospectus, Mitsui &Co. Ltd directly holds 600,693 shares of Gestamp 2020 representing 25% of its share capital and therefore, indirectly, 72,083,160 Shares of the Company, representing 12.53 % of the share capital of the Company.

The Selling Shareholders will be Acek and Risteel, both of which are fully controlled by the Riberas Family, who intends to maintain ownership of more than 50% of our issued share capital and voting rights after the Offering and therefore, retain the control of the Company. All the Shares rank, and will rank after the Offering, *pari passu* in all respects with each other, including for voting purposes and for all distributions of the Company's profits and proceeds from liquidation.

B.7 Summary of historical key financial information

	Year ended December 31,		
	2014	**2015**	**2016**
		(€ millions)	
Consolidated Income Statement Data			
Operating income	**6,411.4**	**7,202.3**	**7,673.9**
Revenue	*6,255.8*	*7,034.5*	*7,548.9*
Other operating income	*126.6*	*156.9*	*131.6*
Changes in inventories	*29.0*	*10.9*	*(6.6)*
Operating expenses	**(6,073.9)**	**(6,802.1)**	**(7,211.3)**
Raw materials and other consumables	*(3,885.8)*	*(4,308.6)*	*(4,509.7)*
Personnel expenses	*(1,124.9)*	*(1,258.0)*	*(1,366.9)*
Depreciation, amortization, and impairment losses	*(319.0)*	*(360.1)*	*(378.5)*
Other operating expenses	*(744.2)*	*(875.4)*	*(956.2)*
Operating profit	**337.5**	**400.2**	**462.6**
Finance income	9.6	13.3	5.3
Finance expenses	(138.6)	(121.8)	(98.8)
Exchange (losses)	(7.6)	(24.7)	(12.4)
Other(1)	(10.2)	(14.2)	(8.6)
Profit for the year from continuing operations	**190.7**	**252.8**	**348.1**
Income tax expense	(60.3)	(63.9)	(88.9)
Profit for the year	**130.4**	**188.9**	**259.2**
(Loss) from discontinued operations	(1.6)	—	—
(Loss) profit attributable to non-controlling interests	(3.1)	(27.4)	(37.8)
Profit attributable to equity holders of the parent	**125.7**	**161.5**	**221.4**

	As of December 31,		
	2014	**2015**	**2016**
		(€ millions)	
Consolidated Balance Sheet Data:			
Intangible assets	311.6	359.4	393.0
Property, plant, and equipment	2,661.8	2,861.8	3,160.0
Non-current financial assets	76.8	57.7	95.5
Inventories	573.0	586.4	630.9
Trade and other receivables	1,057.5	1,194.7	1,376.9
Cash and cash equivalents	483.9	356.0	430.5
Other[2]	342.5	329.7	342.8
Total assets	**5,507.1**	**5,745.7**	**6,429.6**
Total equity	**1,716.2**	**1,798.4**	**1,872.0**
Non-current non-trade liabilities	1,725.3	1,674.2	1,779.4
Current financial liabilities	312.2	299.7	425.2
Current non-financial liabilities	142.3	151.2	290.8
Trade and other payables	1,191.8	1,384.4	1,621.4
Deferred taxes liabilities	235.1	225.5	238.5
Other liabilities[3]	184.2	212.3	202.3
Total liabilities	**3,790.9**	**3,947.3**	**4,557.6**

	Year ended December 31,		
	2014	**2015**	**2016**
		(€ millions)	
Consolidated Summary Cash Flow Information:			
Profit for the year before taxes and after non-controlling interests	187.6	225.4	310.3
(Loss) for the year from discontinued operations net of taxes	(1.6)	—	—
Adjustments to profit	420.9	542.1	489.7
Changes in working capital	151.8	9.7	24.6
Other cash-flows from operating activities	(193.2)	(177.2)	(172.0)
Cash flows from operating activities	**565.5**	**600.0**	**652.6**
Payments on investments	(548.4)	(626.6)	(738.4)

	2014	2015	2016
Proceeds from divestments	100.8	92.1	7.9
Cash flows from investing activities	**(447.6)**	**(534.5)**	**(730.5)**
Proceeds and payments on equity instruments	(6.5)	(28.0)	(6.6)
Proceeds and payments on financial liabilities	(130.9)	(120.9)	216.7
Payments on dividends and other equity instruments	(41.5)	(50.2)	(56.1)
Cash flows from financing activities	**(178.9)**	**(199.1)**	**154.0**
Effect of changes in exchange rates	24.5	5.7	(1.6)
Net increase (decrease) of cash or equivalent	**(36.5)**	**(127.9)**	**74.5**

	As of and for the year ended December 31,		
	2014	**2015**	**2016**
	(€ millions, except percentages and ratios)		
Other Financial Data:			
Revenue at constant currency rate[4]	N/A	6,769.2	7,897.1
EBITDA[5]	656.5	760.3	841.1
EBITDA margin	10.5%	10.8%	11.1%
Growth capital expenditures[6]	166.8	286.2	389.6
Recurrent capital expenditures[6]	246.5	248.0	251.5
Intangible capital expenditures[6]	70.0	88.3	83.6
Net payments on investments[7]	438.4	595.5	663.7
Adjusted Operating Cash Flow[8]	340.0	424.0	506.0
Cash Flow Conversion[9]	52%	56%	60%
Changes in working capital	151.8	9.7	24.6
Dividends[10]	(41.5)	(50.2)	(56.1)
Order intake[11]	5,821.0	11,780.6	11,917.4
Book-to-bill ratio[11]	1.1x	1.9x	1.8x
Additional Financial Data relating to Indebtedness:			
Total financial debt[12]	1,969.5	1,884.5	2,106.3
Cash, cash equivalents	484.0	356.0	430.5
Current financial assets	75.9	35.5	43.2
Net financial debt[12]	1,409.7	1,493.1	1,632.6
Ratio of net financial debt to EBITDA[13]	2.1x	2.0x	1.9x
Net financial expenses[14]	129.0	108.5	93.5
Ratio of EBITDA to net financial expenses[15]	5.1x	7.0x	9.0x

(1) Consists of share of profits from associates, change in fair value of financial instruments and impairment of and gains (losses) on sale of financial instruments.

(2) Consists of deferred tax assets, assets held for sale (which consist of assets and liabilities whose recovery is expected through sale and not through continued use, such as our stake in certain of our joint ventures), current financial assets and other current assets.

(3) Consists of non-current provisions, deferred income, current provisions and other current liabilities.

(4) We calculate revenue at constant currency based on our average exchange rates for the years 2016, 2015 and 2014. We do not present revenue for the year ended December 31, 2014 on a constant currency basis given that we are not comparing our results for the year ended December 31, 2014 with our results for the year ended December 31, 2013.

(5) "EBITDA" represents operating profit before depreciation, amortization and impairment losses. Our management believes 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. EBITDA is also a measure commonly reported and widely used by analysts, investors and other interested parties in our industry. 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.

(6) Capital expenditures mean expenditure on property, plant and equipment and on

intangible assets. Growth capital expenditures include capital expenditures in greenfield projects, major plants expansions of existing facilities and new processes/technologies in existing plants. Intangible capital expenditures means expenditures on intangible assets. Recurrent capital expenditures includes investments for plant maintenance and business replacement.

(7) We define net payments on investments as our actual net cash outlays for property, plant and equipment and intangible assets, taking into account increases and decreases in payables to our suppliers of property, plant and equipment and intangible assets, as well as proceeds from divestments of property, plant and equipment and intangible assets.

(8) We define adjusted operating cash flow as our EBITDA less our recurrent capital expenditures and our intangible capital expenditures.

(9) We define cash flow conversion as our adjusted operating cash flow divided by EBITDA.

(10) Dividends consist of the dividends paid by the Company to its shareholders and to our joint venture partners in certain subsidiaries. In 2016, a dividend of €48.4 million to the shareholders of the Company was declared on February 1, 2016 and June 27, 2016, and paid on June 28, 2016.

(11) We define order intake as sales of parts attributable to vehicle programs the company has been awarded by OEMs during the period indicated less any cancellations, based on management's best reasonable estimates in terms of volumes, selling prices and project lifespans. Order intake excludes intercompany, scrap and tooling sales. Book-to-bill is defined as order intake during a given year divided by revenue in a given year, where both order intake and revenue exclude intercompany, scrap and tooling sales.

(12) Total financial debt consists of interest-bearing loans and borrowings, financial leasing, borrowings from associated companies, loans from the Ministry of Science and Technology and other interest bearing loans but does not include derivative financial instruments, non-interest bearing loans, other current non-trade liabilities, deferred income, provisions, deferred tax liabilities, trade and other payables and other liabilities. Net financial debt consists of total financial debt less cash and cash equivalents and current financial assets.

(13) Calculated by dividing net financial debt by EBITDA.

(14) Net financial expenses consist of finance expenses less finance income.

(15) Calculated by dividing EBITDA by net financial expenses.

In 2014, global light vehicle production grew 3.1% to 87.4 million units. During 2014, the Group undertook relevant investments worldwide to support the increasing needs of full outsourcing from OEMs, as they expand their business globally. We invested a total of €483 million for the year ending December 31, 2014 and were able to generate a positive operating cash flow thanks to the EBITDA generated and a good control of our working capital. As a consequence, the Group net debt decreased to €1,410 million and the financial leverage of the Group stood at 2.1x (Net Financial Debt/EBITDA) at the end of 2014.

In 2015, global light vehicle production grew less than 2%. Despite a weaker economy and slower production figures in the automotive sector, we had a favorable evolution with revenues growing in excess of 12%, surpassing the 7,000 million euros milestone. The profitability of our operations in 2015 was also satisfactory. EBITDA increased by more than €100 million compared to 2014 (+16%), representing an EBITDA margin of 10.8%. Operating income grew by almost 19%, when compared with the previous year, reaching €400 million. In 2015, investments increased as a result of new business opportunities. In addition to the projects already started in 2014, we started building five new greenfields. Although the net debt of the Group increased in absolute terms, the favorable evolution of EBITDA led to a new decrease in our financial leverage to 2.0x Net Financial Debt/EBITDA.

		Finally, in 2016 Gestamp's business performance, despite another year of moderate global economic growth marked by political instability and low oil prices, has been strong on the back of a higher growth in vehicle production in our footprint (+5.7%). Revenues exceeded €7,500 million for the first time. Revenue growth on a constant currency basis stood at 12.3% and was supported by the consolidation and ramp-up of new projects and the good performance of key markets such as China, India, Spain and the United Kingdom. The year 2016 has also been positive in terms of profitability, with year-on-year growth in the main indicators such as EBITDA, EBIT and profit attributable to shareholders well above revenue growth. EBITDA grew by €81 million to €841 million, or by 10.6%for the year, while EBIT grew by 15.6% to €463 million and net income by 37.1% to €221 million. In line with recent years, the level of capital expenditure in 2016 has been significant, enabling the Group to continue growing at a rate well above its addressable market in the coming years. By year ending December 31, 2016, we invested €725 million of capital expenditures to support Gestamp's clients' projects across the world. Capital expenditures included growth, recurrent and intangible capital expenditures. Furthermore, about one half of our capex has been driven by discretionary projects including investment in greenfield projects, major expansions of existing facilities and new processes/technologies in existing plants. Recurrent capital expenditures included investments to replace existing programs and expenditures on the maintenance of production assets. Whether for growth or business replacement, our capex is backed by firm, long-term customer orders.
B.8	Selected key pro forma financial information	Not applicable. This Prospectus does not contain pro forma financial information.
B.9	Profit forecast	Not applicable. This Prospectus does not contain profit forecasts or estimates.
B.10	Qualifications in the audit report on historical information	The audit reports corresponding to our financial statements as of and for the years ended December 31, 2016, 2015 and 2014 included elsewhere in this Prospectus and prepared by Ernst & Young S.L., independent auditors, are unqualified.
B.11	Qualified working capital	Not applicable. In our opinion, the working capital available to us is sufficient for the Company's present requirements and, in particular, is sufficient for at least the next 12 months from the date of this Prospectus. This will continue to be the case upon completion of the Offering.

Section C – The Securities		
C.1	Description of class of the securities	Acek and Risteel (collectively, the "Selling Shareholders") are offering a number of ordinary shares of up to a maximum of 155,388,877, with a nominal value of €0.50 per share (the "Initial Offered Shares"), of the Company by way of an institutional offering to institutional investors outside the United States, including Spain, in compliance with Regulation S ("Regulation S") of the United States Securities Act of 1933, as amended (the "Securities Act") and qualified institutional buyers in the United States pursuant to Rule 144A of the Securities Act (the "Offering").

		Acek will grant Morgan Stanley & Co. International plc, or any of its agents, as stabilization manager (the "Stabilization Manager"), on behalf of itself and the managers participating in the Offering (the "Managers"), an option to purchase up to 23,308,331 additional Shares (the "Additional Shares", and together with the Initial Offered Shares, the "Offered Shares") representing up to 15% of the Initial Offered Shares in connection with the Offering (the "Over-Allotment Option"). All the Offered Shares are owned by Selling Shareholders and no newly-issued shares will be offered by the Company in the Offering. The Shares have been allocated the ISIN code ES0105223004 by the Spanish National Agency for the Codification of Securities (*Agencia Nacional de Codificación de Valores Mobiliarios*), an entity dependent upon the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*, the "CNMV"). It is expected that the Shares will be listed on the Spanish Stock Exchanges for trading through the AQS under the ticker symbol "GEST".
C.2	Currency of the securities issue	The Shares are denominated in euro.
C.3	Number of issued and fully paid up shares	As of the date of this Prospectus and on Admission, our issued share capital consists of 575,514,360 Shares with a par value of €0.50 each. Each Share carries the right to receive dividends and other distributions declared and paid following settlement of the Offering and to receive notice of and vote at any general shareholders' meeting of the Company (the "General Shareholders' Meeting"). All of our Shares are fully subscribed and paid-up.
C.4	Rights attached to the shares	The Shares rank *pari passu* in all respects with each other, including for voting purposes and for all distributions of profits and proceeds from liquidation. The Shares grant their holders the rights set forth in our bylaws (the "Bylaws") and under the Spanish Companies Act approved by Royal Legislative Decree 1/2010 (*Real Decreto Legislativo 1/2010, de 2 de julio, que aprueba el Texto Refundido de la Ley de Sociedades de Capital)* (as amended, the "Spanish Companies Act"), such as, among others, (i) the rights to attend any General Shareholders' Meeting with the right to speak and vote, (ii) the right to receive dividends proportional to their paid-up shareholding in the Company, (iii) the preferential right to subscribe for newly-issued ordinary shares or other securities (including convertible bonds and warrants issued in consideration for cash contributions or by way of a bonus issue out of reserves and (iv) the right to any remaining assets following satisfaction in full of the Company's creditors in proportion to their respective shareholdings upon the liquidation of the Company.
C.5	Restrictions on the free transferability of the shares	Other than restrictions applicable under the relevant securities laws, there are no restrictions on the free transferability of the Shares, without prejudice to the lock-up arrangements agreed in connection with the Offering.
C.6	Application for admission to trading on regulated markets	Application will be made to list the Shares on the Madrid, Barcelona, Bilbao and Valencia stock exchanges (the "Spanish Stock Exchanges") for trading through the AQS, which is expected to occur on or about April 7, 2017. No application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any other exchange.

C.7	Dividend policy	Upon Admission and assuming that there are sufficient distributable reserves available at that time, we intend to target a dividend of approximately 30% of the Group's consolidated net income each year, commencing in 2018 in respect of the fiscal year 2017, in accordance with the dividend policy approved by the Board of Directors on March 3, 2017. On that same date, the Company's extraordinary General Shareholders' Meeting approved the distribution of a cash dividend in the amount of €0.1153 per Share out of distributable reserves which has been fully paid as of the date of this Prospectus. Following such distribution, the Company does not expect to pay any further dividend in respect of the fiscal year 2016. Our expectations in relation to dividends, distributable reserves, business performance and market conditions are subject to numerous assumptions, risks and uncertainties, which may be beyond our control. We may revise our dividend policy from time to time.

Section D – Risks		
D.1	Key information on the key risks that are specific to the Group or its industry	**Risks related to our Business** • We are subject to risks related to our international operations. • We are dependent on a few large-volume customers for current and future revenues. The loss of any of these customers or the loss of market share by these customers could have a material adverse impact on us. • If we are not able to pass through the impact of the volatility of steel and energy prices to our OEM customers, our results of operations may be adversely affected. • Our inability to realize revenues expected from our awarded business or termination or non renewal of production purchase orders by our customers could materially and adversely impact our business, financial condition, results of operations and cash flows. • Certain decisions made by our joint ventures require consent from third parties that we do not control, and we do not control certain of our joint ventures. • We have invested substantial resources in markets where we expect growth, and we may be unable to timely alter our strategies should such expectations not be realized. • Product liability claims and warranty and recall costs could cause us to incur losses and damage our reputation. **Risks related to our Financial Profile** • Our level of indebtedness may make it difficult for us to service our debt and to operate our business. • We are subject to restrictive covenants under our debt facilities. These covenants could significantly affect the way in which we conduct our business. Our failure to comply with these covenants could lead to a default and acceleration of our debt and the foreclosure of the security created in respect of such indebtedness. • Foreign exchange rate fluctuations could cause a decline in our financial condition, results of operations and cash flows. • Our operations require capital expenditure at certain stages that would consume cash from our operations. • We require a significant amount of cash to service our debt and for other general corporate purposes. Our ability to generate sufficient

cash depends on many factors beyond our control.

- Tax audits or legal or regulatory claims or investigations against us could have a material adverse effect on our financial position.
- The value of our deferred tax assets could become impaired or we could be unable to utilize tax losses or manage other tax exposures, which could materially and adversely affect our operating results.
- Our insurance arrangements may not provide adequate insurance coverage.
- We have a significant amount of goodwill, which could result in a reduction in our net income and equity if impaired.
- Our hedging and other derivative arrangements may not effectively or sufficiently offset the negative impact of foreign exchange rate fluctuations.

Risks related to our Industry

- Disruptions in the automotive supply chain could have a material adverse impact on our business, financial condition, results of operations and cash flows.
- The automobile industry is highly cyclical, and cyclical downturns or secular shifts affecting the automotive industry could negatively impact our business, financial condition, results of operations and cash flows.
- A shift away from technologies in which we invest and changes in industry requirements, including in materials, could have a material adverse effect on our profitability and financial condition.
- We may have difficulty competing favorably in the highly competitive automotive parts industry generally and in certain product or geographic areas specifically, and such competition might impact our results.
- The workforce in the automotive industry is highly unionized, and if we fail to extend or renegotiate our collective bargaining agreements with our labor unions as they expire from time to time, or if our employees, or our customers' employees, engage in work stoppages and other labor problems, this could have a material adverse effect on our business. An increase in workforce remuneration as a result of a renegotiation of a bargaining agreement can reduce our profitability.
- We are subject to environmental and health and safety requirements and risks as a result of which we may incur significant costs, liabilities and obligations. In addition, significant changes in laws and governmental regulations could have an adverse effect on our business, financial condition and results of operations.
- We may face risks relating to climate change that could have an adverse impact on our business.
- We are exposed to certain risks regarding our intellectual property, its validity and the intellectual property of third parties.
- Our operations rely on complex IT systems and networks.

Risks related to our Shareholding Structure

- Our controlling shareholder will be able to exercise significant influence over us and we face certain risks relating to conflicts of interest between us and our controlling shareholder.
- We have in the past engaged, and expect in the future to engage, in transactions with our affiliates and affiliates of our controlling shareholder, some of which may not be in the future considered by

		third parties to be on an arm's-length basis. **Risks related to the Political, Regulatory and Macroeconomic Environment** • Economic downturns or a worsening of global economic and political conditions could have a material adverse effect on the demand for our products and on our profitability. • Continuing uncertainties and challenging political conditions in Spain, the European economy and the euro could intensify the risks faced by the automotive industry and our business, which could have a material adverse effect on our operations, financial condition and profitability. • We will have to face additional administrative requirements and implement adjustments to our internal control system as a result of the Shares becoming admitted to trading on the Spanish Stock Exchanges which we might not be able to face or implement adequately. **Other Risks** • Difficulties regarding the launch of new programs may adversely affect our business operations, financial position and operational results. • The inability for us, our customers or our suppliers to obtain and maintain sufficient capital financing, including working capital lines, and credit insurance may adversely affect our, our customers' and our suppliers' liquidity and financial condition. • Our inability to offset price concessions or additional costs from our customers could have an adverse effect on our profitability. • We may incur material costs related to plant closings, which could have a material adverse impact on our business, financial condition, results of operations and cash flows. • The construction and maintenance of our facilities entails certain risks. • There are integration and consolidation risks associated with potential future acquisitions. • Changes in accounting regulations and interpretations could affect our operating results and financial covenants. • We are exposed to risks in relation to compliance with antitrust and anti-corruption laws and regulations and economic sanction programs. • Our profitability could be negatively impacted if we are not able to maintain appropriate utilization of our workforce. • Loss of key personnel or executives and failure to attract qualified employees including management could limit our growth and negatively impact our operations. • Availability of skilled labor in some of the areas in which we operate could negatively impact our operations. • Natural disasters, mechanical failures, equipment shutdowns and technological breakdowns could disrupt our supply of products to our customers which could have a material adverse effect on our operations and profitability. • Terrorist attacks and other acts of violence or war or political changes in geographical areas where we operate may affect our business and results of operations.
D.2	Key information on the key risks that are specific to the shares	**Risks related to the Shares, the Offering and the Admission** • It cannot be assured that the Offering Price Range and the Offering Price will match the future price of the Shares following the Offering. • The market price of the Shares may fluctuate widely in response to

		different factors. • There is no prior trading market for our Shares and a liquid market for the Shares may fail to develop. • There can be no assurance that the Company will be able to make distributions to the Company's shareholders in the future. • Substantial sales of Shares by the Selling Shareholders or other shareholders, or the possibility of such sales, may affect the market price of the Shares. • Investors in this Offering may experience dilution of their ownership interest due to the future issuance of additional Shares or convertible securities. • Shareholders in countries with currencies other than the euro face additional investment risk from currency exchange rate fluctuations in connection with their holding of Shares. • Shareholders in certain jurisdictions may not be able to exercise their preferential subscription rights to acquire further Shares or participate in buy-backs. • In the event of the insolvency of the Company or our subsidiaries, our shareholders could suffer a total loss in the value of their Shares. • A suspension of trading in our Shares could adversely affect the share price. • It may be difficult for shareholders outside Spain to serve process on, or enforce foreign judgments against, the Company or the directors, for example, shareholders may face difficulties in protecting their interests because of differences in shareholders' rights and fiduciary responsibilities between Spanish laws and the laws of other jurisdictions, including most U.S. states.

Section E – Offering and Admission		
E.1	Total net proceeds of the Offering and estimated expenses	Pursuant to the Offering, the Selling Shareholders expect to raise gross proceeds of approximately €955.64 million (calculated assuming that the Offering Price is the mid-point of the Offering Price Range) in case that the Over-Allotment Option is not exercised, and of approximately €1,098.99 million (based on the same assumptions) in case that the Over-Allotment Option is exercised in full. The "Offering Price Range" is the non-binding price range per Offered Share in the Offering, which is between €5.60 and €6.70 per Offered Share and which has been determined without consultation of any independent expert. The maximum commissions payable by the Selling Shareholders related to the Offering (assuming full payment of the discretionary fee but excluding value added tax (or other equivalent sales taxes), which will be added where applicable) amount to approximately €23,628 thousand, calculated assuming that the Offering Price is the mid-point of the Offering Price Range. The maximum estimated expenses (other than commissions) payable by the Selling Shareholders and the Company in relation to the Offering (VAT excluded, which shall be added where applicable) amount to approximately €5,405 thousand and €3,243 thousand, respectively. The Selling Shareholders and the Company will not pass through to the

		investors any of the Offering expenses.
E.2	Reasons for the Offering and use of proceeds	The Selling Shareholders believe that the Offering is the natural next step in the long-term development of the Group. Becoming a publicly listed company will provide advantages to the Group, including enhanced transparency, corporate governance, as well as strengthen and institutionalize the relationships of the Group with its internal and external stakeholders, while broadening the shareholder base. The Selling Shareholders believe that the Offering will allow the Company to reach a free float higher than the minimum threshold of distribution of Shares required for their admission to trading on the Spanish Stock Exchanges. The Company will not receive any proceeds from the sale of the Offered Shares by the Selling Shareholders in the Offering.
E.3	Terms and conditions of the Offering	The Selling Shareholders are offering a number of Initial Offered Shares of up to 155,388,877 in the Offering, with a nominal value of €0.50 per share, representing 27% of our total issued ordinary share capital. Acek will grant the Stabilization Manager, acting on behalf of itself and the other Managers mentioned below, an option to purchase up to 23,308,331 Additional Shares, representing up to 15% of the total number of the Initial Offered Shares, exercisable, in whole or in part, for a period of 30 calendar days from the date on which the Shares commence trading on the Spanish Stock Exchanges to cover over-allotments, if any. The Selling Shareholders have engaged J.P. Morgan Securities plc, Morgan Stanley & Co. International plc, UBS Limited, Banco Santander, S.A., Deutsche Bank AG, London Branch, Société Générale, Banco Bilbao Vizcaya Argentaria, S.A., BNP PARIBAS and CaixaBank, S.A., as Managers, to distribute the Offered Shares in the Offering. In member states of the European Economic Area ("EEA"), the Offering consists of an offering not qualifying as a public offering for the purposes of the Prospectus Directive and only addressed to and directed at persons who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (including any relevant implementing measure in each relevant member state of the EEA, such as the restated text of the Spanish Securities Market Act approved by Royal Decree 4/2015, of October 23 (*Texto Refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) (the "Spanish Securities Market Act") and Royal Decree 1310/2005 of November 4 (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) (the "Royal Decree 1310/2005"). In addition, the Offering consists of an offering (i) in the United States to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A and (ii) outside the United States in compliance with Regulation S. The indicative non-binding Offering Price Range at which the Offered Shares are being offered in the Offering is between €5.60 and €6.70 per Offered Share, but the Offering Price may be outside this range. The Offering Price Range has been determined based on discussions and agreements between the Selling Shareholders and J.P. Morgan Securities plc, Morgan Stanley & Co. International plc and UBS Limited, as joint global coordinators (the "Joint Global Coordinators"), and no independent experts have been consulted in

determining the Offering Price Range.

The Offering Price of the Offered Shares will be determined upon the finalization of the book-building period (expected to be determined on or about April 5, 2017) and will be announced by the Company through the publication of a relevant fact (*hecho relevante*). No independent experts will be consulted in determining the Offering Price.

The Offering will be conducted through a book-building process expected to take place from March 23, 2017 after the registration of this Prospectus with the CNMV and until April 5, 2017. During the book-building period, the Managers will market the Initial Offered Shares among qualified investors in accordance with, and subject to, the selling restrictions set forth in this Prospectus. Investors may submit their purchase proposals during this period indicating the total amount in euro that they would be prepared to invest in purchasing the Offered Shares and, if applicable, the maximum purchase price at which they would be interested in acquiring them.

The book-building period may be reduced or extended by agreement of the Selling Shareholders and the Joint Global Coordinators if, in the first case, the book of demand is sufficiently covered in their view before the end of the book-building period or, in the second case, if they understand that an extension of the book-building period is appropriate to ensure the success of the Offering. In the event that there is such a reduction or extension of the book-building period, the Company will inform the market through the publication of a relevant fact *(hecho relevante)* and the subsequent steps in the tentative calendar of the Offering may be postponed or brought forward accordingly.

The purchase proposals made by investors during the book-building period will constitute only an indication of interest of the investors in the Initial Offered Shares and shall accordingly not be binding with respect to the amount in euro sought to be invested in the purchase of the Offered Shares and, if applicable, the price per Offered Share neither for the investors nor for the Selling Shareholders. Following the determination of the Offering Price and allocation of the Offered Shares to investors, allocatees will be notified by any of the Managers of both the Offering Price and the number of Offered Shares allocated to them and will be asked to confirm their purchase proposals. Once a purchase proposal has been confirmed by an investor it becomes irrevocable. Investors will be expected to confirm their purchase proposals to their custodian entities responsible for their "billing and delivery" including in their settlement instructions the 35 digits corresponding to each of the final investor's settlement account in *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal* ("Iberclear") and the 20 digits corresponding to each final investor's securities account in an Iberclear participant. Failure to furnish such instructions to their respective "billing and delivery" entities may result in investors not being allocated Initial Offered Shares or custodians not accepting settlement. The Company will bear any expenses payable to the Spanish Stock Exchanges and Iberclear deriving from the registration of the Shares under the name of the relevant investors.

The Company and the Selling Shareholders have discussed with the Joint Global Coordinators their principles for allocation, the factors they believe to be relevant to the allocation and pricing of the Offered Shares and have agreed the objectives and process for the allocation and pricing of the Offered Shares. The Joint Global Coordinators will take into account their prudential responsibilities to manage their risk properly when agreeing the allocation, pricing and timing.

The Selling Shareholders expressly reserve the right to withdraw the Offering, postpone it, defer it, or suspend it temporarily or indefinitely for any reason at

		any time before the setting of the Offering Price. In addition, the Offering may be revoked upon the occurrence of certain circumstances including the occurrence of customary termination provisions to be set forth in an underwriting agreement to be entered into by the Company, the Selling Shareholders and the Managers participating in the Offering.
E.4	Material interests in the Offering	Each of the Managers is a full service financial institution engaged in various activities, which may include the provision of investment banking, commercial banking, financial advisory and other services. The Managers and their respective affiliates in the ordinary course of business have in the past engaged in transactions with and performed various lending, trading, investment banking, financial advisory and other services for the Company, the Selling Shareholders and their respective affiliates, and other companies where the Selling Shareholders hold minority equity interests carrying significant influence, for which they received or may receive customary fees and reimbursement of expenses, and the Managers and their respective affiliates may provide such services for the Company, the Selling Shareholders and their respective affiliates, and other companies where the Selling Shareholders hold minority equity interests carrying significant influence, in the future. Moreover, in the ordinary course of their various business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments, including corporate debt facilities or debt securities, of the Group and the Selling Shareholders. Certain of the Managers or their affiliates are or may in the future be lenders or agents or managers for the lenders under credit facilities or other credit arrangements of the Company, the Selling Shareholders or their respective affiliates and provide or may provide performance and other guarantees to the Group. In particular, each of Banco Santander, Deutsche Bank, Société Générale, BBVA, BNP PARIBAS and CaixaBank are lenders and/or agents under a senior facilities agreement entered into with the Company as borrower. Banco Santander, Deutsche Bank, Société Générale, BBVA, BNP PARIBAS and CaixaBank acted, among others, as joint bookrunners in the offering of the 2023 notes issued by Gestamp Funding Luxembourg S.A. and guaranteed by, among others, the Company, for which they received customary fees and reimbursement of expenses. Morgan Stanley advised Mitsui in its acquisition of a 30% stake in our operations in North America and Mercosur in January 2013. Société Générale acted as joint bookrunner in the capital increase of approximately €93 million by an accelerated book-bulding of CIE Automotive, S.A., a company in which Acek holds a 24.82% stake, in June 2014. Société Générale also acted as joint global coordinator and joint bookrunner in the initial public offering of Global Dominion Access, S.A., a company in which Acek holds a 6.639% stake and in which CIE Automotive, S.A. holds a 50.01% stake, in April 2016. CaixaBank is acting as Agent Bank in the Offering. It is expected that Banco Português de Investimento, S.A. through an agreement with CaixaBank, S.A. will take part in the marketing activities of the Offering,

		although it will not be a party to the Underwriting Agreement and it will not receive any commission from the Company or the Selling Shareholders. Other than the arrangements described above, the Managers do not consider any further arrangements to be material in the context of the Offering. We are not aware of any person intending to acquire Shares representing more than 5% of our total issued ordinary share capital.
E.5	Entities offering the shares and lock-up arrangements	The Shares are being offered by the Selling Shareholders as disclosed in B.6 above. The Company will agree in the Underwriting Agreement that, subject to certain exceptions, for a period starting on the date of the Underwriting Agreement through 180 days after Admission, it will not, without the prior written consent of the Joint Global Coordinators, issue, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Shares (or any interest herein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing. The Selling Shareholders, Gestamp 2020 and the Group employees will agree in the Underwriting Agreement or in a separate lock-up letter to similar restrictions, subject to certain exceptions, for a period starting on the date of the Underwriting Agreement through 180 days (or 360 days in case of Group employees) after admission of the Shares to trading on the Spanish Stock Exchanges.
E.6	Dilution	Non-applicable. As the Offering is all secondary, it will not involve any dilution effect.
E.7	Expenses charged to the investors	The Company and the Selling Shareholders will not charge investors any expenses in addition to the Offering Price. Purchasers of the Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the Offering Price. In addition, purchasers will have to bear the commissions payable to the financial intermediaries through which they purchase or will hold the Shares.

RISK FACTORS

Investing in the Shares involves a high degree of risk. You should carefully consider the following risks and uncertainties, together with the other information provided to you in this Prospectus, in deciding whether to invest in the Shares.

The following risks and uncertainties address risks that the we have identified as material to us and/or the value of the Shares, but this is not an exhaustive list or explanation of all risks and uncertainties which investors may face when making an investment in the Shares. Additional risks or uncertainties relating to the Company that are not currently known to us, or that we currently deem immaterial, could also adversely affect the Company and/or the value of the Shares.

Any of the following risks and uncertainties could have a material adverse effect on the Company's business, results of operations, financial condition and cash flows. The market price of the Shares could decline due to any of these risks and uncertainties, and you could lose all or part of your investment.

I. Risks Related to the Issuer and its Industry

Risks related to our Business

We are subject to risks related to our international operations.

Spain continues to be a significant market for our business, representing 17.5% of our revenues for the year ended December 31, 2016; however, since our inception we have expanded our global footprint worldwide. Our international operations include manufacturing facilities and sales of our products in, among other locations, the United States (which accounted for 15.3% of our total revenue in 2016), certain European countries (for example, Germany and the United Kingdom, each of which accounted for 13.8% and 8.9% of our revenues in 2016, respectively), China, Mexico, Brazil, India, Argentina and Russia (each of which accounted for 9.5%, 5.2%, 3.3%, 2.2%, 2.1%, 1.4% of our revenues in 2016, respectively) and we may expand our business to other countries in the future. As a result, our international operations in such markets are subject to various risks that could have a material adverse effect on those operations and our business as a whole, including but not limited to:

- exposure to local economic and social conditions, including logistical and communication challenges;

- exposure to local political conditions, including political disputes, requirements to expend a portion of funds locally and governmental industrial cooperation requirements, coups, the risk of seizure of assets by a foreign government, increased risk of fraud and political corruption, terrorism, acts or war or similar events;

- exposure to local public health issues and the resultant impact on economic and political conditions;

- exposure to potentially undeveloped legal systems which make it difficult to enforce contractual rights and to potentially adverse changes in laws and regulatory practices, including grants, adjudications, concessions, among others;

- exposure to local tax requirements and obligations, as well as tax inefficiencies associated with the lack of double taxation treaties between Spain and the country where the revenue and net income is generated;

- exposure to different effective tax rates in each country in which we conduct business such that changes in our mix of earnings between jurisdictions with lower tax rates and those with higher tax rates could have a material adverse effect on our profitability;

- foreign currency exchange rate fluctuations and currency controls;

- greater risk of uncontrollable accounts and longer collection cycles;

- the risk of government-sponsored competition;

- difficulty in staffing and managing widespread operations and in attracting and retaining qualified management and employees, while continuing to further rationalize our work force;

- compliance with a variety of U.S. and other foreign laws, as well as European laws affecting the activities of European companies abroad, including compliance with anti-corruption and economic sanctions regulations;

- controls on the repatriation of cash, including the imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries; and

- imposition of tariffs and embargoes, export and import restrictions, licensing requirements, other trade restrictions and the implementation of other protectionist political measures that could affect our OEM customers.

While these factors or the effect of these factors are difficult to predict, adverse developments in one or more of these areas could materially adversely affect our business, results of operations, financial condition and cash flows.

We are dependent on a few large-volume customers for current and future revenues. The loss of any of these customers or the loss of market share by these customers could have a material adverse impact on us.

Although we supply our products to several of the leading automobile manufacturers and the sales deriving from any one vehicle model do not represent a material proportion of our consolidated revenue, we depend on certain large-volume customers for a significant proportion of our revenues, as is common in our industry. For example, for the year ended December 31, 2016, Volkswagen, Daimler and Renault Nissan represented 21.8%, 11.9% and 10.8% of our consolidated revenues (excluding tooling), respectively and our top 12 OEM customers (Volkswagen, Daimler, Renault Nissan, Ford, BMW, PSA, General Motors, Fiat, Tata JLR, Geely-Volvo, Honda and Toyota) together accounted for 87.4% of our consolidated revenues (excluding tooling). The loss of all or a substantial portion of our sales to any of our large-volume customers could have a material adverse effect on our business, financial condition, results of operations and cash flows by reducing cash flows and by limiting our ability to spread our fixed costs over a larger revenue base.

We may realize fewer sales to these customers for a variety of reasons, including, but not limited to the loss of awarded business, the termination of our supply agreements, a reversal of the customers' trend to outsource and an increase in insourcing business they have traditionally outsourced to us, the entrance of new competitors or a reduction of demand for their products due to, among othermacroeconomic factors, disruptive business models affecting final consumer preferences, damage to their reputation, bankruptcy or insolvency.

For example, the reputation of certain OEMs has been substantially damaged as a result of ongoing investigations by environmental authorities worldwide (including, *inter alia*, Australia, Brazil, Canada, China, France, Germany, India, the EU and the United States) in relation to the potential manipulation of CO_2 emissions control systems which had been installed by certain OEMs for the purposes of manipulating laboratory CO_2 emissions testing.

Any further consolidation in the OEM space could also affect our business negatively. For example, PSA has recently acquired the Vauxhall/Opel brands from General Motors, becoming the second largest OEM in Europe after Volkswagen. Although we believe that the merged group will be focused on suppliers that are well positioned with both OEMs, and both PSA and Opel are significant customers for us, there is no assurance that we will continue to be one of the suppliers of choice for the merged group.

Additionally, financial difficulties experienced by any major customer could have a material adverse impact on us if such customer were unable to pay for the products we provide, materially reduced its capital expenditure on, and resulting demand for, new product lines, or if we otherwise experienced a loss of, or material reduction in, business from such customer.

As a result of such potential difficulties, we could experience a decrease in revenues, material write-offs of accounts receivable, significant impairment charges or additional restructurings beyond the steps we have taken to date, which individually or together, could have a material adverse effect on our business, financial condition and results of operations.

If we are not able to pass through the impact of the volatility of steel and energy prices to our OEM customers, our results of operations may be adversely affected.

Raw materials represent on average approximately 40% of our sales over the past three years, with steel comprising over 90% of our raw material purchases. Approximately 60% of our steel by cost is typically purchased through OEM re-sale programs, while the remainder is purchased through contracts with steel suppliers that we negotiate. See "Risk Factors— We have in the past engaged, and expect in the future to engage, in transactions with our affiliates and affiliates of our controlling shareholder, some of which may not be in the future, considered by third parties to be on an arm's-length basis", below.

An increase or decrease in steel prices can affect our results. Although the practice of OEM price adjustments in accordance with raw material fluctuations has historically limited the impact of steel price volatility on our results, there is no guarantee that we will be able to continue to achieve that goal. Parts that we produce which use steel not subject to re-sale programs do not have any contractual provisions for passing through the price of steel to OEMs and, while market practice has historically been for OEMs to adjust pricing on those products in a way consistent with the adjustments made for products subject to re-sale programs, there are no assurances that this will continue in the future.

We sell scrap steel in secondary markets in which, typically, the price of scrap steel fluctuates in line with fluctuations in steel prices. We generally share our recoveries from sales of scrap steel with our OEM customers either through scrap sharing agreements where we are on resale programs, or in the product pricing that we negotiate with OEMs where we purchase steel directly from the outside of re-sale programs. Thus, we may be impacted by fluctuations in scrap steel prices in relation to our various customer agreements.

Though energy and utilities represent a small proportion of our operating costs, and although the cost of energy and raw materials has been subject to significant declines since early 2015, if costs of raw materials and energy rise, and if we are not able to undertake cost saving measures elsewhere in our operations or increase the selling prices of our products, we will not be able to compensate such cost increases, which could have a material adverse effect on our business, financial condition and results of operations.

Our inability to realize revenues expected from our awarded business or termination or non-renewal of production purchase orders by our customers could materially and adversely impact our business, financial condition, results of operations and cash flows.

The realization of future revenues from awarded business is inherently subject to a number of important risks and uncertainties, including the number of vehicles that our customers will actually produce and the timing of that production.

Typically the terms and conditions of the agreements with our customers do not include committed minimum purchase volumes. Thus, there can be no assurance that we will continue to supply our customers in the future with a volume of our products similar to the volume we have supplied to them in the past or at all. In addition, such contracts typically provide customers with a unilateral termination right at their convenience including in instances where we fail to comply with certain obligations under these supply contracts, such as compliance with technical specifications and qualification requirements, delivery schedules or change of control clauses. If such contracts are terminated by our customers, our ability to obtain compensation from our customers for such termination is generally limited to the direct out-of-pocket costs that we incurred for raw materials and work-in-progress and in certain instances, undepreciated capital expenditures. Further, there is no guarantee that our customers will renew their purchase orders with us.

Our results of operations could be materially adversely impacted in the future if we are unable to realize revenues from our awarded business, if our customers cancel awarded business or if our customers fail to renew their contracts with us.

Certain decisions made by our joint ventures require consent from third parties that we do not control, and we do not control certain of our joint ventures.

We have a number of strategic partnerships, joint ventures and alliances, and our ownership stake in these arrangements is such that, even if we own a majority interest in such venture, we may be required to seek consent from third parties in order to make certain decisions but our interests may not always be aligned. In 2016, our consolidated earnings derived from our largest joint ventures were €51.4 million, representing 23.2% of our consolidated earnings for the year, with our subconsolidated Mexican group, which includes Gestamp Holding México, S.L., our joint venture with Mitsui, and our joint venture with Beyçelik, A.S. in Turkey, each accounting for €13.4 million and €10.8 million of our consolidated earnings (see Note 18 of our consolidated financial statements as of and for the year ended December 31, 2016). For example, while as of December 31, 2016, we owned 70% of our joint venture with Mitsui (as defined in "Certain terms and conventions"), the shareholders' agreement governing that joint venture provides for certain reserved matters on which both, us and Mitsui must agree. In addition, while as of December 31, 2016, we owned approximately 58% of our joint venture with JSC Severstal and Severstal Trade GesmbH in Russia, the agreement governing that joint venture provides for certain reserved matters on which both we and Severstal must agree. There have no been changes in our ownership shareholding in these joint ventures since December 31, 2016.

Furthermore, we do not control or have a majority interest in certain other of our joint ventures. For example, we are part of a Turkish joint venture in Beyçelik in which we have a 50% interest. There can be no assurance that the arrangements will be successful and/or achieve their planned objectives. The performance of all such operations in which we do not have a controlling interest will depend on the financial and strategic support of the other shareholders. Such other shareholders may make ill-informed or inadequate management decisions, or may fail to supply or be unwilling to supply the required operational, strategic and financial resources, which could materially adversely affect these operations. If any of our strategic partners were to encounter financial difficulties, change their business strategies or no longer be willing to participate in these strategic partnerships, joint ventures and alliances, our business, financial condition and results of operations could be materially adversely affected.

Moreover, in some of the businesses operated under these joint ventures, we may not have the power to control the payment of dividends or other distributions, so even if the business is performing well, we may not be able to receive payment of our share of any profits. In addition, we may have agreed to certain financing commitments or restrictions on transferability of the shares. Finally, there could be circumstances in which we may wish or be required to acquire the ownership interests of our partners in our joint ventures. There can be no assurance that we will have access to the funds necessary to do so, on commercially reasonably terms or at all.

We have invested substantial resources in markets where we expect growth, and we may be unable to timely alter our strategies should such expectations not be realized.

Our future growth is partly dependent on our making the right investments at the right time to support product development and manufacturing capacity in areas where we can support our customer base. We have identified certain markets including North America, Asia, Mercosur and Eastern Europe as key markets where we are likely to experience substantial growth, and accordingly have made and/or expect to make certain investments, both directly and through participation in various partnerships and joint ventures to support anticipated growth in those regions. If we are unable to deepen existing and develop additional customer relationships in these regions, we may not only fail to realize expected rates of return on our investments, but we may incur losses on such investments and be unable to timely redeploy the invested capital to take advantage of opportunities available in other markets, potentially resulting in lost market share to our competitors. Our results may also suffer if these regions do not grow as quickly as we anticipate. For example, a slower than expected growth of economies of emerging markets such as China, Russia and Brazil, where we have significant operations, may have a material impact on our results of operations in these countries, and their effects remain unpredictable.

Product liability claims and warranty and recall costs could cause us to incur losses and damage our reputation.

Many of our products are critical to the structural integrity of a vehicle. As such, we face an inherent business risk of exposure to product liability claims in the event of the failure of our products to perform to specifications, or if our products are alleged to result in property damage, bodily injury or death. We are generally required under our customer contracts to indemnify our customers for product liability claims in respect of our products. Accordingly, we may be materially and adversely impacted by product liability claims.

Although major defects in our products tend to be discovered during the manufacturing process or early in the supply chain, if any of our products are, or are alleged to be, defective, we may be required to participate in a recall involving those products. In addition, our customers demand that we bear the cost of the repair and replacement of defective products that we have manufactured which are either covered under their warranty or are the subject of a recall by them. Currently, under most customer agreements, we only account for existing or probable warranty claims. Under certain complete vehicle engineering and assembly contracts, we record an estimate of future warranty-related costs based on the terms of the specific customer agreements and the specific customer's warranty experience. Warranty provisions are established based on our best estimate of the amounts necessary to settle existing or probable claims on product defect issues. Recall costs are costs incurred when government regulators or our customers decide to recall a product due to a known or suspected performance issue and we are required to participate either voluntarily or involuntarily. We might be the cause of a vehicle recall, be required to participate in product recalls or bear the cost of liability damages. Further, we may have no warranty and recall data which allows us to establish accurate estimates of, or provisions for, future warranty or recall costs relating to new products, assembly programs or technologies being brought into production. In addition, we have limited insurance covering product recalls. The obligation to repair or replace such products could have a material adverse effect on our profitability and financial condition.

A decrease in the actual or perceived quality of our products could damage our image and reputation or our OEMs' confidence in us and their reliance on our products. We could also be subject to claims from our customers due to the delivery of defective products which could result in loss of sales, loss of customers and loss of market acceptance. In turn, any major defect in one of our products could also have a material adverse effect on our reputation and market perception, which in turn could have a material adverse effect on our sales and results of operations.

Risks related to our Financial Profile

Our level of indebtedness may make it difficult for us to service our debt and to operate our business.

We have a significant amount of indebtedness. As of December 31, 2016, we had €2,106.3 million of indebtedness, of which €1,681.1 million were under long-term loan agreements and €425.2 million were under short-term loan agreements. Our Ratio of Net Financial Debt to shareholder's equity is 87.2% (see "Capitalization and Indebtedness"). We anticipate that our level of indebtedness will remain at these levels or increase for the foreseeable future as we continue to pursue our capital expenditure programmes. Our level of indebtedness may have important negative consequences, which include, but are not limited to, the following:

- making it more difficult for us and our subsidiaries to satisfy our obligations with respect to our debt;
- requiring that a substantial portion of the cash flow from operations of our operating subsidiaries be dedicated to debt service obligations, reducing the availability of cash flow to fund internal growth through working capital and capital expenditures, and for other general corporate purposes;
- increasing our vulnerability to economic downturns in our industry;
- exposing us to interest rate increases;
- placing us at a competitive disadvantage compared to our competitors that have less debt in relation to cash flow;
- limiting our flexibility in planning for or reacting to changes in our business and our industry;
- restricting us from pursuing strategic acquisitions or exploiting certain business opportunities; and
- limiting, among other things, our and our subsidiaries' ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

An actual or impending inability by us or our subsidiaries to pay debts as they become due and payable could result in our insolvency.

We are subject to restrictive covenants under our debt facilities and debt instruments. These covenants could significantly affect the way in which we conduct our business. Our failure to comply with these covenants could lead to a default and acceleration of our debt and the foreclosure of the security created in respect of such indebtedness.

The Senior Facilities Agreement, the indenture governing the 2023 notes and the EIB Loan (both as defined in "Certain term and conventions") contain restrictions that substantially limit our financial and operational flexibility and that of our subsidiaries. In particular, these agreements place limits on our ability to incur additional indebtedness; grant security interests to third persons; dispose of material assets; undertake organizational measures such as mergers, changes of corporate form, joint ventures or similar transactions; and enter into transactions with related parties. For a description of the financial undertakings and covenants to which we are subject as a result of our financing arrangements see "Material Contracts—Senior Facilities Agreement—Undertakings", "Material Contracts—Senior Facilities Agreement—Financial covenants", "Material Contracts—2023 Notes" and "Material Contracts—The European Investment Bank Loan".

Certain of our debt facilities also require compliance with specified financial covenants, including minimum interest coverage and maximum leverage ratio. Our ability to comply with the applicable covenants and to meet the relevant tests may be affected by events beyond our control and, as a result, there can be no assurance that we will be able to comply with these covenants and/or meet these tests. Our failure to comply with these restrictive covenants and with these obligations could lead to a default under the Senior Facilities Agreement, the indenture governing the 2023 notes or the EIB Loan unless we can obtain waivers or consents in respect of any breaches of these obligations thereunder which would permit the lenders to terminate their commitments to extend debt under, and accelerate the maturity of, the relevant facility. There can be no assurance that these waivers or consents will be granted. In the event of any default under the Senior Facilities Agreement, the indenture governing the 2023 notes or the EIB Loan, all outstanding borrowings, together with accrued interest, fees and other amounts due thereunder, could immediately become due and payable. We may not have sufficient funds to make these accelerated payments and may not be able to obtain any such waiver on acceptable terms or at all. Moreover, the acceleration of any portion of our indebtedness could result in the acceleration of other of our debt instruments unrelated to the foregoing as a result of the customary cross-acceleration provisions contained therein. The acceleration of debt could have a material adverse effect on our financial condition and liquidity. If the debt thereunder or any other debt that we may incur in the future were to be accelerated, the security interest created over certain of our assets, including the shares of some of our Spanish subsidiaries, to secure certain of such indebtedness could be foreclosed, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. In the event of an acceleration of our indebtedness there can be no assurance that our assets would be sufficient to repay such debt in full.

Foreign exchange rate fluctuations could cause a decline in our financial condition, results of operations and cash flows.

Although our reporting currency is the Euro, a portion of our sales and operating costs are realized in other currencies, such as the U.S. Dollar, the pound sterling, the Chinese Yuan, the Russian Ruble, the Brazilian Real, the Argentinian Peso, the Turkish Lira, the Mexican Peso, the Indian Rupee, the Czech Corona, the Polish Zloty, the Swedish Crown, the Hungarian Forint, the Korean Won, the Japanese Yen and the Thai Baht. In the year ended December 31, 2016, €4,583.3 million of our revenues (which represented approximately 60.7% of our revenue for that period) on a consolidated basis, were generated in currencies other than the Euro, in particular, €1,153.8 million or 15.3% were generated in U.S. dollar, €719.6 million or 9.5% were generated in Chinese Yuan and €670.8 million or 8.9% were generated in pound sterling.

Significant long-term fluctuations in relative currency values including due to local economic instability, and in particular a significant change in the relative values of the U.S. Dollar, the pound sterling, the Chinese Yuan, the Russian Ruble, the Brazilian Real, the Argentinian Peso, the Turkish Lira, the Swedish Crown and the Mexican Peso could have a material adverse effect on our profitability and financial condition, and any sustained change in such relative currency values could adversely impact our competitiveness in certain geographic regions.

In some cases, we are subject to risk of appreciation of the foreign currency in which our costs are paid against the currency in which we generate revenues because the appreciation effectively increases our cost in that country. In addition, the financial condition, results of operations and cash flows of some of our operating entities are reported in foreign currencies and then translated into Euros at the applicable foreign exchange rate for inclusion in our consolidated financial statements. As a result, appreciation of the Euro against these foreign currencies generally will have a negative impact on our reported revenues and profits while depreciation of the Euro against these foreign currencies will generally have a positive effect on reported revenues and profits.

Moreover, in jurisdictions where the prevailing currency is subject to significant volatility, we seek to nominate an alternative functional currency in the contracts we enter into, typically either the Euro or U.S. Dollar, in order to minimize the impact of any exchange rate fluctuations. In the year ended December 31, 2016, we had a negative impact on our balance sheet of €35.5 million as a result of foreign exchange rate translations to our reporting currency, mainly due to the exchange rate fluctuation of the pound sterling, the Polish Zloty and the Chinese Yuan (each with a negative impact of €24.5 million, €24.4 million and €15.4 million, respectively).

According to a sensitivity analysis of the impact of currency fluctuations in our profits, the currencies which fluctuation would have a bigger impact on our profits would be the Chinese Yuan, the Swedish Crown and the Polish Zloty. A 5% fluctuation in the exchange rate of the Chinese Yuan, the Swedish Crown and the Polish Zloty would have a positive or negative impact on our profits of €2.0 million, €1.3 million and €1.1 million, respectively. For a sensitivity analysis of the impact of currency fluctuations in our profits, see “Operational and Financial Review and Prospects—Market risks—Foreign currency risks”.

Our operations require capital expenditure at certain stages that would consume cash from our operations.

In order to set up and maintain production lines for existing and new projects, from time to time, we make certain operational and maintenance related capital expenditures for our facilities, and build new facilities or increase capacity in existing ones. The construction period for new manufacturing facilities (or expansions of existing facilities) typically ranges between 12 and 24 months. The cash used in investments in property, plant and equipment associated with the construction and equipment of a new manufacturing facility typically ranges between €40 million and €70 million. Therefore, our ability to make such operational and maintenance capital expenditures and to build new facilities or increase capacity at existing ones largely depends on cash flow from our operations and access to capital. We intend to continue to fund our cash needs through cash flow from operations and to maintain our level of capital expenditure as a percentage of revenues in line with average 2013 to 2016 until 2018, to decline moderately thereafter as a percentage of revenues. However, there may be unforeseen capital expenditure needs which could consume a significant amount of cash from operations and thus adversely affect our financial position, or for which an adequate amount of capital may not be available to us on a timely basis or at all, which could affect our ability to construct or maintain manufacturing facilities. The timing of potential required capital expenditures also may cause fluctuations in our operational results. Any of the above factors could have a material adverse effect on our business, financial condition and results of operations.

We require a significant amount of cash to service our debt and for other general corporate purposes. Our ability to generate sufficient cash depends on many factors beyond our control.

Our ability to make payments on our debt, and to fund working capital and capital expenditures, will depend on our future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control, as well as the other factors discussed in these “Risk Factors” and elsewhere in this Prospectus.

As of December 31, 2016, our long-term indebtedness consisted primarily of (i) the 2023 notes, (ii) the Senior Facilities Agreement, including a revolving credit facility in an amount of €280.0 million which remained undrawn as of such date, (iii) the EIB Loan and (iv) €575.4 million in credit lines of which €118.1 million were drawn as of December 31, 2016. In addition we have registered a commercial paper programme to be listed in the Spanish Alternative Fixed-Income Market (*Mercado Alternativo de Renta Fija* or MARF) under which we may issue commercial paper for a maximum outstanding balance of €150 million. Other than the 2023 notes, our borrowings under those instruments bear interest at floating rates, exposing us to risks from fluctuations in market interest rates.

Our business may not generate sufficient cash flows from operations, and additional debt and equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, or to fund our other liquidity needs. For a discussion of our cash flows and liquidity, please see “Operating and Financial Review”.

If our future cash flows from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures, including in terms of funding our R&D expenditures, which could affect our continued technological leadership;

- sell assets;

- obtain additional debt or equity financing; or

- restructure or refinance all or a portion of our debt on or before maturity.

We may not be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of our debt, including the Senior Facilities Agreement, the 2023 notes and the EIB Loan, and any future debt that we may incur, may limit our ability to pursue any of these alternatives.

Tax audits or legal or regulatory claims or investigations against us could have a material adverse effect on our financial position.

From time to time, we may become involved in tax audits, legal or regulatory proceedings, claims or investigations, including those conducted by national or regional tax authorities, governmental bodies, customers, suppliers, former employees, class action plaintiffs and others. On an ongoing basis, we attempt to assess in advance the likelihood of any adverse judgments or outcomes to these proceedings or claims, although it is difficult to predict final outcomes with any degree of certainty.

We have not been subject to materially adverse tax audits in the past. Although we have followed in the past and intend to follow in the future a prudent approach in our tax position and our compliance with tax laws and regulations, there is no assurance that we have complied or will comply with such laws at all times and, as a result, we could be subject to fines and penalties that could have a material adverse effect on our business, financial condition or results of operations in the jurisdictions where we are present. For example, as of December 31, 2016, we have contingent liabilities in an amount of €27.4 million associated with tax audits in Brazil that relate to tax payable on the historical sales of our products, for which we have not booked any provision in our financial statements for 2016.

The nature of our operations subjects us to various statutory compliance and litigation risks under health, safety and employment laws. We cannot guarantee that there will be no accidents or incidents suffered by our employees, our contractors or other third parties on our sites. If any of these incidents occur, we could be subject to prosecutions and litigation, which may lead to fines, penalties and other damages being imposed on us and may harm our reputation.

Except as disclosed in our consolidated financial statements, we do not believe that any of the proceedings or claims to which we are party will result in costs, charges or liabilities that will have a material adverse effect on our financial position. However, we cannot assure you that the costs, charges and liabilities associated with these matters will not be material, or that those costs, charges and liabilities will not exceed any amounts reserved for them in our consolidated financial statements. In future periods, we could be subject to cash costs or non-cash charges to earnings if any of these matters are resolved unfavorably to us.

We and some of our subsidiaries are subject to the tax legislation of Bizkaia (one of the three Historical Territories of the Basque Country), pursuant to the Economic Agreement with the Basque Country, approved by Law 12/2002, of May 23, as (i) we have our tax domicile in Basque Country and (ii) our revenues (volumen de operaciones) earned in the common territory of Spain (i.e. the rest of Spain) do not exceed specific thresholds (i.e. less than 75% of the total revenues for each entity). However, depending on the revenue generated by these entities in the Spanish common territory going forward, it cannot be discarded that we and our subsidiaries may become subject to the Spanish Corporate Income Tax applicable in the common territory of Spain in subsequent tax years. In that event, although the laws applicable in Bizkaia and the common territory of Spain are similar, there are some differences that may have an impact on the taxation of the companies, including, amongst others, the deductibility of the expenses estimated by us and our subsidiaries resident in the Basque Country (in particular, as to net financial expenses), the applicable tax rate or certain tax credits and incentives.

The value of our deferred tax assets could become impaired or we could be unable to utilize tax losses or manage other tax exposures, which could materially and adversely affect our operating results.

As of December 31, 2016, we had approximately €273.4 million in net deferred income tax assets. These deferred tax assets include net operating loss carry forward that can be used to offset taxable income in future periods and reduce income taxes payable in those future periods. We periodically determine the probability of the realization of deferred tax assets, using significant judgments and estimates with respect to, among other things, historical operating results, expectations of future earnings and tax planning strategies. If we determine in the future that there is not sufficient positive evidence to support the valuation of these assets, due to the factors described above or other factors, we may be required to write down all or a portion of our deferred tax assets. We may also be materially and adversely affected by any changes in the applicable tax legislation, leading to future limitations to our capacity to carry forward our losses. Such a reduction could result in material non-cash expenses in the period in which the we are required to write down our deferred tax assets and could have a material adverse effect on our results of operations. Our ability to utilize our net operating loss carry forwards may be limited or delayed. In addition, adverse changes in the underlying profitability and financial outlook of our operations in several foreign jurisdictions could lead to changes in our valuation allowances against deferred tax assets and other tax accruals that could adversely affect our financial results.

Further, we have incurred losses in some countries which we may not be able to fully or partially offset against income we have earned or may earn in the future. In some cases, we may not be able to utilize these losses at all if we cannot generate profits in those countries or if we have ceased conducting business in those countries altogether. Our inability to utilize material tax losses could materially adversely affect our profitability. At any given time, we may face other tax exposures arising out of changes in tax laws, tax reassessments or otherwise. For example, we will have to follow and implement measures to comply with the Spanish Good Tax Practices Code ("*Código de Buenas Prácticas Tributarias*"). To the extent we cannot implement measures to offset these exposures, they may have a material adverse effect on our profitability.

Our insurance arrangements may not provide adequate insurance coverage.

We currently have insurance arrangements in place for products and public liability, property damage, business interruption (including for sudden and unexpected environmental damage). Although we believe that we maintain an adequate insurance coverage, these insurance policies may not cover all losses or damages resulting from the materialization of any of the risks we are subject to. Further, significant increases in insurance premiums could reduce our cash flow. It is also possible in the future that insurance providers may no longer wish to insure businesses in our industry against certain occurrences.

In 2016, we paid €9.7 million in insurance premia.

We have a significant amount of goodwill, which could result in a reduction in our net income and equity if impaired.

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. IFRS requires that goodwill be periodically evaluated for impairment based on the fair value of the reporting unit. Declines in our profitability or the value of comparable companies may impact the fair value of our reporting units, which could result in a write-down of goodwill and a reduction in net income.

As of December 31, 2016, we had approximately €110.5 million of goodwill on our consolidated balance sheet, representing 1.72% of our total assets, that could be subject to impairment. In addition, if we acquire new businesses in the future, we may recognize additional goodwill, which could be significant. Any future impairment charge on our goodwill could have a material adverse effect on our financial position and results of operations in the period of recognition.

Our hedging and other derivative arrangements may not effectively or sufficiently offset the negative impact of foreign exchange rate fluctuations.

As of December 31, 2016, we had no derivative financial instruments to hedge the exchange rate risks in place but we enter into hedging and other derivative arrangements from time to time. For a further discussion on foreign currency risk, see "Operating and financial review—Foreign currency risk". We may use a combination of natural hedging techniques and financial derivatives aimed at protecting us against certain foreign currency exchange rate risks to which we are exposed. Because hedging may be subject to certain external market events that may limit our capacity to protect ourselves from such foreign currency exchange risk, our hedging activities may prove to be ineffective or may only offset a portion of the adverse financial impact resulting from foreign currency variations. Gains or losses associated with hedging activities also may negatively impact operating results.

Risks related to our Industry

Disruptions in the automotive supply chain could have a material adverse impact on our business, financial condition, results of operations and cash flows.

The automotive supply chain is subject to disruptions because we, along with our customers and suppliers, attempt to maintain low inventory levels. In addition, our plants are typically located in close proximity to our OEM customers, in order to employ a just-in-time production model. We bear any disruption risk in our just-in-time manufacturing arrangements and as a result of the shorter lead time in such arrangements, are particularly affected by any disruption in the supply chain which could result in our inability to deliver our products on time or at all.

Disruptions could be caused by various factors, such as closures of one of our plants or our suppliers' plants or critical manufacturing lines due to strikes, mechanical breakdowns, electrical outages, fires, explosions or political upheaval, as well as logistical complications due to, among other factors, weather, earthquakes, or other natural or nuclear disasters, mechanical failures, delayed customs processing. In addition, we are dependent on a very limited number of suppliers for certain of our raw materials such as steel and any disruption in our ability to purchase such raw materials on a timely basis or at all could adversely affect our ability to deliver our products. Most of the steel we purchase, whether through re-sale or non-re-sale programs, is not supplied directly by steel producers but through steel service centers, such as Gonvarri (Acek's related party), which process the steel purchased from the mills. These steel service centers charge for their activities (e.g., cutting, blanking, slitting, material management, etc.) plus the "pass through" of the price paid for the raw materials they process. Our main steel supplier (in terms of steel service centers) is Gonvarri which represented on average 30% of our total steel purchases over the past three years. Other than Gonvarri, no other steel services company comprises a material percentage of the steel we purchase, as the sector is highly fragmented. In the year ended December 31, 2016, we purchased from Gonvarri a total of €842.9 million of steel, representing 33% of our steel purchases, and €57.7 million directly from ArcelorMittal (not including steel supplied to us through steel service centers), representing 2% of our steel purchases. It is estimated that, in 2017, consideration paid to our main steel suppliers will be similar to the 2016 level, with some variation in accordance to our volume of sales and steel price fluctuations.

If we are the cause of a customer being forced to halt or delay production, such customer may seek to claim all of its losses and expenses from us. In addition, our inability to deliver products on time or at all could impact our reputation and credibility. We have experienced disruptions in the past and we may experience additional disruptions in the future, and as a result, any such disruptions affecting us or caused by us could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The automobile industry is highly cyclical, and cyclical downturns or secular shifts affecting the automotive industry could negatively impact our business, financial condition, results of operations and cash flows.

The volume of automotive production and the level of new vehicle purchases regionally and worldwide are cyclical and have fluctuated from year to year, sometimes significantly. These fluctuations are caused by factors such as general economic conditions, interest rates, inflation, employment rates, consumer confidence, consumer preferences, and patterns of consumer spending. Moreover, a number of factors that we cannot predict can and have impacted cyclicality in the past, including macroeconomic factors such as the global financial crisis. Furthermore, new business models driven for example by shared mobility concepts and connectivity services could create new competitors to our customers, and a shift towards shared mobility may cause vehicle unit sales to grow at lower rates or to decline. These factors, as well as changes in government support, fuel costs and the automobile replacement cycle, could give rise to decrease in demand for automobiles generally, or in the demand for our products in particular, which could materially and adversely impact our business, financial condition, results of operations and cash flows.

The highly cyclical and fluctuating nature of the automotive industry presents a risk that is outside our control and that cannot be accurately predicted and there is no assurance that our geographical and portfolio diversification will be sufficient to offset all such risks.

A shift away from technologies in which we invest and changes in industry requirements, including in materials, could have a material adverse effect on our profitability and financial condition.

Our business requires a high level of technical expertise for the development and manufacture of our products and our customers demand increasingly high quality, complex and innovative solutions to meet their needs. We invest in technology and innovation which we believe will be critical to our long-term growth, and we need to continually adapt our expertise in response to technological innovations, industry standards and customer requirements, including in relation to the materials that we use for our products. For example, the increasing trend towards hybrid and electric vehicles increases the focus on weight reduction. Our ability to anticipate changes in technology and to successfully develop and introduce new and enhanced products or manufacturing processes on a timely and cost-effective basis will be a significant factor in our ability to remain competitive. New technologies or changes in industry and customer requirements, including any legal or regulatory requirements or limitations to our business, may render one or more of our current products obsolete, excessively costly or otherwise unmarketable. If there is a shift away from the use of technologies in which we are investing, our costs may not be fully recovered and any decrease in our R&D expenditure, as a result of us experiencing any liquidity issues may adversely affect our ability to maintain our technological leadership. We may be placed at a competitive disadvantage if other technologies emerge as industry-leading technologies, which could have a material adverse effect on our prospects for growth, profitability and financial condition.

We may have difficulty competing favorably in the highly competitive automotive parts industry generally and in certain product or geographic areas specifically, and such competition might impact our results.

The automotive parts industry is highly competitive. Although the overall number of competitors has decreased over the last decade due to ongoing industry consolidation, we face, or may face in the future, significant competition within each of our major product areas, including from new competitors entering the markets that we serve, regional competitors offering low cost alternatives, the development of new technologies which may replace ours and a potential reversal of the current trend of OEMs to outsource certain areas of production. The consolidation among market players may allow our industry peers to be better positioned than us to enter into commercial agreements with our target customers, to intensify competition in the market and to dispose of more capital to face the risks inherent to our industry. If this consolidation were to continue, it may become more difficult for us to be successful in obtaining new customers, new business or new contracts. Moreover, there are few large-volume and high-value OEMs in the automobile industry. Therefore, competition among suppliers is aggravated by the concentrated nature of the OEM business globally.

We sell products directly to OEMs (“Tier 1 suppliers”). Typically, these products are large modules or systems which integrate components, sometimes sourced from Tier 2 automotive suppliers. Tier 2 suppliers in turn typically integrate products from a further layer of suppliers (“Tier 3 suppliers”). There is the possibility that a supplier currently positioned at the Tier 2 level may become a Tier 1 supplier, thereby further increasing the competition among Tier 1 suppliers. To the extent that Tier 2 suppliers evolve into Tier 1 suppliers, competition among potential and existing Tier 1 suppliers could intensify. As a result, our business success strongly depends on the feasibility of retaining and strengthening our position as a Tier 1 supplier in the future. Some of our competitors in the industry are Benteler, Constellium, Flex-N-Gate, Ftech, GF Fischer, Huizhong, Kirchhoff, Magna Cosma, Magnetto, Martinrea, Metalsa, Sungwoo HiTech, Tower, Unipress, Voestalpine, Yifeng and Yorozu in Body-in-White and Chassis, and Aisin Seiki, Brose, Multimatic and Stabilus in Mechanisms.

The principal factors affecting competition in our industry include product quality, ability to manage complex projects, R&D competences, geographical footprint, process technology competences, tooling competences, price, financial stability and partnership in the consolidation and rationalization of the global automotive supply base. If we fail to compete effectively based on any of the above factors, we could experience a reduction in sales and profit margins, which would in turn materially adversely affect our business, results of operations and financial condition, or lead to the loss of any of our major clients to such competitors.

We principally compete for new business projects at the beginning of the development of new models and upon the redesign of existing models by major OEM customers. In some cases, a number of our major OEM customers manufacture products that we currently produce, thereby eliminating an opportunity for us to bid for the production of such products. New model development generally begins three to five years prior to the marketing of such models to the public. Redesign of existing models begins during the life cycle of a platform, usually at least two to three years before the end of the platform’s life cycle. The failure to obtain new business projects on new models or to retain or increase business projects on redesigned existing models, could adversely affect our business, financial condition, results of operations, and cash flows. In addition, as a result of the relatively long lead times required for many of our structural components, it may be difficult in the short-term for us to obtain new revenues to replace any unexpected decline in the sale of existing products.

The workforce in the automotive industry is highly unionized, and if we fail to extend or renegotiate our collective bargaining agreements with our labor unions as they expire from time to time, or if our employees, or our customers' employees, engage in work stoppages and other labor problems, this could have a material adverse effect on our business. An increase in workforce remuneration as a result of a renegotiation of a bargaining agreement can reduce our profitability.

We are subject to local labor laws and regulations in the different jurisdictions in which we operate. As of December 31, 2016, we had 36,395 employees, the majority of whom were covered under collective bargaining agreements on a plant-by-plant basis and that expire at various times. In addition, we have specific exposure to labor strikes in our international operations related primarily to the potential economic instability in several countries in the European Union. If major work disruptions involving our employees were to occur, our business could be adversely affected by a variety of factors, including a loss of revenues, increased costs and reduced profitability. We cannot assure you that we will not experience a material labor disruption at one or more of our facilities in the future in the course of renegotiating our labor arrangements or otherwise. We cannot guarantee that we will be able to successfully extend or renegotiate our collective bargaining agreements as they expire from time to time. If we fail to extend or renegotiate any of our collective bargaining agreements or are only able to renegotiate them on terms that are less favorable to us, we may need to incur additional costs, which could have a material adverse effect on our business, financial condition and results of operations.

Further, many of the manufacturing facilities of our customers and suppliers are unionized and are subject to the risk of labor disruptions from time to time. We have suffered labor disruptions in the past and we cannot assure you that we will not suffer additional disruptions in the future. A significant labor disruption could lead to a lengthy shutdown of our customers' or our suppliers' production lines, which could have a material adverse effect on our operations and profitability.

We are subject to environmental and health and safety requirements and risks as a result of which we may incur significant costs, liabilities and obligations. In addition, significant changes in laws and governmental regulations could have an adverse effect on our business, financial condition and results of operations.

We are subject to a variety of environmental and pollution control laws, regulations and permits that govern, among other things, soil, surface water and groundwater contamination; the generation, storage, handling, use, disposal and transportation of hazardous materials; the emission and discharge of materials, including GHG emissions (as defined in "Certain terms and conventions"), into the environment; and health and safety. Our activities may have an adverse impact on the environment; in particular, we may contaminate the soil or cause water discharge contamination. If we fail to comply with these laws, regulations or permits, we could be fined or otherwise sanctioned by regulators or become subject to litigation. Environmental and pollution control laws, regulations and permits, and the enforcement thereof, change frequently, and have tended to become more stringent over time, which may require substantial capital expenditures or operating costs to ensure compliance with them. Costs related to the investigation of the nature of a potential damage to the environment and any remediation measures required to be taken may be substantial. In addition, although we attempt to monitor and reduce accidents in our production facilities, we remain exposed to risks of accidents and failure to prevent a health and safety incident may result in penalties and litigation.

In addition, the legal, regulatory and industry-standard environment in our principal markets is complex and dynamic, and future changes to the laws, regulations (including the establishment of new or modified authorizations, permits or licenses in different countries) and market practice as regards, for example, CO_2 emissions and safety tests and protocols, could have an adverse effect on demand for the products we produce and our profitability. Additionally, changes in tax or other laws which impose additional costs on automobile manufacturers or consumers or the adoption and implementation of more stringent environmental laws and CO_2 emissions requirements on our OEM customers could negatively impact their levels of production and therefore, materially adversely affect their demand for our products. For example, changes to CO_2 emissions testing protocols as a result of the ongoing investigations by environmental authorities worldwide (including, *inter alia*, Australia, Brazil, Canada, China, France, Germany, India, the European Union and the United States) in relation to the potential manipulation of CO_2 emissions control systems which had been installed by certain OEMs for the purposes of manipulating laboratory CO_2 emissions testing could have an adverse effect on the sales of the products we produce and our profitability.

We may face risks relating to climate change that could have an adverse impact on our business.

GHG emissions have increasingly become the subject of substantial international, national, regional, state and local attention. GHG emissions regulations have been promulgated in certain of the jurisdictions in which we operate, and additional GHG requirements are in various stages of development. For example, the United States Congress has considered legislation that would establish a nationwide limit on GHGs. In addition, the Environmental Protection Agency in the United States has issued regulations limiting GHG emissions from mobile and stationary sources pursuant to the federal Clean Air Act. When effective, such measures could require us to modify existing or obtain new permits, implement additional pollution control technology, curtail operations or increase our operating costs. In addition, our OEM customers may seek price reductions from us to account for their increased costs resulting from GHG regulations. Further, growing pressure to reduce GHG emissions from mobile sources could reduce automobile sales, thereby reducing demand for our products and ultimately our revenues. Thus, additional regulation of GHG emissions, including through a cap-and-trade system, technology mandate, emissions tax, reporting requirement or other program, could adversely affect our business, results of operations, financial condition, reputation, product demand and liquidity.

We are exposed to certain risks regarding our intellectual property, its validity and the intellectual property of third parties.

We endeavor to protect our technologies and processes by means of registration of intellectual property rights and confidentiality agreements. As of December 31, 2016, we held over 960 patents, utility models and applications thereof pertaining to our business and products. Registration of intellectual property rights may require time and capital investment and in some cases, we will be unable to obtain effective patent protection on currently pending or future applications or the protection afforded to our intellectual property may be insufficient in scope, duration or strength to provide us with meaningful protection. Further, the laws of certain countries do not protect the Company’s proprietary rights to the same extent as the laws in Europe and the US. We also seek protection of our trademarks, but such protection may also not always be available to us in every jurisdiction in which we operate. Consequently, we may face the risk that other third parties, including our competitors, may be able to use the technology behind our products and processes without license.

Our intellectual property arises mostly as a consequence of development works of our employees during the course and in the context of their employment relationship with us. Former or present employees who made or may make employee inventions might continue to be the owners of the rights to such inventions if we fail to claim the invention properly and in a timely manner. Even if we became or become in the future the owner of such valuable rights, we may have failed or may fail to properly utilize, develop and exploit such inventions.

In addition, many technologies and processes employed by us are the result of our know-how and trade secrets which, in some cases, cannot be patented or protected through intellectual property rights. Although we also seek to protect our intellectual property through confidentiality agreements with third parties that work with us and our employees, there is always a risk that our know-how and trade secrets might be disclosed to or accessed by third parties, including our competitors. The undue exploitation of our intellectual properties by third parties may reduce or eliminate our competitive advantage derived from our own technology, limiting our ability to develop further innovative technologies as well as our capacity to compete in the markets where we operate and to attract new customers. We may also be involved in intellectual property claims against us which may be costly, time-consuming and result in the diversion of managerial attention and resources from our core business. Likewise, if successful, such claims could require us to cease manufacturing, using or exploiting the relevant technologies or products in certain countries or to be forced to implement changes in our manufacturing processes or products. In addition, we could be liable to pay compensation or damages for infringements or could be forced to purchase licenses to make use of technology from third parties. The realization of any of these risks could have a material impact on our reputation as well as a material adverse effect on our business, financial condition and results of operations.

Our operations rely on complex IT systems and networks.

We rely heavily on information technology systems and networks to support our business processes and manufacturing, as well as internal and external communications. These systems and networks are potentially vulnerable to damage or interruption from a variety of sources or to security threats. Although we have taken precautions to manage our risks related to system and network disruptions, an extended outage in a data center or telecommunications network utilized by our systems, any security or breaches or any similar event could lead to an extended unanticipated interruption of our systems or networks that could hinder our business operations. We could also be subject to cyberattacks that could lead to undue disclosure of our know-how and trade secrets and our employees' personal data to third parties. The realization of any risks related to our IT system and network disruptions could have a material adverse effect on our business, financial condition and results of operations.

Risks related to our Shareholding Structure

Our controlling shareholder will be able to exercise significant influence over us and we face certain risks relating to conflicts of interest between us and our controlling shareholder.

Upon completion of the Offering, the Riberas Family, through Acek (a company wholly-owned by them) will own, directly and indirectly through Gestamp 2020 (both as defined in "Certain terms and conventions"), between71.48% (assuming sale of the maximum Initial Offered Shares and no exercise of the Over-Allotment Option) and 67.43% of our issued share capital (assuming the Over-Allotment Option is exercised in full). Accordingly, the Riberas Family will, following the Offering, retain the control of the Company. In that regard, the Riberas Family will be able to determine matters requiring shareholders' approval, including the declaration of dividends, appointment of Directors, changes in our issued share capital, corporate restructurings and amendments to our Bylaws. Their interests may differ from our interests or those of our other shareholder.

The interests of our current direct and indirect shareholders and their respective affiliates could conflict with the interests of other holders of Shares after the Offering, particularly if we encounter financial difficulties or are unable to pay our debts when due. Our current direct and indirect shareholders may also have an interest in pursuing divestitures, financings or other transactions that in their judgment could enhance their equity investments, although such transactions might involve risks to other holders of Shares after the Offering. It might be the case that future transactions in which our current direct and indirect shareholders have an interest may have a material adverse effect on our business, financial condition, results of operations and cash flows and those of other shareholders.

We have in the past engaged, and expect in the future to engage, in transactions with our affiliates and affiliates of our controlling shareholder, some of which not be in the future considered by third parties to be on an arm's-length basis.

We have in the past engaged, and expect in the future to engage, in transactions with our affiliates and affiliates of our controlling shareholder on an arm's-length basis, but some of which may not be deemed by third parties to be on an arm's-length basis.

For example, we enter into a significant number of transactions on a regular basis and in the ordinary course of business with companies forming part of the Gonvarri group (as defined in "Certain terms and conventions") primarily related to the purchase of processed steel. Gonvarri is a steel service center which is controlled by Acek, who holds a 65.0% capital stake with the ArcelorMittal Group holding the remaining 35% stake. Steel service centers charge for their activities (e.g., cutting, blanking, slitting, material management, etc.) plus the pass-through of the price paid for the raw materials they process. The majority of such prices are determined by direct agreements between Gonvarri and the different OEMs through re-sale programs, and the balance is negotiated at market prices on a non-exclusive and arm's length basis, typically applying contractual formulas to account for the degree and type of steel processing, treatment or preparation.

We also enter into transactions in the ordinary course of business with Acek and its subsidiaries, including lease and license agreements, professional and other services and the sale of goods and real estate. In particular, we have leased the following properties from Inmobiliaria Acek S.L. ("Inmobiliaria") (in which Acek holds a 67.0% interest): (i) the offices located at Alfonso XII, Madrid; and (ii) part of the offices located at Ombú 3, Madrid, all of them for an aggregate annual payment of €2.0 million. In addition, in 2014 we purchased two plants from Inmobiliaria, both of which we had previously leased from Inmobiliaria, for a total consideration of €25.0 million. For additional information, see "Related-Party Transactions".

In addition, we also enter into a number of transactions with the ArcelorMittal Group, a shareholder of the Company until February 2016, who, as mentioned before, has also a relationship with the Acek Group through its 35% stake in Gonvarri. Most of these transactions are primarily related to the purchase of steel. 46.8% (1.38 million tons) of the total steel we used in 2016 came from ArcelorMittal Group, out of which 65%

is under "re-sale" programs (where the OEM chooses the steel maker and negotiates the price) and 35% is not under re-sale programs. In any case, irrespectively of who is the steel maker or whether the purchase of steel is under re-sale programs or not, we typically do not purchase the steel directly from producers but mainly through steel service centers. Our agreements with the ArcelorMittal Group are subject to customary market conditions and have a term of one year or less (generally, six months), similar to the agreements formalized with other steel providers. There is no agreement among the Gestamp Group and the ArcelorMittal Group by virtue of which we are committed to acquire the steel that this company produces on a preferential or privileged way rather than to any other steel producer and therefore, the purchase conditions of steel with the ArcelorMittal Group (directly or through steel services centers) do not include early termination rights or change in conditions in favor of ArcelorMittal that would become in effect due to a change of control of the Company, the exit of Acek from the Company or the exit of ArcelorMittal from Gonvarri or by any other circumstance affecting the Company. Consideration paid to the ArcelorMittal Group pursuant to the transactions detailed above amounted to €57.7 million in the year ended December 31, 2016. It is estimated that, in 2017, this amount will be similar, with some variation depending on our volume of sales and the fluctuations of the price of the steel. In addition to the transactions for the purchase of steel, the ArcelorMittal Group collaborates with us in automotive research and development (mainly related to new materials and the design of parts). Furthermore, one ArcelorMittal Group representative sits on the Board of Directors of Gestamp Automoción as a director classified in the category of "other external directors" (i.e. cannot be classified as an independent or proprietary director) pursuant to an agreement between Acek and the ArcelorMittal Group. Another director that sits on our Board also has been classified in the category of "other external Directors" is currently Chairman of ArcelorMittal España, although he has not any executive functions there. He has been appointed as Director in consideration of his experience and knowledge of the automotive sector and not due to any agreement with the ArcelorMittal Group.

If we are not able to agree on transaction terms with our affiliates and/or affiliates of our major shareholders, or if we are not able to enter into agreements for such transactions that are in our best interests, our business, results of operations and financial condition could be materially adversely affected.

Risks related to the Political, Regulatory and Macroeconomic Environment

Economic downturns or a worsening of global economic and political conditions could have a material adverse effect on the demand for our products and on our profitability.

The level of demand for our products depends primarily upon the level of consumer demand for new vehicles that are manufactured with our products, which is, in turn, dependent on a number of economic and political conditions and other factors present in the various domestic and international markets where our products are sold.

In particular, the global economic crisis in 2008 and 2009 adversely affected consumer spending and demand, and thus resulted in delayed and reduced purchases of durable consumer goods, such as automobiles. Although the global economic climate has improved since 2010, the global economy has recently been impacted by the current unpredictable political landscapes in certain countries, decreasing oil prices and strong currency fluctuations. For example, there have been recent political tensions between the U.S. and Mexico, which together accounted for 20.5% of our revenues in the year ended December 31, 2016, and the continuation or worsening of such political tensions may adversely affect our operations in North America. In addition, recent concerns relating to the development of several emerging market economies, particularly China, Russia and Brazil, which accounted for 14.2% of our revenues in the year ended December 31, 2016, may further impact the global economy. There is no assurance that the global economic climate will continue to improve or that the current levels of growth will remain stable.

If the global economy recovers at a lower pace than expected or were to experience another significant downturn, depending upon its length, duration and severity, demand for our products could be impacted, which in turn could materially adversely affect our business, financial condition and results of operations.

Continuing uncertainties and challenging political conditions in Spain, the European economy and the euro could intensify the risks faced by the automotive industry and our business, which could have a material adverse effect on our operations, financial condition and profitability.

Despite our global presence, the EU as a whole (and particularly Spain) is an important market for our business which accounted for 55.42% of our revenues for the year ended December 31, 2016, and adverse economic effects within the EU could have a material adverse impact on our financial condition, results of operations and cash flows. Continuing or renewed instability in the European markets, the stability of the euro or the European Union and the uncertainty derived from the refugee crisis has recently contributed to weak European economic performance. Future developments may continue to be dependent upon a number of political and economic factors, including the effectiveness of measures by the European Central Bank and the European Commission to address debt burdens of certain countries in Europe and the continued stability of the Eurozone.

Concerns persist regarding the debt burden of certain European countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual member states of the Eurozone. These concerns could lead to the exit of one or more countries from the Eurozone and the reintroduction of national currencies in the affected countries.

For example, the U.K.'s decision to leave the EU ("Brexit") will trigger a process of negotiation which will determine the future terms of the U.K.'s relationship with the EU, and the results of the upcoming general elections in The Netherlands, France and Germany may undermine confidence in the overall stability of the EU and the eurozone. These and other potential developments, or market perceptions concerning these and related issues, could have adverse consequences for us with respect to our overall performance in the EU and as a result, our business, financial condition, results of operation and cash flow may be materially affected.

Similarly, the reintroduction of national currencies in one or more countries that use the euro could lead to the disruption of financial markets and could have a material adverse impact on our operations. Furthermore, any such redenomination event would likely be accompanied by significant economic dislocation, particularly within the Eurozone countries, which in turn could have an adverse impact on demand for our services and, accordingly, on our revenue and cash flows. Moreover, any changes from euro to non-euro currencies within the countries in which we operate may impact our billing and other financial systems. In light of the significant exposure that we have to the euro through our euro-denominated cash balances and cash flows, a redenomination event could have a material adverse impact on our cash flows, financial condition and results of operations.

Despite our global presence, Spain is still a significant market for our business, representing 17.5% of our revenues for the year ended December 31, 2016. While Spain's economy has been gradually improving since 2013, Spain experienced a significant economic downturn between 2008 and 2012. The unemployment rate, while improving in relative terms, was reported to be 18.63% in December 2016 and gross domestic product contracted in 2012 and 2013 before gradually recovering between 2014 and 2016. If Spain recovered at a lower pace than in recent years or were to experience another significant downturn, our business, financial condition and results of operations could be adversely affected.

Finally, institutions in the European Union are facing significant challenges derived from recent crises in the Middle East, including the Syrian refugee crisis as a result of the Syrian civil war which started in 2011. While several EU member states have made attempts to address the humanitarian crisis, a common approach by all EU member states has not been yet achieved, leading to political uncertainty on this matter in the future.

Instability in the European economy, the euro or Spain could have a material adverse effect on our business, financial condition and results of operations.

We will have to face additional administrative requirements and implement adjustments to our internal control system as a result of the Shares becoming admitted to trading on the Spanish Stock Exchanges which we might not be able to face or implement adequately.

After the Offering, we will be subject to the legal requirements for Spanish stock corporations with shares listed on a regulated market. These requirements include periodic financial reporting and other public disclosures of information (including those required by the Spanish Stock Exchanges and the CNMV), regular calls with securities and industry analysts, and other required disclosures, all of which will increase our operational costs. There is no guarantee that the accounting, controlling, legal or other corporate administrative functions will be capable of responding to these additional requirements without difficulties and inefficiencies that would result in significant additional expenditures and/or expose us to legal, regulatory or civil costs or penalties. Furthermore, the preparation, convening and conduct of general meetings and regular communications with shareholders and potential investors will entail substantially greater expense than prior to the Offering. Management will need to devote time to these additional requirements that could otherwise be devoted to other aspects of the management of the Group's operations. These additional requirements could also entail substantially increased time commitments and costs for the accounting, controlling and legal departments and other administrative functions. Further, any control system, no matter how well it is designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurance that the objectives of such controls are met. Any failure or circumvention of our controls and procedures or failure to comply with regulations related to such controls and procedures or any inability of administrative functions to handle the additional demands as a result of becoming a listed company could have a material adverse effect on our business, financial condition and results of operations.

Other Risks

Difficulties regarding the launch of new programs may adversely affect our business operations, financial position and operational results.

The launch of new business is a complex process, the success of which depends on a wide range of factors, including the production readiness of our and our suppliers' manufacturing facilities and manufacturing processes, as well as factors related to tooling, equipment, employees, initial product quality and other factors. Our failure to successfully launch material new business could have an adverse effect on our business operations, financial position and operational results.

The inability for us, our customers or our suppliers to obtain and maintain sufficient capital financing, including working capital lines, and credit insurance may adversely affect our, our customers' and our suppliers' liquidity and financial condition.

Our working capital requirements can vary significantly, depending in part on the level, variability and timing of our customers' worldwide vehicle production and the payment terms with our customers and suppliers. Our liquidity could also be adversely impacted if our suppliers were to suspend normal trade credit terms and require payment in advance or payment on delivery. If our available cash flows from operations are not sufficient to fund our ongoing cash needs, we would be required to look to our cash balances and availability for borrowings under our credit facilities to satisfy those needs, as well as potential sources of additional capital, which may not be available on satisfactory terms and in adequate amounts, if at all.

There can be no assurance that we, our customers and our suppliers will continue to have such financing ability. This may increase the risk that we cannot produce our products or will have to pay higher prices for our inputs. These higher prices may not be recovered in our selling prices.

Our suppliers often seek to obtain credit insurance based on the strength of the financial condition of our subsidiary with the payment obligation, which may be less robust than our consolidated financial condition. If we were to experience liquidity issues, our suppliers may not be able to obtain credit insurance and in turn would likely not be able to offer us payment terms that we have historically received. Our failure to receive such terms from our suppliers could have a material adverse effect on our liquidity.

Our inability to offset price concessions or additional costs from our customers could have an adverse effect on our profitability.

We face ongoing pricing pressure, as well as pressure to absorb costs related to product design, engineering and tooling, as well as other items, such as raw materials, previously paid for directly by OEMs. Typically, in line with industry practice, our customers benefit from price reductions during the life cycle of a contract. We expect to offset these price concessions by achieving production efficiencies; however, we cannot guarantee that we will be able to do so. If we fail to achieve production efficiencies to fully offset price concessions or do not otherwise offset such price concessions, our profitability and results of operations would be materially adversely affected.

We may incur material costs related to plant closings, which could have a material adverse impact on our business, financial condition, results of operations and cash flows.

If we are forced to close manufacturing locations because of loss of business or consolidation of manufacturing facilities, employee severance, asset retirement and other costs, including reimbursement costs relating to public subsidies, to close these facilities may be significant. In certain locations that are subject to leases, we may continue to incur material costs consistent with the initial lease terms. For example, in 2014 we stopped the production in our Edscha Briey plant located in Nancy (France) and in subsequent years we dismissed our personnel operating this plant, incurring in significant redundancy costs as a result thereof. Given that we continually attempt to align production capacity with demand, we cannot assure you that additional plants will not have to be closed and associated costs incurred in the future.

The construction and maintenance of our facilities entails certain risks.

The construction and maintenance of our facilities entails certain difficulties, both from a technical perspective as well as in terms of the timing of the various construction phases. A number of problems may arise in relation to our facilities, such as interruptions or delays due to failed deliveries by suppliers or manufacturers, problems with connecting to the utilities networks, construction faults, problems linked to the operation of equipment, adverse weather conditions, unexpected delays in obtaining or sourcing permits and authorizations, or longer-than-expected periods for technical adjustments. The additional costs that may arise in the maintenance of facilities may materially adversely affect our business operations, financial position and operational results.

There are integration and consolidation risks associated with potential future acquisitions.

We have a history of making strategic acquisitions, and in the future we may consider and make further strategic acquisitions of suitable acquisition candidates in markets where we currently operate as well as in markets in which we have not previously operated.

However, we may not be able to identify suitable acquisition candidates in the future or our targets may prove not to be as profitable as estimated, or we may not be able to finance such acquisitions on the most favorable terms. One of the factors we consider in assessing a new investment or acquisition, as part of our internal decision making methodology, is whether we believe that the investment may result in an internal rate of return to us of approximately 15%. However, there can be no assurances that any of our investments or acquisitions will achieve returns at our target levels or at all. We may lack sufficient managerial, financial and other resources to successfully integrate future acquisitions or to ensure that such future acquisitions will perform as planned or prove to be beneficial to our operations. Acquisitions involve numerous other risks, including the diversion of our management's attention from other business concerns, undisclosed risks impacting the target and potential adverse effects on existing business relationships with current customers and suppliers. In addition, any acquisitions could impact our financial position, cash flow or, if funded with the issuance of new shares, create dilution for our shareholders. In certain transactions, our acquisition analysis includes assumptions regarding the consolidation of operations and improved operating cost structures for the combined operations. Such synergies or benefits may not be achieved on the assumed time schedule or in the assumed amount, if at all. Any future acquisitions may result in significant transaction expenses, unexpected liabilities and risks associated with entering new markets in addition to the integration and consolidation risks.

Returns on investments are not guaranteed and making an investment which results in a lower rate of return than anticipated could have a material adverse effect on our results of operations. As a result of our acquisitions, we may assume continuing obligations, deferred payments and liabilities. Any past or future acquisitions may result in exposure to third parties for liabilities, such as liability for faulty work done by the acquired business and liability of the acquired business or assets that may or may not be adequately covered by insurance or by indemnification, if any, from the former owners of the acquired business or assets. The occurrence of any of these liabilities could have a material adverse effect on our business and results of operations.

Changes in accounting regulations and interpretations could affect our operating results and financial covenants.

Changes in accounting regulations and interpretations could require us to record further liabilities on our statement of financial position, or delay recognition of revenue and/or accelerate the recognition of expenses, resulting in lower earnings.

In particular, the IAS Board issued IFRS 16 ("Leases") in January 2016 which sets out the principles for the recognition, measurement, presentation and disclosure of leases and will remove the distinction between "operating leases" and "finance leases". Under the new standard, a lease is defined as a contract that provides the right to use an asset for a period of time in exchange for consideration. IFRS 16 will effectively require companies that are lessees, including us, to report all leases as assets and liabilities on their statements of financial position. We expect to be required to apply IFRS 16 from January 1, 2019. We are currently analyzing the potential impact of the first-time application of this standard on our consolidated annual accounts. We have not yet completed the process, given the recent publication of this standard and the various transition options established by this standard for first-time application. Given that we are a lessee of buildings, warehouses, machinery and vehicles, the application of IFRS 16 in 2019 is expected to have an impact on our accounts. See Note 5 to our consolidated financial statements as of and for the year ended December 31, 2016.

In addition, the IAS Board issued IFRS 15 ("Revenue from Contracts with Customers") in 2014. We expect IFRS 15 to have some impact on the amount and timing of recognition of our revenues, which could have an impact on our results of operation.

We are exposed to risks in relation to compliance with antitrust and anti-corruption laws and regulations and economic sanction programs.

We are required to comply with a wide variety of laws and regulations in each of the jurisdictions in which we operate. Such laws and regulations vary significantly from jurisdiction to jurisdiction and include, but are not limited to, antitrust and anti-corruption laws.

Our international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act of 2010, and economic sanction programs, including those administered by the UN, EU and Office of Foreign Asset Control in the United States. These laws prohibit improper business conduct and restrict us from dealing with certain sanctioned countries.

We have policies and procedures designed to assist our compliance with applicable laws and regulations including training of our employees to comply with such laws and regulations. While we have a strong culture of compliance and have adequate systems of control, we seek to continuously improve our systems of internal controls, to remedy any weaknesses that are identified through appropriate corrective action depending on the circumstances, including additional training, improvement of internal controls and oversight, and deployment of additional resources and to take appropriate action in case of any breach of our rules and procedures which might include disciplinary measures, suspensions of employees and ultimately termination of such employees. There can be no assurance, however, that our policies and procedures will be followed at all times or will effectively detect and prevent violations of the applicable laws by one or more of our employees, consultants, agents or partners and, as a result, we could be subject to penalties and material adverse consequences on our business, financial condition or results of operations if we failed to prevent any such violations.

As a result of our international operations, we are exposed to the risk of violating anti-corruption laws and sanctions regulations applicable in those countries where we operate. Some of the countries in which we operate lack a legal system as developed as other locations and are perceived to have high levels of corruption. Our continued geographical diversification, including in some emerging markets, development of joint venture relationships and our employment of local agents in the countries in which we operate increases the risk of violations of anti-corruption laws, sanctions or similar laws. Violations of anti-corruption laws and sanctions regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on our reputation and consequently on our ability to win future business and maintain long-term commercial relationships with our customers.

Our profitability could be negatively impacted if we are not able to maintain appropriate utilization of our workforce.

The extent to which we utilize our workforce affects our profitability. If we under-utilize our workforce, our project profits and overall profitability may suffer in the short-term. If we over-utilize our workforce, we may negatively impact safety, employee satisfaction and project execution, which could result in a decline of future project awards. The utilization of our workforce is impacted by numerous factors including:

- our estimate of the headcount requirements for various manufacturing units based upon our forecast of the demand for our products;

- our ability to maintain our talent base and manage attrition;
- our need to invest time and resources into functions such as training, business development, employee recruiting and sales that are not chargeable to customer projects;
- the degree of structural flexibility of labor laws in countries where our employees are located; and
- the costs of recruiting talents/experts in the field in which we operate, and the costs of recruiting, maintaining and dismissing employees for the manufacturing of our products.

As a result of the above factors, the failure to maintain appropriate utilization of our workforce may materially adversely affect our business, financial condition, results of operations and cash flows.

Loss of key personnel or executives and failure to attract qualified employees including management could limit our growth and negatively impact our operations.

Many of the technologies and processes that we use result from the knowledge, experience and skills of our scientific and technical personnel. A failure to attract and retain qualified employees could thus adversely affect our operations. Furthermore, we have a management team with a substantial amount of expertise in the automotive industry, deemed crucial for the current success of our business. Almost half of the members of our Management Committee have been with us for more than 10 years while some of them have been with us for more than 15 years. Loss of key members of management could result in the loss of valuable customer relationships and/or less or unsuccessful implementation of strategies.

Availability of skilled labor in some of the areas in which we operate could negatively impact our operations.

When establishing and operating facilities in some emerging markets, we may encounter difficulties with the availability of appropriately skilled labor. In some instances we may compete with our customers for qualified employees in a limited labor pool of adequately trained workers. Performing work in these areas and under these circumstances can slow our progress, potentially causing us to incur contractual liabilities to our customers. These circumstances may also cause us to incur additional, unanticipated costs that we might not be able to pass on to our customers.

Natural disasters, mechanical failures, equipment shutdowns and technological breakdowns could disrupt our supply of products to our customers which could have a material adverse effect on our operations and profitability.

Our manufacturing facilities are subject to risks associated with natural disasters, including fires, floods, hurricanes and earthquakes. The occurrence of any of these disasters could cause the total or partial destruction of a manufacturing facility, thus preventing us from supplying products to our customers and disrupting production at their facilities for an indeterminate period of time. The inability to promptly resume the supply of products following a natural disaster at a manufacturing facility could have a material adverse effect on our business operations, financial position and operational results.

We have experienced and may in the future experience mechanical failure and equipment shutdowns such as the breakdown of our press equipment, as well as technological breakdowns which are beyond our control. We are also reliant upon a continuous and uninterrupted supply of electricity, gas and water to our facilities to ensure the continued operation of our production lines and supply chain. An interruption to the supply of any of these utilities, even in the short term, including but not limited to an outage in the electricity grid, a gas leak or issues with local water mains, could cause equipment shutdowns, mechanical failures and/or damage to our facilities and equipment. If any such events occur, our production capacity may be materially and adversely impacted. In the event that we are forced to shut down any of our sites for a significant period of time, it would have a material adverse effect on our business operations, financial position and operational results.

Terrorist attacks and other acts of violence or war or political changes in geographical areas where we operate may affect our business and results of operations.

Some areas in which we operate, such as Europe, have recently suffered from terrorist attacks and there is a threat that further terrorist attacks may take place in the future. Terrorist attacks and other acts of violence or war may negatively affect our business and results of operations. There can be no assurance that there will not be terrorist attacks or violent acts that may directly impact us, our customers or partners. In addition, political changes in certain geographical areas where we operate may affect our business and results of operations. Any of these occurrences could cause a significant disruption in our business and could adversely affect our business operations, financial position and operational results.

II. Risks related to the Shares, the Offering and the Admission

It cannot be assured that the Offering Price Range and the Offering Price will match the future price of the Shares following the Offering.

The Offering Price Range has not been and the Offering Price will not be established in public trading markets. The Offering Price Range for the Offered Shares (which is indicative and is not binding) has been, and the Offering Price will be, determined by negotiations between the Selling Shareholders and the Joint Global Coordinators, without reliance on any third-party expert to assess the value of the Shares. Following the Offering, the Shares may not trade at price equal to or higher than the Offering Price and investors may lose all or a portion of their investment.

The market price of the Shares may fluctuate widely in response to different factors.

The market price of the Shares may not reflect the value of the underlying assets of the Company and may also be subject to wide fluctuations in response to many factors, some of which may be outside our control, including, among other things, variations in our operating results, additional issuances or future sales of Shares or other securities exchangeable for, or convertible into, Shares in the future, divergence in financial results from stock market expectations, changes in stock market analyst recommendations, a perception that other market sectors may have higher growth prospects, general economic conditions, legislative changes affecting our industry and other events and factors within or outside our control, investor perception of the success and impact of the Offering and our strategy, customers or providers, negative publicity, announcements by the Company or its competitors of significant acquisitions, strategic partnerships, and changes among our key personnel. Stock markets have from time to time experienced extreme price and volume volatility, which, in addition to general economic, political and other conditions, could adversely affect the market price for the Shares.

There is no prior trading market for our Shares and a liquid market for the Shares may fail to develop.

Prior to Admission (as defined in “Certain terms and conventions”), there has been no public market for the Shares. Although we will apply to list the Shares on the Spanish Stock Exchanges, and we expect the Shares to be traded on the AQS (as defined in “Certain terms and conventions”) on or about April 7, 2017 subject to completion of customary procedures in Spain, a liquid market for the Shares may fail to develop. Admission and compliance with applicable regulatory free-float requirements which state that 25% of our Shares will need to be held by unaffiliated third parties (with holders of disclosable qualifying shareholdings being disregarded for such purpose) is not in itself sufficient to create a liquid market for the Shares. Any delay in the commencement of trading of our ordinary shares on the Spanish Stock Exchanges would impair the liquidity of the market for our Shares and make it more difficult for holders to sell our Shares.

If our Shares are listed on the Spanish Stock Exchanges and traded on the AQS, there is no guarantee that an active and liquid trading market will develop or be sustained after Admission or that analysts will maintain research coverage of us. Any delay in the commencement of trading of the Shares would impair the liquidity of the market for the Shares and make it more difficult for shareholders to sell Shares. An active trading market in the Shares may be limited if a large number of Shares are purchased by a small number of investors. If an active trading market for the Shares does not develop, investors may not be able to sell the Shares they purchased at or above the price at which they acquired them or at all. As a result, investors could lose all or part of their investment in the Offered Shares.

There can be no assurance that the Company will be able to make distributions to the Company’s shareholders in the future.

We intend to target a dividend of approximately 30% of the Group’s consolidated net income each year, in accordance with the dividend policy approved by the Board of Directors on March 3, 2017. Nonetheless, our ability to pay dividends or to abide by our dividend policy may be adversely affected by the risks described in this Prospectus and may be restricted if certain requirements under the Spanish Companies

Act (as defined in "Certain terms and conventions") are not met or by covenants included in our actual and future financing agreements or our growth strategy. For example, under the Spanish Companies Act, dividends may only be paid to shareholders if the relevant company's net equity (*patrimonio neto*) is not, and as a result of the payment of dividends would not be, lower than such company's capital stock.

In addition, the Senior Facilities Agreement, the indenture governing the 2023 notes and the EIB Loan contain certain covenants restricting our and our subsidiaries' corporate activities. For example, pursuant to the indenture governing the 2023 notes, dividend payments will be generally permitted to the extent they do not exceed 50% of our cumulative consolidated net income if certain conditions are met. Furthermore, the indenture governing the 2023 notes provides for additional specific allowances that would permit the payment of dividends, the most relevant of which is the payment of annual dividends up to 3% of our market capitalization if we do not exceed certain indebtedness ratios. In addition, the amount of dividends we are able to distribute is also subject to additional covenants under the Senior Facilities Agreement and the EIB Loan. See "Dividends and Dividend Policy" and "Material Contracts". Future financing arrangements that members of the Group may enter into may also contain further limitations on the payment of dividends which may prevent us from abiding by our dividend policy.

Any dividend payments will depend on our results of operations and financial condition, our debt obligations and debt covenants, our cash requirements (including capital expenditure and investment plans), regulatory and tax requirements and other factors that we may deem relevant from time to time. As a result, our ability to pay dividends or to abide by our dividend policy in the future cannot be assured and may be limited and/or our dividend policy may change. If dividends are not paid in the future, capital appreciation, if any, of the Shares would be investors' sole source of gains.

Substantial sales of Shares by the Selling Shareholders or other shareholders, or the possibility of such sales, may affect the market price of the Shares.

Substantial sales of Shares or interests in Shares by the Selling Shareholders, or other of our shareholders or the possibility of any of the foregoing could cause the market price of the Shares to decline. The Selling Shareholders and Gestamp 2020 may sell Shares in the market, following the expiry of a lock-up period (starting on the date of execution of an underwriting agreement to be entered into by the Company, the Selling Shareholders and the Managers, and ending 180 days following Admission) (subject to certain customary exceptions). Certain Group employees holding Shares of the Company are subject to a similar lock-up commitment for a period starting on the date of execution of the underwriting agreement and ending 360 days following Admission).

We are unable to predict whether substantial amounts of Shares will be sold in the open market following expiry of the lock-up arrangements or earlier if the relevant consents are provided. A substantial amount of Shares being sold, or the perception that sales of this type could occur, could cause the market price of the Shares to decline. Both scenarios, occurring either individually or collectively, may make it more difficult for investors to sell the Shares at a time and price that they deem appropriate.

Investors in this Offering may experience dilution of their ownership interest due to the future issuance of additional Shares or convertible securities.

In the event that we choose to raise funds from further equity or debt financings, including sales of preferred shares or convertible securities, to finance further acquisitions or otherwise, we may issue previously authorized and unissued securities, resulting in the dilution of the ownership interests of purchasers of the Offered Shares. Such issuances may also have an impact on the market price of the Shares. The Company may, following the expiry of a lock-up period (starting on the date of the Underwriting Agreement and ending 180 days following Admission) issue additional Shares to the market. See "Plan of Distribution". The potential issuance of additional Shares or preferred stock or convertible securities may create downward pressure on the trading price of the Shares. In addition, the perception that we may in the future sell additional Shares, whether or not accurate, could have a similar effect. The Company may also issue additional Shares or other securities that are convertible into or exercisable for Shares in future public offerings or private placements for capital-raising purposes or for other business purposes, potentially at an offering price, conversion price or exercise price that is below the offering price for the Shares in this Offering.

Shareholders in countries with currencies other than the euro face additional investment risk from currency exchange rate fluctuations in connection with their holding of Shares.

The Shares will be quoted only in euros and any future payments of dividends, if any, on the Shares will be denominated in euros. The euro has recently declined in value against other world currencies, including the U.S. dollar. The U.S. dollar or other currency equivalent of any dividends paid on the Shares or any distributions made would be adversely affected by the depreciation of the euro against the U.S. dollar or such other currencies. Accordingly, any investment in the Shares by a shareholder whose main currency is not the euro will be exposed to exchange rate risk; therefore, any depreciation of the euro *vis-a-vis* such shareholder's main currency will reduce the value of his equity investment and the value of any dividends received from the Company.

Shareholders in certain jurisdictions may not be able to exercise their preferential subscription rights to acquire further Shares or participate in buy-backs.

Pursuant to the Spanish Companies Act, holders of shares generally have the right to subscribe and pay for a sufficient number of shares to maintain their relative ownership percentages prior to the issuance of any new shares, unless such right is explicitly excluded under special circumstances by a resolution passed by the general shareholders meeting or board of directors. Even if the right is not excluded and therefore exercisable, holders of our Shares in certain jurisdictions other than Spain may not be able to exercise preferential subscription rights unless applicable securities law requirements are complied with or exemptions are available. Similarly, holders of our Shares in certain jurisdictions may not be allowed to participate in in-kind distributions in the form of scrip dividends where shareholders are entitled to opt between receiving a cash distribution or Company's shares. We may determine that it is not in its best interests to comply with such formalities, and there can be no assurance that any exemptions will be available. Any affected shareholder may lose those preferential subscription rights and as a result, the proportionate interest of such shareholder in the Company may be diluted. In particular, holders of Shares resident in the United States may not be able to exercise any future preferential subscription rights in respect of the Shares they hold unless a registration statement under the Securities Act is effective or an exemption from the registration requirements is available, nor may they be able to participate in any buy-back program. No assurance can be given that the Company would file or have declared effective any such registration statement, that any exemption from such registration requirements would be available to allow for the exercise of the preferential subscription rights of U.S. holders or the participation in buy-back programs, or that the Company would utilize an exemption if one were available.

We intend to evaluate at the time of any preferential rights offering or buy-back program the costs and potential liabilities associated with the granting of preferential subscription rights or extending the buy-back program to U.S. holders of Shares, as well as the benefits to the Company of enabling the exercise by such holders of preferential subscription rights for the ordinary shares or participation in the buy-back, as the case may be. In doing so, we will also evaluate any other factors we may consider appropriate at the time. It is possible that we may opt not to extend pre-emptive rights or any buy-back offer to U.S. holders.

In the event of the insolvency of the Company or our subsidiaries, our shareholders could suffer a total loss in the value of their Shares.

Under the Spanish Insolvency Act and bankruptcy legislation in other relevant jurisdictions, in the event of insolvency, a company's financial and trade creditors are generally entitled to receive payment from such company's assets before any assets are distributed among the company's shareholders. Thus, if the Company or its subsidiaries were to be declared insolvent, all or substantially all of our assets could be used to satisfy the claims of our creditors and investors in the Shares could suffer a partial or complete loss of their investment.

A suspension of trading in our Shares could adversely affect the share price.

With respect to securities publicly traded in Spain, the CNMV is authorized to suspend, or request the relevant regulated market on which securities are admitted to trading to suspend, such securities from trading, if, in its opinion, the relevant issuer's situation is such that continued trading would be detrimental to the interests of its investors. The CNMV is further authorized to instruct the Spanish Stock Exchanges to suspend trading in an issuer's securities in connection with measures taken against market manipulation and insider trading. The Spanish Stock Exchanges must suspend trading in securities that no longer comply with the rules of the regulated market unless such a step would likely cause significant damage to the interests of investors or the orderly functioning of the market. In addition, if the Spanish Stock Exchanges do not do so, the CNMV could demand the suspension of trading in securities if it is in the interest of the orderly functioning of the market and does not impair investors' interests. Existing orders are deemed void if trading is suspended. Any suspension of trading in the Shares (other than for protecting investors' interest) could adversely affect the price and the liquidity of the Shares and, consequently, could have a negative effect on investors' ability to sell our Shares at a satisfactory price should the suspension be lifted.

It may be difficult for shareholders outside Spain to serve process on, or enforce foreign judgments against, the Company or the directors, for example, shareholders may face difficulties in protecting their interests because of differences in shareholders' rights and fiduciary responsibilities between Spanish laws and the laws of other jurisdictions, including most U.S. states.

We are incorporated under the laws of Spain. The rights of the shareholders are governed by Spanish law and our Bylaws. These rights may differ from the rights of shareholders in non-Spanish corporations. A majority of our current Directors are resident in Spain and a large part of our assets is currently located in Spain. As a result, it may be difficult for shareholders outside Spain to serve process on, or enforce foreign judgments against the Company or the Directors and shareholders may not be able to effect service of process or enforce judgments in their country of residence.

Our corporate governance regime is principally determined by Spanish corporate law, the Bylaws and the Company's internal rules governing the meetings of the Board of Directors and the shareholders as further described in "Management and Board of Directors". Shareholders' rights and the fiduciary responsibilities of directors, officers and controlling shareholders are different under Spanish law when compared with the statutes and judicial precedents of other jurisdictions, including most states in the United States. As a result, shareholders may have more difficulty in protecting their interests with regard to any acts or any failure to act by our Directors, officers or shareholders than would shareholders of a corporation incorporated in another jurisdiction or a state in the United States. In addition, Spanish or other courts may not impose civil liability on the Company, the Directors or executive officers in any action based solely on foreign securities laws brought in a court of competent jurisdiction in another country.

DECLARATION OF RESPONSIBILITY

This document, including the financial information included herein, is in compliance with the Prospectus Rules, which comply with the provisions of the Prospectus Directive for the purpose of giving information with regard to the Company, the Selling Shareholders and the Shares. The Company and the undersigned, Mr. Francisco José Riberas Mera, in his capacity as Chief Executive Officer and Director of the Company and acting under a special power of attorney granted by the Board of Directors (whose members are listed on pages 161 and 162 of this Prospectus (the "Directors")) accepts responsibility for the information contained in this document. Having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Mr. Francisco José Riberas Mera, acting for and on behalf of the Selling Shareholders under a special power of attorney granted on March 2, 2017, with respect to Acek, and on February 16, 2017, with respect to Risteel, by corporate resolutions of the governing bodies and the shareholders of each of the Selling Shareholders, declares that the Selling Shareholders accept responsibility for the information referring to the Selling Shareholders in sections "Principal and Selling Shareholders" and "Plan of Distribution". Having taken all reasonable care to ensure that such is the case, the information referred to the Selling Shareholders in sections "Principal and Selling Shareholders" and "Plan of Distribution" is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

CERTAIN TERMS AND CONVENTIONS

Unless otherwise specified or the context requires otherwise in this Prospectus:

- "2023 notes" means the €500.0 million aggregate principal amount of 3.50% Senior Secured Notes due 2023 issued by Gestamp Funding Luxembourg S.A.;
- "Acek" means our majority shareholder Acek Desarrollo y Gestión Industrial, S.L. (formerly named Corporación Gestamp, S.L.);
- "Additional Shares" means any additional Shares representing up to 15% of the Initial Offered Shares to cover over-allotments, if any;
- "Admission" means the admission of the Shares to listing on the Spanish Stock Exchanges for trading through the AQS or *Mercado Continuo* of the Spanish Stock Exchanges;
- "Agent Bank" means CaixaBank;
- "AQS", "SIBE" or "Spanish Continuous Market" means the *Sistema de Interconexión Bursátil Español* computerized stock market connecting the four Spanish Stock Exchanges;
- "ArcelorMittal Group" means ArcelorMittal S.A. and its subsiadiries;
- "Asia" means China, India, South Korea, Japan, Thailand and Taiwan;
- "Board of Directors" means the board of directors of the Company;
- "Body-in-White" means component parts and assemblies for car bodies, such as hoods, roofs, doors, fenders and other high quality and high efficiency or "Class A" surfaces and assemblies;
- "Bylaws" means the bylaws or articles of association of the Company, approved and restated on March 3, 2017 by the extraordinary General Shareholders' Meeting of the Company;;
- "CAGR" means compound annual growth rate;
- "Chassis" means the internal framework of an automotive vehicle used in automobile manufacturing;
- "Class A surfaces" means skin panels (i.e. exterior large parts of car bodies);
- "CNMV" means the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*);
- "CO_2" means carbon dioxide;
- "Co-Lead Managers" means Banco Bilbao Vizcaya Argentaria, S.A., BNP PARIBAS and CaixaBank, S.A.;
- "Company" or "Gestamp" means Gestamp Automoción, S.A., a company incorporated under the laws of Spain on December 22, 1997 pursuant to a notarized public deed of incorporation granted before the public notary Mr. José Antonio Isusi Ezcurdia, under number 4,852 of his protocol and registered with the Commercial Registry of Bizkaia under volume 3,614, page 107 and sheet BI-21,245, and holder of Spanish tax identification number A-48943864, with registered office at Polígono Industrial de Lebario s/n, 48220, Abadiño, Bizkaia, Spain; and, where applicable in this Prospectus, its controlled subsidiaries, as defined in article 42 of the Spanish Commercial Code;
- "dies" means the tool used in the stamping and forming processes to cut or form raw material into a required shape using a press;

- “Directors” means the members of the Board of Directors;
- “Eastern Europe” means Russia, Poland, Hungary, Slovakia, the Czech Republic and Turkey;
- “EEA” means the European Economic Area;
- “EIB Loan” means the financing agreement entered into by Gestamp and the European Investment Bank on June 15, 2016 for an amout of €160.0 million;
- “EMAS” means the European Union Eco Management and Audit Scheme;
- “EU” means the European Union;
- “EUR,” “euro(s),” “Euro(s),” and “€” means the currency of those countries in the EU that form part of the common currency of the euro;
- “EuroNCAP” means the European New Car Assessment Program, established in 1997 and composed of seven European governments and motoring and consumer organizations to encourage safety improvements to new car design;
- “EV” means electric vehicles;
- “FRP” means fiber reinforced plastics;
- “GBP”, “pound(s)” and “£” means the currency of the United Kingdom;
- “Gestamp”, “Group”, “we”, “us” and “our” means Gestamp Automoción, S.A. together with its consolidated subsidiaries, unless otherwise indicated or the context so requires;
- “Gestamp 2020” means Gestamp 2020, S.L., a special purpose vehicle owned by Acek (75% of its share capital) and Mitsui (25% of its share capital) and which holds, in turn, 50.1% of the Company’s share capital and voting rights;
- “GHG” means greenhouse gases;
- “Gonvarri” means Holding Gonvarri, S.L. which is the holding entity of an industrial group controlled by Acek that develops two main ativities: (i) steel services, through the subgroup headed by Gonvarri Corporación Financiera, S.L. and (ii) manufacturing of metal components for renewable energy plants, through the subgroup headed by GRI Renewable Industries, S.L.;
- “Grupo Acek” means Acek together with its subsidiaries;
- “Iberclear” means *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal*;
- “IFRS” means the International Financial Reporting Standards promulgated by the International Accounting Standards Board and as adopted by the European Union;
- “IHS” means IHS, Inc.;
- “IIHS” means the Insurance Institute for Highway Safety in the United States an independent, nonprofit scientific and educational organization established to reduce the losses from crashes on the roads;
- “Initial Offered Shares” means a number of ordinary shares of the Company of up to 155,388,877, each with a nominal value of €0.50, offered in the Offering;
- “Joint Bookrunners” means each of the Joint Global Coordinators and Banco Santander, S.A., Deutsche Bank AG, London Branch and Société Générale;

- "Joint Global Coordinators" means J.P. Morgan Securities plc, Morgan Stanley & Co. International plc and UBS Limited;

- "Managers" means each of the Joint Bookunners and the Co-Lead Managers;

- "Mechanisms" means the gadgets used to operate the moving parts and systems of an automotive vehicle, such as hinges, doorchecks, liftgates, etc.;

- "Mercosur" means Brazil and Argentina;

- "Mitsui" means Mitsui & Co., Ltd.;

- "MPa" means a Megapascal, a measure of force per unit area;

- "North America" or "NAFTA" means the United States of America and the United States of Mexico;

- "NHTSA" means the National Highway Traffic Safety Administration in the United States;

- "NVH" means noise, vibration and harshness;

- "OEM" and "OEMs" means Original Equipment Manufacturer and Original Equipment Manufacturers, respectively;

- "Offered Shares" means the Initial Offered Shares together with the Additional Shares, if any;

- "Offering" means the offering by the Selling Shareholders described in this Prospectus;

- "Offering Price" means the price per Offered Share in the Offering;

- "Offering Price Range" means the indicative non-binding price range per Offered Share in the Offering, which is between €5.60 and €6.70 per Offered Share, as determined by the Selling Shareholders and the Joint Global Coordinators;

- "Over-Allotment Option" means the option that Acek will grant Morgan Stanley & Co. International plc, or any of its agents, as Stabilization Manager, on behalf of itself and the other Managers, to purchase up to 23,308,331 Additional Shares, representing up to 15% of the Initial Offered Shares in connection with the Offering;

- "Prospectus Directive" means Directive 2003/71/EC of November 4, 2003 (as amended), and includes any relevant implementing measure in each relevant member state of the EEA;

- "Prospectus Rules" means the prospectus rules set out in Commission Regulation (EC) No 809/2004 and its Annexes (and amendments thereto, including Commission Delegated Regulation (EU) 486/2012 and Commission Delegated Regulation (EU) 862/2012) enacted in the European Union;

- "Riberas Family" means, Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera and their respective direct descendants by nature or adoption;

- "Royal Decree 1310/2005" means the Spanish Royal Decree *Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos,* as amended;

- "Securities Act" means the United Sates Securities Act of 1933 (as amended);

- "Senior Facilities Agreement" means the senior facilities agreement dated April 19, 2013 as amended on May 8, 2013, May 2, 2014, December 10, 2014, April 17, 2015 and as amended and restated on May 20, 2016, and as further amended from time to time, entered into between, among others, the Company as original borrower, various subsidiaries of the Company (including Gestamp Funding Luxembourg S.A.) as original guarantors, the original lenders listed therein and Deutsche Bank AG, London Branch as agent and as security agent;

- "Shares" means all the ordinary shares of the Company, with a nominal value of €0.50 per share;
- "Spanish Commercial Code" means the *Real Decreto de 22 de agosto de 1885 por el que se publica el Código de Comercio*, as amended;
- "Spanish Companies Act" means the *Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*, as amended;
- "Spanish Corporate Governance Code" means the *Código de Buen Gobierno de las Sociedades Cotizadas* approved by the CNMV Board on February 18, 2015, as amended;
- "Spanish Securities Markets Act" means the *Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido del Mercado de Valores*, as amended;
- "Spanish Stock Exchanges" means the Madrid, Barcelona, Bilbao and Valencia stock exchanges;
- "Stabilization Manager" means Morgan Stanley & Co. International plc;
- "Stabilization Period" means the 30-day period following the admission to listing, expected to commence on April 7, 2017 and to end on May 6, 2017 in which stabilization transactions may be carried out;
- "SUV" means suburban or sport utility vehicles which are also classified as light vehicles;
- "Tooling and Other Products" means tooling and dies and other related services;
- "UK" or "U.K." means the United Kingdom;
- "Underwriting Agreement" means the underwriting agreement to be entered into by the Company, the Selling Shareholders and the Managers in connection with the Offering on or about the date hereof;
- "US", "U.S." and "United States" means the United States of America;
- "US$", "dollar(s)" and "$" means the currency of the United States of America; and
- "Western Europe" means Spain, Portugal, France, the United Kingdom, Germany, Sweden, Belgium and Luxembourg.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial information and operational data

This Prospectus includes a translation into English of our audited consolidated historical financial statements as of and for the years ended December 31, 2016, 2015 and 2014.

The audited consolidated financial statements for the fiscal year 2016 were formally prepared (*formuladas*) in Spanish by the Directors of the Company at the Board of Directors meeting held on March 3, 2017 and have been approved (*aprobadas*) by the General Shareholders' Meeting on March 22, 2017.

Other financial data are included which are derived from our accounting records. We prepare our financial statements in euro. Unless otherwise indicated, all financial information in this Prospectus has been prepared in accordance with IFRS applicable at the relevant date. IFRS differs in certain significant respects from generally accepted accounting principles in the United States.

See "Independent Auditors" for a description of the independent auditors' report dated March 7, 2017 on our consolidated financial statements as of and for the year ended December 31, 2016, the auditor's report dated March 22, 2016 on our consolidated financial statements as of and for the year ended December 31, 2015 and the auditor's report dated April 10, 2015 on our consolidated financial statements as of and for the year ended December 31, 2014 which have been audited by Ernst & Young, S.L., independent auditors, as stated in the translation into English of their unqualified reports appearing herein on F pages of this Prospectus.

Alternative performance measures ("APMs")

This Prospectus contains financial measures that are not defined or recognized under IFRS including: revenue on a constant currency basis, EBITDA, EBITDA margin; growth capital expenditures; recurrent capital expenditures; net payments on investments; adjusted operating cash flow; cash flow conversion; order intake; total financial debt; net financial debt; net financial expenses; and leverage and coverage ratios. We present these APMs because we believe that the APMs contribute to a better understanding of our results of operations by providing additional information on what we consider some of the drivers of our financial performance. Furthermore, we believe that these APMs are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

In addition, 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.

The Company believes that the description of these APMs in this Prospectus follows and complies with the European Securities and Markets Authority Guidelines on Alternative Performance Measures (APM) dated October 5, 2015.

APMs should not be considered in isolation and investors should not consider such information as alternatives to revenue, profit before tax or cash flows from operations calculated in accordance with IFRS, as indications of operating performance or as measures of the Company's profitability or liquidity. Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS included elsewhere in this Prospectus. Investors are cautioned not to place undue reliance on these APMs and are also advised to review them in conjunction with the Financial Statements included elsewhere in this Prospectus.

For the definition of and a reconciliation to an appropriate measure calculated in accordance with IFRS of the APMs included in this Prospectus, see "Operating and Financial Review—Alternative Performance Measures ("APMs")".

Currency references

All references in this Prospectus to "euro," "€," or "EUR" are to the lawful currency of the participating Member States, including Spain, in the third stage of European Economic and Monetary Union of the Treaty establishing the European Community, as amended from time to time and all references to "U.S. dollars", "dollars", "U.S.$", "USD" or "$" are to the lawful currency of the United States of America.

The constant currency translation used to calculate revenue at constant currency presented in this Prospectus is based on our average exchange rates for the years 2016, 2015 and 2014. The exchange rates used for the major currencies were as follows:

	Average exchange rates for the year		
	2016	**2015**	**2014**
United States dollar	1.107	1.110	1.328
Pound sterling	0.819	0.727	0.806
Swedish krona	9.467	9.357	9.103
Polish zloty	4.363	4.184	4.186
Hungarian forint	311.460	309.970	308.710
Russian ruble	74.143	68.019	51.097
Czech crown	27.034	27.285	27.535
Mexican peso	20.659	17.620	17.667
South Korean won	1284.274	1256.697	1398.113
Chinese renminbi	7.349	6.981	8.187
Indian rupee	74.365	71.219	81.063
Brazilian real	3.858	3.698	3.121
Argentinian peso	16.330	10.280	10.772
Turkish lira	3.344	3.024	2.905

We believe that constant currency measures have limitations, particularly as the currency effects that are eliminated may constitute a significant element in our revenue and expenses and could materially impact our performance. We do not evaluate our results and performance on a constant currency basis without also evaluating our financial information prepared at actual foreign exchange rates in accordance with IFRS. The measures presented on a constant currency basis should not be considered in isolation or as an alternative to the measures reported on our income statement or the notes thereto, and should not be construed as a representation that the relevant currency could be or was converted into Euro at that rate or at any other rate.

Rounding

Rounding adjustments have been made in calculating some of the financial information included in this Prospectus. Figures shown as totals in some tables and elsewhere may not be exact arithmetic aggregations of the figures that precede them.

No profit forecast

This Prospectus does not include profit forecasts or profit estimates for any period. No statement contained herein should be interpreted to mean that earnings or earnings per Share after Admission will necessarily be greater or less than the historical earnings or earnings per Share for the Company.

Market and Industry data

In this Prospectus, we 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. While we believe that industry publications, surveys and forecasts are reliable, they have not been independently verified by us, the Selling Shareholders, the Managers or Lazard and we, the Selling Shareholders, the Managers and Lazard cannot guarantee their accuracy or completeness. Certain of this information, including market studies, are frequently based on information and assumptions which may not be exact or appropriate, and their methodology is by nature forward-looking and speculative.

Where information contained in this Prospectus has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information in this Prospectus has been sourced from third parties, the source of such information has been clearly stated adjacent to the reproduced information.

In drafting this Prospectus, we used industry sources, including reports prepared by IHS, Inc. ("IHS") and Roland Berger GmbH ("Roland Berger").

The IHS report "IHS Light Vehicle Production Forecast January 2017", released on February 1, 2017 and information referenced herein (the "IHS Materials") are the copyrighted property of IHS and represent data, research, opinions or viewpoints published by IHS, and are not representations of fact. The IHS Materials speak as of the original publication date thereof (and not as of the date of this offering document). The information and opinions expressed in the IHS Materials are subject to change without notice and IHS has no duty or responsibility to update the IHS Materials. Moreover, while the IHS Materials reproduced herein are from sources considered reliable, the accuracy and completeness thereof are not warranted, nor are the opinions and analyses which are based upon it. To the extent permitted by law, IHS shall not be liable for any errors or omissions or any loss, damage or expense incurred by reliance on the IHS Materials or any statement contained herein, or resulting from any omission.

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All IHS data contained herein is based on the IHS' Materials, dated January 2017.

The "Roland Berger Study: Automotive metal components for car bodies and chassis" dated February 2017 (the "Roland Berger Study") and prepared by Roland Berger is based on publicly available information which has not been independently verified by Roland Berger, as well as certain assumptions, general assessments, projections and experience derived from Roland Berger's consulting activities, in each case as at the time of the study's preparation.

Additionally, industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and in some instances state that they do not assume liability for such information. We cannot assure you of the accuracy and completeness of such information as we have not independently verified such information.

This Prospectus also contains estimations of market data and information derived from such data that cannot be obtained from publications by market research institutes or from other independent sources. Such information is partly based on our own market observations, the evaluation of industry information (such as from conferences and sector events) or internal assessments. We believe that our estimates of market data and the information we have derived from such data helps investors to better understand the industry we operate in and our position within it. For example, certain statements regarding our leadership position in our product portfolio or our technological and innovation capabilities are based on the assessment by our management team of certain criteria regarding our market and the industry in which we operate, such as our competitor's revenues, number of plants or cost of sales. Our own estimates have not been checked or verified externally. We nevertheless believe that our own market observations are reliable. They may differ from estimates made by our competitors or from future studies conducted by market research institutes or other independent sources.

While we are not aware of any misstatements regarding the industry or similar data presented herein, such data involves risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors" in this Prospectus.

Forward-Looking Statements

This Prospectus includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “anticipates,” “expects,” “intends,” “may,” “will” or “should” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus including, without limitation, in the sections captioned “Risk Factors”, “Business”, and “Operating and Financial Review”, and include statements regarding our intentions, beliefs or current expectations which could affect, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. Forward-looking statements are not profit forecasts.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

We urge you to read the sections of this Prospectus entitled “Risk Factors,” “Operating and Financial Review” and “Business” for a more complete discussion of the factors that could affect our future performance and the industry in which we operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Prospectus may not occur.

We provide a cautionary discussion of risks and uncertainties under “Risk Factors” contained elsewhere in this Prospectus. These are factors that we think would cause our actual results to differ materially from expected results. Other factors besides those listed there could also adversely affect us. Investors are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

Exchange Rates

The following tables set forth, for the periods set forth below, the high, low, average and period end Bloomberg Composite Rate expressed as U.S. dollars per €1.00. The Bloomberg Composite Rate is a “best market” calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this Prospectus. We make no representation that the U.S. dollar amounts referred to below could have been or could, in the future, be converted into euro at any particular rate, if at all.

The average rate for a year means the average of the Bloomberg Composite Rates on the last day of each month during a year. The average rate for a month or for any shorter period, means the average of the daily Bloomberg Composite Rates during that month, or shorter period, as the case may be.

The Bloomberg Composite Rate of the Euro on March 20, 2017 was $1.0739 per €1.00.

	U.S. dollars per €1.00			
	High	Low	Average[(1)]	Period end
2012	1.3458	1.2061	1.2860	1.3193
2013	1.3802	1.2780	1.3285	1.3743
2014	1.3925	1.2100	1.3285	1.2100
2015	1.2099	1.0496	1.1100	1.0866

2016	1.1534	1.0388	1.1069	1.0517

	High	Low	Average[(2)]	Period end
October 2016	1.1211	1.0882	1.1024	1.0981
November 2016	1.1141	1.0553	1.0786	1.0589
December 2016	1.0764	1.0388	1.0538	1.0517
January 2017	1.0798	1.0405	1.0631	1.0798
February 2017	1.0783	1.0536	1.0641	1.0576
March 2017 (through March 20, 2017)	1.0766	1.0507	1.0632	1.0739

(1) The average of the exchange rates on the last business day of each month during the relevant period.

(2) The average of the exchange rates on each business day during the relevant period.

Trademarks

We own or have rights to certain trademarks, trade names or service marks which we use in connection with the operation of our business. We assert to the fullest extent under applicable law, our rights to our trademarks, trade names and service marks. Solely for convenience, the trademarks, trade names or service marks appearing in this Prospectus are listed without the applicable ®, © or ™ symbols.

Legislation

This Prospectus refers to various statutes, directives and other legislation and regulations. Unless specified to the contrary, all such references are to the laws of Spain.

Recent Accounting Pronouncements

The IAS Board issued IFRS 16 (“Leases”) in January 2016. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It will remove the distinction between “operating leases” and “finance leases”. Under the new standard, a lease is defined as a contract that provides the right to use an asset for a period of time in exchange for consideration. Therefore, companies that are lessees are required to recognize a lease liability for the obligation to make lease payments for the right to use the underlying asset for the term of the lease. IFRS 16 will effectively require companies that are lessees, including the Company, to report all leases as assets and liabilities on their statements of financial position. It will become effective from January 1, 2019 but may be implemented by companies prior to this date. Although as of the date of this Prospectus, the EU has not yet adopted IFRS 16, the Company is considering the changes required by IFRS 16 and expects to comply with such requirements by the time IFRS 16 comes into effect. We are currently analyzing the potential impact of the first-time application of this standard on the consolidated annual accounts. We have not yet completed the process, given the recent publication of this standard and the various transition options established by this standard for first-time application. Given that we are a lessee of buildings, warehouses, machinery and vehicles, the application of IFRS 16 in 2019 is expected to have an impact on our accounts. See Note 5 to our consolidated financial statements as of and for the year ended December 31, 2016.

The IAS Board issued IFRS 15 (“Revenue from Contracts with Customers”) in 2014. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. IFRS 15 will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018 and early adoption is permitted. During 2016, we performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. We expect IFRS 15 to have some impact on the amount and the time of recognition of the revenues related to the products sold by us. See Note 5 to our consolidated financial statements as of and for the year ended December 31, 2016.

We are also in the process of adopting IFRS 9 (“Financial Instruments”) which is effective for annual periods beginning on or after January 1, 2018, and we expect some impact on our accounts as a consequnce thereof. See Note 5 to our consolidated financial statements as of and for the year ended December 31, 2016.

Third Party Information and Statement by Experts and Declarations of any Interest

This Prospectus does not include any statement or report attributed to a person as an expert.

EXPECTED TIMETABLE AND OFFER STATISTICS

Expected Timetable of Principal Events

Events	Estimated Date[(1)]
Registration of the Prospectus with the CNMV	March 23, 2017
Commencement of the book-building period	March 23, 2017 after registration of this Prospectus
Finalization of the book-building period	April 5, 2017
Setting of the Offering Price	April 5, 2017
Execution of the Underwriting Agreement	April 5, 2017
Selection of purchase proposals and allocation of Initial Offered Shares	April 6, 2017
Confirmation by investors of allocation of Initial Offered Shares ("Transaction Date") and publication of relevant fact	April 6, 2017
Admission to listing on the Spanish Stock Exchanges and commencement of the Stabilization Period	April 7, 2017
Settlement Date (delivery of the Initial Offered Shares to the allocatees against payment of the Offering Price)	April 10, 2017
Finalization of the Stabilization Period	May 6, 2017

(1) Each of the times and dates is subject to change without prior notice. Any change, including in particular any extension or shortening of the book-building period, will be published through a relevant fact (*hecho relevante*) in relation to the Prospectus with the CNMV.

Offering Statistics

Indicative Offer Price Range (per Share)	€5.60-€6.70
Number of Shares to be sold by the Selling Shareholders in the Offering (assuming no exercise of the Over-Allotment Option)	155,388,877 (27% of share capital)
Maximum number of Shares to be sold by the Selling Shareholders in the Offering[(1)]	178,697,208 (31.05% of share capital)
Initial Offered Shares	155,388,877
Additional Shares[(2)]	Up to 15% of the Initial Offered Shares
Estimated gross proceeds of the Initial Offered Shares receivable by the Selling Shareholders[(3)]	€955.6 million
Estimated gross proceeds of the Additional Shares receivable by the Selling Shareholders[(4)(5)]	€143.3 million
Estimated fees and expenses[(5)]	€32.3 million
Estimated net proceeds of the Initial Offered Shares receivable by the Selling Shareholders[(4)(5)(6)]	€930.4 million
Estimated net proceeds of the Additional Shares receivable by the Selling Shareholders[(4)(5)(6)]	€139.6 million
Expected market capitalization of the Company following the Offering[(3)]	€3,539.4 million

(1) Includes the Additional Shares under the Over-Allotment Option.

(2) Refers to the Additional Shares under the Over-Allotment Option.

(3) Assumes that the Offering Price is the mid-point of the Offering Price Range.

(4) The Company will not receive any portion of the proceeds resulting from the sale of the Shares, all of which will be paid to the Selling Shareholders or to such persons as the Selling Shareholders may direct.

(5) Assumes that the Over-Allotment Option is exercised in full and that the Offering Price is the mid-point of the Offering Price Range. See "Plan of Distribution—Offering expenses".

(6) Assumes payment of the maximum amount of the Managers' discretionary commission (excluding VAT) payable by the Selling Shareholders. The fees of the Company's other advisors will be paid by the Company.

REASONS FOR THE OFFERING AND USE OF PROCEEDS

The Selling Shareholders believe that the Offering is the natural next step in the long-term development of the Group. Becoming a publicly listed company will provide advantages to the Group, including enhanced transparency and corporate governance, as well as strengthen and institutionalize the relationships of the Group with its internal and external stakeholders, while broadening the shareholder base.

The Selling Shareholders believe that the Offering will allow the Company to reach a free float higher than the minimum threshold of distribution of Shares required for their admission to trading on the Spanish Stock Exchanges. The Company will not receive any proceeds from the sale of the Offered Shares by the Selling Shareholders in the Offering.

DIVIDENDS AND DIVIDEND POLICY

Dividend Policy

On March 3, 2017, the Company's extraordinary General Shareholders Meeting approved the distribution of a cash dividend out of distributable reserves in the amount of €66.4 million, representing an amount of €0.1153 per Share, which has been fully paid as of the date of this Prospectus. Following such distribution, the Company does not expect to pay any further dividend in respect of the fiscal year 2016. On February 1, 2016 and June 27, 2016, the Company approved the distribution of dividends of profits for fiscal year 2015 in an aggregate amount of €48.44 million. Aggregate dividends amounting to €37.7 million and €33.9 million, were paid in 2015 and 2014 in respect of profits for the fiscal years 2014 and 2013, respectively. In all cases, the dividends distributed amounted to approximately 30% of the Group consolidated net income of the previous year.

Upon Admission and assuming that there are sufficient distributable reserves available at that time, we intend to target a dividend of approximately 30% of the Group's consolidated net income each year, commencing in 2018 in respect of the fiscal year 2017, in accordance with the dividend policy approved by the Board of Directors on March 3, 2017. See "Risk Factors—Risks related to the Shares and the Offering—There can be no assurance that the Company will be able to make distributions to the Company's shareholders in the future."

Dividends and our financing arrangements

The Senior Facilities Agreement, the indenture governing the 2023 notes and the EIB Loan contain certain covenants restricting our and our subsidiaries' ability to distribute dividends. See "Material Contracts—Senior Facilities Agreement—Undertakings", "Material Contracts—Senior Facilities Agreement—Financial covenants", "Material Contracts—2023 Notes" and "Material Contracts—The European Investment Bank Loan".

Legal and regulatory requirements

Our ability to distribute dividends may be restricted under general Spanish corporate laws and regulations. Spanish corporate law requires companies incorporated in Spain to contribute at least 10% of their net income each year to a legal reserve until the balance of such reserve is equivalent to at least 20% of the respective company's issued share capital. A company's legal reserve is not available for distribution to its shareholders except upon such company's liquidation, and, until such legal reserve reaches 20% of the company's share capital, it may only be used to offset losses if no other reserve is available for such purposes. As of December 31, 2016, the legal reserve of the Company amounted to €46.13 million, which is below the €57.65 million that the Company is required to allocate to its legal reserve based on its current share capital.

Our ability to pay dividends or repurchase our Shares will depend on the availability of distributable reserves which in turn will depend on our results and other factors such as our profitability and cash flow generation. We expect that upon completion of the Offering we will have no significant distributable reserves. Accordingly, our ability to make a distribution to shareholders will depend on our ability to generate net profits in future periods in order to achieve sufficient distributable reserves. The conditions under which we may declare dividends under Spanish law and our Bylaws are described in section "Description of Share Capital—Dividend and Liquidation Rights".

Taxation on dividends under Spanish law

Under current Spanish tax legislation, any distribution of dividends to be made by the Company will be subject to tax under Spanish law. See "Taxation" for a description of certain aspects of taxation applicable to the distribution of dividends.

CAPITALIZATION AND INDEBTEDNESS

The following table represents a statement of capitalization and indebtedness of the Company as of December 31, 2016. The below table has been prepared using the Company's balance sheet as of December 31, 2016.

This table should be read in conjunction with sections "Selected Audited Consolidated Financial Information and other data", "Operating and Financial Review" and the historical consolidated financial statements and the related notes thereto included elsewhere in this Prospectus.

	As of December 31, 2016
	(€ millions, except percentages)
A. Total current debt	**425.2**
Guaranteed	0.0
Secured	0.0
Unguaranteed / unsecured	425.2
B. Total non-current debt	**1,681.1**
Guaranteed	0.0
Secured	486.0
Unguaranteed / unsecured	1,195.1
C. Shareholders' equity	**1,872.0**
Share capital(1)	288.2
Share premium	61.6
Reserves(1) (2)	1,156.8
Result for the year	221.4
Currency translation adjustments	(203.3)
Minority interest	347.3
Total capitalization and indebtedness (A+B+C)	3,978.3
Cash	403.8
Cash equivalents	26.7
Current financial assets(3)	43.2
D. Cash and cash equivalents(4)	473.7
E. Current bank loans and credit facilities(5)	320.1
F. Current portion of non-current debt(5)	99.2
G.Other current financial liabilities(6)	5.9
H. Total current debt (E+F+G)	**425.2**
I. Net current financial indebtedness (H-D)	(48.5)
J. Non-current bank loans and credit facilities(5)	1,062.3
K. Bonds issued(5)	486.0
L. Other non-current financial liabilities(6)	132.8
M. Non-current liabilities (J+K+L)	1,681.1
N. Net Financial Debt (I+M)	1,632.6
Ratio of Net Financial Debt to Shareholders' equity (N/C)	87.2%

(1) On March 3, 2017 the General Shareholders' Meeting of the Company approved a capital reduction in an amount of approximately €0.48 million by means of a simultaneous creation of a restricted reserve in the same amount.

(2) Includes, among others, (i) legal reserve as of December 31, 2016 of €46.13 million and (ii) goodwill reserves as of December 31, 2016 of €4.4 million.

(3) Includes current financial receivables in such amount of €43.2 million as of December 31, 2016.

(4) Includes cash and cash equivalents as of December 31, 2016 of €430.5 million and current financial assets as of December 31, 2016 of €43.2 million (comprised of loans and receivables, securities portfolio and other current financial assets). Cash and cash equivalents and current financial assets do not take into account the operating cash

inflows generated after December 31, 2016, nor any cash outflows that occurred after December 31, 2016. In addition, cash and cash equivalents does not reflect the dividend of €66.4 million approved by our shareholders on March 3, 2017 and which has been fully paid as of the date of this Prospectus.

(5) Includes (i) non-current interest-bearing loans and borrowings as of December 31, 2016 of €1,548.3 million, including the Senior Facilities Agreement, the 2023 notes and the EIB Loan and (ii) current interest-bearing loans and borrowings as of December 31, 2016 of €419.3 million. Prior to the date of this Prospectus, the €60.0 million Bank of America loan has been fully repaid with cash of the Company.

(6) Includes (i) financial leasings as of December 31, 2016 of €33.6 million; (ii) borrowings from associated companies as of December 31, 2016 of €70.1 million and (iii) other financial liabilities as of December 31, 2016 of €35.0 million.

There have not been any material changes to the amounts set foth in the table above between December 31, 2016 and the date of this Prospectus, other than (i) the dividend of €66.4 million approved by our shareholders on March 3, 2017, which has been fully paid as of the date of this Prospectus (see “Dividends and Dividend Policy—Dividend Policy”); and (ii) the full repayment of the Bank of America loan on March 21, 2017 (see “Material Contracts—Bank of America loan”).

Contingent and indirect liabilities

As at the date of this Prospectus, to the best of our knowledge, we do not have any significant contingent or indirect liabilities other than the ones covered by the provisions existing as of December 31, 2016 and described in Note 20 of our consolidated financial statements as of and for the year ended December 31, 2016.

Working capital

In our opinion, the working capital available to us is sufficient for the Company’s present requirements and, in particular, is sufficient for at least the next 12 months from the date of this Prospectus. This will continue to be the case upon completion of the Offering. For additional information, see “Operating and Financial Review—Working Capital”.

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SELECTED CONSOLIDATED FINANCIAL AND OTHER INFORMATION

Our selected consolidated historical financial data has been derived as of and for each of the years ended December 31, 2016, 2015 and 2014, respectively, from our audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014, respectively, originally in Spanish. An English translation of our audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014 are included elsewhere in this Prospectus. There has not been any significant change in our financial or trading position which has occurred since the end of the last financial period for which audited financial information has been published.

Our selected consolidated financial data is presented in € and has been prepared in accordance with IFRS. You should read this selected consolidated financial data in conjunction with "Capitalization", "Summary Consolidated Financial and Other Information", "Operating and Financial Review", and the historical consolidated financial statements and the related notes thereto included elsewhere in this Prospectus.

For the definition of and a reconciliation to an appropriate measure calculated in accordance with IFRS of the APMs included in this Prospectus, see "Operating and Financial Review—Alternative Performance Measures ("APMs")".

	Year ended December 31,		
	2014	**2015**	**2016**
		(€ millions)	
Consolidated Income Statement Data:			
Operating income	**6,411.4**	**7,202.3**	**7,673.9**
Revenue	*6,255.8*	*7,034.5*	*7,548.9*
Other operating income	*126.6*	*156.9*	*131.6*
Changes in inventories	*29.0*	*10.9*	*(6.6)*
Operating expenses	**(6,073.9)**	**(6,802.1)**	**(7,211.3)**
Raw materials and other consumables	*(3,885.8)*	*(4,308.6)*	*(4,509.7)*
Personnel expenses	*(1,124.9)*	*(1,258.0)*	*(1,366.9)*
Depreciation, amortization, and impairment losses	*(319.0)*	*(360.1)*	*(378.5)*
Other operating expenses	*(744.2)*	*(875.4)*	*(956.2)*
Operating profit	**337.5**	**400.2**	**462.6**
Finance income	9.6	13.3	5.3
Finance expenses	(138.6)	(121.8)	(98.8)
Exchange (losses)	(7.6)	(24.7)	(12.4)
Other[(1)]	(10.2)	(14.2)	(8.6)
Profit for the year from continuing operations	**190.7**	**252.8**	**348.1**
Income tax expense	(60.3)	(63.9)	(88.9)
Profit for the year	**130.4**	**188.9**	**259.2**
(Loss) from discontinued operations	(1.6)	—	—
(Loss) profit attributable to non-controlling interests	(3.1)	(27.4)	(37.8)
Profit attributable to equity holders of the parent	**125.7**	**161.5**	**221.4**

	As of December 31,		
	2014	2015	2016
	(€ millions)		
Consolidated Balance Sheet Data:			
Intangible assets	311.6	359.4	393.0
Property, plant, and equipment	2,661.8	2,861.8	3,160.0
Non-current financial assets	76.8	57.7	95.5
Inventories	573.0	586.4	630.9
Trade and other receivables	1,057.5	1,194.7	1,376.9
Cash and cash equivalents	483.9	356.0	430.5
Other[(2)]	342.5	329.7	342.8
Total assets	**5,507.1**	**5,745.7**	**6,429.6**
Total equity	**1,716.2**	**1,798.4**	**1,872.0**
Non-current non-trade liabilities	1,725.3	1,674.2	1,779.4
Current financial liabilities	312.2	299.7	425.2
Current non-financial liabilities	142.3	151.2	290.8
Trade and other payables	1,191.8	1,384.4	1,621.4
Deferred taxes liabilities	235.1	225.5	238.5
Other liabilities[(3)]	184.2	212.3	202.3
Total liabilities	**3,790.9**	**3,947.3**	**4,557.6**

	Year ended December 31,		
	2014	2015	2016
	(€ millions)		
Consolidated Summary Cash Flow Information:			
Profit for the year before taxes and after non-controlling interests	187.6	225.4	310.3
(Loss) for the year from discontinued operations net of taxes	(1.6)	—	—
Adjustments to profit	420.9	542.1	489.7
Changes in working capital	151.8	9.7	24.6
Other cash-flows from operating activities	(193.2)	(177.2)	(172.0)
Cash flows from operating activities	**565.5**	**600.0**	**652.6**
Payments on investments	(548.4)	(626.6)	(738.4)
Proceeds from divestments	100.8	92.1	7.9
Cash flows from investing activities	**(447.6)**	**(534.5)**	**(730.5)**
Proceeds and payments on equity instruments	(6.5)	(28.0)	(6.6)
Proceeds and payments on financial liabilities	(130.9)	(120.9)	216.7
Payments on dividends and other equity instruments	(41.5)	(50.2)	(56.1)
Cash flows from financing activities	**(178.9)**	**(199.1)**	**154.0**
Effect of changes in exchange rates	24.5	5.7	(1.6)
Net increase (decrease) of cash or equivalent	**(36.5)**	**(127.9)**	**74.5**

	As of and for the year ended December 31,		
	2014	2015	2016
	(€ millions, except percentages and ratios)		
Other Financial Data:			
Revenue at constant currency[(4)]	N/A	6,769.2	7,897.1
EBITDA[(5)]	656.5	760.3	841.1
EBITDA margin	10.5%	10.8%	11.1%
Growth capital expenditures[(6)]	166.8	286.2	389.6
Recurrent capital expenditures[(6)]	246.5	248.0	251.5
Intangible capital expenditures[(6)]	70.0	88.3	83.6

Net payments on investments[7]	438.4	595.5	663.7
Adjusted Operating Cash Flow[8]	340.0	424.0	506.0
Cash Flow Conversion[9]	52%	56%	60%
Changes in working capital	151.8	9.7	24.6
Dividends[10]	(41.5)	(50.2)	(56.1)
Order intake[11]	5,821.0	11,780.6	11,917.4
Book-to-bill ratio[11]	1.1x	1.9x	1.8x
Additional Financial Data relating to Indebtedness:			
Total financial debt[12]	1,969.5	1,884.5	2,106.3
Cash, cash equivalents	484.0	356.0	430.5
Current financial assets	75.9	35.5	43.2
Net financial debt[12]	1,409.7	1,493.1	1,632.6
Ratio of net financial debt to EBITDA[13]	2.1x	2.0x	1.9x
Net financial expenses[14]	129.0	108.5	93.5
Ratio of EBITDA to net financial expenses[15]	5.1x	7.0x	9.0x

(1) Consists of share of profits from associates, change in fair value of financial instruments and impairment of and gains (losses) on sale of financial instruments.

(2) Consists of deferred tax assets, assets held for sale (which consist of assets and liabilities whose recovery is expected through sale and not through continued use, such as our stake in certain of our joint ventures), current financial assets and other current assets.

(3) Consists of non-current provisions, deferred income, current provisions and other current liabilities.

(4) We calculate revenue at constant currency based on our average exchange rates for the years 2016, 2015 and 2014. We do not present revenue for the year ended December 31, 2014 on a constant currency basis given that we are not comparing our results for the year ended December 31, 2014 with our results for the year ended December 31, 2013. For information on the average exchange rates for the years 2016, 2015 and 2014, see "Presentation of Financial Information and Other Information". For a reconciliation to an appropriate measure calculated in accordance with IFRS, see "Operating and Financial Review—Alternative Performance Measures ("APMs")—Revenue at constant currency".

(5) "EBITDA" represents operating profit before depreciation, amortization and impairment losses. Our management believes 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. EBITDA is also a measure commonly reported and widely used by analysts, investors and other interested parties in our industry. 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. For a reconciliation to an appropriate measure calculated in accordance with IFRS, see "Operating and Financial Review—Alternative Performance Measures ("APMs")—EBITDA and EBITDA margin".

(6) Capital expenditures mean expenditure on property, plant and equipment and on intangible assets. Growth capital expenditures include capital expenditures in greenfield projects, major plants expansions of existing facilities and new processes/technologies in existing plants. Intangible capital expenditures means expenditures on intangible assets. Recurrent capital expenditures includes investments for plant maintenance and business replacement. For a reconciliation to an appropriate measure calculated in accordance with IFRS, see "Operating and Financial Review—Alternative Performance Measures ("APMs")—Growth capital expenditures and recurrent capital expenditures".

(7) We define net payments on investments as our actual net cash outlays for property, plant and equipment and intangible assets, taking into account increases and decreases in payables to our suppliers of property, plant and equipment and intangible assets, as well as proceeds from divestments of property, plant and equipment and intangible assets. For a reconciliation to an appropriate measure calculated in accordance with IFRS, see "Operating and Financial Review—Alternative Performance Measures ("APMs")—Net payments on investments".

(8) We define adjusted operating cash flow as our EBITDA less our recurrent capital expenditures and our intangible capital expenditures. For a reconciliation to an appropriate measure calculated in accordance with IFRS, see "Operating and Financial Review—Alternative Performance Measures ("APMs")—Adjusted operating cash flow".

(9) We define cash flow conversion as our adjusted operating cash flow divided by EBITDA. For a reconciliation to an appropriate measure calculated in accordance with IFRS, see "Operating and Financial Review—Alternative Performance Measures ("APMs")—Cash flow conversion".

(10) Dividends consist of the dividends paid by the Company to its shareholders and to our joint venture partners in certain subsidiaries. In 2016, a dividend of €48.4 million to the shareholders of the Company was declared on February 1, 2016 and June 27, 2016, and paid on June 28, 2016.

(11) We define order intake as sales of parts attributable to vehicle programs the Company has been awarded by OEMs during the period indicated less any cancellations, based on management's best reasonable estimates in terms of volumes, selling prices and project lifespans. Order intake excludes intercompany, scrap and tooling sales. Book-to-bill is defined as order intake during a given year divided by revenue in a given year, where both order intake and revenue exclude intercompany, scrap and tooling sales. See "Operating and Financial Review—Alternative Performance Measures ("APMs")—Order intake".

(12) Total financial debt consists of interest-bearing loans and borrowings, financial leasing, borrowings from associated companies, loans from the Ministry of Science and Technology and other interest bearing loans but does not include derivative financial instruments, non-interest bearing loans, other current non-trade liabilities, deferred income, provisions, deferred tax liabilities, trade and other payables and other liabilities. Net financial debt consists of total financial debt less cash and cash equivalents and current financial assets. For a reconciliation to an appropriate measure calculated in accordance with IFRS, see "Operating and Financial Review—Alternative Performance Measures ("APMs")—Total financial debt and net financial debt".

(13) Calculated by dividing net financial debt by EBITDA.

(14) Net financial expenses consist of finance expenses less finance income.

(15) Calculated by dividing EBITDA by net financial expenses.

OPERATING AND FINANCIAL REVIEW

You should read the following discussion together with our consolidated financial statements included elsewhere in this Prospectus. The financial data in this discussion of our results of operations and financial condition as of and for each of the years ended December 31, 2016, 2015 and 2014 has been derived from the audited consolidated financial statements of Gestamp Automoción and its subsidiaries as of and for each of the years ended December 31, 2016, 2015 and 2014 prepared in accordance with IFRS. We show the results of operations for the years ended December 31, 2015 and 2014 reclassified to include a break down of our results of operations by geographic segment. This reclassification does not appear in our audited financial statements for the years ended December 31, 2015 and 2014. Certain monetary amounts, percentages and other figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

Unless otherwise indicated, all historical financial information presented in this offering memorandum is from Gestamp Automoción and its subsidiaries; accordingly, all references to "we," "us," "our" or the "Group" in respect of historical financial information in this Prospectus are to Gestamp Automoción and its subsidiaries on a consolidated basis.

You should read the following discussion together with the sections entitled "Selected Consolidated Financial and Other Information", "Risk Factors", "Forward-Looking Statements" and "Presentation of Financial and Other Information."

The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in the "Risk Factors" and "Forward-looking statements" sections of this Prospectus. Our actual results may differ materially from those contained in, or implied by, any forward-looking statements.

Overview

We are a leading Tier 1 supplier of Body-in-White and Chassis, Mechanisms, as well as Tooling and Other Products by revenue (source: Roland Berger Study and internal estimates based on Company's information and public filings of competitors).

• *Body-in-White and Chassis:* Our Body-in-White product portfolio includes large component parts and assemblies, such as hoods, roofs, doors, fenders and other high quality "Class A" surfaces (as defined in "Certain terms and conventions") and assemblies, which are used to create the visible exterior skin of an automobile. This product portfolio also includes structural and other crash-relevant products, such as floors, pillars, door rings, bumpers, rails, wheelhouses, side impact and cross car beams, battery boxes, which together with the exterior skin component parts and assemblies form the essential upper and under body (platform) structures of an automobile.

Our Chassis product portfolio consists of systems, frames and related parts, such as front and rear cross members, longitudinal beams, cradles, front and rear control arms and knuckles and integrated links, which link the vehicle body and powertrain and carry the load of the vehicle. These structures are essential for the vehicle's performance and safety, in particular affecting vehicle noise levels, vibrations, handling and behavior in the event of an impact.

• *Mechanisms (Edscha):* Our Mechanisms product portfolio consists of mechanical components such as hinges for doors, hoods and trunk lids, door checks, lift gates, as well as pedal systems and hand brakes. This product portfolio also includes powered systems that allow automobile doors and trunks to open and close electronically and by remote activation.

• *Tooling and Other Products:* We design, engineer, manufacture, service and sell dies and tools in support of our customers. We also design, manufacture and sell presses. We believe we are among the few Tier 1 suppliers that have significant, sophisticated in-house tooling and press manufacturing capabilities.

We believe that we are the leading supplier of metal components for Body-in-White products globally by revenue (source: Roland Berger Study and internal estimates based on Company's information and public filings of competitors). In metal components for Chassis products, we believe that we are among the top three globally by revenue. In Mechanisms products, we believe that we are the clear market leader globally by revenue (source: Roland Berger Study and internal estimates based on Company's information and public filings of competitors).

Current Trading and Recent Developments

Revenues in January and February 2017 have been in line with our budget and have been moderately higher than the comparable period in 2016. Nominations for project awards and resulting order intake as of February 2017 have been in line with our expectations.

This information is based solely on preliminary internal information used by management. We only perform end of period closing procedures and review processes with respect to quarterly periods and those procedures and review processes have not been completed for the information related to each of the months ended January 31, 2017 and February 28, 2017. In addition, we caution that (i) the foregoing information has not been audited or reviewed by our independent auditors and should not be regarded as an indication, forecast or representation by us or any other person regarding our financial performance for the three months ended March 31, 2017 or any future period and (ii) may not accurately reflect our financial performance as monthly management accounts are subject to significant volatility.

On November 24, 2016, our subsidiary Gestamp Metalbages S.A. acquired 60% of the share capital of ESSA Palau for a purchase price of €23.4 million. This acquisition was subject to customary antitrust conditions precedent which were met on January 17, 2017, following which ESSA Palau S.A., became a wholly-owned subsidiary of Gestamp Metalbages, S.A. ESSA Palau S.A. is located in Barcelona (Spain) and is engaged in the stamping and manufacturing of automobile components for passenger cars. There were no other significant costs associated with this acquisition.

As described in Note 22.d) of our consolidated financial statements as of and for the year ended December 31, 2016, on February 24, 2017, Mitsui irrevocably notified us that it would not exercise the put option (the "Put Option") that we had granted through an agreement entered on December 23, 2016, in relation to 10% of the shares in certain subsidiaries of the Group (see Note 18 of our consolidated financial statements as of and for the year ended December 31, 2016). Consequently, in the first quarter of 2017, the Put Option will be reversed in the Group consolidated financial statements with the cancellation of the balance registered in "Other current liabilities" for an amount of €76.9 million offset by an increase in "non-controlling interest" of €80.9 million and a decrease in "Retained earnings" of €4.0 million.

In addition, as part of our strategy to expand our international footprint, since December 31, 2016, we have started production at our second plant in Pune (India), have commenced the construction of a new plant in Matsusaka (Japan) and have acquired a small auto components supplier in Pitesti (Romania), which generated total revenue of €17 million in 2016, through our Turkish subsidiary Beyçelik Gestamp Kalip for a purchase price of less than €5 million.

Key factors affecting our results of operations

We believe that the following factors impact our results of operations:

- ***Outsourcing in the automotive industry***

As OEMs are increasing their investment in engine related technology and electrification, autonomous driving and shared mobility, OEMs tend to invest less in other areas such as body and chassis development and production. This trend, together with global platform standardization among OEMs, has led to an increase in outsourcing, as OEMs entrust a select number of strategic supply partners with an increasingly higher content of vehicle production. In parallel, specialization has led to advances achieved by suppliers such as ourselves, in certain technologies and which OEMs find difficult to match in house in price and quality, thereby resulting in increased outsourcing. For example, hot stamping is an alternative technology we offer, enhancing safety and reducing vehicle weight, which OEMs are actively seeking to use in their vehicles and which they outsource to suppliers like ourselves. In addition, as OEMs grow outside of their home markets, OEMs are more inclined to turn to external suppliers such as ourselves with plants located in close proximity for content they have provided in house in their home markets. Any such increase in outsourcing benefits our business. For example, the Crafter project in Poland, where we are supplying components for up to 50 versions of a vehicle being sold across the globe, is an example of a large, fully outsourced project from the client that requires significant skills and tooling capabilities and that involves 523 stamping die sets, 172 assembly packages and nine of our plants. Furthermore, we benefit from economies of scale that our OEM customers find more difficult to achieve in their domestic markets.

- ***New project awards***

The growth of our business involves significant capital expenditure, primarily in order to build new manufacturing plants or increase capacity in existing ones. From 2014 to 2016, we invested €1.8bn in total capital expenditures, of which approximately €843 million was in growth projects. Of this growth capex, 52% was for greenfield projects, 31% was for major plant expansions and 17% was for new processes/technologies in existing plants. Increased success and penetration with our customers based on increased project awards translates into increased capital expenditure to accommodate the execution of those projects. Project awards involve long-term production orders based on the lifecycle of the specific model or platform, which provides strong visibility on mid-term project revenues, profit and cash flow potential. Once a project is ongoing, maintenance capital expenditure is limited. When programs or vehicle models are renewed, usually at the end of a vehicle cycle, "renewal" or "replacement" capital expenditure is required in order to adapt the existing infrastructure to accommodate new assembly and process design, although usually at levels significantly below the expenditure required to create the capacity in the first place.

The construction period for new manufacturing facilities (or expansions of existing facilities) typically ranges between 12 months and 24 months and the cash used in investments in property, plant and equipment associated with the construction and equipment of a new manufacturing facility typically ranges between €40 million and €70 million. Once the construction of a manufacturing facility is completed, the output of the manufacturing facility increases over time, reaching full production capacity typically during the following 18 to 24 months (i.e. full 4-year phasing period until full production is reached). As a result, EBITDA generated by greenfield projects is usually negatively impacted by ramp-up costs during the first two years after completion of construction and increasingly stabilizes after the relevant facility has reached full production. The EBITDA margin is normally above 15% once the ramp-up phase is completed. The ratio of revenue generated by a greenfield project in its first year of full production to capital expenditures made typically averages between 1.4x and 1.6x. During the last four years we have successfully executed 21 greenfield projects and plant expansions and we currently have 10 greenfield projects under construction.

By 2019, we expect 13 additional manufacturing facilities and 10 plant expansions to be fully operational (some of which are already in ramp-up phase). The table below sets out our 26 largest manufacturing facilities whose construction and/or expansion has either been recently completed or initiated, the budgeted amounts in relation to such facilities, the construction start date and expected construction end date of each facility, and the expected first year of full production for each facility.

Geography	Manufacturing Facility	Cash used in or expected to be used in property, plant and equipment (€ millions)[2]	Construction Start Date	Construction End Date	Expected Year of Full Production
Greenfield Projects					
Western Europe	West Midlands (UK)[1]	52.9	Q3 2016	Q3 2017	2019
Eastern Europe	Nitra (Slovakia)	108.1	Q4 2016	Q1 2018	2020
	Wroclaw (Poland)	39.8	Q1 2015	Q3 2016	2018
North America	Puebla II Phase 2 (Mexico)[1]	78.9	Q4 2014	Q1 2016	2018
	West Virginia Phase 2 (USA)[1]	57.4	Q3 2014	Q3 2016	2018
	Chattanooga II (USA)	65.5	Q3 2015	Q3 2016	2018
	Chatanooga Chassis (USA)	59.1	Q2 2015	Q2 2016	2019
	Chelsea Michigan (USA)	77.4	Q4 2016	Q4 2017	2020
	San Luis Potosi (Mexico)[1]	131.0	Q3 2016	Q3 2017	2020
	Edscha San Luis Potosi (Mexico)	17.2	Q1 2016	Q3 2017	2019
South America	Betim (Brazil)[1]	24.9	Q4 2015	Q2 2016	2018

Asia	Wuhan II (China)(1)	55.5	Q4 2016	Q4 2017	2019
	Shenyang (China) (Phase 2)(1)	32.4	Q2 2015	Q4 2015	2018
	Tianjin (China)(1)	51.8	Q4 2016	Q4 2017	2020
	Japan (Japan)(1)	52.7	Q1 2017	Q4 2017	2019
	Pune II (India)(1)	22.3	Q4 2015	Q3 2016	2018
Major plant expansions					
Western Europe	Ludwigsfelde (Germany)(1)	10.0	Q1 2016	Q4 2016	2019
	Llanelli (UK)(1)	18.2	Q4 2013	Q3 2016	2017
Eastern Europe	Wrzesnia (Poland)	92.1	Q4 2014	Q4 2016	2018
	Louny Expansion (Czech Republic)(1)	52.6	Q3 2016	Q2 2017	2019
North America	Chattanooga Phase 2(1)	58.9	Q3 2015	Q3 2016	2018
	South Carolina (USA)	128.0	Q3 2016	Q3 2017	2019
	Puebla I Expansion (Mexico)(1)	51.2	Q1 2016	Q1 2017	2018
	Toluca (Mexico)	26.2	Q4 2015	Q3 2016	2018
Asia	Chennai (India)	20.4	Q2 2016	Q2 2017	2018
	Kunshan Phase 2 (China)(1)	32.1	Q2 2013	Q1 2015	2017

(1) Hot stamping facility.

(2) Current budget includes cost incurred as of December 31, 2016 and expected future cost up to start of production. Our budget may change from time to time due to various factors, may not reflect the actual cost to be incurred and are therefore for indicative purposes only. See "Risk Factors— Risks related to our Business and the Industry in which we operate—Our ongoing operations may require increased capital expenditure at certain stages that would consume cash from our operations."

As of December 31, 2016, these 26 new manufacturing facilities and major expansions had not yet generated a year of fully ramped-up revenue and EBITDA.

The most recently completed new manufacturing facilities, which have generated at least a year of fully ramped-up revenue and EBITDA are Kaluga Phase II, Puebla II Phase I, Dongguan, Shenyang, West Virginia Phase I, Chonqing and Chennai. The table below sets forth the construction start date and the construction end date of each of these manufacturing facilities.

Manufacturing Facility(*)	Construction start date	Construction end date	Year of full production
Kaluga Phase II (Russia)	May 2012	July 2014	2015
Puebla II Phase I (Mexico)	September 2013	May 2014	2015
Shenyang (China)	February 2012	July 2013	2015
Dongguan (China)	August 2012	July 2013	2015
West Virginia Phase I (USA)	May 2012	May 2013	2015
Chonqing (China)	July 2011	October 2012	2015
Chennai (India)	August 2011	August 2012	2015

The total cash used in property, plant and equipment for the manufacturing facilities above amounted to €344.9 million for the year ended December 31, 2015, while the total revenue, EBITDA and EBITDA margin for the same period amounted to €448.6 million, €75.5 million and 16.8%, respectively. In order to finance our investments we use a combination of our cash flow from operations and external financing sources and we intend to do the same in the future. For a discussion of the sources we use to finance our capital expenditures in property, plant and equipment, see "—Liquidity".

Capital expenditures for the years ended December 31, 2014, 2015 and 2016 amounted to approximately €483.3 million, €622.4 million and €724.8 million, respectively, and has been mostly tied to investments in new plant capacities to accommodate increased outsourcing of vehicle content to us from our OEM customers. Capital expenditures include expenditure on property, plant and equipment, as well as expenditure on intangible assets. We currently expect our capital expenditure as a percentage of revenue to be in line with the 2013 to 2016 average through 2018, and to decline moderately thereafter as a percentage of revenues.

As part of our strategy to expand our international footprint, since December 31, 2016, we have started production at our second plant in Pune (India), have commenced the construction of a new plant in Matsusaka (Japan) and have acquired a small auto components supplier in Pitesti (Romania), which generated total revenue of €17 million in 2016, through our Turkish subsidiary Beyçelik Gestamp Kalip for a purchase price of less than €5 million.

Other than our investments in property, plant and equipment, we do not have additional significant investments. For a further discussion on our investment policy, see "—Alternative performance measures—Growth capital expenditures, recurrent capital expenditures and intangible capital expenditures" and "—Capital expenditures".

- ***Diversification***

Our strong geographic, customer and product diversification has had the effect in the past of reducing revenue volatility during periods of economic downturn. Our well-diversified customer base, which includes, among others, Volkswagen, Daimler, Renault Nissan, Ford, BMW, PSA, General Motors, Fiat, Tata JLR, Geely-Volvo, Honda and Toyota, has limited our exposure to a decrease in the demand for any one OEM's product portfolio. Regional differences in duration, timing and intensity of economic cycles, combined with the diversity of our geographic footprint, have mitigated the effects of the economic cycle on our business, limiting the impact of our exposure to the cycle in any one region or geography. Our diversified revenue base has allowed us to take advantage of global growth opportunities, even during periods of economic downturn. For the year ended December 31, 2016, Volkswagen, Daimler and Renault Nissan represented 21.8%, 11.9% and 10.8% of our consolidated revenues (excluding tooling), respectively and our top 12 OEM customers together accounted for 87.4% of our consolidated revenues (excluding tooling).

- ***General economic conditions and global automotive production market***

The cycles of the global automotive industry, which correlate with general global macroeconomic conditions, impact our OEM customers' production requirements and consequently impact the volume of purchases and pricing of our products by such customers. Global vehicle production levels have grown moderately between 2012 and 2016, with substantial growth being registered in North America and Asia, which was partially offset by negative vehicle production growth in Mercosur and, to a lesser extent, Japan and Eastern Europe (source: IHS). The growth in vehicle production has resulted in a higher demand for our products and a positive impact on our revenues during that period, while slightly offset by the impact of slower economic growth from Brazil and Russia, which has weakened demand for new vehicles and, as a result, demand for our products.

While growth in China is expected to slow down compared to previous years, we believe that China, India, the rest of Asia, North America, Eastern Europe and Mercosur have strong potential for vehicle production volume growth. Brazil, in particular, after a significant decrease in vehicle production in recent years, is improving its economic prospects and we believe it has potential for growth in the coming years; and while Russia has experienced weak economic performance, we believe there is potential for growth in the medium term. Going forward, global auto production is expected to sustain a steady increase at an estimated CAGR (as defined in "Certain terms and conventions") of 2.2% in the period between 2016 and 2020 (source: IHS). Growth in vehicle production during that period is expected to be led primarily by Greater China, the single largest market globally, with an estimated increase of 3.0%, while other key geographies of North America and Eastern Europe are expected to grow their auto production at an estimated CAGR of 1.1% and 5.2%, respectively (source: IHS). Vehicle production in Western Europe is expected to decline between 2016 and 2020 at an estimated CAGR of (0.7)%. Mercosur and Asia (excluding Greater China), the two regions which recorded declines between 2012 and 2016, are also expected to return to growth, with an estimated CAGR of 4.1% and 2.2%, respectively, between 2016 and 2020 (source: IHS).

- ***Seasonality***

Our business is seasonal. Our working capital requirements typically increase during the first three quarters of the year and reduce towards the end of the year though can be quite variable throughout the year. This is due to several factors. OEMs typically slow down vehicle production during certain portions of the year. For instance, our customers in Europe typically slow down vehicle production during the beginning of the second half of the year in July or August as well as towards the end of the year during the holiday season in December during which they also often conduct internal maintenance and adjustments to inventory. Furthermore, there are a fewer number of working days at the end of a year as opposed to the beginning of a year and this results in a reduction in vehicle production at the end of the year. Also, we typically agree final due amounts regarding orders with our suppliers at the end of the year, which are usually paid at the beginning of the following year, resulting in higher payables at the end of the year and significant cash outflows during January and February. Furthermore, a significant portion of our tooling receivables balances are collected from our clients typically before year end, resulting in cash inflows and a reduction in receivables at the end of the year. Our results of operations, cash flows and liquidity may therefore be impacted by these seasonal practices. However, our strong geographic, customer and product diversification allows us to mitigate, to a certain extent, the impact of seasonality, due to the fact that seasonality factors are not fully correlated across our global production footprint.

- ***Foreign exchange transactions and translation***

We seek to limit our foreign exchange transaction risk by purchasing and manufacturing products in the same country where we sell them to our customer. However, financial results of operations in countries with operational currencies other than the Euro are translated into the Euro for inclusion in our consolidated financial statements. The translation of foreign currencies back to the Euro may have a significant impact on our revenues and financial results. Foreign exchange has an unfavorable impact on revenues when the Euro is relatively strong as compared with foreign currencies and a favorable impact on revenues when the Euro is relatively weak as compared with foreign currencies. The functional currency of our foreign operations is the local currency. Assets and liabilities of our foreign operations are translated into Euros using the applicable period end rates of exchange. Results of operations are translated at applicable average rates prevailing throughout the period. Translation gains or losses are reported as a separate component of accumulated other comprehensive income in our consolidated statements of stockholders' equity (deficit). Gains and losses resulting from foreign currency transactions are included in net income (loss).

- ***Steel price***

A significant part of our cost base consists of purchases of raw materials, which varies in direct proportion to our sales. Raw materials represent on average approximately 40% of our sales over the past three years, with steel comprising over 90% of our raw material purchases. An increase or decrease in steel prices can affect our results. While steel prices affect our revenue and costs, historically, our profit has not been significantly affected by changes in steel prices. In 2016, 60% of our steel was purchased through "re-sale" programs with customers, whereby the OEM periodically negotiates with the steel maker the price of the steel that we use for the production of automotive components. Any fluctuations in steel prices are directly adjusted in the selling price of the final product. In the case of products that use steel not purchased under "re-sale" programs, the OEMs adjust our selling prices based on the steel prices they themselves have negotiated with steel suppliers. Historically, the Group has negotiated and agreed its purchase contracts with steel suppliers under terms such that the impact (whether positive or negative) of the steel price fluctuation in these cases was minimal. Due to our strong relationships with OEMs and the large steel volumes we acquire in the marketplace, we expect to be able to continue to pass through cost increases or decreases in steel prices to our customers, thus minimizing the positive or negative effect on our margins. In addition, purchases of aluminum raw material have represented less than 1.5% of our sales over the last three years, and substantially all of these purchases have been via customer re-sale programs.

We also sell scrap steel, which is a byproduct of our production process. Typically, the price of scrap steel fluctuates in line with steel prices. We generally share our recoveries from sales of scrap steel with our OEM customers either through scrap sharing agreements, where we are on steel re-sale programs, or in the product pricing that we negotiate with OEMs where we purchase steel outside of re-sale programs. As with input steel prices, we may be impacted by the fluctuation in scrap steel prices, either positively or negatively, but historically these fluctuations have had a limited impact on our margins.

- ***Product pricing***

During the life cycle of a contract, we are expected to achieve production efficiencies. Typically, in line with industry practice, we pass on a portion of these production efficiencies to our customers by way of price reductions during the term of the contract. In some cases, when negotiated price reductions are expected to be retroactive, we account for such amounts as a reduction of revenues as products are shipped. To the extent we are not able to achieve the efficiencies necessary to offset the price reductions, such price reductions negatively impact our profit margins.

- ***Labor costs***

Labor costs have represented in the last three years between approximately 17.9% and 18.1% of our total sales. A significant part of our labor costs are semi-variable in nature and can be adjusted to meet business needs. For example, we can adjust the shifts worked in our manufacturing facilities and we can take additional measures to adjust working hours according to the demand for our products. We also have considerable flexibility with respect to workers who are on project-based, non-fixed labor contracts. The semi-variable nature of our labor costs has assisted our strategic planning and has allowed us to maintain consistent profit margins.

- ***Vehicle cycles***

The actual revenues we derive from a project ultimately depend on the production volumes for associated vehicle models achieved by our OEM customers, which are relatively predictable in the medium-term. Furthermore, in our industry, once a project has been awarded to a supplier, it is rare for an OEM to switch to another supplier, given the significant operational, technical and logistical costs of switching, particularly during the life cycle of a specific vehicle model and, vehicle models typically have long, multi-year product life cycles. Therefore, once a project has been awarded to us and vehicle production volumes associated with such project are established, we have visibility on our medium-term revenues for such project within a relatively small range of sensitivity.

Segment Reporting

In accordance with IFRS 8, our segments are prepared on the basis of internal reports that are periodically reviewed by the Management Committee of the Company in order to assign the corresponding resources to each segment and evaluate their respective performance.

We are organized internally into operating segments, according to five geographical regions: Western Europe (comprising Spain, Germany, United Kingdom, France, Portugal, Sweden, Belgium and Luxembourg), Eastern Europe (comprising Russia, Poland, Hungary, Czech Republic, Slovakia and Turkey), Mercosur (comprising Brazil and Argentina), North America (comprising Mexico and the United States) and Asia (comprising China, India, South Korea, Japan and Thailand). Each segment takes into account the activity of the subsidiaries of the Company in each of the countries that comprise each of the segments.

The Management Committee of the Company manages the segments based on the following metrics: revenue and EBITDA. Financial income (expense), Income tax and Profit (loss) attributable to non-controlling interests are analyzed in the Group as a whole, as the management of such metrics is carried out on a consolidated basis. For more information, see "—Alternative performance measures ("APMs")".

Our current segmentation is different from the segmentation presented in our financial statements for the year ended December 31, 2015, in which we presented our results of operations on a consolidated basis, without any geographical segmentation.

In our discussion below, we analyze our results of operations both on a consolidated basis and by segment. For comparability purposes, we have reclassified our results for the years ended December 31, 2014 and December 31, 2015 to reflect the five geographical segments discussed above. This reclassification by segment does not appear in our audited annual accounts for 2014 or 2015.

Critical accounting policies

Our financial statements and the accompanying notes contain information that is pertinent to this discussion and analysis of our financial position and results of operations. The preparation of financial statements in conformity with IFRS requires our management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and liabilities. Estimates are evaluated based on available information and experience. Actual results could differ from these estimates under different assumptions or conditions. For a detailed description of our critical accounting policies, see Note 6 to our consolidated financial statements as of and for the year ended December 31, 2016 and Note 5 to our consolidated financial statements as of and for the years ended December 31, 2015 and 2014 included elsewhere in this Prospectus.

Principal profit and loss account items

The following is a brief description of the revenue and expenses that are included in the line items of our consolidated profit and loss accounts.

Revenue

Revenue is recognized when products are delivered or services are provided, regardless of when actual payment or collection occurs. Revenue is recognized at fair value of the balancing entry, defining fair value as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, taking into account the amount of any discounts or rebates provided. Revenue includes:

- Sale of goods: Revenue from the sale of goods is recognized when the following conditions have been met:
  - we have transferred to the buyer the significant risks and rewards of ownership of the goods;
  - we retain neither continuing managerial involvement to the degree usually associated with Ownership nor effective control over the goods sold;
  - the amount of revenue can be measured reliably;
  - it is probable that the economic benefits associated with the transaction will flow to us; and
  - the costs incurred or to be incurred in respect of the transaction can be reliably measured.
- Manufacture of tools for third party sale and rendering of services: Tooling revenues are linked to projects under development. Related revenue development may not always reflect the evolution of tooling activity, depending on the timing of the underlying projects, given that despite the long time frames of tooling construction, revenue is only recognized upon finalization of construction of the tools just prior to start of production of the project. Revenue arising from the manufacture of tools for sale to third parties and the rendering of services is recognized by reference to the stage of completion of the transaction at the reporting date. This is referred to as the stage of completion method. See Note 6.11 to our consolidated financial statements for the year ended December 31, 2016 and see Note 5.11 to our consolidated financial statements for the years ended December 31, 2015 and 2014 included elsewhere in this Prospectus.
- Interest, royalties, and dividends: interest revenue is recognized 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). Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement. Dividends are recognized when the shareholder's right to receive payment is established.

Other operating income

Other operating income is comprised principally of grants related to income and grants related to assets released to income for the year, surplus provision for taxes, surplus provision for other commitments, surplus provision for environmental matters, own work capitalized and net effect of certain business combinations and acquisitions during the year.

Operating Expenses

Our operating expenses are comprised primarily of expenses on raw materials and other consumables, personnel expenses and depreciation, amortization and impairment losses. Expenses are recognized when products are delivered or services are provided, regardless of when actual payment or collection occurs. Further, expenses are recognized when there is a decrease in an asset or an increase in a liability that can be measured reliably, and they are recognized during the period in which they are incurred.

Raw materials and other consumables

Our expenses on raw materials and other consumables include purchases of goods and tools for resale, discounts for prompt payment, purchase returns and similar transactions, volume discounts, changes to inventories, purchases of raw materials, consumption of other supplies, expenses on work performed by third parties, impairment and reversal of impairment of goods for resale and raw materials.

Personnel expenses

Our personnel expenses include salaries, social security and other benefits expenses. Personnel expenses are primarily costs driven by the size of our operations, our geographical reach and customer requirements.

Depreciation, amortization and impairment losses

Depreciation and amortization relate to the depreciation of our property, plant and equipment. Annual depreciation is calculated using the straight-line method based on the standard estimated useful lives of the various assets. The physical life of our forming assets is typically longer. Our maintenance and replacement/renewal capital expenditures for our equipment are less than the depreciation of our assets. Land is not depreciated and is presented net of any impairment charges.

Property, plant, and equipment is carried at either acquisition 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.

Certain major parts of some items of 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 capitalized.

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 income statement in the year the asset is retired. Borrowing costs directly attributable to the acquisition or development of a qualifying asset (which is an asset that takes more than one year to be ready for its intended use) are capitalized as part of the cost of the respective assets.

Other operating expenses

Our other operating expenses relate to maintenance and upkeep, other external services, taxes and levies, impairment of accounts receivable, profits or losses from disposal of assets, application of non-current provisions and profits from business combinations.

Financial income (expenses)

Financial income primarily consists of income from equity investments and loans within our group and to third parties.

Financial expenses are composed of interest expenses from our borrowings from companies within our group and our external financings including bank borrowings and trade bills and other financial expenses.

Exchange gains (losses)

Exchange gains (losses) relate to the impact of changes in the functional currency relative to the euro on foreign currency borrowings. When these are intragroup loans and they are considered permanent, these exchange gains (losses) are taken directly to equity under “Translation differences”, net of the tax effect. When these borrowings are not intragroup loans or they are not considered permanent, these gains (losses) are recognized in the consolidated income statement.

Transactions in foreign currencies are translated to euros 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 recognized in the consolidated income statement.

Other (principally Share of profits (losses) from associates carried under the Equity Method)

Share of profits (losses) in companies carried under the equity method is composed of the results of companies included in our consolidated results, on which we have significant influence but not control or joint control. For the purposes of the preparation of our financial statements, significant influence is deemed to exist in investments in which we, directly or indirectly, hold over 20% of the voting power, and in certain instances where our holding is less than 20%, but significant influence can otherwise be clearly demonstrated (for example, by Gestamp being part of shareholders’ arrangements that grant us veto rights on capital expenditures, approval of budget and annual accounts, or when the financing of that particular entity depends on financing received from the Group). Companies in which our direct or indirect holding is between 20% and 50%, but in which we do not hold the majority of voting rights or in which we do not have effective control or joint control with another third party entity, are consolidated using the equity method.

Income tax expense

We file income tax returns in each of the jurisdictions in which our subsidiaries are located. Our tax expense (tax income) was calculated based on accounting profit, which is calculated based on a number of factors such as theoretical tax expense, difference in prevailing rates, permanent differences, application of tax credits carried forward, tax credits restructured by prescription, adjustments related to current tax (previous years) and other tax adjustments.

Our theoretical tax rate applied in 2016 and in 2015 was 28%, while in 2014 it was 30%. The “differences in prevailing rates” in 2016, 2015 and 2014 reflect the differences between prevailing rates in certain operating markets and the theoretical applicable tax rate, mainly relating to operations taxed in the United States (35%), Brazil (34%) and Argentina (35%).

Also, in 2015 “Other tax adjustments” includes adjustments to capitalized tax credits related to differences in tax rates.

Profit (loss) attributable to non-controlling interest

Our consolidated results include entities in which our joint venture partners have a non-controlling interest. See Note 18 to our consolidated financial statements for the years ended December 31, 2016 and Note 16 to our consolidated financial statements for the years ended 2015 and 2014 included elsewhere in this Prospectus for a description of such entities.

Alternative performance measures (“APMs”)

Below is a discussion of certain non IFRS financial information. Such financial information is not defined under IFRS, and other companies may calculate such financial information differently or may use such measures for different purposes than we do, limiting the usefulness of such measures as comparative measures. The APMs should not be considered in isolation and investors should not consider such information as alternative to net income as as indicator of our financial performance, 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. Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS included elsewhere in this Prospectus. Investors are cautioned not to place undue reliance on these

APMs and are also advised to review them in conjunction with the financial statements for the years ended December 31, 2016, 2015 and 2014 included elsewhere in this Prospectus.

This Prospectus contains financial measures that are not defined or recognized under IFRS, including: revenue on a constant currency rate, EBITDA, EBITDA margin; growth capital expenditures; recurrent capital expenditures; net payments on investments; adjusted operating cash flow; cash flow conversion; order intake; total financial debt; net financial debt; net financial expenses; and leverage and coverage ratios. We present these APMs because we believe that the APMs contribute to a better understanding of our results of operations by providing additional information on what we consider some of the drivers of our financial performance. Furthermore, we believe that these APMs are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

In addition, the presentation of these measures is not intended to and does not necessarily comply with the reporting requirements of the SEC; compliance with its requirements would require us to make changes to the presentation of this information.

The Company believes that the description of these APMs in this Prospectus follows and complies with the European Securities and Markets Authority Guidelines on Alternative Performance Measures (APM) dated October 5, 2015.

Revenue at constant currency

The calculation of revenue at constant currency as presented in this Prospectus is based on our average exchange rates for the years 2016, 2015 and 2014. The table below sets forth such average exchange rates by country and region, as well as revenue and revenue at constant currency.

			Average exchange rates to euro for the years ended December 31,			**Revenue for the years ended December 31, (€ million)**			**Revenue at constant currency rate for the years ended December 31, (€ million)**	
Region	**Country**	**Currency**	**2016**	**2015**	**2014**	**2016**	**2015**	**2014**	**2016**	**2015**
Western Europe	Spain	Euro	1.000	1.000	1.000	1,320.9	1,269.9	1,087	1,320.9	1,269.9
	Germany	Euro	1.000	1.000	1.000	1,044.5	1,020.4	1,031	1,044.5	1,020.4
	United Kingdom	Sterling pound	0.819	0.727	0.806	670.8	685.9	583	756.1	618.2
	France	Euro	1.000	1.000	1.000	435.0	409.6	387	435.0	409.6
	Portugal	Euro	1.000	1.000	1.000	159.9	143.5	138	159.9	143.5
	Sweden	Swedish krona	9.467	9.357	9.103	73.0	78.0	72	73.8	80.2
Eastern Europe	Turkey	Turkish lira	3.344	3.024	2.905	272.0	241.5	216	300.9	251.4
	Russia	Russian ruble	74.143	68.019	51.097	107.6	117.7	150	117.3	156.7
	Czech Republic	Czech crown	27.034	27.285	27.535	167.7	129.9	116	166.1	128.7
	Poland	Polish zloty	4.363	4.184	4.186	256.3	111.8	118	267.2	111.8
	Hungary	Hungarian forint	311.460	309.970	308.710	50.6	50.4	50	50.8	50.6
	Slovakia	Euro	1.000	1.000	1.000	5.3	9.3	11	5.3	9.3
Mercosur	Brazil	Brazilian real	3.858	3.698	3.121	245.7	247.3	385	256.3	293.0
	Argentina	Argentinian peso	16.330	10.280	10.772	155.7	219.2	183	247.3	209.2
North America	United States	United States dollar	1.107	1.110	1.328	1,153.8	907.3	694	1,150.0	758.7
	Mexico	Mexican peso	20.659	17.620	17.667	392.3	416.0	294	460.	414.9
Asia	China	Chinese renminbi	7.349	6.981	8.187	719.6	690.1	521	757.6	588.4
	India	Indian rupee	74.365	71.219	81.063	168.2	157.8	122	175.6	138.6
	South Korea	South Korean won	1,284.274	1,256.697	1,398.113	137.8	118.5	87	140.9	106.6

	Japan	Japanese yen	120.340	134.370	140.420	7.3	6.0	6	6.5	5.7
	Thailand	Thailandese baht	39.046	38.030	43.132	5.0	4.2	3	5.1	3.7
TOTAL						**7,548.9**	**7,034.5**	**6,255.8**	**7,897.1**	**6,769.2**

To determine growth on a constant currency basis for a considered year, we re-calculate the Euro value of consolidated sales or EBITDA for each country by applying the average exchange rate of the prior year instead of the average exchange rate of the considered year and then compare the re-calculated Euro value to the reported value of the prior year.

We believe that revenue at constant currency is meaningful for investors because it provides information about our results adjusted to eliminate the impact of foreign exchange when translating our results into Euros. However, constant currency measures have limitations, particularly as the currency effects that are eliminated may constitute a significant element in our revenue and expenses and could materially impact our performance. We do not evaluate our results and performance on a constant currency basis without also evaluating our financial information prepared at actual foreign exchange rates in accordance with IFRS. The measures presented on a constant currency basis should not be considered in isolation or as an alternative to the measures reported on our income statement or the notes thereto, and should not be construed as a representation that the relevant currency could be or was converted into Euro at that rate or at any other rate.

EBITDA and EBITDA margin

We calculate EBITDA as operating profit before amortization, impairment and depreciation. EBITDA is not a measurement of performance under IFRS and investors should not consider EBITDA as 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.

We calculate EBITDA margin as EBITDA divided by revenue.

We believe that EBITDA and EBITDA margin are meaningful for investors because they provide an analysis of our operating results, profitability and ability to service debt and because they are 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, EBITDA excludes amortization, impairment and depreciation expenses from operating profit in order to eliminate the impact of general long term capital investment.

The following table sets forth a reconciliation of EBITDA to our operating profit for the periods discussed herein.

	Year ended December 31,		
	2014	**2015**	**2016**
	(€ millions, except percentages)		
Operating profit	**337.5**	**400.2**	**462.6**
Adjusted for:			
Depreciation, amortization and impairment losses..................................	319.0	360.1	378.5
EBITDA	**656.5**	**760.3**	**841.1**
EBITDA margin......................................	**10.5%**	**10.8%**	**11.1%**

Growth capital expenditures, recurrent capital expenditures and intangible capital expenditures

Growth capital expenditures include capital expenditures in greenfield projects, major plants expansions of existing facilities and new processes/technologies in existing plants. Recurrent capital expenditures include investments for plant maintenance and business replacement. Intangible capital expenditures include expenditures on intangible assets.

We believe that growth capital expenditures, recurrent capital expenditures and intangible capital expenditures are meaningful for investors because they provide information about our growth prospects and investment profile by illustrating the nature of our investments and cash flows.

The following table presents the calculation of these measures to reconcile with capital expenditures:

	Year ended December 31,		
	2014	2015	2016
		(€ millions)	
Growth capital expenditures	166.8	286.2	389.6
Recurrent capital expenditures	246.5	248.0	251.5
Intangible capital expenditures	70.0	88.3	83.6
Capital expenditures	**483.3**	**622.4**	**724.8**

Net payments on investments

We define net payments on investments as our actual net cash outlays for property, plant and equipment and intangible assets, taking into account increases and decreases in payables to our suppliers of property, plant and equipment and intangible assets, as well as proceeds from divestments of property, plant and equipment and intangible assets.

We believe that net payments on investments is meaningful for investors because it provides a view of the actual cash impact of our capital expenditure program during a given period.

The following table presents the calculation of this measure:

	Year ended December 31,		
	2014	2015	2016
		(€ millions)	
Payments on property, plant and equipment	382.0	528.0	587.1
Payments on intangible assets	70.0	88.3	84.6
Proceeds from property, plant and equiipment	(12.5)	(20.2)	(6.4)
Proceeds from other intangible assets	(1.1)	(0.6)	(1.5)
Net payments on investments	**438.4**	**595.5**	**663.7**

Adjusted operating cash flow

Adjusted operating cash flow is defined as our EBITDA, less our recurrent capital expenditures less our intangible capital expenditures.

We believe that adjusted operating cash flow is meaningful for investors because it is an indicator of our ability to generate operating cash flow in a scenario in which we aim to grow only in line with the overall vehicle production market, thereby enhancing the comparison with other companies with a lower growth profile than our own.

The following table presents the calculation of these measures:

	Year ended December 31,		
	2014	2015	2016
		(€ millions)	
EBITDA	**656.5**	**760.3**	**841.1**
Intangible capital expenditures	(70.0)	(88.3)	(83.6)
Recurrent capital expenditures	(246.5)	(248.0)	(251.5)
Adjusted operating cash flow	**340.0**	**424.0**	**506.0**

Cash flow conversion

The ratio of cash flow conversion is calculated by dividing our adjusted operating cash flow by EBITDA.

We believe that cash flow conversion is meaningful for investors because it provides a view of the relationship between our EBITDA and our ability generate cash flow in a scenario in which we would aim to grow only in line with the vehicle production market.

The following table presents the calculation of this measure:

	Year ended December 31,		
	2014	2015	2016
	(€ millions, except percentages)		
Adjusted operating cash flow	340.0	424.0	506.0
EBITDA	656.5	760.3	841.1
Cash flow conversion	**0.52**	**0.56**	**0.60**

Order intake and book-to-bill ratio

Order intake is defined as sales of parts attributable to vehicle programs the company has been awarded by OEMs during the period indicated less any cancellations, based on management's best reasonable estimates in terms of volumes, selling prices and project lifespans. Order intake excludes intercompany, scrap and tooling sales. Book-to-bill is defined as order intake during a given year divided by revenue in a given year, where both order intake and revenue exclude intercompany, scrap and tooling sales.

We believe that order intake and book-to-bill ratio are meaningful for investors because they provide an indication to measure potential evolution of our business.

	Year ended December 31,		
	2014	2015	2016
	(€ millions, except ratios)		
Western Europe	2,053.0	4,448.5	3,472.7
Eastern Europe	1,349.5	2,129.3	1,719.4
Mercosur	289.5	320.3	1,025.9
North America	945.5	3,954.2	4,162.2
Asia	1,183.5	928.2	1,537.1
Order intake	**5,821.0**	**11,780.6**	**11,917.4**
Book-to-bill ratio	**1.1x**	**1.9x**	**1.8x**

Total financial debt and net financial debt

Total financial debt consists of interest-bearing loans and borrowings, financial leasing, borrowings from associated companies, loans from the Ministry of Science and Technology and other interest bearing loans but does not include derivative financial instruments, non-interest bearing loans, other current non-trade liabilities, deferred income, provisions, deferred tax liabilities, trade and other payables and other liabilities. Net financial debt consists of total financial debt less cash and cash equivalents and current financial assets.

We believe that total financial debt and net financial debt are meaningful for investors because they provide comprehensive information about our financial situation and are helpful in calculating our level of leverage.

The following table presents a calculation of these measures:

	As of December 31,		
	2014	2015	2016
	(€ millions)		
Interest bearing loans and borrowings	1,764.8	1,730.9	1,967.6
Financial leasing	28.6	35.2	33.6
Borrowings from associated companies	99.4	79.0	70.1

Other interest bearing loans	76.7	39.4	35.0
Total financial debt	**1,969.5**	**1,884.5**	**2,106.3**
Current financial assets	75.9	35.5	43.2
Cash and cash equivalents	484.0	356.0	430.5
Net financial debt	**1,409.7**	**1,493.1**	**1,632.6**

Net financial expenses

Net financial expenses consist of financial expenses less financial income. We believe that net financial expenses are meaningful for investors because they provide an indication of our financing costs after taking into consideration the income from our financial investments.

	Year ended December 31,		
	2014	2015	2016
		(€ millions)	
Financial expenses	(138.6)	(121.9)	(98.8)
Financial income	9.6	13.3	5.3
Net financial expenses	**(129.0)**	**(108.6)**	**(93.5)**

Ratio of net financial debt to EBITDA; ratio of EBITDA to net financial expenses

We calculate the ratio of net financial debt to EBITDA by dividing net financial debt by EBITDA.

We calculate the ratio of EBITDA to net financial expenses by dividing EBITDA by net financial expenses.

	Year ended December 31,		
	2014	2015	2016
		(€ millions, except ratios)	
EBITDA	656.5	760.3	841.1
Net financial debt	1,409.7	1,493.1	1,632.6
Net financial expenses	(129.0)	(108.6)	(93.5)
Ratio of net financial debt to EBITDA	2.1x	2.0x	1.9x
Ratio of EBITDA to net financial expenses	5.1x	7.0x	9.0x

Results of operations

Year ended December 31, 2016 compared to year ended December 31, 2015

Group results of operations

The table below sets out our results of operations for the year ended December 31, 2016, compared to the year ended December 31, 2015, on a consolidated basis.

	Year ended December 31,		
	2015	2016	% Change
	(€ millions)		
Consolidated Income Statement Data:			
Operating income	**7,202.3**	**7,673.9**	**6.5%**
Revenue	*7,034.5*	*7,548.9*	*7.3%*
Other operating income	*156.9*	*131.6*	*(16.1%)*
Changes in inventories	*10.9*	*(6.6)*	*(160.6%)*
Operating expenses	**(6,802.1)**	**(7,211.3)**	**6.0%**
Raw materials and other consumables	*(4,308.6)*	*(4,509.7)*	*4.7%*
Personnel expenses	*(1,258.0)*	*(1,366.9)*	*8.6%*
Depreciation, amortization, and impairment losses	*(360.1)*	*(378.5)*	*5.1%*
Other operating expenses	*(875.4)*	*(956.2)*	*9.2%*

Operating profit	**400.2**	**462.6**	**15.6%**
Financial income	13.3	5.3	(60.1%)
Financial expenses	(121.9)	(98.8)	(18.9%)
Exchange gains (losses)	(24.7)	(12.4)	(49.8%)
Other	(14.2)	(8.6)	(39.4%)
Profit for the year from continuing operations	**252.8**	**348.1**	**37.7%**
Income tax expense	(63.9)	(88.9)	39.1%
Profit for the year	**188.9**	**259.2**	**37.1%**
(Loss) attributable to non-controlling interests	(27.4)	(37.8)	37.9%
Profit attributable to equity holders of the parent	**161.5**	**221.4**	**37.1%**

Results of operations by segment

Revenue

Revenue increased by €514.4 million, or 7.3%, to €7,548.9 million in 2016 from €7,034.5 million in 2015. On a constant currency basis, our revenue increased by 12.3% in the year ended December 31, 2016, compared to the year ended December 31, 2015. The increase in revenue is primarily attributable to a €222.7 million or 16.8% revenue increase in North America, a €198.8 million or 30.1% revenue increase in Eastern Europe, a €96.8 million or 2.7% increase in revenue in Western Europe and a €61.2 million or 6.3% revenue increase in Asia. These increases were partly offset by a €65.1 million or 14.0% decrease in revenue in South America associated with lower sales in Brazil.

The annual increase of our revenues was higher than the rate of increase in the overall volume of production in countries in which our manufacturing plants operate, which was 5.7% for the year ended December 31, 2016 (source: IHS), largely as a result of the start of production of major projects, including certain projects for which we received the outsourcing mandate for nearly all of the Body-in-White stampings, which also led to growth in tooling revenue, mainly in Eastern Europe and North America. In addition, the start of production or the ramp-up of several new projects in the United States, Spain and China, where we have implemented significant investment in prior years, also contributed to our above-market growth. While our revenue increased by 7.3%, global light vehicle production in the countries in which our manufacturing plants operate increased by 5.7%.

Revenue by product category

The following table sets forth, by product category, our revenue for the years ended December 31, 2016 and 2015:

	Year ended December 31,		
	2015	**2016**	**% Change**
	(€ million)		
Revenue:			
Body-in-White and Chassis	5,813.0	6,067.4	4.4%
Mechanisms	832.1	902.4	8.4%
Tooling and Other Products	389.4	579.1	48.7%
Total	**7,034.5**	**7,548.9**	**7.3%**

Body-in-White and Chassis. Revenue increased by €254.4 million, or 4.4%, to €6,067.4 million in 2016 from €5,813.0 million in 2015. This increase was primarily attributable to increases of sales in North America of €110.0 million or 9.0%, Eastern Europe of €93.8 million or 18.4%, Western Europe of €91.4 million or 3.1%, as well as a €20.3 million or 2.7% increase in revenue in Asia. These increases were partly offset by a €61.1 million or 15.4% decrease in revenue in Mercosur.

Mechanisms. Revenue increased by €70.3 million, or 8.4%, to €902.4 million in 2016 from €832.1 million in 2015. This increase was primarily attributable to an increase of sales in Asia of €29.5 million or 16.2%, in Western Europe of €22.2 million or 4.9%, in North America of €8.6 million or 12.2%, in Eastern Europe of €6.3 million or 6.2% and in Mercosur of €3.7 million.

Tooling and Other Products. Revenue increased by €189.7 million, or 48.7%, to €579.1 million in 2016 from €389.4 million in 2015. This increase was primarily attributable to a €117.6 million increase in revenue in Eastern Europe largely due to the completion of the Crafter project in Poland and the tooling sales associated with that project; and to a €104.1 million increase in revenue in North America mainly attributable to tooling sales associated with projects in Chattanooga. These increases were partly offset by a decrease in revenues in Western Europe of €35.8 million and in Mercosur of €7.7 million.

Revenue by geographic segment

The following tables set forth, by geography, our revenue for the years ended December 31, 2016 and 2015 with and without constant currencies:

	Year ended December 31,		
	2015	2016	% Change
	(€ million)		
Revenue:			
Western Europe	3,607.4	3,704.1	2.7%
Eastern Europe	660.7	859.5	30.1%
Mercosur	466.5	401.3	(14.0%)
North America	1,323.3	1,546.1	16.8%
Asia	976.6	1,037.9	6.3%
Total	**7,034.5**	**7,548.9**	**7.3%**

	Year ended December 31,		
	2015	2016	% Change
	(€ million)		
Revenue at constant currency:			
Western Europe	3,607.4	3,790.3	5.1%
Eastern Europe	660.7	907.6	37.4%
Mercosur	466.5	503.5	7.9%
North America	1,323.3	1,609.9	21.7%
Asia	976.6	1,085.7	11.2%
Total	**7,034.5**	**7,897.1**	**12.3%**

Western Europe. Revenue increased by €96.7 million, or 2.7%, to €3,704.1 million in 2016 from €3,607.4 million in 2015. Growth was driven mainly by market volume growth in Spain and Portugal, and France, with a decline in sales in the United Kingdom driven by adverse movements of rate of exchange of the Euro against the British Pound. On a constant currency basis, sales growth in Western Europe was 5.1%. Our constant currency growth in Western Europe of 5.1% outpaced global market production volume growth of 3.8% for the year ended December 31, 2016 (source: IHS), compared with the year ended December 31, 2015, as a result of new project ramp-ups and a favorable mix of underlying vehicle models for which our plants supply components. Revenue grew by €51.0 million or 4.0% in Spain, €25.4 million or 6.2% in France, €24.1 million or 2.4% in Germany and €16.4 million or 11.4% in Portugal. These increases were partly offset by a €15.1 million or 2.2% decline in the United Kingdom and a €5.1 million or 6.5% decline in Sweden.

Eastern Europe. Revenue increased by €198.8 million, or 30.1%, to €859.5 million in 2016 from €660.7 million in 2015 largely due to the sale of tooling in Poland related to the Crafter project in which virtually all of the Body-in-White and Chassis stampings have been outsourced to us. Revenues also grew considerably in the Czech Republic due to increased volumes of Body-in-White components manufactured at our facility in Louny as well as increased volumes of Mechanisms products, in both cases related to an increase in overall vehicle production volumes. Turkey also contributed to growth in Eastern Europe, largely due to an increase in the volume of vehicle production, particularly with Fiat. Revenue grew €144.5 million or 129.2% in Poland, €37.8 million or 29.1% in Czech Republic, €30.6 million or 12.6% in Turkey. These increases were partly offset by a decrease of revenues of €10.1 million or 8.6% in Russia and €4.0 million in Slovakia primarily due to the impact of local currency devaluations. On a constant currency basis, revenue growth in Eastern Europe was 37.4%.

Mercosur. Revenue decreased by €65.2 million, or 14.0%, to €401.3 million in 2016 from €466.5 million in 2015 largely due to adverse exchange rate movements in both Brazil and Argentina. The decline in revenue in Brazil of €63.6 million or 29.0% was also driven by a lower volume of vehicle production, which was 8.8% lower than in 2015. On a constant currency basis, revenue growth in Mercosur was 7.9%.

North America. Revenue increased by €222.8 million, or 16.8%, to €1,546.1 million in 2016 from €1,323.3 million in 2015 driven by an increase in revenue attributable to the United States of €246.5 million or 27.2% based on project ramp-ups, mainly in West Virginia, as well as significant sales of tooling, mostly related to projects in Chattanooga. In Mexico, higher tooling sales mostly offset a decline in parts sales driven by planned stoppages related to the major plant expansion and new program launch at Toluca. Revenue decreased by €23.7 million or 5.7% in Mexico. On a constant currency basis, revenue growth in North America was 21.7%.

Asia. Revenue increased by €61.3 million, or 6.3%, to €1,037.9 million in 2016 from €976.6 million in 2015 driven mainly by Body-in-White sales in South Korea, as well as growth in Mechanisms in China, in each case due to ramp-up projects and increases in the volume of vehicle production, partially offset by adverse currency effects related to the Chinese Yuan. Revenue increased by €29.5 million or 4.3% in China, €19.3 million or 16.3% in South Korea and €10.4 million or 6.6% in India. On a constant currency basis, revenue growth in Asia was 11.2%.

Operating expenses

Raw materials and other consumables. Raw materials and other consumables increased by €201.1 million, or 4.7%, to €4,509.7 million in 2016 from €4,308.6 million in 2015. The increase in raw materials and other consumables in 2016 is mainly due to an increase of our production in North America, Eastern Europe, Western Europe and Asia and is consistent with the rate of growth of sales. As a percentage of revenue, our raw materials and other consumables decreased by 1.5 percentage points from 61.2% in 2015 to 59.7% in 2016 mainly as a result of our product mix.

Personnel Expenses. Personnel expenses increased by €108.9 million, or 8.6%, to €1,366.9 million in 2016 from €1,258.0 million in 2015, primarily due to an increase in the overall number of our employees. As a percentage of revenue, our personnel expenses increased by 0.2 percentage points from 17.9% in 2015 to 18.1% in 2016.

Depreciation, amortization and impairment losses. Depreciation, amortization and impairment losses increased by €18.4 million, or 5.1%, to €378.5 million in 2016 from €360.1 million in 2015, largely as a result of new investments carried out in recent years, particularly in North America and Asia.As a percentage of revenue, our depreciation, amortization and impairment losses remained stable at 5.0% in 2016 and 2015.

Other Operating Expenses. Other operating expenses increased by €80.8 million, or 9.2%, to €956.2 million in 2016 from €875.4 million in 2015. This increase was mainly due to an increase in our volumes of production in North America, Eastern Europe, Western Europe and Asia. As a percentage of revenue, our other operating expenses increased by 0.3 percentage points from 12.4% in 2015 to 12.7% in 2016.

Operating profit

Operating profit increased by €62.4 million, or 15.6%, to €462.6 million in 2016 from €400.2 million in 2015. This increase was primarily due to higher sales volume and lower percentage increases in operating expenses, mainly in raw materials and other consumables, as well as due to the positive impact of operating leverage.

EBITDA

EBITDA increased by €80.8 million, or 10.6%, to €841.1 million in 2016 from €760.3 million in 2015, driven mainly by revenue growth in North America, Asia, Eastern Europe as well as Western Europe. EBITDA growth was slowed by a decline in EBITDA in Mercosur for the second consecutive year and the negative impact of exchange rates in the United Kingdom, Turkey, China and Brazil. As a percentage of revenue, our EBITDA increased by 0.3 percentage points from 10.8% in 2015 to 11.1% in 2016.

EBITDA by geographic segment

The following table sets forth, by geography, our EBITDA for the years ended December 31, 2016 and 2015:

	Western Europe		Eastern Europe		Mercosur		North America		Asia		Total	
	Year ended December 31,											
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
	(€ millions)											
Operating profit	**166.3**	**190.7**	**44.5**	**55.1**	**3.9**	**3.4**	**84.4**	**97.4**	**101.1**	**116.0**	**400.2**	**462.6**
Adjusted for:												
Depreciation, amortization and impairment losses	181.0	187.3	41.8	40.5	22.4	19.8	59.8	69.8	55.1	61.1	360.1	378.5
EBITDA	**347.3**	**378.0**	**86.3**	**95.6**	**26.3**	**23.2**	**144.2**	**167.2**	**156.2**	**177.1**	**760.3**	**841.1**

Western Europe. EBITDA increased by €30.7 million, or 8.8%, to €378.0 million in 2016 from €347.3 million in 2015. This increase was primarily attributable to increased activity in our plants in Spain, France and Portugal, and to margin improvement in the United Kingdom. As a percentage of revenue, our EBITDA in Western Europe increased by 0.6 percentage points from 9.6% in 2015 to 10.2% in 2016.

Eastern Europe. EBITDA increased by €9.3 million, or 10.8%, to €95.6 million in 2016 from €86.3 million in 2015. This increase was primarily attributable to an increase in revenues in tooling in Poland related to the Crafter project and volume increases in Body-in-White and Mechanisms, particularly in the Czech Republic, partially offset by decreased production activity in Russia. As a percentage of revenue, our EBITDA decreased by 2 percentage points from 13.1% in 2015 to 11.1% in 2016. This decrease in EBITDA margin was due to higher tooling sales in 2016 than in 2015 which generate lower EBITDA margin than revenue in other product categories, higher launch costs, as well as a continuation in the decline in vehicle volumes affecting our customers in Russia.

Mercosur. EBITDA decreased by €3.1 million, or 11.8%, to €23.2 million in 2016 from €26.3 million in 2015. This decrease was primarily attributable to a decline in sales both in Brazil and in Argentina. In addition, we undertook and executed a significant restructuring, which resulted in a reduction in headcount in order to adapt the workforce to market demand, resulting in the incurrence of extraordinary expenses. The devaluations of the local currencies during 2016 also had a negative impact on the translation of results into Euros and therefore on reported EBITDA. As a percentage of revenue, our EBITDA in Mercosur increased by 0.2 percentage points from 5.6% in 2015 to 5.8% in 2016.

North America. EBITDA increased by €23.0 million, or 15.9%, to €167.2 million in 2016 from €144.2 million in 2015. The increase in EBITDA is primarily attributable to increased sales due to ramping up of projects in the United States, with a positive impact from tooling sales partially offset by higher launch costs related to new projects in both Mexico and the United States. As a percentage of revenue, our EBITDA in North America remained constant in 2016 compared to 2015.

Asia. EBITDA increased by €20.9 million, or 13.4%, to €177.1 million in 2016 from €156.2 million in 2015. The increase in EBITDA is primarily attributable to higher sales from our operations in South Korea, general improvements in efficiency, and positive trends in our Mechanisms plants, which offset the negative impact of foreign exchange fluctuations, particularly in relation to the Chinese Yuan. As a percentage of revenue, our EBITDA in Asia increased by 1.1 percentage points from 16.0% in 2015 to 17.1% in 2016.

Net financial income (expenses)

Net financial expense decreased by €15.0 million, or 13.9%, to €93.5 million in 2016 from €108.5 million in 2015. This decrease was primarily due to lower average interest rates on our financial liabilities in 2016 compared to 2015, mainly due to the refinancing of the 2020 notes in the first half of 2016.

Exchange gains (losses)

Exchange losses decreased by €12.3 million to €12.4 million in 2016 from €24.7 million in 2015. In 2016 the impact from adverse currency movements was primarily in Mexico, United Kingdom, Turkey and Brazil.

Income tax

Income tax expense increased by €25.0 million to €88.9 million in 2016 from €63.9 million in 2015, which has resulted in an average tax rate of 25.5% in 2016, similar to the 25.3% average rate in 2015.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests increased by €10.4 million, or 37.9%, to €37.8 million in 2016 from €27.4 million in 2015. This increase in profit attributable to non-controlling interests is attributable to the higher profits or lower losses achieved by our subsidiaries in which third parties hold a minority interest, such as our joint ventures in Russia and the U.S.

Year ended December 31, 2015 compared to year ended December 31, 2014

Group results of operations

The table below sets out our results of operations for the year ended December 31, 2015, compared to the year ended December 31, 2014, on a consolidated basis.

	Year ended December 31,		%
	2014	2015	Change
	(€ millions)		
Consolidated Income Statement Data:			
Operating income	**6,411.4**	**7,202.3**	**12.3%**
Revenue	*6,255.8*	*7,034.5*	*12.4%*
Other operating income	*126.6*	*156.9*	*23.9%*
Changes in inventories	*29.0*	*10.9*	*(62.4)%*
Operating expenses	**(6,073.9)**	**(6,802.1)**	**12.0%**
Raw materials and other consumables	*(3,885.8)*	*(4,308.6)*	*10.9%*
Personnel expenses	*(1,124.9)*	*(1,258.0)*	*11.8%*
Depreciation, amortization, and impairment losses	*(319.0)*	*(360.1)*	*12.9%*
Other operating expenses	*(744.2)*	*(875.4)*	*17.6%*
Operating profit	**337.5**	**400.2**	**18.6%**
Finance income	9.6	13.3	38.5%
Finance expenses	(138.6)	(121.8)	(12.1)%
Exchange gains (losses)	(7.6)	(24.7)	NM
Other	(10.2)	(14.2)	39.2%
Profit for the year from continuing operations	**190.7**	**252.8**	**32.6%**
Income tax expense	(60.3)	(63.9)	6.0%
Profit for the year	**130.4**	**188.9**	**44.9%**
(Loss) from discontinued operations	(1.6)	—	NM
(Loss) attributable to non-controlling interests	(3.1)	(27.4)	NM
Profit attributable to equity holders of the parent	**125.7**	**161.5**	**28.5%**

Results of operations by segment

Revenue

Against a backdrop of slow global economic growth, with continued low inflation and low-interest rate monetary policies, as well as significant decreases in raw material prices, growth in worldwide vehicle production during 2015 was 1.6%. In terms of vehicle production by region, a strong fourth quarter in China driven by tax incentives turned an almost flat rate of production growth into a full year of low to moderate Chinese vehicle production growth overall in 2015. Western Europe showed unusually strong growth in light vehicle production in 2015, with robust growth of almost 7%, followed by continued stable growth in North America. However, Mercosur and Russia suffered ongoing production volume declines in 2015.

In this context, our consolidated revenue increased by €778.7 million, or 12.4%, to €7,034.5 million in 2015 from €6,255.8 million in 2014. The increase in revenue is primarily attributable to a €335.3 million or 33.9% increase in revenue in North America, as well as a €308.9 million or 9.4% increase in revenue in Western Europe and a €236.8 million or 32.0% increase in Asia. These increases were partly offset by a €101.9 million or 17.9% decrease in revenue in Mercosur associated with lower sales in Brazil and a €0.4 million or 0.1% decrease in revenue in Eastern Europe associated primarily with lower sales in Russia. These lower sales in Mercosur are due to a 20% decrease in the volume of production in Brazil and Argentina. Although the increase of the volume of global production in countries in which our manufacturing plants operate amounted to 2.8% for the year ended December 31, 2015, compared with the year ended December 31, 2014, the increase of our revenues was higher as a result of the start in production of several new projects in the United States, Mexico, Spain and China, in which we have executed significant investments in previous years.

On a constant currency basis, our revenue increased by 8.2% in the year ended December 31, 2015, compared to the year ended December 31, 2014.

Revenue by product category

The following table sets forth, by product category, our revenue for the years ended December 31, 2015 and 2014:

	Year ended December 31,		
	2014	2015	% Change
	(€ million)		
Revenue:			
Body-in-White and Chassis	5,090.0	5,813.0	14.2%
Mechanisms	750.4	832.1	10.9%
Tooling and Other Products	415.4	389.4	(6.3)%
Total	**6,255.8**	**7,034.5**	**12.4%**

Body-in-White and Chassis. Revenue increased by €723.0 million, or 14.2%, to €5,813.0 million in 2015 from €5,090.0 million in 2014. This increase was primarily attributable to a €324.4 million or 36.0% increase in revenue in North America driven by the outsourcing of skin panels in Puebla, Mexico, as well as due to increased volume of products manufactured with our hot stamping technology in our factories in Mason and West Virginia in the U.S., as well as in Mexico. In addition, production volume grew during this period, particularly with regard to parts produced for German premium SUVs (as defined in "Certain terms and conventions") in our factories in Alabama and South Carolina in the U.S., but also with regard to parts manufactured for Chrysler in Toluca, Mexico. Consolidated growth was also attributable to a €292.9 million or 11.1% increase in revenue in Western Europe, driven both by higher outsourcing of hot stamped parts as well has by growth in production volumes, as well as a €196.6 million or 35.9% increase in revenue in Asia, driven by project ramp-ups at new plants, as well as increases in production volumes. These increases were partly offset by a €89.5 million or 18.4% decrease in revenue in Mercosur due to a 20% decrease in the volume of production in our facilities located in Mercosur. Revenue also declined, by €1.3 million or 0.2%, in Eastern Europe.

Mechanisms. Revenue increased by €81.7 million, or 10.9%, to €832.1 million in 2015 from €750.4 million in 2014. This increase was primarily due to an increase of sales in the U.S. (driven by the ramp-up at Edscha's new production plant in Michigan), as well as in Spain (reflecting higher volumes), China (driven by the ramp-up at the new plant in Kunshan, as well as by volume growth) and South Korea (driven by the ramp-up of Edscha's new Korean plant). This increase was partially offset by a decrease of sales in Brazil, driven by declines in production volumes in the Brazilian market, as well as adverse foreign exchange movements, and France, reflecting primarily the closing of an Edscha plant in Briey.

Tooling and Other Products. Revenue decreased by €26.0 million, or 6.3%, to €389.4 million in 2015 from €415.4 million in 2014. This decrease was primarily due to lower sales in the U.S., Germany, the United Kingdom, Brazil and South Korea, partially offset by an increase in Spain, Argentina and China.

Revenue by geograhic segment

The following tables set forth, by geography, our revenue for the years ended December 31, 2015 and 2014 with and without constant currencies:

	Year ended December 31,		
	2014	2015	% Change
	(€ million)		
Revenue:			
Western Europe	3,298.5	3,607.4	9.4%
Eastern Europe	661.1	660.7	(0.1%)
Mercosur	568.4	466.5	(17.9%)
North America	988.0	1,323.3	33.9%
Asia	739.8	976.6	32.0%
Total	**6,255.8**	**7,034.5**	**12.4%**

	Year ended December 31,		
	2014	2015	% Change
	(€ million)		
Revenue at constant currency:			
Western Europe	3,298.5	3,541.8	7.4%
Eastern Europe	661.1	708.5	7.2%
Mercosur	568.4	502.2	(11.7%)
North America	988.0	1,173.6	18.8%
Asia	739.8	843.0	14.0%
Total	**6,255.8**	**6,769.2**	**8.2%**

Western Europe. Revenue increased by €308.9 million, or 9.4%, to €3,607.4 million in 2015 from €3,298.5 million in 2014 while overall growth in vehicle production in the countries where we have manufacturing facilities was 5.7%. The growth in our revenues over the same period in Western Europe was primarily attributable to (i) a €182.5 million or 16.8% increase in revenue in Spain as a result of a significant improvement in automotive production volumes in Spain during such period and project ramp-ups on new capacity in our facilities in Bizkaia and Valencia and higher vehicle production volumes on existing projects in our Navarra and Barcelona plants, (ii) a €103.3 million or 17.7% increase in revenue in the United Kingdom due to ramp-ups on new capacity in our facilities in Aycliffe and Llanelli and production growth experienced at our Fareham plant, (iii) a €22.5 million or 5.8% increase in revenue in France as a result of an improvement in automotive production volumes in France, (iv) a €5.7 million or 7.9% increase in revenue in Sweden and (v) a €5.3 million or 3.8% increase in revenues in Portugal. These revenue increases were partly offset by lower revenue in Germany, which decreased by €10.4 million or 1.0% due to a decline in tooling sales, while sale of automotive components remained stable. On a constant currency basis, revenue growth in Western Europe was 7.4%.

Eastern Europe. Revenue decreased by €0.4 million or 0.1% to €660.7 million in 2015 from €661.1 million in 2014. The decrease in revenue was primarily attributable to (i) a decrease by €32.2 million, or 21.5% in revenue in Russia due to a significant decrease of automotive production in Russia, negative currency effects as a result of the weakness of the Russian ruble and the exit of an existing client from the Russian market, (ii) a decrease of €6.2 million or 5.2% in revenue in Poland related to lower vehicle production volumes and (iii) a decrease of €1.9 million or 17.4% in revenue in Slovakia. These decreases were partly offset by (i) an increase in revenues of €25.6 million or 11.9% in Turkey as a result of a stronger Turkish automotive production market and despite work stoppages affecting all OEMs as a result of union-led labor disputes in late

Spring, (ii) an increase in revenue by €13.8 million or 11.9% in the Czech Republic related to project ramp-ups at our facility in Louny and (iii) an increase in revenue by €0.5 million or 1.0% in Hungary. Currency devaluations in Russia and, to a lesser extent, Turkey negatively affected revenue growth for the year. On a constant currency basis, revenue growth in Eastern Europe was 7.2%.

Mercosur. Revenue decreased by €101.9 million, or 17.9%, to €466.5 million in 2015 from €568.4 million in 2014. The decrease in revenue was primarily attributable to a €137.7 million or 35.8% decrease in revenue in Brazil due to a lower volume of vehicle production in Brazil and the negative impact of exchange rate fluctuations affecting the Brazilian Real. This decrease was partly offset by a €35.8 million or 19.6% increase in revenue in Argentina compared to 2014, despite weakness in the overall Argentinian automotive production market, due to the recovery in the volume of production of a particular vehicle for which we supply components. On a constant currency basis, revenue growth in Mercosur was negative 11.7%.

North America. Revenue increased by €335.3 million, or 33.9%, to €1,323.3 million in 2015 from €988.0 million in 2014. The increase in revenue is attributable to (i) an increase of €213.8 million or 30.8% in revenue in the United States as a result of project ramp-ups in new capacity in our hot stamping facilities in Michigan and West Virginia, as well as higher volumes of production of Body-in-White and Chassis for German premium SUVs at our South Carolina and Alabama plants, (ii) an increase of €121.6 million or 41.3% in revenue in Mexico mainly due to the start-up of outsourced skin panel production at our Puebla II facility and higher production volumes at our Toluca facility and (iii) the favorable impact of exchange rate fluctuations of the U.S. dollar against the Euro. On a constant currency basis, revenue growth in North America was 18.8%.

Asia. Revenue growth in Asia, also at constant exchange rates was strong, as growth in China was also supported by growth in India and South Korea. Revenue increased by €236.8 million, or 32.0%, to €976.6 million in 2015 from €739.8 million in 2014. The increase in revenue is primarily attributable to (i) an increase of €169.0 million or 32.4% in revenue in China due to ramp-ups on new capacity in our facilities, principally in Kunshan, Shenyang and Chonqing (ii) an increase of €35.8 million or 29.4% in revenue in India primarily due to the ongoing ramp-up of our facility in Chennai, as well as volume growth at our facility in Pune related to the growth of exports of vehicles for which we supply components and (iii) an increase of €31.3 million or 35.8% in revenue in South Korea due to the ramp-up of our new Mechanisms plant and overall increased production volumes. The exchange rate impact of local currencies in China, India and South Korea also contributed to revenue growth in 2015 in the region. On a constant currency basis, revenue growth in Asia was 14.0%.

Operating expenses

Raw materials and other consumables. Raw materials and other consumables increased by €422.8 million, or 10.9%, to €4,308.6 million in 2015 from €3,885.8 million in 2014. The increase in raw materials and other consumables expenses in 2015 is mainly due to a higher level of production volume in Western Europe, North America and Asia and is consistent with the rate of growth of revenues. As a percentage of revenue, our raw materials and other consumables remained stable, slightly decreasing by 0.9 percentage points from 62.1% in 2014 to 61.2% in 2015.

Personnel Expenses. Personnel expenses increased by €133.1 million, or 11.8%, to €1,258.0 million in 2015 from €1,124.9 million in 2014. This increase was primarily due to higher production volumes in Western Europe, North America and Asia partially offset by a decrease in Brazil and Russia due to lower production volumes. The increase in the volume of production has allowed us to allocate our personnel costs over more revenue, such that the percentage increase in 2015 in personnel expenses is lower than the corresponding increase in revenues. As a percentage of revenue, personnel expenses remained stable, slightly decreasing by 0.1 percentage points from 18.0% in 2014 to 17.9% in 2015.

Depreciation, amortization and impairment losses. Depreciation, amortization and impairment losses increased by €41.1 million, or 12.9%, to €360.1 million in 2015 from €319.0 million in 2014, largely as a result of depreciation of new investments carried out in recent years, particularly in Western Europe, the Americas and Asia, as well as depreciation in the Mechanisms business unit in general. As a percentage of revenue, depreciation, amortization and impairment losses remained stable in 5.0% in 2015 and 2014.

Other Operating Expenses. Other operating expenses increased by €131.2 million, or 17.6%, to €875.4 million in 2015 from €744.2 million in 2014. This increase was primarily due to a higher volume of our production in North America and in Argentina, as well as in Western Europe, Asia and Eastern Europe, which led to increased recruitment of temporary workers and higher maintenance costs. This increase was offset by a decrease in operating expenses in Russia and Brazil as a result of the decline in the volume of production in those countries. As a percentage of revenue, other operating expenses remained stable, slightly increasing by 0.5 percentage points from 11.9% in 2014 to 12.4% in 2015.

Operating profit

Operating profit increased by €62.7 million, or 18.6%, to €400.2 million in 2015 from €337.5 million in 2014. This increase was primarily due to the higher revenues and lower percentage increases in operating costs, as well as due to the positive impact of operating leverage.

EBITDA

EBITDA increased by €103.8 million, or 15.8%, to €760.3 million in 2015 from €656.5 million in 2014. As a percentage of revenue, our EBITDA increased by 0.3 percentage points from 10.5% in 2014 to 10.8% in 2015.

Growth in EBITDA in 2015 was supported by margin improvement due to higher margins achieved on new projects and operational leverage with higher production volumes. Despite declines in EBITDA in Mercosur and Eastern Europe, both in margin and in absolute terms, more favorable market environments in our other regions of operation, and the effect of the ramp-up in new projects, more than compensated the negative impacts primarily arising from reduced sales in Brazil and Russia.

EBITDA by geographic segment

The following table sets forth, by geography, our EBITDA for the years ended December 31, 2015 and 2014:

	Western Europe		Eastern Europe		Mercosur		North America		Asia		Total	
	Year ended December 31,											
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
	(€ millions)											
Operating profit	**128.3**	**166.3**	**41.3**	**44.5**	**36.0**	**3.9**	**62.0**	**84.4**	**69.9**	**101.1**	**337.5**	**400.2**
Adjusted for:												
Depreciation, amortization and impairment losses	170.8	181.0	42.0	41.8	21.7	22.4	45.5	59.8	39.0	55.1	319.0	360.1
EBITDA	**299.1**	**347.3**	**83.3**	**86.3**	**57.7**	**26.3**	**107.5**	**144.2**	**108.9**	**156.2**	**656.5**	**760.3**

Western Europe. EBITDA increased by €48.2 million, or 16.1%, to €347.3 million in 2015 from €299.1 million in 2014 primarily as a result of the increase in our revenue, improved operating efficiencies and positive results from tooling. Improvements in operating efficiency took place mainly at plants in Spain, France and the United Kingdom. As a percentage of revenues, EBITDA in Western Europe increased by 0.5 percentage points from 9.1% in 2014 to 9.6% in 2015.

Eastern Europe. EBITDA grew by €3.0 million, or 3.6%, to €86.3 million in 2015 from €83.3 million in 2014, primarily due to operational improvements and positive results from tooling sales, which offset the higher costs related to the implementation of new projects, and costs in Turkey associated with generalized labor disputes that caused OEM work stoppages and resulting in increases in wages and labor expenses from the second half of 2015. Weakness of the Russian Ruble and also the Turkish Lira had a negative impact on EBITDA in Eastern Europe in 2015. As a percentage of revenues, our EBITDA in Eastern Europe increased by 0.5 percentage points from 12.6% in 2014 to 13.1% in 2015.

Mercosur. EBITDA decreased by €31.4 million, or 54.4%, to €26.3 million in 2015 from €57.7 million in 2014, primarily due to the continuation of a decline in revenues in Brazil due to a significant decrease in the volume of vehicle production. The impact of comparatively weaker local foreign exchange rates against the Euro also had a negative effect on our results translated into Euros. As a percentage revenue, our EBITDA in Mercosur decreased by 4.5 percentage points from 10.1% in 2014 to 5.6% in 2015.

North America. EBITDA increased by €36.7 million, or 34.1%, to €144.2 million in 2015 from €107.5 million in 2014, primarily due to the increase in our revenue in the United States and Mexico, despite high costs associated with new project launches. The exchange rate of the U.S. dollar against the Euro also had a positive impact on the translation of our results into Euros. As a percentage of revenue, our EBITDA in North America remained constant in 2015 compared to 2014.

Asia. EBITDA increased by €47.3 million, or 43.4%, to €156.2 million in 2015 from €108.9 million in 2014, primarily due to the increase in our revenue in China, India and South Korea associated with ramp-up projects and an increase in production volumes, which were higher than the corresponding increase in our operating expenses in the same region, as well as due to improvements in our margins, as ramped up projects with higher margins more than offset the effects of new projects under construction or in early stages of ramping up. The strength in local currencies against the Euro also positively impacted the translation of our results into the Euro. EBITDA as a percentage of revenue in Asia increased by 1.3 percentage points from 14.7% in 2014 to 16.0% in 2015.

Net financial income (expenses)

Net financial expense decreased by €20.5 million, or 15.9%, to €108.5 million in 2015 from €129.0 million in 2014. This decrease was primarily due to a lower average interest rate on our financing operations in 2015 compared to 2014 as well as to lower gross debt. As a result of the amendment of the Senior Facilities Agreement in April 2014, our margin on the term loans under the Senior Facilities Agreement was reduced.

Exchange gains (losses)

Exchange losses increased by €17.1 million to €24.7 million in 2015 from €7.6 million in 2014. In 2015 the impact from adverse currency movements was primarily due to movements in Western Europe (United Kingdom), Eastern Europe (Turkey) and the Americas (Brazil and Mexico), whereas in 2014 adverse currency movements in Russia had the most significant impact.

Income tax

Income tax expense increased by €3.6 million, or 6.0%, to €63.9 million in 2015 from €60.3 million in 2014, which has resulted in a decrease in the average tax rate from 31.6% in 2014 to 25.3% in 2015, as a result of an existing tax credit in Spain.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests increased by €24.3 million to €27.4 million in 2015 from €3.1 million in 2014. This increase in profit attributable to our non-controlling interests is attributable to the higher profits or lower losses achieved by our subsidiaries in which third parties hold a minority interest, such as our joint ventures in the U.S., Mexico and China.

Liquidity and capital resources

Historical cash flows analysis

Cash and cash equivalents include cash on hand, demand deposits in banks and other short-term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

The following tables set forth our historical cash flow items for the periods indicated:

	Year ended December 31,		
	2014	2015	2016
	(€ millions)		
Cash flows from operating activities:			
Profit for the year before taxes and after minority interest	**187.6**	**225.4**	**310.3**
(Loss) for the year from discontinued operations net of taxes	**(1.6)**	**—**	**—**

Adjustments to profit	**420.9**	**542.1**	**489.7**
Depreciation and amortization of fixed assets and PP&E	*318.9*	*356.4*	*377.9*
Impairment of fixed assets and PP&E	*0.1*	*3.7*	*0.6*
Impairment	*(11.0)*	*5.6*	*(1.0)*
Change in provisions	*(9.9)*	*31.2*	*(12.2)*
Grants released to income	*(5.4)*	*(6.6)*	*(6.2)*
Profit (loss) attributable to non-controlling interests	*3.1*	*27.4*	*37.8*
Profit (loss) from disposal of fixed assets and PP&E	*1.4*	*(1.8)*	*(1.0)*
Profit from disposal of financial instruments	*—*	*13.8*	*—*
Financial income	*(9.6)*	*(13.3)*	*(5.3)*
Financial expenses	*138.6*	*121.8*	*98.8*
Share of profits from associates—equity method	*3.2*	*0.4*	*8.5*
Exchange rate differences	*(12.0)*	*4.9*	*(8.2)*
Other income and expenses	*3.5*	*(1.4)*	—
Changes in working capital	**151.8**	**9.7**	**24.6**
(Increase) in Inventories	*(38.8)*	*(19.9)*	*(42.7)*
(Increase)/Decrease in Trade and other receivables	*84.5*	*(141.6)*	*(168.8)*
(Increase) in other current assets	*(6.6)*	*(5.2)*	*(2.7)*
Increase in Trade and other payables	*120.2*	*171.1*	*243.2*
Increase/(Decrease) in other current liabilities	*(7.5)*	*5.3*	*(4.4)*
Other cash-flows from operating activities	**(193.2)**	**(177.2)**	**(172.0)**
Interest paid	*(139.8)*	*(113.1)*	*(98.1)*
Interest received	*7.2*	*8.7*	*6.3*
(Payments) of income tax	*(60.6)*	*(72.8)*	*(80.2)*
Cash flows from operating activities	**565.5**	**600.0**	**652.6**
Cash flows from investing activities:			
Payments on investments	**(548.4)**	**(626.6)**	**(738.4)**
Group companies and associates	*(28.8)*	*(2.0)*	*(7.6)*
Intangible assets	*(70.0)*	*(88.3)*	*(84.5)*
Property, plant and equipment	*(382.0)*	*(528.0)*	*(587.1)*
Other financial assets	*(67.6)*	*(8.3)*	*(59.2)*
Proceeds from divestments	**100.8**	**92.1**	**7.9**
Group companies and associates	*10.4*	*28.4*	*—*
Intangible assets	*1.1*	*0.6*	*1.5*
Property, plant and equipment	*12.5*	*20.2*	*6.4*
Other financial assets	*48.4*	*4.3*	*—*
Other assets	*28.4*	*38.6*	*—*
Cash flows from investing activities	**(447.6)**	**(534.5)**	**(730.5)**
Cash flows from financing activities:			
Proceeds and payments on equity instruments	**(6.5)**	**(28.0)**	**(6.5)**
Change in non-controlling interests	*(11.3)*	*(32.2)*	*(6.2)*
Grants, donations and legacies received	*5.0*	*5.8*	*1.7*
Other equity movements	*(0.2)*	*(1.6)*	*(2)*
Proceeds and payments on financial liabilities	**(130.9)**	**(120.9)**	**216.7**
Issue:	131.7	162.7	1,226.9
Bonds and other securities to trade	*—*	*—*	*497.9*
Interest-bearing loans and borrowings	*100.1*	*154.5*	*659.3*
Borrowings from Group companies and associates	*21.8*	*—*	*—*
Other borrowings	*9.8*	*8.2*	*69.7*
Repayment of:	(262.6)	(283.6)	(1,010.2)
Bonds and other securities to trade	*—*	*(20.4)*	*(807.9)*
Interest-bearing loans and borrowings	*(116.5)*	*(198.9)*	*(172.2)*
Borrowings from Group companies and associates	*(131.2)*	*(22.0)*	*(12.5)*
Other borrowings	*(14.9)*	*(42.3)*	*(17.6)*
Payments on dividends and other equity instruments	**(41.5)**	**(50.2)**	**(56.1)**
Dividends	(41.5)	(50.2)	(56.1)
Cash flows from financing activities	**(178.9)**	**(199.1)**	**154.1**

Effect of changes in exchange rates	**24.5**	**5.7**	**(1.6)**
NET INCREASE/DECREASE OF CASH OR EQUIVALENTS	**(36.5)**	**(127.9)**	**74.5**

Cash flows from operating activities

Our net cash flows from operating activities were €652.6 million in 2016, primarily the result of (i) the profit for the year before taxes and after non-controlling interest of €310.3 million, as a result of increased activity and improvement of our operating margins; (ii) depreciation and amortization of €377.9 million; (iii) a reduction in working capital of €24.6 million; (iv) net cash payments of interest of €91.8 million; and (v) payments of income tax of €80.2 million. Our cash flow from operating activities was negatively impacted in 2016 by an increase in tooling in progress of €87.7 million, which was partially offset by an increase in non-recourse factoring of €76.8 million.

Our net cash flows from operating activities were €600.0 million in 2015, primarily the result of (i) the profit for the year before taxes and after non-controlling interests of €225.4 million, as a result of increased activity and improvement of our operating margins; (ii) depreciation and amortization of €356.4 million; (iii) reduction of needs in working capital of €9.7 million; (iv) net cash payment of interest of €104.4 million; and (v) payment of income tax of €72.8 million. Our cash flow from operating activities were negatively impacted in 2015 by an increase in tooling in progress of €112.2 million, which was partially offset by an increase in non-recourse factoring of €73.3 million.

Our net cash flows from operating activities were €565.5 million in 2014, primarily the result of (i) the profit for the year before taxes and after non-controlling interest of €187.6 million, as a result of increased activity; (ii) depreciation and amortization of €318.9 million; (iii) a reduction of needs in working capital of €151.8 million; (iv) net cash payments of interest of €132.6 million; and (v) payments of income tax of €60.6 million. Other factors positively impacting cash flows from operating activities in 2014 include additional collections on tooling projects of €87.6 million, as well as an increase in non-recourse factoring of €64.8 million.

Cash flows from (used in) investing activities

Our net cash flows used in investing activities were €730.5 million in 2016, primarily attributable to €587.1 million used in investments in new projects in the U.S., Mexico, Spain, Germany and Poland, mostly tied to growth projects and driven by our OEM customers, and €84.5.million used in investments in intangible assets, mainly in project developments.

Our net cash flows used in investing activities were €534.5 million in 2015, primarily attributable to €528.0 million used in investments in new projects in Spain, Poland, Mexico, China, United States, United Kingdom and Germany, mostly tied to growth projects and driven by our OEM customers increasingly outsourcing content to us.

Our net cash flows used in investing activities were €447.6 million in 2014, primarily attributable to €382.0 million used in investments in Spain, China, United States, United Kingdom, Germany and Mexico. In 2014, we slowed down our pace of investment in growth projects with the intent of consolidating our recent growth and maintaining stable levels of indebtedness.

Cash flows from financing activities

Our net cash flows from financing activities were €154.1 million in 2016, attributable to:

- the amortization of bonds and other securities to trade in the amount of €807.9 million that were issued in 2013.
- the amortization of interest-bearing loans and borrowings in the amount of €172.2 million.
- the proceeds from bonds of €497.9 million and loans and borrowings of €659.3 million.
- the payment of €48.4 million in dividends to our shareholders and €7.7 million to shareholders in our subsidiaries.

Our net cash flows used in financing activities were €199.1 million in 2015, attributable to a decrease in our indebtedness of €283.6 million and primarily due to a reduction of debts as a result of:

- the net amortization of other interest bearing loans in the amount of €64.8 million (repayments of loans and borrowings of €198.9 million and repurchase of our Senior Secured Notes due 2020 of €20.4 million and proceeds from loans and borrowings of €154.5 million);

- the payment of €22.0 million of borrowings from Group companies, and €42.3 million of other borrowings; and

- the payment of €37.7 million in dividends to our shareholders and €12.5 million to shareholders in our subsidiaries.

Our net cash flows used in financing activities were €178.9 million in 2014, primarily due to a reduction of debts as a result of:

- the net amortization of other interest bearing loans in the amount of €16.4 million (which include repayments of loans and borrowings of €116.5 million and proceeds from loans and borrowings of €100.1 million);

- the net amortization of borrowings from Acek, in the amount of €131.2 million. In August 2014, we repaid €122.5 million of debt to Acek, the amount of the financing that it had outstanding with the European Investment Bank and the Spanish Official Credit Institute (*Instituto de Crédito Oficial*), and simultaneously Acek repaid and cancelled this financing.

- the payment of €33.9 million in dividends to our shareholders and €7.6 million to shareholders in our subsidiaries.

Liquidity

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, as well as other factors discussed in the section entitled *"Risk Factors."*

Our long-term indebtedness consists primarily of (i) €486 million from the 2023 notes and (ii) €833 million from the Senior Facilities Agreement and (iii) €160 million from a loan from he European Investment Bank.

In addition, we have an undrawn revolving credit facility in an amount of €280.0 million as part of our Senior Facilities, as well as €575.4 million in credit lines of which €118.1 million were drawn as of December 31, 2016. These unsecured credit lines are with our diverse banking pool and are renewed each year.

Although we believe that our expected cash flows from operations, together with available borrowings and cash on hand, will be adequate to meet our anticipated liquidity and debt service needs, we cannot assure you that our business will generate sufficient cash flows from operations or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, or to fund our other liquidity needs.

We believe that the potential risks to our liquidity include:

- 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;

- the failure or delay of our customers to make payments due to us;

- a failure to maintain low working capital requirements; and

- the need to fund expansion and other development capital expenditures.

If our future cash flows from operations and other capital resources (including borrowings under our current or any future credit facility) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell our assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including the notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of the 2023 notes and any future debt may limit our ability to pursue any of these alternatives.

In addition, historically we have paid dividends to our shareholders of €33.9 million in 2014 (plus €7.6 million to shareholders in our subsidiaries), €37.7 million in 2015 (plus €12.5 million to shareholders in our subsidiaries) and €48.4 million in 2016 (plus €7.7 million to shareholders in our subsidiaries). On March 3, 2017, the Company approved the distribution of a cash dividend in respect of the fiscal year 2016 in the amount of €66.4 million which has been fully paid as of the date of this Prospectus. In all cases, the dividends distributed amounted to 30% of the Group consolidated net income of the previous year. We expect to pay dividends in respect of the fiscal year ended December 31, 2017 during 2018. See "Dividends and Dividend Policy."

Working capital

The following table sets forth changes to our working capital for the periods indicated.

	As of December 31,		
	2014	2015	2016
		(€ millions)	
(Increase) in Inventories	(38.8)	(19.9)	(42.7)
(Increase)/Decrease in Trade and other receivables	84.5	(141.6)	(168.8)
(Increase) in Other current assets	(6.6)	(5.2)	(2.7)
Increase in Trade and other payables	120.2	171.1	243.2
(Decrease)/Increase in Other current liabilities	(7.5)	5.3	(4.4)
Total	**151.8**	**9.7**	**24.6**

Our working capital requirements largely arise from our trade receivables, which are primarily composed of amounts owed to us by our customers as well as unbilled tooling work in process, 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 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 way of salaries. We have historically funded our working capital requirements through funds generated from our operations, from borrowings under bank facilities and through other sources of financing, such as recourse and non-recourse factoring of our accounts receivable. See Note 22 to our consolidated financial statements for the years ended December 31, 2016, and Note 20 to our consolidated financial statements for the years ended 2015 and 2014 included elsewhere in this Prospectus.

Net working capital requirements decreased by €24.6 million in 2016 as compared to a decrease of €9.7 million in 2015. In 2016, working capital requirements decreased primarily as a result of the increase in trade and other payables by €243.2 million, with average days for payment to suppliers increasing to 75 days in 2016 from 70 days in 2015, offset in part by the increase in trade and other receivables by €168.8 million, primarily due to a higher volume of work in process of tooling.

Net working capital requirements decreased by €9.7 million in 2015 as compared to a decrease of €151.8 million in 2014. In 2015, working capital requirements decreased primarily as a result of the increase in trade and other payables by €171.1 million, with average days for payment to supplier increasing to 70 days in

2015 from 69 days in 2014, offset with the increase in trade and other receivables by €141.6 million, and this increase is primarily due to a higher volume of work in process of tooling.

Our working capital requirements typically increase during the first three quarters of the year and reduce towards the end of the year. See "—Key factors affecting our results of operations—Seasonality".

We anticipate that our working capital requirements in the foreseeable future will generally be stable as a percentage of revenue. However, these requirements can fluctuate for a variety of factors, including any significant increase in receivables due to longer time periods to collect payment from our customers or a substantial increase in the cost of our raw materials.

Capital expenditures

The following table sets forth our capital expenditures for the periods indicated:

	As of December 31,		
	2014	**2015**	**2016**
		(€ millions)	
Capital expenditures	483.3	622.4	724.8
Net payments on investments	438.4	595.5	663.7

Capital expenditures for the years ended December 31, 2014, 2015 and 2016 amounted to approximately €483.3 million, €622.4 million and €724.8 million, respectively, and have been mostly tied to investments in new plant capacities to accommodate increased outsourcing of content to us from our OEM customers. Capital expenditures include growth, recurrent and intangible capital expenditures. Growth capital expenditures include capital expenditures in greenfield projects, major plants expansions of existing facilities and new processes/technologies in existing plants. each of which amounted to €170.27 million, €149.15 and €70.21 million or 43.7%, 38.3% and 18.0% of our total growth capital expenditures in the year ended December 31, 2016, respectively.

We currently expect our capital expenditure as a percentage of revenue to be in line with the 2013 to 2016 average through 2018, and to decline moderately thereafter as a percentage of revenue.

We define net payments on investments as our actual net cash outlays for property, plant and equipment and intangible assets, taking into account increases and decreases in payables to our suppliers of property, plant and equipment and intangible assets, as well as proceeds from divestments of property, plant and equipment and intangible assets.

Contractual obligations

We have contractual commitments providing for payments primarily pursuant to our outstanding financial debt, excluding financial derivatives.

Our consolidated contractual obligations as of December 31, 2016 were as follows:

	Total	**Less than 1 year**	**1–5 years**	**More than 5 years**
		(€ millions)		
Contractual Obligations				
Interest bearing loans and borrowings	1,967.6	419.3	899.9	648.4
Financial leases	33.6	3.5	12.5	17.6
Borrowings from associated companies	70.1	2.4	47.0	20.7
Other financial debts	35.0	0.0	22.8	12.2
Total Financial Debt	**2,106.3**	**425.2**	**982.2**	**698.9**
Operating leases	485.5	85.9	241.6	158.0
Non interest bearing loans	10.4	0.0	8.9	1.5
Current non-trade liabilities	213.9	213.9	0.0	0.0
Total Contractual Obligations	**2,816.1**	**725.0**	**1,232.7**	**858.4**

Off-balance sheet arrangements

We generally do not utilize off-balance sheet arrangements.

No Significant Recent Change

Other than as described in this Prospectus, there has been no significant change in our capitalization and indebtedness since December 31, 2016, the end of the last financial period for which financial information is available and there is no significant new business operation or service that has been recently introduced or under development by us other than in the ordinary course of our business.

Market risks

Our treasury team is responsible for managing our exposure to financial risk and for minimizing the potential adverse effects on our financial returns. We are primarily exposed to market risk from changes in foreign currency exchange rates and interest rates and we are also exposed to liquidity risk and credit risk. We manage our exposure to these market risks through our regular operating and financing activities.

Foreign currency risks

In the year ended December 31, 2016, €4,583.3 million of our revenues (which represented approximately 60.7% of our revenue for that period), on a consolidated basis, were generated in currencies other than the Euro, in particular, €1,153.8 million or 15.3% were generated in U.S. dollar, €719.6 million or 9.5% were generated in Chinese Yuan and €670.8 million or 8.9% were generated in pound sterling. Our strategy for managing currency risk relies primarily on conducting business and making investments in a foreign country in that country's currency. The effects on us of foreign currency fluctuations are mitigated by the fact that expenses are generally incurred in the same currency in which revenues are generated.

However, fluctuations in the exchange rate between the currency in which a transaction is denominated and our presentation currency, the euro, can have some negative or positive impact on our profit or loss.

We mainly operate in the following currencies: Argentine Peso, Brazilian Real, Chinese Yuan, Czech Crown, Euro, Pound Sterling, Hungarian Forint, Indian Rupee, Korean Won, Mexican Peso, Polish Zloty, Russian Ruble, Swedish Crown, Thai Baht, Turkish Lira, US Dollar and Japanese Yen.

To manage exchange rate risk, we use a series of financial instruments that give us a degree of flexibility, essentially comprised of the following:

- 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.

- "Puttable instruments": Other derivatives are also used to hedge currency risk, including those designed to lock in a maximum or minimum exchange rate (collar or tunnel) at a set settlement date.

As of December 31, 2016 we had no foreign currency forward contracts or puttable instruments in place.

The following table demonstrates the notional impact on our profits of a 5% positive and negative fluctuation in the currencies specified against the Euro:

	2016	
	Impact on Profit (€ thousands)	
Currency	**5% Fluctuation**	**−5% Fluctuation**
Swedish krona	(1,311)	1,311
US dollar	80	(80)

	Hungarian florint	(740)	740
	Pound Sterling	631	(631)
	Mexican peso	151	(151)
	Brazilian reais	(470)	470
	Chinese renminbi	1,961	(1,961)
	Indian rupee	379	(379)
	Turkish lira	357	(357)
	Argentine peso	31	(31)
	Russian ruble	6	(6)
	Korean won	453	(453)
	Polish zloty	1,096	(1,096)
	Czech koruna	265	(265)
	Japanese yen	57	(57)
	Thailand Baht	18	(18)
Impact in absolute terms		**2,964**	(2,964)
Effect in relative terms		**1.34%[(1)]**	**(1.34%)[(1)]**

(1) Effect in relative terms is calculated by dividing impact in absolute terms by profit attributable to equity holders of parent company of €221.4 million.

Interest rate risks

A substantial portion of our borrowings bear interest at floating rates, exposing us to risk from fluctuations in market interest rates, so that market fluctuations affect cash flows. We mitigate this risk by using interest rate derivatives/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 us and on a portion of expected future borrowings. We use mainly swaps, by which we convert the floating rate on a loan into a fixed rate. We may swap the rate on a portion of the loan or on the entire loan, and for its entire duration or a part thereof. Virtually all of our variable rate borrowings are at floating rates indexed to Euribor.

Assuming a 50 basis point variation in the average interest rate on our floating interest rate financial borrowings and assuming that all other variables remained constant, the finance cost would not have been materially different as of December 31, 2016 and would have been €0.1 million higher or lower both in the years ended December 31, 2014 and 2015.

Liquidity risk

Liquidity risk is defined as the risk that a company will not be able to service its commitments as a result of adverse conditions in the debt markets that prevent or hinder its capital raising efforts. We manage liquidity risk by maintaining sufficient cash balances to enable us to negotiate refinancing on the best possible terms and to cover our near term cash outlays, thereby avoiding the need to raise funds on disadvantageous terms.

Credit risk

Credit risk is concentrated primarily in our accounts receivable. Our management considers that our counterparties are creditworthy, multinational companies. Volkswagen, Daimler, Renault Nissan, Ford, BMW, PSA, General Motors, Fiat, Tata JLR, Geely-Volvo, Honda and Toyota represented our top 12 customers and together accounted for 87.4% of our consolidated revenues (excluding tooling) for the year ended December 31, 2016. We manage our credit risk according to policies, procedures and controls determined by us regarding credit risk management of customers. At each closing date, we analyze on the basis of real historical data the balances of each major client individually in order to determine the need for provisions or impairment. We have no guarantee on debts and have concluded that the risk concentration is low given that our customers belong to distinct jurisdictions and operate in highly independent markets. Our credit risk with banks is managed by our treasury department according to our policies. The surplus cash investments are contracted only with authorized counterparties and always within the credit limit assigned for each counterparty. The limits are established in order to minimize risk concentration, thereby mitigating financial losses in the event of a default by the counterparty.

Commodity risk

The primary raw material used in our business is steel. We are mostly neutral to changes in the price of steel as a result of our pass through arrangements with OEMs, which occur automatically with regard to products whose raw material component is under re-sale programs (approximately 60% of the steel that we purchase) and otherwise occurs by virtue of the OEMs' adjusting our product prices in line with their own negotiations of steel input prices. However, the prices of steel and energy have been volatile in the past, and while we have managed to maintain a high degree of neutrality with regard to the impact on our results, volatility may result in future declines in our margins, especially if we are not able to pass-through the impact of such price changes. In 2016, our purchases of steel amounted to €2,553 million or 37.4% of our total operating expenses excluding depreciation and amortization.

INDUSTRY

The market information presented in this section is taken or derived from the cited sources. Forecasts or market data are inherently forward-looking and all market data are subject to uncertainty and do not necessarily reflect actual market conditions. They are based on market research, which itself is based on sampling and subjective judgments by both the researchers and respondents, including judgments about what types of products and competitors should be included in the relevant market. In addition, certain statements below are based on internal information, insights, subjective opinions or internal estimates, and not on any third-party or independent source; these statements contain words such as "we estimate", "we expect", "we believe" or "in our view" and as such do not purport to cite or to summarize any third-party or independent source and should not be so read.

Global automotive industry

The automotive industry designs, develops, manufactures, markets, sells and services motor vehicles which are classified into light vehicles and heavy commercial vehicles. The light vehicle segment is comprised of passenger cars, vans and light trucks with gross vehicle weight of less than six tons, while the heavy commercial vehicle segment consists of vehicles with gross vehicle weight greater than six tons.

The automotive production value chain is split between OEMs such as Daimler, Ford, General Motors, Toyota and Volkswagen and automotive suppliers, such as ourselves, Autoliv, Bosch, Continental, Denso, Delphi, Schaeffler and Valeo among others. Automotive suppliers are then typically further categorized into three different tiers. Tier 1 suppliers sell their products directly to OEMs. Typically these products are larger modules or systems which integrate components from Tier 2 automotive suppliers. Tier 2 suppliers in turn typically integrate products from a further layer of suppliers (Tier 3 suppliers).

Certain Tier 1 suppliers like us, who are able to support OEMs during the early stages of product development by co-engineering components together with OEMs, are able to expand beyond producing and supplying vehicle components on a "build-to-print" basis, i.e., to the OEMs' pre-determined specifications, into directly influencing product design, long before the request for quotation phase of the product cycle. Some of our competitors include Benteler, Constellium, Flex-N-Gate, Ftech, GF Fischer, Huizhong, Kirchhoff, Magna Cosma, Magnetto, Martinrea, Metalsa, Sungwoo HiTech, Tower, Unipress, Voestalpine, Yifeng and Yorozu in Body-in-White and Chassis, and Aisin Seiki, Brose, Multimatic and Stabilus in Mechanisms.

Automotive suppliers can also be categorized as captive or independent. Captive auto suppliers, such as those in the so-called "Keiretsu" system in Japan (companies that are interlocked by common business relationships and shareholdings), are often fully or partially owned by OEMs and typically serve primarily one OEM. Independent suppliers like Gestamp are not owned by OEMs and serve a diversified number of customers.

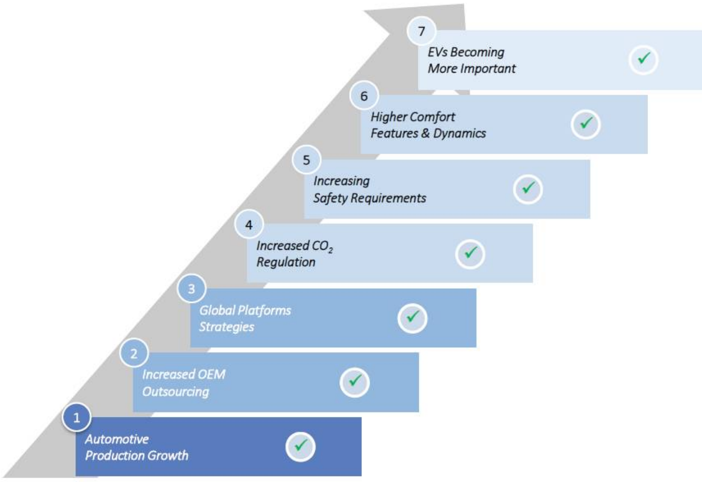
Automotive suppliers are typically further divided into sub-segments based on their components' function within the car. Each of these sub-segments is comprised of various product groups. A typical classification of automotive suppliers by vehicle function could include the following sub-segments: body and structural, powertrain, electronics, interior, transmission, suspension, climate control, wheels and tires, steering, fuel systems, passenger restraints, audio and telematics, exhaust and body glass. There are different market leaders in each respective sub-segment.

Overview of body and structural market

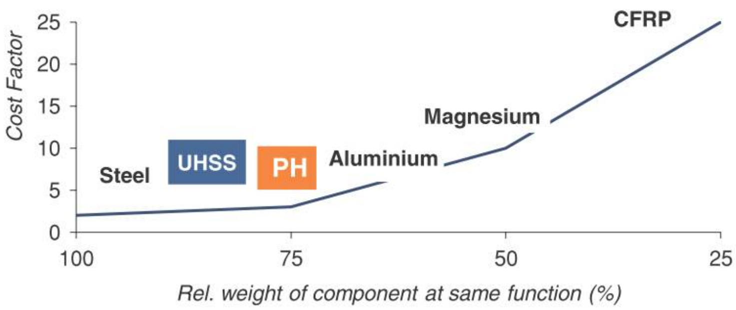
We mainly act as a Tier 1 supplier to OEMs in the body and structural market, which is comprised of all the products and components that form the structural elements of the car as well as its outer skin. Body and structural components represent the largest part of overall vehicle weight. Products that are typically included within this category include among others: bumpers (also including shocks), chassis, cross members, doors (also including frames and panels), fascias, fenders, floors, grilles, handles, hinges, hoods (also including liners, releases and support rods), latches, locking systems, pedal boxes, rails, reflectors, roll bars, roofs, side body panels, skid plates, splash guards, spoilers, subframes, wheel arches and window regulators. Our focus is on highly engineered metal components which include the body-in-white and chassis, as well as mechanisms (see a selection of our product portfolio under "Business—Our Company" and "Business—Our Products").

Gestamp's addressable market consists of Body-in-White and Chassis and Mechanisms and amounts to €108 billion, representing 15% of the total component market, of which €103 billion corresponds to Body-in-White and Chassis and €5 billion corresponds to Mechanisms. Currently approximately €60 billion of this market is manufactured in-house by OEMs, leading to opportunities asfor suppliers like Gestamp production in thismarket is increasingly outsourced to key suppliers (source: Roland Berger Study).

The following diagram sets out an overview of the drivers affecting Gestamp's addressable market and its potential growth.



Key trends in the body and structural market include the push towards further weight reduction, known as 'lightweighting', aimed at lowering fuel consumption and, thereby, CO_2 emissions. This is being achieved through gradual weight optimization within established component technologies, as well as through the development of new, lighter technologies and materials. Examples for new technologies and materials include the use of press hardening or "hot stamping" by which ultra-high strength steel is formed into complex shapes that are relatively light-weight, as well as the use of alternative materials for body components, such as replacing conventional steel components with parts made of high strength steel, aluminum and other materials such as carbon reinforced plastics. Manufacturing components from certain lighter materials such as aluminum typically comes with substantially higher costs compared to steel, with disproportionate increases in cost for the lightest materials such as carbon fiber, thus limiting the market demand for such parts, particularly in the production of high volume vehicles. The chart below shows a weight/cost comparison by material:



"UHHS" means ultra high strength steel.
"PH" means press hardening (also referred to as hot stamping).
"CFRP" means carbon fiber reinforced polymer.

As a result, hot stamping is today one of the most cost efficient technologies to reduce weight in a vehicle and price is currently a key purchasing criteria for OEMs (source: Roland Berger Study). The drive towards weight reduction in body and structural components is partially driven by governmental regulation concerning CO_2 emissions throughout the industrial world (which are particularly stringent in the European Union, the U.S. and Japan and are also in the process of being introduced in other markets in Asia and South America), as well as by increasing cost and environmental awareness among consumers, which is leading to an increase in demand for both hybrid vehicles and EVs (as defined in "Certain terms and conventions"). We believe that EVs will also benefit from weight reduction, which would extend battery life by reducing power requirements.

The body and structural market is also driven by increasingly stringent safety standards led both by regulations and customer expectations. Together with dedicated passive safety parts such as airbags and seatbelts, body and structural components protect car occupants in the case of a crash and also directly influence the damage inflicted on other parties involved in a collision.

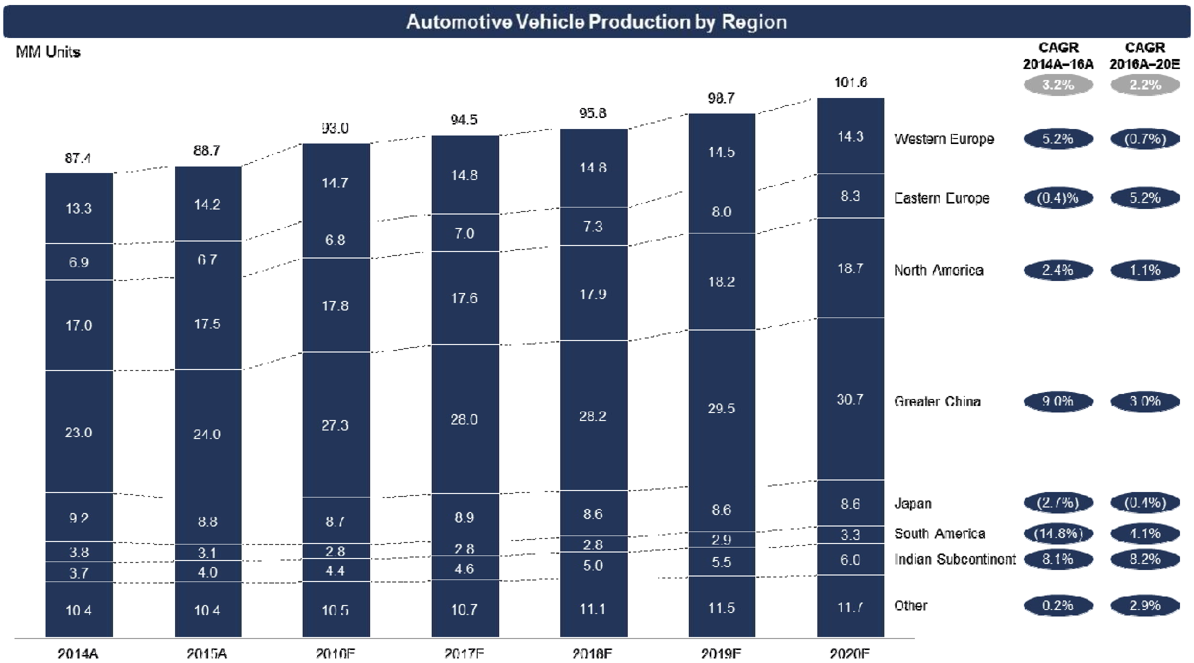
The body and structural market is additionally impacted by trends affecting the automotive sector in general described under "—Automotive industry trends".

Historical and expected automotive market performance

As an automotive supplier, our revenue is linked to automotive production volumes as well as changes in the content per vehicle for the automotive components we produce. The following is a brief description of selected historical and forecast light vehicle production data by region and by largest OEM (measured by production volume) as well as expected annual production growth rates in key regions and selected countries in which we operate. Both historic and forecast data is based on information published by an independent third party provider. There can be no assurance that any of the forecasts presented below will reflect actual vehicle production volumes or growth rates.

Automotive market development by region

The following chart sets out (i) the historic unit production volumes of light vehicles between 2014 and 2016 and (ii) the estimated unit production volumes of light vehicles between 2016 and 2020; in each case, by region.



Source: IHS

<u>Western Europe</u>

Western European light vehicle production reached 14.7 million units in 2016, representing 15.8% of global light vehicle production.

In 2016, the Western European market experienced unit production growth of 3.6% compared to 2015, driven by lower unemployment rates and increased domestic demand in this region.

Eastern Europe

Eastern European light vehicle production was essentially flat in 2014 as compared to 2013, and declined in 2015, with unit production down 1.8% compared to 2014. This was primarily due to a market collapse in Russia, which in 2015 was one of the region's largest markets, with year on year production declines of 14.6% and 27.3% in 2014 and 2015, respectively. The weakness of the Russian market can be attributed to lower economic growth, decline in oil prices, decline of the rouble, geopolitical uncertainty over the Ukraine crisis, the impact of sanctions and the fact that some major players, such as General Motors, decided to shut down production facilities in the country during the course of 2015. Nevertheless, the region is expected to grow in the upcoming years, with production volume increasing at a CAGR of 5.2% between 2016 and 2020 (source: IHS).

In 2016, Eastern Europe light vehicle production increased by 1.0% compared to 2015, reaching 6.8 million units, partially offset by a further decline in the Russian market. Key drivers of the market in the medium term are expected to be: continued transfer in production capacity from Western to Eastern Europe for cost-effective manufacturing, increasing localization levels and a growth in demand in the region. Recent examples of this trend include major OEMs like PSA, Daimler and JLR considering building additional facilities in the region and Renault-Nissan's acquisition of a controlling stake in Russian manufacturer Avtovaz.

North America

North American light vehicle production reached 17.8 million units in 2016, representing 19.2% of global light vehicle production (source: IHS). North American light vehicle production has shown a steady growth trajectory since 2013 due to steady economic growth with higher disposable incomes, rising consumer confidence and lower interest rates leading to greater affordability.

In 2016, the North American market experienced unit production growth of 2.0%, primarily due to resilience in the U.S. economy, lower oil prices driving growth in demand of SUVs and pickup trucks and a strong model pipeline from major manufacturers.

Greater China

Greater China light vehicle production reached 27.3 million units in 2016, representing 29.3% of global light vehicle production (source: IHS). Greater China light vehicle production has been the strongest driver of global automotive production growth. The market witnessed strong production growth in 2014, though production growth slowed down significantly in 2015. This reduction in the growth rate was primarily driven by lower GDP growth, weakness in Chinese equity markets impacting consumer confidence and license plate restrictions being imposed in major cities to curb congestion and pollution levels. Additionally in 2015, domestic brands in China gained market share at the expense of their international counterparts.

In 2016, the Greater China market experienced unit production growth of 13.6%. This trend was primarily driven by stimulus measures from the Chinese government including a reduction in the sales tax rate from 10% to 5% on small cars with engine capacity of less than 1.6 liters, a strong model launch pipeline and normalized inventory levels following the significant destocking witnessed in the third quarter of 2015.

China is expected to remain the single largest market globally for automotive production.

Japan

Japanese light vehicle production declined by 0.6% to 8.7 million units in 2016 compared to 2015, and represented 9.4% of global light vehicle production. The country experienced various adverse developments in 2016, namely the earthquakes that hit Kyushu in southwest Japan and disruptions to suppliers elsewhere. The year-on-year decline also partially reflects the stop-sell directive affecting Mitsubishi K-cars and Nissan-badged versions of these K-cars, in light of Mitsubishi's admission that it falsified fuel-economy figures. Other factors contributing to recent production declines in 2015 and 2016 include slower economic growth, saturation in car ownership levels and an aging demographic relative to other markets.

Although Japanese vehicle production declined in 2016, it is expected that Japanese OEMs will increase production as they expand internationally with overall production increasing from 27.4 million units in 2016 to an expected 29.5 million in 2020 (source: IHS).

South America

South American light vehicle production reached 2.8 million units in 2016, representing 3.0% of global light vehicle production. Since 2013, the market has witnessed significant declines, primarily due to production declines in Brazil, the single largest market in the region and which represented 76.8% of South American light vehicle production in 2016. The production declines in Brazil have been due to a weakened broader economy, led by falling commodity prices, lower disposable incomes and curtailed state spending on subsidy programs such as Inovar-Auto.

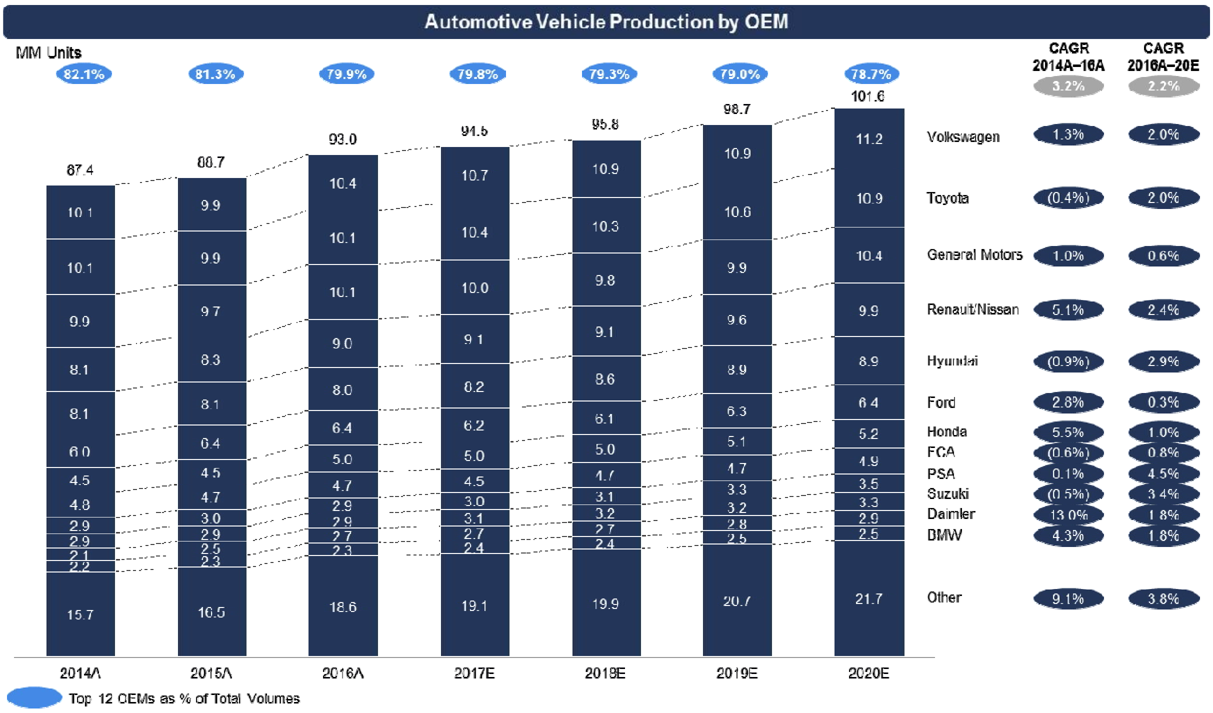
In 2016, the South American market experienced a unit production decline of 9.8% compared to 2015, driven by production declines in the key markets of Brazil and Argentina. Most carmakers and suppliers expect the region to rebound in 2017 and production volume is expected to increase at a CAGR of 4.1% between 2016 and 2020 (source: IHS).

India

Indian light vehicle production grew 8.5% to 4.4 million units in 2016, representing 4.7% of global light vehicle production. In 2016, India was one of the fastest growing regions in automotive production, driven by higher consumer confidence in 2016 compared to 2015, a more favorable national tax regime (singular goods and service tax) and a government stimulus related to payments to government employees and pensioners of back pay.

Market development by largest OEMs measured by production volume

The following chart sets out the (i) historic unit production volumes of light vehicles between 2014 and 2016 and (ii) estimated unit production volumes of light vehicles between 2016 and 2020; in each case, by the 12 largest OEMs (measured by production volume).



Source: IHS

The top 12 OEMs represented approximately 79.9% of automotive vehicle production in 2016. During the period between 2014 and 2016, among the top 12 OEMs, the OEMs which outperformed the global market were Renault-Nissan (with a CAGR of 5.1% between 2014 and 2016), Honda (with a CAGR of 5.5% between 2014 and 2016), Daimler (with a CAGR of 13.0% between 2014 and 2016) and BMW (with a CAGR of 4.3% between 2014 and 2016). Among the top 12 OEMs, the OEMs which are expected to outperform global vehicle production in the future are Renault-Nissan (with an expected CAGR of 2.4% between 2016 and 2020), Hyundai (with an expected CAGR of 2.9% between 2016 and 2020), PSA (with an expected CAGR of 4.5% between 2016 and 2020) and Suzuki (with an expected CAGR of 3.4% between 2016 and 2020). The levels of production volume from the top 12 OEMs are expected to grow at a CAGR of 1.8% between 2016 and 2020.

Automotive industry trends

The global automotive market is characterized by various trends, including (i) technological and regulatory trends, which include increasingly stringent global regulations and standards related to emissions and safety, as well as the increasing focus on comfort features and dynamics and the use of non-internal combustion engines, particularly EVs; (ii) geographical trends, including projected growth in international markets and localized production; and (iii) trends related to the current strategy of OEMs, which include outsourcing parts of the production process to reduce capital requirements, movement towards common platforms and global models, autonomous driving technologies and shared mobility. We believe that our technological leadership, scale and extensive geographical presence have made us a favored, trusted partner for OEMs looking for suppliers who can deliver solutions to complex projects on a consistent and high quality basis across various geographical regions. Further, we believe that as a leading global supplier of Body-in-White and Chassis products used with all types of engine technology and powertrain, we will experience minimal disruptions from future market trends such as EVs or hybrid vehicles, autonomous driving and shared mobility models.

Technology and regulatory trends

Stricter emissions regulations worldwide forcing OEMs to improve fuel efficiency of vehicles

The development and production of fuel-efficient vehicles is a key growth trend in the automotive sector, driven by regulatory factors, as well as consumers' preference to save money on fuel. Furthermore, increasing social and environmental awareness among end consumers is expected to play a greater role in vehicle purchase decisions. Consequently, OEMs face on-going pressure to improve the fuel efficiency of their vehicles and thereby reduce CO_2 emissions. Reduction of vehicle weight increases fuel efficiency and thus reduces CO_2 emissions making Body-in-White and Chassis components critical to reach CO_2 emissions targets (a reduction of 100kg in the overall weight of a vehicle results in 9gr of CO_2 emissions savings).

Many countries have adopted emissions regulations which set limits on the amount of pollutants that new vehicles can emit. Within the next several years, emissions limits worldwide across developed and emerging countries are expected to become increasingly restrictive given growing environmental awareness. EU CO_2 emissions targets are among the most stringent, which makes it challenging for OEMs to be fully compliant while rapidly increasing the cost of compliance. For example, in the EU, automakers face regulatory fines of €95 per every g/km if they do not achieve CO_2 emissions targets. Other countries such as Brazil, India and China, for example, tend to adopt similar regulations a few years after they have been approved in the EU.

Recent scandals involving pollutant emissions testing have further increased the focus on environmental regulations, including fuel efficiency norms and their implementation. This tightening of emissions regulation worldwide is expected to drive demand for more fuel-efficient vehicles, forcing OEMs and suppliers to develop innovative components and systems which comply with the more restrictive emissions legislation. Evolving regulation has also resulted in our OEM customers increasing their development focus on hybrid vehicles, and, increasingly on EV, as a potentially important means for them to reduce fleet emissions. Weight reduction will be a key driver to achieve fuel savings in combustion engine vehicles. Also, EVs may benefit from weight reduction, as this would extend battery life by reducing power requirements.

Safety regulations and increasing demand for safety features

Safety has increasingly become a central buying criterion for customers. Together with dedicated passive safety parts such as airbags and seatbelts, body and structural components protect car occupants in the case of a crash and also directly influence the damage inflicted on other parties involved in a collision. The combination of evolving safety ratings, complex assessments such as the EuroNCAP (of which approximately 50% of its regulations affect Body-in-White and Chassis components) and customer expectations have increased OEM demand globally for improved safety features in body and structural components and safety standard certifications. For example by 2020, vehicles produced only with certain technology in use today such as cold stamping will no longer be able to meet such requirements. As a result, we believe that car production is shifting towards the use of new technologies such as hot stamping, where we are a market leader, with an estimated market share of over 20% (source: Roland Berger Study and internal estimates based on Company's information and public filings of competitors). Hot stamping provides enhanced deformation control and energy absorption, improves vehicle safety and reduces vehicle weight, while ensuring a high level of flexibility in the design of parts.

Increasing focus on comfort features and dynamics

Customers are becoming more focused on solutions that enhance the driving experience and provide additional comfort and dynamics. This is leading to an increase in demand of components such as power liftgate systems, components that reduce noise and vibration, power door systems, power assist steps or sound minimizing tires, which we believe we are optimally positioned to provide.

Increasing trend toward non-internal combustion engines, particularly electric vehicles

Consumers are becoming increasingly environmentally conscious, which in turn is affecting their vehicle purchase choices. Additionally, regulators have set stringent regulation targets that require a certain degree of engine electrification. This is leading to an increase in demand for both hybrid vehicles and EVs. For example, important OEMs such as Volkswagen or BMW have announced their plans to increase their EV portfolio. This shift is likely to have only a limited relative impact on suppliers of Chassis and Body-in-White components, with only small modifications being made to existing structures, such as the introduction of battery casings.

Geographical trends

Growth in international markets and localized production

The automotive industry has become increasingly global as OEMs are increasingly addressing regional market demand around the world by expanding production facilities to new geographies outside their home markets, including emerging economies as well as more mature economies, such as North America, where foreign OEMs wish to establish a stronger local presence. In addition to building local capacity for sales in those countries, OEMs in some cases use their new facilities as export hubs for addressing overseas demand given cost considerations.

Growth in consumer demand in emerging markets, among other factors, has driven the expansion of OEMs' global footprints. The Chinese and Indian automotive markets, for example, have grown significantly in recent years, representing 89.0% of global light vehicle production growth between 2014 and 2016. Emerging markets are expected to exhibit high growth rates going forward with an estimated CAGR of 4.2% between 2016 and 2020, based in part on low current market penetration measured by the percentage of vehicles per capita. After a significant decrease in vehicle production since 2013, Brazil is experiencing an improvement in its economic prospects, and while Russia has experienced weak economic performance in recent years and growth in vehicle production in the medium term. We expect to benefit from this trend as we are one of the leading manufacturers in our sector.

OEMs' strategy trends

OEMs are increasingly outsourcing production of parts traditionally produced in-house

The evolving nature of the automotive industry has resulted in increased capital requirements for OEMs who are thus facing the need to prioritize their investments. OEMs are increasing their focus on engine and powertrain related technology, platform design, autonomous driving and shared mobility, leading them to invest less in their in-house capabilities relating to other areas that do not directly impact brand differentiation such as body and chassis development and production. This trend, together with global platform standardization among OEMs, has led to an increase in outsourcing, as OEMs entrust a select number of strategic supply partners with an increasingly high content of vehicle production. In parallel, specialization has led suppliers such as ourselves to achieve technological advances in their respective fields, such as in hot stamping, a growing alternative technology offering competitive solutions to OEMs seeking enhanced safety and light weighting in their vehicles. In particular, we believe that the growth in the importance of hot stamping, where we have limited global competition and which OEMs find difficult in-house to match price and quality, will continue to strengthen the trend of OEMs increasingly outsourcing Body-in-White manufacturing processes. For example the share of hot stamping is expected to increase at a CAGR of 12.8% between 2015 and 2020 (from €6.5bn to €11.8bn) and there is market potential derived from OEM outsourcing of up to €20 billion in Body-in-White and Chassis until 2025 (source: Roland Berger Study).

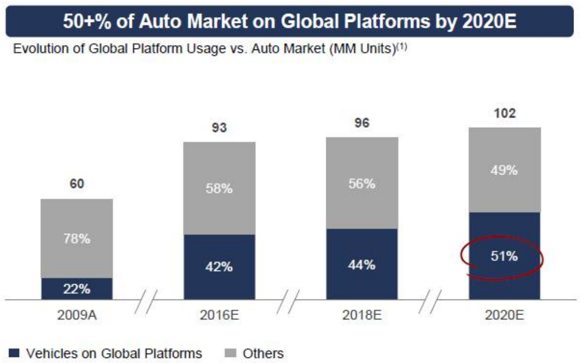
In addition, as OEMs expand outside of their home markets, they are more inclined to turn to external suppliers for content they have provided in-house in their home markets, in part due to the efficiencies suppliers such as ourselves are able to achieve by serving multiple customers from a single manufacturing facility, as well as the security derived from sourcing from a trusted global partner that is able to deliver consistently high quality products that meet a top technical standard. We believe that only a few global suppliers, such as Gestamp, are able to provide outsourcing services on such terms and thus, are best placed to capture a significant share of the €20 billion Body-in-White and Chassis market opportunity derived from increased outsourcing.

Move towards common platforms and global models

OEMs are increasingly designing vehicle models built on common but variable platforms which can be produced in high volumes globally. In addition to freeing up capital, the use of common platforms allows OEMs to increase economies of scale across the value chain, differentiate their products from those of their competitors, expand the number of product segments in which they compete, extend the life of existing automobile platforms and remain responsive to changing lifestyle and regional trends and customer tastes. The charts below describe certain platforms currently used by four OEMs in vehicle production, as well as the expected evolution of global platform usage vis-à-vis the automotive market by 2020.

OEM	Platform	# of models	Peak annual production	Production countries	Examples of models
BMW	UKL	10	1.04m	11	BMW 1-Series, BMW 2-Series, BMW X1, Mini Clubman, Mini Countryman
VW	MQB A0	12	2.18m	12	VW Polo, Seat Ibiza, Skoda Rapid
PSA	CMP	9	1.21m	13	Citroen C3, Peugeot 2008 and 208
Daimler	MFA	9	1.01m	10	Mercedes-Benz Class A, Infiniti Q30, Mercedes Benz GLA

Source: IHS



Source: IHS

This trend towards common platforms and global models has caused OEMs to increasingly rely on large, technically and financially strong global suppliers, capable of producing consistent and high quality products across geographies. It has also led to an increase in R&D collaborations between OEMs and key suppliers in the product development stage, which in turn has enabled such global suppliers to gain market share from regional, less technologically advanced suppliers. These key automotive suppliers are expected to have a closer relationship with OEMs and have stronger bargaining power than their midsize competitors. The increased specialization and "modularization" (the production of components with standardized product features, which can be used for a wider range of vehicles) will enable suppliers to capture a larger share of certain products. Further, OEMs are developing more collaborative relationships with their suppliers, allowing suppliers to avoid redundant investments and reduce product development costs. These factors generally enhance supplier profitability by allowing suppliers to maximize scale-related benefits.

Our OEM customers use a number of factors to select their suppliers including, among other things, quality, in-house R&D and technological capabilities, service (including location, service interruptions and on time delivery), overall track record and quality of the existing relationship with the OEM, production capacity, financial stability and price. We believe we are able to address pricing pressure by maximizing our expertise in product development, our extensive geographical footprint, our consistent and high quality production capability and our diverse ancillary competencies.

Growing importance of autonomous driving technology and shared mobility models

Major industry players have also committed to the production of autonomous cars with several major car manufacturers aiming to have autonomous vehicles on the road by 2020. The technology for advanced driver assistance systems, such as parking, automated highway driving, and emergency breaking is already commercially available though the future regulatory landscape remains uncertain. While autonomous driving technology may lead to the emergence of new providers who focus on "soft" areas of vehicles, we believe the impact on Chassis and Body-in-White products will be limited.

OEMs are increasingly considering new mobility concepts such as ride sharing programs, which offer consumers the use of a vehicle without many of the expenses associated with purchasing, maintaining and storing a personal car. Even as ride sharing businesses grow, we believe that the effect on automotive production would be limited, as it would tend to shorten the replacement cycle of the car parc in the future. Furthermore, autonomous cars could replace certain means of traditional public transport, which could increase overall car purchases.

Market dynamics

The majority of the markets in which we are active are increasingly consolidated by nature, typically with three to five global key competitors though we believe only very few players are able to offer technologically innovative solutions on a truly global scale. We believe that there are a number of challenging requirements for global automotive suppliers that, in part, are linked to the global trends that have developed in the industry and that a new or less well established market player would have to satisfy in order to establish themselves in the market.

Established OEM relationships

We have long-standing relationships with automotive OEMs, developed through trusted, long-standing and close collaboration. The systems and components provided to OEM customers are often critical in nature and thus OEMs choose their suppliers carefully based on a number of criteria. In addition, OEMs outsource an increasing amount of content to suppliers who in turn become fully involved within the complete vehicle development value chain. We believe that when entering this market, potential competitors would need to spend significant time developing a track record with OEMs before shifting from being a "build-to-print" supplier to a strategic partner.

Technological capabilities

We have made significant investments to develop state-of-the-art technologies across a broad range of processes, in order to be at the forefront of solutions for weight-reduction and compliance with safety standards, as well as customer preferences on design and other factors. This position has evolved through extensive and sustained R&D activities over a number of years, increasingly in collaboration with OEMs. In addition, technological capabilities also extend to tooling competencies across the entire value chain, from design to manufacturing and testing. We believe that these advanced capabilities as well as the patents we hold act as a challenging pre-requisite for potential new competitors in our markets.

Global manufacturing footprint

Automotive OEMs are increasingly shifting to common vehicle platforms on a global basis with the aim of maximizing the commonality of components and systems and to derive cost savings via economies of scale. Consequently, OEMs are increasingly looking for global suppliers that can provide standardized components with consistent quality standards globally, at a competitive cost and with close proximity to OEM production sites. We believe that it would be difficult for potential competitors to achieve such a broad geographical (human resources and physical plant) footprint and local customer support within a short time-frame.

Scale

Entry into most of the markets in which we and our competitors are active requires substantial investments which we believe many potential competitors would not be able to make. Furthermore, suppliers who are able to ensure consistent product quality and operational standards across a global platform have an advantage as compared to suppliers operating on a smaller scale who are unable to provide such security to OEMs. Suppliers with scale capable of making significant research and development expenditure are able to distribute R&D costs across large geographical footprints and production volumes, further enhancing their competitive advantage. Furthermore, we believe we are strategically entrenched with our OEM customers as a result of our long standing, strategic relationships with such customers, which we believe gives us a competitive advantage.

Track record of financial stability

A key success factor for automotive suppliers is financial stability, as this is an important factor considered by OEMs when making purchasing decisions. During the downturn in 2008 and 2009, many OEMs faced supply chain difficulties as a result of certain suppliers falling into financial distress and therefore being unable to fulfil their contractual obligations to supply automotive components. Therefore, there has been a structural shift in OEM preferences to work increasingly with larger and more financially stable suppliers, making it more difficult for financially weaker or unproven competitors to enter into our addressable markets.

BUSINESS

Our Company

We are one of the world's largest suppliers of automotive components and assemblies in terms of revenues (source: Roland Berger Study and internal estimates based on Company's information and public filings of competitors). We design, develop, manufacture and sell highly engineered body and chassis components and mechanisms to OEMs, primarily for use in the production of light vehicles. We have cultivated strong, long standing relationships with our OEM customers by offering them leading technologies through our extensive global footprint of 98 production facilities, with ten additional plants under construction as of March 1, 2017 and 12 R&D centers, with an additional one under construction, in 21 countries over four regions (Europe, North America, South America and Asia) as of March 1, 2017. Our technological leadership and extensive geographical and customer footprint allow us to take advantage of global growth opportunities while maintaining a conservative, diversified risk profile.

We believe we are one of the two truly global suppliers to OEMs able to develop and manufacture Body-in-White and Chassis structures and complex assemblies, opening systems and Mechanisms, with the ability to meet the same high standards worldwide, either where the same vehicle model is produced in several regions, or where the same vehicle platform is used across different models globally based on our and our competitors' tooling capabilities, ability to capture outsourcing projects from OEMs and global footprint (source: internal estimates based on Company's information and public filings of competitors). Our expertise and core competence in developing and producing light-weight components help our OEM customers reduce CO_2 emissions while at the same time enhancing the safety features of their vehicles. Our leading technologies, global footprint and proven track record in executing complex projects set us apart from many of our competitors in the industry and have allowed us to secure strong relationships with almost all major global automakers, including Volkswagen, Daimler, Renault Nissan, Ford, BMW, PSA, General Motors, Fiat, Tata JLR, Geely-Volvo, Honda and Toyota which represented our top 12 customers and together accounted for 87.4% of our consolidated revenues (excluding tooling) for the year ended December 31, 2016. In addition, our leading technologies have allowed us to rapidly grow our revenue with OEMs. We currently supply products to all top 12 OEM by volumes globally.

We are committed to maintaining our technological leadership in the development of innovative and high quality products. We are involved in the full cycle of the component supply process, often co-developing parts jointly with our OEM customers and applying computer-aided design and crash test simulations in order to optimize weight and safety features. Between 2010 and 2016, the number of co-development programs with OEMs has increased from four to 31. We design and manufacture components adapted to each new car model or platform and conclude contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). We have been successful in obtaining a high rate of renewal of our programs.

Our segment within the automotive components market has been, and continues to be, particularly characterized by the secular trend of OEMs outsourcing an increasing share of a vehicle's metal components content as they shift more of their capital spending to other areas. This trend impacts our organic investment and sales growth, particularly as OEMs increasingly rely on fewer, larger, well-capitalized and trusted partners. As such, our R&D and innovation capabilities are fully aligned with our customers' strategy in order to fulfill their needs.

We believe that our strategic, customer-focused, strong record of geographical expansion and diversified revenue streams, as well as our manufacturing, process, design and technological expertise underlie our historical and continuing financial and operational success. We believe that these factors have allowed us to achieve our position as a leading global supplier in the automotive industry, of strategic importance to many of the largest OEMs globally.

Our market

The automotive supplier market is generally less concentrated than the OEM market. Automotive suppliers are categorized into three different tiers. Tier 1 suppliers such as ourselves sell products directly to OEMs. Typically these products are large modules or systems which integrate components, sometimes sourced from Tier 2 automotive suppliers. Tier 2 suppliers in turn typically integrate products from a further layer of suppliers referred to as Tier 3 suppliers, who provide decreasingly finished sub-assemblies, components and materials to Tier 2 suppliers. Moreover, automotive suppliers may generally be characterized as (i) global or regional; (ii) focused on one OEM group or customer diversified; or (iii) capable of product development or only able to "build to print", i.e., active only in the production segment of the value chain. We are global, customer diversified and capable of product development and thus a strategic partner to our OEM customers, capable of taking on engineering work typically performed by OEMs as well as influencing product design by co-developing products with OEMs.

Our strengths

We operate in a growing market segment with favorable dynamics and benefit from a geographically diverse footprint spanning 21 countries, strong relationships with our OEM customers and a reputation for technological innovation, in particular in higher value-added technologies such as (i) hot stamping in our Body-in-White products, where we are a market leader with 71 hot stamping lines as of December 31, 2016 and 84 expected in 2017, (ii) hybrid solutions involving steel pressings combined with other materials in our Chassis products, and (iii) the first plastic door check and the first spindle drive for automatic lift-gates in the market, in our Mechanisms products. We believe these strengths enable us to increase our market share, win new business and increase our overall profitability.

Leading market position in large, protected and attractive segment representing highest overall content per vehicle

Based on the Roland Berger Study and internal estimates based on Company's information and public filings of competitors, we believe that we are (i) the leading supplier of metal components for Body-in-White products globally, (ii) among the top three globally in metal components fro Chassis products and (iii) the clear market leader globally in Mechanisms.

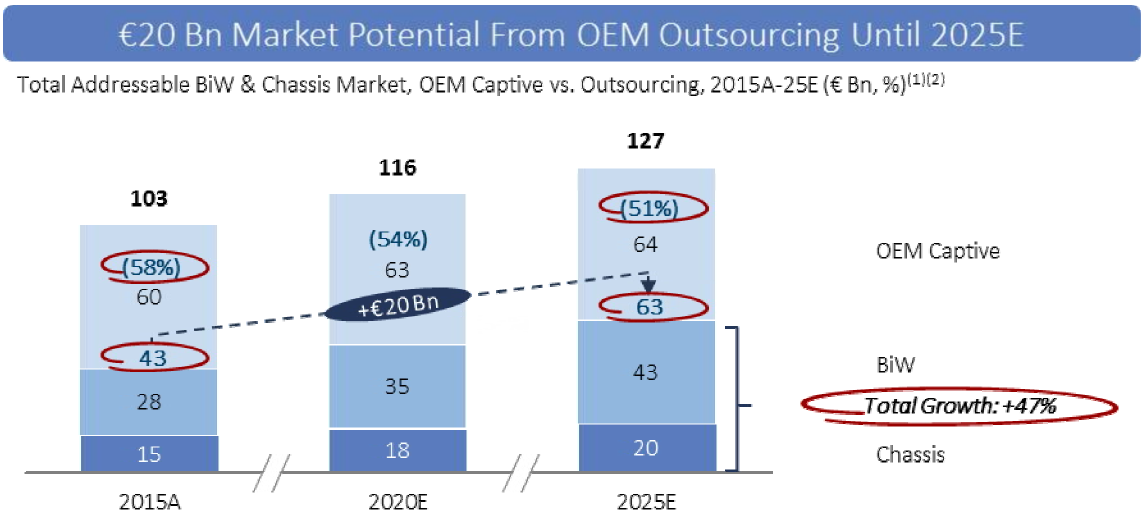
We have strategic, long standing relationships established over many years of successful collaboration with each of the 12 largest OEMs worldwide. We manufacture for over 800 vehicle models across approximately 50 brands and over 15 OEM groups. The product categories that we design, develop, manufacture and sell currently represent the largest proportion of a vehicle's value.

As one of the world's largest suppliers of components and assemblies for light vehicles, we operate in a segment of the automotive industry that we believe requires participants to make significant investments, demonstrate high technical sophistication and possess a global footprint in order to remain competitive. We believe that we are one of only a few suppliers who can support an OEM during the early stages of product development and an even smaller number of suppliers that are capable of delivering solutions to complex projects, truly globally and on a consistent and high quality basis across product portfolios based on our and our competitors' tooling capabilities, ability to capture outsourcing projects from OEMs and global footprint (source: Roland Berger Study and internal estimates based on Company's information and public filings of competitors). Our scale and ability to develop differentiated solutions for OEMs across a global footprint are critical to our success and differentiate us from local and regional suppliers, especially as increased outsourcing leads OEMs to entrust a fewer number of strategic supply partners with an increasingly high content of vehicle production.

Well-placed to substantially grow across the markets in which we operate and capitalize on current and future automotive market trends with minimal disruption risk from "car of the future" trends

We believe that our technological leadership, scale and extensive geographical presence have contributed to our financial and operational success and make us well-placed to substantially grow in the markets in which we operate. Global light vehicle production is expected to grow at an estimated CAGR of 2.4% between 2015 and 2025 (source: Roland Berger Study). Gestamp has continuously outgrown global light vehicle production by 2x to 3x, with its revenue growing at an organic CAGR of 10.7% from 2008 to 2014. We believe we will be able to continue to grow at a faster pace than global light vehicle production, capitalizing on key trends in the automotive industry including:

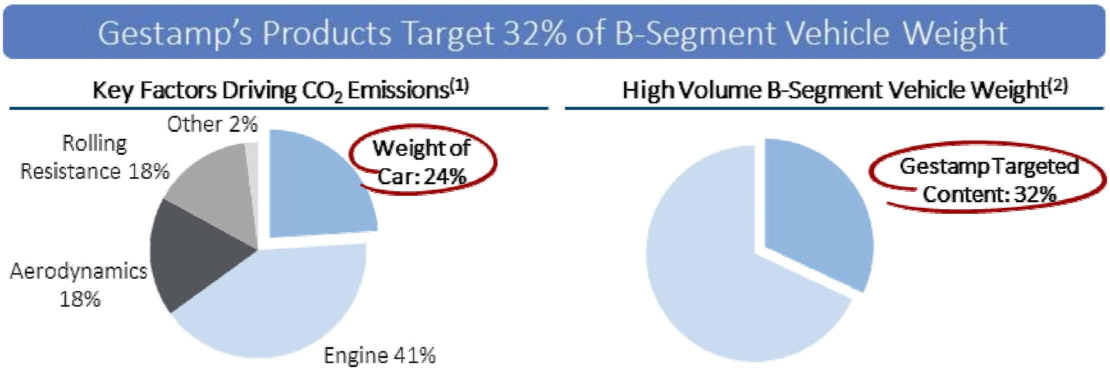
- *Outsourcing.* Our advanced technological capabilities, global manufacturing and managerial footprint, significant operational scale and track record of financial stability make us an ideal outsourcing partner for OEMs that are shifting their resources to focus on brand, engine and powertrain technology, platform design and new mobility solutions. For example, we produce substantially all of the pressed components for (1) Volkswagen for their “Caddy”, “Crafter”, “Polo” and “Rapid” models through our plants in Poland and Russia, (2) Daimler for their “V” class and “M” class models through our plants in Spain and the U.S., respectively, and (3) will produce substantially all of the pressed components for JLR for their “Discovery” model through our plant in Slovakia. Our ability to support the development process of OEMs and act as an outsourcing partner to them globally is an important differentiator, especially on innovative product solutions, which we expect to become an important growth factor in the coming years. Driven by increased outsourcing, our addressable market of automotive components and assemblies is expected to grow significantly faster than the overall automotive vehicle market, and we believe we are uniquely positioned to capture this growth. The total addressable market for Body-in-White and Chassis is expected to grow from €43 billion in 2015 to €63 billion in 2025, as illustrated in the chart below:



(1) Source: Roland Berger Study.
(2) Does not include Mechanisms market.

- *Common platforms and global models.* As OEMs gradually move towards platform standardization, they need large, technically and financially strong global suppliers that are capable of producing consistent and high quality products at competitive prices. As a result, global, reliable, multi technology, high quality Tier 1 partners such as ourselves are increasingly taking market share from smaller, regional competitors, as we are in a better position to meet these OEM criteria. Furthermore, we believe we are strategically entrenched with our OEM customers as a result of our long standing, strategic relationships with them, which we believe gives us an advantage over certain of our competitors. Our ability to win platform contracts and maintain close, collaborative relationships with OEMs in turn leads to higher revenue visibility.

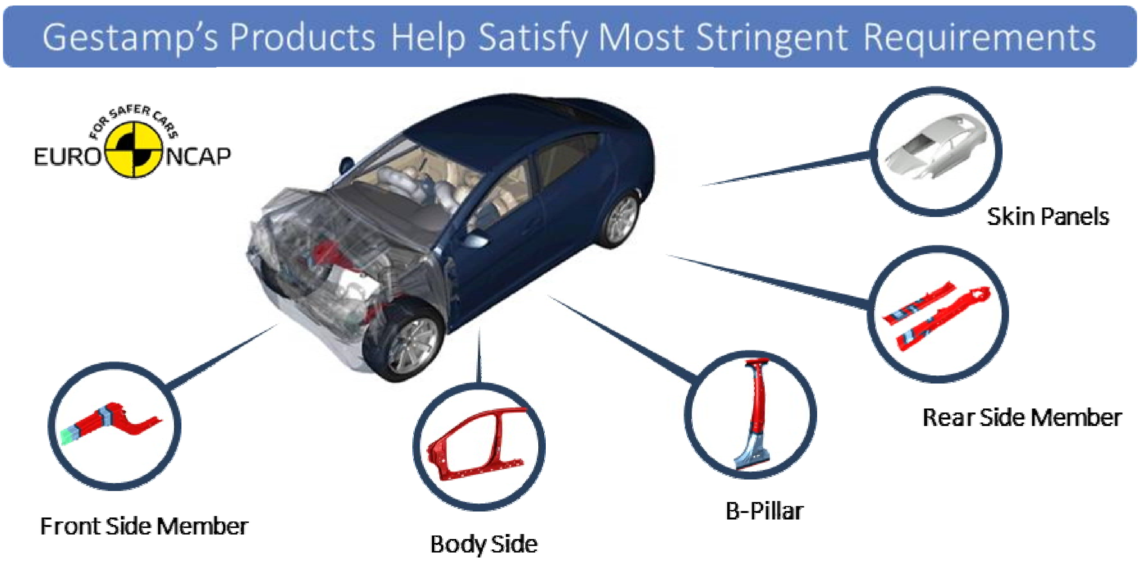
- *Increasingly stringent global CO_2 emissions regulations.* We are a leader in developing light weight components through hot stamping, which help our customers meet their CO_2 emissions targets (source: internal estimates based on Company’s information and public filings of competitors). For example, the body and structural components of a car, such as the Volkswagen Polo, comprise approximately 56% of a vehicle’s weight and are the main source of potential vehicle weight reduction. Our significant R&D capabilities, leadership in hot stamping technologies and expertise in developing multi-material solutions enable us to provide innovative solutions to address OEM regulatory pressures in a cost effective manner. The charts below set out the effect of Gestamp’s products on vehicle weight and in turn, CO_2 emissions.



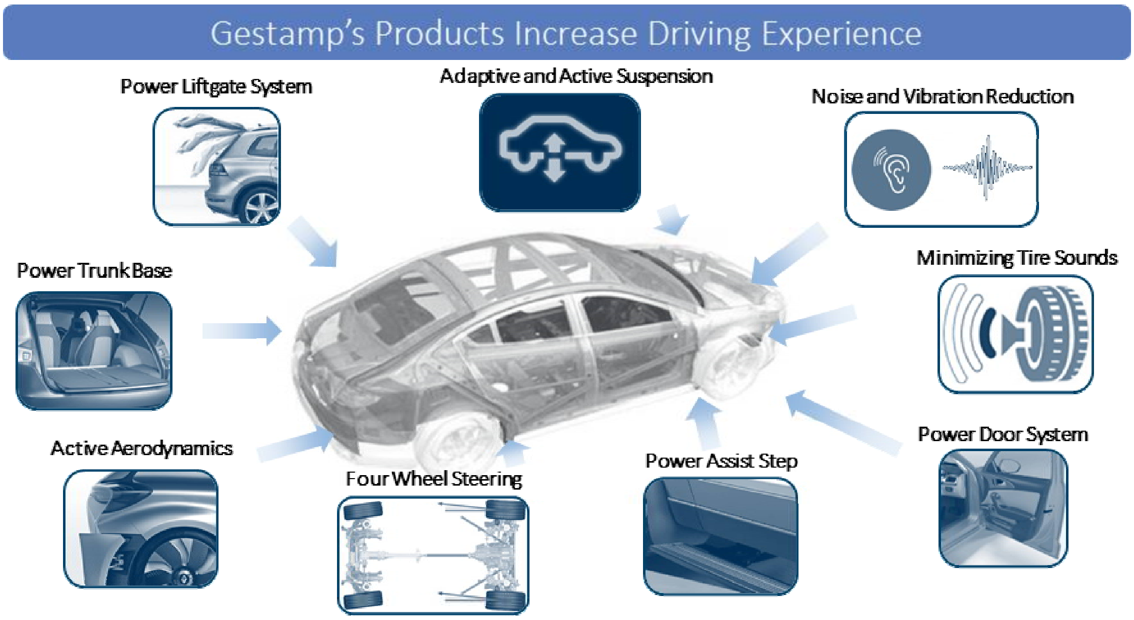
(1) Source: BMW
(2) Source: A2MAC21

- *Increasing safety standards.* Our innovative, cost efficient products enable OEMs to comply with evolving safety regulations, which are becoming increasingly complex by addressing the full spectrum of vehicle safety. For example, our high strength and ultra high strength steel products significantly improve the ability of vehicles to withstand impacts. Also, we believe that energy absorption improvements in our Chassis and Body-in-White product portfolio increase driver and passenger safety by minimizing car to car side impacts while customized hood hinges in our Mechanisms product portfolio improve pedestrian safety. We believe vehicles will increasingly need to employ new technologies such as hot stamping, where we are a market leader, to satisfy stricter safety requirements, including car-to-car crash safety testing.

The exhibit below outlines our products which help OEMs to satisfy increasing safety requirements.



- *Higher comfort feature and dynamics.* Customers are becoming more focused on solutions that enhance the driving experience and provide additional comfort and dynamics. This is leading to an increase in demand of components such as power liftgate systems, components that reduce noise and vibration, power door systems, power assist steps or sound minimizing tires, which we believe we are optimally positioned to provide, as outlined in the diagram below.



- *Increasing importance of EVs.* We believe that we will experience minimal disruptions from future trends such as EV or hybrid vehicles, autonomous driving and shared mobility models. Furthermore, we believe that EV will enable us to provide more tailored, innovative products to increase our overall content per vehicle. In particular, EV and hybrid vehicles are generally heavier than other vehicles and while production materials may change over time, we believe that our expertise in developing lighter, safer components as well as our continued investment in our R&D capabilities will strengthen our ability to address current and future industry trends. For example, with Volkswagen we are developing a battery box concept for the electrical MEB platform, a Modular Electric Model line-up platform that will be used with a wide number of EVs, by applying various lightweight solutions, such as hot stamping.

From 2010 to 2015, we outperformed the automotive market by 4.1x, primarily due to our performance in Asia, NAFTA and Eastern Europe, where we outperformed the market by 24.1x, 21.7x and 18.6x, respectively.

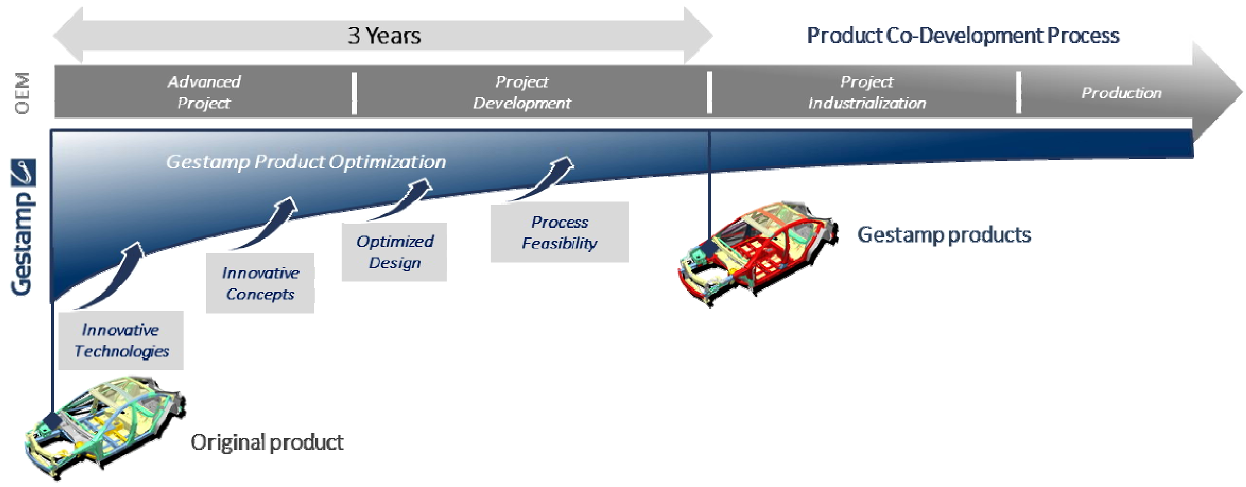
Recognized technological leadership and well-integrated R&D capabilities

We believe we are a trusted co-development partner to our OEM customers as a result of our long standing and strategic relationship with them and our co-development programs with OEM customers have increased from four in 2010 to 31 in 2016. As such, our innovative products and market-leading processes are developed through our R&D platform, which has a dedicated team of over 1,300 employees spread across 12 centers around the globe, with one additional center currently under construction. We are committed to continued investment in R&D. Between 2014 and 2017, we will have opened four new R&D centers in Germany (Bielefeld), China (Anting), Japan (Tokyo) and the U.S. (Detroit) and believe that the proximity of our R&D centers to our OEM customers is key to our leading market position.

We are a recognized leader in industry innovations based on the recurrent number of co-development projects that we are awarded and our large portfolio of multi-material solutions. Many of our products are manufactured using our state of the art technologies in hot stamping and other high strength steel stamping processes. We believe that this technology is becoming the new standard for a growing number of vehicle body components globally. Our expertise in products manufactured through hot stamping, which provide tailored material performance, deformation control and energy absorption potential, improved safety and reduced vehicle weight, differentiates us from our competitors. Furthermore, we are a strategic partner for certain important premium brands in aluminum chassis development and collaborate with such brands in light weighting and aluminum technologies. We are active in developing new material applications and joining technologies and believe that we are well-positioned as a multi-material solutions provider to employ suitable combinations of steel, aluminum and fiber components (or other materials such as carbon) in producing components for our OEM customers. For example, we were appointed to implement certain of our patented press hardening processes and improvements to Ford's initial design for certain vehicle components, which improved crash and rupture behavior) and reduced product weight by approximately 11%.

Additionally, our sophisticated in-house tooling and project management capabilities, and our proven track record of successfully managing large, challenging projects complement our product development and technological expertise and have helped us win major project awards. For example, we have been entrusted with the manufacturing of the outside enclosures ("skin panels"), Body-in-White structural components and Chassis components in Chattanooga, Tennessee for the recently launched Atlas, Volkswagen's first midsize SUV to be produced in North America. This large-scale program award highlights our expertise in strategic products and processes such as Class A skin panels, hot stamping of structural components, and Chassis structures. We are also constructing a pressing plant in Slovakia near JLR's production facility that is expected to start production in mid-2018. This complete outsourcing, mostly of aluminum Body-in-White stamping for JLR, further exemplifies our OEM customers' tendency to entrust us with complex projects as we support them in their global expansion. Further, we expect to launch the first EV-Chassis production for a European OEM in 2018.

We are involved in the full cycle of the component supply process, often co-developing parts jointly with our OEM customers, which facilitates direct influence on product specifications. The chart below outlines the product co-development process from early idea to production.



For example, we developed with Honda on location in Japan, press hardening technology to reduce weight and increase safety in a cost effective manner. This co-development significantly enhanced our relationship with Honda, generating combined product patents that are jointly shared among Gestamp and Honda, the eighth largest OEM by production volume in 2015. This led to new orders at our West Virginia plant in 2014 for components for the new Honda Civic, which launched production in late 2015 and which also led to follow on nominations in 2015 for components for the Honda CR V (which was launched in October 2016), as well as the Honda Accord (which is expected to launch in the second half of 2017). The Honda Civic, which won the 2016 North American Car of the Year Award, where safety is among the selection criteria, features our soft zone hot stamping technology.

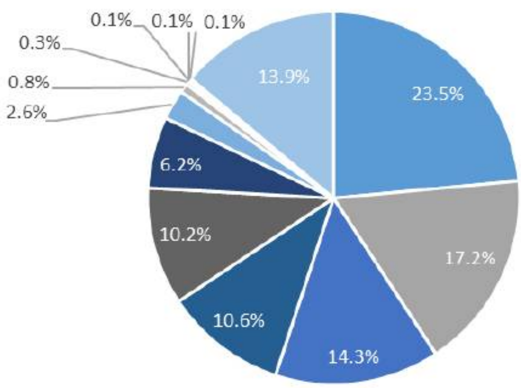
We believe that these competencies and capabilities along the entire value chain, together with a high standardization of process equipment and process development, give us a competitive advantage over many other suppliers. In fact, these competences have already contributed to our competitiveness, for example, first concept ideas developed in 2011 (such as single shell lower control arms and single shell spring links) are today global market leaders.

Well-diversified portfolio of blue chip OEM clients

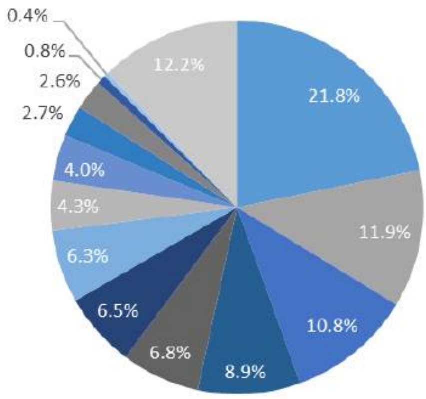
We have a large, diversified, global customer base, with long standing and trusted relationships established over many years of successful collaboration with each of the 12 largest OEMs worldwide and handle manufacturing for over 800 vehicle models across approximately 50 brands and over 15 OEM groups.

The chart below sets out the breakdown of our customer base in 2007 and 2016.

2007(1)
(% of revenues)



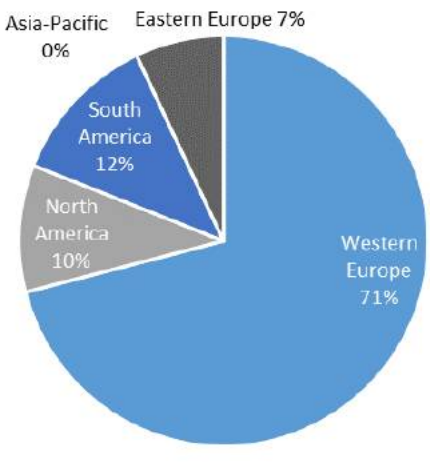
2016(1)
(% of revenues)



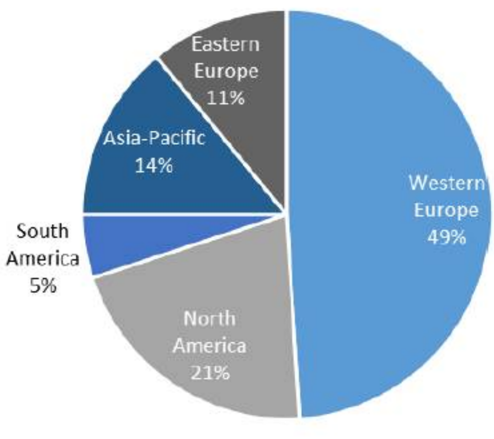
(1) Based on consolidated revenues excluding tooling.

We believe that our globally diversified revenue base makes us resilient to regional market fluctuations. For example, the recent declines in vehicle production in Russia and Brazil due to a challenging macroeconomic context have been offset by production growth in Asia, North America and Western Europe, while production in Asia and South America during the global financial crisis in 2008 and 2009 mitigated the concurrent steep drop in vehicle production in North America. When Gestamp started its operations in 1998, only 27% of the revenues of the Group were generated outside of Spain. The chart below sets out the breakdown of our sales by geography in 2007 and 2016.

2007(1)
(% of revenues)



2016(1)
(% of revenues)



(1) Based on manufacturing origin of consolidated revenues.

The success of our geographical diversification is evidenced by the growth in the share of our total revenues originating in North America (10% for the year ended December 31, 2007) and Asia, where we had no presence in 2007 to 21% and 14% for the year ended December 31, 2016, respectively. Furthermore, the U.S. is now our second largest market, after Spain. We intend to continue our growth focus on North America and Asia, bolstered by our track record in winning new customers and new orders. We believe that these markets offer a stong potential for growth.

Furthermore, our recent joint venture with Mitsui has provided enhanced access to Japanese OEMs, as evidenced by deepening relationships with OEMs such as Honda, Toyota and Mazda. We believe that our technological leadership, particularly with regard to hot stamping structural components, offers solutions to Japanese OEMs that are superior to what is available within their traditional local and regional supplier networks. In addition, we see significant upside in building relationships with local Chinese OEMs who are increasingly seeking out technologically advanced body and structural solutions. While for the year ended December 31, 2016, Gestamp's revenues derived from Japanese OEMs amounted to only 7% of the total revenues of Gestamp, Japanese OEMs accounted for 29% of the global light vehicle production (source: IHS), creating a significant opportunity for Gestamp to grow.

We believe that our customer-focused approach to expansion has been key to our success. While we decide when and where to expand our market presence based on the economic and strategic merits of each particular business opportunity, we tend to expand in regional markets in line with our customers' strategic needs. Once we have established a strategic supplier relationship with an OEM customer, particularly in locations outside its home market, it becomes difficult for that OEM to switch suppliers, and we become well positioned to maintain or increase our business with that OEM. From operational, technical and logistical perspectives, OEMs often face substantial switching costs in replacing the supplier of a particular component or platform, particularly during the life cycle of a specific vehicle model. As a result, the supplier of a particular car model is also often chosen for subsequent generations of that model. This is largely due to the long lead time and significant investment required to set up the production and supply processes as well as the efficiencies and savings gained through experience with the manufacturing processes of particular products.

Our long standing and collaborative relationships with OEMs, highly advanced technological capabilities, global manufacturing and managerial footprint, significant operational scale and track record of financial stability provide us with an advantage over our competitors, entrench our strategic relationships with OEMs and encourage OEMs to entrust us with repeat and new business.

An increasingly growing global footprint

We have a geographically diversified global footprint with 98 production facilities in 21 countries across four regions (Europe, North America, South America and Asia) as at March 1, 2017, a significant increase from the 12 and 44 production facilities we had as of December 31, 1998 and 2007, respectively. In addition, as of March 1, 2017, we have 16 facilities in North America, including four under construction, 12 facilities in South America, including one under construction, 45 facilities in Western Europe, including one under construction, 18 facilities in Eastern Europe, including one under construction, and 17 facilities in Asia, including three under construction.

Our production facilities and R&D centers are located in close proximity to OEM R&D hubs and manufacturing plants, which allows us to provide services locally that are tailored to individual customer expectations. Furthermore, our proximity to OEMs enables us to have local-to-local supply chains almost anywhere in the world to facilitate just-in-time and just-in-sequence component deliveries, which are key to winning OEM mandates and maintaining OEM relationships.

Our extensive geographic reach, which we believe would be difficult to replicate without significant investment, provides us with an advantage over competitors by allowing us to deliver complex solutions on a global level and implement them on a local level, thus contributing to increased customer loyalty and in turn, higher revenue visibility.

High growth visibility and resilient business model

We believe that we benefit from high revenue visibility due to the nature of our business, our long-term and strategic relationships with our OEM customers as well as our disciplined capital expenditure program. In our industry, once a project has been nominated to a preferred supplier, it is rare for an OEM to switch to another supplier, given the significant operational, technical and logistical costs of switching, particularly during the life cycle of a specific vehicle model. Thus, given that vehicle cycles last several years, nearly all of our annual revenues are derived from customer orders that continue into following years, which enhances our revenue visibility. Based on our order book, which represents sales (excluding intercompany, scrap and tooling sales) that we expect to record based on assumed volumes converting to orders and shipments under contracts for vehicle programs that we have been awarded by OEMs as of the end of 2016, more than 90% of our expected revenues in the period between December 31, 2016 and December 31, 2019 will be generated by orders already in hand. As a result, we expect that our revenue CAGR between 2016 and 2019 will be broadly in line with 2013 to 2016 revenue CAGR. In addition, we have a strong track record of winning replacement business, including nominations for content on subsequent cycles of car models for which we already manufacture components, which provides ongoing business for our existing plants.

Furthermore, our disciplined capital expenditure program has and, we believe, will continue to contribute to future revenue growth. Our capital expenditures are primarily comprised of investments in new manufacturing plants or increased capacity at existing plants and are tied to specific customer project mandates with high revenue visibility before investment commitments are made. When committing capital to new manufacturing plants or otherwise increasing manufacturing capacity, we are highly selective, focusing on contracts which allow us to meet our target project internal rate of return of 15%. Once a project is ongoing, maintenance and replacement capital expenditure is limited and relatively predictable. Our capital expenditures for the years ended December 31, 2014, 2015 and 2016 amounted to €483.3 million, €622.4 and €724.8, of which approximately 35.0% qualified as recurrent capital expenditures in 2016.

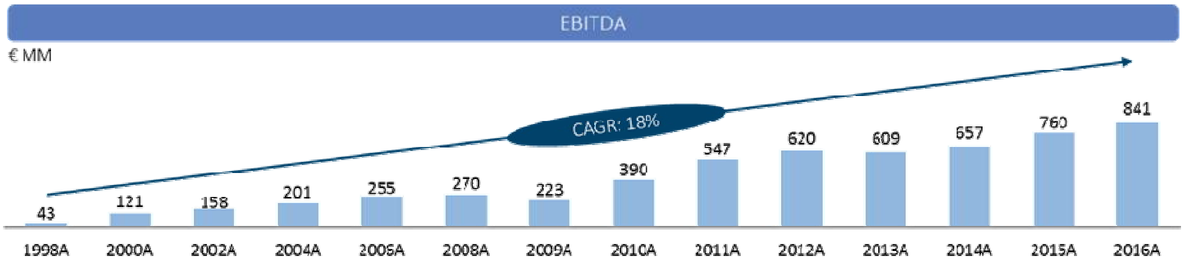
We have a principally variable and flexible cost base, with limited exposure to raw material price volatility and limited recurrent capital expenditures requirements once a project is ongoing. Raw materials represent on average approximately 40% of our sales over the past three years, with steel comprising over 90% of our raw material purchases. An increase or decrease in steel prices can affect our results. While steel prices affect our revenue and costs, historically, our profit has not been significantly affected by changes in steel prices. In 2016, 60% of our steel was purchased through “re-sale” programs with customers, whereby the OEM periodically negotiates with the steel maker the price of the steel that we use for the production of automotive components. Any fluctuations in steel prices are directly adjusted in the selling price of the final product. In the case of products that use steel not purchased under “re-sale” programs, the OEMs adjust our selling prices based on the steel prices they themselves have negotiated with steel suppliers. Historically, the Group has negotiated and agreed its purchase contracts with steel suppliers under terms such that the impact (whether positive or negative) of the steel price fluctuation in these cases is minimal. Due to our strong relationships with OEMs and the large steel volumes we acquire in the marketplace, we expect to be able to continue to pass through cost increases or decreases in steel prices to our customers, thus minimizing the positive or negative effect on our margins.

In addition to our limited exposure to raw material price volatility, we have a low operating leverage, with fixed costs accounting for less than 20% of our operating expenses (excluding depreciation, amortization and impairment losses) in the last three years. A significant part of our labor costs, which have represented between approximately 19% to 21% of our total operating expenses (excluding depreciation, amortization, and impairment losses) in the last three years, are semi-variable in nature and can be adjusted to meet business needs.

We have demonstrated consistently increasing absolute EBITDA levels and stable, resilient EBITDA margins including during the economic downturn, with our EBITDA margin declining moderately to 11.0% in 2009 from 11.7% in 2008 and recovering in 2010 to 12.3%. As a result, we are able to focus on growth even during unfavorable market conditions. For example in Brazil, as a result of our flexible cost base and operational efficiency, we have maintained a stable EBITDA margin in the high single digits from 2014 to 2016 despite steep declines in light vehicle production in the region over the same period. Furthermore, we have been able to maintain and improve conservative leverage ratios despite investing over €2 billion between 2013 and 2016 in tangible capital expenditures, largely for growth projects, a significant number of which have not yet reached full production capacity. We intend to target a leverage ratio of net debt to EBITDA of 2.0x in the medium term. For the years ended December 31, 2014, 2015 and 2016, our EBITDA was €656.5 million, €760.3 million and €841.1 million, representing a CAGR of 13.2%. We expect our EBITDA CAGR between 2016 and 2019 to be slightly above 2013 to 2016 EBITDA CAGR, accelerating in 2018 as a result of plants and projects that are expected to finalize full ramp-up, similar to what occurred in 2015. We believe that this phase out of ramp-up costs as well as the expected recovery of the auto production market in certain markets where we have a significant presence, coupled with our intention to focus on new plants and expansion projects with higher

EBITDA margins will help drive the increase of our overall EBITDA margin.

The chart below shows our EBITDA growth since our inception in 1998.



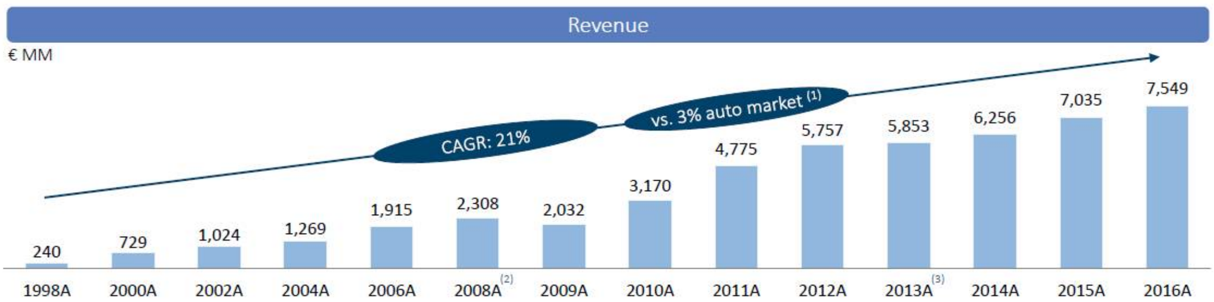
(1) Gestamp prepared its financial statements in accordance with IFRS for the first time in 2008. Prior to 2008, Gestamp prepared its financial statements in accordance with Spanish GAAP. IFRS differs in certain respects from Spanish GAAP, and accordingly data presented with Spanish GAAP may not be comparable to data prepared in accordance with IFRS.

(2) EBITDA numbers in 2010, 2011 and 2012 were impacted by the acquisitions of Edscha in 2010 and ThyssenKrupp's metal forming division (TK-MF) in 2011, respectively.

(3) Financial statements as of and for the year ended December 31, 2013 were restated to give effect to IFRS 10 and 11.

Similarly, our revenues have increased from €240 million in 1998 to €7,549 million for the year ended December 31, 2016, representing a CAGR of 21%. From 2009 to 2015 we have significantly outperformed some our peers, in terms of revenues according to their company filings.

The chart below shows our revenues growth since our inception in 1998.



Highly experienced management team with proven track record and stable family ownership structure

Our management team has extensive experience in the automotive industry and most of our senior management have been with us for more than 10 years while several key members of management have been with us for more than 15 years. Our management team has demonstrated a successful track record of achieving long term profitable growth through the economic cycle by maintaining double digit EBITDA margins even during the global financial crisis in 2008 and 2009 and successfully integrating sizeable acquisitions in 2010 (Edscha) and in 2011 (ThyssenKrupp Metal Forming), as part of an active and successful M&A strategy. Furthermore, our management team has guided us to continuous growth since inception with revenue and EBITDA growing by 257% and 206%, respectively, since 2007 while the overall automotive market has grown 32% over the same period (source: IHS). Our customer base has also expanded from including the seven largest OEMs in 2007 to the 12 largest OEMs in 2016. We have also experienced significant geographical diversification, largely due to access to Asian and North American markets. Sales in China represented 9.5% of total sales in 2016 as compared to 2007 when we had no presence in China and sales in North America represented 20.5% of total sales in 2016 as compared to 9.7% in 2007.

A focus on operational excellence across business divisions deeply entrenched in the company culture has been key to achieving our ongoing strategy of long-term value creation for our shareholders. Our ultimate controlling shareholders, the Riberas Family, have been instrumental in establishing and implementing our vision and strategy and continue to drive and support our profitable growth. The Riberas Family currently controls, directly or indirectly (through Acek, Risteel and Gestamp 2020), approximately 98.48% of our issued share capital and intends to maintain ownership of more than 50% of our issued share capital after the Offering, which will assist in maintaining our culture. Through its investment in Gestamp 2020, Mitsui currently indirectly has the economic benefit of 12.5% of our issued share capital. We expect Mitsui to accompany the Riberas Family as a long-term supportive shareholder in Gestamp. Our partnership with Mitsui has increased our traction with Japanese OEMs outside of Japan, and we believe that our continued relationship with Mitsui will facilitate greater access to Japanese OEMs, which are currently under-represented in our customer base.

Our strategy

Our goal is to continue to be the global partner of choice for OEMs in Body-in-White, Chassis and Mechanisms in order to maintain our historical above market growth. To achieve our goal, our strategy, as set out in detail below, focuses on maintaining and strengthening our technological leadership, maximizing growth on the basis of our client-oriented business model, continuing a relentless focus on operational excellence and driving long term value creation by enhancing high standards of corporate social responsibility.

Maintain and strengthen our technological leadership

To maintain our position as a leader in the automotive supplier market, we intend to be at the forefront of developing technological capabilities, manufacturing processes and new materials for use in our products. We believe that our ability and experience in working closely with our OEM customers on the co-development of Body-in-White, Chassis and Mechanisms products further strengthens our reputation as a leader in industry innovation based on the recurrent number of co-development projects that we are awarded and our large portfolio of multi-material solutions. We will continue to invest in R&D to make the “car of the future” safer and lighter by using innovative solutions that apply new materials and technologies while maintaining cost efficiency.

Enhancing technologies and processes

Regulatory and industry standards are moving towards more stringent emissions and safety requirements. As a result, car production is shifting from the use of cold stamping, the main manufacturing process used by OEMs today, towards hot stamping, where we are a market leader (source: Roland Berger Study). Hot stamping provides enhanced deformation control and energy absorption, improves vehicle safety and reduces vehicle weight. Currently, up to approximately 40% of the total Body-in-White of certain advanced vehicle models have been produced with ultra high strength steel (hot stamping).

The automotive industry is currently focused on developing the defining components of the “car of the future”. Thus, OEMs have been focusing on developing powertrain technology, platform design and more recently, new shared mobility technologies. To free up capital, OEMs are increasingly willing to outsource the production of certain vehicle components such as Body-in-White and Chassis components to a select number of strategic supply partners such as ourselves. We believe that as OEMs invest less in their in-house capabilities relating to certain areas of vehicle production, they increasingly turn to suppliers like us to reduce vehicle weight and increase safety, which ultimately translates into a higher content per vehicle for us as the value of these lighter parts is higher. This in turn has led suppliers such as ourselves to achieve certain technological advances, which OEMs find difficult to match in-house in price and quality. We are the largest global supplier of Body-in-White parts produced via hot stamping and our manufacturing capabilities cover the entire value chain of hot stamping, from manufacturing of our own dies to the production of the hot stamping lines themselves, which we believe represents a significant advantage compared to other suppliers. We have increased our hot stamping production lines from 16 in 2007 to 71 in 2016 (with 84 expected in 2017) and we also have 7 tool shops in Europe, 1 in America and 1 in Asia. For the years 2013 to 2015, we estimate that our revenue derived from hot stamping grew at a CAGR of over 20% and our consumption of raw materials in hot stamping grew at a CAGR of 17.4% between 2013 and 2016 from 294ktn to 476ktn.

In Chassis, we are developing innovative solutions for components, focused on weight reduction, passenger safety and cost savings by applying advancements in materials, technologies and processes, including hybrid solutions involving steel pressings combined with other materials and solutions tailored for EVs.

In Mechanisms, we have introduced the first plastic door check and the first spindle drive for automatic liftgates in the market, which both enhance passenger experience in entering and exiting vehicles, and we were the first supplier worldwide to introduce a hood hinge made from carbon fiber reinforced plastic, which reduces vehicle weight.

Developing new materials and combinations of materials

While we will continue to develop, in cooperation with the steel industry, additional types of steel for use in our products, we believe that the car of the future will be made from a combination of different materials in addition to steel. We believe that we are a leader in aluminum stampings for Body-in-White, particularly with regard to skin panels (which are the largest aluminum-based component in Body-in-White), and are an important supplier for several premium OEMs including BMW and JLR with regard to their aluminum stamping needs (source: internal estimates based on Company's information and public filings of competitors). We are currently a strategic partner to a number of premium brands in aluminum chassis development and have successfully introduced multi material solutions to customers such as Honda and Volvo. Our Chassis R&D teams are also developing hybrid solutions involving steel pressings combined with other materials. While we believe the combination of high strength steel and hot stamping will remain the most cost effective means of producing automotive Body-in-White components in the medium term, we intend to strengthen our reputation as a multi material solutions provider by continuing to develop new materials and processes in producing components for our OEM customers. We also intend to focus on cultivating additional co-development opportunities with our OEM customers that facilitate our direct influence on product specifications, including materials used, which we believe would reinforce our position as a leader in industry innovation based on the recurrent number of co-development projects that we are awarded and our large portfolio of multi-material solutions.

Our investment in R&D is driven by our focus on improving fundamental characteristics of a vehicle such as weight, and safety through monitoring complete crash performance, deformation and energy absorption. We routinely showcase our R&D capabilities to OEMs globally and in 2016, implemented several "Tech Shows" around the world to increase awareness of our technologies and strengthen our long standing relationships with our OEM customers. By continuing to invest in R&D, we believe that we can develop proprietary technology innovations while helping our OEM customers to improve vehicle safety, meet emissions targets and optimize costs, which together we believe will ultimately allow us to be one of a few key suppliers for OEMs across different geographies.

Maximize the growth potential of our client-focused business model

The foundation of our business lies in building long standing, collaborative relationships with OEMs by providing them with innovative, high-quality, cost-effective products in a timely, efficient manner. By further adapting to customer needs, we believe that we have become a trusted partner to our OEM customers and increasingly critical to their success. In addition, our senior management team has invested and will continue to invest significant time in cultivating and maintaining relationships with our OEM customers.

We prioritize customer relationships and believe that our customer-focused approach to expansion has been key to our past and current success. In particular, we believe that our close relationships with OEMs have provided us with insight into their individual needs, which in turn guides our own market expansion strategy. We believe that we are well-placed to support the needs of OEMs as they expand their business globally especially in light of the growing trend of outsourcing. Thus, we will continue to aim to be strategically close to our OEM customers both in terms of product development and geographical presence, with the aim of being the supplier of choice of OEMs, with a competitive advantage over other suppliers to capture market share.

In addition to our general growth and expansion strategy, we intend to target the following areas of focus:

- *Maintain leadership in the European market.* In Europe, we believe that we are the clear market leader for Body-in-White and Mechanisms and among the top three for Chassis in terms of revenue (source: Roland Berger Study and internal estimates based on Company's information and public filings of competitors). We intend to maintain and improve our market presence and leadership in the European market by reinforcing the strong customer relationships that we already have.

- *Increase penetration of Asian OEMs.* In order to be closer to markets with fast growing vehicle demand, Japanese OEMs, who generally tend to use their captive or semi-captive supplier networks, have been shifting more of their production facilities outside of Japan, which in turn has created opportunities for foreign suppliers like us to work directly with Japanese OEMs. As a result, we intend to strengthen our relationships with Japanese OEMs. We believe that our track record of product innovation and technological leadership, particularly with regard to press hardening structural components, offers solutions that are superior to components available from their traditional supplier networks. For example, we recently won mandates to supply components from our West Virginia plant for the Honda Civic, CR-V and Accord, with Honda's contribution to our North American revenues increasing to 12% in the year ended December 31, 2016 from 2% in the year ended December 31, 2014. Our Japanese OEM exposure has increased since our partnership with Mitsui in the U.S. began in 2013. We believe our continued relationship with Mitsui, who recently acquired 12.5% of our share capital in 2016, will facilitate even greater access to Japanese OEMs. We also intend to develop relationships with OEMs in other Asian markets such as China, which is expected to remain the single largest market globally for automotive production (source: IHS). We see a significant upside in strengthening our relationships with local Chinese OEMs and already have a regional presence of eight production facilities with three new production facilities currently under construction. We also intend to expand our presence in India, concentrating on high value-add products. We expect that local OEMs will increasingly seek our products to help them meet certain technological and quality challenges that domestic suppliers may not be able to adequately address.

- *Selectively increase market share in North America.* In North America, we are a leading supplier to German OEMs and intend to maximize our technological leadership and existing regional footprint in order to develop and enhance relationships with U.S. and Asian OEMs in the region. We are currently building new manufacturing facilities and expanding the capacity of existing manufacturing facilities, including in the U.S. (Chattanooga I, Chattanooga II and Washtenaw) and Mexico (Puebla II Phase 2). Furthermore, emissions standards, which have traditionally been more stringent in Europe, have been tightened in North America. We believe that our expertise in developing and producing light-weight components, which help our customers meet CO_2 emissions targets, makes us well-placed to increase our North American market share as OEMs become increasingly under pressure to comply with stricter emissions standards. Our year-on-year revenue growth in North America was 20.2%, 33.9% and 16.8% for the years ended December 31, 2014, 2015 and 2016.

- *Drive organic growth through a disciplined capital expenditure program.* Our capital expenditures are primarily comprised of investments in new manufacturing plants or increased capacity at existing plants and have been a result of disciplined growth tied to specific customer project mandates with high revenue visibility before investment commitments are made. Once a project is ongoing, recurrent capital expenditures are limited and relatively predictable. We intend to maintain our selective, disciplined capital expenditure program targeting growth projects which meet our target project internal rate of return of 15%. We currently expect our capital expenditure as a percentage of revenue to be in line with the 2013 to 2016 average through 2018, and to decline moderately thereafter as a percentage of revenues.

- *Pursue strategic acquisitions.* While we are primarily focused on organic growth, we have a strong track record of successfully integrating sizeable acquisitions including Edscha in 2010 and ThyssenKrupp Metal Forming in 2011. We will continue to monitor the market for potential opportunities and may pursue selective acquisitions which support our strategy of offering our OEM customers optimized multi-material solutions for their light-weighting and safety requirements across a global footprint.

Guided by our continuing focus on building customer relationships, we intend to grow our business primarily by strengthening our position as a critical partner for OEMs worldwide, becoming a first choice supplier when OEMs expand into new markets or technologies and maintaining a focused growth strategy.

Relentless focus on operational excellence

Operational excellence is deeply rooted in our organizational structure and culture and we believe primarily driven by reliability and efficiency. As a result, we intend to focus on achieving and maintaining operational excellence by aiming to be a reliable supplier of consistently high quality products and by optimizing the efficiency of our internal operations.

Reliability

Product quality is a key concern for our OEM customers as each vehicle component can affect both vehicle functionality and user safety. Our expertise in project management on a global scale, as well as our in-house tooling capabilities, give our OEM customers the necessary confidence that we will be able to successfully execute high content, complex projects according to the required quality standards. We aim to build on our proven track record of successfully managing projects which were highly demanding, whether due to scope and size, technological complexity, timing of execution, or geographic location. Furthermore, we believe that the rigorous quality management systems in all of our manufacturing and R&D facilities are critical to our strategy and intend to continue to maintain and improve such quality standards. For example, we apply high standards of testing capabilities in our crash, vibration and modal and fatigue and dynamic tests to our Body-in-White components. To further enhance customer confidence in our consistent and high quality production capabilities, we began identifying key human resources talent across our organization and implementing standardized training programs globally in 2015 and intend to continue these initiatives.

We believe that our diversified footprint and revenue base, our consistent track record of meeting our customers' strategic needs in project execution, the maintenance of high quality standards globally, and our conservative financial policies, have demonstrated to our OEM customers that we are a reliable partner, which has led to an increase in the content that such customers have awarded to us. We intend to continue to align our expansion to the strategic needs of our OEM customers in order that we become the supplier of choice to accompany OEMs as they enter new markets.

Efficiency

We believe that operational and management efficiency is crucial for Tier 1 suppliers to remain competitive in our industry where quality, price, supply chain management, client services and technological capabilities are all important criteria tracked by OEMs to select their preferred suppliers. As a result, we have designed our organizational structure to maximize operational efficiency as our business units are centered around customers, products, process innovation and R&D while our geographic divisions are focused on improving manufacturing processes and profitability such that each manufacturing facility can be tracked as a profit center.

Over the last few years, we have been implementing standardized corporate processes that complement our organizational structure in order to improve both operational and management efficiency and we intend to continue to focus on executing these initiatives, including the following:

- Requiring each manufacturing facility, group division and business area to track key performance indicators on a monthly basis;
- Measuring the performance of our manufacturing facilities through a standard system focused on tracking efficiency, production rates and saturation rates;
- Tracking production capacity across our manufacturing facilities in order to optimize their use;
- Standardizing all business and operational processes across our organization;
- Increasing the "intelligence" of our processes with our "Industry 4.0" plan, which through the comprehensive analysis of the performance data from our production facilities, will enable us to create standardized, reliable processes and streamline the management of our production facilities;
- Standardizing management of customer projects to improve transparency and collaboration as well as efficiency;
- Reducing energy consumption in our manufacturing facilities through an energy monitoring system developed together with internationally recognized technology partners;
- Consolidating performance data and know how in order to be able to access any piece of information in real time at any facility worldwide; and
- Managing our supplier base through a global platform that tracks supplier performance, risk and regulatory compliance while streamlining the order process.

Underlying our focus on maintaining operational excellence is a strong company culture focused on long term growth that has resonated since our inception primarily due to the continuing influence of our ultimate controlling shareholders, the Riberas Family. We intend to continue to partner and collaborate with those that we believe will positively contribute to our development such as Mitsui.

Focus on long term value creation by maintaining and enhancing high standards of corporate social responsibility

Supported by our strong track record in regulatory compliance, internal controls and risk management, we seek to build on our transparent and strong relationships with all of our stakeholders, enhancing our ties in particular with our employees, suppliers, investors, as well as other social and institutional bodies governing the sectors in which we operate. We aim to achieve this by continuous improvement in our management processes, such as corporate governance and regulatory compliance, maintaining an ongoing dialogue with our stakeholders and regulators, maintaining the highest standards of internal compliance and proactively addressing wider issues affecting our industry such as emissions standards, waste management and other environmental initiatives. In addition, we have participated in and intend to maintain our commitment to social and community initiatives, in particular to educational programs that provide young people with technological training.

Key Trends affecting the Company and our Industry

The global automotive market is characterized by various global megatrends. These trends can be summarized in (i) technological and regulatory trends, (ii) geographical trends and (iii) trends related to the current strategy of OEMs.

Technological and regulatory trends:

- Increasingly stringent global regulations and standards related to emissions.
- Increased focus on active and passive safety.
- Increasing focus on comfort features and dynamics.
- Use of non-internal combustion engines, particularly electric vehicles.
- Global vehicle production.

Geographical trends:

- Regional shift towards emerging markets.
- Market recovery in Russia and South America.
- Localized production.

Trends related to the current strategy of OEMs:

- Outsourcing parts of the production process to reduce capital requirements.
- Movement towards common platforms and global models.
- Autonomous driving technologies and shared mobility.

All these trends support Gestamp favorably, as vehicles will require a Body-in-White and Chassis and we expect that products with enhanced features like the ones we produce in Mechanisms, will become more widely applied.

Our Shareholders and History

Acek was incorporated under the name Corporación Gestamp, S.L. Since its foundation, Acek has expanded its holdings to companies active in (i) automotive components, through Gestamp Automoción and its minority stake in CIE Automotive, S.A., (ii) other metal industries, through Gonvarri Corporación Financiera, S.L., (iii) renewable energy, and (iv) other businesses, including real estate. Acek is wholly owned by the Riberas Family who has been supportive of our vision, strategy and growth throughout our evolution. Our Chairman and Chief Executive Officer is a member of the Riberas Family. Acek operates in 30 countries and as of December 31, 2015 it employed 38,735 people worldwide. For the year ended December 31, 2015, Acek's revenue was €9,094 million and its EBITDA was €1,270 million.

On December 22, 1997, the Riberas Family founded our Company with the aim of becoming a leading supplier in the automotive sector. Soon after its incorporation, the Group entered strategic automobile markets such as Germany, France and Brazil.

In 2004, we entered the U.S. market with the acquisition of our first manufacturing plant there and by acquiring the Hardtech Group, a Swedish group specialized in hot stamping that was already established in the United States. This acquisition allowed us to improve our technological competencies with the most innovative hot stamping technology. From 2006, the Group continued its expansion in new markets in Asia (Korea, India and China) and Eastern Europe, and continued its growth in the Americas and Western Europe.

In 2009, we acquired LSP Automotive Systems LLC, a U.S. subsidiary of the German group Läpple and supplier of BMW which was facing financing problems. The acquired subsidiary was renamed to Gestamp South Carolina, LLC. Through this acquisition we supported BMW in a critical situation while we enhanced our presence in the U.S. and we became a reference supplier to BMW.

In 2010, we acquired Edscha, a German leader in automotive closure systems in terms of revenue and product portfolio, with 14 plants and two R&D centers across nine countries, which allowed us to further extend our product portfolio with the incorporation of our current Mechanisms division. Following this product oriented growth strategy, in 2011, we acquired ThyssenKrupp's metal forming division (TK-MF), adding 17 plants and two R&D centers to our production center network, and in particular, an important Chassis division.

On July 3, 2013, Mitsui acquired a 30% minority stake in our operations in North America and Mercosur, allowing us to enhance our overall relationships with Japanese OEMs and support our strategy for deepening supply relationships with Japanese OEMs outside of Japan.

On February 1, 2016, Acek purchased ArcelorMittal's 35% stake in Gestamp Automoción, owned since 1998, for a cash consideration of €875.0 million which was fully paid by June 30, 2016. ArcelorMittal continues its commercial relationship and cooperation with us (supply of processed steel and collaboration in automotive research and development) and continues to own 35% of Gonvarri. Furthermore, one ArcelorMittal Group representative sits on our Board of Directors as a director classified in the category of "other external directors" (i.e. cannot be classified as an independent or proprietary director) pursuant to an agreement between Acek and the ArcelorMittal Group. Another director that sits on our Board of Directors also has been classified in the category of "other external Directors" is currently Chairman of ArcelorMittal España, although he does not have any executive functions there. He has been appointed as Director in consideration of his experience and knowledge of the automotive sector and not due to any agreement with the ArcelorMittal Group. See "Principal and Selling Shareholders—Agreement between Acek and ArcelorMittal".

On December 20, 2016, Mitsui and Acek (together with some of its affiliates) signed an investment agreement, in relation to Mitsui's acquisition of a 12.525% of our share capital through Gestamp 2020, a special purpose vehicle wholly-owned by Mitsui (25%) and Acek (75%), for a consideration of €416.0 million subject to different price adjustments on the basis of the group's future financial results as further described under "Shareholder Agreements" below. The transaction was subject to the authorization of the antitrust authorities of India, Korea, Brazil, Mexico and Germany. The investment was completed and closed on December 23, 2016.

Our Products

We produce a diverse range of products, many of which are critical to the structural integrity of a vehicle. Our product portfolio covers Body-in-White and Chassis, Mechanisms, as well as tooling and other services. We focus on innovation in the design of our products with the fundamental goals of promoting vehicle weight reduction, therefore reducing harmful CO_2 emissions and overall environmental impact, and improving vehicle safety, thereby increasing the protection of passengers, other road users and pedestrians.

<u>Body-in-White and Chassis</u>

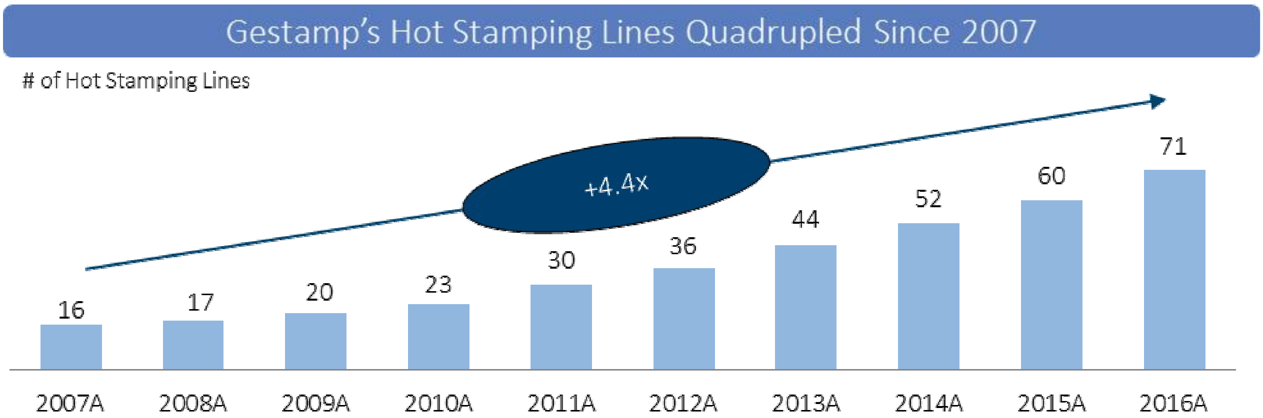
Our Body-in-White product lines are comprised of component parts and assemblies, such as hoods, roofs, doors, fenders and other "Class A" surfaces and assemblies, which are used to create the visible exterior skin of an automobile. Because these component parts and assemblies form the visible exterior of the vehicle and therefore its outward appearance, they require consistent and flawless surface finishes. This product line also consists of structural and other crash-relevant products, such as floors, pillars, rails and wheel houses, which together with the exterior skin component parts and assemblies, form the essential upper and under body (platform) structures of an automobile.

Product Category	**Typical Products**
Exterior	• Bodyside • Panels • Roofs • Hoods • Fenders • Skin Bumpers
Structural/Crash relevant	• Floors • Rails • Dash cross members • A-Pillars • B-Pillars • C-Pillars • Door rings • Bumpers • Impact beams • Wheel houses • Cross car beams
Other	• Battery boxes

Our Body-in-White product lines consist of component parts, as well as the complex assemblies which are made up of multiple component parts and sub-assemblies joined together to form major portions of the vehicle's body structure.

We have developed 71 hot stamping lines in 24 production facilities, 9 R&D centers and 9 tool shops and expect to reach 84 hot stamping lines during 2017. We believe we are the clear leader in Body-in-White worldwide based on IHS data of the volumes of the OEM platforms where we are present.

The chart below sets out the evolution of our hot stamping lines since 2007.



Our Chassis product lines are comprised of systems, frames and related parts, such as front and rear axles and links, control arms and integrated links, which are used to create the essential lower body structure and carry the load of the vehicle. These structures are critical to overall performance of the vehicle, particularly in the areas of noise, vibration and harshness, handling and crash management. Chassis structures include metal stampings that provide structural integrity in crash scenarios and are critical to the strength and safety of vehicles and also include a wide variety of stamped, formed and welded suspension components.

Product Category	Typical Products
Front / Rear subframes	• Cross members • Perimeter & Multilink frames • Rear axles
Links/Control arms	• Front / Rear control arms • Front / Rear knuckles • Trailing arms • Single / camber links • Spring links
Other	• Safety systems • Longitudinal beams • Cradles

As of December 31, 2016, 22 of our plants in 11 countries and 7 of our R&D centers produced or developed Chassis components. We intend to further diversify our Chassis footprint, focusing in particular on constructing new plants in North America and China, in order to achieve a more balanced division of revenue across geographical regions by 2020. We believe we are among the top 2 suppliers worldwide and number 1 in Europe of front sub-frame and front lower control arm components; among the top 3 suppliers worldwide and among the top 2 suppliers in Europe of rear sub-frame components and among the top 3 suppliers worldwide and the leading supplier in Europe of rear suspension arms, based on the volumes of the OEM platforms we supply according to IHS data.

Mechanisms

Our Mechanisms or Edscha product lines include mechanical components such as hinges for doors, hoods, and trunk lids, door checks and door hinges with integrated door checks that join the vehicle's body with the moving parts and that enable the user to open and shut the vehicle's doors, front and rear lids and lift-gates. Mechanisms also include powered systems that allow automobile doors to open and close electronically and by remote activation. This product category also includes driver control products such as parking brakes and clutch or brake pedals.

Product Category	Typical Products
Body components Powered systems Driver controls	• Door checks • Hinge systems • Powered systems • Parking brakes • Pedal boxes

As of December 31, 2016, 18 of our plants and 8 of our R&D centers produced or developed Mechanisms and 5,600 employees worked in this business unit. In the year ended December 31, 2016, Mechanisms generated revenue of €902 million. We believe we are the market leader in Europe and worldwide in door, hood and rear hinges and door checks and among the top 3 suppliers in powered systems based on the volumes of the OEM platforms we supply according to IHS data. We intend to focus on growing our presence in North America and Asia in the Mechanisms segment.

We believe that our Mechanisms segment has an attractive growth profile which is driven by a relatively high demand for these components arising from the trend of car automatization, for example, with the introduction of more sophisticated powered systems.

Tooling and Other Products

We have extensive in-house capabilities in the design, engineering, manufacturing and servicing of dies and tools in support of our customers. We also have in-house press manufacturing services. Additionally, we provide engineering support services, independent of particular production programs. See "—Manufacturing processes".

In addition, we typically sell the scrap steel that is generated by our manufacturing processes in secondary markets, the revenue from which is allocated between our Body-in-White, Chassis and Mechanisms products lines according to where the scrap was derived. We generally share our recoveries from sales of scrap steel with our customers either through scrap sharing agreements, where we utilize steel resale programs, or in the product pricing that we negotiate with customers where we purchase steel outside of re-sale programs.

Manufacturing processes

Since our foundation in 1997 we have evolved significantly from a limited-technology company based only on cold stamping, to a multi-technology company with diversified technological capabilities. We now have a broad technology portfolio and capabilities across the value chain, including (i) in-house die/tool manufacturing capabilities; (ii) a wide range of forming technologies from press hardening to cold forming technologies such as roll-forming and hydro-forming, in addition to the full range of cold stamping processes; (iii) advanced assembly technologies such as remote laser welding and MAG welding (e.g. pulsed); and (iv) finishing technologies such as powder coating and cataphoretic painting. For example, as part of our work on multi-material solutions for our customers, we have used FRP in numerous prototype development projects. We seek to improve and develop new material applications and joining technologies and believe that we are well positioned as a multi-material solutions provider to employ the most suitable combinations of steel, aluminum and all types of FRP for our OEM customers.

Die or tool manufacturing

Dies or tools are the common terms for the equipment used in the stamping and forming processes to cut or form raw material into a required shape using a press. Our in-house tooling capabilities cover the entire tooling value chain from the initial process of die design to the secondary phase of prototyping, patterning, casting, machining and setting the die through to try-out verification, quality checks and logistics. We are recognized as one of the few suppliers that have in-house tooling capabilities that can address the manufacture of parts that comprise the visible exterior skin of the car (also called "Class A" parts) such as doors and hoods. Critical phases such as follow-ups and quality checks are carried out globally by dedicated teams. We have 9 cold and 6 hot stamping tooling facilities as well as a supplier development program in place to assure the quality of any outsourced tooling. Our customers recognize us as one of the few suppliers that have the internal capacities for developing and manufacturing tooling for hot stamping.

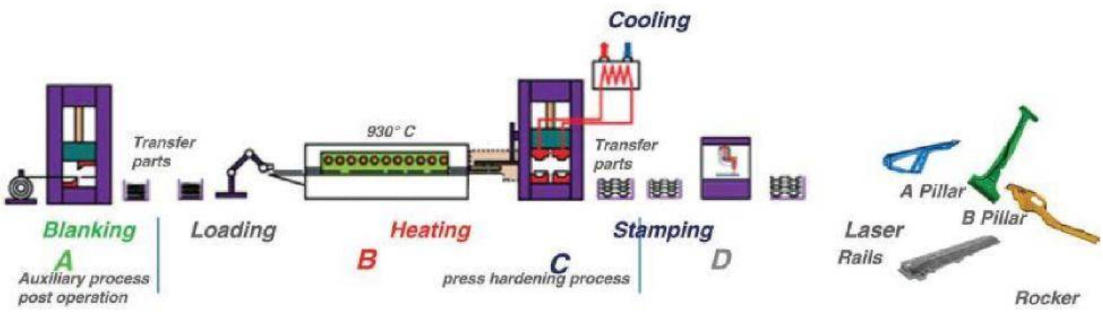
Forming

Press Hardening or Hot Stamping

Press hardening is an innovative process by which advanced ultra-high strength steel is formed into complex shapes more efficiently than with traditional cold stamping. The process involves the heating of the steel blanks until they are malleable, followed by formation and then rapid cooling in specially designed dies, creating in the process a transformed and hardened material. Because of this ability to efficiently combine strength and complexity, press hardened parts accomplish in one relatively light-weight piece what would typically require thicker, heavier parts welded together in more than one process under cold stamping. Press hardening parts therefore currently represent one of the most advanced lightweight solutions for the car body structure that simultaneously allows us to improve crash performance and the fulfillment of passenger safety requirements.

We believe that car production is shifting towards the use of press hardening technology, where we are a market leader. Press hardening provides enhanced deformation control and energy absorption, improves vehicle safety and reduces vehicle weight. In addition, OEMs are increasingly looking for materials which seamlessly integrate these new technologies and safety measures while ensuring a high level of parts design flexibility, as design and specifications are impacted by regulations.

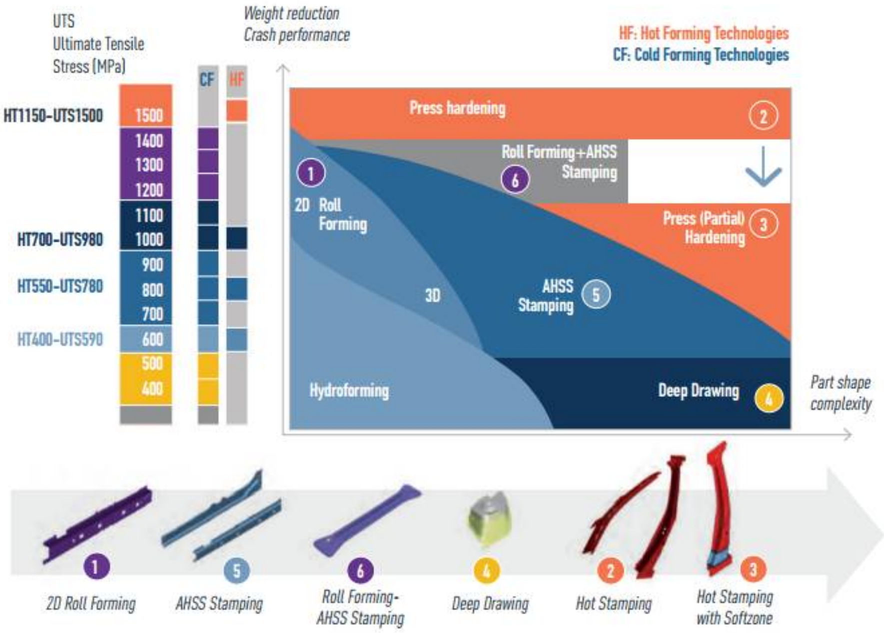
Set out below is a graphic description of the basic process of press hardening.

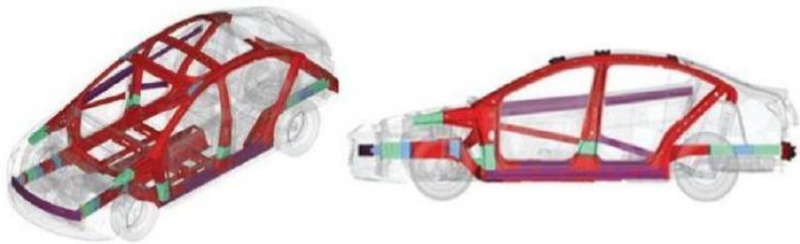


The press hardening process is comprised of four main steps. First, sheets of material are cut into blank units by a blanking line. The blanks are then loaded into an automatic furnace and heated over a defined period of time to 930°C. After the heating process is complete, they are transferred into a press. Immediately upon transfer into the press, the material is stamped to a complex shape while being cooled at a minimum cooling rate of 50°C per second while inside the die. The newly produced part has an ultra-high strength of 1500 Mpa, as opposed to ca. 550 Mpa with cold stamped boron steel. Following this process, the produced part needs to be cut and pierced using a laser.

We are the largest global supplier of press hardening parts and, our press hardening production lines cover the entire value chain from the manufacturing of our own dies to production lines (source: Roland Berger Study and internal estimates based on Company's information and public filings of competitors). The majority of the hot stamping lines we are investing on are manufactured by our subsidiary, Loire Sociedad Anónima Franco Española. By manufacturing our hot stamping lines in-house, we are in a position to better develop the technology and improve the manufacturing process in order to meet our OEMs customers' needs.

The close cooperation between our R&D and process know-how has resulted in the creation of a highly sophisticated "Tailored Material Property" or "TMP" design. TMP is a specific press hardening process with which we can produce different strength levels in different areas of the same part, using the same equipment inside the dies but controlling the different hardening temperatures during the cooling process. Press hardening using the TMP design process is changing the car body architecture. By creating deformable soft zones, TMP technology allows us to provide new product offerings that improve crash performance and controlled car body deformation than other products. Using the TMP design process, we are also able to achieve up to 20% weight reduction when compared with other products made using traditional methods.





Cold Forming

Cold forming technologies include forming operations in different types of machines. Sub-categories of cold forming include roll forming and hydro-forming. Cold forming allows us to manufacture a range of parts from small reinforcement parts to a complete car body side.

Cold forming involves the transformation of a sheet of metal at room temperature inside a forming die under pressure. We operate various kinds of cold forming presses with different automation concepts with press forces ranging from 200 tons up to 2,500 tons. In order to achieve complex forms, parts must be pressed or stamped and cut in several steps, under different press technologies. Depending on the size and shape of the part we can choose the press process operations used to stamp the parts. For instance:

- For large parts, we use tandem presses where the material is moved by robots from press to press in five or six operations.

- For medium size parts with cupped shapes, we use transfer presses, where the material is moved inside the die by transfer bars in up to six operations. During the transfer press stamping process steel coil sheet is fed into a press and a blank is created where the material is cut from the coil strip. The blank is then pushed or transferred to the next station where the rough cup is created. The cup is then transferred by mechanical fingers to one or more subsequent draw stations until the rough, final shape has been created. The part is then transferred into additional stations that are used to establish critical diameters and lengths, features, and forms.

- For small size parts, we use progressive presses, where the material is always connected with the stamped part in the material strip and the finished part is separated from the strip after several forming and cutting operations. Progressive presses are mainly used for some deep draw stamping where the length to diameter ratio is low and part side features are not required. In progressive presses, the steel coil sheet is not cut, but is fed through the press. After several forming and cutting operations, and only once finished, the stamped part is separated from the material strip.

We operate presses in the upper range of forces of greater than 1,000 tons and consequently we are able to stamp high strength materials, which have a typical strength up to 1,000 MPa. Ultra-high strength steels are an important part of weight reduction solutions for the car body structure and have a significant impact where material thickness and strengths are required.

Roll forming is a cold forming process, where a coil strip is subjected to a bending operation by passing the strip through sets of rollers resulting in continuous deformation. Each set of rollers performs an incremental part of the bend, until the desired cross-section profile is obtained. This process is ideal for producing parts with constant profiles, long lengths and in large quantities. We operate several variations of roll forming and can also perform automatic cutting, piercing, separating and laser welding. With this range of capabilities we can manufacture parts with minimum material usage.

Hydroforming is a specialized type of cold forming that uses a high pressure hydraulic fluid to press room temperature tubes into a die. The process consists of pre-bending a metallic tube and placing this pre-shaped tube inside a die with the desired cross sections and forms, and applying pressure to the inside of the tube held by the die. During the blowing or forming of the tube held in the die, holes can be pierced into the tube thereby avoiding secondary operations in most cases. Hydroforming allows complex shapes with concavities to be formed, which would be difficult or impossible with standard stamping. Hydroforming is considered to be a cost-effective way of shaping metal into lightweight, structurally stiff, complex and strong pieces. One of the advantages of using this process is that it enables us to create a three dimensional tube that in cold stamping could only be manufactured by welding two shells together. The ability to deform thick materials makes this technology useful for chassis applications in particular.

Assembly

During the assembly stage, we effectively combine components of all our different manufacturing processes using welding, clinching and adhesive technologies. Our factories use the most advanced technologies for assembling complex parts such as complete chassis and engine cradles using advanced assembly technologies such as metal inert gas welding (MIG) or metal active gas welding (MAG). For advanced light weight products such as ultra-high strength steel and press hardening parts, we use mainly solid state disc lasers for cutting and cutting-edge laser welding and plasma technology of blanks for welding purposes in addition to resistant medium frequency (MF 1000Hz) spot welding technology for the assemblies. Our welding cells are typically highly automated and we use robots to perform several of the most precise operations inside the welding cells to achieve maximum cost reduction and ensure we produce the highest quality assemblies.

We use a special process of laser welding in all the different aspects of our production. For instance, the Tailor Welded Blank ("TWB") process involves the welding of two flat metal blanks, thereby creating a single product with different thicknesses or comprising several different types of materials. TWB products are important in the weight reduction of the car body structure and can be combined with any types of material for cold forming and press hardening.

Laser welding technology is not limited to flat material welding and is used also to weld different parts into an assembly. The advantages of laser welding are the very short time cycles and minimal deformation due to the reduced thermic effect.

Finishing

We use various finishing technologies such as shot blasting, zinc coating, powder coating and cataphoretic painting on our products. Shot blasting is used to clean surfaces such as uncoated steels, mainly in press hardening and to prepare parts for welding and painting. Zinc coating is used for maximum corrosion protection and is applied to chassis components. Powder coating and painting operations are the basis for any assembly for normal corrosion requirements. Finishing is always a fully automated process so as to guarantee the highest quality finish and to meet pre-agreed product specifications and requirements.

Processes specifically used in our Mechanisms segment

Certain products in our Mechanisms segment are produced using specialized manufacturing processes. For example, hinges are made of three different raw materials with different manufacturing processes. We may use sheet metal and use a stamping process in progressive dies. We may also use other raw materials such as profiles, which are first sawn and then finely milled and profiled by automated milling centers. The manufacture of hinges involves partial zinc coating and the final assembly on specific assembly-lines with screwing and riveting processes. The manufacture of door checks involves plastic injection molding. The manufacture of driver controls may additionally involve cataphoretic painting. Powered systems production is mainly based on the assembly of purchased electrical and mechanical components on customized assembly lines.

Operations

With the aim of addressing our customers' global needs and to ensure a homogeneous operational model throughout our plants, we have implemented a global management system called GPS (Gestamp Production System) which is based on the principles of Lean Manufacturing. Based on the geographical location and the level of development of each production facility and the launch of new projects, we choose the most suitable technological options for each plant.

That our equipment and facilities work at an optimal level is key to our just-in-time production model, where unscheduled shutdowns may adversely affect our production capacity and therefore our ability to serve our clients on a timely and adequate manner. We have implemented a global preventive maintenance program that covers certain pieces of our industrial equipment in order to increase their availability, durability and the optimization of their cost. To maximize our existing assets, we have developed a global strategy to identify multi-purpose industrial installations and equipment in order to reuse them in future projects.

Our production facilities comply with and maintain all international certifications required by our customers, becoming a key part of the Gestamp Quality System (GQS). The Corporate Quality team thoroughly monitors new strategic products. Further, the performance, efficiency and quality of our operations in our production facilities are analyzed by the Group's Technical Office and the Group's Quality Management office respectively, to define action and improvement plans if and when needed. Periodically, the Group's management team also analyzes the management of our production facilities through industrial and quality indicators and supervises project implementation.

Our sophisticated and global in-house tooling capacibilities have facilitated the delivery of a superior and differentiated service relative to some of our competitors who lack these capabilities in-house. Our presence across the full value chain provides us with higher visibility around execution and timings, increased flexibility to work around tight deadlines and urgent client requests, as well an enhanced ability to innovate across the value chain, which together have resulted in a differentiated and superior ability to address our customer needs. We are recognized by OEMs as one of the few suppliers with in-house tooling capabilities, which together with our expertise managing large and complex projects has been instrumental to win major projects awards.

During the last few years, we have promoted energy efficiency within our business model as part of our environmental commitment to reduce CO2 emissions, focused initially, in those production facilities with the highest levels of energy consumption within the Group. The definition of energy saving targets and the identification of energy efficiency measures have allowed us to reduce energy consumption and the level of CO2 emissions throughout our production facilities. Further, best practices and related know-how have also been shared across our production facilities.

"Industry 4.0"

Our "Industry 4.0" initiative aims to create more efficient production facilities and more consistent and reliable processes through the analysis of our internal data. We believe that a comprehensive analysis of the data of our production facilities at all levels will speed up and facilitate the decision-making process regarding the management of our production facilities. We are thus launching a mix of pilot projects with different scopes and approaches in order to allow us to evaluate and optimize the implementation of our "Industry 4.0" strategy in different manufacturing processes. We believe that the addition of each individual project will facilitate a "Connected Plant" that allows us to digitalize the Group's internal know-how to be accessed at any of our facilities worldwide.

As an example, we currently have ongoing projects related to hot stamping, logistics and hot arc welding. In hot stamping, we aim to improve the performance of our hot stamping lines through real time monitoring based on BIG data and enhanced IT systems to control the processes. With regards to logistics, we are using the data from the monitoring of real-time production, stock and warehouse availability to prioritize tasks and optimize internal logistic functions (smart logistics). Finally, our hot arc welding project aims to reduce the number of defects in our products by improving the individual traceability of pieces and monitoring all parameters of the production process.

In addition to these ongoing projects, we are also working on other projects in the areas of maintenance, small parts, multistep and cold stamping, and we also have projects currently under consideration in the areas of skin parts, smart crane, traceability and smart WIP.

Research and Development (R&D)

We operate in a highly competitive and globalized industry, and we must constantly change and adapt to meet our customers' needs and expectations. Our innovative products and market leading processes are developed through our R&D platform, which has a dedicated team of over 1,300 employees, spread across 12 facilities around the globe and one under construction, and we are committed to continued investment in R&D. For example, between 2014 and 2017, we will have inaugurated four new R&D centers in Germany (Bielefeld), China (Anting), Japan (Tokyo) and in the United States (Detroit). We believe that proximity of our R&D platforms to OEM customer headquarters is improving our market position with OEMs.

Our close working relationships with OEMs results in a deep understanding of our customers' requirements and constraints. This major advantage enables us to provide innovative, customized and cost effective products that address their needs and which strengthens our relationship with them as a core supplier and co-developer of strategic importance and allows us to gain know-how and develop capabilities that become very valuable for OEMs. For example, we routinely showcase our R&D capabilities to OEMs around the world. In 2016, we implemented several "Tech Shows", events where we show our innovative technologies, around the world which have allowed us to increase the awareness of our brand and have served as a basis for strengthening our long-standing business relations with our OEMs.

In addition, we also work closely with our steel suppliers to improve and develop new material applications and joining technologies to strengthen our position as a multi-material solutions provider and obtain the most suitable combinations of steel, aluminum and all types of FRP for our OEM customers.

In the years ended December 31, 2016, 2015 and 2014 we had capitalized R&D expenses within intangible assets of €46.72 million, €57.90 million and €58.89 million, respectively, which accounted for 0.7%, 0.8% and 0.8% of our total revenues.

Body-in-White and Chassis R&D

When conceiving of, designing and producing our Body-in-White products, we collaborate with OEMs to focus on improving fundamental, strategic characteristics of the vehicle such as sustainability (including lightweight design and use of eco-friendly technologies), passive safety using crash validation (for compliance with safety regulations such as EuroNCAP and IIHS), NVH and architecture (involving support to all the functions and modules of the vehicle), crash performance, deformation monitoring and energy absorption. We seek to create close collaborations with our clients in order to co-develop Body-in-White concepts and technologies for the future. For example, we are developing with Honda on location in Japan, press hardening technology to reduce weight and increase safety in a cost-effective manner. This co-development work significantly enhanced our relationship with Honda, generating combined product patents that are jointly shared among Gestamp and Honda, the eighth largest OEM by production volume in 2015. This led to new orders at our West Virginia plant in 2014 for components for the new Honda Civic, which launched production in late 2015 and which also led to follow on nominations in 2015 for components for the Honda CR V (which was launched in October 2016), as well as the Honda Accord (which is expected to launch in the second half of 2017). The Honda Civic, which won the 2016 North American Car of the Year Award, where safety is among the selection criteria, features our soft zone hot stamping technology. We also won the steel award in the area of US winners of the 2016 annual Great Designs in Steel (GDIS) Automotive Excellence Award for advanced high strength steel innovations.

For example, we are co-developing with Volvo a weight saving solution by applying our latest proprietary press hardening solutions such as soft flanges (TMP technology) and patch work reinforcements to the crash safety cell of the Volvo V90 which has resulted in weight savings of 60 kilograms in the body design and improved overall safety. As a result of our co-development with Volvo, the weight of press hardened content in the Body-in-White of the Volvo V90 increased from 7% to 38%.

In addition to our co-development projects, we are also developing innovative solutions which allow us to increase our volume capacity at a lower cost or to tailor our Body-in-White products to our customers' needs, such as the extreme body side line (outlined in the exhibit below), the thermo-stabilized tool technology, the "snake design" rear rail or the HT700 Flex Laser.

In Chassis, we are developing innovative solutions for components, focused on weight reduction, passenger safety and cost savings applying advancements in materials, technologies and processes. The development of Chassis components focuses on 4 areas of performance: (i) stiffness, (ii) strength, (iii) durability and (iv) crash. Our R&D teams in Chassis are developing hybrid solutions involving steel pressings combined with other materials, and is active with premium OEMs in developing aluminum solutions. For example, we develop advanced solutions for Volvo scalable cluster 60 and cluster 90 platforms in Europe, Asia and the US, such as front and rear sub frame. This development results in high crash performance increase for the product as well as in a light weight platform approach with a reduced tooling cost. As a consequence, investments have been reduced by using a modular design approach for a scalable platform architecture.

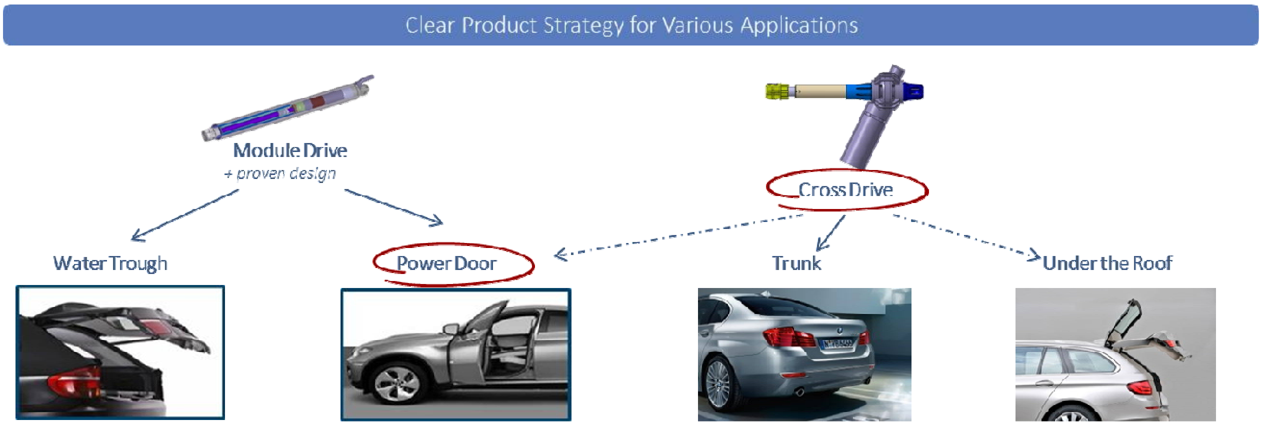
We are also working in the application of our Body-in-White hot stamping techniques to our Chassis components. For example, we have applied our press hardening to develop a single shell spring link and a single shell lower control arm resulting in a significant weight reduction and cost savings.

Our Chassis business unit is also working on solutions tailored for electric vehicles.

Mechanisms R&D

In Mechanisms, which are usually outsourced by OEMs, we carry out the design and development of different elements. Therefore, our R&D teams develop and design innovative hinge systems, driver control and powered systems, focused on weight reduction, ease of use in entering and exiting the vehicle, as well as safety. With regard to weight reduction, our teams have developed hinge systems using aluminum, FRP, as well as high strength steel. Products developed by us also protect pedestrians such as the "Pop-up" function of hood hinges which helps to minimize head trauma of pedestrians in case of an accident. Our expertise in the development of spindle drives for powered lift gates as well as active/adaptive door checks enhance the passenger's experience entering and exiting the vehicle. In addition, our adaptive door check protects the vehicle door from collisions with the environment. We are perceived in Mechanisms as the innovation leader by our customers and have introduced the first plastic door check (ECC Edscha Corporate Check), the first spindle drive for automatic lift gates and the first hinge made from carbon-fiber-reinforced plastic. For example, the development of the Cross-Drive has increased the performance of our power systems solutions and allowed us to improve the acoustic performance and reduce the overall weight of the vehicle compared to other solutions.

The diagram below outlines the Cross-Drive and the Module Drive products. These modular based products are built through best-in-class know-how in vehicle kinematics and are based on historical expertise within power systems.



Our R&D and innovation capabilities are fully aligned with new materials and trends in the sector in order to fulfill OEMs' needs. In the area of ultrahigh strength steel we have created a process using zinc coated boron steel that increases corrosion protection at lower cost level. We will be at the forefront of offering this new process to OEMs in the upcoming years and we believe that it will reduce investment levels for manufacturing equipment, increase productivity and result in a range of new press hardening design products. In the area of aluminum, we have produced aluminum components for several of our OEM customers globally. We are a strategic partner for some important premium brands in aluminum chassis development, and we collaborate with them in light-weighting and aluminum technologies. Finally, we have used FRP in numerous prototype development projects, as part of our work on multi-material solutions for our customers. We are active in R&D with regard to new material applications and joining technologies and believe that we are well positioned as a multi-material solutions provider to employ the most suitable combinations of steel, aluminum and all types of FRP for our OEM customers.

Our past R&D activities have resulted in a number of new proprietary manufacturing processes and products including, for example, the TMP design technology described above, which enables us to create specifically targeted material properties in precision targeted areas of the part and which allows our clients to optimize weight and control the crash performance. See "—Manufacturing processes" and "—Intellectual Property".

Intellectual Property

We consider our intellectual property rights and the implementation of their related know-how of considerable importance to our business and an element that grants us a competitive advantage compared to our competitors. We invest significant resources to the filing and monitoring of our intellectual property rights, to the prosecution of infringements thereof and to the protection of our confidential information.

We have received grants and applied for patents related to our developments and innovations to protect our products and our manufacturing processes and have obtained licenses in order to ensure their use. As of December 31, 2016, we held more than 960 patents, utility models and applications thereof.

Many of the technologies and processes that we use result from the knowledge, experience and skills of our scientific and technical personnel. In some cases, these technologies and processes cannot be patented or protected through intellectual property rights. To protect our trade secrets, know-how, technologies and processes, we enter into confidentiality agreements with our employees, customers, suppliers, competitors, contractors, consultants, advisors and collaboration partners that prevent the disclosure of confidential information to third parties.

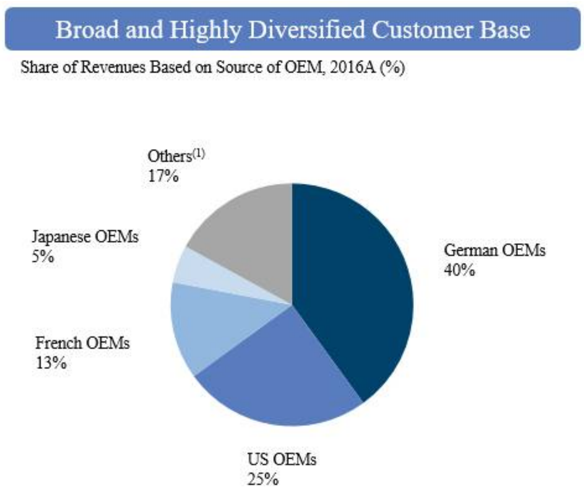
When we enter into development agreements, we preserve our pre-existing intellectual property rights and do not transfer them to our collaboration partners, customers, suppliers, competitors nor other third parties. We claim ownership on such intellectual property rights that might result during the course of such development agreements and which are related to or based on our know-how, trade secrets, technology and processes. In the case of co-development agreements, we allocate the co-ownership of any intellectual property rights that might results during the course of such co-development relationship depending on the degree of participation of the relevant parties.

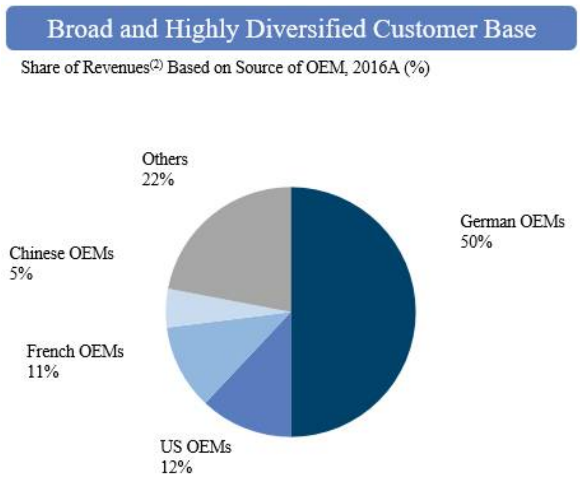
For a detailed description of the risks associated with intellectual property rights, see "—We are exposed to certain risks regarding our intellectual property, its validity and the intellectual property of third parties".

Customers

Our leading technologies, global footprint and proven track record in executing complex projects set us apart from many of our competitors in the industry and have allowed us to secure strong relationships with almost all major global automakers, including Volkswagen, Daimler, Renault Nissan, Ford, BMW, PSA, General Motors, Fiat, Tata JLR, Geely-Volvo, Honda and Toyota which represented our top 12 customers by revenues and together accounted for 87.4% of our consolidated revenues (excluding tooling) for the year ended December 31, 2016, and to rapidly grow our revenue with other OEMs. For the year ended December 31, 2016, Volkswagen, Daimler and Renault Nissan represented 21.8%, 11.9% and 10.8% of our consolidated revenues (excluding tooling), respectively. For further information about our client portfolio, see "—Our Strenghts—Well-diversified portfolio of blue chip OEM clients".

The charts below set out the share of revenues attributable to our Chassis and Mechanisms segment for the year ended December 31, 2016 split by OEM country of origin.





(1) Including domestic Chinese OEMs, amongst others

(2) Calculated over total revenues excluding consolidation adjustments (€943 million)

We have developed long-standing business relationships with our automotive customers around the world. Usually, we do not enter into formal supply agreements with our OEM customers, but rather we agree on the key elements of the supply through the relevant purchase order that they deliver to us, which is referred to and subject to the applicable relevant OEM general terms and conditions. These purchase orders are typically for at least one entire vehicle model cycle, which lasts between six to eight years. We work together with our customers along the entire value chain, including development, industrial engineering, tooling and manufacturing. Further, quality assurance programs matching the highest standards underlie our service offering. In certain emerging markets, our customers are focusing their own resources on vehicle assembly and seek to outsource certain areas of vehicle production to suppliers that are capable of providing an integrated supply service. We believe that our customers perceive us as a supplier that is capable on a global scale of providing: 1) standardized, high-quality products at competitive prices; 2) innovative solutions for complex projects; and 3) on-time delivery and quality customer service. Our technical expertise and extensive global footprint have enabled us to win complex mandates on global projects with the top OEMs around the globe. For example, we were entrusted by Volkswagen to manufacture "Class A" surfaces, Body-in-White structural components and Chassis components in Chattanooga for the Atlas, their first midsize SUV to be produced in the

North American market, for which we launched production in December 2016. This project is our 15th hot stamping line in North America and our 58th project worldwide. Furthermore, as one of the top three Chassis suppliers worldwide, we are introducing our Chassis activity to the U.S. market through this project.

Project awards in the automotive OEM business involve long-term production orders based on the lifecycle of the specific model or platform. As a result of our strategic and long term relationships with our OEM customers, and given the prohibitive operational, technical and logistical costs of switching, particularly during the life cycle of a specific vehicle model, we have strong visibility on our mid-term revenues. Furthermore, we believe we can leverage our strong customer relationships to obtain similar awards in the future.

Suppliers

We purchase various manufactured components and raw materials for use in our manufacturing processes. All of these components and raw materials are available from numerous sources. We employ just in time manufacturing and sourcing systems enabling us to meet customer requirements for faster deliveries while minimizing our need to carry significant inventory levels.

Raw materials represent on average approximately 40% of our sales over the past three years, with steel comprising over 90% of our raw material purchases. Approximately 78% of the steel we purchase is purchased through steel service centers, with the rest coming directly from the steel mills.

In 2016, 60% of our steel was purchased through “re-sale” programs with customers, whereby the OEM periodically negotiates with the steel maker the price of the steel that we use for the production of automotive components. Therefore, in this “re-sale” scenario we do not choose the steel raw material producer for the steel that we use and purchase through steel service centers, but this is determined directly by the agreements of such steel providers with the relevant OEM. Any fluctuations in steel prices are directly adjusted in the selling price of the final product.

In the case of products that use steel not purchased under “re-sale” programs, the OEMs adjust our selling prices based on the steel prices they themselves have negotiated with steel suppliers. In this scenario, we negotiate and agree directly purchase agreements with such steel raw material producers.

Historically, the Group has negotiated and agreed its purchase contracts with steel raw material producers under terms such that the impact (whether positive or negative) of the steel price fluctuation in these cases is minimal. Due to our strong relationships with OEMs and the large steel volumes we acquire in the market place, we expect to continue to pass through increases or decreases in steel prices to our customers, thus minimizing the effect on our results.

Of the steel that we use, 46.8% (aproximatelly 1,38 million tons) comes from the producer ArcelorMittal Group, which is one of the main steel providers to the automotive sector 65% under “re-sale” programs, and 35% from non-resale programs. The remaining comes mainly from Thyssenkrupp, Posco, Ak Steel, Salzgitter and other, minor steel services companies within this highly fragmented sector. We purchase most of our steel from steel services companies rather than directly from the steel producer.

Our main steel supplier (in terms of steel service centers) is Gonvarri which represented on average 30% of our total steel purchases over the past three years. Other than Gonvarri, no other steel services company comprises a material percentage of the steel we purchase, as the sector is highly fragmented. In the year ended December 31, 2016, we purchased from Gonvarri a total of €842.9 million of steel, representing 33% of our steel purchases, and €57.7 million directly from ArcelorMittal (not including steel supplied to us through steel service centers), representing 2% of our steel purchases. It is estimated that, in 2017, consideration paid to our main steel suppliers will be similar to the 2016 level, with some variation in accordance to our volume of sales and steel price fluctuations.

We enter into a number of transactions in the ordinary course of business with companies forming part of the Gonvarri group primarily related to the purchase of steel blanks and coils. The majority of such sales are through direct agreements between Gonvarri and our OEM customers through re-sale programs without our involvement (as detailed above), and the balance is negotiated at market prices on a non-exclusive and arm’s length basis, typically applying contractual formulas to account for the degree and type of steel processing, treatment or preparation.

Competitive landscape

Overview

We develop, manufacture and market different components, modules and system solutions included in the vehicle's body and structural system. The body and structural market consists of various product groups and is therefore split into many sub-markets. Consequently, our competitive position differs among the various sub-markets. Broadly speaking, we are one of the few players in body and structural parts to offer OEMs a truly global manufacturing footprint. The market positions and additional data stated below are based on information derived from the Roland Berger Study and internal estimates based on Company's information and public filings of competitors.

Competitive landscape for Body-in-White and Chassis

We believe that we are the global market leader for Body-in-White components by revenue. The competitive landscape for Body-in-White varies significantly by region. Western and Eastern Europe, North America and Mercosur are relatively highly consolidated, while the Asian market is highly fragmented. We believe that we are the clear market leader in terms of revenues among individual suppliers in Western and Eastern Europe combined. In the North American market, we are within the top four individual players. In Mercosur, we believe we are the market leader. In this region, the severe macro-economic downturn and resulting steep declines in vehicle production have weakened and diminished the competition. In Asia, it is difficult to estimate our regional market position with any accuracy, as competitive dynamics can vary significantly by country. In Japan and South Korea, a significant proportion of parts are outsourced to companies that traditionally have close links to domestic OEMs, with local OEMs sometimes being the only major customer of the respective suppliers. In China, domestic OEMs still mostly work with domestic suppliers in body and structural components; however, while our exposure to the Chinese market is primarily through supplying foreign OEMs, we are growing our business with local Chinese OEMs as their requirements for more highly value additive products evolve, mainly in relation to highly innovative products and technologies, such as hot stamping, that local suppliers may not be able to provide.

We believe that we are among the top three leading companies for Chassis components in terms of revenues. Market concentration dynamics for Chassis are similar to Body-in-White, with Western and Eastern Europe, North America and Mercosur being highly consolidated, while the Asian market remains fragmented. We believe that we are number two in the market by individual suppliers in Western and Eastern Europe combined, and in Mercosur. The North American market in particular exhibits very high concentration. We do not have a significant presence in Chassis in North America. In the Asian market, domestic suppliers have significant market shares. Our presence in the Asian market is still relatively small and is focused on working with foreign OEMs in the region. The local trends in Chassis are similar to those described for Body-in-White in Asia.

Our main competitors in Body-in-White and Chassis are Benteler, Constellium, Flex-N-Gate, Ftech, GF Fischer, Huizhong, Kirchhoff, Magna Cosma, Magnetto, Martinrea, Metalsa, Sungwoo HiTech, Tower, Unipress, Voestalpine, Yifeng and Yorozu. Martinrea and Tower, are listed on the Toronto Stock Exchange and the New York Stock Exchange, respectively.

Competitive landscape for Mechanisms

We believe that we are the clear market leader in terms of revenues by individual suppliers in Western and Eastern Europe combined and in Mercosur (source: Roland Berger Study and internal estimates based on Company's information and public filings of competitors). In Mercosur, we compete against a range of players with substantially lower market shares in the region. We are relatively small players in North America and medium-sized players in Asia, where it is difficult to estimate our market position with any accuracy. In Mechanisms products, we believe that we are the clear market leader in terms volume sold in Western and Eastern Europe, and in Mercosur, with estimated regional market shares between 20% and 58% in 2016.

Our main competitors in Mechanisms are Aisin Seiki, Brose, Multimatic and Stabilus. Aisin Seiki and Stabilus are listed on the Tokyo Stock Exchange and the Frankfurt Stock Exchange, respectively.

Key customer criteria for purchasing decisions

We believe that our customers choose between different suppliers based largely on the following criteria:

- Product quality
- Ability to manage complex projects
- R&D competencies
- Breadth of geographical manufacturing footprint
- Process technology competencies
- Tooling competencies across the value chain
- Price competitiveness
- Financial stability
- Partnership in consolidation/rationalization of the global automotive supplier base

We principally compete for new business both at the beginning of the development of new models and upon the redesign of existing models. Once a supplier has been designated to supply parts for a new program, an OEM usually will continue to purchase those parts from the designated producer for the life of the program, although not necessarily for a redesign. OEMs typically rigorously evaluate suppliers based on many criteria such as quality, price/cost competitiveness, system and product performance, reliability and timeliness of delivery, new product and technology development capability, excellence and flexibility in operations, degree of global and local presence, effectiveness of customer service and overall management capability.

We believe that we compete effectively with other leading suppliers in the markets where we operate. The strength and breadth of our program management and engineering capabilities, as well as our geographic, customer and product diversification, provide us with the necessary scale to be competitive in terms of cost and product quality. We follow manufacturing practices designed to improve efficiency and quality so that we can deliver quality components and systems to our customers in the quantities and at the times ordered.

Although there are many players in the global automotive industry, there are very few global competitors in the areas of the industry in which we operate, as the financial and logistical constraints inherent in establishing and maintaining a true global presence are quite high. We compete with other companies with respect to certain of our products and in particular geographic markets. The number of our competitors has decreased in recent years and we believe will continue to decline due to continued supplier consolidation. We expect that OEMs will continue to be increasingly focused on the financial strength and viability of their supply base. We believe that such scrutiny of suppliers will result in additional contraction in the supplier base.

Joint ventures

Mitsui Investment in our American Operations

On January 4, 2013 we entered into an investment agreement, as amended from time to time, with Mitsui pursuant to which Mitsui acquired on July 3, 2013, a 30% minority stake in our operations in North America and Mercosur by investing €297.0 million in newly issued shares of Gestamp North America, Inc., Gestamp Holding México, S.L. (formerly, Gestamp 2015, S.L.), Gestamp Holding Argentina, S.L. (formerly, Gestamp 2016, S.L.) and Gestamp Brasil Indústria de Autopeças, S.A. (collectively, the "Holdcos"), our US, Mexican, Argentine and Brazilian sub-holding companies, respectively (the "Mitsui Investment"). We also entered into a shareholders' agreement with Mitsui to govern the terms of the Mitsui Investment and promote the efficient management of each of the Holdcos. The governance structure reflects our majority holding, with certain reserved matters such as certain amendments of the by-laws of the Holdcos or the payment of dividends on which both we and Mitsui must agree.

Each Holdco is required to fund its operations in any calendar year such that 20% of related capital costs are financed by debt and 80% are financed by retained earnings or capital contributions. The shareholders' agreement also contains certain restrictions on guarantees being given by any of the Holdcos or their respective subsidiaries for obligations of Gestamp Automoción and its affiliates. Subject to cash and working capital needs and certain additional obligations, the joint venture's policy would be that the Holdcos would declare and pay dividends which, on an aggregate annual basis, amount to the lesser of (i) 60% of the Holdcos' net profit; and (ii) the maximum amount permitted to be distributed under applicable law.

Subject to certain restrictions as regards transfers to competitors, the shareholders' agreement includes standard exit provisions including rights of first refusal, a tag-along right for Mitsui and a drag-along right for us. As detailed in "Current Trading and Recent Developments", Mitsui has already notified us that it would not exercise the Put Option that we had granted through an agreement entered on December 23, 2016, in relation to 10% of the shares in certain subsidiaries of the Group, and therefore it no longer exists.

The shareholders' agreement also includes typical put options, both for us and for Mitsui on a change of control and, following a material default under the shareholders' agreement; a call option for us (where Mitsui is the defaulting party) and a put option for Mitsui (where we are the defaulting party). The shareholders' agreement also contains certain non-compete restrictions on Mitsui.

We believe that our relationship with Mitsui enhances our relationships with Japanese OEMs in general and supports us in our strategy for deepening supply relationships with Japanese OEMs, given the trend of Japanese OEMs towards shifting more of their production base outside of Japan to be closer to the markets with growing demand for vehicles.

Severstal

In October 2008 our subsidiary Gestamp Levante, S.A. signed a shareholders' agreement with the Russian steel manufacturer JSC Severstal and its subsidiary Severstal Trade GesmbH, pursuant to which Gestamp incorporated a joint venture company in Spain, Todlem, S.L., which is the holding company of two operative companies in Russia, Gestamp Severstal Vsevolozhsk LLC and Gestamp Severstal Kaluga LLC. The current shareholding structure of the joint venture company is as follows: Gestamp (through the company Gestamp Holding Rusia, S.L.): 77.53% of the share capital; Severstal (through Severstal Trade GesmbH): 22.47%. The governance structure reflects our majority holding, with certain reserved matters on which both we and Severstal must agree.

Each of Gestamp and Severstal is required to use their reasonable endeavours to obtain financing for their two projects in Russia such that 60% of the required funding is provided in the form of equity contributions and 40% in the form of loans. Subject to cash and working capital needs and certain additional obligations, the joint venture's policy would be that the operating companies distribute no less than 50% of each operating company's profit.

The shareholders' agreement includes standard exit provisions including rights of first refusal and typical put/call options, both for Gestamp and for Severstal. The shareholders' agreement also contains certain non compete restrictions.

Beyçelik, A.S., joint venture with Faik Çelik Holding A.S.

On June 13, 2007, our subsidiary Gestamp Servicios, S.A. ("Gestamp Servicios") entered into a share purchase agreement with certain members of the Çelik family pursuant to which it acquired a 50% stake in Beyçelik Gestamp Kalip ve Oto Yan Sanayii Pazarlama ve ticaret A.S. (the "Beyçelik JV") for a total consideration (subject to certain adjustments) of € 52.5 million. On July 27, 2007, Gestamp Servicios signed a shareholders' agreement with certain members of the Çelik family and Faik Çelik Holding A.S. (the "Local Shareholders"), pursuant to which the management of the Beyçelik JV is governed on a 50–50 basis. On July 11, 2012 the Beyçelik JV acquired 100% of the share capital of GMF Otomotiv Parçalari Sanayi Ve Ticaret Limited Şirketi (former ThyssenKrupp Otomotiv Parçalari Sanayi Ve Ticaret Limited Şirketi) ("GMF Otomotiv") from Gestamp Tallent Automotive Limited, and thus GMF Otomotiv became part of the joint venture with Faik Çelik Holding A.S. On March 17, 2016, the Beyçelik JV acquired from Faik Çelik Holding A.S. a 51.6% stake in the company Çelik Form Otomotiv A.S. (renamed as "Çelik Form Gestamp Otomotiv A.S.") ("Çelik Form"), for a purchase price of €9.05 million. On the same date, the shareholders' agreement signed between Gestamp Servicios and the Local Shareholders was amended to include Çelik Form under its scope.

Shanghai Edscha Machinery Co. Ltd.

On May 21, 1994 Edscha International Holding GmbH AG signed a joint venture contract (which was transferred to Edscha Holding GmbH (“Edscha”)) with Shanghai Automotive Forging Works pursuant to which Edscha acquired a 50% interest in Shangai Edscha Machinery Co. Ltd., for a total initial contribution equivalent to approximately €1.8 million. In 2010, Shanghai Automotive Forging Works was merged into Shanghai Tractor and Internal Combustion Engine Co., Ltd. (“STICE”).

Edscha acquired from STICE 5% of its equity interests in Shanghai Edscha Machinery Co. Ltd. and increased its participation from 50% to 55%, effective as of January 1, 2013. The registered capital held by STICE after the transaction is 45%, equal to $5,445,000, and by Edscha is 55%, equal to $6,655,000.

Other joint ventures

We are also part of other joint ventures with local partners which we do not deem to be material for the purposes of this Prospectus. Below is a list of our other joint ventures as of December 31, 2016:

(i) the French public fund “Fonds d’Avenir Automobile” holds a 35% minority stake in our French subsidiary Gestamp Sofedit SAS and we own the remaining 65% stake;

(ii) the French Company MPO Group holds a 30% minority stake in our Romanian subsidiary MPO (recently acquired and pending to be renamed) and we own the remaining 70% stake;

(iii) the Spanish state-owned company “Compañía Española de Financiación al Desarrollo, Cofides, S.A.” holds an indirect 22.47% minority stake in our Spanish subsidiary Gestamp Holding Rusia, S.L. which is the indirect holding company of Gestamp Severstal Vsevolozhsk LLC and Gestamp Severstal Kaluga LLC. We hold the remaining 77.53% stake;

(iv) the Spanish state-owned company “Compañía Española de Financiación al Desarrollo, Cofides, S.A.” holds an indirect 35% minority stake in our Chinese Subsidiaries Gestamp Auto Components (Dongguan), Co. Ltd. and Gestamp Auto Components (Shenyang) Co. Ltd., as well as a 31.05% minority stake in our Chinese subsidiary Gestamp Auto Components (Kunshan), Co. Ltd. through our Swedish subsidiary Gestamp Holding China AB. We hold the remaining 65% and 68.95% stakes respectively;

(v) Gonvarri owns a 50% stake in our Indian subsidiary Gestamp Automotive Private Limited, and we hold the remaining 50% stake;

(vi) Jui Liu Enterprise Co. Ltd and minority stakeholders hold a 50% indirect stake in our Chinese subsidiary Jui Li Edscha Hainan Ind, and we hold the remaining 50% stake;

(vii) AAPICO Hitech Public Co. Ltd holds a 49% minority stake in our Thailand subsidiary Edscha AAPICO Automotive Co. Ltd, and we hold the remaining 51% stake;

(viii) PHA Pyeonghwa Automotive Co, Ltd. holds a 50% stake in our Korean subsidiary Edscha PHA Ltd.and we hold the other 50%; and

(ix) three different Basque public funds (Ekarpen Private Equity, S.A., Ezten FCR and Basque FCR) own in aggregate a 70% of our Mexican subsidiary GGM Puebla S.A. de C.V., and we hold the remaining 30%.

Property, Plant and Equipment

Our registered address is Polígono Industrial de Lebario s/n, 48220, Abadiño, Bizkaia, Spain.

We have an extensive global footprint and our products are manufactured at 98 production facilities in 21 countries, including ten new production facilities opened since 2012 but not including production facilities associated with unwound joint ventures or production facilities that have been consolidated, closed or sold, and with 10 additional plants under construction as of March 1, 2017. Our plants are strategically positioned to serve our global customer base locally and to create logistical cost efficiencies.

As of March 1, 2017, the Group was comprised of 158 subsidiaries worldwide for which the Company is the holding company. Notwithstanding the legal structure of the Group (ownership/shareholding of each subsidiary), Gestamp's operations are organized in eight operational divisions apart from the support of corporate services:

• *South Europe Division:* includes 32 plants located in six different countries: Spain, France, Portugal, Hungary, Turkey and Romania. All plants belong to Gestamp fully owned subsidiaries, except as follows: (i) our local partner "Faik Çelik Holding, A.S." owns a 50% stake of the subsidiary operating the five Turkish plants, with Gestamp owning the remaining 50% stake, (ii) the French public fund "Fonds d'Avenir Automobile" holds a 35% minority stake of the subsidiary operating four plants in France with Gestamp holding the remaining 65% stake, and (iii) the French Company MPO Group holds a 30% minority stake in subsidiary operating the Romanian plant., with Gestamp holding the remaining 70% stake.

• *North Europe Division:* includes 17 plants located in six different countries: Germany, the United Kingdom, Sweden, Poland, Czech Republic and Russia. All plants belong to Gestamp fully owned subsidiaries, except two plants in Russia where (i) the Spanish state-owned company "Compañía Española de Financiación al Desarrollo, Cofides, S.A." holds an indirect 16.87% minority stake in the subsidiary operating the plant and (ii) our local partner "Severstal" holds an additional 25.02% minority stake. Gestamp holds the remaining 58.11% stake.

• *North America Division:* includes 10 plants located in United States and Mexico. Mitsui holds a 30% minority stake in the subsidiary that operates all the North America Division plants and Gestamp holds the remaining 70% stake.

• *Mercosur Division (South America):* includes 10 plants located in Brazil and Argentina. Mitsui holds a 30% minority stake of the subsidiary that operates all the Mercosur Division plants with Gestamp holding the remaining 70% stake.

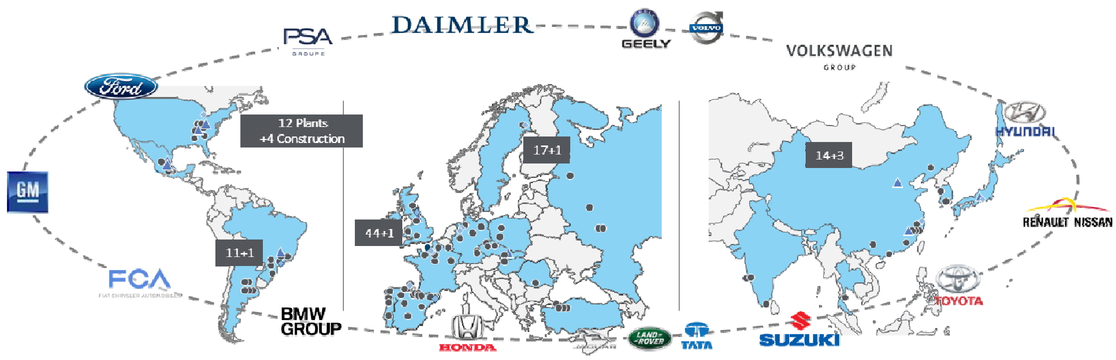
• *Asia Division: includes 9 plants located in three different countries:* China, Korea and India. All plants belong to Gestamp fully owned subsidiaries, except as follows: (i) the Spanish state-owned company "Compañía Española de Financiación al Desarrollo, Cofides, S.A." holds a 35% minority stake in a subsidiary that operates two plants in China, where Gestamp holds the remaining 65% stake as well as a 31.05% minority stake in one additional subsidiary that operates a plant also in China where Gestamp holds the remaining 68.95% and (ii) Gonvarri owns a 50% stake in a subsidiary that operates one plant in India where Gestamp holds the remaining 50% stake.

• *Edscha Division (Mechanisms):* has 15 plants located in ten different countries: Germany, Spain, Slovakia, Czech Republic, Russia, United States, Brazil, Korea, China and Thailand. All plants belong to Gestamp fully owned subsidiaries, except: (i) our local partner Shanghai Tractor Internal and Combustion Engine Co., Ltd. holds a 45% minority stake in a subsidiary that operates one plant in China; and Gestamp holds the remaining 55% stake, (ii) our local partner Jui Liu Enterprise Co. Ltd and others hold a 50% stake in a subsidiary operating one plant in China where Gestamp held the remaining 50% stake (as of December 31, 2016), (iii) our local partner AAPICO Hitech Public Co. Ltd holds a 49% minority stake in a subsidiary that operates one plant in Thailand where Gestamp holds the remaining 51% stake and (iv) our local partner "PHA Pyeonghwa Automotive Co, Ltd." holds a 50% stake in the subsidiary that operates a plant in Korea and Gestamp holds the remaining 50% stake.

• *Tooling and Equipment Division:* includes 5 plants located in two different countries: Spain and Mexico. All plants belong to Gestamp fully owned subsidiaries, except one plant in Mexico where three different Basque public funds (Ekarpen Private Equity, S.A., Ezten FCR and Basque FCR) own in aggregate a 70% stake and Gestamp holds the remaining 30% stake.

• *Research and Development Division (Autotech subsidiaries):* including 12 R&D centers (with one additional center under construction) located in eight different countries: Spain, Germany, France, Sweden, United States, Brazil, China and Japan. All centers belong to Gestamp fully owned subsidiaries.

The diagram below shows our global footprint as of March 1, 2017:



The following table sets forth selected information regarding our top 20 production facilities by size. Our installed capacity is running at normal rates, with the exception of plants in Russia and Mercosur, where we have some spare capacity due to the market downturn. We expect that our current utilisation rate will increase as these markets recover.

Manufacturing Plant	**Country**	**Land Surface (m^2)**	**Owned/Leased**	**Date Opened**	**Date Acquired (if applicable)**
Gestamp Mason	USA	254,952	Owned	1998	2004
Gestamp South Carolina	USA	250,000	Owned	2007	2009
Gestamp Bielefeld	Germany	205,500	Owned	1983	2011
Gestamp Santa Isabel	Brazil	204,998	Owned	2011	NA
Gestamp Alabama (McCalla)	USA	178,466	Leased	2004	2004
Gestamp Le Theil	France	172,000	Owned	1964	2011
Gestamp Llanelli	UK	153,000	Owned	1961	2011
Gestamp Severstal Vsevolozhsk	Russia	149,850	Owned	2009	NA
Gestamp Severstal Kaluga	Russia	149,250	Leased	2010	NA
Gestamp West Virginia	USA	137,598	Leased	2013	NA
Gestamp Paraná	Brazil	135,783	Owned	1999	NA
Gestamp Baires Escobar	Argentina	129,507	Owned	2006	NA
Edscha Hengersberg Real State	Germany	118,136	Owned	1963	2010
Gestamp Ludwigsfelde	Germany	113,000	Owned	1991	2011
Gestamp Automotive India	India	107,500	Leased	2009	NA
Gestamp Shenyang	China	103,669	Owned	2012	2013
Gestamp Griwe Haynrode	Germany	100,889	Owned	1991	2000
Gestamp Kunshan	China	100,800	Leased	2008	NA
Gestamp Hungary	Hungary	100,000	Owned	1999	2003
Gestamp Taubate	Brazil	93,000	Owned	1996	1999

The following table sets forth the total number of our production facilities and our R&D centers, by region as of March 1, 2017:

Region	**Production Facilities**	**R&D Centers**
Western Europe	45[1]	8
Eastern Europe	18[1]	—

North America	16[(2)]	1
Mercosur	12[(1)]	1
Asia	17[(3)]	3[(1)]
TOTAL	**108**	**13**

(1) Includes one under construction.
(2) Includes four under construction.
(3) Includes three under construction.

At December 31, 2015, certain items of our property, plant and equipment secured outstanding bank loans in the amount of €0.8 million. As of December 31, 2016, those bank loans have been repaid and there are no items of property, plant and equipment subject to liens or charges. For a further description of our property, plant and equipment, please see Note 11 of our consolidated financial statements as of and for the years ended December 31, 2016, and Note 9 to our consolidated financial statements for the years ended 2015 and 2014 included elsewhere in this Prospectus.

Environmental

We have a strong commitment to environmental issues and to assessing the impact of our operations on the environment, including with respect to climate change. Our environmental policy is based on the implementation of an Environmental Management System ("EMS") certified according to international standards at each of our manufacturing facilities, as well as the implementation of an environmental management tool, the "Environmental Indicator", which allows us to (i) monitor and control all our facilities, (ii) identify improvement opportunities and (iii) implement best practices.

We require that each center has an environmental management certificate that ensures legislative compliance, minimization of contamination and the continued improvement in processes. Approximately 93% of our facilities are ISO 14001:2014 o EMASII certified and the remaining 12% of our facilities (most of which have been recently acquired or built by the Group) have to achieve certification within consistent target deadlines.

As part of our EMS we subject the manufacturing process to environmental standards: from the selection of our suppliers to the optimization of raw materials or the management of all the waste we produce (98% of the waste we generate is not hazardous and 97% is fully recyclable (scrap) and therefore re-enters the steel production process). On a quarterly basis, we monitor the environmental performance of our facilities through the Environmental Indicator and, in particular, through the following key rates:

- EER: Energy Efficiency Rate.
- CO_2ER: CO_2 Emissions Rate.
- WPR: Waste Production Rate.
- WMR: Waste Management Rate.
- WCR: Water Consumption Rate.

Additionally, we actively work to reduce the impact of our operations on climate change. On the one hand, we make an effort to reduce GHG emissions in our manufacturing processes through proper environmental management. On the other hand, as a supplier of components for the automotive industry, our added value lies in our technological and R&D capacity to develop new products and innovative solutions that make it possible to obtain lighter vehicle components that help our customers reduce their CO_2 emissions given the direct relationship between the weight of a component and the amount of gas emissions during the vehicle usage stage.

To measure the Group's carbon footprint generated by our business activities, we use the GHG Protocol and the Intergovernmental Panel on Climate Change (IPCC) guidelines. On an annual basis, we also voluntarily report our performance related to GHG emissions to the international initiative Carbon Disclosure Project, an organization based in the United Kingdom which works with shareholders and corporations to disclose the GHG emissions of major corporations, and where, in 2015, we were recognised as an example of Spanish company in the Supply Chain program.

Despite the increase in the number of our facilities and the use of the hot stamping technology which is more energy intensive that other technologies, our EMS has allowed us to keep and even reduce, in relative terms, and despite our growth, the GHG emissions in the last three years:

	Year ended December 31,		
	2014	**2015**	**2016**
CO_2ER[(1)]	25	24	24

(1) Tones of CO2 emissions per €100,000 of added value.

Health and Safety

We are committed to offer to our employees and any external workers working in our facilities a health and safety environment. We have implemented an ambitious Health and Safety policy and an integrated management system, the GHSI (Gestamp Health and Safety Indicator), which is already implemented in all our facilities.

The GHSI is calculated on the basis of 74 weighted factors divided into three categories:

- *Traditional Indicators*: Severity rate, Average Duration rate and Fatal Accidents.
- *Working conditions*: Working conditions, traffic routes, warehouse, fire protection, manufacturing machines, etc.
- *Health and Safety Management*: Assessments, health and safety rules and training, risk controls, preventive measures, etc.

The table below reflects the traditional indicators that are part of the GHSI (Severity rate, Average Duration rate and Fatal Accidents) for both our own employees and those that are outsourced to our facilities or who work for temporary employment agencies and perform our tasks or tasks that are necessary for our business.

	2014	**2015**	**2016**
Severity rate[(1)]	0.18	0.18	0.19
Average Duration rate[(2)]	13.5	13.4	13.3
Fatal Accidents	2	1	1

(1) Severity rate: Number of lost labor days (Mon-Fri) / thousand hours worked.

(2) Average Duration rate: Number of lost labor days (Mon-Fri) / no. of accidents causing loss of time.

The GHSI allows us to implement safe working conditions according to our business activities. Each facility has to report periodically its GHSI to our centralized system for us to evaluate its specific performance compared to the Group's standards. In addition, full audits are performed in each site every two years to assess its condition in all aspects of the GHSI.

Despite our growth over the past years in terms of operations and number of employees, we believe that is very positive and accurate reflection of our efforts in the Health and Safty are to maintain, and even slightly improve, an adequate overall GHSI.

Proceedings

We are from time to time involved in legal proceedings, claims or investigations that are incidental to the conduct of our business. We vigorously defend ourselves against these claims. In future periods, we could be subject to cash costs or non-cash charges to earnings if any of these matters is resolved on unfavorable terms. However, although the ultimate outcome of any legal matter cannot be predicted with certainty, based on current information, including our assessment of the merits of the particular claims, we do not expect that our pending legal proceedings or claims will have a material adverse impact on our future consolidated financial condition, results of operations or cash flows. For example, as of December 31, 2016, we had contingent liabilities in an amount of €27.4 million associated with tax audits in Brazil that relate to tax payable on the historical sales of our products. We have not currently made any provisions with respect to these contingent tax liabilities in Brazil and we intend to dispute any tax reassessments associated with these tax events.

Other than the proceedings mentioned in the paragraph above, there are no governmental, legal or arbitration proceedings, whether initiated or pending or threatened, in which the Company is involved and which may reasonably have, or have had in the recent past, a material effect on the Group's financial position or profitability.

Employees

Over the past decade, as our operations have grown, we have seen our employee headcount grow commensurately. Our international expansion has led to considerable challenges in terms of management of our human resources, the standardization of processes, the adoption of new technologies, and the definition and implementation of our corporate culture. Given the global nature of our business and operations, any measures that are implemented require an in depth analysis of the legal framework of each jurisdiction in which we operate.

As of December 31, 2016, we had 36,395 employees globally, of which 43.6%, 15.6%, 14.8%, 14.4% and 11.5% were based in Western Europe, Eastern Europe, Asia, North America and Mercosur, respectively. The Group had 36,395, 33,192 and 31,746 employees at the end of 2016, 2015 and 2014, respectively. For a description of the breakdown of average headcount by professional level and personnel expenses, see Note 26 to our consolidated financial statements as of and for the year ended December 31, 2016.

In addition to our 36,395 employees employed directly by us, we had an additional 4,699 employees employed by agencies and temporary work agencies (*empresas de trabajo temporal*) working in our facilities.

We believe that we provide an attractive career path to our employees and a challenging work environment that makes a large number of our employees to develop a large part of their careers with us. While 48% of our employees are under 35, approximately 28% of our total workforce has worked in Gestamp for more than 10 years.

Our commitment to attract and retain highly skilled and qualified professionals is driven by three different approaches to the management of our workforce: (i) the development of a talent management plan that allows us to identify key positions within the Group, (ii) the implementation of a global training plan focused on the standardization of our manufacturing processes and (i) international mobility.

The development of a talent management plan has allowed us to identify key positions and to take constructive and appropriate measures to retain, train and promote internal talent with a view to cover these positions from within our internal workforce. Given our rapid growth and our continuous commitment to technological leadership, we endeavour to internally develop the talent of our employees and to retain experienced and qualified professionals as a fundamental part of our growth strategy. In addition to our commitment to develop the talent of our employees internally, we are always seeking to attract and recruit qualified professionals.

The implementation of a global training plan facilitates the standardization of our technical knowledge and manufacturing processes, allowing us to serve and respond to our clients consistently in a global scenario. In this regard, we have developed our Corporate University (*Universidad Corporativa*) where we design all our training programs and initiatives, from global online tools, such as Gestamp Global Learning, to our three training centers, known as the Gestamp Technology Institutes, where our employees receive face-to-face training on our key processes and technologies. In 2016, we have provided more than 28,000 hours of training to more than 2,000 employees, an average of 29 annual training hours per employee.

We consider the international mobility of our employees as a key element for the transferability of our know-how and the dissemination of our corporate culture across our production facilities. We encourage the mobility of our employees from efficiently managed facilities to support less productive facilities, and *vice versa*, and to spread the Group's best practices. We are committed to promoting the international careers of our employees as part of our growth strategy worldwide.

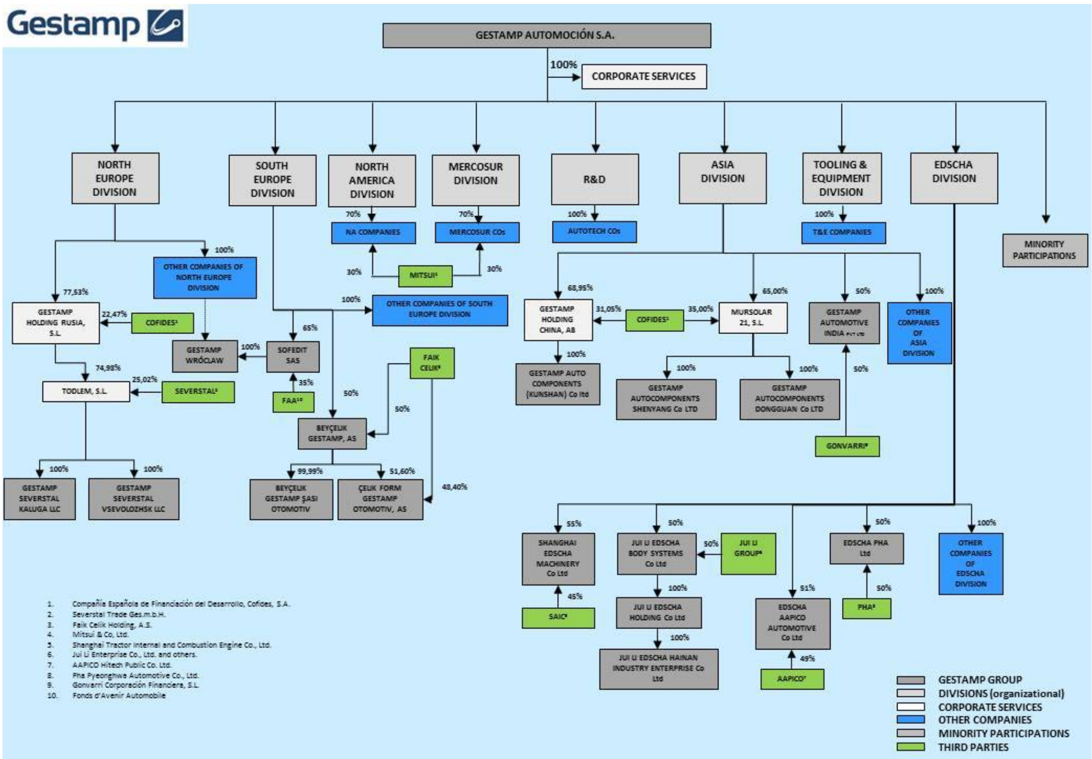
We manage the relations with our employees primarily on a plant level, with the "plant works council" being the forum for employee representation most favored by our employees. As a general rule, each plant has its own collective agreement that is aligned with the labor flexibility and wages moderation standards established in the industry. Local collective agreements provide the following advantages:

- collective agreements are adapted to the specific circumstances and needs of each plant (for example, different geographic areas within a country may have different average salary or cost of living allowances);
- collective agreements can be adapted to the economic performance and productivity of each plant; and
- workers identify themselves better with their own "plant works council" rather than with councils at a national level.

In addition to this model, we try to build open and trusting relations with union representatives at the regional level or national level.

Corporate Structure

The following diagram shows the corporate organization of the subsidiaries and participated companies of the Company as of March 1, 2017:



The following table shows our subsidiaries as of March 1, 2017:

Company	Address	Country	Gestamp Automoción, S.A. Direct shareholding	Gestamp Automoción, S.A. Indirect Shareholding	Activity	Other significant shareholders Shareholding	Other significant shareholders Shareholder	Segment
Gestamp Argentina, S.A.	Buenos Aires	Argentina		70.00%	Holding	30.00%	Mitsui	Mercosur
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Operating company	30.00%	Mitsui	Mercosur
Gestamp Córdoba, S.A.	Buenos Aires	Argentina		70.00%	Operating company	30.00%	Mitsui	Mercosur
Edscha do Brasil Ltda.	Sorocaba	Brazil		100.00%	Operating company			Edscha
Gestamp Brasil Indústria de Autopeças, S/A	Paraná	Brazil		70.00%	Operating company	30.00%	Mitsui	Mercosur
Anhui Edscha Automotive Parts Co Ltda.	Hefei, Anhui	China		100.00%	Operating company			Edscha
Autotech Engineering (Shanghai) Co., LTD.	Shanghai	China		100.00%	R&D			R&D
Edscha Automotive Components (Kunshan) Co., Ltd.	Kunshan	China		100.00%	Operating company			Edscha
Edscha Automotive	Shanghai	China		100.00%	Operating			Edscha

Company	Address	Country	Gestamp Automoción, S.A. Direct shareholding	Gestamp Automoción, S.A. Indirect Shareholding	Activity	Other significant shareholders Shareholding	Other significant shareholders Shareholder	Segment
Technology (Shanghai) Co., Ltd.					company			
Gestamp Auto Components (Chongqing) Co., Ltd.	Chongqing	China		100.00%	Operating company			Asia
Gestamp Auto Components (Dongguan), Co. Ltd.	Dongguan	China		65.00%	Operating company	35.00%	Cofides	Asia
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68.94%	Operating company	31.06%	Cofides	Asia
Gestamp Auto Components (Shenyang), Co. Ltd.	Shenyang	China		65.00%	Operating company	35.00%	Cofides	Asia
Gestamp Auto Components (Tianjin), Co. Ltd.	Tianjin	China		100.00%	Operating company			Asia
Gestamp Auto Components (Wuhan), Co. Ltd.	Wuhan	China	100.00%		Operating company			Asia
Gestamp Metal Forming (Wuhan), Ltd	Wuhan	China		100.00%	Operating company			Asia
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Haikou, Hainan	China		50.00%	Operating company	50.00%	Jui Li Enterprise, others	Edscha
Kunshan Gestool Tooling Manufacturing Co., LTD.	Kunshan	China		30.00%	Operating company	70.00%	Ekarpen, Eztén, Basque	Minority part.
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China		55.00%	Operating company	45.00%	Shanghai Tractor	Edscha
Edscha Automotive Kamenice S.R.O.	Kamenice nad Lipou	Czech Republic		100.00%	Operating company			Edscha
Edscha Hradec S.R.O.	Jindrichuv Hradec	Czech Republic		100.00%	Operating company			Edscha
Gestamp Louny, S.R.O.	Praga	Czech Republic		100.00%	Operating company			North Europe
Edscha Briey S.A.S.	Briey Cedex	France		100.00%	Operating company			Edscha
Edscha Engineering France SAS	Ile de France	France		100.00%	Operating company			Edscha
Gestamp Noury, S.A.S.	Gretz-Armainvilliers	France		100.00%	Operating company			South Europe
Gestamp Prisma, S.A.S.	Usine de Messempré	France		100.00%	Operating company			North Europe
Gestamp Ronchamp, S.A.S	Champagney	France		100.00%	Operating company			South Europe
Societe Civile Inmobilière de Tournan	Tournan	France		99.00%	Real State			South Europe
Sofedit, S.A.S	Le Theil sur Huisne	France		65.00%	Operating company	35.00%	FAA	South Europe
Autotech Engineering Deutschland GmbH	Bielefeld	Germany		100.00%	R&D			R&D
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany		100.00%	Operating company			Edscha
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany		100.00%	Operating company			Edscha
Edscha Engineering GmbH	Remscheid	Germany		100.00%	Operating company			Edscha
Edscha Hauzenberg Real Estate GmbH & Co. KG	Hauzenberg	Germany	5.10%	94.90%	Real Estate			Edscha
Edscha Hengersberg Real Estate GmbH & Co. KG	Hengersberg	Germany	5.10%	94.90%	Real Estate			Edscha
Edscha Holding GmbH	Remscheid	Germany		100.00%	Holding			Edscha
Edscha Kunststofftechnik GmbH	Remscheid	Germany		100.00%	Operating company			Edscha
Gestamp Dienstleistungs GmbH	Remscheid	Germany		100.00%	Services			Edscha
Gestamp Griwe Haynrode GmbH	Haynrode	Germany		100.00%	Operating company			North Europe
Gestamp Griwe Hot Stamping GmbH	Haynrode	Germany		100.00%	Operating company			North Europe
Gestamp Griwe Westerburg GmbH	Westerburg	Germany		100.00%	Operating company			North Europe
Gestamp Tooling Engineering Deutschland GmbH	Braunschweig	Germany		100.00%	Tooling			Tooling/Equipment
Gestamp Umformtechnik GmbH	Bielefeld	Germany		100.00%	Operating company			North Europe
GMF Holding GmbH	Bielefeld	Germany		100.00%	Holding			North Europe
Gestamp Hungária KFT	Mór	Hungary	100.00%		Operating company			North Europe
Gestamp Automotive Chennai Private Ltd.	Chennai	India		100.00%	Operating company			Asia
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Operating company	50.00%	Gonvarri	Asia

Company	Address	Country	Gestamp Automoción, S.A. Direct shareholding	Gestamp Automoción, S.A. Indirect Shareholding	Activity	Other significant shareholders Shareholding	Other significant shareholders Shareholder	Segment
Gestamp Automotive Sanand Private Limited	Gujarat	India		100.00%	Dormant company			Asia
Gestamp Pune Automotive, Private Ltd.	Pune	India		100.00%	Operating company			Asia
Gestamp Services India Private, Ltd.	Pune	India		100.00%	Labour Services			Tooling/Equipment
Edscha Automotive Italia, S.R.L	Torino	Italia		100.00%	Operating company			Edscha
Gestamp Edscha Japan Co., Ltd.	Tokyo	Japan		100.00%	Operating company			Edscha
Gestamp Hot Stamping Japan Co., Ltd	Tokyo	Japan		100.00%	Operating company			Asia
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Finance company			Corporate Services
Ed. Scharwaecther Mechanism S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	Operating company			Edscha
Ed. Scharwaecther Mechanism Servicios Laborales S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	Labour services			Edscha
Gestamp Aguascalientes, S.A.de C.V.	Mexico City	Mexico		70.00%	Operating company	30.00%	Mitsui	NAFTA
Gestamp Cartera de Mexico, S.A. de C.V.	Mexico City	Mexico		70.00%	Holding	30.00%	Mitsui	NAFTA
Gestamp Mexicana de Servicios Laborales, S.A. de C.V.	Mexico City	Mexico		70.00%	Labour services	30.00%	Mitsui	NAFTA
Gestamp Puebla II, S.A. de C.V.	Mexico City	Mexico		70.00%	Operating company	30.00%	Mitsui	NAFTA
Gestamp Puebla, S.A. de C.V.	Mexico City	Mexico		70.00%	Operating company	30.00%	Mitsui	NAFTA
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Operating company	30.00%	Mitsui	NAFTA
Gestamp San Luis Potosí Servicios Laborales, S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Labour Services	30.00%	Mitsui	NAFTA
Gestamp Servicios Laborales de Toluca S.A. de C.V.	Mexico City	Mexico		70.00%	Labour services	30.00%	Mitsui	NAFTA
Gestamp Toluca S.A. de C.V.	Mexico City	Mexico		70.00%	Operating company	30.00%	Mitsui	NAFTA
GGM Puebla de Servicios Laborales, S.A. de C.V.	Mexico City	Mexico		30.00%	Labour services	70.00%	Ekarpen, Ezten, Basque	Minority part.
GGM Puebla, S.A. de C.V.	Puebla	Mexico		30.00%	Operating company	70.00%	Ekarpen, Ezten, Basque	Minority part.
Mexicana Servicios Laborales, S.A.de C.V.	Mexico City	Mexico		70.00%	Labour services	30.00%	Mitsui	NAFTA
Gestamp Polska, SP. Z.O.O.	Września	Poland		100.00%	Operating company			North Europe
Gestamp Wroclaw Sp.z,o.o.	Wroclaw	Poland		65.00%	Operating company	35.00%	FAA	North Europe
Gestamp Aveiro-Indústria de Acessórios de Automóveis, S.A.	Oliveira de Azeméis	Portugal		100.00%	Operating company			South Europe
Gestamp Cerveira, Lda.	Vila Nova de Cerveira	Portugal	39.37%	60.63%	Operating company			South Europe
Gestamp Vendas Novas Unipessoal Lda.	Vendas Novas	Portugal	100.00%		Operating company			South Europe
Edscha Togliatti, Llc.	Togliatti	Russia		100.00%	Operating company			Edscha
Gestamp Severstal Kaluga, Llc	Kaluga	Russia		58.13%	Operating company	41.87%	Cofides, Severstal	North Europe
Gestamp Severstal Vsevolozhsk Llc	Vsevolozhsk	Russia		58.13%	Operating company	41.87%	Cofides, Severstal	North Europe
Gestamp Togliatti, Llc.	Samarskaya	Russia		100.00%	Operating company			North Europe
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		50.00%	Holding	50.00%	Jui Li Enterprise, others	Edscha
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia		100.00%	Operating company			Edscha
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	25.00%	75.00%	Finance company			Corporate Services
Gestamp Nitra, S.R.O.	Bratislava	Slovakia	100.00%		Operating company			North Europe
Edscha PHA, Ltd.	Chungcheongnam-do, Seul	South Korea		50.00%	Operating company	50.00%	PHA	Edscha

Company	Address	Country	Gestamp Automoción, S.A. Direct shareholding	Gestamp Automoción, S.A. Indirect Shareholding	Activity	Other significant shareholders Shareholding	Other significant shareholders Shareholder	Segment
Gestamp Kartek Co, Ltd.	Gyeongsangnam-Do	South Korea		100.00%	Operating company			Asia
Adral, Matriceria y Puesta a Punto, S.L.	Bizkaia	Spain		100.00%	Tooling			Tooling/Equipment
Almussafes Mantenimiento de Troqueles, S.L.U.	Valencia	Spain		40.00%	Tooling	60.00%	GE Sabadell, Bonmor	Minority part.
Autotech Engineering AIE	Bizkaia	Spain	10.00%	90.00%	R&D			R&D
Bero Tools, S.L.	Bizkaia	Spain		100.00%	Holding			Tooling/Equipment
Diede Die Developments, S.L.	Bizkaia	Spain		100.00%	Tooling			Tooling/Equipment
Edscha Burgos, S.A.	Burgos	Spain		100.00%	Operating company			Edscha
Edscha Santander, S.A.	Burgos	Spain	5.01%	94.99%	Operating company			Edscha
Essa Palau, S.A.	Barcelona	Spain		100.00%	Operating company			Edscha
Esymo Metal S.L.	Linares	Spain		40.86%	Operating company	59.14%	MA Torre, J Lara, others	Minority part.
Gestamp 2008, S.L.	Burgos	Spain		100.00%	Holding			Edscha
Gestamp 2017, S.L.U.	Madrid	Spain	100.00%		Dormant			Corporate Services
Gestamp Abrera, S.A.	Barcelona	Spain	5.01%	94.99%	Operating company			South Europe
Gestamp Aragón, S.A.	Barcelona	Spain	5.01%	94.99%	Operating company			South Europe
Gestamp Automoción, S.A.	Bizkaia	Spain	Parent Company		Holding			
Gestamp Bizkaia, S.A.	Bizkaia	Spain	85.30%	14.70%	Operating company			North Europe
Gestamp Esmar, S.A.	Barcelona	Spain	0.01%	99.99%	Operating company			South Europe
Gestamp Galvanizados, S.A.	Palencia	Spain	5.01%	94.99%	Operating company			South Europe
Gestamp Global Tooling, S.L.	Bizkaia	Spain	99.99%	0.01%	Operating company			Tooling/Equipment
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.20%	Holding	30.00%	Mitsui	Corporate Services
Gestamp Holding Mexico, S.L.	Madrid	Spain	0.01%	69.99%	Holding	30.00%	Mitsui	Corporate Services
Gestamp Holding Rusia, S.L.	Madrid	Spain	25.19%	52.34%	Holding	22.47%	Cofides	Corporate Services
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Operating company			South Europe
Gestamp Levante, S.A.	Barcelona	Spain	88.49%	11.51%	Operating company			South Europe
Gestamp Linares, S.A.	Jaén	Spain	5.02%	94.98%	Operating company			South Europe
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain	5.01%	94.99%	Operating company			South Europe
Gestamp Metalbages, S.A.	Barcelona	Spain	99.99%	0.01%	Operating company			South Europe
Gestamp Navarra, S.A.	Navarra	Spain	71.37%	28.63%	Operating company			South Europe
Gestamp North Europe Services, S.L.	Bizkaia	Spain	99.97%	0.03%	Consultory services			North Europe
Gestamp Palencia, S.A.	Palencia	Spain	99.99%	0.01%	Operating company			South Europe
Gestamp Servicios, S.A.	Madrid	Spain	99.99%	0.01%	Administrative service			Corporate Services
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Operating company			South Europe
Gestamp Solblank Navarra, S.L.	Navarra	Spain		100.00%	Operating company			South Europe
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	Dormant			Corporate Services
Gestamp Technology Institute, S.L.	Bizkaia	Spain	99.99%	0.01%	Training			Corporate Services
Gestamp Toledo, S.A.	Toledo	Spain	99.99%	0.01%	Operating company			South Europe
Gestamp Tool Hardening, S.L.	Bizkaia	Spain		100.00%	Tooling			Tooling/Equipment
Gestamp Tooling Services,	Bizkaia	Spain		100.00%	Tooling			Tooling/Equip

Company	Address	Country	Gestamp Automoción, S.A. Direct shareholding	Gestamp Automoción, S.A. Indirect Shareholding	Activity	Other significant shareholders Shareholding	Other significant shareholders Shareholder	Segment
AIE								ment
Gestamp Try Out Services, S.L.	Bizkaia	Spain		100.00%	Tooling			Tooling/Equipment
Gestamp Vigo, S.A.	Pontevedra	Spain	99.99%	0.01%	Operating company			South Europe
Gestión Global de Matricería, S.L.	Bizkaia	Spain	30.00%		Holding	70.00%	Ekarpen, Ezten, Basque	Minority part.
Global Láser Araba, S.L.	Álava	Spain	30.00%		Operating company	70.00%	Ekarpen, Basque	Minority part.
Industrias Tamer, S.A.	Barcelona	Spain		30.00%	Operating company	70.00%	P. Tío, SA, J Escrigas J. Roca, Others	Minority part.
Ingeniería Global Metalbages, S.A.U.	Barcelona	Spain		100.00%	Administrative service			South Europe
Ingeniería y Construcción Matrices, S.A.U.	Bizkaia	Spain		30.00%	Operating company	70.00%	Ekarpen, Ezten, Basque	Minority part.
IxCxT, S.A.U.	Bizkaia	Spain		30.00%	Operating company	70.00%	Ekarpen, Ezten, Basque	Minority part.
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		Operating company			Equipment
Matricería Deusto, S.L.	Bizkaia	Spain		100.00%	Tooling			Tooling/Equipment
Metalbages Aragón P21, S.L.U.	Barcelona	Spain		100.00%	Operating company			South Europe
Metalbages P51, S.L.U.	Barcelona	Spain		100.00%	Dormant			South Europe
Mursolar 21, S.L.	Madrid	Spain		65.00%	Holding	35.00%	Cofides	Corporate Services
Todlem, S.L.	Madrid	Spain		58.13%	Holding	41.87%	Cofides, Severstal	Corporate Services
Gestamp HardTech, AB	Lulea	Sweden		100.00%	Operating company			North Europe
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Holding	31.05%	Cofides	Corporate Services
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Holding			North Europe
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan		50.00%	Holding	49.94%	Jui Li Enterprise	Edscha
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand		51.00%	Operating company	49.00%	AAPICO	Edscha
Beyçelik Gestamp Şasi Otomotiv Sanayi Limited Şirketi	Kocaeli	Turkey		50.00%	Operating company	50.00%	FAIK ÇELIK	South Europe
Beyçelik Gestamp Kalip Ve Oto Yan Sanayi Pazarlama Ve Ticaret Anonim Şirketi	Bursa	Turkey		50.00%	Operating company	50.00%	FAIK ÇELIK	South Europe
Çelik Form Gestamp Otomotiv Anonim Şirketi	Bursa	Turkey		25.80%	Operating company	74.20%	FAIK ÇELIK	South Europe
Automotive Chassis Products UK Limited	Newton Aycliffe, Durham	UK		100.00%	Holding			North Europe
Autotech Engineering R&D Uk limited	Durham	UK		100.00%	R&D			R&D
CP Projects Limited	Washington, Tyne and Wear	UK		100.00%	Dormant			Tooling/Equipment
Gestamp Tallent, Ltd	Newton Aycliffe, Durham	UK		100.00%	Operating company			North Europe
Gestamp Washington UK Limited	Washington, Tyne and Wear	UK		100.00%	Operating company			North Europe
Autotech Engineering R&D USA, Inc	Delaware	USA		100.00%	R&D			R&D
Edscha Automotive Michigan, Inc	Delaware	USA		100.00%	Operating company			Edscha
Gestamp Alabama, Llc.	Delaware	USA		70.00%	Operating company	30.00%	Mitsui	NAFTA
Gestamp Chattanooga II, Llc	Delaware	USA		70.00%	Operating company	30.00%	Mitsui	NAFTA
Gestamp Chattanooga, Llc	Delaware	USA		70.00%	Operating company	30.00%	Mitsui	NAFTA
Gestamp Mason, Llc.	Delaware	USA		70.00%	Operating company	30.00%	Mitsui	NAFTA

Company	Address	Country	Gestamp Automoción, S.A. Direct shareholding	Gestamp Automoción, S.A. Indirect Shareholding	Activity	Other significant shareholders Shareholding	Other significant shareholders Shareholder	Segment
Gestamp North America, INC	Delaware	USA		70.00%	Administrative service	30.00%	Mitsui	NAFTA
Gestamp South Carolina, Llc	Delaware	USA		70.00%	Operating company	30.00%	Mitsui	NAFTA
Gestamp Washtenaw, Llc	Delaware	USA		70.00%	Operating company	30.00%	Mitsui	NAFTA
Gestamp West Virginia, Llc.	Delaware	USA		70.00%	Operating company	30.00%	Mitsui	NAFTA

MATERIAL CONTRACTS

The following is a summary of the main terms of all those contracts to which the Company and certain of its subsidiaries are a party and which are considered material for purposes of this Prospectus.

Senior Facilities Agreement

The Company and Gestamp Funding Luxembourg S.A. ("Gestamp Funding") are parties to a senior term and revolving facilities agreement dated April 19, 2013, as amended on May 8, 2013, May 20, 2014, December 10, 2014, April 17, 2015 and as amended and restated on May 20, 2016 (the "Senior Facilities Agreement"), entered into between, among others, the Company as original borrower, various subsidiaries of the Company (including Gestamp Funding) as original guarantors, the existing and additional commitment lenders listed therein (a total of fifteen financial institutions, including Banco Santander, Deutsche Bank, Société Générale and the Co-Lead Managers), Deutsche Bank AG, London Branch as agent ("Agent") and security agent ("Security Agent"). The guarantors under the Senior Facilities Agreement are those entities listed in Annex III of our consolidated financial statements for the year ended December 31, 2016.

The Senior Facilities Agreement was amended on May 8, 2013, May 20, 2014, December 10, 2014, April 17, 2015 and amended and restated on May 20, 2016. The amendments of the Senior Facilities Agreement are summarized below:

- the initial margin for Facility A and the Revolving Credit Facility (both as defined below) has been reduced three times and the margin ratchet also amended;
- the margin on Facility A and the Revolving Credit Facility (both as defined below) has been modified to range from 1.10% to 1.45%, depending on applicable leverage ratios;
- the termination date for Facility A and the Revolving Credit Facility (both as defined below) has been extended to May 31, 2021;
- the maintenance financial covenant ratio of Adjusted EBITDA to financial expenses has been reduced to 4.00:1;
- the maintenance financial covenant ratio of net financial indebtedness to adjusted EBITDA has been increased to 3.50:1;
- the commitment fee has been reduced to 35% of the applicable margin in respect of the Revolving Credit Facility (as defined below);
- a new undertaking has been added with regards to sanctions and anti-corruption law in line with applicable market standards; and
- an additional tranche of commitments has been made available as Facility A2 (as defined below).

Senior facilities

The Senior Facilities Agreement currently provides for committed facilities of €1,152,095,000 (the "Senior Facilities" and each a "Senior Facility"), split into:

- an amortizing euro term loan facility of €532,095,000 terminating on May 31, 2021 ("Facility A1");
- an amortizing euro term loan facility of €340,000,000 terminating on May 31, 2021 ("Facility A2" and together with Facility A1, "Facility A"); and
- a multi-currency revolving credit facility of €280,000,000 terminating on May 31, 2021 (the "Revolving Credit Facility").

Facility A2 was an additional commitment granted in May 2016 for the purpose of refinancing certain financial indebtedness of the Group, pay certain costs and expenses in connection with the issuance of the 2023 notes and general corporate purposes.

Interest rates and fees

The interest rate on each loan under the Senior Facilities Agreement for each interest period is the rate per annum which is the aggregate of the applicable (a) margin (see below) and (b) LIBOR or, in relation to any loan in euro, EURIBOR.

The margin on Facility A and the Revolving Credit Facility ranges from 1.10% to 1.45%, depending on applicable leverage ratios. There is a margin adjustment mechanism in the Senior Facilities Agreement pursuant to which the margin applicable to the Facility A and the Revolving Credit Facility will be adjusted upwards or downwards based on the ratio of Net Financial Indebtedness to Adjusted EBITDA (both as defined in the Senior Facilities Agreement) in respect of any relevant testing period, as demonstrated in the compliance certificate required to be delivered with our annual audited and quarterly unaudited financial statements. While an event of default is continuing under the Senior Facilities Agreement, the applicable margin will be the highest margin applicable to each Senior Facility.

Pursuant to the Senior Facilities Agreement, we are required to pay certain fees, including a commitment fee in respect of the available but undrawn Revolving Credit Facility commitments.

Guarantees

Pursuant to the terms of the Senior Facilities Agreement, the Company, Gestamp Funding and certain of our subsidiaries (together with the Company and Gestamp Funding, the "SFA Guarantors") guarantee all amounts due to the lenders and other finance parties under the Senior Facilities Agreement and related finance documents. The guarantees granted by the SFA Guarantors are subject to certain guarantee limitations which are set out in the Senior Facilities Agreement. These guarantee limitations primarily limit the scope of the guarantees granted by the SFA Guarantors to ensure that they comply with the laws of the jurisdictions in which the SFA Guarantors are incorporated.

We are required to ensure that each of our subsidiaries in which we hold at least 90% of the ordinary shares, and which for the last fiscal year has (a) earnings before interest, tax, depreciation and amortization (i) calculated on the same basis as EBITDA, representing 2.50%. or more of EBITDA; and (ii) (calculated on the same basis as EBITDA but on an unconsolidated basis) greater than €10,000,000; or (b) which has net assets representing 2.5% or more of the consolidated net assets of the Group (calculated on a consolidated basis) (a company meeting these criteria being a "Material Company"), accedes to the Senior Facilities Agreement as an additional guarantor as soon as possible after becoming a Material Company. The obligation to require such a Material Company to accede as a guarantor is subject to certain limitations specified in the Senior Facilities Agreement and does not apply to a Spanish company established as an *Agrupación de Interés Económico* or any subsidiary incorporated in any country located in North America or South America or in Japan, China, South Korea, India or Taiwan.

Any of our subsidiaries that becomes a guarantor in respect of the 2023 notes is also required to accede to the Senior Facilities Agreement as a guarantor.

Security

Gestamp Automoción, Gestamp Servicios, S.A. (other than in relation to paragraph (e) below) and Gestamp Toledo (other than in relation to paragraph (f) below) granted Spanish law pledges (the "Initial Share Pledges") over all of the shares (if any) held by them in the following subsidiaries:

(a) Gestamp Metalbages, S.A.;

(b) Gestamp Bizkaia, S.A.;

(c) Gestamp Vigo, S.A.;

(d) Gestamp Palencia, S.A.;

(e) Gestamp Servicios, S.A.; and

(f) Gestamp Toledo, S.A.

(The companies listed in (a) to (f) above being the "Share Security Subsidiaries").

The Initial Share Pledges will continue to secure obligations owed under (i) the Senior Facilities Agreement and related finance documents and (ii) the 2023 notes (but not the Bank of America loan, which has been fully repaid as of the date of this Prospectus, as described below). The Senior Facilities Agreement also permits us and our subsidiaries to grant pledges (the "Future Creditor Share Pledges" and together with the Initial Share Pledges, the "Transaction Security") over the shares we hold in the Share Security Subsidiaries as security for obligations that may in the future be owed by us to other creditors subject to satisfaction of certain conditions set out in the indenture governing the 2023 notes, the Senior Facilities Agreement and the Intercreditor Agreement (any such indebtedness being "Additional Senior Financing").

Undertakings

The Senior Facilities Agreement contains certain negative undertakings that, subject to certain customary and other agreed exceptions, limit the ability of each obligor (and in certain cases, members of the Group) to, among other things:

- incur or allow to remain outstanding financial indebtedness;
- be a creditor in respect of financial indebtedness;
- create or permit to subsist any security over any of its assets;
- sell, lease, transfer or otherwise dispose of its assets;
- issue or allow to remain outstanding any guarantee in respect of any liability or obligation owed to any person;
- declare or pay any dividend or other payment or distribution of any kind on or in respect of any of its shares; and
- make acquisitions of companies, businesses or undertakings.

In addition to the undertakings listed above, the Senior Facilities Agreement contains a number of other customary positive and negative undertakings. The Company considers that it is in compliance with these undertakings as of the date of this Prospectus.

Financial covenants

The Senior Facilities Agreement contains financial covenants that require the Group to ensure that:

- the ratio of Adjusted EBITDA to Financial Expenses (both as defined in the Senior Facilities Agreement) is not lower 4.00:1 on each testing date; and
- the ratio of Net Financial Indebtedness to Adjusted EBITDA (both as defined in the Senior Facilities Agreement) is not higher than 3.50:1 on each testing date.

The Company considers that it is in compliance with these undertakings as of the date of this Prospectus.

Maturity

Loans drawn under Facility A are required to be repaid in semi-annual instalments, starting from May 31, 2017 with the final repayment instalment due on May 31, 2021. Each loan under the Revolving Credit Facility is required to be repaid on the last day of each interest period, provided however that Revolving Credit

Facility loans may be redrawn subject to the terms and conditions set out in the Senior Facilities Agreement. All outstanding loans under the Revolving Credit Facility and any outstanding letters of credit are required to be repaid in full on May 31, 2021.

Prepayments

Subject to certain conditions, we may voluntarily cancel any available commitments under, or voluntarily prepay any outstanding utilizations of, the Senior Facilities by giving 3 business days' prior notice to the Agent. Any Facility A loans that are prepaid may not be reborrowed and the relevant commitments will be cancelled. Any Revolving Credit Facility utilization that are prepaid may (subject to the terms of the Senior Facilities Agreement) be reborrowed.

Subject to certain exceptions and/or thresholds, mandatory prepayments of amounts outstanding under the Senior Facilities are required to be made upon the disposal of certain categories of assets, recovery of insurance claim proceeds or a flotation (which does not cause a change of control of the Company).

A change of control of the Company will trigger a 30 day consultation period with the lenders under the Senior Facilities Agreement. At the end of such consultation period, each lender who does not wish to continue being a lender under the Senior Facilities Agreement may request prepayment of all amounts owed to it. Any lender who makes such a request must be prepaid within five business days and all of such lender's commitments will be cancelled. The Senior Facilities will be automatically cancelled and be immediately repayable upon a sale of all or substantially all of our assets to a third party.

"change of control" for these purposes means Grupo Acek, Arcelor Mittal Group and their respective affiliates ceasing to directly or indirectly (a) have the power to (i) cast, or control the casting of, at least 50.01% of the votes that may be cast in the Company's general meeting; (ii) appoint or remove all, or the majority of the directors or equivalent officers of the Company; or (iii) give directions with respect to our operating and financial policies with which our directors or equivalent officers are obliged to comply; or (b) hold beneficially at least 50.01% of the issued share capital of the Company with voting rights.

Events of default and acceleration

The Senior Facilities Agreement contains events of default customary for financings of this nature (with customary and agreed thresholds and carve-outs), the occurrence of any of which will allow the lenders under the Senior Facilities Agreement to cancel available commitments under the Senior Facilities, declare all amounts owed under the Senior Facilities Agreement to be due upon demand and/or demand immediate repayment of all amounts owed under the Senior Facilities Agreement.

Examples of such events of default include, but are not limited to, non-payment by obligors, breach of financial covenants referred to above, misrepresentation, cross-default on the Group (subject to certain thresholds), insolvency, insolvency proceedings and creditors' process, unlawfulness and invalidity, non-compliance with the terms of the Intercreditor Agreement, cessation of business, change of ownership, audit qualification, repudiation and rescission of agreements, expropriation and litigation and material adverse change.

2023 Notes

On May 4, 2016, Gestamp Funding issued €500 million 3.50% Senior Secured Notes due 2023 (the "2023 notes") in an offering pursuant to Rule 144A and Regulation S of the Securities Act. The proceeds of the 2023 notes were issued to refinance existing debt. The 2023 notes mature on May 15, 2023.

The 2023 notes are secured on a second-priority basis by a charge over the shares of certain subsidiaries of the Company but recoveries received upon enforcement of any collateral securing the notes will be distributed *pari passu* and applied pro rata in repayment of liabilities in respect of the 2023 notes, the Senior Facilities Agreement and certain other existing debt facilities.

After May 15, 2019, at the option of Gestamp Funding or the Company, Gestamp Funding may redeem all or a part of the 2023 notes upon not less than 10 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the

2023 notes redeemed, to, but excluding, the applicable redemption date, if redeemed during the twelve month period beginning on May 15 of the years indicated below:

Year	Percentage
2019	101.750%
2020	100.875%
2021 and thereafter	100.000%

In addition, at any time prior to May 15, 2019, at the option of Gestamp Funding or the Company, Gestamp Funding may redeem up to 40% of the aggregate principal amount of the 2023 notes with the net cash proceeds from certain equity offerings at a price equal to 103.50% of the principal amount of the 2023 notes redeemed plus accrued and unpaid interest, if any, provided that at least 60% of the original principal amount of the 2023 notes remains outstanding after the redemption and the redemption occurs within 120 days of the closing of the relevant equity offering.

Upon the incurrence of a change of control, each holder of the 2023 notes has the right, subject to certain exceptions, to require Gestamp Funding to repurchase such holder's 2023 notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the repurchase date.

The indenture governing the 2023 notes contains several covenants limiting, among other things, the ability of the Company to:

- incur or guarantee additional indebtedness (subject to specific provisions and exceptions);
- pay dividends or make other distributions or rpurchase or redeem our stock;
- make investments or certain restricted other payments;
- create certain liens
- sell assets, including capital stock of restricted subsidiaries;
- enter into certain transactions with affiliates;
- enter into agreements that restrict our restricted subsidiaries' ability to pay dividends; and
- consolidate, merge or sell all or substantially all of our assets.

Pursuant to the indenture governing the 2023 notes, dividend payments will be generally permitted to the extent they do not exceed 50% of our cumulative consolidated net income if certain conditions are met. Furthermore, the indenture governing the 2023 notes provides for additional specific allowances that would permit the payment of dividends, the most relevant of which is the payment of annual dividends up to 3% of our market capitalization if we do not exceed certain indebtedness ratios.

According to the terms of the indenture governing the 2023 notes, Gestamp also undertakes to comply with certain covenants of a non-financial nature, such as making the interest payments on the agreed dates or issuing reporting information to bondholders on a timely manner. The Company considers that it is in compliance with these covenants as of the date of this Prospectus.

Intercreditor Agreement

The Company, Gestamp Funding, the Subsidiary Guarantors, the lenders under the Senior Facilities Agreement and certain other parties entered into an intercreditor agreement dated May 10, 2013 (the "Intercreditor Agreement") to establish the relative rights of certain of the Group's creditors including creditors under the Senior Facilities Agreement, the indenture for the 2023 notes, the Bank of America loan (which has been fully repaid as of the date of this Prospectus, as described below) and any additional senior financings.

The Intercreditor Agreement has not been subject to any amendments since May 10, 2013.

The Intercreditor Agreement sets out:

- the ranking of the indebtedness under the Senior Facilities Agreement, the 2023 notes, the Bank of America loan and any additional senior financing (together, the "Senior Secured Debt", and the creditors to whom the Senior Secured Debt is owed being the "Senior Secured Creditors");
- the ranking of the security created pursuant to the Transaction Security;
- the procedure for enforcement of the Transaction Security and any guarantee granted in favor of the Senior Secured Creditors and the allocation of proceeds resulting from such enforcement;
- the types of disposals permitted under distressed and non-distressed scenarios and the Security Agent's authority to release the Transaction Security and guarantees granted in favor of the Senior Secured Creditors in case of a distressed and non-distressed disposal;
- the terms pursuant to which intra-Group debt and certain debt owed to Acek and other equity investors ("Equity Investor Liabilities") will be subordinated; and
- turnover provisions.

The following description is a summary of certain provisions contained in the Intercreditor Agreement.

Priority of debts

The Intercreditor Agreement provides that all liabilities owed under the Senior Secured Debt will rank *pari passu* and without any preference between them and in priority to any intra-Group debt and Equity Investor Liabilities.

Ranking of security

The Intercreditor Agreement provides that the Transaction Security shall rank and secure the Senior Secured Debt as follows:

(a) first, security created to secure the Bank of America loan (which has been fully repaid as of the date of this Prospectus, as described below);

(b) second, security created to secure the Senior Facilities Agreemnt and the 2023 notes; and

(c) thereafter, or *pari passu* with the notes (if applicable) security created pursuant to the Future Creditor Share Pledges and any security created pursuant to share pledges granted in favor of lenders of ancillary facilities entered into under the Senior Facilities Agreement after the date of the Initial Share Pledges (each such facility a "Subsequent Ancillary Facility") in the order of priority in which they are entered into in respect of indebtedness under any Additional Senior Financing and Subsequent Ancillary Facility.

Notwithstanding the order of ranking set out above, the date of execution or order the Transaction Security documents are entered into, or the ranking under applicable law, it is agreed that the Transaction Security shall rank and secure the Senior Secured Debt *pari passu* without preference between the different categories of Senior Secured Debt.

Enforcement and application of proceeds

The Intercreditor Agreement sets forth procedures for enforcement of the Transaction Security. Subject to the Transaction Security having become enforceable, Senior Secured Creditors whose Senior Credit Participations aggregate more than 50% of the total Senior Credit Participations (the "Instructing Group") are entitled to direct the Security Agent to enforce or refrain from enforcing the Transaction Security, as they see fit. The Security Agent may refrain from enforcing the Transaction Security unless otherwise instructed by Instructing Group. For these purposes, "Senior Credit Participations" means at any time in relation to a Senior Secured Creditor, the aggregate amount owed to such Senior Secured Creditor.

The proceeds of enforcement of the Transaction Security or any guarantees granted in respect of the Senior Secured Debt and all other amounts paid to the Security Agent under the Intercreditor Agreement shall be applied in the following order:

- first, in payment on a *pari passu* and pro rata basis any sums (including fees, costs, expenses and liabilities) owing to (i) the Security Agent or any receiver, delegate, attorney or agent appointed under the Transaction Security documents or the Intercreditor Agreement; (ii) the Agent or any creditor representative in its capacity as such (but not bilateral lenders) in respect of any Additional Senior Financing; and (iii) Deutsche Trustee Company Limited, as trustee (the "Trustee");

- second, on a *pari passu* and pro rata basis to (i) the Agent on its own behalf and on behalf of the creditors under the Senior Facilities Agreement; (ii) the Trustee on its own behalf and on behalf of the noteholders; (iii) each creditor in respect of the Designated Existing Indebtedness; and (iv) any creditor representative in respect of an Additional Senior Financing on its own behalf and on behalf of the creditors under such Additional Senior Financing, for application towards the discharge of amounts owed under the Senior Facilities Agreement (in accordance with the terms thereof), the notes (in accordance with the Indenture), the Designated Existing Indebtedness (on a pro rata basis) and any Additional Senior Financing (on a pro rata basis);

- third, if none of the debtors is under any further actual or contingent liability under any of the Senior Secured Debt documents, in payment to any person the Security Agent is obliged to pay in priority to any debtor; and

- fourth, in payment or distribution to the relevant debtors.

Distressed and non-distressed disposals

The Security Agent is authorized (without the requirement to obtain any further consent or authorization from any Senior Secured Creditor) to release from the Transaction Security any asset that is the subject of a disposal permitted by the Senior Secured Debt documents and the Transaction Security documents and which is not a Distressed Disposal. A Distressed Disposal means a disposal effected (i) by way of enforcement of the Transaction Security; (ii) at the request of the Instructing Group in circumstances where the Transaction Security has become enforceable; or (iii) by a debtor to a third party (not being a member of the Group) after any of the Senior Secured Debt has been accelerated.

If to the extent permitted by applicable law a Distressed Disposal is being effected or the shares of the Share Security Subsidiaries are being appropriated by the Security Agent, the Security Agent is authorized (without the requirement to obtain any further consent or authorization from any Senior Secured Creditor or other relevant party): (i) to release the Transaction Security or any other claim over any asset subject to the Distressed Disposal or appropriation; and (ii) if the asset subject to the Distressed Disposal or appropriation is the shares of a Group company, to release such Group Company and/or its subsidiaries from any liabilities under borrowings and/or guarantees under the Senior Secured Debt documents, intra-Group debt documents or documents evidencing Equity Investor Liabilities.

Intra-Group debt

Pursuant to the Intercreditor Agreement, the Company and its subsidiaries party thereto that are creditors in respect of intra-Group debt have agreed to subordinate intra-Group debt to the Senior Secured Debt.

Neither we nor any of our subsidiaries that are creditors in respect of intra-Group debt may accept the benefit of any security, guarantee, indemnity or other assurance against loss in respect of intra-Group debt unless such action is permitted under the Senior Secured Debt documents. Neither we nor any of our subsidiaries may make any payment, prepayment, repayment or otherwise acquire or discharge any intra-Group debt if acceleration action has been taken in respect of any of the Senior Secured Debt unless the Instructing Group consent or such action is undertaken to facilitate repayment or prepayment of the Senior Secured Debt.

Equity Investor Liabilities

Pursuant to the Intercreditor Agreement, Acek and future equity investors party thereto have agreed to subordinate the Equity Investor Liabilities to the Senior Secured Debt. The Company and other debtors may make payments in respect of the Equity Investor Liabilities provided that such payments are permitted under the terms of the Senior Secured Debt documents and the documents evidencing the Equity Investor Liabilities. No equity investor may accept the benefit of any security, guarantee, indemnity or other assurance against loss in respect of Equity Investor Liabilities prior to the first date on which all of the Senior Secured Debt has been discharged.

Turnover

If any creditor party to the Intercreditor Agreement (including the Agent, Security Agent, Trustee, Senior Secured Creditors, creditors in respect of intra-Group debt and creditors in respect of Equity Investor Liabilities) receives or recovers a payment (whether by way of direct payment, set-off or otherwise) except as permitted pursuant to the terms of the Intercreditor Agreement, such creditor shall hold such payment in trust for the Security Agent and promptly pay over such amounts to the Security Agent for application in accordance with the provision described above under "Enforcement and application of proceeds".

2016 MARF Commercial Paper Programme

On November 25, 2016 we registered a €150 million commercial paper programme (the "Programme") for the issuance of commercial paper (the "Commercial Paper") to be listed in the Spanish Alternative Fixed-Income Market (*Mercado Alternativo de Renta Fija)* ("MARF"). Banca March, S.A. is acting as placement agent and sole lead arranger. The Programme and the Commercial Paper are subject to Spanish law and any disputes arising from it shall be subject to the jurisdictions of applicable courts in accordance with Spanish law.

Under the one-year Programme, we may issue Commercial Paper for a maximum outstanding balance of €150 million, with a redemption period of between three business days and 731 calendar days. Each Commercial Paper shall have a nominal value of €100,000 which means that the maximum number of Commercial Paper in circulation at any given time shall not exceed 1,500.

The Commercial Paper is issued at discount, accrues interest and shall be reimbursed at their nominal value at their maturity. It does not include an early redemption option for the Company (*call*) or for the securities' holder (*put*). Notwithstanding the above, the Commercial Paper may be early redeemed if, for any reason, it is held by the Company.

The Commercial Paper will not be secured by any *in rem* guarantees (*garantías reales*) or personal guarantees (*garantías personales*). In case of insolvency of the Company, investors rank behind any privileged creditors existing as of the date the insolvency is filed, in accordance with Act 22/2003, of July 9, governing Insolvency, and its related regulations.

As of the date of this Prospectus, we have executed the following Commercial Paper issuances under the Programme, all of which remain outstanding as of the date hereof:

ISIN Code	Nominal amount	Issue Date	Maturity Rate	Interest Rate
ES0505223000	€75,000,000	01/20/2017	04/20/2017	0.00%(1)
TOTAL	€75,000,000	-	-	-

(1) No explicit interest is accrued on this commercial paper issuance since it was issued below par (at a price of 99.93%).

The European Investment Bank Loan

On June 15, 2016, Gestamp signed a €160 million financing agreement with the European Investment Bank ("EIB") with a 1.65% fix interest rate (the "EIB Loan").

The term of the EIB Loan is seven years with maturity on June 22, 2023. The EIB Loan contains certain financial covenants that require the Company to ensure that:

- the ratio of EBITDA to financial expenses is not lower than 4.00:1; and

- the ratio of Net Financial Debt to EBITDA is not higher than 3.50:1.

As of December 31, 2016 the Company was not in breach of any of these covenants. Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of this loan. These companies are listed in Annex III of our consolidated financial statements for the year ended December 31, 2016. Pursuant to the terms of the EIB Loan, the aggregate amount of dividends distributed in any fiscal year must not be greater than 50% of the consolidated net income for such relevant fiscal year.

In addition, the EIB Loan also contemplates certain events of default which would trigger, at the EIB discretion, customary for financings of this nature (with customary and agreed thresholds and carve-outs), the occurrence of any of which will allow the EIB to declare all or part of the amounts owed under the EIB Loan to be due upon demand and/or demand immediate repayment of all or part of the amounts owed under the EIB Loan.

Examples of such events of default include, but are not limited to, misrepresentation, non-payment by the borrower or the guarantors, breach of the financial covenants referred to above, cross-default, insolvency, initiation of insolvency proceedings, unlawfulness and invalidity, cessation of business, change of ownership, audit qualification, repudiation and rescission of agreements, expropriation and litigation and material adverse change.

The Bank of America loan

On March 21, 2012 we entered into a €60.0 million facility agreement with Bank of America Merrill Lynch Limited (formerly Banc of America Securities Limited) as arranger and as initial lender (“Bank of America loan”). The purpose of the Bank of America loan is financing general corporate purposes. This facility expired on March 21, 2017 and has been fully repaid.

Joint Venture Agreements

See “Business—Joint Ventures”.

Shareholders’ Agreements

See “Business—Joint Ventures”, “Principal and Selling Shareholders—Shareholders’ Agreements—Riberas Family Agreement”, “Principal and Selling Shareholders—Shareholders’ Agreements—Gestamp 2020 Shareholders’ Agreement” and “Principal and Selling Shareholders—Agreement between Acek and the ArcelorMittal Group”.

Related Party Transactions

See “Related Party Transactions – Related party transactions with the Acek Group”, “Related Party Transactions—Transactions with companies outside the Acek Group” and “Related Party Transactions—Protocol of Treatment and Approval of Related Party Transactions”.

REGULATION

The principal legislation under which we operate is the Spanish Companies Act and the regulations made thereunder. In addition, we are subject to a variety of national and local laws, rules and regulations regarding general matters in all the countries where we operate, including, among others, the protection of the environment, employee health and safety and the handling of hazardous materials.

We believe that we are in compliance in all material respects with all environmental and health and safety laws, rules and regulations applicable to the business and have all material environmental permits and licenses required for our operations.

Each of our production facilities is subject to licensing and regulation by a number of governmental authorities and we are required to obtain the relevant licenses to meet certain national and local laws and regulations concerning the opening and operation of our facilities and stores, including waste disposal, pollution and protection of the environment. In particular, our Spanish production facilities are subject to environmental evaluation proceedings and to waste disposal obligations regulated in Act 21/2013, of December 9, on environmental evaluation *(Ley 21/2013, de 9 de diciembre, de evaluación ambiental),* Act 22/2011, of July 28, on waste and contaminated soil *(Ley 22/2011, de 28 de julio, de residuos y suelos contaminados)* and the consolidated text of the Water Act, passed by Royal Legislative Decree 1/2001, of July 20 *(Texto refundido de la Ley de Aguas, aprobado por el Real Decreto Legislativo 1/2001, de 20 de julio)* and subject to regulations on air pollution such as Act 24/2007, of November 15, on air quality and protection of the atmosphere (*Ley 34/2007, de 15 de noviembre, de calidad del aire y protección de la atmósfera*) and Royal Decree 100/2011, of January 28, for the update of the list of potentially polluting activities and the establishment of basic provisions for its application *(Real Decreto 100/2011, de 28 de enero, por el que se actualiza el catálogo de actividades potencialmente contaminadoras de la atmósfera y se establecen las disposiciones básicas para su aplicación).*

In addition, our manufacturing processes use certain hazardous substances. Accordingly, we are subject to a variety of environmental laws and regulations in each of the jurisdictions in which we operate that govern, among other things, the emission of pollutants into the air, wastewater discharge, the storage, use and handling of hazardous substances, waste disposal and the health and safety of employees. See "Risk Factors—Risks Related to Our Business and the Industry in which we operate—We are subject to environmental requirements and risks as a result of which we may incur significant costs, liabilities and obligations." We are required to obtain and periodically renew permits or licenses for industrial operations that result in the discharge of water as well as the use and handling of waste and other hazardous materials. Such permits and licenses establish limitations and standards with respect to the operations that require compliance. Most of our primary production facilities are certified to ISO 9001 and/or 14001.

We have established environmental policies with respect to the handling of chemicals, gases, CO_2 emissions and waste disposals from our manufacturing operations and have not been party to any material environmental claims in the past. We are not currently involved in any material litigation or disputes in connection with our environmental compliance.

Employee health and safety is of great importance to us. We have implemented policies that ensure that both our employees and those from other companies that are working on our premises have a safe and healthy working environment. We use the same criteria to assess the performance of any company of the Group and no difference is established between companies due to their geographical location.

The GHSI (Gestamp Health and Safety Indicator) is an internal indicator that enables us to evaluate the performance of our plants in terms of health and safety standards and to obtain information regarding their safety conditions and the degree to which those standards are implemented. Our plants have to report on a quarterly basis the improvements that they have achieved in terms of health and safety to ensure that they comply or are in the course of complying with our overall standards.

MANAGEMENT AND BOARD OF DIRECTORS

Board of Directors

The composition, responsibilities and functioning of our Board of Directors is regulated by the Spanish Companies Act, our Bylaws (*estatutos sociales*) and the regulations that govern our Board of Directors (the "Board Regulations"). On March 3, 2017 the extraordinary General Shareholders' Meeting of the Company amended the Company's Bylaws and approved a new restated text thereof and, on the same date, our Board of Directors approved the Board Regulations (*Reglamento del Consejo de Administración*). Both of them will be effective from the day after the approval and registration of this Prospectus with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

The Spanish Companies Act provides that the board of directors is responsible for the management, administration and representation of a company in respect of its business matters, subject to the provisions of the Bylaws and except for those matters expressly reserved to the general shareholders' meetings.

Pursuant to Article 249 bis of the Spanish Companies Act, our Bylaws and our Board Regulations, the following matters must be approved by the Board of Directors and, subject to certain exceptions, may not be delegated to any Board of Directors' committee or to any of our attorneys or representatives:

- The supervision of the operation of committees and the actions of delegated bodies and any appointed executives.
- The definition of the Company's general policies and strategies.
- The authorization or waiver of the obligations for directors resulting from the duty of loyalty in accordance with Article 230 of the Spanish Companies Act.
- The organization and operation of the Board of Directors itself.
- The drafting of the annual accounts and their submission to the General Shareholders' Meeting.
- The drafting of any type of report required by law from the managing body provided that the transaction to which the report relates cannot be delegated.
- The appointment and removal of executive Directors (*consejeros ejecutivos*) of the Company, and stipulation of the contractual terms of their appointment.
- The appointment and removal of executives directly reporting to the Board of Directors or to any of its members, and the stipulation of the basic terms of their contracts, including the compensation.
- Any decision concerning the Directors' compensation, within the statutory framework, and as the case may be, the remuneration policy approved by the shareholders.
- The calling of General Shareholders' Meetings and preparation of the agenda and proposed resolutions.
- The policy concerning treasury shares.
- Any powers delegated by the General Shareholders' Meeting to the Board of Directors, save where expressly authorized by shareholders to delegate those powers further.

In addition, as a listed company, pursuant to article 529 ter of the Spanish Companies Act, our Bylaws and our Board Regulations, our Board of Directors will not be permitted to delegate the following specific matters:

- The approval of the strategic and business plan, the management goals and annual budgets, the investment and financing policies and the corporate social responsibility and dividend policies.

- The determination of the risk control and management policies, including tax risks, and oversight of the internal information and control systems.

- The definition of the corporate governance policy of the Company and of the Group; its organization and functioning and, in particular, the approval and amendment of its own rules.

- The approval of financial information which, due to being listed, the Company must periodically publish.

- The approval of investments or transactions of all kinds which due to their high value or specific characteristics are of particular tax risk or strategic nature, save where these are approved by shareholders.

- The approval of the creation or acquisition of interests in special purpose vehicles or entities domiciled in tax havens and any other similar transactions or operations which due to their complexity could make the Company and its Group less transparent.

- The approval, subject to a report from the Audit Committee, of transactions between the Company or companies in its Group with directors, in accordance with Articles 229 and 230 of the Spanish Companies Act, or with shareholders that, individually or jointly, hold a significant interest, including shareholders represented on our Board of Directors or the boards of other companies forming part of the same group or with persons related to them. The Directors personally subject to the conflict or who have been nominated by the shareholders subject to the conflict must recuse themselves from discussing and voting the relevant resolution. Only transactions that meet all of the following three conditions will be exempt from this requirement:

    - Transactions entered into pursuant to an agreement with standard conditions applied to a wide range of clients;

    - Transactions entered into for a price generally applied by the party acting as supplier; and

    - Transactions the value of which does not exceed 1% of the Company's annual turnover.

- The definition of the Company's tax strategy.

In cases of emergency, duly justified, decisions on the above matters in relation to article *529ter* may be adopted by delegated bodies or persons. Such decisions must be ratified at the first board meeting held after the adoption of the relevant decision.

Composition and governance of the Board of Directors

Our Bylaws and Board Regulations provide for a Board of Directors consisting of between nine and 15 members. In accordance with the resolution approved by the General Shareholder's Meeting on March 3, 2017, as from the day after the approval and registration of this Prospectus with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) our Board of Directors shall be comprised of 12 members, of which five shall be independent Directors, two shall be executive Directors, three shall be proprietary Directors and two shall be considered as "other external" Director.

Pursuant to the Spanish Companies Act, a director is categorized as "independent" if he or she has been appointed based on his or her personal and professional conditions and is able to perform his or her duties without being impaired by his or her relationships with us, our significant shareholders or our senior management. The Spanish Companies Act sets out a series of objective criteria which may prevent a director from being categorized as "independent". Based on this criteria, two Directors do not fulfil the conditions to be categorized as "independent" Directors and therefore, the Company has categorized them as "other external"

Directors.

According to our Bylaws and our Board Regulations, our Directors are elected by the General Shareholders' Meeting to serve for a term of four years, and may be re-elected to serve for an unlimited number of terms. However, independent Directors who have served as such for more than twelve years shall not continue to be categorized as "independent". If a Director does not serve a full term, the Board of Directors may fill the vacancy by appointing a replacement Director to serve until the next General Shareholders' Meeting is held subject to subsequent approval at a General Shareholders' Meeting (*nombramiento por cooptación*). Any natural or legal person may serve on the Board of Directors, except for persons specifically prohibited by applicable law. A Director may be removed from office by the shareholders at a General Shareholders' Meeting, even if such removal is not included on the agenda for such General Shareholders' Meeting.

According to our Board Regulations, our Directors must tender their resignation to the Board of Directors, which may accept such resignation, at its discretion, under the following circumstances: (i) dismissal from their positions or charges, in the case of executive Directors; (ii) when such Director's participation on the Board of Directors is contrary to applicable law or our Bylaws for reasons of ineligibility or incompatibility; (iii) in the case of proprietary Directors, where the Director had been appointed to represent a shareholder that transfers all of its Shares or part of its Shares and such transfer requires the removal of the Director by such transferring shareholder pursuant to Spanish corporate regulations; (iv) in the case of independent Directors, where it cannot be deemed as such according to Spanish law; (v) when it is resolved by a majority of two thirds of the Board of Directors if such Director's participation on the Board of Directors jeopardizes or prejudices the interest, credit or reputation of the Company or if the Director breaches his or her duties as decided by the Board of Directors pursuant to a report from the Nominations and Compensation Committee; or (vi) when the Director loses his or her honourability, suitability, solvency, competence, availability or commitment with his or her office.

The chairman of the Board of Directors is elected from among the members of the Board of Directors. One or more vice-chairmen, who act as chairman in the event of the chairman's absence or incapacity, may be elected among the members of the Board of Directors. Pursuant to Article 529 septies of the Spanish Companies Act and to the Board Regulations, if the chairman of the Board of Directors is an executive director, the Board of Directors shall appoint a coordinating director (*consejero coordinador*) among the independent Directors. In accordance with the above, it is expected that the new Board of Directors shall appoint Mr. Alberto Rodriguez-Fraile as coordinating director, as soon as possible after the approval and registration of this Prospectus with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*). The coordinating director has the power to include new items on the meeting's agenda, to coordinate non-executive directors, to coordinate the plan for the succession of the chairman and to lead, if necessary, the regular evaluation of the chairman of the Board of Directors. The secretary and, where applicable, the vice-secretary of the Board of Directors, do not need to be directors. Moreover, the Board of Directors is entrusted with calling shareholders' meetings and implementing shareholders' resolutions. In the event of a deadlock, the chairman of the Board of Directors shall have a casting vote.

The chairman of the Board of Directors may call a meeting of the Board of Directors whenever he or she considers it necessary. The chairman of the Board of Directors is also required to call a meeting of the Board of Directors at the request of one-third of the members of the Board of Directors or, where applicable, at the request of the vice-chairman or the coordinating director. According to our Board Regulations, our Board of Directors shall meet at least six times a year.

Our Bylaws and Board Regulations provide that the majority (half plus one) of the members of the Board of Directors (attending in person or represented by proxy by another director) constitutes a quorum. Except as otherwise provided by law and in the Board Regulations, resolutions of the Board of Directors are approved by an absolute majority of the Directors attending or represented at a Board of Directors' meeting.

The following table sets forth, as of the date after of this Prospectus, the name and title of each member of the Board of Directors and is followed by a summary of biographical information of each Director.

Name	Date of first appointment	Expiry date of appointment	Title	Shareholder represented	Category
Cesar Cernuda Rego	03/03/17	03/03/21	Member	-	Independent
Ana García Fau	03/03/17	03/03/21	Member	-	Independent

Noboru Katsu	12/23/16[1]	03/03/21	Member	Acek, Desarrollo y Gestión Industrial, S.L.[2]	Proprietary
Francisco López Peña	03/03/17	03/03/21	Member	-	Executive[3]
Tomofumi Osaki	12/23/16[1]	03/03/21	Member	Acek, Desarrollo y Gestión Industrial, S.L. [2]	Proprietary
Francisco José Riberas Mera	06/30/12[1]	03/03/21	Chairman	-	Executive[4]
Juan María Riberas Mera	03/03/17	03/03/21	Vice-Chairman	Acek, Desarrollo y Gestión Industrial, S.L.	Proprietary
Alberto Rodríguez-Fraile Díaz	03/03/17	03/03/21	Member	-	Independent (Coordinating Director)
Javier Rodríguez Pellitero	03/03/17	03/03/21	Member	-	Independent
Pedro Sainz de Baranda Riva	03/03/17	03/03/21	Member	-	Independent
Gonzalo Urquijo Fernández de Araoz	03/03/17	03/03/21	Member	-	Other External[5]
Geert Maurice Van Poelvoorde	06/29/15[1]	03/03/21	Member	-	Other External[6]

(1) These Directors were re-appointed by our General Shareholders' Meeting on March 3, 2017.

(2) The appointment of Mr. Tomofumi Osaki and Mr. Noboru Katsu was proposed by Mitsui & Co. Ltd. to Acek, Desarrollo y Gestión Industrial, S.L. in accordance with the provisions of Gestamp 2020 Shareholders' Agreement. See "Principal and Selling Shareholders—Shareholders' Agreements—Gestamp 2020 Shareholders' Agreement".

(3) Mr. Francisco López Peña is the Chief Financial Officer of the Company.

(4) Mr. Francisco José Riberas Mera is the Chief Executive Officer of the Company.

(5) Mr. Gonzalo Urquijo Fernández de Araoz has been appointed as Director of the Company classified in the category of "other external" Director (i.e. cannot be classified as an independent or proprietary Director) in consideration of his experience and knowledge of the automotive sector and not due to any agreement with the ArcelorMittal Group. Mr. Urquijo does not represent ArcelorMittal nor any other company in the Board of Directors of the Company.

(6) Mr. Geert Maurice Van Poelvoorde has been appointed as Director of the Company classified in the category of "other external" Director (i.e. cannot be classified as an independent or proprietary Director) in accordance with the undertaking assumed by Acek to the ArcelorMittal Group. Mr. Van Poelvoorde is currently also director of Holding Gonvarri, S.L., which, as mentioned above is a company in which Acek holds a 65% capital and ArcelorMittal holds the remaining 35%.

Francisco José Riberas Mera. President of Gestamp Automoción and its Chief Executive Officer. He holds a "Licenciatura en Derecho" (University Degree in Law) and "Licenciatura en Ciencias Económicas y Empresariales" (University Degree in Business), both from Comillas University—ICADE (Madrid). He is a founder and the Chief Executive Officer of Gestamp Automoción since 1997. Mr. Francisco José Riberas was a member of the board of Aceralia (now ArcelorMittal) from 1998 to 2001. Prior to the establishment of Gestamp, he held various management positions in Gonvarri Group since 1989. He is a shareholder and director in other companies belonging to Grupo Acek, including Gonvarri, Gestamp Renewables and Inmobiliaria Acek groups. He also holds a directorship position in CIE Automotive, S.A.

Juan María Riberas Mera. Proprietary Director and Vice-Chairman of Gestamp Automoción. He holds a "Licenciatura en Derecho" (University Degree in Law) and "Licenciatura en Ciencias Económicas y Empresariales" (University Degree in Business), both from Comillas University—ICADE (Madrid). He joined Gonvarri in 1992 and he is currently its Chairman and CEO. He promoted Gestamp Renewables where he has been Chairman and CEO since its incorporation in 2007. He is a shareholder and director in other companies belonging to Grupo Acek, including the Gonvarri, Gestamp Renewables and Inmobiliaria Acek groups. He also holds a directorship position in CIE Automotive, S.A.

Francisco López Peña. Chief Financial Officer of Gestamp Automoción. "Ingeniero de Caminos, Canales y Puertos" (University Degree in Civil Engineering) at Universidad Politécnica de Barcelona, and Master in Business Administration (MBA) at IESE (Barcelona). He joined Gestamp in 1998 as Corporate Development Director and he is a member of the Board of Directors since 2009. Prior to joining Gestamp Automoción, he held various management positions in industrial mineral and textile sectors. He also holds a directorship position in CIE Automotive, S.A. as the person appointed by Acek to discharge its duties as a corporate director of CIE Automotive, S.A.

Noboru Katsu. Proprietary Director of Gestamp Automoción. He is Managing Officer, Chief Operating Officer of Iron & Steel Products at Mitsui and as of April 1, 2017, he will be General Manager of Iron & Steel Products at Mitsui. He joined Mitsui in 1981 and has held several positions within this company. Mr. Katsu graduated from the Faculty of Liberal Arts of the International Christian University (Tokyo) and holds an

Executive Course (PMD) from Harvard University.

Tomofumi Osaki. Proprietary Director of Gestamp Automoción. He is General Manager of the Investment & Planning division of Iron & Steel Products at Mitsui and as of April 1, 2017, he will be Executive Managing Officer of Automotive Parts Business Division at Mitsui. He joined Mitsui in 1988 and has held several positions within this company. Mr. Osaki graduated from the Faculty of Economics of the Wakayama University.

César Cernuda Rego. Independent Director of Gestamp Automoción. Mr. Cernuda is President at Microsoft Latin America and Corporate Vice President at Microsoft Corporation. Before taking that position, he was Vice President of Microsoft Business Solutions International and member of the Microsoft International executive board. Mr. Cernuda was also general manager for Microsoft Business Solutions Europe, Middle East and Africa (EMEA) and held several positions at EMEA headquarters. Mr. Cernuda started his career in the banking industry, working on the launch of Banco 21 (currently known as Banco Gallego). He later joined Software AG, where he successfully developed a new business channel for the company's products and services sales. He also ran the financial sector division for Spain and Portugal. He earned a Bachelor's degree in Business Administration and Marketing from ESIC University in Spain, and completed a Management Development Program (PDD) from IESE Business School at the University of Navarra in Spain.

Ana García Fau. Independent Director of Gestamp Automoción. Mrs. García has worked over the last 20 years at McKinsey & Company, Goldman Sachs, Wolff Olins, Telefónica Group and hibü (formerly Yell Group). Throughout her professional career in Telefónica Group, she held several positions at TPI-Páginas Amarillas, such as CFO and Managing Director of Corporate Development. At the same time, she was member of the Board of Directors of Publiguías-Chile, TPI Peru, TPI Internacional, Telinver-Argentina and Adquira, among others. In Yell-hibu, she served as CEO for Spain and Latin America for 7 years, as a member of its International Executive Committee and as International Chief Strategy and Business Development Officer. She is member of the Board of Directors of Eutelsat Communications S.A. and Merlin Properties SOCIMI, S.A. Mrs. García holds a "Licenciatura en Derecho" (University Degree in Law) and "Licenciatura en Ciencias Empresariales" (University Degree in Business) from Comillas University—ICADE (Madrid) and an MBA in Business Administration from MIT Sloan School of Management (Cambrigde, MA).

Alberto Rodríguez-Fraile Díaz. Independent Director of Gestamp Automoción and founder, co-owner and chairman of the board of directors of Asesores y Gestores Financieros, S.A. Mr. Rodriguez-Fraile initiated his career as financial assistant at Merrill Lynch. He holds a Business Administration degree with a major in Economy from University of Miami and a *PADE* Program from IESE. In addition, Mr. Rodriguez-Fraile holds the titles of Registered Options Principal, Financial and Operation Principal and Securities Principal from the Securities Exchange Commission and the National Association of Securities Dealers.

Javier Rodríguez Pellitero. Independent Director of Gestamp Automoción. Mr. Rodríguez is the General Secretary of the Spanish Banking Association (*Asociación Española de la Banca*). After initiating his career as lawyer at Uría Menéndez Abogados, Mr. Rodríguez joined the body of State's Attorneys (*Abogados del Estado*) and occupied several offices both at the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and the Spanish Banking Association (*Asociación Española de la Banca*). He holds a "Licenciatura en Derecho" (University Degree in Law) and "Licenciatura en Ciencias Empresariales" (University Degree in Business), both from Comillas University—ICADE (Madrid).

Pedro Sainz de Baranda Riva. Independent Director of Gestamp Automoción. Mr. Sáinz de Baranda has developed a significant part of his career at the Otis Group (United Technologies Corporation) Elevator Company, where he has been, among other positions, President of Otis Elevator Company, and CEO and General Manager of Zardoya Otis, S.A. He holds a Mining Engineering degree from Universidad de Oviedo and obtained a PhD in Engineering from Rutgers, the State University of New Jersey, New Brunswick, NJ. He also holds an MBA in Business Administration from MIT Sloan School of Management (Cambrigde, MA).

Gonzalo Urquijo Fernández de Araoz. Other external Director of Gestamp Automoción. Mr. Urquijo is currently the Executive Chairman of Abengoa. He began his career in the banking sector, first in Citigroup and then in Credit Agricole. In 1992 he joined Aristrain (now ArcelorMittal), a company within the steel industry, as financial director and in 2005 he was appointed member of its executive committee. He took part in the takeover launched by Mittal Steel in 2006. In 2010 he was appointed Chairman of ArcelorMittal España and in 2015 advisor to the Chairman of the whole Group. Mr. Urquijo holds an Economics degree from Yale University and an MBA from IE Business School (Madrid).

Geert Maurice Van Poelvoorde. Other external Director of Gestamp Automoción. Mr. Van Poelvoorde is the CEO of ArcelorMittal Europe Flat since 2014. He started his career in 1989 as a project engineer at the Sidmar Gent hot strip mill. In 2005, Mr. Van Poelvoorde returned to ArcelorMittal Gent to take up the position of chief operating officer primary. In 2008, he became CEO of ArcelorMittal Gent with direct responsibility for primary operations. He was appointed CEO of the Business Division North within Flat Carbon Europe in 2009. Mr Van Poelvoorde graduated from the University of Gent, Belgium, with a degree in civil engineering and electronics.

All members of the Board of Directors designated the Company's registered office as their professional address for purposes of this Prospectus.

The following table sets out all entities in which the members of the Board of Directors have been appointed as members of administrative, management or supervisory bodies, or in which they have held partnership positions at any time during the five-year period preceding the date of this Prospectus, indicating whether or not each person is still a member of any such bodies or holds any shares in any such entities.

Name	Entity	Sector	Title	In office
César Cernuda	Microsoft Latin America	Information Technology	President	Yes
	Microsoft Corporation	Information Technology	Corporation Vice President	Yes
	Plataforma Solidaria Asturias	NGO	Honorary Patron	Yes
Ana García Frau	Renovalia Energy	Renewable energy	Non-executive Director	Yes
	Technicolor	Media and entertainment	Non-executive Director	Yes
	Eutelsat Communications	Communications satellites	Non-executive Director	Yes
	Merlin Properties	Real Estate	Non-executive Director	Yes
	Hibu	Digital advertising	Chief Strategy and Business Development Officer, CEO of Spain and Latin America and member of the Executive Committee	No
Noboru Katsu	Mitsui Group.	Iron, Steel and Steel Services	Executive Managing Offer, Chief Operating Officer of Iron & Steel Products Business Unit of Mitsui & Co. Ltd.	Yes
			Senior Vice President & Divisional Operating Officer of Iron & Steel Products Div., Europe, the Middle East and Africa Business Unit of Mitsui & Co. Europe Plc.	No
			Director of Mitsui & Co. Steel Ltd.	Yes
			Director of Euro-Mit Staal BV	No
	NuMit LLC	Steel Services	Director	Yes
	GEG (Holdings) Limited	Energy	Director	Yes
	Group Acek	Automotive and steel products	Director	Yes
	Mi-King s.r.o.	Steel products	Director	No

Name	Entity	Sector	Title	In office
Francisco López Peña	Gestamp Group	Automotive	Director	Yes
	CIE Automotive	Auto parts	Proprietary Director and representantive of Acek at the Corporate Social Responsibility Committee	Yes
Tomofumi Osaki	Mitsui Group	Iron, Steel and Steel Services	General Manager, Automotive Parts Business Div. Iron & Steel Products Business Unit of Mitsui & Co. Ltd..	Yes
			General Manager, Investment & Planning Div. Iron & Steel Products Business Unit of Mitsui & Co. Ltd.	No
			Director of MBK Global Metal Management	Yes
			Director	No
	Steel Technologies LLC	Steel	Director of Bangkok Coil Center Co. Ltd.	Yes
	Group Acek	Automotive and steel products	Director	Yes
	Siam Yamato Steel Company Limited	Steel products	Director	No
	Vina Kyoei Steel Limited	Steel	Director	No
	Mahindra Sanyo Special Steel Private Limited	Steel	Director	No
	MS Avant Limited	Steel	Director	No
Francisco José Riberas Mera	Group Acek	Steel products, renewable energies and real estate	Joint Executive Director	Yes
	Gestamp Group	Automotive	Executive Chairman	Yes
	CIE Automotive	Auto parts	Proprietary Director and member of the Executive Committee and Nomination and Compensation Committee	Yes
	Sideacero group	Scrap	Director	Yes
	Asociación de la Empresa Familiar de Euskadi	Support to Basque enterprises	Treasurer	Yes
	Fundación Endeavor España	Support to entrepeneurs	Representative of Gestamp Servicios, S.A. as Trustee	Yes
	Princesa de Asturias Foundation	NGO	Member of the Board of Trustees	Yes
Juan María Riberas Mera	Group Acek	Steel products, renewable energies and real estate	Joint Executive Director	Yes
	Gonvarri Group	Steel products	Executive Chairman	Yes
	Gestamp Renewables	Renewable energy	Executive Chairman	Yes
	CIE Automotive	Auto parts	Proprietary Director	Yes
	Sideacero group	Scrap	Director	Yes
	Juan XXIII Foundation	NGO	Member of the Board of Trustees	Yes
Alberto Rodríguez-Fraile	Administración de Asesores y Gestores Financieros, S.A.	Financial services	Chairman of the Board of Directors	Yes

Name	Entity	Sector	Title	In office
Javier Rodríguez Pellitero	Asociación Española de la Banca	Financial services	General Secretary	Yes
	GDF Energía España, S.A.	Energy	Independent Director	Yes
Pedro Sáinz de Baranda Riva	Mecalux	Warehousing	Independent Director	Yes
	Zardoya Otis	Elevators and other machinery	Proprietary Director	Yes
	Savera	Auto and elevator parts	Independent Advisory Director	Yes
	Banco Sabadell	Financial Services	Independent Advisory Director	Yes
	Otis Elevator Company	Elevators and other machinery	Executive Chairman	No
	Zardoya Otis	Elevators and other machinery	Chief Executive Officer	No
	University Carlos III	Non-profit organization	Social Counsel Member	Yes
Gonzalo Urquijo Fernández de Araoz	Abengoa	Renewable energy	Executive Chairman	Yes
	Aperam, S.A.	Steel products	Director	No
	ArcelorMittal	Steel products	Chairman	No
	ArcelorMittal España, S.A.	Steel products	Chairman	Yes
	Fertiberia	Chemical products	Independent Director	No
	Holding Gonvarri, S.L.	Steel products	Director	No
	Hesperia Foundation	NGO	President	Yes
	Princesa de Asturias Foundation	NGO	Member of the Board of Trustees	Yes
	Vocento	Media and entertainment	Independent Director	Yes
Geert Maurice Van Poelvoorde	ArcelorMittal Europe Flat	Steel products	Chief Executive Officer	Yes
	Holding Gonvarri, S.L.	Steel products	Director representing Arcerlor Mittal España, S.A.	Yes

As of the date of this Prospectus, the Executive Director, Mr. Francisco López Peña holds 690,600 Shares and has received loans from the Company in the amount of €3.0 million to fund such purchase. Such Shares were purchased and the loan by the Company was received by Mr. López Peña pursuant to the offer extended by Acek and the Company during 2016 to the senior managers and key employees of the Group to purchase Shares. Other than the indirect shareholding by Francisco José Riberas and Juan María Riberas, the remaining Directors do not hold any Shares. See "Principal and Selling Shareholders—Shares of the Company owned by Directors and Senior Management".

Board Committees

In compliance with the Spanish Companies Act and our Bylaws and our Board Regulations, our Board of Directors has an audit committee (the "Audit Committee") and a nominations and compensation committee (the "Nominations and Compensation Committee"). Our Bylaws also entitles us to create other internal committees.

Audit Committee

The composition, responsibilities and rules of the Audit Committee are regulated by our Board Regulations.

The members of the Audit Committee are appointed by our Board of Directors among its members. Our Board Regulations require the Audit Committee to have between three and five members, all of them to be non-executive Directors and the majority of them to be independent Directors. All the members of the Audit Committee, and specially its chairman, must be appointed taking into account its knowledge and experience in accountancy, auditing and risk management standards.

The chairman of the Audit Committee is appointed by the committee among its independent members for a maximum term of four years. The secretary of the Board of Directors will act as secretary of the Audit Committee.

The members of the Audit Committee are:

Name	Title	Category
Javier Rodríguez Pellitero	Chairman	Independent
Juan María Riberas Mera	Member	Proprietary
Ana García Fau	Member	Independent

The Audit Committee is responsible for, among others:

- reporting to the General Shareholders' Meeting on any matters within the Audit Committee's authority;
- supervising the efficiency of our internal controls, internal audit and risk control and management functions, and discussing with our external auditors any significant weaknesses in the internal control systems identified during the audit process;
- overseeing the process of drafting and filing of our regulated financial information;
- making proposals to the Board of Directors for submission to the General Shareholders' Meeting regarding the appointment, re-election and substitution of the external auditors, the relevant terms and scope of work and preserving the independence of the auditors in the exercise of the audit works;
- liaising with our external auditors in order to receive information about any matters that might jeopardize such auditors' independence and any other matters related to the audit process and to any other legal communications regarding the auditing and technical standards applied to auditing;
- prior to the completion of the auditors' report on the annual accounts, issuing an annual report containing the Audit Committee's opinion on the independence of the appointed external auditors and describing any other services rendered by the external auditors or their related entities to us or our related entities;
- proposing to the Board of Directors the risk control and management policy;
- reporting in advance to the Board of Directors on any matters envisaged in the legislation, Bylaws and the Board Regulations, and in particular, on the interim financial information to be disclosed periodically, on the incorporation or acquisition of equity interests in special purpose vehicles or companies incorporated in tax havens and on related party transactions; and
- monitor the compliance of the internal codes of conduct and the corporate governance rules.

The Audit Committee will meet as many times as necessary, and every time its chairman considers it convenient. In any case, the committee chairman will call a meeting of the Audit Committee whenever the Board of Directors or its chairman requests the preparation of a report or the adoption of a proposal, or whenever it is requested by at least two members of the Audit Committee.

The creation of the Audit Committee and the appointment of its members was approved by our Board of Directors on March 3, 2017 and will be effective from the day after the approval and registration of this Prospectus with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

Nominations and Compensation Committee

The composition, responsibilities and rules of the Nominations and Compensation Committee are regulated by our Board Regulations.

The members of the Nominations and Compensation Committee are appointed by our Board of Directors among its members. Our Board Regulations require the Nominations and Compensation Committee to have between three and five members, all of them to be non-executive Directors and the majority of them to be independent Directors.

The chairman of the Nominations and Compensation Committee is appointed by the committee among its independent members. The secretary of the Board of Directors will act as secretary of the Nominations and Compensation Committee.

The members of the Nominations and Compensation Committee are:

Name	Title	Category
Alberto Rodríguez-Fraile Díaz	Chairman	Independent
Noboru Katsu	Member	Proprietary
Gonzalo Urquijo Fernández de Araoz	Member	Other External
Pedro Sainz de Baranda Riva	Member	Independent

The Nominations and Compensation Committee is responsible for, among others:

- evaluating the competence, knowledge and experience required within the Board of Directors and evaluating the time and resources required for Directors to carry out their tasks;
- setting representation objectives for the underrepresented gender in the Board of Directors, and setting the procedures to accomplish such objectives;
- issuing the proposals for the appointment, re-election or removal of independent Directors;
- reporting on proposals for the appointment, re-election or removal of other types of Directors;
- reporting on the appointment or removal of the senior management and on the basic terms of senior management agreements;
- examining and organizing, in the most appropriate way, the replacement of the chairman of the Board of Directors and of executive Directors and, if applicable, making proposals to the Board of Directors in order for such replacements to take place in an orderly and well-planned manner;
- making proposals to the Board of Directors on the compensation policies for Directors and senior management;
- overseeing compliance with the compensation policies; and
- reviewing periodically the compensation policies of the directors and the senior management, including the shares compensation schemes and their application, ensuring that they are proportionate among the Directors and senior management.

The Nominations and Compensation Committee will meet as many times as necessary and every time its chairman considers it convenient. In any case, the committee chairman will call a meeting of the Nominations and Compensation Committee whenever the Board of Directors or its chairman requests the preparation of a report or the adoption of a proposal, or whenever it is requested by at least two members of the Nominations and Compensation Committee.

The creation of the Nominations and Compensation Committee and the appointment of its initial members was approved by our Board of Directors on March 3, 2017 and will be effective from the day after the approval and registration of this Prospectus with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

Conflicts of Interest

Pursuant to Article 22 of our Board Regulations we will face a conflict of interest in situations where our interests collide directly or indirectly with the personal interest of a Director. There is a personal interest of a Director in a matter when it affects him/her or a related party, and, for proprietary Directors, when it affects the shareholder or shareholders which appointed him/her or proposed his/her appointment or to persons directly or indirectly related to them.

Our Directors are required to avoid situations which could give rise to a conflict between their duties to us and their private or other interests. In particular, pursuant to Article 229 of the Spanish Companies Act, our directors (and related parties to directors) should abstain from:

- carrying out transactions with us, excluding ordinary transactions, of limited amount and undertaken in standard conditions applicable to all customers;
- using our name or its condition as director to unduly influence private transactions;
- making use of corporate assets, including confidential information, for private use;

- taking advantage of our business opportunities;
- obtaining advantages or compensations from third parties other than us in relation to the fulfilment of their obligations as directors, unless they are mere expressions of courtesy; and
- carrying out activities on their own or on behalf of third parties, which may compete with us or which could put the director in a permanent conflict with our interests.

Our Directors are required to report to the Board of Directors any circumstances that may give rise to a direct or indirect conflict of interest as soon as they become aware of such circumstances.

In any event, each member of the Board of Directors must refrain from attending and participating in deliberations and votes affecting matters including by way of proxy vote in which they (or a related party, as defined in applicable law) have a direct or indirect conflict of interest.

Additionally, Directors should abstain from engaging in commercial or professional transactions which may give rise to a conflict of interest, without having first informed and received approval from the Board of Directors, which shall request a report from the Audit Committee. Such authorization shall not be necessary for transactions entered into with us if all of the following conditions are met in respect of the relevant transactions: (a) the transaction is entered into pursuant to an agreement with standard conditions applied to a wide range of clients; (b) the transaction is entered into for a price generally applied by the party acting as supplier; and (c) the transaction does not exceed 1% of the Company's annual turnover. Such authorization shall be granted by the general shareholders' meeting when the relevant transaction consists in obtaining an advantage or compensation from a third party or exceeds from 10% of the Company's assets.

To the best of our knowledge, as of the date of this prospectus, there are no actual or potential conflicts of interest amongst our Directors and senior management and none are engaged in self-dealing or personally engaged in any business that could be deemed as part of our operations, other than those referred to in Note 36 to our consolidated financial statements as of and for the year ended December 31, 2016.

In particular, Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera have notified to the Board of Directors that they are shareholders and directors, directly or through other companies, of Acek and its subsidiaries. Acek is the parent company of a group of companies that perform, among others, the following industrial activities:

- steel center services (flat steel, aluminium, steel rods), for automotive makers (OEMs and suppliers like Gestamp) for road safety (barrier systems) for storage systems, and manufacturing of metal parts and structures for renewable energy plants (solar structures, wind towers, etc.);
- own and lease certain real estate assets; and
- promotion, development and building of wind farms and biomass renewable projects.

As of December 31, 2016 Acek held, directly or through subsidiaries, a shareholding of 24.82% of CIE Automotive, S.A., an independent Tier 2 automotive component manufacturer whose activities comprise, among others, the design, manufacturing and distribution of certain auto parts in relevant markets but in any case different to those where we operate.

In addition to the above, Mr. Geert Maurice Van Poelvoorde sits on the Board of Directors of Gestamp Automoción as Director of the Company classified in the category of "other external" Director (i.e. cannot be classified as an independent or proprietary Director) in accordance with the undertaking assumed by Acek to the ArcelorMittal Group. Mr. Van Poelvoorde is also a director of Holding Gonvarri S.L. (the parent company of the Gonvarri Group in which Acek holds 65% of its share capital and ArcelorMittal holds the remaining 35%), pursuant to an agreement between Acek and ArcelorMittal. See "Principal and Selling Shareholders—Agreement between Acek and ArcelorMittal". Another Director that sits on our Board also as "other external director" is currently Chairman of ArcelorMittal España, although he does not have any executive functions there. He has been appointed as Director in consideration of his experience and knowledge of the automotive sector and not due to any agreement with the ArcelorMittal Group. As detailed elsewhere in this Prospectus, the ArcelorMittal Group supplies us steel and collaborates with us in automotive research and development.

Finally, two representatives of Mitsui sit on our Board of Directors. Mitsui directly holds 600,693 shares of Gestamp 2020 representing 25% of its share capital and therefore, indirectly, 72,083,160 Shares of the Company, representing 12.53% of the share capital of the Company. Mitsui is a Japanese corporation with different business units some of them similar to certain of the activities of the Acek Group, including trading and processing of steel. See “Principal and Selling Shareholders”.

Market Abuse Internal Regulation

We have implemented a defined and transparent set of rules and regulations for corporate governance that is compliant with all applicable Spanish governance standards.

On March 3, 2017, our Board of Directors approved the internal securities markets code of conduct (*Reglamento Interno de Conducta en los Mercados de Valores*) (the “Market Abuse Internal Regulation”), effective from such date. The Market Abuse Internal Regulation regulates, among other things, our Directors’ and managers’ conduct with regard to the treatment, use and disclosure of inside information in a manner consistent with Commission Regulation (EC) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (market abuse regulation). The Market Abuse Internal Regulation applies to, among other persons, all members of the Board of Directors, senior management and employees who have access to inside information and to our external advisors when they handle such inside information.

The Market Abuse Internal Regulation, among other things:

- establishes the restrictions on, and conditions for, the purchase or sale of our securities or other financial instruments by persons subject to the Market Abuse Internal Regulation, and by those who possess material non-public information;
- provides that persons subject to the Market Abuse Internal Regulation shall not engage in market manipulation with respect to our securities or other financial instruments;
- provides that we shall not engage in open market acquisitions with a view to manipulating the market price of our securities or our other financial instruments, or to favoring any particular shareholder;
- provides guidance on the actions relating to the acquisition of treasury shares; and
- sets forth the obligation for the Regulatory Compliance Unit to monitor the compliance with the Market Abuse Internal Regulation, for which purposes it will have powers which include, among others, the creation and update of a register of persons subject to the Market Abuse Internal Regulation and the request of information to such persons.

Ethics Code of Conduct

In December, 2011, we adopted an Ethics Code of Conduct to maintain a corporate culture that is ethical and in compliance with the law. The Ethics Code of Conduct is applied at all levels of our organization and affects all the employees within the Group, including any subsidiary in which we are a majority shareholder. The Code of Conduct is translated to the 16 languages used across the Group.

Our Ethics Code of Conduct is the mainstay of our commitment to integrity and a point of reference for any Gestamp Group employee who may have any doubt about what they are expected to do in a given situation. It contains a number of rules of conduct that are based on our Corporate Principles and on the ten principles of the United Nations’ Global Compact regarding human rights, labor and environmental standards and fight against corruption. Besides rules related to financial information like truthfulness and handling information, there are other rules based on the behavior of and with employees and regulate the relationships with third parts (suppliers, public administrations and communities).

During its implementation, all employees received the training necessary to understand and apply the Ethics Code of Conduct and a procedure to ensure the continuity of this process with new hires is already established. The main goal of the training is to ensure that the message received by each employee was the same regardless of professional category, country or culture.

The Ethics Committee is the internal body responsible to ensure compliance with the Ethics Code of Conduct and its correct interpretation. Its functions and composition, the communication channels and process for complaints and the internal investigation process to assess whether breaches of the Code take place were set in the Regulations of Ethics Committee in 2013. Among the objectives of these Regulations of Ethics Committee is to ensure that those filing such complaints in good faith are held harmless and, at the same time, to preserve the honor and the presumption of innocence of all employees with regard to malicious or unfounded communications.

The Compliance Office, who reports to the Ethic Committee and is responsible for receiving, guiding, following-up and reporting and documenting the communications (breaches, doubts and suggestions) received from the Reporting and Whistleblowing Channels.

There are different Reporting and Whistleblowing Channels available for Gestamp employees and third parties. They may contact are the Human Resources' representatives appointed at each of the plants, by e-mail directed to a generic email box at the compliance office or via telephone hotline managed by a specialized independent third party

Since 2014, audits to assess the actual level of implementation, the degree of awareness of the Ethics Code of Conduct among Gestamp Group employees, and the functioning and use of the established complaints channels are conducted by an independent external auditor. These audits serve to identify certain aspects that can be improved and to carry out action plans to solve those aspects and to improve the application and awareness of the Ethics Code of Conduct.

Corporate Governance

The Spanish Companies Act sets forth certain legal provisions related to corporate governance mandatorily applicable to Spanish listed companies on the Spanish Stock Exchanges. We believe that we comply with the requirements of the Spanish Companies Act.

Additionally, the Spanish Corporate Governance Code for Listed Companies (*Código de Buen Gobierno de las Sociedades Cotizadas*) approved by the CNMV in February 2015 (the "Corporate Governance Code") sets out certain recommendations on corporate governance to be considered ("comply or explain") by the companies listed on the Spanish Stock Exchanges. We believe that we substantially comply with the recommendations of the Corporate Governance Code.

Although some of our practices currently vary from the recommendations in certain aspects, we are committed to follow strict corporate governance policies and we intend to adapt our practices as appropriate to all the principles of good governance contained in the Corporate Governance Code, as soon as possible after Admission, in a consistent manner.

Our corporate practices currently vary from the recommendations in the following ways:

- Recommendation 4: As of the date of this Prospectus, we have a limited number of shareholders, and thus we have not discussed if a policy of communication and contacts with shareholders, proxy advisors and institutional investors is necessary.

  However, once the Shares have been admitted to trading, we will consider as a priority the implementation of a policy of communication and contacts with shareholders, proxy advisors and institutional investors, under the principles of transparency and respect to these parties. The Board of Directors will, as the case may be, approve this policy within a reasonable timeframe, and the policy will be subsequently made available in our website together with information related to how the policy is put in practice.

- Recommendation 7: The Company currently does not, and does not foresee to, broadcast the General Shareholders' Meetings in our website.

- Recommendation 11: As of the date of this Prospectus, we do not, and do not foresee to, pay attendance bonus (*primas de asistencia*) to our shareholders. Consequently, we have not approved, and do not foresee to approve in the near future, an attendance bonus policy. Nevertheless, if we decide to start paying attendance bonus (*primas de asistencia*) to our shareholders, the Board of Directors will approve a general and stable attendance bonus policy beforehand.

- Recommendation 14: We have not approved a policy for selecting the members of the Board of Directors. The Board of Directors shall study the potential approval of such policy after Admission.

- Recommendation 26: The Board of Directors should meet with the necessary frequency to properly perform its functions, at least six times a year, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items. This recurrence is established to allow certain flexibility to the members of the Board of Directors as some of them are foreigners and not resident in Spain.

- Recommendation 48: To date, the Board of Directors has not deemed appropriate to establish the Nominations and Compensation Committee as two separate committees, given that this recommendation is expressly addressed to large capitalization companies, and this is not expected to apply to us upon Admission.

- Recommendation 61: On the date of this Prospectus, none of the executive Directors' variable remuneration is linked to the award of Shares or financial instruments whose value is linked to the Share price. Nevertheless, both executive Directors' are currently shareholders, directly or indirectly, of the Company.

The Board of Directors will prepare annual corporate governance reports and such reports will be submitted to our shareholders for information purposes. The reports will be announced through the publication of a relevant fact (*hecho relevante*) and published in our webpage.

Pursuant to article 529 decies of the Spanish Companies Act, the proposal of appointment or re-election of members of the board of listed companies corresponds to the Nominations and Compensation Committee, in the case of independent directors, and to the board itself in other cases and such proposal of appointment or re-election must be preceded by a report by the Nominations and Compensation Committee.

As of the date of this Prospectus, neither the appointment of the current Directors was preceded by proposals and reports of the Nominations and Compensation Committee nor the category assigned to each Director confirmed by the Nominations and Compensation Committee, as this committee was not in place yet on the date of each of the appointments. However, once this committee is formed and as soon as practicable following Admission, it will issue the corresponding proposals and reports and confirm the classification of the Company's Directors in accordance with applicable law and the Board Regulations.

As set forth in the Board Regulations, the Nominations and Compensation Committee is required to periodically review our level of compliance and, where appropriate, of our subsidiaries, submitting its proposals and recommendations to the Board of Directors in order to improve such rules. Furthermore, pursuant to our Board Regulations, the Nominations and Compensation Committee is required to prepare a report on the annual corporate governance report prior to its approval by the Board of Directors. The first report will be prepared in respect of the year ended December 31, 2017.

Prior to or upon Admission, our website will be adapted to the requirements imposed by the Spanish securities market regulations.

In June 2010, the CNMV approved certain recommendations around the system of internal control over financial reporting for listed companies ("ICOFR" or "SCIIF", *Sistema de control interno sobre la información financiera*) that shall be reported in the Annual Report of Corporate Governance (*Informe Anual de Gobierno Corporativo*), which Gestamp will publish for its first time in 2018.

Without prejudice of the above, Gestamp has already implemented certain internal controls over its financial reporting. Below is a brief description of the ICOFR policies that have been implemented.

Gestamp's ICOFR responsibilities are described in the Board Regulations and the Group's ICOFR policy (which defines ICOFR management responsibilities and guidelines). In accordance with these regulations, the Board of Directors is ultimately responsible for the implementation and maintenance of adequate and effective ICOFR policies while the Audit Committee is responsible of monitoring their effectiveness. In addition, the Group is in the process of setting up an independent Internal Audit department which will report to the Audit Committee and will assume the oversight of the ICOFR policies as delegated by the Audit Committee.

The human resources department defines and modifies the Group's organisational structure and assigns responsibilities (including those that are ICOFR-related). The human resources department is responsible for the preparation of high-level descriptions of the positions within the Group's organisational structure and detailed descriptions of the positions at the different production centers. The chairman is responsible for the definition of the lines of responsibility and authority.

Gestamp ensures that its personnel receives adequate training through annual training plans that are designed based on each department's requirements and formally approved by the director of human resources. The Group is currently in the process of implementing a project on training capabilities linked to the different functions of each department (including Internal Control, Audit and Finance) so that employees receive a training plan adapted to their position.

The Group has undertaken a risk assessment project to define a "general risk map" that shows the most significant risks to which the Group is subject (operations, strategy, compliance, etc.). In addition, the Group has also performed an assessment of financial reporting risks by drawing up an ICOFR scope matrix. The Group's ICOFR policy specifies who is responsible for updating the financial reporting risk assessment process.

The finance department is responsible for the preparation of the quarterly consolidated financial statements. This information is reviewed and approved by the Company's senior management. The information and scope of the companies that comprise the consolidated group is updated by the legal and consolidation departments based on quarterly information provided by the finance and tax committees.

All the Group companies use the same reporting template allowing the consolidation team to aggregate and review the information of the Group Companies and upload it to the Group's consolidation tool. The information for the disclosure included in the notes to the consolidated annual accounts is obtained from the reporting packages.

The definition and maintenance of accounting policies and the provision of answers regarding their application is also the responsibility of the consolidation team. The Group's accounting criteria and policies manual sets out the main policies applicable to the Group, the criteria for the recognition of financial information, examples and the consolidated chart of accounts. To ensure its dissemination, the manual is sent to the Group companies on a quarterly basis, together with the consolidation reporting template.

The Group, through its controlling department, has documented the main risks affecting the plants and the controls to mitigate these risks. For example, in relation to financial risks various controls ensure the reliability of the financial information. This information is currently loaded in a GRC tool through which the various plants report on the implementation of the controls.

The finance department establishes the assumptions and performs the calculations on which the relevant judgements, estimates and projections are based, relying, as appropriate, on information provided by independent specialists. These relevant judgements, estimates and projections are validated during the process for the approval of the consolidated annual accounts.

The Group's IT department has identified the most relevant IT applications through a map. These applications are managed centrally. There are policies and procedures for access management, tracking of changes, operational continuity and segregation of functions in respect of centralised management applications. IT managers hold a monthly application monitoring committee meeting to discuss identified issues and incidents.

When the Company outsources activities to third parties, the information provided by these third parties which may have an impact on the accounts is analysed and reviewed by the finance department before it is recorded in the accounts.

The Group will decide in the future whether to submit for external audit review ICOFR information issued to the markets.

Management Committee and Senior Management

We have a management committee ("Management Committee") which is comprised of the members of our senior management team and our executive Directors, Francisco José Riberas Mera (Chief Executive Officer) and Francisco López Peña (Chief Financial Officer). From an organizational standpoint, the Management Committee is organized in accordance with the different geographic markets and operating segments where we operate.

Our management team has a substantial amount of expertise in the automotive industry, deemed crucial for the current success of our business. In fact, almost half of the members of our Management Committee have been with us for more than 10 years while some of them have been with us for more than 15 years. Our Management Committee is led by Francisco José Riberas Mera. The following table sets forth, as of the date of this Prospectus, the name and title of each member of the Management Committee who does not also serve on the Board of Directors, and is followed by a summary of biographical information of each such member including their respective ages.

Name	Position	Member of Senior Management since
David Vázquez Pascual	General Counsel	2000
Jeff Wilson	General Manager of the North America Division and General Manager of the Asia Groups	2006
Maria Jose Armendariz Tellitu	General Manager of Chassis Division	2012
Unai Agirre Mandaluniz	General Manager of the North Europe Division	2006
Torsten Greiner	General Manager of Edscha Division	2012
Jon Barrenechea Izarzugaza	General Manager of the Technology, Tooling and Equipment Division	2014
Manuel de la Flor Riberas	Human Resources General Manager	2000
Fernando Macias Mendizabal	General Manager of South Europe Division	2016
Manuel López Grandela	General Manager of Mercosur Division	2011

David Vázquez Pascual (52). Mr. Vázquez Pascual joined Gestamp in 2000 as General Counsel. He holds a "Licenciatura en Derecho" (University Degree in Law) and a "Licenciatura en Ciencias Empresariales" (University Degree in Business), both from Comillas University—ICADE (Madrid), and a Master in Business Administration (MBA) from the Madrid Business School. Prior to Gestamp Automoción, he held different roles in banking in Madrid and New York. He became sub-director of the MBA in Madrid Business School in 1990, assuming the direction in 1992. He became Director of the Department of Economics and Business Sciences of the Universidad Nebrija (Madrid) in 1994.

Jeff Wilson (57). Mr. Wilson holds a Master in Business Administration and a Bachelor in Science degree. Prior to joining Gestamp Automoción, he held various management roles with international automotive companies including Oxford Automotive Corporation (President and Chief Operating Officer), Tower Automotive (NAFTA Group Business Group Director), Lear Corporation (Plant Operations Manager, Interior Systems Group) and O'Sullivan Corporation (Director of Automotive Operations, Gulfstream Division).

María José Armendariz Tellitu (45). Mrs. Armendariz holds a "Licenciatura en Administración de Empresas" (Bachelor Degree in Business Administration) from the University of Deusto (Bilbao). She joined Gestamp in 2000 and she was resposible for the establishment of the Group in Mexico for 5 years. Moreover, she was the Director of new Business Development for 3 years and, afterwards, the Sales Director of Asia Customers for an additional year. She was Manager of the Chassis Division until 2011, when she was appointed General Manager.

Unai Agirre Mandaluniz (48). Mr. Aguirre started his career in Gestamp Automoción in 1995. He joined the Company as the Assembly shop Director of Gestamp Bizkaia, and after 5 years in that position, he became the Industrial and Project Director of the same area for 4 years. Before moving into his current position, he held the office of Plant Director of Gestamp Bizkaia for a year. Nowadays, he is the General Manager of the North Europe Division. Prior to joining the Company, he worked for BATZ S.Coop as Industrial Director for 2 years. He holds a Bachelor Degree in Industrial Engineering ("Ingeniería Industrial") from the Higher Tech School of Engineering of Bilbao and a Master Degree from the Chartered Institute of Marketing (CIM).

Torsten Greiner (51). Mr Greiner joined Gestamp in 2011 as General Manager of the Edscha Division. He holds a Mechanical Engineering Diploma from the University of Hannover and he has broad experience within the automotive field. Since 1994, he has worked for Robert Bosch Group, moving, after 7 years, to Robert Bosch Closure Systems as Production Manager. In 2005 he was appointed as Managing Director of Brose Schließsysteme GmbH, Wuppertal.

Jon Barrenechea Izarzugaza (50). Mr. Barrenechea has been the General Manager of the Technology, Tooling and Equipment Division of Gestamp for 8 years. He holds a "Licenciatura en Economicas y Ciencias Empresariales" (Bachelor Degree in Economics and Business Administration) from the University of

Deusto (Bilbao) and a MBA from Bocconi University (Milan). Prior to joining Gestamp, he worked for Araluce as Finance Controlling Director for 4 years and as chief executive officer for 3 years. Moreover, he has been the CEO of Adral for 10 years.

Manuel de la Flor Riberas (50). Mr. De la Flor joined the Company in 1998 where he worked in the Legal area for 2 years. He holds a "Licenciatura en Derecho" (Bachelor Degree in Law) from the Universidad Complutense of Madrid and a Master's Degree in Business Law from the Universidad Pompeu Fabra (Barcelona). He has been Corporate Human Resources General Manager of the Company since 2000. Prior to joining Gestamp, he was a member of the legal department of Gonvarri for 7 years.

Fernando Macias Mendizabal (48). Mr. Macias is the General Manager of the South Europe Division and has held different positions within the Company in the last 22 years. He has been the Industrial Director of the small and medium stamping Division for 5 years, the General Manager of Gestamp Noury for 5 years, the General Manager of the South Europe plants of Edscha for 3 years and prior to his current position, he was the Manager of Southern Europe. He holds a Bachelor Degree in Industrial Engineering ("Ingeniería Industrial") and a MBA from IESE, both from the University of Navarra.

Manuel López Grandela (63). Mr. López has been the General Manager of the Mercosur Division since 2011. Within the Company, he has been the Head of the Division of Mercosur for 12 years; and prior to Gestamp, he was the Commercial and Purchasing Director of Ferrosider (RB Group) for 24 years. He holds a Bachelor Degree in Industrial Organization from UADE (University of Business of Argentina) and a Master Degree in Business from the IAE (the Higher Studies Institute of Argentina).

All members of the senior management team designated the Company's registered office as their professional address for purposes of this Prospectus.

The members of the senior management are exclusively members of the administrative, management or supervisory bodies of companies within the Gestamp Group. In addition, David Vazquez Pascual is also a member of administrative and supervisory bodies of Gestamp Energías Renovables and Gestamp 2020.

As of the date of this Prospectus, the senior managers mentioned above collectively hold 2,992,440 Shares and have collectively received loans from the Company in the amount of €13.0 million. Such Shares were purchased and the loans were received by the senior managers pursuant to the offer extended by Acek and the Company during 2016 to these senior managers and key employees of the Group to purchase Shares. See "Principal and Selling Shareholders—Shares of the Company owned by Directors and Senior Management".

Compensation

Directors' compensation

Our Bylaws establish that the office of Director shall be remunerated. Directors' compensation as members of the Board of Directors and for their performance of the duty of supervision and collective decision-making inherent to such body, shall consist of a fixed annual remuneration.

The maximum annual aggregate compensation amount that we may annually pay to all of our Directors as remuneration for the items mentioned above shall be determined by the shareholders at the General Shareholders' Meeting and shall remain unchanged until and unless the shareholders decide otherwise. Nevertheless, the Board of Directors may reduce the amount in each relevant fiscal year if it deems appropriate.

The Board of Directors, upon a proposal from the Nominations and Compensation Committee, shall determine the exact amount to be paid within the limit approved by the shareholders and the distribution thereof among the Directors, taking into account the duties and responsibilities assigned to each Director, their participation in Board Committees within the Board of Directors and other objective circumstances which may be deemed relevant. In addition, the Board of Directors shall decide the frequency and method of payment of the relevant amounts, which may include insurance and social welfare benefits, as established from time to time.

The Director's compensation policy shall be set within the compensation system provided for in the Bylaws, as detailed above and shall be approved by the General Shareholders' Meeting at least every three years as a separate item on the agenda.

In accordance with the above, the General Shareholders' Meeting, upon the proposal of the Board of Directors, approved on March 3, 2017 a remuneration policy that will be in force during 2017, 2018 and 2019 (the "Remuneration Policy"). The Remuneration Policy establishes that each Director shall receive sufficient remuneration in order to remunerate the dedication, qualification and responsibility required for his office, but without compromising their independency. The Remuneration Policy of the executive Directors should be adequate to the circumstances existing at each point in time and be proportional to the performance of executive duties by the executive Directors.

The Remuneration Policy differentiates between the remuneration by reason of their office as Director and the remuneration for the performance of executive duties by the executive Directors. During 2016, 2015 and 2014, none of the members of the Board of Directors was remunerated. We estimate that the total remuneration payable to the members of the Board of Directors in 2017 will amount to approximately €885,000. This amount does not include any remuneration that for any concept is paid to executive Directors as compensation for their executive duties.

The Company estimates that the total base salary payable in 2017 to executive Directors for their performance of executive duties will amount to approximately €1.15 million.

Remuneration by reason of the office as Director

The maximum annual aggregate amount payable to all Directors by reason of their office as a Director shall not exceed €885,000 as approved by the General Shareholders' Meeting on March 3, 2017, in accordance with our Bylaws. This amount does not include the remuneration that, as base salary or variable remuneration, or in any other concept related to the executive Director's remuneration, corresponds to the executive Directors for the performance of executive duties. As established in the Remuneration Policy, such amount may be reduced by the Board of Directors in the applicable fiscal years if it deems convenient.

The Directors will receive, where appropriate in accordance with the above, the following fixed annual amounts in order to compensate the responsibility and time commitment required by such office:

- €75,000 for their participation in the Board of Directors in their standing as such (in case a Director is appointed or ceases during the fiscal year the compensation to be received will be *pro rata* the term of the office, and excluding executive Directors, whose remuneration will be as detailed below);

- €15,000 in addition for their participation in any of the Committees; and

- €15,000 in addition for their chairmanship of any of the Committees.

Remuneration for the performance of executive duties

Each executive Director has entered into an agreement with the Company providing for the different concepts by virtue of which he or she will receive remuneration in relation to the performance of executive duties, including, the eventual compensation to be receive in case of early termination of its office and the amounts to be paid by the Company as insurance premia.

The executive Directors' remuneration package for the performance of executive duties at the Company approved by the General Shareholders' Meeting within the framework of the Remuneration Policy is structured as follows:

- Fixed remuneration: the fixed remuneration takes into account the executive duties assigned to each relevant executive Director, the level of responsibility, the experience, the contribution to the office and the remuneration which is paid on the market by comparable companies.

- Annual variable remuneration: the purpose of the variable remuneration is to strengthen the commitment of the executive Directors to the Company by virtue of the achievement of objectives, measurable and based on financial and economic variables. The Board of Directors, upon a proposal of the Nominations and Compensation Committee, shall establish the variable remuneration to be paid to each relevant executive Director according to the fulfilment of objectives. From time to time, the Company may approve the implementation of multiannual variable remuneration for certain senior managers based on the fulfilment of strategic objectives.

- Other concepts: is comprised of benefits-in-kind or social benefits which includes, among others, the use of a company vehicle or a life insurance policy.

The agreements to be entered with the executive Directors will be of an indefinite term and will include (i) claw-back and "malus" clauses in case the amount paid has been calculated using inaccurate or fraudulent information and (ii) compensation in case of termination of the agreement, which shall not exceed twice the total annual remuneration of the relevant Director and will not be paid until the Company confirms that the Director has fulfilled with the established performance criteria.

The remuneration packages for the executive Directors during 2017 which were approved on March 3, 2017 by the General Shareholders' Meeting and the Board of Directors (within the framework approved by the General Shareholders' Meeting), and included in the agreements with the relevant Directors also entered into as of such date, are the following:

- a fixed amount of €700,000 for the Chairman and €455,000 for the CFO;

- a variable amount of up to €300,000 for the Chairman and up to €195,000 for the CFO, which shall be determined annually in accordance with objectives of value creation. In addition, the CFO is beneficiary of the multiannual compensation scheme described below as "GIP" in a maximum amount of €3,000,000, during a reference period of five years of such GIP (i.e. from January 1, 2016 to December 31, 2020);

- remuneration in kind which includes the use of a company vehicle and life insurance policies; and

- a compensation for the termination of the agreement not higher than two years of total annual compensation provided that such termination is not caused by a breach of his duties by the Director.

As of the date of this Prospectus, the Directors do not receive any remuneration, benefits, compensation, etc. other than those detailed in this section.

Senior Management compensation

The Senior Management's annual compensation, fixed and variable, during 2016, amounted to €4.54 million; and the estimated Senior Management's annual compensation, fixed and variable, for the year 2017 amounts to €5.35 million, broken down as detailed in the table below. The Senior Management's annual compensation is not linked, neither on its fix or variable components, to the market price of the Shares.

	2016	**2017 (estimated)**
	(€ million)	
Total fixed salary(1)	3.32	3.5
Total variable salary	1.22	1.90
Total salary(2)	**4.54**	**5.35**

(1) Includes social benefits, amounting to approximately 4%.
(2) In 2016, Mr. Francisco López Peña had an employment contract with the Company and thus his compensation was reported in the aggregate of the Senior Management remuneration. Pursuant to his appointment as executive Director of the Company, his remuneration has been excluded from the 2017 aggregate amount.

In addition to the above, one member of our Senior Management benefits from a deferred pension plan. As of December 31, 2016, the provision for such deferred pension plan amounted to €161,025 and we do not have an estimation for 2017. As explained below, we have also implemented a long term management incentive plan which includes the Senior Management.

General Incentive Plan (GIP)

We have implemented an incentive plan linked to the creation of value of the Group ("General Incentive Plan" or "GIP"), offered to key employees, including all the Senior Management detailed in this Prospectus and Mr. Francisco López Peña, who was subsequently appointed as executive Director (each of them, a "Beneficiary").

The purposes of the GIP are (i) to motivate and retain key employees and managers of our Group and (ii) to link their remuneration with the fulfillment of our long-term strategy, which allows for the alignment of the interests of the Beneficiaries with those of the shareholders by offering remuneration in line with the market benchmarks.

The GIP consists of a cash bonus based on the creation of value of the Group and/or the creation of value of certain facilities, regions or departments within the Group (as the case may be depending upon the position of the Beneficiary) during a reference period of five years (i.e. from January 1, 2016 to December 31, 2020).

The GIP was formally approved by our Board of Directors on April 1, 2016, and around 100 key employees and managers of our Group (including all the Senior Management and Mr. Francisco López Peña, who was subsequently appointed as executive Director) were invited and accepted to participate in the GIP. It will be calculated and paid within the first six months of 2021.

We have recorded a provision of €5.5 million as of December 31, 2016 on account of our liability under the GIP. The provision is based on the estimation of the probability of compliance with the strategic targets to which the accrual of the cash bonus is linked. For additional information, see Note 20 to our consolidated financial statements as of and for the year ended December 31, 2016 which are included elsewhere in this Prospectus.

Family relationships

Our Chairman and chief executive officer, Francisco José Riberas Mera, and Juan María Riberas Mera, our Vice-Chairman, are brothers. In addition, Manuel de la Flor Riberas, human resources General Manager is cousin of Francisco José Riberas Mera and Juan María Riberas Mera. There are no other family relationships and no "close relatives" (as this term is defined in applicable regulations for related party transactions and, in particular, in Order EHA/3050/2004, of September 15, 2004, on information to be disclosed by listed companies regarding related party transactions) amongst the Directors, the Directors and other members of the Company's senior management or the members of the Company's senior management.

No convictions and other negative statements

To the best of our knowledge, none of our Directors or members of our Senior Management have, in the five years preceding the date of this Prospectus: (i) been convicted in relation to fraudulent offences; (ii) acted as directors of entities affected by bankruptcy, receivership or liquidation; (iii) been publicly incriminated and/or sanctioned by statutory or regulatory authorities (including designated professional bodies); or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer of securities or from acting in the management or conduct of the affairs of any issuer.

Agreements with Directors and Senior Management (including post-termination benefits)

Except as detailed in "—Remuneration for the performance of executive duties" above, whereby the executive Directors shall receive compensation for the termination of their employment agreement in an amount not higher than twice the total annual remuneration of the relevant Director, and provided that such termination is not caused by a breach of terms of the employment agreement by the relevant Director, neither the Directors nor the Senior Management of the Company will receive any additional post-termination payments other than any severance payments as required by law for unfair dismissals.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth certain information with respect to the ownership of the Shares (i) prior to the Offering and (ii) after the Offering, assuming that all the Offered Shares are sold in the Offering and full exercise of the Over-Allotment Option.

	Prior to the Offering		Number of Shares offered in the Offering	Over-Allotment Option	Total (number + Over-Allotment Option)	After the Offering			
Owner	**Number of Shares controlled**	**%**	**Number of Shares**			**Number of Shares owned (assuming a full exercise of the Over-Allotment Option)**	**%**	**Number of Shares owned (assuming no exercise of the Over-Allotment Option)**	**%**
Riberas Family	566,763,720	98.48	155,388,877	23,308,331	178,697,208	388,066,512	67.43	411,374,843	71.48
Employees	8,750,640	1.52	0	0	0	8,750,640	1.52	8,750,640	1.52
Free Float	0	0	0	0	0	178,697,208	31.05	155,388,877	27.00

As of the date of this Prospectus, the Riberas Family owns its participation through Acek, Risteel and Gestamp 2020, as follows:

- Acek holds directly 216,534,480 Shares of the Company, representing 37.62% of its share capital.

  Of these Shares, 74,816,880 Shares, representing 13% of the Company are pledged by Acek in favour of a loan sindicate related to the financing of the buy back to the ArcelorMittal Group's 35% equity stake in our share capital on February 2016. None of the remaining Shares directly or indirectly owned by the Riberas Family nor any of the Gestamp 2020 shares owned by Acek are pledged or subject to any lien.

- Acek also holds, indirectly:

  (i) indirectly 61,896,480 Shares of the Company, representing 10.75% through Risteel Corporation B.V.; and

  (ii) 1,802,080 shares of Gestamp 2020 representing 75% of its share capital and therefore, indirectly, 216,249,600 Shares of the Company, representing 37.58% of its share capital, representing a total of 494,680,560 Shares owned,

  which collectively represent 85.95%% of the share capital of the Company.

The Offered Shares owned by the Selling Shareholders are blocked in an account opened at the Agent, as depositary bank, until the Settlement Date.

As of the date of this Prospectus, Mitsui directly holds 600,693 shares of Gestamp 2020 representing 25% of its share capital and therefore, indirectly, 72,083,160 Shares of the Company, representing 12.53% of the share capital of the Company. Therefore, the total Shares of the Company owned by Gestamp 2020 is 288,332,760.

The Selling Shareholders will be Acek and Risteel, both fully controlled by the Riberas Family, who intends to maintain ownership of more than 50% of our issued share capital and voting rights after the Offering and therefore, retain the control of the Company. All the Shares rank, and will rank after the Offering, *pari* *passu* in all respects with each other, including for voting purposes and for all distributions of the Company's profits and proceeds from liquidation.

Acek's registered office is located in Alfonso XII, 16, 28014, Madrid (Spain) and Risteel's registered office is located in Prins Bernhardplein 200, 1097 JB I, Amsterdam (The Netherlands). Risteel which currently holds 61,896,480 Shares representing 10.75% of the share capital of the Company will sale all the Shares it holds in the Offering and therefore will cease to be a shareholder after it.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

For further information related to the relationships between the Selling Shareholders and the Company, see "Management and Board of Directors" and "Related Party Transactions".

Shares of the Company owned by Directors and Senior Management

As of the date of this Prospectus, approximately 100 key employees, including Senior Management and the executive Director, Mr. Francisco López Peña, collectively own 8,750,640 Shares of the Company, representing approximately 1.52% of the share capital of the Company.

In 2016, these key employees which included Senior Management (and at that time comprised Mr. Francisco López Peña who is today executive Director) were offered the opportunity to purchase Shares from Acek at the same price paid by Acek to buy back the ArcelorMittal Group's 35% equity stake in our share capital in February 2016 (therefore at an implied price of €4.3439 per Share). In connection with such purchase, the Board of Directors also offered these key employees a loan from the Company to finance the acquisition of the Shares which is guaranteed by a pledge over the acquired Shares. This offer was formally approved by our Board of Directors on April 1, 2016 and implemented during 2016. This offer was aimed to motivate and retain these key employees and managers and to involve them in the long-term strategy of the Group. Approximately 99% of the participants accepted financing from the Company and the total amount financed as of December 31, 2016 was €37.1 million.

The acquisition of the Shares by the employees, senior managers and one executive Director (Mr. Francisco López Peña, who at that moment was not a Director) was completed during 2016 via a purchase and sale agreement. On the date of the purchase and sale agreement, those who accepted Company financing also executed with the Company a loan agreement subject to: (i) an annual interest rate equal to the Spanish legal interest rate approved by law for each year and published in the State's Official Gazette (*Boletín Oficial del Estado*), (ii) a term until July 20, 2022, and (iii) the execution of a pledge deed over the Shares acquired as collateral.

The executive Director, Mr. Francisco Lopez Peña holds 690,600 Shares and has received loans, when he was just senior management, from the Company in the amount of €3.0 million to fund the purchase of such Shares.

For additional information, see "Related Party Transactions—Transactions with the members of our Board of Directors and Senior Management".

Shareholders' Agreements

The Riberas Family Agreement (protocolo familiar)

On March 21, 2017, Mr. Francisco José Riberas Mera, Mr. Juan María Riberas Mera, Halekulani, S.L., Ion-Ion, S.L. and Acek entered into a family agreement *(Protocolo familiar*) (the "Riberas Family Agreement"). The description below is a summary of its relevant provisions.

The Riberas Family Agreement differentiates between two family branches ("*Family Branches")*, one headed by Mr. Francisco José Riberas Mera ("FRM Family Branch") and another one headed by Mr. Juan María Riberas Mera ("JRM Family Branch"). The Riberas Family has all the participations of Halekulani, S.L and Ion-Ion, S.L. Mr. Francisco José Riberas Mera controls Halekulani, S.L. and Mr. Juan María Riberas Mera controls Ion-Ion, S.L.

The current governing body of Acek consists of two joint administrators (*admnistradores mancomunados)*, Ion-Ion, S.L., represented by Juan María Riberas Mera and Halekulani, S.L., represented by Francisco José Riberas Mera (hereinafter, the "Acek Joint Administrators").

Voting on Gestamp and on Gestamp 2020

The Riberas Family Agreement provides that the Acek Joint Administrators will discuss and resolve on the vote of Acek on every resolution to be passed by the Company's shareholders at any General Shareholders' Meeting. The Acek Joint Administrators shall designate the person that shall act as its representative at the General Shareholders' Meeting. The Riberas Family Agreement also provides that the Acek Joint Administrators will discuss and resolve on the vote of every resolution which is connected to the Company to be passed by Gestamp 2020's shareholders at any General Shareholders' Meeting. Also, the Acek Joint Administrators shall designate the person that shall act as its representative at such meeting of Gestamp 2020. Finally, all of the above be without prejudice to the shareholders agreement of Gestamp 2020 (detailed herein below, under "Gestamp 2020 Shareholders' Agreement").

Transfer of Acek participations

The shareholders of Acek will have a tag along right and a pre-emption right to acquire the shares of Acek held by any transferring shareholder, other than in relation to the following unrestricted transfers (the "Unrestricted Transfers"):

(i) Transfers between members of the same Family Branch, provided that the new shareholders accede to the Riberas Family Agreement.

(ii) Transfers to members of other Family Branch if the other members of the same Family Branch As the transferor are unable to receive shares of Acek.

(iii) Transfers to companies or foundations controlled by the transferor and/or other members of its Family Branch, provided that the new shareholders accede to the Riberas Family Agreement.

(iv) Transfers to the members of other Family Branch if there are no other members in the Family Branch of the transferor.

If a shareholder of Acek wishes to transfer its shares (except in case of Unrestricted Transfers), directly or indirectly (through the transfer of Halekulani, S.L. and Ion-Ion, S.L. participations, or any other company controlled by the Riberas Family), it shall (i) inform the potential transferee of the existence of these rights, and (ii) inform the Acek Joint Administrators of the terms and conditions of the transfer ("Transfer Notice").

The Acek Joint Administrators shall send the Transfer Notice to the other shareholders, which will have 40 days from the receipt of the Transfer Notice to notify the Acek Joint Administrators of their intention to enforce their tag along and/or pre-emption rights, who shall thereafter notify the transferring shareholder.

In the event that any shareholder decides to enforce its pre-emption right, the transferring shareholder and the non-transferring shareholder who has exercised its pre-emption right shall formalize the transfer of shares within 15 days from the receipt of the preemption notice in the same terms and conditions as those set out in the Transfer Notice. If more than one non-transferring shareholder decide to enforce their pre-emption right, the shares will be allocated as follows:

(i) Firstly, between non-transferring shareholders belonging to the same Family Branch as the transferring shareholder, proportionally to their pro rata shareholding in Acek.

(ii) Secondly, among the non-transferring shareholders, pro rata to their shareholding in Acek.

Furthermore, if any non-transferring shareholder decides to enforce its pre-emption right within the 40-day period, Acek will be entitled to acquire the shares in the same terms and conditions as those set out in the Transfer Notice, provided that (i) the Acek Joint Administrators adopt such resolution, and that (ii) Acek notifies this decision to the transferring shareholder within 10 days from the termination of the 40-day period.

If none of the non-transferring shareholders nor Acek decide to enforce their pre-emption rights, any shareholder who has sent a tag along notice will be entitled to join the sale of shares by the transferor to a third party for a number of shares representing the same percentage of shares transferred by the transferor in relation to the trasnferor's total shareholding. The transferring shareholder will have 15 days to obtain an offer from the transferee to acquire the aggregate number of shares in the same terms and conditions as those set forth in the Transfer Notice. Failure to obtain an offer will result in the impossibility to complete the transfer.

Finally, in case that none of the non-transferring shareholders nor Acek decide to enforce their pre-emption right and no other shareholder has provided a tag along notice, the transferor will be free to transfer the shares of Acek to a third party in the same terms and conditions as those set out in the Transfer Notice. A claw-back right will arise in favour of the remaining shareholders if the transfer is made in breach of these provisions or in terms different to those set forth in the Transfer Notice.

The same process will be followed in relation to transfers for no consideration and transfers made via transactions different from a sale of shares. However, in these cases the acquisition price shall be equal to the fair value of the shares as determined by an independent expert.

Any transfer of shares of Acek made in breach of these provisions will be ineffective vis-à-vis the remaining partners or Acek and therefore, neither the partners nor Acek, to the extent legally possible, will recognize the transferee as a valid shareholder.

Deadlock situations

The shareholders and the Acek Joint Administrators shall act in good faith to solve any eventual disputes that may arise among them, taking into consideration Acek's best interests.

For the purposes of the Riberas Family Agreement, the following situations shall be deemed as deadlock situations:

- The existence of any severe divergence between the shareholders which impedes the adoption of resolutions by the general shareholders' meeting or the Acek Joint Administrators. Such situation shall be deemed to occur if two successive shareholders' meeting or Acek Joint Administrators' meetings are held or called (within a 2-month term between each meeting) without an agreement being reached therein on matters which are material for Acek (such as Acek's relevant budget headings or its business plan).

- Two written requests from a shareholder to the Acek Joint Administrators to call a general shareholders' meeting (within a 50-day term between each request) to discuss matters within its competence and such meeting not being called by Acek Joint Administrators within 50 days after the second request.

- Three requests from a member of the Acek Joint Administrators who is a member of a Family Branch to call meeting of the Acek Joint Administrators (within a 15-day term between each request) to discuss matters which materially affect Acek and when such meeting is not called or held within 20 days after the third request.

- The declaration of a deadlock situation by express and written agreement of shareholders representing at least 80% of Acek's share capital.

If any of the shareholders of Acek (except for any shareholder who has created a deadlock situation artificially) declares the existence of a deadlock situation, the head of each Family Branch shall draft a memorandum analyzing the origin of such deadlock and suggesting measures to address this situation (including the appointment of the representative for the settlement process), and shall deliver such memorandum to the other shareholders within 10 days from the date of acknowledgement of the deadlock situation. Upon receipt of this memorandum, the head of each Family Branch shall respond within 10 days with another memorandum whereby, among other things, it shall appoint a representative for the settlement process.

The persons appointed for this settlement process shall meet and negotiate in good faith for at least 90 days, unless they reach an agreement before the end of this term (the "Deadlock Agreement"). If a Deadlock

Agreement is reached, the parties will draft its terms and conditions and will notify them to the Acek Joint Administrators and the remaining shareholders of Acek. This Deadlock Agreement will be binding for all the shareholders of Acek.

Nevertheless, if the shareholder that declared the existence of a deadlock situation disagrees with the terms and conditions of the Deadlock Agreement, the Acek Joint Administrators shall call a shareholders' meeting of Acek to ratify the Deadlock Agreement by a majority of, at least, 80% of the share capital of Acek.

If no agreements are reached within the 90-day period referred to above, and unless the heads of each Family Branch decide to initiate arbitration proceedings, the conflict will be subject to a private mediation process carried out by one neutral mediator. The mediator will not be entitled to adopt binding resolutions. In case of disagreement in the appointment of the mediator, the parties will initiate arbitration proceedings. This mediation process will end (i) once the heads of each Family Branch agree so in writing, (ii) if the mediator deems that the conflict will not be solved through this process, or (iii) within 30 days from the date of appointment of the mediator. The costs of the process will be split between both Family Branches (50% each).

Notwithstanding the above, the shareholders and directors of Acek undertake to guarantee that the ordinary course of business of the Acek Group will not be affected by any deadlock situation. Failure to comply with this undertaking may result in a claim for damages by the complying shareholder to the defaulting shareholder.

Without prejudice of the above, if a deadlock situation prevents the adoption of any relevant decision at Gestamp, the parties will apply the strictest standards of diligence to reach a Deadlock Agreement (through the procedures detailed above), for the best interests of the Company. If notwithstanding the above, a Deadlock Agreement is not reached, the parties shall act (by granting powers of attorney, voting proxies, exercising their voting rights or in any other manner) so each of the partners shall exercise or determine individually its own voting in Gestamp 2020 or the Company through its participation in Acek, without prejudice of the provisions of the Gestamp 2020 Shareholders' Agreement detailed below.

Pursuant to articles 531, 533 and 535 of the Spanish Companies Act, the Riberas Family Agreement described above will be publicly disclosed and registered with the Bizkaia Commercial Registry as soon as possible upon Admission, and published as a relevant fact (*hecho relevante*) with the CNMV.

Gestamp 2020 Investment Agreement

On December 20, 2016, Acek, Risteel, Mitsui and Gestamp 2020 entered into an investment agreement in relation to the investment of Mitsui in the Company through Gestamp 2020 (the "Gestamp 2020 Investment Agreement").

The description below is a summary of the relevant provisions of the Gestamp 2020 Investment Agreement that will be in force after Admission.

Investment

Pursuant to the Gestamp 2020 Shareholders' Investment Agreement, Mitsui acquired a 25% interest in Gestamp 2020 and a 12.525% indirect interest in the Company (72,083,160 Shares), by investing approximately €416 million in newly issued shares of Gestamp 2020 at an implied price of €5.7711 per Share. The proceeds of such capital increase were distributed to Acek.

Earn-Outs

Pursuant to the Investment Agreement, Acek and Mitsui will make additional cash contributions into Gestamp 2020's reserves depending on the Company level of achievement of its consolidated EBITDA objectives for the year 2016 and/or for the year 2017 (the "Earn-Outs"). Following the completion of the audit report on the consolidated financial statements for the years ended December 31, 2016, the 2016 Earn-Out was accrued on the amount of €50,7 million thereby raising the purchase price paid by Mitsui to €466.7 million for said 12.525% stake at an implied price of €6.4745 per Share. The total consideration paid by Mitsui is subject to an additional earn-out based on 2017 results. The proceeds of the Earn-Outs shall be immediately paid by Gestamp 2020 to Acek as an upwards adjustment to the purchase price of the Company shares acquired pursuant to the Gestamp 2020 Investment Agreement.

Gestamp 2020 Shareholders' Agreement

On December 23, 2016 Acek, Risteel, Mitsui and Gestamp 2020 entered into a shareholders' agreement to govern certain matters in connection to the relationship between Mitsui and Acek as direct shareholders of Gestamp 2020 and as indirect shareholders of the Company (the "Gestamp 2020 Shareholders' Agreement"). The Gestamp 2020 Shareholders' Agreement contains certain provisions that cease to be applicable as of and from the date of the Admission; and what it is included herein below is a summary of the provisions that will remain in force after Admission. Therefore, there will not be any other agreements, veto rights, reserved matters or any other issue under the Gestamp 2020 Shareholders' Agreement different than those detailed herein below.

Corporate bodies and voting majorities

The Gestamp 2020 Shareholders' Agreement sets forth that the board of directors of Gestamp 2020 will consist of a minimum of 6 and a maximum of 8 directors (being current board 6 members) out of which Mitsui shall nominate two directors while its participation in Gestamp 2020 is at least 20% (1 director if falls below 20% but remain above 10% and shall not be entitled to nominate any director if falls below 10%).

The governance structure of Gestamp 2020 reflects Acek's majority holding, with certain reserved matters both the general shareholders' meetings of Gestamp 2020 requiring the approval of both Acek and Mitsui.

The Gestamp 2020 Shareholders' Agreement provides that the board of directors of Gestamp 2020 will discuss and resolve on the vote of every resolution to be passed by the Company's shareholders at any General Shareholders' Meeting, without Mitsui having any veto right in this regard. The board of directors of Gestamp 2020 shall designate the person that shall act as its representative at such meeting; without prejudice of, to the extent legally possible, Mitsui's right to attend any General Shareholders' Meeting as an invitee/observer.

The Gestamp 2020 Shareholders' Agreement also provides that the Board of Directors of the Company shall be comprised of a minimum of nine and a maximum of 15 Directors. Out of the Company Directors the nomination of whom shall correspond to Gestamp 2020, Mitsui shall have the right to nominate (i) two Directors so long as it is the beneficial economic owner of at least, directly or indirectly, 10% of the share capital of the Company or (ii) one Director so long as it is the beneficial economic owner of, directly or indirectly, less than 10% but more than 5% of the share capital of the Company. The right of Mitsui to appoint directors of the Company will be in force even if Gestamp 2020 is dissolved and liquidated and the shares are allocated pro rata to Acek and Mitsui shareholding

The Gestamp 2020 Shareholders' Agreement does not provide for reinforced majorities at the Board of Directors or General Shareholders Meetings of the Company. In addition, it sets forth the commitment not to introduce in the Bylaws of the Company, higher than legally required thresholds (including quora, majorities, etc.).

The matters reserved to the Board of Directors in the Gestamp 2020 Shareholders' Agreement are those which cannot be delegated as per the Spanish Companies Act.

In case of a deadlock situation at Gestamp 2020 level, Acek and Mitsui shall collaborate in distributing the assets of Gestamp 2020 and allocating their indirect stake of the Company to each of them pro rata their stake in Gestamp 2020 in accordance with the provisions discussed under "Transfer of Shares" below.

Claw Back Amount

The Gestamp 2020 Shareholders' Agreement provides that Acek shall compensate Mitsui if (i) Acek decides a price per Share at the Offering ("Offering Price") lower than the purchase price per Share initially paid by Mitsui (i.e. €5.7711) ("Mitsui Initial Price") (without Earn-Outs) and (ii) the average stock market price per Share during the 18-month period following Admission (the "Average Price") is lower than the price per Share resulting from the Mitsui Initial Price plus the Earn-Outs (the "Mitsui Price"), as follows ("Claw Back Amount"):

- If the Average Price is lower than the Mitsui Price but higher than the Offering Price, then Acek shall pay to Mitsui an amount equivalent to the difference between the Mitsui Price and the

Average Price multiplied by the number of Shares owned (whether directly or indirectly) by Mitsui on the last day of the foregoing 18-month period and up to a maximum of 72,083,160 Shares.

- If the Average Price is lower than both the Mitsui Price and the Offering Price, then Acek shall pay to Mitsui an amount equivalent to the difference between the Offering Price and the Mitsui Price multiplied by the number of Shares owned (whether directly or indirectly) by Mitsui on the last day of the foregoing 18-month period and up to a maximum of 72,083,160 Shares.

The Claw Back Amount shall be determined by agreement of the parties, and shall be calculated within one month following the end of the abovementioned 18-month period and be payable fully in cash by Acek to Mitsui within 15 business days of its determination.

Transfer of Shares

Following the expiry of the IPO lock-up to wich Gestamp 2020 will be subject, each Acek and Mitsui (in each case, the "transferring shareholder") shall have the right to require Gestamp 2020 to transfer all, but not less than all, of the transferring shareholder indirect stake in the Company by giving writing notice to the non-transferring shareholder, who shall have the option to purchase all the shares of Gestamp 2020 owned by the transferring shareholder, at a price per share that will be calculated as the sum of the daily closing market price of the Shares of the Company divided by the aggregate number of trading days of the month following the transferring shareholder written notice.

In the event this option is not exercised, subject to compliance with applicable regulations including insider trading and market abuse regulations and any other regulatory or administrative approvals required, including takeover and antitrust approvals, the Gestamp 2020 Shareholder's Agreement sets forth that the transferring shareholder may, at its discretion:

- Request Gestamp 2020 to sell the Shares of the Company indirectly held by the transferring shareholder and use the proceeds of such sale to buy back the transferring shareholder's entire share in Gestamp 2020, such sale and buy back to be carried out within up to three months;
- Request the redemption of the shares of Gestamp 2020 held by the transferring shareholder against the distribution to the transferring shareholder of the Shares of the Company held by Gestamp 2020, such redemption and distribution to be carried out within up to three months; or
- Request the dissolution of Gestamp 2020 and the allocation to each Acek and Mitsui of their indirect stake in the Company in proportion to their shares in Gestamp 2020, such dissolution and allocation to be carried out within up to three months.

Furthermore, Gestamp 2020 may not sell nor pledge Shares of the Company (outside the provisions of the Gestamp 2020 Shareholders' Agreement) without the consent of both Mitsui and Acek.

Acek may transfer, at any time, all or part of the Shares of the Company which it directly owns.

Without prejudice to Mitsui's right under Gestamp 2020 Shareholders' Agreement, as described herein, Acek shall retain the sole control of the Company and Gestamp 2020 and their businesses.

Put and call option in an event of default

Upon the occurrence of a material default under the Gestamp 2020 Shareholder Agreement by Mitsui, Acek shall have the right to purchase all of Mitsui's Gestamp 2020 shares at a price per share equal to 90% of their fair market value (as determined by an independent financial expert appointed by Acek and Mitsui).

On the other hand, if Acek materially breaches the Gestamp 2020 Shareholders' Agreement, Mitsui shall have the right to sell to Acek all of Mitsui's Gestamp 2020 shares at a price equal to 110% of their fair market value (as determined by an independent financial expert appointed by Acek and Mitsui).

Termination

The Gestamp 2020 Shareholders' Agreement may be terminated either by mutual written consent of

Acek and Mitsui or upon the transfer of either party's entire stake in Gestamp 2020 or, indirectly, in the Company. Therefore, as detailed below, if following the IPO lock-up the shares of Gestamp 2020 are transferred as detailed above, under section *Transfers of Shares* above, the Gestamp 2020 Shareholders' Agreement shall also be terminated. Furthermore, the agreement may be partially terminated with respect to Mitsui in case its indirect stake on the Company is reduced below certain thresholds.

In case of Gestamp 2020 is dissolved and liquidated and the shares are allocated pro rata to Acek and Mitsui shareholding, all clauses dealing with the corporate governance of Gestamp 2020 and the transfer of its shares shall cease to apply, but all the rest of the provisions detailed above (including, without limitation, the right of Mitsui to appoint directors of the Company and the payment of the Claw Back Amount) shall continue in force.

The information contained in this section has been provided to the Company by Gestamp 2020 (as shareholder of the former).

Pursuant to articles 531, 533 and 535 of the Spanish Companies Act, the clauses of the Gestamp 2020 Shareholders' Agreement described above will be publicly disclosed by Acek and Mitsui and registered with the Bizkaia Commercial Registry as soon as possible upon Admission, and published as a relevant fact (*hecho relevante*) with the CNMV.

Agreement between Acek and the ArcelorMittal Group

On February 1, 2016, Acek acquired from the ArcelorMittal Group its 35% share capital stake in the Company. Pursuant to the relevant sale and purchase agreement, Acek has undertaken to appoint a member nominated by the ArcelorMittal Group in the Board of Directors, provided that the ArcelorMittal Group does not (fully or partially) sell any of its current 35% share capital stake in Holding Gonvarri, S.L. If the ArcelorMittal Group sells any such participation, the parties will discuss in good faith whether the ArcelorMittal Group may continue to have any representation in our Board of Directors.

The appointment of Mr. Geert Maurice Van Poelvoorde, as member of the Board of Directors of the Company responds to this undertaking, and this is the reason why Mr. Van Poelvoorde shall be considered as an "other external" Director (i.e. cannot be classified as an independent or proprietary Director).

There are no other agreements or compromises different from the one described above that would grant ArcelorMittal any additional right or any type of control over the Board of Directors of the Company. The appointment of three proprietary Directors, out of the nine which comprise the board of directors of Holding Gonvarri, S.L. responds to the shareholders agreement between Acek and ArcelorMittal with respect to such company, in which ArcelorMittal holds a 35% share capital stake.

The information provided above has been provided to the Company by Acek (as its shareholder).

RELATED-PARTY TRANSACTIONS

We enter into transactions with certain related parties from time to time and in the ordinary course of our business.

For IFRS purposes, a "related party" is a person or entity that is related to the entity that is preparing its financial statements. We are required to report all related party transactions, as defined in IAS 24 "Related Party Disclosure", in accordance with IFRS. For additional information on our related party transactions, see Note 31 to our consolidated financial statements for the years ended December 31, 2016 and Note 29 to our consolidated financial statements for the years ended December 2015 and 2014; each of which are included elsewhere in this Prospectus.

This definition includes the Company's subsidiaries and therefore intragroup transactions (i.e. transactions between the Company and its subsidiaries or between subsidiaries of the Company) are deemed as related party transactions. However, as these intragroup transactions are within the Gestamp Group, they are eliminated for consolidation purposes in accordance with IFRS and are not reflected our consolidated financial statements for the years ended December 31, 2016, 2015 and 2014 included elsewhere in this Prospectus.

Among categories of entities and individuals that fall within the definition of related parties provided for IFRS, we refer in this Prospectus to (i) any other Acek Group company outside the Gestamp Group, (ii) to the Company and its Directors or Senior Management, (iii) transactions with additional parties outside of the Acek Group, in which Acek may hold a minority stake or no shareholding and (iv) transactions with additional parties outside of the Acek Group, but which may hold a minority stake on any Acek Group company (for example, the ArcelorMittal Group).

Acek is a holding company fully controlled by the Riberas Family (see "Principal and Selling Shareholders") which, in addition to its participation in the Company, primarily engages in the following activities:

- through Holding Gonvarri, S.L. (in which Acek holds a 65.0% stake) and its subsidiaries ("Gonvarri Group"), which develops: (i) through the subgroup headed by Gonvarri Corporación Financiera, S.L., steel center services (flat steel, aluminum, steel rods) for automotive makers (OEMs and suppliers like us) road safety (barrier systems) and storage systems, and (ii) through the subgroup headed by GRI Renewable Industries, S.L., manufacturing of metal parts and structures for renewable energy plants (solar structures, wind towers, etc.);

- through Inmobiliaria Acek, S.L. (in which Acek holds a 67.0% stake) and its subsidiaries ("Inmobiliaria Acek"), owning and leasing certain real estate assets;

- through Air Executive, S.L. ("Air Executive", fully owned by Acek), owns an airplane which is used by the different Acek companies including us; and

- through Gestamp Energías Renovables, S.L. (in which Acek holds a 75.1% stake) and its group, promoting, developing and building wind farms and biomass renewable projects.

During the period covered by our consolidated financial statements for the years ended December 31, 2016, 2015 and 2014 and up to the date of this Prospectus, we have entered into transactions with such related parties as set out below.

It is foreseen that after the date of the filing of this Prospectus with the CNMV, but in any case before Admission, the terms and conditions of all the related-party transactions in force (other than transactions which simultaneously fulfil the conditions established by article 529 ter (h) of the Spanish Companies Act), including the Gestamp Protocol and the related parties transactions with the Acek Group and with ArcelorMittal, and the other transactions detailed below, will be submitted to the Board of Directors of the Company for consideration and, as the case may be, ratification, following a favorable report issued by the Audit Committee, also as the case may be, and with the abstention of the proprietary Directors appointed by the Riberas Family (Acek) and, as the case may be, the abstention of the other external Directors with respect to the agreements with ArcerlorMittal.

Related party transactions with the Acek Group

Below is a summary of the related party transactions with companies belonging to the Acek Group:

Related party transactions with Acek

In January 2013, Acek sold to Gestamp Automoción the Gestamp trade mark for the automotive classes. The consideration for the sale was €31.0 million to be paid within 20 years by annual installments.

In addition, we receive, through Acek, services such as centralized purchase center of software licenses and insurance from third parties that are hired for us and other Acek Group companies as well as professional services related to accounting consolidation. In consideration for such services, we paid to Acek €3.3 million in the year ended December 31, 2016, and it is expected that amount to be paid during 2017 will be approximately €4 million due to our increase in sales and insured assets. The professional services agreements are subject to market conditions and the amount of consideration paid is determined by the incurred time valued at cost plus transfer pricing mark-up. These agreements have a 5-year initial term. Licenses and insurance services received from third parties through Acek acting as centralized purchase center are invoiced to the Gestamp Group in accordance to the relevant allocation criteria (i.e. number of licenses, insured values, etc.).

Related party transactions with Acek subsidiaries

Gonvarri Group: We enter into a significant number of transactions on a regular basis and in the ordinary course of business with companies forming part of the Gonvarri Group, in particular with Gonvarri Corporación Financiera, S.L. and its subsidiaries, which provide steel center services to certain Gestamp Group companies (blanking, slitting and coating of steel). Such agreements are subject to customary market conditions and have a term of one year or less. Consideration for these services include not only the service price but also the cost of steel blanks and coils (the majority of which is determined directly by OEMs). We paid a total consideration of €844.6 million in the year ended December 31, 2016 for such steel center services. It is estimated that, in 2017, the amount to be paid by the Gestamp Group to the Gonvarri Group for these services will be similar, subject to change in accordance to our volume of sales and steel price fluctuations.

Inmobiliaria Acek: We also enter into transactions in the ordinary course of business with Inmobiliaria Acek for the lease of real estate. In particular, we have leased the following properties from Inmobiliaria Acek: (i) the offices located at Alfonso XII, Madrid; and (ii) the offices located at Ombú 3, Madrid, all of them for an aggregate annual payment of €2.1 million. The term for such lease agreements are between one and five years. In addition, in 2014 we purchased two plants from Inmobiliaria Acek (both previously used by Gestamp Group companies through leases with Inmobiliaria Acek) for a total consideration of €25.0 million.

Air Executive: According to our business needs from time to time, we charter through Air Executive from different air navigation operators airplanes for business trips including an airplane owned by Air Executive. The total amount paid to Air Executive was €1.4 million in 2016.

Corporate services: Gestamp and its subsidiaries provide certain corporate and management support services to Acek and certain legal, tax and financial support services to Acek subsidiaries (Gestamp Energías Renovables, S.L.) outside the Gestamp Group. In 2016, Gestamp Group received €2.4 million for the provision of such services. It is estimated that, in 2017, the amount to be paid to the Gestamp Group by the Acek Group under these agreements will be a similar amount. The agreements under which such services are provided are subject to market conditions and the amount of consideration is determined by the incurred time valued at cost plus transfer a pricing mark-up. These agreements have a 5-year initial term.

Transactions with companies outside the Acek Group

We sell part of our scrap steel to Gescrap, S.L. (in which Acek holds a 50% shareholding) and to Reimasa Scrap AIE (in which Acek holds a 40% shareholding) in market conditions terms. In 2016, we received €97.5 million in consideration for these sales. It is estimated that, in 2017, this amount will be similar, with some variation in accordance to our volume of sales and scrap price fluctuations.

We have also entered into a number of transactions with the ArcelorMittal Group, a shareholder of the

Company until February 2016, who has a relationship with the Acek Group through its 35% capital stake in Gonvarri. Most of these transactions are primarily related to the purchase of steel. 46.8% (1.38 million tons) of the total steel we used in 2016 came from ArcelorMittal Group, out of which 65% is under “re-sale” programs (where the OEM chooses the steel maker and negotiates the price) and 35% is not under re-sale programs. In any case, irrespectively of who is the steel maker or whether the purchase of steel is under re-sale programs or not, we typically do not purchase the steel directly from producers but mainly through steel service centers. Our agreements with the ArcelorMittal Group are subject to customary market conditions and have a term of one year or less (generally, six months), similar to the agreements formalized with other steel providers. There is no agreement among the Gestamp Group and the ArcelorMittal Group by virtue of which we are committed to acquire the steel this company produces on a preferential or privileged way rather than to any other steel producer and therefore, the purchase conditions of steel with the ArcelorMittal Group (directly or through steel services centers) do not include early termination rights or change in conditions in favor of ArcelorMittal that would become in effect due to a change of control of the Company, the exit of Acek from the Company or the exit of ArcelorMittal from Gonvarri or by any other circumstances affecting the Company. Consideration paid to the ArcelorMittal Group pursuant to the transactions detailed above amounted to €57.7 million in the year ended December 31, 2016. It is estimated that, in 2017, this amount will be similar, with some variation depending on our volume of sales and the fluctuations of the price of the steel. In addition to the transactions for the purchase of steel, the ArcelorMittal Group collaborates with us in automotive research and development (mainly related to new materials and the design of parts). Furthermore, one ArcelorMittal Group representative sits on the Board of Directors of Gestamp Automoción as a Director classified in the category of “other external” Directors (i.e. cannot be classified as an independent or proprietary Director) pursuant to an agreement between Acek and the ArcelorMittal Group. Another Director that sits on our Board also has been classified in the category of “other external” Directors is currently Chairman of ArcelorMittal España, although he has not any executive functions there. He has been appointed as Director in consideration of his experience and knowledge of the automotive sector and not due to any agreement with the ArcelorMittal Group.

Transactions with the members of our Board of Directors and Senior Management

In 2016, Acek received a total remuneration of €0.3 million as compensation for its role as director in certain of our group companies. After the Offering, the Company itself will assume such directorship role and will receive such compensation from the relevant companies of the Gestamp Group.

In relation with article 229 and 231 of the Spanish Companies Act, the Company’s directors have confirmed that they are not in a situation of direct or indirect conflict of interests with the Group apart from those that may be derived from the situations explained in this section.

As detailed in section “Principal and Selling Shareholders —- Shares of the Company owned by Directors and Senior Management”, one Director and approximately 100 key employees including the Senior Management received during 2016 loans for the purchase of Shares of the Company for a total amount of €16 million. The loans mature in July 2022 and bear an annual interest rate equal to the Spanish legal interest rate of each year (*interés legal del dinero*), which in 2016 and 2017 is 3%.

Protocol of Treatment and Approval of Related Party Transactions

On March 3, 2017, Acek, Gonvarri Corporación Financiera, S.L. (“Gonvarri Corporación Financiera”, the sub-holding subsidiary of Gonvarri operating in the steel service centers business) and the Company entered into a Protocol of Treatment and Approval of Related Party Transactions (the “Gestamp Protocol”) to regulate the relationship between the Gestamp Group and its related parties (in particular, Acek and the Gonvarri Group), which will enter into force upon Admission.

As detailed in this Prospectus, Acek is the controlling company of both the Company and Gonvarri, the latest being the holding company of a group of companies which, among others, includes Gonvarri Corporación Financiera that provides steel center services (blanking, slitting and coating of steel for industrial purposes). From the date of its incorporation, Gonvarri Corporación Financiera has been one of the Gestamp Group’s reference steel services centers. In addition, Acek and the companies within the Gestamp Group maintain commercial relationships which mainly consist of (i) rental of real estate and (ii) the provision of certain management support services by Acek to the companies within the Gestamp Group, and viceversa.

The Gestamp Protocol sets forth the general framework for the commercial relationships between the Gestamp Group, Acek and the Gonvarri Group and the regulation of the eventual conflicts of interests.

The Gestamp Protocol shall be in place until (i) the direct or indirect stake of Acek in the Company falls below 30% or (ii) if any shareholder, directly or indirectly, holds a higher stake in the Company than Acek. In addition, Gonvarri Corporación Financiera will cease to be a party to the Gestamp Protocol if the direct or indirect stake of Acek in Gonvarri Corporación Financiera falls below 50%.

Restriction of activity

The activities reserved to Gestamp include the design, development, manufacturing and sale, as Tier 1 supplier to OEMs of (i) Body-in White, (ii) Chassis and (iii) Mechanisms ("Strategic Activities"). Certain additional and accessory activities developed by Gestamp (TWB, press construction), will not be included in the restriction of Strategic Activities detailed above.

Related party transactions

For the purposes of the Gestamp Protocol, "related party transactions" shall be understood as any supplies, services, commercial relationships or operations that the entities of the Gestamp Group develop with their principal shareholders or directors, or any third party related thereto and, in particular, with Acek or any company of the Gonvarri Group.

The Gestamp Protocol describes the main transactions that are entered into the parties thereto: (i) blanking, slitting and coating of steel services provided by Gonvarri Corporación Financiera, (ii) provision of corporate and centralized services by Acek and (iii) corporate services provided by the Company to certain Acek's affiliates.

General principles

The Gestamp Protocol sets forth that any related party transaction needs to be carried out in market conditions, with the diligence required to an expert in the relevant sector and in the terms specifically established in the Gestamp Protocol.

Series of related-party transactions will require one approval. In addition, recurring transactions within the lines of business of the Company (in particular, the purchase of raw materials and agreement with steel service centers) may be subject to a framework approval, as long as such approval: (i) refers to a transaction undertaken within the ordinary course of business, (ii) has a limited term of no more than 1 year, (iii) sets forth a maximum number of transactions that may fall within the approval, (iv) establishes the price and the legal and commercial terms of the transactions, (v) include the rationale of the series of transactions and (vi) includes a reasonable term for the submission of information to the Audit Committee (which shall be at least on a quarterly basis).

Without prejudice of the above, if the Company considers more suitable for its interest terminate any of the legal or commercial related party transactions, it will notify such circumstance to Acek, that shall cooperate with the Company and its Group to achive such termination, but in any case in compliance with the conditions and terms of such legal or commercial relations derived with agreements with third parties.

As a general rule any related-party transactions shall be approved by the Board of Directors of the Company, following the favorable report of the Audit Committee, except where certain thresholds are not met. The alteration of the subject matter, the price or any other relevant term or condition of any related-party transaction that has already been approved, will require additional approval. In addition, it is foreseen that after the date of the filing of this Prospectus with the CNMV, but in any case before Admission, the terms and conditions of all the related-party transactions in force (other than transactions which simultaneously fulfil the conditions established by article 529 ter (h) of the Spanish Companies Act), including the Gestamp Protocol and the related parties transactions with the Acek Group detailed above, will be submitted to the Board of Directors of Gestamp Automoción for consideration and, as the case may be, ratification, following a favorable report issued by the Audit Committee, also as the case may be, and with the abstention of the proprietary Directors appointed by the Riberas Family (Acek).

Future acquisition of companies

Acek or Gonvarri Corporación Financiera will notify and offer to Gestamp any business opportunity that they are aware of which principal object refers to the Strategic Activities of Gestamp.

In addition, if Acek and Gonvarri Corporación Financiera may acquire a Company or business with principal activity does not refer to the Strategic Activity of Gestamp but also includes, additionally activities related to such Strategic Activities of Gestamp, Acek and Gonvarri Corporación Financiera will offer Gestamp the acquisition of such business and activity included in the Strategic Activity of Gestamp.

If Gestamp exercises such acquisition right, the parties will negotiate the terms and conditions of such transfer, which could include the determination of the price by an independent expert at the request of any of the parties in case of discrepancy.

Disclosure of information

The Company will inform the market about the transactions carried out between any company within the Gestamp Group and Acek, any company with the Gonvarri Group or any other related party.

Acek and Gonvarri Corporación Financiera undertake to provide the Company as soon as possible with the information necessary about their relationships with the companies within the Gestamp Group that Gestamp may need to punctually comply with its obligations (preparation of financial information, submission of information to CNMV, etc.).

DESCRIPTION OF SHARE CAPITAL

The following summary provides information concerning our share capital and briefly describes certain significant provisions of our Bylaws *(estatutos sociales)* and Spanish corporate law, including the Spanish Companies Act, Spanish Act 3/2009 on Structural Amendments of Private Companies *(Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles),* the LMV and Royal Decree 878/2015, of October 2, on clearing, settlement and registration of securities represented in book-entry form, on the legal framework of central depositaries and central counterparties, and on the transparency requirements for securities admitted to trading on a secondary market (*Real Decreto 878/2015, de 2 de octubre, sobre compensación, liquidación y registro de valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial*).

This summary does not purport to be complete nor to describe all of the applicable provisions and regulations in connection with the matters described herein and is qualified in its entirety by reference to our Bylaws, the Spanish Companies Act and other applicable laws and regulations from time to time. Copies of our Bylaws are available (in Spanish with an English translation for information purposes) at our registered office and on our website (www.gestamp.com) and from Admission, at the CNMV's offices.

General

The Company was incorporated under the laws of Spain on December 22, 1997 pursuant to a notarized public deed of incorporation granted before the public notary Mr. José Antonio Isusi Ezcurdia, under number 4,852 of his protocol and registered with the Commercial Registry of Bizkaia under volume 3,614, page 107 and sheet BI-21,245, and holder of Spanish tax identification number A-48943864, with registered office in Polígono Industrial de Lebario s/n, 48220, Abadiño, Bizkaia, Spain and with telephone number +34 94 450 70 10. Our legal name is Gestamp Automoción, S.A. and our commercial name is "Gestamp". We are incorporated for an unlimited term. Our LEI number is 959800201400054843 63.

Historic Capital Stock Information

The summary table below outlines these changes in the Company's share capital since its incorporation:

Date	Corporate action	Nominal value	Share premium	Number of issued Shares	Number of resulting Shares	Resulting share capital
December 22, 1997	Incorporation	€60.101210[1]	-	1,171,000	1,171,000	€70,387,517.42[2]
November 6, 1998	Capital increase	€60.101210	-	200,000	1,371,000	€82,398,759.51[3]
November 6, 1998	Capital increase	€60.101210	€17,047,708[4]	342,750	1,713,750	€102,998,449.39[5]
October 18, 1999	Capital decrease	€60.10[6]	-	0	1,713,750	€102,996,375.00
October 18, 1999	Capital increase	€60.10	-	500,010	2,213,760	€133,046,976.00
July 11, 2000	Capital increase	€60.10	-	500,010	2,713,770	€163,097,577.00
April 27, 2001	Capital increase	€60.10	-	194,680	2,908,450	€174,797,845.00
May 18, 2001	Capital increase	€60.10	€1,652,120.80	104,830	3,013,280	€181,098,128.00
July 12, 2002	Capital increase	€60.10	-	299,501	3,312,781	€199,098,138.10
July 25, 2003	Capital increase	€60.10	€6,583,414.10	190,459	3,503,240	€210,544,724.00
December 22, 2005	Capital increase	€60.10	-	499,169	4,002,409	€240,544,780.99
December 10, 2007	Capital increase	€60.10	€36,308,043.60	793,544	4,795,953	€288,236,775.30
March 3, 2017	Reduction of par value	€60.00		0	4,795,953	€287,757,180.00

March 3, 2017	Share split (reduction of par value and simultaneous issue of Shares)	€0.50	€36,308,043.60	570,718,407	575,514,360	€287,757,180.00

(1) Equivalent to 10,000 pesetas, the former Spanish national currency.
(2) Equivalent to 11,710,000,000 pesetas.
(3) Equivalent to 13,710,000,000 pesetas.
(4) Equivalent to 2,836,500,000 pesetas.
(5) Equivalent to 17,137,500,000 pesetas.
(6) As a consequence of the introduction of the euro and in order to reduce the nominal value of the Company's shares to only two decimals, the share capital of the Company was reduced by reducing the nominal value per shares in an amount equal to €0,001210 against an increase of voluntary reserves.

As detailed on the table above, during the period covered by the historical financial information the number of outstanding shares did not change.

On March 3, 2017, the General Shareholders' Meeting approved the reduction of the nominal value of the Company's Shares for a total amount of €479,595.30 (or €0,10 per share) resulting in a nominal value of €60.00 per Share, creating a restricted reserve for such aggregate amount and therefore without returning any amount to shareholders. The reason for this reduction was to establish a divisible number in the share capital prior to proceeding to the split of Shares detailed below.

Immediately after this capital reduction, the General Shareholders' Meeting also agreed to execute a share split, by creating 120 Shares of €0.50 each from each existing Share resulting in a total number of 575,514,360 Shares of €0.50 par value per Share. The reason for the split was to target a price per Share in accordance with comparable listed companies in Spain.

Capital Stock as of the Date of the Offering

At the date of this Prospectus, our issued share capital consists of 575,514,360 ordinary Shares, with a par value of €0.50 each and each with an ISIN code ES0105223004 allocated by the Spanish National Agency for the Codification of Securities (Agencia Nacional de Codificación de Valores Mobiliarios), an entity dependent upon the CNMV. All of our Shares are fully subscribed and paid-up.

Our Shares are represented by book-entry records (*anotaciones en cuenta*). The entity responsible for maintaining the corresponding accounting records is the *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal* ("Iberclear"), with registered office at Plaza de la Lealtad, 1, 28014 Madrid, Spain.

The Company's corporate purpose is, among others, the (i) design, manufacture and sale of components for the automotive industry, (ii) manufacture and sale of tooling and machinery for the automotive industry, (iii) research and development activities with regard to new materials, products and industrial procedures, and (iv) fostering, creation and development of industrial companies through the investment in their share capital.

Dividend and Liquidation Rights

Dividend Distribution

Holders of our Shares have the right to participate in distributions of our profits and proceeds from a liquidation, proportionally to their paid-up share capital. However, there is no right to receive a minimum dividend.

Payment of dividends is proposed by the Board of Directors and must be authorized by our shareholders at a General Shareholders' Meeting. Holders of Shares participate in such dividends from the date agreed by a General Shareholders' Meeting. Unless the General Shareholders' Meeting decides otherwise, dividends become payable by us from the next day on which the distribution agreement is adopted by the General Shareholders' Meeting. Additionally, interim dividends (*dividendo a cuenta*) may also be distributed among shareholders directly upon approval by the Board of Directors provided that: (i) there is sufficient liquidity to pay the interim dividend; and (ii) the amount distributed does not exceed the amount resulting from deducting from the earnings booked since the end of the previous year, the sum of previous years' losses, the amounts earmarked for the legal or bylaws' reserves, and the estimated tax due on the aforesaid earnings.

The Spanish Companies Act requires each company to allocate at least 10.0% of its net income each year to a legal reserve (*reserva legal*) until the balance of such reserve is equivalent to at least 20.0% of such company's issued share capital. A company's legal reserve is not available for distribution to its shareholders except upon such company's liquidation, and, until such legal reserve reaches 20% of the company's share capital, it may only be used to compensate losses if no other reserve is available for such purposes. As of December 31, 2016, our legal reserve amounted to €46.13 million, which is below the €57.65 million threshold that the Company is required to allocate to its legal reserve based on its current share capital.

According to the Spanish Companies Act, dividends may only be paid to our shareholders (once the mandatory reserve requirements and any requirements set out in the by-laws have been met, if applicable) from: (i) our annual net income; or (ii) unrestricted reserves (such as issuance premium (*prima de emisión*)), provided in both cases that (a) the value of our net equity (*patrimonio neto*) does not, and as a result of the payment of dividends will not, amount to less than the share capital; and (b) the unrestricted reserves are equal or higher than the research and development expenses recorded as an asset in our balance sheet. Furthermore, net profits will in any case be applied to offset losses from previous years if such losses cause our net equity to fall below the share capital amount.

Furthermore, Act 22/2015 of July 20 on audit of accounts (*Ley 22/2015, de 20 de julio, de auditoría de cuentas*) amended, with effect as from January 1, 2016, the Spanish Companies Act in relation to the provisions of the non-distributable mandatory goodwill reserve and sets forth new rules for the amortization of intangible assets. Until December 31, 2015, the Spanish Companies Act provided for the creation of a non-distributable mandatory reserve equal to the amount of goodwill (*fondo de comercio*) recorded as an asset in the Company's balance sheet. For that purpose, prior to any dividend distribution, companies were required to allocate each year an amount at least equal to 5.0% of such goodwill from the net income from each year to such non-distributable reserve until such time as the non-distributable reserve were of an amount at least equal to the goodwill recorded on the company's balance sheet. If, in any given year, there were no profits or there were insufficient profits to transfer an amount equal to 5.0% of the goodwill recorded on the balance sheet, the Spanish Companies Act required that the shortfall be transferred from freely distributable reserves of the company, if any. Since January 1, 2016, the creation of a non-distributable mandatory goodwill reserve is no longer required.

In accordance with Article 947 of the Spanish Commercial Code (*Real Decreto de 22 de agosto de 1885, Código de Comercio*), the right to a dividend lapses and reverts to us if it is not claimed within five years after it becomes payable.

Mandatory reserves will be distributed only upon the Company's liquidation.

We are not aware of any restriction on the collection of dividends by non-resident shareholders. All holders will receive dividends through Iberclear and its member entities, without prejudice to potential withholdings on account of the Non-Resident Income Tax that may apply. See "Taxation".

Upon Admission, our ability to pay dividends or repurchase our Shares will depend on the availability of distributable reserves which in turn will depend on our results and other factors such as our profitability and cash flow generation.

Our ability to distribute dividends in the near future will depend on a number of factors, including (but not limited to) the amount of our distributable profits and reserves and our investment plans, earnings, level of profitability, cash flow generation, restrictions on payment of dividends under applicable laws, compliance with financial covenants in our debt instruments and shareholders agreements (in particular, see details set out in "Dividends and Dividend Policy" and "Material Contracts"), the level of dividends paid or shares repurchased by other comparable listed companies doing business in Spain and such other factors as the Board of Directors or the shareholders may deem relevant from time to time.

Any dividends paid in the future will be subject to taxation under applicable Spanish law. Dividends payable to non-Spanish residents are subject to Spanish withholding tax at the then applicable withholding tax rate (19% as of the date of this Prospectus). However, shareholders resident in certain countries may be entitled to an exemption or reduction of withholding tax in certain cases. See "Taxation".

Shareholder Liquidation Rights

Upon liquidation of a company, shareholders are entitled to any remaining assets in proportion to their respective shareholdings, once the company's debts, taxes and any expenses related to the liquidation have been paid.

Shareholders' Meetings and Voting Rights

Meeting call

Pursuant to our Bylaws, the regulations of our General Shareholders' Meeting (*Reglamento de la Junta General de Accionistas*) and the Spanish Companies Act, an ordinary annual General Shareholders' Meeting shall be held during the first six months of each fiscal year on a date fixed by the Board of Directors. Extraordinary General Shareholders' Meetings may be called by the Board of Directors whenever it deems appropriate, or at the request of shareholders representing at least 3.0% of our issued share capital. Following Admission, meeting notices for all General Shareholders' Meetings will be published in the Commercial Registry's Official Gazette or in a newspaper of wide circulation in Spain, on our corporate website and on the website of CNMV, at least one month's prior to the date when the meeting is to be held, except as discussed in the following paragraph.

In addition, pursuant to the provisions of the Spanish Companies Act, once our Shares are trading, if we offer our shareholders the ability to vote by electronic means accessible to all of them, extraordinary General Shareholders' Meetings may be called on 15 days' notice (as opposed to the default one month period). The decision to permit such reduction of the call period should be taken by a majority of not less than two thirds of the voting capital represented in an ordinary annual General Shareholders' Meeting, and the authorization shall be granted for a term which shall not exceed the date of the subsequent annual ordinary General Shareholders' Meeting.

Authority of the General Shareholders' Meeting

Action is taken at ordinary General Shareholders' Meetings on the following matters: (i) the approval of the management of the Company carried out by the Board of Directors during the previous fiscal year, (ii) the approval of the annual accounts from the previous fiscal year, (iii) the application of the previous fiscal year's income or loss (iv) appointment and dismissal of directors, liquidators and, where necessary, statutory auditors, and the exercise of the Company's action to enforce liability against any of these persons; (v) amendment of the articles of association; (vi) capital increase and issue of convertible securities, and restriction or withdraw of pre-emptive rights (which may be delegated to the Board of Directors); (vi) capital reduction; (vii) conversion, merger, spin-off or global assignment of assets and liabilities and transfer of the registered office abroad; (ix) company dissolution; (x) approval of the liquidation statement of financial position; and (xi) acquisition, disposition or contribution to another company of essential assets. In listed companies, in addition to the previous matters, the following are also reserved to the competence of the general shareholders' meeting: (a) reallocation of core activities to subsidiaries that were previously carried out by the company, even though the latter retains full control of the former; (b) operations that effectively add up to the company's liquidation; (c) the remuneration policy of the directors in the terms set forth in applicable law; and (d) any other matter reserved to the general shareholders' meeting in the law or pursuant to our Bylaws. All other matters can be considered at either an extraordinary or an ordinary general shareholders' meeting if the matter is within the authority of the meeting and is included on the agenda (with certain exceptional items which do not need to be included on the agenda to be validly passed, like dismissal of directors and the decision to bring the liability action against directors of the company). According to our Bylaws, the General Shareholders' Meeting is not entitled to give instructions to the Board of Directors in management affairs.

Voting and attendance rights

Each Share entitles the holder to cast one vote and there is no limit as to the maximum number of voting rights that may be held by each shareholder or by companies of the same group. Shareholders are not required to hold a minimum number of Shares in order to exercise their right to attend any General Shareholders' Meeting. None of the Company's shareholders have different voting rights.

Shareholders duly registered in the book-entry records maintained by Iberclear, and its member entities, five days prior to the day on which a General Shareholders' Meeting is scheduled and in the manner provided in the notice for such meeting, are entitled to attend and vote at such meeting. In any case, the notice calling the General Shareholders' Meeting shall indicate the date on which our Shares must be held by a shareholder in order for the latter to participate in a General Shareholders' Meeting and to vote in respect of his/her Shares.

Proxies

Any Shares may be voted by proxy. Proxies must be in writing or in electronic form acceptable under our Bylaws, and are valid for a single General Shareholders' Meeting. Proxies may be given to any person, whether or not a shareholder. Proxies must specifically refer to the General Shareholders' Meeting. A proxy may be revoked by giving notice to us prior to the meeting or by the shareholder attending the meeting in person.

In case the proxies do not include specific voting instructions due to the General Shareholders' Meeting is resolving on matters that are not included in the relevant agenda, the proxy holder shall vote in the manner he or she deems appropriate, in the light of the interests of the Company and the shareholder. In addition, if the proxies do not indicate the person who shall act as proxy holder, it shall be deemed to be given to the chairman of the Board of Directors, the person who may substitute him/her as chairman of the General Shareholders' Meeting or the person indicated by the Board of Directors in the notice of the relevant General Shareholders' Meeting.

Proxy holders will be required to disclose any conflict of interest prior to their appointment. In the event a conflict of interest arises after the proxy holder's appointment, such conflict of interest must be immediately disclosed to the relevant shareholder. In both cases, the proxy holder shall not exercise the shareholder's rights unless the latter has given specific voting instructions for each resolution in respect of which the proxy holder is to vote on behalf of the shareholder. A conflict of interest in this context may in particular arise where the proxy holder is: (i) our controlling shareholder, or another entity controlled by such shareholder; (ii) a member of the Board of Directors, management or supervisory body of the Company, or of a controlling shareholder or another entity controlled by such shareholder; (iii) our employee or auditor, or employee or auditor of a controlling shareholder or another entity controlled by such shareholder; (iv) a natural person related to those mentioned in (i) to (iii) above.

Pursuant to the Spanish Companies Act, entities rendering investment services, acting in their capacity as professional financial intermediaries, can also be appointed as proxy holders. Seven days in advance of a General Shareholders' Meeting, financial intermediaries shall provide the Company with the identity of each client that has appointed them as proxy holders, the number of Shares in respect of which votes shall be cast and the voting instructions received from each client. Financial intermediaries shall also be entitled to cast different votes for each indirect shareholder in observance of diverging voting instructions from their clients when the entities are registered as direct holders of the shares at the book-entry level.

A person acting as a proxy holder may hold a proxy from more than one shareholder without limitation as to the number of shareholders so represented. Where a proxy holder holds proxies from several shareholders, he/she will be able to cast votes for a shareholder differently from votes cast for another shareholder.

Entities appearing as holders of Shares in the book-entry records but acting on behalf of different persons shall always be entitled to exercise voting rights in a divergent manner in order to comply with conflicting voting instructions received from their clients. These entities may also delegate voting rights to each of the indirect holders or their nominees, without limits on the number of delegations.

Celebration of the meeting and adoption of resolutions

The Spanish Companies Act provides that, on the first call of an ordinary or extraordinary general shareholders' meeting, attendance in person or by proxy of shareholders representing at least 25.0% of our voting capital will constitute a quorum. If the meeting is not quorate on the first call, the meeting can be reconvened in second call (provided that the meeting notice included both first and second call), which according to the Spanish Companies Act requires no quorum. However, according to the Spanish Companies Act, a resolution in a General Shareholders' Meeting to increase or decrease our share capital, issue bonds, suppress or limit the pre-emptive subscription right over new shares, transform, merge, spin-off, globally assign our assets and liabilities, transfer our registered address abroad or otherwise modify our Bylaws, requires attendance in person or by proxy of shareholders representing at least 50.0% of our voting capital on first call, and attendance in person or by proxy of shareholders representing at least 25.0% of our voting capital on second call. In the case of attendance in person or by proxy of shareholders representing more than 50.0% of our voting capital, an absolute majority shall suffice to pass the aforementioned resolutions. On second call, and in the event that less than 50.0% of our voting capital attends in person or by proxy, such resolutions may only be passed upon the vote of shareholders representing two-thirds of the attending share capital. The interval between the first and the second call for a general shareholders' meeting must be at least 24 hours. Resolutions in all other cases are passed by a simple majority of the votes corresponding to the capital stock present or represented at such meeting.

Under the Spanish Companies Act, shareholders who voluntarily aggregate their shares so that the share capital so aggregated is equal to or greater than the result of dividing the total share capital by the number of directors have the right, provided there are vacancies on the board of directors, to appoint a corresponding proportion of the members of the board of directors (disregarding fractions). Shareholders who exercise this right may not vote on the appointment of other directors.

In a visible space of the place where the General Shareholders' Meeting is held there will be a stand designated for shareholders' to: (i) handle petitions and consultations that, prior to the holding of the meeting, the shareholders may have, without prejudice to the right to make interventions, proposals and voting rights that correspond to the shareholders according to the applicable law and by-laws of the Company, and (ii) attend and inform the attending shareholders who wish to speak, preparing the list of the shareholders who will intervene and, if applicable, collecting the text of the interventions made.

Legal effects of resolutions passed by the General Shareholders' Meeting and opposition to the resolutions of the General Shareholders' Meeting

A resolution passed at a General Shareholders' Meeting is binding on all shareholders, although a resolution which is (i) contrary to law or the Bylaws or the internal regulations of the Company, or (ii) prejudicial to the interest of the Company and beneficial to one or more shareholders or third parties, may be contested. In the case of listed companies, the required fraction of the Company's share capital needed to be able to contest is 1/1000. The right to contest would apply to those who were shareholders at the time when the resolution was taken (provided they hold at least 0.1% of the share capital), Directors and interested third parties. In the event of resolutions contrary to public order, the right to contest would apply to any shareholders (even if they acquired such condition after the resolution was taken), and any director or third party. In certain circumstances (such as change or significant amendment of the corporate purpose, transformation or transfer of registered address abroad), the Spanish Companies Act gives dissenting or absent shareholders (including non-voting shareholders) the right to withdraw from the Company. If this right were exercised, the Company would be obliged to purchase the relevant Shares at the average market price of the Shares in the last quarter in accordance with the procedures established under the Spanish Companies Act.

Preferential Subscription Rights, rights of free allotment and Increases of Share Capital

Pursuant to the Spanish Companies Act, shareholders have pre-emptive rights to subscribe for newly issued shares in consideration to cash contributions or newly issued securities that are convertible into or grant the right to purchase newly-issued shares. Such pre-emptive rights may be waived under special circumstances by a resolution passed by the general shareholders' meeting or the board of directors (in case the general shareholders' meeting of a listed company delegates the decision to increase the company's share capital or issue convertible notes waiving pre-emptive rights to the board of directors), in accordance with Articles 308, 417, 504, 505, 506 and 511 of the Spanish Companies Act.

In such cases, the resolution authorizing the waiver of pre-emptive rights will only be valid if, amongst other requirements: (i) a report is issued by an independent expert appointed by the Commercial Registry (*Registro Mercantil*) setting forth, *inter alia*, the reasonable market value (*valor razonable*) of the shares (which, in the case of listed companies, shall be the quotation price unless other value can be justified), the theoretical value (*valor teórico*) of the relevant pre-emptive rights and the net book value (*valor neto patrimonial*) of the shares; and (ii) the nominal value and issue premium of the newly issued shares is equivalent to the reasonable value assigned to such shares in the aforementioned independent expert's report, provided, however, that pursuant to Article 505 of the Spanish Companies Act, listed companies are entitled to issue shares at a value equal or higher than their net book value, as determined by the independent expert's report.

In addition, pre-emptive rights will not be exercisable by shareholders in case of a share capital increase that is required for the purposes of an issuance of convertible notes, the completion of a merger, the acquisition of all or part of another company's assets, in-kind contribution capital increase (*ampliación de capital con aportaciones no dinerarias*) or an offset of credit rights. Pre-emptive rights are transferable, may be traded on the AQS and may be of value to existing shareholders since new shares may be offered for subscription at prices lower than prevailing market prices.

Also, holders of Shares have the right of free allotment recognized in the Spanish Companies Act in the event of capital increase against reserves.

As of the date of this Prospectus, our Board of Directors has been authorized by the Company's shareholders to issue new Shares up to 50% of the our share capital (in the context of equity offerings, convertible debt instruments or warrants) and to exclude the preferential rights related thereto, provided that such exclusion is made in the Company's corporate interest for a period of five years. In case of equity offerings, the Board of Directors is authorized to exclude preferential rights up to 20% of our share capital as of the date of this Prospectus. As of the date hereof, we have neither convertible or exchangeable bonds outstanding nor there is any delegation on the Board of Directors to resolve on a capital increase or issue convertible bonds.

Shareholder Actions

Pursuant to the Spanish Companies Act, Directors are liable to the Company, the shareholders and the creditors for any actions or omissions that are illegal or contravene the Bylaws and for failure to perform their legal and fiduciary duties diligently.

Subsequent ratification or approval of any such act or omission by the shareholders in a General Shareholder's Meeting does not forego Directors' liability. The liability of the Directors is joint and several, except to the extent any Director can demonstrate that he or she did not participate in the decision-making process related to the relevant act or omission, was unaware of its existence or if being aware of it, he or she used his or her best efforts to mitigate any damages to the Company or if he or she expressly disagreed with the decision-making relating to such act or omission.

Under Spanish law, shareholders must bring any actions against the Company's Directors, as well as any other actions against us or challenging corporate resolutions, before the competent courts of the province of our registered address (in our case, currently Bizkaia, Spain).

Restrictions on the Free Transferability of the Shares

Other than restrictions applicable under the relevant securities laws, there are no restrictions on the free transferability of the Shares, without prejudice to the lock-up arrangements agreed in connection with the Offering.

Registration and Transfers

Our Shares are registered in book-entry form and are indivisible. Joint holders of one Share must designate a single person to exercise their shareholders' rights, but they are jointly and severally (*solidariamente*) liable to us for all the obligations arising from their status as shareholders. Iberclear, which manages the Spanish clearance and settlement system of the Spanish Stock Exchanges, maintains the central registry reflecting the number of shares held by each of its member entities (*entidades participantes*). Each member entity, in turn, maintains a registry of the owners of such shares.

Our Shares are freely transferable in accordance with the Spanish Companies Act, the LMV and any implementing regulation.

As a general rule, transfers of shares quoted on the Spanish Stock Exchanges must be made through or with the participation of a member of a Stock Exchange. Brokerage firms, or dealer firms, Spanish credit entities, investment services entities authorized in other EU member states and investment services entities authorized by their relevant authorities and in compliance with the Spanish regulations are eligible to be members of the Spanish Stock Exchanges. See "Market Information." Transfer of shares quoted on the Spanish Stock Exchanges may be subject to certain fees and expenses.

Restrictions on Foreign Investment

Exchange controls and foreign investments were, with certain exceptions, completely liberalized by Royal Decree 664/1999, of April 23 *(Real Decreto 664/1999, de 23 de abril),* which was approved in conjunction with Law 18/1992, of July 1 (the "Spanish Foreign Investment Law"), bringing the existing legal framework on foreign investments in line with the provisions of the Treaty of the European Union.

According to regulations adopted under the Spanish Foreign Investment Law, and subject to the restrictions described below, foreign investors may freely invest in shares of Spanish companies as well as transfer invested capital, capital gains and dividends out of Spain without limitation (subject to applicable taxes and exchange controls). Foreign investors who are not resident in a tax haven are only required to file a notification with the Spanish Registry of Foreign Investments maintained by the General Bureau of Commerce and Investments *(Dirección General de Comercio e Inversiones)* within the Ministry of Economy and Competitiveness *(Ministerio de Economía y Competitividad)* following an investment or divestiture, if any, solely for statistical, economic and administrative purposes. Where the investment or divestiture is made in shares of Spanish companies listed on any of the Spanish Stock Exchanges, the duty to provide notice of a foreign investment or divestiture lies with the relevant entity with whom the shares (in book-entry form) have been deposited or which has acted as an intermediary in connection with the investment or divestiture.

If the foreign investor is a resident of a tax haven, as defined under Spanish law (Royal Decree 1080/1991, of July 5), notice must be provided to the Registry of Foreign Investments prior to making the investment, as well as after consummating the transaction. However, prior notification is not necessary in the following cases:

- investments in listed securities, whether or not trading on an official secondary market;
- investments in participations in investment funds registered with the CNMV; and
- foreign shareholdings that do not exceed 50.0% of the capital of the Spanish company in which the investment is made.

The Spanish Council of Ministers (*Consejo de Ministros*), acting on the recommendation of the Ministry of Economy and Competitiveness *(Ministerio de Economía y Competitividad)*, may suspend the application of the aforementioned provisions relating to foreign investments for reasons of public policy, health or safety, either generally or in respect of investments in specified industries, in which case any proposed foreign investments falling within the scope of such a suspension would be subject to prior authorization from the Council of Ministers of the Spanish government, acting on the recommendation of the Ministry of Economy and Competitiveness *(Ministerio de Economía y Competitividad)*.

Law 19/2003, of July 4, on the establishment of a regulatory regime relating to capital flows to and from legal or natural persons abroad and the prevention of money laundering (*Ley 19/2003, de 4 de julio, sobre régimen jurídico de los movimientos de capitales y de las transacciones económicas con el exterior*) ("Law 19/2003"), generally provides for the liberalization of the regulatory environment with respect to acts, businesses, transactions and other operations between Spanish residents and non-residents in respect of which charges or payments abroad will occur, as well as money transfers, variations in accounts or financial debit or credits abroad. These operations must be reported to the Ministry of the Economy and Competitiveness and the Bank of Spain only for informational and statistical purposes. The most important developments resulting from Law 19/2003 are the obligations on financial intermediaries to provide to the Spanish Ministry of Economy and Competitiveness and the Bank of Spain information corresponding to client transactions.

Exchange Control Regulations

Pursuant to Royal Decree 1816/1991, of December 20, relating to economic transactions with non-residents (*Real Decreto 1816/1991, de 20 de diciembre, de transacciones económicas con el exterior*) as amended by Royal Decree 1360/2011 of October 7 (*Real Decreto 1360/2011, de 7 de octubre, que modifica el Real Decreto 1816/1991, de 20 de diciembre, sobre transacciones económicas con el exterior*), and EC Directive 88/361/EEC, charges, payments or transfers between non-residents and residents of Spain must be made through a registered entity, such as a bank or another financial institution registered with the Bank of Spain and/or the CNMV (*entidades registradas*), through bank accounts opened abroad with a foreign bank or a foreign branch of a registered entity, in cash or by check payable to bearer. All charges, payments or transfers which exceed €6,010 (or its equivalent in another currency), if made in cash or by check payable to bearer, must be notified to the Spanish exchange control authorities.

Shareholder Information Rights

Until the seventh day before the General Shareholders' Meeting is due to be held, shareholders may request in writing from the Directors, any information or clarification they deem necessary regarding the items to be discussed at the relevant General Shareholders' Meeting as per such meeting's agenda. The Directors must facilitate the requested information in writing by the day on which the General Shareholder's Meeting is due to be held.

During the General Shareholder's Meeting, shareholders may verbally request any information or clarification they deem necessary in relation to the items included on the agenda. If it were not possible to provide the requested information during the meeting itself, the Directors must provide the requested information in writing within seven days of the celebration of the General Shareholders' Meeting.

The Directors will not be obliged to provide the requested information if it was deemed unnecessary for the recognition of the requesting shareholder´s rights or if there were objective reasons to consider that the information was going to be used in detriment of the Company´s interests or that providing the requested information may be in the Company's harm; provided that, the requested information may not be withheld when the request is upheld by shareholders representing at least 25% of the Company's share capital.

Reporting Requirements

Transactions affecting voting rights

Pursuant to Royal Decree 1362/2007, of October 19 (*Real Decreto 1362/2007, de 19 de octubre por el que se desarrolla la Ley 24/1988, del Mercado de Valores en relación con los requisitos de transparencia relativos a la información sobre los emisores cuyos valores estén admitidos a negociación en un mercado secundario oficial o en otro mercado regulado de la Unión Europea*), which implements Directive 2004/109/EC of the European Parliament and of the Council of December 15, 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (the "Transparency Directive"), any individual or legal entity which, by whatever means, purchases or transfers shares which grant voting rights in our Company, must notify us and the CNMV, if, as a result of such transaction, the proportion of voting rights held by that individual or legal entity reaches, exceeds or falls below a threshold of 3.0%, 5.0%, 10.0%, 15.0%, 20.0%, 25.0%, 30.0%, 35.0%, 40.0%, 45.0%, 50.0%, 60.0%, 70.0%, 75.0%, 80.0% and 90.0% of our total voting rights.

Additionally, the referred obligation to notify also applies to any individual or legal entity who owns, acquires or transfers, directly or indirectly, the following financial instruments when the proportion of voting rights held reaches, exceeds or falls below the thresholds detailed in the paragraph above:

- Financial instruments (as defined in Royal Decree 1362/2007 of October 19, 2007) which, upon maturity, grant the unconditional right or the discretional right to acquire, at the sole decision of the holder of the relevant financial instrument, issued shares which confer voting rights in the Company.

- Financial instruments not included in (a) above but which are indexed to the Company's shares and which confer similar economic rights to those confer by virtue of the financial instruments referred to in (a) above.

Any notification pursuant to the paragraphs above must be made in the form approved by the CNMV from time to time for such purpose, within four trading days from the date on which the transaction that gives rise to this obligation takes place (which, in accordance with Royal Decree 1362/2007 occurs within two trading days from the date on which such transaction is entered into). In the event that the individual or legal entity entering into the relevant transaction is a non-Spanish resident, notice must also be made to the Spanish Registry of Foreign Investments (*Registro de Inversiones Exteriores*) and kept by the General Bureau of Commerce and Investments (*Dirección General de Comercio e Inversiones*) within the Ministry of Economy and Competitiveness (*Ministerio de Economía y Competitividad*).

The reporting requirements apply not only to the purchase or transfer of shares, but also to those transactions in which, without a purchase or transfer, the proportion of voting rights of an individual or legal entity reaches, exceeds or falls below the threshold that triggers the obligation to report as a consequence of a change in the total number of voting rights of a company on the basis of the information reported to the CNMV and disclosed by it. In such a case, the transaction is deemed to be acknowledged within two trading days from the date of publication of the relevant fact (*hecho relevante*) regarding such transaction.

Regardless of the actual ownership of the shares, any individual or legal entity with a right to acquire, transfer or exercise voting rights granted by the shares, and any individual or legal entity which acquires, transfers or holds, whether directly or indirectly, other securities or financial instruments which grant a right to acquire shares with voting rights, will also have an obligation to notify us and the CNMV of the holding of a significant stake in accordance with applicable regulations.

Should the person or group effecting the transaction be resident in a tax haven (as defined in Royal Decree 1080/1991, of July 5), the threshold that triggers the obligation to disclose the acquisition or transfer of our ordinary shares is reduced to 1.0% (and successive multiples thereof).

In certain circumstances established by Royal Decree 1362/2007, the notification requirements on the acquisition or transfer of shares also apply to any person or legal entity that, independently of the ownership of the shares, may acquire, transmit or exercise the voting rights granted by those shares, provided that the proportion of voting rights reaches, increases above or decreases below, the percentages set forth by Spanish law.

Moreover, pursuant to Article 30.6 of Royal Decree 1362/2007, in the context of a takeover bid, the following transactions should be notified to the CNMV: (i) any acquisition reaching or exceeding 1.0% of the voting rights of the Company, and (ii) any increase or decrease in the percentage of voting rights held by holders of 3.0% or more of the voting rights in the Company. The CNMV will immediately make public this information.

Disclosure requirements applicable to persons discharging managerial responsibilities

Pursuant to Commission Regulation (EC) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (market abuse regulation), all persons discharging managerial responsibilities in the Company (which mean the members of the Board of Directors and the senior management) must report to both us and the CNMV any percentage or number of voting rights (with a *de minimis* threshold of €5,000 per year - which may be increased up to €20,000 per year by the CNMV) in the Company held by them at the time of becoming or ceasing to be a member of the Board of Directors within three business days. Furthermore, all members of the Board of Directors must report any change in the percentage of voting rights they hold, regardless of the amount, as a result of any acquisition or disposition of our shares or voting rights, or financial instruments which carry a right to acquire or dispose of shares which have voting rights attached, including any stock-based compensation that they may receive pursuant to any of our compensation plans. Members of our senior management must also report any stock-based compensation that they may receive pursuant to any of our compensation plans or any subsequent amendment to such plans. In addition, any member of our Board of Directors or our senior managers, as defined therein and any persons closely associated (*vínculo estrecho*) with any of them (as defined in article 3.1(26) of the Market Abuse Regulation and in the Internal Code of Conduct) must similarly report to us and the CNMV any notifiable transaction (as defined in article 10 of the Commission Delegated Regulation (EU) 2016/522, of December 17, 2015) such as any acquisition or disposal of our shares, derivative or financial instruments linked to our shares regardless of the size, lending or pledge of our shares, within three business days. The notification of the transaction must include particulars of, among others, the type of transaction, the date of the transaction and the market in which the transactions were carried out, the number of shares traded and the price paid.

In addition, a person discharging managerial responsibilities within an issuer shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the shares or debt instruments of the issuer or to derivatives or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which the issuer is obliged to make public.

Shareholders' Agreements

The LMV and Articles 531, 533 and 535 of the Spanish Companies Act require parties to disclose certain types of shareholders' agreements that affect the exercise of voting rights at a general shareholders' meeting or contain restrictions or conditions on the transferability of shares or bonds that are convertible or exchangeable into shares of listed companies.

If our shareholders enter into such agreements with respect to our Shares, they must disclose the execution, amendment or extension of such agreements to us and to the CNMV, file such agreements with the appropriate commercial registry and publish them through a relevant fact (hecho relevante). Failure to comply with these disclosure obligations renders any such shareholders' agreement unenforceable and constitutes a violation of the LMV.

Such a shareholders' agreement will have no effect with respect to the regulation of the right to vote in General Shareholders' Meetings and restrictions or conditions on the free transferability of Shares and bonds convertible into Shares until such time as the aforementioned notifications, deposits and publications are made.

Upon request by the interested parties, the CNMV may waive the requirement to report, deposit and publish the agreement when publishing the shareholders' agreement could cause harm to the affected company.

Net Short Positions

In accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council of March 14, 2012 on short selling and certain aspects of credit default swaps (as further supplemented by several delegated regulations regulating technical aspects necessary for its effective enforceability and to ensure compliance with its provisions), net short positions on shares listed on the Spanish Stock Exchanges equal to, or in excess of, 0.2% of the relevant issuer's share capital and any increases or reductions thereof by 0.1% are required to be disclosed to the CNMV. If the net short position reaches 0.5%, and also at every 0.1% above that, the CNMV will disclose the net short position to the public.

The notification or disclosure mentioned above shall be made not later than at 15.30 (CET) on the following trading day.

Notification is mandatory even if the same position has been already notified to the CNMV in compliance with transparency obligations previously in force in that jurisdiction.

The information to be disclosed is set out in Table 1 of Annex I of Delegated Regulation 826/2012, according to the format approved as Annex II of this Regulation. The information will be published, where appropriate, on a web page operated or supervised by the CNMV.

Moreover, pursuant to Regulation 236/2012, where the CNMV considers that (i) there are adverse events or developments that constitute a serious threat to financial stability or to market confidence (serious financial, monetary or budgetary problems, which may lead to financial instability, unusual volatility causing significant downward spirals in any financial instrument, etc.); and (ii) the measure is necessary and will not be disproportionately detrimental to the efficiency of financial markets in view of the advantages sought, it may, following consultation with the European Securities and Markets Authority ("ESMA"), take any one or more of the following measures:

- impose additional notification obligations by either (a) reducing the thresholds for the notification of net short positions in relation to one or several specific financial instruments; and/or (b) requesting the parties involved in the lending of a specific financial instrument to notify any change in the fees requested for such lending; and
- restrict short selling activity by either prohibiting or imposing conditions on short selling.

In addition, according to Regulation 236/2012, where the price of a financial instrument has fallen significantly during a single day in relation to the closing price on the previous trading day (10.0% or more in the case of a liquid share), the CNMV may prohibit or restrict short selling of financial instruments for a period not exceeding the end of the trading day following the trading day on which the fall in price occurs.

Finally, Regulation 236/2012 also vests powers to ESMA in order to take measures similar to the ones described above in exceptional circumstances, when the purpose of these measures is to deal with a threat affecting several EU member states and the competent authorities of these member states have not taken adequate measures to address it.

Treasury Shares

Pursuant to the Spanish Companies Act, we may only repurchase our own Shares within certain limits and in compliance with the following requirements:

- the repurchase must be authorized by the General Shareholders' Meeting in a resolution establishing the maximum number of Shares to be acquired, the titles for the acquisition, the minimum and maximum acquisition price and the duration of the authorization, which may not exceed five years from the date of the resolution;
- the repurchase, including the Shares already acquired and currently held by us, or any person or company acting in its own name but on our behalf, must not bring our net worth below the aggregate amount of our share capital and legal or non-distributable bylaws' reserves. For these purposes, net worth means the amount resulting from the application of the criteria used to draw up the financial statements, subtracting the amount of profits directly allocated to such net worth, and adding the amount of share capital subscribed but not called and the share capital par value and issue premium recorded in our accounts as liabilities; and
- the aggregate value of the Shares directly or indirectly repurchased, together with the aggregate par value of the ordinary shares already held by us, must not exceed 10.0% of our share capital; and Shares repurchased for valuable consideration must be fully paid-up.

A repurchase shall be considered null and void if (i) the Shares are partially paid-up, except in the case of free repurchase, or (ii) the Shares entail ancillary obligations.

Treasury shares do not have voting rights or economic rights (for example, the right to receive dividends and other distributions and liquidation rights). Such economic rights except the right to receive bonus shares, will accrue proportionately to all of our shareholders. Treasury shares are counted for purposes of establishing the quorum for general shareholders' meetings as well as majority voting requirements to pass resolutions at general shareholders' meetings.

Regulation 596/2014 of April 16, repealing, among others, Directive 2003/6/EC of the European Parliament and the European Council of January 28, on insider dealing and market manipulation, establishes rules in order to ensure the integrity of European Community financial markets and to enhance investor confidence in those markets. This regulation maintains an exemption from the market manipulation rules regarding share buy-back programs by companies listed on a stock exchange in an EU Member State. EC Regulation No. 2273/2003, of December 22, implemented the aforementioned directive with regard to exemptions for buy-back programs. Article 5 of this Regulation states that in order to benefit from the exemption, a buy-back program must comply with certain requirements established under such Regulation and the sole purpose of the buy-back program must be to reduce the share capital of an issuer (in value or in number of shares) or to meet obligations arising from either of the following: debt financial instruments exchangeable into equity instruments; or employee share option programs or other allocations of shares to employees of the issuer or an associated company.

If an acquisition or series of acquisitions of our Shares reaches or exceeds or causes our and our affiliates' holdings to reach or exceed 1.0% of the voting Shares, we must notify our final holding of treasury shares to the CNMV. If such threshold is reached as a result of a series of acquisitions, such reporting obligation will only arise after the closing of the acquisition which, taken together with all acquisitions made since the last of any such notifications, causes our and our affiliates' holdings to exceed 1.0% of the voting Shares. Sales and other transfers of our treasury shares will not be deducted in the calculation of such threshold. This requirement would also apply if the Shares were acquired by one of our majority-owned subsidiaries.

Moreover, pursuant to Spanish Companies Act, the audited financial statements of a company must include a reference to any treasury shares.

MARKET INFORMATION

Prior to the Offering, there has been no public market for the Shares. The Company will apply to list the Shares on the Spanish Stock Exchanges and to have them quoted through the AQS of the Spanish Stock Exchanges *(mercado continuo)* under the ticker symbol "GEST".

Automated Quotation System

The AQS links the Spanish Stock Exchanges, providing any equity securities listed on it with a uniform continuous market in order to eliminate certain differences arising among the various local exchanges. The principal feature of the system is the computerized matching of bid and offer orders at the time of placement. Each order is completed as soon as a matching order occurs, but can be modified or cancelled until completion. The activity of the market can be continuously monitored by investors and brokers. The AQS is operated and regulated by *Sociedad de Bolsas, S.A.* ("Sociedad de Bolsas"), a company owned by the companies that manage the Spanish Stock Exchanges. All trades on the AQS must be placed through a brokerage firm, a dealer firm, or a credit entity that is a member of one of the Spanish Stock Exchanges.

In a pre-opening session held each trading day from 8:30 a.m. to 9:00 a.m. (Madrid time), an opening price is established for each equity security traded on the SIBE based on a real-time auction in which orders can be placed, modified or cancelled, but not completed. During this pre-opening session, the system continuously displays the price at which orders would be completed if trading were to begin. Market participants only receive information relating to the auction price (if applicable) and trading volume permitted at the current bid and offering prices. If an auction price cannot be determined, the best bid and offering prices and their respective associated trading volumes are disclosed instead. The auction terminates with a random 30 second period in which the shares are allocated. Until the allocation process has finished, orders cannot be placed, modified or cancelled. In exceptional circumstances (including the admission of new securities to trade in the AQS) and subject to prior notice to the CNMV, Sociedad de Bolsas may fix an opening price disregarding the reference price (i.e., the previous trading day's closing price), alter the price range for permitted orders with respect to the reference price and modify the reference price.

The computerized trading hours, known as the open session, range from 9:00 a.m. to 5:30 p.m. (Madrid time). The AQS sets out two ranges of prices for each security named "static" and "dynamic" in order to monitor the volatility of the trading price of each security. During the open session, the trading price of a security may fluctuate within a certain predetermined percentage above and below the "static" price (i.e., the price resulting from the closing auction of the previous trading day or the immediately preceding volatility auction in the current open session) (the "static range"). In addition, the trading price may range within a certain predetermined percentage above and below the "dynamic" price (i.e., the trading price of the immediately preceding trade of the same security) (the "dynamic range"). If, during the open session, there are matching bid and offer orders for a security within the computerized system which exceed any of the above "static" and/or "dynamic" ranges, trading on the security is automatically suspended and a new auction, known as volatility auction, is held where a new reference price is set, and the "static" and "dynamic" ranges will apply over such new reference price. The "static" and "dynamic" ranges applicable to each specific security are set up and reviewed periodically by Sociedad de Bolsas. From 5:30 p.m. to 5:35 p.m. (Madrid time), known as the closing auction, orders can be placed, modified and cancelled, but no trades can be completed.

Between 5:30 p.m. and 8:00 p.m. (Madrid time), trades may occur outside the computerized matching system without prior authorization of Sociedad de Bolsas (provided such trades are however disclosed to Sociedad de Bolsas) at a price within the range of 5% over the higher of the average price and the closing price for the trading day and 5% below the lower of the average price and closing price for the trading day provided that: (i) there are no outstanding bids or offers in the computerized system matching or improving the terms of the proposed off-system transaction; and (ii) among other requirements, the trade involves more than €300,000 and more than 20% of the average daily trading volume of the relevant security during the preceding three months. These off-system trades must also relate to individual orders from the same person or entity and shall be reported to Sociedad de Bolsas before 8:00 p.m. (Madrid time).

Trades may take place at any time (with the prior authorization of Sociedad de Bolsas) and at any price if:

- they involve more than €1,500,000 and more than 40% of the average daily trading volume of the relevant security during the preceding three months;
- the transaction results from a merger, spin-off or the restructuring of a group of companies;
- the transaction is carried out for the purposes of settling a litigation process or completing a complex set of sale and purchase agreements; or
- for any other reason which justifies the authorization of such transaction at the discretion of Sociedad de Bolsas.

Information with respect to computerized trades, which take place between 9:00 a.m. and 5:30 p.m., is made public immediately. On the other hand, information with respect to off-system trades is reported to Sociedad de Bolsas by the end of the trading day and is also published in the Stock Exchange Official Gazette *(Boletin de Cotización)* and in the computer system by the beginning of the next trading day.

Moreover, bilateral over the counter trades may occur at any time between 9:00 a.m. and 6:00 p.m. through the facilities of Iberclear by way of submission of matching OTC instructions by the participants acting as custodians for the seller and the purchaser outside of the AQS and without the involvement of any market member as broker or dealer whatsoever.

Clearance, Settlement and Book-Entry System

The Spanish clearance, settlement and recording system has been recently adapted by Act 11/2015, of June 18, on the recovery and resolution of credit institutions and investment firms *(Ley 11/2015, de 18 de junio, sobre recuperación y resolución de entidades de crédito y empresas de servicios de inversión)* and Royal Decree 878/2015, of October 2 *(Real Decreto 878/2015, de 2 de octubre, sobre compensación, liquidación y registro de valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial)* to the provisions set forth in Regulation (EU) No 909/2014 of the European Parliament and of the Council of July 23, 2014, on improving securities settlement in the European Union and on central securities depositories, amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012.

Following this amendment, which first phase has been applied to equity securities since April 27, 2016, transactions carried out on the Spanish Stock Exchanges are cleared by BME Clearing, S.A., as central clearing counterparty (CCP), and settled and recorded by Iberclear, as central securities depositary. The latter will manage the post-trading process and operations compatible with the TARGET System, governing messages, accounts, structures and other operations. The second phase of the reform will deal with the settlement of trades on fixed income securities.

Iberclear is owned by *Bolsas y Mercados Españoles*, *Sociedad Holding de Mercados y Sistemas Financieros, S.A.*, a listed holding company which holds 100%, interest in each of the Spanish official secondary markets and settlement systems. BME Clearing, S.A.U. is also owned by *Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A*.

Shares of listed Spanish companies are represented in book-entry form. Iberclear and its participating entities are responsible for keeping records in book-entry form *(anotaciones en cuenta).* The recording system is a two-tier level registry: the keeping of the central record corresponds to Iberclear and the keeping of the detail records correspond to the participating entities in Iberclear.

Access to become a participating entity in Iberclear is restricted to: (i) credit institutions, (ii) investment services companies which are authorized to render custody and administration of financial instruments, (iii) the Bank of Spain, (iv) the General Administration and the General Social Security Treasury, (v) other duly authorized central securities depositories and central clearing counterparties and (vi) other public institutions and private entities when expressly authorized to become a participating entity in central securities depositories.

The central registry managed by Iberclear reflects: (i) one or several proprietary accounts which will show the balances of the participating entities' proprietary accounts; (ii) one or several general third-party accounts that will show the overall balances that the participating entities hold for third parties; (iii) individual accounts opened in the name of the direct owner (not being a participating entity), either individual or legal person; and (iv) individual special accounts of financial intermediaries which use the optional procedure of settlement of orders. Each participating entity, in turn, maintains the detail records of the owners of such shares.

Pursuant to Spanish law, the legal owner of the shares is deemed to be either:

- the participating entity registered in the records of Iberclear as holder of the shares in its own name; or
- the investor registered in the records of the participating entity as holder of the shares; or
- the investor registered in the records of Iberclear as holder of the shares in a segregated individual account.

BME Clearing is the CCP in charge of the clearing of all trades over securities occurring on the Spanish Stock Exchanges. BME Clearing interposes itself on its own account as seller in every purchase and as buyer in every sale. It calculates the buy and sell positions vis-a-vis the participants designated in such buy or sell instructions and will generate and send to Iberclear the relevant settlement instructions.

The settlement and registration platform managed by Iberclear, which operates with the trade name of ARCO, receives the settlement instructions from BME Clearing and forwards them to the relevant participating entities involved in each transaction. From October 3, 2016, ARCO operates under a T+2 settlement standard, by which any transactions must be settled within two business days following the date on which the transaction was completed. This change in the settlement cycle is due to Regulation (EU) No. 909/2014 of the European Parliament and of the Council of July 23, on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation 236/2012, which provides that the settlement period shall not exceed the second business day after the relevant trade takes place.

The acquisition of legal title over shares of a company listed in one of the Spanish Stock Exchanges requires the intervention of a Spanish official stockbroker, broker-dealer or other entity authorized by Spanish law to record the transfer of listed shares. In order to evidence title over any given listed shares, the relevant participating entity must issue a certificate of ownership at the shareholder's request (*certificado de legitimación*). If the shareholder is a participating entity or a person holding shares in a segregated individual account, Iberclear must issue such certificate with respect to the shares held in their name.

In addition, on May 8, 2012 Iberclear entered into a framework agreement by virtue of which it will outsource its settlement functions to TARGET2-Securities ("T2S"). According to the resolutions of the European Central Bank, Iberclear will migrate to T2S on September 18, 2017. Upon migration to T2S, settlement services such as the creation and management of settlement orders and securities and cash settlement processes and cycles will not be performed directly by Iberclear, but carried out in T2S.

T2S is an European settlement platform owned and operated by the Eurosystem, and whose purpose is the provision of securities settlement and clearing services on a harmonized basis in Europe.

As established by the Eurosystem, Iberclear will offer to the market participants two kinds of connections to T2S:

- Connection as a Directly Connected Participant ("DCP"): direct connection to T2S, authorized by Iberclear.
- Connection as an Indirectly Connected Participant ("ICP"): indirect connection to T2S through Iberclear.

Market participants connected as DCPs will send their settlement instructions directly to T2S, while market participants connected as ICPs will deliver their instructions through Iberclear. Furthermore, T2S will only admit ISO 20022 as standard for electronic data interchange and thus, market participants acting as DCPs shall adapt to ISO 20022.

Euroclear and Clearstream, Luxembourg

Shares deposited with depositaries for Euroclear Bank, S.A./N.V., as operator of the Euroclear System ("Euroclear"), and *Clearstream Banking, Société Anonyme* ("Clearstream") and credited to the respective securities clearance account of purchasers in Euroclear or Clearstream against payment to Euroclear or Clearstream, will be held in accordance with the Terms and Conditions Governing Use of Euroclear and Clearstream, the operating procedures of the Euroclear System (as amended from time to time), the Management Regulations of Clearstream and the instructions to Participants of Clearstream (as amended from time to time), as applicable. Subject to compliance with such regulations and procedures, those persons on whose behalf accounts are kept at Euroclear or Clearstream and to whom shares have been credited ("investors"), will be entitled to receive a number of shares equal to that amount credited in their accounts.

With respect to shares deposited with depositaries for Euroclear or Clearstream, such shares will be initially recorded in the name of Euroclear or one of its nominees or in the name of Clearstream or one of its nominees, as the case may be. Thereafter, investors may withdraw shares credited to their respective accounts if they wish to do so, upon payment of the applicable fees (as described below), if any, and once the relevant recording in the book-entry records kept by the members of Iberclear has occurred.

Under Spanish law, only the shareholder of record in Iberclear's registry is entitled to dividends and other distributions and to exercise voting, preferential and other rights in respect of such shares. Euroclear (or its nominees) or Clearstream (or its nominees) will, respectively, be the sole record holders of the shares that are deposited with any depositaries for Euroclear and Clearstream until investors exercise their rights to withdraw such shares and record their ownership rights over them in the book-entry records kept by the members of Iberclear.

Cash dividends or cash distributions, as well as stock dividends or other distributions of securities, received in respect of the shares that are deposited with the depositories for Euroclear and Clearstream will be credited to the cash accounts maintained on behalf of the investors at Euroclear and Clearstream, as the case may be, after deduction of any applicable withholding taxes, in accordance with the applicable regulations and procedures for Euroclear and Clearstream. See "Taxation".

Euroclear and Clearstream will endeavor to inform investors of any significant events of which they become aware affecting the shares recorded in the name of Euroclear (or its nominees) and Clearstream (or its nominees) and requiring action to be taken by investors. Each of Euroclear and Clearstream may, at their discretion, take such action as they deem appropriate in order to assist investors in exercising their voting rights in respect of the shares. Such actions may include: (i) acceptance of instructions from investors to grant or to arrange for the granting of proxies, powers of attorney or other similar certificates; or (ii) exercise by Euroclear or its nominees and Clearstream or its nominees of voting rights in accordance with the instructions provided by investors.

In case the Company offers or causes to be offered to Euroclear (or its nominees) and Clearstream (or its nominees), acting in their capacity as record holders of the shares deposited with the depositaries for Euroclear and Clearstream, any rights to subscribe for additional shares or rights of any other nature, each of Euroclear and Clearstream will, respectively, endeavor to inform investors of the terms of any such rights of which they become aware in accordance with the applicable provisions in the aforementioned regulations and procedures. Such rights will be exercised, insofar as practicable and permitted by applicable law, according to written instructions received from investors, or, alternatively, such rights may be sold and, in such event, the net proceeds will be credited to the cash account kept on behalf of the investor with Euroclear or Clearstream.

Tender offers

Tender offers are governed in Spain by articles 128 ff. of the Spanish Securities Market Act and Royal Decree 1066/2007, of July 27 *(Real Decreto 1066/2007, de 27 de Julio, de régimen de las ofertas públicas de adquisición de valores),* which have implemented Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004. Other than the referred tender offer regulation, there is no other special regulation in Spain which may govern mandatory tender offers over the Shares.

Tender offers in Spain may qualify as either mandatory or voluntary.

Mandatory tender offers must be launched for all the shares of the target company and all other securities that might directly or indirectly entitle to acquire or subscribe such shares (including, without limitation, convertible and exchangeable notes) at an equitable price and not subject to any conditions when any person or entity acquires control of a Spanish company listed on the Spanish Stock Exchanges, whether such control is obtained:

- by means of the acquisition of shares or other securities that directly or indirectly entitle to subscribe or acquire voting shares in such company;
- through shareholder agreements with shareholders or other holders of said securities; or

- as a result of other situations of equivalent effect as provided in the applicable Spanish regulation on tender offers (i.e., indirect control acquired through mergers, share capital decreases, changes in the target's treasury stock, etc.).

A person or entity is deemed to have control over a target company, either individually or jointly with concerted parties, whenever:

- it acquires, directly or indirectly, a percentage of the company's voting rights equal to or greater than 30%; or
- it has acquired less than 30% of the voting rights and appoints, during the 24 month-period following the date of acquisition of said percentage of voting rights, a number of directors that, together with those already appointed by it (if any), represents more than one-half of the members of the target company's board of directors. The Spanish regulation on tender offers also sets forth certain situations where directors are deemed to have been appointed by the bidder or persons acting in concert therewith unless evidence to the contrary is provided.

Notwithstanding the above, Spanish regulations establish certain exceptional situations where control is obtained but no mandatory tender offer is required, including, among others:

- subject to the CNMV's approval;
- acquisitions or other transactions resulting from the conversion or capitalization of credit into shares of listed companies the financial feasibility of which is subject to serious and imminent danger, even if the company is not undergoing bankruptcy proceedings, provided that such transactions are intended to ensure the company's financial recovery in the long term; or
- in the event of a merger, provided that those acquiring control did not vote in favor of the merger at the relevant general meeting of shareholders of the offeree company and provided also that it can be shown that the primary purpose of the transaction is not the takeover but an industrial or corporate purpose; and
- when control has been obtained after a voluntary bid for all of the securities, if either the bid has been made at an equitable price or has been accepted by holders of securities representing at least 50% cent of the voting rights to which the bid was directed.

For the purposes of calculating the percentages of voting rights acquired, the Spanish regulation establishes the following rules:

- percentages of voting rights corresponding to: (i) companies belonging to the same group as the bidder; (ii) members of the board of directors of the bidder or of companies of its group (unless evidence to the contrary is provided); (iii) persons acting in concert with or on behalf of the bidder; (iv) voting rights which may be exercised freely and over an extended period by the bidder under proxy granted by the actual holders or owners of such rights, in the absence of their specific instructions with respect thereto; and (v) shares held by a nominee (such nominee being as a third-party whom the bidder totally or partially covers against the risks related to acquisitions or transfers of the shares or the possession thereof), will be deemed to be held by the bidder (including the voting rights attaching to shares that constitute the underlying asset or the subject matter of financial contracts or swaps when such contracts or swaps cover, in whole or in part, against the risks inherent in ownership of the securities and have, as a result, an effect similar to that of holding shares through a nominee);
- both the voting rights arising from the ownership of shares and those enjoyed under a usufruct or pledge or under any other contractual title, will also be deemed to be held by the bidder;
- the percentage of voting rights shall be calculated based on the entire number of the company's shares with voting rights, even if the exercise of such rights has been suspended. Treasury stock held directly or indirectly by the target company (according to the information available on the date of calculation of the percentage of voting rights held by the bidder) shall be excluded from the calculation. Non-voting shares shall be taken into consideration only when they carry voting rights pursuant to applicable law; and
- acquisitions of securities or other financial instruments which entitle the holder to the subscription, conversion, exchange or acquisition of shares which carry voting rights will not result in the obligation to launch a tender offer either until such subscription, conversion, exchange or acquisition occurs.

Notwithstanding the foregoing, upon the terms established in the applicable Spanish regulation on tender offers, the CNMV will conditionally exempt a person or entity from the obligation to launch a mandatory bid when another person or entity not acting in concert with the potential bidder, directly or indirectly holds an equal or greater voting percentage in the target company.

The price of the mandatory tender offer is deemed to be equitable when it is at least equal to the highest price paid or agreed by the bidder or any person acting in concert therewith for the same securities during the twelve months preceding the announcement of the tender offer. Other rules used to calculate such equitable price are set forth in the applicable Spanish regulation. However, the CNMV may change the price determined pursuant to said rules in certain circumstances (extraordinary events affecting the price, evidence of market manipulation, etc.).

Mandatory offers must be launched as soon as possible and at any event within one month from the acquisition of the control of the target company.

Voluntary tender offers may be launched in those cases in which a mandatory offer is not legally required. Voluntary offers are subject to the same rules established for mandatory offers except for the following:

- they might be subject to certain conditions (such as amendments to the bylaws or adoption of certain resolutions by the general shareholders' meeting of the target company, acceptance of the offer by a minimum number of shares of the target company, approval of the offer by the general shareholders' meeting of the bidder; and any other condition deemed by the CNMV to be in accordance with law), provided that the fulfilment of such conditions may be verified by the end of the offer acceptance period; and
- they may be launched at any price, regardless of whether it is lower than the abovementioned "equitable price". However, if they are not launched at an equitable price and if the tender offer shares representing at least 50% of the voting rights are tendered in the offer (excluding voting rights already held by the bidder and those belonging to shareholders who entered into an agreement with the bidder regarding the tender offer), the bidder may become obliged to launch a mandatory tender offer.

In any case, by virtue of an amendment to the Spanish Securities Markets Act operated by Law 1/2012, of June 22, the price in a voluntary tender offer must be the higher of (i) the equitable price and (ii) the price resulting from an independent valuation report, and must at least consist of cash as an alternative if certain circumstances have occurred during the two years prior to the announcement of the offer (basically, the trading price for the shares being affected by price manipulation practices, market or share prices being affected by natural disasters, force majeure, or other exceptional events, or the target company being subject to expropriation or confiscation resulting in significant impair of the company's real value).

The Spanish regulation on tender offers sets forth further relevant provisions, including, amongst others:

- the board of directors of the target company will be exempt from the prohibition to carry out frustrating or defensive actions against a foreign bidder provided the latter's board of directors is not subject to equivalent passivity rules and subject to prior approval by the company's general shareholders' meeting within the 18-month period before the date of the public announcement of the tender offer;
- defensive measures included in a listed company's bylaws and transfer and voting restrictions included in agreements among a listed company's shareholders will remain in place whenever the company is the target of a tender offer, unless the shareholders decide otherwise (in which case any shareholders whose rights are diluted or otherwise adversely affected shall be entitled to compensation at the target company's expense); and
- squeeze-out and sell-out rights will apply provided that following a mandatory tender offer (or as a result of a voluntary offer for all the of the target's capital stock) the bidder holds shares representing at least 90% of the target company's voting capital stock and the tender offer has been accepted by the holders of securities representing at least 90% of the voting rights over which the offer was launched.

TAXATION

Spanish Tax Considerations

General

The following is a summary of certain Spanish tax implications of the acquisition, ownership and disposition of the Shares by Spanish and non-Spanish tax resident investors. This summary is not a complete analysis or description of all the possible Spanish or Bizkaian tax implications of such transactions and does not purport to address all tax considerations that may be relevant to all categories of potential investors, some of whom may be subject to special rules (for instance, EU pension funds and EU harmonized collective investment institutions). In particular, this tax section does not address the Spanish tax consequences applicable to certain "look through" entities (such as trusts, estates or partnerships) that may be subject to a specific tax regime applicable under the Spanish Non-Residents Income Tax Act, approved by Royal Legislative Decree 5/2004, of March 5 (hereinafter, the "NRIT Act") or under the Spanish Personal Income Tax Act 35/2006, of November 28 (hereinafter, the "PIT Act") or similar regional legislation applicable, as the case may be.

Accordingly, prospective investors in the Shares should consult their own tax advisors as to the applicable tax consequences of their purchase, ownership and disposition of the Shares, including the implications arising under the tax laws of any other jurisdiction, based on their particular circumstances. The description of Spanish tax laws set forth below is based on the laws currently in effect in Spain as of the date of this prospectus, and on administrative interpretations of Spanish law made public to date, without taking into account the regional tax regimes applicable in the Historical Territories of the Basque Country and the Community of Navarre or the provisions passed by Regional Governments of Spain, except for what it is specifically mentioned regarding the Bizkaian applicable laws in connection with certain aspects referred to non-Spanish tax resident investors. As a result, this summary is subject to any changes in such laws or interpretations occurring after the date hereof, including changes having retrospective effect.

As used in this particular section *"Spanish Tax Considerations"*, the term "Holder" means a beneficial owner of the Shares:

- who is an individual or corporation resident for tax purposes in Spain or a corporation subject to NRIT operating in Spain through a permanent establishment; and
- who is an individual or corporation resident for tax purposes in any country other than Spain, and whose ownership of shares is not deemed to be effectively connected with a permanent establishment in Spain.

Resident individuals

Personal income tax (PIT)

Taxation of dividends

Article 25.1 of the PIT Act provides for a definition of "investment income" that includes dividends and other income items derived from the ownership of an equity interest in an entity (such as, for instance, attendance fees at general shareholders' meeting, income derived from any arrangement aimed at allowing another person to use or enjoy the shares and, generally, any other income obtained as a result of being a shareholder).

Investment income obtained by Holders as a result of their ownership of the Shares is calculated as the gross income less certain tax-deductible expenses, such as general securities administration and custody fees. Discretionary fees relating to an individualized management of a portfolio of securities are not tax-deductible. The resulting net investment income will be considered as "savings taxable base" (along with any other income item obtained by a Holder that is not related to the ownership of the Shares and that is classified as "savings income"), and subject to PIT at the following progressive rates (as applicable in fiscal year 2017):

Savings taxable base	Tax payable	Rest of savings taxable base	Applicable tax rate
0.00	0.00	6,000.00	19%
6,000.00	1,140.00	44,000.00	21%
50,000.00	10,380.00	Onward	23%

Holders shall be liable for a PIT withholding on investment income at the then-applicable tax rate (currently 19%), on the gross income obtained. This PIT withholding will be creditable against the taxpayer's annual PIT due. If the amount of tax withheld is greater than the amount of the net PIT due, the taxpayer is entitled to a refund of the excess withheld in accordance with the PIT Act.

To the extent that the Shares are admitted to listing and trading in a regulated market as defined in the EU Directive 2004/39/CE on markets in financial instruments (such as the Spanish Stock Exchanges), the distribution of share premium is not considered as a dividend, but the amount of share premium distributed will decrease the acquisition value of the Shares and any excess will be subject to PIT within the savings taxable base at the progressive rates mentioned above (19%, 21% and 23% as from fiscal year 2017). These amounts will not be subject to withholding tax unless they derive from non-distributed profits.

Capital gains and losses

If the Shares are sold or otherwise transferred, such transaction may give rise to the recognition of a capital gain or loss in the period when the transfer takes place. Such capital gain or loss will be measured by the difference between the acquisition value of the Shares (plus any fees or taxes incurred in the acquisition) and their transfer value, which is the higher of the trading price of the Shares at the transfer date or, the agreed transfer price (less any fees or taxes incurred in the transfer).

Where the taxpayer owns other equivalent securities, the acquisition price of the transferred shares is based on the principle that those acquired first are sold first (FIFO).

Capital gains or losses that arise from the transfer of the Shares are added to or netted from the "savings income" obtained by such Holder for the year in which such gain or loss was realized. Consequently, capital gains or losses derived from the transfer of Shares should be taxed at the progressive savings income taxable base tax rates (see *"—*Taxation of dividends*").*

Capital gains derived from the transfer of the Shares are not subject to withholding tax.

Finally, losses derived from the transfer of the Shares cannot be considered as capital losses when equivalent Shares have been acquired within the two months preceding or following the transfer which originated the loss. In these cases, the capital losses arising from such transfer of Shares will be included in the taxable base upon the transfer of the remaining shares of the taxpayer.

Pre-emptive subscription rights

As of January 1, 2017, proceeds derived from the sale of preemptive subscription rights in respect of the Shares shall be treated as capital gains for the transferor corresponding to the tax period in which the transfer takes place. The relevant amount shall be subject to withholding tax at the then-applicable withholding tax rate (19% for tax year 2017) by the depositary entity or, otherwise, by the financial intermediary or notary public involved in the transaction.

Where not all the preemptive subscription rights are transferred, it will be considered that those transferred correspond to the Shares acquired first (FIFO).

As it has been previously mentioned, capital gains or losses arising as a result of transfers of subscription rights on the Shares will be included in the savings taxable and subect to the tax rates mentioned above.

Net wealth tax

Individuals with tax residency in Spain are subject to Net Wealth Tax (hereinafter "NWT") as set out in Act 19/1991, of June 6, if their net worth exceeds a certain threshold. This threshold has been set at €700,000 for the 2017 tax year. Therefore, they should take into account the value of the Shares which they hold as at 31 December in each year. A Holder who is required to file a NWT return should value the Shares at their average trading price in the last quarter of the year. Such average trading price is published on an annual basis by the Spanish Ministry of Finance and Public Administration.

NWT is levied at rates ranging from 0.2% to 2.5% depending on the Spanish region of domicile of the taxpayer. Certain tax allowances may be available depending also on the Spanish region of tax residence of the Holder.

Inheritance and gift tax

The transfer of the Shares by inheritance, gift or legacy (on death or as a gift) to individuals resident in Spain is subject to Inheritance and Gift Tax (hereinafter, "IGT") as set out in Act 29/1987, of December 18, being payable by the person who acquires the securities. The applicable tax rates as at the date of this Prospectus range between 7.65% and 34%, despite certain relevant factors (such as previous net wealth, the degree of kinship between the transferor and trasferee and the specific regulations implemented by each Spanish region) will determine the final effective tax rate that curently range between 0% and 81.6% as at the date of this Prospectus.

Corporate taxpayers

Corporate income tax (CIT)

Taxation of dividends

Spanish corporations or those who, while subject to NRIT, operate in Spain through a permanent establishment, will include dividends received in connection with Shares in their taxable base, subject to the then applicable tax rate (currently the general tax rate is 25%), according to Act 27/2014, of November 27 (hereinafter, "CIT Act").

According to the participation exemption regime set out in article 21 of the CIT Act, Holders obtaining dividends or profit distributions in respect of the Shares shall be entitled to an exemption if such Holder (i) has a direct or indirect stake, of at least 5% or the acquisition value of the Shares is over €20 million and (ii) holds the stake uninterruptedly for a year — requirement which may be fulfilled after the distribution of such dividend (and provided that other requirements that need to be analysed on a case by case basis are fulfilled).

In the case where more than 70% of the company's revenues derive from dividends and capital gains arising from transfers of shares, the application of the participation exemption is subject to particularly complex restrictions, substantially requiring that the shareholder holds an indirect participation of at least 5 per cent in the share capital of the company's subsidiaries. Holders are urged to consult their tax advisors regarding compliance with the requirements for application of the aforesaid participation exemption.

As a general rule and except in the circumstances mentioned in the paragraph above, the gross dividend received annually from the Shares will be subject to the then applicable withholding tax rate (currently 19%). Holders shall be able to credit such withholding tax against their annual CIT due.

However, no withholding tax will apply on dividends payable to a Holder who is entitled to apply the participation exemption regime outlined above.

If the amount of tax withheld is greater than the amount of the net Corporate Income Tax payable, the taxpayer will be entitled to a refund of the excess withheld in accordance with the CIT Act and regulations.

The distribution of share premium (not including profits corresponding to present or past years) is not considered as a dividend for CIT purposes. Any such amount will decrease the acquisition value of the Shares and any excess over the acquisition value will be included in the CIT taxable base of relevant tax period and subject to CIT at the then-applicable CIT tax rate but may be entitled to an exemption at the level of the Holder, provided that the referred requirements set out in article 21 of the CIT Act are fulfilled. These amounts will not be subject to withholding tax.

Taxation of gains and losses

Gains arising from the sale of the Shares by a Holder (tax resident in Spain or subject to NRIT but operating in Spain through a permanent establishment) will be included in its CIT taxable base, and shall generally be subject to CIT at the above tax rate.

Gains arising from the sale of the Shares will not be subject to withholding tax and may also be entitled to an exemption at the level of the Holder, provided that the requirements (briefly described in the precedent section) set out in article 21 of the CIT Act are fulfilled.

According to Royal Decree-Law 3/2016, of 2 December, adopting tax measures aimed at the consolidation of public finances and other urgent social security measures, and effective in periods commenced on or after January 1, 2017, the following general rules will apply to impairment losses and losses arising from the transfer of the Shares by a Holder:

- Impairment losses and losses derived from the transfer of "qualified" investments (i.e. those satisfying the requirements to claim the exemption set out in article 21 of the CIT Act) will be non-deductible.

  Losses resulting from the transfer of "non-qualified" investments can be deducted in the taxable base but their amount must be reduced by the amount of any income obtained on an earlier intra-group transfer to which an exemption or credit regime for the avoidance of double taxation had been claimed.

  Additionally, these losses resulting from the transfer of "non-qualified" investments must be reduced by the amount of any dividends or shares in income received from the investee after the tax period in which the year 2009 commenced, provided those dividends or shares in income have not reduced the cost price and have been eligible for the exemption set out in Article 21 of the CIT Act.

  Holders who are CIT-payers must consult their tax advisors regarding the CIT impact of these rules.

Capital gains deriving from the disposal of the Shares will not be subject to withholding tax on account of CIT.

Legal entities resident in Spain for tax purposes that acquire ownership or other rights over the Shares by inheritance, gift or legacy are not subject to the IGT but must include the market value of the Shares in their taxable income for CIT purposes.

Pre-emptive subscription rights

The income obtained from the sale of pre-emptive subscription rights will be accounted for in accordance with applicable Spanish accounting regulations, which have full effect for tax purposes.

Non-resident shareholders

Non-residents income tax (NRIT)

(a) *Non-Spanish resident investors acting through a permanent establishment in Spain*

Ownership of the Shares by Holders who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Shares form part of the assets of a permanent establishment in Spain of a person who, or legal entity which, is not resident in Spain for tax purposes, such permanent establishment will be subject to NRIT on similar terms as those previously set out for CIT taxpayers.

(b) *Non-Spanish resident investors not acting through a permanent establishment in Spain*

Taxation of dividends

According to the Spanish NRIT provisions, dividends paid by a Spanish resident company to a non-Spanish tax resident Holder not holding the Shares through a permanent establishment located in Spain are subject to NRIT, withheld at the source on the gross amount of dividends at the then-applicable withholding tax rate (currently 19%).

Certain corporate Holders who are resident in a EU Member State (other than a tax haven jurisdiction for Spanish tax purposes) may be entitled to an exemption from NRIT dividend withholding tax to the extent that they are entitled to the benefits of the Spanish NRIT provisions that implement the regime of the EU Parent-Subsidiary Directive.

No Spanish withholding taxes should be levied on the dividends distributed by a Spanish subsidiary to its European Union (EU) parent company if the following requirements are met:

- the EU parent company maintains a direct or indirect holding in the capital of the Spanish subsidiary of at least 5 per cent or its acquisition cost exceeding €20 million. The holding must have been maintained uninterruptedly during the year prior to the date on which the distributed profit is due or, failing that, be maintained for the time required to complete such period (in the latter case, the withholding tax must be levied, although it would be refundable once the year has been completed);

- the EU parent company is incorporated under the laws of a EU Member State, under one of the corporate forms listed in Annex I, Part A, of the EU Parent-Subsidiary Directive, and is subject to a Member State Corporate Income Tax (as listed in Annex I, Part B, of the EU Parent-Subsidiary Directive), without the possibility of being exempt; and

- the dividends distributed do not derive from the subsidiary's liquidation.

The aforesaid exemption will not be applicable if the dividend is obtained through a territory that is defined as a tax haven by Spanish regulations.

The aforesaid exemption will be applicable, subject to the compliance of such requirements, to dividends distributed by a Spanish subsidiary to its European Economic Area parent company provided that there is an effective exchange of tax information with such European Economic Area parent company's country.

However, the exemption includes an anti-abuse provision by virtue of which the withholding tax exemption will not be applicable where the majority of the voting rights of the parent company are held directly or indirectly by individuals or entities not resident in the European Union or the European Economic Area with which there is a an effective exchange of tax information in the terms set forth in Law 36/2006, of November 29, or the equivalent regional legislation applicable, except where the European Union or European Economic Area parent company proves that its incorporation and its operative responds to valid economic reasons and to substantive economic activities.

Holders claiming the applicability of such exemption that have not met a minimum one year holding period as of a given dividend distribution date (but who could meet such requirement in the future afterwards) should be aware that the Spanish NRIT provisions requires the Company to withhold the applicable NRIT on such dividends, and that such Holders will need to request a direct refund of such withholding tax from the relevant Spanish tax authorities pursuant to the Spanish refund procedure described below under *"*Spanish refund procedure*"*.

Additionally, dividends obtained by non-Spanish resident investors not acting through a permanent establishment in Spain and deriving from income obtained by the Company from its shareholding in non-resident companies or permanent establishments located abroad that carry on business activities outside of Spain could be entitled to a full exemption, according to article 14.1.i) of Regional Law of Bizkaia 12/2013, of 5 December, on NRIT, provided that the Company had also benefited from the participation exemption regime regarding such income on its CIT, and provided certain other requirements are met.

In addition, Holders resident in certain countries may be entitled to the benefits of a double taxation convention ("DTC") in effect between Spain and their country of tax residence providing from a reduced tax rate or an exemption on dividends, subject to the satisfaction of any conditions specified in the relevant DTC, including providing evidence of the tax residency of the Holder by means of a certificate of tax residence duly issued by the tax authorities of its country of tax residency making express reference to the Holders' entitlement to the benefits of such DTC (or equivalent specific form required under an applicable DTC). In the case of U.S. persons, IRS Form 6166 will satisfy this certificate requirement. From a Spanish tax perspective, tax residence certificates issued by a foreign tax authority (or equivalent DTC forms) are generally valid for Spanish tax purposes for one year as from their date of issuance. In general, the U.S.-Spain DTC provides for a tax rate of 15% on dividends.

In accordance with the Order of the Ministry of Economy and Competitiveness of April 13, the Regional Order of Bizkaia 1715/2000, of May 31, and the equivalent regional provisions applicable, upon distribution of a dividend, the Company or the Company's paying agent will withhold an amount equal to the NRIT amount required to be withheld according to the general rules set forth above (generally, 19% as from fiscal year 2017), transferring the resulting net amount to the financial institution acting as a depositary of the Shares held by such Holder. For this purpose, the depositary is the financial institution with which the Holder has ratified a contract of deposit or management with respect to such Holder's Shares in the Company. If the applicable depositary in Spain provides timely evidence of the Holder's right to obtain the DTC-reduced tax rate or exemption in the manner set out in the applicable Order, it will immediately receive the amount withheld, which will be credited to the relevant Holder (the "Quick refund Procedure"). For these purposes, the Holder shall provide the applicable depository with the relevant certificate of residency (or equivalent DTC form) stating that the Holder is a resident of such country within the meaning of the DTC must be provided before the tenth day following the end of the month in which the dividends were paid. The Quick refund Procedure will only be applicable to the extent that the depository of the Shares held by the Holder is resident, domiciled or represented in Spain.

If the certificate of tax residency or, as the case may be, the equivalent DTC form referred to above, is not provided to the relevant depositary within the above-mentioned time period, the relevant NRIT that should have been withheld, will be paid to the relevant Spanish tax authorities, and a Holder entitled to an exemption or reduction of NRIT pursuant to the Spanish NRIT provisions or pursuant to an applicable DTC may subsequently request a refund of the amounts withheld in excess from the applicable Spanish tax authorities, following the standard refund procedure described below under *"*Spanish refund procedure*"*.

Direct refund from Spanish tax authorities procedure

According to Royal Decree 1776/2004, of July 30 (the "NRIT Regulations") and the Order of the Ministry of Finance and Taxation EHA/3316/2010, of December 17, as amended, a refund of an amount withheld in excess of any applicable NRIT (taking into account an available exemption or reduction under the NRIT Act or applicable DTC) can be requested and obtained directly from the relevant Spanish tax authorities.

Holders may claim the amount withheld in excess from the relevant Spanish Treasury following the 1st of February of the calendar year following the year in which the relevant payment date takes place and within the first four years following the last day on which the Company's may pay any amount so withheld to the relevant Spanish Treasury (which is generally the 25th calendar day of the month immediately following the relevant payment date).

To pursue the refund claim, the Holder is required to file:

- the corresponding Spanish tax refund form (as of the date of this prospectus Form 210);
- a valid certificate of tax residency issued by the relevant tax authorities of the Holder's country of residency stating that the Holder is a resident of such country (and, in case an exemption or reduction of NRIT is claimed pursuant to a DTC, such certificate must indicate that the relevant Holder is a resident therein within the meaning of the relevant DTC) or, as the case may be, the equivalent DTC form, as referred to above under "—Taxation of dividends";
- a withholding tax certificate from the Company stating that Spanish NRIT was withheld and collected with respect to such Holder;
- a proof of beneficial ownership, and
- documentary evidence of the bank account in which the excess amount withheld should be paid.

For further details, prospective Holders should consult their own tax advisors.

Taxation of capital gains

Capital gains derived from the transfer or sale of the Shares will be deemed to be income arising in Spain, and, therefore, subject to NRIT at the then applicable tax rate (currently 19%), although no withholding taxes will be imposed on the capital gain obtained.

Capital gains and losses will be calculated separately for each transaction. It is not possible to offset losses derived from a given transfer of shares against capital gains obtained upon another transfer of shares.

However, capital gains derived from the transfer or sale of Shares will be exempt from taxation in Spain in any of the three following cases:

- Capital gains derived from the transfer of Shares carried out on an official Spanish secondary stock market (such as the Spanish Stock Exchanges), by any Holder who is tax resident of a country that has entered into a DTC with Spain containing an "exchange of tax information" clause (such as the U.S.-Spain DTC). This exemption is not applicable to capital gains obtained by a Holder through a country or territory that is classified as a tax haven under Spanish tax regulations, nor by a Holder holding Shares through a permanent establishment located in Spain.
- Capital gains obtained directly by any Holder resident of another EU Member State or indirectly through a permanent establishment of such Holder in a EU Member State (other than Spain), provided that:
    - the Company's assets do not mainly consist of, directly or indirectly, real estate property located in Spain;
    - in the case of individual taxpayers, the Holder has not held a direct or indirect interest of at least 25% in the Company's capital or net equity during the preceding twelve months;
    - in the case of non-resident entities, the transfer of Shares shall meet the requirements for the application of the exemption provided for in article 21 of the CIT Act; and
    - the gain shall not be obtained through a country or territory defined as a tax haven under the applicable Spanish tax regulations.
- Capital gains realized by Holders who benefit from a DTC entered into between their country of tax residence and Spain that provides for taxation of capital gains derived from the transfer of Shares only in such non-Spanish tax resident Holder's country of tax residence.

In order to apply for any of the abovementioned exemptions, a Holder must timely file the applicable NRIT tax return before the Spanish tax authorities, attaching a certificate of tax residence issued by the tax authority of its country of residence (which, if applicable, must state that the Holder is a resident of such country within the meaning of the relevant DTC) or, as the case may be, equivalent DTC form, as described under *"—* Taxation of Dividends*"*. Certificates of tax residence (or equivalent DTC forms) will be generally valid only for a period of one year after their date of issuance.

Prospective Holders should consult their own tax advisors to obtain detailed information regarding NRIT filings they may be required to make before the Spanish Tax Authorities.

Net wealth tax

In relation to fiscal year 2017, unless otherwise provided under an applicable DTC, non-Spanish tax resident individual Holders holding the Shares will be subject to Spanish NWT to the extent that such Holders own Shares (along with other property located in Spain and rights which could be exercised in Spain) valued for a combined net amount in excess of €700,000 as of December 31, 2017. Spanish NWT rates vary between 0.2% and 2.5%. For NWT valuation purposes, the Shares should be valued at their average trading price during the last quarter of such year (according to information published on an annual basis by the Spanish Ministry of Finance and Public Administration). Holders who benefit from a DTC that provides for net wealth taxation only in the Holder's country of residence will not be subject to NWT.

When most of the value of the assets and rights of the non-Spanish tax resident individual Holder, which are located or can be exercised in Spain, correspond to assets or rights that are located or can be exercised in Bizkaia, the NWT would be subject to the Regional NWT of Bizkaia, under Regional Law of Bizkaia 2/2013 of February 27, which provides for a minimum exemption of €800,000 and rates that range from 0.2% to 2%. For Bizkaian NWT valuation purposes, the Shares should be valued at their trading price as of 31 December of each year.

Individuals that are not resident in Spain for tax purposes who are resident in an EU or European Economic Area member State may apply the rules approved by the autonomous region where the assets and rights with more value are located, can be exercised or must be fulfilled. As such, prospective holders should consult their tax advisors.

Spanish inheritance and gift tax

Unless otherwise provided under an applicable DTC, transfers of Shares upon death and by gift to individuals not resident in Spain for tax purposes are subject to Spanish IGT if the Shares are located in Spain (pursuant to Spanish Act 29/1987), regardless of the residence of the heir or the beneficiary. The applicable tax rates range between 7.65% and 34%, despite certain relevant factors (such as previous net wealth, the degree of kinship between the transferor and transferee and the specific regulations implemented by each Spanish region, if applicable) will determine the final effective tax rate that currently range between 0% and 81.6%.

Generally, non-Spanish tax resident individuals are subject to Spanish IGT according to the rules set forth in the Spanish Act 29/1987. However, if the deceased, heir or the donee is resident in an EU or European Economic Area member State, depending on certain circumstances, the applicable rules may be those corresponding to the applicable autonomous region. Accordingly, prospective shareholders should consult their tax advisors.

Non-Spanish tax resident legal entities that acquire ownership or other rights over the Shares by inheritance, gift or legacy are not subject to IGT. Such acquisitions will be subject to NRIT (as described above), without prejudice to the provisions of any applicable DTC entered into by Spain.

In some cases, if the only assets transferred subject to IGT are the Shares, Bizcaian regional regulations would have to be applied. Investors are thus urged to consult with their own tax advisors.

Spanish transfer tax

The acquisition or subscription of the Shares and any subsequent transfer thereof will be exempt from Transfer Tax and Value Added Tax, under the terms and with the exemptions set out in article 314 of the Consolidated Text of the Spanish Securities Market Act.

Additionally, no stamp duty will be levied on such acquisition, subscription and transfers.

Certain U.S. Federal Income Tax Considerations

The following discussion describes certain United States federal income tax consequences of the purchase, ownership and disposition of our Shares as of the date hereof. This discussion deals only with Shares that are held as capital assets by a United States Holder (as defined below). In addition, the discussion set forth below is applicable only to United States Holders (i) who are residents of the United States for purposes of the current income tax treaty between the United States and Spain (the "Treaty"), (ii) whose Shares are not, for purposes of the Treaty, effectively connected with a permanent establishment in Spain and (iii) who otherwise qualify for the full benefits of the Treaty.

As used herein, the term "United States Holder" means a beneficial owner of our Shares that is, for United States federal income tax purposes, any of the following:

- an individual citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or

- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This discussion is based upon provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations, rulings and judicial decisions thereunder as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income tax consequences different from those summarized below.

This discussion does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organization;
- a person holding our Shares as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a person who owns or is deemed to own 10% or more of our voting stock;
- a partnership or other pass-through entity for United States federal income tax purposes; or
- a person whose "functional currency" is not the United States dollar.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) holds our Shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our Shares, you should consult your tax advisors.

This discussion does not contain a detailed description of all the United States federal income tax consequences to you in light of your particular circumstances and does not address the Medicare tax on net investment income or the effects of any state, local or non-United States tax laws. **If you are considering the purchase of our Shares, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the purchase, ownership and disposition of our Shares, as well as the consequences to you arising under other United States federal tax laws and the laws of any other taxing jurisdiction.**

Taxation of Dividends

The gross amount of distributions on the Shares (including any amounts withheld to reflect Spain withholding taxes) will be taxable as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. To the extent that the amount of any distribution exceeds our current and accumulated earnings and profits for a taxable year, the distribution will first be treated as a tax-free return of capital, causing a reduction in the tax basis of the Shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain recognized on a sale or exchange. We do not, however, expect to determine earnings and profits in accordance with United States federal income tax principles. Therefore, you should expect that a distribution will generally be treated as a dividend.

Any dividends that you receive (including any withheld taxes) will be includable in your gross income as ordinary income on the day actually or constructively received by you. With respect to non-corporate United States investors, certain dividends received from a qualified foreign corporation may be subject to reduced rates of taxation. A qualified foreign corporation includes a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States which the United States Treasury Department determines to be satisfactory for these purposes and which includes an exchange of information provision. The United States Treasury Department has determined that the Treaty meets these requirements and the Company believes it is eligible for the benefits of the Treaty. Non-corporate holders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss or that elect to treat the dividend income as "investment income'' pursuant to Section 163(d)(4) of the Code will not be eligible for the reduced rates of taxation regardless of our status as a qualified foreign corporation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met. You should consult your own tax advisors regarding the application of these rules to your particular circumstances.

Non-corporate United States Holders will not be eligible for reduced rates of taxation on any dividends received from us if we are a passive foreign investment company in the taxable year in which such dividends are paid or in the preceding taxable year (see "—Passive Foreign Investment Company" below).

The amount of any dividend paid in euros will equal the United States dollar value of the euros received calculated by reference to the exchange rate in effect on the date the dividend is received by you, regardless of whether the euros are converted into United States dollars. If the euros received as a dividend are converted into United States dollars on the date they are received, you generally will not be required to recognize foreign currency gain or loss in respect of the dividend income. If the euros received as a dividend are not converted into United States dollars on the date of receipt, you will have a basis in the euros equal to their United States dollar value on the date of receipt. Any gain or loss realized on a subsequent conversion or other disposition of the euros will be treated as United States source ordinary income or loss.

The maximum rate of withholding tax on dividends paid to you pursuant to the Treaty is 15 percent. You may be required to properly demonstrate to the Company and the Spain tax authorities your entitlement to the reduced rate of withholding under the Treaty. Subject to certain conditions and limitations (including a minimum holding period requirement), Spain withholding taxes on dividends may be treated as foreign taxes eligible for credit against your United States federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid on the Shares will be treated as income from sources outside the United States and will generally constitute passive category income. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

Distributions of Shares or rights to subscribe for Shares that are received as part of a pro rata distribution to all of our shareholders generally will not be subject to United States federal income tax.

Passive Foreign Investment Company

We do not believe that we are, or were in the preceding taxable year, for United States federal income tax purposes, a passive foreign investment company (a "PFIC"), and we expect to operate in such a manner so as not to become a PFIC in the foreseeable future. If, however, we are or become a PFIC, you could be subject to additional United States federal income taxes on gain recognized with respect to the Shares and on certain distributions, plus an interest charge on certain taxes treated as having been deferred under the PFIC rules.

Taxation of Capital Gains

For United States federal income tax purposes, you will recognize taxable gain or loss on any sale or exchange of the Shares in an amount equal to the difference between the amount realized for the Shares and your tax basis in the Shares. Such gain or loss will generally be capital gain or loss and will generally be long-term capital gain or loss if you have held the Shares for more than one year. Long-term capital gains of non-corporate United States Holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

In general, information reporting will apply to dividends in respect of our Shares and the proceeds from the sale, exchange or other disposition of our Shares that are paid to you within the United States (and in certain cases, outside the United States), unless you are an exempt recipient. A backup withholding tax may apply to such payments if you fail to provide a taxpayer identification number or certification of exempt status or fail to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the Internal Revenue Service.

PLAN OF DISTRIBUTION

The Underwriting Agreement

Upon finalization of the book-building period and setting of the Offering Price (expected to be on or about April 5, 2017), the Company, the Selling Shareholders and the Managers expect to enter into an underwriting agreement (the "Underwriting Agreement") with respect to the Initial Offered Shares and the Additional Shares. Subject to the satisfaction of certain conditions set out in the Underwriting Agreement and the Underwriting Agreement not having terminated in accordance with its terms, each Manager below will agree, severally but not jointly, to purchase the Initial Offered Shares (therefore excluding the Additional Shares) set forth opposite its name in the following table:

Manager	Number of Initial Offered Shares (1)	Percentage of total underwriting commitment
J.P. Morgan Securities plc	36,516,386	23.5%
Morgan Stanley & Co. International plc	36,516,387	23.5%
UBS Limited	36,516,386	23.5%
Banco Santander, S.A.	12,431,110	8.0%
Deutsche Bank AG, London Branch	12,431,110	8.0%
Société Générale	12,431,110	8.0%
Banco Bilbao Vizcaya Argentaria, S.A.	2,848,796	1.833%
BNP PARIBAS	2,848,796	1.833%
CaixaBank, S.A.	2,848,796	1.833%
Total	**155,388,877**	**100%**

(1) The amounts in this column refer to the number of Initial Offered Shares only, the Additional Shares, if any, would be distributed among the Managers following the same percentages.

It is expected that Banco Português de Investimento, S.A. through an agreement with CaixaBank, S.A. will take part in the marketing activities of the Offering, although it will not be a party to the Underwriting Agreement and it will not receive any commission from the Company orSelling Shareholders.

The Selling Shareholders will inform the market of any amendment to the number or identity of the Managers, or of any amendment to the percentage of Initial Offered Shares underwritten by any of them through the publication of a relevant fact *(hecho relevante).*

If one or more of the Managers shall fail on the Transaction Date (as defined below, and expected to be on or about April 6, 2017), to procure purchasers for, or to purchase the Shares which it or they are obliged to purchase under the Underwriting Agreement (the "Defaulted Shares"), the Joint Global Coordinators shall have the right, within 24 hours thereafter (or as otherwise may be agreed among the non-defaulting Manager(s) and the Company), to make arrangements for the non-defaulting Managers, or any other Managers, to procure purchasers for, or to themselves purchase all, but not less than all, of the Defaulted Shares in such amounts as may be agreed upon and upon the terms set forth in the Underwriting Agreement. If, however, the Joint Global Coordinators shall not have completed such arrangements within such 24-hour period, then (i) if the number of Defaulted Shares does not exceed 10% of the number of Shares to be purchased on such date, each of the non-defaulting Managers shall be obliged, severally and not jointly, to procure purchasers for, or failing which to itself purchase the full amount of any Defaulted Shares in the proportions that their respective underwriting obligations bear to the underwriting obligations of all non-defaulting Managers; or (ii) if the number of Defaulted Shares exceeds 10% of the number of Shares to be purchased on such date, the Underwriting Agreement shall terminate without liability on the part of any non-defaulting Manager, and the Offering will therefore be revoked. See "—Withdrawal and Revocation of the Offering" below.

No action taken pursuant to the paragraph above shall relieve any defaulting Manager from liability in respect of its default. In the event of any such default which does not result in a termination of the Underwriting Agreement, either the Joint Global Coordinators or the Company and the Selling Shareholders shall have the right to postpone the Transaction Date for a period not exceeding three days in order to effect any required changes in any documents or arrangements.

Under the Underwriting Agreement, Acek will grant the Stabilization Manager, acting on behalf of itself and the other Managers severally but not jointly, an option, exercisable in whole or in part on one occasion only during 30 calendar days after Admission to purchase up to 23,308,331 Additional Shares (representing 15% of the Initial Offered Shares) at the Offering Price. See "Tentative calendar of the Offering—Over-Allotment Option" below.

The Company will give the Managers customary representations and warranties in the Underwriting Agreement, including in relation to the Company's business, the Shares and the contents of this Prospectus. The Selling Shareholders will also give the Managers customary representations and warranties under the Underwriting Agreement in relation to, among other matters, its title to the Shares.

In consideration of the agreement by the Managers to purchase the Shares and, if and to the extent the Over-Allotment Option is exercised, the Additional Shares, the Selling Shareholders will pay to the Managers a commission to be agreed under, and subject to the terms of, the Underwriting Agreement which will be a percentage of the aggregate Offering Price of the Offered Shares sold in the Offering. The Company and Acek may, at their sole and absolute choice and discretion, elect to pay to the Managers a discretionary commission to be agreed under the Underwriting Agreement. Furthermore, the Selling Shareholders and the Company will agree to reimburse the Managers for certain expenses in connection with the Offering.

The Underwriting Agreement will also provide that the Company and the Selling Shareholders will, subject to certain exceptions, indemnify the Managers against certain liabilities, including liabilities under applicable securities laws that may arise in connection with the Offering.

The Offering

The Selling Shareholders and the Company expect that the Offering will take place according to the calendar set out at "—Tentative calendar of the Offering" below.

The Offering is of up to 155,388,877 Shares, with a nominal value of €0.50 per share (the Initial Offered Shares), representing 27% of the total issued ordinary share capital of the Company, which results in an offer of up to €77,694,439 of nominal value. In addition, Acek will grant the Managers, acting severally but not jointly, an option to purchase a number of Additional Shares of the Company up to 15% of the Initial Offered Shares to cover over-allotments of Shares in the Offering, if any. The Over-Allotment Option is exercisable, in whole or in part, by the Stabilization Manager, on behalf of itself and the other Managers, upon notice to Acek, only for the purpose of covering over-allotments (if any), at any time on or before 23:59 CET on the date following 30 calendar days after Admission.

The closing date of the Offering or the "Transaction Date" *(fecha de operación bursátil)* is expected to be on or about April 6, 2017. The Company will publish the Offering Price through a relevant fact *(hecho relevante)* as described in "—Pricing of the Offering—Offering Price" below. Under Spanish law, on the Transaction Date investors become unconditionally bound to pay for, and entitled to receive, the Initial Offered Shares purchased in the Offering.

Payment by the final investors for the Initial Offered Shares will be made no later than the second business day after the Transaction Date against delivery through the facilities of Iberclear of the Initial Offered Shares to final investors, which is expected to take place on or about April 10, 2017 (the "Settlement Date"). The Shares are expected to be listed on the Spanish Stock Exchanges and quoted on the AQS on or about April 7, 2017, under the ticker symbol "GEST".

The Offering will be conducted through a book-building process expected to take place from March 23, 2017 after the registration of this Prospectus with the CNMV and April 5, 2017. During the book-building period, the Managers will market the Initial Offered Shares among investors in accordance with, and subject to, the selling restrictions set forth in this Prospectus. Investors may submit their purchase proposals during this period, indicating the total amount in euro that they would be prepared to invest in purchasing Offered Shares and, if applicable, the maximum purchase price at which they would be interested in acquiring them.

The book-building period may be reduced or extended by agreement of the Selling Shareholders and the Joint Global Coordinators if, in the first case, the book of demand is sufficiently covered in their view before the end of the book-building period or, in the second case, if they understand that an extension of the book-building period is appropriate to ensure the success of the Offering. In the event that there is such a reduction or extension of the book-building period, the Company will inform the market through the publication of a relevant fact *(hecho relevante)* and the subsequent steps in the tentative calendar of the Offering may be postponed or brought forward accordingly.

The purchase proposals made by investors during the book-building period will constitute only an indication of interest of the investors in the Initial Offered Shares and shall accordingly not be binding with respect to the amount in euro sought to be invested in the purchase of the Offered Shares and, if applicable, the price per Offered Share neither for the investors nor for the Selling Shareholders. Following the determination of the Offering Price and allocation of the Offered Shares to investors, allocatees will be notified by any of the Managers of both the Offering Price and of the number of Offered Shares allocated to them and will be asked to confirm their purchase proposals. Once a purchase proposal has been confirmed by an investor it becomes irrevocable. Investors will be expected to confirm their purchase proposals to their custodian entities responsible for their "billing and delivery" including in their settlement instructions the 35 digits corresponding to each of the final investor's settlement account in *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal* ("Iberclear") and the 20 digits corresponding to each final investor's securities account in an Iberclear participant. Failure to furnish such instructions to their respective "billing and delivery" entities may result in investors not being allocated Initial Offered Shares or custodians not accepting settlement. The Selling Shareholders will bear any expenses payable to the Spanish Stock Exchanges and Iberclear deriving from the registration of the Shares under the name of the relevant investors.

The Company and the Selling Shareholders have discussed with the Joint Global Coordinators their principles for allocation, the factors they believe to be relevant to the allocation and pricing of the Offered Shares and have agreed the objectives and process for the allocation and pricing of the Offered Shares. The Joint Global Coordinators will take into account their prudential responsibilities to manage their risk properly when agreeing the allocation, pricing and timing.

The final decision on the allocation of the Initial Offered Shares shall be made by the Company and the Selling Shareholders after consultation with the Joint Global Coordinators, on the date of pricing of the Offering, which is expected to occur on or about April 5, 2017.

The Offering has a single tranche and consists of a placement to institutional investors only, including into the United States, only to QIBs ("qualified institutional buyers" as defined in and in reliance upon Rule 144A) and outside the United States in "offshore transactions" as defined in, and in reliance upon, Regulation S. Outside the United States, the Offering is directed only to investors who, if resident in a member state of the European Economic Area (the "EEA"), are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive, and if resident in Spain, to qualified investors with the meaning of Article 39 of Royal Decree 1310/2005 of November 4.

The Shares have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Any offer or sale of Shares in reliance on Rule 144A under the Securities Act will be made by brokers or dealers that are registered as such under the Exchange Act. CaixaBank, S.A. and Banco Bilbao Vizcaya Argentaria, S.A. are only participating in the Offering outside the United States under Regulation S of the Securities Act. CaixaBank, S.A. and Banco Bilbao Vizcaya Argentaria, S.A. are not broker-dealers registered with the SEC and will not be offering or selling securities in the United States or to US nationals or residents. In addition, neither this Prospectus nor the Shares have been or will be registered under any securities laws of any jurisdiction other than Spain.

In addition, until 40 days after the commencement of the Offering, an offer or sale of Shares within the United States by a dealer that is not participating in the Offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

Pricing of the Offering

Prior to the Offering, there has been no public market for the Shares.

Offering Price Range

The indicative non-binding Offering Price Range is €5.60 to €6.70 per Offered Share, but the Offering Price may be outside this range. The Offering Price Range has been determined by negotiations between the

Selling Shareholders and the Joint Global Coordinators and no independent experts were consulted in determining the Offering Price Range. The Offering Price Range implies an aggregate Offering Price of between approximately €870.18 million and €1,041.10 million, if the Over-Allotment Option is not exercised, and of between €1,000.70 million and €1,197.27 million, if the Over-Allotment Option is fully exercised, and a market capitalization of the Company totaling between €3,222.88 million and €3,855.95 million approximately. The Offering Price Range is indicative only and the Offering Price may be higher or lower than the Offering Price Range. There can be no assurance that the prices at which the Shares will sell in the public market after the Offering will not be lower than the Offering Price Range or that an active trading market in the Company's ordinary shares will develop and continue after the Offering.

Offering Price

The Offering Price will be determined upon the finalization of the book-building period (expected to be on or about April 5, 2017) and it will be announced by the Company through a relevant fact (hecho relevante) reported to the CNMV no later than 03:00 a.m. of the following day (Madrid time) (unless the Selling Shareholders and the Joint Global Coordinators agree otherwise) on the date the Offering Price is set (which is expected to be occur on or about April 5, 2017) (or any prior date or subsequent date if it is previously reported to the CNMV).

The underwriting price will be the price per Share to which the Managers will undertake to purchase the Initial Offered Shares that, as the case may be, are not allocated to investors, and will be equal to the Offering Price. The purchase price of any Additional Shares will also be equal to the Offering Price.

Expenses and taxes charged to the investor

The Company and the Selling Shareholders will not charge investors any expenses in addition to the Offering Price.

Purchasers of Shares may be required to pay stamp taxes and other charges in compliance with the laws and practices of their country of purchase in addition to the Offering Price. In addition, purchasers will have to bear the commissions payable to the financial intermediaries through which they will hold the Shares, including those commissions related to administration and security custody which are freely set by the relevant financial intermediaries and notified to CNMV or *Banco de España*, as the case may be.

As set forth in section "Taxation—Spanish Tax Considerations—Spanish Transfer Tax*"* the acquisition or subscription of the Shares and any subsequent transfer thereof will be exempt from Transfer Tax, Stamp Duty and Value Added Tax.

Payment of the Shares

The payment of the Offering Price by the investors for the Shares purchased in the Offering shall be made between the Transaction Date (expected to be on or about April 6, 2017) and no later than 9:30 a.m. (Madrid time) on the Settlement Date (expected to be on or about April 10, 2017), both inclusive, notwithstanding any advances requested, as the case may be.

The referred amounts shall be paid by the investors through the book-entry facilities of Iberclear and its participating entities in the corresponding account opened by the Selling Shareholders at the Agent Bank. The Selling Shareholders shall not dispose of those funds unless each of the following has occurred: (i) Admission is complete and (ii) settlement of the Offering has taken place on the Settlement Date.

Delivery of the Shares

The final allocation of the Initial Offered Shares will be decided by the Company and the Selling Shareholders after consulting with the Joint Global Coordinators, which shall notify so to the Agent Bank by means of the delivery of the corresponding files to be submitted to Iberclear and to the Spanish Stock Exchanges on or around 07:00 p.m. (Madrid time) on the Transaction Date (expected to be on or about April 6, 2017) and the Agent Bank shall arrange the delivery of the Initial Offered Shares to the assignees on or around 07:00 p.m. (Madrid time) on the Transaction Date.

On the Transaction Date, the Joint Global Coordinators will submit the details of the final allocation of the Initial Offered Shares to the Managers, which will in turn notify such details to the relevant investors.

In addition, on the same date, the Agent Bank shall arrange with the Spanish Stock Exchanges the statement of sale and purchase transaction and the allocation of the corresponding book-entry registries.

Execution of the sale of the Initial Offered Shares will be deemed made on the Transaction Date, although the actual delivery will take place on the Settlement Date.

The outcome of the Offering will be published through a relevant fact (hecho relevante) with the CNMV by not later than the Transaction Date.

Agent

CaixaBank, S.A., a Spanish company with corporate address at Avenida Diagonal, 621, 08028, Barcelona (Spain), acts as Agent Bank. In such condition, the Agent Bank will perform the following functions: maintain the Initial Offered Shares deposited in the securities accounts held with it by the Selling Shareholders until settlement of the Offering, instruct the entities participating in the Offering on the procedures applicable to its execution, receiving and processing the corresponding files with the final allocation of the Offered Shares to final investors as per the instructions of the Joint Global Coordinators and the Company, and cooperating with the Company in the Admission process.

Withdrawal and revocation of the Offering

Withdrawal of the Offering

The Company and the Selling Shareholders expressly reserve the right to withdraw the Offering, postpone it, defer it, or suspend it temporarily or indefinitely for any reason at any time before the setting of the Offering Price.

In case of withdrawal, the Selling Shareholders will notify such circumstance to the CNMV, the Agent Bank and the Joint Global Coordinators on behalf of the Managers, on the date on which the withdrawal takes place or as soon as practicable.

Revocation of the Offering

The Offering will be revoked:

(a) if the Underwriting Agreement is not signed on or before 03:00 a.m. (Madrid time) on the following day of the the Offering Price is set (which is expected to be set on or about April 5, 2017, or any postponement thereof duly notified to the CNMV);

(b) if the Offering is suspended or withdrawn by any judicial or administrative authority;

(c) if the Shares are not admitted to listing on the Spanish Stock Exchanges before 05:00 p.m. (Madrid time) on April 21, 2017; or

(d) if the Underwriting Agreement is terminated upon the occurrence of customary termination provisions set forth in the Underwriting Agreement, among other things, there being no breach of the representations, warranties or undertakings under the Underwriting Agreement and there being no change in the market which in the judgment of the Joint Global Coordinators acting in good faith is such as to make it impracticable or inadvisable to proceed with the Offering.

In case of withdrawal or revocation of the Offering, all offers to purchase Shares shall be cancelled and all purchase orders related to the Offering shall be terminated. Additionally, the Selling Shareholders will have no obligation to deliver the Offered Shares and the investors shall have no obligation to purchase the Offered Shares. If any advance payment would have been made by any investor to the Managers, the relevant Managers will refund such amounts free of any charges, commission or expenses on the business day after the announcement of the revocation of the Offering.

In the event that the Offered Shares have already been delivered by the Selling Shareholders and the Offering Price has been paid by the investors on the business day after the announcement of the revocation of the Offering, the investors would be required to return title to the Offered Shares and the Selling Shareholders will repurchase the Offered Shares to the purchasers for the amount paid by them in the Offering, together with interest calculated at the statutory rate (currently set at 3% per annum) from the date on which the purchasers paid for the Offered Shares until the date on which the Selling Shareholders repay the Offering Price.

The investors purchasing Offered Shares shall be deemed to have consented to the aforementioned repurchase of Offered Shares.

In case of revocation of the Offering, the Selling Shareholders will notify such circumstance to the CNMV, the Agent Bank and the Joint Global Coordinators on behalf of the Managers, on the date on which the revocation takes place or as soon as practicable.

Tentative calendar of the Offering

The Company expects that the Offering will take place according to the tentative calendar set out below:

Events	**Estimated Date(1)**
Registration of the Prospectus with the CNMV	March 23, 2017
Commencement of the book-building period	March 23, 2017 after registration of this Prospectus
Finalization of the book-building period	April 5, 2017
Setting of the Offering Price	April 5, 2017
Execution of the Underwriting Agreement	April 5, 2017
Selection of purchase proposals and allocation of Initial Offered Shares	April 6, 2017
Confirmation by investors of allocation of Initial Offered Shares ("Transaction Date") and publication of relevant fact	April 6, 2017
Admission to listing on the Spanish Stock Exchanges and commencement of the Stabilization Period	April 7, 2017
Settlement Date (delivery of the Initial Offered Shares to the allocatees against payment of the Offering Price)	April 10, 2017
Finalization of the Stabilization Period	May 6, 2017

(1) Each of the times and dates is subject to change without prior notice. Any change, including in particular any shortening of the book-building period, will be published through a relevant fact (*hecho relevante*) in relation to the Prospectus with the CNMV.

Authorizations of the Offering

On March 2, 2017 (regarding Acek), on February 16, 2017 (regarding Risteel) and on March 3, 2017 (regarding the Company), the Selling Shareholders and the Company determined to apply for the Admission of the Shares, expected to occur on or about April 7, 2017, and the implementation by the Selling Shareholders of an offer for the sale of the Offered Shares, as contemplated in the Offering. For the avoidance of doubt, no application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any exchange other than the Spanish Stock Exchanges and the AQS.

The Offering is not subject to any administrative approval or authorization besides the regime applicable to the approval by the CNMV of this document as a "prospectus" for the purposes of the Admission in accordance with the Spanish Securities Market Act and related regulation.

In addition, the Company will publish any change in the date expected for the admission to trading on the Spanish Stock Exchanges of the Shares through a relevant fact *(hecho relevante)* with the CNMV.

The Company is aware of, and undertakes to comply with, all the statutory requirements and conditions for the Admission and maintenance of the Shares on the Spanish Stock Exchanges, pursuant to the applicable laws and the requirements of the relevant governing bodies.

There is not any private placement taken place simultaneously, or almost simultaneously, with this Offering in connection with shares of the same class as the Shares, other than any sales of Shares made by the Managers in markets different from the Spanish market, in accordance with Rule 144A and Regulation S under the Securities Act.

Stabilization

In connection with the Offering, Morgan Stanley & Co. International plc, as Stabilization Manager, or any of its agents, on behalf of itself and the other Managers, may (but will be under no obligation to), to the extent permitted by applicable law, engage, over-allot or effect transactions in Shares or effect transactions in any over the counter market or otherwise, with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in the open market. Any stabilization transactions shall be undertaken in accordance with applicable laws and regulations, in particular, Commission Regulation (EU) No. 596/2014 of April 16, 2014 of the European Parliament and of the Council of April 16, 2014 on market abuse as regards exemptions for buy-back programs and stabilization of financial instruments.

The stabilization transactions shall be carried out for a maximum period of 30 calendar days from the date of the commencement of trading of Shares on the Spanish Stock Exchanges, provided that such trading is carried out in compliance with the applicable rules, including any rules concerning public disclosure and trade reporting. The Stabilization Period is expected to commence on April 7, 2017 and end on May 6, 2017 (the "Stabilization Period").

For this purpose, the Stabilization Manager may carry out an over-allotment of Shares in the Offering, which may be covered by the Stabilization Manager pursuant to a security loan granted by the Selling Shareholders. The Stabilization Manager is not required to enter into such transactions and such transactions may be effected on a regulated market and may be taken at any time during the Stabilization Period. However, there is no obligation on the Stabilization Manager or any of its agents to effect stabilization transactions and there is no assurance that stabilization transactions will be undertaken. Such stabilization, if commenced, may be discontinued at any time without prior notice, without prejudice to the duty to give notice to the CNMV of the details of the transactions carried out under Commission Regulation (EU) No. 596/2014 of April 16, 2014 of the European Parliament and of the Council of April 16, 2014 on market abuse. In no event will measures be taken to stabilize the market price of the Shares above the Offering Price. In accordance with Article 5.5 of Commission Regulation (EU) No. 596/2014 of April 16, 2014, the details of all stabilization transactions will be notified by the Stabilization Manager to the CNMV no later than closing of the seventh daily market session following the date of execution of such stabilization transactions.

The following information will be disclosed to the CNMV by the Stabilization Manager within one week of the end of the Stabilization Period: (i) whether or not stabilization transactions were undertaken; (ii) the date at which stabilization transactions started; (iii) the date at which stabilization transactions last occurred; (iv) the price range within which the stabilization transaction was carried out, for each of the dates during which stabilization transactions were carried out and (v) the market venue or venues where such stabilization transactions were undertaken.

Over-Allotment Option

In connection with the Offering, Acek will grant the Managers, acting severally but not jointly, an option to purchase the Additional Shares (representing up to 23,308,331 Shares, 15% of the Initial Offered Shares) at the Offering Price. The Over-Allotment Option is exercisable by the Stabilization Manager, on behalf of itself and the other Managers, upon notice to Acek, only for the purpose of covering over-allotments (if any), at any time on or before 23:59 CET of the date falling 30 calendar days after Admission. This period is expected to commence on April 7, 2017 and end on May 6, 2017. Any Additional Shares made available pursuant to the Over-Allotment Option will rank *pall passu in* all respects with the Initial Offered Shares, including for all dividends and other distributions declared, made or paid on the Initial Offered Shares, if any, will be purchased on the same terms and conditions as the Initial Offered Shares being sold in the Offering and will form a single class for all purposes with the other Shares.

Lock-Up Agreements

The Company will agree in the Underwriting Agreement that without the prior written consent of the Joint Global Coordinators on behalf of the Managers, it will not, from the date of execution of the Underwriting

Agreement through 180 days after Admission, without the prior consent of the Joint Global Coordinators, (i) directly or indirectly, issue, offer, pledge, sell, announce an intention to or contract to sell, sell any option, warrant or contract to subscribe or purchase, exercise any option to subscribe, sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, pledge or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares, any other equity securities of the Company or any financial instruments convertible into or giving the right to subscribe for Ordinary Shares or any other equity securities of the Company or file any prospectus under the Prospectus Directive and the prospectus rules thereunder or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Ordinary Shares or any other equity securities of the Company, whether any such swap or transaction described in sub-section (i) or (ii) above is to be settled by delivery of Shares or any securities, in cash or otherwise; or (iii) publicly announce such intention to effect any such transaction. These restrictions shall not apply to (A) the filing of this Prospectus (or a supplement thereto) in connection with the Offering or (B) any Shares issued, sold or transferred or options granted to purchase Shares pursuant to any employee benefit or incentive plan of the Company, as disclosed in this Prospectus.

The Selling Shareholders and Gestamp 2020 will agree in the Underwriting Agreement to similar restrictions regarding the Shares for a period starting on the date of execution of the Underwriting Agreement and through 180 days after Admission; provided however, that these restrictions shall not apply to (a) the sale of Shares (A) among affiliated companies (within the meaning of article 5 of the Spanish Securities Markets Law) or any connected persons, provided that the transferee of such Shares must agree to adhere to similar restrictions for the remainder of such 180-day period, (B) the sale or transfer of Shares to satisfy any liabilities resulting from any claims under this Agreement, (C) the sale or transfer of Ordinary Shares under this Agreement, (D) such Shares held by Acek as may be lent by Acek to the Managers pursuant to the stock lending agreement with respect to any Additional Shares and (E) any disposal of Shares in accordance with any with any order made by any competent authority or a court of competent jurisdiction or required by law or regulation.

In addition to the above, one director of the Company, Senior Management and employees that are currently shareholders of the Company have agreed to a similar restriction for the period commencing on the date of the signing of the Underwriting Agreement until 360 days after Admission, with similar exceptions as those granted to the Selling Shareholders; provided such director, Senior Management and employees of the Company shall, acting responsibly, be allowed to transfer any Shares as may be necessary to meet any additional tax liabilities that may have arisen exclusively from the ownership of the Shares.

Other Relationships

Each of the Managers is a full service financial institution engaged in various activities, which may include the provision of investment banking, commercial banking, financial advisory and other services. The Managers and their respective affiliates in the ordinary course of business have in the past engaged in transactions with and performed various lending, trading, investment banking, financial advisory and other services for the Company, the Selling Shareholders and their respective affiliates, and other companies where the Selling Shareholders hold minority equity interests carrying significant influence, for which they received or may receive customary fees and reimbursement of expenses, and the Managers and their respective affiliates may provide such services for the Company, the Selling Shareholders and their respective affiliates, and other companies where the Selling Shareholders hold minority equity interests carrying significant influence, in the future.

Moreover, in the ordinary course of their various business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments, including corporate debt facilities or debt securities, of the Group and the Selling Shareholders.

Certain of the Managers or their affiliates are or may in the future be lenders or agents or managers for the lenders under credit facilities or other credit arrangements of the Company, the Selling Shareholders or their respective affiliates and provide or may provide performance and other guarantees to the Group. In particular, each of Banco Santander, Deutsche Bank, Société Générale, BBVA, BNP PARIBAS and CaixaBank are lenders and/or agents under the Senior Facilities Agreement as described further in "Material Contracts—Senior Facilities Agreement".

Banco Santander, Deutsche Bank, Société Générale, BBVA, BNP PARIBAS and CaixaBank acted, among others, as joint bookrunners in the offering of the 2023 notes issued by Gestamp Funding Luxembourg S.A. and guaranteed by, among others, the Company, for which they received customary fees and reimbursement of expenses.

Morgan Stanley advised Mitsui in its acquisition of a 30% stake in our operations in North America and Mercosur in January 2013 as described further in "Business—Joint Ventures—Mitsui Investment in our American Operations".

Société Générale acted as joint bookrunner in the capital increase of approximately €93 million by an accelerated book-bulding of CIE Automotive, S.A., a company in which Acek holds a 24.82% stake, in June 2014. Société Générale also acted as joint global coordinator and joint bookrunner in the initial public offering of Global Dominion Access, S.A., a company in which Acek holds a 6.639% stake and in which CIE Automotive, S.A. holds a 50.01% stake, in April 2016.

CaixaBank is acting as Agent Bank in the Offering.

It is expected that Banco Português de Investimento, S.A. through an agreement with CaixaBank, S.A. will take part in the marketing activities of the Offering, although it will not be a party to the Underwriting Agreement and it will not receive any commission from the Company or the Selling Shareholders.

Other than the arrangements described above, the Managers do not consider any further arrangements to be material in the context of the Offering.

We are not aware of any person intending to acquire Shares representing more than 5% of our total issued ordinary share capital.

Offering expenses

The following table is for illustrative purposes only and sets forth the estimated expenses payable by Selling Shareholders and the Company in relation to the Offering, in each case excluding VAT, which shall be added where applicable:

Expenses	**€ million**	
Paid by:	**Company**	**Selling Shareholders**
Underwriting commissions(1)	-	23.628
Base commission	-	13.737
Discretionary commission.	-	9.89
Legal expenses and others (notary public, registration with the Commercial Registry, legal publishing, legal and financial advice, audit and others)(2)	2.843	5.405
Iberclear fee, Spanish Stock Exchanges fee, CNMV fee(2)	0.43	-
Total	**3.273**	**29.033**

(1) Assuming that (i) the Offering Price is the mid-point price of the Offering Price Range, €6.15 per Offered Share, (ii) all the Shares have been underwritten by each of the Managers and the Over-Allotment Option has been exercised in full; and (iii) the discretionary commission is paid in full.

(2) Assuming that the Offering Price is the mid-point of the Offering Price Range.

The expenses (including commissions) payable by the Selling Shareholders would total €29.033 million, which accounts for 2.64% (assuming that the Offering Price is the mid-point price of the Offering Price Range and that the Over-Allotment Option is exercised in full) and 3.04%(assuming that the Offering Price is the mid-point price of the Offering Price Range and that no Over-Allotment Option is exercised) of the total amount of the Offering. The expenses payable by the Company would amount to €3.273 million, which represents 0.30% (assuming that the Offering Price is the mid-point price of the Offering Price Range and that the Over-Allotment Option is exercised in full) and 0.34% (assuming that the Offering Price is the mid-point price of the Offering Price Range and that no Over-Allotment Option is exercised) of the total amount of the Offering.

TRANSFER AND SELLING RESTRICTIONS

Transfer and Selling Restrictions

No action has been or will be taken in any jurisdiction that would permit a public offering of the Offered Shares, or possession or distribution of this document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Offered Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Offered Shares may be distributed or published, in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this document comes should inform themselves about and observe any restrictions on the distribution of this document and the Offering. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, any of the Offered Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. There will be no public offering in the United States.

No Offered Shares have been marketed to, or are available for purchase in whole or in part by, the public in Spain or elsewhere in conjunction with the Offering. This document does not constitute a public offer or the solicitation of a public offer in Spain or elsewhere to subscribe for or to buy any securities in the Company or any other entity.

United States

Because of the following restrictions, purchasers of Shares in the United States are advised to consult legal counsel prior to making any offer for, or resale, pledge or other transfer of, Shares.

The Offered Shares are being offered in accordance with Rule 144A and Regulation S under the Securities Act. Terms used in this section which are defined in Rule 144A or in Regulation S under the Securities Act are used herein as defined therein. The Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States and, accordingly, may not be offered, sold or delivered except within the United States to QIBs in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and outside the United States in accordance with Regulation S.

In addition, until 40 days after the closing of the Offering, any offer or sale of the Offered Shares made within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if made otherwise than in accordance with Rule 144A under the Securities Act or pursuant to another exemption from registration under the Securities Act.

Each purchaser of the Offered Shares hereby in reliance on Rule 144A will be deemed to have represented and agreed as follows:

(a) the purchaser is (i) a QIB, (ii) aware, and each beneficial owner of the Offered Shares has been advised, that such sale of Offered Shares is being made in reliance on Rule 144A and (iii) acquiring Offered Shares for its own account or for the account of a QIB; and

(b) the purchaser understands that the Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be reoffered, resold, pledged or otherwise transferred except (i) (A) to a person whom the purchaser and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (B) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or (C) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) and (ii) in accordance with all applicable securities laws of the states of the United States. Such purchaser acknowledges that the Offered Shares offered and sold in accordance with Rule 144A are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of the Offered Shares.

EEA

In relation to each Relevant Member State, an offer to the public of any Shares may not be made in that Relevant Member State, except that an offer in that Relevant Member State of any Shares may be made at any time under any exemption under the Prospectus Directive, if the time for implementation already elapsed, so that offer does not qualify as a "public offer" for Prospectus Rules purposes, namely:

(A) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

(B) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per Relevant Member State; or

(C) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the Company, any Selling Shareholders or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive and each person who initially acquires any Offered Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with each of the Managers, the Selling Shareholders and the Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For purposes of this provision, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied for that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Buyer's Representation

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Offered Shares pursuant to the Offering will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

(A) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(B) in the case of any Offered Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Offered Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offered Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offered Shares to it is not treated under the Prospectus Directive as having been made to such persons.

United Kingdom

In the United Kingdom, this document is only being distributed to and is only directed at Qualified Investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (ii) persons falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). The securities described herein are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, (1) in the United Kingdom, Relevant Persons and (2) in any member state of the EEA other than the United Kingdom, Qualified Investors. Any person in the United Kingdom who is not a Relevant Person should not act or rely on this document or any of its contents.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) in connection with the issue or sale of any Offered

Shares will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Selling Shareholders or the Company.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This Prospectus has been prepared without regard to the disclosure standards for issuance of prospectuses under article 652.a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the Offering, the Company or the Offered Shares has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Offered Shares will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of Offered Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Offered Shares.

Japan

The Shares have not been, and will not be, registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended, the "FIEL") and disclosure under the FIEL has not been, and will not be, made with respect to the Offered Shares. Neither the Shares nor any interest therein may be offered, sold, resold, or otherwise transferred, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and all other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities. As used in this paragraph, a resident of Japan is any person that is resident in Japan, including any corporation or other entity organized under the laws of Japan.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor as defined under Section 275(2) and under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore ("SFA"); (ii) to a relevant person as defined under Section 275(2) and under Section 275(1), or any person under Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise under, and in accordance with the conditions of, any other applicable provision of the SFA.

If Offered Shares purchased under Section 275 of the SFA are acquired by a relevant person which is:

(A) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(B) a trust (where the trustee is not an accredited Investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

(C) then the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Offered Shares under an offer made under Section 275 of the SFA, except:

    (1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person under an offer that is made on terms that such shares, debentures and

units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than US$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law.

Hong Kong

The Offered Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and no advertisement, invitation or document relating to the Offered Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offered Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance has been or will be issued, whether in Hong Kong or elsewhere.

Kuwait

The Shares have not been registered, authorized or approved for offering, marketing or sale in the State of Kuwait pursuant to Securities and Investment Funds Act of Kuwait No. 31/1990, as amended, and its executive bylaw, and as such the Offered Shares shall not be offered or sold in the State of Kuwait. Interested investors from the State of Kuwait who approach the Selling Shareholders, the Company, or any of the Managers acknowledge this restriction and that this Offering and any related materials shall be subject to all applicable foreign laws and rules; therefore, such investors must not disclose or distribute such materials to any other person.

Qatar

This Prospectus has not been filed with, reviewed or approved by the Qatar Central Bank, any other relevant Qatar governmental body or securities exchange. This document is being issued to a limited number of sophisticated investors and should not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar and should not be reproduced or used for any other purpose.

UAE (excluding the Dubai International Financial Centre)

The Offering has not been approved or licensed by the UAE Central Bank or any other relevant licensing authority in the United Arab Emirates, and does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Act, Federal Law No. 8 of 1984 (as amended) or otherwise. Accordingly, the Offered Shares may not be offered to the public in the United Arab Emirates.

The Offered Shares may be offered, and this document may be issued, only to a limited number of investors in the United Arab Emirates who qualify as sophisticated investors under the relevant laws of the United Arab Emirates. Each of the Company, the Selling Shareholders and the Managers represents and warrants that the Offered Shares will not be offered, sold, transferred or delivered to the public in the United Arab Emirates.

Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice. This Prospectus is for your information only and nothing in this document is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice rendered on the basis of your situation.

Dubai International Financial Centre

This Prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it.

The Offered Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Offered Shares offered should conduct their own due diligence on the Offered Shares. If you do not understand the contents of this document you should consult an authorized financial advisor. The Offered Shares have not been and will not be offered, sold or publicly promoted or advertised in the Dubai International Financial Centre other than in compliance with laws applicable in the Dubai International Financial Centre, governing the issue, offering or the sale of securities.

Australia

This Prospectus: (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia ("Corporations Act"); (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act; has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission ("ASIC"), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (c) may not be provided in Australia other than to select investors ("Exempt Investors") who are able to demonstrate that they (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act and (ii) are "wholesale clients" for the purpose of section 761G of the Corporations Act.

The Offered Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Offered Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Offered Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Offered Shares, each purchaser or subscriber of the Offered Shares represents and warrants to the Company, the Selling Shareholders, the Managers and their affiliates that such purchaser or subscriber is an Exempt Investor.

As any offer of the Offered Shares under this Prospectus, any supplement or the accompanying prospectus or other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Offered Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Offered Shares each purchaser or subscriber of the Offered Shares undertakes to the Company, the Selling Shareholders and the Managers that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Offered Shares, offer, transfer, assign or otherwise alienate those Offered Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Canada

The international Shares may be sold in Canada only to purchasers resident or located in the Provinces of Ontario, Québec, Alberta and British Columbia, purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the international Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

ENFORCEABILITY OF CIVIL LIABILITIES

The Company is a Spanish company and most of its assets are located outside of the United States. In addition, most of the Company's Directors and executive officers, as well as the Selling Shareholders, reside or are located outside of the United States. As a result, investors may not be able to effect service of process outside these countries upon the Company or these persons or to enforce judgments obtained against the Company or these persons in foreign courts predicated solely upon the civil liability provisions of U.S. securities laws. Furthermore, there is doubt that a lawsuit based upon U.S. federal or state securities laws, or the laws of any non-Spanish jurisdiction, could be brought in an original action in Spain and that a foreign judgment based upon such laws would be enforceable in Spain.

LEGAL MATTERS

The validity of the Shares and certain matters governed by Spanish law will be passed on for the Company and the Selling Shareholders by J&A Garrigues, S.L.P. and Cuatrecasas, Gonçalves Pereira, S.L.P., respectively, and for the Managers by Uría Menéndez Abogados, S.L.P.

Certain other matters governed by U.S. federal and New York state law will be passed on for the Company by Simpson Thacher & Bartlett LLP and for the Managers by Freshfields Bruckhaus Deringer LLP.

ADDITIONAL INFORMATION

Neither the delivery of this Prospectus nor any subscription or sale made pursuant to this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to the date of this Prospectus. Notwithstanding the foregoing, the Company is required to publish a prospectus supplement in respect of any significant new factor, material mistake or inaccuracy relating to the information included in this document which is capable of affecting the assessment of the Shares and which arises or is noted between the date hereof and the Admission, in accordance with Article 22 of Royal Decree 1310/2005.

The Company is not currently subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. For as long as this remains the case, the Company will furnish, upon written request, to any shareholder, any owner of any beneficial interest in any of the Shares or any prospective purchaser designated by such a shareholder or such an owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act, if at the time of such request any of the Shares remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.

Copies of the documents referred to below will be available for inspection in physical form at the Company's registered office, Polígono Industrial de Lebario s/n, 48220, Abadiño, Bizkaia, Spain:

(a) deed of incorporation of the Company;

(b) the Bylaws of the Company (which, following Admission, will also be available on the Company's website at www.gestamp.com/Inversores-y-Accionistas/Gobierno-Corporativo/Estatutos-Sociales);

(c) Board Regulations, General Shareholders' Meeting Regulations, Market Abuse Internal Regulation (which, following Admission, will also be available on the CNMV's website at http://www.cnmv.es/Portal/Consultas/BusquedaPorEntidad.aspx and on the Company's website at www.gestamp.com/Inversores-y-Accionistas/Gobierno-Corporativo/Consejo-de-Administracion/Reglamento-del-Consejo; www.gestamp.com/Inversores-y-Accionistas/Gobierno-Corporativo/Juntas-Generales-de-Accionistas/Reglamento-de-la-Junta-General-de-Accionistas; and www.gestamp.com/Inversores-y-Accionistas/Gobierno-Corporativo/Reglamento-Interno-de-Conducta);

(d) our audited individual and consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014 (which, following Admission, will also be available on the Company's website at www.gestamp.com/Inversores-y-Accionistas/Informacion-Financiera/Informacion-Anual);

(e) this Prospectus (which, following Admission, will also be available on the CNMV's website at http://www.cnmv.es/portal/Consultas/Busqueda.aspx?id=19 and on the Company's website at www.gestamp.com/Inversores-y-Accionistas/Informacion-General/Ofertas-Publicas); and

(f) certificate of the resolutions approved by the General Shareholders' Meeting and Board of Directors in connections with the Offering, including the Admission.

The documents referred to in (a) to (f) above will also be available for inspection in physical form at the CNMV's premises at: Edison 4, 28006 Madrid (Spain) and Passeig de Gracia 19, 08007 Barcelona (Spain).

At December 31, 2016 Gestamp's corporate credit rating was "BB /stable outlook" by Standard & Poor's Credit Market Services France SAS ("Standard & Poor's") and "Ba2/ stable outlook" by Moody's Deutschland

GmbH, (“Moody’s”). These ratings were most recently confirmed on May 3, 2016 by Standard & Poor’s and on April 28, 2016 by Moody’s.

Both Standard & Poor’s and Moody’s are established in the European Union and are credit rating agencies registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.

INDEPENDENT AUDITORS

Our consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014 included in this Prospectus, have been audited by Ernst & Young S.L., independent auditors, as stated in their translation into English of their unqualified reports appearing herein on F-pages of this Prospectus.

Ernst & Young, S.L. has not resigned, been removed or not been re-appointed as auditor of the Company during the period covered by the historical financial information, prior to the date of this Prospectus.

In Madrid, March 23, 2017

The Selling Shareholders

____
Acek Desarrollo y Gestión Industrial, S.L.
Mr. Francisco José Riberas Mera

____
Risteel Corporation, B.V.
Mr. Francisco José Riberas Mera

The Company

____
Gestamp Automoción, S.A.
Mr. Francisco José Riberas Mera

CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

Independent Audit Report

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2016

Ernst & Young, S.L.
Torre Picasso
Plaza Pablo Ruiz Picasso, 1
28020 Madrid
España

Tel: 915 727 200
Fax: 915 727 238
ey.com

Translation of a report and consolidated financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 37)

INDEPENDENT AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of GESTAMP AUTOMOCIÓN, S.A.:

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of GESTAMP AUTOMOCIÓN, S.A. (the parent company) and its subsidiaries (the Group), which comprise consolidated balance sheet at December 31, 2016, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes thereto for the year then ended.

Directors' responsibility for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the consolidated equity and consolidated financial position and the consolidated results of GESTAMP AUTOMOCIÓN, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards, as adopted by the European Union, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit. We conducted our audit in accordance with prevailing audit regulations in Spain. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of consolidated financial statements by the directors of the parent company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of GESTAMP AUTOMOCIÓN, S.A. and its subsidiaries at December 31, 2016, and its consolidated results and consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards, as adopted by the European Union, and other provisions in the regulatory framework for financial information applicable in Spain.

Report on other legal and regulatory requirements

The accompanying 2016 consolidated management report contains such explanations as the directors of the parent company consider appropriate concerning the situation of the Group, the evolution of its business and other matters; however, it is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the 2016 consolidated financial statements. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned 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.

ERNST & YOUNG, S.L.

(Signed in the original in Spanish)

Ramón Masip López

March 07, 2017

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

Consolidated Financial Statements and
Consolidated Management Report for the year ended
December 31, 2016

CONTENTS

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2016 AND DECEMBER 31, 2015
(In thousands of euros)

ASSETS	Note	December 31, 2016	December 31, 2015
Non-current assets			
Intangible assets	10	392,964	359,384
Goodwill		110,504	109,946
Other intangible assets		282,460	249,438
Property, plant, and equipment	11	3,160,014	2,861,807
Land and buildings		983,285	958,215
Plant and other PP&E		1,608,351	1,524,984
PP&E under construction and prepayments		568,378	378,608
Financial assets	12	95,514	57,682
Investments in associates accounted for using the equity method		5,740	8,272
Loans and receivables		50,581	8,918
Derivatives in effective hedges		25,710	28,184
Other non-current financial assets		13,483	12,308
Deferred tax assets	23	273,439	270,777
Total non-current assets		3,921,931	3,549,650
Current assets			
Inventories	13	630,897	586,438
Raw materials and other consumables		308,335	277,870
Work in progress		141,149	158,676
Finished products and by-products		129,591	118,287
Prepayments to suppliers		51,822	31,605
Trade and other receivables	14	1,376,889	1,194,690
Trade receivables		1,169,925	992,938
Other receivables		20,819	25,058
Current income tax assets		35,306	32,906
Receivables from public authorities		150,839	143,788
Other current assets	14	26,240	23,533
Financial assets	12	43,228	35,455
Loans and receivables		11,036	1,638
Securities portfolio		338	2,535
Other current financial assets		31,854	31,282
Cash and cash equivalents	14	430,463	355,975
Total current assets		2,507,717	2,196,091
Total assets		6,429,648	5,745,741

CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2016 AND DECEMBER 31, 2015
(In thousands of euros)

EQUITY AND LIABILITIES	Note	December 31, 2016	December 31, 2015
Equity			
Capital and reserves attributable to equity holders of the parent			
Issued capital	15	288,237	288,237
Share premium	15	61,591	61,591
Retained earnings	16	1,378,145	1,209,789
Translation differences	17	(203,300)	(167,809)
Equity attributable to equity holders of the parent		1,524,673	1,391,808
Equity attributable to non-controlling interest	18	347,330	406,585
Total equity		1,872,003	1,798,393
Liabilities			
Non-current liabilities			
Deferred income	19	25,945	30,720
Provisions	20-21	154,153	156,787
Non trade liabilities	22	1,779,451	1,674,148
Interest-bearing loans and borrowings		1,548,305	1,448,036
Derivative financial instruments		87,983	72,828
Other non-current financial liabilities		132,805	136,739
Other non-current liabilities		10,358	16,545
Deferred tax liabilities	23	238,454	225,544
Other non-current liabilities		599	619
Total non-current liabilities		2,198,602	2,087,818
Current liabilities			
Non trade liabilities	22	716,036	450,875
Interest-bearing loans and borrowings		419,294	282,900
Other current financial liabilities		5,922	16,854
Other non-trade liabilities		290,820	151,121
Trade and other payables	24	1,621,425	1,384,406
Trade accounts payable		1,356,144	1,137,378
Current tax liabilities		20,727	30,269
Other accounts payable		244,554	216,759
Provisions	20-21	18,072	16,318
Other current liabilities		3,510	7,931
Total current liabilities		2,359,043	1,859,530
Total liabilities		4,557,645	3,947,348
Total equity and liabilities		6,429,648	5,745,741

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT
AT DECEMBER 31, 2016 AND DECEMBER 31, 2015
(In thousands of euros)

	Note	December 31, 2016	December 31, 2015
CONTINUING OPERATIONS			
OPERATING INCOME	25	7,673,939	7,202,309
Revenue		7,548,938	7,034,512
Other operating income		131,571	156,871
Changes in inventories	13	(6,570)	10,926
OPERATING EXPENSE	26	(7,211,317)	(6,802,113)
Raw materials and other consumables		(4,509,742)	(4,308,597)
Personnel expenses		(1,366,884)	(1,258,010)
Depreciation, amortization, and impairment losses		(378,528)	(360,137)
Other operating expenses		(956,163)	(875,369)
OPERATING PROFIT		462,622	400,196
Financial income	27	5,275	13,309
Financial expenses	27	(98,758)	(121,850)
Exchange gains (losses)		(12,442)	(24,660)
Share of profits from associates - equity method	12	(8,539)	(364)
Impairment and gains (losses) on sale of financial instruments	27	(77)	(13,829)
PROFIT BEFORE TAXES FROM CONTINUING OPERATIONS		348,081	252,802
Income tax expense	28	(88,940)	(63,950)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		259,141	188,852
PROFIT FOR THE YEAR		259,141	188,852
Profit (loss) attributable to non-controlling interest	18	(37,787)	(27,372)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		221,354	161,480
Earinings per share			
-Basic	29	46.15	33.67
From continuing operations		46.15	33.67
-Diluted	29	46.15	33.67
From continuing operations		46.15	33.67

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AT DECEMBER 31, 2016 AND DECEMBER 31, 2015
(In thousands of euros)

		December 31, 2016	December 31, 2015
PROFIT FOR THE YEAR		259,141	188,852
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to income in next years:			
Actuarial gains and losses	21.b)	(5,415)	5,745
Other comprehensive income to be reclassified to income in next years:			
From cash flow hedges	22.b.1)	(2,631)	4,728
Translation differences		(34,811)	(34,411)
Attributable to Parent Company	17	(35,491)	(28,069)
Attributable to non-controlling interest	18	680	(6,342)
TOTAL COMPREHENSIVE INCOME NET OF TAXES		216,284	164,914
Attributable to:			
- Parent Company		177,817	143,884
- Non-controlling interest		38,467	21,030
		216,284	164,914

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT DECEMBER 31, 2016 AND DECEMBER 31, 2015

(In thousand of euros)

	Issued capital (Note 15)	Share premium (Note 15)	Retained earnings (Note 16)	Translation differences (Note 17)	Total capital and reserves	Non-controlling interest (Note 18)	Total equity
AT DECEMBER 31, 2014	288,237	61,591	1,087,326	(139,740)	1,297,414	418,825	1,716,239
Profit for 2015			161,480		161,480	27,372	188,852
Fair value adjustments reserve (hedge)			4,728		4,728		4,728
Variation in translation differences				(28,069)	(28,069)	(6,342)	(34,411)
Actuarial gains and losses			5,745		5,745		5,745
Total comprehensive income for 2015			171,953	(28,069)	143,884	21,030	164,914
Dividends distributed by the Parent Company			(37,711)		(37,711)		(37,711)
Dividends distributed by subsidiaries						(12,485)	(12,485)
Increase in shareholding in companies previously under control (adjustment for dividends paid to former shareholders of Anhui Edscha Automotive Parts Co. Ltda.)			(712)		(712)		(712)
Increase in shareholding in companies previously under control due to acquisition to non-controlling interest (Ekarpen Private Equity, S.A.)			(7,997)		(7,997)	(24,219)	(32,216)
Transfers from retained earnings to non-controlling interest due to non-proportional capital increase			(2,771)		(2,771)	2,771	
Other movements and adjustments from prior years			(299)		(299)	663	364
AT DECEMBER 31, 2015	288,237	61,591	1,209,789	(167,809)	1,391,808	406,585	1,798,393
Profit for 2016			221,354		221,354	37,787	259,141
Fair value adjustments reserve (hedge)			(2,631)		(2,631)		(2,631)
Variation in translation differences				(35,491)	(35,491)	680	(34,811)
Actuarial gains and losses			(5,415)		(5,415)		(5,415)
Total comprehensive income for 2016			213,308	(35,491)	177,817	38,467	216,284
Dividends distributed by the Parent Company			(48,444)		(48,444)		(48,444)
Dividends distributed by subsidiaries						(8,547)	(8,547)
Business combination Celik Form Otomotiv. S.L.						(2,748)	(2,748)
Disposal of companies (G Finance Luxemburgo, S.A.)						(51)	(51)
Proportional capital increase in companies previously under control (Edscha Aapico Aut. Co. Ltd.)						151	151
Acquisition of investment in Gestamp 2008, S.L. to non-controlling interest (Note 2.b)			(263)		(263)	(6,119)	(6,382)
Transfer of non-controlling interest due to changes in shareholding in Gestamp 2008, S.L. (Note 2.b)			(190)		(190)	190	
Put Option Recognition			4,047		4,047	(80,947)	(76,900)
Other movements and adjustments from prior years			(102)		(102)	349	247
AT DECEMBER 31, 2016	288,237	61,591	1,378,145	(203,300)	1,524,673	347,330	1,872,003

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
AT DECEMBER 31, 2016 AND DECEMBER 31, 2015
(In thousands of euros)

	Note	December 31, 2016	December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxes and after non-controlling interest		310,294	225,430
Adjustments to profit		489,708	542,083
Depreciation and amortization of intangible assets and PP&E	10-11	377,934	356,402
Impairment of intangible assets and PP&E	10-11	594	3,735
Impairment	13-14	(1,064)	5,570
Change in provisions	20	(12,248)	31,181
Grants released to income	19	(6,218)	(6,589)
Profit (loss) attributable to non-controlling interest	18	37,787	27,372
Profit from disposal of intangible assets and PP&E		(994)	(1,832)
Profit from disposal of financial instruments		77	13,829
Financial income	27	(5,275)	(13,309)
Financial expenses	27	98,758	121,850
Share of profits from associates - equity method	12	8,539	364
Exchange rate differences		(8,182)	4,881
Other income and expenses		-	(1,371)
Changes in working capital		24,581	9,685
(Increase)/Decrease in Inventories	13	(42,714)	(19,931)
(Increase)/Decrease in Trade and other receivables	14	(168,741)	(141,582)
(Increase)/Decrease in Other current assets	14	(2,707)	(5,190)
Increase/(Decrease) in Trade and other payables	24	243,164	171,097
Increase/(Decrease) in Other current liabilities		(4,421)	5,291
Other cash-flows from operating activities		(172,003)	(177,255)
Interest paid		(98,156)	(113,135)
Interest received		6,348	8,680
Proceeds (payments) of income tax		(80,195)	(72,800)
Cash flows from operating activities		652,580	599,943
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		(738,427)	(616,216)
Acquisition of companies and group investments		(7,611)	(2,548)
Incorporation of treasury from business combinations		225	2,653
Intangible assets	10-22	(84,558)	(88,303)
Property, plant and equipment	11-22	(587,095)	(528,018)
Net change of financial assets		(59,388)	-
Proceeds from divestments		7,893	81,637
Other intangible assets	10	1,474	574
Property, plant and equipment	11	6,419	20,165
Net change of financial assets		-	60,898
Grants, donations and legacies received	19	1,731	5,772
Cash flows from investing activities		(728,803)	(528,807)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds and payments on equity instruments		(8,253)	(33,839)
Change in non-controlling interest	18	(6,282)	(32,216)
Translation differences in equity		(1,971)	(911)
Other movements on equity		-	(712)
Proceeds and payments on financial liabilities		216,690	(120,799)
Issue		1,226,928	162,734
Bonds and other securitites to trade		497,875	-
Interest-bearing loans and borrowings		659,357	154,492
Net change in credit facilities, discounted bills and factoring		53,828	-
Borrowings from related parties		5,092	-
Other borrowings		10,776	8,242
Repayment of		(1,010,238)	(283,533)
Bonds and other marketable securities		(807,875)	(20,371)
Interest-bearing loans and borrowings		(172,177)	(139,066)
Net change in credit facilities, discounted bills and factoring		-	(59,809)
Borrowings from related parties		(12,530)	(22,019)
Other borrowings		(17,656)	(42,268)
Payments on dividends and other equity instruments		(56,143)	(50,196)
Dividends	16-18	(56,143)	(50,196)
Cash flows from financing activities		152,294	(204,834)
Effect of changes in exchange rates		(1,583)	5,739
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS		74,488	(127,959)

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2016

1. Activity and companies included in consolidation scope

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

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

On August 2, 2012 the Parent Company registered the change of its legal name, from limited company to corporation, in the Commercial Register of Vizcaya.

The Parent Company in turn belongs to a larger group, headed by its majority shareholder Acek, Desarrollo y Gestión Industrial, S.L., formerly named Corporación Gestamp, S.L. The legal name change was adopted in the Extraordinary and Universal General Shareholders' Meeting on February 5, 2015, being executed in a public deed on the same day. The Parent Company carries out commercial and financial transactions with the companies of Acek, Desarrollo y Gestión Industrial Group 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.

The activities of the Parent Company and its subsidiaries (the "Group") are focused on the design, development, and manufacturing of metal components for the automotive Industry via: stamping, tooling, assembly, welding, tailor welded blanks, die cutting and machinery. The Group also includes other companies dedicated to services such as research and development of new technologies.

Most of the Group's business is conducted 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.

2. Consolidation scope

2.a Breakdown of consolidation scope

The breakdown of companies included in the consolidation scope, as well as information on the consolidation method applied, location, activity, direct or indirect shareholdings and their auditors, is specified in Annex I.

The companies which hold the indirect investments corresponding to December 31, 2016 and December 31, 2015 are specified in Annex II.

No significant subsidiaries have been excluded from the consolidation scope.

The closing of the financial year for the companies included in the consolidation scope is December 31, 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 fiscal years close on March 31. However, an interim closing as at December, 31 has been prepared for the purpose of including these companies in the Consolidated Financial Statements at December 31.

There are no significant restrictions in the capability of accessing to or using the assets or liquidate the liabilities from the subsidiaries included in the consolidation scope.

2.b Changes in consolidation scope

During 2016

In 2016 the company Çelik Form Gestamp Otomotive, A.S. was acquired and included in consolidation scope by full consolidation method (Note 3).

The following companies were created in 2016: Gestamp Washtenaw, LLC., Gestamp San Luis de Potosí, S.A.P.I. de C.V., Gestamp San Luis de Potosí Servicios Laborales, S.A.P.I. de C.V., Gestamp Auto Components (Tianjin) Co., LTD, Gestamp 2017 S.L., Autotech Engineering (Shanghai) Co. Ltd., Gestamp Hot Stamping Japan K.K. and Global Laser Araba S.L. All these companies were incorporated into the consolidation scope by the full consolidation method except the last one which was incorporated by the equity method.

On March 31, 2016 the subsidiary Edscha Holding Gmbh acquired an additional 40% shareholding in subsidiary Gestamp 2008 S.L. from the shareholder Ade Capital Sodical SCR, S.A. for 6,382 thousand euros, thus increasing its shareholding in this company from 60% to 100%.

Since this transaction implied a change in shareholding but maintaining control, the difference between the adjustment to the non-controlling interest (6,119 thousand euros (Note 18) and the fair value of the consideration paid (6,382 thousand euros) was directly recognized in equity (263 thousand euros (Note 16)).

Since Gestamp 2008 S.L. had investments in several companies within its consolidation scope, the increase in shareholding in this company implied an increase in shareholding in their investees. This led to a transfer from Non-controlling interest to Retained earnings in the amount of 190 thousand euros (Note 18).

In 2016 100% shareholding in the company G. Finance Luxemburgo S.A. was sold and thus their subsidiary S.G.F. S.A, generating profit for 240 thousand euros.

Also the company Tavol Internacional SGPS, Lda was dissolved.

During 2015

In 2015 the companies Gestamp Technology Institute S.L., Gestamp Tooling Engineering Deutschland GmbH, Gestamp Chattanooga II Llc., Autotech Engineering R&D USA, Inc., Gestamp Autocomponents Wuhan, Co. Ltd. and the companies belonging to Edscha Subgroup Edscha Scharwaechter Mechanism S.A.P.I. de C.V. and Edscha Scharwaechter Mechanism Servicios Laborales S.A.P.I. de C.V. were incorporated into the consolidation scope.

These companies were created in 2015 and incorporated into the consolidation scope by the full consolidation method.

On December 1, 2015 the company Gestamp Mor KFT was dissolved.

On November 4, 2015 the company GMF Wuhan Ltd, which belonged to Gestamp Metal Forming Subgroup, split off and consequently the company Gestamp Auto Components (Chongqing) Co Ltd. was created.

In 2015 an additional 50% shareholding in the company Gestamp Pune Automotive Private Limited was acquired (Note 3).

Due to the acquisition of the 30% shareholding in Anhui Edscha Automotive Parts Co Ltda in 2014 there was a price adjustment for 712 thousand euros in 2015 (Note 16).

On July 21, 2015 the Parent Company and the subsidiary Gestamp Bizkaia, S.A. acquired an additional 40% shareholding in subsidiary Gestamp Global Tooling S.L. from non-controlling partner Ekarpen Private Equity S.A. (Ekarpen) for 32,216 thousand euros.

Through this transaction the Group increased its shareholding in the said company from 60% to 100%. Since Group had already controlled the subsidiary, the profit from the transaction was directly registered in Equity, leading to a decrease in Reserves at fully-consolidated companies for 7,997 thousand euros (Note 16).

In addition, this transaction meant a decrease in non-controlling interest of 24,219 thousand euros (Note 18).

3. Business combination

During 2016

On January 29, 2016 the subsidiary Beyçelik Gestamp Kalip AS acquired 51.60% shareholding in Çelik Form Gestamp Otomotiv, AS for 9,050 thousand euros. Of this amount, 6,750 thousand euros was already disbursed at December 31, 2016 and the outstanding payment for 2,300 thousand euros has maturity in July 2017.

The company is located in Bursa (Turkey) and their purpose is stamping and manufacturing automobile components for passenger cars.

The initial goodwill amounted to 7,814 thousand euros. Nevertheless since Beyçelik Gestamp Kalip AS is a 50% investee with a non-controlling interest, such part of the said goodwill is attributable to the non-controlling interest, so the final goodwill is 3,907 thousand euros (Note 10).

Similarly, the non-controlling interest initially incorporated for the not acquired percentage in Çelik Form Gestamp Otomotiv AS amounted to 1,159 euros (credit) but after attribution mentioned above the final balance is 2,748 thousand euros (debit) (Note 18).

The fair value of the assets and liabilities from Çelik Form Gestamp Otomotiv, A.S. obtained from the inclusion balance sheet is as follows:

	Thousand euros
Intangible assets (Note 10)	57
Property, plant and equipment (Note 11)	
Land and buildings	40
Plant and other PP&E	2,392
Inventories	1,651
Trade receivables	4,731
Cash and cash equivalents	225
Other assets	24
	9,120
Other non current liabilities	174
Current provisions (Note 20)	125
Other current liabilities	2,782
Trade accounts payable	3,136
Other liabilities	508
	6,724
Net assets	2,395
Direct shareholding acquired	51.60%
Attributable net assets	1,236
Total consideration	9,050
Net effect business combination	7,814
Indirect shareholding	50.00%
Final net effect business combination	3,907

The revenue and the income attributable to the business combination from the incorporation date to December 31, 2016 amounted to 16,722 thousand euros and 540 thousand euros of profit respectively.

The headcount incorporated from this business was around 166.

There were no significant costs associated to this transaction.

<u>During 2015</u>

Gestamp Pune Automotive Private Limited (formerly Sungwoo Gestamp Hitech (Pune) Private Limited) located in Pune (India) was incorporated on August 7, 2008 by Sungwoo Hitech Company Ltd. On April 3, 2013 Sungwoo Hitech Company Ltd signed a Joint Venture agreement with subsidiary Gestamp Cerveira Ltda so each company owned 50% shareholding in Sungwoo Gestamp Hitech (Pune) Private Limited.

This investment was accounted for using the equity method until control was acquired in July 2015, and the carrying amount at the said date was 3,542 thousand euros. When assessing again the fair value of the investment before the business combination a loss was recognized amounting to 1,037 thousand euros.

The company purpose is manufacturing automobile components for passenger cars.

On July 22, 2015 the subsidiary Gestamp Automotive Chennai Private Limited acquired the remaining 50% shareholding in Gestamp Pune Automotive Private Limited and by so doing acquired control. The cost of this acquisition amounted to 98 thousand euros.

The fair value of the assets and liabilities from Gestamp Pune Automotive Private Limited obtained from the balance sheet at inclusion is as follows:

	Thousands of euros
Intangible assets (Note 10)	33
Property, plant and equipment (Note 11)	
Land and buildings	6,006
Plant and other PP&E	783
Deferred tax assets	
Inventories	40
Trade receivables	
Cash and cash equivalents	2,656
Other assets	1,597
	11,115
Other current liabilities	5
Trade accounts payable	51
Other liabilities	6,048
	6,104
Net assets	5,011
Carrying amount of 50% (first adquisition)	3,542
Cost of 50% of consideration (control takeover)	98
Net effect business combination	1,371

The consideration was fully paid in cash.

No goodwill arose from the acquisition and there were no significant contingent payments.

The net effect of the business combination amounted to 1,371 thousand euros and was registered under the heading “Other operating income” in the Consolidated Income Statement as of December 31, 2015 (Note 25.b).

Since the company was still dormant at December 31, 2015 there was no contribution to revenue. The income attributable to the business combination from the acquisition date to December 31, 2015 amounted to 912 thousand euros of profit. It included the net effect of the business combination for 2015 amounting to 1,371 thousand euros. The headcount incorporated from this business was around 19.

There were no significant costs associated to this transaction.

With regard to this business combination, the principal assessment criteria for calculating the fair value of the different accounting line items are as follows:

Intangible assets: measured at acquisition cost, which approximates to fair value.

Property, plant, and equipment: valuations were based on an independent third party report. Market valuations served as the underlying criteria for the determination of fair value of Land and buildings.

Inventories of finished products: measured according to production cost, which also approximates to replacement value.

Other assets and liabilities: measured at nominal value.

4. Basis of presentation

4.1 True and fair view

The Consolidated Financial Statements for the period ended December 31, 2016 were prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and enacted in European Commission legislation in effect on December 31, 2016.

The Consolidated Financial Statements were prepared on the basis of the accounting records of each Group company as of December 31, 2016 and December 31, 2015. 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 consolidation in order to harmonize the policies and methods used and to adapt them to IFRS.

These Consolidated Financial Statements for year ended December 31, 2016 were authorized by the Board of Directors of Gestamp Automoción S.A. on March 3, 2017 for issue and submission to the Annual General Meeting where they are expected to be approved without modification.

The figures contained in these Consolidated Financial Statements are expressed in thousands of euros, unless otherwise indicated. Thus they are susceptible to rounding.

4.2 Comparison of information

The company Çelik Form Gestamp Otomotiv, A.S. was incorporated in January 2016 and control was taken through the subsidiary Beyçelik Gestamp Kalip, A.S. (Note 3).

On December 2016 the company G. Finance Luxemburgo S.A. was sold and the company S.G.F., S.A. was dissolved (Note 2.b).

In 2015 the business combination of Gestamp Pune Automotive Private Limited (Note 3) took place, as well as the acquisition of the remaining 40% shareholding in Gestamp Global Tooling, S.L. from non-controlling shareholder Ekarpen Private Equity S.A. (Ekarpen) (Note 2.b).

4.3 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent Company and subsidiaries as per December 31, 2016.

The Group controls a subsidiary if and only if it has:

- 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
- The ability to use its power over the subsidiary to affect the amount of the investor's 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:

- Ø Contractual agreements with other investors holding voting rights of the subsidiary
- Ø Rights arisen from other contractual agreements
- Ø Potential voting rights of the Group
- Ø 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 Consolidated Financial Statements include that subsidiary's results for the portion of the year during which the Group held control.

The financial statement 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 Consolidated Financial Statements, being elaborated with the same accounting policies in a uniform and coherent procedure.

The profit of a subsidiary is attributed to non-controlling interest even if it means registering a receivable balance.

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

- Ø Derecognizes assets (including goodwill) and liabilities of such subsidiary.
- Ø Derecognizes carrying amount of non-controlling interests.
- Ø Derecognizes the translation differences registered in Equity.
- Ø Recognizes the fair value of the amount received for the operation.
- Ø Recognizes the fair value of any retained investment.
- Ø Recognizes any excess or deficit in the Consolidated Income Statement.
- Ø Reclassifies the shareholding of the Parent Company in the items previously registered in Other Comprehensive Income to profit or to retained earnings, as appropriate.

<u>Subsidiaries</u>
The full consolidation method is used for companies included in the consolidation scope and controlled by the Parent Company. The Parent Company controls a subsidiary if and only if the Parent Company has all the following:

I. power over the subsidiary. The Parent Company has power when it has existing rig relevant activities;

II. exposure, or rights, to variable returns from its involvement with the subsidiary; and

III. the ability to use its power over the subsidiary to affect the amount of the Parent Company's returns.

<u>Joint ventures</u>
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 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 the Financial Statements of foreign operations

The assets and liabilities and income statements of foreign operations included in the consolidation scope whose functional currency is different from the presentation currency are translated to euro 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 Consolidated Balance Sheet date.
- Income and expenses are translated using the average exchange rate, so long as that average is a reasonable approximation of the cumulative effect of the actual exchange rates prevailing at the transactions dates.

The differences between the net book value of equity of the foreign companies converted using historical exchange rates and including the net result from the Profit and Loss Account reflecting the above mentioned treatment of income and expenses in foreign currencies, and the net book value of equity resulting from the conversion of goods, rights and liabilities using the exchange rate prevailing at the Consolidated Balance Sheet date, are registered as "Translation differences", with the corresponding negative or positive sign, in the Equity in the Consolidated Balance Sheet (Note 17).

Exchange gains and losses due to the impact of changes in the functional currency relative to the euro on foreign currency borrowings considered permanent are taken directly to equity under "Translation differences", net of tax effect. The net amount of translation differences in 2016 was 8.6 million euros of positive translation differences (16 million euros of negative translation differences in 2015).

The intercompany loans to subsidiaries whose repayment is not foreseen are considered permanent financing and thus they are considered equity.
At December 31, 2016 and December 31, 2015 neither the Parent Company nor the subsidiaries held equity units issued by the Parent Company.

The effect of changes in foreign exchange rates, when presenting the Statement of Cash Flows by indirect method, has been calculated considering an average for the year of Cash and cash equivalents and applying the change of foreign exchange rates at closing of each year.

Transactions between companies included in the consolidation scope

The following transactions and balances were eliminated in 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 unrealized gains on inventories, if the amount is significant.
- Intra-Group dividends and the debit balance corresponding to interim dividends recognized at the company that paid them.

Non-controlling interest

The value of non-controlling interest in the equity and profit (loss) for the year of subsidiaries consolidated by the full consolidation method is recognized in "Equity attributable to non-controlling interest" in the Equity in the Consolidated Balance Sheet and in "Profit (loss) attributable to non-controlling interest" in the Consolidated Income Statement and Consolidated Comprehensive Income Statement, respectively.

4.4 Going concern

The Group's management has drawn up these 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 on an ongoing basis with 79% of its bank financing as of December 31, 2016 maturing over periods longer than twelve months (December 31, 2015: 84%).

At December 31, 2016 the Group had 1,168.1 million euros (2015: 920.6 million euros) (Note 33.1) of total available liquidity, comprised of 430.5 million euros in cash and cash equivalents (2015:356 million euros) and 0.3 million euros in securities portfolio (2015: 2.5 million euros). In addition, the Group had undrawn credit facilities amounting to 457.3 million euros at December 31, 2016 (2015: 282.1 million euros) and 280.0 million euros in an undrawn Revolving Credit Facility.

4.5 Alternative management indicators

The Group uses a set of indicators in the decision making process since they allow a better analysis of their financial situation and they are widely used by investors, financial analysts and other interest groups. These indicators are not defined by IFRS and thus may not be comparable to similar indicators used by other companies.

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

EBITDA represents the operating profit before depreciation, amortization and impairment losses.

EBITDA at December 31, 2016 and 2015 was as follows:

	2016	2015
Operating Profit	462,622	400,196
Depreciation and amortization	378,528	360,137
	841,150	760,333

EBIT (Earnings Before Interest and Taxes)
EBIT is the Operating Profit

Net Financial Debt
Net Financial Debt at December 31, 2016 and 2015 was as follows (Note 22):

	Thousands of euros	
	2016	2015
Interest-bearing loans and borrowings	1,967,599	1,730,936
Financial leasing	33,574	35,161
Borrowings from related parties	70,162	79,004
Other non-current financial liabilities	34,991	39,428
Current financial assets	(43,228)	(35,455)
Cash and cash equivalents	(430,463)	(355,975)
Net financial debt	1,632,635	1,493,099

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

CAPEX at December 31, 2016 and 2015 was as follows (Notes 10.b) and 11):

	2016	2015
Additions to Other intangible assets	83,581	88,303
Additions to Property, plant and equipment	641,185	534,125
	724,766	622,428

5. Changes in accounting standards

a) Standards and interpretations approved by the European Union and applied for the first time during the period

The Group applied for the first time in 2016 the IFRS 8 *Operating segments* and IAS 33 *Earnings per share.*

The accounting policies used in the preparation of these Consolidated Financial Statements are the same as the policies applied in the Consolidated Financial Statements as at 31 December 2015, except for the following amendments that have been applied for the first time during this year and may have had the potential to have some impact:

Annual IFRS Improvements - 2010-2012 Cycle

These improvements to IFRS include, among other improvements, the improvements to the IFRS 8 *Operating Segments*:

The amendments apply retrospectively and clarify that:

- Ø An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- Ø The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

These improvements have been taken into account in the disclosure of the Operating segments, as IFRS 8 has been applied for the first time in 2016.

IAS 24 *Related Party Disclosures*

The amendment is applied retrospectively and clarifies that when key managers are not employees of the entity but employees of other entity managing different Group entities, transactions with management entity (and not with key managers) are subject to the related party disclosures. In addition, the expenses incurred for management services must be disclosed. The Group has no transactions with entities that might be run by managers (Note 31).

Amendments to IAS 1 - Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- Ø The materiality requirements in IAS 1
- Ø That specific line items in the Consolidated Balance Sheet , Consolidated Income Statement and Consolidated Statement of Comprehensive Income may be disaggregated
- Ø That entities have flexibility as to the order in which they present the notes to financial statements
- Ø That the share of OCI (Other Comprehensive Income) of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to Consolidate Income Statement

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the Consolidated Balance Sheet, Consolidated Income Statement and Consolidated Statement of Comprehensive Income. These amendments do not have any impact on the Group.

b) Standards issued by IASB but not yet effective this period.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's Consolidated Financial Statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Although the Group is currently analyzing their impact on Consolidated Financial Statements, based on the analysis made so far, Gestamp estimates that their initial application will not have a significant impact in the Consolidated Financial Statements, except for the following policies, interpretations and disclosures:

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* that replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9.

IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. Although early application is permitted the Group will not apply the standard earlier. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date. During 2016, the Group has performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. Overall, the Group expects no major impact on its balance sheet and equity except for the effect of applying the impairment requirements of IFRS 9, not expected to be significant.

(a) Classification and measurement

The Group does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Debt securities are expected to be measured at fair value through (Other Comprehensive Income) under IFRS 9 as the Group expects not only to hold the assets to collect contractual cash flows but also to sell a significant amount on a relatively frequent basis.

The equity shares in non-listed companies are intended to be held for the foreseeable future. The Group expects to apply the option to present fair value changes in Other Comprehensive Income, and, therefore, believes the application of IFRS 9 would not have a significant impact. If the Group were not to apply that option, the shares would be held at fair value through profit or loss, which would increase the volatility of recorded profit or loss.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Group expects that these will continue to be measured at amortized cost under IFRS 9. However, the Group will analyse the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortized cost measurement under IFRS 9.

(b) Impairment

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. However the Group expects no significant impact on its equity, but it is performing a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of the impact.

(c) Hedge accounting
The Group believes that all existing hedge relationships that are currently designated in effective hedging relationships will still qualify for hedge accounting under IFRS 9. As IFRS 9 does not change the general principles of how an entity accounts for effective hedges, the Group does not expect a significant impact as a result of applying IFRS 9. The Group will assess possible changes related to the accounting for the time value of options, forward points or the currency basis spread in more detail in the future.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. During 2016, the Group performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. Furthermore, the Group is considering the clarifications issued by the IASB in April 2016 and will monitor any further developments.

Although at the issuance date of these Consolidated Financial Statements the analysis has not been finalized, the Group's management preliminarily considers that it is foreseeable that its application will have some impact on the amount and the time of recognition of the revenues related to the products sold by the Group as a consequence of the following circumstances:

(a) Agreement´s duration
Some of the contracts that the group carries out with its customers are long-term supply contracts, which implies taking into account the contract as a whole and making an allocation of the consideration for all performance obligations identified. This could lead to a different revenue amount recognized when compared to the revenue that is being recognized with the current standards.

(b) Performance obligations, allocation of the considerations received and revenue recognition
The majority of the client contracts contain several performance obligations (tooling services and delivery of pieces) that are being delivered to the customer over time and not necessarily all of them at the same time. This brings a greater likelihood of impact due to the need to separate sale prices and the moment of transfer of control of each item.

The standard requires recording the performance obligations over time or at a specific time depending on the transfer of control. The revenue recognition's method which is currently being used by the Group for the delivery of pieces that are non-tooling goods is focused on physical delivery which could differ from the revenue recognition method applied with IFRS 15 depending on the characteristics of each contract.

(c) Sales incentives and discounts
Additionally, the Group negotiates with its clients discounts or incentives that need to be analyzed from the perspective of the contract as a whole and it needs to be verified whether the results derived from the application of the criteria established in IFRS 15 do not lead to significantly different results than those applied at the moment.

(d) Presentation and disclosure requirements

IFRS 15 provides presentation and disclosure requirements, which are more detailed than under current IFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in Group's Consolidated Financial Statements. Many of the disclosure requirements in IFRS 15 are completely new. In 2016 the Group developed and started testing internal controls, policies and procedures necessary to collect and disclose the required information.

Once the above analysis is completed, the method of transition to be applied will be decided.

IFRS 16 Leases

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

IFRS 16 was issued in January 2016 and it 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 Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessees will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

The nature of the leasing agreements of the Group are detailed in Note 30.

It is expected that IFRS 16 will have an impact on the Consolidated Financial Statements of the Group, and the Group's management is analyzing the information related to these contracts in terms of amounts committed, planned renewals, those that are at the Group's discretion, concepts included in contracts that correspond to services rather than leases, etc.

The Group is also evaluating the different transition possibilities and practical solutions offered by the standard in its first application.

Amendments to IAS 7- Statement of Cash Flows: Disclosure Initiative

The amendments to IAS 7 are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosure provided by the Group.

Amendments to IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies the amendments for an earlier period, it must disclose that fact. The Group is currently assessing the impact of this amendment, when it become effective.

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 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 different to 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 recognized in the Consolidated Income Statement.

6.2 Property, plant and equipment

Property, plant, and equipment is carried at either acquisition, transition cost to IFRS (January 1, 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:

- Ø Purchase Price.
- Ø Discounts for prompt payment, which are deducted from the asset's carrying value.
- Ø Directly attributable costs incurred to ready the asset for use.

Prior to the IFRS transition date (January 1, 2007), certain Group companies revalued certain items of property, plant, and equipment as permitted under applicable legislation (Royal Decree-Law 7/1996, Basque Regional Law 6/1996 and several international laws). The amount of these revaluations is considered part of the cost of the assets as provided for under IAS 1.

At the transition date to EU-IFRS (January 1, 2007), Property, plant and equipment was measured at fair value at the said date, based on the appraisals of an independent expert, which generated a revaluation of Group assets (Note 11).

The carrying value of Property, plant, and equipment acquired by means of a business combination is measured by its fair value 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 capitalized.

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 Consolidated Income Statement in the year the asset is retired.

As permitted under revised IAS 23, borrowing costs directly attributable to the acquisition or development of a qualifying asset - an asset that takes more than one year to be ready for its intended use - are capitalized as part of the cost of the respective assets. The amount of the said capitalized costs is not significant.

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:

	Years of estimated useful life	
	2016	2015
Builidings	17 to 35	17 to 50
Plant and machinery	3 to 20	3 to 15
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 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" in the Consolidated Income Statement.

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 as at the acquisition date, including the separation of derivatives implicit in the main contracts of the acquired company.

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 recognized is updated using the rate of exchange prevailing at the 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 recognizes any excess that continues to exist after this reconsideration in the 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 participations in associates, businesses over which the Group has significant influence.

Participations in associates and joint ventures are accounted for 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. The goodwill related to the associate or jointly controlled entity is included in the carrying amount of the investment and it is not amortized and no related impairment test is performed.

The share of the Group in profits of operations of the associate or joint venture is reflected in the Consolidated Income Statement. When there has been a change recognized directly in equity by the associate or joint venture, the Group recognizes its share of this change, when applicable, in the Consolidated Statement of Changes in Equity. Non-realized gains or losses resulting from transactions between the Group and the associate or joint venture corresponding to the share of the Group in the associate or joint venture are eliminated.

The share of the Group in profits of the associate or joint venture is reflected directly in the Consolidated Income Statement and it represents profit after taxes and non-controlling interests existing in 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 harmonize 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 recognized. At the closing date the Group considers if there are evidences of impairment of the investment in the associate or joint venture. If so, the impairment is calculated as the difference between the recoverable amount and the carrying amount of the associate or joint venture, and the amount of such impairment is recognized in “Share of profits from associates- equity method” in the Consolidated Income Statement.

When the significant influence of the Group in the associate or joint venture ceases, the Group recognises the investment at its fair value. Any difference between the carrying amount of the associate or joint venture at the moment of loss of significant influence and the fair value of the investment plus the income for sale, is recognized in the Consolidated Income Statement.

6.5 Other intangible assets

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

An intangible asset is recognized 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 capitalized 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.

Capitalized development costs are amortized over the period of expected future benefits, no more than 6 years.
At December 31, 2016 there were no intangible assets related to development costs capitalized more than one year prior and whose amortization was not started.

Concessions, patents, licenses, 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 and capitalized is amortized over its useful life, which in no instance will exceed 5 years.

IT maintenance costs are expensed as incurred.

6.6 Financial assets

Financial assets are initially measured at fair value plus any directly attributable transaction costs, except financial assets at fair value with changes through profit and loss where transaction costs are registered in the Consolidated Income Statement.

The Group classifies its financial assets, current and non-current, into the following categories:

- Financial assets at fair value with changes through profit and loss (held for trading).
- Held-to-maturity investments.
- Loans and receivables.
- Available-for-sale financial assets.
- Investments in associates accounted for using the equity method.

Classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition and reassesses this designation at each year end.

Financial assets at fair value with changes through profit and loss

These are financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments, except those designated as hedging instruments in an effective hedge.

They are classified as non-current assets, except for those maturing in less than 12 months, and they are carried on the balance sheet at fair value. Changes in value of these assets are recognized in the Consolidated Income Statement as Financial income or expenses.

Fair value is the market price at the Consolidated Balance Sheet date.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity.

They are classified as non-current, except for those maturing in less than 12 months from the balance sheet date. They are carried at amortized cost using the effective interest method, less any impairment charges.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current, except for those maturing in more than 12 months from the balance sheet date.

They are carried at amortized cost using the effective interest method, less any impairment charges.

Available-for-sale financial assets

These are financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. They are classified as non-current unless management plans to dispose of them within 12 months from the balance sheet date.

They are measured at fair value at the balance sheet date. Unrealized gains or losses are recognized in Retained earnings until the investment is retired or impaired, at which time the cumulative gain or loss recorded in equity is recognized in the Consolidated Income Statement.

Investments in associates 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 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 recognizes a financial liability for the consideration received. This financial liability is subsequently measured at amortized cost. The transferred financial asset continues to be measured using the same criteria as prior to the transfer. In subsequent periods, the Group recognizes any income on the transferred asset and any expense incurred on the financial liability in the Consolidated Income Statement. Such income and expense are not offset.

6.7 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.

A relevant decrease in EBITDA compared to the previous year or a relevant decrease of EBITDA in the following years or any other qualitative factor that may affect the Cash-Generating Unit are considered indications of impairment. In the case of capitalized Research and Development Expenses, not obtaining the expected return is considered an indication 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 recognized 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 previsions individually prepared for each CGU to which the asset is allocated. Those budgets and previsions refer to a five-year period and for longer periods a long-term growth rate is calculated and used for estimating cash-flows after the fifth year.

The impairment losses from continued operations, including impairment of inventories, are registered in the Consolidated Income Statement in the expenses related 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 recognized impairment loss is reversed, with the reversal recognized in the 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 recognized.

The following assets present specific characteristics when assessing their impairment:

Consolidation goodwill

At year end as well as when there is evidence that goodwill may be impaired, an impairment test of goodwill is carried out.

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

The Group has implemented annual procedures to test intangible assets with indefinite useful life for impairment. This assessment is carried out for each of the CGUs or groups of CGUs, as well as when there is evidence that intangible assets may be impaired.

Impairment of financial assets

The reduction in the fair value of available-for-sale financial assets that has been recognized directly in equity when there is objective evidence of impairment must be recognized in the Consolidated

Income Statement for the year. The cumulative loss recognized in the 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 recognized in the Consolidated Income Statement, the impairment loss is reversed through the Consolidated Income Statement.

The recoverable amount of held-to-maturity investments and loans and receivables carried at amortized 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 is reduced through use of an allowance account and the amount of the loss is recognized in the Consolidated Income Statement. Current investments are not discounted to present value.

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

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

At December 31, 2016 and 2015 there were no assets and liabilities in this category and no profit from discontinued operations.

6.9 Trade and other receivables

Accounts receivable from customers are measured in the accompanying Consolidated Balance Sheet at nominal value.

Discounted bills pending maturity at year end are included in the accompanying consolidated balance sheets 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 14.a).

The Group recognizes impairment allowances on balances past-due over certain periods, or when other circumstances warrant their classification as impaired.

6.10 Inventories

Inventories are valued at the lower of acquisition or production cost and net realizable 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 Tools made to customer order

A construction contract is a contract specifically negotiated with a customer for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognized by reference to the stage of completion of the contract activity at the balance sheet date (Note 6.18).

When the outcome of a construction contract cannot be estimated reliably, revenue is recognized to the extent that contract costs incurred are expected to be recoverable.

Based on its experience and Group estimates, with rare exceptions, management does not expect to incur losses, which have not been recognized on these Consolidated Financial Statements, on the definitive settlement of the tool manufacture contracts in progress at December 31, 2016.

In the exceptional cases where there are contract costs that may not be recovered, no revenue is recognized and all amounts of such costs are recognized as an expense immediately.

Customer advances received reflect billing milestones and not necessarily the stage of completion of the contract.

Tools-in-progress measured using the stage of completion method are recognized under “Trade receivables” net of customer advances with a balancing entry to “Revenue from tool sales”.

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

When the grant relates to an asset, it is recognized as “Deferred Income” in the Consolidated Balance Sheet and released to income over the expected useful life of the related asset.

When the grant relates to expense items, it is recognized directly in the Consolidated Income Statement as income.

6.14 Financial liabilities (trade and other payables and borrowings)

Financial liabilities are initially recognized at fair value less attributable to transaction costs except financial liabilities at fair value through profit and loss. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized 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 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, cancelled or expires.

When non-controlling interests have an option to sell their shares or investments to the Group, it is assessed whether there is present access to the ownership of the shares by the Group due to the conditions inherent to the option. The Group has no non-controlling interests with option to sell their shares where the Group has present access to the ownership of the shares.

When the conditions of the sale option of the non-controlling interest do not give the Group present access to economic profit from the shares or investments, a partial recognition of non-controlling interest is registered. At first stage a financial liability is registered and reclassified to non-controlling interest. Any excess in the fair value of the liability related to the option with respect to the percentage corresponding to non-controlling interest is directly registered in equity attributable to the Parent Company. No amount is registered in the consolidated income statement related to the subsequent accounting of the financial liability. Until the option is exercised, the same accounting will be carried out at each closing and the financial liability will be cancelled against the amount paid to non-controlling interest. If the option was not exercised, the financial liability would be cancelled against non-controlling interest and the corresponding equity attributable to the Parent Company in the same way as initially registered (Note 22.d).

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, and it is probable 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 obligation.

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

Headcount restructuring provisions are stated at the amount of expenses expected to arise from the restructuring and any other expenses not associated with the entity’s day-to-day business.

Headcount restructuring provisions are only recognized when there is a formal plan identifying the affected business, the main locations affected, and the employees to receive redundancy payments, the outlays to be incurred, when it will be implemented, and when the entity has raised a valid expectation that it will carry out the restructuring and 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 recognized 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-employments 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 Consolidated Income Statement at December 31, 2016 was 6.1 million euros (December 31, 2015: 4.8 million euros).

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 recognized in OCI (Other Comprehensive Income) when incurred. In subsequent years, these actuarial gains and losses are registered as equity, and are not reclassified in profit and loss.

The amounts to be recognized 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 recognized 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 recognizes related restructuring costs or benefits of termination.

The net defined benefit liability (asset) is the deficit or surplus, detailed below, 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:

- Ø The present value of the defined benefit obligation.
- Ø 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.

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 Consolidated Income Statement as soon as they are known.

6.17 Leases

Leases in which all the risks and benefits associated with ownership of the asset are substantially transferred are classified as finance leases.

Assets acquired under financial lease arrangements are recognized, based on their nature, at the lower of the fair value of the leased item and the present value of the minimum lease payments at the outset of the lease term. A financial liability is recognized for the same amount. Lease payments are apportioned between finance charges and reduction of the lease liability. Leased assets are depreciated, impaired, and retired using the same criteria applied to assets of a similar nature.

Leases where the lessor substantially retains all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated Income Statement on a straight line basis over the lease term.

6.18 Revenue and expense recognition

Revenue and expenses are recognized when products are delivered or services are provided, regardless of when actual payment or collection occurs.

Revenue is recognized at fair value of the balancing entry, defining fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For those contracts according to stage of completion and when profit cannot be reliably estimated, revenue is recognized only to the extent where costs are recoverable and costs are recognized as expenses of the year when occurred.

Revenue includes:

- Ø Sale of goods: Revenue from the sale of goods is recognized when the following conditions have been met:

- o the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- o the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- o the amount of revenue can be measured reliably;
- o it is probable that the economic benefits associated with the transaction will flow to the Group.
- o the costs incurred or to be incurred in respect of the transaction can be reliably measured.

Ø Manufacture of tools and machinery for third party sale and rendering of services: the Group uses the stage of completion method for sales of tools and machinery since they buyer can specify the most important structural elements in the design of tools before construction starts, as well as the most relevant structural changes (Note 6.11).

Ø Interest, royalties, and dividends: interest revenue is recognized 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).

Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement.

Dividends are recognized when the shareholder's right to receive payment is established.

Expenses are recognized when there is a decrease in the value of an asset or an increase in the value of a liability that can be measured reliably, and they are recognized during the period in which they are incurred.

6.19 Income tax

The income tax recognized in the Consolidated Income Statement includes current and deferred income tax.

Income tax expense is recognized in the Consolidated Income Statement except for current income tax relating to line items in shareholders' equity, which is recognized in equity and not in the income statement.

Current tax
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 recognized as a reduction in tax expense in the year in which they are applied or offset, unless there is reasonable doubt as to their realization, in which case they are not capitalized 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 recognized 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.

6.20 Derivative financial instruments and hedges

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.

These financial derivatives hedging cash flow are initially recognized in the 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 Consolidated Income Statement, while gains or losses on the effective portion are recognized in “Effective hedges” within “Retained earnings” with respect to cash flow hedges. The cumulative gain or loss recognized in equity is taken to the Consolidated Income Statement when the hedged item affects profit or loss or in the year of disposal of the item.

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

In addition, the Group had a debt instrument (US dollar bonds) at December 31, 2015 and until June 17, 2016 to cover the exposure to exchange rate risk of the investments in subsidiaries whose functional currency is US dollar (Note 22.b.2).

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 are recognized in the Consolidated Income Statement and the effective portion in Translation differences (Consolidated Equity).

After cancellation of the debt instrument issued and considered hedge of net investment, the balance considered translation differences will stay in this heading until derecognition of the investment of the foreign operation. At the moment, the accumulated loss or gain in this heading is transferred to the Consolidated Income Statement.

6.21 Related parties

The Group considers as Related Parties: direct and indirect shareholders, companies over which they have significant influence or joint control, companies accounted for under the equity method and their officers.

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.

6.22 Environmental issues

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 recognized in the corresponding heading under “Property, plant, and equipment” and are depreciated using the same criteria described in Note 6.2 above.

Estimable amounts of contingent liabilities for environmental issues, if any, would be provisioned as a liability in the Consolidated Balance Sheet.

7. Significant accounting judgments, estimates, and assumptions

The preparation of the accompanying Consolidated Financial Statements under IFRS requires management to make judgments, estimates, and assumptions that affect the Consolidated Balance Sheet and Income Statement.

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 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.

For calculating the value at perpetuity for the method of discounting cash-flows, a normalized year with all reasonable and recurrent in the future hypotheses is used.

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 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. 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 with loss history, which cannot be used to offset future tax profits from other group companies and when there are no taxable temporary differences. Note 23 and Note 28 include further details on taxes and tax credits not accounted by the Group.

Revision 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. In the 2016 review, the Group analyzed the current use of certain property, plant and equipment. This review was based on the analysis of an independent third party. The total cost of items whose useful life was reviewed was 2,205 million euros.

Had this revision not been carried out, the impact in the Consolidated Income Statement in 2016 would have been higher depreciation expenses in the amount of 12.5 million euros.

Useful life of intangible assets without finite useful life (including capitalized development expenses) is calculated according to internal analysis where useful life is no longer than 6 years and recovery is linear according to the pattern of consumption representing the production of operating plants.

Fair value of financial instruments

When fair value of financial assets and liabilities cannot be obtained from quoted prices in active markets it is calculated by valuation techniques which include the model of discounting cash flows. 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. Please see Note 12 and Note 22.b.1.

Assessment of gain of control in subsidiaries

According to IFRS 10, currently in force, the Group Management assess the existence of control of significant companies with 50% shareholding, like Beyçelik Gestamp Kalip, A.S. and Gestamp Automotive India Private Ltd.

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

Regarding Gestamp Automotive India Private Ltd. 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.

Although board members are elected according to shareholding percentage, it is considered there is control over this company according to the following circumstances related to the most important 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 the following:

    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.

    All these activities are carried out by the Group given that the other shareholder does not possess those 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 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.

Regarding Gestamp Automotive India Private Ltd, the Group designated 4 board members of this company out of a total of 6 members, so the Group is capable of carrying out the relevant activities.

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

Changes in accounting estimates:
The effect of a change in an accounting estimate is recognized in the same Consolidated Income Statement heading in which the associated income or expense was recognized under the former estimate.

Changes in significant accounting policies and restatement of errors:
Changes in accounting policies and restatement of errors are recognized to the extent they are significant: the cumulative effect of the change at the beginning of the period is recognized by restating “Retained earnings” while the period-specific effect of the change is recognized in Consolidated Profit and Loss for the year. In these instances, the prior year’s balances are also restated to maintain comparability of information.

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:

- Western Europe
  - Spain
  - Germany
  - United Kingdom
  - France
  - Portugal
  - Sweden
  - Belgium
  - Luxembourg

- Eastern Europe
  - Russia
  - Poland
  - Hungary
  - Czech Republic
  - Slovakia
  - Turkey

- Mercosur
  - Brazil
  - Argentina

- North America
  - USA

- o Mexico

- ü Asia
  - o China
  - o South Korea
  - o India
  - o Thailand
  - o Japan

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

The Board of Directors of the Group manages the operating segments corresponding to continuing activities basically according to the evolution of the main financial indicators from each segment such as revenue and EBITDA (Earnings before interest, taxes, depreciation and amortization). Financial income and expenses, income tax and the allocation of profit to non-controlling interests are analyzed together at Group level since they are 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 2016 and 2015 is as follows:

	Thousands of euros 2016					
ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
NON-CURRENT ASSETS						
Goodwill	74,345	22,835	10,422	2,890	12	110,504
Other intangible assets	211,566	9,084	5,266	23,408	33,136	282,460
Property, plan and equipment	1,206,745	450,511	272,388	729,639	500,731	3,160,014
Total non-current assets	1,492,656	482,430	288,076	755,937	533,879	3,552,978
WORKING CAPITAL						
Inventories	243,881	83,395	63,870	126,637	113,114	630,897
Trade and other receivables	631,866	169,093	54,882	230,882	290,166	1,376,889
Other current assets	3,362	5,740	3,487	12,897	754	26,240
Trade and other payables	(856,615)	(180,663)	(64,640)	(254,684)	(264,823)	(1,621,425)
Provisions	(9,380)	(3,300)	(1,560)	(129)	(3,703)	(18,072)
Other current liabilities	682	(600)	-	(3,580)	(12)	(3,510)
Other current debt	(152,340)	(10,409)	(16,537)	(84,416)	(27,118)	(290,820)
Total working capital	(138,544)	63,256	39,502	27,607	108,378	100,199

	Thousands of euros 2016					
ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
Revenue	3,704,113	859,490	401,365	1,546,104	1,037,866	7,548,938
EBITDA	378,044	95,614	23,198	167,183	177,111	841,150

ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
	Thousands of euros					
	2015					
NON-CURRENT ASSETS						
Goodwill	76,019	22,716	8,309	2,890	12	109,946
Other intangible assets	188,000	6,828	3,038	21,489	30,083	249,438
Property, plan and equipment	1,200,687	383,957	203,792	577,802	495,569	2,861,807
Total non-current assets	1,464,706	413,501	215,139	602,181	525,664	3,221,191
WORKING CAPITAL						
Inventories	261,063	68,772	49,832	104,932	101,839	586,438
Trade and other receivables	581,050	114,580	61,724	157,490	279,846	1,194,690
Other current assets	10,328	2,708	944	8,732	821	23,533
Trade and other payables	(780,077)	(119,339)	(39,850)	(197,382)	(247,758)	(1,384,406)
Provisions	(9,862)	(3,042)	(1,053)	(169)	(2,192)	(16,318)
Other current liabilities	(7,412)	(222)	-	(297)	-	(7,931)
Other current debt	(55,663)	(18,529)	(6,509)	(38,355)	(32,065)	(151,121)
Total working capital	(573)	44,928	65,088	34,951	100,491	244,885

ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
	Thousands of euros					
	2015					
Revenue	3,607,362	660,664	466,503	1,323,355	976,628	7,034,512
EBITDA	347,339	86,338	26,289	144,194	156,173	760,333

Recurrent operating activities between subsidiaries of different segments are not significant.

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

a) The criteria for distribution of management costs as per global agreements signed by Group companies.
b) 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:

Segment	Thousands of euros 2016	2015
Western Europe	60,870	68,789
Eastern Europe	4,053	1,956
Mercosur	1,828	636
North America	7,818	12,389
Asia	9,012	4,533
Total	83,581	88,303

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

Segment	Thousands of euros 2016	2015
Western Europe	188,840	197,199
Eastern Europe	94,571	106,133
Mercosur	54,969	22,305
North America	227,493	129,606
Asia	75,312	78,882
Total	641,185	534,125

The three groups of customers representing the highest contributino to sales accounted for 44.5% of revenue in 2016 (2015: 45.2%) and each of them represented more than 10% of revenue in 2016 (2015: 10%).

10. Intangible assets

a) Goodwill

The change in goodwill in 2016 and 2015 is as follows:

	Thousands of euros				
Segment	At December 31, 2015	Additions	Decreases	Currency translation differences	At December 31, 2016
Western Europe					
Gestamp HardTech AB	41,624			(1,673)	39,951
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 pta a punto S.L.	857				857
Eastern Europe					
Beyçelik Gestamp Kalip, A.S.	22,620			(3,264)	19,356
Gestamp Severstal Vsevolozhsk, Llc	96			21	117
Çelik Form Gestamp Otomotive, A.S.	-	3,907		(545)	3,362
Mercosur					
Gestamp Brasil Industria de Autopeças, S.A.	8,309			2,113	10,422
Asia					
Gestamp Services India Private, Ltd.	13			(1)	12
Total	109,946	3,907	-	(3,349)	110,504

Additions in 2016 corresponded to the acquisition of Çelik Form Gestamp Otomotive, A.S. which was included in the consolidation scope by the full consolidation method (Note 3).

	Thousands of euros				
Segment	At December 31, 2014	Additions	Decreases	Currency translation differences	At December 31, 2015
Western Europe					
Gestamp HardTech AB	40,527			1,097	41,624
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 pta a punto S.L.	857				857
Eastern Europe					
Beyçelik Gestamp Kalip, A.S.	25,347			(2,727)	22,620
Gestamp Severstal Vsevolozhsk, Llc	104			(8)	96
Mercosur					
Gestamp Brasil Industria de Autopeças, S.A.	11,110			(2,801)	8,309
Asia					
Gestamp Services India Private, Ltd.	12			1	13
Total	114,384	-	-	(4,438)	109,946

Currency translation differences in 2016 and 2015 corresponded to the adjustments to the goodwill of companies whose functional currency is different from the Euro, translated at the exchange rate prevailing at the 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 group of assets.

The CGU recoverable value at December 31, 2016 was determined by choosing the higher value between the fair value less necessary costs to sale the CGU or the calculation of value in use, using cash flow projections covering a five-year period and based on the future business evolution.

The cash flows beyond the five-year period have been extrapolated using a growth rate of 1% for 2016 and 2015, except for the CGU Gestamp Brasil Industria de Autopeças S.A. where the growth rate used in 2015 was 2%. These hypotheses can be considered cautious compared with the rest of the long term average growth rates of the automotive sector.

The pre-tax discount rate for cash flow projections for the CGUs is calculated in base on the Weighted Average Cost of Capital (WACC) and it is based on the weighted average cost of equity and cost of debt according to the financial structure set for the Group.

The pre-tax discount rates for the CGUs with the most significant goodwill in 2016 and 2015 are as follows:

		Pre-tax discount rate	
Segment	CGU	2016	2015
Western Europe	Gestamp HardTech, AB	9.35%	10.65%
Western Europe	Gestamp Metalbages, S.A.	9.99%	10.58%
Eastern Europe	Beyçelik Gestamp Kalip, A.S.	17.74%	18.00%

The recoverable value is higher than the net value for all the CGUs, so the Group can recover the value of all goodwill recognized at December 31, 2016 and 2015.

Economic projections realized in previous years were not significantly different from the actual figures.

Sensitivity analysis to changes in key assumptions

The Parent Company’s management subjects its goodwill valuations to a sensitivity analysis, varying key inputs such as the discount and terminal growth rates used, to ensure that potential changes in these estimates do not reduce recoverable amounts to below carrying amounts, when value in use is the reference value.

- Although a 100 basis point increase in the discount rate used would reduce value in use, in no case would this be reduced to below the carrying amount of the analyzed assets.
- Assuming a rate of perpetual growth of 0.5% would similarly result in a decline in value in use, albeit in no instance to below the carrying amount of the analyzed assets.
- Assuming a 150 basis point decrease in EBITDA /sales ratio used for extrapolating cash-flow to perpetuity would reduce value in use but in no case would mean impairment of the carrying amount of the analyzed assets.

b) Other intangible assets

The breakdown and change in the various items comprising “Other intangible assets” are shown below:

Cost	At December 31, 2015	Changes in consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2016
	Thousands of euros						
R&D expenses	240,898		58,887	(1,096)	5	(219)	298,475
Concessions	18,434		3,972	(707)	(620)	123	21,202
Patents, licenses & trademark	39,102		1,491	(205)	(115)	(7)	40,266
Goodwill	1,900				89	(316)	1,673
Transfer fees	114				2	(116)	-
Software	127,475	390	11,815	(1,699)	772	4,626	143,379
Prepayments	13,248		7,416	(217)	(8)	(2,918)	17,521
Total cost	441,171	390	83,581	(3,924)	125	1,173	522,516
Amortization and impairment							
R&D expenses	(103,622)		(33,920)	818	88	(217)	(136,853)
Concessions	(1,720)		(424)	47	57	(352)	(2,392)
Patents, licenses & trademark	(3,983)		(510)	15	44	360	(4,074)
Transfer fees	(294)		(274)		(12)	13	(567)
Software	(80,406)	(333)	(14,571)	1,670	(540)	(167)	(94,347)
Total accumulated amortization	(190,025)	(333)	(49,699)	2,550	(363)	(363)	(238,233)
Impairment of Intangible assets	(1,708)		(564)	2	(7)	454	(1,823)
Net carrying amount	249,438	57	33,318	(1,372)	(245)	1,264	282,460

Changes in consolidation scope corresponded to the incorporation of Çelik Form Gestamp Otomotiv, A.S. (Note 3).

Additions to R&D expenses corresponded mainly 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.

Additions to Concessions corresponded to the right to use land.

Additions to Software mainly corresponded to software licenses renewal and to costs of SAP development and implementation.

Additions to Prepayments corresponded to costs from SAP implementation.

The most significant additions by segment is shown in Note 9.

Main disposals corresponded to Software regarding items fully amortized and to development projects whose feasibility is not reasonably assured.

The net balance of Other movements mainly reflected adjustments from previous years, as well as reclassifications between intangible assets and PP&E.

	Thousands of euros						
Cost	At December 31, 2014	Changes in consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2015
R&D expenses	180,104		57,904	(910)	1,722	2,078	240,898
Concessions	17,323				1,106	5	18,434
Patents, licenses & trademark	36,451		2,854	(73)	58	(188)	39,102
Goodwill	1,898			(4)	303	(297)	1,900
Transfer fees	119					(5)	114
Software	105,283	103	14,244	(397)	(255)	8,497	127,475
Prepayments	8,926		13,301	(174)	(270)	(8,535)	13,248
Total cost	350,104	103	88,303	(1,558)	2,664	1,555	441,171
Amortization and impairment							
R&D expenses	(76,648)		(26,558)	787	(903)	(300)	(103,622)
Concessions	(1,214)		(344)		(72)	(90)	(1,720)
Patents, licenses & trademark	(3,709)		(456)	73	(43)	152	(3,983)
Transfer fees	(32)		(265)		3		(294)
Software	(69,978)	(70)	(11,217)	(8)	108	759	(80,406)
Total accumulated amortization	(151,581)	(70)	(38,840)	852	(907)	521	(190,025)
Impairment of Intangible assets	(1,316)		(802)	132	(19)	297	(1,708)
Net carrying amount	197,207	33	48,661	(574)	1,738	2,373	249,438

Changes in consolidation scope in 2015 corresponded to the incorporation of the company Gestamp Pune Automotive Pvt Ltd (Note 3).

Additions to R&D expenses corresponded mainly 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.

Additions to Software mainly corresponded to software licenses renewal and to costs of SAP development and implementation.

The most significant additions by segment is shown in Note 9.

The net balance of Other movements mainly reflected adjustments from previous years, as well as reclassifications between intangible assets and PP&E.

Development expenses corresponding to projects not fulfilling requirements to be capitalized were registered in the heading Other operating expenses from the Income Statement and they amounted to 470 thousand euros at December 31, 2016 (December 31, 2015: 1,361 thousand euros).

Impairment test of assets with indefinite useful life

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.

11. Property, plant and equipment

The breakdown and change in various items comprising "Property, plant and equipment" are shown below:

	Thousands of euros						
Cost	At December 31, 2015	Changes in consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2016
Land and buildings	1,323,618	203	11,737	(910)	8,437	48,401	1,391,486
Plant and other PP&E	4,347,927	6,770	117,113	(140,332)	(32,735)	243,085	4,541,828
PP&E under construction and prepayme	378,608		512,335	(718)	(11,205)	(310,642)	568,378
Total cost	6,050,153	6,973	641,185	(141,960)	(35,503)	(19,156)	6,501,692
Depreciation and impairment							
Land and buildings	(365,011)	(163)	(34,899)	552	(3,580)	(4,866)	(407,967)
Plant and other PP&E	(2,811,335)	(4,378)	(293,673)	130,115	26,908	24,492	(2,927,871)
Accumulated depreciation	(3,176,346)	(4,541)	(328,572)	130,667	23,328	19,626	(3,335,838)
Impairment of PP&E	(12,000)		(30)	5,767	850	(427)	(5,840)
Net book value	2,861,807	2,432	312,583	(5,526)	(11,325)	43	3,160,014

Changes in consolidation scope corresponded to the incorporation of the company Çelik Form Gestamp Otomotiv, A.S. (Note 3).

Cost value of the property, plant and equipment additions at December 31, 2016 corresponded, mainly, to investments in plants and production lines aimed to increase the productive capacity of the Group as well as to capital expenditure to maintain existing activities. They corresponded mainly to companies located in USA, Mexico, Spain, Germany and Poland. Additions by segment are shown in Note 9.

The net value of Disposals of plant and other PP&E corresponded mainly to the disposal of fully amortized items out of use, as well as to the sale of items to third parties.

The net value of Other movements mainly reflected reclassifications between PP&E and intangible assets as well as differences relating to prior years.

	Thousands of euros						
Cost	At December 31, 2014	Changes in consolidation scope	Additions	Disposals	Currency translat differences	Other movements	At December 31, 2015
Land and buildings	1,299,634	7,023	10,974	(5,602)	(5,711)	17,300	1,323,618
Plant and other PP&E	4,046,953	1,839	148,413	(75,438)	2,616	223,544	4,347,927
PP&E under construction and prepayments	250,803		374,738	(2,421)	(848)	(243,664)	378,608
Total cost	5,597,390	8,862	534,125	(83,461)	(3,943)	(2,820)	6,050,153
Depreciation and impairment							
Land and buildings	(337,374)	(1,017)	(32,393)	3,262	1,320	1,191	(365,011)
Plant and other PP&E	(2,589,468)	(1,056)	(285,110)	61,866	3,547	(1,114)	(2,811,335)
Accumulated depreciation	(2,926,842)	(2,073)	(317,503)	65,128	4,867	77	(3,176,346)
Impairment of PP&E	(8,759)		(2,933)		(309)	1	(12,000)
Net book value	2,661,789	6,789	213,689	(18,333)	615	(2,742)	2,861,807

Changes in consolidation scope in 2015 corresponded to the incorporation of the company Gestamp Pune Automotive Pvt Ltd (Note 3).

Cost value of the property, plant and equipment additions at December 31, 2015 mainly corresponded to investments in plants and production lines aimed to increase the productive capacity of the Group as well as to capital expenditure to maintain existing activities. They corresponded mainly to companies located in Poland, Spain, Mexico, China and USA. Additions by segment are shown in Note 9.

The net value of Disposals of plant and other PP&E corresponded, mainly, to the dismantlement of production lines and disposal of fully amortized items out of use, as well as to the sale of items to third parties.

The net value of Other movements mainly reflected reclassifications between PP&E and intangible assets as well as differences relating to prior years.

The asset revaluation effect that was carried out at 2007 as a result of the IFRSs transition is as follows:

	Thousands of euros	
	2016	2015
Initial cost	266,567	266,567
Fair value	509,428	509,428
Revaluation	242,861	242,861
Accumulated depreciation	(40,739)	(36,634)
Deferred tax liabilities	(51,115)	(52,204)
Total	151,007	154,023
Non-controlling interest	(25,121)	(25,363)
Reserves (Note 16.4.d))	(128,659)	(131,738)
Result for the year	2,773	3,078
Total	(151,007)	(154,023)

The breakdown of PP&E located outside Spain, by country, is as follows:

		Thousands of euros	
Segment / Country		Net carrying amount 2016	Net carrying amount 2015
Western Europe			
	Germany	270,703	252,372
	France	93,215	90,534
	Portugal	48,080	38,297
	Sweden	27,671	32,264
	United Kingdom	181,632	216,373
Eastern Europe			
	Poland	156,481	107,204
	Russia	106,465	93,364
	Hungary	35,821	30,248
	Czech Republic	75,883	71,362
	Turkey	70,247	78,115
	Slovakia	5,613	3,664
Mercosur			
	Argentina	30,443	35,191
	Brazil	241,946	168,602
North America			
	USA	513,897	409,737
	Mexico	215,742	168,063
Asia			
	China	361,964	370,625
	India	92,907	79,405
	South Korea	45,260	45,138
	Japan	361	96
	Thailand	239	305
Total		2,574,570	2,290,959

The breakdown of assets acquired under finance lease agreements at December 31, 2016 and December 31, 2015 are as follows:

	December 31, 2016					
				Thousands of euros		
				Present value of lease obligations		
Segment	Asset cost (thousands of euros)	Lease term	Installments paid	Short term	Long term	Purchase option value
Western Europe						
Software	34	4 years	34	-	-	-
Other fixtures	297	5 years	222	64	10	-
Eastern Europe						
Machinery	244	5 years	283	15	-	-
Machinery	12,978	4.75 years	14,397	267	-	1
Machinery	1,104	5 years	955	241	42	-
Machinery	597	5 years	485	120	120	-
Machinery	646	5 years	273	128	287	-
Machinery	2,969	7 years	815	412	1,870	-
Machinery	1,952	7 years	550	265	1,238	-
Machinery	285	7 years	78	38	185	1
Machinery	1,081	7 years	293	146	701	1
Machinery	473	7 years	123	63	313	-
Machinery	598	7 years	131	79	416	-
Machinery	711	7 years	86	79	469	1
Machinery	616	7 years	74	68	406	1
Machinery	755	7 years	62	86	524	-
Machinery	706	7 years	42	77	497	1
Machinery	1,415	7 years	101	101	1,416	-
Machinery	629	5 years	470	128	47	-
North America						
Machinery (November 2012)	14,263	20 years	2,569	661	12,911	-
Machinery (December 2012)	9,508	20 years	1,641	440	8,644	-
				3,478	30,096	

	December 31, 2015					
				Thousands of euros		
				Present value of lease obligations		
Segment	Asset cost (thousands of euros)	Lease term	Installments paid	Short term	Long term	Purchase option value
Western Europe						
Software	34	4 years	23	9	2	-
Other fixtures	297	5 years	181	61	75	-
Eastern Europe						
Machinery	244	5 years	224	56	15	-
Machinery	12,990	4.75 years	11,186	3,127	267	1
Machinery	1,105	5 years	705	228	283	-
Machinery	598	5 years	241	120	240	-
Machinery	647	5 years	130	122	415	-
Machinery	2,971	7 years	352	776	2,196	-
Machinery	1,954	7 years	238	449	1,505	-
Machinery	285	7 years	32	37	223	1
Machinery	1,082	7 years	117	141	848	1
Machinery	474	7 years	45	61	377	-
Machinery	598	7 years	33	76	496	-
North America						
Machinery (November 2012)	13,414	20 years	1,427	618	13,135	-
Machinery (December 2012)	8,943	20 years	882	411	8,792	-
				6,292	28,869	

The amounts contained in the table above are affected by the application of different exchange rates in the conversion process of the financial statements at the exchange rate prevailing at the date of the transaction for companies whose functional currency is different from the presentation currency.

Impairment test of Property, Plant and Equipment

Impairment tests by calculating recoverable value were carried out for CGU's where there were signs of impairment according to indicators mentioned in Note 6.7.

Asssets tested represented 12% of total Property, Plant and Equipment of the Group.

The CGU's recoverable value at December 31, 2016 was 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 the future business evolution.

Pre-tax discount rates for the CGUs with signs of impairment in 2016 and 2015 were the following:

	2016	
Segment	WACC rate before taxes	Rate of perpetual growth
Western Europe	9.36% - 9.99%	1.00%
Eastern Europe	11.21% - 16.65%	1.00%
Asia	9.78%	1.00%
North America	10.50%	1.00%
Mercosur	20.9%-23.65%	1.00%

	2015	
Segment	WACC rate before taxes	Rate of perpetual growth
Western Europe	9.60%-10.27%	1,00%
Eastern Europe	9.56% - 19.25%	1,00%
Asia	11.70%	1,00%
North America	10.65%	1,00%
Mercosur	22.17%	1,00%

The recoverable value was higher than the net value for all the CGUs, so the Group can recover the value of the consolidated assets of each CGU at December 31, 2016 and 2015.

Economic projections realized in previous years were not significantly different from the actual figures.

Sensitivity analysis to changes in key assumptions

The Parent Company's management subjects its goodwill valuations to a sensitivity analysis, varying key inputs such as the discount and terminal growth rates used, to ensure that potential changes in these estimates do not reduce recoverable amounts to below carrying amounts, when value in use in the reference value.

ü Although a 100 basis point increase in the discount rate used would reduce value in use, in no case would this be reduced to below the carrying amount of the analyzed assets.

ü Assuming a rate of perpetual growth of 0.5% would similarly result in a decline in value in use, albeit in no instance to below the carrying amount of the analyzed assets.

ü Assuming a 150 basis point decrease in Ebitda/sales ratio used for extrapolating cash-flow to perpetuity would reduce value in use but in no case would mean impairment of the carrying amount of the analyzed assets.

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

At December 31, 2015 there were items of property, plant, and equipment to secure bank loans received in the outstanding amount of 808 thousand euros. The net carrying amount of these assets at December 31, 2015 was 6,914 thousand euros.

At December 31, 2016 those bank loans were repaid so there were no items to secure those loans anymore (Note 22.a.1)).

12. Financial assets

The breakdown of the Group's financial assets at December 31, 2016 and December 31, 2015 by category and maturity, expressed in thousands of euros, is as follows:

	Thousands of euros									
	Investments accounted for using the equity method		Loans and receivables		Derivative financial instruments		Securities portfolio		Other financial assets	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Non-current financial assets	5,740	8,272	50,581	8,918	25,710	28,184	-	-	13,483	12,308
Investments accounted for using the equity method	5,740	8,272								
Held-to-maturity investments									957	914
Loans and receivables			50,581	8,918					12,526	11,394
Derivative financial instruments (Note 22.b.1)					25,710	28,184				
Current financial assets	-	-	11,036	1,638	-	-	338	2,535	31,854	31,282
Held-to-maturity investments							338	2,535		
Loans and receivables			11,036	1,638					31,854	31,282
Total financial assets	5,740	8,272	61,617	10,556	25,710	28,184	338	2,535	45,337	43,590

a) *Non-current financial assets*

The movements of non-current financial assets in 2016 and 2015 are as follows:

	Thousands of euros			
	Investments accounted for using the equity method	Loans and receivables	Derivative financial instruments	Other financial assets
Balance at December 31, 2014	9,455	43,556	5,863	17,911
Changes in consolidation scope	(3,542)			
Additions	2,450	2,938		5,340
Disposals		(24,682)		(10,975)
Changes in valuations of financial derivatives			22,321	
Transfers		(10,719)		64
Other movements		8		388
Share of profit	(364)			
Translation differences	273	(2,183)		(420)
Balance at December 31, 2015	8,272	8,918	28,184	12,308
Changes in consolidation scope	750			
Additions		57,228		3,463
Disposals		(276)		(2,205)
Changes in valuations of financial derivatives			(2,474)	
Transfers		(17,031)		541
Other movements		10		215
Share of profit	(3,230)			
Translation differences	(52)	1,732		(839)
Balance at December 31, 2016	5,740	50,581	25,710	13,483

a.1) Investments accounted for using the equity method

Changes in consolidation scope in 2016 corresponded to the incorporation of Global Laser Araba S.L. by equity method (Note 2.b).

Changes in consolidation scope in 2015 corresponded to the subsidiary Gestamp Pune Automotive Pvt Ltd which changed from equity method to full consolidation method since control was acquired (Note 3).

Additions in 2015 corresponded to the capital increase in the company Gestión Global de Matricería, S.L. for 9,000 thousand euros and subscribed by the Parent Company for 2,450 thousand euros. Since the capital increase was not proportionally subscribed, the shareholding decreased from 35% to 30%.

"Share of profit" in 2016 and 2015 amounting to 3,230 thousand euros and 364 thousand euros of loss respectively, represented the Group's share of the profit recorded by each company.

In addition, the heading "Share of profits from associates - equity method" in the Consolidated Income Statement included the provision for registered risks related to the investment in ESSA Palau S.A. for 5,309 thousand euros (Note 20).

No dividends were received from companies accounted for using the equity method in 2016 and 2015.

The summarized financial information of the Group´s investment in these companies at December 31, 2016 and December 31, 2015 is as follows:

Summarised balance sheet:

	2016				
	Essa Palau, S.A.	Global Laser Araba	Jui Li Edscha Body Systems and subsidiaries	GGM and subsidiaries	Industrias Tamer, S,A.
Total non-current assets	36,137	2,827	793	53,364	1,471
Total current assets	14,184	3,160	7,545	21,183	3,726
Total non-current liabilities	(21,633)	-	(69)	(25,860)	(360)
Total current liabilities	(54,090)	(4,507)	(2,825)	(41,287)	(3,657)
	-	-	-	-	-
Equity	25,402	(1,480)	(4,721)	(6,978)	(1,180)
Translation differences	-	-	(723)	(422)	-
Shareholding	40%	30%	50%	30%	30%
Carrying amount of the investment	-	444	2,722	2,220	354

	2015			
	Essa Palau, S.A.	Jui Li Edscha Body Systems and subsidiaries	GGM and subsidiaries	Industrias Tamer, S,A.
Total non-current assets	41,994	881	48,266	1,114
Total current assets	26,796	7,003	7,142	1,994
Total non-current liabilities	(23,552)	(32)	(17,963)	(309)
Total current liabilities	(59,300)	(2,464)	(19,763)	(1,889)
Equity	14,062	(4,190)	(17,486)	(910)
Translation differences	-	(1,198)	(196)	-
Shareholding	40%	50%	30%	30%
Carrying amount of the investment	-	2,694	5,305	273

Summarised income statement:

	2016				
	Essa Palau, S.A.	Global Laser Araba	Jui Li Edscha Body Systems and subsidiaries	GGM and subsidiaries	Industrias Tamer, S,A.
Operating income	80,879	23	11,395	25,261	2,862
Operating expense	(89,140)	(896)	(10,542)	(25,815)	(2,571)
OPERATING PROFIT/LOSS	(8,261)	(873)	853	(554)	291
Financial profit	(1,817)	(143)	9	(789)	(24)
Exchange gain (losses)	-	-	(75)	(1,597)	-
Impairment and other	(13)	-	-	-	-
PROFIT/LOSS BEFORE TAXES	(10,091)	(1,016)	787	(2,940)	267
Income tax expense	-	-	(257)	-	-
Adjustments from previous years	10,091	-	-	(7,960)	-
Profit for the year from discontinued operations net of taxes	-	-	-	-	-
PROFIT/LOSS FOR THE YEAR	-	(1,016)	530	(10,900)	267
Shareholding	40%	30%	50%	30%	30%
Participation of the Group in profit	-	(305)	265	(3,270)	80

	2015				
	Essa Palau, S.A.	Jui Li Edscha Body Systems and subsidiaries	GGM and subsidiaries	Industrias Tamer, S,A.	Sungwoo Gestamp Hitech Pune Private Ltd.
Operating income	71,634	9,717	4,175	2,751	3
Operating expense	(76,853)	(9,081)	(4,042)	(2,650)	(12)
OPERATING PROFIT/LOSS	(5,219)	636	133	101	(9)
Financial profit	(1,355)	24	826	(39)	20
Exchange gain (losses)	-	(29)	1,500	-	(87)
Impairment and other	(18)	-	-	-	-
PROFIT/LOSS BEFORE TAXES	(6,592)	631	2,459	62	(76)
Income tax expense	-	(150)	-	-	-
Adjustments from previous years	3,294	-	111	-	-
Profit for the year from discontinued operations net of taxes	-	-	-	-	-
PROFIT/LOSS FOR THE YEAR	(3,298)	481	2,570	62	(76)
Shareholding	40%	50%	30%	30%	100%
Participation of the Group in profit	(1,319)	241	771	19	(76)

a.2) Non-current loans and receivables

Additions in 2016 mainly corresponded to:

- Increase in debit balances of public authorities with Gestamp Brasil Industria de Autopeças S.A. for 9,963 thousand euros.
- Loan granted by the subsidiary Gestamp Finance Slovakia S.R.O. to Gestión Global de Matricería S.L. amounting to 8,400 thousand euros. This loan earns a 2.756% interest rate and initial maturity was March 2023. At December 31, 2016 this loan was transferred to short term and final maturity is June 2017.
- Loans to Group employees amounting to 37,110 thousand euros for the acquisition of shares in the Parent Company from Acek Desarrollo y Gestión Industrial S.L. (Note 15.a)). A pledge on the shares was generated as a guarantee for the loans. The interest rate of the loans is the legal interest rate prevailing every calendar year and the duration is six years from the date of signature.

  The fair value of the shares sold by Acek Desarrollo y Gestión Industrial S.L. to employees was based on the operation between significant shareholders in the first quarter of 2016 and the Group Management considered it was out of scope of IFRS 2.

Transfers in 2016 mainly corresponded to the transfer to the heading Public authorities of debit balances of Brazilian public authorities with Gestamp Brasil Industria de Autopeças, S.A. amounting to 8,161 thousand euros and to the loan granted by the subsidiary Gestamp Finance Slovakia S.R.O. to Gestión Global de Matricería S.L. amounting to 8,400 thousand euros.

Disposals in 2015 mainly corresponded to the repayment of the loan granted to Gestión Global de Matricería, S.L. amounting to 24,628 thousand euros. Bank financing was obtained and so the loan was pre-paid.

Transfers in 2015 corresponded to the transfer to the heading Public authorities of debit balances of Argentine and Brazilian public authorities with companies Gestamp Baires, S.A. and Gestamp Brasil Industria de Autopeças, S.A. as well as to the transfer from long-term to short-term of the loans granted to Esymo Metal, S.L. and to ESSA Palau S.A. (heading b.1)).

a.3) Derivative financial instruments

Change in valuation of financial instruments at December 31, 2016 and 2015 corresponded to the change in the present value of implicit derivatives mainly due to the decrease in notional hedged as well as to the evolution of the exchange rates applicable to sales and purchase prices in certain customer and supplier contracts (Note 22.b.1)).

a.4) Other non-current financial assets

Additions in 2016 mainly corresponded to deposits as guarantee for operating leases amounting to 3,088 thousand euros.

Additions in 2015 mainly included deposits as guarantee of labor insurances amounting to 880 thousand euros and deposits as guarantee for operating leases amounting to 3,567 thousand euros.

Disposals in 2016 mainly corresponded to:

- The refund of deposits as guarantee for operating leases amounting to 1,629 thousand euros and the refund of legal deposits amounting to 213 thousand euros.
- The cancellation of the investment of Gestamp Manufacturing Autochasis in Beyçelik Craiova S.R.L. amounting to 100 thousand euros. This disposal implied a loss of 72 thousand euros (Note 27.c)).

Disposals in 2015 mainly corresponded to:

- The refund of deposits as guarantee for operating leases amounting to 3,045 thousand euros and the refund of legal deposits amounting to 524 thousand euros.
- The cancellation of the investment of Gestamp Servicios S.A. in Genesis International Llc amounting to 2,200 thousand euros.
- The reduction amounting to 4,500 thousand euros from the regularization of the sale price of Araluce S.A. agreed in a previous year, since production objectives were not achieved as indicated in the sale agreement. This regularization was registered in the heading Impairment and gains (losses) on sale of financial instruments from the Consolidated Income Statement (Note 27.c)).

b) Current financial assets

The movements of current financial assets in 2016 and 2015 are as follows:

	Thousands of euros		
	Loans and receivables	Securities portfolio	Other financial assets
Balance at December 31, 2014	18,319	-	57,558
Changes in consolidation scope			225
Additions	2,247	2,535	21,373
Disposals	(16,361)		(46,022)
Transfers	5,385		(58)
Other movements	(9,324)		(2,022)
Translation differences	1,372		228
Balance at December 31, 2015	1,638	2,535	31,282
Changes in consolidation scope			-
Additions	6,245	104	12,608
Disposals	(5,572)	(2,300)	(3,817)
Transfers	8,720		(7,976)
Other movements			79
Translation differences	5	(1)	(322)
Balance at December 31, 2016	11,036	338	31,854

b.1) Current loans and receivables

Additions in 2016 mainly corresponded to a new credit line granted by Gestamp Metalbages S.A. to ESSA Palau S.A. for 5,619 thousand euros. The loan earns an interest referenced to 3-month Euribor plus a 3% spread.

Disposals in 2016 mainly corresponded to partial repayment of the credit line granted by Gestamp Metalbages S.A. to ESSA Palau S.A. for 3,550 thousand euros.

Transfers in 2016 mainly corresponded to the reclassification from long term of the loan granted by Gestamp Finance Slovakia S.R.O. to Gestión Global de Matricería S.L. for 8,400 thousand euros (heading a.2).

Additions in 2015 mainly corresponded to a loan granted to ESSA Palau S.A. by Gestamp Metalbages S.A. amounting to 2,000 thousand euros. The loan earns an interest referenced to 3-month Euribor plus a 3% spread.

Disposals in 2015 mainly corresponded to the repayment of the loan granted to Genesis Internacional S.A. by Gestamp Servicios, S.A. amounting to 14,262 thousand euros.

Transfers in 2015 mainly corresponded to the transfer from long-term to short-term of the loans granted to Esymo Metal S.L. and to ESSA Palau, S.A. for 4,320 thousand euros.

Other movements in 2015 amounting to 9,324 thousand euros included the full impairment of the loans granted to ESSA Palau S.A. by Gestamp Metalbages S.A. (5,000 thousand euros) and by Gestamp Solblank Barcelona S.A. (4,000 thousand euros of principal an 324 thousand euros of interest). This impairment was registered in the heading Impairment and gains (losses) on sale of financial instruments from the Consolidated Income Statement (Note 27.c)).

b.2) Current securities portfolio

Current securities portfolio in 2016 and 2015 mainly corresponded to short term deposits from the company Gestamp Pune Automotive Pvt Ltd with maturity in the same year and average profitability between 4.5% and 6%.

b.3) Other current financial investments

Additions in 2016 mainly corresponded to bank deposits from the companies Gestamp Automotive Chennai Private Ltd and Gestamp Automotive India Private Ltd amounting to 11,468 thousand euros.

Disposals in 2016 mainly corresponded to the cancellation of bank deposits from the company Gestamp Baires S.A. amounting to 1,583 thousand euros.

Transfers in 2016 mainly corresponded to:

- Reclassification of financial assets from the companies Gestamp Brasil Industria de Autopeças S.A. and Gestamp Automotive India Private Ltd amounting to 12,796 thousand euros and 4,054 thousand euros respectively. The maturity of those assets came to be less than three months so they were reclassified to the heading Cash and cash equivalents.
- Reclassification of financial assets from the company Gestamp Baires S.A. amounting to 9,372 thousand euros from the heading Cash and cash equivalents. The maturity of those assets came to be more than three months.

Additions in 2015 mainly included bank deposits from the companies Gestamp Automotive India Private, Ltd. and Gestamp Brasil Industria de Autopeças, S.A. amounting to 13,517 thousand euros and 5,013 thousand euros respectively.

Disposals in 2015 mainly included the cancellation of bank deposits from the company Gestamp Automotive India Private Ltd amounting to 43,991 thousand euros. It was related to the repayment of loans granted by Gonvarri Corporación Financiera S.L. and Gestamp Polska SP ZOO.

13. Inventories

The breakdown of inventories at December 31, 2016 and December 31, 2015 is as follows:

	Thousands of euros	
	2016	2015
Commercial inventories	11,235	10,865
Raw materials	170,560	163,480
Parts and subassemblies	65,121	56,731
Spare parts	74,157	58,572
Packaging materials	5,035	3,020
Total cost of raw materials and other consumables	326,108	292,668
Work in progress	145,508	166,448
Finished products	137,923	126,239
Byproducts, waste, and recovered materials	518	554
Prepayments to suppliers	51,822	31,605
Total cost of inventories	661,879	617,514
Impairment of raw materials	(10,044)	(7,331)
Impairment of other consumables	(7,729)	(7,467)
Impairment of work in progress	(4,359)	(7,772)
Impairment of finished products	(8,850)	(8,506)
Total impairment	(30,982)	(31,076)
Total inventories	630,897	586,438

The breakdowns of purchases used in production and changes in inventories are as follows:

	Thousands of euros						
		Change in inventories					
	2015	Impairment	Reversal of impairment	Changes in inventories	Total	consolidation scope	2016
Raw materials and other consumables	292,668			32,136	32,136	1,304	326,108
Impairment of raw materials and other consumables	(14,798)	(5,054)	2,079		(2,975)		(17,773)
Consumption (Note 26.a)	277,870	(5,054)	2,079	32,136	29,161	1,304	308,335

	Thousands of euros						
		Change in inventories					
	2015	Impairment	Reversal of impairment	Changes in inventories	Total	consolidation scope	2016
Work in progress	166,448			(20,940)	(20,940)		145,508
Finished products and byproducts	126,793			11,301	11,301	347	138,441
Impairment of finished products and work in progress	(16,278)	(6,027)	9,096		3,069		(13,209)
Changes in inventories (see Income Statement)	276,963	(6,027)	9,096	(9,639)	(6,570)	347	270,740

Changes in consolidation scope corresponded to the incorporation of Çelik Form Gestamp Otomotiv, A.S. in 2016 (Note 3).

The inventories were not encumbered at December 31, 2016 and December 31, 2015.

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

a) Trade receivables

	Thousands of euros	
	2016	2015
Trade receivables	843,048	750,592
Trade bills receivable	16,514	37,457
Accounts receivable by stage of completion, tools	279,677	192,024
Accounts receivable by stage of completion, machinery	2,976	-
Doubtful debts	770	1,837
Impairment losses	(4,736)	(5,706)
Trade receivables from related parties (Note 31.1)	31,676	16,734
Total	1,169,925	992,938

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.

Accounts receivable by stage of completion correspond to the income recognized pending invoicing. There are no prepayments exceeding the stage of completion by customer. The amount of customer prepayments for tools under construction registered in the heading Accounts receivable by stage of completion, tools was 713 million euros at December 31, 2016 (December 31, 2015: 447 million euros).

The movement of the impairment provision at December 31, 2016 consisted of an increase of 4,080 thousand euros (December 31, 2015: reversal of 127 thousand euros) (Note 26.c)) as well as written-off balances and translation differences.

The age analysis of due accounts receivable related to the sale of parts at December 31, 2016 and 2015 is as follows:

	Thousands of euros	
	2016	2015
Less than 3 months	14,661	5,361
Between 3 and 6 months	6,093	3,228
Between 6 and 9 months	2,164	5,079
Between 9 and 12 months	730	1,407
More than 12 months	4,825	5,014
Total outstanding past due receivables	28,473	20,090
Impairment provision	(4,736)	(5,706)
Total	23,737	14,384

The past due accounts receivable not provisioned are related to customers with no history of default.

The receivables balances not yet due transferred by the Group as non-recourse factoring to Spanish, German, British, Brazilian, Polish and Argentine banks, that were eliminated in the Consolidated Financial Statements amounted to 300,755 thousand euros and to 224,039 thousand euros at December 31, 2016 and December 31, 2015 respectively.

The expense of transferring non-due receivables balances at December 31, 2016 according to non-recourse factoring contracts amounted to 5,350 thousand euros (December 31, 2015: 2,822 thousand euros).

b) Other receivables

	Thousands of euros	
	2016	2015
Debtors	18,796	23,089
Remuneration advances	1,937	1,862
Short-term loans to employees	86	107
Total	20,819	25,058

c) Current income tax assets

This line item amounted to 35,306 thousand euros at December 31, 2016 (December 31, 2015: 32,906 thousand euros) and reflected the receivables balances related to corporate tax refunds of the Parent Company and group companies.

d) Public authorities

	Thousands of euros	
	2016	2015
Sundry receivables from Public Authorities	150,431	143,588
VAT refund	106,865	107,202
Receivable grants	1,015	3,887
Corporate tax refund (a)	34,571	28,073
Other	7,980	4,426
Receivables from Social Security	408	200
Total	150,839	143,788

(a) The 2016 and 2015 balances reflected receivables from corporate income tax declarations from prior years.

e) Other current assets

This line item, which at December 31, 2016 amounted to 26,240 thousand euros (December 31, 2015: 23,533 thousand euros), mainly reflected insurance premiums, maintenance and repair contracts, rentals and software licenses paid for during the year but for which the expense will accrue the following year, as well as expenses for commercial agreements.

f) Cash and cash equivalents

	Thousands of euros	
	2016	2015
Cash	403,789	296,482
Cash equivalents	26,674	59,493
Total	430,463	355,975

Cash equivalents corresponded to surplus cash investments maturing in less than three months.

The breakdown by currencies and interest rates at December 31, 2016 and December 31, 2015 is the following:

	2016		
Company	Thousands of euros	Source currency	Interest rate range
Gestamp Severstal Vsevolozhsk Llc	1,855	Russian rubles	8.20%
Gestamp Brasil Industria de Autopeças S.A.	24,819	Brazilian reais	100%-101% CDI
Total	26,674		

	2015		
Company	Thousands of euros	Source currency	Interest rate range
Gestamp Automoción S.A.	47,500	Euros	0.30%
Gestamp Baires S.A.	11,159	Argentine pesos	15-22.67%
Gestamp Metal Forming (Wuhan) Ltd.	834	Renmimbi yuan	2.55%-3%
Total	59,493		

The amounts included in this heading of the attached Consolidated Balance Sheet are not encumbered.

15. Issued capital and share premium

The “Issued capital” and “Share premium” at December 31, 2016 and December 31, 2015 are as follows:

ITEM	December 31, 2016	December 31, 2015
No. of shares	4,795,953	4,795,953
Par value	60.10	60.10
	Thousands of euros	
Issued capital:		
Issued capital (par value)	288,237	288,237
	288,237	288,237
Share premium	61,591	61,591
Total issued capital + share premium	349,828	349,828

a) Share capital

At December 31, 2016 and December 31, 2015 the Parent Company’s share capital was represented by 4,795,953 registered shares indivisible and accumulable with a par value of 60.10 euros each, fully subscribed and paid in, and all carrying the same rights and obligations.

The shareholder structure at December 31, 2016 and December 31, 2015 is as follows:

Shareholders	shareholding	
	December 31, 2016	December 31, 2015
Acek Desarrollo y Gestión Industrial, S.L.	37.62%	54.25%
ArcelorMittal Spain Holding, S.L.		24.18%
ArcelorMittal Basque Holding, S.L.		10.82%
Risteel Corporation, B.V.	10.75%	10.75%
Gestamp 2020, S.L.	50.10%	
Employees	1.53%	

On February 1, 2016 ArcelorMittal Spain Holding S.L. and ArcelorMittal Aceralia Basque Holding S.L. formalized a private contract to sale their full shareholding in the Parent Company to Acek Desarrollo y Gestión Industrial S.L. for 875 million euros.

This transaction meant that Acek Desarrollo y Gestión Industrial S.L. increased its shareholding in the Parent Company from 54.25% in 2015 to 89.25% in 2016.

On September 20, 2016 Acek Desarrollo y Gestión Industrial S.L. signed an investment agreement by which 50.10% shares in Gestamp Automoción S.A. were sold to Gestamp 2020 S.L. and Mitsui & Co. Ltd. acquired a 25% shareholding in Gestamp 2020 S.L. and thus indirectly a 12.525% shareholding in Gestamp Automoción S.A. On December 23, 2016, once the competition review was completed, the agreement was executed.

In addition, in 2016 Acek Desarrollo y Gestión Industrial S.L. sold shares representing a 1.53% stake in Gestamp Automoción S.A. to employees.

There are no bylaw restrictions on the transfer of the registered shares and they are not listed.

b) Share premium

The share premium of the Parent Company amounted to 61,591 thousand euros at December 31, 2016 and December 31, 2015.

The amended Spanish Corporate Enterprises Act expressly permits the use of paid-in surplus capital to increase share capital balance, corresponding to an unrestricted reserve.

16. Retained earnings

The changes in "Retained earnings" in 2016 and 2015 were as follows:

	Legal reserve	Goodwill reserves	Unrestricted reserves	Reserves at fully consolidated entities	Reserves at associates	Profit for the year	Effective hedges	Total
AT DECEMBER 31, 2014	45,251	3,313	234,573	721,523	(6,183)	125,702	(36,853)	1,087,326
Profit for 2015						161,480		161,480
Fair value adjustments reserve (hedge)							4,728	4,728
Actuarial gains and losses				5,745				5,745
Appropiation of 2014 profits			31,765	97,101	(3,164)	(125,702)		
Dividends distributed by the Parent Company			(37,711)					(37,711)
Dividends distributed by subsidiaries			2,147	(2,147)				
Transfer from reserves under equity method to reserves under full consolidation method because of sale of companies (Gestamp Pune Aut. Pvte. Ltd.)				(5,839)	5,839			
Interest from participative loans			(10,516)	10,516				
Increase in shareholding in companies previously under control (adjustment for dividends paid to former shareholders of Anhui Edscha Automotive Parts Co. Ltda.)				(712)				(712)
Increase in shareholding in companies previously under control due to acquisition to non-controlling interest (Ekarpen Private Equity, S.A.)				(7,997)				(7,997)
Transfers from retained earnings to non-controlling interest due to non-proportional capital increase				(2,771)				(2,771)
Other movements and adjustements from prior years		571	(571)	(299)				(299)
AT DECEMBER 31, 2015	45,251	3,884	219,687	815,120	(3,508)	161,480	(32,125)	1,209,789
Profit for 2016						221,354		221,354
Fair value adjustments reserve (hedge)							(2,631)	(2,631)
Actuarial gains and losses				(5,415)				(5,415)
Appropiation of 2015 profits	878	571	7,480	152,915	(364)	(161,480)		
Dividends distributed by the Parent Company			(48,444)					(48,444)
Interest from participative loans			8,956	(8,956)				
Acquisition of investment in Gestamp 2008, S.L. to non-controlling interest (Note 2.b)				(263)				(263)
Transfer of non-controlling interest due to changes in shareholding in Gestamp 2008, S.L. (Note 2.b)				(190)				(190)
Put Option Recognition		2	(2)	4,047				4,047
Other movements and adjustements from prior years				(178)	76			(102)
AT DECEMBER 31, 2016	46,129	4,457	187,677	957,080	(3,796)	221,354	(34,756)	1,378,145

16.1 Legal reserve of the Parent Company

The Legal Reserve of the Parent Company amounted to 46,129 thousand euros at December 31, 2016 (December 31, 2015: 45,251 thousand euros).

The Parent Company is obliged to transfer 10% of profit for the year to a legal reserve until this reserve is equivalent to at least 20% of issued capital. This reserve is not distributable to shareholders and may only be used to offset losses if no other reserves are available.

16.2 Goodwill reserve

The Parent Company is required to set aside a non-distributable reserve equal to the amount of goodwill on its balance sheet which was eliminated in the consolidation process and amounted to 7,610 thousand euros at December 31, 2016 (December 31, 2015: 11,415 thousand euros). The amount of profit designated for this purpose must represent at least 5% of goodwill. If no profits are available or profits should prove to be insufficient, freely distributable reserves must be used for this purpose. The amount of the goodwill reserve amounted to 4,455 thousand euros at December 31, 2016 (December 31, 2015: 3,884 thousand euros) .The amount provisioned in 2016 and 2015 was 571 thousand euros.

16.3 Unrestricted reserves

At December 31, 2016 the Parent Company's unrestricted reserves amounting to 187,677 thousand euros, corresponded to those derived from the individual financial statements of the Parent Company amounting to 224,798 thousand euros (December 31, 2015: 261,452 thousand euros) less the adjustments generated in the consolidation process in the amount of 37,121 thousand euros that mainly corresponded to:

- Elimination of the difference between the carrying amount of investments in subsidiaries Gestamp Brasil Industria de Autopeças, S.A., Gestamp Global Tooling, S.L. and Matricerías Deusto, S.A. and the consolidated value of these companies amounting to 63,656 thousand euros.

- The remaining balance mainly corresponded to: elimination of the margins from intercompany purchase-sale transactions of financial participations; reversal of the goodwills which arose in the merger processes between Group companies; reversal of portfolio provisions and capitalization of differences derived from changes in exchange rates of functional currencies compared to Euro in Group financing considered permanent (Note 4.3).

16.4 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) <u>Revaluation reserve. Regional Law 6/1996</u>
In accordance with prevailing regional legislation, this reserve can be used to offset losses, increase share capital or be transferred to non-distributable reserves.

The balance at December 31, 2016 and December 31, 2015 amounted to 4,884 thousand euros.

b) Reserve for productive investments. Regional Law 3/1996, of June 26
In accordance with prevailing regional legislation, this special reserve may only be applied to offset losses or increase share capital in 5 years since it is materialized in fixed assets.

The balance of this reserve at December 31, 2016 and December 31, 2015 was 26,398 thousand euros.

c) Legal reserves at subsidiaries
By virtue of 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 profit is applied to offset losses or increase share capital.

The balance of these reserves at December 31, 2016 and December 31, 2015 was 75,986 thousand euros and 69,139 thousand euros respectively.

d) Reserve from NIIF first application (January 1, 2007)
As a result of valuation of Property, plant, and equipment at fair value, the land and buildings of certain subsidiaries have been valued at their appraised values, and an increase in reserves has been registered in the amount of the difference between the said assets´ fair values and the net carrying amounts registered by each company.

The after-tax increase in reserves deriving from these revaluations amounted to 129 million euros at December 31, 2016 and 132 million euros at December 31, 2015 (Note 11). This increase of reserves is not distributable.

e) Restrictions related to capitalized development expenses

Under prevailing legislation, dividend payments cannot result in an unrestricted reserve balance that is lower than the net carrying amount of development expenses as per the individual financial statements of the Group's Spanish companies prepared under prevailing Spanish GAAP.

16.5 Approval of the Financial Statements and proposal for the allocation of profit

The individual 2016 Financial Statements of the Group companies will be presented for approval at their respective Annual General Meetings of shareholders within the deadlines established by the prevailing legislation. The Directors of the Parent Company believe that no significant changes will be made to the 2016 Consolidated Financial Statements as a result of this process. The Gestamp Automoción Group's 2016 Consolidated Financial Statements will be authorized by the Board of Directors of the Parent Company on March 3, 2017 for issue and submission to the Annual General Meeting where they are expected to be approved without modification.

The Parent Company's Board of Directors will submit the following allocation of profit proposal for the year ended December 31, 2016 for approval at the Annual General Meeting:

	Thousands of euros
Basis of allocation	
As per income statement	9,802
Allocation to:	
Losses to offset	622
Legal reserve	980
Unrestricted reserve	8,200

Restrictions on the distribution of dividends

The Parent Company is obliged to transfer 10% of profit for the year to a legal reserve until this reserve reaches an amount at least equal to 20% of issued capital. Unless the balance of the reserve exceeds this amount, it cannot be distributed to shareholders.

Once the legal requirements have been met, dividends may only be distributed against profit for the year or against unrestricted reserves if the book value of equity is not lower than, or as a result of the dividend payment would not dip below, issued share capital. For this purpose, profit recognized directly in shareholders' equity cannot be directly or indirectly distributed. If prior years' losses have reduced the Parent Company's book value of equity to below the amount of its issued share capital, profit must be allocated to offset these losses.

In addition to these legal restrictions there are contractual restrictions detailed in Note 22.

17. Translation differences

The breakdown of translation differences by country is as follows:

	Thousands of euros		
Segment / Country	2016	2015	Difference
Western Europe			
Germany	440	678	(238)
Spain	12,909	5,309	7,600
France	(1)	-	(1)
Luxembourg	(1)	732	(733)
United Kingdom	(5,542)	18,991	(24,533)
Sweden	(3,756)	(1,916)	(1,840)
Eastern Europe			
Hungary	(2,011)	2,961	(4,972)
Poland	(34,413)	(10,057)	(24,356)
Czech Republic	(4,938)	(4,744)	(194)
Russia	(49,571)	(60,076)	10,505
Turkey	(31,296)	(24,488)	(6,808)
Mercosur			
Argentina	(75,834)	(70,405)	(5,429)
Brazil	11,381	(15,795)	27,176
North America			
USA	(1,254)	(20,114)	18,860
Mexico	(46,679)	(30,015)	(16,664)
Asia			
China	19,151	34,524	(15,373)
South Korea	4,363	3,864	499
India	3,489	2,308	1,181
Japan	186	422	(236)
Thailand	77	12	65
Total	(203,300)	(167,809)	(35,491)

Changes in Translation differences in 2016 amounting to 35,491 thousand euros (2015: 28,069 thousand euros) mainly corresponded to: Eastern Europe regarding the fluctuation of Polish zloty, Asia regarding the fluctuation of Chinese renminbi, Mercosur regarding the fluctuation of Brazilian reais and Western Europe regarding the fluctuation of pound Sterling.

18. Non-controlling interest

The changes in “Equity attributable to non-controlling interest” by company in 2016 and 2015 were as follows:

Company	Thousands of euros									
	At December 31, 2015	Changes in consolidation scope	Capital increase	Translation differences	Distribution of dividends	Increase in shareholding in companies previously under control	Put Option Recognition	Other movements	Profit (loss)	At December 31, 2016
G Finance Luxemburgo, S.A.	51	(51)								-
Gestamp Holding Rusia, S.L./Todlem, S.L./ Gestamp Seversta Vsevolozhsk Llc.//Gestamp Severstal Kaluga, Llc.	11,848			3,702				(427)	6,102	21,225
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	33,821			(1,215)				1,687	2,678	36,971
Gestamp 2008, S.L.	6,119					(6,119)				-
Edscha Briey S.A.S.	(11,053)					11,053				-
Edscha Santander, S.L.	13,466					(13,466)				-
Edscha Burgos, S.A.	(1,334)					1,334				-
Edscha do Brasil Ltda.	(1,079)			(190)		1,269				-
Shanghai Edscha Machinery Co., Ltd.	12,603			(475)	(2,169)				1,207	11,166
Edscha Pha, Ltd.	2,773			43				253	1,631	4,700
Edscha Aapico Automotive Co. Ltd	825		151	42	(168)			80	253	1,183
Gestamp Global Tooling, S.L.	11								(11)	-
Sofedit, SAS	21,722							(857)	9,380	30,245
Gestamp Wroclaw, sp. Z.o.o.	(478)			2					(4,368)	(4,844)
Gestamp Brasil Industria Autopeças, S.A.	35,242			6,162			(13,752)	495	(643)	27,504
Gestamp Holding Argentina, S.L. and Argentine companies	6,155			(2,199)			(942)	(197)	(933)	1,884
Gestamp Holding México, S.L. and Mexican companies	96,135			(5,564)	(6,210)		(29,454)	(69)	4,069	58,907
Gestamp North America, INC and North American companies	105,911			3,683			(36,799)	(1)	804	73,598
Mursolar 21, S.L./Gestamp A. Shenyang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	37,526			(580)				(1,189)	3,357	39,114
Beyçelik Gestamp Kalip, A.S. / Çelik Form Otomotive, A.S.	28,214	(2,748)		(3,153)				106	6,946	29,365
Gestamp Automotive India Private Ltd.	16,933			351					6,552	23,836
Beyçelik Gestamp Sasi, L.S.	(8,826)			71				468	763	(7,524)
Total	406,585	(2,799)	151	680	(8,547)	(5,929)	(80,947)	349	37,787	347,330

The most significant movements in “Non-controlling interest” at December 31, 2016 corresponded to:

- Ø Incorporation of the company Çelik Form Gestamp Otomotive, A.S. and exit from consolidation scope of the company G. Finance Luxemburgo, S.A. (Note 2.b).
- Ø Increase in shareholding in Gestamp 2008 S.L. Since there was already prior control in this company, there was a direct decrease in non-controlling interest of 6,119 thousand euros and an indirect increase due to the investments of this company in other group companies of 190 thousand euros (Note 2.b).
- Ø On December 23, 2016 the Parent Company granted a Put Option to Mitsui & Co. Ltd. in relation to 10% of shares in subsidiaries companies (Note 22.d).
- Ø “Other movements” in 2016 corresponded to profit (loss) adjustments attributable to non-controlling interests in 2015.

Company	Thousands of euros							
	At December 31, 2014	Translation differences	Distribution of dividends	Transfer Reserves under full consolidation method due to capital increase	Increase in shareholding in companies previously under control	Other movements	Profit (loss)	At December 31, 2015
G Finance Luxemburgo, S.A.	51							51
Gestamp Holding Rusia, S.L./Todlem, S.L./ Gestamp Seversta Vsevolozhsk Llc.//Gestamp Severstal Kaluga, Llc.	21,222	(955)				565	(8,984)	11,848
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	26,021	1,684				684	5,432	33,821
Edscha subgroup	17,882	921	(2,799)	2,771		327	3,218	22,320
Matricerias Deusto S.L.	3,387				(4,849)	1,462		-
Adral Matriceria y Pta. a punto , S.L.	6,333				(6,025)	(308)		-
Gestamp Tooling Services, AIE	(302)				306	(4)		-
Gestamp Global Tooling, S.L.	9,784				(10,925)	(366)	1,518	11
Gestamp Tool Hardening, S.L.	2,917				(2,430)	(487)		-
Bero Tools, S.L.	(6)				6			-
Die Diede Development, S.L.	(308)				308			-
Gestamp Metal Forming Subgroup	17,822	30					3,392	21,244
Gestamp Try Out Services, S.L.	743				(610)	(133)		-
Gestamp Brasil Industria Autopeças, S.A.	51,054	(9,440)					(6,372)	35,242
Gestamp Holding Argentina, S.L. and Argentine companies	12,426	(5,781)					(490)	6,155
Gestamp Holding México, S.L. and Mexican companies	93,031	(2,224)	(6,243)			7	11,564	96,135
Gestamp North America, INC and North American companies	87,257	10,342					8,312	105,911
Mursolar 21, S.L./Gestamp A. Shenyang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	36,803	405				(915)	1,233	37,526
Beyçelik Gestamp Kalip, A.S.	29,787	(1,996)	(3,443)			(169)	4,035	28,214
Gestamp Automotive India Private Ltd.	10,190	559					6,184	16,933
Beyçelik Gestamp Sasi, L.S.	(7,269)	113					(1,670)	(8,826)
Total	418,825	(6,342)	(12,485)	2,771	(24,219)	663	27,372	406,585

The most significant movements in “Non-controlling interest” at December 31, 2015 corresponded to:

- Ø Acquisition from non-controlling shareholders (EKARPEN Private Equity S.A.) of 40% shareholding in Gestamp Global Tooling S.L and indirectly also in their subsidiaries. Thus, 100% shareholding in this company was reached, over which there was prior control (Note 2.b).

- Ø “Other movements” in 2015 corresponded to profit (loss) adjustments attributable to non-controlling interests in 2014.

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

Financial information about subsidiaries that have significant non-controlling interests is provided below. The summarized financial information of these subsidiaries, based on their individual financial statements adapted to Group criteria and before intercompany eliminations and consolidation adjustments, is as follows:

Summarised income statement at December 31, 2016 and December 31, 2015:

	2016								
Item	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup	Total
Operating income	1,086,896	156,838	407,146	220,570	250,847	206,359	-	94,996	2,423,652
Operating expense	(1,066,058)	(152,321)	(362,370)	(219,608)	(229,829)	(191,546)	(396)	(84,510)	(2,306,638)
OPERATING PROFIT	20,838	4,517	44,776	962	21,018	14,813	(396)	10,486	117,014
Financial profit	(9,194)	(3,247)	857	(17,745)	(2,406)	(246)	2,624	(7,506)	(36,863)
Exchange gain (losses)	631	(2,234)	(24,507)	14,394	(6,988)	(1,760)	(16)	16,391	(4,089)
Impairment and other	-	-	(40)	(170)	-	-	-	-	(210)
PROFIT BEFORE TAXES	12,275	(964)	21,086	(2,559)	11,624	12,807	2,212	19,371	75,852
Income tax expense	(8,283)	(737)	(7,706)	1,892	(802)	(4,171)	-	(4,832)	(24,639)
Non-controlling interest	-	158	-	-	-	-	-	-	158
PROFIT ATTRIBUTABLE TO PARENT COMPANY	3,992	(1,543)	13,380	(667)	10,822	8,636	2,212	14,539	51,371

	2015								
Item	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup	Total
Operating income	855,225	218,287	414,763	218,004	244,629	208,370	-	116,005	2,275,283
Operating expense	(818,075)	(213,582)	(362,029)	(212,771)	(225,669)	(185,275)	(171)	(103,839)	(2,121,411)
OPERATING PROFIT	37,150	4,705	52,734	5,233	18,960	23,095	(171)	12,166	153,872
Financial profit	(4,532)	(1,748)	1,517	(16,432)	(2,287)	(987)	3,058	(7,871)	(29,282)
Exchange gain (losses)	2,230	(4,669)	(1,185)	(20,714)	(5,785)	(1,510)	731	(16,288)	(47,190)
PROFIT BEFORE TAXES	34,848	(1,712)	53,066	(31,913)	10,888	20,598	3,618	(11,993)	77,400
Income tax expense	(4,951)	(1,895)	(15,668)	10,603	(934)	(3,090)	-	443	(15,492)
Non-controlling interest	-	81	-	-	-	-	-	-	81
PROFIT ATTRIBUTABLE TO PARENT COMPANY	29,897	(3,526)	37,398	(21,310)	9,954	17,508	3,618	(11,550)	61,989

(*) These figures correspond to Subconsolidated Financial Statements

Summarised balance sheet at December 31, 2016 and December 31, 2015:

Item	2016 Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup	Total
Total non-current assets	530,028	40,610	239,320	263,902	74,381	79,383	144,066	98,740	1,470,430
Total current assets	431,960	88,209	256,075	101,982	100,108	142,737	3,324	55,676	1,180,071
Total non-current liabilities	(195,531)	(6,204)	(19,124)	(98,260)	(30,585)	(5)	(12,042)	(79,160)	(440,911)
Total current liabilities	(382,077)	(99,395)	(246,450)	(147,992)	(86,262)	(102,924)	(14,254)	(20,399)	(1,099,753)
Equity	(321,634)	(83,255)	(288,593)	(113,620)	(79,039)	(106,152)	(121,094)	(92,656)	(1,206,043)
Translation differences	(62,746)	60,035	58,772	(6,012)	21,397	(13,039)	-	37,799	96,206
	30%	30%	30%	30%	50%	31%	35%	42%	-
Equity attributable to non-controlling interest	(115,314)	(6,966)	(68,946)	(35,890)	(28,821)	(37,009)	(42,383)	(22,969)	(358,298)
Consolidation adjustments	4,917	4,140	(19,415)	(5,366)	(544)	38	3,269	1,744	(11,217)
Put Option Recognition	(36,799)	(942)	(29,454)	(13,752)	-	-	-	-	(80,947)
Non-controlling interest	(73,598)	(1,884)	(58,907)	(27,504)	(29,365)	(36,971)	(39,114)	(21,225)	(288,568)
Other not signitificative non-controlling interest	-	-	-	-	-	-	-	-	(58,762)
Total Non-controlling interest									(347,330)

Item	2015 Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup	Total
Total non-current assets	441,226	47,049	192,058	189,840	73,556	81,965	78,061	87,438	1,191,193
Total current assets	279,197	96,631	233,204	78,763	94,921	157,294	70,453	49,018	1,059,481
Total non-current liabilities	(197,037)	(7,498)	(17,654)	(32,233)	(18,887)	(38,459)	(23,068)	(79,448)	(414,284)
Total current liabilities	(155,274)	(103,888)	(151,910)	(136,124)	(97,471)	(91,760)	(5,420)	(24,965)	(766,812)
Equity	(317,644)	(85,495)	(292,530)	(114,287)	(68,007)	(92,084)	(120,026)	(78,684)	(1,168,757)
Translation differences	(50,468)	53,201	36,832	14,041	15,888	(16,956)	-	46,641	99,179
	30%	30%	30%	30%	50%	31.05%	35.00%	41.87%	-
Equity attributable to non-controlling interest	(110,434)	(9,688)	(76,709)	(30,074)	(26,060)	(33,857)	(42,009)	(13,416)	(342,247)
Consolidation adjustments	4,523	3,533	(19,426)	(5,168)	(2,154)	36	4,483	1,568	(12,605)
Non-controlling interest	(105,911)	(6,155)	(96,135)	(35,242)	(28,214)	(33,821)	(37,526)	(11,848)	(354,852)
Other not signitificative non-controlling interest									(51,733)
Total Non-controlling interest									(406,585)

(*) These figures correspond to Subconsolidated Financial Statements

Summarized cash flow at December 31, 2016 and December 31, 2015:

Item	2016 Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup
Operating activities	57,421	7,350	25,749	28,204	26,842	32,393	(53)	31,901
Investing activities	(97,726)	(3,718)	(74,582)	(43,030)	(17,337)	(20,805)	(66,005)	(1,398)
Financing activities	126,474	(8,356)	52,435	26,844	(5,352)	(24,334)	(820)	(1,431)
Net increase (decrease) of cash or cash equivalents	86,169	(4,724)	3,602	12,018	4,153	(12,746)	(66,878)	29,072

Item	2015 Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup
Operating activities	63,406	24,471	13,432	13,851	24,729	52,938	(587)	19,297
Investing activities	(75,547)	(2,769)	(22,092)	(24,811)	(15,584)	(16,164)	30,638	(3,696)
Financing activities	(1,383)	(266)	17,224	(33,117)	(10,323)	1,549	23,390	(11,907)
Effect of changes in exclange rates	10,051	(10,822)	(5,352)	(988)	-	-	-	-
Net increase (decrease) of cash or cash equivalents	(3,473)	10,614	3,212	(45,065)	(1,178)	38,323	53,441	3,695

(*) These figures correspond to Subconsolidated Financial Statements

19. Deferred income

Deferred income included grants relating to assets obtained by Group subsidiaries pending release to the Consolidated Income Statement.

The movements of this heading at December 31, 2016 and December 31, 2015 is as follows:

	Thousands of euros
Balance at December 31, 2014	31,280
Additions	5,663
Released income (Note 25.b))	(6,589)
Translation differences	257
Other movements	109
Balance at December 31, 2015	30,720
Additions	2,264
Disposals	(529)
Released income (Note 25.b))	(6,218)
Translation differences	(905)
Other movements	613
Balance at December 31, 2016	25,945

The additions recognized corresponded to grants received from public authorities for investments in plant and equipment and job creation.

The Group companies are able to meet all the requirements attaching to these grants to qualify as non-reimbursable grants.

Grants released to income next year are expected to be similar to this year.

20. Provisions and contingent liabilities

The breakdown of provisions by concept in 2016 and 2015 is as follows:

	Non-current		Current		Total	
	2016	2015	2016	2015	2016	2015
Provision for employee compensation (Note 21)	91,642	74,840	1,904	4,228	93,546	79,068
Provision for taxes	7,252	6,898	-	-	7,252	6,898
Other provisions	55,259	75,049	16,168	12,090	71,427	87,139
	154,153	156,787	18,072	16,318	172,225	173,105

The changes in Provisions during 2016 and 2015 are as follows:

	Provision for employee compensation	Provision for taxes	Other provisions
December 31, 2014	86,531	6,447	57,339
Increase in allowance	11,675	1,834	60,268
Decrease	(19,548)	(692)	(30,472)
Translation differences	(30)	(691)	(1,927)
Other	440	-	1,931
December 31, 2015	79,068	6,898	87,139
Changes in consolidation scope	-	-	125
Increase in allowance	20,568	1,074	20,712
Decrease	(2,396)	(905)	(38,291)
Translation differences	(169)	781	(93)
Other	(3,525)	(596)	1,835
December 31, 2016	93,546	7,252	71,427

Provision for employee compensation

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

The provision for long term defined benefit plans is quantified considering the eventual affected assets according to the registration and valuation standards.

Increases in 2016 and 2015 mainly corresponded to:

- Provisions for employee compensation regarding seniority awards and other benefits for staying in the company.
- Provisions based on actuarial calculations detailed in Note 21.
- Provisions for employee compensation regarding a long-term incentive plan for 5,555 thousand euros. This plan is aimed to certain employees considered as key by the Group management and the amount depends on the compliance with certain consolidated parameters in 2019 and 2020 established in the Group Strategic Plan elaborated in 2016. It will be paid in cash. The provision is based on the estimation of the compliance with those consolidated parameters which are linked to the fulfillment of the Group strategic plan. Such incentive plan is not related to the process for admission of the Group to official listing in the Madrid Stock Exchange.

Decreases in 2016 and 2015 mainly corresponded to reversal of long term employee compensation provisions.

Provision for taxes

The Group basically registers the estimated amount of tax debts related to tax assessments currently appealed and others whose amount or payment date is uncertain.

Decreases in 2016 and 2015 mainly corresponded to the application of provisions relating to tax assessments.

Provision for other responsibilities

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

There was an increase in 2016 of 5,309 thousand euros for reestablishing the financial position of the company ESSA Palau S.A., included in the consolidation scope by the equity method (Note 12.a)).

Decreases in 2016 corresponded to the reversal of provisions for onerous contracts from Gestamp Vendas Novas Lda., a company belonging to the Western Europe segment. Decreases in 2015 corresponded to Gestamp Vendas Novas Ltd, Edscha Burgos and Edscha Briey, all companies belonging to the Western Europe segment. The reversals were registered in the heading "Other operating expenses" for 2,090 thousand euros in 2016 (Note 26.c) and in the heading "Other operating income" for 18,540 thousand in 2015 (Note 25.b).

In 2016 there was a reversal of 26,850 thousand euros of a provision from 2015 for risks from commercial activity related to operating expenses after analysis and evidence indicated a decrease in risks. The provision for 50,000 thousand euros was registered in consumables and operating expenses.

This line item also includes provisions for risks related to personnel restructuring, commercial disputes and claims from suppliers.

Decreases in 2015 included the reversal of the provision for personnel restructuring in Edscha Briey SAS amounting to 5,077 thousand euros, whereof 4,227 thousand euros corresponded to application and 850 thousand euros corresponded to provision surplus.

The Group Directors consider that provisions registered in the Consolidated Balance Sheet duly cover the risks for litigations, arbitration and other contingencies and no additional related liabilities are expected.

At December 31, 2016 and 2015 there were no significant contingent liabilities.

21. Pensions and other post-employment obligations

The breakdown of the provision for employee benefits is as follows:

		Non-current		Current		Total	
Item		2016	2015	2016	2015	2016	2015
Employee benefits	a)	14,114	6,108	1,904	4,228	16,018	10,336
Post-employment benefits							
Defined benefit plans	b)	77,528	68,732	-	-	77,528	68,732
Total (Note 20)		91,642	74,840	1,904	4,228	93,546	79,068

a) Employee benefits

This line item includes provisions by some Group companies for seniority awards and other benefits for staying in the company (anniversary, retirement, awards, etc.).

b) Defined benefit plans

The Group has a number of defined benefit plans. The main defined benefit plans are located in Germany and France. Among these pension plans, some are partially funded by investment funds and some are not funded at all by investment funds.

The risks of the different defined benefit plans are those associated with pensions not funded by an external fund. Other risks of the defined benefit plans common to partially funded plans as well as to unfunded plans are those related to demographic issues, such as mortality and longevity of employees, and those related to financial issues such as pension increase rate depending on inflation.

Assets and liabilities corresponding to the said plans at December 31, 2016 and December 31, 2015, by countries, are the following:

	Thousand of euros		
Item	Germany	France	Total
Present value of the defined benefit obligation	74,551	9,648	84,199
Fair value of plan assets and reimbursement rights	(4,516)	(2,155)	(6,671)
Value of defined benefit obligation at December 31, 2016	70,035	7,493	77,528

	Thousand of euros		
Item	Germany	France	Total
Present value of the defined benefit obligation	66,573	8,846	75,419
Fair value of plan assets and reimbursement rights	(4,482)	(2,205)	(6,687)
Value of defined benefit obligation at December 31, 2015	62,091	6,641	68,732

The changes in present value of plan liabilities are the following:

	Thousand of euros			
	Germany	France	Total	
Present value of the defined benefit obligation at December 31, 2014	67,303	7,937	75,240	
Current service cost year 2015	3,077	549	3,626	
Interest income or expense	(105)	(619)	(724)	
Interest income or expense	5,043	169	5,212	
Pension cost charged to profit and loss at 2015	8,015	99	8,114	
Payments from the plan except any settlements	(2,319)	(156)	(2,475)	
Payments from plan settlements	(350)		(350)	
Actuarial gains and losses arising from changes in financial assumptions	(5,724)	(128)	(5,852)	
Actuarial gains and losses attributable to non-controlling interests	-	46	46	
Remeasurements of the net defined benefit liability	(5,724)	(82)	(5,806)	(*)
Other effects	(352)	1,048	696	
Present value of the defined benefit obligation at December 31, 2015	66,573	8,846	75,419	
Current service cost year 2016	2,929	552	3,481	
Gains and losses arising from settlements		44	44	
Interest income or expense	1,420	175	1,595	
Pension cost charged to profit and loss at 2016	4,349	771	5,120	
Payments from the plan except any settlements	(1,392)	(173)	(1,565)	
Payments from plan settlements				
Actuarial gains and losses arising from changes in demographic assumptions	-	(66)	(66)	
Actuarial gains and losses arising from changes in financial assumptions	5,021	655	5,676	
Actuarial gains and losses attributable to non-controlling interests	-	(229)	(229)	
Remeasurements of the net defined benefit liability	5,021	360	5,381	(**)
Other effects		(156)	(156)	
Present value of the defined benefit obligation at December 31, 2016	74,551	9,648	84,199	

The changes in fair value of plan assets are the following:

	Thousand of euros		
	Germany	France	Total
Fair value of plan assets and reimbursement rights at December 31, 2014	4,410	2,373	6,783
Interest income or expense	79	42	121
Pension cost charged to profit and loss at 2015	79	42	121
Payments from the plan except any settlements	-	(156)	(156)
Return on plans assets, excluding amounts included in interest	-	(68)	(68)
Actuarial gains and losses arising from changes in demographic assumptions	(7)	-	(7)
Actuarial gains and losses attributable to non-controlling interests	-	14	14
Remeasurements of the net defined benefit liability	(7)	(54)	(61) (*)
Contributions to the plan by the employer	-		
Fair value of plan assets and reimbursement rights at December 31, 2015	4,482	2,205	6,687
Interest income or expense	97	10	107
Pension cost charged to profit and loss at 2016	97	10	107
Payments from the plan except any settlements	-	(89)	(89)
Return on plans assets, excluding amounts included in interest	-		
Actuarial gains and losses arising from changes in financial assumptions	(63)	29	(34)
Actuarial gains and losses attributable to non-controlling interests	-		
Remeasurements of the net defined benefit liability	(63)	29	(34) (**)
Fair value of plan assets and reimbursement rights at December 31, 2016	4,516	2,155	6,671

(*) The balance registered as actuarial gains and losses in the Consolidated Statement of Changes in Equity at December 31, 2015 amounted to 5,745 thousand euros (5,806 thousand euros corresponded to the change in value of the defined benefit liability minus 61 thousand euros corresponded to the change in value of the plan assets).

(**) The balance registered as actuarial gains and losses in the Consolidated Statement of Changes in Equity at December 31, 2016 amounted to 5,415 thousand euros (5,381 thousand euros corresponded to the change in value of the defined benefit liability and 34 thousand euros correspond to the change in value of the plan assets).

The breakdown of the expense recognized in the Consolidated Income Statement regarding these plans is as follows:

	Thousand of euros					
	Germany		France		Total	
Item	2016	2015	2016	2015	2016	2015
Current service cost	2,929	3,077	552	549	3,481	3,626
Past service cost	-	-	-	-		
Gains and losses arising from settlements	-	(105)	44	(619)	44	(724)
Net interest on the net defined benefit liability (asset)	1,323	4,964	165	127	1,488	5,091
Total expense recognised in profit or loss	4,252	7,936	761	57	5,013	7,993

The main categories of plan assets and their fair value are the following:

	Thousand of euros			
	Germany		France	
Item	2016	2015	2016	2015
Investments quoted in active markets				
Mixed investment funds in Europe	4,516	4,482		
Not quoted investments				
Investment funds in insurances			2,155	2,205
	4,516	4,482	2,155	2,205

The main hypotheses used for determining the defined benefit obligation are the following:

	Germany		France	
Item	2016	2015	2016	2015
Discount rate	1.6% - 2.3%	2.0% - 2.3%	1.81%-1.9%	1,8%-1,9%
Expected rate of return on any plan assets	0%- 1.6%	0%- 2.2%	1.90%	1.90%
Future salary increases rate	2.0%-2.5%	2.50%	1,5%-2,5%	2.50%
Future pension increases rate	1.5% - 2%	1.5% - 2%	-	-
Inflation rate	2.00%	2.00%	1%-1.4%	1%-1,5%
Mortality table	RT 2005 G	RT 2005 G	INSEE F 08-10	INSEE F 08-10
Rates of employee turnover, disability and early retirement	Aon Hewitt Standard tables, RT 2005 G, 0.5%	Aon Hewitt Standard tables, RT 2005 G, 0.5%	3.00%	3.00%
Proportion of plan members with dependants who will be eligible for benefits	100.00%	100.00%	-	-
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service	2.00%	0% -2%	-	0.00%
Retirement age	-	-	62-65 years	62-65 years

The sensitivity analysis of the value of post-retirement benefits obligations for the main hypotheses at December 31, 2016 and December 31, 2015 are as follows:

		2016			
		Germany		France	
Assumptions	Sensitivity	Increase	Decrease	Increase	Decrease
Discount rate					
Increase	0.25%				301
Decrease	0.25%			317	
Increase	0.5%		12,469		
Decrease	0.5%	14,971			
Future pension increases rate					
Increase	0.5%	11,660			
Decrease	0.5%		10,105		
Future salary increases rate					
Increase	0.5%	85		641	
Decrease	0.5%		76		583
Mortality rate					
Increase	1 year	1,389			

		2015			
		Germany		France	
Assumptions	Sensitivity	Increase	Decrease	Increase	Decrease
Discount rate					
Increase	0.25%				301
Decrease	0.25%			317	
Increase	0.5%		4,291		
Decrease	0.5%	3,862			
Future pension increases rate					
Increase	0.5%	1,804			
Decrease	0.5%		1,714		
Future salary increases rate					
Increase	0.5%			641	
Decrease	0.5%				583
Mortality rate					
Increase	1 year	1,245			

The expected future payments related to pension benefit at December 31, 2016 and December 31, 2015 are the following:

	Thousand of euros					
	2016			2015		
	Germany	France	Total	Germany	France	Total
Within the next 12 months	3,254	108	3,362	3,091	87	3,178
Between 2 and 5 years	11,167	1,882	13,049	10,943	1,239	12,182
Beyond 5 years	15,904	23,447	39,351	15,059	23,768	38,827
Total	30,325	25,437	55,762	29,093	25,094	54,187

22. Non-trade liabilities

The breakdown of non-trade liabilities at December 31, 2016 and December 31, 2015 classified by concepts is as follows:

	Item		Non current			Current	
			2016	2015		2016	2015
a)	Interest-bearing loans and borrowings	a.1)	1,548,305	1,448,036	a.2)	419,294	282,900
b)	Derivative financial instruments	b.1)	87,983	72,828		-	-
c)	Other financial liabilities		132,805	136,739		5,922	16,854
	Financial leasing	c.1)	30,096	28,869	c.1)	3,478	6,292
	Borrowings from related parties	c.2)	67,718	68,442	c.2)	2,444	10,562
	Other liabilities	c.3)	34,991	39,428	c.3)	-	-
d)	Other non-trade liabilities	d)	10,358	16,545		290,820	151,121
	Total		1,779,451	1,674,148		716,036	450,875

a) *Interest-bearing loans and borrowings*

a.1) Non-current interest-bearing loans and borrowings

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

	Thousands of euros						
	2016						2015
Description	2018	2019	2020	2021	Beyond	Total	Total
In Euros	92,106	154,506	246,983	388,525	646,352	1,528,472	1,114,056
Western Europe	80,417	149,412	246,983	388,525	646,352	1,511,689	1,106,528
Eastern Europe	11,689	5,094				16,783	7,528
In foreign currency	7,844	4,773	3,044	2,094	2,078	19,833	333,980
Brazilian reais							
Mercosur	3,498	3,491	3,037	2,094	2,078	14,198	14,616
Indian rupees							
Asia							7,539
Remimbi Yuan							
Asia	2,726					2,726	2,820
Czech Crowns							
Eastern Europe	1,255	1,255				2,510	3,765
Korean wons							
Asia	365	27	7			399	870
US Dollars							
Western Europe							304,370
Total	99,950	159,279	250,027	390,619	648,430	1,548,305	1,448,036

The breakdown of maturity dates for the balances at December 31, 2015 is as follows:

Thousands of euros					
2015					
2017	2018	2019	2020	Beyond	Total
141,583	94,951	163,023	1,043,287	5,192	1,448,036

The guarantees granted are personal guarantees of the borrower.

At December 31, 2016 the loans granted to the Griwe Subgroup (belonging to the Western Europe segment) were repaid. These loans were additionally secured by the property, plant, and equipment financed by these loans (Note 11) and whose outstanding amount at December 31, 2015 was 808 thousand euros.

There are also real guarantees mentioned in the description of individual financial arrangements included in this Note.

The nominal interest rate on the loans at December 31, 2016 was as follows:

	Interest rate
· Loans denominated in euros	1.00% - 1.45%
· Loans denominated in Brazilian reais*	4.50% - 8.50%
· Loans denominated in Korean wones	3.60%
· Loans denominated in US dollar	1.45% - 2.10%

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

The nominal interest rate on the loans at December 31, 2015 was as follows:

	Interest rate
· Loans denominated in euros	1.45% - 1.55%
· Loans denominated in Indian rupees	10.30% - 12.30%
· Loans denominated in Brazilian reais*	4.50% - 16.21%
· Loans denominated in Korean wones	3.60% - 4.00%

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

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

I) 2012 Bank of America Loan and 2013 Syndicated Loan (modified in 2016)

On May 20, 2016 the Parent Company signed an agreement modifying the syndicated loan from April 2013. There were modifications to the amount granted (increase of 340 million euros, tranche A2) and to the interest margins.

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

The most relevant information regarding interest-bearing loans and borrowings subject to covenants at December 31, 2016 and December 31, 2015 is as follows:

Entity	Initial date	Modification agreement date	Amount granted	Maturity date	Financial obligations	Restrictions
Bank of America Securities Limited	March 21, 2012		60 million euros	March 21, 2017	"Net debt/EBITDA" below 3.50x "EBITDA/Financial expense" above 4.00x	N/A
Group of banks	April 19, 2013	May 20, 2016	Tranche A1: 532 million euros Tranche A2: 340 million euros Revolving Credit Facility:280 million euros	Tranche A1: May 31, 2021 Tranche A2: May 31, 20211 Revolving Credit Facilities: May 31, 2021	"Net debt/EBITDA" below or equal 3.50x "EBITDA/Financial expense" above 4.00x	Limitation for the dividends distribution: - Dividends can be no more than 30% of the consolidated benefit

The Bank of America loan as well as the syndicated loan were granted to the Parent Company. The outstanding amount to Bank of America was registered as short-term in the amount of 60,000 thousand euros and the outstanding amount of the syndicated loan was registered as long-term in the amount of 832,851 thousand euros and as short-term in the amount of 39,244 thousand euros.

The Revolving Credit Facility granted amounting to 280,000 thousand euros was undrawn at December 31, 2016 and December 31, 2015.

At December 31, 2016 and December 31, 2015 the Parent Company was not in breach of any of these covenants.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the mentioned loans. These companies are specified in Annex III.

II) May 2013 and May 2016 Bonds

On May 2013, the Group completed an issuance of bonds through its subsidiary Gestamp Funding Luxembourg, S.A., a company belonging to the Western Europe segment. This issuance was carried out in two tranches, one amounting to 500 million euros at an interest rate of 5.875%, and the other amounting to 350 million dollars with a 5.625% interest rate.

The initial maturity date of the bonds was May 31, 2020 and interest was payable every six months (November and May).

On September and October 2015 the Group acquired part of the issued bonds for 16,702 thousand dollars and 5,500 thousand euros.

On May 11, 2016 there was a new issuance of bonds through the subsidiary Gestamp Funding Luxembourg, S.A. for 500 million euros at an interest rate of 3.5%. This was used to fully cancel the May 2013 bond and accrued interest.

After the required analysis, this transaction was considered to be a bond refinancing since there was no substantial change in the debt.

The tranche A2 of the new syndicated loan for 340 million euros granted on May 20 (heading I) was used on June 17, 2016 to fully cancel the US dollar bonds issued in May 2013 and accrued interest.

After the required analysis, this re-financing was considered new debt and therefore unamortized capitalized expenses in relation to the US dollar bonds amounting to 9.8 million euros were registered as expense in the financial result of the Consolidated Income Statement.

The maturity date of the new bonds is May 15, 2023 and interest is payable every six months (November and May).

The carrying value of the May 2016 bonds at December 31, 2016 was 486 million euros. The carrying value of the May 2013 bonds at December 31, 2015 at the exchange rate of the said date was 793 million euros (489 million euros and 304 million euros corresponding to the euro and dollar bonds respectively).

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the bonds. These companies are specified in Annex III.

III) European Investment Bank

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

The loan term is seven years with maturity on June 22, 2023. The Parent Company must comply with certain financial obligations related to Consolidated Financial Statements over the life of the loan. The mentioned obligations are the following:

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

There is also a limitation on dividends distribution such that dividends each year can be no more than 50% of the consolidated net income.

At December 31, 2016 and December 31, 2015 the Parent Company was not in breach of any of these covenants.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of this loan. These companies are specified in Annex 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 (d)		(a)+(b)+(c)+(d)	
	Drawn down (a)		Limit								TOTALS	TOTALS
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
In Euros	109,629	43,148	528,800	316,800	246,478	161,304	7,987	5,006	88	89	364,182	209,547
Western Europe	109,629	43,148	528,800	316,800	229,557	133,390	7,701	4,465	88	89	346,975	181,092
Eastern Europe					15,067	24,526	273	501			15,340	25,027
Asia					1,854	3,388	13	40			1,867	3,428
In foreign currency	8,484	21,134	46,600	29,569	46,313	50,487	315	1,732	-	-	55,112	73,353
US dollars												
Western Europe								1,534			-	1,534
North America					19,017						19,017	-
Turkish lira												
Eastern Europe	772		5,199		6,747	7,885	282	80			7,801	7,965
Argentine pesos												
Mercosur						922					-	922
Brazilian reais												
Mercosur					4,119	8,570	12	11			4,131	8,581
Indian rupees												
Asia	4,850	18,596	33,763	23,294	212	3,471		60			5,062	22,127
Remimbi Yuan												
Asia	2,862	2,538	6,064	6,275	14,485	23,740	20	45			17,367	26,323
Czech Crowns												
Eastern Europe					1,255	3,755					1,255	3,755
Korean wons												
Asia			1,574		478	2,144	1	2			479	2,146
Total	118,113	64,282	575,400	346,369	292,791	211,791	8,302	6,738	88	89	419,294	282,900

In all, the Group had approximately 577 million euros in with-recourse and non-recourse factoring and available discounting facilities at December 31, 2016 (December 31, 2015: 431 million euros).

Interest on the credit facilities was basically indexed to a floating rate of Euribor plus a spread between 0.50% and 0.75% in 2016 and a spread between 0.65% and 1.75% in 2015.

b) Derivative financial instruments

b.1) Interest rate derivatives and exchange rate derivatives

The fair value of interest rate and derivatives held for trading hedges contracted by the Group are recognized in the following headings of the Consolidated Balance Sheet:

Description	Thousands of euros	
	2016	2015
Financial assets - derivatives (Note 12.a.3))	25,710	28,184
Others	25,710	28,184
Financial liabilities - derivatives	87,983	72,828
Derivatives held for trading	13,123	25
Cash flow hedges	49,150	44,619
Others	25,710	28,184

The interest rate swaps arranged by the Group in place at December 31, 2016 and December 31, 2015 were the following:

		Thousands of euros			
		2016		2015	
Contract	Item	Asset	Liability	Asset	Liability
1	Derivatives held for trading	-	4,277	-	-
2	Derivatives held for trading	-	5,484	-	-
5	Derivatives held for trading	-	3,362	-	-
6	Derivatives held for trading	-	-	-	25
Total derivatives held for trading		-	13,123	-	25
1	Cash flow	-	10,494	-	9,263
2	Cash flow	-	20,889	-	16,242
3	Cash flow	-	6,796	-	8,073
4	Cash flow	-	3,432	-	4,524
5	Cash flow	-	7,539	-	6,517
Total cash flow hedges		-	49,150	-	44,619

At December 31, 2016 the Group arranged a strategy to hedge interest rate risk on notionals of the Group's estimated bank debt for the period from 2017 to 2021 via several interest rate swaps with the following notional amounts at December 31 of each year in thousand euros:

Year	Contract 1	Contract 2	Contract 3	Contract 4	Contract 5
2017	140,000	320,000	77,835	110,000	110,000
2018	140,000	320,000	77,835	110,000	110,000
2019	140,000	320,000	77,835		110,000
2020	140,000	320,000	77,835		110,000

The interest rate swaps arranged by the Group in place at December 31, 2016 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	0.25% (2015), 0.45% (2016), 1.20% (2017), 1.40% (2018), 1.98% (2019) and 2.15% (2020)
Contract 2	July 14, 2015	January 4, 2021	1-month Euribor	0.25% (2015-2016-2017), 1.40% (2018), 1.98% (2019) and 2.15% (2020)
Contract 3	January 2, 2015	January 4, 2021	3-month Euribor	1.24% (2015), 1.48% (2016), 1.66% (2017), 1.99% (2018) and 2.09% beyond
Contract 4	April 2, 2014	January 2, 2019	3-month Euribor	1.26%
Contract 5	July 1, 2015	January 4, 2021	3-month Euribor	0.15% (2015), 0.40% (2016), 1.00% (2017), 1.25% (2018), 1.80% (2019) and 2.05% (2020)
Contract 6	August 6, 2012	June 30, 2016	Closed	-

The hedging arrangements outlined above qualify as effective hedges under IFRS hedge accounting criteria. Accordingly, changes in the fair value of the swaps are recognized in equity while the interest accrued is recognized in the Consolidated Income Statement.

The cash flows underlying the hedges are expected to affect profit or loss in the following years:

	2016
	Thousands of euros
2017	(8,680)
2018	(12,766)
2019	(13,800)
2020	(13,904)
Total	(49,150)

2015	
	Thousands of euros
2016	(6,076)
2017	(6,964)
2018	(10,306)
2019	(10,131)
2020	(9,385)
2021	(1,966)
2022	(725)
2023	(32)
2024	452
2025	489
Total	(44,644)

At December 31, 2016 the Group transferred from Equity to the Consolidated Income Statement the amount of approximately 5,927 thousand euros (expense) as a result of liquidations carried out in 2016 corresponding to cash flow (interest rate) hedges. In 2015, expense recognized on the same basis amounted to 9,633 thousand euros.

In 2016 the Group recognized expense amounting to 13,099 thousand euros in the Consolidated Income Statement relating to changes in value of derivatives held for trading and expense amounting to 877 thousand euros relating to hedges inefficiency. In 2015 the income recognized relating to changes in value of derivatives held for trading amounted to 1,162 thousand euros and also income relating to hedges inefficiency for 3,500 thousand euros was recognised.

The effect of financial instruments in retained earnings in 2016 and 2015 is as follows:

	Thousands of euros
2014 Fair value adjustment	(36,853)
Variation in fair value adjustment	4,728
Variation in deferred tax from financial instruments (Note 28)	12,493
Variation in derivative financial instruments (assets)	22,321
Variation in derivative financial instruments (liabilities)	(26,586)
Effect in profit due to hedge inefficiency	(3,500)
2015 Fair value adjustment	(32,125)
Variation in fair value adjustment	(2,631)
Variation in deferred tax from financial instruments (Note 28)	1,023
Variation in derivative financial instruments (liabilities)	(4,531)
Effect in profit due to hedge inefficiency	877
2016 Fair value adjustment	(34,756)

“Others” includes the present value of implicit derivatives of exchange rates applicable to sales and purchases prices in certain customer and suppliers contracts (Note 12.a.3)).

b.2) Net investment hedges

At December 31, 2015 the heading “Interest-bearing loans and borrowings” included the bond issued by the subsidiary Gestamp Funding Luxembourg, S.A. amounting to 333 million US dollars (initial issue for 350 million US dollars of which 17 million were repurchased in 2015 (Note 22.a.1.II)) classified as hedge in net investment in subsidiaries located in the United States. On June 17, 2016 this bond was purchased and fully cancelled (Note 22.a.1.II).

This bond covered the Group exposure to the exchange rate risk of these investments. The gains and losses arising in the conversion of the debt are included in consolidated equity under the heading

Translation differences to compensate the possible gains and losses due to the conversion of the net investment in the subsidiaries.

Since this bond is considered a hedge instrument, the result generated in the conversion of the debt is included in consolidated equity and net of tax effect under the heading Translation differences. The result amounted to 11,760 thousand euros in profit in 2016 (8,467 thousand euros net of taxes) and 30,585 thousand euros in losses in 2015 (22,021 thousand euros net of taxes).

Cumuative translation differences through June 17, 2016 (date of the cancellation of the US dollar bonds) led to a loss of 46,813 thousand euros (33,706 thousand euros net of taxes).

The net investment in these subsidiaries includes the investment in the equity of the subsidiaries and the loans in US dollars granted to said subsidiaries by Group companies whose functional currency is Euro.

Although the bond in US dollar was issued by Gestamp Funding Luxembourg, S.A on May, 2013, the hedging relationship was not established for accountancy purposes until January 1, 2014. At June 17, 2016 and December 31, 2015 there was no hedge inefficiency.

c) Other liabilities

c.1) Financial leasing

The finance lease commitments recognized under this heading correspond to the present value of the payment commitments on the finance leases outlined in Note 11. The payment schedule for these lease payments and the corresponding finance expenses are as follows:

	2016					
	Thousands of euros					
	Present value of lease obligations					
	Short term	Long term				
Segment	Less than one year	Between one and five years	More than five years	Total	Future finance expenses	Finance lease installments
North America	1,101	4,778	16,777	21,555	6,453	29,109
Eastern Europe	2,313	7,701	830	8,531	1,562	12,406
Western Europe	64	10		10	3	77
Total	3,478	12,489	17,607	30,096	8,018	41,592

	2015					
	Thousands of euros					
	Present value of lease obligations					
	Short term	Long term				
Segment	Less than one year	Between one and five years	More than five years	Total	Future finance expenses	Finance lease installments
North America	1,029	4,476	17,451	21,927	6,983	29,939
Eastern Europe	5,192	5,457	1,408	6,865	1,054	13,111
Western Europe	71	77		77	9	157
Total	6,292	10,010	18,859	28,869	8,046	43,207

c.2) Borrowings with related parties

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

	Long term		Short term	
Description	2016	2015	2016	2015
Loans (Note 31.1)	42,420	42,167	-	7,438
Fixed assets suppliers (Note 31.1)	25,298	26,275	-	-
Interest (Note 31.1)	-	-	2,413	3,124
Current accounts (Note 31.1)			31	-
Total	67,718	68,442	2,444	10,562

At December 31, 2016 and December 31, 2015 the balance of long term fixed assets suppliers with Acek, Desarrollo y Gestión Industrial, S.L. corresponded to the purchase of the GESTAMP brand.

The breakdown of expected maturities for borrowings with related parties is as follows (Note 31.1):

	Thousands of euros						
Description	2018	2019	2020	2021	Beyond	Total 2016	Total 2015
Loans	20,771	21,649	-	-	-	42,420	42,167
North America	20,771					20,771	20,104
Eastern Europe		21,649				21,649	22,063
Fixed assets suppliers	1,042	1,110	1,183	1,260	20,703	25,298	26,275
Western Europe	1,042	1,110	1,183	1,260	20,703	25,298	26,275

The breakdown of maturity dates for the balances at December 31, 2015 is as follows:

Thousands of euros 2015					
2017	2018	2019	2020	Beyond	Total
977	21,146	23,173	1,183	21,963	68,442

Interest rates of loans granted by related parties are at market value.

c.3) Other liabilities

Other non-current liabilities

The breakdown of the amounts included under this heading, by segment, nature, and maturity, at December 31, 2016 and December 31, 2015 is as follows:

	Thousands of euros						
Description	2018	2019	2020	2021	Beyond	Total 2016	Total 2015
Loans from Ministry of Science and Technology	6,316	5,920	5,559	5,007	12,189	34,991	39,428
Western Europe	6,316	5,920	5,559	5,007	12,189	34,991	39,428

The breakdown of maturity dates for the balances at December 31, 2015 is as follows:

Thousands of euros					
2015					
2017	2018	2019	2020	Beyond	Total
6,245	5,915	6,124	5,499	15,645	39,428

d) Other non-trade liabilities

The breakdown of the amounts included under this heading by maturity and segment at December 31, 2016 is as follows:

Description	Thousands of euros						
	2018	2019	2020	2021	Beyond	Total 2016	Total 2015
Guarantees received		6			386	392	401
Western Europe		6			384	390	391
Mercosur					2	2	2
Asia						-	8
Fixed assets suppliers	198	70	82	96	64	510	831
Western Europe	138					138	276
Mercosur	60	70	82	96	64	372	555
Other creditors	5,659	1,124	728	861	1,084	9,456	15,313
Western Europe	2,989	1,118	728	861	1,084	6,780	14,861
Eastern Europe	2,303					2,303	-
Mercosur	367	6				373	452
Total	5,857	1,200	810	957	1,534	10,358	16,545

The breakdown of maturity dates for the balances at December 31, 2015 is as follows:

Thousands of euros					
2015					
2017	2018	2019	2020	Beyond	Total
9,097	3,799	462	610	2,577	16,545

Other current liabilities

The amounts included under this heading by nature are as follows:

Item	Thousands of euros 2016	2015
Fixed assets suppliers	182,953	127,698
Fixed assets suppliers, Associated companies (Note 3:	1,050	923
Dividends (Note 31.1)	848	-
Short term debts	29,156	22,240
Put Option Recognition	76,900	-
Short term interests payable	16	242
Deposits and guarantees	140	148
Other	(243)	(130)
Total	290,820	151,121

On December 23, 2016 the Parent Company granted a Put Option to Mitsui & Co. Ltd. for 10% of the shares in certain subsidiaries. The Put Option was valued according to the calculation method established in the contract, based on a multiplier of EBITDA generated in 2016 by the subsidiaries included in the put option. This option will be exercisable within 45 days after the notification to Mitsui

& Co. Ltd. of the intention to start a process for admission to official listing in the Madrid Stock Exchange.

On February 24th , 2017 Mitsui & Co. Ltd notified irrevocably that they will not exercise the Put Option (Note18).

23. Deferred Taxes

The changes in deferred tax assets and liabilities were as follows:

	Thousands of euros							
Deferred tax assets	Tax credits	Reversal of start-up expenses	Fair value of property and buildings	Non-deductible provisions	Accelerated depreciation	Unrealized, non-deductible exchange gains (losses)	Other	Total
At December 31, 2014	164,319	161	17,184	30,180	3,677	4,962	27,857	248,340
Inclusion in scope								-
Increases	10,569			29,757	742	1,794	34,362	77,224
Decreases	(28,668)	(78)		(9,292)	(67)	(2,766)	(4,881)	(45,752)
Translation differences	2,936	(4)		(3,722)	(123)	(526)	(1,038)	(2,477)
Other	1,121		(17,184)	1,352	1,209	885	6,059	(6,558)
At December 31, 2015	150,277	79	-	48,275	5,438	4,349	62,359	270,777
Inclusion in scope								-
Increases	19,248			7,081	1,565	1,566	19,689	49,149
Decreases	(38,691)	(72)		(12,743)	(123)	(6,061)	(15,842)	(73,532)
Translation differences	2,836	(6)		677	(228)	623	(2,332)	1,570
Other	22,150			(9,320)	558	6,917	5,170	25,475
At December 31, 2016	155,820	1	-	33,970	7,210	7,394	69,044	273,439

The balance Other regarding Tax credits mainly corresponded to the recognition of tax credits due to negative tax bases and incentives from previous years.

Increases in Other amounting to 34,362 thousand euros in 2015 and 19,689 thousand euros in 2016 mainly corresponded to the tax effect of hedges from the Parent Company as well as to non-deductible expenses from invoices to be received by Gestamp Polska SP. z.o.o.

Decreases in Other amounting to 15,842 thousand euros in 2016 mainly corresponded to the reversal of non-deductible expenses from invoices to be received by Gestamp Polska SP. z.o.o. of previous years.

The breakdown of deferred taxes by segment is as follows:

	Thousands of euros	
Segment	2016	2015
WESTERN EUROPE	164,584	158,090
EASTERN EUROPE	18,792	16,405
MERCOSUR	28,983	29,385
NORTH AMERICA	48,824	56,366
ASIA	12,256	10,531
TOTAL	273,439	270,777

Deferred tax liabilities	Thousands of euros							
	Portfolio provisions - individual companies	Tax deduction - goodwill individual companies	Capitalization of expenses	Allocation to goodwill	Revaluation of land and buildings	Depreciation/ amortization	Other	Total
At December 31, 2014	803	8,231	44,233	30,341	68,423	72,029	11,035	235,095
Inclusion in scope								-
Increases		852	10,364	3,003	1,643	11,644	2,725	30,231
Decreases	(1,203)		(4,790)	(3,645)	(1,666)	(3,106)	(885)	(15,295)
Translation differences			(86)	(858)		4,797	(797)	3,056
Other movements	(471)	(953)	(269)		(17,661)	(8,760)	571	(27,543)
At December 31, 2015	(871)	8,130	49,452	28,841	50,739	76,604	12,649	225,544
Inclusion in scope								-
Increases		716	11,625		286	1,437	20,433	34,497
Decreases		(633)	(5,755)	(3,645)	(1,576)	(4,677)		(16,286)
Translation differences			(634)	446	142	1,909	(902)	961
Other movements		133	(103)	(4,325)	1,246	(3,195)	(18)	(6,262)
At December 31, 2016	(871)	8,346	54,585	21,317	50,837	72,078	32,162	238,454

The net balance of Other movements in 2015 amounted to 20,985 thousand euros in liabilities and mainly included adjustments from prior years as well as tax credits from Gestamp North America, INC regarding recognition of tax losses from previous years as a consequence of local regulations approved this year.

Translation differences generated in 2016 and 2015 amounting to 609 thousand euros and 5,533 thousand euros respectively mainly corresponded to the application of different exchange rates each year (Note 28).

Increases in Other in 2016 amounting to 20,433 thousand euros mainly corresponded to the tax effect of the retrocession in consolidation process of the hedges registered as inefficient by the Parent Company and considered efficient at Group level.

24. Trade and other payables

a) Trade payables

	Thousands of euros	
	2016	2015
Trade accounts payable	978,617	812,718
Trade bills payable	147,166	133,890
Suppliers from related parties (Note 31.1)	226,348	188,405
Trade creditors, related parties (Note 31.1)	4,013	2,365
Total	1,356,144	1,137,378

b) Other payables

	Thousands of euros	
	2016	2015
VAT payable	60,682	50,589
Tax withholdings payable	12,910	13,616
Other items payable to the tax authorities	18,101	11,617
Payable to social security	28,124	26,857
Other payables	14,918	16,966
Outstanding remuneration	109,819	97,114
Total	244,554	216,759

25. Operating revenue

a) Revenue

The breakdown of revenue by category in 2016 and 2015 is as follows:

	Thousands of euros	
	2016	2015
Parts, prototypes, and components	6,767,411	6,408,731
Tools	579,167	389,373
Byproducts and containers	194,163	219,136
Services rendered	8,197	17,272
Total	7,548,938	7,034,512

The geographical breakdown of revenue was as follows:

	Thousands of euros	
	2016	2015
Western Europe	3,704,114	3,607,362
Spain	1,320,922	1,269,940
Germany	1,044,527	1,020,375
United Kingdom	670,805	685,919
France	434,989	409,625
Portugal	159,911	143,487
Sweden	72,960	78,016
Eastern Europe	859,489	660,664
Turkey	272,037	241,493
Czech Republic	167,687	129,875
Russia	107,623	117,723
Poland	256,290	111,810
Hungary	50,584	50,434
Slovakia	5,268	9,329
Mercosur	401,365	466,503
Brazil	245,709	247,295
Argentina	155,656	219,208
North America	1,546,104	1,323,355
USA	1,153,802	907,346
Mexico	392,302	416,009
Asia	1,037,866	976,628
China	719,602	690,110
India	168,187	157,791
South Korea	137,844	118,541
Japan	7,259	5,956
Thailand	4,974	4,230
	7,548,938	7,034,512

b) Other operating income

	Thousands of euros 2016	Thousands of euros 2015
Other operating income	23,221	24,926
Grants related to income	3,494	2,073
Grants related to assets released to income for the year (Note 19)	6,218	6,589
Surplus provision for environmental matters and other commitments	4,261	4,454
Surplus provision for restructuring	-	5,147
Own work capitalized	93,383	91,757
Other	994	21,925
Change in provisions (Note 20)	-	18,540
Adjustments from prior years	-	(4,595)
Other	994	7,980
Total	131,571	156,871

Other operating income in 2016 and 2015 mainly included third party billing for transactions different from the main activity of the companies. In 2015 it also included the income from the business combination of Gestamp Pune Automotive Private Limited amounting to 1.371 thousand euros (Note 2.b).

The heading Other at December 31, 2016 included profits from tangible assets amounting to 994 thousand euros (December 31, 2015: 1,832 thousand euros). At December 31, 2015 this heading also included other income and expenses mainly related to commercial agreements, litigations and state financial aids amounting to 6,148 thousand euros. The balance of the said income and expenses at December 31, 2016 was a debit balance and it was registered in the heading Other operating expenses (Note 26.c)).

26. Operating expenses

a) Raw materials and other consumables

	Thousands of euros 2016	Thousands of euros 2015
Purchases of goods and tools for resale	860,423	679,004
Discounts for prompt payment	(1,769)	(2,164)
Purchase returns and similar transactions	(663)	(5,269)
Volume discounts	(8,240)	(7,946)
Change in inventories (**)	(32,136)	(22,322)
Purchases of raw materials	2,666,535	2,764,168
Consumption of other supplies	668,011	644,581
Work performed by third parties	354,606	255,855
Impairment of goods for resale and raw materials (**)	5,054	4,067
Reversal of impairment of goods for resale and raw materials (**)	(2,079)	(1,377)
Total	4,509,742	4,308,597

**The total of these line items amounts to a net consumption of raw materials amounting to 29,161 thousand euros (Note 13).

b) Personnel expenses

The breakdown of "Personnel expenses" in the Consolidated Income Statement is as follows:

	Thousands of euros	
	2016	2015
Salaries	1,043,824	971,251
Social security	225,570	206,969
Other benefits expenses	97,490	79,790
Total	1,366,884	1,258,010

Other benefit expenses included the contributions to defined contribution plans amounting to 6.1 million euros in 2016 (2015: 4.8 million euros) (Note 6.16).

The breakdown of average headcount by professional level in 2016 and 2015 is as follows:

Professional level	2016	2015
Directors/ Managers	831	714
Clerical, financial and IT department	1,624	1,878
Quality control deparment	2,173	1,804
Logistics department	2,889	2,644
Supply department	872	864
Technical department	3,509	2,828
Production foreman	1,469	1,320
Production workers	18,301	16,764
Other	4,550	4,089
Total	36,218	32,905

The breakdown of headcount by professional level at year end at December 31, 2016 and December 31, 2015 is as follows:

	2016		2015	
Professional level	Males	Females	Males	Females
Directors/ Managers	755	120	666	94
Clerical, financial and IT department	876	795	1,382	881
Quality control deparment	1,760	407	1,557	249
Logistics department	2,501	370	2,274	319
Supply department	708	159	713	155
Technical department	3,499	288	2,874	232
Production foreman	1,385	67	1,261	57
Production workers	17,906	1,609	16,427	1,334
Other	2,625	565	2,268	449
Total	32,015	4,380	29,422	3,770

c) Other operating expenses

	Thousands of euros	
	2016	2015
Maintenance and upkeep	576,494	530,423
Other external services	334,783	310,387
Taxes and levies	34,302	30,761
Impairment of accounts receivable (Note 14.a))	4,080	(127)
Other	6,504	3,925
Provision for risks and expenses	5,217	3,925
Increase/ Application of provisions (Note 20)	(2,090)	-
Adjustments prior years	5,567	-
Other	(2,190)	-
Total	956,163	875,369

The heading Other at December 31, 2016 included other income and expenses mainly related to commercial agreements and litigations amounting to 2,190 thousand euros. The balance of the said income and expenses at December 31, 2015 was a credit balance and it was registered in the heading Other operating income (Note 25.b)).

27. Financial income and financial expenses

a) Financial income

	Thousands of euros	
	2016	2015
From equity investments, Group Companies	-	5
From equity investments	1	4
From current loans to third parties	3	27
Other financial income	4,839	12,913
From current loans to related parties (Note 31.1)	432	360
Total	5,275	13,309

b) Financial expenses

	Thousands of euros	
	2016	2015
On bank borrowings	78,701	97,547
On trade bills with credit institutions	3,444	1,807
Other financial expenses	10,635	14,584
On update provisions	45	15
On borrowings from related parties (Note 31.1)	5,933	7,897
Total	98,758	121,850

c) Impairment and gains (losses) on sale of financial instruments

	Thousands of euros	
	2016	2015
Short term loans impairment loss (Note 12.b.1))	-	9,324
Loss from investment securities in associated companies (Note 12.a.4))	72	4,500
Others	5	5
Total	77	13,829

28. 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 11/2015. The subsidiaries included in this fiscal group are Gestamp Bizkaia, S.A; Bero Tools, S.L.; Gestamp North Europe Services, S.L., Loire S.A.F.E., Gestamp Global Tooling S.L., Matricerías 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 Gestamp 2008, S.L., Edscha Santander, S.L. and Edscha Burgos, S.L. file a consolidated tax return.

- The subsidiaries Griwe Innovative Umfortechnik, 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 State GmbH and Edscha Hauzenberg Real State GmbH file a tax return according to 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 taxes in 2016 and 2015, in thousands of euros, is as follows:

	Thousands of euros	
	2016	2015
Current tax expense	78,900	87,824
Deferred tax	10,080	(23,458)
Other income tax adjustments	(40)	(416)
Total	88,940	63,950

The reconciliation between the deferred tax expense in 2016 (income in 2015) and the net variation of deferred tax assets and liabilities is as follows:

	Thousands of euros			
	Deferred tax assets		Deferred tax liabilities	
	2016	2015	2016	2015
Balance (Note 23)	273,439	270,777	238,454	225,544
Variation current year	*2,662*	*22,437*	*12,910*	*(9,551)*
Net variation (Increase / decrease in net deferred asset)	*(10,248)*	*31,988*		
Translation differences (Note 23)	(609)	5,533		
Tax effect of hedges registered in Equity (Note 22.b.1))	(1,023)	(12,493)		
Other variations	1,800	(1,570)		
Increase / decrease in net deferred asset against profit for the year	*(10,080)*	*23,458*		
Income /expense for deferred tax current year	10,080	(23,458)		

Tax expense was calculated based on accounting profit before taxes, as shown below:

	Thousands of euros	
	2016	2015
Accounting profit (before taxes)	348,081	252,802
Theoretical tax expense	97,463	70,785
Differences in prevailing rates	(4,792)	(1,792)
Permanent differences	4,649	(215)
Deductions and tax credits previously not recognized	(27,579)	(10,124)
Statute-barred tax credits	13,474	21,602
Adjustments to income tax of prior years	5,765	(15,889)
Adjustments to tax rate	(40)	(417)
Tax expense (tax income)	88,940	63,950

The theoretical tax rate applied was 28% in 2016 and 2015.

"Differences in prevailing rates" in 2016 and 2015 reflected the differences between prevailing rates in certain operating markets and the theoretical applicable rate, mainly relating to operations taxed in the United States (35%), Brazil (34%), and Argentina (35%).

The Permanent differences in 2016 and 2015 reflected mainly inflation adjustments, exemption of income from brand billing, nondeductible differences in exchange rates, nondeductible expenses, and those differences permanent differences generated in the consolidation process.

The balances converted to euros of tax bases pending to be offset and unused tax incentives in other currencies, calculated at the exchange rates prevailing on that date, at December 31, 2016 and 2015 are the following:

	Millions of euros					
	2016			2015		
	With tax credit registered	Without tax credit registered	Total	With tax credit registered	Without tax credit registered	Total
Negative tax bases pending to be offset	309	605	914	286	586	872
Tax credit	97	159	*256*	84	163	*247*
Unused tax incentives	59	101	160	66	79	145
Tax credit	59	101	*160*	66	79	*145*
Total Tax credit registered (Note 23)	*156*			*150*		

At year end 2016 and 2015, the Group had capitalized unused negative bases and tax incentives that it expects to be able to utilize in future periods based on earnings projections and the deadlines and limits for their utilization.

The analysis on recoverability of tax credits is based on estimated future profits for each company. Such recoverability ultimately depends on the capacity of each company to generate taxable profits along the period where deferred tax assets are deductible.

The analysis on recoverability is elaborated according to the life-time of tax credits with a maximum of 10 years and to the current application conditions for such tax credits, especially the limits of application for negative tax bases.

The unused tax losses and unused tax incentives at December 31, 2016 and 2015 whose corresponding tax credit has been registered have the following breakdown by prescription date:

2016		
Millions of euros		
Range of maturity	Negative Tax Bases	Tax incentives
2017-2022	59	1
2023-2028	62	31
2029-2035	46	26
Without limit	142	1
Total	309	59

2015		
Millions of euros		
Range of maturity	Negative Tax Bases	Tax incentives
2016-2021	40	1
2022-2027	75	4
2028-2034	120	61
Without limit	51	-
Total	286	66

The unused tax losses and unused tax incentives at December 31, 2016 and 2015 whose corresponding tax credit has not been registered have the following breakdown by prescription date:

2016		
Millions of euros		
Range of maturity	Negative Tax Bases	Tax incentives
2017-2022	107	7
2023-2028	71	63
2029-2035	40	30
Without limit	387	1
Total	605	101

2015		
Millions of euros		
Range of maturity	Negative Tax Bases	Tax incentives
2016-2021	188	5
2022-2027	14	6
2028-2034	116	63
Without limit	268	5
Total	586	79

The majority of Group companies are open to inspection of all taxes to which they are liable and for the full statute of limitations period (4 years from filing date for all Spanish companies except for those with registered offices in the Basque Country for which the period is three years, and five years, as a rule, for companies based abroad), or since the date of incorporation, if more recent.

Management of the Parent Company and its subsidiaries calculated income tax for 2016 and the years open for inspection according to the legislation prevailing in each year. Given that the prevailing tax regulations related to the above mentioned matters are subject to varying interpretations, certain tax liabilities and contingencies may exist for 2016 and previous years that cannot be objectively quantified. However, the Group's directors and their legal and tax advisors consider that any potential tax liability which might arise would not significantly affect the accompanying Consolidated Financial Statements.

29. Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent 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 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 2016 and 2015 are as follows:

	2016	2015
Profit attributable to equity holders of the parent company (Thousands of euros)	221,354	161,480
Loss from discontinued activities attributable to equity holders of the parent company (Thousand of euros)	-	-
Weighted average number of ordinary shares outstanding (Thousands of shares)	4,796	4,796
Basic earnings per share from continuing operations (Euros per share)	46.15	33.67
Basic earnings per share from discontinued operations (Euros per share)	-	-

30. Commitments

The Group is lessee of buildings, warehouses, machinery and vehicles. The lease expenses charged to the December 31, 2016 Consolidated Income Statement amounted to 99,643 thousand euros (December 31, 2015: 88,038 thousand euros) and the breakdown by segment is as follows:

	Thousands of euros	
	2016	2015
Western Europe	59,421	50,620
Eastern Europe	10,147	7,718
Mercosur	2,998	3,122
North America	18,920	18,805
Asia	8,157	7,773
Total	99,643	88,038

Total future minimum payments for non cancellable operating leases at December 31, 2016 and December 31, 2015 by segment are as follows:

	Thousands of euros		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Western Europe	44,902	94,705	79,231
Eastern Europe	2,714	11,661	2,040
Mercosur	2,521	1,156	-
North America	29,130	128,217	72,422
Asia	6,605	5,906	4,311
Total 2016	85,872	241,645	158,004

	Thousands of euros		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Total 2015	65,329	189,021	133,410

The increase in future minimum payments from 2015 to 2016 corresponded mainly to the signing of new agreements (mainly related to machinery) in companies belonging to the North America segment, and to the renegotiation of already existing agreements.

The commitments acquired by Group companies relating to the acquisition of fixed assets amounted to 895 million euros at December 31, 2016. Of those, 12% referred to orders from 2014, 20% from 2015 and 68% from 2016. It is likely that these percentages will be maintained in the future with regard to invoicing and payments of these commitments, such that execution will be from 2017 to 2019.

These commitments mainly refer to projects from new plants for manufacturing parts already nominated by customers to our Group.

The Group has no guarantees granted to third parties. The guarantees received from financial entities by the Group and presented to third parties at December 31, 2016 amounted to 305 million euros (December 31, 2015: 201 million euros).

31. Related party transactions

31.1 Balances and transactions with Related Parties

At December 31, 2016 and December 31, 2015 the amounts payable to and receivable from Related Parties and transactions carried out with Related Parties were as follows:

	Thousands of euros	
	2016	2015
Balances receivable / payable	(259,477)	(252,435)
Revenue		
Sales of goods	165,665	155,059
Services rendered	5,377	5,407
Financial income	432	360
Expenses		
Purchases	986,803	922,718
Services received	11,046	11,595
Financial expenses	5,933	7,897
Impairment loss	-	9,324

The consideration of related parties in the following schedules correspond to subsidiaries and associates of Acek Desarrollo y Gestión Industrial S.L. Group where the Parent Company has not direct or indirect investment.

There are no acquisition commitments with related parties no related to the usual productive activity of the Group.

The breakdown of receivables from and payables to Related Parties at December 31, 2016 is as follows:

Company	Thousands of euros
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(31)
Total payable Current account (Note 22.c.2)	(31)
Shareholders	
Mitsui &Co., Ltd	(20,771)
JSC Karelsky Okatysh	(21,649)
Total non-current loans (Note 22.c.2)	(42,420)
Associates	
Esymo Metal, S.L.	320
Essa Palau, S.A.	1,745
Gestion Global de Matriceria, S.L	8,400
Total Current Loans	10,465
Shareholders	
Mitsui &Co., Ltd	(842)
Other shareholders	(6)
Total Dividends payable (Note 22.d)	(848)
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	406
Related parties	
Gescrap Centro, S.L	1,571
Gescrap France S.A.R.L.	91
Gescrap Navarra, S.L.	86
Gescrap Polska SPZOO	258
Gescrap, S.L.	803
Gescrap Hungría KFT	306
Gescrap Autometal Mexico S.A. de C.V.	96
Gescrap Czech S.R.O.	42
Gescrap Autometal Comercio de Sucatas S.A.	1,141
GES Recycling Ltd.	5
Gescrap GmbH	1,454
Gescrap Noroeste, S.L.U.	26
Gescrap Kaluga Llc.	257
GES Recycling USA Llc.	852
Gonvarri Galicia, SA	1,225
Gonvarri I. Centro Servicios, S.L.	264
Gonvarri MS Corporate S.L.	46
Gonvauto Navarra, SA	432
Gonvauto Puebla S.A. de C.V.	3
Gonvauto Thuringen, GMBH	3,147
Gonvauto, SA	3,199
Gonvarri Corporación Financiera, S.L.	(369)
Gonvarri Polska, SP, ZOO.	5
Steel & Alloy Ltd	362
Ind. Ferrodistribuidora, S.L.	56
Gestamp Energías Renovables S.L.	501
Associates	
Gestamp Tooling Manufacturing Kunshan Co Ltd	8,166
Essa Palau, S.A.	1,647
Esymo Metal, S.L.	26
GGM Puebla, S.A. de C.V.	2,736
Gestion Global de Matriceria, S.L	77
Ingeniería y Construcción Matrices, S.A.	2,540
IxCxT, S.A.	135
Jui Li Edscha Body System Co Ltd	3
Jui Li Edscha Hainan Co Ltd	81
Total Trade receivables from related parties (Note 14.a)	31,676
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(1,292)
JSC Karelsky Okatysh	(1,085)
Related parties	
Gonvarri I. Centro Servicios, S.L.	(36)
Total interest payable (Note 22.c.2)	(2,413)

Company	Thousands of euros
Associates	
Esymo Metal, S.L.	1
Gestion Global de Matriceria, S.L	2
Total interest receivable	3
Associates	
Esymo Metal, S.L.	800
Total Non-current Loans	800
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(101)
Related parties	
Agricola La Veguilla, S.A.	(18)
Gescrap Navarra, S.L.	(2)
Gescrap Polska SPZOO	(16)
Gescrap France S.A.R.L.	2
Gonvarri Argentina S.A.	(7,903)
Gonvarri Galicia, SA	(31,988)
Gonvarri Corporación Financiera, S.L.	(62)
Gonvarri I. Centro Servicios, S.L.	(53,865)
Gonvarri Polska, SP, ZOO.	(23,714)
Gonvarri Ptos. Siderúrgicos, SA	(11,700)
Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	(2,341)
Gonvauto Asturias S.L.	(1,608)
Gonvauto Navarra, SA	(3,072)
Gonvauto Puebla S.A. de C.V.	(16,946)
Gonvauto Thuringen, GMBH	(7,590)
Gonvauto, SA	(30,220)
Gonvauto South Carolina LLC	(1,160)
Severstal Gonvarri Kaluga, LLC	(135)
Ind. Ferrodistribuidora, S.L.	(504)
Láser Automotive Barcelona S.L.	(629)
Gonvarri Czech S.R.O.	(771)
Steel & Alloy Ltd	(12,143)
Láser Automotive Gmbh	(205)
Inmobiliaria Acek,S.L.	(359)
Arcelor Group	(1,991)
Associates	
Essa Palau, S.A.	(8,365)
Esymo Metal, S.L.	(2,306)
GGM Puebla, S.A. de C.V.	(4,385)
Gestion Global de Matriceria, S.L	(444)
Ingeniería y Construcción Matrices, S.A.	(1,413)
IxCxT, S.A.	(394)
Total Suppliers from related parties (Note 24.a)	(226,348)
Related parties	
Severstal Gonvarri Kaluga, LLC	(4,002)
Associates	
Gestion Global de Matriceria, S.L	(11)
Total Trade creditors, related parties (Note 24.a)	(4,013)
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(25,298)
Total non-current Fixed assets suppliers (Note 22.c.2)	(25,298)
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(978)
Associates	
GGM Puebla, S.A de C.V	(72)
Total Other current suppliers (Note 22.d)	(1,050)
Total balances receivable / payable	(259,477)

The breakdown of receivables from and payables to Related Parties at December 31, 2015 were as follows:

Company	Thousands of euros
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	26
Total receivable Current account	26
Shareholders	
Mitsui &Co., Ltd	(20,104)
JSC Karelsky Okatysh	(22,063)
Total non-current loans (Note 22.c.2)	(42,167)
Related parties	
Gonvarri Corporación Financiera, S.L.	(7,438)
Total current loans (Note 22.c.2)	(7,438)
Associates	
Esymo Metal, S.L.	320
Total Current Loans	320
Associates	
Esymo Metal, S.L.	1
Gestion Global de Matriceria, S.L	61
Total interest receivable	62
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	7
Related parties	
Gescrap Centro, S.L	516
Gescrap France S.A.R.L.	1,010
Gescrap Navarra, S.L.	234
Gescrap Polska SP.Z O.O.	345
Gescrap, S.L.	3,501
Gescrap Hungría KFT	176
Gescrap Autometal Mexico S.A. de C.V.	606
Gescrap Czech S.R.O.	22
Gescrap Autometal Comercio de Sucatas S.A.	351
GES Recycling Ltd.	285
Gonvarri Galicia, S.A.	148
Gonvarri I. Centro Servicios, S.L.	112
Gonvarri MS Corporate S.L.	46
Gonvauto Navarra, S.A.	694
Gonvauto Puebla S.A. de C.V.	389
Gonvauto Thuringen, GmbH	1,092
Gonvauto, S.A.	480
Gonvarri Corporación Financiera, S.L.	169
Gonvarri Polska SP. Z O.O.	4
Ind. Ferrodistribuidora, S.L.	281
Severstal Gonvarri Kaluga, LLC	8
Steel & Alloy Ltd.	29
Gonvarri Czech S.R.O.	37
Gestamp Energías Renovables S.L.	426
Inmobiliaria Acek,S.L.	8
Recuperaciones Medioambientales Subgroup	6
Associates	
Esymo Metal, S.L.	9
Essa Palau, S.A.	1,440
GGM Puebla, S.A. de C.V.	1,373
Ingeniería y Construcción Matrices, S.A.	1,919
Gestion Global de Matriceria, S.L	740
IxCxT, S.A.	3
Jui Li Edscha Body System Co. Ltd.	6
Jui Li Edscha Hainan Co. Ltd.	262
Total Trade receivables from related parties (Note 14.a)	16,734

Company	Thousands of euros
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(1,337)
JSC Karelsky Okatysh	(1,169)
Related parties	
Gonvarri I. Centro Servicios, S.L.	(36)
Gonvarri Corporación Financiera, S.L.	(582)
Total interest payable (Note 22.c.2)	(3,124)
Associates	
Esymo Metal, S.L.	1,120
Total Non-current Loans	1,120
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(2,582)
Arcelor Group	(2,527)
Related parties	
Agricola La Veguilla, S.A.	(18)
Gescrap Navarra, S.L.	(2)
Gescrap Polska SP. Z O.O.	(3)
Gonvarri Argentina S.A.	(6,974)
Gonvarri Galicia, S.A.	(23,753)
Gonvarri Corporación Financiera, S.L.	41
Gonvarri I. Centro Servicios, S.L.	(42,666)
Gonvarri Polska, SP. Z O.O.	(9,486)
Gonvarri Ptos. Siderúrgicos, S.A.	(10,673)
Gonvauto Asturias S.L.	(2,236)
Gonvauto Navarra, S.A.	(4,976)
Gonvauto Puebla S.A. de C.V.	(18,680)
Gonvauto Thuringen, GmbH	(5,507)
Gonvauto, S.A.	(22,812)
Gonvauto South Carolina LLC	(673)
Severstal Gonvarri Kaluga, LLC	(517)
Hierros y Aplanaciones, S.A.	(70)
Ind. Ferrodistribuidora, S.L.	70
Láser Automotive Barcelona S.L.	(805)
Gonvarri Czech S.R.O.	(621)
Steel & Alloy Ltd.	(15,092)
Inmobiliaria Acek,S.L.	(208)
Air Executive S.L.	(107)
Associates	
Esymo Metal, S.L.	(1,766)
Jui Li Edscha Body System Co. Ltd.	(8)
Ingeniería y Construcción Matrices, S.A.	(898)
Essa Palau, S.A.	(13,777)
GGM Puebla, S.A. de C.V.	(796)
Gestion Global de Matriceria, S.L	(283)
Total Suppliers from related parties (Note 24.a)	(188,405)
Related parties	
Severstal Gonvarri Kaluga, LLC	(2,342)
Associates	
Gestion Global de Matriceria, S.L	(23)
Total Trade creditors, related parties (Note 24.a)	(2,365)
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(26,275)
Total non-current Fixed assets suppliers (Note 22.c.2)	(26,275)
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(918)
Related parties	
Gonvarri Galicia, S.A.	(3)
Associates	
Esymo Metal, S.L.	(2)
Total Other current suppliers (Note 22.d)	(923)
Total balances receivable / payable	(252,435)

The breakdown of transactions carried out with Related Parties during 2016 was as follows:

Company	Thousands of euros
Related parties	
Gescrap Autometal Comercio de Sucata S.A.	(7,625)
Gescrap S.L.	(29,419)
Gescrap Centro, S.L	(2,522)
Gescrap France S.A.R.L.	(12,412)
Gescrap Navarra, S.L.	(3,987)
Gescrap Polska SPZOO	(6,947)
Gescrap Czech S.R.O.	(482)
Gescrap Hungría KFT	(1,372)
GES Recycling Ltd.	(1,291)
Gescrap GmbH	(6,701)
Gescrap Noroeste S.L.U.	(2,411)
Gescrap Kaluga Llc.	(2,234)
Gescrap Autometal México, S.A. de C.V.	(11,621)
GES Recycling USA Llc.	(8,486)
Gonvarri Galicia, SA	(6,194)
Gonvarri I. Centro Servicios, S.L.	(1,385)
Gonvauto Navarra, SA	(3,079)
Gonvauto Puebla S.A. de C.V.	(356)
Gonvauto, SA	(36,678)
Gonvauto Thuringen, GMBH	(9,729)
Severstal Gonvarri Kaluga, LLC	(84)
Ind. Ferrodistribuidora, S.L.	(46)
Associates	
Ingeniería y Construcción Matrices, S.A.	(830)
Jui Li Edscha Hainan Co. Ltd.	(70)
Essa Palau, S.A.	(6,455)
GGM Puebla, S.A de C.V	(2,599)
Gestión Global de Matricería, S.L.	(650)
Total Sales	(165,665)
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(1,976)
Related parties	
Gonvarri Polska, SP, ZOO.	(4)
Gonvarri Ptos. Siderúrgicos, SA	(1)
Gonvauto Thuringen, GMBH	(75)
Gonvarri Corporación Financiera, S.L.	(5)
Inmobiliaria Acek, S.L	(12)
Gestamp Energías Renovables S.L.	(414)
Gescrap S.L.	(1)
Gescrap Autometal México, S.A. de C.V.	(41)
Gescrap Autometal México Servicios, S.A. de C.V.	(3)
Gescrap France S.A.R.L.	(37)
Gescrap Polska SPZOO	(65)
Associates	
Gestamp Tooling Manufacturing Kunshan Co Ltd	(126)
Esymo Metal, S.L.	(126)
Ingeniería y Construcción Matrices, S.A.	(745)
IxCxT, S.A	(242)
Jui Li Edscha Body Systems Co. Ltd.	(1)
Jui Li Edscha Hainan Co. Ltd.	(10)
Essa Palau, S.A.	(303)
GGM Puebla, S.A de C.V	(1,170)
Gestión Global de Matricería, S.L.	(20)
Total Services rendered	(5,377)
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(11)
Associates	
Essa Palau, S.A.	(302)
Esymo Metal, S.L.	(17)
Gestión Global de Matricería, S.L.	(102)
Total Financial income (Note 27.a)	(432)

Company	Thousands of euros
Related parties	
Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	19,296
Gonvauto Asturias S.L.	10,234
Gonvarri Argentina S.A.	45,414
Gonvarri Galicia, SA	75,030
Gonvarri I. Centro Servicios, S.L.	198,962
Gonvarri Polska, SP, ZOO.	78,044
Gonvarri Ptos. Siderúrgicos, SA	32,505
Gonvauto Navarra, SA	11,348
Gonvauto Puebla S.A. de C.V.	64,761
Gonvauto Thuringen, GMBH	81,689
Gonvauto, SA	88,158
Hierros y Aplanaciones S.A.	(55)
Ind. Ferrodistribuidora, S.L.	1,824
Severstal Gonvarri Kaluga, LLC	46,888
Steel & Alloy Ltd.	74,521
Gonvauto South Carolina Llc.	8,485
Laser Automotive Barcelona S.L.	2,414
Gonvarri Czech S.R.O.	2,524
Laser Automotive Thuringen GmbH	815
Gonvarri Corporación Financiera, S.L.	82
Arcelor Group	57,675
Associates	
Esymo Metal, S.L.	3,358
Jui Li Edscha Body Systems Co. Ltd.	7
Ingeniería y Construcción Matrices, S.A.	7,831
IxCxT, S.A	580
GGM Puebla, S.A de C.V	12,374
Essa Palau, S.A.	62,039
Total Purchases	986,803
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	3,341
Related parties	
Air Executive, S.L.	1,417
Agricola La Veguilla, S.A.	161
Gescrap S.L.	202
Gescrap Navarra, S.L.	13
Gescrap Polska SPZOO	39
Gonvarri I. Centro Servicios, S.L.	80
Gonvarri Polska, SP, ZOO.	10
Gonvarri Ptos. Siderúrgicos, SA	305
Gonvauto Puebla S.A. de C.V.	114
Gonvauto, SA	11
Gonvarri Corporación Financiera, S.L.	2
Laser Automotive Barcelona S.L.	5
Ind. Ferrodistribuidora, S.L.	2
Gonvauto Asturias S.L.	(1)
Gonvauto South Carolina Llc.	(6)
Gonvarri Galicia, SA	90
Gonvarri Czech S.R.O.	13
Inmobiliaria Acek, S.L	2,095
Associates	
Esymo Metal, S.L.	397
Ingeniería y Construcción Matrices, S.A.	184
IxCxT, S.A	83
Essa Palau, S.A.	(142)
Gestión Global de Matricería, S.L.	2,443
GGM Puebla, S.A de C.V	188
Total Services received	11,046
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	1,851
Mitsui &Co., Ltd	933
JSC Karelsky Okatysh	2,138
Related parties	
Gonvarri Corporación Financiera, S.L.	77
Gonvarri Galicia, SA	247
Gonvarri I. Centro Servicios, S.L.	64
Gonvarri Ptos. Siderúrgicos, SA	83
Gonvauto Navarra, SA	10
Gonvauto, SA	188
Gonvauto Puebla S.A. de C.V.	342
Total Financial expenses (Note 27.b)	5,933

The breakdown of transactions carried out with Related Parties during 2015 was as follows:

Company	Thousands of euros
Related parties	
Gescrap Autometal Comercio de Sucata S.A.	(7,088)
Gescrap Autometal México, S.A. de C.V.	(16,621)
Gescrap S.L.	(27,082)
Gescrap Centro, S.L	(2,976)
Gescrap France S.A.R.L.	(15,474)
Gescrap Navarra, S.L.	(4,391)
Gescrap Polska SP.Z O.O.	(5,412)
Gescrap Czech S.R.O.	(430)
Gescrap Hungría KFT	(1,609)
GES Recycling Ltd.	(4,199)
Gescrap GmbH	(8,276)
Gonvarri Galicia, S.A.	(5,900)
Gonvarri I. Centro Servicios, S.L.	(1,994)
Gonvauto Navarra, S.A.	(9,377)
Gonvauto Puebla S.A. de C.V.	(296)
Gonvauto, S.A.	(34,670)
Ind. Ferrodistribuidora, S.L.	(301)
Gonvauto South Carolina LLC	(3)
Gonvauto Thuringen, GmbH	(30)
Severstal Gonvarri Kaluga, LLC	(26)
Associates	
Ingeniería y Construcción Matrices, S.A.	(391)
Jui Li Edscha Hainan Co. Ltd.	(173)
Essa Palau, S.A.	(7,280)
GGM Puebla, S.A de C.V	(102)
Gestión Global de Matricería, S.L.	(958)
Total Sales	(155,059)
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(16)
Related parties	
Gonvarri Polska, SP. Z O.O.	(22)
Gonvarri Ptos. Siderúrgicos, S.A.	(1)
Gonvarri Czech S.R.O.	(30)
Gonvarri Corporación Financiera, S.L.	(400)
Gonvarri I. Centro Servicios, S.L.	(21)
Gonvarri Aluminium GmbH	(1)
Gonvauto Thuringen, GmbH	(13)
Inmobiliaria Acek, S.L	(10)
Gestamp Energías Renovables S.L.	(588)
Gescrap Autometal México, S.A. de C.V.	(3)
Recuperaciones Mediambientales Subgroup	(99)
Associates	
Esymo Metal, S.L.	(112)
Ingeniería y Construcción Matrices, S.A.	(1,794)
IxCxT, S.A	(8)
Jui Li Edscha Body Systems Co. Ltd.	(12)
Jui Li Edscha Hainan Co. Ltd.	(6)
Essa Palau, S.A.	(581)
GGM Puebla, S.A de C.V	(1,291)
Gestión Global de Matricería, S.L.	(399)
Total Services rendered	(5,407)
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(9)
Associates	
Essa Palau, S.A.	(197)
Esymo Metal, S.L.	(29)
Gestion Global de Matriceria, S.L	(125)
Total Financial income (Note 27.a)	(360)

Company	Thousands of euros
Shareholders	
Arcelor Group	82,617
Related parties	
Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	9,937
Gonvauto Asturias S.L.	6,935
Gonvarri Argentina S.A.	56,446
Gonvarri Galicia, S.A.	60,484
Gonvarri I. Centro Servicios, S.L.	184,532
Gonvarri Polska, SP. Z O.O.	67,152
Gonvarri Ptos. Siderúrgicos, S.A.	31,687
Gonvauto Navarra, S.A.	20,520
Gonvauto Puebla S.A. de C.V.	68,892
Gonvauto Thuringen, GmbH	77,437
Gonvauto, S.A.	86,325
Ind. Ferrodistribuidora, S.L.	201
Severstal Gonvarri Kaluga, LLC	42,676
Steel & Alloy Ltd	41,513
Gonvauto South Carolina LLC	6,355
Laser Automotive Barcelona S.L.	812
Gonvarri Czech S.R.O.	592
Gonvarri Aluminium GmbH	66
Associates	
Esymo Metal, S.L.	3,439
Jui Li Edscha Body Systems Co. Ltd.	53
Ingeniería y Construcción Matrices, S.A.	8,354
GGM Puebla, S.A de C.V	4,976
Essa Palau, S.A.	60,717
Total Purchases	922,718
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	3,593
Related parties	
Agricola La Veguilla, S.A	140
Air Executive, S.L.	587
Gescrap S.L.	194
Gescrap Navarra, S.L.	10
Gescrap Polska SP. Z O.O.	32
Gonvarri I. Centro Servicios, S.L.	124
Gonvarri Polska, SP. Z O.O.	(1)
Gonvarri Ptos. Siderúrgicos, S.A.	237
Gonvauto Puebla S.A. de C.V.	737
Gonvauto, S.A.	23
Ind. Ferrodistribuidora, S.L.	4
Gonvauto Navarra, S.A.	(1)
Gonvarri Argentina S.A.	11
Gonvauto South Carolina LLC	(92)
Inmobiliaria Acek, S.L	2,017
Associates	
Esymo Metal, S.L.	1,350
Ingeniería y Construcción Matrices, S.A.	176
Essa Palau, S.A.	(122)
Gestión Global de Matricería, S.L.	2,418
GGM Puebla, S.A de C.V	158
Total Services received	11,595
Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	2,344
Mitsui & Co	809
JSC Karelsky Okatysh	2,280
Related parties	
Gonvarri Corporación Financiera, S.L.	1,320
Gonvarri Galicia, S.A.	100
Gonvarri I. Centro Servicios, S.L.	72
Gonvarri Ptos. Siderúrgicos, S.A.	81
Gonvauto Navarra, S.A.	18
Gonvauto, S.A.	231
Gonvauto Puebla S.A. de C.V.	642
Total Financial expenses (Note 27.b)	7,897
Associates	
Essa Palau, S.A.	9,324
Total Short term loans impairment loss	9,324

31.2 Board of Directors' remuneration

In 2016 Acek, Desarrollo y Gestión Industrial, S.L. received total remuneration of 345 thousand euros as compensation for membership of the Board of Directors of certain Group companies (2015: 345 thousand euros).

The remuneration and life insurance premiums accrued during 2016 and 2015 by the natural persons acting as representatives of the members of the Board of Directors of the Parent Company is included in the remuneration accrued by the Senior Management´s Remuneration informed in Note 31.3.

In 2016 loans amounting to 3,000 thousand euros were granted to the representative natural persons of the members of the Board of Directors for acquiring shares in the Parent Company from Acek Desarrollo y Gestión Industrial S.L. (Note 12.a.2)). In 2015 no loans were granted.

In 2016 and 2015, no advances, pensions or life insurance benefits were granted to members of its Board nor their representatives as natural persons.

31.3 Senior Management's Remuneration

In 2016 total remuneration for the members of the Management Committee, which fully corresponded to salaries, amounted to 6,346 thousand euros (2015: 4,265 thousand euros), included in “Personnel expenses” in the accompanying consolidated income statement. The amount corresponding to life insurances in 2016 was 25 thousand euros.

In 2016 loans amounting to 13,000 thousand euros were granted to the members of the Management Committee, except those who are members of the Board of Directors and who are included in Note 31.2, for acquiring shares in the Parent Company from Acek Desarrollo y Gestión Industrial S.L. (Note 12.a.2)). In 2015 no loans were granted.

32. Other disclosures

32.1 Audit fees

Audit fees related to the annual audit of consolidated and individual financial statements of the companies included in the consolidation scope for 2016 amounted to 3,950 thousand euros (2015: 3,735 thousand euros).

Of the audit fees mentioned above, the fees paid to the auditor of the Parent Company for all audit work performed for the Group in 2016 amounted to 3,892 thousand euros (2015: 3,598 thousand euros).

Fees paid for other services rendered by the auditor of the Parent Company and companies with their trade name in 2016 amounted to 691 thousand euros (2015: 434 thousand euros).

32.2 Environmental issues

The cost of PP&E items acquired for environmental protection and improvement purposes amounted to 5,152 thousand euros at year end 2016. Accumulated depreciation on these assets stood at 3,182 thousand euros (2015:4,628 thousand euros and 2,932 thousand euros, respectively).

In 2016, the Group also recognized 853 thousand euros in environmental protection and improvement expenses (2015: 668 thousand euros).

The accompanying consolidated balance sheet does not include any provision for environmental issues given that the Parent Company's directors consider that at year end there are no liabilities to be settled in the future in connection with actions taken by the companies which comprise the consolidated Group to prevent, reduce or repair damages to the environment, and they believe that were such liabilities to exist, they would not be significant. At year end the Group had not received any subsidies for environmental issues.

33. Financial risk management

To manage its financial risk, the Group continually revises its business plans, analyses the relationship between the risks and the present value of cash flows associated with its investments in addition to taking an accounting approach that allows an assessment of changes in risk exposure.

33.1 Financial risk factors

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

ü Market risk
  o Exposure to fluctuations in foreign exchange rates
  o Exposure to fluctuations in interest rates
ü Liquidity risk
ü Credit risk
ü Raw material price risk

Foreign currency risk

Fluctuations in the exchange rate between the currency in which a transaction is denominated and the Group's presentation currency can have a negative or positive impact on its profit or loss, specifically affecting management of its financial debt.

The Group operates in the following currencies:

Euro	US dollar	Mexican peso
Argentine peso	Brazilian reais	GB pound
Swedish crown	Polish zloty	Hungarian forint
Turkish lira	Indian rupee	Korean won
Chinese yuan	Russian rubble	Czech crown
Japanese yen	Thai baht	

To manage exchange rate risk, the Group uses a series of financial instruments that give it a degree of flexibility, basically comprised of the following:

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. "Puttable instruments": Other derivatives are also used to hedge currency risk, including those designed to lock in a maximum or minimum exchange rate (collar or tunnel) at a set settlement date.

At December 31, 2016 and December 31, 2015 these instruments were not arranged.

The tables below show the sensitivity of profit and equity, in thousands of euros, to changes in exchange rates relative to the euro.

The sensitivity of profit to exchange rate fluctuations, corresponding to years 2016 and 2015, is as follows:

	2016	
	IMPACT ON PROFIT	
Currency	5% Fluctuation	-5% Fluctuation
Swedish crown	(1,311)	1,311
US dollar	80	(80)
Hungarian forin	(740)	740
GB pound	631	(631)
Mexican peso	151	(151)
Brazilian reais	(470)	470
Chinese yuan	1,961	(1,961)
Indian rupee	379	(379)
Turkish lira	357	(357)
Argentine peso	31	(31)
Russian ruble	6	(6)
Korean won	453	(453)
Polish zloty	1,096	(1,096)
Czech crown	265	(265)
Japanese yen	57	(57)
Thai baht	18	(18)
IMPACT IN ABSOLUTE TERMS	2,964	(2,964)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	221,354	221,354
EFFECT IN RELATIVE TERMS	1.34%	-1.34%

2015		
	IMPACT ON PROFIT	
Currency	5% Fluctuation	-5% Fluctuation
Swedish crown	(1,021)	1,021
US dollar	817	(817)
Hungarian forin	(419)	419
GB pound	830	(830)
Mexican peso	1,200	(1,200)
Brazilian reais	(565)	565
Chinese yuan	2,093	(2,093)
Indian rupee	349	(349)
Turkish lira	90	(90)
Argentine peso	(98)	98
Russian ruble	(296)	296
Korean won	249	(249)
Polish zloty	(89)	89
Czech crown	66	(66)
Japanese yen	60	(60)
Thai baht	10	(10)
IMPACT IN ABSOLUTE TERMS	3,276	(3,276)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	161,480	161,480
EFFECT IN RELATIVE TERMS	2.03%	-2.03%

The sensitivity of equity to exchange rate fluctuations, corresponding to years 2016 and 2015, is as follows:

2016		
	IMPACT ON EQUITY	
Currency	5% Fluctuation	-5% fluctuation
Swedish crown	(2,667)	2,667
US dollar	5,555	(5,555)
Hungarian forint	(3,090)	3,090
GB pound	7,875	(7,875)
Mexican peso	(520)	520
Brazilian reais	3,400	(3,400)
Chinese yuan	11,183	(11,183)
Indian rupee	1,700	(1,700)
Turkish lira	243	(243)
Argentine peso	(2,571)	2,571
Russian ruble	(4,293)	4,293
Korean won	1,868	(1,868)
Polish zloty	1,988	(1,988)
Czech crown	(201)	201
Japanese yen	(67)	67
Thai baht	89	(89)
IMPACT IN ABSOLUTE TERMS	20,490	(20,490)
EQUITY	1,872,003	1,872,003
EFFECT IN RELATIVE TERMS	1.09%	-1.09%

	2015	
	IMPACT ON EQUITY	
Currency	5% Fluctuation	-5% fluctuation
Swedish crown	(1,264)	1,264
US dollar	6,148	(6,148)
Hungarian forint	(2,101)	2,101
Sterling pound	7,204	(7,204)
Mexican peso	1,273	(1,273)
Brazilian reais	2,908	(2,908)
Chinese yuan	9,973	(9,973)
Indian rupee	912	(912)
Turkish lira	104	(104)
Argentine peso	(2,178)	2,178
Russian ruble	(5,299)	5,299
Korean won	1,294	(1,294)
Polish zloty	2,538	(2,538)
Czech crown	488	(488)
Japanese yen	(113)	113
Thai baht	59	(59)
IMPACT IN ABSOLUTE TERMS	21,944	(21,944)
EQUITY	1,798,393	1,798,393
EFFECT IN RELATIVE TERMS	1.22%	-1.22%

Interest rate risk

The Group's borrowings mainly bear interest at floating rates, exposing it to risk from fluctuations in market interest rates, so that market fluctuations affect cash flows. The Group mitigates this risk by using interest rate derivatives, 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.

In general the Group's borrowings are at floating rates indexed to Euribor except the bonds issued by the Group in May, 2016 which bear a fixed interest rate.

Had the average interest on euro denominated financial borrowings changed in 50 Bps in 2016, all other variables remaining constant, the finance result would have changed in 3,764 thousand euros.

Had the average interest on euro denominated financial borrowings changed in 50 Bps in 2015, all other variables remaining constant, the finance result would have changed in 80 thousand euros.

Liquidity risk

Liquidity risk is defined as the risk that a company will not be able to service its commitments as a result of adverse conditions in the debt and/or equity markets that prevent or hinder its capital raising efforts.

The Group manages liquidity risk by maintaining sufficient cash balances to enable it to negotiate refinancing on the best possible terms and to cover its near term cash outlays, thereby avoiding the need to raise funds on disadvantageous terms.

The breakdown of liquidity and capital resources at December 31, 2016 and 2015 was as follows:

	Thousands of euros	
	2016	2015
Cash and cash equivalents	430,463	355,975
Current financial investments		
Debt securities	338	2,535
Revolving credit facilities (Note 22.a.1.I))	280,000	280,000
Undrawn credit lines	457,287	282,087
	1,168,088	920,597

The working capital can be defined as the permanent financial resources needed to carry out the activity of the company, that is, the part of current assets financed with long-term funds.

The Group´s working capital at December 31, 2016 and December 31, 2015 is as follows:

	Thousand euros	
	2016	2015
Current assets	2,507,717	2,196,091
Current liabilities	(2,359,043)	(1,859,530)
TOTAL WORKING CAPITAL	148,674	336,561

	Thousand euros	
	2016	2015
Equity	1,872,003	1,798,393
Non-current liabilities	2,198,602	2,087,818
Non-current assets	(3,921,931)	(3,549,650)
TOTAL WORKING CAPITAL	148,674	336,561

As reflected in the 2016 Consolidated Statement of Cash Flows, changes in working capital imply a decrease in necessities amounting to 24.6 million euros.The main reason is the increase in Trade payables because of a 5-day increase in the average period of payment to suppliers at December 31, 2016 compared to the same period at December 31, 2015. It is partially compensated with the increase in Trade receivables at December 31, 2016 compared to the balance of the said heading from the Consolidated Balance Sheet at December 31, 2015. The main reason is the increase in Accounts receivable by stage of completion, tools in 2016.

Credit risk
Credit risk is concentrated primarily in the Group’s accounts receivable. Management considers that its counterparties are very creditworthy.

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 analyze 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 the Group policies.

The surplus cash investments are contracted only with authorized counterparties and always within the credit limit assigned for each counterparty.

The limits are established in order to minimize 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 December 31, 2016 and 2015 amounts to the carrying values (Note 14), 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.

Raw Materials Price Risk

The steel is the main raw material used in the business.

In 2016, 60% of the steel was purchased through "re-sale" programs with customers (58% in 2015), whereby the OEM periodically negotiates with the steel maker the price of the steel that Gestamp uses for the production of automotive components. Any fluctuations in steel prices are directly adjusted in the selling price of the final product.

In the case of products that use steel not purchased under "re-sale", the OEMs adjust Gestamp's selling prices based on the steel prices they themselves have negotiated with steel suppliers. Historically, the Group has negotiated and agreed its purchase contracts with steel suppliers under terms such that the impact (whether positive or negative) of the steel price fluctuation in these cases is minimal.

Hence, Gestamp considers that the Group's exposure to steel price fluctuations is not significant.

33.2 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 a recognized asset or liability, 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 a recognized asset or liability, 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 at acquisition cost and are subsequently valued 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 recognized in the 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 recognized in “Retained earnings” in equity. Amounts taken to equity are transferred to the Consolidated Income Statement when the hedged cash flows affect profit or loss.
- Hedges of a net investment in a foreign operation: these hedges are accounted for in a way similar to cash flow hedges. Fair value gains or losses in these hedging instruments are recognized in "Translation differences." If a foreign operation is sold, the cumulative value of any such gains or losses recognized directly in equity ("Translation differences ") is transferred to the Consolidated Income Statement.

33.3 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 organized 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.

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 Consolidated Balance Sheet at fair value when they can be valued 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 recognized with a charge or credit, as appropriate, to “Retained earnings” within Equity until these investments are sold, at which time the cumulative amount recognized in equity is recognized in full in the Consolidated Income Statement. If fair value is lower than acquisition cost, the difference is recognized directly in equity, unless the asset is determined to be impaired, in which case it is recognized in the 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 Consolidated Balance Sheet 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).

The classification of financial assets recognized in the Consolidated Financial Statements, by methodology of fair value measurement, is as follows:

	Thousands of euros					
	Level 1		Level 2		Level 3	
	2016	2015	2016	2015	2016	2015
Financial assets measured at fair value						
Financial derivative hedging instruments (Note 12.a.3))			25,710	28,184		
Total	-	-	25,710	28,184	-	-

The classification of financial liabilities at fair value in the Consolidated Financial Statements, according to their relevant valuation methodology, is as follows:

	Thousands of euros					
	Level 1		Level 2		Level 3	
	2016	2015	2016	2015	2016	2015
Financial derivative hedging instruments			74,860	72,803		
Financial derivative instruments held-for-trading			13,123	25		
Total Financial derivative instruments (Note 22.b.1))			87,983	72,828		
Other current liabilities - Put Option (Note 22.d))					76,900	
Defined benefit plans (Note 21.b))	77,528	68,732				
Total	77,528	68,732	87,983	72,828	76,900	

33.4 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 to maximize shareholder value.

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

The Group's leverage is set forth below:

	Thousands of euros	
Concept	2016	2015
Interest-bearing loans and borrowings	1,967,599	1,730,936
Financial leasing	33,574	35,161
Borrowings from related parties	70,162	79,004
Other non-current financial liabilities	34,991	39,428
Short term financial investments	(43,228)	(35,455)
Cash and cash equivalents	(430,463)	(355,975)
TOTAL NET DEBT (Note 22)	1,632,635	1,493,099
Consolidated equity	1,872,003	1,798,393
Grants received (Note 19)	25,945	30,720
TOTAL EQUITY	1,897,948	1,829,113
LEVERAGE RATIO	86.0%	81.6%

During 2016 the Group maintained its average collection and payment periods, as well as its average inventory turnover rates, at levels comparable to 2015. In addition, during 2016 the Group continued to exercise strict control over investments.

34. Information about postponement of payments to suppliers in commercial transactions

The Spanish companies of the Group have adapted their internal processes and payment policy terms to the legal provision of the Law 15/2010, which establishes actions against late payment in commercial transactions. In this sense, the contractual conditions in the year 2016 with commercial suppliers for parts manufacturing in Spain have included periods of payment equal to or less than 60 days in 2016 and in 2015, according to the second transitory legal provision of the Law.

According to this Law, it is detailed below the information from Group companies operating in Spain:

2016

Average period for payment to suppliers	57 days
Total payments realized	4,299 million euros
Total outstanding payments	465 million euros

2015

Average period for payment to suppliers	57 days
Total payments realized	3,828 million euros
Total outstanding payments	424 million euros

Due to reasons of efficiency, and in line with the common practice of trading, the Spanish companies of the Group have, basically, a schedule of payments to suppliers by virtue of which payments are made on fixed days, which in the majority of companies are twice a month.

In general terms, in 2016 and 2015, payments made by Spanish companies to suppliers, for contracts concluded after the entry into force the Law 15/2010, did not exceeded the legal limits of payment terms. Payments to Spanish suppliers which exceeded the legal deadline for years 2016 and 2015 were, in quantitative terms, not significant and were derived from circumstances or incidents beyond the established payment policy, which included, primarily, the closing of agreements with suppliers in the delivery of the goods or provision of the service or handling specific processes.

In addition, at December 31, 2016 and 2015 there were no outstanding amounts of payment to suppliers located in Spain exceeding the maximum legal payment terms.

35. Subsequent events

On November 24, 2016 the subsidiary Gestamp Metalbages S.A. acquired the remaining 60% shareholding in ESSA Palau S.A. for 23,373 thousand euros. The transaction was subject to a condition precedent related to duly obtaining the authorization from competition authorities. On January 17, 2017 the condition was met and the acquisition agreement was formalized. Thus the Group came to own 100% of the shares in ESSA Palau and to fully pay the purchase price indicated.

ESSA Palau S.A. is located in Barcelona (Spain) and its purpose is stamping and manufacturing automobile components for passenger cars.

At the issuance date of these Consolidated Financial Statements, the Group is analyzing the fair value of the net assets and liabilities. With this valuation and the consideration amount, goodwill will be calculated. There were no significant costs associated with this transaction.

As mentioned in Note 22.d), on February 24, 2017 Mitsui & Co. Ltd notified irrevocably that they will not exercise the Put Option that the Parent Company had granted through agreement on December 23, 2016 over 10% shareholding in subisidaries where the Group has investment (Note18). Consequently, in the first quarter of 2017 the mentioned put option will be reversed in the Group consolidated financial statements by cancelling the balance registered in the heading Other current liabilities for 76,900 thousand euros and the counterparty will be an increase in the heading non-controlling interest for 80,947 thousand euros and a decrease in the heading Retained earnings for 4,047 thousand euros.

At the date of formulation of these Consolidated Financial Statements the Parent Company is involved in a process for admission to official listing in the Madrid Stock Exchange. This process is pending to be formalized.

The significant costs of the mentioned process will be assumed by Acek Desarrollo y Gestión Industrial S.L.

There is no variable remuneration subject to the process for admission to official listing in the Madrid Stock Exchange.

36. Information about compliance with the Article 229 of the Spanish Corporate Enterprises Act

According to the articles 229 and 231 of the Spanish Corporate Enterprises Act and with the aim of reinforcing the transparency of capital companies, the joint administrators of the Parent Company and their representative natural persons have reported they have no situations of conflict with the interest of the Parent Company or the Group.

Additionally, Mr. Francisco José Riberas Mera, as president and representative of GESTAMP BIZKAIA, S.A. and Mr. Juan María Riberas Mera as representative of HOLDING GONVARRI, S.L. and AUTOTECH ENGINEERING, A.I.E., board members of the Parent Company, have reported that they are shareholders and board members of ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. and several subsidiaries of the ACEK Desarrollo y Gestión Industrial Group.

ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L is the parent company of an industrial group that developed, through the following subgroups, the activities mentioned below:

- GESTAMP AUTOMOCIÓN GROUP: engaged in manufacturing and sale of metal parts and components for the automotive industry.

- GONVARRI GROUP: engaged in manufacturing, processing and sale of metal products, including structures for renewable energy such as wind turbines, photovoltaic plants and infrastructure elements of solar thermal power plants.

- GESTAMP ENERGíAS RENOVABLES GROUP: dedicated to the development, construction and operation of plants generating renewable energy including solar, wind and biomass.

- INMOBILIARIA ACEK GROUP: engaged in real estate activities.

ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L holds a direct and indirect investment of 22.909% in the company Cie Automotive, S.A., of which Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera are also directors.

Additionally, Mr. Francisco López Peña is a member of the Board of CIE Automotive, S.A

Cie Automotive, S.A. is the parent company of an industrial group which is engaged in, among other things, the design, manufacture and sale of automobile components and sub-units on the world automotive market.

Finally, ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. holds a direct investment of 50.00% in the company Sideacero, S.L., of which Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera are also directors.

Siceacero, S.L. is the parent company of an industrial group which is engaged in, among othe things, import, export, purchase and sale of ferrous, non-ferrous products, steel materials and recovery materials.

37. Additional note for English Translation

These Consolidated Financial Statements were originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

ANNEX I

Consolidation scope

December 31, 2016							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio management	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 AIE	Vizcaya	Spain	10.00%	90.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Real Estate	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailored blank welding	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 management	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%		Administrative services	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		100.00%	Die cutting production	Full	Ernst & Young
Gestamp Galvanizados, S.A.	Palencia	Spain	5.01%	94.99%	Component galvanazing	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	Dormant	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
Metalbages P-51, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
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%	Labor 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 management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Portfolio management	Full	Ernst & Young
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio management	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%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administrative 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%	Tailored blank welding	Full	Ernst & Young
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%	Administrative services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio management	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

December 31, 2016							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Tooling Services, AIE	Vizcaya	Spain		100.00%	Engineering and mold 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%	Labor services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
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%	Adjustment	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 management	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 management	Full	Ernst & Young
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%	0.01%	Engineering and mold design	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Engineering and mold design	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
Essa Palau, S.A.	Barcelona	Spain		40.00%	Tooling and parts manufacturing	Equity method	Deloitte
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultory services	Full	Ernst & Young
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		Manufacture and sale of machinery for cutting	Full	Ernst & Young
Bero Tools, S.L.	Guipúzcoa	Spain		100.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain		100.00%	Die cutting production	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	Denetciler Swon/KPMG
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%	Die cutting production	Full	Ernst & Young
Gestión Global de Matricería, S.L.	Vizcaya	Spain	30.00%		Dormant	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores
IxCxT, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio management	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 & Development and IT	Full	Ernst & Young
Autotech Engineering R&D Uk limited	Durhan	United Kingdom		100.00%	Research & Development and IT	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio management	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio management	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio management	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%	Labor services	Equity method (A)	N/A
Gestamp Technlogy Institute, S.L.	Vizcaya	Spain	99.99%	0.01%	Education	Full	N/A
Gestamp Tooling Engineering Deutschland, GmbH	Braunschweig.	Germany		100.00%	Die cutting production	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%	Research & Development and IT	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%		Tooling and parts manufacturing	Full	N/A
Çelik Form Gestamp Otomotive, A.S.	Bursa	Turkey		25.80%	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.	México DF	Mexico		70.00%	Labor services	Full	N/A
Gestamp San Luis Potosí Servicios Laborales S.A.P.I. de C.V.	México DF	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	N/A
Gestamp 2017, S.L.	Madrid	Spain	100.00%		Portfolio management	Full	N/A
Autotech Engineering (Shangai) Co. Ltd.	Shangai	China		100.00%	Research & Development	Full	N/A
Gestamp Hot Stamping Japan K.K.	Tokio	Japan		100.00%	Tooling and parts manufacturing	Full	N/A
Global Laser Araba, S.L.	Álava	Spain	30.00%		Tooling and parts manufacturing	Equity method	N/A

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

December 31, 2016							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Edscha Holding GmbH (*)	Remscheid	Germany		100.00%	Portfolio management	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 & Development	Full	Ernst & Young
Edscha Hengersberg Real Estate GmbH (*)	Hengersberg	Germany	5.10%	94.90%	Real Estate	Full	N/A
Edscha Hauzenberg Real Estate GmbH (*)	Hauzenberg	Germany	5.10%	94.90%	Real Estate	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%	Die cutting production	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 management	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 SAS (*)	Les Ulis	France		100.00%	Research & 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		50.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Jui Li Edscha Holding Co., Ltd. (*)	Apia	Samoa		50.00%	Portfolio management	Equity method (B)	N/A
Jui Li Edscha Hainan Industry Enterprise Co., Ltd. (*)	Hainan	China		50.00%	Tooling and parts manufacturing	Equity method (B)	Ernst & Young
Edscha Automotive Technology Co., Ltd. (*)	Shanghai	China		100.00%	Research & 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 Ltda. (*)	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 management	Full	N/A
Edscha Kunststofftechnik GmbH (*)	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	JKG Treuhand
Edscha Pha, Ltd.(*)	Seul	South Korea		50.00%	Research & Development and parts manufacturing	Full	N/A
Edscha Aapico Automotive Co. Ltd (*)	Pranakorn Sri Ayutthaya	Thailand		51.00%	Parts manufacturing	Full	Ernst & Young
Edscha Scharwaecther Mechanism S.A.P.I. de C.V. (*)	Mexico City	Mexico		100.00%	Dormant	Full	N/A
Edscha Scharwaecther Mechanism Servicios Laborales S.A.P.I. de C.V. (*)	Mexico City	Mexico		100.00%	Dormant	Full	N/A
GMF Holding GmbH (**)	Remscheid	Germany		100.00%	Portfolio management	Full	Ernst & Young
GMF Wuhan, Ltd (**)	Wuhan	China		100.00%	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 management	Full	Ernst & Young
Sofedit, S.A.S (**)	Le Theil sur Huisne	France		65.00%	Parts manufacturing	Full	Ernst & Young
Gestamp Prisma, S.A.S (**)	Usine de Messempré	France		100.00%	Parts manufacturing	Full	Ernst & Young
Gestamp Tallent , Ltd (**)	Newton Aycliffe, Durham	United Kingdom		100.00%	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%	Parts manufacturing	Full	Ernst & Young

Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
December 31, 2015							
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio management	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	39.37%	60.63%	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 AIE	Vizcaya	Spain	10.00%	90.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Real Estate	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailored blank welding	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 management	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%		Administrative services	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		100.00%	Die cutting production	Full	Ernst & Young
Gestamp Galvanizados, S.A.	Palencia	Spain	5.01%	94.99%	Component galvanazing	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	Dormant	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
Metalbages P-51, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
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
Tavol Internacional SGPS, Lda.	Madeira	Portugal		100.00%	Dormant	Full	N/A
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%	Labor 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 management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Portfolio management	Full	Ernst & Young
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administrative 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%	Tailored blank welding	Full	Ernst & Young
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%	Administrative services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio management	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
G Finance Luxemburgo, S.A.	Luxembourg	Luxembourg		99.95%	Portfolio management	Full	Grant Thornton Lux Audit
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
S.G.F, S.A.	Brussels	Belgium		99.95%	Portfolio management	Full	Deloitte
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

Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
December 31, 2015							
Gestamp Tooling Services, AIE	Vizcaya	Spain		100.00%	Engineering and mold 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%	Labor services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
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%	Adjustment	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 management	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 management	Full	Ernst & Young
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%	0.01%	Engineering and mold design	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Engineering and mold design	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
Essa Palau, S.A.	Barcelona	Spain		40.00%	Tooling and parts manufacturing	Equity method	Deloitte
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultory services	Full	Ernst & Young
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		Manufacture and sale of machinery for cutting	Full	Ernst & Young
Bero Tools, S.L.	Guipúzcoa	Spain		100.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain		100.00%	Die cutting production	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	N/A
Beyçelik Gestamp Sasi, L.S.	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Denetciler Swon/KPMG
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%	Die cutting production	Full	Ernst & Young
Gestión Global de Matricería, S.L.	Vizcaya	Spain	30.00%		Dormant	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores
IxCxT, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio management	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 & Development and IT	Full	Ernst & Young
Autotech Engineering R&D Uk limited	Durhan	United Kingdom		100.00%	Research & Development and IT	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio management	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio management	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio management	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%	Labor services	Equity method (A)	N/A
Gestamp Technlogy Institute, S.L.	Vizcaya	Spain	99.99%	0.01%	Education	Full	N/A
Gestamp Tooling Engineering Deutschland, GmbH	Braunschweig.	Germany		100.00%	Die cutting production	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%	Research & Development and IT	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%		Tooling and parts manufacturing	Full	N/A

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

December 31, 2015							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Edscha Holding GmbH (*)	Remscheid	Germany		100.00%	Portfolio management	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 & Development	Full	Ernst & Young
Edscha Hengersberg Real Estate GmbH (*)	Hengersberg	Germany	5.10%	94.90%	Real Estate	Full	N/A
Edscha Hauzenberg Real Estate GmbH (*)	Hauzenberg	Germany	5.10%	94.90%	Real Estate	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%	Die cutting production	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		60.00%	Portfolio management	Full	Ernst & Young
Edscha Burgos, S.A.(*)	Villalonquéjar (Burgos)	Spain		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Santander, S.L. (*)	El Astillero (Cantabria)	Spain	5.01%	56.99%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Briey S.A.S. (*)	Briey Cedex	France		62.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering France SAS (*)	Les Ulis	France		100.00%	Research & Development	Full	Ernst & Young
Edscha do Brasil Ltda. (*)	Sorocaba	Brazil		93.64%	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		50.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Jui Li Edscha Holding Co., Ltd. (*)	Apia	Samoa		50.00%	Portfolio management	Equity method (B)	N/A
Jui Li Edscha Hainan Industry Enterprise Co., Ltd. (*)	Hainan	China		50.00%	Tooling and parts manufacturing	Equity method (B)	Ernst & Young
Edscha Automotive Technology Co., Ltd. (*)	Shanghai	China		100.00%	Research & Development	Full	Ernst & Young
Shanghai Edscha Machinery Co., Ltd. (*)	Shanghai	China		55.00%	Tooling and parts manufacturing	Full	Ernst & Young
Anhui Edscha Automotive Parts Co Ltda. (*)	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	N/A
Edscha Automotive Components Co., Ltda. (*)	Kunshan	China		100.00%	Tooling and parts manufacturing	Full	Shangai Ruitong Cpa
Gestamp Finance Slovakia S.R.O. (*)	Velky Meder	Slovakia	25.00%	75.00%	Portfolio management	Full	N/A
Edscha Kunststofftechnik GmbH (*)	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	JKG Treuhand
Edscha Pha, Ltd.(*)	Seul	South Korea		50.00%	Research & Development and parts manufacturing	Full	N/A
Edscha Aapico Automotive Co. Ltd (*)	Pranakorn Sri Ayutthaya	Thailand		51.00%	Parts manufacturing	Full	Ernst & Young
Edscha Scharwaecther Mechanism S.A.P.I. de C.V. (*)	Mexico City	Mexico		100.00%	Dormant	Full	N/A
Edscha Scharwaecther Mechanism Servicios Laborales S.A.P.I. de C.V. (*)	Mexico City	Mexico		100.00%	Dormant	Full	N/A
GMF Holding GmbH (**)	Remscheid	Germany		100.00%	Portfolio management	Full	Ernst & Young
GMF Wuhan, Ltd (**)	Wuhan	China		100.00%	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 management	Full	Ernst & Young
Sofedit, S.A.S (**)	Le Theil sur Huisne	France		65.00%	Parts manufacturing	Full	Ernst & Young
Gestamp Prisma, S.A.S (**)	Usine de Messempré	France		100.00%	Parts manufacturing	Full	Ernst & Young
Gestamp Tallent , Ltd (**)	Newton Aycliffe, Durham	United Kingdom		100.00%	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%	Parts manufacturing	Full	Ernst & Young

The companies which compose the Griwe Subgroup at December 31, 2016 and December 31, 2015 are the following:

Company	Address	Country	Shareholding	Consolidation method
Gestamp Griwe Westerburg GmbH	Westerburg	Germany	Parent company	Full
Gestamp Griwe Hot Stamping GmbH	Haynrode	Germany	100.00%	Full
Gestamp Griwe Haynrode GmbH	Haynrode	Germany	100.00%	Full

ANNEX II
Indirect investments at December 31, 2016

December 31, 2016		
Company	Company holding the 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 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 (Shangai), Co. Ltd.	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.	94.990%
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.	16.030%
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.	50.000%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.000%
Edscha Holding Gmbh	Gestamp Metalbages, S.A.	67.000%
Metalbages P-51	Gestamp Metalbages, S.A.	100.000%
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 the 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.	6.420%
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 Subgroup	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.	Griwe Subgroup	19.540%
Gestamp Louny S.R.O.	Griwe Subgroup	47.280%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51, S.L.	44.990%
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%
ESSA PALAU,S.A.	Gestamp Manufacturing Autochasis, S.L.	40.000%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.000%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	77.550%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.230%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.000%
Autotec Engineering (Shangai), Co. Ltd.	Autotech Engineering AIE	45.000%
Autotech Engineering R&D Uk limited	Autotech Engineering AIE	45.000%
Autotech Engineering R&D USA limited	Autotech Engineering AIE	45.000%
Diede Die Development, S.L.	Gestamp Tool Hardening, S.L.	38.000%
Bero Tools, 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%
Bero Tools, S.L.	Loire Sociedad Anónima Franco Española	80.000%
Diede Die Development, S.L.	Bero Tools, S.L.	62.000%
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%
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 Otomotive, A.S.	Beyçelik Gestamp Kalip, A.S.	51.600%
Beyçelik Gestamp Sasi, L.S.	Beyçelik Gestamp Kalip, A.S.	100.000%

Company	Company holding the 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 Scharwaechter Mechanism S.A.P.I. de CV.	Edscha Holding GmbH	99.990%
Edscha Scharwaechter Mechanism Servicios Laborales S.A.P.I. de CV.	Edscha Holding GmbH	99.990%
Jui li Edscha Body Systems Co. Ltd.	Edscha Holding GmbH	50.000%
Edscha Automotive Aapico, Co. Ltd.	Edscha Holding GmbH	50.990%
Edscha do Brasil, Ltd.	Edscha Engineering GmbH	83.260%
Edscha Scharwaechter Mechanism S.A.P.I. de CV.	Edscha Engineering GmbH	0.010%
Edscha Scharwaechter Mechanism Servicios Laborales S.A.P.I. de CV.	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	65.000%
Gestamp Auto Components (Chnongqing), 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%

Indirect investments at December 31, 2015

Company	Company holding the 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 pvt. 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.	60.630%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	100.000%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.000%
Gestamp Louny sro.	Gestamp Cerveira, Lda.	52.720%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.660%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Cerveira, Lda.	50.000%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.000%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.010%
G Finance Luxemburgo, S.A.	Gestamp Bizkaia, S.A.	49.950%
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%
Gestamp Tooling Services, AIE	Gestamp Bizkaia, S.A.	40.000%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.500%
S.G.F, S.A.	G Finance Luxemburgo, S.A.	100.000%
Gestamp Hard Tech AB	Gestamp Sweden AB	100.000%
Gestamp Holding China, AB	Gestamp Hard Tech AB	68.940%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.100%
Gestamp Tooling Services, AIE	Matricerías Deusto, S.L.	20.000%
SCI Tournan en Brie	Gestamp Noury, S.A.	99.900%
Gestamp Linares, S.L.	Gestamp Toledo, S.L.	94.980%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.L.	43.530%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.340%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	94.990%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.670%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.040%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.000%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	16.030%
Mursolar, 21, S.L.	MB 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%
Tavol Internacional, S.A.	Gestamp Aveiro, S.A.	100.000%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.000%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	94.990%
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.	50.000%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.000%
Edscha Subgroup	Gestamp Metalbages, S.A.	67.000%
Metalbages P-51	Gestamp Metalbages, S.A.	100.000%
Gestamp Metal Forming Subgroup	Gestamp Metalbages, S.A.	100.000%
Gestamp Services India pvt. Ltd.	Gestamp Levante, S.L.	98.990%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.L.	7.810%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.535%

Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	MB 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 Mexico, S.A. de CV	100.000%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.000%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.000%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.000%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.000%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.000%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	99.900%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.420%
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%
G Finance Luxemburgo, S.A.	Gestamp Polonia SP. Z.O.O.	50.000%
Gestamp Holding Rusia, S.L.	Gestamp Polonia SP. Z.O.O.	24.561%
Edscha subgroup	Gestamp Polonia SP. Z.O.O.	33.000%
Gestamp Automotive India Private Ltd.	Gestamp Polonia 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 América, Inc.	100.000%
Gestamp Mason, Llc.	Gestamp North América, Inc.	100.000%
Gestamp Alabama, Llc	Gestamp North América, Inc.	100.000%
Gestamp West Virginia, Llc.	Gestamp North América, Inc.	100.000%
Gestamp South Carolina, LLC.	Gestamp North América, Inc.	100.000%
Gestamp Chattanooga II, LLC.	Gestamp North América, 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.	50.000%
Mursolar, 21, S.L.	Griwe Subgroup	19.540%
Gestamp Louny sro.	Griwe Subgroup	47.280%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51	44.990%
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%
ESSA PALAU,S.A.	Gestamp Manufacturing Autochasis, S.L.	40.000%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.000%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	77.550%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.230%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.000%
Autotech Engineering R&D Uk limited	Autotech Engineering AIE	45.000%
Autotech Engineering R&D USA limited	Autotech Engineering AIE	45.000%
Diede Die Development, S.L.	Gestamp Tool Hardening, S.L.	38.000%
Bero Tools, S.L.	Gestamp Tool Hardening, S.L.	20.000%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding Mexico, S.L.	100.000%
Gestamp Argentina, S.A.	Gestamp Holding Mexico, S.L.	3.000%
Bero Tools, S.L.	Loire S.A. Franco Española	80.000%
Diede Die Development, S.L.	Bero Tools, S.L.	62.000%
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.	IxCxT, S.A.	0.001%
GGM Puebla de Servicios Laborales, S.A. de C.V.	IxCxT, S.A.	0.001%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
Gestamp Sweden, AB	GMF Subgroup	44.990%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar , 21, S.L.	100.000%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar , 21, S.L.	100.000%
Beyçelik Gestamp Sasi, L.S.	Beyçelik Gestamp Kalip, A.S.	100.000%

Company	Company holding the indirect investment	% investment
Edscha Hengersberg	Edscha Holding GmbH	100.000%
Edscha Hauzenberg	Edscha Holding GmbH	100.000%
Edscha Engineering	Edscha Holding GmbH	100.000%
Edscha Automot. Technology	Edscha Holding GmbH	100.000%
Gestamp 2008	Edscha Holding GmbH	60.000%
Anhui E. Automotive parts	Edscha Holding GmbH	100.000%
Edscha Hradec	Edscha Holding GmbH	100.000%
Gestamp edscha Japan	Edscha Holding GmbH	100.000%
Edscha Burgos	Edscha Holding GmbH	0.010%
Edscha Velky Meder	Edscha Holding GmbH	100.000%
Edscha Automot. Kamenice	Edscha Holding GmbH	100.000%
Edscha Engineering France	Edscha Holding GmbH	100.000%
Hengersberg Real Estate	Edscha Holding GmbH	94.900%
Hauzenberg Real Estate	Edscha Holding GmbH	94.900%
Shanghai Edscha Machinery	Edscha Holding GmbH	55.000%
Edscha Michigan	Edscha Holding GmbH	100.000%
Edscha Togliatti	Edscha Holding GmbH	100.000%
Edscha Automotive Kunshan	Edscha Holding GmbH	100.000%
Gestamp Finance Slovakia	Edscha Holding GmbH	75.000%
Edscha Kunststofftechnik	Edscha Holding GmbH	100.000%
Edscha Pha	Edscha Holding GmbH	50.000%
Edscha Scharwaechter Mec.	Edscha Holding GmbH	99.990%
Edscha Scharwaechter Mec., S.L.	Edscha Holding GmbH	99.990%
Jui li Edscha Body Systems Co. Ltd.	Edscha Holding GmbH	50.000%
Edscha Aapico	Edscha Holding GmbH	50.990%
Edscha do Brasil	Edscha Engineering GmbH	83.260%
Edscha Scharwaechter Mec.	Edscha Engineering GmbH	0.010%
Edscha Scharwaechter Mec., S.L.	Edscha Engineering GmbH	0.010%
Edscha Aapico	Edscha Engineering GmbH	0.010%
Edscha Santander, S.L.	Gestamp 2008, S.L.	94.990%
Edscha Burgos	Gestamp 2008, S.L.	99.990%
Edscha Briey	Edscha Santander, S.L.	100.000%
Edscha do Brasil	Edscha Santander, S.L.	16.740%
GMF Wuhan, Ltd.	GMF Holding GmbH	100.000%
Gestamp Umformtechnik	GMF Holding GmbH	100.000%
Aut. Chassis Products	GMF Holding GmbH	100.000%
Sofedit SAS	GMF Holding GmbH	65.000%
G. Autocomponents Chongqing	GMF Holding GmbH	100.000%
Prisma SAS	GMF Holding GmbH	100.000%
Tallent Automotive, Ltd.	Automotive Chassis Products Plc.	100.000%
Sofedit Polska, SP. Z.o.o.	Sofedit, S.A.S	100.000%
Gestamp Sweden, AB	Gestamp Tallent , Ltd	44.990%

ANNEX III

Guarantors for May, 2013 and May, 2016 Bonds

Gestamp Navarra, S.A.	Gestamp Noury, SAS
Edscha Automotive Kamenice, S.R.O.	Gestamp Palencia, S.A.
Edscha Engineering, GmbH.	Gestamp Polska, Sp.Z.o.o.
Edscha Briey, S.A.S.	Gestamp Cerveira, Ltda
Edscha France Engineering , S.A.S.	Gestamp Ronchamp, S.A.S.
Edscha Automotive Hauzenberg, GmbH	Gestamp Servicios, S.A.
Edscha Hauzenberg Real Estate GmbH, & Co.	Gestamp Washington UK Limited
Edscha Hengersberg Real Estate GmbH, & Co.	Gestamp Vendas Novas Unipessoal, Lda.
Edscha Automotive Hengersberg, GmbH.	Gestamp Vigo, S.A.
Edscha Holding, GmbH.	Gestamp Unformtechnik, GmbH
Edscha Hradec, S.r.o.	Griwe Subgroup
Edscha Velky Meder, S.r.o.	Ingeniería Global MB, S.A.
Gestamp Bizkaia, S.A.	Loire S.A. Franco Española
Gestamp Galvanizados, 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.

Guarantors for 2012 Bank of America Loan and 2013 Syndicated Loan (modified in 2016)

Gestamp Navarra, S.A.	Gestamp Noury, SAS
Edscha Automotive Kamenice, S.R.O.	Gestamp Palencia, S.A.
Edscha Engineering, GmbH.	Gestamp Polska, Sp.Z.o.o.
Edscha Briey, S.A.S.	Gestamp Cerveira, Ltda
Edscha France Engineering , S.A.S.	Gestamp Ronchamp, S.A.S.
Edscha Automotive Hauzenberg, GmbH	Gestamp Servicios, S.A.
Edscha Hauzenberg Real Estate GmbH, & Co.	Gestamp Washington UK Limited
Edscha Hengersberg Real Estate GmbH, & Co.	Gestamp Vendas Novas Unipessoal, Lda.
Edscha Automotive Hengersberg, GmbH.	Gestamp Vigo, S.A.
Edscha Holding, GmbH.	Gestamp Unformtechnik, GmbH
Edscha Hradec, S.r.o.	Griwe Subgroup
Edscha Velky Meder, S.r.o.	Ingeniería Global MB, S.A.
Gestamp Bizkaia, S.A.	Loire S.A. Franco Española
Gestamp Galvanizados, S.A.	Gestamp Aragón, S.A.
Gestamp Automoción, S.A.	Gestamp Abrera, 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.

Additionally, the Group companies 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. have shares pledge.

Guarantors for European Investment Bank Loan

Gestamp Navarra, S.A.	Gestamp Noury, SAS
Edscha Automotive Kamenice, S.R.O.	Gestamp Palencia, S.A.
Edscha Engineering, GmbH.	Gestamp Polska, Sp.Z.o.o.
Edscha Briey, S.A.S.	Gestamp Cerveira, Ltda
Edscha France Engineering , S.A.S.	Gestamp Ronchamp, S.A.S.
Edscha Automotive Hauzenberg, GmbH	Gestamp Servicios, S.A.
Edscha Hauzenberg Real Estate GmbH, & Co.	Gestamp Washington UK Limited
Edscha Hengersberg Real Estate GmbH, & Co.	Gestamp Vendas Novas Unipessoal, Lda.
Edscha Automotive Hengersberg, GmbH.	Gestamp Vigo, S.A.
Edscha Holding, GmbH.	Gestamp Unformtechnik, GmbH
Edscha Hradec, S.r.o.	Griwe Subgroup
Edscha Velky Meder, S.r.o.	Ingeniería Global MB, S.A.
Gestamp Bizkaia, S.A.	Loire S.A. Franco Española
Gestamp Galvanizados, 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	Gestamp Funding Luxemburgo, S.A.
Sofedit, S.A.S.	

2016 MANAGEMENT REPORT

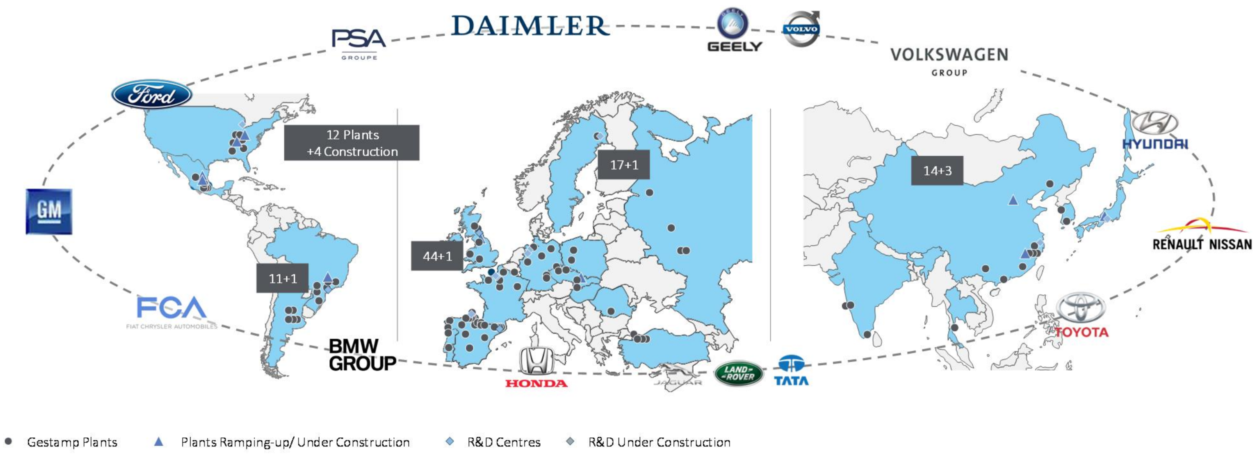
1. GESTAMP AUTOMOCIÓN GROUP

1.1 Group profile

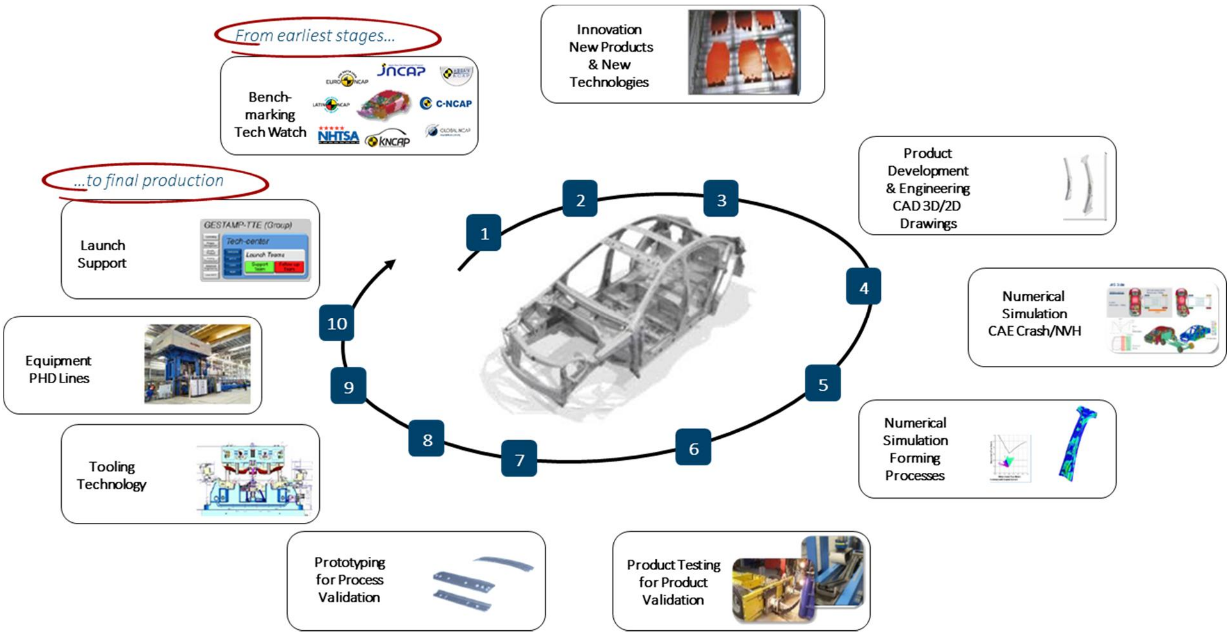
Gestamp Automoción Group (hereafter "Gestamp" or "the Group") is one of the world's largest suppliers of automotive components and assemblies. Gestamp designs, develops, manufactures and sells highly engineered body-in-white and chassis components and mechanisms to OEMs, primarily for use in the production of light vehicles.

Since Gestamp's inception in 1997, the Group has cultivated strong, long standing relationships with its clients, the largest OEMs in the world. Gestamp offers its clients leading technologies through its extensive global footprint of 98 production facilities in operation, with 10 additional plants under construction and 12 R&D centers, with one additional center under construction, in 21 countries over four continents (Europe, North America, South America and Asia). Gestamp's technological leadership, together with its extensive geographical footprint and relationships with the largest OEMs, allow it to take advantage of global growth opportunities while maintaining a conservative, diversified risk profile.

The diagram below shows Gestamp's global footprint as of March 1st, 2017.



The high quality of the Group's products, along with its expertise and core competence in developing and producing light weight components help Gestamp's OEM customers to produce safer vehicles, and to make them lighter, reducing fuel consumption and CO_2 emissions and thereby improving the environmental impact. Gestamp is a worldwide reference for almost all major OEMs, including BMW, Daimler, Fiat Chrysler, Ford, Geely-Volvo, General Motors, Honda, PSA, Renault Nissan, Tata JLR, Toyota and Volkswagen, which represented its top 12 customers and together accounted for approximately 90% of Gestamp's component sales for the year ended December 31st, 2016. Gestamp has achieved this position through the Group's leading technologies, global footprint and proven track record in executing complex projects.



1.2 Main products and services offered and production processes

1.2.1 Products and services

Gestamp produces a diverse range of products, many of which are critical to the structural integrity of a vehicle. The product portfolio covers body-in-white and chassis, mechanisms, as well as tooling and other products. The Group focuses on innovation in the design of its products with the fundamental goals of promoting vehicle weight reduction, thereby reducing harmful CO_2 emissions and overall environmental impact; and enhancing vehicle safety, thereby increasing the protection of passengers, drivers and pedestrians.

Body-in-white and Chassis

Gestamp's Body-in-white products include component parts and assemblies, such as hoods, roofs, doors, fenders and other high quality ''Class A'' surfaces and assemblies, which are used to create the visible exterior skin of an automobile, and structural and other crash-relevant products, such as floors, pillars, rails and wheel arches which, together with the exterior skin component parts and assemblies, form the essential upper and under body (platform) structures of an automobile.

Chassis comprises systems, frames and related parts, such as front and rear axles and links, control arms and integrated links, which are used to create the essential lower body structure and carry the load of the vehicle. These structures are essential for the vehicle's performance and safety, in particular affecting vehicle noise levels, vibrations, handling and behavior in the event of an impact.

Mechanisms

Mechanisms are mechanical components, such as hinges for doors, hoods, and trunk lids, door checks and door hinges that enable the user to open and shut the automobile's hood, side and rear doors and lift-gates, as well as pedal systems and hand brakes. Another important element of this product portfolio are the powered systems that allow automobile doors to open and close electrically and by remote activation.

Tooling and other products

Gestamp has extensive in-house capabilities in the design, engineering, manufacturing and servicing of dies and tools in support of the Group's customers. Gestamp also designs, manufactures and sells presses. In addition, Gestamp typically sells in secondary markets the scrap steel that is generated by the manufacturing processes.

1.2.2 Production Processes

Gestamp has a large portfolio of technologies:

Stamping technologies

- Cold stamping
- Hot stamping
- High-strength steels stamping

- Rollforming
- Hydroforming

Welding technologies

- Spot / arc welding
- Welding and assembly
- Remote 3D laser welding
- Laser welded blanks
- Patchwork blanks

Other technologies

- Finishing
- Tooling
- Press construction

1.3 Trends affecting Gestamp's business

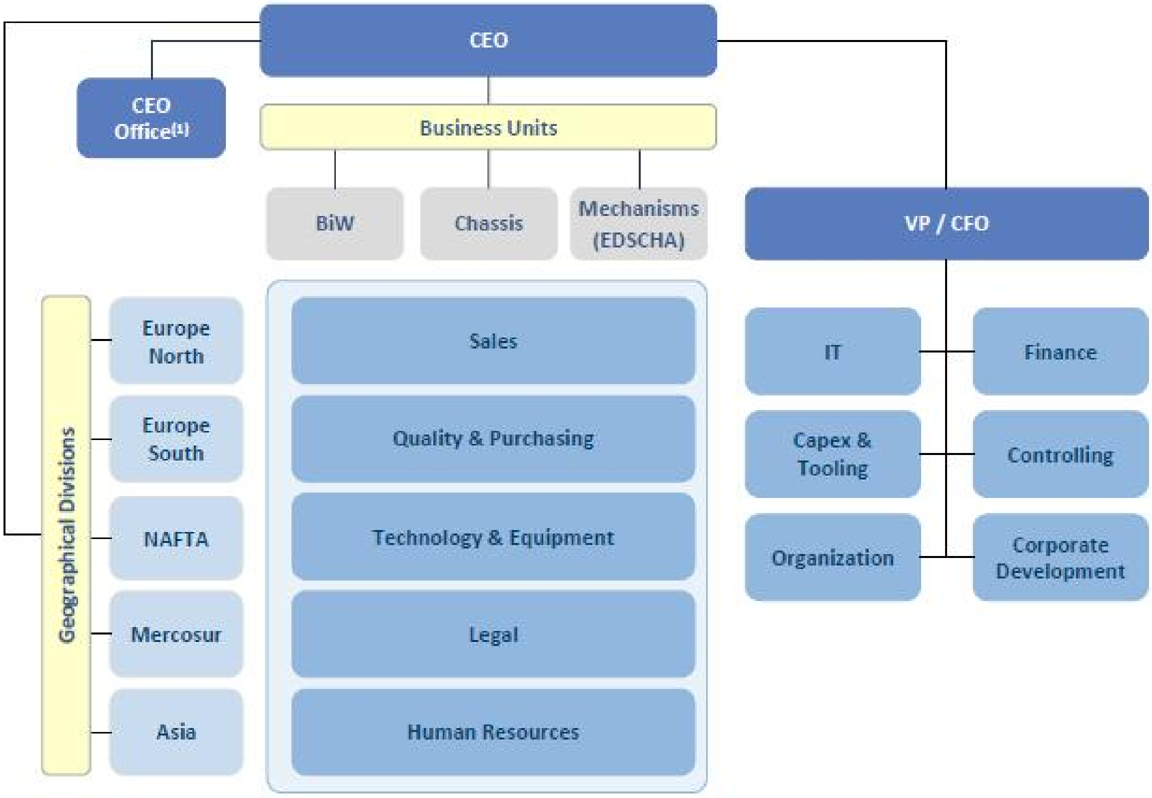
Overview of key drivers affecting Gestamp's addressable market:

- General automotive production growth
- Increased outsourcing by OEMs of production of parts traditionally produced in-house
- Move towards common platforms and global models
- Stricter emissions regulation worldwide forcing OEMs to improve fuel efficiency of vehicles
- Safety regulations
- Increasing focus on comfort features and dynamics
- Electrical Vehicles becoming increasingly more important

1.4 Organizational structure

The Board of Directors is the highest governing body of Gestamp Automoción Group and it is a decision-making center for the management of the Parent Company.

There is also a Management Committee composed of the corporate directors from each geography and the managers responsible for the Divisions. The current organizational structure is as follows:



(1) Strategic Planning, Investor Relations, Communication and Institutional Affairs, Sales Controlling and Marketing

1.5 Efficiency in management and operations

Gestamp seeks efficiency in management and in operations to improve its competitiveness. Gestamp stands out in a competitive environment where quality, price, supply chain management and client services, together with technological capacities and R&D, are distinguishing elements.

Over the last few years Gestamp has established several corporate processes to improve management and operating efficiency:

- Tracking Key Performance Indicators (KPI)
- Manufacturing facilities management system: Gestamp Production System (GPS)
- Production Capacity Management & Planning across manufacturing facilities
- Standardization of processes: Process Taxonomy
- Project management methodology: Gestamp Product Creation System (GPCS)
- Energy efficiency
- Industry 4.0

1.6 Gestamp's strategic pillars

The Group´s goal is to maintain its position as a leading Tier 1 supplier to maximize its growth potential as well as to be the global partner of choice for OEMs in Body-in-White, Chassis and Mechanisms with its client-oriented business model.

Gestamp´s strategy is based on the following key pillars:

1 *Maximize the growth potential of its client-focused business model*

Gestamp´s business model is based on building long-standing, collaborative relationships with OEMs which has enabled Gestamp to become a trusted partner to them. Given the characteristics and size of Gestamp's OEM clients, having a critical mass is key to becoming their partner of choice, together with maintaining and increasing importance to them through technological leadership.

2 *Maintain and strengthen technological leadership*

Gestamp will continue to invest in developing technological capabilities, advanced manufacturing processes and new materials for use in its products.

3 *Clearly differentiated geographic strategies*

Gestamp will pursue its goal to be strategically close to its OEM customers both in terms of product development and increased geographical presence. For that purpose, Gestamp has established differentiated geographic strategies tailored to address each market´s growth potential.

4 *Relentless focus on operational excellence*

Operational excellence is deeply rooted in Gestamp´s organizational structure and culture. Gestamp will continue developing initiatives to ensure a continuous improvement in operational management, in particular GPS, GPCS and Industry 4.0.

5 *Focus on reliability and maintenance of high standards*

Gestamp will continue to reinforce its reliability with OEM customers based on its i) sound and stable financial profile, ii) ability to successfully manage highly demanding complex projects, iii) supporting OEMs facing challenging situations and iv) track record of successful inorganic integrations. In addition, Gestamp is continuously seeking to improve its corporate governance and regulatory compliance processes.

2. BUSINESS PERFORMANCE AND RESULTS

2.1 Macroeconomic context 2016

Global economic growth in 2016 has again been moderate and in line with recent years. Accordingly, inflation and interest rates in the major world economies have remained at very low levels; however, in the last months of the year there has been an increase in the prices of raw materials and energy. Accordingly, the strong rebound in the last quarter of the price of oil and raw materials such as steel, albeit from very depressed levels, has caused a slight rebound in inflation in some countries that had not been seen in a long time.

In addition, 2016 has been a year characterized by a high level of political and social uncertainty globally. The worsening of the armed conflict in Syria and its serious consequences at different levels, the United Kingdom referendum in favor of their exit from the European Union, the new administration in the United States and the political uncertainty in various European countries, including Spain, have generated an unfavorable environment for economic growth.

Against this economic backdrop, the evolution of the automotive sector has been more positive than in previous years, with global light vehicle production increasing by 4.5% up to 93 million units. The Chinese market was the main driver for this favorable performance in 2016, with a growth of over 12% that exceeded all expectations. Vehicle manufacturing in Western Europe, North America and other geographic areas such as India has continued to grow, while markets in Brazil and Russia have continued to deteriorate in line with their economic indicators.

2.2 Results overview

Gestamp’s business performance in the current macroeconomic environment, along with the automotive sector, has once again been favorable. Revenues exceeded €7,500 million for the first time, despite the negative foreign exchange impact and weakness in the production market of Mercosur and Russia. Growth, which on a constant currency basis stood at 12.5%, was supported by the consolidation of projects in which the Group had invested in previous years, and by the good performance of key markets such as China, India, Spain and the United Kingdom.

Gestamp in 2016 has also performed well in terms of profitability, with year-on-year growth in the main indicators such as EBITDA, EBIT and profit attributable to shareholders well above revenue growth.

Also in line with recent years, in 2016 the Group has maintained a high level of capital expenditures that will enable to continue growing the business at a rate well above its addressable market in the coming years.

The €725 million of capital expenditures invested last year have been used to finance, among others, the ten new plants under construction across the world supporting Gestamp’s clients’ projects. Capital expenditures include growth, recurrent and intangible capital expenditures. Growth capital expenditures include capital expenditures in greenfield projects, major expansions of existing facilities and new processes/technologies in existing plants. Recurrent capital expenditures include investments to replace existing programs and expenditures on the maintenance of production assets.

Intangible capital expenditures include capitalization of a part of the Group's R&D expenses, among other concepts.

Million Euros (€m)	2016	2015
Growth capital expenditures	390	286
Recurrent capital expenditures	251	248
Intangible capital expenditures	84	88
Capital expenditures	725	622

Gestamp's net financial debt amounted to €1,632.6 million for the year ended December 31st, 2016, resulting in a 1.94x leverage ratio (Net debt / EBITDA).

Million Euros (€m)	2016	2015	% Change
Revenues	7,549	7,035	7.3%
EBITDA	841	760	10.7%
EBIT	463	400	15.8%
Profit Before Tax	348	253	37.5%
Profit attributable to shareholders	221	162	37.3%
Equity	1,872	1,798	
Net financial debt	1,633	1,493	
Capital expenditures	725	622	

Revenue by geographical segment

Western Europe: Revenue increased by 2.7%, to €3,704.1 million. Growth was driven mainly by market volume growth in Spain, Portugal and France, with a decline in sales in the United Kingdom driven by negative exchange rate movements of the British Pound. On a constant currency basis, sales growth in Western Europe was 5.1%, with market production volume growing 3.8%.

Eastern Europe: Revenue increased by 30.1%, to €859.5 million largely due to the sale of tooling for projects in ramp-up phase in Poland. Revenue also grew considerably in Czech Republic driven by higher market volumes. Turkey also contributed to growth in Eastern Europe. These increases were partially offset by a decrease in revenue in Russia and Slovakia.

Mercosur: Revenue decreased by 14.1%, to €401.4 million, due to a lower volume of vehicle production and the adverse exchange rate movements in both Brazil and Argentina.

North America: Revenue increased by 16.9%, to €1,546.1 million driven by strong growth in the United States based on project ramp-ups, as well as significant sales of tooling. In Mexico, tooling sales mostly compensated a decline in parts sales driven by planned stoppages of one of the Group's clients.

Asia: Revenue increased by 6.2%, to €1,037.9 million driven mainly by Body-in-white growth in South Korea, as well as growth in mechanisms in China. In both cases growth has been due to project ramp-ups and increases in the volumes of vehicle production, partially offset by adverse currency effects related to the Chinese Yuan.

Million Euros (€m)	2016	2015	% Change
Western Europe	3,704	3,607	2.7%
Eastern Europe	860	661	30.1%
Mercosur	401	467	-14.1%
North America	1,546	1,323	16.9%
Asia	1,038	977	6.2%
Total	7,549	7,035	7.3%

3. LIQUIDITY AND CAPITAL RESOURCES

Gestamp has maintained a solid financial position as of December 31, 2016, with net financial debt amounting to €1,632.6 million resulting in a 1.94x leverage ratio (Net Debt / EBITDA), representing a slight improvement from 1.96x as of December 31, 2015.

Thousand Euros	2016	2015
Interest bearing loans and borrowings	1,967,599	1,730,936
Financial leasing	33,574	35,161
Borrowings from group companies	70,162	79,004
Other financial debt	34,991	39,428
Gross debt	2,106,326	1,884,529
Current financial assets	(43,228)	(35,455)
Cash and cash equivalents	(430,463)	(355,975)
Net financial debt	1,632,635	1,493,099
EBITDA	841,150	760,333
Leverage ratio (Net debt / EBITDA)	1.94x	1.96x

Gestamp´s main source of liquidity is its operating cash flow. Net cash flows from operating activities were €652.6 million in 2016. In addition, as part of its Senior Facilities, Gestamp has an undrawn revolving credit facility amounting to €280.0 million with maturity in 2021, as well as €575.4 million in credit lines, of which €118.1 million were drawn as of December 31, 2016. These credit lines are generally renewed each year, do not have any security and have customary covenants.

Thousand Euros	2016	2015
Cash and cash equivalents	430,463	355,975
Current debt securities	338	2,535
Revolving credit facilities	280,000	280,000
Undrawn credit facilities	457,287	282,087
Total Liquidity	1,168,088	920,597

The Group considers that there will be no significant changes with regards to the management of liquidity in the year 2017.

4. MAIN RISKS AND UNCERTAINTIES

Gestamp's risk management procedure is based on the ISO 31000 methodology, a continuous process with nine phases: communication; context definition; identification of risks; risk analysis; risk assessment; risk treatment; monitoring of risks; updates and actions against breaches.

The Group conducts its risks assessment by reviewing its business plans, analyzing the relationship between the risk and the return of its investments, as well as from the accounting perspective, which facilitates the assessment of the status and evolution of the different risk situations.

Note 33 of the 2016 Consolidated Annual Accounts includes a comprehensive overview of the different financial risks that the Group is exposed to, which can be grouped into the following categories:

- Market Risk
- Liquidity Risk
- Credit Risk
- Commodity Risk

4.1 Market Risk

4.1.1 Foreign currency Risk

Fluctuations in the exchange rate between the currency in which a transaction is denominated and the Group's presentation currency can have a negative or positive impact on its profit or loss. Given its global footprint, the Group has articulated an foreign currency risk policy, the main objective of which is to minimize the negative impact that foreign currency volatility may have on the business, and specifically on the Income Statement; and to protect the Group from adverse variations.

To exercise this policy, the Group identifies those cash flows that will be in a currency different from the currency of the respective company / entity and that will materialize over a certain period of time.

To manage exchange rate risk, the Group uses a series of financial instruments that give it a degree of flexibility, basically comprised of the following:

- ü 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.
- ü "Puttable instruments": Other derivatives are also used to hedge currency risk, including those designed to lock in a maximum or minimum exchange rate (collar or tunnel) at a set settlement date.

4.1.2 Interest Rate Risk

Part of Gestamp's bank debt is linked to variable interest rates which are subject to interest rate volatility, hence potentially having an adverse direct impact on the Group's Income Statement. The Group's strategy is focused on minimizing the potential negative impact from an increase in interest rates, and take advantache of the positive impact of the possible tentative decrease in interest rates.

For this purpose, the Group relies on financial derivatives that can be considered as coverage instruments and are therefore subject to the respective accounting rules. The most common coverage instrument is the Interest Rate Swap, through which Gestamp converts variable interest rates into fixed interest rates, whether it is for the total debt quantum at hand or just a portion, for all or part of the total duration of the liability.

4.2 Liquidity risk

The Group applies a prudent policy to cover its liquidity risks, maintaining the necessary flexibility in its financing through the availability of committed credit lines, both in the short and long term. In addition, and subject to liquidity needs, the Group may use liquidity instruments (non-recourse factoring, through which the risks and benefits of accounts receivable are transferred), to maintain the liquidity and working capital levels required for its planed operations.

The management team monitors the forecasts of the Group's liquidity as well as the evolution of the Net Financial Debt.

The Group follows a policy of diversification of its sources of financing, in order to minimize liquidity risks and maximize flexibility around the financial markets.

The management team efficiently controls the payment periods of expenses and investments and the working capital cycles by performing a thorough analysis of the estimated cash balances in order to ensure that the Group has sufficient cash to meet working capital needs while maintaining sufficient availability under credit facilities, in order not to violate the limits of the “covenants” established by the financing.

4.3 Credit risk

Credit risk is concentrated primarily in the Group’s accounts receivable. The credit risk with banks is managed by the treasury department of the Group according to Group policies. Surplus cash investments are contracted only with authorized counterparties and always within the credit limit assigned for each counterparty. The limits are established in order to minimize risk concentration, thereby mitigating financial losses in the event of a default by the counterparty.

4.4 Raw materials’ price risks

The main raw material used in Gestamp’s business is steel.

In 2016, 60% of the steel was purchased through "re-sale" programs with customers (58% in 2015), whereby the OEM periodically negotiates with the steel maker the price of the steel that Gestamp uses for the production of automotive components. Any fluctuations in steel prices are directly adjusted in the selling price of the final product.

In the case of products that use steel not purchased under "re-sale", the OEMs adjust Gestamp’s selling prices based on the steel prices they themselves have negotiated with steel suppliers. Historically, the Group has negotiated and agreed its purchase contracts with steel suppliers under terms such that the impact (whether positive or negative) of the steel price fluctuation in these cases is minimal.

Hence, Gestamp considers that the Group's exposure to steel price fluctuations is not significant.

5. R&D ACTIVITIES

Through innovation, Gestamp seeks to anticipate new technological trends and to offer differentiated products that meet the requirements of efficiency, weight, cost, quality, safety and sustainability. Additionally, in the Group's chassis and mechanisms divisions, R&D is centered around the enhancement of the dynamic performance of the automobile and the comfort of the passenger.

One of the most important objectives for Gestamp is to produce increasingly lighter products, as weight has a direct impact on the engine's energy consumption and, consequently, on CO_2 emissions, the regulation of which is increasingly more restrictive.

Safety is another of Gestamp's key lines of research and development. The Group focuses on identifying formulas which increase the safety of the vehicle passengers and of pedestrians.

The products in turn need to improve the comfort, durability and recyclability at the end of the useful life of the vehicle.

To this end, Gestamp seeks ways to apply new materials with a consistent quality, to establish manufacturing processes which are effective and flexible throughout the production chain, and all at a reasonable cost.

During 2016, Gestamp had more than 1,300 R&D professionals, spread over its 12 R&D centers as well as at manufacturing sites. These R&D centers are located in 8 countries: Spain, Germany, France, Sweden, USA, Brazil, China and Japan. In addition another R&D center is under construction.

Gestamp's R&D teams work with state-of-the-art design and simulation tools, and also develop other tools internally to improve processes and add efficiency and time savings. In addition, the Group has laboratories for testing and assessing the performance of part designs using prototypes. Passive safety tests and crash tests are performed at Gestamp's laboratory in Luleå (Sweden).

Hot stamping

Gestamp is one of the pioneers in the hot stamping manufacturing process, one of the most advanced technologies for reducing the weight of a vehicle's body structure and improving passenger safety in case of collision.

As of December 31, 2016, the Group had 71 hot stamping lines installed worldwide and, according to project contracts awarded, Gestamp expects to build more in all the geographic regions where it is present within the next five years.

In the field of hot stamping Gestamp has a specific process patented by the Group which is called 'Tailored Material Property'. It allows the Group to achieve different levels of hardness in different zones of the same part, controlling the different cooling temperatures during the hardening process. By creating softer, easily deformed zones in each part, Gestamp can control the deformation of the car structure and thus ensure better performance.

6. HUMAN RESOURCES AND SOCIAL RESPONSIBILITY

6.1 Employees

The international expansion has led the Group to face considerable challenges in terms of human resources management, process standardization, adoption of new technologies and promotion of a more globalized corporate culture.

The workforce at the global level has continued to grow during 2016 to reach 36,395 employees, 9.6% more than in 2015, representing 43% growth over the past 5 years.

There is a common framework that establishes the minimum standards for the entire Group in key areas for Gestamp such as: compliance with the Code of Conduct, occupational health and safety and training and development in certain subjects strategic for the company.

Code of Conduct

The Code of Conduct establishes a common framework of reference for the ethical and respectful behavior of Gestamp´s employees in all its countries of operation, regardless of the cultural specificities of each geographical region. The Code includes a number of Rules of Conduct based on Corporate Principles and on the ten principles of the United Nations' Global Compact concerning human rights, labor and environmental standards and the fight against corruption.

This Code is applied at all levels of the organization and affects all the employees that are linked by contract to Group companies or with any of the subsidiaries in which Gestamp is a majority partner.

The Ethics Committee is the entity responsible for ensuring compliance with the Code of Conduct and its correct interpretation.

The Ethics Committee's Rules of Procedure establish the functions and composition, the communication channels and process for complaints and the internal investigation process to assess whether breaches of the Code take place. The Rules include a Compliance Office, which reports to the Ethics Committee, and is responsible for receiving, guiding, following-up, informing in the suitable manner and document the communications received from the various communication channels.

Occupational Health and Safety

Gestamp is committed to offering a healthy and safe environment to its employees and any external workers working at its facilities. The Group has implemented an strict Health and Safety policy and an integrated management system, the GHSI (Gestamp Health and Safety Indicator), which is already implemented in all of the Group's facilities.

The GHSI is calculated on the basis of 74 weighted factors divided into three categories:

- *Traditional Indicators*: Severity rate, Average Duration rate and Fatal Accidents.
- *Working conditions*: Working conditions, traffic routes, warehouse, fire protection, manufacturing machines, etc.
- *Health and Safety Management*: Assessments, health and safety rules and training, risk controls, preventive measures, etc.

The analysis of these factors allows Gestamp to offer the optimal working conditions for its industrial activity. All plants must report the improvements implemented on a quarterly basis, and all manufacturing sites are fully audited every two years.

Despite the growth of the Group, both in terms of operations and number of employees, Gestamp has maintained, and even improved, its indices, as a reflection of its efforts in the area of Health and Safety.

Training and Development

The need to attract and retain highly skilled and qualified professionals requires the development of a talent management plan, the implementation of a global training plan focused on the standardization of manufacturing processes and international mobility of the Group's teams and experts.

- The development of a common talent management plan, which is based on identification of key positions, allows Gestamp to take constructive and appropriate measures to retain, train and promote internal talent, as well as ensure a pipeline of professionals to cover key positions in the organization.

- The global management of personnel training in those key competences facilitates the standardization of the Group's technological knowledge and processes, and consequently ensures the same levels of service to Gestamp's clients on an increasingly global scale. Accordingly, Gestamp has developed a corporate university (*Gestamp Global Learning*) as global online tool and the *Gestamp Technology Institute*

- The international mobility of Gestamp´s employees as a key element for the transferability of the Group's know-how.

6.2 Environment

The environment and climate change are integrated into Gestamp's business strategy.

Gestamp´s environmental policy is based on the implementation of an Environmental Management System ("EMS") certified according to international standards at each of its manufacturing facilities, as well as the implementation of an environmental management tool, the "Environmental Indicator", which allows the Group to (i) monitor and control all the facilities, (ii) identify improvement opportunities and (iii) implement best practices.

Approximately 92% of Gestamp's facilities are ISO 14001:2014 o EMASII certified and the remaining 8% of the facilities (most of which have been recently acquired or built by the Group) will achieve certification within consistent target deadlines.

As part of EMS, the Group conforms the manufacturing process to environmental standards: from the selection of its suppliers to the optimization of raw materials or the management of all the waste Gestamp produces (98% of the waste the company generates is not hazardous and 97% is fully recyclable (scrap) and therefore re-enters the steel production process). On a quarterly basis, the company monitors the environmental performance of its facilities through the Environmental Indicator and, in particular, through the following key indicators:

- EER: Energy Efficiency Rate.
- CO_2ER: CO_2 Emissions Rate.
- WPR: Waste Production Rate.
- WMR: Waste Management Rate.
- WCR: Water Consumption Rate.

Climate Change is another matter in which Gestamp works actively in a double-pronged approach. On the one hand, greenhouse gas emissions are reduced in the production processes through an adequate environmental management. On the other hand, as a supplier of components in the automotive sector, the added value of Gestamp lies in its technological and R&D capability to develop new products and innovative solutions that allow lighter parts to help its customers reduce their CO_2 emissions because lighter weight allows for lower fuel consumption and lower generation of emissions during vehicle use.

To measure the Group's carbon footprint generated by its business activities, Gestamp uses the GHG Protocol and the Intergovernmental Panel on Climate Change (IPCC) guidelines. On an annual basis, the Group also voluntarily reports its performance related to GHG emissions to the international initiative Carbon Disclosure Project, an organization based in the United Kingdom which works with shareholders and corporations to disclose the GHG emissions of major corporations, and where, in 2015, the Group was named as an example of Spanish company in the Supply Chain program.

Despite the increase in the number of its facilities and the use of the hot stamping technology which is more energy intensive than other technologies, Gestamp´s EMS has entabled it to maintain and even reduce, in relative terms, the level of GHG emissions in the last three years:

	2013	2014	2015	2016
CO_2 Emission Rate (Tones of CO_2 emissions per €100,000 of added value)	25	25	24	24

6.3 Society

Gestamp believes that its commitment to sustainability is not confined only to its operating environment; the Group is part of a value chain that is complemented by the activities of its suppliers, without whom Gestamp could not meet the requirements of its customers. As it empowers and supports them locally, the Group contributes to the development of its communities of operations, its sector as well as the overall economy due to the multiplier effect in terms of generation of employment and wealth.

Gestamp also generates a positive effect on the technical/industrial education and training of local people as a result of collaborations established with universities, business schools and regional vocational training centers aimed at promoting training activities related to industrial development. Thus, Gestamp is helping to strengthen an industrial culture and improve the employability of the surrounding communities. During 2016, Gestamp gave 734 young people the opportunity for internship and apprenticeship programs, 73% more than in 2015.

Another field in which the Group contributes to society is through its social activities. Since 2013 Gestamp uses the LBG model (London Benchmarking Group) with the objective of identifying, classifying, and assessing the non-profit making contributions each one of its work centers is making individually in the community in which it operates.

In addition, Gestamp is committed to the United Nations Sustainable Development Goals. During 2016, the Group has worked on the identification and alignment of its ongoing initiatives to the Goals and by 2017 hopes to establish new lines of action related to its business.

7. SUBSEQUENT EVENTS

- On November 24, 2016 the subsidiary Gestamp Metalbages S.A. acquired the remaining 60% shareholding in ESSA Palau S.A. for €23,373 thousand. The transaction was subject to a condition precedent related to duly obtaining the authorization from competition authorities. On January

17, 2017 the condition was met and the acquisition agreement was formalized. Thus Gestamp came to own 100% of the shares in ESSA Palau and fully paid the purchase price indicated. ESSA Palau S.A. is located in Barcelona (Spain) and is active in stamping and manufacturing automobile components for passenger cars.

At the issuance date of these Consolidated Financial Statements, the Group is analyzing the fair value of the net assets and liabilities. With this valuation and the consideration amount, goodwill will be calculated. There were no significant costs associated with this transaction.

- As stated in Note 22.d), on February 24, 2017, Mitsui & Co. Ltd. communicated its irrevocable decision not to execute the put option over 10% of the capital stock of the subsidiaries of the Group in which it participates (see Note 18 of the report), which the Parent Company had granted to Mitsui in its agreement dated December 23, 2016. Given the foregoing, the put option definitively expired and in the first quarter of 2017, the recognition of this put option will be reversed in the consolidated financial statements of the Group with the cancellation of the amount recognized under Other short-term non-current liabilities in the Consolidated Balance Sheet amounting to €76,900 thousand, with the corresponding increase in the balance of minority interests in this Consolidated Balance Sheet for the amount of €80,947 thousand and a decrease in the balance of Retained Earnings amounting to €4,047 thousand.

- During the first two months of the year, Gestamp started production at its second plant in Pune (India), launched the construction of a new plant in Matsusaka (Japan) and acquired a small auto components supplier in Romania through its Turkish subsidiary Beyçelik Gestamp Kalip.

- At the date of formulating these Consolidated Financial Statements, Gestamp is involved in a process for admission to official listing in the Madrid Stock Exchange. This process is pending to be formalized.

  Most significant costs related to this process will be paid by Acek Desarrollo y Gestión Industrial, S.L. There is no variable employee compensation associated with the admission of the shares to listing on the Madrid Stock Exchange

8. FORESEEABLE EVOLUTION OF THE COMPANY

For 2017, global economic growth is expected to exceed the levels experienced in 2016, and is expected to be approximately 3.5%. This higher growth will trigger some inflationary rebound in line with the evolution seen in the last quarter of the previous year, which could lead to interest rate increases, particularly in the United States.

With an improvement in economic activity, Gestamp expects a good performance in the automotive sector globally. Nevertheless, the extraordinary evolution of the Chinese market in the last quarter of 2016 may result in lower growth for 2017.

In a favorable environment, and on the back of the strong investments made in recent years in projects that will ramp up this year, Gestamp expects a positive performance in its operations in 2017. In line with recent years, the Group expects strong revenue and income growth, well above market.

Although the level of global uncertainty remains high and there are latent geopolitical risks such as those arising from the important electoral processes in Europe in 2017, Gestamp will continue to focus its efforts on improving the efficiency of its processes and adequate management of the large number of projects the Group is working on.

9. OPERATIONS WITH OWN SHARES

As at December 31, 2016 the Parent Company had no treasury shares, and during the course of the year did not trade in its own shares .

10. OTHER RELEVANT INFORMATION

10.1 Dividend policy

In 2016 the Parent Company maintained its policy to distribute dividends corresponding to 30% Consolidated Profit Attributable to Equity holders of the Parent Company.

10.2 Credit Rating

On May 2013, the Group completed an issuance of bonds through its subsidiary Gestamp Funding Luxembourg, S.A. This issuance was carried out in two bond issues: one amounting to €500 million with an interest rate of 5.875%, and the other amounting to $350 million with a 5.625% interest rate, with an initial maturity date of May 31, 2020.

On May 11, 2016 the Group issued a new bond, through the subsidiary Gestamp Funding Luxembourg, S.A. for €500 million with an interest rate of 3.5%. The issuance was used to fully refinance the May 2013 bond and accrued interest. The US dollar bonds issued in May 2013 were fully refinanced on June 17, 2016 with the tranche A2 of the new syndicated loan granted on May 20, 2016.

The maturity date of the new bonds is May 15, 2023.

At December 31, 2016 Gestamp's corporate credit rating was "BB /stable outlook" by Standard & Poor's and "Ba2/ stable outlook" by Moody's. These ratings were most recently confirmed on May 3, 2016 by Standard & Poor's and on April 28, 2016 by Moody's.

Corporate Credit Ratings	Current Rating	Outlook	Last Review
Standard & Poor's	BB	Stable	03/05/2016
Moody's	Ba2	Stable	28/04/2016

Senior Secured Notes	Current Rating	Outlook	Last Review
Standard & Poor's	BB+	Stable	29/01/2016
Moody's	Ba3	Stable	28/04/2016

10.3 Average period for payment to suppliers

The internal processes and payment policy terms of the Spanish companies of the Group comply with the legal provision of the Law 15/2010, which establishes actions against late payment in commercial transactions. As a result, the contractual conditions in the year 2016 with commercial suppliers for parts manufactured in Spain have included periods of payment equal to or less than 60 days in 2016 and in 2015, according to the second transitory legal provision of the Law. (Refer to Note 34).

For efficiency reasons and in line with common standards, the Spanish subsidiaries of the Group have in place a schedule for payments to suppliers, under which payments are made on fixed days, and twice a month in the case of the larger entities.

In general terms, during the fiscal periods 2016 and 2015, payments, for contracts agreed after the entry into force the Law 15/2010 made by Spanish entities to suppliers have not exceeded the legal limits of payment terms. Payments to Spanish suppliers which have exceeded the legal deadline for years 2016 and 2015 have been negligible in quantitative terms and are derived from circumstances or incidents beyond the established payment policy, which primarily include the closing of agreements with suppliers at the delivery of goods or provision of services or handling specific processes.

Additionally, as of December 31, 2016 and 2015 there were no outstanding amounts to suppliers located in Spanish territory that exceeded the legal term of payment.

Independent Audit Report

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2015

Building a better working world

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

INDEPENDENT AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of GESTAMP AUTOMOCIÓN, S.A.:

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of GESTAMP AUTOMOCIÓN, S.A. (the parent company) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes thereto for the year then ended.

Directors' responsibility for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the consolidated equity and consolidated statement of financial position and the consolidated results of GESTAMP AUTOMOCIÓN, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit. We conducted our audit in accordance with prevailing audit regulations in Spain. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of consolidated financial statements by the directors of the parent company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of GESTAMP AUTOMOCIÓN, S.A. and its subsidiaries at December 31, 2015, and its consolidated results and consolidated cash flow for the year then ended, in accordance with IFRS, as adopted by the EU, and other provisions in the regulatory framework for financial information applicable in Spain.

Report on other legal and regulatory requirements

The accompanying consolidated 2015 management report contains such explanations as the directors of the parent company consider appropriate concerning the situation of the Group, the evolution of its business and other matters; however, it is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the 2015 consolidated financial statements. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned 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.

ERNST & YOUNG, S.L.

(Signed in the original in Spanish)

Ramón Masip López

March 22, 2016

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

Consolidated Financial Statements and Consolidated Management Report for the year ended December 31, 2015

GESTAMP AUTOMOCIÓN AND SUBSIDIARIES

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GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

(In thousands of euros)

ASSETS	Note	December 31, 2015	December 31, 2014
Non-current assets			
Intangible assets	8	359,384	311,591
Goodwill		109,946	114,384
Other intangible assets		249,438	197,207
Property, plant, and equipment	9	2,861,807	2,661,789
Land and buildings		958,215	962,088
Plant and other PP&E		1,524,984	1,448,898
PP&E under construction and prepayments		378,608	250,803
Financial assets	10	57,682	76,785
Investments in associates accounted for using the equity method		8,272	9,455
Loans and receivables		8,918	43,556
Derivatives in effective hedges		28,184	5,863
Other non-current financial assets		12,308	17,911
Deferred tax assets	21	270,777	248,340
Total non-current assets		**3,549,650**	**3,298,505**
Current assets			
Inventories	11	586,438	573,031
Raw materials and other consumables		277,870	258,238
Work in progress		158,676	149,071
Finished products and by-products		118,287	116,966
Prepayments to suppliers		31,605	48,756
Trade and other receivables	12	1,194,690	1,057,453
Trade receivables		992,938	852,106
Other receivables		25,058	26,749
Current income tax assets		32,906	32,143
Receivables from public authorities		143,788	146,455
Other current assets	12	23,533	18,343
Financial assets	10	35,455	75,877
Loans and receivables		1,638	18,319
Securities portfolio		2,535	-
Other current financial assets		31,282	57,558
Cash and cash equivalents	12	355,975	483,934
Total current assets		**2,196,091**	**2,208,638**
Total assets		**5,745,741**	**5,507,143**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

(In thousands of euros)

EQUITY AND LIABILITIES	Note	December 31, 2015	December 31, 2014
Equity			
Capital and reserves attributable to equity holders of the parent			
Issued capital	13	288,237	288,237
Share premium	13	61,591	61,591
Retained earnings	14	1,209,789	1,087,326
Translation differences	15	(167,809)	(139,740)
Equity attributable to equity holders of the parent		**1,391,808**	**1,297,414**
Equity attributable to non-controlling interest	16	**406,585**	**418,825**
Total equity		**1,798,393**	**1,716,239**
Liabilities			
Non-current liabilities			
Deferred income	17	30,720	31,280
Provisions	18-19	156,787	131,226
Non trade liabilities	20	1,674,148	1,725,325
Interest-bearing loans and borrowings		1,448,036	1,482,300
Derivative financial instruments		72,828	47,404
Other non-current liabilities		153,284	195,621
Deferred tax liabilities	21	225,544	235,095
Other non-current liabilities		619	17
Total non-current liabilities		**2,087,818**	**2,122,943**
Current liabilities			
Non trade liabilities	20	450,875	454,465
Interest-bearing loans and borrowings		282,900	282,480
Other current liabilities		167,975	171,985
Trade and other payables	22	1,384,406	1,191,765
Trade accounts payable		1,137,378	945,612
Current tax liabilities		30,269	14,560
Other accounts payable		216,759	231,593
Provisions	18-19	16,318	19,091
Other current liabilities		7,931	2,640
Total current liabilities		**1,859,530**	**1,667,961**
Total liabilities		**3,947,348**	**3,790,904**
Total equity and liabilities		**5,745,741**	**5,507,143**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

(In thousands of euros)

	Note	December 31, 2015	December 31, 2014
CONTINUING OPERATIONS			
OPERATING INCOME	23	7,202,309	6,411,331
Revenue		7,034,512	6,255,804
Other operating income		156,871	126,555
Changes in inventories	11	10,926	28,972
OPERATING EXPENSE	24	(6,802,113)	(6,073,861)
Raw materials and other consumables		(4,308,597)	(3,885,772)
Personnel expenses		(1,258,010)	(1,124,934)
Depreciation, amortization, and impairment losses		(360,137)	(318,995)
Other operating expenses		(875,369)	(744,160)
OPERATING PROFIT		**400,196**	**337,470**
Financial income	25	13,309	9,597
Financial expenses	25	(121,850)	(138,608)
Exchange gains (losses)		(24,660)	(7,575)
Share of profits from associates - equity method	10	(364)	(3,164)
Change in fair value of financial instruments		-	(7,047)
Impairment and gains (losses) on sale of financial instruments		(13,829)	-
PROFIT BEFORE TAXES FROM CONTINUING OPERATIONS		**252,802**	**190,673**
Income tax expense	27	(63,950)	(60,290)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**188,852**	**130,383**
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations net of taxes	26	-	(1,573)
PROFIT FOR THE YEAR		**188,852**	**128,810**
Profit (loss) attributable to non-controlling interest	16	(27,372)	(3,108)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**161,480**	**125,702**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

(In thousands of euros)

	December 31, 2015	December 31, 2014
PROFIT FOR THE YEAR	188,852	128,810
OTHER COMPREHENSIVE INCOME		
Other comprehensive income not to be reclassified to income in next years:		
Actuarial gains and losses	5,745	(12,939)
Other comprehensive income to be reclassified to income in next years:		
From cash flow hedges	4,728	(7,006)
Translation differences	(34,411)	(5,042)
TOTAL COMPREHENSIVE INCOME NET OF TAXES	**164,914**	**103,823**
Attributable to:		
- Parent company	143,884	95,912
- Non-controlling interest	21,030	7,911
	164,914	**103,823**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

(In thousand of euros)

	Issued capital (Note 13)	Share premium (Note 13)	Retained earnings (Note 14)	Translation differences (Note 15)	Total capital and reserves	Non-controlling interest (Note 16)	Total equity
AT DECEMBER 31, 2013	**288,237**	**61,591**	**1,019,461**	**(129,895)**	**1,239,394**	**425,450**	**1,664,844**
Profit for 2014			125,702		125,702	3,108	128,810
Fair value adjustments reserve (hedge)			(7,006)		(7,006)		(7,006)
Variation in translation differences				(9,845)	(9,845)	4,803	(5,042)
Actuarial gains and losses			(12,939)		(12,939)		(12,939)
Total comprehensive income for 2014			**105,757**	**(9,845)**	**95,912**	**7,911**	**103,823**
Dividends distributed by the Company			(33,922)		(33,922)		(33,922)
Dividends distributed by subsidiaries						(7,590)	(7,590)
Merge of subisidiaries including companies not previously in consolidation scope			46		46		46
Capital increase in Todlem, S.L.						1,722	1,722
Increase in shareholding in companies previously under control			(4,603)		(4,603)	(8,439)	(13,042)
Transfers from retained earnings to non-controlling interest due to the change of shareholding in companies and others			1,439		1,439	(1,439)	-
Other movements and adjustments from prior years			(852)		(852)	1,210	358
AT DECEMBER 31, 2014	**288,237**	**61,591**	**1,087,326**	**(139,740)**	**1,297,414**	**418,825**	**1,716,239**
Profit for 2015			161,480		161,480	27,372	188,852
Fair value adjustments reserve (hedge)			4,728		4,728		4,728
Variation in translation differences				(28,069)	(28,069)	(6,342)	(34,411)
Actuarial gains and losses			5,745		5,745		5,745
Total comprehensive income for 2015			**171,953**	**(28,069)**	**143,884**	**21,030**	**164,914**
Dividends distributed by the Company			(37,711)		(37,711)		(37,711)
Dividends distributed by subsidiaries						(12,485)	(12,485)
Increase in shareholding in companies previously under control (adjustment for dividends paid to former shareholders of Anhui Edscha Automotive Parts Co. Ltda.)			(712)		(712)		(712)
Increase in shareholding in companies previously under control due to acquisition to non-controlling interest (Ekarpen Private Equity, S.A.)			(7,997)		(7,997)	(24,219)	(32,216)
Transfers from retained earnings to non-controlling interest due to non-proportional capital increase			(2,771)		(2,771)	2,771	
Other movements and adjustments from prior years			(299)		(299)	663	364
AT DECEMBER 31, 2015	**288,237**	**61,591**	**1,209,789**	**(167,809)**	**1,391,808**	**406,585**	**1,798,393**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

(In thousands of euros)

	Note	December 31, 2015	December 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxes and after non-controlling interest from continuing activities		**225,430**	**187,565**
Profit for the year from discontinued operations net of taxes		**-**	**(1,573)**
Profit for the year before taxes and after non-controlling interest		**225,430**	**185,992**
Adjustments to profit		**542,083**	**420,850**
Depreciation and amortization of intangible assets and PP&E	8-9	356,402	318,917
Impairment of intangible assets and PP&E	8-9	3,735	78
Impairment	11-12	5,570	(10,988)
Change in provisions	18	31,181	(9,862)
Grants released to income	17	(6,589)	(5,388)
Profit (loss) attributable to non-controlling interest	16	27,372	3,108
Profit from disposal of intangible assets and PP&E		(1,832)	1,379
Profit from disposal of financial instruments		13,829	-
Financial income	25	(13,309)	(9,597)
Financial expenses	25	121,850	138,608
Share of profits from associates - equity method	10	364	3,164
Exchange rate differences		4,881	(12,054)
Other income and expenses		(1,371)	3,485
Changes in working capital		**9,685**	**151,833**
(Increase)/Decrease in Inventories		(19,931)	(38,816)
(Increase)/Decrease in Trade and other receivables		(141,582)	84,503
(Increase)/Decrease in Other current assets		(5,190)	(6,576)
Increase/(Decrease) in Trade and other payables		171,097	120,195
Increase/(Decrease) in Other current liabilities		5,291	(7,473)
Other cash-flows from operating activities		**(177,255)**	**(193,198)**
Interest paid		(113,135)	(139,820)
Interest received		8,680	7,224
Proceeds (payments) of income tax		(72,800)	(60,602)
Cash flows from operating activities		**599,943**	**565,477**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		**(626,649)**	**(501,636)**
Group companies and associates		(2,050)	(28,811)
Intangible assets	8-20	(88,303)	(70,008)
Property, plant and equipment	9-20	(528,018)	(382,033)
Other financial assets		(8,278)	(6,105)
Net change of other financial assets		-	(14,679)
Proceeds from divestments		**92,070**	**54,035**
Group companies and associates		28,411	10,403
Intangible assets	8	574	1,086
Property, plant and equipment	9	20,165	12,481
Other financial assets		4,317	1,652
Net change of other financial assets		38,603	-
Assets held for sale		-	28,413
Cash flows from investing activities		**(534,579)**	**(447,601)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds and payments on equity instruments		**(28,067)**	**(6,535)**
Change in non-controlling interest	16	(32,216)	(11,320)
Grants, donations and legacies received	17	5,772	4,990
Translation differences in equity		(911)	(205)
Other movements on equity		(712)	-
Proceeds and payments on financial liabilities		**(120,799)**	**(130,869)**
Issue		162,734	74,417
Interest-bearing loans and borrowings		154,492	42,824
Net change in credit facilities, discounted bills and factoring		-	-
Borrowings from Group companies and associates		-	21,803
Other borrowings		8,242	9,790
Repayment of		(283,533)	(205,286)
Bonds and other marketable securities		(20,371)	-
Interest-bearing loans and borrowings		(139,066)	(56,982)
Net change in credit facilities, discounted bills and factoring		(59,809)	(2,277)
Borrowings from Group companies and associates		(22,019)	(131,170)
Other borrowings		(42,268)	(14,857)
Payments on dividends and other equity instruments		**(50,196)**	**(41,512)**
Dividends	14-16	(50,196)	(41,512)
Cash flows from financing activities		**(199,062)**	**(178,916)**
Effect of changes in exchange rates		**5,739**	**24,557**
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS		**(127,959)**	**(36,483)**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2015

1. Activity and companies included in consolidation scope

GESTAMP AUTOMOCIÓN, S.A., (hereinafter, the "Company") was incorporated on December 22, 1997. Its registered address is currently in the Industrial Park of Lebario in Abadiano (Vizcaya).

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

On August 2, 2012 the Company registered the change of its legal name, from limited company to corporation, in the Commercial Register of Vizcaya.

The Company in turn belongs to a larger group, headed by its majority shareholder Acek, Desarrollo y Gestión Industrial, S.L., formerly named Corporación Gestamp, S.L. The legal name change was adopted in the Extraordinary and Universal General Shareholders' Meeting on February 5, 2015, being executed in a public deed on the same day. The Company carries out commercial and financial transactions with the companies of Acek, Desarrollo y Gestión Industrial Group under the terms and conditions established among the parties on an arm's length basis. Intra-Group transfer prices are duly documented as stipulated by the prevailing legislation.

The activities of the Company and its subsidiaries (the "Group") are focused on the design, development, and manufacturing of metal components for the automotive Industry via: stamping, tooling, assembly, welding, tailor welded blanks, and die cutting. The Group also includes other companies dedicated to services such as research and development of new technologies.

Most of the Group's business is conducted in the European Union; the Americas constitute the second most significant geographic market and Asia the third one (Note 23.a).

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

2. Changes in consolidation scope and business combinations

2.a Changes in consolidation scope

During 2015

In 2015 the companies Gestamp Technology Institute S.L., Gestamp Tooling Engineering Deutschland GmbH, Gestamp Chattanooga II Llc., Autotech Engineering R&D USA, Inc., Gestamp Autocomponents Wuhan, Co. Ltd. and the companies belonging to Edscha Subgroup Edscha Scharwaechter Mechanism S.A.P.I. de C.V. and Edscha Scharwaechter Mechanism Servicios Laborales S.A.P.I. de C.V. were incorporated into the consolidation scope. These companies have been created in 2015 and incorporated into consolidation scope by full consolidation method.

On December 1, 2015 the company Gestamp Mor KFT was dissolved.

On November 4, 2015 the company GMF Wuhan Ltd, which belonged to Gestamp Metal Forming Subgroup, split and consequently the company Gestamp Auto Components (Chongqing) Co Ltd. was created.

In 2015 there have been a business combination of Gestamp Pune Automotive Private Limited (Note 2.b).

Due to the acquisition of 30% shareholding in Anhui Edscha Automotive Parts Co Ltda in 2014 there has been a price adjustment for 712 thousand euros.

On July 21, 2015 the Company and the subsidiary Gestamp Bizcaya, S.A. acquired 40% shareholding in subsidiary Gestamp Global Tooling S.L. from non-controlling partner Ekarpen Private Equity S.A. (Ekarpen) for 32,216 thousand euros.

By this operation the Group increased their shareholding in the said company from 60% to 100%. Since there were previous control, the profit from the operation was directly registered in Equity, leading to a decrease in Reserves at fully-consolidated companies for 7,997 thousand euros (Note 14).

In addition, this operation meant a decrease in non-controlling interest for 24,219 thousand euros (Note 16).

<u>During 2014</u>

In 2014 the companies GGM Puebla, S.A. de C.V and GGM Puebla Servicios Laborales, S.A. de C.V., were incorporated into the consolidation scope. Both companies are consolidated by full consolidation method into the Gestión Global de Matricería, S.L. Subgroup, which is included into the Group consolidation scope by equity method.

On April 11, 2014 the group company Gestamp Toledo S.A. sold their investment in the company Sungwoo Gestamp Hitech Chennai Ltd. In addition, the Griwe Subgroup has sold their investment in companies Gestamp Sungwoo Hitech (Chennai) private Ltd and GS Hot Stamping Co. Ltd. The sold companies were being consolidated under equity method. The result of the operation is 526 thousand euros of losses, registered under the heading discontinued operations (Note 26).

On April 11, 2014 the group company Gestamp Solblank Barcelona S.A. acquired 50% shareholding of the company Gestamp Automotive Chennai Private, Ltd. (by so reaching 100% shareholding) over which they already had control. This increase in shareholding has led to a decrease in Reserves at fully consolidated entities registered under the heading retained earnings amounting to 1,553 thousand euros.

On February 17, 2014, with effective date January 1, 2014, the company Edscha Holding GmbH, belonging to Edscha Subgroup, acquired 30% shareholding of Anhui Edscha Automotive Parts Co Ltda, company also belonging to Edscha Subgroup over which they already had 70% shareholding and had control. This increase in shareholding has led to a decrease in Reserves at fully consolidated entities registered under the heading retained earnings amounting to 1,780 thousand euros.

Additionally, in 2013 the Group acquired 5% shareholding of Griwe Subgroup. The cost price has increased in 2014 due to the tax settlement related to the acquisition amounting to 1,270 thousand euros.

The total decrease in Retained earnings due to the increase in shareholding in Gestamp Automotive Chennai Private, Ltd. and Anhui Edscha Automotive Parts Co Ltd as well as to the cost price adjustment of Griwe Subgroup amounted to 4,603 thousand euros (Note 14).

On February 7, 2014 the companies Gestamp Ingeniería Europa Sur S.L., Ocon Automated Systems S.L.U. and Ocon Industrielle Konzepte S.L.U. have merged, being Gestamp Ingeniería Europa Sur S.L. the absorbing company. Ocon Industrielle Konzepte S.L.U. was not included in consolidation scope since considered no significant, so the merge has led to an increase in Reserves at fully consolidated entities for 46 thousand euros (Note 14).

On February 7, 2014 the company MB Pamplona S.A.U. was dissolved.

On December 18, 2013 Mursolar 21, S.L. acquired shareholding in subsidiaries Gestamp Autocomponents (Shenyang) Co. Ltd. and Gestamp Autocomponents (Dongguan) Co. Ltd. to other Group companies. This agreement was subject to approval from Chinese competence authorities.

In 2014 the requirements for the completion of the sale are fulfilled, therefore Mursolar, 21, S.L. has direct shareholding in both companies, recognizing COFIDES, S.A. as indirect non-controlling interest.

On September 26, 2014 the companies Gestamp Palencia, S.A. and Sofedit España, S.A.U. have merged, being Gestamp Palencia, S.A. the absorbing company.

In 2014, the company Gestamp Sungwoo Stamping&Assemblies Private, Ltd changed their legal name to Gestamp Automotive Chennai Private, Ltd.

The contribution to Consolidated Balance Sheet and Income Statement from the new companies included in the consolidation scope in 2014 is not significant.

2.b Business combinations

Gestamp Pune Automotive Private Limited (formerly Sungwoo Gestamp Hitech (Pune) Private Limited) located in Pune (India) was incorporated on August 7, 2008 by Sungwoo Hitech Company Ltd. On April 3, 2013 Sungwoo Hitech Company Ltd signed a Joint Venture agreement with subsidiary Gestamp Cerveira Ltda so each company owned 50% shareholding in Sungwoo Gestamp Hitech (Pune) Private Limited.

This investment was accounted for using the equity method until acquiring control in July 2015 and the carrying amount at the said date was 3,542 thousand euros. When assessing again the fair value of the investment before business combination it was recognized loss amounting to 1,037 thousand euros.

The company purpose is manufacturing automobile components for passenger cars.

On July 22, 2015 the subsidiary Gestamp Automotive Chennai Private Limited acquired remaining 50% shareholding in Gestamp Pune Automotive Private Limited and by so acquired control. The cost of this acquisition amounted to 98 thousand euros.

The fair value of the assets and liabilities from Gestamp Pune Automotive Private Limited obtained from the inclusion balance sheet is as follows:

	Thousand euros
Intangible assets (Note 8)	33
Property, plant and equipment (Note 9)	
Land and buildings	6,006
Plant and other PP&E	783
Inventories	40
Cash and cash equivalents	2,656
Other assets	1,597
	11,115
Other current liabilities	5
Trade accounts payable	51
Other liabilities	6,048
	6,104
Net assets	5,011
Carrying amount of 50% (first adquisition)	3,542
Cost of 50% of consideration (control takeover)	98
Net effect business combination	1,371

The consideration was fully paid in cash.

No goodwill arose from the acquisition and there were no significant contingent payments.

The net effect of the business combination amounted to 1,371 thousand euros and was registered under the heading “Other operating income” in the Consolidated Income Statement as of December 31, 2015 (Note 23.b).

Since the company was still dormant at December 31, 2015 there was no contribution to revenue. The income attributable to the business combination from the acquisition date to December 31, 2015 amounted to 912 thousand euros of profit. It included the net effect of the business combination for 2015 amounting to 1,371 thousand euros. The headcount incorporated from this business was around 19.

There were no significant costs associated to this transaction.

With regard to this business combination, the principal assessment criteria for calculating the fair value of the different accounting line items are as follows:

Intangible assets: measured at acquisition cost, which approximates to fair value.

Property, plant, and equipment: valuations were based on an independent third party report. Market valuations served as the underlying criteria for the determination of fair value of Land and buildings.

Inventories of finished products: measured according to production cost, which also approximates to replacement value.

Other assets and liabilities: measured at nominal value.

There were no business combinations at December 31, 2014.

3. Consolidation scope

The breakdown of companies included in the consolidation scope, as well as information on the consolidation method applied, location, activity, direct or indirect shareholdings and their auditors, is shown below:

December 31, 2015							
Company	**Address**	**Country**	**Direct shareholding**	**Indirect shareholding**	**Activity**	**Consolidation method**	**Auditors**
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio management	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	39.37%	60.63%	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 AIE	Vizcaya	Spain	10.00%	90.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Real Estate	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailored blank welding	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 management	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%		Administrative services	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		100.00%	Die cutting production	Full	Ernst & Young
Gestamp Galvanizados, S.A.	Palencia	Spain	5.01%	94.99%	Component galvanazing	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	Dormant	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
Metalbages P-51, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
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
Tavol Internacional SGPS, Lda.	Madeira	Portugal		100.00%	Dormant	Full	N/A
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%	Labor 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 management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Portfolio management	Full	Ernst & Young
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administrative 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%	Tailored blank welding	Full	Ernst & Young
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%	Administrative services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio management	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 Finance Luxemburgo, S.A.	Luxembourg	Luxembourg		99.95%	Portfolio management	Full	Grant Thornton Lux Audit
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
S.G.F, S.A.	Brussels	Belgium		99.95%	Portfolio management	Full	Deloitte
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

December 31, 2015							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Tooling Services, AIE	Vizcaya	Spain		100.00%	Engineering and mold 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, 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%	Labor services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
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%	Adjustment	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	Equity method	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 management	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 management	Full	Ernst & Young
Edscha Subgroup (*)	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%	0.01%	Engineering and mold design	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Engineering and mold design	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 Metal Forming Subgroup	Remscheid	Germany		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
Essa Palau, S.A.	Barcelona	Spain		40.00%	Tooling and parts manufacturing	Equity method	Deloitte
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultory services	Full	Ernst & Young
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		Manufacture and sale of machinery for cutting	Full	Ernst & Young
Bero Tools, S.L.	Guipúzcoa	Spain		100.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain		100.00%	Die cutting production	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	N/A
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Denetciler Swon/KPMG
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%	Die cutting production	Full	Ernst & Young
Gestión Global de Matricería, S.L.	Vizcaya	Spain	30.00%		Dormant	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores
IxCxT, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio management	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 & Development and IT	Full	Ernst & Young
Autotech Engineering R&D Uk limited	Durhan	United Kingdom		100.00%	Research & Development and IT	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio management	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio management	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio management	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%	Labor services	Equity method (A)	N/A
Gestamp Technlogy Institute, S.L.	Vizcaya	Spain	99.99%	0.01%	Education	Full	N/A
Gestamp Tooling Engineering Deutschland, GmbH	Braunschweig.	Germany		100.00%	Die cutting production	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%	Research & Development and IT	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%		Tooling and parts manufacturing	Full	N/A

(*) The Edscha Subgroup indirect shareholding corresponds to the Gestamp Metalbages, S.A. and Gestamp Polska, SP. Z.O.O. direct shareholding in Edscha Holding GmbH., 67% and 33%, respectively.
(A) These companies are consolidated under full consolidation method in Gestión Global de Matricería Subgroup. This Subgroup is accounted for in Gestamp Group using the equity method.

December 31, 2014							
Company	**Address**	**Country**	**Direct shareholding**	**Indirect shareholding**	**Activity**	**Consolidation method**	**Auditors**
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio management	Full	Ernst & Young
Gestamp Bizkaia, S.A.	Vizcaya	Spain	75.00%	25.00%	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	39.37%	60.63%	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 AIE	Vizcaya	Spain	10.00%	90.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Real Estate	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailored blank welding	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 management	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%		Administrative services	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Gestamp Galvanizados, S.A.	Palencia	Spain	5.01%	94.99%	Component galvanazing	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	Dormant	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
Metalbages P-51, S.L.	Barcelona	Spain		100.00%	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
Tavol Internacional SGPS, Lda.	Madeira	Portugal		100.00%	Dormant	Full	N/A
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%	Labor 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 management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Portfolio management	Full	N/A
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administrative 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%	Tailored blank welding	Full	Ernst & Young
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 Mör, KFT	Akai	Hungary		100.00%	Dormant	Full	N/A
Gestamp North America, INC	Michigan	USA		70.00%	Administrative services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio management	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	Plante & Moran, LLP/E&Y
Gestamp Alabama, LLc.	Alabama	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young

December 31, 2014							
Company	**Address**	**Country**	**Direct shareholding**	**Indirect shareholding**	**Activity**	**Consolidation method**	**Auditors**
Gestamp Finance Luxemburgo, S.A.	Luxembourg	Luxembourg		99.95%	Portfolio management	Full	Grant Thornton Lux Audit
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
S.G.F, S.A.	Brussels	Belgium		99.95%	Portfolio management	Full	Deloitte
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		76.00%	Engineering and mold 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, 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		70.00%	Labor services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
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		60.00%	Adjustment	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
Sungwoo Gestamp Hitech Pune Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Equity method	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 management	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 management	Full	Ernst & Young
Edscha Subgroup (*)	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Global Tooling, S.L.	Vizcaya	Spain	60.00%		Engineering and mold design	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		60.00%	Engineering and mold design	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	N/A
Gestamp Metal Forming Subgroup	Remscheid	Germany		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
Essa Palau, S.A.	Barcelona	Spain		40.00%	Tooling and parts manufacturing	Equity method	Deloitte
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultory services	Full	N/A
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		Manufacture and sale of machinery for cutting	Full	Ernst & Young
Bero Tools, S.L.	Guipúzcoa	Spain		92.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain		79.84%	Die cutting production	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	N/A
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Denetciler Swon/KPMG
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Try Out Services, S.L.	Vizcaya	Spain		60.00%	Die cutting production	Full	N/A
Gestión Global de Matricería, S.L.	Vizcaya	Spain	35.00%		Dormant	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		35.00%	Die cutting production	Equity method (A)	IZE Auditores
IxCxT, S.A.	Vizcaya	Spain		35.00%	Die cutting production	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio management	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 & Development and IT	Full	Ernst & Young
Autotech Engineering R&D Uk limited	Durhan	United Kingdom		100.00%	Research & Development and IT	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio management	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio management	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio management	Full	Ernst & Young
GGM Puebla, S.A. de C.V.	Puebla	Mexico		35.00%	Tooling and parts manufacturing	Equity method (A)	N/A
GGM Puebla de Servicios Laborales, S.A. de C.V.	Puebla	Mexico		35.00%	Labor services	Equity method (A)	N/A

(*) The Edscha Subgroup indirect shareholding corresponds to the Gestamp Metalbages, S.A. and Gestamp Polska, SP. Z.O.O. direct shareholding in Edscha Holding GmbH., 67% and 33%, respectively.
(A) These companies are consolidated under full consolidation method in Gestión Global de Matricería Subgroup. This Subgroup is accounted for in Gestamp Group using the equity method.

The companies which hold the indirect investments indicated in the above table, corresponding to December 31, 2015 and December 31, 2014 are specified in Annex I.

The companies which compose the Griwe Subgroup at December 31, 2015 and December 31, 2014 are the following:

Company	Address	Country	Shareholding	Consolidation method
Gestamp Griwe Westerburg GmbH	Westerburg	Germany	Parent company	Full
Gestamp Griwe Hot Stamping GmbH	Haynrode	Germany	100.00%	Full
Gestamp Griwe Haynrode GmbH	Haynrode	Germany	100.00%	Full

The activity of these companies relates mainly to manufacturing automobile parts and components.

The companies which compose the Edscha Subgroup at December 31, 2015 and December 31, 2014 and the information about the consolidation method used, address and shareholding percentage (direct and indirect), are the following:

December 31, 2015						
Company	Address	Country	Direct shareholding	Indirect shareholding	% Direct shareholding Gestamp Automoción	Consolidation method
Edscha Holding GmbH	Remscheid	Germany	Parent company			Full
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany	100.00%			Full
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany	100.00%			Full
Edscha Engineering GmbH	Remscheid	Germany	100.00%			Full
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	94.90%		5.10%	Full
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	94.90%		5.10%	Full
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic	100.00%			Full
Edscha Hradec S.R.O.	Hradec	Czech Republic	100.00%			Full
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia	100.00%			Full
Gestamp 2008, S.L.	Villalonquéjar (Burgos)	Spain	60.00%			Full
Edscha Burgos, S.A.	Villalonquéjar (Burgos)	Spain	0.01%	59.99%		Full
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain		56.99%	5.01%	Full
Edscha Briey S.A.S.	Briey Cedex	France		62.00%		Full
Edscha Engineering France SAS	Les Ulis	France	100.00%			Full
Edscha do Brasil Ltda.	Sorocaba	Brazil		93.64%		Full
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan	100.00%			Full
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan	50.00%			Equity method
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		50.00%		Equity method (A)
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		50.00%		Equity method (A)
Edscha Automotive Technology Co., Ltd.	Shanghai	China	100.00%			Full
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China	55.00%			Full
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China	100.00%			Full
Edscha Automotive Michigan, Inc	Lapeer	USA	100.00%			Full
Edscha Togliatti, Llc.	Togliatti	Russia	100.00%			Full
Edscha Automotive Components Co., Ltda.	Kunshan	China	100.00%			Full
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	75.00%		25.00%	Full
Edscha Kunststofftechnik GmbH	Remscheid	Germany	100.00%			Full
Edscha Pha, Ltd.	Seul	South Korea	50.00%			Full
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand	50.99%	0.01%		Full
Edscha Scharwaecther Mechanism S.A.P.I. de C.V.	México DF	Mexico	99.99%	0.01%		Full
Edscha Scharwaecther Mechanism Servicios Laborales S.A.P.I. de C.V.	México DF	Mexico	99.99%	0.01%		Full

(A) These companies are consolidated under full consolidation method in Jui Li Edscha Body Systems Subgroup. This Subgroup is accounted for in Edscha Subgroup using the equity method.

December 31, 2014						
Company	Address	Country	Direct shareholding	Indirect shareholding	% Direct shareholding Gestamp Automoción	Consolidation method
Edscha Holding GmbH	Remscheid	Germany	Parent company			Full
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany	100.00%			Full
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany	100.00%			Full
Edscha Engineering GmbH	Remscheid	Germany	100.00%			Full
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	94.90%		5.10%	Full
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	94.90%		5.10%	Full
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic	100.00%			Full
Edscha Hradec S.R.O.	Hradec	Czech Republic	100.00%			Full
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia	100.00%			Full
Gestamp 2008, S.L.	Villalonquéjar (Burgos)	Spain	60.00%			Full
Edscha Burgos, S.A.	Villalonquéjar (Burgos)	Spain	0.01%	59.99%		Full
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain		56.99%	5.01%	Full
Edscha Briey S.A.S.	Briey Cedex	France		56.98%		Full
Edscha Engineering France SAS	Les Ulis	France	100.00%			Full
Edscha do Brasil Ltda.	Sorocaba	Brazil		74.78%		Full
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan	100.00%			Full
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan	50.00%			Equity method
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		50.00%		Equity method (A)
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		50.00%		Equity method (A)
Edscha Automotive Technology Co., Ltd.	Shanghai	China	100.00%			Full
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China	55.00%			Full
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China	100.00%			Full
Edscha Automotive Michigan, Inc	Lapeer	USA	100.00%			Full
Edscha Togliatti, Llc.	Togliatti	Russia	100.00%			Full
Edscha Automotive Components Co., Ltda.	Kunshan	China	100.00%			Full
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	75.00%		25.00%	Full
Edscha Kunststofftechnik GmbH	Remscheid	Germany	100.00%			Full
Edscha Pha, Ltd.	Seul	South Korea	50.00%			Full
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand	50.99%	0.01%		Full

(A) These companies are consolidated under full consolidation method in Jui Li Edscha Body Systems Subgroup. This Subgroup is accounted for in Edscha Subgroup using the equity method.

The companies which hold the indirect shareholding indicated in the above table at December 31, 2015 and December 31, 2014 are the following:

December 31, 2015		
Company	Company holding the indirect investment	% investment
Edscha Santander, S.L.	Gestamp 2008, S.L.	94.99%
Edscha Burgos, S.A.	Gestamp 2008, S.L.	99.99%
Edscha do Brasil, Ltda.	Edscha Santander, S.L.	16.74%
Edscha Briey, S.A.S	Edscha Santander, S.L.	100.00%
Edscha do Brasil, Ltda.	Edscha Engineering GmbH	83.26%
Edscha Aapico Automotive, Co, Ltd.	Edscha Engineering GmbH	0.01%
Edscha Scharwaechter Mec. S.A.P.I. de C.V.	Edscha Engineering GmbH	0.01%
Edscha Scharwaechter Mec. Serv. Lab. S.A.P.I. de C.V.	Edscha Engineering GmbH	0.01%
Jui Li Edscha Holding Co. Ltda.	Jui Li Edscha Body Systems Co Ltda.	100.00%
Jui Li Edscha Hainan Industry Enterprise Co Ltda.	Jui Li Edscha Holding Co. Ltda.	100.00%

December 31, 2014		
Company	Company holding the indirect investment	% investment
Edscha Santander, S.L.	Gestamp 2008, S.L.	94.99%
Edscha Burgos, S.A.	Gestamp 2008, S.L.	99.99%
Edscha do Brasil, Ltda.	Edscha Santander, S.L.	58.63%
Edscha Briey, S.A.S	Edscha Santander, S.L.	100.00%
Edscha do Brasil, Ltda.	Edscha Engineering GmbH	41.37%
Jui Li Edscha Holding Co. Ltda.	Jui Li Edscha Body Systems Co Ltda.	100.00%
Jui Li Edscha Hainan Industry Enterprise Co Ltda.	Jui Li Edscha Holding Co. Ltda.	100.00%
Edscha Aapico Automotive, Co, Ltd.	Edscha Engineering GmbH	0.01%

These companies are active primarily in the manufacturing of automotive components.

The companies which compose the Gestamp Metal Forming Subgroup at December 31, 2015 and December 31, 2014 and the information about the consolidation method used, address and shareholding percentage (direct and indirect), are the following:

December 31, 2015					
Company	Address	Country	Direct shareholding	Indirect shareholding	Consolidation method
GMF Holding GmbH	Remscheid	Germany	Parent company		Full
GMF Wuhan, Ltd	Wuhan	China	100.00%		Full
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany	100.00%		Full
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom	100.00%		Full
Sofedit, S.A.S	Le Theil sur Huisne	France	65.00%		Full
Gestamp Prisma, S.A.S	Usine de Messempré	France	100.00%		Full
Gestamp Tallent , Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Full
Gestamp Wroclaw Sp.z,o.o.	Wroclaw	Poland		65.00%	Full
Gestamp Auto components (Chongqing) Co., Ltd.	Chongqing	China	100.00%		Full

December 31, 2014					
Company	Address	Country	Direct shareholding	Indirect shareholding	Consolidation method
GMF Holding GmbH	Remscheid	Germany	Parent company		Full
GMF Wuhan, Ltd	Wuhan	China	100.00%		Full
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany	100.00%		Full
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom	100.00%		Full
Sofedit, S.A.S	Le Theil sur Huisne	France	65.00%		Full
Gestamp Prisma, S.A.S	Usine de Messempré	France	100.00%		Full
Gestamp Tallent , Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Full
Gestamp Wroclaw Sp.z,o.o.	Wroclaw	Poland		65.00%	Full

The companies which hold the indirect shareholding indicated in the above table at December 31, 2015 and December 31, 2014 are the following:

December 31, 2015		
Company	Company holding the indirect investment	% investment
Gestamp Tallent, Ltd.	Automotive Chassis Products, Plc	100.00%
Gestamp Wroclaw Sp.z,o.o.	Sofedit, S.A.S	100.00%

December 31, 2014		
Company	Company holding the indirect investment	% investment
Gestamp Tallent, Ltd.	Automotive Chassis Products, Plc	100.00%
Gestamp Wroclaw Sp.z,o.o.	Sofedit, S.A.S	100.00%

These companies are active primarily in the manufacturing of automotive components.

No significant subsidiaries have been excluded from the consolidation scope.

The closing of the financial year for the companies included in the consolidation scope is December 31, 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 fiscal years close on March 31. However, an interim closing as at December, 31 has been prepared for the purpose of including these companies in the Consolidated Financial Statements at December 31.

4. Basis of presentation

4.1 True and fair view

The Consolidated Financial Statements for the period ended December 31, 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and enacted in European Commission legislation in effect on December 31, 2015.

The Consolidated Financial Statements have been prepared on the basis of the accounting records of each group company as of December 31, 2015 and December 31, 2014. 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 have been made in consolidation in order to harmonize the policies and methods used and to adapt them to IFRS.

The figures contained in these Consolidated Financial Statements are expressed in thousands of euros, unless otherwise indicated.

4.2 Approval of the Financial Statements and proposal for the appropriation of profit

The individual 2015 Financial Statements of the Group companies will be presented for approval at their respective Annual General Meetings of shareholders within the deadlines established by the prevailing legislation. The Directors of the Company believe that no significant changes will be made to the 2015 Consolidated Financial Statements as a result of this process. The Gestamp Automoción Group's 2015 Consolidated Financial Statements will be authorized by the Board of Directors of the Company on March 21, 2016 for issue and submission to the Annual General Meeting where they are expected to be approved without modification.

The Company's Board of Directors will submit the following appropriation of profit proposal for the year ended December 31, 2015 for approval at the Annual General Meeting:

	Thousands of euros
Basis of appropriation	
As per income statement	8,785
Appropriation to:	
Losses to offset	7,336
Legal reserve	878
Goodwill reserve	571

Restrictions on the distribution of dividends

The Company is obliged to transfer 10% of profit for the year to a legal reserve until this reserve reaches an amount at least equal to 20% of issued capital. Unless the balance of the reserve exceeds this amount, it cannot be distributed to shareholders.

Once the legal requirements have been met, dividends may only be distributed against profit for the year or against unrestricted reserves if the book value of equity is not lower than, or as a result of the dividend payment would not dip below, issued share capital. For this purpose, profit recognized directly in shareholders' equity cannot be directly or indirectly distributed. If prior years' losses have reduced the Company's book value of equity to below the amount of its issued share capital, profit must be allocated to offset these losses.

4.3. Comparison of information

There have been no significant additions to consolidation scope in 2015 and 2014 except the business combination of Gestamp Pune Automotive Private Limited (Note 2.b) and the acquisition of 40% shareholding in Gestamp Global Tooling, S.L. to non-controlling shareholder Ekarpen Private Equity S.A. (Ekarpen) (Note 2.a).

4.4 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the parent company and subsidiaries as per December 31, 2015.

The Group controls a subsidiary if and only if it has:

- 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
- The ability to use its power over the subsidiary to affect the amount of the investor's 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

The Group reassesses the existence of control over a subsidiary when facts and circumstances indicate changes in one or more elements determining control (Note 6).

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 Consolidated Financial Statements include that subsidiary's results for the portion of the year during which the Group held control.

The financial statement of the subsidiaries have the same closing date as the parent company, except for the companies mentioned in Note 3. The said companies have an additional closing for the financial year for their inclusion to the Consolidated Financial Statements, being elaborated with the same accounting policies in a uniform and coherent procedure.

The profit of a subsidiary is attributed to non-controlling interest even if it means registering a receivable balance.

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

- Derecognizes assets (including goodwill) and liabilities of such subsidiary.
- Derecognizes carrying amount of non-controlling interests.
- Derecognizes the translation differences registered in Equity.

- Recognizes the fair value of the amount received for the operation.
- Recognizes the fair value of any retained investment.
- Recognizes any excess or deficit in the Consolidated Income Statement.
- Reclassifies the shareholding of the parent Company in the items previously registered in Other Comprehensive Income to profit or to retained earnings, as appropriate.

Subsidiaries
The full consolidation method is used for companies meeting the following requirements:

I. Companies in which the Company holds a direct or indirect interest of over 50%, which gives it more than half the voting rights on the entity's governing bodies.

II. Companies where the Company have influence in returns, over which the Company has rights, by making decisions on their relevant activities.

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 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 the Financial Statements of foreign operations
The assets and liabilities and income statements of foreign operations included in the consolidation scope whose functional currency is different from the presentation currency are translated to euro 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 Consolidated Balance Sheet date.

- Income and expenses are translated using the average exchange rate, so long as that average is a reasonable approximation of the cumulative effect of the actual exchange rates prevailing at the transactions dates.

The differences between the net book value of equity of the foreign companies converted using historical exchange rates and including the net result from the Profit and Loss Account reflecting the above mentioned treatment of income and expenses in foreign currencies, and the net book value of equity resulting from the conversion of goods, rights and liabilities using the exchange rate prevailing at the Consolidated Balance Sheet date, are registered as “Translation differences”, with the corresponding negative or positive sign, in the Equity in the Consolidated Balance Sheet (Note 15).

Exchange gains and losses due to the impact of changes in the functional currency relative to the euro on foreign currency borrowings considered permanent are taken directly to equity under “Translation differences”, net of tax effect. The net amount of translation differences in 2015 is 16 million euros of negative translation differences (20 million euros of negative translation differences in 2014).

At December 31, 2015 and December 31, 2014 neither the Company nor the subsidiaries held equity units issued by the Company.

The effect of changes in foreign exchange rates, when presenting the Statement of Cash Flows by indirect method, has been calculated considering an average for the year of Cash and cash equivalents and applying the change of foreign exchange rates at closing of each year.

Transactions between companies included in the consolidation scope

The following transactions and balances were eliminated in consolidation:

- Reciprocal receivables/payables and expenses/income relating to intra-Group transactions.

- Income from the purchase and sale of property, plant, and equipment as well as unrealized gains on inventories, if the amount is significant.

- Intra-Group dividends and the debit balance corresponding to interim dividends recognized at the company that paid them.

Non-controlling interest

The value of non-controlling interest in the equity and profit (loss) for the year of consolidated subsidiaries consolidated by the full consolidation method is recognized in “Equity attributable to non-controlling interest” in the Equity in the Consolidated Balance Sheet and in “Profit (loss) attributable to non-controlling interest” in the Consolidated Income Statement and Consolidated Comprehensive Income Statement, respectively.

4.5 Changes in accounting policies

1. *Standards and interpretations adopted by the European Union applied by first time this year*

The accounting policies used in the preparation of these Consolidated Financial Statements are the same to those applied to the Consolidated Financial Statements for the year ended December

31, 2014 since none of the modifications to the standards or the interpretations which are first time applicable this year have impact in the Group.

2. *Standards and interpretations issued by the IASB but not applicable this year*

The Group intends to adopt the standards, interpretations and amendments issued by the IASB but not mandatory in the European Union at the date of these consolidated financial statements when they become effective, if applicable. The Group is currently analyzing the impact. Based on the analyses carried out to date, the Group considers that the application of these standards and amendments will not have a significant impact on the consolidated financial statements except amendments down below.

IFRS 15 *Revenue From Contracts With Customers*

IFRS 15 was published in May 2014 and establishes a new five-step model framework applicable to revenue from customer contracts. Under IFRS 15, the amount of revenue recognized reflects the consideration to which the entity expects to be entitled in exchange for those goods or services provided to a customer. The principles of IFRS 15 introduce a more structured approach to measuring and recognizing revenue.

This new standard supersedes all prior standards on revenue recognition. IFRS 15 must be applied retroactively either totally or in part for the years beginning on January 01, 2018 or afterwards; early application is also permitted although this standard has not been adopted by the European Union yet. The Group is currently assessing the impact of IFRS 15 and plans to adopt it by the abovementioned date.

IFRS 16 *Leases*

IFRS 16 was published in January 2016 and implies significant changes for lessees since, for most leases, they will have to account an asset for the right to use and a liability for the rentals to pay. For lessors there are few changes compared to current IAS 17.

This new standard supersedes prior standards on leases. IFRS 16 permits either a full retrospective or a modified retrospective approach for the years beginning on January 01, 2019 included; early application is also permitted although this standard has not been adopted by the European Union yet. The Group pretends to adopt this new standard at the required effective date by a retrospective transition approach. The Group has started a preliminary assessment of IFRS 16 and the effects on their consolidated financial statements.

Company as lessee

The main effect in Group financial statements is the recognition in balance sheet of the right to use and the corresponding liability related to operating leases. As mentioned in Note 28, future minimum payments for non-cancellable operating leases amount to 439,838 thousand euros at December 31, 2015. The Group is analyzing whether periods for those future minimum payments are similar to lease periods to use according to IFRS 16.

In addition there will be an increase in operating income since leasing expenses (88,038 thousand euros in 2015 (Note 28)) are eliminated and amortization and financial expenses will increase for a total amount slightly higher to that amount.

Amendments to IAS 1 Disclosure Initiative

The Group is analyzing the proposed amendments and thus expects to apply the following recommendations in its 2015 financial statements:

- Eliminate immaterial information.
- Structure the notes so that the most relevant matters are described at the beginning of the notes to the financial statements.
- Eliminate disclosures included in the accounting policies that are included in the standards, including only Group-specific matters.

The Group's consolidated financial statements are not expected to be affected by the remaining amendments.

Amendments to IAS 7 Statement of cash-flows: Disclosure Initiative

These amendments require the Group to present information about the changes in financial liabilities for a better understanding of movements in Group debt. The amendments will enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from monetary and non-monetary operations (such as foreign exchange differences).

The amendments include illustrative examples with the reconciliation between the opening and closing balances of items for which cash flows are classified as financing activities, excluding equity items and separating movements that imply cash-flows from those that do not. These amendments will become effective for annual periods beginning on or after January 1, 2017 although early application is permitted. Comparative information from previous year is not required. Consequently, the amendments will not have impact until 2017, when this disclosure is required.

4.6 Going concern

The Group's management has drawn up these 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 on an ongoing basis with 84% of its bank financing as of December 31, 2015 and 2014 maturing over periods longer than twelve months.

At December 31, 2015 the Group had 391 million euros (2014: 560 million euros) of total available liquidity, comprised of 356 million euros in cash and cash equivalents (2014: 484 million euros) and 35 million euros in current financial assets (2014: 76 million euros). In addition, the Group has undrawn credit facilities amounting to 345 million euros at December 31, 2015 (2014: 267 million euros).

5. Summary of significant accounting policies

5.1 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 Consolidated Annual 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 different to 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 recognized in the Consolidated Income Statement.

5.2 Property, plant and equipment

Property, plant, and equipment is carried at either acquisition, transition cost to IFRS (January 1, 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.
- Discounts for prompt payment, which are deducted from the asset's carrying value.
- Directly attributable costs incurred to ready the asset for use.

Prior to the IFRS transition date (January 1, 2007), certain Group companies revalued certain items of property, plant, and equipment as permitted under applicable legislation (Royal Decree-Law 7/1996, Basque regional law 6/1996 and several international laws). The amount of these revaluations is considered part of the cost of the assets as provided for under IAS 1.

At the transition date to EU-IFRSs (January 1, 2007), Property, plant and equipment was measured at fair value at the said date, based on the appraisals of an independent expert, which generated a revaluation of Group assets (Note 9).

The carrying value of Property, plant, and equipment acquired by means of a business combination is measured by its fair value at the moment of its incorporation into the Group (Note 5.3) being it consider as its cost value.

Specific spare parts: certain major parts of some items of 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 capitalized.

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 Consolidated Income Statement in the year the asset is retired.

As permitted under revised IAS 23, borrowing costs directly attributable to the acquisition or development of a qualifying asset - an asset that takes more than one year to be ready for its intended use - are capitalized as part of the cost of the respective assets.

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:

	Years of estimated useful life
Buildings	17 to 50
Plant and machinery	3 to 15
Other plant, tools and furniture	2 to 10
Other PP&E items	4 to 10

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

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 until recoverable value.

5.3 Business combinations and 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” in the Consolidated Income Statement.

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 as at the acquisition date, included the separation of implicit derivatives financial instruments of the main contracts of the acquired company.

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 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 recognized is updated using the rate of exchange prevailing at the 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 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 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). The Company recognizes any excess that continues to exist after this reconsideration in the 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 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 5.7).

5.4 Investment in associates and joint ventures

The Group has several participations in joint ventures, business over which the Group exercises joint control, where contractual agreements exist. The contracts require that the agreement between the parties with respect the operating and financial decisions be unanimous.

The Group has also participations in associates, business over which the Group has significant influence.

Participations in associates and joint ventures are accounted for 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. The goodwill related to the associate or jointly controlled entity is included in the carrying amount of the investment and it is not amortised and no impairment test related is done.

The share of the Group in profits of operations of the associate or joint venture is reflected in the Consolidated Income Statement. When there has been a change recognized directly in equity by the associate or joint venture, the Group recognizes its share of this change, when applicable, in the statement of changes in equity. Non-realized gains or losses resulting from transactions between the Group and the associate or joint venture corresponding to the share of the Group in the associate or joint venture are eliminated.

The share of the Group in profits of the associate or joint venture is reflected directly in the Consolidated Income Statement and it represents profit after taxes and non-controlling interests.

The financial statements of the associate and the joint venture are prepared for the same period than the Group; the required adjustments and reclassifications have been made in consolidation in order to harmonize 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 closing date the Group consider if there are evidences of impairment of the investment in the associate or joint venture. If so, the impairment is calculated as the difference between the recoverable amount and the carrying amount of the associate or joint venture and the amount of such impairment is recognized in “Share of profits from associates- equity method” in the Consolidated Income Statement.

When the significant influence of the Group in the associate or joint venture ceases, the Group recognises the investment at its fair value. Any difference between the carrying amount of the associate or joint venture in the moment of loss of significant influence and the fair value of the investment plus the income for sale is recognized in the Consolidated Income Statement.

5.5 Other intangible assets

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

An intangible asset is recognized 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 capitalized 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.

Capitalized development costs are amortized over the period of expected future benefits.

Concessions, patents, licenses, 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.

Software

Software is measured at acquisition cost.

Software acquired from third parties and capitalized is amortized over its useful life, which in no instance will exceed 5 years.

IT maintenance costs are expensed as incurred.

5.6 Financial assets

Financial assets are initially measured at fair value plus any directly attributable transaction costs, except financial assets at fair value through profit and loss where transaction cost are registered in Consolidated Income Statement.

The Group classifies its financial assets, current and non-current, into the following categories:

- Financial assets at fair value through profit and loss (held for trading).

- Held-to-maturity investments.

- Loans and receivables.

- Available-for-sale financial assets.

- Investments in associates accounted for using the equity method.

Classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition and reassesses this designation at each year end.

Financial assets at fair value through profit and loss

These are financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments, except those designated as hedging instruments in an effective hedge.

They are classified as non-current assets, except for those maturing in less than 12 months, and they are carried on the balance sheet at fair value. Changes in value of these assets are recognized in the Consolidated Income Statement as Financial gains or losses.

Fair value is the market price at the Consolidated Balance Sheet date.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity.

They are classified as non-current, except for those maturing in less than 12 months from the balance sheet date. They are carried at amortized cost using the effective interest method, less any impairment charges.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current, except for those maturing in more than 12 months from the balance sheet date.

They are carried at amortized cost using the effective interest method, less any impairment charges.

Available-for-sale financial assets

There are financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. They are classified as non-current unless management plans to dispose of them within 12 months from the balance sheet date.

They are measured at fair value at the balance sheet date. Unrealized gains or losses are recognized in Retained earnings until the investment is retired or impaired, at which time the cumulative gain or loss recorded in equity is recognized in the Consolidated Income Statement.

Investments in associates 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 5.4).

Derecognition of financial instruments

The Group retires a transferred financial asset from the 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 recognizes a financial liability for the consideration received. This financial liability is subsequently measured at amortized cost. The transferred financial asset continues to be measured using the same criteria as prior to the transfer. In subsequent periods, the Group recognizes any income on the transferred asset and any expense incurred on the financial liability in the Consolidated Income Statement. Such income and expense are not offset.

5.7 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.

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.

When the carrying amount of a group of assets or CGU exceeds its recoverable amount, an impairment loss is recognized 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 that, 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 previsions individually prepared for each CGU to which the asset is allocated. Those budgets and previsions refer to a five-year period and for longer periods a long-term growing rate is calculated and used for estimating cash-flows after the fifth year.

The impairment losses from continued operations, including impairment of inventories, are registered in the Consolidated Income Statement in the expenses related 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 recognized impairment loss is reversed, with the reversal recognized in the 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 recognized.

The following assets present specific characteristics when assessing their impairment:

Consolidation goodwill

At year end as well as when there is evidence that goodwill may be impaired, an impairment test of goodwill is carried out.

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 their carrying amount, an impairment loss is registered.

Goodwill impairment losses cannot be reversed in future periods.

Intangible assets

The Group has implemented annual procedures to test intangible assets with indefinite useful life for impairment. This assessment is carried out for each of the CGUs or groups of CGUs, as well as when there is evidence that intangible assets may be impaired.

Impairment of financial assets

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

Once that 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 recognized in the income statement, the impairment loss is reversed through the income statement.

The recoverable amount of held-to-maturity investments and loans and receivables carried at amortized 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 is reduced through use of an allowance account and the amount of the loss is recognized in the Consolidated Income Statement. Current investments are not discounted to present value.

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

5.8 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 Consolidated Income Statement separately from the revenue and expenses from continued operations. They are reflected in a line as profit after taxes from discontinued operations.

At December 31, 2015 there are no assets and liabilities in this category and no profit from discontinued operations.

At December 31, 2014 the result of the sale of companies Gestamp Sungwoo Hitech (Chennai) Pvt., Ltd., Sungwoo Gestamp Hitech Chennai, Ltd. and GS Hot-Stamping Co. Ltd was registered as Profit for the year from discontinued operations net of taxes (under the heading Discontinued operations) for 526 thousand euros of losses (Note 26).

In addition, the 2014 profit from these companies until the sale amounting to 1,047 thousand euros of losses (Note 26) was also registered as Profit for the year from discontinued operations net of taxes (under the heading Discontinued operations).

5.9 Trade and other receivables

Accounts receivable from customers are measured in the accompanying Consolidated Balance Sheet at nominal value.

Discounted bills pending maturity at year end are included in the accompanying consolidated balance sheets 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 have been transferred to the bank (Note 12.a).

The Group recognizes impairment allowances on balances past-due over certain periods, or when other circumstances warrant their classification as impaired.

5.10 Inventories

Inventories are valued at the lower of acquisition or production cost and net realizable 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).

5.11 Tools made to customer order

A construction contract is a contract specifically negotiated with a customer for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognized by reference to the stage of completion of the contract activity at the balance sheet date (Note 5.18).

When the outcome of a construction contract cannot be estimated reliably, revenue is recognized to the extent that contract costs incurred are expected to be recoverable.

Based on its experience and Group estimates, with rare exceptions, management does not expect to incur losses, which have not been recognized on these Financial Statements, on the definitive settlement of the tool manufacture contracts in progress at December 31, 2015.

In the exceptional cases where there are contract costs that may not be recovered, no revenue is recognized and all amounts of such costs are recognized as an expense immediately.

Customer advances received reflect billing milestones and not necessarily the stage of completion of the contract.

Tools-in-progress measured using the stage of completion method are recognized under “Trade receivables” net of customer advances with a balancing entry to “Revenue from tool sales”.

5.12 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.

5.13 Government grants

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

When the grant relates to an asset, it is recognized as “Deferred Income” in the Consolidated Balance Sheet and released to income over the expected useful life of the related asset.

When the grant relates to expense items, it is recognized directly in the Consolidated Income Statement as income.

5.14 Financial liabilities (trade and other payables and borrowings)

Financial liabilities are initially recognized at fair value less attributable to transaction costs except financial liabilities at fair value through profit and loss. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized 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 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, cancelled or expires.

5.15 Provisions and contingent liabilities

Provisions are recognized when the Group has a present obligation (legal or implicit) as a result of past events, and it is probable 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 obligation.

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

Headcount restructuring provisions are stated at the amount of expenses expected to arise from the restructuring and any other expenses not associated with the entity's day-to-day business.

Headcount restructuring provisions are only recognized when there is a formal plan identifying the affected business, the main locations affected, and the employees to receive redundancy payments, the outlays to be incurred, when it will be implemented, and when the entity has raised a valid expectation that it will carry out the restructuring and 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 recognized 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 just broken down and not accounted for.

5.16 Employee benefits

The Group has assumed pension commitments for some companies belonging to the Edscha and the Gestamp Metal Forming Subgroups 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-employments 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 accrual principle.

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 recognized in OCI (Other Comprehensive Income) when incurred. In subsequent years, these actuarial gains and losses are registered as equity, and are not reclassified in profit and loss.

The amounts to be recognized 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 recognized 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 recognizes related restructuring costs or benefits of termination.

The net defined benefit liability (asset) is the deficit or surplus, detailed below, 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 (if any).

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.

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 Consolidated Income Statement as soon as they are known.

5.17 Leases

Leases in which all the risks and benefits associated with ownership of the asset are substantially transferred are classified as finance leases.

Assets acquired under financial lease arrangements are recognized, based on their nature, at the lower of the fair value of the leased item and the present value of the minimum lease payments at the outset of the lease term. A financial liability is recognized for the same amount. Lease payments are apportioned between finance charges and reduction of the lease liability. Leased assets are depreciated, impaired, and retired using the same criteria applied to assets of a similar nature.

Leases where the lessor substantially retains all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated Income Statement on a straight line basis over the lease term.

5.18 Revenue and expense recognition

Revenue and expenses are recognized when products are delivered or services are provided, regardless of when actual payment or collection occurs.

Revenue is recognized at fair value of the balancing entry, defining fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Revenue includes:

- Sale of goods: Revenue from the sale of goods is recognized when the following conditions have been met:
  - the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
  - the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
  - the amount of revenue can be measured reliably;
  - it is probable that the economic benefits associated with the transaction will flow to the Group.
  - the costs incurred or to be incurred in respect of the transaction can be reliably measured.
- Manufacture of tools for third party sale and rendering of services: revenue arising from the manufacture of tools for sale to third parties and the rendering of services are recognized by reference to the stage of completion of the transaction at the reporting date - stage of completion method (Note 5.11).
- Interest, royalties, and dividends: interest revenue is recognized 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).

  Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement.

  Dividends are recognized when the shareholder's right to receive payment is established.

Expenses are recognized when there is a decrease in the value of an asset or an increase in the value of a liability that can be measured reliably, and they are recognized during the period in which they are incurred.

5.19 Income tax

The income tax recognized in the Consolidated Income Statement includes current and deferred income tax.

Income tax expense is recognized in the Consolidated Income Statement except for current income tax relating to line items in shareholders' equity, which is recognized in equity and not in the income statement.

Current tax
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 recognized as a reduction in tax expense in the year in which they are applied or offset, unless there is reasonable doubt as to their realization, in which case they are not capitalized 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 recognized 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.

5.20 Derivative financial instruments and hedges

The 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 Company and on a portion of expected future borrowings.

These financial derivatives hedging cash flow are initially recognized in the 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 Consolidated Income Statement, while gains or losses on the effective portion are recognized in "Effective hedges" within "Retained earnings" with respect to cash flow hedges, and in "Translation differences" with respect to net foreign investment hedges. The cumulative gain or loss recognized in equity is taken to the Consolidated Income Statement when the hedged item affects profit or loss or in the year of disposal of the item.

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

In addition, the Group has debt instrument (US dollar bonds issuance) to cover the exposure to exchange rate risk of the investments in subsidiaries whose functional currency is US dollar (Note 20.b.2).

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 shall be recognized in Consolidated Income Statement and the effective portion in Translation differences (Consolidated Equity). The accumulated loss or gain is transferred to the Consolidated Income Statement when the investment of the foreign operation is derecognized.

5.21 Related parties

The Group considers its direct and indirect shareholders, its associated companies, its directors and its officers as Related Parties.

Companies belonging to the majority shareholder of the Company are also considered related parties.

5.22 Environmental issues

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 recognized in the corresponding heading under “Property, plant, and equipment” and are depreciated using the same criteria described in Note 5.2 above.

Estimable amounts of contingent liabilities for environmental issues, if any, would be provisioned as a liability in Consolidated Balance Sheet.

6. Significant accounting judgments, estimates, and assumptions

The preparation of the accompanying Consolidated Financial Statements under IFRS requires management to make judgments, estimates, and assumptions that affect:

- The reported amounts of assets and liabilities.
- The disclosure of contingent assets and liabilities at the reporting date.
- The reported amounts of revenue and expenses throughout the year.

The key estimates and assumptions that have a significant impact on the accompanying Consolidated Financial Statements are as follows:

- The valuation of assets and goodwill for the purposes of determining any impairment losses.

- In relation to the assumptions used to estimate cash flows at the CGUs, management used the most conservative scenarios so that adjustments to carrying amounts in this regard are considered unlikely (Note 5.7 and 8.a).
- Cash-flow discount rates and growth rates (Note 8.a).
- The likelihood and quantification of indeterminate and contingent liabilities (Note 5.15 and 18).
- Calculation of discount rates, future salary increases, mortality rates and future pensions increases.
- Revision of useful lifes of operative assets.
- The Group checks all relevant facts and circumstances that may imply significant changes in control of subsidiaries.
- Calculation of income tax expense and recognition of deferred tax assets: the correct measurement of income tax expense depends on a number of factors, including timing estimates in relation to the application of deferred tax assets and the accrual of income tax payments. The actual timing of payments and collections could differ from these estimates as a result of changes in tax regulations or in planned/future transactions with an impact on the tax base of the Group's assets.

Although these estimates have been made based on the best information available regarding the facts analyzed at the reporting date, events may occur in the future that require adjustments to be made prospectively in subsequent years to reflect the effect of the revised estimates. Nevertheless, management does not expect any such adjustments to have a material impact on its future Consolidated Financial Statements.

7. Changes in significant accounting policies and estimates and restatement of errors

Changes in accounting estimates:
The effect of a change in an accounting estimate is recognized prospectively in the same Consolidated Income Statement heading in which the associated income or expense was recognized under the former estimate.

Changes in significant accounting policies and restatement of errors:
Changes in accounting policies and restatement of errors are recognized to the extent they are significant: the cumulative effect of the change at the beginning of the period is recognized by restating "Retained earnings" while the period-specific effect of the change is recognized in Consolidated Profit and Loss for the year. In these instances, the prior year's balances are also restated to maintain comparability of information.

8. Intangible assets

a) Goodwill

The change in goodwill in 2014 and 2015 is as follows:

Company	Thousands of euros At December 31, 2013	Additions	Decreases	Currency translation differences	At December 31, 2014
Gestamp Metalbages, S.A.	15,622				15,622
Gestamp Levante, S.L.	6,944				6,944
Gestamp Aveiro, S.A.	7,395				7,395
Griwe Subgroup	6,466				6,466
Gestamp HardTech, AB	43,236			(2,709)	40,527
Gestamp Brasil Industria de Autopeças, S.A.	11,007			103	11,110
Beyçelik, A.S.	24,312			1,035	25,347
Gestamp Services India Private, Ltd.	11			1	12
Gestamp Severstal Vsevolozhsk, Llc	168			(64)	104
Adral, matricería y pta. a punto, S.L.	857				857
	116,018	-	-	(1,634)	114,384

Company	Thousands of euros At December 31, 2014	Additions	Decreases	Currency translation differences	At December 31, 2015
Gestamp Metalbages, S.A.	15,622				15,622
Gestamp Levante, S.L.	6,944				6,944
Gestamp Aveiro, S.A.	7,395				7,395
Griwe Subgroup	6,466				6,466
Gestamp HardTech, AB	40,527			1,097	41,624
Gestamp Brasil Industria de Autopeças, S.A.	11,110			(2,801)	8,309
Beyçelik, A.S.	25,347			(2,727)	22,620
Gestamp Services India Private, Ltd.	12			1	13
Gestamp Severstal Vsevolozhsk, Llc	104			(8)	96
Adral, matricería y pta. a punto, S.L.	857				857
	114,384	-	-	(4,438)	109,946

Currency translation differences in 2014 and 2015 correspond to the adjustments to the goodwill of companies whose functional currency is different from the Euro, translated at the exchange rate prevailing at the Consolidated Balance Sheet date, according to IAS 21 (Note 5.3).

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.

The CGU recoverable value at December 31, 2015 has been determined by the assessment of value in use, using cash flow projections covering a five-year period and based on the future business evolution. The cash flows beyond the five-year period has been extrapolated using a growth rate of 1% for 2015 and 2014, except for the Brazilian CGU where the growth rate used in 2015 is 2%. These hypotheses can be considered cautious compared with the rest of the long term average growth rates of the automotive sector. Pre-tax discount rate for cash flow projections for the CGUs with the most significant goodwill in 2015 and 2014 are the followings:

CGU	Pre-tax discount rate 2015	2014
Gestamp HardTech, AB	10.65%	10,24%
Beycelik, A.S.	18.00%	17.65%
Gestamp Metalbages, S.A.	10.58%	10.51%

The value in use is higher than the net value for all the CGUs.

According to the estimates and projections available to management, the expected future cash flows attributable to the various CGUs or groups of CGUs to which goodwill is assigned indicate that the carrying amount of all the goodwill recognized at December 31, 2015 is at least equal to the corresponding recoverable amounts.

<u>Sensitivity analysis to changes in key assumptions</u>

The Company's management subjects its goodwill valuations to a sensitivity analysis, varying key inputs such as the discount and terminal growth rates used, to ensure that potential changes in these estimates do not reduce recoverable amounts to below carrying amounts.

- ✓ Although a 50 basis points increase in the discount rate used would reduce value in use, in no case would this be reduced to below the carrying amount of goodwill.

- ✓ Assuming a rate of perpetual growth of 0.5% would similarly result in a decline in value in use, albeit in no instance to below the carrying amount of goodwill.

b) Other intangible assets

The breakdown and change in the various items comprising "Other intangible assets" are shown below:

	Thousands of euros					
	At December 31,			Currency translation	Other	At December 31,
Cost	**2013**	**Additions**	**Disposals**	**differences**	**movements**	**2014**
R&D expenses	143,710	46,721	(2,001)	1,500	(9,826)	180,104
Concessions	16,278	464		1,674	(1,093)	17,323
Patents, licenses & trademark	35,478	1,096	(104)	(104)	85	36,451
Goodwill	1,849			351	(302)	1,898
Transfer fees	252			(7)	(126)	119
Software	84,375	12,670	(1,932)	732	9,438	105,283
Prepayments	6,393	9,057	(4)	(259)	(6,261)	8,926
Total cost	288,335	70,008	(4,041)	3,887	(8,085)	350,104
Amortization and impairment						
R&D expenses	(61,614)	(19,199)	1,836	(1,151)	3,480	(76,648)
Concessions	(971)	(359)		(129)	245	(1,214)
Patents, licenses & trademark	(3,288)	(550)	100	29		(3,709)
Transfer fees	(156)	59		7	58	(32)
Software	(60,898)	(8,871)	1,019	(671)	(557)	(69,978)
Total accumulated amortization	(126,927)	(28,920)	2,955	(1,915)	3,226	(151,581)
Impairment of Intangible assets	(1,467)	1	-	(27)	177	(1,316)
Net carrying amount	159,941	41,089	(1,086)	1,945	(4,682)	197,207

Additions in R&D expenses correspond mainly to the companies Autotech Engineering AIE and Edscha Automotive Technology Co. Ltd. regarding development and design costs of portfolio projects, as well as the application of new technologies and the introduction of new materials related with the business.

Additions in Software corresponded mainly to software licenses renewal and to costs of SAP development and implementation in subsidiaries.

Other movements mainly reflect a reclassification for 4,277 thousand euros from R&D expenses to Machinery, after an accurate study on the nature of these items, as well as adjustments from previous years.

	Thousands of euros						
Cost	At December 31, 2014	Additions to consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2015
R&D expenses	180,104		57,904	(910)	1,722	2,078	240,898
Concessions	17,323				1,106	5	18,434
Patents, licenses & trademark	36,451		2,854	(73)	58	(188)	39,102
Goodwill	1,898			(4)	303	(297)	1,900
Transfer fees	119					(5)	114
Software	105,283	103	14,244	(397)	(255)	8,497	127,475
Prepayments	8,926		13,301	(174)	(270)	(8,535)	13,248
Total cost	350,104	103	88,303	(1,558)	2,664	1,555	441,171
Amortization and impairment							
R&D expenses	(76,648)		(26,558)	787	(903)	(300)	(103,622)
Concessions	(1,214)		(344)		(72)	(90)	(1,720)
Patents, licenses & trademark	(3,709)		(456)	73	(43)	152	(3,983)
Transfer fees	(32)		(265)		3		(294)
Software	(69,978)	(70)	(11,217)	(8)	108	759	(80,406)
Total accumulated amortization	(151,581)	(70)	(38,840)	852	(907)	521	(190,025)
Impairment of Intangible assets	(1,316)		(802)	132	(19)	297	(1,708)
Net carrying amount	197,207	33	48,661	(574)	1,738	2,373	249,438

Additions to consolidation scope in 2015 correspond to assets contributed by Gestamp Pune Automotive Pvt Ltd (Note 2.b).

Additions in R&D expenses correspond mainly to the companies Autotech Engineering AIE, Edscha Automotive Michigan Inc. and Edscha Automotive Hengersberg GmbH regarding development and design costs of portfolio projects, as well as the application of new technologies and the introduction of new materials related with the business

Additions in Software mainly corresponded to software licenses renewal and to costs of SAP development and implementation in subsidiaries.

Additions in Prepayments correspond to costs from SAP implementation in subsidiaries.

The net balance of Other movements mainly reflects adjustments from previous years, as well as reclassifications between intangible assets and PP&E.

9. Property, plant and equipment

The breakdown and change in various items comprising "Property, plant and equipment" are shown below:

	Thousands of euros					
Cost	At December 31, 2013	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2014
Land and buildings	1,149,335	31,361	(143)	5	119,076	1,299,634
Plant and other PP&E	3,575,528	109,062	(35,289)	35,955	361,697	4,046,953
PP&E under construction and prepayments	483,611	272,888	(31,486)	1,830	(476,040)	250,803
Total cost	5,208,474	413,311	(66,918)	37,790	4,733	5,597,390
Depreciation and impairment						
Land and buildings	(301,557)	(36,303)	141	(1,244)	1,589	(337,374)
Plant and other PP&E	(2,340,080)	(254,245)	31,555	(20,809)	(5,889)	(2,589,468)
Accumulated depreciation	(2,641,637)	(290,548)	31,696	(22,053)	(4,300)	(2,926,842)
Impairment of PP&E	(13,055)	(79)	549	(342)	4,168	(8,759)
Net book value	2,553,782	122,684	(34,673)	15,395	4,601	2,661,789

Cost value of the property, plant and equipment additions at December 31, 2014 correspond, mainly, to investments in plants and production lines as well as to replacement of capital expenditure to maintain existing activities. The breakdown of investments by countries is as follows:

	Thousands of euros
Spain	79,278
China	71,853
United Kingdom	52,406
USA	43,520
Germany	38,925
Mexico	30,482
Brazil	19,567
Czech Republic	14,591
Russia	10,550
France	10,310
Turkey	7,923
Korea	6,218
Other	27,688
TOTAL	**413,311**

The net value of Disposals of plant and other PP&E corresponds, mainly, to the dismantlement of production lines and disposal of fully amortized items out of use.

Cost value of the PP&E under construction disposals correspond, mainly, to the sale of PP&E under construction of Gestamp Bizkaia, S.A.

The net value of Other movements mainly reflect adjustments relating to prior years as well as the reclassification from R&D expenses to Machinery for 4,277 thousand euros (Note 8.b).

The breakdown by country of translation differences arising at December 31, 2014 is the following:

	Thousands of euros
USA	37,752
China	23,329
United Kingdom	15,682
India	6,365
Turkey	2,843
Argentina	(7,152)
Russia	(63,906)
Other countries	482
TOTAL	15,395

	Thousands of euros						
Cost	**At December 31, 2014**	**Additions to consolidation scope**	**Additions**	**Disposals**	**Currency translation differences**	**Other movements**	**At December 31, 2015**
Land and buildings	1,299,634	7,023	10,974	(5,602)	(5,711)	17,300	1,323,618
Plant and other PP&E	4,046,953	1,839	148,413	(75,438)	2,616	223,544	4,347,927
PP&E under construction and prepayments	250,803		374,738	(2,421)	(848)	(243,663)	378,609
Total cost	5,597,390	8,862	534,125	(83,461)	(3,943)	(2,819)	6,050,154
Depreciation and impairment							
Land and buildings	(337,374)	(1,017)	(32,393)	3,262	1,320	1,191	(365,011)
Plant and other PP&E	(2,589,468)	(1,056)	(285,110)	61,866	3,547	(1,115)	(2,811,336)
Accumulated depreciation	(2,926,842)	(2,073)	(317,503)	65,128	4,867	76	(3,176,347)
Impairment of PP&E	(8,759)	-	(2,933)	-	(309)	1	(12,000)
Net book value	2,661,789	6,789	213,689	(18,333)	615	(2,742)	2,861,807

Additions to consolidation scope in 2015 correspond to assets contributed by Gestamp Pune Automotive Pvt Ltd (Note 2.b).

Cost value of the property, plant and equipment additions at December 31, 2015 correspond, mainly, to investments in plants and production lines as well as to replacement of capital expenditure to maintain existing activities. The breakdown of investments by countries is as follows:

	2015
	Thousands of euros
Spain	69,684
Poland	69,546
Mexico	66,714
USA	62,892
China	66,067
United Kingdom	52,993
Germany	37,133
France	24,362
Brazil	18,744
Turkey	15,720
Czech Republic	8,732
Hungary	8,213
India	7,939
Other	25,386
TOTAL	**534,125**

The net value of Disposals of plant and other PP&E corresponds, mainly, to the dismantlement of production lines and disposal of fully amortized items out of use, as well as to the sale of items to third parties.

The net value of Other movements mainly reflect reclassifications between PP&E and intangible assets as well as differences relating to prior years.

The breakdown by country of translation differences arising at December 31, 2015 is the following:

	2015
	Thousands of euros
USA	38,585
China	20,870
United Kingdom	10,111
India	4,371
Czech Republic	1,407
Korea	979
Sweden	747
Mexico	(4,309)
Russia	(6,218)
Turkey	(7,377)
Argentina	(10,243)
Brazil	(48,651)
Other countries	343
TOTAL	**615**

The movement in Currency translation differences mainly corresponds to changes in the closing exchange rates of this year compared to those of the previous year used to translate the foreign currency balances into Euros. The most significant changes correspond to Brazilian reais, Turkish lira and Argentine peso in 2015 and to Russian ruble in 2014.

The asset revaluation effect that was carried out at 2007 as a result of the IFRSs transition is as follows:

	Thousands of euros	
	2015	**2014**
Initial cost	266,567	266,567
Fair value	563,300	563,300
Revaluation	296,733	296,733
Accumulated depreciation	(41,482)	(36,839)
Deferred tax liabilities	(68,276)	(69,599)

The breakdown of PP&E located outside Spain, by country, is as follows:

	Thousands of euros	
Country	**Net carrying amount 2015**	**Net carrying amount 2014**
PORTUGAL	38,297	35,576
FRANCE	90,044	89,185
GERMANY	252,150	251,019
BRAZIL	162,447	212,901
ARGENTINA	34,921	48,342
MEXICO	168,063	117,051
UNITED KINGDOM	216,373	188,967
HUNGARY	30,248	24,403
POLAND	106,006	38,733
SWEDEN	32,264	31,456
USA	409,739	357,285
CHINA	362,172	316,010
INDIA	78,582	70,517
SOUTH KOREA	45,138	44,091
TURKEY	77,483	80,607
RUSSIA	93,262	111,975
CZECH REPUBLIC	70,888	67,978
JAPAN	96	93
SLOVAKIA	3,664	3,743
THAILAND	305	357
	2,272,142	2,090,289

The breakdown of assets acquired under finance lease agreements at December 31, 2015 and December 31, 2014 are as follows:

	December 31, 2015					
			Thousands of euros			
				Present value of lease obligations		
	Asset cost (thousands of euros)	Lease term	Installments paid	Short term	Long term	Purchase option value
Edscha subgroup						
Software	34	4 years	23	9	2	-
Gestamp Metal Forming subgroup						
Other fixtures	297	5 years	181	61	75	-
Beyçelik, A.S.						
Machinery	244	5 years	224	56	15	-
Machinery	12,990	4.75 years	11,186	3,127	267	1
Machinery	1,105	5 years	705	228	283	-
Machinery	598	5 years	241	120	240	-
Machinery	647	5 years	130	122	415	-
Machinery	2,971	7 years	352	776	2,196	-
Machinery	1,954	7 years	238	449	1,505	-
Machinery	285	7 years	32	37	223	1
Machinery	1,082	7 years	117	141	848	1
Machinery	474	7 years	45	61	377	-
Machinery	598	7 years	33	76	496	-
Gestamp West Virginia Llc.						
Machinery (November 2012)	13,414	20 years	1,427	618	13,135	-
Machinery (December 2012)	8,943	20 years	882	411	8,792	-
				6,292	**28,869**	

	December 31, 2014					
			Thousands of euros			
				Present value of lease obligations		
	Asset cost (thousands of euros)	Lease term	Installments paid	Short term	Long term	Purchase option value
Edscha subgroup						
Software	34	4 years	14	9	11	-
Gestamp Metal Forming subgroup						
Other fixtures	297	5 years	122	59	136	-
Loire Sociedad Anónima Franco Española						
Machinery	400	5 years	375	25	-	5
Beyçelik, A.S.						
Machinery	200	5 years	163	51	70	-
Machinery	10,773	4.75 years	7,920	2,959	3,377	1
Machinery	1,004	5 years	452	215	508	-
Machinery	623	5 years	80	120	359	-
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi						
Machinery	110	3 years	79	32	-	-
Gestamp West Virginia Llc.						
Machinery (November 2012)	12,397	20 years	831	46	12,351	-
Machinery (December 2012)	8,264	20 years	522	-	8,264	-
				3,516	**25,076**	

At December 31, 2015 the company Beyçelik A.S. recorded seven new finance lease agreements regarding machinery.

In addition, the companies GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi and Loire Sociedad Anónima Franco Española finished their agreements so currently they have no assets under financial lease.

At December 31, 2014 the company Gestamp West Virginia, LLc. has no recorded lease obligations in the short term for December 2012 contract as principal amortization will start from year 2016 on. The fees paid regarding this contract correspond to interest amortization for 2015 and 2014.

The fees paid by the company Gestamp West Virginia, Llc. regarding November 2012 contract correspond to interest amortization for 2014 and to interest amortization and a fee for 2015.

The amounts contained in the table above are affected by the application of different exchange rates in the conversion process of the financial statements at the exchange rate prevailing at the date of the transaction for companies whose functional currency is different from the presentation currency. Regarding Gestamp West Virginia, Llc., the effect of exchange rate variations of US dollar is specially significant, making long term debt at December 31, 2015 is higher than the one at December 31, 2014.

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

At December 31, 2015 the Griwe Subgroup has pledged items of property, plant, and equipment to secure bank loans received in the outstanding amount of 808 thousand euros (December 31, 2014: 2,619 thousand euros). The net carrying amount of these assets at December 31, 2015 was 6,914 thousand euros (December 31, 2014: 7,441 thousand euros).

10. Financial assets

The breakdown of the Group's financial assets at December 31, 2015 and December 31, 2014 by category and maturity, expressed in thousands of euros, is as follows:

	Thousands of euros									
	Investments accounted for using the equity method		Loans and receivables		Derivative financial instruments		Securities portfolio		Other financial assets	
Item	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Non-current financial assets	**8,272**	**9,455**	**8,918**	**43,556**	**28,184**	**5,863**	**-**	**-**	**12,308**	**17,911**
Investments accounted for using the equity method	8,272	9,455								
Held-to-maturity investments									914	3,125
Loans and receivables			8,918	43,556					11,394	14,786
Derivative financial instruments (Note 20.b.1)					28,184	5,863				
Current financial assets	**-**	**-**	**1,638**	**18,319**	**-**	**-**	**2,535**	**-**	**31,282**	**57,558**
Held-to-maturity investments							2,535			
Loans and receivables			1,638	18,319					31,282	57,558
Total financial assets	**8,272**	**9,455**	**10,556**	**61,875**	**28,184**	**5,863**	**2,535**	**-**	**43,590**	**75,469**

a) Non-current financial assets

The movements of non-current financial assets in 2015 and 2014 are as follows:

	Investments accounted for using the equity method	Loans and receivables	Derivative financial instruments	Other financial assets
	Thousands of euros			
Balance at December 31, 2013	11,302	22,850	63,756	16,923
Additions	875	28,312		2,429
Disposals		(6,657)		(1,534)
Changes in valuations of financial derivatives			(57,893)	
Transfers		(1,298)		11
Other movements		23		(43)
Share of profit	(3,164)			
Translation differences	442	326		125
Balance at December 31, 2014	9,455	43,556	5,863	17,911
Additions to consolidation scope	(3,542)			
Additions	2,450	2,938		5,340
Disposals		(24,682)		(10,975)
Changes in valuations of financial derivatives			22,321	
Transfers		(10,719)		64
Other movements		8		388
Share of profit	(364)			
Translation differences	273	(2,183)		(420)
Balance at December 31, 2015	8,272	8,918	28,184	12,308

a.1) Investments accounted for using the equity method

Additions in 2014 correspond to the capital increase in the company Gestión Global de Matricería, S.L. for 2,500 thousand euros and 35% subscribed by the Company.

Additions to consolidation scope in 2015 correspond to the subsidiary Gestamp Pune Automotive Pvt Ltd which changes from equity method to full consolidation method since control is acquired (Note 2.b).

Additions in 2015 correspond to the capital increase in the company Gestión Global de Matricería, S.L. for 9,000 thousand euros and subscribed by the Company for 2,450 thousand euros. Since the capital increase was not proportionally subscribed, the shareholding has decreased from 35% to 30%.

“Share of profit” represents the Group’s share of the profit recorded by each company.

a.2) Non-current loans and receivables

Additions in 2014 mainly correspond to:

- ✓ Loan granted to Gestión Global de Matricería, S.L. amounting to 24,628 thousand euros for financing tangible investments and working capital. The loan earns a 3.25% interest rate with sole maturity date at December 2016.

- ✓ Increase of long term Federal Brazilian Tax receivables of the subsidiary Gestamp Brasil Industria de Autopeças, S.A., with maturity date between 2015 and 2017.

- ✓ Increase of debt of the Argentine public authorities with Gestamp Baires, S.A. regarding local tax Impuesto de Ganancia Mínima Presunta (GMP).

Disposals in 2014 mainly correspond to the early repayment of the loan granted to Shrenik Industries Pvt Ltd. and GS Hot Stamping, Co, Ltd., amounting to 2,590 thousand euros and 3,553 thousand euros respectively.

Transfers in 2014 mainly correspond to the transfer from long-term to short-term of the part of the loan granted to Esymo Metal, S.L. with maturity date in 2015 (heading b.1).

Disposals in 2015 mainly correspond to the repayment of the loan granted to Gestión Global de Matricería, S.L. amounting to 24,628 thousand euros. Bank financing has been obtained and so the loan has been early paid out.

Transfers in 2015 correspond to the transfer to the heading Public authorities of debit balances of Argentine and Brazilian public authorities with companies Gestamp Baires, S.A. and Gestamp Brasil Industria de Autopeças, S.A. as well as to the transfer from long-term to short-term of the loans granted to Esymo Metal, S.L. and to ESSA Palau S.A. (heading b.1).

a.3) Derivatives financial instruments

Change in valuation of financial instruments at December 31, 2015 and 2014 corresponds to the change of the present value of implicit derivatives mainly due to the evolution of the exchange rates applicable to sales and purchases prices in certain customer and suppliers contracts (note 20.b.1).

a.4) Other non-current financial assets

Additions in 2014 mainly include labor legal deposits amounting to 991 thousand euros and deposits as guarantee for operating leases amounting to 989 thousand euros.

Disposals in 2014 mainly include the refund of several labor legal deposits amounting to 833 thousand euros and the refund of deposits as guarantee for operating leases amounting to 408 thousand euros.

Additions in 2015 mainly include deposits as guarantee of labor insurances amounting to 880 thousand euros and deposits as guarantee for operating leases amounting to 3,567 thousand euros.

Disposals in 2015 mainly correspond to:

- ✓ The refund of deposits as guarantee for operating leases amounting to 3,045 thousand euros and the refund of legal deposits amounting to 524 thousand euros.
- ✓ The cancellation of the investment of Gestamp Servicios S.A. in Genesis International Llc amounting to 2,200 thousand euros.
- ✓ The derecognition amounting to 4,500 thousand euros from the regularization of the sale price of Araluce S.A. in previous years, since production objectives were not achieved as indicated in the sale agreement. This regularization was registered in the heading Impairment and gains (losses) on sale of financial instruments from the Consolidated Income Statement.

b) Current financial assets

The movements of current financial assets in 2015 and 2014 are as follows:

	Thousands of euros		
	Loans and receivables	**Securities portfolio**	**Other financial assets**
Balance at December 31, 2013	16,017		41,570
Additions	4,254		53,847
Disposals	(3,928)		(1,610)
Transfers	978		(38,210)
Other movements	4		
Translation differences	994		1,961
Balance at December 31, 2014	18,319	-	57,558
Additions to consolidation scope			225
Additions	2,247	2,535	21,373
Disposals	(16,361)		(46,022)
Transfers	5,385		(58)
Other movements	(9,324)		(2,022)
Translation differences	1,372		228
Balance at December 31, 2015	1,638	2,535	31,282

b.1) Current loans and receivables

Additions in 2014 mainly correspond to the loan granted to Essa Palau, S.A. by Gestamp Metalbages, S.A., amounting to 3,000 thousand euros. The loan earns an interest referenced to 3-month Euribor plus a 3% spread.

Disposals in 2014 mainly correspond to the partial cancellation of the loan granted to Gonvarri Argentina, S.A. by Gestamp Baires, S.A., amounting to 3,612 thousand euros.

Transfers in 2014 correspond to the short-term maturity of the loan granted to Esymo Metal, S.L.

Additions in 2015 mainly correspond to a loan granted to Essa Palau S.A. by Gestamp Metalbages S.A. amounting to 2,000 thousand euros. The loan earns an interest referenced to 3-month Euribor plus a 3% spread.

Disposals in 2015 mainly correspond to the repayment of the loan granted to Genesis Internacional S.A. by Gestamp Servicios, S.A. amounting to 14,262 thousand euros.

Transfers in 2015 mainly correspond to the transfer from long-term to short-term of the loans granted to Esymo Metal S.L. and to ESSA Palau, S.A.

Other movements in 2015 include the full impairment of the loans granted to ESSA Palau S.A. by Gestamp Metalbages S.A. (5,000 thousand euros) and by Gestamp Solblank Barcelona S.A. (4,000 thousand euros). This impairment was registered in the heading Impairment and gains (losses) on sale of financial instruments from the Consolidated Income Statement.

b.2) Current securities portfolio

Additions in 2015 mainly correspond to bank deposits from the company Gestamp Pune Automotive Pvt Ltd with maturity in 2016 and average profitability between 4.5% and 6%.

b.3) Other current financial investments

Additions in 2014 mainly include bank deposits of the subsidiaries Gestamp Automotive India Private, Ltd. and Gestamp Brasil Industria de Autopeças, S.A. amounting to 27,727 and 24,806 thousand euros, respectively.

Transfers in 2014 mainly include deposits movements of the subsidiary Gestamp Brasil Industria de Autopeças, S.A. due to the following items:

- ✓ Transfer to the heading Cash and Cash equivalents amounting to 45,070 thousand euros due to a maturity of no more than three months (Note 12.f).

- ✓ Transfer from the heading Cash and Cash equivalents amounting to 5,315 thousand euros due to a maturity of more than three months.

Additions in 2015 mainly include bank deposits of the companies Gestamp Automotive India Private, Ltd. and Gestamp Brasil Industria de Autopeças, S.A. amounting to 13,517 thousand euros and 5,013 thousand euros respectively.

Disposals in 2015 mainly include the cancellation of bank deposits of the company Gestamp Automotive India Private Ltd amounting to 43,991 thousand euros. It is related to the repayment of loans granted by Gonvarri Corporación Financiera S.L. and Gestamp Polska SP ZOO.

11. Inventories

The breakdown of inventories at December 31, 2015 and December 31, 2014 is as follows:

	Thousands of euros	
	2015	**2014**
Commercial inventories	10,865	10,619
Raw materials	163,480	155,706
Parts and subassemblies	56,731	48,961
Spare parts	58,572	52,440
Packaging materials	3,020	2,620
Total cost of raw materials and other consumables	292,668	270,346
Work in progress	166,448	155,109
Finished products	126,239	124,776
Byproducts, waste, and recovered materials	554	31
Prepayments to suppliers	31,605	48,756
Total cost of inventories	617,514	599,018
Impairment of raw materials	(7,331)	(6,360)
Impairment of other consumables	(7,467)	(5,748)
Impairment of work in progress	(7,772)	(6,038)
Impairment of finished products	(8,506)	(7,841)
Total impairment	(31,076)	(25,987)
Total inventories	586,438	573,031

The breakdowns of purchases used in production and changes in inventories are as follows:

	2015	2014	Impairment	Reversal of impairment	Changes in inventories	Total change in inventories
			2015 movements			
Raw materials and other consumables	292,668	270,346			22,322	22,322
Impairment of raw materials and other consumables	(14,798)	(12,108)	(4,067)	1,377		(2,690)
Consumption (Note 24.a)	**277,870**	**258,238**	**(4,067)**	**1,377**	**22,322**	**19,632**

	2015	2014	Impairment	Reversal of impairment	Changes in inventories	Total change in inventories
			2015 movements			
Work in progress	166,448	155,109			11,339	11,339
Finished products and byproducts	126,793	124,807			1,986	1,986
Impairment of finished products and work in progress	(16,278)	(13,879)	(3,878)	1,479		(2,399)
Changes in inventories (see Income Statement)	**276,963**	**266,037**	**(3,878)**	**1,479**	**13,325**	**10,926**

The inventories are not encumbered at December 31, 2015 and December 31, 2014.

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

a) Trade receivables

	Thousands of euros	
	2015	**2014**
Trade receivables	750,592	684,845
Trade bills receivable	37,457	75,554
Accounts receivable, tools	192,024	79,803
Doubtful debts	1,837	368
Impairment losses	(5,706)	(5,225)
Trade receivables from Group companies (Note 29.1)	16,734	16,761
	992,938	852,106

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 so overdue balances have little significance.

The movement of the impairment provision at December 31, 2015 consists of a reversal of 127 thousand euros (December 31, 2014: reversal of 702 thousand euros) (Note 24.c) as well as written-off balances and translation differences.

The receivables balances not yet due transferred by the Group as non-recourse factoring to Spanish, German, British, Brazilian, Polish and Argentine banks, that have been eliminated in the Consolidated Financial Statements amounted to 224,039 thousand euros and to 150,701 thousand euros at December 31, 2015 and December 31, 2014 respectively.

The expense of transferring non-due receivables balances at December 31, 2015 according to the non-recourse factoring contract amounted to 2,822 thousand euros (December 31, 2014: 1,819 thousand euros).

b) Other receivables

	Thousands of euros	
	2015	2014
Debtors	23,089	23,997
Remuneration advances	1,862	2,608
Short-term loans to employees	107	144
	25,058	26,749

c) Current income tax assets

This line item amounted to 32,906 thousand euros at December 31, 2015 (December 31, 2014: 32,143 thousand euros) and reflects the receivables balances related to corporate tax refund of the Company and group companies.

d) Public authorities

	Thousands of euros	
	2015	2014
Sundry receivables from Public Authorities	143,588	146,493
VAT refund	107,202	116,479
Receivable grants	3,887	5,334
Corporate tax refund (a)	28,073	19,924
Other	4,426	4,756
Receivables from Social Security	200	(38)
	143,788	146,455

(a) The 2015 and 2014 balances reflect receivables corporate income tax declarations from previous years. The most significant balances correspond to the Company, whose balance from 2014 was fully collected in 2015.

e) Other current assets

This line item, which at December 31, 2015 amounted to 23,533 thousand euros (December 31, 2014: 18,343 thousand euros), mainly reflects insurance premiums, maintenance and repair contracts, rentals and software licenses paid for during the year but for which the expense will accrue the following year, as well as expenses for commercial agreements.

f) Cash and cash equivalents

	Thousands of euros	
	2015	2014
Cash	296,482	213,430
Cash equivalents	59,493	270,504
	355,975	483,934

Cash equivalents correspond to surplus cash investments maturing in less than three months.

The breakdown by currencies and interest rates at December 31, 2015 and December 31, 2014 is the following:

	2015		
Company	**Thousands of euros**	**Source currency**	**Interest rate range**
Gestamp Automoción S.A.	47,500	Euros	0.30%
Gestamp Baires S.A.	11,159	Argentine pesos	15-22.67%
Gestamp Metal Forming (Wuhan) Ltd.	834	Renmimbi yuan	2.55%-3%
	59,493		

	2014		
Company	**Thousands of euros**	**Source currency**	**Interest rate range**
Gestamp Automoción S.A.	222,000	Euros	0.62%
Gestamp Baires S.A.	3,165	Argentine pesos	14.67%
Gestamp Metal Forming Subgroup	269	Renmimbi yuan	0.35%
Gestamp Brasil Industria de Autopeças, S.A.	45,070	Brazilian reais	100% CDI
	270,504		

The amounts included in this heading of the attached Consolidated Balance Sheet are not encumbered.

13. Issued capital and share premium

The “Issued capital” and “Share premium” at December 31, 2015 and December 31, 2014 are as follows:

ITEM	**December 31, 2015**	**December 31, 2014**
No. of shares	4,795,953	4,795,953
Par value	60.10	60.10
	Thousands of euros	
Issued capital:		
Issued capital (par value)	288,237	288,237
	288,237	**288,237**
Share premium	**61,591**	**61,591**
Total issued capital + share premium	**349,828**	**349,828**

a) Share capital

At December 31, 2015 and December 31, 2014 the Company’s share capital is represented by 4,795,953 registered shares indivisible and accumulable with a par value of 60.10 euros each, fully subscribed and paid in, and all carrying the same rights and obligations.

The shareholder structure at December 31, 2015 and December 31, 2014 is as follows:

Shareholders	shareholding
Acek Desarrollo y Gestión Industrial, S.L.	54.25%
ArcelorMittal Spain Holding, S.L.	24.18%
ArcelorMittal Basque Holding, S.L.	10.82%
Risteel Corporation, B.V.	10.75%

There are no bylaw restrictions on the transfer of the registered shares and they are not listed.

b) Share premium

The share premium of the Company amounts to 61,591 thousand euros at December 31, 2015 and December 31, 2014.

The amended Spanish Corporate Enterprises Act expressly permits the use of paid-in surplus capital to increase share capital balance, corresponding to an unrestricted reserve.

14. Retained earnings

The changes in “Retained earnings” in 2014 and 2015 were as follows:

	RETAINED EARNING AT DECEMBER 31, 2015 AND DECEMBER 31, 2014 (thousand of euros)							
	Legal reserve	Goodwill reserves	Unrestricted reserves	Reserves at fully consolidated entities	Reserves at associates	Profit for the year	Effective hedges	Total
AT DECEMBER 31, 2013	**38,751**	**2,742**	**185,838**	**704,771**	**3,219**	**113,987**	**(29,847)**	**1,019,461**
Profit for 2014						125,702		125,702
Fair value adjustments reserve (hedge)							(7,006)	(7,006)
Actuarial gains and losses				(12,939)				(12,939)
Appropiation of 2013 profits	6,500	571	52,574	56,622	(2,280)	(113,987)		
Dividends distributed by the Company			(33,922)					(33,922)
Dividends distributed by subsidiaries			556	(556)				
Merge of subisidiaries including companies not previosly in consolidation scope				46				46
Transfer from reserves under equity method to reserves under full consolidation method because of sale of companies				7,112	(7,112)			
Interest from participative loans			29,527	(29,527)				
Increase in shareholding in companies previously under control				(4,603)				(4,603)
Transfers from retained earnings to non-controlling interests due to the change of shareholding in companies and others				1,439				1,439
Other movements and adjustements from prior years				(842)	(10)			(852)
AT DECEMBER 31, 2014	**45,251**	**3,313**	**234,573**	**721,523**	**(6,183)**	**125,702**	**(36,853)**	**1,087,326**
Profit for 2015						161,480		161,480
Fair value adjustments reserve (hedge)							4,728	4,728
Actuarial gains and losses				5,745				5,745
Appropiation of 2014 profits			31,765	97,101	(3,164)	(125,702)		
Dividends distributed by the Company			(37,711)					(37,711)
Dividends distributed by subsidiaries			2,147	(2,147)				
Transfer from reserves under equity method to reserves under full consolidation method because of sale of companies (Gestamp Pune Aut. Pvte. Ltd.)				(5,839)	5,839			
Interest from participative loans			(10,516)	10,516				
Increase in shareholding in companies previously under control (adjustment for dividends paid to former shareholders of Anhui Edscha Automotive Parts Co. Ltda.)				(712)				(712)
Increase in shareholding in companies previously under control due to acquisition to non-controlling interest (Ekarpen Private Equity, S.A.)				(7,997)				(7,997)
Transfers from retained earnings to non-controlling interest due to non-proportional capital increase				(2,771)				(2,771)
Other movements and adjustements from prior years		571	(571)	(299)				(299)
AT DECEMBER 31, 2015	**45,251**	**3,884**	**219,687**	**815,120**	**(3,508)**	**161,480**	**(32,125)**	**1,209,789**

14.1 Legal reserve of the Company

The Legal Reserve of the Company amounted to 45,251 thousand euros at December 31, 2015 and December 31, 2014.

The Company is obliged to transfer 10% of profit for the year to a legal reserve until this reserve is equivalent to at least 20% of issued capital. This reserve is not distributable to shareholders and may only be used to offset losses if no other reserves are available.

14.2 Goodwill reserve

The Company is required to set aside a non-distributable reserve equal to the amount of goodwill on its balance sheet which amounts to 11,415 thousand euros at December 31, 2015 and December 31, 2014. The amount of profit designated for this purpose must represent at least 5% of goodwill. If no profits are available or profits should prove to be insufficient, freely distributable reserves must be used for this purpose. The amount of the goodwill reserve amounted to 3,884 thousand euros at December 31, 2015 (December 31, 2014: 3,313 thousand euros) .The amount provisioned in 2015 as well as in 2014 is 571 thousand euros.

14.3 Unrestricted Company reserves

At December 31, 2015 the Company's unrestricted reserves amounting to 219,687 thousand euros, correspond to those derived from the individual financial statements of the Company amounting to 261,452 thousand euros (December 31, 2014: 307,691 thousand euros) less the adjustments generated in the consolidation process for an amount of 41,765 thousand euros that mainly correspond to:

- Elimination of the difference between the carrying amount of Gestamp Brasil Industria de Autopeças, S.A., Gestamp Global Tooling, S.L. and Matricerías Deusto, S.A. and the consolidated value of the said companies amounting to 63,656 thousand euros.

- The remaining balance mainly corresponds to: elimination of the margins from intercompany purchase-sale transactions of financial participations; reversal of the goodwills arisen in the merger processes between Group companies; reversal of portfolio provisions and capitalization of differences derived from changes in exchange rates of functional currencies compared to Euro in Group financing considered permanent (Note 4.4).

14.4 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) Revaluation reserve. Regional Law 6/1996

In accordance with prevailing regional legislation, this reserve can be used to offset losses, increase share capital or be transferred to non-distributable reserves.

The balance at December 31, 2015 and December 31, 2014 amounted to 4,884 thousand euros.

b) Reserve for productive investments. Regional Law 3/1996, of June 26

In accordance with prevailing regional legislation, this special reserve may only be applied to offset losses or increase share capital in 5 years since it is materialized in fixed assets.

The balance of this reserve at December 31, 2015 and December 31, 2014 was 26,398 thousand euros.

c) Legal reserves at subsidiaries

By virtue of 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 profit is applied to offset losses or increase share capital.

The balance of these reserves at December 31, 2015 and December 31, 2014 was 69,139 thousand euros and 65,557 thousand euros respectively.

d) Fair value of property, plant and equipment

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

The after-tax increase in reserves deriving from these revaluations amounts to 129 million euros at December 31, 2015 and 125 million euros at December 31, 2014. This increase of reserves is not distributable.

e) Restrictions related to capitalized development expenses

Under prevailing legislation, dividend payments cannot result in an unrestricted reserve balance that is lower than the net carrying amount of development expenses as per the individual financial statements of the Group's Spanish companies prepared under prevailing Spanish GAAP.

15. Translation differences

The breakdown of this line item by company included in the consolidation scope is as follows:

Company	Thousands of euros 2015	2014
ARGENTINA		
Gestamp Córdoba, S.A.	(22,616)	(19,874)
Gestamp Argentina, S.A.	2,112	2,273
Gestamp Baires, S.A.	(49,902)	(38,985)
BRAZIL		
Gestamp Brasil Industria de Autopeças, S.A.	(18,586)	17,276
Edscha do Brasil Ltda.	2,791	(747)
UNITED KINGDOM		
Gestamp Washington UK Limited	2,791	2,864
Autotech R&D UK Limited	97	79
Automotive Chassis Products Plc.	4,128	2,772
Gestamp Tallent , Ltd	11,975	7,005
POLAND		
Gestamp Polska, S.P., Zoo	(9,870)	(9,623)
Gestamp Wroclaw Sp.z,o.o.	(187)	(227)
HUNGARY		
Gestamp Hungaria KFT	2,961	(2,440)
Gestamp Mor	-	(1)
USA		
Gestamp Alabama, LLC	25,994	5,891
Gestamp Mason, LLc	(18,474)	(12,445)
Gestamp North America, INC	(34,998)	(18,109)
Gestamp Chattanooga LLc	(805)	(602)
Gestamp South Carolina, LLc.	8,184	1,537
Gestamp West Virginia, Llc	(2,814)	(1,118)
Gestamp Chattanooga II, Llc	(15)	-
Gestamp Chattanooga II, Llc	(5)	-
Edscha Automotive Michigan, Inc	2,819	1,544
SWEDEN		
Gestamp Sweden, AB	(1,895)	(2,203)
Gestamp HardTech AB	(413)	(1,031)
Gestamp Holding China AB	393	396
MEXICO		
Gestamp Aguascalientes, S.A. de CV	(7,702)	(6,485)
Gestamp MSL, S.A. de CV	(69)	(43)
Gestamp Cartera de México, S.A de CV	(2,903)	(2,044)
Gestamp Puebla, S.A. de CV	(14,463)	(11,200)
Mexicana Servicios Laborales, S.A. de CV	(15)	(12)
Gestamp Toluca, S.A. de CV	(4,852)	(3,571)
Gestamp Serv. Laborales de Toluca, S.A. de CV	8	23
Gestamp Puebla II, S.A. de CV	(18)	10
CHINA		
Gestamp Auto Components (Kunshan) Co., Ltd	11,770	8,803
Gestamp Auto Components (Shenyang) Co.,Ltd.	(1,469)	87
Gestamp Auto Components (Dongguan) Co.,Ltd.	(182)	243
Gestamp Auto Components (Wuhan) Co. Ltd	38	-
GMF Wuhan, Ltd	12,726	9,037
Gestamp Auto Components Chongquing	1,921	-
Edscha Automotive Technology Co., Ltd.	46	34
Anhui Edscha Automotive Parts Co Ltda.	4,299	3,155
Shanghai Edscha Machinery Co., Ltd.	3,403	2,540
Edscha Automotive Components Co., Ltda.	1,972	950
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	-	281
INDIA		
Gestamp Services India Private, Ltd.	14	60
Gestamp Automotive India Private Ltd.	1,425	602
Gestamp Automotive Chennai Private, Ltd.	760	(92)
Gestamp Pune Automotive Pvt. Ltd	111	-
SOUTH KOREA		
Gestamp Kartek	3,751	2,764
Edscha Pha, Ltd.	113	88
TURKEY		
Beyçelik, A.S.	(24,712)	(20,156)
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	224	132
RUSSIA		
Gestamp Severstal Vsevolozhsk Llc	(9,769)	(9,587)
Gestamp Severstal Kaluga, Llc	(48,337)	(43,411)
Gestamp Togliatti, Llc.	(3,238)	(3,845)
Edscha Togliatti, Llc.	1,268	919
CZECH REPUBLIC		
Gestamp Louny, S.R.O.	(2,529)	(3,011)
Edscha Hradec S.R.O.	(22)	(27)
Edscha Automotive Kamenice S.R.O.	(2,192)	(2,991)
LUXEMBOURG		
Gestamp Funding Luxembourg, S.A.	(9,383)	(10,116)
SPAIN		
Gestamp Automoción, S.A.	2,888	3,139
Gestamp Servicios, S.A.	6,364	9,161
Gestamp Global Tooling, S.L.	296	-
Gestamp Holding México, S.L.	118	(144)
Gestamp Metalbages, S.A.	-	3
Mursolar 21, S.L.	5,541	-
OTHER		
Other	1,325	732
TOTAL	(167,809)	(139,740)

16. Non-controlling interest

The changes in "Equity attributable to non-controlling interest" by company in 2014 and 2015 were as follows:

	Thousands of euros								
Company	At December 31, 2013	Translation differences	Capital increase	Distribution of dividends	Transfer of fully consolidated reserves	Increase in shareholding in companies previously under control	Other movements	Profit (loss)	At December 31, 2014
Gestamp Finance Luxemburgo, S.A.	50								50
Todlem, S.L./ Gestamp Seversta Vsevolozhsk Llc.//Gestamp Severstal Kaluga, Llc.	27,207	(13,784)	1,722		247		(130)	(19,108)	(3,846)
Gestamp Holding Rusia, S.L.	24,472				24			(3)	24,493
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	19,400	2,369					565	3,688	26,022
Edscha subgroup	25,313	1,221		(3,747)	1,337	(4,865)	13	(1,389)	17,883
Matricerias Deusto S.L.	9,190				185		271	(6,345)	3,301
Adral Matriceria y Pta. a punto , S.L.	5,294						(209)	1,435	6,520
Gestamp Tooling Services, AIE	(305)						(5)	(63)	(373)
Gestamp Global Tooling, S.L.	7,783						(45)	2,016	9,754
Gestamp Tool Hardening, S.L.	1,314						(312)	1,914	2,916
Bero Tools, S.L.	(6)								(6)
Die Diede Development, S.L.	(263)						(3)	(42)	(308)
Gestamp Metal Forming Subgroup	20,229	(74)					(178)	(2,156)	17,821
Gestamp Try Out Services, S.L.	373						(104)	475	744
Gestamp Brasil Industria Autopeças, S.A.	48,188	271					389	2,205	51,053
Gestamp Holding Argentina, S.L. and Argentine companies	14,153	283					297	(2,309)	12,424
Gestamp Holding México, S.L. and Mexican companies	89,928	132		(1,086)			(67)	4,704	93,611
Gestamp North America, INC and North American companies	68,402	10,555						8,298	87,255
Mursolar 21, S.L./Gestamp A. Shenyang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	40,023	981			(3,232)		(905)	(63)	36,804
Beyçelik, A.S.	24,786	1,458		(2,757)			(126)	6,426	29,787
Gestamp Automotive India Private Ltd.	5,774	725					(52)	3,743	10,190
Gestamp Automotive Chennai Private Ltd.	1,168	723				(3,574)	1,683		-
GMF Otomotiv Parçalari Sanayi ve Ticaret Ltd. Sirketi	(7,023)	(57)					128	(318)	(7,270)
	425,450	4,803	1,722	(7,590)	(1,439)	(8,439)	1,210	3,108	418,825

The most significant movements in "Non-controlling interest" at December 31, 2014 correspond to:

- Translation differences generated in 2014.

- Capital increase in Todlem, S.L.

- Distribution of dividends by the subsidiaries Anhui Edscha Automotive Parts Co. Ltda, Gestamp 2008, S.L., Beycelik A.S. and Gestamp Holding Mexico, S.L.

- The transfers of fully consolidated reserves correspond to:

    - the capital increases in Todlem, S.L. and Edscha do Brasil Ltda., not pro rata subscribed by its shareholders.

    - recognition of COFIDES, S.A., shareholding in Gestamp Autocomponents (Shenyang) Co. Ltd. and Gestamp Autocomponents (Dongguan) Co. Ltd. as indirect non-controlling interest through the subsidiary Mursolar 21, S.L. (Note 2.a).

- Increase in shareholding in Anhui Edscha Automotive Parts Co. Ltda. and in Gestamp Automotive Chennai Private, Ltd., by acquisition of 30% and 50% shareholding respectively and by so acquiring 100% shareholding and consequently non-controlling interest are derecognized.

- "Other movements" in 2014 correspond to profit (loss) adjustments attributable to non-controlling interests in 2013.

- Profit from 2014 attributable to non-controlling interest.

Company	Thousands of euros At December 31, 2014	Translation differences	Distribution of dividends	Transfer Reserves under full consolidation method due to capital increase	Increase in shareholding in companies previously under control	Other movements	Profit (loss)	At December 31, 2015
Gestamp Finance Luxemburgo, S.A.	51							51
Todlem, S.L./ Gestamp Seversta Vsevolozhsk Llc.//Gestamp Severstal Kaluga, Llc.	(3,846)	(955)				565	(8,980)	(13,216)
Gestamp Holding Rusia, S.L.	25,068						(4)	25,064
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	26,021	1,684				684	5,432	33,821
Edscha subgroup	17,882	921	(2,799)	2,771		327	3,218	22,320
Matricerias Deusto S.L.	3,387				(4,849)	1,462		-
Adral Matriceria y Pta. a punto , S.L.	6,333				(6,025)	(308)		-
Gestamp Tooling Services, AIE	(302)				306	(4)		-
Gestamp Global Tooling, S.L.	9,784				(10,925)	(366)	1,518	11
Gestamp Tool Hardening, S.L.	2,917				(2,430)	(487)		-
Bero Tools, S.L.	(6)				6			-
Die Diede Development, S.L.	(308)				308			-
Gestamp Metal Forming Subgroup	17,822	30					3,392	21,244
Gestamp Try Out Services, S.L.	743				(610)	(133)		-
Gestamp Brasil Industria Autopeças, S.A.	51,054	(9,440)					(6,372)	35,242
Gestamp Holding Argentina, S.L. and Argentine companies	12,426	(5,781)					(490)	6,155
Gestamp Holding México, S.L. and Mexican companies	93,031	(2,224)	(6,243)			7	11,564	96,135
Gestamp North America, INC and North American companies	87,257	10,342					8,312	105,911
Mursolar 21, S.L./Gestamp A. Shenyang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	36,803	405				(915)	1,233	37,526
Beyçelik, A.S.	29,787	(1,996)	(3,443)			(169)	4,035	28,214
Gestamp Automotive India Private Ltd.	10,190	559					6,184	16,933
GMF Otomotiv Parçalari Sanayi ve Ticaret Ltd. Sirketi	(7,269)	113					(1,670)	(8,826)
	418,825	(6,342)	(12,485)	2,771	(24,219)	663	27,372	406,585

The most significant movements in “Non-controlling interest” at December 31, 2015 correspond to:

- Translation differences generated at December 2015.
- Dividends distributed to non-controlling interest by the subsidiaries Shanghai Edscha Machinery Co Ltd, Gestamp Cartera de Mexico S.A. de C.V and Beyçelik A.S.
- Non-proportional subscription of capital increase in Edscha do Brasil Ltda.
- Acquisition from non-controlling shareholders (EKARPEN Private Equity S.A.) of 40% shareholding in Gestamp Global Tooling S.L and indirectly also in their subsidiaries. By so, 100% shareholding in this company is reached, over which there was previous control (Note 2.a).
- “Other movements” in 2015 correspond to profit (loss) adjustments attributable to non-controlling interests in 2014.
- Profit from 2015 attributable to non-controlling interest.

The most significant non-controlling interest mentioned in this Note has protecting rights mainly related to significant decisions on divestments, companies restructuring, distribution of dividends and changes in statutes.

17. Deferred income

Deferred income includes grants relating to assets obtained by Group subsidiaries pending release to the Consolidated Income Statement.

The breakdown of this heading at December 31, 2014 and December 31, 2015 including the movements during the year is as follows:

Company	Thousands of euros					
	At December 31, 2013	Additions	Released income	Translation differences	Other movements	At December 31, 2014
Gestamp Bizkaia, S.A.	1,984		(271)			1,713
Gestamp Vigo, S.A.	3,265		(881)			2,384
Gestamp Toledo, S.L.	2,398		(290)			2,108
Gestamp Palencia, S.A.	3,114		(358)			2,756
Gestamp Linares, S.A.	972		(58)			914
Gestamp Galvanizados, S.A.	86		(13)			73
Gestamp Puebla, S.A. de C.V.	200		(32)	1		169
Gestamp Aveiro, S.A.	237		(68)			169
Gestamp Navarra, S.A.	1,749		(194)			1,555
Gestamp Solblank Navarra, S.L.	56		(9)			47
Gestamp Aragón, S.A.	694		(94)		(9)	591
Gestamo Abrera, S.A.	1,256		(255)			1,001
Gestamp Metalbages, S.A.	122		(19)			103
Gestamp Solblank Barcelona, S.A.	106		(19)			87
Gestamp Washington UK, Ltd	248		(100)	13		161
Gestamp Levante, S.A.	620	2,927	(451)			3,096
Gestamp Hungaria KFT	232		(11)	(14)		207
Griwe Subgroup	2,249		(439)		2	1,812
Gestamp Cataforesis Vigo, S.A.						-
Gestamp Kartek Co, Ltd.	21		(9)	2		14
Gestamp Manufactoring Autochasis, S.L.	156		(20)			136
Adral, matriceria y pta. a punto, S.L.	135				(37)	98
Gestamp Esmar, S.A.	6		(3)			3
Beyçelik, A.S.	343	104		14		461
Edscha Subgroup	4,187	1,793	(841)	(5)	(546)	4,588
Gestamp Metal Forming Subgroup	6,031	151	(812)	384		5,754
Loire Sociedad Anónima Franco Española	325	16	(69)			272
Diede Die Developments, S.L.	491		(72)		(39)	380
Gestamp Puebla II, S.A. de C.V.		628				628
Total	31,283	5,619	(5,388)	395	(629)	31,280

Company	Thousands of euros					
	At December 31, 2014	Additions	Released income	Translation differences	Other movements	At December 31, 2015
Gestamp Bizkaia, S.A.	1,713		(273)			1,440
Gestamp Vigo, S.A.	2,384		(870)			1,514
Gestamp Cerveira, Lda.			(17)		17	
Gestamp Toledo, S.L.	2,108	29	(251)			1,886
Gestamp Palencia, S.A.	2,756	3,468	(420)			5,804
Gestamp Linares, S.A.	914		(57)			857
Gestamp Galvanizados, S.A.	73		(13)			60
Gestamp Puebla, S.A. de C.V.	169		(33)	(6)		130
Gestamp Aveiro, S.A.	169		(114)		181	236
Gestamp Navarra, S.A.	1,555		(164)			1,391
Gestamp Solblank Navarra, S.L.	47		(8)			39
Gestamp Aragón, S.A.	591		(100)			491
Gestamo Abrera, S.A.	1,001		(145)			856
Gestamp Metalbages, S.A.	103		(19)			84
Gestamp Solblank Barcelona, S.A.	87	81	(40)			128
Gestamp Washington UK, Ltd	161		(111)	10		60
Gestamp Levante, S.A.	3,096		(525)		(4)	2,567
Gestamp Hungaria KFT	207		(11)			196
Griwe Subgroup	1,812		(332)		(4)	1,476
Gestamp Kartek Co, Ltd.	14		(4)	1		11
Gestamp Manufactoring Autochasis, S.L.	136		(22)			114
Adral, matriceria y pta. a punto, S.L.	98				(31)	67
Gestamp Esmar, S.A.	3		(3)			
Beyçelik, A.S.	461	93		(50)		504
Edscha Subgroup	4,588	205	(873)	8	(50)	3,878
Gestamp Metal Forming Subgroup	5,754	823	(1,992)	322		4,907
Loire Sociedad Anónima Franco Española	272	256	(80)			448
Diede Die Developments, S.L.	380		(88)			292
Gestamp Puebla II, S.A. de C.V.	628	708	(24)	(28)		1,284
Total	31,280	5,663	(6,589)	257	109	30,720

The additions recognized in 2014 and 2015 correspond to grants received from public authorities for investments in plant and equipment and job creation.

The Group companies are able to meet all the requirements attaching to these grants to qualify as non-reimbursable grants.

18. Provisions

The breakdown of non-current and current provisions in 2015 and 2014 is as follows:

	Non-current		Current	
	2015	2014	2015	2014
Provisions for retributions to employees (Note 19)	74,840	79,517	4,228	7,014
Provisions for taxes	6,898	6,440	-	-
Other provisions	75,049	45,269	12,090	12,077
	156,787	131,226	16,318	19,091

The changes in Provisions during 2014 and 2015 are as follows:

	Thousands of euros	
	Non-current	Current
Balance at December 31, 2013	135,020	13,648
Increase in allowance	36,260	6,314
Decrease	(32,303)	(14,858)
Translation differences	(223)	283
Other movements	(7,528)	13,704
Balance at December 31, 2014	131,226	19,091
Increase in allowance	69,487	4,290
Decrease	(43,588)	(7,124)
Translation differences	(1,916)	(732)
Other movements	1,578	793
Balance at December 31, 2015	156,787	16,318

This line item primarily reflects employee compensations and provisions recognized by certain Group companies to cover specific risks arising from their day-to-day businesses and potential liabilities relating to employee compensations and tax assessments which are currently being appealed, among other items.

Non-current provisions

Increases of non-current provisions at December 31, 2015 mainly correspond to risks from commercial activity related to operating expenses and increases in post-retirement benefits.

Increases of non-current provisions in 2014 correspond mainly to post-retirement benefits, liabilities relating to differences in the interpretation of tax matters, and long term employee compensation.

Decreases of non-current provisions in 2015 and 2014 mainly reflect:

- Application of provisions relating to tax assessments.
- Reversal of provisions from onerous contracts of the Edscha Subgroup and Gestamp Vendas Novas Lda.
- Application of long term employee compensation provisions among others.
- Reversal in 2015 of the provision for personnel restructuring in Edscha Briey SAS amounting to 5,077 thousand euros, whereof 4,227 thousand euros correspond to application and 850 thousand euros correspond to provision surplus.

Changes of non-current provisions directly registered in the Consolidated Income Statement in 2015 mainly correspond to:

- Reversal of provisions mainly related to onerous contracts mentioned above registered under the heading “Other operating income” amounting to 18,540 thousand euros (2014: 12,479 thousand euros (Note 23.b).

- Balance registered in consumables and operating expenses amounting to 50,406 thousand euros (2014: 19,317 thousand euros).

Current provisions

Increases in current provisions in 2015 mainly correspond to provisions from Edscha Automotive Kamenice S.R.O., Sofedit SAS and Gestamp Umformtechnik GmbH for short-term employee compensation and for covering specific risks arising from day to day businesses.

Increases in current provisions in 2014 mainly correspond to provisions from Gestamp Metal Forming (Wuhan), Ltd., Gestamp Umformtechnik Gmbh, Sofedit S.A.S., Edscha Automotive Kamenice S.R.O., Edscha do Brasil Ltda. and Shanghai Edscha Machinery Co. Ltd. for short-term employee compensation and for covering specific risks arising from day to day businesses.

Decreases in current provisions in 2015 and 2014 mainly correspond to employee restructuring installments, regularization of provisions related to resolved litigations and short term employee compensation.

Other movements in current and non-current provisions in 2015 and 2014 are mainly related to prior year's adjustments and reclassifications and transfers from non-current to current provisions since application is expected in less than 12 months.

19. Pensions and other post-employment obligations

The breakdown of the provision for employee benefits is as follows:

Item		Non-current		Current		Total	
		2015	2014	2015	2014	2015	2014
Employee benefits	a)	6,137	11,060	4,228	7,014	10,365	18,074
Post-employment benefits							
Defined benefit plans	b)	68,703	68,457	-	-	68,703	68,457
Total (Note 18)		74,840	79,517	4,228	7,014	79,068	86,531

a) Employee benefits

This line item includes provisions by some Group companies for seniority awards and other benefits for staying in the company (anniversary, retirement, awards, etc.).

b) Defined benefit plans

The Group has a number of defined benefit plans. The main defined benefit plans are located in Germany and France and correspond to companies belonging to Gestamp Metal Forming Subgroup and Edscha Subgroup as well as Autotech Engineering Deutschland, GmbH. Among these pension plans, there are partially supported plans by an investment fund and not supported plans by an investment fund.

The risks of the different defined benefit plans are those associated to pensions not supported by an external fund. Other risks of the defined benefit plans common to partially supported plans as well as to not supported plans are those related to demographic issues, such as mortality and longevity of employees, and those related to financial issues such as pension increase rate depending on inflation.

Assets and liabilities recognized in these Consolidated Financial Statements and corresponding to the said plan, by countries, are the following:

	Thousand of euros		
Item	**Germany**	**France**	**Total**
Present value of the defined benefit obligation	66,573	8,845	75,418
Fair value of plan assets and reimbursement rights	(4,482)	(2,233)	(6,715)
Value of defined benefit obligation at December 31, 2015	**62,091**	**6,612**	**68,703**

	Thousand of euros		
Item	**Germany**	**France**	**Total**
Present value of the defined benefit obligation	67,303	7,937	75,240
Fair value of plan assets and reimbursement rights	(4,410)	(2,373)	(6,783)
Value of defined benefit obligation at December 31, 2014	**62,893**	**5,564**	**68,457**

The changes in present value of plan liabilities are the following:

	Thousand of euros		
	Germany	**France**	**Total**
Present value of the defined benefit obligation at December 31, 2013	**52,017**	**7,333**	**59,350**
Current service cost year 2014	2,489	424	2,913
Interest income or expense	-	(143)	(143)
Interest income or expense	1,722	146	1,868
Pension cost charged to profit and loss at 2014	4,211	427	4,638
Payments from the plan except any settlements	(2,039)	(129)	(2,168)
Actuarial gains and losses arising from changes in demographic assumptions	12,785	470	13,255
Actuarial gains and losses arising from changes in financial assumptions	-	(164)	(164)
Tax effect	(253)	-	(253)
Remeasurements of the net defined benefit liability	12,532	306	12,838
Effect of disposals	14	-	14
Other effects	568	-	568
Present value of the defined benefit obligation at December 31, 2014	**67,303**	**7,937**	**75,240**
Current service cost year 2015	3,077	549	3,626
Gains and losses arising from settlements	(105)	(619)	(724)
Interest income or expense	5,043	169	5,212
Pension cost charged to profit and loss at 2015	8,015	99	8,114
Payments from the plan except any settlements	(2,319)	(156)	(2,475)
Payments from plan settlements	(350)		(350)
Actuarial gains and losses arising from changes in financial assumptions	(5,724)	(128)	(5,852)
Actuarial gains and losses attributable to non-controlling interests	-	45	45
Tax effect		-	
Remeasurements of the net defined benefit liability	(5,724)	(83)	(5,807)
Effect of disposals		-	
Other effects	(352)	1,048	696
Present value of the defined benefit obligation at December 31, 2015	**66,573**	**8,845**	**75,418**

The changes in fair value of plan assets are the following:

	Thousand of euros		
	Germany	France	Total
Fair value of plan assets and reimbursement rights at December 31, 2013	**4,338**	**2,453**	**6,791**
Interest income or expense	148	74	222
Pension cost charged to profit and loss at 2014	148	74	222
Payments from the plan except any settlements	-	(129)	(129)
Return on plans assets, excluding amounts included in interest	-	(38)	(38)
Actuarial gains and losses arising from changes in demographic assumptions	(76)	-	(76)
Actuarial gains and losses attributable to non-controlling interests		13	13
Remeasurements of the net defined benefit liability	(76)	(25)	(101)
Contributions to the plan by the employer	-		
Fair value of plan assets and reimbursement rights at December 31, 2014	**4,410**	**2,373**	**6,783**
Interest income or expense	79	42	121
Pension cost charged to profit and loss at 2015	79	42	121
Payments from the plan except any settlements	-	(156)	(156)
Return on plans assets, excluding amounts included in interest	-	(40)	(40)
Actuarial gains and losses arising from changes in financial assumptions	(7)	-	(7)
Actuarial gains and losses attributable to non-controlling interests	-	14	14
Remeasurements of the net defined benefit liability	(7)	(26)	(33)
Fair value of plan assets and reimbursement rights at December 31, 2015	**4,482**	**2,233**	**6,715**

The breakdown of the expense recognized in the Consolidated Income Statement regarding these plans is as follows:

	Thousand of euros					
	Germany		France		Total	
Item	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Current service cost	3,077	2,489	549	424	3,626	2,913
Past service cost	-	-	-	-		
Gains and losses arising from settlements	(105)		(619)	(143)	(724)	(143)
Net interest on the net defined benefit liability (asset)	4,964	1,574	127	73	5,091	1,647
Total expense recognised in profit or loss	**7,936**	**4,063**	**57**	**354**	**7,993**	**4,417**

The main categories of plan assets and their fair value are the following:

	Thousand of euros			
	Germany		France	
Item	**2015**	**2014**	**2015**	**2014**
Investments quoted in active markets				
Mixed investment funds in Europe	4,482	4,410		
Not quoted investments				
Investment funds in insurances			2,205	2,373
	4,482	**4,410**	**2,205**	**2,373**

The main hypotheses used for determining the defined benefit obligation are the following:

Item	Germany 2015	Germany 2014	France 2015	France 2014
Discount rate	2.0% - 2.3%	1.8% - 2.6%	1.8%-1.9%	1.80%
Expected rate of return on any plan assets	0%- 2.2%	0%- 1.8%	1.90%	-
Future salary increases rate	2.50%	2.50%	2.50%	2.50%
Future pension increases rate	1.5% - 2%	1.5% - 2%	-	-
Inflation rate	2.00%	2.00%	1%-1.5%	-
Mortality table	RT 2005 G	RT 2005 G	INSEE F 08-10	INSEE F 08-10
Rates of employee turnover, disability and early retirement	Aon Hewitt Standard tables, RT 2005 G, 0.5%	Aon Hewitt Standard tables, RT 2005 G, 0.5%	3.00%	-
Proportion of plan members with dependants who will be eligible for benefits	100.00%	100.00%	-	-
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service	0% -2%	0% -2%	-	0.00%
Retirement age	-	-	62-65 years	62-65 years

The sensitivity analysis of the value of post-retirement benefits obligations for the main hypotheses at December 31, 2015 and December 31, 2014 are as follows:

		Thousand of euros			
		2015			
		Germany		France	
Assumptions	**Sensitivity**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate					
Increase	0.25%				301
Decrease	0.25%			317	
Increase	0.5%		4,291		
Decrease	0.5%	3,862			
Future pension increases rate					
Increase	0.5%	1,804			
Decrease	0.5%		1,714		
Future salary increases rate					
Increase	0.5%			641	
Decrease	0.5%				583
Mortality rate					
Increase	1 year	1,245			

		Thousand of euros			
		2014			
		Germany		France	
Assumptions	**Sensitivity**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate					
Increase	0.25%				301
Decrease	0.25%			316	
Increase	0.5%		4,226		
Decrease	0.5%	4,696			
Future pension increases rate					
Increase	0.5%	2,011			
Decrease	0.5%		1,910		
Future salary increases rate					
Increase	0.5%			641	
Decrease	0.5%				583
Mortality rate					
Increase	1 year	1,368			

The expected future payments related to pension benefit at December 31, 2015 and December 31, 2014 are the following:

	Thousand of euros					
	2015			2014		
	Germany	**France**	**Total**	**Germany**	**France**	**Total**
Within the next 12 months	3,049	87	3,136	2,864	24	2,888
Between 2 and 5 years	10,643	1,239	11,882	10,426	1,649	12,075
Beyond 5 years	13,905	23,768	37,673	13,159	22,475	35,634
Total	**27,597**	**25,094**	**52,691**	**26,449**	**24,148**	**50,597**

20. Non-trade liabilities

The breakdown of non-trade liabilities at December 31, 2015 and December 31, 2014 classified by concepts is as follows:

		Non current			Current	
		2015	2014		2015	2014
a) Interest-bearing loans and borrowings	a.1)	1,448,036	1,482,300	a.2)	282,900	282,480
b) Derivative financial instruments	b.1)	72,828	47,404		-	-
c) Other liabilities		153,284	195,621		167,975	171,985
Financial leasing	c.1)	28,869	25,076	c.1)	6,292	3,516
Borrowings from Associated companies	c.2)	68,442	73,179	c.2)	11,485	51,159
Other liabilities	c.3)	55,973	97,366	c.3)	150,198	117,310
		1,674,148	1,725,325		450,875	454,465

a) Interest-bearing loans and borrowings

a.1) Non-current interest-bearing loans and borrowings

The breakdown by company and maturity date of non-current interest-bearing loans and borrowings is as follows:

	Thousands of euros						
	2015						2014
	2017	2018	2019	2020	Beyond	Total	Total
In Euros	**130,892**	**87,194**	**158,127**	**736,489**	**1,354**	**1,114,056**	**1,133,513**
Gestamp Automoción,S.A. **I)**	119,438	77,360	151,247	242,021		590,066	570,330
Griwe Subgroup	2,713	2,713	2,713	2,713	1,354	12,206	15,724
Beyçelik, A.S.	2,199	449				2,648	25,656
Gestamp Metal Forming Subgroup	4,167	4,167	4,167	3,124		15,625	19,793
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	2,375	2,505				4,880	9,213
Gestamp Funding Luxembourg, S.A. **II)**				488,631		488,631	492,797
In foreign currency	**10,691**	**7,757**	**4,896**	**306,798**	**3,838**	**333,980**	**348,787**
Brazilian reais							
Gestamp Brasil Industria de Autopeças, S.A.	2,791	2,789	2,777	2,421	3,838	14,616	28,266
Edscha Subgroup							663
Indian rupees							
Gestamp Automotive Chennai Private Ltd.	3,351	3,351	837			7,539	20,424
Remimbi Yuan							
Gestamp Autocomponents (Shenyang), Co. Ltd.	2,820					2,820	6,561
Edscha Subgroup							1,508
Czech Crowns							
Edscha Subgroup	1,255	1,255	1,255			3,765	3,604
Korean wons							
Gestamp Kartek Co, Ltd	474	362	27	7		870	1,407
US Dollars							
Gestamp Funding Luxembourg, S.A. **II)**				304,370		304,370	286,354
	141,583	94,951	163,023	1,043,287	5,192	1,448,036	1,482,300

The breakdown of maturity dates for the balances at December 31, 2014 is as follows:

Thousands of euros					
2014					
2016	2017	2018	2019	Beyond	Total
133,451	260,983	272,665	17,611	797,590	1,482,300

The guarantees granted are personal guarantees of the borrower, except for the loans granted to the Griwe Subgroup which are additionally secured by the property, plant, and equipment financed by these loans (Note 9) and the guarantees mentioned in the description of individual operations included in this Note.

The nominal interest rate on the loans at December 31, 2015 is as follows:

	Interest rate
• Loans denominated in euros	1.45% - 2.50%
• Loans denominated in Indian rupees	10.30% - 12.30%
• Loans denominated in Brazilian reais*	4.50% - 16.21%

- Loans denominated in Korean wones 3.60% - 4.00%

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

The nominal interest rate on the loans at December 31, 2014 was as follows:

	Interest rate
• Loans denominated in euros	1.45% - 3.50%
• Loans denominated in Indian rupees	10.30% - 12.30%
• Loans denominated in Brazilian reais*	4.50% - 16.21%
• Loans denominated in Korean wones	3.60% - 4.00%

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

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

I) <u>2012 Bank of America Loan and 2013 Syndicated Loan</u>

Most relevant information regarding interest-bearing loans and borrowings subject to covenants at December 31, 2015 and December 31, 2014 is as follows:

Entity	Initial date	Amount granted	Maturity date	Financial obligations	Restrictions
Bank of America Securities Limited	March 21, 2012	60 million euros	March 21, 2017	"Net debt/EBITDA" below 3.50x "EBITDA/Financial expense" above 4.00x	N/A
Group of banks	April 19, 2013	850 million euros *	March 11, 2020	"Net debt/EBITDA" below or equal 3.50x "EBITDA/Financial expense" above 4.00x	Limitation for the dividends distribution: - If "Net debt/EBITDA" is below 3.00x and above 2.00x dividends can be no more than 35% of the consolidated benefit - If "Net debt/EBITDA" is equal or below 2.00x dividends can be no more than 50% of the consolidated benefit

The 850 million euros loan is divided into Tranche A (loan) amounting to 570,000 thousand euros with a nominal outstanding balance at December 31, 2015 and December 31, 2014 amounting to 544,350 thousand euros and a Revolving Credit Facility Tranche amounting to 280,000 thousand euros that at December 31, 2015 and December 31, 2014 is not drawn down.

The Bank of America loan as well as the syndicated loan were granted to the Company and they are registered in long-term for 60,000 thousand euros and 519,840 thousand euros respectively, and the part of syndicated loan in short term for 24,510 thousand euros.

At December 31, 2015 and December 31, 2014 the Company was not in breach of any of these covenants.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the mentioned loans. These companies are specified in Annex II.

II) <u>May 2013 Bond</u>

On May 2013, the Group completed an issuance of bonds through its subsidiary Gestamp Funding Luxembourg, S.A. This issuance has been carried out in two stages, in the first stage bonds were issued amounting to 500 million euros at an interest rate of 5.875%, and in the second stage bonds were issued amounting 350 million dollars with 5.625% interest rate.

Interests are payable every six months (November and May).

The maturity date of the bonds is May 31, 2020.

On September and October 2015 the Group acquired part of the issued bonds for 16,702 thousand dollars and 5,500 thousand euros. These bonds were later cancelled and fully paid.

The amortized cost at December 31, 2015 at exchange rate of the said date was 793 million euros (489 million euros and 304 million euros corresponding to the stages in euros and dollars respectively). The cost at December 31, 2014 was 779 million euros (493 million euros and 286 million euros corresponding to the stages in euros and dollars respectively).

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the bonds. These companies are specified in Annex II.

a.2) Current interest-bearing loans and borrowings

The Group companies have been granted the following credit and discounting facilities:

Company	Credit facilities – Drawn down (a) 2015	Credit facilities – Drawn down (a) 2014	Credit facilities – Limit 2015	Credit facilities – Limit 2014	Loans (b) 2015	Loans (b) 2014	Accrued interest (c) 2015	Accrued interest (c) 2014	Discounted bills (d) 2015	Discounted bills (d) 2014	(a)+(b)+(c)+(d) TOTALS 2015	(a)+(b)+(c)+(d) TOTALS 2014
	Thousands of euros											
In Euros	**43,148**	**50,609**	**316,800**	**315,800**	**161,304**	**86,775**	**5,006**	**7,426**	**89**	**72,378**	**209,547**	**217,188**
Gestamp Automoción,S.A.	40,978	43,608	309,600	308,600	117,598	50,386	1,717	4,163		52,712	160,293	150,869
Gestamp Solblank Barcelona, S.A.							4	4			4	4
Gestamp Palencia, S.A.							4		28	2,291	32	2,291
Gestamp Servicios, S.A.							45	45	61	4,042	106	4,087
Gestamp Metalbages, S.A.	2,170	7,001	7,200	7,200			3	2			2,173	7,003
Gestamp Abrera, S.A.							8	4			8	4
Griwe Subgroup					3,521	4,273					3,521	4,273
Beyçelik, A.S.					22,275	4,445	328	130			22,603	4,575
Gestamp Aragón, S.A.							4	2			4	2
Edscha Subgroup										13,333		13,333
Gestamp Manufacturing Autochasis, S.L.												
MB Levante, S.L.							5	2			5	2
Gestamp Navarra, S.A.							8	18			8	18
Gestamp Vigo, S.A.							4	2			4	2
Gestamp Hungaria KFT												
Gestamp Auto Components (Kunshan) Co., Ltd					869	14,051	9	48			878	14,099
Gestamp Auto Components (Donguan) Co., Ltd						2,562	31	3			31	2,565
Gestamp Autocomponents (Shenyang), Co. Ltd.					2,519						2,519	
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi					2,251		173	229			2,424	229
Gestamp Metal Forming subgroup					4,167	4,167					4,167	4,167
Gestamp Funding Luxembourg, S.A.							2,663	2,774			2,663	2,774
Gestamp Polska, SP. Z.O.O.						1,473						1,473
Loire Sociedad Anónima Franco Española					8,104	5,404					8,104	5,404
Autotech Engineering R&D Uk limited						14						14
In foreign currency	**21,134**	**1,193**	**29,569**	**3,048**	**50,487**	**61,476**	**1,732**	**2,623**			**73,353**	**65,292**
US dollars												
Gestamp Funding Luxembourg, S.A.							1,534	1,530			1,534	1,530
Turkish lira												
Beyçelik, A.S.					7,885		80				7,965	
Argentine pesos												
Gestamp Córdoba, S.A.					922						922	
Brazilian reais												
Gestamp Brasil Industria de Autopeças, S.A.					8,570	16,555	11	417			8,581	16,972
Edscha Subgroup						4,348		597				4,945
Indian rupees												
Gestamp Services India Private, Ltd.					120	70					120	70
Sungwoo Gestamp Hitech Pune Private Ltd.	4,534		7,765								4,534	
Gestamp Automotive Chennai Private Ltd.	14,062		15,529		3,351		60				17,473	
Remimbi Yuan												
Gestamp AutoComponents (Shenyang) Co., Ltd					12,600	13,905	45	38			12,645	13,943
Edscha Subgroup	2,538	1,193	6,275	3,048		1,193					2,538	2,386
Gestamp Metal Forming Subgroup					11,140	21,208		39			11,140	21,247
Czech Crowns												
Edscha Subgroup					3,755	3,400					3,755	3,400
Korean wons												
Edscha Subgroup					1,558						1,558	
Gestamp Kartek Co, Ltd.					586	797	2	2			588	799
	64,282	**51,802**	**346,369**	**318,848**	**211,791**	**148,251**	**6,738**	**10,049**	**89**	**72,378**	**282,900**	**282,480**

Discounted bills of the Company at December 31, 2014 amounting to 52,712 thousand euros correspond to the assumed risk of the discount bills of several Spanish subsidiaries.

In all, the Group has approximately 431 million euros in with-recourse and non-recourse factoring and available discounting facilities at December 31, 2015 (December 31, 2014: 415 million euros).

Interest on the credit facilities is basically indexed to a floating rate of Euribor plus a spread between 0.65% and 1.75% in 2015 and a spread between 1.00% and 1.75% in 2014.

b) Derivative financial instruments

b.1) Interest rate derivatives and exchange rate derivatives

The fair value of interest rate and derivatives held for trading hedges contracted by the Group are recognized in the following headings of the Consolidated Balance Sheet:

	Thousands of euros	
Description	2015	2014
Financial assets - derivatives (Note 10.a.3)	**28,184**	**5,863**
Others	28,184	5,863
Financial liabilities - derivatives	**72,828**	**47,404**
Derivatives held for trading	25	1,187
Cash flow hedges	44,619	40,354
Others	28,184	5,863

The interest rate swaps arranged by the Group in place at December 31, 2015 and December 31, 2014 are the following:

		Thousands of euros			
		2015		2014	
Contract	Item	Asset	Liability	Asset	Liability
2	Derivatives held for trading	-		-	1,061
6	Derivatives held for trading	-	25	-	126
Total derivatives held for trading		-	**25**		**1,187**
1	Cash flow	-	9,263	-	7,661
3	Cash flow	-	16,242	-	13,649
4	Cash flow	-	8,073	-	9,147
5	Cash flow	-	-	-	32
7	Cash flow	-	4,524	-	4,910
8	Cash flow	-	6,517	-	4,955
Total cash flow hedges		-	**44,619**	-	**40,354**

At December 31, 2015 the Company arranged a strategy to hedge interest rate risk on notionals of the Group's estimated bank debt for the period from 2016 to 2024 via several interest rate swaps with the following notional amounts at December 31 of each year in thousand euros except contract 6, referenced to Sterling pounds:

Year	Contract 1	Contract 3	Contract 4	Contract 6	Contract 7	Contract 8
2016	140,000	320,000	77,835	10,000	110,000	110,000
2017	140,000	320,000	77,835		110,000	110,000
2018	140,000	320,000	77,835		110,000	110,000
2019	140,000	320,000	77,835			110,000
2020	140,000	320,000	77,835			110,000
2021	140,000					110,000
2022	140,000					110,000
2023	140,000					110,000
2024	140,000					110,000

The interest rate swaps arranged by the Group in place at December 31, 2015 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 1, 2025	3-month Euribor	0.25% (2015), 0.45% (2016), 1.2% (2017), 1.4% (2018), 1.98% (2019), 2.15% (2020) and 1.60% beyond
Contract 2	July 1, 2011	July 1, 2015	Closed	-
Contract 3	July 14, 2015	December 31, 2020	1-month Euribor	0.25% (2015-2016-2017), 1.40% (2018), 1.98% (2019) and 2.15% (2020)
Contract 4	January 2, 2015	January 4, 2021	3-month Euribor	1.24% (2015), 1.48% (2016), 1.66% (2017), 1.99% (2018) and 2.09% beyond
Contract 5	April 1, 2010	January 2, 2015	Closed	-
Contract 6	August 6, 2012	June 30, 2016	3-month Libor	0.975%
Contract 7	April 2, 2014	January 2, 2019	3-month Euribor	1.26%
Contract 8	July 1, 2015	January 1, 2025	3-month Euribor	0.15% (2015), 0.4% (2016), 1% (2017), 1.25% (2018) and 1.60% beyond

The hedging arrangements outlined above qualify as effective hedges under IFRS hedge accounting criteria. Accordingly, changes in the fair value of the swaps are recognized in equity while the interest accrued is recognized in the Consolidated Income Statement.

The cash flows underlying the hedges are expected to affect profit or loss in the following years:

	2014
	Thousands of euros
2015	(16,510)
2016	(12,362)
2017	(10,083)
2018	(2,586)
	(41,541)

	2015
	Thousands of euros
2016	(6,076)
2017	(6,964)
2018	(10,306)
2019	(10,131)
2020	(9,385)
2021	(1,966)
2022	(725)
2023	(32)
2024	452
2025	489
	(44,644)

At December 31, 2015 the Group has transferred from Equity to the Consolidated Income Statement the amount of approximately 9,633 thousand euros (expense) as a result of liquidations carried out in 2015 corresponding to cash flow (interest rate) hedges. In 2014, expense recognized on the same basis amounted to 11,935 thousand euros.

In 2015 the Group has recognized income amounting to 3,500 thousand euros in the Consolidated Income Statement relating to derivatives held for trading, while during 2014 the income recognized amounted to 2,178 thousand euros.

"Others" includes the present value of implicit derivatives of exchange rates applicable to sales and purchases prices in certain customer and suppliers contracts (Note 10.a.3).

In addition, there is a purchase option of the 60% shareholding of Essa Palau, S.A. with initial amount of 3,000 thousand euros in 2011 which was fully impaired at December 31, 2015 and December 31, 2014.

b.2) Net investment hedges

At December 31, 2015 the heading "Interest-bearing loans and borrowings" include the bond issued by the subsidiary Gestamp Funding Luxembourg, S.A. amounting to 333 million US dollar (350 million dollars less 17 million bought and cancelled in 2015 (Note 20.a.1.I)) classified as hedge in net investment in subsidiaries located in the United States.

This bond covers the Group exposure to the exchange rate risk of these investments. The gains and losses arising in the conversion of the debt are included in consolidated equity under the heading Translation differences to compensate the possible gains and losses due to the conversion of the net investment in the subsidiaries. The losses generated in the conversion of the debt (hedge instrument) included in consolidated equity and net of tax effect under the heading Translation differences of Gestamp North America INC (Note 15) amount to 30,585 thousand euros at December 31, 2015 (22,021 thousand euros net of taxes) and 27,988 thousand euros (20,151 thousand euros net of taxes) in 2014.

The net investment in these subsidiaries includes the investment in the equity of the subsidiaries and the loans in US dollar granted to the said subsidiaries by Group companies whose functional currency is Euro.

Although the bond in US dollar was issued by Gestamp Funding Luxembourg, S.A on May, 2013, the hedging relationship was not stablished for accountancy purpose until January 1, 2014. At December 31, 2015 and December 31, 2014 there is no hedge inefficiency.

c) Other liabilities

c.1) Financial leasing

The finance lease commitments recognized under this heading correspond to the present value of the payment commitments on the finance leases outlined in Note 9. The payment schedule for these lease payments and the corresponding finance expenses are as follows:

	2015 Thousands of euros				
	Present value of lease obligations			Future finance expenses	Finance lease installments
	Less than one year	Between one and five years	More than five years		
Gestamp West Virginia, LlC	1,029	4,476	17,451	6,983	29,939
Beyçelik, A.S.	5,192	5,457	1,408	1,054	13,111
Gestamp Metal Forming Subgroup	61	75		8	144
Edscha Subgroup	10	2		1	13
Total	6,292	10,010	18,859	8,046	43,207

	2014				
	Thousands of euros				
	Present value of lease obligations			Future finance expenses	Finance lease installments
	Less than one year	Between one and five years	More than five years		
Gestamp West Virginia, LlC	46	3,890	16,725	6,676	27,337
Beyçelik, A.S.	3,345	4,314		479	8,138
Gestamp Metal Forming Subgroup	59	136		11	206
GMF Otomotive Parçalari Sanayi ve Ticaret L.S	32			3	35
Loire Sociedad Anónima Franco Española	25			1	26
Edscha Subgroup	9	11		2	22
Total	3,516	8,351	16,725	7,172	35,764

c.2) Borrowings with Associated Companies

This heading in the Consolidated Balance Sheet includes the following items with associated companies:

Description	Long term 2015	Long term 2014	Short term 2015	Short term 2014
Current accounts (Note 29)	-	-	-	399
Loans (Note 29)	42,167	45,986	7,438	21,618
Interest (Note 29)	-	-	3,124	3,269
Fixed assets suppliers (Note 29)	26,275	27,193	923	25,873
	68,442	73,179	11,485	51,159

At December 31, 2015 and December 31, 2014 the balance of long term fixed assets suppliers with Acek, Desarrollo y Gestión Industrial, S.L. corresponds to the purchase of GESTAMP brand.

The balance of fixed assets suppliers amounting to 25,873 thousand euros in 2014 included the debt for purchases of PP&E to Inmobiliaria Acek S.L. amounting to 25,010 thousand euros (Note 29) paid out in the first quarter of 2015.

c.3) Other liabilities

Other non-current liabilities

The breakdown of the amounts included under this heading, by company, nature, and maturity, at December 31, 2015 and December 31, 2014 is as follows:

Company	2017	2018	2019	2020	Beyond	Total 2015	Total 2014
	Thousands of euros						
Guarantees received					401	401	15
Gestamp Automoción, S.A.					291	291	-
Gestamp Abrera, S.A.					6	6	6
Gestamp Argentina, S.A					2	2	-
Gestamp Kartek Co, Ltd					8	8	8
Gestamp Metalbages, S.A.					1	1	1
SCI de Tournan en Brie					93	93	-
Fixed assets suppliers	327	60	71	83	290	831	-
Gestamp Bizkaia, S.A.	276					276	-
Gestamp Córdoba, S.A.	51	60	71	83	290	555	-
Loans from Ministry of Science and Technology	6,245	5,915	6,124	5,499	15,645	39,428	55,996
Gestamp Vigo, S.A	513	513	513	513	1,325	3,377	3,678
Gestamp Toledo, S.L	474	474	474	474	900	2,796	5,098
Gestamp Palencia, S.A	262	262	262	262	585	1,633	2,794
Gestamp Linares, S.A	181	145	70			396	577
Gestamp Galvanizados, S.A	34	34	34	34	77	213	235
Gestamp Metalbages, S.A.	327	325	323	321	1,015	2,311	2,498
Gestamp Navarra, S.A	675	701	731	275	439	2,821	13,287
Gestamp Manufactoring Autochasis S.L	278	276	274	272	868	1,968	2,005
Autotech Engineering, A.I.E	247	167	167	167	418	1,166	1,416
Gestamp Aragón, S.A.	312	300	288	277	922	2,099	2,333
Gestamp Abrera, S.A.	477	456	439	423	1,559	3,354	3,645
Gestamp Levante, S.L.	303	292	281	271	1,035	2,182	2,217
Gestamp Ingenieria Europa Sur, S.L.							194
Gestamp Solblank Navarra, S.L.	40	36	33	28		137	151
Loire Sociedad Anónima Franco Española					351	351	337
Gestamp Solblank Barcelona, S.A	120	120	450	433	1,869	2,992	2,858
Diede Die Developments S.L	323	167	168	161	0	819	970
Gestamp Bizkaia, S.A.	1,679	1,647	1,617	1,588	4,282	10,813	11,703
Other creditors	8,770	3,739	391	527	1,886	15,313	41,355
Gestamp Aveiro, S.A	408	419				827	1,224
Gestamp Cerveira, Lda	1,268	1,056	364	527		3,215	3,348
Diede Die Developments S.L						-	
Ocon Automated Systems S.L.						-	
Edscha Subgroup	7,068	2,238			1,882	11,188	12,821
Gestamp Baires, S.A	26	26	27			79	147
Gestamp Sweden, AB					4	4	4
Gestamp West Virginia, LlC						-	2,066
Gestamp Servicios, S.A						-	20,738
Gestamp Córdoba, S.A						-	821
SCI de Tournan en Brie						-	93
Gestamp Argentina, S.A						-	93
Total	15,342	9,714	6,586	6,109	18,222	55,973	97,366

On December 19, 2012 Gestamp Servicios, S.L. received a loan granted by International Business Machine, S.A. amounting to 48,760 thousand euros. This loan accrued a 5.10% market interest rate with quarterly maturity dates, being the last one on December 19, 2017. The outstanding balance at December 31, 2014 amounted to 20,738 thousand euros. Because of Group financial restructuring and with the aim of saving financial costs, this loan was early paid out in the first quarter of 2015.

The breakdown of maturity dates for the balances at December 31, 2014 is as follows:

Thousands of euros

2014					
2016	2017	2018	2019	Beyond	Total
24,109	24,047	13,025	9,295	26,890	97,366

Other current liabilities

The amounts included under this heading by nature are as follows:

	Thousands of euros	
	2015	**2014**
Fixed assets suppliers	127,698	98,334
Short term debts	22,240	18,336
Short term interests payable	242	38
Deposits and guarantees	148	137
Other	(130)	465
	150,198	117,310

21. Deferred Taxes

The changes in deferred tax assets and liabilities were as follows:

Deferred tax assets	Thousands of euros							
	Tax credits	Reversal of start-up expenses	Fair value of property and buildings	Non-deductible provisions	Accelerated depreciation	Unrealized, non-deductible exchange gains (losses)	Other	Total
At December 31, 2013	**119,882**	**2,344**	**17,666**	**43,402**	**6,590**	**8,815**	**1,771**	**200,470**
Increases	21,212	90		6,581	623	2,766	16,131	47,403
Decreases	(27,532)			(8,691)	(113)	(2,484)	(16,268)	(55,088)
Translation differences	3,189	(120)	(2)	855	15	(61)	968	4,844
Other	47,568	(2,153)	(480)	(11,967)	(3,438)	(4,074)	25,255	50,711
At December 31, 2014	**164,319**	**161**	**17,184**	**30,180**	**3,677**	**4,962**	**27,857**	**248,340**
Inclusion in scope								
Increases	10,569			29,757	742	1,794	34,362	77,224
Decreases	(28,668)	(78)		(9,292)	(67)	(2,766)	(4,881)	(45,752)
Translation differences	2,936	(4)		(3,722)	(123)	(526)	(1,038)	(2,477)
Other	1,121		(17,661)	1,352	1,209	885	6,536	(6,558)
At December 31, 2015	**150,277**	**79**	**(477)**	**48,275**	**5,438**	**4,349**	**62,836**	**270,777**

Increases in Other in 2015 amounting to 34,362 thousand euros mainly correspond to the tax effect of hedges from the Company as well as to non-deductible expenses from invoices to be received by Gestamp Polska SP Z.o.o.

Deferred tax liabilities	Thousands of euros							
	Portfolio provisions - individual companies	Tax deduction - goodwill individual companies	Capitalization of expenses	Allocation to goodwill	Revaluation of land and buildings	Depreciation/ amortization	Other	Total
At January 31, 2013	**4,746**	**10,884**	**29,956**	**34,131**	**77,885**	**18,115**	**3,193**	**178,910**
Inclusion in scope								-
Increases		994	17,662	84		11,457	3,728	33,925
Decreases	(529)		(2,878)	(5,731)	(1,490)	(2,348)	(1,378)	(14,354)
Translation differences			185	(56)		4,879	506	5,514
Other movements	(3,414)	-3,647	(692)	1,913	(7,972)	39,926	4,986	31,100
At December 31, 2014	**803**	**8,231**	**44,233**	**30,341**	**68,423**	**72,029**	**11,035**	**235,095**
Inclusion in scope	-	-	-	-	-	-	-	-
Increases	-	852	10,364	3,003	1,643	11,644	2,725	30,231
Decreases	(1,203)	-	(4,790)	(3,645)	(1,666)	(3,106)	(885)	(15,295)
Translation differences	-	-	(86)	(858)	-	4,797	(797)	3,056
Other movements	(471)	(953)	(269)	-	(17,661)	(8,760)	571	(27,543)
At December 31, 2015	**(871)**	**8,130**	**49,452**	**28,841**	**50,739**	**76,604**	**12,649**	**225,544**

The net balance of Other movements in 2015 amounts to 20,985 thousand euros in liabilities and mainly includes adjustments from prior years as well as tax credits from Gestamp North America, INC regarding recognition of tax losses from previous years as a consequence of local regulations approved this year.

The net amount recognized in Other movements at December 31, 2014 amounting to 19,611 thousand euros (asset), correspond mainly to the tax rates updating and adjustments from previous years. The movements recognized under the headings tax credits and depreciation/amortization, correspond mainly to deferred tax reclassifications of assets and liabilities in 2014 by the subsidiary Gestamp North America, INC.

22. Trade and other payables

a) Trade payables

	Thousands of euros	
	2015	2014
Trade accounts payable	812,718	689,604
Trade bills payable	133,890	89,055
Suppliers from Group companies (Note 29.1)	187,351	160,202
Suppliers from Associated companies (Note 29.1)	1,054	2,265
Trade creditors, Group companies (Note 29.1)	2,365	4,486
	1,137,378	945,612

b) Other payables

	Thousands of euros	
	2015	2014
VAT payable	50,589	48,127
Tax withholdings payable	13,616	18,539
Other items payable to the tax authorities	11,617	26,361
Payable to social security	26,857	23,490
Other payables	16,966	27,879
Outstanding remuneration	97,114	87,197
	216,759	231,593

23. Operating revenue

a) Revenue

The breakdown of revenue by category in 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Parts, prototypes, and components	6,408,731	5,565,547
Tools	389,373	415,432
Byproducts and containers	219,136	264,000
Services rendered	17,272	10,825
	7,034,512	6,255,804

The geographical breakdown of revenue was as follows:

	Thousands of euros		%	
	2015	2014	2015	2014
European Union	3,908,810	3,593,760	55%	57%
Home market	1,269,940	1,087,489	18%	17%
Other European Union countries	2,638,870	2,506,271	37%	40%
France	409,625	387,132		
Portugal	143,487	138,182		
Poland	111,810	118,005		
Hungary	50,434	49,917		
Slovakia	9,329	11,289		
Czech Republic	129,875	116,047		
United Kingdom	685,919	582,652		
Sweden	78,016	72,301		
Germany	1,020,375	1,030,746		
Other markets	3,125,702	2,662,044	45%	43%
America	1,789,858	1,556,419	26%	25%
Brazil	247,295	385,133		
Argentina	219,208	183,317		
Mexico	416,009	294,367		
USA	907,346	693,602		
Asia	976,628	739,821	14%	12%
India	157,791	121,934		
South Korea	118,541	87,283		
China	690,110	521,084		
Japan	5,956	6,088		
Thailand	4,230	3,432		
Other	359,216	365,804	5%	6%
Russia	117,723	149,898		
Turkey	241,493	215,906		
TOTAL	7,034,512	6,255,804	100%	100%

b) Other operating income

	Thousands of euros	
	2015	**2014**
Other operating income	24,926	27,692
Grants related to income	2,073	3,861
Grants related to assets released to income for the year (Note 17)	6,589	5,388
Surplus provision for environmental matters and other commitments	4,454	10,097
Surplus provision for restructuring	5,147	80
Own work capitalized	91,757	67,746
Other	21,925	11,691
Change in provisions (Note 18)	18,540	12,479
Adjustments from prior years	(4,595)	-
Other	7,980	(788)
	156,871	126,555

Other operating income includes the income from the business combination of Gestamp Pune Automotive Private Limited amounting to 1.371 thousand euros (Note 2.b).

The heading Other includes profits from tangible assets amounting to 1,832 thousand euros as well as extraordinary income and expenses mainly related to commercial agreements, litigations and state financial aids amounting to 6,148 thousand euros.

24. Operating expenses

a) Raw materials and other consumables

	Thousands of euros	
	2015	2014
Purchases of goods and tools for resale	679,004	445,435
Discounts for prompt payment	(2,164)	(2,035)
Purchase returns and similar transactions	(5,269)	(3,483)
Volume discounts	(7,946)	(7,503)
Change in inventories (**)	(22,322)	(28,181)
Purchases of raw materials	2,764,168	2,740,494
Consumption of other supplies	644,581	491,781
Work performed by third parties	255,855	252,009
Impairment of goods for resale and raw materials (**)	4,067	2,538
Reversal of impairment of goods for resale and raw materials (**)	(1,377)	(5,283)
	4,308,597	3,885,772

**The total of this line items make a net consumption of raw materials amounting to 19,632 thousand euros (Note 11).

b) Personnel expenses

The breakdown of "Personnel expenses" in the Consolidated Income Statement is as follows:

	Thousands of euros	
	2015	2014
Salaries	971,251	859,856
Social security	206,969	191,845
Other benefits expenses	79,790	73,233
	1,258,010	1,124,934

The breakdown of average headcount by professional level in 2015 and 2014 is as follows:

Professional level	2015	2014
Directors/ Managers	714	725
Clerical, financial and IT department	1,878	1,240
Quality control deparment	1,804	1,782
Logistics department	2,644	2,520
Supply department	864	827
Technical department	2,828	3,075
Production foreman	1,320	1,125
Production workers	16,764	16,167
Other	4,089	3,712
	32,905	**31,173**

The breakdown of headcount by professional level at year end at December 31, 2015 and December 31, 2014 is as follows:

Professional level	2015 Males	2015 Females	2014 Males	2014 Females
Directors/ Managers	666	94	645	99
Clerical, financial and IT department	1,382	881	619	671
Quality control deparment	1,557	249	1,559	254
Logistics department	2,274	319	2,197	327
Supply department	713	155	706	126
Technical department	2,874	232	3,059	265
Production foreman	1,261	57	1,087	55
Production workers	16,427	1,334	15,421	1,211
Other	2,268	449	2,872	573
	29,422	**3,770**	**28,165**	**3,581**

c) Other operating expenses

	Thousands of euros 2015	2014
Maintenance and upkeep	530,423	443,812
Other external services	310,387	271,898
Taxes and levies	30,761	24,408
Impairment of accounts receivable	(127)	(702)
Other	3,925	4,744
Losses and impairment of assets	-	1,379
Provision for risks and expenses	3,925	3,365
	875,369	744,160

Balance in "Other" in 2014 mainly corresponds to Edscha and Gestamp Metal Forming Subgroups related to provisions for litigations, employee contribution and others (Note 18),while in 2015 it fully corresponds to provision for risks and expenses.

25. Financial income and financial expenses

a) Financial income

	Thousands of euros 2015	2014
From equity investments, Group Companies	5	-
From equity investments	4	-
From current loans to third parties	27	395
Other financial income	12,913	8,023
Total from loans to Associated companies (Note 29.1)	360	1,179
From non-current loans to Associated companies	-	13
From current loans to Associates companies	360	1,166
	13,309	9,597

b) Financial expenses

	Thousands of euros 2015	2014
On bank borrowings	97,547	113,864
On trade bills with credit institutions	1,807	2,123
On factoring transactions with credit institutions	774	-
Other financial expenses	13,810	14,199
On update provisions	15	-
Total on borrowings from Group companies and associates (Note 29.1)	7,897	8,422
	121,850	138,608

26. Profit from discontinued operations

On December 26, 2013 the Group signed an agreement of intentions to sell the subsidiaries Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd, Sungwoo Gestamp Hitech Chennai, Ltd and GS Hot-Stamping Co. Ltd. so their assets and liabilities were classified as held for sale at December 31, 2013.

These companies were sold on April 11, 2014 (Note 2.a).

At December 31, 2014 the result of these companies (the result generated until the sale as well as the own result of the sale) has been classified as profit from discontinued operations according to the following breakdown:

	Thousands of euros			
	2014			
	Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd	Sungwoo Gestamp Hitech Chennai, Ltd	GS Hot Stamping, Co. Ltd	**Total**
Income from discontinued operations				
Profit (loss) from associates under equity method	(251)	(796)	-	(1,047)
Profit (loss) from the sale of discontinued operations	1,781	(4,073)	1,766	(526)
Net profit (loss) from discontinued operations	**1,530**	**(4,869)**	**1,766**	**(1,573)**

At December 31, 2014 the Group had no assets held for sale.

At December 31, 2015 the Group has no income from discontinued operations and no assets held for sale.

27. Income tax

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

- From January 1, 2014 on, the Company choose to apply the special fiscal consolidation regime, regulated under Basque Regional Law 3/1996. The subsidiaries include in this fiscal group are Gestamp Bizkaia, S.A; Bero Tools, S.L.; Gestamp North Europe Services, S.L. and Loire S.A.F.E.

- The subsidiaries Gestamp North America, Inc., Gestamp Alabama, Llc., Gestamp Mason, Llc., Gestamp Chattanooga, Llc., Gestamp Chattanooga II Llc.,Gestamp South Carolina, Llc. and Gestamp West Virginia, Llc. file a tax return according to fiscal transparency system.

- The subsidiaries Gestamp 2008, S.L., Edscha Santander, S.L. and Edscha Burgos, S.L. file a consolidated tax return.

- The subsidiaries Gestamp Global Tooling, S.L., Matricerías Deusto, S.L., Adral, Matricería y Puesta a punto, S.L, Gestamp Tool Hardening, S.L. and Gestamp Try Out Services, S.L. file a consolidated tax return.

- The subsidiaries Griwe Innovative Umfortechnik, 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 file a tax return according to 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 taxes in 2015 and 2014, in thousands of euros, is as follows:

	Thousands of euros	
	2015	**2014**
Current tax expense	84,053	57,805
Deferred tax	(23,458)	9,832
Other income tax adjustments	3,355	(7,347)
	63,950	**60,290**

Tax expense was calculated based on accounting profit before taxes, as shown below:

	Thousands of euros	
	2015	**2014**
Accounting profit (before taxes)	**252,802**	**190,673**
Theoretical tax expense	70,785	57,202
Differences in prevailing rates	(1,792)	3,409
Permanent differences	(215)	14,844
Deductions and tax credits previously not recognized	(10,124)	(12,293)
Statute-barred tax credits	21,602	23,232
Adjustments to income tax of prior years	(15,889)	(20,380)
Adjustments to tax rate	(417)	(5,724)
Tax expense (tax income)	**63,950**	**60,290**

The theoretical tax rate applied is 28% in 2015 and 30% in 2014.

"Differences in prevailing rates" in 2015 and 2014 reflects the differences between prevailing rates in certain operating markets and the theoretical applicable rate, mainly relating to operations taxed in the United States (35%), Brazil (34%), and Argentina (35%).

The Permanent differences in 2015 and 2014 reflect mainly inflation adjustments, exemption of income from brand billing, nondeductible differences in exchange rates, nondeductible expenses, and those differences generated in the consolidation process.

The Adjustments to tax rate in 2014 correspond to Spain and reflect the appliance of law 27/2014, approved on November 27, for Corporate Income Tax in Spain that has modified the general tax rate, from the present tax rate of 30%, to the 2015 tax rate of 28% and beyond of 2015 tax rate of 25%.

Previous deferred tax assets and liabilities have been adjusted according to the tax rate changes at the reversion date.

At December 31, 2015 the conversion to euros of tax loss carried forwards in other currencies, calculated at the exchange rates prevailing on that date, amounted to 872 million euros (2014: 813 million euros).

At December 31, 2015 the conversion to euros of unused tax credits carried forward in other currencies calculated at the exchange rates prevailing on that date, amounted to 145 million euros (2014: 134 million euros).

At year end 2015 and 2014, the Group had capitalized unused tax losses and tax credits that it expects to be able to utilize in future periods based on earnings projections and the deadlines and limits for their utilization.

At December 31, 2015 the Group had capitalized tax credits for a total of 150 million euros of unused tax losses and unused tax credits (2014: 164 million euros) (Note 21).

The unused tax losses and unused tax credits at December 31, 2015 whose corresponding tax credit has not been registered amount to 665 million euros (2014: 474 million euros). From that amount, 392 million euros have limitation period for their utilization between 2016 and 2034 (2014: 314 million euros with limitation period between 2015 and 2033) and the rest have no limitation period.

The majority of Group companies are open to inspection of all taxes to which they are liable and for the full statute of limitations period (4 years from filing date for all Spanish companies except for those with registered offices in the Basque Country for which the period is three years, and five years, as a rule, for companies based abroad), or since the date of incorporation, if more recent.

Management of the Company and its subsidiaries calculated income tax for 2015 and the years open for inspection according to the legislation prevailing in each year. Given that the prevailing tax regulations related to the above mentioned matters are subject to varying interpretations, certain tax liabilities and contingencies may exist for 2015 and previous years that cannot be objectively quantified. However, the Group’s directors and their legal and tax advisors consider that any potential tax liability which might arise would not significantly affect the accompanying Consolidated Financial Statements.

28. Contingent liabilities and commitments

The Group companies have not provided liens to third parties for significant amounts other than the Griwe Subgroup PP&E items pledged to guarantee repayment of the loans they were granted (Note 9) or other non-current borrowings.

Operating lease commitments

The Group is a lessee of buildings, warehouses, machinery and vehicles. The lease expenses charged to the December 31, 2015 Consolidated Income Statement amount to 88,038 thousand euros (December 31, 2014: 69,101 thousand euros) and the breakdown by country is as follows:

	Thousands of euros	
	2015	2014
Spain	20,787	16,637
Germany	13,394	11,917
France	3,241	3,063
Portugal	2,060	1,828
Poland	1,433	1,081
Hungary	1,303	732
Slovakia	11	23
Czech Republic	524	473
United Kingdom	8,400	5,915
Sweden	2,661	1,747
Luxembourg	76	44
USA	10,578	7,190
Mexico	8,228	5,885
Brazil	2,184	2,940
Argentina	938	662
India	864	762
South Korea	387	564
China	6,275	3,227
Japan	221	161
Thailand	26	22
Russia	891	1,349
Turkey	3,556	2,879
	88,038	**69,101**

Total future minimum payments for operating leases at December 31, 2015 and December 31, 2014 are as follows:

	Thousands of euros		
	Future minimum payments		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Spain	16,415	53,214	30,715
Germany	9,341	20,450	777
France	2,520	953	-
Portugal	1,410	3,454	-
Poland	1,541	-	-
Czech Republic	48	280	-
United Kingdom	9,634	29,641	53,279
Sweden	643	1,697	-
USA	8,474	31,857	40,129
Mexico	15,641	81,173	9,082
Brazil	2,412	-	-
Argentina	8	38	-
India	219	263	-
China	6,285	395	-
Japan	50	-	-
Thailand	25	129	-
Russia	394	1,834	-
Turkey	582	2,453	2,383
Total 2015	**75,642**	**227,831**	**136,365**

	Thousands of euros		
	Future minimum payments		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Total 2014	**74,561**	**216,203**	**128,041**

The increase in long-term future minimum payments from 2014 to 2015 for 19 million euros corresponds to renegotiation of already existing agreements and to signing new agreements, mainly in companies in USA and Germany, as well as to changes in exchange rates.

The Group companies have not acquired additional significant commitments to those already existing corresponding to the planification of the ordinary business, acquisition of raw materials or fixed assets.

29. Related party transactions

29.1 Balances and transactions with Related Parties

At December 31, 2015 and December 31, 2014 the amounts payable to and receivable from Related Parties and transactions carried out with Related Parties were as follows:

	Thousands of euros	
	2015	**2014**
Balances receivable	18,262	51,738
Balances payable	(270,697)	(291,291)
Revenue		
Sales of goods	155,059	175,050
Services rendered	5,407	3,048
Financial income	360	1,179
Expenses		
Purchases	922,718	941,653
Services received	11,595	8,926
Financial expenses	7,897	8,422
Impairment loss	9,324	-

The breakdown of receivables from and payables to Related Parties at December 31, 2015 is as follows:

Company	Item	Thousands of euros Amounts receivable	Amounts payable
Acek, Desarrollo y Gestión Industrial, S.L.	Current account	26	-
Total Current account		26	
Mitsui &Co., Ltd	Non-current loans	-	(20,104)
JSC Karelsky Okatysh	Non-current loans	-	(22,063)
Total non-current loans (Note 20.c.2)			(42,167)
Gonvarri Corporación Financiera, S.L.	Current loans	-	(7,438)
Total current loans (Note 20.c.2)			(7,438)
Acek, Desarrollo y Gestión Industrial, S.L	Current interest payable	-	(1,337)
Gonvarri I. Centro Servicios, S.L.	Current interest payable	-	(36)
Gonvarri Corporación Financiera, S.L.	Current interest payable	-	(582)
JSC Karelsky Okatysh	Current interest payable	-	(1,169)
Total interest payable (Note 20.c.2)			(3,124)
Esymo Metal, S.L.	Non-current loans	1,120	-
Esymo Metal, S.L.	Current loans	320	-
Total loans		1,440	
Esymo Metal, S.L.	Current interest receivable	1	-
Gestion Global de Matriceria, S.L	Current interest receivable	61	-
Total interest receivable		62	
Essa Palau, S.A.	Trade receivables from Group companies	1,440	-
Esymo Metal, S.L.	Trade receivables from Group companies	9	-
Gescrap Centro, S.L	Trade receivables from Group companies	516	-
Gescrap France S.A.R.L.	Trade receivables from Group companies	1,010	-
Gescrap Navarra, S.L.	Trade receivables from Group companies	234	-
Gescrap Polska SPZ00	Trade receivables from Group companies	345	-
Gescrap, S.L.	Trade receivables from Group companies	3,501	-
Gescrap Hungría KFT	Trade receivables from Group companies	176	-
Gescrap Autometal Mexico S.A. de C.V.	Trade receivables from Group companies	606	-
Gescrap Czech S.R.O.	Trade receivables from Group companies	22	-
Gescrap Autometal Comercio de Sucatas S.A.	Trade receivables from Group companies	351	-
GES Recycling Ltd.	Trade receivables from Group companies	285	-
GGM Puebla, S.A. de C.V.	Trade receivables from Group companies	1,373	-
Gestion Global de Matriceria, S.L	Trade receivables from Group companies	740	-
Gonvarri Galicia, SA	Trade receivables from Group companies	148	-
Gonvarri I. Centro Servicios, S.L.	Trade receivables from Group companies	112	-
Gonvarri MS Corporate S.L.	Trade receivables from Group companies	46	-
Gonvauto Navarra, SA	Trade receivables from Group companies	694	-
Gonvauto Puebla S.A. de C.V.	Trade receivables from Group companies	389	-
Gonvauto Thuringen, GMBH	Trade receivables from Group companies	1,092	-
Gonvauto, SA	Trade receivables from Group companies	480	-
Gonvarri Corporación Financiera, S.L.	Trade receivables from Group companies	169	-
Gonvarri Polska	Trade receivables from Group companies	4	-
Ind. Ferrodistribuidora, S.L.	Trade receivables from Group companies	281	-
Severstal Gonvarri Kaluga, LLC	Trade receivables from Group companies	8	-
Steel & Alloy	Trade receivables from Group companies	29	-
Gonvarri Czech S.R.O.	Trade receivables from Group companies	37	-
GS Hot Stamping, Ltd.	Trade receivables from Group companies	5	-
Ingeniería y Construcción Matrices, S.A.	Trade receivables from Group companies	1,919	-
IxCxT, S.A.	Trade receivables from Group companies	3	-
Jui Li Edscha Body System	Trade receivables from Group companies	6	-
Jui Li Edscha Hainan	Trade receivables from Group companies	257	-
Gestamp Energías Renovables	Trade receivables from Group companies	426	-
Inmobiliaria Acek,S.L.	Trade receivables from Group companies	8	-
Acek, Desarrollo y Gestión Industrial, S.L	Trade receivables from Group companies	7	-
Recuperaciones Medioambientales Subgroup	Trade receivables from Group companies	6	-
Total Trade receivables from Group companies (Note 12.a)		16,734	
Agricola La Veguilla, S.A.	Suppliers from Group companies		(18)
Acek, Desarrollo y Gestión Industrial, S.L	Suppliers from Group companies		(2,582)
Essa Palau, S.A.	Suppliers from Group companies		(13,777)
Esymo Metal, S.L.	Suppliers from Group companies		(1,766)
Gescrap Navarra, S.L.	Suppliers from Group companies		(2)
Gescrap Polska	Suppliers from Group companies		(3)
GGM Puebla, S.A. de C.V.	Suppliers from Group companies		(796)
Gestion Global de Matriceria, S.L	Suppliers from Group companies		(283)
Gonvarri Argentina S.A.	Suppliers from Group companies		(6,974)
Gonvarri Galicia, SA	Suppliers from Group companies		(23,753)
Gonvarri Corporación Financiera, S.L.	Suppliers from Group companies		41
Gonvarri I. Centro Servicios, S.L.	Suppliers from Group companies		(42,666)
Gonvarri Polska, SP, ZOO.	Suppliers from Group companies		(9,486)
Gonvarri Ptos. Siderúrgicos, SA	Suppliers from Group companies		(10,673)
Gonvauto Asturias	Suppliers from Group companies		(2,236)
Gonvauto Navarra, SA	Suppliers from Group companies		(4,976)
Gonvauto Puebla S.A. de C.V.	Suppliers from Group companies		(18,680)
Gonvauto Thuringen, GMBH	Suppliers from Group companies		(5,507)
Gonvauto, SA	Suppliers from Group companies		(22,812)
Gonvauto South Carolina LLC	Suppliers from Group companies		(673)
Severstal Gonvarri Kaluga, LLC	Suppliers from Group companies		(517)
Hierros y Aplanaciones, SA	Suppliers from Group companies		(70)
Ind. Ferrodistribuidora, S.L.	Suppliers from Group companies		70
Láser Automotive Barcelona	Suppliers from Group companies		(805)
Gonvarri Czech S.R.O.	Suppliers from Group companies		(621)
Steel & Alloy	Suppliers from Group companies		(15,092)
Inmobiliaria Acek,S.L.	Suppliers from Group companies		(208)
Arcelor Group	Suppliers from Group companies		(1,473)
Ingeniería y Construcción Matrices, S.A.	Suppliers from Group companies		(898)
Jui Li Edscha Body System	Suppliers from Group companies		(8)
Air Executive	Suppliers from Group companies		(107)
Total Suppliers from Group companies (Note 22.a)			(187,351)
Arcelor Group	Suppliers from Associated companies		(1,054)
Total Suppliers from Associated companies (Note 22.a)			(1,054)
Severstal Gonvarri Kaluga, LLC	Trade creditors, Group companies		(2,342)
Gestion Global de Matriceria, S.L	Trade creditors, Group companies		(23)
Total Trade creditors, Group companies (Note 22.a)			(2,365)
Acek, Desarrollo y Gestión Industrial, S.L	Long term fixed assets suppliers		(26,275)
Acek, Desarrollo y Gestión Industrial, S.L	Short term fixed assets suppliers		(918)
Gonvarri Galicia, SA	Short term fixed assets suppliers		(3)
Esymo Metal, S.L.	Short term fixed assets suppliers		(2)
Total Fixed assets suppliers (Note 20.c.2)			(27,198)
		18,262	(270,697)

The breakdown of receivables from and payables to Related Parties at December 31, 2014 were as follows:

		Thousands of euros	
Company	Item	Amounts receivable	Amounts payable
Acek, Desarrollo y Gestión Industrial, S.L.	Current account	-	(399)
Total Current Account (Note 20.c.2)			(399)
Mitsui &Co., Ltd	Non-current loans	-	(18,054)
Gonvarri Corporación Financiera, S.L.	Non-current loans	-	(7,438)
Severstal Trade GesmbH	Non-current loans	-	(10,834)
Melsonda Holdings Ltd.	Non-current loans	-	(9,660)
Total non-current loans (Note 20.c.2)			(45,986)
Gonvarri Argentina, S.A	Current loans	-	(354)
Gonvarri Corporación Financiera, S.L.	Current loans	-	(21,264)
Total current loans (Note 20.c.2)			(21,618)
Gonvarri I. Centro Servicios, S.L.	Current interest payable	-	(36)
Acek, Desarrollo y Gestión Industrial, S.L.	Current interest payable	-	(1,379)
Severstal Trade GmbH	Current interest payable	-	(1,064)
Melsonda Holdings Ltd.	Current interest payable	-	(9)
Gonvarri Corporación Financiera, S.L.	Current interest payable	-	(781)
Total interest payable (Note 20.c.2)			(3,269)
Esymo Metal, S.L.	Non-current loans	1,440	-
Essa Palau, S.A.	Non-current loans	4,000	-
Acek, Desarrollo y Gestión Industrial, S.L.	Non-current loans	24,628	-
Esymo Metal, S.L.	Current loans	978	-
Gonvarri Argentina S.A.	Current loans	673	-
Essa Palau, S.A.	Current loans	3,000	-
Essa Palau, S.A.	Current interest receivable	243	-
Acek, Desarrollo y Gestión Industrial, S.L.	Current interest receivable	3	-
Gestión Global de Matricería, S.L.	Current interest receivable	12	-
Total loans and interest receivable		34,977	
Gescrap Navarra, S.L.	Trade receivables from Group companies	676	-
Gescrap, S.L.	Trade receivables from Group companies	6,356	-
Gescrap Polska SPZ00	Trade receivables from Group companies	1,097	-
Gescrap Desarrollo, S.L.	Trade receivables from Group companies	1,174	-
Gescrap France S.A.R.L.	Trade receivables from Group companies	1,676	-
Gescrap Centro, S.L	Trade receivables from Group companies	419	-
Gonvarri I. Centro Servicios, S.L.	Trade receivables from Group companies	496	-
Gonvarri Galicia, SA	Trade receivables from Group companies	645	-
Gonvauto Navarra, SA	Trade receivables from Group companies	199	-
Gonvauto Puebla S.A. de C.V.	Trade receivables from Group companies	28	-
Gonvauto Thuringen, GMBH	Trade receivables from Group companies	740	-
Gonvauto, SA	Trade receivables from Group companies	1,054	-
Hierros y Aplanaciones, SA	Trade receivables from Group companies	24	-
Gonvarri Corporación Financiera, S.L.	Trade receivables from Group companies	124	-
Severstal Gonvarri Kaluga, LLC	Trade receivables from Group companies	1	-
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	Trade receivables from Group companies	77	-
Sungwoo Gestamp Hitech Pune Private, Ltd.	Trade receivables from Group companies	56	-
Esymo Metal, S.L.	Trade receivables from Group companies	16	-
Essa Palau, S.A.	Trade receivables from Group companies	1,420	-
Ingeniería y Construcción Matrices, S.A.	Trade receivables from Group companies	121	-
IxCxT, S.A.	Trade receivables from Group companies	4	-
Gestión Global de Matricería, S.L.	Trade receivables from Group companies	235	-
GGM Puebla, S.A. de C.V.	Trade receivables from Group companies	115	-
Inmobiliaria Acek, S.L.	Trade receivables from Group companies	8	-
Total Trade receivables from Group companies (Note 12.a)		16,761	
Agricola La Veguilla, S.A.	Suppliers from Group companies	-	(18)
Acek, Desarrollo y Gestión Industrial, S.L.	Suppliers from Group companies	-	(313)
Gonvarri I. Centro Servicios S.L.	Suppliers from Group companies	-	(33,043)
Arcelormittal Gonvarri Brasil Prod. Siderúrgicos	Suppliers from Group companies	-	(591)
Gonvarri Galicia, SA	Suppliers from Group companies	-	(9,807)
Hierros y Aplanaciones, SA	Suppliers from Group companies	-	(71)
Gonvarri Ptos. Siderúrgicos, SA	Suppliers from Group companies	-	(10,282)
Gonvauto Navarra, SA	Suppliers from Group companies	-	(4,790)
Gonvauto Puebla S.A. de C.V.	Suppliers from Group companies	-	(24,430)
Gonvauto Thuringen, GMBH	Suppliers from Group companies	-	(4,769)
Gonvauto, SA	Suppliers from Group companies	-	(20,084)
Gonvarri Argentina S.A.	Suppliers from Group companies	-	(8,374)
Gestión Global de Matricería, S.L.	Suppliers from Group companies	-	(124)
Ind. Ferrodistribuidora, S.L.	Suppliers from Group companies	-	787
Severstal Gonvarri Kaluga, LLC	Suppliers from Group companies	-	(14)
Gonvarri Polska, SP, ZOO.	Suppliers from Group companies	-	(8,501)
Steel & Alloy	Suppliers from Group companies	-	(12,349)
Gonvarri Tarragona, S.L.	Suppliers from Group companies	-	(1,026)
Gonvauto Asturias	Suppliers from Group companies	-	(183)
Air Executive, S.L.	Suppliers from Group companies	-	(144)
Inmobiliaria Acek, S.L.	Suppliers from Group companies	-	(270)
Gescrap Navarra, S.L.	Suppliers from Group companies	-	(4)
Gescrap, S.L.	Suppliers from Group companies	-	(18)
Gescrap Polska SPZ00	Suppliers from Group companies	-	(4)
Esymo Metal, S.L.	Suppliers from Group companies	-	(1,584)
Essa Palau, S.A.	Suppliers from Group companies	-	(16,969)
Ingeniería y Construcción Matrices, S.A.	Suppliers from Group companies	-	(592)
GGM Puebla, S.A. de C.V.	Suppliers from Group companies	-	(28)
Arcelor Group	Suppliers from Group companies	-	(2,607)
Total Suppliers from Group companies (Note 22.a)			(160,202)
Arcelor Group	Suppliers from Associated companies	-	(2,265)
Total Suppliers from Associated companies (Note 22.a)			(2,265)
Severstal Gonvarri Kaluga, LLC	Trade creditors, Group companies	-	(4,486)
Total Trade creditors, Group companies (Note 22.a)			(4,486)
Acek, Desarrollo y Gestión Industrial, S.L.	Long term fixed assets suppliers	-	(27,193)
Acek, Desarrollo y Gestión Industrial, S.L.	Short term fixed assets suppliers	-	(861)
Esymo Metal, S.L.	Short term fixed assets suppliers	-	(2)
Inmobiliaria Acek, S.L.	Short term fixed assets suppliers	-	(25,010)
Total Fixed assets suppliers (Note 20.c.2)			(53,066)
		51,738	(291,291)

The breakdown of transactions carried out with Related Parties during 2015 was as follows:

Company	Transaction	Thousands of euros
Gescrap Autometal Comercio de Sucata S.A.	Sales	(7,088)
Gescrap Autometal México, S.A. de C.V.	Sales	(16,621)
Gescrap S.L.	Sales	(27,082)
Gescrap Centro, S.L	Sales	(2,976)
Gescrap France S.A.R.L.	Sales	(15,474)
Gescrap Navarra, S.L.	Sales	(4,391)
Gescrap Polska SPZOO	Sales	(5,412)
Gescrap Czech S.R.O.	Sales	(430)
Gescrap Hungría	Sales	(1,609)
GES Recycling Ltd.	Sales	(4,199)
Gescrap GmbH	Sales	(8,276)
Gonvarri Galicia, SA	Sales	(5,900)
Gonvarri I. Centro Servicios, S.L.	Sales	(1,994)
Gonvauto Navarra, SA	Sales	(9,377)
Gonvauto Puebla S.A. de C.V.	Sales	(296)
Gonvauto, SA	Sales	(34,670)
Ind. Ferrodistribuidora, S.L.	Sales	(301)
Gonvauto South Carolina Llc.	Sales	(3)
Gonvauto Thuringen, GMBH	Sales	(30)
Severstal Gonvarri Kaluga, LLC	Sales	(26)
Ingeniería y Construcción Matrices, S.A.	Sales	(391)
Jui Li Edscha Hainan Industry Enterprise	Sales	(173)
Essa Palau, S.A.	Sales	(7,280)
GGM Puebla, S.A de C.V	Sales	(102)
Gestión Global de Matricería, S.L.	Sales	(958)
Total Sales		(155,059)
Acek, Desarrollo y Gestión Industrial, S.L	Services rendered	(16)
Gonvarri Polska, SP, ZOO.	Services rendered	(22)
Gonvarri Ptos. Siderúrgicos, SA	Services rendered	(1)
Gonvarri Czech	Services rendered	(30)
Gonvarri Corporación Financiera, S.L.	Services rendered	(400)
Gonvarri I. Centro Servicios, S.L.	Services rendered	(21)
Gonvarri Aluminium GmbH	Services rendered	(1)
Gonvauto Thuringen, GMBH	Services rendered	(13)
Inmobiliaria Acek, S.L	Services rendered	(10)
Gestamp Energías Renovables	Services rendered	(588)
Gescrap Autometal México, S.A. de C.V.	Services rendered	(3)
Ingeniería y Construcción Matrices, S.A.	Services rendered	(1,794)
IxCxT, S.A	Services rendered	(8)
Jui Li Edscha Body Systems Co. Ltd.	Services rendered	(12)
Jui Li Edscha Hainan Industry Enterprise	Services rendered	(6)
Essa Palau, S.A.	Services rendered	(581)
Esymo Metal, S.L.	Services rendered	(112)
GGM Puebla, S.A de C.V	Services rendered	(1,291)
Gestión Global de Matricería, S.L.	Services rendered	(399)
Recuperaciones Mediambientales Subgroup	Services rendered	(99)
Total Services rendered		(5,407)
Acek, Desarrollo y Gestión Industrial, S.L	Financial income	(9)
Essa Palau, S.A.	Financial income	(197)
Esymo Metal, S.L.	Financial income	(29)
Gestion Global de Matriceria, S.L	Financial income	(125)
Total Financial income (Note 25.a)		(360)

Company	Transaction	Thousands of euros
Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	Purchases	9,937
Gonvauto Asturias	Purchases	6,935
Gonvarri Argentina S.A.	Purchases	56,446
Gonvarri Galicia, SA	Purchases	60,484
Gonvarri I. Centro Servicios, S.L.	Purchases	184,532
Gonvarri Polska, SP, ZOO.	Purchases	67,152
Gonvarri Ptos. Siderúrgicos, SA	Purchases	31,687
Gonvauto Navarra, SA	Purchases	20,520
Gonvauto Puebla S.A. de C.V.	Purchases	68,892
Gonvauto Thuringen, GMBH	Purchases	77,437
Gonvauto, SA	Purchases	86,325
Ind. Ferrodistribuidora, S.L.	Purchases	201
Severstal Gonvarri Kaluga, LLC	Purchases	42,676
Steel & Alloy	Purchases	41,513
Gonvauto South Carolina Llc.	Purchases	6,355
Laser Automotive Barcelona	Purchases	812
Gonvarri Czech	Purchases	592
Gonvarri Aluminium GmbH	Purchases	66
Jui Li Edscha Body Systems Co. Ltd.	Purchases	53
Arcelor Group	Purchases	82,617
Ingeniería y Construcción Matrices, S.A.	Purchases	8,354
GGM Puebla, S.A de C.V	Purchases	4,976
Essa Palau, S.A.	Purchases	60,717
Esymo Metal, S.L.	Purchases	3,439
Total Purchases		922,718
Agricola La Veguilla, S.A	Services received	140
Air Executive, S.L.	Services received	587
Acek, Desarrollo y Gestión Industrial, S.L	Services received	3,593
Gescrap S.L.	Services received	194
Gescrap Navarra, S.L.	Services received	10
Gescrap Polska SPZOO	Services received	32
Gonvarri I. Centro Servicios, S.L.	Services received	124
Gonvarri Polska, SP, ZOO.	Services received	(1)
Gonvarri Ptos. Siderúrgicos, SA	Services received	237
Gonvauto Puebla S.A. de C.V.	Services received	737
Gonvauto, SA	Services received	23
Ind. Ferrodistribuidora, S.L.	Services received	4
Gonvauto Navarra, SA	Services received	(1)
Gonvarri Argentina S.A.	Services received	11
Gonvauto South Carolina Llc.	Services received	(92)
Inmobiliaria Acek, S.L	Services received	2,017
Ingeniería y Construcción Matrices, S.A.	Services received	176
Essa Palau, S.A.	Services received	(122)
Esymo Metal, S.L.	Services received	1,350
Gestión Global de Matricería, S.L.	Services received	2,418
GGM Puebla, S.A de C.V	Services received	158
Total Services received		11,595
Acek, Desarrollo y Gestión Industrial, S.L	Financial expenses	2,344
Gonvarri Corporación Financiera, S.L.	Financial expenses	1,320
Gonvarri Galicia, SA	Financial expenses	100
Gonvarri I. Centro Servicios, S.L.	Financial expenses	72
Gonvarri Ptos. Siderúrgicos, SA	Financial expenses	81
Gonvauto Navarra, SA	Financial expenses	18
Gonvauto, SA	Financial expenses	231
Gonvauto Puebla S.A. de C.V.	Financial expenses	642
Mitsui & Co	Financial expenses	809
JSC Karelsky Okatysh	Financial expenses	2,280
Total Financial expenses (Note 25.b)		7,897
Essa Palau, S.A.	Short term loans impairment loss	9,324
Total Short term loans impairment loss		9,324

The breakdown of transactions carried out with Related Parties during 2014 was as follows:

Company	Transaction	Thousands of euros
Acek, Desarrollo y Gestión Industrial, S.L.	Sales	(10)
Gescrap, S.L.	Sales	(61,749)
Gescrap Navarra, S.L.	Sales	(5,009)
Gescrap Polska SPZ00	Sales	(10,333)
Gescrap France S.A.R.L.	Sales	(5,109)
Gescrap Autometal Comercio de Sucata S.A.	Sales	(10,517)
Gescrap Autometal México, S.A. de C.V.	Sales	(17,178)
Gonvarri Galicia, SA	Sales	(5,935)
Gonvarri Polska, SP, ZOO.	Sales	(1,170)
Gonvarri I. Centro Servicios, S.L.	Sales	(2,459)
Gonvauto Navarra, SA	Sales	(7,709)
Gonvauto, SA	Sales	(30,316)
Gonvauto Asturias	Sales	(1)
Gonvarri Argentina S.A.	Sales	(2)
Gonvauto Thuringen, GMBH	Sales	(20)
Gonvarri MS Corporate, S.L	Sales	(34)
Gonvauto Puebla S.A. de C.V.	Sales	(193)
Gonvarri Ptos. Siderúrgicos, S.A	Sales	(19)
Gescrap Centro, S.L	Sales	(3,027)
Ingeniería y Construcción Matrices, S.A.	Sales	97
Gestamp Global Mexico	Sales	(2,110)
Severstal Gonvarri Kaluga, Llc	Sales	(28)
Essa Palau, S.A.	Sales	(3,742)
Gestión Global de Matricería, S.L.	Sales	(8,477)
Total Sales		(175,050)
Acek, Desarrollo y Gestión Industrial, S.L.	Services rendered	(11)
Gonvauto Puebla S.A. de C.V.	Services rendered	(55)
Gonvarri Polska, SP, ZOO.	Services rendered	(20)
Gonvarri Corporación Financiera, S.L.	Services rendered	(170)
Gonvarri Ptos. Siderúrgicos, S.A	Services rendered	1
Steel & Alloy	Services rendered	(21)
Inmobiliaria Acek S.L.	Services rendered	(51)
Esymo Metal, S.L.	Services rendered	(89)
Gescrap France S.A.R.L.	Services rendered	(48)
Gonvarri I. Centro Servicios, S.L.	Services rendered	(38)
Gestamp Global Mexico	Services rendered	(54)
Gestamp Polska SPZ00	Services rendered	(2)
Gestamp Energías Renovables	Services rendered	(70)
Gescrap Autometal México, S.A. de C.V.	Services rendered	(3)
Essa Palau, S.A.	Services rendered	(439)
Reimasa	Services rendered	(48)
Gestión Global de Matricería, S.L.	Services rendered	(43)
IxCxT, S.A	Services rendered	1
Jui Li Edscha Body System and subsidiaries	Services rendered	(26)
Ingeniería y Construcción Matrices, S.A.	Services rendered	(1,862)
Total Services rendered		(3,048)
Acek, Desarrollo y Gestión Industrial, S.L.	Financial income	(140)
Esymo Metal, S.L.	Financial income	(43)
Essa Palau, S.A.	Financial income	(169)
Jeff Wilson	Financial income	(16)
Gonvarri Argentina S.A.	Financial income	(705)
Shrenik Industries Private Ltd.	Financial income	(106)
Total Financial income (Note 25.a)		(1,179)

Company	Transaction	Thousands of euros
Acek, Desarrollo y Gestión Industrial, S.L.	Purchases	4
Gonvarri Galicia, SA	Purchases	59,069
Gonvarri I. Centro Servicios, S.L.	Purchases	173,283
Gonvarri Polska, SP, ZOO.	Purchases	57,717
Gonvarri Tarragona, S.L.	Purchases	4,799
Gonvarri Ptos. Siderúrgicos, SA	Purchases	30,594
Hierros y Aplanaciones, SA	Purchases	72
Ind. Ferrodistribuidora, S.L.	Purchases	1,786
Gonvauto Navarra, SA	Purchases	17,632
Gonvauto Puebla S.A. de C.V.	Purchases	54,823
Gestamp Global México	Purchases	23
Gonvauto Thuringen, GMBH	Purchases	70,967
Gonvarri Argentina S.A.	Purchases	49,715
Gonvauto, SA	Purchases	72,195
Severstal Gonvarri Kaluga, LLC	Purchases	61,303
Steel & Alloy	Purchases	68,732
Gonvauto Asturias S.L.	Purchases	172
Gescrap Navarra, S.L.	Purchases	769
Gescrap, S.L.	Purchases	231
Arcelormilttal Gonvarri Brasil Ptos. Siderúrgicos, S.A	Purchases	7,517
Esymo Metal, S.L	Purchases	2,839
Essa Palau, S.A.	Purchases	48,193
Ingeniería y Construcción Matrices, S.A.	Purchases	7,610
Arcelor Group	Purchases	151,608
Total Purchases		941,653
Acek, Desarrollo y Gestión Industrial, S.L.	Services received	2,611
Gescrap Navarra, S.L.	Services received	11
Gescrap Polska SPZ00	Services received	17
Gonvauto, SA	Services received	39
Gonvauto Puebla S.A. de C.V.	Services received	83
Gonvarri I. Centro Servicios, S.L.	Services received	(31)
Gonvarri Corporación Financiera, S.L.	Services received	2
Gonvarri Galicia, SA	Services received	(1)
Gonvarri Ptos. Siderúrgicos, SA	Services received	260
Inmobiliaria Acek S.L.	Services received	3,849
Air Executive, S.L.	Services received	1,289
Agricola La Veguilla, S.A	Services received	125
Gonvarri Polska, SP, ZOO.	Services received	(1)
Gestamp Eólica	Services received	1
Gestamp Solar	Services received	(207)
Essa Palau, S.A.	Services received	(69)
Gestamp Global México	Services received	101
Arcelor Group	Services received	(11)
Ingeniería y Construcción Matrices, S.A.	Services received	528
Esymo Metal, S.L	Services received	328
Ind. Ferrodistribuidora, S.L.	Services received	2
Total Services received		8,926
Acek, Desarrollo y Gestión Industrial, S.L.	Financial expenses	3,804
Gonvarri Galicia, SA	Financial expenses	60
Gonvarri Corporación Financiera, S.L.	Financial expenses	1,737
Gonvarri Argentina S.A.	Financial expenses	337
Gonvarri I. Centro Servicios, S.L.	Financial expenses	114
Gonvarri Ptos. Siderúrgicos, SA	Financial expenses	82
Gescrap Navarra, S.L.	Financial expenses	1
Gonvauto Navarra, SA	Financial expenses	22
Gonvauto, SA	Financial expenses	229
Ind. Ferrodistribuidora, S.L.	Financial expenses	1
Mitsui & Co, Ltd	Financial expenses	8
Severstal Trade GesmbH	Financial expenses	1,353
Melsonda Holdings Ltd.	Financial expenses	674
Total Financial expenses (Note 25.b)		8,422

29.2 Board of Directors' remuneration

In 2015 and 2014 the members of the Company's Board of Directors received no remuneration from any of the companies which compose the Group.

In 2015 and 2014 Acek, Desarrollo y Gestión Industrial, S.L. received total remuneration of 690 thousand euros as compensation for membership of the Board of Directors of certain Group companies.

The remuneration accrued during 2014 by the representatives (natural persons) of the members of the Board of Directors (legal entity), is included in the remuneration accrued by the Management´s Remuneration informed in Note 29.3

In 2015 and 2014, no loans or advances, pensions or life insurance benefits were granted to members of its Board nor their representatives as natural persons.

29.3 Senior Management's Remuneration

In 2015 total remuneration for the members of the Management Committee, which fully correspond to salaries, amounted to 4,265 thousand euros (2014: 2,708 thousand euros), included in "Personnel expenses" in the accompanying consolidated income statement. The company made no contributions to pension plans on their behalf.

30. Subsidiaries with significant non-controlling interest

Financial information of subsidiaries that have significant non-controlling interests is provided below. The summarised financial information of these subsidiaries, based on their individual financial statements adapted to Group criteria and before intercompany eliminations and consolidation adjustments, is as follows:

Summarised profit statement at December 31, 2015 and December 31, 2014:

	2015								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating income	855,225	218,287	414,763	218,004	244,629	208,370	-	32,810	83,195
Operating expense	(818,075)	(213,582)	(362,029)	(212,771)	(225,669)	(185,275)	(171)	(30,320)	(73,519)
OPERATING PROFIT	**37,150**	**4,705**	**52,734**	**5,233**	**18,960**	**23,095**	**(171)**	**2,490**	**9,676**
Financial profit	(4,532)	(1,748)	1,517	(16,432)	(2,287)	(987)	3,058	(2,153)	(5,718)
Exchange gain (losses)	2,230	(4,669)	(1,185)	(20,714)	(5,785)	(1,510)	731	(4,877)	(11,411)
Impairment and other	-	-	-	-	-	-	-	-	-
PROFIT BEFORE TAXES	**34,848**	**(1,712)**	**53,066**	**(31,913)**	**10,888**	**20,598**	**3,618**	**(4,540)**	**(7,453)**
Income tax expense	(4,951)	(1,895)	(15,668)	10,603	(934)	(3,090)	-	443	-
Profit for the year from discontinued operations net of taxes	-	-	-	-	-	-	-	-	-
Non-controlling interest	-	81	-	-	-	-	-	-	-
PROFIT ATTRIBUTABLE TO PARENT COMPANY	**29,897**	**(3,526)**	**37,398**	**(21,310)**	**9,954**	**17,508**	**3,618**	**(4,097)**	**(7,453)**
Non-controlling interest	30.00%	30.01%	30.00%	30.00%	50.00%	31.06%	35.00%	41.87%	41.87%
Attributable to non-controlling interest	8,969	(1,058)	11,219	(6,393)	4,977	5,438	1,266	(1,715)	(3,121)

	2014								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk , LLc	Gestamp Severstal Kaluga, Llc
Operating income	702,097	185,639	299,961	345,370	203,157	175,253	-	47,395	103,471
Operating expense	(664,807)	(178,944)	(281,962)	(312,735)	(188,519)	(160,208)	(235)	(48,124)	(97,008)
OPERATING PROFIT	**37,290**	**6,695**	**17,999**	**32,635**	**14,638**	**15,045**	**(235)**	**(729)**	**6,463**
Financial profit	(5,890)	(5,353)	3,878	(18,903)	(2,416)	(1,526)	3,132	(1,958)	(5,735)
Exchange gain (losses)	4,561	(12,175)	623	(45)	187	2,333	-	(15,280)	(32,986)
Impairment and other	-	-	(9)	(405)	-	-	-	-	-
PROFIT BEFORE TAXES	**35,961**	**(10,833)**	**22,491**	**13,282**	**12,409**	**15,852**	**2,897**	**(17,967)**	**(32,258)**
Income tax expense	190	5,418	(7,068)	(5,892)	(1,373)	(3,963)	-	520	-
Profit for the year from discontinued operations net of taxes	-	-	-	-	-	-	-	-	-
Non-controlling interest	-	481	-	-	-	-	-	-	-
PROFIT ATTRIBUTABLE TO PARENT COMPANY	**36,151**	**(4,934)**	**15,423**	**7,390**	**11,036**	**11,889**	**2,897**	**(17,447)**	**(32,258)**
Non-controlling interest	30.00%	30.01%	30.00%	30.00%	50.00%	31.05%	35.00%	41.87%	41.87%
Attributable to non-controlling interest	10,845	(1,481)	4,627	2,217	5,518	3,692	1,014	(7,305)	(13,506)

(*) These figures correspond to Subconsolidated Financial Statements

Summarised statement of financial position at December 31, 2015 and December 31, 2014:

	2015								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Total non-current assets	441,226	47,049	192,058	189,840	73,556	81,965	78,061	15,864	71,574
Total current assets	279,197	96,631	233,204	78,763	94,921	157,294	70,453	12,996	36,022
Total non-current liabilities	(197,037)	(7,498)	(17,654)	(32,233)	(18,887)	(38,459)	(23,068)	(18,501)	(60,947)
Total current liabilities	(155,274)	(103,888)	(151,910)	(136,124)	(97,471)	(91,760)	(5,420)	(8,313)	(16,652)
Equity	(317,644)	(85,495)	(292,530)	(114,287)	(68,007)	(92,084)	(120,026)	(9,346)	(69,338)
Translation differences	(50,468)	53,201	36,832	14,041	15,888	(16,956)	-	7,300	39,341
Equity attributable to:									
Equity holders of the parent	(222,351)	(59,838)	(204,771)	(80,001)	(34,004)	(63,483)	(78,017)	(5,433)	(40,306)
Non-controlling interest	(95,293)	(25,657)	(87,759)	(34,286)	(34,004)	(28,601)	(42,009)	(3,913)	(29,032)
Translation differences attributable to:									
Equity holders of the parent	(35,327)	37,235	25,782	9,829	7,944	(11,689)	-	4,243	22,869
Non-controlling interest	(15,140)	15,966	11,050	4,212	7,944	(5,267)	-	3,057	16,472

	2014								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk , LLc	Gestamp Severstal Kaluga, Llc
Total non-current assets	396,673	64,497	196,026	227,764	73,081	77,289	100,885	18,148	84,332
Total current assets	230,643	105,799	170,801	145,755	77,169	128,702	16,363	17,652	31,427
Total non-current liabilities	(185,766)	(67,951)	(16,580)	(87,539)	(39,419)	(25,954)	-	(17,273)	(56,650)
Total current liabilities	(137,817)	(47,180)	(103,701)	(131,672)	(57,450)	(96,135)	28	(13,446)	(20,933)
Equity	(287,747)	(90,402)	(275,064)	(135,597)	(65,278)	(72,372)	(117,276)	(12,094)	(75,588)
Translation differences	(15,986)	35,237	28,518	(18,711)	11,897	(11,530)	-	7,013	37,412
Equity attributable to:									
Equity holders of the parent	(201,423)	(63,272)	(192,545)	(94,918)	(32,639)	(49,900)	(76,229)	(7,030)	(43,939)
Non-controlling interest	(86,324)	(27,130)	(82,519)	(40,679)	(32,639)	(22,472)	(41,047)	(5,064)	(31,649)
Translation differences attributable to:									
Equity holders of the parent	(11,190)	24,662	19,963	(13,098)	5,949	(7,950)	-	4,077	21,748
Non-controlling interest	(4,796)	10,575	8,555	(5,613)	5,949	(3,580)	-	2,936	15,664

(*) These figures correspond to Subconsolidated Financial Statements

Summarized cash flow at December 31, 2015 and December 31, 2014:

	2015								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating activities	63,406	24,471	13,432	13,851	24,729	52,938	(587)	6,459	12,839
Investing activities	(75,547)	(2,769)	(22,092)	(24,811)	(15,584)	(16,164)	30,638	(350)	(3,346)
Financing activities	(1,383)	(266)	17,224	(33,117)	(10,323)	1,549	23,390	(3,620)	(8,287)
Effect of changes in exclange rates	10,051	(10,822)	(5,352)	(988)	-	-	-	-	-
Net increase (decrease) of cash or cash equivalents	(3,473)	10,614	3,212	(45,065)	(1,177)	38,324	53,441	2,489	1,206

	2014								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk , LLc	Gestamp Severstal Kaluga, Llc
Operating activities	77,650	216	37,658	59,792	17,055	21,194	(3,151)	3,803	15,600
Investing activities	(81,431)	(433)	(59,531)	(2,478)	(7,124)	(7,610)	(51,224)	(1,431)	(3,497)
Financing activities	(14,518)	1,702	11,240	(20,073)	(8,752)	2,358	10,909	(13,457)	(15,640)
Effect of changes in exclange rates	2,456	(3,399)	151	(328)	-	-	-	-	-
Net increase (decrease) of cash or cash equivalents	(15,843)	(1,914)	(10,482)	36,913	1,179	15,942	(43,466)	(11,085)	(3,537)

(*) These figures correspond to Subconsolidated Financial Statements

As mentioned in Note 16, the most significant non-controlling interest mentioned has protecting rights mainly related to significant decisions on divestments, companies restructuring, distribution of dividends and changes in statutes.

31. Investment in associates

The Group has interests in the following associates:

Company	Shareholding 2015	Shareholding 2014	Activity
Industrias Tamer, S.A.	30.00%	30.00%	Tooling and parts manufacturing
Gestamp Pune Automotive Pvt, Ltd.	100.00%	50.00%	Tooling and parts manufacturing
Essa Palau, S.A.	40.00%	40.00%	Tooling and parts manufacturing
Gestión Global de Matricería, S.L.	30.00%	35.00%	Dormant
GGM Puebla, S.A de C.V	30.00%	35.00%	Die cutting production
GGM Puebla de Servicios Laborales, S.A de C.V	30.00%	35.00%	Labor services
Ingeniería y Construcción Matrices, S.A.	30.00%	35.00%	Die cutting production
IxCxT, S.A.	30.00%	35.00%	Die cutting production
Jui Li Edscha Body Systems Co., Ltd.	50.00%	50.00%	Parts manufacturing
Jui Li Edscha Holding Co., Ltd.	50.00%	50.00%	Portfolio management
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	50.00%	50.00%	Parts manufacturing

As explained in Note 2.b, on July 22, 2015 the subsidiary Gestamp Automotive Chennai Private Limited acquired remaining 50% shareholding in Gestamp Pune Automotive Private Limited and therefore acquired control.

The summarized financial information of the Group´s investment in these companies at December 31, 2015 and December 31, 2014 is as follows:

Summarised statement of financial position:

	2015				
	GGM and subsidiaries	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Total non-current assets	49,050	41,994	358	814	1,375
Total current assets	604	26,796	1,415	5,587	1,962
Total non-current liabilities	(17,929)	(23,552)	(28)	-	(314)
Total current liabilities	(19,763)	(59,300)	(912)	(1,853)	(1,889)
Equity	(11,962)	14,061	(744)	(3,739)	(1,134)
Translation differences	-	-	(89)	(809)	1
Carrying amount of the investment	3,589	(5,624)	372	1,870	392

	2014				
	Sungwoo Gestamp Hitech Pune Private Ltd.	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Total non-current assets	5,959	42,396	327	702	45,421
Total current assets	3,940	27,318	1,696	4,438	9,024
Total non-current liabilities	-	(25,708)	(24)	-	(16,056)
Total current liabilities	(5,468)	(52,839)	(796)	(1,193)	(31,421)
Equity	(4,607)	8,833	(1,098)	(3,385)	(6,969)
Translation differences	176	-	(105)	(562)	1
Carrying amount of the investment	2,303	(3,533)	601	1,692	2,451

Summarised profit statement:

	2015				
	GGM and subsidiaries	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Operating income	21,082	71,634	2,669	7,047	2,751
Operating expense	(22,963)	(76,853)	(2,521)	(6,560)	(2,650)
OPERATING PROFIT/LOSS	**(1,881)**	**(5,219)**	**148**	**487**	**101**
Financial profit	(575)	(1,355)	24	-	(39)
Exchange gain (losses)	(1,500)	-	(21)	(7)	-
Impairment and other	-	(18)	-	-	-
PROFIT/LOSS BEFORE TAXES	**(3,956)**	**(6,592)**	**151**	**480**	**62**
Income tax expense	-	-	(26)	(125)	-
Adjustments from previous years	221	-	-	-	-
PROFIT/LOSS FOR THE YEAR	**(3,735)**	**(6,592)**	**125**	**355**	**62**
Participation of the Group in profit	(1,120)	(2,637)	63	178	21

	2014				
	Sungwoo Gestamp Hitech Pune Private Ltd.	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Operating income	422	97,500	2,368	5,040	13,359
Operating expense	(1,227)	(103,062)	(2,298)	(4,514)	(13,848)
OPERATING PROFIT/LOSS	**(805)**	**(5,562)**	**70**	**526**	**(489)**
Financial profit	189	(1,074)	15	-	(105)
Exchange gain (losses)	(78)	(7)	22	-	(255)
Impairment and other	-	(8)	-	-	-
PROFIT/LOSS BEFORE TAXES	**(694)**	**(6,651)**	**107**	**526**	**(849)**
Income tax expense	-	-	(56)	(133)	-
Adjustments from previous years	1	(566)	-	-	421
PROFIT/LOSS FOR THE YEAR	**(693)**	**(7,217)**	**51**	**393**	**(428)**
Participation of the Group in profit	(347)	(2,887)	25	196	(151)

32. Other disclosures

32.1 Audit fees

Audit fees related to the annual audit of consolidated and individual financial statements of the companies included in the consolidation scope for 2015 amounted to 3,735 thousand euros (2014: 3,468 thousand euros).

Of the audit fees mentioned above, the fees paid to the auditor of the Company for all audit work performed for the Group in 2015 amounted to 3,598 thousand euros (2014: 3,347 thousand euros).

Fees paid for other services rendered by the auditor of the Company in 2015 amounted to 434 thousand euros (2014: 650 thousand euros).

32.2 Environmental issues

The cost of PP&E items acquired for environmental protection and improvement purposes amounted to 4,628 thousand euros at year end 2015. Accumulated depreciation on these assets stood at 2,932 thousand euros (2014: 3,694 thousand euros and 2,629 thousand euros, respectively).

In 2015, the Group also recognized 668 thousand euros in environmental protection and improvement expenses (2014: 903 thousand euros).

The accompanying consolidated balance sheet does not include any provision for environmental issues given that the Company’s directors consider that at year end there are no liabilities to be settled in the future in connection with actions taken by the companies which comprise the consolidated Group to prevent, reduce or repair damages to the environment, and they believe that were such liabilities to exist, they would not be significant. At year end the Group had not received any subsidies for environmental issues.

33. Financial risk management

To manage its financial risk, the Group continually revises its business plans, analyses the relationship between the risks and the present value of cash flows associated with its investments in addition to taking an accounting approach that allows an assessment of changes in risk exposure.

33.1 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
  - Exposure to fluctuations in foreign exchange rates
  - Exposure to fluctuations in interest rates

- Liquidity risk
- Credit risk
- Raw material price risk

Foreign currency risk

Fluctuations in the exchange rate between the currency in which a transaction is denominated and the Group's presentation currency can have a negative or positive impact on its profit or loss, specifically affecting management of its financial debt.

The Group operates in the following currencies:
- Euro
- US dollar
- Mexican peso
- Argentine peso
- Brazilian reais
- GB pound
- Swedish crown
- Polish zloty
- Hungarian forint
- Turkish lira
- Indian rupee
- Korean won
- Chinese yuan
- Russian rubble
- Czech crown
- Yen
- Thai baht
- Taiwanese dollar

To manage exchange rate risk, the Group uses a series of financial instruments that give it a degree of flexibility, basically comprised of the following:

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. "Puttable instruments": Other derivatives are also used to hedge currency risk, including those designed to lock in a maximum or minimum exchange rate (collar or tunnel) at a set settlement date.

The tables below show the sensitivity of profit and equity, in thousands of euros, to changes in exchange rates relative to the euro.

The sensitivity of profit to exchange rate fluctuations, corresponding to years 2015 and 2014, is as follows:

	2015	
	IMPACT ON PROFIT	
Currency	5% Fluctuation	-5% Fluctuation
Swedish crown	(1,021)	1,021
US dollar	817	(817)
Hungarian forint	(419)	419
GB pound	830	(830)
Mexican peso	1,200	(1,200)
Brazilian reais	(565)	565
Chinese yuan	2,093	(2,093)
Indian rupee	349	(349)
Turkish lira	90	(90)
Argentine peso	(98)	98
Russian ruble	(296)	296
Korean won	249	(249)
Polish zloty	(89)	89
Czech crown	66	(66)
Japanese yen	60	(60)
Thai baht	10	(10)
IMPACT IN ABSOLUTE TERMS	**3,276**	**(3,276)**
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	**161,480**	**161,480**
EFFECT IN RELATIVE TERMS	**2.03%**	**-2.03%**

2014		
	IMPACT ON PROFIT	
Currency	5% Fluctuation	-5% Fluctuation
Swedish crown	(426)	426
US dollar	1,204	(1,204)
Hungarian forint	(452)	452
GB pound	985	(985)
Mexican peso	449	(449)
Brazilian reais	151	(151)
Chinese yuan	864	(864)
Indian rupee	53	(53)
Turkish lira	290	(290)
Argentine peso	509	(509)
Russian ruble	(396)	396
Korean won	123	(123)
Polish zloty	91	(91)
Czech crown	135	(135)
Japanese yen	34	(34)
Thai baht	(9)	9
IMPACT IN ABSOLUTE TERMS	**3,605**	**(3,605)**
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	**125,702**	**125,702**
EFFECT IN RELATIVE TERMS	**2.87%**	**-2.87%**

The sensitivity of equity to exchange rate fluctuations, corresponding to years 2015 and 2014, is as follows:

2015		
	IMPACT ON EQUITY	
Currency	5% Fluctuation	-5% fluctuation
Swedish crown	(1,838)	1,838
US dollar	753	(753)
Hungarian forint	(2,101)	2,101
Sterling pound	7,204	(7,204)
Mexican peso	695	(695)
Brazilian reais	1,200	(1,200)
Chinese yuan	8,431	(8,431)
Indian rupee	65	(65)
Turkish lira	(865)	865
Argentine peso	(579)	579
Russian ruble	(2,898)	2,898
Korean won	1,156	(1,156)
Polish zloty	2,562	(2,562)
Czech crown	488	(488)
Japanese yen	(113)	113
Thai baht	18	(18)
IMPACT IN ABSOLUTE TERMS	**14,177**	**(14,177)**
EQUITY	**1,798,393**	**1,798,393**
EFFECT IN RELATIVE TERMS	**0.79%**	**-0.79%**

	2014	
	IMPACT ON EQUITY	
Currency	5% Fluctuation	-5% fluctuation
Swedish crown	(863)	863
US dollar	(124)	124
Hungarian forint	(1,952)	1,952
GB pound	5,828	(5,828)
Mexican peso	498	(498)
Brazilian reais	3,759	(3,759)
Chinese yuan	5,917	(5,917)
Indian rupee	(62)	62
Turkish lira	(560)	560
Argentine peso	111	(111)
Russian ruble	(2,394)	2,394
Korean won	864	(864)
Polish zloty	2,424	(2,424)
Czech crown	826	(826)
Japanese yen	(159)	159
Thai baht	2	(2)
Taiwan dollar	(4)	4
IMPACT IN ABSOLUTE TERMS	**14,111**	**(14,111)**
EQUITY	**1,716,239**	**1,716,239**
EFFECT IN RELATIVE TERMS	**0.82%**	**-0.82%**

Interest rate risk

The Group's borrowings mainly bear interest at floating rates, exposing it to risk from fluctuations in market interest rates, so that market fluctuations affect cash flows. The Group mitigates this risk by using interest rate derivatives, 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.

In general the Group's borrowings are at floating rates indexed to Euribor except the bonds issued by the Group in May, 2013 which bear a fixed interest rate.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2015, all other variables remaining constant, the finance result would have been 0.09 million euros lower or higher.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2014, all other variables remaining constant, the finance result would have been 0.1 million euros lower or higher.

Liquidity risk

Liquidity risk is defined as the risk that a company will not be able to service its commitments as a result of adverse conditions in the debt and/or equity markets that prevent or hinder its capital raising efforts.

The Group manages liquidity risk by maintaining sufficient cash balances to enable it to negotiate refinancing on the best possible terms and to cover its near term cash outlays, thereby avoiding the need to raise funds on disadvantageous terms.

The breakdown of liquidity and capital resources at December 31, 2015 and 2014 was as follows:

	Thousands of euros	
	2015	**2014**
Cash and cash equivalents	355,975	483,934
Current financial investments		
Debt securities	2,535	-
Revolving credit facilities	280,000	280,000
Undrawn credit lines	344,480	267,046
	982,990	1,030,980

The working capital can be defined as the permanent financial resources needed to carry out the activity of the company, that is, the part of current assets financed with long-term funds.

The Group´s working capital at December 31, 2015 and December 31, 2014 is as follows:

	Thousand euros	
	2015	**2014**
Current assets	2,196,091	2,208,638
Current liabilities	(1,859,530)	(1,667,961)
TOTAL WORKING CAPITAL	**336,561**	**540,677**

	Thousand euros	
	2015	**2014**
Equity	1,798,393	1,716,239
Non-current liabilities	2,095,848	2,122,943
Non-current assets	(3,557,680)	(3,298,505)
TOTAL WORKING CAPITAL	**336,561**	**540,677**

Credit risk

Credit risk is concentrated primarily in the Group’s accounts receivable. Management considers that its counterparties are very creditworthy.

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 analyze 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 the Group policies.

The surplus cash investments are contracted only with authorized counterparties and always within the credit limit assigned for each counterparty.

The limits are established in order to minimize 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 December 31, 2015 and 2014 amounts to the carrying values (Note 12), except for financial guarantees and derivative financial instruments.

Raw Materials Price Risk

The steel is the main raw material used in the business. In 2015 and 2014, 58% of the steel was purchased through programs of re-sale with clients, whereby the manufacturer negotiates the price of steel used by the Group in the production of automotive components. The negotiated price is directly included in the selling price customer.

The rest of the purchases of steel were performed through contracts negotiated with suppliers.

Historically, and in accordance with the standards of the automotive industry, the Group has been able to negotiate with clients, significantly, the transfer of the impact of variations in the price of steel.

33.2 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 a recognized asset or liability, 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 a recognized asset or liability, 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 at acquisition cost and are subsequently valued 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 recognized in the consolidated income statement.

- Cash flow hedges: changes in the fair value of the hedging instrument attributable to the risk hedged are recognized in “Retained earnings” in equity. Amounts taken to equity are transferred to the Consolidated Income Statement when the hedged cash flows affect profit or loss.

- Hedges of a net investment in a foreign operation: these hedges are accounted for in a way similar to cash flow hedges. Fair value gains or losses in these hedging instruments are recognized in "Translation differences." If a foreign operation is sold, the cumulative value of any such gains or losses recognized directly in equity ("Retained earnings") is transferred to the income statement.

33.3 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 organized 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.

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 consolidated balance sheet at fair value when they can be valued 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 recognized with a charge or credit, as appropriate, to “Retained earnings” within Equity until these investments are sold, at which time the cumulative amount recognized in equity is recognized in full in the consolidated income statement. If fair value is lower than acquisition cost, the difference is recognized directly in equity, unless the asset is determined to be impaired, in which case it is recognized in the 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 consolidated balance sheet 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).

The classification of financial assets recognized in the financial statements, by methodology of fair value measurement, is as follows:

	Thousands of euros					
	Level 1		Level 2		Level 3	
	2015	2014	2015	2014	2015	2014
Financial assets measured at fair value (Note 10)						
Financial derivative hedging instruments			28,184	5,863		
Total	-	-	28,184	5,863	-	-

The classification of financial liabilities at fair value in the financial statements, according to their relevant valuation methodology, is as follows:

	Thousands of euros					
	Level 1		Level 2		Level 3	
	2015	2014	2015	2014	2015	2014
Financial liabilities measured at fair value (Note 20.b.4)						
Financial derivative hedging instruments			45,074	40,346		
Financial derivative instruments held-for-trading			27,754	7,058		
Total	-	-	72,828	47,404	-	-

33.4 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 to maximize shareholder value.

The Group monitors its capital structure based on its leverage ratio. It defines leverage as net debt (current and non-current financial borrowings less short-term investments and cash and cash equivalents) divided by total equity (consolidated equity plus grants pending release to the income statement).

The Group's leverage is set forth below:

	Thousands of euros	
	2015	**2014**
Non-current debt	1,448,036	1,482,300
Current debt	282,900	282,480
Short term financial investments	(35,455)	(75,877)
Cash and cash equivalents	(355,975)	(483,934)
TOTAL NET DEBT	**1,339,506**	**1,204,969**
Consolidated equity	1,798,393	1,716,239
Grants received	30,720	31,280
TOTAL EQUITY	**1,829,113**	**1,747,519**
LEVERAGE RATIO	**73.2%**	**69.0%**

During 2015, the leverage ratio has maintained at level comparable to 2014.

During 2015 the Group maintained its average collection and payment periods, as well as its average inventory turnover rates, at levels comparable to 2014. In addition, during 2015 the Group continued to exercise strict control over investments

34. Information about postponement of payments to suppliers in commercial transactions

The Spanish companies of the Group have adapted their internal processes and payment policy terms to the legal provision of the Law 15/2010, which establishes actions against late payment in commercial transactions. In this sense, the contractual conditions in the year 2015 with commercial suppliers in Spain have included periods of payment equal to or less than 60 days in 2015 and in 2014, according to the second transitory legal provision of the Law.

Due to reasons of efficiency, and in line with the common practice of trading, the Spanish companies of the Group have, basically, a schedule of payments to suppliers by virtue of which payments are made on fixed days, which in the majority of companies are twice a month.

In general terms, in 2015 and 2014, payments made by Spanish companies to suppliers, for contracts concluded after the entry into force the Law 15/2010, have not exceeded the legal limits of payment terms. Payments to Spanish suppliers which have exceeded the legal deadline for years 2015 and 2014 have been, in quantitative terms, no relevant and are derived from circumstances or incidents beyond the established payment policy, which include, primarily, the closing of agreements with suppliers in the delivery of the goods or provision of the service or handling specific processes.

In addition, at December 31, 2015 and 2014 there were no outstanding amounts of payment to suppliers located in Spain exceeding the maximum legal payment terms.

35. Subsequent events

On February 1, 2016 the shareholders ArcelorMittal Spain Holding, S.L. and ArcelorMittal Basque Holding, S.L. sold their entire 35% shareholding in the Company to Acek Desarrollo y Gestión Industrial, S.L. for 875 million euros.

36. Information about compliance with the Article 229 of the Spanish Corporate Enterprises Act

According to the articles 229 and 231 of the Spanish Corporate Enterprises Act and with the aim of reinforcing the transparency of capital companies, the joint administrators of the Parent and their representative natural persons have reported they have no situations of conflict with the interest of the Parent or the Group.

Additionally, Mr. Francisco José Riberas Mera, as president and representative of GESTAMP BIZKAIA, S.A. and Mr. Juan María Riberas Mera as representative of HOLDING GONVARRI, S.L. and AUTOTECH ENGINEERING, A.I.E., board members of the Company, have reported that they are shareholders and board members of ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. and several subsidiaries of the Company.

ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L is the parent company of an industrial group that developed, through the following subgroups, the activities mentioned below:

- GESTAMP AUTOMOCIÓN GROUP: engaged in manufacturing and sale of metal parts and components for the automotive industry.
- GONVARRI GROUP: engaged in manufacturing, processing and sale of metal products, including structures for renewable energy such as wind turbines, photovoltaic plants and infrastructure elements of solar thermal power plants.
- GESTAMP ENERGíAS RENOVABLES GROUP: dedicated to the development, construction and operation of plants generating renewable energy including solar, wind and biomass.
- INMOBILIARIA ACEK GROUP: engaged in real estate activities.

Additionally, ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L holds a direct and indirect investment of 24.82% in the company Cie Automotive, S.A., of which Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera are also directors.

Additionally, Mr. Francisco López Peña is a member of the Board of CIE Automotive, S.A

Cie Automotive, S.A. is the parent company of an industrial group which is engaged in, among other things, the design, manufacture and sale of automobile components and sub-units on the world automotive market.

37. Additional note for English Translation

These consolidated financial statements were originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

ANNEX I

Indirect investments at December 31, 2015

Company	Company holding the indirect investment	% investment
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.01%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.01%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.04%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.90%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	14.69%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Servicios, S.A.	1.01%
Beyçelik, A.S.	Gestamp Servicios, S.A.	50.00%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.85%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.66%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.00%
Gestamp Cerveira, Lda.	Gestamp Vigo, S.A.	60.63%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	100.00%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.00%
Gestamp Louny sro.	Gestamp Cerveira, Lda.	52.72%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.66%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Cerveira, Lda.	50.00%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.00%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.01%
Gestamp Finance Luxemburgo, S.A.	Gestamp Bizkaia, S.A.	49.95%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.03%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.00%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.00%
Gestamp Technology Institute, S.L.	Gestamp Bizkaia, S.A.	0.01%
Gestamp Global Tooling, S.L.	Gestamp Bizkaia, S.A.	0.01%
Autotech Engineering R&D USA, Inc.	Gestamp Bizkaia, S.A.	55.00%
Gestamp Tooling Services, AIE	Gestamp Bizkaia, S.A.	40.00%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.50%
S.G.F, S.A.	Gestamp Finance Luxemburgo, S.A.	100.00%
Gestamp Hard Tech AB	Gestamp Sweden AB	100.00%
Gestamp Holding China, AB	Gestamp Hard Tech AB	68.94%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.10%
Gestamp Tooling Services, AIE	Matricerías Deusto, S.L.	20.00%

Company	Company holding the indirect investment	% investment
SCI Tournan en Brie	Gestamp Noury, S.A.	99.90%
Gestamp Linares, S.L.	Gestamp Toledo, S.L.	94.98%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.L.	43.53%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.34%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	94.99%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.67%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.04%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.00%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	16.03%
Mursolar, 21, S.L.	MB Aragón, S.A.	16.92%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.15%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.62%
Tavol Internacional, S.A.	Gestamp Aveiro, S.A.	100.00%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.00%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	94.99%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.00%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.99%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.99%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.00%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.96%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	50.00%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.00%
Edscha Subgroup	Gestamp Metalbages, S.A.	67.00%
Metalbages P-51	Gestamp Metalbages, S.A.	100.00%
Gestamp Metal Forming Subgroup	Gestamp Metalbages, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Levante, S.L.	98.99%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.L.	7.81%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.54%

Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	MB Solblank Navarra, S.L.	5.64%
Gestamp Severstal Vsevolozhsk Llc	Todlem, S.L.	100.00%
Gestamp Severstal Kaluga, Llc	Todlem, S.L.	100.00%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	99.90%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.42%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.77%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.00%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.99%
Gestamp Finance Luxemburgo, S.A.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Holding Rusia, S.L.	Gestamp Polonia SP. Z.O.O.	24.56%
Edscha subgroup	Gestamp Polonia SP. Z.O.O.	33.00%
Gestamp Automotive India Private Ltd.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona,S.A.	100.00%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona,S.A.	6.67%
Gestamp Chattanooga, LLC.	Gestamp North América, Inc.	100.00%
Gestamp Mason, Llc.	Gestamp North América, Inc.	100.00%
Gestamp Alabama, Llc	Gestamp North América, Inc.	100.00%
Gestamp West Virginia, Llc.	Gestamp North América, Inc.	100.00%
Gestamp South Carolina, LLC.	Gestamp North América, Inc.	100.00%
Gestamp Chattanooga II, LLC.	Gestamp North América, Inc.	100.00%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74.98%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China AB	100.00%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.00%

Company	Company holding the indirect investment	% investment
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Automotive Chennai Private, Ltd.	50.00%
Mursolar, 21, S.L.	Griwe Subgroup	19.54%
Gestamp Louny sro.	Griwe Subgroup	47.28%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51	44.99%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.00%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.90%
Gestamp Tooling Engineering Deutschland GmbH	Gestamp Global Tooling, S.L.	100.00%
ESSA PALAU,S.A.	Gestamp Manufacturing Autochasis, S.L.	40.00%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.00%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	77.55%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.23%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.00%
Autotech Engineering R&D Uk limited	Autotech Engineering AIE	45.00%
Autotech Engineering R&D USA limited	Autotech Engineering AIE	45.00%
Diede Die Development, S.L.	Gestamp Tool Hardening, S.L.	38.00%
Bero Tools, S.L.	Gestamp Tool Hardening, S.L.	20.00%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding Mexico, S.L.	100.00%
Gestamp Argentina, S.A.	Gestamp Holding Mexico, S.L.	3.00%
Bero Tools, S.L.	Loire S.A. Franco Española	80.00%
Diede Die Development, S.L.	Bero Tools, S.L.	62.00%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.00%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100.00%
GGM Puebla, S.A. de C.V.	IxCxT, S.A.	0.001%
GGM Puebla de Servicios Laborales, S.A. de C.V.	IxCxT, S.A.	0.001%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.99%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.99%
Gestamp Sweden, AB	GMF Subgroup	44.99%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar , 21, S.L.	100.00%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar , 21, S.L.	100.00%
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Beyçelik, A.S.	100.00%

Indirect investments at December 31, 2014

Company	Company holding the indirect investment	% investment
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.01%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.01%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.04%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.90%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	25.00%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Servicios, S.A.	1.01%
Beyçelik, A.S.	Gestamp Servicios, S.A.	50.00%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.85%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.66%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.00%
Gestamp Cerveira, Lda.	Gestamp Vigo, S.A.	60.63%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	100.00%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.00%
Gestamp Louny sro.	Gestamp Cerveira, Lda.	52.72%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.66%
Sungwo Gestamp Hitech Pune, Ltd.	Gestamp Cerveira, Lda.	50.00%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.00%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.01%
Gestamp Finance Luxemburgo, S.A.	Gestamp Bizkaia, S.A.	49.95%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.03%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.00%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.00%
Gestamp Tooling Services, AIE	Gestamp Bizkaia, S.A.	40.00%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.50%
S.G.F, S.A.	Gestamp Finance Luxemburgo, S.A.	100.00%
Gestamp Hard Tech AB	Gestamp Sweden AB	100.00%
Gestamp Holding China, AB	Gestamp Hard Tech AB	68.94%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.10%
Gestamp Tooling Services, AIE	Matricerías Deusto, S.L.	20.00%

Company	Company holding the indirect investment	% investment
SCI Tournan en Brie	Gestamp Noury, S.A.	99.90%
Gestamp Linares, S.L.	Gestamp Toledo, S.L.	94.98%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.L.	43.53%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.34%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	94.99%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.67%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.04%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.00%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	16.03%
Mursolar, 21, S.L.	MB Aragón, S.A.	16.92%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.15%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.62%
Tavol Internacional, S.A.	Gestamp Aveiro, S.A.	100.00%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.00%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	94.99%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.00%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.99%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.99%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.00%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.96%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	50.00%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.00%
Edscha Subgroup	Gestamp Metalbages, S.A.	67.00%
Metalbages P-51	Gestamp Metalbages, S.A.	100.00%
Gestamp Metal Forming Subgroup	Gestamp Metalbages, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Levante, S.L.	98.99%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.L.	7.81%
Gestamp Hungaria KFT	Gestamp Navarra, S.A.	100.00%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.54%

Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	MB Solblank Navarra, S.L.	5.64%
Gestamp Mor Kft	Gestamp Hungaria KFT	100.00%
Gestamp Severstal Vsevolozhsk Llc	Todlem, S.L.	100.00%
Gestamp Severstal Kaluga, Llc	Todlem, S.L.	100.00%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	99.90%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.42%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.77%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.00%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.99%
Gestamp Finance Luxemburgo, S.A.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Holding Rusia, S.L.	Gestamp Polonia SP. Z.O.O.	24.56%
Edscha subgroup	Gestamp Polonia SP. Z.O.O.	33.00%
Gestamp Automotive India Private Ltd.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona,S.A.	100.00%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona,S.A.	6.67%
Gestamp Chattanooga, LLC.	Gestamp North América, Inc.	100.00%
Gestamp Mason, Llc.	Gestamp North América, Inc.	100.00%
Gestamp Alabama, Llc	Gestamp North América, Inc.	100.00%
Gestamp West Virginia, Llc.	Gestamp North América, Inc.	100.00%
Gestamp South Carolina, LLC.	Gestamp North América, Inc.	100.00%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74.98%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China AB	100.00%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.00%

Company	Company holding the indirect investment	% investment
Mursolar, 21, S.L.	Griwe Subgroup	19.54%
Gestamp Louny sro.	Griwe Subgroup	47.28%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51	44.99%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.00%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.90%
ESSA PALAU,S.A.	Gestamp Manufacturing Autochasis, S.L.	40.00%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.00%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	77.55%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.23%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.00%
Autotech Engineering R&D Uk limited	Autotech Engineering AIE	45.00%
Diede Die Development, S.L.	Gestamp Tool Hardening, S.L.	38.00%
Bero Tools, S.L.	Gestamp Tool Hardening, S.L.	20.00%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding Mexico, S.L.	100.00%
Gestamp Argentina, S.A.	Gestamp Holding Mexico, S.L.	3.00%
Bero Tools, S.L.	Loire S.A. Franco Española	80.00%
Diede Die Development, S.L.	Bero Tools, S.L.	62.00%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.00%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100.00%
GGM Puebla, S.A. de C.V.	IxCxT, S.A.	0.00%
GGM Puebla de Servicios Laborales, S.A. de C.V.	IxCxT, S.A.	0.00%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.99%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.99%
Gestamp Sweden, AB	Gestamp Metal Forming Subgroup	44.99%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar , 21, S.L.	100.00%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar , 21, S.L.	100.00%
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Beyçelik, A.S.	100.00%

ANNEX II

Guarantors for May 2, 2013 Bond

Gestamp Navarra, S.A.
Edscha Automotive Kamenice, S.R.O.
Edscha Engineering, GmbH.
Edscha Briey, S.A.S.
Edscha France Engineering , 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 Galvanizados, 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.
Sofedit Polska, Sp. Z.o.o
Sofedit, S.A.S.
Gestamp Toledo, S.A.
Edscha Santander, S.L.
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 Unformtechnik, GmbH
Griwe Subgroup
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.
Sofedit España, S.A.
SCI de Tournan en Brie
Gestamp Solblank Barcelona, S.A.
Gestamp Tallent Limited
Gestamp Sweden AB
Edscha Burgos, S.A.
Gestamp Levante, S.A.

Additionally, the Group companies 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. have shares pledge.

Guarantors for April 19, 2013 Syndicated Loan

Gestamp Navarra, S.A.
Edscha Automotive Kamenice, S.R.O.
Edscha Engineering, GmbH.
Edscha Briey, S.A.S.
Edscha France Engineering , 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 Galvanizados, 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.
Sofedit Polska, Sp. Z.o.o
Sofedit, S.A.S.
Gestamp Toledo, S.A.
Edscha Santander, S.L.
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 Unformtechnik, GmbH
Griwe Subgroup
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.
Sofedit España, S.A.
SCI de Tournan en Brie
Gestamp Solblank Barcelona, S.A.
Gestamp Tallent Limited
Gestamp Sweden AB
Edscha Burgos, S.A.
Gestamp Levante, S.A.

Additionally, the Group companies 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. have shares pledge.

Guarantors for March 21, 2012 Loan

Gestamp Navarra, S.A.
Edscha Automotive Kamenice, S.R.O.
Edscha Engineering, GmbH.
Edscha Briey, S.A.S.
Edscha France Engineering , 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 Galvanizados, 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.
Sofedit Polska, Sp. Z.o.o
Sofedit, S.A.S.
Gestamp Toledo, S.A.
Edscha Santander, S.L.
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 Unformtechnik, GmbH
Griwe subgroup
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.
Sofedit España, S.A.
SCI de Tournan en Brie
Gestamp Solblank Barcelona, S.A.
Gestamp Tallent Limited
Gestamp Sweden AB
Edscha Burgos, S.A.
Gestamp Levante, S.A.

Additionally, the Group companies 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. have shares pledge.

2015 Management Report

-Worldwide economic growth in 2015 was very moderate, lower to the levels reached before the crisis started in 2008. This growth, very heterogeneous according to geographic areas, was accompanied by very moderate inflation levels. In fact, the fall in prices of several raw materials, specially oil, led to serious imbalances in economies of emerging countries.

Last year, the main central banks maintained a lax monetary policy according to the low levels of growth and inflation. However, in December the first expected interest rate rise in US in years took place, accordingly with the improvement in their economy and the appreciation of dollar against different foreign currencies including the euro.

Furthermore, the armed conflicts in Near East and the political instability in some European countries, partly due to the immigration flows from countries in conflict, increased the levels of uncertainty in financial markets.

-2015 was not a positive year for the Automotive sector since the global production of light vehicles grew less than 2%. Last year the market evolution in North America and Europe was positive whereas important emerging markets such as Brazil and Russia had negative evolution for many years. Chinese market, the real driving force in Automotive sector in the last years, remained flat although good results in the last quarter offset bad results obtained in summer.

-In this weak economic context and Automotive sector background, our Group had a favourable evolution with revenue growth over 12%, surpassing the 7,000 million euros milestone for the first time. As in 2014, the strong growth was based on the development of operations in Asia and North America and also the recovery in European countries such as Spain and UK. On the negative side, sales in Russia and Brazil decreased in line with difficulties in these markets.

The profitability of our operations in 2015 was also satisfactory. EBITDA grew more than 100 million euros more compared with 2014 (+16%) and represented 10.8% of revenue. Regarding operating income, the 400 million euros generated meant near 19% growth compared with the previous year.

In 2015 Group investments increased due to the expanding business opportunities. In addition to the projects already started in 2014, the Group started building five new greenfields that support the strong growth forecast for next years.

Although the net debt of the Group increased, the favourable evolution of EBITDA led to a new decrease in our financial leverage.

-2016

In macroeconomic terms, we do not expect high growth in 2016 but evolution of main economic indicators similar to previous years. Low growth with regional differences and low inflation and interest rates will be the main economic characteristics of 2016.

We expect an increase in light vehicles production worldwide higher than previous year, exceeding the 90 million units.

The Group production will growth over the Sector in 2016 thanks to the favourable evolution of our projects and the start-up of new projects. Some important projects in North America and Poland will start up by the end of 2016 but they will not develop their full sales potential until 2017.

The continuous improvement in efficiency of operations and the start-up of some projects support a clear improvement in profitability levels of the Group that should lead to growth in EBITDA higher than in revenue.

In 2016 the Group will continue with its business strategy of last years. A greater focus on Asian and American markets and customers will lead to develop new R&D centers in US, China and Japan next year.

Independent Audit Report

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2014

Translation of a report and consolidated financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 37)

INDEPENDENT AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of GESTAMP AUTOMOCIÓN, S.A.:

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of GESTAMP AUTOMOCIÓN, S.A. (the parent company) and its subsidiaries (the Group), which comprise consolidated balance sheet at December 31, 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flow, and the notes thereto for the year then ended.

Directors' responsibility for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the consolidated equity and consolidated financial position and the consolidated results of GESTAMP AUTOMOCIÓN, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit. We conducted our audit in accordance with prevailing audit regulations in Spain. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of consolidated financial statements by the directors of the parent company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of GESTAMP AUTOMOCIÓN, S.A. and its subsidiaries at December 31, 2014, and its consolidated results and consolidated cash flow for the year then ended, in accordance with IFRS, as adopted by the European Union, and other provisions in the regulatory framework for financial information applicable in Spain.

Report on other legal and regulatory requirements

The accompanying 2014 consolidated management report contains such explanations as the directors of the parent company consider appropriate concerning the situation of the Group, the evolution of its business and other matters; however, it is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the 2014 consolidated financial statements. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned 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.

ERNST & YOUNG, S.L.

(Signed in the original in Spanish)

José Juan de Frutos Martín

April 10, 2015

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

Consolidated Financial Statements
and Group Management Report
for the year ended
December 31, 2014

GESTAMP AUTOMOCIÓN AND SUBSIDIARIES

NOTE **CONTENTS**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AT DECEMBER 31, 2014, DECEMBER 31, 2013 AND JANUARY 1, 2013

(In thousands of euros)

ASSETS	Note	December 31, 2014	Restated December 31, 2013*	Restated January 1, 2013*
Non-current assets				
Intangible assets	8	311,591	275,959	205,757
Goodwill		114,384	116,018	125,805
Other intangible assets		197,207	159,941	79,952
Property, plant, and equipment	9	2,661,789	2,553,782	2,478,073
Land and buildings		962,088	847,540	860,429
Plant and other PP&E		1,448,898	1,222,631	1,190,252
PP&E under construction and prepayments		250,803	483,611	427,392
Financial assets	10	76,785	114,831	85,872
Investments in associates accounted for using the equity method		9,455	11,302	39,708
Loans and receivables		43,556	22,850	19,108
Derivatives in effective hedges		5,863	63,756	21,771
Other non-current financial assets		17,911	16,923	5,285
Deferred tax assets	21	248,340	200,470	174,775
Total non-current assets		**3,298,505**	**3,145,042**	**2,944,477**
Current assets				
Assets held for sale	26	-	27,381	-
Inventories	11	573,031	526,996	513,894
Raw materials and other consumables		258,238	227,312	237,512
Work in progress		149,071	126,487	116,207
Finished products and by-products		116,966	110,578	106,206
Prepayments to suppliers		48,756	62,619	53,969
Trade and other receivables	12	1,057,453	1,127,770	1,014,591
Trade receivables		852,106	920,792	834,372
Other receivables		26,749	22,339	32,253
Current income tax assets		32,143	39,410	37,280
Receivables from public authorities		146,455	145,229	110,686
Other current assets	12	18,343	11,767	8,922
Financial assets	10	75,877	57,587	46,778
Loans and receivables		18,319	16,017	16,118
Securities portfolio		-	-	19,431
Other current financial assets		57,558	41,570	11,229
Cash and cash equivalents	12	483,934	520,417	259,816
Total current assets		**2,208,638**	**2,271,918**	**1,844,001**
Total assets		**5,507,143**	**5,416,960**	**4,788,478**

*Some figures included do not match with those from 2013 Consolidated Financial Statements and they reflect adjustments detailed in Note 4.5

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AT DECEMBER 31, 2014, DECEMBER 31, 2013 AND JANUARY 1,2013

(In thousands of euros)

EQUITY AND LIABILITIES	Note	December 31, 2014	Restated December 31, 2013*	Restated January 1, 2013*
EQUITY				
Capital and reserves attributable to equity holders of the parent				
Issued capital	13	288,237	288,237	288,237
Share premium	13	61,591	61,591	61,591
Retained earnings	14	1,087,326	1,019,461	945,355
Translation differences	15	(139,740)	(129,895)	(40,496)
Equity attributable to equity holders of the parent		**1,297,414**	**1,239,394**	**1,254,687**
Equity attributable to non-controlling interest	16	**418,825**	**425,450**	**344,537**
Total equity		**1,716,239**	**1,664,844**	**1,599,224**
Liabilities				
Non-current liabilities				
Deferred income	17	31,280	31,283	29,623
Provisions	18-19	131,226	135,020	168,054
Non trade liabilities	20	1,725,325	1,785,866	1,156,527
Interest-bearing loans and borrowings		1,482,300	1,479,024	927,001
Derivative financial instruments		47,404	96,960	60,546
Other non-current financial liabilities		195,621	209,882	168,980
Deferred tax liabilities	21	235,095	178,910	176,618
Other non-current liabilities		17	462	1,223
Total non-current liabilities		**2,122,943**	**2,131,541**	**1,532,045**
Current liabilities				
Non trade liabilities	20	454,465	512,092	696,505
Interest-bearing loans and borrowings		282,480	267,618	457,500
Other current financial liabilities		171,985	244,474	239,005
Trade and other payables	22	1,191,765	1,092,362	938,391
Trade accounts payable		945,612	836,936	737,652
Current tax liabilities		14,560	9,860	18,986
Other accounts payable		231,593	245,566	181,753
Provisions	18-19	19,091	13,648	15,641
Other current liabilities		2,640	2,473	6,672
Total current liabilities		**1,667,961**	**1,620,575**	**1,657,209**
Total liabilities		**3,790,904**	**3,752,116**	**3,189,254**
Total equity and liabilities		**5,507,143**	**5,416,960**	**4,788,478**

*Some figures included do not match with those from 2013 Consolidated Financial Statements and they reflect adjustments detailed in Note 4.5

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

AT DECEMBER 31, 2014 AND DECEMBER 31, 2013

(In thousands of euros)

	Note	December 31, 2014	Restated December 31, 2013*
CONTINUING OPERATIONS			
OPERATING INCOME	23	6,411,331	6,001,270
Revenue		6,255,804	5,853,274
Other operating income		126,555	133,343
Changes in inventories	11	28,972	14,653
OPERATING EXPENSE	24	(6,073,861)	(5,699,271)
Raw materials and other consumables		(3,885,772)	(3,582,697)
Personnel expenses		(1,124,934)	(1,068,330)
Depreciation, amortization, and impairment losses		(318,995)	(306,651)
Other operating expenses		(744,160)	(741,593)
OPERATING PROFIT		**337,470**	**301,999**
Financial income	25	9,597	18,498
Financial expenses	25	(138,608)	(138,888)
Exchange gains (losses)		(7,575)	(31,634)
Share of profits from associates - equity method	10	(3,164)	(2,280)
Change in fair value of financial instruments		(7,047)	(130)
Impairment of and gains (losses) on sale of financial instruments		-	(12,310)
PROFIT BEFORE TAXES FROM CONTINUING OPERATIONS		**190,673**	**135,255**
Income tax expense	27	(60,290)	(29,601)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**130,383**	**105,654**
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations net of taxes	26	(1,573)	-
PROFIT FOR THE YEAR		**128,810**	**105,654**
Profit (loss) attributable to non-controlling interest	16	(3,108)	8,333
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**125,702**	**113,987**

*Some figures included do not match with those from 2013 Consolidated Financial Statements and they reflect adjustments detailed in Note 4.5

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AT DECEMBER 31, 2014 AND DECEMBER 31, 2013
(In thousands of euros)

	December 31, 2014	Restated December 31, 2013*
PROFIT FOR THE YEAR	128,810	105,654
OTHER COMPREHENSIVE INCOME		
Other comprehensive income not to be reclassied to income in next years:		
Actuarial gains and losses	(12,939)	2,492
Other comprehensive income to be reclassied to income in next years:		
From cash flow hedges	(7,006)	(6,370)
Translation differences	(5,042)	(129,029)
TOTAL COMPREHENSIVE INCOME NET OF TAXES	**103,823**	**(27,253)**
Attributable to:		
- Parent company	95,912	20,710
- Non-controlling interest	7,911	(47,963)
	103,823	**(27,253)**

*Some figures included do not match with those from 2013 Consolidated Financial Statements and they reflect adjustments detailed in Note 4.5

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT DECEMBER 31, 2014 AND DECEMBER 31, 2013

(In thousand of euros)

	Issued capital (Note 13)	Share premium (Note 13)	Retained earnings (Note 14)	Translation differences (Note 15)	Total capital and reserves	Non-controlling interest (Note 16)	Total equity
AT JANUARY 1, 2013	**288,237**	**61,591**	**941,958**	**(40,705)**	**1,251,081**	**299,101**	**1,550,182**
Changes in accounting policies (Note 4.5)			3,397	209	3,606	45,436	49,042
AT JANUARY 1, 2013 Restated*	**288,237**	**61,591**	**945,355**	**(40,496)**	**1,254,687**	**344,537**	**1,599,224**
Profit for 2013			113,987		113,987	(8,333)	105,654
Fair value adjustments reserve (hedge)			(6,370)		(6,370)		(6,370)
Variation in translation differences				(89,399)	(89,399)	(39,630)	(129,029)
Actuarial gains and losses			2,492		2,492		2,492
Total comprehensive income for 2013			**110,109**	**(89,399)**	**20,710**	**(47,963)**	**(27,253)**
Dividends distributed by the Company			(51,029)		(51,029)		(51,029)
Dividends distributed by subsidiaries						(4,734)	(4,734)
Capital increase in Todlem, S.L.						2,822	2,822
Incorporation of companies (Edscha Aapico Automotive Co. Ltd.;Shanghai Edscha Machinery Co Ltd; Mursolar 21, S.L.)						42,259	42,259
Sale of subsidiaries (Araluce, S.A.)						3,290	3,290
Exit of non-controlling interest Gestamp Metal Forming Subgroup (Liberty)			(2,446)		(2,446)	(101,554)	(104,000)
Entry of non-controlling interest MITSUI and exit of non-controlling interest COFIDES (Note 2.a)			16,182		16,182	187,678	203,860
Transfers from retained earnings to non-controlling interest due to the change of shareholding in companies and others			1,590		1,590	(1,590)	-
Capital share increase due to the purchase of non-controlling interest (Autotech Engineering, AIE and Griwe Subgroup)						(5,609)	(5,609)
Other movements and adjustments from prior years			(300)		(300)	6,314	6,014
AT DECEMBER 31, 2013 Restated*	**288,237**	**61,591**	**1,019,461**	**(129,895)**	**1,239,394**	**425,450**	**1,664,844**
Profit for 2014			125,702		125,702	3,108	128,810
Fair value adjustments reserve (hedge)			(7,006)		(7,006)		(7,006)
Variation in translation differences				(9,845)	(9,845)	4,803	(5,042)
Actuarial gains and losses			(12,939)		(12,939)		(12,939)
Total comprehensive income for 2014			**105,757**	**(9,845)**	**95,912**	**7,911**	**103,823**
Dividends distributed by the Company			(33,922)		(33,922)		(33,922)
Dividends distributed by subsidiaries						(7,590)	(7,590)
Merge of subisidiaries including companies not previosly in consolidation scope			46		46		46
Capital increase in Todlem, S.L.						1,722	1,722
Increase in shareholding in companies previously under control			(4,603)		(4,603)	(8,439)	(13,042)
Transfers from retained earnings to non-controlling interest due to the change of shareholding in companies and others			1,439		1,439	(1,439)	-
Other movements and adjustments from prior years			(852)		(852)	1,210	358
AT DECEMBER 31, 2014	**288,237**	**61,591**	**1,087,326**	**(139,740)**	**1,297,414**	**418,825**	**1,716,239**

*Some figures included do not match with those from 2013 Consolidated Financial Statements and they reflect adjustments detailed in Note 4.5

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

AT DECEMBER 31, 2014 AND DECEMBER 31, 2013

(In thousands of euros)

	Note	December 31, 2014	Restated December 31, 2013*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxes and after non-controlling interest from continuing activities		**187,565**	**143,588**
Profit for the year from discontinued operations net of taxes		**(1,573)**	**-**
Profit for the year before taxes and after non-controlling interest		**185,992**	**143,588**
Adjustments to profit		**420,850**	**396,453**
Depreciation and amortization of intangible assets and PP&E	8-9	318,917	303,995
Impairment of intangible assets and PP&E	8-9	78	2,656
Impairment	11-12	(10,988)	(980)
Change in provisions	18	(9,862)	(30,453)
Grants released to income	17	(5,388)	(5,155)
Profit (loss) attributable to non-controlling interest	16	3,108	(8,333)
Profit from disposal of intangible assets and PP&E		1,379	(364)
Profit from disposal of financial instruments		-	12,310
Financial income	25	(9,597)	(18,498)
Financial expenses	25	138,608	138,888
Share of profits from associates - equity method	10	3,164	2,280
Exchange rate differences		(12,054)	(23)
Other income and expenses		3,485	130
Changes in working capital		**151,833**	**32,092**
(Increase)/Decrease in Inventories		(38,816)	(19,203)
(Increase)/Decrease in Trade and other receivables		84,503	(125,258)
(Increase)/Decrease in Other current assets		(6,576)	(2,863)
Increase/(Decrease) in Trade and other payables		120,195	183,615
Increase/(Decrease) in Other current liabilities		(7,473)	(4,199)
Other cash-flows from operating activities		**(193,198)**	**(205,049)**
Interest paid		(139,820)	(157,094)
Interest received		7,224	20,144
Proceeds (payments) of income tax		(60,602)	(68,099)
Cash flows from operating activities		**565,477**	**367,084**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		**(548,424)**	**(715,489)**
Group companies and associates		(28,811)	(11,802)
Intangible assets	8-20	(70,008)	(101,928)
Property, plant and equipment	9-20	(382,033)	(571,670)
Other financial assets		(67,572)	(30,089)
Proceeds from divestments		**100,823**	**59,014**
Group companies and associates		10,403	7,351
Intangible assets	8	1,086	25
Property, plant and equipment	9	12,481	43,154
Other financial assets		48,440	8,484
Assets held for sale		28,413	-
Cash flows from investing activities		**(447,601)**	**(656,475)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds and payments on equity instruments		**(6,535)**	**171,024**
Change in non-controlling interest	16	(11,320)	165,320
Grants, donations and legacies received	17	4,990	6,928
Translation differences in equity		(205)	(1,224)
Proceeds and payments on financial liabilities		**(130,869)**	**462,727**
Issue		131,676	1,698,123
Bonds and other securitites to trade		-	756,517
Interest-bearing loans and borrowings		100,083	809,105
Borrowings from Group companies and associates		21,803	111,253
Other borrowings		9,790	21,248
Repayment of		(262,545)	(1,235,396)
Interest-bearing loans and borrowings		(116,518)	(1,178,969)
Borrowings from Group companies and associates		(131,170)	(40,001)
Other borrowings		(14,857)	(16,426)
Payments on dividends and other equity instruments		**(41,512)**	**(55,763)**
Dividends	14-16	(41,512)	(55,763)
Cash flows from financing activities		**(178,916)**	**577,988**
Effect of changes in exchange rates		**24,557**	**(27,996)**
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS		**(36,483)**	**260,601**

*Some figures included do not match with those from 2013 Consolidated Financial Statements and they reflect adjustments detailed in Note 4.5

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2014

1. Activity and companies included in consolidation scope

GESTAMP AUTOMOCIÓN, S.A., (hereinafter, the "Company") was incorporated on December 22, 1997. Its registered address is currently in the Industrial Park of Lebario in Abadiano (Vizcaya).

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

On August 2, 2012 the Company registered the change of its legal name, from limited company to corporation, in the Commercial Register of Vizcaya.

The Company in turn belongs to a larger group, headed by its majority shareholder Acek, Desarrollo y Gestión Industrial, S.L. (formerly named Corporación Gestamp, S.L. The change of legal name was adopted in the Extraordinary and Universal General Shareholders' Meeting on February 5, 2015, being executed in a public deed on the same day). The Company carries out commercial and financial transactions with the companies of Grupo Acek, Desarrollo y Gestión Industrial under the terms and conditions established among the parties on an arm's length basis. Intra-Group transfer prices are duly documented as stipulated by the prevailing legislation.

The activities of the Company and its subsidiaries (the "Group") are focused on the design, development, and manufacturing of metal components for the automotive Industry via: stamping, tooling, assembly, welding, tailor welded blanks, and die cutting. The Group also includes other companies dedicated to services such as research and development of new technologies.

Most of the Group's business is conducted in the European Union; the Americas constitute the second most significant geographic market and Asia the third one (Note 23).

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

In 2014 the Group has adopted IFRS 10 and 11. The application of both IFRS is retrospective, as the standards require, and the comparative information of the previous year (2013) has been restated in the Consolidated Financial Statements. The impact of the application of these standards in 2013 is detailed in note 4.5.

2. Changes in consolidation scope and business combinations

2.a Changes in consolidation scope

During 2014

In 2014, the companies GGM Puebla, S.A. de C.V y GGM Puebla de Servicios Laborales, S.A. de C.V., were incorporated into the Group consolidation scope. Both companies are consolidated by the full consolidation method into Gestión Global de Matricería, S.L. Subgroup, which is included into the Group Consolidation scope by the equity method.

On April 11, 2014 the company Sungwoo Gestamp Hitech Chennai Ltd was sold by the group company Gestamp Toledo S.A. In addition, the Griwe Subgroup has sold their investees Gestamp Sungwoo Hitech (Chennai) private Ltd and GS Hot Stamping Co. Ltd. The sold companies were being consolidated under equity method. The result of the operation is 526 thousand euros of losses, registered under the heading discontinued operations (note 26).

On April 11, 2014 the group company Gestamp Solblank Barcelona S.A. acquired 50% shareholding of the company Gestamp Automotive Chennai Private, Ltd., reaching a 100% of capital shareholding having already control before the capital increase. This increase in shareholding has led to a decrease in Reserves at fully consolidated entities, registered under the heading retained earnings amounting to 1,553 thousand euros.

On February 17, 2014, with effective date January 1, 2014, the company Edscha Holding GmbH, belonging to Edscha Subgroup, acquired 30% shareholding of Anhui Edscha Automotive Parts Co Ltd, company also belonging to Edscha Subgroup over which they already had 70% shareholding and had control. This increase in shareholding has led to a decrease in Reserves at fully consolidated entities, registered under the heading retained earnings amounting to 1,780 thousand euros.

Additionaly, in 2013 the Group acquiered 5% shareholding of Griwe Subgroup. The cost price has increased in the year 2014 due to the tax settlement arising in the acquisition amounting to 1,270 thousand of euros.

The total decrease in Retained earnings due to the increase in shareholding in Gestamp Automotive Chennai Private, Ltd.; Anhui Edscha Automotive Parts Co Ltd and the purchase price adjustment amounted to 4,603 thousand euros (note 14).

On February 7, 2014 the companies Gestamp Ingeniería Europa Sur S.L., Ocon Automated Systems S.L.U. and Ocon Industrielle Konzepte S.L.U. have merged, being Gestamp Ingeniería Europa Sur S.L. the absorbing company. Ocon Industrielle Konzepte S.L.U. was not included in consolidation scope since considered no significant, so the merge has led to an increase in Reserves at fully consolidated entities for 46 thousand euros (note 14).

On February 7, 2014 the company MB Pamplona S.A.U. was dissolved.

As mentioned under the heading changes in the consolidation during 2013, on December 18, 2013 Mursolar 21, S.L. acquired shareholding in subsidiaries Gestamp Autocomponents (Shenyang) Co. Ltd. and Gestamp Autocomponents (Dongguan) Co. Ltd. to other Group companies. This agreement is subject to approval from Chinese competence authorities.

In 2014, the requirements for the completion of the sale are fulfilled, therefore Mursolar, 21, S.L. has direct shareholding in both companies, recongnizing COFIDES, S.A. as an indirect non-controlling interest of the said entity.

On September 26, 2014 the company Sofedit España, S.A.U. has merged, being Gestamp Palencia, S.A., the absorbing company.

In 2014, the company Gestamp Sungwoo Stamping&Assemblies Private, Ltd changed the legal name into Gestamp Automotive Chennai Private, Ltd.

The contribution to Consolidated Balance Sheet and Income Statement from the new companies included in the consolidation scope in 2014 mentioned above is not significant.

<u>During 2013</u>

<u>Addition of non-controlling shareholder Mitsui & Co., Ltd. and exit of COFIDES, S.A.</u>

On June 28, 2013 the new non-controlling shareholder Mitsui & Co., Ltd. has directly or indirectly acquired 30% share of Brazilian, Mexican, Argentinian and North American subsidiaries. Previously, Gestamp Automoción Group acquired 35% share of Mexican subsidiaries to COFIDES, S.A., former non-controlling shareholder, according to agreement with Mitsui & Co. by which Gestamp Automoción Group must own 100% shareholding of subsidiaries where Mitsui & Co. will become non-controlling shareholder.

These changes in the consolidation scope could be summarized in the following steps:

1. On June 13, 2013 the subsidiary Gestamp Servicios, S.A. acquired 35% shareholding of the Mexican subsidiary Gestamp Cartera de México, S.A. de C.V. to COFIDES, S.A. The selling price was 67,500 thousand euros, fully paid on the spot.

2. On June 28, 2013 the subsidiary Gestamp 2016, S.L., not included in consolidation scope until now since considered not significant, carried out a capital increase of 83,997 thousand euros subscribed by the Company and some subsidiaries who contributed their shareholding in Argentinian subsidiaries.

   On the same date it was agreed to increase capital of Gestamp 2016, S.L. for 36,000 thousand euros, fully subscribed by Mitsui & Co., Ltd. and paid in cash, by so acquiring 30% shareholding. It was also agreed to change the legal name to Gestamp Holding Argentina, S.L.

3. On June 28, 2013 the subsidiary Gestamp 2015, S.L., not included in consolidation scope until now since considered not significant, carried out a capital increase of 193,664 thousand euros subscribed by some subsidiaries who contributed all their shareholding in Gestamp Cartera de México, S.A. de C.V.

   On the same date it was agreed to increase capital of Gestamp 2015, S.L. for 83,000 thousand euros, fully subscribed by Mitsui & Co., Ltd. and paid in cash, by so acquiring 30% shareholding. It was also agreed to change the legal name to Gestamp Holding México, S.L.

4. On June 28, 2013 the subsidiary Gestamp North America, Inc. carried out a capital increase with share premium of 205,016 thousand dollars, from which 205,015 thousand dollars corresponded to share premium. It was fully subscribed by the subsidiary Gestamp Aveiro, S.A and paid in cash.

   Next, the subsidiary Gestamp Alabama, LLc. carried out a capital increase of 205,016 thousand dollars fully subscribed by Gestamp North America, Inc. and paid in cash. Gestamp Alabama, LLc. assigned this payment received to partial cancellation of the loan received from Gestamp Aveiro, S.A.

   On the same date Gestamp North America, Inc. carried out a second capital increase with share premium of 111,137 thousand dollars, from which 111,137 thousand dollars corresponded to share premium and was fully subscribed by Mitsui & Co., Ltd. and paid in cash, by so acquiring 30% shareholding.

5. On June 28, 2013 the subsidiary Gestamp Brasil Industria de Autopeças, S.A. carried out a capital increase with share premium of 269,988 thousand Brazilian reais, from which 228,832

thousand reais corresponded to share premium and was fully subscribed by Mitsui & Co., Ltd. and paid in cash, by so acquiring 30% shareholding.

The exit of non-controlling shareholder COFIDES, S.A. and the addition of Mitsui & Co., Ltd. led to an increase of “Non-controlling interest” of 187,678 thousand euros at December 31, 2013 (the exit of COFIDES implied a decrease of 58,702 thousand euros and the addition of Mitsui & Co. Ltd. implied an increase of 246,380 thousand euros). In addition, the Translation differences corresponding to this operation implied a 9,201 thousand euros decrease in “Non-controlling interest”.

In addition, the exit of non-controlling shareholder COFIDES, S.A. and the addition of Mitsui & Co., Ltd. led to an increase of “Reserves at fully consolidated entities” of 16,182 thousand euros at December 31, 2013 (decrease due to the exit of COFIDES of 8,798 thousand euros; increase due to the addition of Mitsui & Co. Ltd. of 24,980 thousand euros) (Note 14).

Exit of non-controlling shareholder Liberty Hampshire Company

On September 2013 the company Gestamp Metalbages, S.A executed their purchase option to acquire 49.06% shareholding of the company GMF Holding, GmbH. to Tocqueville Capital Company B.V. (company belonging to Liberty Hampshire Company, LLc. group) for 104 million euros. This meant that Gestamp Metalbages, S.A. reached 100% shareholding in the mentioned company (Note 16).

The exit of non-controlling shareholder Liberty Hampshire Company led to a decrease of “Non-controlling interest” and “Reserves at fully consolidated entities” of 101,554 and 2,446 thousand euros respectively at December 31, 2013.

Other changes in consolidation scope

- The subsidiaries Gestamp Vigo, S.A. and Gestamp Cataforesis Vigo, S.L. have merged, being Gestamp Vigo, S.A. the absorbing company with effect since January 1, 2013.

- In 2013 the following companies have been incorporated into consolidation scope:
    - Gestamp Try Out Services, S.L.
    - Gestamp Puebla II, S.A. de C.V.
    - Autotech Engineering Deutschland, GmbH.
    - Autotech Engineering R&D Uk, Ltd.
    - Edscha Aapico Automotive, Co. Ltd.
    - Gestamp Funding Luxembourg, S.A.
    - Edscha Pha, Ltd.
    - Mursolar 21, S.L.

These companies, except Mursolar 21, S.L., have been created in 2013 and have been included in consolidation scope by full consolidation method.

The incorporated company Gestamp Funding Luxembourg, S.A. has been responsible of the bonds issue carried out by the Group in May (Note 20.a.1).

Mursolar 21, S.L. was acquired through a purchase agreement and valued at capital value. On December 18, 2013 Mursolar 21, S.L. acquired shareholding in subsidiaries Gestamp

Autocomponents (Shenyang) Co. Ltd. and Gestamp Autocomponents (Dongguan) Co. Ltd. to other Group companies. This agreement is subject to approval from Chinese competence authorities.

On December 20, 2013 Mursolar 21, S.L. carried out two capital increases where COFIDES, S.A. acquired 35% shareholding and so became non-controlling interest.

The subsidiary Edscha Holding GmbH acquired 5% shareholding of the subsidiary Shanghai Edscha Machinery Co., Ltd. with effect since January 1, 2013.

The contribution to Consolidated Balance Sheet and Income Statement from the new companies included in the consolidation scope in 2013 was 37,869 thousand euros in assets, 16,390 thousand euros in profit and 6,742 thousand euros in revenue at December 31, 2013.

- On December 23, 2013 the company Sofedit S.A.S. (company belonging to Gestamp Metal Forming Subgroup) sold 100% of their shareholding in Sofedit España S.A. to subsidiary Gestamp Palencia, S.A. As a consequence, Sofedit España S.A. exit from Gestamp Metal Forming Subgroup and entered directly in Gestamp Automoción consolidation scope.

- On December 16, 2013 the subsidiary Araluce, S.A. was sold.

- On December 9, 2013 the subsidiary ALHC, Llc. was dissolved.

In addition the following companies have changed their legal name:

Former legal name	New legal name
Estampaciones Martínez, S.A.	Gestamp Esmar, S.A.
Galvanizaciones Castellana, S.A.	Gestamp Galvanizados, S.A.
Gestamp Ingeniería Europa II, S.L.	Gestamp Ingeniería Europa Sur, S.L.
Gestamp Portugal, Lda.	Gestamp Cerveira, Lda.
MB Abrera, S.A.	Gestamp Abrera, S.A.
MB Aragón, S.A.	Gestamp Aragón, S.A.
MB Levante, S.L.	Gestamp Levante, S.L.
Metalbages, S.A.	Gestamp Metalbages, S.A.
Solblank, S.A.	Gestamp Solblank Barcelona, S.A.
Estampaciones Metálicas Vizcaya, S.A.	Gestamp Bizkaia, S.A.
Gestamp UK Limited	Gestamp Washington, UK Limited
Griwe Innovative Umformtechnik GmbH **	Gestamp Griwe Westerburg GmbH
Griwe System Produktions GmbH **	Gestamp Griwe Haynrode GmbH
Griwe Werkzeug Produktions GmbH **	Gestamp Griwe Hot Stamping GmbH
Prisma, S.A.S. *	Gestamp Prisma, S.A.S.
Tallent Automotive, Ltd. *	Gestamp Tallent Limited
Gestamp México, S.A. de C.V.	Gestamp Aguascalientes, S.A. de C.V.

* companies belonging to Gestamp Metal Forming Subgroup
** Companies belonging to Griwe Subgroup

2.b Business combinations

There were no business combinations during the years 2014 and 2013.

3. Consolidation scope

The breakdown of companies included in the consolidation scope, as well as information on the consolidation method applied, location, activity, direct or indirect shareholdings and their auditors, is shown below:

December 31, 2014							
Company	**Address**	**Country**	**Direct shareholding**	**Indirect shareholding**	**Activity**	**Consolidation method**	**Auditors**
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio management	Full	Ernst & Young
Gestamp Bizkaia, S.A.	Vizcaya	Spain	75.00%	25.00%	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	39.37%	60.63%	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 AIE	Vizcaya	Spain	10.00%	90.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Real Estate	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailored blank welding	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 management	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%		Administrative services	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Gestamp Galvanizados, S.A.	Palencia	Spain	5.01%	94.99%	Component galvanazing	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	Dormant	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
Metalbages P-51, S.L.	Barcelona	Spain		100.00%	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
Tavol Internacional SGPS, Lda.	Madeira	Portugal		100.00%	Dormant	Full	N/A
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%	Labor 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 management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Portfolio management	Full	N/A
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administrative 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%	Tailored blank welding	Full	Ernst & Young
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 Mör, KFT	Akai	Hungary		100.00%	Dormant	Full	N/A
Gestamp North America, INC	Michigan	USA		70.00%	Administrative services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio management	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	Plante & Moran, LLP/E&Y
Gestamp Alabama, LLc.	Alabama	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young

December 31, 2014							
Company	**Address**	**Country**	**Direct shareholding**	**Indirect shareholding**	**Activity**	**Consolidation method**	**Auditors**
Gestamp Finance Luxemburgo, S.A.	Luxembourg	Luxembourg		99.95%	Portfolio management	Full	Grant Thornton Lux Audit
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
S.G.F, S.A.	Brussels	Belgium		99.95%	Portfolio management	Full	Deloitte
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		76.00%	Engineering and mold 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, 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		70.00%	Labor services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
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		60.00%	Adjustment	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
Sungwoo Gestamp Hitech Pune Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Equity method	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 management	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 management	Full	Ernst & Young
Edscha Subgroup (*)	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Global Tooling, S.L.	Vizcaya	Spain	60.00%		Engineering and mold design	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		60.00%	Engineering and mold design	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	N/A
Gestamp Metal Forming Subgroup	Remscheid	Germany		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
Essa Palau, S.A.	Barcelona	Spain		40.00%	Tooling and parts manufacturing	Equity method	Deloitte
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultory services	Full	N/A
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		Manufacture and sale of machinery for cutting	Full	Ernst & Young
Bero Tools, S.L.	Guipúzcoa	Spain		92.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain		79.84%	Die cutting production	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	N/A
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Denetciler Swon/KPMG
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Try Out Services, S.L.	Vizcaya	Spain		60.00%	Die cutting production	Full	N/A
Gestión Global de Matricería, S.L.	Vizcaya	Spain	35.00%		Dormant	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		35.00%	Die cutting production	Equity method (A)	IZE Auditores
IxCxT, S.A.	Vizcaya	Spain		35.00%	Die cutting production	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio management	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 & Development and IT	Full	Ernst & Young
Autotech Engineering R&D Uk limited	Durhan	United Kingdom		100.00%	Research & Development and IT	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio management	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio management	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio management	Full	Ernst & Young
GGM Puebla, S.A. de C.V.	Puebla	Mexico		35.00%	Tooling and parts manufacturing	Equity method (A)	N/A
GGM Puebla de Servicios Laborales, S.A. de C.V.	Puebla	Mexico		35.00%	Labor services	Equity method (A)	N/A

(*****) The Edscha Subgroup indirect shareholding corresponds to the Gestamp Metalbages, S.A. and Gestamp Polska, SP. Z.O.O. direct shareholding in Edscha Holding GmbH., 67% and 33%, respectively.
(A) These companies are consolidated under full consolidation method in Gestión Global de Matricería Subgroup. This Subgroup is accounted in Gestamp Group for using the equity method.

December 31, 2013							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio management	Full	Ernst & Young
Gestamp Bizkaia, S.A.	Vizcaya	Spain	75.00%	25.00%	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	0.01%	99.99%	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 AIE	Vizcaya	Spain	10.00%	90.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Real Estate	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailored blank welding	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 management	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%		Administrative services	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Gestamp Galvanizados, S.A.	Palencia	Spain	5.01%	94.99%	Component galvanazing	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	Dormant	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
Metalbages P-51, S.L.	Barcelona	Spain	5.31%	94.69%	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
Tavol Internacional SGPS, Lda.	Madeira	Portugal		100.00%	Dormant	Full	N/A
Griwe Subgroup	Westerburg	Germany		94.99%	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%	Labor 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 management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Portfolio management	Full	N/A
Todlem, S.L.	Barcelona	Spain		57.31%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administrative services	Full	N/A
Gestamp Aragón, S.A.	Zaragoza	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
MB Pamplona, S.A.	Navarra	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Abrera, S.A.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Levante, S.A.	Valencia	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Solblank Navarra, S.L.	Navarra	Spain		100.00%	Tailored blank welding	Full	Ernst & Young
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 Mör, KFT	Akai	Hungary		100.00%	Dormant	Full	N/A
Gestamp North America, INC	Michigan	USA		70.00%	Administrative services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio management	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	Plante & Moran, LLP/E&Y
Gestamp Alabama, LLc.	Alabama	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young

December 31, 2013							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Finance Luxemburgo, S.A.	Luxembourg	Luxembourg		99.95%	Portfolio management	Full	Lux-Audit
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
S.G.F, S.A.	Brussels	Belgium		99.95%	Portfolio management	Full	Deloitte
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		76.00%	Engineering and mold 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, 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		70.00%	Labor services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
Gestamp Severstal Vsevolozhsk Llc	Saint Petersburg	Russia		57.31%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		60.00%	Adjustment	Full	Ernst & Young
Gestamp Severstal Kaluga, LLc	Kaluga	Russia		57.31%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Sungwoo Gestamp Hitech Pune Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Sungwoo Gestamp Hitech Chennai Ltd.	Chennai	India		50.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Chattanooga, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain		76.45%	Portfolio management	Full	Ernst & Young
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	Tamil Nadu	India		50.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
ALHC, Llc.	South Carolina	USA		70.00%	Portfolio management	Full	N/A
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 management	Full	Ernst & Young
Edscha Subgroup (*)	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Global Tooling, S.L.	Vizcaya	Spain	60.00%		Engineering and mold design	Full	Ernst & Young
GS Hot-Stamping Co. Ltd.	Busan	South Korea		47.49%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		60.00%	Engineering and mold design	Full	Ernst & Young
Ocon Automated Systems S.L.	Barcelona	Spain		100.00%	Engineering and mold design	Full	N/A
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	N/A
Gestamp Metal Forming Subgroup	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Sungwoo Stampings & Assemblies Private Ltd.	Chennai	India		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Essa Palau, S.A.	Barcelona	Spain		40.00%	Tooling and parts manufacturing	Equity method	Deloitte
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultory services	Full	N/A
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain		100.00%	Manufacture and sale of machinery for cutting	Full	Ernst & Young
Bero Tools, S.L.	Guipúzcoa	Spain		92.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain		79.84%	Die cutting production	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		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, Llc.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	N/A
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Denetciler Swon/KPMG
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Try Out Services, S.L.	Vizcaya	Spain		60.00%	Die cutting production	Full	N/A
Gestión Global de Matricería, S.L.	Vizcaya	Spain	35.00%		Dormant	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		35.00%	Die cutting production	Equity method (A)	IZE Auditores
IxCxT, S.A.	Vizcaya	Spain		35.00%	Die cutting production	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio management	Full	Lux-Audit
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		97.75%	Research & Development and IT	Full	Ernst & Young
Autotech Engineering R&D Uk limited	Durhan	United Kingdom		97.75%	Research & Development and IT	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio management	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio management	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio management	Full	Ernst & Young
Sofedit España, S.A.U.	Valladolid	Spain		100.00%	Portfolio management	Full	Ernst & Young

(*) The Edscha Subgroup indirect shareholding corresponds to the Gestamp Metalbages, S.A. and Gestamp Polska, SP. Z.O.O. direct shareholding in Edscha Holding GmbH., 67% and 33%, respectively.
(A) These companies are consolidated under full consolidation method in Gestión Global de Matricería Subgroup. This Subgroup is accounted in Gestamp Group for using the equity method.

The companies which hold the indirect investments indicated in the above table, corresponding to December 31, 2014 and December 31, 2013 are specified in Annex I.

The companies which compose the Griwe Subgroup at December 31, 2014 and December 31, 2013 are the following:

Company	Address	Country	Shareholding	Consolidation method
Gestamp Griwe Westerburg GmbH	Westerburg	Germany	Parent company	Full
Gestamp Griwe Hot Stamping GmbH	Haynrode	Germany	100.00%	Full
Gestamp Griwe Haynrode GmbH	Haynrode	Germany	100.00%	Full

The activity of these companies relates mainly to manufacturing automobile parts and components.

The companies which compose the Edscha Subgroup at December 31, 2014 and December 31, 2013, and the information about the consolidation method used, address and shareholding percentage (direct and indirect), are the following:

December 31, 2014						
Company	Address	Country	Direct shareholding	Indirect shareholding	% Direct shareholding Gestamp Automoción	Consolidation method
Edscha Holding GmbH	Remscheid	Germany	Parent company			Full
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany	100.00%			Full
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany	100.00%			Full
Edscha Engineering GmbH	Remscheid	Germany	100.00%			Full
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	94.90%		5.10%	Full
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	94.90%		5.10%	Full
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic	100.00%			Full
Edscha Hradec S.R.O.	Hradec	Czech Republic	100.00%			Full
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia	100.00%			Full
Gestamp 2008, S.L.	Villalonquéjar (Burgos)	Spain	60.00%			Full
Edscha Burgos, S.A.	Villalonquéjar (Burgos)	Spain	0.01%	59.99%		Full
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain		56.98%	5.03%	Full
Edscha Briey S.A.S.	Briey Cedex	France		56.98%		Full
Edscha Engineering France SAS	Les Ulis	France	100.00%			Full
Edscha do Brasil Ltda.	Sorocaba	Brazil		74.78%		Full
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan	100.00%			Full
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan	50.00%			Equity method
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		50.00%		Equity method (A)
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		50.00%		Equity method (A)
Edscha Automotive Technology Co., Ltd.	Shanghai	China	100.00%			Full
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China	55.00%			Full
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China	100.00%			Full
Edscha Automotive Michigan, Inc	Lapeer	USA	100.00%			Full
Edscha Togliatti, Llc.	Togliatti	Russia	100.00%			Full
Edscha Automotive Components Co., Ltda.	Kunshan	China	100.00%			Full
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	75.00%		25.00%	Full
Edscha Kunststofftechnik GmbH	Remscheid	Germany	100.00%			Full
Edscha Pha, Ltd.	Seul	South Korea	50.00%			Full
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand	50.99%	0.01%		Full

(A) These companies are consolidated under full consolidation method in Jui Li Edscha Body Sistems Subgroup. This Subgroup is accounted in Edscha Subgroup for using the equity method.

December 31, 2013						
Company	Address	Country	Direct shareholding	Indirect shareholding	% Direct shareholding Gestamp Automoción	Consolidation method
Edscha Holding GmbH	Remscheid	Germany	Parent company			Full
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany	100.00%			Full
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany	100.00%			Full
Edscha Engineering GmbH	Remscheid	Germany	100.00%			Full
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	94.90%		5.10%	Full
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	94.90%		5.10%	Full
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic	100.00%			Full
Edscha Hradec S.R.O.	Hradec	Czech Republic	100.00%			Full
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia	100.00%			Full
Gestamp 2008, S.L.	Villalonquéjar (Burgos)	Spain	60.00%			Full
Edscha Burgos, S.A.	Villalonquéjar (Burgos)	Spain	0.01%	59.99%		Full
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain		56.98%	5.03%	Full
Edscha Briey S.A.S.	Briey Cedex	France		56.98%		Full
Edscha Engineering France SAS	Les Ulis	France	100.00%			Full
Edscha do Brasil Ltda.	Sorocaba	Brazil		56.99%		Full
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan	100.00%			Full
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan	50.00%			Equity method
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		50.00%		Equity method (A)
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		50.00%		Equity method (A)
Edscha Automotive Technology Co., Ltd.	Shanghai	China	100.00%			Full
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China	55.00%			Full
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China	70.00%			Full
Edscha Automotive Michigan, Inc	Lapeer	USA	100.00%			Full
Edscha Togliatti, Llc.	Togliatti	Russia	100.00%			Full
Edscha Automotive Components Co., Ltda.	Kunshan	China	100.00%			Full
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	75.00%		25.00%	Full
Edscha Kunststofftechnik GmbH	Remscheid	Germany	100.00%			Full
Edscha Pha, Ltd.	Seul	South Korea	50.00%			Full
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand	50.99%	0.01%		Full

(A) These companies are consolidated under full consolidation method in Jui Li Edscha Body Sistems Subgroup. This Subgroup is accounted in Edscha Subgroup for using the equity method.

The companies which hold the indirect shareholding indicated in the above table at December 31, 2014 and December 31, 2013 are the following:

December 31, 2014		
Company	Company holding the indirect investment	% investment
Edscha Santander, S.L.	Gestamp 2008, S.L.	94.97%
Edscha Burgos, S.A.	Gestamp 2008, S.L.	99.99%
Edscha do Brasil, Ltda.	Edscha Santander, S.L.	58.63%
Edscha Briey, S.A.S	Edscha Santander, S.L.	100.00%
Edscha do Brasil, Ltda.	Edscha Engineering GmbH	41.37%
Jui Li Edscha Holding Co. Ltda.	Jui Li Edscha Body Systems Co Ltda.	100.00%
Jui Li Edscha Hainan Industry Enterprise Co Ltda.	Jui Li Edscha Holding Co. Ltda.	100.00%
Edscha Aapico Automotive, Co, Ltd.	Edscha Engineering GmbH	0.01%

December 31, 2013		
Company	Company holding the indirect investment	% investment
Edscha Santander, S.L.	Gestamp 2008, S.L.	94.97%
Edscha Burgos, S.A.	Gestamp 2008, S.L.	99.99%
Edscha do Brasil, Ltda.	Edscha Santander, S.L.	99.99%
Edscha Briey, S.A.S	Edscha Santander, S.L.	100.00%
Jui Li Edscha Holding Co. Ltda.	Jui Li Edscha Body Systems Co Ltda.	100.00%
Jui Li Edscha Hainan Industry Enterprise Co Ltda.	Jui Li Edscha Holding Co. Ltda.	100.00%
Edsha Aapico Automotive, Co. Ltd.	Edscha Engineering GmbH	0.01%

These companies are active primarily in the manufacturing of automotive components.

The companies which compose the Gestamp Metal Forming Subgroup at December 31, 2014 and December 31, 2013, and the information about the consolidation method used, address and shareholding percentage (direct and indirect), are the following:

December 31, 2014					
Company	Address	Country	Direct shareholding	Indirect shareholding	Consolidation method
GMF Holding GmbH	Remscheid	Germany	Parent company		Full
GMF Wuhan, Ltd	Wuhan	China	100.00%		Full
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany	100.00%		Full
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom	100.00%		Full
Sofedit, S.A.S	Le Theil sur Huisne	France	65.00%		Full
Gestamp Prisma, S.A.S	Usine de Messempré	France	100.00%		Full
Gestamp Tallent , Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Full
Gestamp Wroclaw Sp.z,o.o.	Wroclaw	Poland		65.00%	Full

December 31, 2013					
Company	Address	Country	Direct shareholding	Indirect shareholding	Consolidation method
GMF Holding GmbH	Remscheid	Germany	Parent company		Full
GMF Wuhan, Ltd	Wuhan	China	100.00%		Full
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany	100.00%		Full
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom	100.00%		Full
Sofedit, S.A.S	Le Theil sur Huisne	France	65.00%		Full
Gestamp Prisma, S.A.S	Usine de Messempré	France	100.00%		Full
Gestamp Tallent , Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Full
Sofedit Polska Sp.z,o.o.	Wroclaw	Poland		65.00%	Full

During the year 2013, the company Sofedit España, S.A.U. ceased to belong to the scope of Gestamp Metal Forming Subgroup being sold the entire interest in this company to the subsidiary Gestamp Palencia, S.A. (Note 2.a).

The companies which hold the indirect shareholding indicated in the above table at December 31, 2014 and December 31, 2013 are the following:

December 31, 2014		
Company	Company holding the indirect investment	% investment
Gestamp Tallent, Ltd.	Automotive Chassis Products, Plc	100.00%
Gestamp Wroclaw Sp.z,o.o.	Sofedit, S.A.S	100.00%

December 31, 2013		
Company	Company holding the indirect investment	% investment
Gestamp Tallent, Ltd.	Automotive Chassis Products, Plc	100.00%
Sofedit Polska Sp.z.o.o	Sofedit, S.A.S	100.00%

These companies are active primarily in the manufacturing of automotive components.

No significant subsidiaries have been excluded from the consolidation scope.

The closing of the financial year for the companies included in the consolidation scope at December 31, 2014 is December 31, with the exception of the subsidiaries Gestamp Services India Private, Ltd., Gestamp Automotive India Private, Ltd. and Gestamp Automotive Chennai Private Ltd., whose fiscal years close on March 31. However, an interim closing as at December, 31 has been prepared for the purpose of including these companies in the Consolidated Financial Statements.

4. Basis of presentation

4.1 True and fair view

The Consolidated Financial Statements for the period ended December 31, 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and enacted in European Commission legislation in effect on December 31, 2014.

The Consolidated Financial Statements have been prepared on the basis of the accounting records of each group company as of December 31, 2014 and December 31, 2013. 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 have been made in consolidation in order to harmonize the policies and methods used and to adapt them to IFRS.

The figures contained in these Consolidated Financial Statements are expressed in thousands of euros, unless otherwise indicated.

4.2 Approval of the Financial Statements and proposal for the appropriation of profit

The individual 2014 Financial Statements of the Group companies will be presented for approval at their respective Annual General Meetings of shareholders within the deadlines established by the prevailing legislation. The Directors of the Company believe that no significant changes will be made to the 2014 Consolidated Financial Statements as a result of this process. The Gestamp Automoción Group's 2014 Consolidated Financial Statements will be authorized by the Board of Directors of the Company on April 8, 2015 for issue and submission to the Annual General Meeting where they are expected to be approved without modification.

The Company's Board of Directors will submit the following appropriation of profit proposal for the year ended December 31, 2014 for approval at the Annual General Meeting:

	Thousands of euros
Basis of appropriation	
As per income statement	(7,958)
Appropriation to:	
Losses to offset in future years	(7,958)

Restrictions on the distribution of dividends

The Company is obliged to transfer 10% of profit for the year to a legal reserve until this reserve reaches an amount at least equal to 20% of issued capital. Unless the balance of the reserve exceeds this amount, it cannot be distributed to shareholders.

Once the legal requirements have been met, dividends may only be distributed against profit for the year or against unrestricted reserves if the book value of equity is not lower than, or as a result of the dividend payment would not dip below, issued share capital. For this purpose, profit recognized directly in shareholders' equity cannot be directly or indirectly distributed. If prior years' losses have reduced the Company's book value of equity to below the amount of its issued share capital, profit must be allocated to offset these losses.

No may profits be distributed unless the amount of available reserves is at least equal to the amount of development expenses included among the assets on the Company's balance sheet.

4.3. Comparison of information

The Group's Financial Statements have been prepared in accordance with the new International Financial Reporting Standards as adopted by the European Union (IFRS-EU) that came into effect on January 1, 2014.

On December 31, 2014 the Group has adopted IFRS 10 and IFRS 11. The application of both IFRS is retrospective, as the standards require, and the comparative information of the previous year (2013) has been restated in the Consolidated Financial Statements (Note 4.5).

On December 26, 2013 the Group signed an agreement of intentions to sale the subsidiaries Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd, Sungwoo Gestamp Hitech Chennai, Ltd and GS Hot-Stamping Co. Ltd. The sale has already occurred at December 31, 2014.

On December 31, 2013 the assets and liabilities of these companies were classified as held for sale. In addition, on December 31, 2014 the result of the sale of these companies is registered in the consolidated income statement as a loss amounting to 526 thousand euros (Note 26).

There have been no significant additions to consolidation scope at during year 2014.

During period ended December 31, 2013, there have been additions to the consolidation scope whose contribution to the Consolidated Financial Statements was significant and has been quantified in Note 2.a.

4.4 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the parent company and subsidiaries as per December 31, 2014.

The Group obtains control when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. In concrete the Group controls a subsidiary if and only if it has:

- 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
- The ability to use its power over the subsidiary to affect the amount of the investor's 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

The Group reassesses the existence of control over an subsidiary when facts and circumstances indicate changes in one or more elements determining control (Note 6)

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 Consolidated Financial Statements include that subsidiary's results for the portion of the year during which the Group held control.

The financial statement of the subsidiaries have the same closing date as the parent company, except for the companies mentioned in Note 3. The said companies have an additional closing for the financial year for their inclusion to the Consolidated Financial Statements, being elaborated with the same accounting policies in a uniform and coherent procedure.

The profit of a subsidiary is attributed to non-controlling interest even if it means registering a receivable balance.

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

- Derecognizes assets (including goodwill) and liabilities of such subsidiary.
- Derecognizes carrying amount of non-controlling interests.
- Derecognizes the translation differences registered in Equity.
- Recognizes the fair value of the amount received for the operation.
- Recognizes the fair value of any retained investment.
- Recognizes any excess or deficit in the Consolidated Income Statement.
- Reclassifies the shareholding of the parent Company in the items previously registered in Other Comprehensive Income to profit or to retained earnings, as appropriate.

Subsidiaries

The full consolidation method is used for companies meeting the following requirements:

I. Companies in which the Company holds a direct or indirect interest of over 50%, which gives it more than half the voting rights on the entity's governing bodies.

II. Companies over which the Company has the ability to affect over their returns, by means of voting rights, making decisions over the relevant activities.

Joint ventures

Investments 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 proportionally consolidation method.

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 investee 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 an investee.

For the purposes of the preparation of the accompanying 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 the Financial Statements of foreign operations

The assets and liabilities and income statements of foreign operations included in the consolidation scope whose functional currency is different from the presentation currency are translated to euro 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 Consolidated Balance Sheet date.

- Income and expenses are translated using the average exchange rate, so long as that average is a reasonable approximation of the cumulative effect of the actual exchange rates prevailing at the transactions dates.

The differences between the net book value of equity of the foreign companies converted using historical exchange rates and including the net result from the Profit and Loss Account reflecting the above mentioned treatment of income and expenses in foreign currencies, and the net book value of equity resulting from the conversion of goods, rights and liabilities using the exchange rate prevailing at the Consolidated Balance Sheet date, are registered as "Translation differences", with the corresponding negative or positive sign, in the Equity in the Consolidated Balance Sheet (Note 15).

Exchange gains and losses due to the impact of changes in the functional currency relative to the euro on foreign currency borrowings considered permanent are taken directly to equity under "Translation differences", net of tax effect. The net amount of translation differences in 2014 is 20 million euros of negative translation differences (13.08 million euros of negative translation differences in 2013).

At December 31, 2014 and December 31, 2013 neither the Company nor the subsidiaries held equity units issued by the Company.

The effect of changes in foreign exchange rates, when presenting the Statement of Cash Flows by indirect method, has been calculated considering an average for the year of Cash and cash equivalents and applying the change of foreign exchange rates at closing of each year.

Transactions between companies included in the consolidation scope

The following transactions and balances were eliminated in consolidation:

- Reciprocal receivables/payables and expenses/income relating to intra-Group transactions.

- Income from the purchase and sale of property, plant, and equipment as well as unrealized gains on inventories, if the amount is significant.

- Intra-Group dividends and the debit balance corresponding to interim dividends recognized at the company that paid them.

Shareholders/non-controlling interest
The value of shareholders/non-controlling interest in the equity and profit (loss) for the year of consolidated subsidiaries consolidated by the full consolidation method is recognized in “Equity attributable to non-controlling interest” in the Equity in the Consolidated Balance Sheet and in “Profit (loss) attributable to non-controlling interest” in the Consolidated Income Statement and Consolidated Comprehensive Income Statement, respectively.

4.5 Changes in accounting policies

1. Standards and interpretations adopted by the European Union this financial year

IFRS 10 *Consolidated Financial Statements* and IFRS 11 *Joint Arrangements*

The Group has adopted IFRS 10 and IFRS 11 this year. The application of both standards has led to modify the accounting and consolidation methods of the following companies:

Company	Shareholding		Consolidation method	
	2014	2013	2014	2013
Beyçelik, A.S.	50.00%	50.00%	Full	Proportionally
Gestamp Automotive India Private Ltd	50.00%	50.00%	Full	Proportionally
Gestamp Automotive Chennai Private, Ltd.	100.00%	50.00%	Full	Proportionally
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	50.00%	50.00%	Full	Proportionally
Edscha Pha, Ltd	50.00%	50.00%	Full	Proportionally
Sungwoo Gestamp Hitech Pune Private, Ltd.	50.00%	50.00%	Equity method	Proportionally
Sungwoo Gestamp Hitech Chennai, Ltd.	0.00%	50.00%	Equity method	Proportionally
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	0.00%	50.00%	Equity method	Proportionally
GS Hot stamping Co, Ltd.	0.00%	47.49%	Equity method	Proportionally
Jui Li Edscha Body Systems Co., Ltd	50.00%	50.00%	Equity method	Proportionally
Jui Li Edscha Hainan Industry Enterprise Co., Ltd	50.00%	50.00%	Equity method	Proportionally
Jui Li Edscha Holding Co., Ltd	50.00%	50.00%	Equity method	Proportionally

The companies Sungwoo Gestamp Hitech Chennai Ltd., Gestamp Sungwoo Hitech (Chennai) Private Ltd and GS Hot Stamping Co Ltd., were sold in the second quarter of 2014 (note 2.a).

The issue of the new IFRS 10, with appliance in year 2014, change and broad the definition of control defined in the old IAS 27. The main change due to IFRS 10 is the control definition based on the ability to take decisions that affect to the relevant activities, which are the ones with more significance on the business returns.

At the date of first application of IFRS 10 (January 1, 2014) the Group has assessed their control in the entities mentioned above according to factors explained in note 6 (Significant accounting judgments, estimates, and assumptions). After this assessment it has been concluded that there is control over Beyçelik, A.S., Gestamp Automotive India Private, Ltd., Gestamp Automotive Chennai Private, Ltd. (regardless of the acquisition in year 2014 of the remaining 50% shareholding) GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi and Edscha Pha, Ltd. so according to IFRS 10 these companies come to be consolidated by full consolidation method.

The Group has decided to consider their interest in the companies Sungwoo Gestamp Hitech Pune Private, Ltd., Jui Li Edscha Body Systems Co, Ltd., Jui Li Edscha Hainan Industry Enterprise Co. Ltd and Jui Li Edscha Holding Co, Ltd as joint-venture according to IFRS 11 and these companies come to be consolidated by equity method.

The application of both IFRS is retrospective, as the standards require, and the comparative information of the previous year (2013) has been restated in the Consolidated Financial Statements.

The effect of the application of IFRS 10 and 11 in the Consolidated Financial Statements is the following:

Impact on profit:

	2013	2012
CONTINUED OPERATIONS		
OPERATING INCOME	62,386	78,650
OPERATING EXPENSE	(51,813)	(65,642)
OPERATING PROFIT	**10,573**	**13,008**
Financial income	(755)	(938)
Financial expenses	(1,555)	(99)
Exchange gain (losses)	(10,957)	285
Share of profits from associates-equity method	(2,195)	(617)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**(4,889)**	**11,639**
Income tax expense	3,062	(54)
PROFIT FOR THE YEAR	**(1,827)**	**11,585**
Non-controlling interest	2,745	(10,143)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**918**	**1,442**

Impact on equity:

	2013	2012
Non-current assets		
Intangible assets	(445)	(9,359)
Property, plant and equipment	67,306	46,661
Financial assets	14,143	25,066
Deferred tax assets	5,530	475
Total non-current assets	**86,534**	**62,843**
Current assets		
Non-current assets held for sale	(41,879)	-
Inventories	15,900	17,940
Trade and other receivables	33,099	10,748
Other current assets	425	191
Financial assets	6,224	(6,617)
Cash and cash equivalents	10,221	12,250
Total current assets	**23,990**	**34,512**
Total assets	**110,524**	**97,355**
Non-current liabilities		
Deferred income	171	143
Provisions	954	832
Non trade liabilities	80,386	37,384
Deferred tax liabilities	2,286	426
Other non-current liabilities	-	(65)
Total non-current liabilities	**83,797**	**38,720**
Current liabilities		
Liabilities associated with assets held for sale	(44,125)	-
Non trade liabilities	4,189	(4,700)
Trade and other payables	34,202	13,770
Provisions	454	522
Other current liabilities	1	1
Total current liabilities	**(5,279)**	**9,593**
Total liabilities	**78,518**	**48,313**
IMPACT ON EQUITY	**32,006**	**49,042**
Attributable to:		
Equity holders of the parent	5,748	3,606
Non-controlling interest	26,258	45,436

Impact on cash flow

	2013
Net cash-flow from operating activities	(6,494)
Net cash-flow from investing activities	3,000
Net cash-flow from financing activities	32,949
Effect on changes in exchange rates	(31,484)
Net increase in cash and cash equivalents	**(2,029)**

IFRS 12 *Disclosure of Interests in Other Entities*

IFRS 12 establishes the disclosure requirements relating to interest held in subsidiaries, joint arrangements, associates, and structured entities. The requirements stipulated by IFRS 12 are more detailed than earlier requirements relating to subsidiaries. For example, when a subsidiary is controlled with less than half of the voting rights. Although the Group has subsidiaries with significant external partners, there are no unconsolidated structured entities. The disclosures required by IFRS 12 are provided in Notes 30 and 31.

2. Standards and interpretations issued by the IASB but not applicable in 2014

IFRS 15 *Revenue From Contracts With Customers*

IFRS 15 was published in May of 2014 and establishes a new five-step model framework applicable to revenue from customer contracts. Under IFRS 15, the amount of revenue recognized reflects the consideration to which the entity expects to be entitled in exchange for those goods or services provided to a customer. The principles of IFRS 15 introduce a more structured approach to measuring and recognizing revenue.

This new standard is applicable to all entities and supersedes all prior standards on revenue recognition. IFRS 15 must be applied retroactively either totally or in part for the years beginning on January 01, 2017; early application is also permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt it by the abovementioned date.

Amendments to IAS 1 *Disclosure Initiative*

The Group is analyzing the proposed amendments and thus expects to apply the following recommendations in its 2015 financial statements:

- Eliminate immaterial information.
- Structure the notes so that the most relevant matters are described at the beginning of the notes to the financial statements.
- Eliminate disclosures included in the accounting policies that are included in the standards, including only Group-specific matters.

The Group's consolidated financial statements are not expected to be affected by the remaining amendments.

4.6 Going concern

The Group's management has drawn up these 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 on an ongoing basis with 84% of its bank financing as of December 31, 2014 (2013: 85%) maturing over periods longer than twelve months.

At December 31, 2014 the Group had 560 million euros (2013: 578 million euros) of total available liquidity, comprised of 484 million euros in cash and cash equivalents (2013: 520 million euros) and 76 million euros in current financial assets (2013: 58 million euros). In addition, the Group has at December 31, 2014 undrawn credit facilities amounting to 267 million euros (2013: 197 million euros).

5. Summary of significant accounting policies

5.1 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 Consolidated Annual 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 different to 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 recognized in the Consolidated Income Statement.

5.2 Property, plant and equipment

Property, plant, and equipment is carried at either acquisition, transition cost to IFRS (January 1, 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.
- Discounts for prompt payment, which are deducted from the asset's carrying value.
- Directly attributable costs incurred to ready the asset for use.

Prior to the IFRS transition date (January 1, 2007), certain Group companies revalued certain items of property, plant, and equipment as permitted under applicable legislation (Royal Decree-Law 7/1996, Basque regional law 6/1996 and several international laws). The amount of these revaluations is considered part of the cost of the assets as provided for under IAS 1.

At the transition date to EU-IFRSs (January 1, 2007), Property, plant and equipment was measured at fair value at the said date, based on the appraisals of an independent expert, which generated a revaluation of Group assets (Note 9).

The carrying value of Property, plant, and equipment acquired by means of a business combination is measured by its fair value at the moment of its incorporation into the Group (Note 5.3) being it consider as its cost value.

Specific spare parts: certain major parts of some items of 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 capitalized.

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 Consolidated Income Statement in the year the asset is retired.

As permitted under revised IAS 23, borrowing costs directly attributable to the acquisition or development of a qualifying asset - an asset that takes more than one year to be ready for its intended use - are capitalized as part of the cost of the respective assets.

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:

	Years of estimated useful life
Buildings	17 to 50
Plant and machinery	3 to 15
Other plant, tools and furniture	2 to 10
Other PP&E items	4 to 10

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

5.3 Business combinations and 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" in the Consolidated Income Statement.

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 as at the acquisition date, included the separation of implicit derivatives financial instruments of the main contracts of the acquired company.

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 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 recognized is updated using the rate of exchange prevailing at the 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 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 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). The Company recognizes any excess that continues to exist after this reconsideration in the 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 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 5.7).

5.4 Investment in associates and jointly controlled entities

The Group has several participations in jointly controlled entities, business over which the Group exercises joint control, where contractual agreements exist. The contracts require that the agreement between the parties with respect the operating and financial decisions be unanimous.

The Group has also participations in associates, business over which the Group has significant influence.

Participations in associates and jointly controlled entities are accounted for using the equity method.

According to this method, the investment in an associate or a jointly controlled entity 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 jointly controlled entity. The goodwill related to the associate or jointly controlled entity is included in the carrying amount of the investment and it is not amortised and no impairment test related is done.

The share of the Group in profits of operations of the associate or joint venture is reflected in the Consolidated Income Statement. When there has been a change recognized directly in equity by the associate or joint venture, the Group recognizes its share of this change, when applicable, in the statement of changes in equity. Non-realized gains or losses resulting from transactions between the Group and the associate or joint venture corresponding to the share of the Group in the associate or joint venture are eliminated.

The share of the Group in profits of the associate or joint venture is reflected directly in the Consolidated Income Statement and it represents profit after taxes and non-controlling interests.

The financial statements of the associate and the joint venture are prepared for the same period than the Group; the required adjustments and reclassifications have been made in consolidation in order to harmonize 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 closing date the Group consider if there are evidences of impairment of the investment in the associate or joint venture. If so, the impairment is calculated as the difference between the recoverable amount and the carrying amount of the associate or joint venture and the amount of such impairment is recognized in "Share of profits from associates- equity method " in the Consolidated Income Statement.

When the significant influence of the Group in the associate or joint venture ceases, the Group recognises the investment at its fair value. Any difference between the carrying amount of the associate or joint venture in the moment of loss of significant influence and the fair value of the investment plus the income for sale is recognized in the Consolidated Income Statement.

5.5 Other intangible assets

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

An intangible asset is recognized 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 capitalized 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.

Capitalized development costs are amortized over the period of expected future benefits.

Concessions, patents, licenses, 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.

Software

Software is measured at acquisition cost.

Software acquired from third parties and capitalized is amortized over its useful life, which in no instance will exceed 5 years.

IT maintenance costs are expensed as incurred.

5.6 Financial assets

Financial assets are initially measured at fair value plus any directly attributable transaction costs, except financial assets at fair value through profit and loss where transaction cost are registered in Consolidated Income Statement.

The Group classifies its financial assets, current and non-current, into the following categories:

- Financial assets at fair value through profit and loss (held for trading).
- Held-to-maturity investments.
- Loans and receivables.
- Available-for-sale financial assets.
- Investments in associates accounted for using the equity method.

Classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition and reassesses this designation at each year end.

Financial assets at fair value through profit and loss

These are financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments, except those designated as hedging instruments in an effective hedge.

They are classified as non-current assets and are carried on the balance sheet at fair value. Changes in value of these assets are recognized in the Consolidated Income Statement as Financial gains or losses.

Fair value is the market price at the Consolidated Balance Sheet date.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity.

They are classified as non-current, except for those maturing in less than 12 months from the balance sheet date. They are carried at amortized cost using the effective interest method, less any impairment charges.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current, except for those maturing in more than 12 months from the balance sheet date.

They are carried at amortized cost using the effective interest method, less any impairment charges.

Available-for-sale financial assets

There are financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. They are classified as non-current unless management plans to dispose of them within 12 months from the balance sheet date.

They are measured at fair value at the balance sheet date. Unrealized gains or losses are recognized in Retained earnings until the investment is retired or impaired, at which time the cumulative gain or loss recorded in equity is recognized in the Consolidated Income Statement.

Investments in associates 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 5.4).

Derecognition of financial instruments

The Group retires a transferred financial asset from the 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 recognizes a financial liability for the consideration received. This financial liability is subsequently measured at amortized cost. The transferred financial asset continues to be measured using the same criteria as prior to the transfer. In subsequent periods, the Group recognizes any income on the transferred asset and any expense incurred on the financial liability in the Consolidated Income Statement. Such income and expense are not offset.

5.7 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.

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.

When the carrying amount of a group of assets or CGU exceeds its recoverable amount, an impairment loss is recognized 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 that, 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 previsions individually prepared for each CGU to which the asset is allocated. Those budgets and previsions refer to a five-year period and for longer periods a long-term growing rate is calculated and used for estimating cash-flows after the fifth year.

The impairment losses from continued operations, including impairment of inventories, are registered in the Consolidated Income Statement in the expenses related 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 recognized impairment loss is reversed, with the reversal recognized in the 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 recognized.

The following assets present specific characteristics when assessing their impairment:

Consolidation goodwill

At year end as well as when there is evidence that goodwill may be impaired, an impairment test of goodwill is carried out.

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 their carrying amount, an impairment loss is registered.

Goodwill impairment losses cannot be reversed in future periods.

Intangible assets

The Group has implemented annual procedures to test intangible assets with indefinite useful life for impairment. This assessment is carried out for each of the CGUs or groups of CGUs, as well as when there is evidence that intangible assets may be impaired.

Impairment of financial assets

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

Once that 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 recognized in the income statement, the impairment loss is reversed through the income statement.

The recoverable amount of held-to-maturity investments and loans and receivables carried at amortized 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 is reduced through use of an allowance account and the amount of the loss is recognized in the Consolidated Income Statement. Current investments are not discounted to present value.

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

5.8 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.

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

In 2013 Gestamp Sungwoo Hitech (Chennai) Pvt., Ltd., Sungwoo Gestamp Hitech Chennai, Ltd. and GS Hot-Stamping Co. Ltd were expected to be sold so their assets and liabilities were classified as held for sale. Nevertheless, due to the entry into force of IFRS 10, 11 and 12, these entities were considered as associtates maintaining the classification as helf for sale. The amount correspond to non-current assets held for sale of the estimated sale value of these entities at

December 31, 2013 (Note 26). At December 31, 2014 these companies have already been sold (Note 2.a) and the result of the sale is registered as Profit for the year from discontinued operations net of taxes (under the heading Discontinued operations) for 526 thousand euros of losses (Note 26).

In addition, the profit from these associated entities until the sale, amounted to 1,047 thousand euros of losses (Note 26), also registered as Profit for the year from discontinued operations net of taxes (under the heading Discontinued operations).

5.9 Trade and other receivables

Accounts receivable from customers are measured in the accompanying Consolidated Balance Sheet at nominal value.

Discounted bills pending maturity at year end are included in the accompanying consolidated balance sheets 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 have been transferred to the bank (Note 12.a))

The Group recognizes impairment allowances on balances past-due over certain periods, or when other circumstances warrant their classification as impaired.

5.10 Inventories

Inventories are valued at the lower of acquisition or production cost and net realizable 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).

5.11 Tools made to customer order

A construction contract is a contract specifically negotiated with a customer for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognized by reference to the stage of completion of the contract activity at the balance sheet date (Note 5.18).

When the outcome of a construction contract cannot be estimated reliably, revenue is recognized to the extent that contract costs incurred are expected to be recoverable.

Based on its experience and Group estimates, with rare exceptions, management does not expect to incur losses, which have not been recognized on these Financial Statements, on the definitive settlement of the tool manufacture contracts in progress at December 31, 2014.

In the exceptional cases where there are contract costs that may not be recovered, no revenue is recognized and all amounts of such costs are recognized as an expense immediately.

Customer advances received reflect billing milestones and not necessarily the stage of completion of the contract.

Tools-in-progress measured using the stage of completion method are recognized under “Trade receivables” net of customer advances with a balancing entry to “Revenue from tool sales”.

5.12 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.

5.13 Government grants

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

When the grant relates to an asset, it is recognized as “Deferred Income” in the Consolidated Balance Sheet and released to income over the expected useful life of the related asset.

When the grant relates to expense items, it is recognized directly in the Consolidated Income Statement as income.

5.14 Financial liabilities (trade and other payables and borrowings)

Financial liabilities are initially recognized at fair value less attributable to transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized 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 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, cancelled or expires.

5.15 Provisions and contingent liabilities

Provisions are recognized when the Group has a present obligation (legal or implicit) as a result of past events, and it is probable 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 obligation.

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

Headcount restructuring provisions are stated at the amount of expenses expected to arise from the restructuring and any other expenses not associated with the entity’s day-to-day business.

Headcount restructuring provisions are only recognized when there is a formal plan identifying the affected business, the main locations affected, the employees to receive redundancy payments, the outlays to be incurred, when it will be implemented, and when the entity has raised a valid expectation that it will carry out the restructuring and 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 recognized 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. The information regarding these contingent liabilities are only broken down but not accounted.

5.16 Employee benefits

The Group has assumed pension commitments for some companies belonging to the Edscha and the Gestamp Metal Forming Subgroups 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-employments 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 accrual principle.

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 recognized in OCI (Other Comprehensive Income) when incurred. In subsequent years, these actuarial gains and losses are registered as equity, and are not reclassified in profit and loss.

The amounts to be recognized 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), that is determined by applying the discount rate to the net defined benefit liability (asset).

The past service costs will be recognized 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 recognizes related restructuring costs or benefits of termination.

The net defined benefit liability (asset) is the deficit or surplus, detailed below, 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 (if any).

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.

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 Consolidated Income Statement as soon as they are known.

5.17 Leases

Leases in which all the risks and benefits associated with ownership of the asset are substantially transferred are classified as finance leases.

Assets acquired under financial lease arrangements are recognized, based on their nature, at the lower of the fair value of the leased item and the present value of the minimum lease payments at the outset of the lease term. A financial liability is recognized for the same amount. Lease payments are apportioned between finance charges and reduction of the lease liability. Leased assets are depreciated, impaired, and retired using the same criteria applied to assets of a similar nature.

Leases where the lessor substantially retains all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated Income Statement on a straight line basis over the lease term.

5.18 Revenue and expense recognition

Revenue and expenses are recognized when products are delivered or services are provided, regardless of when actual payment or collection occurs.

Revenue is recognized at fair value of the balancing entry, defining fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Revenue includes:

- Sale of goods: Revenue from the sale of goods is recognized when the following conditions have been met:

    - the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

    - the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

    - the amount of revenue can be measured reliably;

    - it is probable that the economic benefits associated with the transaction will flow to the Group.

    - the costs incurred or to be incurred in respect of the transaction can be reliably measured.

- Manufacture of tools for third party sale and rendering of services: revenue arising from the manufacture of tools for sale to third parties and the rendering of services are recognized by reference to the stage of completion of the transaction at the reporting date - stage of completion method (Note 5.11).

- Interest, royalties, and dividends: interest revenue is recognized 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).

    Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement.

    Dividends are recognized when the shareholder's right to receive payment is established.

Expenses are recognized when there is a decrease in the value of an asset or an increase in the value of a liability that can be measured reliably, and they are recognized during the period in which they are incurred.

5.19 Income tax

The income tax recognized in the Consolidated Income Statement includes current and deferred income tax.

Income tax expense is recognized in the Consolidated Income Statement except for current income tax relating to line items in shareholders' equity, which is recognized in equity and not in the income statement.

Current tax

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 recognized as a reduction in tax expense in the year in which they are applied or offset, unless there is reasonable doubt as to their realization, in which case they are not capitalized 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 recognized 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.

5.20 Derivative financial instruments and hedging instruments

The 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 Company and on a portion of expected future borrowings.

These financial derivatives hedging cash flow are initially recognized in the 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 Consolidated Income Statement, while gains or losses on the effective portion are recognized in “Effective hedges” within “Retained earnings” with respect to cash flow hedges, and in “Translation differences” with respect to net foreign investment hedges. The cumulative gain or loss recognized in equity is taken to the Consolidated Income Statement when the hedged item affects profit or loss or in the year of disposal of the item.

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

In addition, the Group a has debt instrument (US dollar bonds issuance), to cover the exposure to foreign currency risk of its subsidiaries investments which functional currency is US dollar (Note 20.b.5).

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 shall be recognized in Consolidated Income Statement and the effective portion in Translation differences (Consolidated Net Equity). The accumulated loss or gain is transfered to the Consolidated Income Statement when the investment of the foreign operation is derecongnized.

5.21 Related parties

The Group considers its direct and indirect shareholders, its associated companies, its directors and its officers as Related Parties.

Companies belonging to the majority shareholder of the Company are also considered related parties.

5.22 Environmental issues

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 recognized in the corresponding heading under "Property, plant, and equipment" and are depreciated using the same criteria described in Note 5.2 above.

Estimable amounts of contingent liabilities for environmental issues, if any, would be provisioned as a liability in Consolidated Balance Sheet.

6. Significant accounting judgments, estimates, and assumptions

The preparation of the accompanying Consolidated Financial Statements under IFRS requires management to make judgments, estimates, and assumptions that affect:

- The reported amounts of assets and liabilities.
- The disclosure of contingent assets and liabilities at the reporting date.
- The reported amounts of revenue and expenses throughout the year.

The key estimates and assumptions that have a significant impact on the accompanying Consolidated Financial Statements are as follows:

- The valuation of assets and goodwill for the purposes of determining any impairment losses.
- Specifically in relation to the assumptions used to determinate cash flows at the CGUs, management used the most conservative scenarios so that adjustments to carrying amounts in this regard are considered unlikely (Notes 5.7 and 8.a)).
- Cash flow discount rates and growth rates (Note 8.a)).
- The likelihood and quantification of indeterminate and contingent liabilities (Notes 5.15 and 18).

- ➢ Determination of the discount rate, future salary increases, mortality rates and future pension increases (Note 19.b)).

- ➢ Change on the useful life estimations, mainly in press lines, which impact on the result is an amortization decrease of aproximatelly 10 million euros.

- ➢ Calculation of income tax expense and recognition of deferred tax assets: the correct measurement of income tax expense depends on a number of factors, including timing estimates in relation to the application of deferred tax assets and the accrual of income tax payments. The actual timing of payments and collections could differ from these estimates as a result of changes in tax regulations or in planned/future transactions with an impact on the tax base of the Group's assets (Notes 21 and 27).

Although these estimates have been made based on the best information available regarding the facts analyzed at the reporting date, events may occur in the future that require adjustments to be made prospectively in subsequent years to reflect the effect of the revised estimates. Nevertheless, management does not expect any such adjustments to have a material impact on its future Consolidated Financial Statements.

Additionally and as result of the application of IFRS 10 (Note 4.5), the Group´s Management has elavuated the situation of the companies with a shareholding of 50% according to the new control definition. The conclusion is that the Group has control over some of the companies.

The conclusion for the subsidiary Beyçelik, A.S., (the most significant) is based on the following judgements:

1. The automotive manufacturers demand to the suppliers certain quality standars and a broad geographic presence for the global supply negotiations.

2. The relevant activities for this sector suppliers are:

    a. Continuous investment in technological Research and Development to meet the clients' requirements.

    b. Global negociations for the components type-approval, as well as the pricing management.

    c. Activities aim to get excellence in quality of the components.

All the activities mentioned above are directly provided by the Group. The owners of the remaining shareholding do not have the authority.

3. The subsidiary company depends technologicaly on the Group. Research and development activities are fully provided by the Group and the know-how is provided to the subsidiary in accordance with the shareholders' agreement subscribed.

4. In order to certificate the excellence, the automotive manufacturer supplier must be certificated as "Tier 1 supplier" (high quality supplier). The subsidiary would not have this certification by its own.

7. Changes in significant accounting policies and estimates and restatement of errors

Changes in accounting estimates:
The effect of a change in an accounting estimate is recognized prospectively in the same Consolidated Income Statement heading in which the associated income or expense was recognized under the former estimate.

Changes in significant accounting policies and restatement of errors:
Changes in accounting policies and restatement of errors are recognized to the extent they are significant: the cumulative effect of the change at the beginning of the period is recognized by restating “Retained earnings” while the period-specific effect of the change is recognized in Consolidated Profit and Loss for the year. In these instances, the prior year’s balances are also restated to maintain comparability of information.

8. Intangible assets

a) Goodwill

The change in goodwill in 2013 and 2014 is as follows:

	Thousands of euros				
Company	At January 01, 2013	Additions	Decreases	Currency translation differences	At December 31, 2013 Restated*
Gestamp Metalbages, S.A.	15,622				15,622
Gestamp Levante, S.L.	6,944				6,944
Gestamp Aveiro, S.A.	7,395				7,395
Griwe Subgroup	6,466				6,466
Gestamp HardTech, AB	44,604			(1,368)	43,236
Gestamp Brasil Industria de Autopeças, S.A.	13,228			(2,221)	11,007
Beyçelik, A.S.	30,489			(6,177)	24,312
Gestamp Services India Private, Ltd.	12			(1)	11
Gestamp Severstal Vsevolozhsk, Llc	188			(20)	168
Adral, matricería y pta. a punto, S.L.	857				857
	125,805	-	-	(9,787)	116,018

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, corresponding to the company Sungwoo Gestamp Hitech Pune Private Ltd, refer note 4.5.

	Thousands of euros				
Company	At December 31, 2013	Additions	Decreases	Currency translation differences	At December 31, 2014
Gestamp Metalbages, S.A.	15,622				15,622
Gestamp Levante, S.L.	6,944				6,944
Gestamp Aveiro, S.A.	7,395				7,395
Griwe Subgroup	6,466				6,466
Gestamp HardTech, AB	43,236			(2,709)	40,527
Gestamp Brasil Industria de Autopeças, S.A.	11,007			103	11,110
Beyçelik, A.S.	24,312			1,035	25,347
Gestamp Services India Private, Ltd.	11			1	12
Gestamp Severstal Vsevolozhsk, Llc	168			(64)	104
Adral, matricería y pta. a punto, S.L.	857				857
	116,018	-	-	(1,634)	114,384

Currency translation differences in 2013 and 2014 correspond to the adjustments to the goodwill of companies whose functional currency is different from the Euro, translated at the exchange rate prevailing at the Consolidated Balance Sheet date, according to IAS 21 (Note 5.3).

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.

The CGU recoverable value at December 31, 2014 has been determined by the assessment of value in use, using cash flow projections covering a five-year period and based on the future business evolution. The cash flows beyond the five-year period has been extrapolated using a growth rate of 1% for 2014 and 2013. This hypothesis can be considered cautious compared with the rest of the long term average growth rates of the automotive sector. Pre-tax discount rate for cash flow projections for each CGU in 2014 and 2013 are the followings:

	Pre-tax discount rate	
CGU	**2014**	**2013**
Gestamp HardTech, AB	10.24%	10.14%
Beycelik, A.S.	17.65%	16.07%
Gestamp Metalbages, S.A.	10.51%	11.07%

The value in use is higher than the net value for all the CGUs.

According to the estimates and projections available to management, the expected future cash flows attributable to the various CGUs or groups of CGUs to which goodwill is assigned indicate that the carrying amount of all the goodwill recognized at December 31, 2014 and 2013 is at least equal to the corresponding recoverable amounts.

Sensitivity analysis to changes in key assumptions

The Company's management subjects its goodwill valuations to a sensitivity analysis, varying key inputs such as the discount and terminal growth rates used, to ensure that potential changes in these estimates do not reduce recoverable amounts to below carrying amounts.

- ✓ Although a 50 basis points increase in the discount rate used would reduce value in use, in no case would this be reduced to below the carrying amount of goodwill.

- ✓ Assuming a rate of perpetual growth of 0.5% would similarly result in a decline in value in use, albeit in no instance to below the carrying amount of goodwill.

b) Other intangible assets

The breakdown and change in the various items comprising "Other intangible assets" are shown below:

	Thousands of euros						
Cost	**At January 01, 2013**	**Changes in consolidation scope**	**Additions**	**Disposals**	**Currency translation differences**	**Other movements**	**At December 31, 2013 Restated***
R&D expenses	99,497		46,847	(1,077)	(1,115)	(442)	143,710
Concessions	1,298		8,422		(16)	6,574	16,278
Patents, licenses & trademark	5,031		32,328	(11)	(45)	(1,825)	35,478
Goodwill	2,202				(118)	(235)	1,849
Transfer fees	1,362				(13)	(1,097)	252
Software	74,164	(548)	9,722	(95)	(1,742)	2,874	84,375
Prepayments	1,576		5,417	(40)	(131)	(429)	6,393
Total cost	185,130	(548)	102,736	(1,223)	(3,180)	5,420	288,335
Amortization and impairment							
R&D expenses	(46,596)		(16,819)	905	567	329	(61,614)
Concessions	(423)		(232)		9	(325)	(971)
Patents, licenses & trademark	(3,122)		(306)	11	27	102	(3,288)
Transfer fees	(1,156)		(89)	126	12	951	(156)
Software	(53,426)	491	(7,293)	160	882	(1,712)	(60,898)
Total accumulated amortization	(104,723)	491	(24,739)	1,202	1,497	(656)	(126,927)
Impairment of Intangible assets	(455)		(1,258)		3	243	(1,467)
Net carrying amount	79,952	(57)	76,740	(21)	(1,680)	5,007	159,941

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

The net value of the changes in consolidation scope corresponds to the sale to third parties of the company Araluce, S.A. (57 thousand euros) (Note 2.a).

Additions in R&D expenses correspond mainly to the companies Autotech Engineering AIE, Edscha Automotive Hengersberg GmbH, Edscha Automotive Hauzengberg GmbH and Edscha Automotive Kamenice S.R.O. regarding development and design costs of portfolio projects, as well as the application of new technologies and the introduction of new materials related with the business.

Additions in Concessions correspond mainly to the Company Gestamp Autocomponents (Shenyang), Co. Ltd. According to Chinese legislation, companies cannot have the ownership of the land where located, but only the right of use. This addition has been registered in the year 2013, when the contract was formalized with the corresponding institutions.

Additions in Patents, licenses and trademark correspond mainly to the acquisition of trademark *Gestamp* for automotive classes by the Company to Acek, Desarrollo y Gestión Industrial, S.L. in January 2013.

Additions in Software corresponded mainly to software licenses renewal and to costs of SAP development and implementation in subsidiaries.

Other movements mainly reflect adjustments from previous years, as well as reclassifications between intangible assets and PP&E.

Cost	At December 31, 2013	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2014
	Thousands of euros					
R&D expenses	143,710	46,721	(2,001)	1,500	(9,826)	180,104
Concessions	16,278	464		1,674	(1,093)	17,323
Patents, licenses & trademark	35,478	1,096	(104)	(104)	85	36,451
Goodwill	1,849			351	(302)	1,898
Transfer fees	252			(7)	(126)	119
Software	84,375	12,670	(1,932)	732	9,438	105,283
Prepayments	6,393	9,057	(4)	(259)	(6,261)	8,926
Total cost	288,335	70,008	(4,041)	3,887	(8,085)	350,104
Amortization and impairment						
R&D expenses	(61,614)	(19,199)	1,836	(1,151)	3,480	(76,648)
Concessions	(971)	(359)		(129)	245	(1,214)
Patents, licenses & trademark	(3,288)	(550)	100	29		(3,709)
Transfer fees	(156)	59		7	58	(32)
Software	(60,898)	(8,871)	1,019	(671)	(557)	(69,978)
Total accumulated amortization	(126,927)	(28,920)	2,955	(1,915)	3,226	(151,581)
Impairment of Intangible assets	(1,467)	1		(27)	177	(1,316)
Net carrying amount	159,941	41,089	(1,086)	1,945	(4,682)	197,207

Additions in R&D expenses correspond mainly to the companies Autotech Engineering AIE and Edscha Automotive Technology Co. Ltd. regarding development and design costs of portfolio projects, as well as the application of new technologies and the introduction of new materials related with the business.

Additions in Software corresponded mainly to software licenses renewal and to costs of SAP development and implementation in subsidiaries.

Other movements mainly reflect a reclassification for 4,277 thousand euros from R&D expenses to Machinery, after an accurate study on the nature of these items, as well as adjustments from previous years.

9. Property, plant and equipment

The breakdown and change in various items comprising “Property, plant and equipment” are shown below:

Cost	At January 01, 2013	Changes in consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2013 Restated*
	Thousands of euros						
Land and buildings	1,136,944	(14,527)	20,393	(11,025)	(36,949)	54,499	1,149,335
Plant and other PP&E	3,482,050	(23,096)	112,527	(125,200)	(125,471)	254,718	3,575,528
PP&E under construction and prepayments	427,392	(10)	401,765	(7,616)	(32,031)	(305,889)	483,611
Total cost	5,046,386	(37,633)	534,685	(143,841)	(194,451)	3,328	5,208,474
Depreciation and impairment							
Land and buildings	(276,084)	3,392	(34,867)	748	7,793	(2,539)	(301,557)
Plant and other PP&E	(2,282,136)	22,514	(244,389)	93,907	65,032	4,992	(2,340,080)
Accumulated depreciation	(2,558,220)	25,906	(279,256)	94,655	72,825	2,453	(2,641,637)
Impairment of PP&E	(10,093)		(1,398)	53	447	(2,064)	(13,055)
Net book value	2,478,073	(11,727)	254,031	(49,133)	(121,179)	3,717	2,553,782

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

The net value of the Changes to consolidation scope corresponds to the sale to third parties of the company Araluce, S.A. (11,727 thousand euros) (Note 2.a).

Cost value of the property, plant and equipment additions at December 31, 2013 correspond, mainly, to investments in plants and production lines as well as to replacement of capital expenditure to maintain existing activities. The breakdown of investments by countries is as follows:

	Thousands of euros restated*
Spain	95,929
China	88,320
USA	61,705
Brazil	50,285
United Kingdom	44,611
Russia	41,373
Germany	39,448
Mexico	28,347
France	21,872
Turkey	12,480
India	8,432
Czech Republic	8,016
Hungary	7,377
Other	26,490
TOTAL	**534,685**

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

The net value of Disposals corresponds, mainly, to sales to third parties outside the Group carried out by the companies Gestamp Puebla, S.A de C.V. (17,086 thousand euros), Gestamp Aguascalientes, S.A. de C.V. (7,188 thousand euros) and Gestamp Tallent Ltd (12,370 thousand euros), being the result of these sales not significant; as well as to the dismantlement of production lines and disposal of fully amortized items out of use.

Other movements mainly reflect differences relating to prior years as well as reclassifications between PP&E and intangible assets.

The breakdown by country of translation differences arising in 2013 is the following:

	Thousands of euros restated*
Brazil	(31,216)
India	(10,090)
Russia	(17,428)
Argentina	(20,231)
USA	(10,117)
Turkey	(16,105)
Czech Republic	(4,091)
United Kingdom	(3,154)
Mexico	(4,526)
China	(2,042)
Other countries	(2,179)
TOTAL	(121,179)

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

	Thousands of euros					
Cost	**At December 31, 2013**	**Additions**	**Disposals**	**Currency translation differences**	**Other movements**	**At December 31, 2014**
Land and buildings	1,149,335	31,361	(143)	5	119,076	1,299,634
Plant and other PP&E	3,575,528	109,062	(35,289)	35,955	361,697	4,046,953
PP&E under construction and prepayments	483,611	272,888	(31,486)	1,830	(476,040)	250,803
Total cost	5,208,474	413,311	(66,918)	37,790	4,733	5,597,390
Depreciation and impairment						
Land and buildings	(301,557)	(36,303)	141	(1,244)	1,589	(337,374)
Plant and other PP&E	(2,340,080)	(254,245)	31,555	(20,809)	(5,889)	(2,589,468)
Accumulated depreciation	(2,641,637)	(290,548)	31,696	(22,053)	(4,300)	(2,926,842)
Impairment of PP&E	(13,055)	(79)	549	(342)	4,168	(8,759)
Net book value	2,553,782	122,684	(34,673)	15,395	4,601	2,661,789

Cost value of the property, plant and equipment additions at December 31, 2014 correspond, mainly, to investments in plants and production lines as well as to replacement of capital expenditure to maintain existing activities. The breakdown of investments by countries is as follows:

	Thousands of euros
Spain	79,278
China	71,853
United Kingdom	52,406
USA	43,520
Germany	38,925
Mexico	30,482
Brazil	19,567
Czech Republic	14,591
Russia	10,550
France	10,310
Turkey	7,923
South Korea	6,218
Other	27,688
TOTAL	**413,311**

The net value of Disposals corresponds, mainly, to the dismantlement of production lines and disposal of fully amortized items out of use.

Cost value of the PP&E under construction disposals correspond, mainly, to the sell of PP&E under construction of Gestamp Bizkaia, S.A.

The net value of Other movements mainly reflect adjustments relating to prior years as well as the reclassification from R&D expenses to Machinery for 4,277 thousand euros (note 8).

The breakdown by country of translation differences arising at December 31, 2014 is the following:

	Thousands of euros
Argentina	(7,152)
China	23,329
USA	37,752
India	6,365
United Kingdom	15,682
Russia	(63,906)
Turkey	2,843
Other countries	482
TOTAL	15,395

The asset revaluation effect that was carried out at 2007 as a result of the IFRSs transition is as follows:

	Thousands of euros	
	2014	**2013 Restated***
Initial cost	266,567	266,567
Fair value	563,300	563,300
Revaluation	296,733	296,733
Accumulated depreciation	(36,839)	(32,274)
Deferred tax liabilities	(69,599)	(77,335)

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 financial statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

The breakdown of PP&E located outside Spain, by country, is as follows:

Country	Thousands of euros Net carrying amount 2014	Net carrying amount 2013 Restated*
PORTUGAL	35,576	37,263
FRANCE	89,185	100,061
GERMANY	251,019	251,416
BRAZIL	212,901	200,758
ARGENTINA	48,342	54,975
MEXICO	117,051	94,398
UNITED KINGDOM	188,967	146,828
HUNGARY	24,403	23,182
POLAND	38,733	40,030
SWEDEN	31,456	33,510
USA	357,285	309,738
CHINA	316,010	250,382
INDIA	70,517	62,592
SOUTH KOREA	44,091	39,723
TURKEY	80,607	75,775
RUSSIA	111,975	183,198
CZECH REPUBLIC	67,978	60,034
JAPAN	93	100
SLOVAKIA	3,743	3,998
THAILAND	357	752
	2,090,289	1,968,713

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 financial statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

The breakdown of assets acquired under finance lease agreements at December 31, 2014 and December 31, 2013 are as follows:

	December 31, 2014					
			Thousands of euros			
				Present value of lease obligations		
	Asset cost (thousands of euros)	Lease term	Installments paid	Short term	Long term	Purchase option value
Edscha subgroup						
Software	34	4 years	14	9	11	-
Gestamp Metal Forming subgroup						
Other fixtures	297	5 years	122	59	136	-
Loire Sociedad Anónima Franco Española						
Machinery	400	5 years	375	25	-	5
Beyçelik, A.S.						
Machinery	200	5.16 years	163	51	70	-
Machinery	10,773	4.75 years	7,920	2,959	3,377	1
Machinery	1,004	5 years	452	215	508	-
Machinery	623	4.5 years	80	120	359	-
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi						
Machinery	110	3 years	79	32	-	-
Gestamp West Virginia Llc.						
Machinery (November 2012)	12,397	20 years	831	46	12,351	-
Machinery (December 2012)	8,264	20 years	522	-	8,264	-
				3,516	**25,076**	

	December 31, 2013 Restated*					
			Thousands of euros			
				Present value of lease obligations		
	Asset cost (thousands of euros)	Lease term	Installments paid	Short term	Long term	Purchase option value
Edscha subgroup						
Furniture	4	5 years	4			
Furniture	24	4 years	27			
Furniture	2	4 years	2			
Furniture	2	4 years	2			
Furniture	2	4 years	2			
Furniture	3	4 years	3			
Machinery	19	4 years	15	4	-	-
Software	34	4 years	6	8	20	-
Gestamp Metal Forming subgroup						
Other fixtures	65	4.4 years	70	3	-	-
Other fixtures	49	3.5 years	51	1	-	-
Other fixtures	122	4 years	122	11	-	-
Other fixtures	17	3.16 years	16	2	-	-
Other fixtures	76	3.33 years	78	5	-	-
Other fixtures	297	5 years	55	56	195	-
Loire Sociedad Anónima Franco Española						
Machinery	400	5 years	316	56	28	5
Beyçelik, A.S.						
Machinery	192	5.16 years	104	46	120	-
Machinery	10,332	4.75 years	4,706	2,814	6,328	1
Machinery	956	5 years	202	204	722	-
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi						
Machinery	106	3 years	40	22	45	-
Gestamp West Virginia Llc.						
Machinery	10,913	20 years	374	-	10,913	-
Machinery	7,275	20 years	221	-	7,275	-
				3,232	25,646	

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, corresponding to the company Beyçelik A.S., refer note 4.5.

At December 31, 2014 and December 31, 2013 the company Gestamp West Virginia, Llc. has no recorded lease obligations in the short term as principal amortization will start from year 2016 on the contract of December 2012.

At December 31, 2013 the company Gestamp West Virginia, Llc. has no recorded lease obligation in the short term as principal amortization will start from year 2015 on for both contracts.

The fees paid in 2013 and 2014 by the company Gestamp West Virginia, Llc. relate entirely to interest amortization.

The amounts contained in the table above are affected by the application of different exchange rates in the conversion process of the financial statements at the exchange rate prevailing at the date of the transaction for companies whose functional currency is different from the presentation currency.

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

At December 31, 2014 the Griwe Subgroup has pledged items of property, plant, and equipment to secure bank loans received in the outstanding amount of 2,619 thousand euros (December 31, 2013: 3,938 thousand euros). The net carrying amount of these assets at December 31, 2014 was 7,441 thousand euros (December 31, 2013: 7,970 thousand euros).

10. Financial assets

The breakdown of the Group's financial assets at December 31, 2014 and December 31, 2013 by category and maturity, expressed in thousands of euros, is as follows:

	Thousands of euros							
	Investments accounted for using the equity method		Loans and receivables		Derivative financial instruments		Other financial assets	
Item	2014	2013	2014	2013	2014	2013	2014	2013
Non-current financial assets	**9,455**	**11,302**	**43,556**	**22,850**	**5,863**	**63,756**	**17,911**	**16,923**
Investments accounted for using the equity method	9,455	11,302						
Held-to-maturity investments							3,125	3,095
Loans and receivables			43,556	22,850			14,786	13,828
Derivative financial instruments (Note 20.b.4)					5,863	63,756		
Current financial assets	**-**	**-**	**18,319**	**16,017**	**-**	**-**	**57,558**	**41,570**
Loans and receivables			18,319	16,017			57,558	41,570
Total financial assets	**9,455**	**11,302**	**61,875**	**38,867**	**5,863**	**63,756**	**75,469**	**58,493**

a) Non-current financial assets

The movements of non-current financial assets at December 31, 2014 and December 31, 2013 is as follows:

	Thousands of euros			
	Investments accounted for using the equity method	Loans and receivables	Derivative financial instruments	Other financial assets
Balance at January 1, 2013	39,708	19,108	21,771	5,285
Additions	4,615	6,506		12,018
Disposals		(1,419)		(285)
Changes in valuations of financial derivatives (a)			41,985	
Transfers	(27,381)			
Other movements				(25)
Share of profit	(2,280)			
Translation differences	(3,360)	(1,345)		(70)
Balance at December 31, 2013 Restated*	11,302	22,850	63,756	16,923
Additions	875	28,312		2,429
Disposals		(6,657)		(1,534)
Changes in valuations of financial derivatives (a)			(57,893)	
Transfers		(1,298)		11
Other movements		23		(43)
Share of profit	(3,164)			
Translation differences	442	326		125
Balance at December 31, 2014	9,455	43,556	5,863	17,911

a.1) Investments accounted for using the equity method

Additions in 2013 correspond to the capital increase in company Sungwoo Gestamp Hitech Pune Private, Ltd. which was 50% subscribed by the subsidiary Gestamp Cerveira, Lda.

Transfers in 2013 correspond to the reclassification of the assets and liabilities of subsidiaries Gestamp Sungwoo Hitech (Chennai) Pvt, Ltd., Sungwoo Gestamp Hitech Chennai, Ltd., and GS Hot-Stamping Co. Ltd. as held for sale (Note 26).

Additions in 2014 correspond to the capital increase in the company Gestión Global de Matricería, S.L. for 2,500 thousand euros and 35% subscribed by the Company.

“Share of profit” represents the Group’s share of the profit recorded by each company.

a.2) Non-current loans and receivables

Additions in 2013 correspond mainly to the loan granted to Shrenik Industries Pvt Ltd. by the company Gestamp Automotive India Pvt Ltd., which amounted t 2,590 thousand euros and the increase due to Federal Brazilian Tax receivables of the group company Gestamp Brasil Industria de Autopeças, S.A., amounted 3,877 thousand euros.

Additions in 2014 mainly correspond to:

- ✓ Loan granted to Gestión Global de Matricería, S.L. amounting to 24,628 thousand euros for financing the investment of tangible assets and working capital. The loan earns an interest of 3.25% with sole maturity date at December 2016.

- ✓ Increase of long term Federal Brazilian Tax receivables of the subsidiary Gestamp Brasil Industria de Autopeças, S.A., with maturity date between 2015 and 2017.

- ✓ Increase of credit position of the Argentinian public administrations with Gestamp Baires, S.A. due to the local tax Ganancia Mínima Presunta (GMP).

Disposals in 2014 correspond mainly to the early paid out of the loan granted to Shrenik Industries Pvt Ltd. and GS Hot Stamping, Co, Ltd., amounting to 2,590 thousand euros and 3,553 thousand euros respectively.

Transfers in 2014 correspond mainly to the transfer to short term of the part of the loan granted to Esymo Metal, S.L. with maturity date 2015 (heading b.1)).

a.3) Derivatives financial instruments

Change in valuation of financial instruments at December 31, 2014 and December 31, 2013 correspond to the change of the present value of implicit derivatives, mainly, to evolution of the exchange rates applicable to sales and purchases prices in certain customer and suppliers contracts (Note 20.b.4).

a.4) Other non-current financial assets

Additions in 2013 correspond mainly to several deposits as guarantee for operating leases amounting to 7,401 thousand euros of the subsidiaries Gestamp Aguascalientes, S.A. de C.V. , Gestamp Puebla, S.A. de C.V. and Gestamp Puebla II, S.A. de C.V., and the price adjustment due to Araluce, S.A. sale amounting to 4,500 thousand euros which depends on their revenue in 2015 and 2016.

Additions in 2014 mainly include labor legal deposits amounting to 991 thousand euros and deposits as guarantee for operating leases amounting to 989 thousand euros.

Disposals in 2014 mainly include the ruturn of several legal deposits amounting to 833 thousand euros, as deposits as guarantee for opertating leases amounting to 408 thousand euros.

b) Current financial assets

The movements of current financial assets at December 31, 2014 and December 31, 2013 is as follows:

	Thousands of euros	
	Loans and receivables	**Other financial assets**
Balance at January 1, 2013	16,118	11,229
Additions	4,857	22,906
Disposals	(4,497)	(6,610)
Transfers		18,663
Translation differences	(461)	(4,618)
Balance at December 31, 2013 Restated*	16,017	41,570
Additions	4,254	53,847
Disposals	(3,928)	(1,610)
Transfers	978	(38,210)
Other movements	4	
Translation differences	994	1,961
Balance at December 31, 2014	18,319	57,558

b.1) Current loans and receivables

Additions in 2013 mainly include a loan granted by Gestamp Baires, S.A. to Gonvarri Argentina, S.A. on February 22, 2013 amounting to 4,441 thousand euros. The loan earns an interest of 17.5%. The maturity date is February 11, 2014.

Disposals in 2013 mainly include full repayment of the loan granted by Gestamp Automoción, S.A. to Risteel Corporation, B.V. amounting to 3,725 thousand euros.

Additions in 2014 mainly correspond to the loan granted to Essa Palau, S.A. by Gestamp Metalbages, S.A., amounting to 3,000 thousand euros. The loan earns an interest referenced to 3-month Euribor plus a 3% spread.

Disposals in 2014 mainly correspond to the partial cancellation of the loan granted to Gonvarri Argentina, S.A. by Gestamp Baires, S.A., amounting to 3,612 thousand euros.

Transfers in 2014 correspond to the short-term maturity of the loan granted to Esymo Metal, S.L.

b.2) Other current financial investments

Additions in 2013 mainly include increases in fixed-income bank deposits available in current account, amounting to 20,546 thousand euros of the subsidiary Gestamp Brasil Industria de Autopeças, S.A. The return of these deposits is referenced to CDI interbank index.

Disposals in 2013 mainly include decreases in bank deposits which are due of the subsidiaries Gestamp Sungwoo Stampings and Assemblies Pvt. Ltd. and Gestamp Baires, S.A. amounting to 4,403 and 1,930 thousand euros respectively.

Transfers in 2013 mainly include bank deposits of the companies Gestamp Automotive India Pvt. Ltd. and Gestamp Brasil Industria de Autopeças, S.A. amounting to 13,828 thousand euros and 5,499 thousand euros respectively that were recorded as current securities portfolio in 2012.

Additions in 2014 mainly include bank deposits of the subsidiaries Gestamp Automotive India Private, Ltd. and Gestamp Brasil Industria de Autopeças, S.A. amounting to 27,727 and 24,806 thousand euros, respectively.

Transfers in 2014 mainly include bank deposits movements of the subsidiary Gestamp Brasil Industria de Autopeças, S.A. due to the following items:

- ✓ Transfer under the heading Cash and Cash equivalents amounting to 45,070 thousand euros due to a maturity of no more than three months. (Note 12.f))
- ✓ Transfer from the heading Cash and Cash equivalents amounting to 5,315 thousand euros due to a maturity of more than three months.

11. Inventories

The breakdown of inventories at December 31, 2014 and December 31, 2013 is as follows:

	Thousands of euros	
	2014	**2013 Restated***
Commercial inventories	10,619	10,018
Raw materials	155,706	149,360
Parts and subassemblies	48,961	33,474
Spare parts	52,440	46,812
Packaging materials	2,620	2,501
Total cost of raw materials and other consumables	270,346	242,165
Work in progress	155,109	134,872
Finished products	124,776	120,526
Byproducts, waste, and recovered materials	31	20
Prepayments to suppliers	48,756	62,619
Total cost of inventories	599,018	560,202
Impairment of raw materials	(6,360)	(8,263)
Impairment of other consumables	(5,748)	(6,590)
Impairment of work in progress	(6,038)	(8,385)
Impairment of finished products	(7,841)	(9,968)
Total impairment	(25,987)	(33,206)
Total inventories	573,031	526,996

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

The breakdowns of purchases used in production and changes in inventories are as follows:

			2014 movements			
	2014	**2013**	**Impairment**	**Reversal of impairment**	**Changes in inventories**	**Total change in inventories**
Raw materials and other consumables	270,346	242,165	-	-	28,181	28,181
Impairment of raw materials and other consumables	(12,108)	(14,853)	(2,538)	5,283	-	2,745
Consumption (Note 24.a)	**258,238**	**227,312**	**(2,538)**	**5,283**	**28,181**	**30,926**

			2014 movements			
	2014	**2013**	**Impairment**	**Reversal of impairment**	**Changes in inventories**	**Total change in inventories**
Work in progress	155,109	134,872	-	-	20,237	20,237
Finished products and byproducts	124,807	120,546	-	-	4,261	4,261
Impairment of finished products and work in progress	(13,879)	(18,353)	(1,181)	5,655	-	4,474
Changes in inventories (see Income Statement)	**266,037**	**237,065**	**(1,181)**	**5,655**	**24,498**	**28,972**

The inventories are not encumbered at December 31, 2014 and December 31, 2013.

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

a) Trade receivables

	Thousands of euros	
	2014	2013 Restated*
Trade receivables	684,845	704,399
Trade bills receivable	75,554	36,132
Accounts receivable, tools	79,803	167,414
Doubtful debts	368	1,512
Impairment losses	(5,225)	(8,994)
Trade receivables from Group companies (Note 29)	16,761	20,329
	852,106	920,792

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

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 so overdue balances have little significance.

The movement of the impairment provision at December 31, 2014 consists of a reversal of 702 thousand euros (December 31, 2013: increase of 1,562 thousand euros) (Note 24.c) as well as written-off balances and translation differences.

The receivables balances not yet due transferred by the Group as non-recourse factoring to Spanish, German, British and Polish banks, that have been eliminated in the Consolidated Financial Statements amounted to 150,701 thousand euros and to 85,896 thousand euros at December 31, 2014 and December 31, 2013 respectively.

The expense of transferring non-due receivables balances at December 31, 2014 according to the non-recourse factoring contract amounted to 1,819 thousand euros (December 31, 2013: 2,023 thousand euros).

b) Other receivables

	Thousands of euros	
	2014	2013 Restated*
Debtors	23,997	20,607
Remuneration advances	2,608	1,502
Short-term loans to employees	144	230
	26,749	22,339

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

c) Current income tax assets

This line item amounted to 32,143 thousand euros at December 31, 2014 (December 31, 2013 Restated*: 39,410 thousand euros) and reflects the receivables balances related to corporate tax refund of the Company and group companies.

* The 2013 figures are restated and does not agree with the corresponding figure in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

d) Public authorities

	Thousands of euros	
	2014	**2013 Restated***
Sundry receivables from Public Authorities	146,493	144,997
VAT refund	116,479	134,154
Receivable grants	5,334	2,362
Corporate tax refund (a)	19,924	
Other	4,756	8,481
Receivables from Social Security	(38)	232
	146,455	145,229

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

(a) This balance position reflects the withholdings and installment payments corresponding to 2013 that at December 31, 2014 are still pending to be refund from the Public Administration after the corporate income tax assessment. The most significant outstanding balance amounting to 17,125 thousand euros corresponds to the Company being pending to refund by Diputación Foral de Vizcaya Tax Administration. The due date of the collection period without interest accrued is January 25, 2015.

e) Other current assets

This line item, which at December 31, 2014 amounted to 18,343 thousand euros (December 31, 2013 restated*: 11,767 thousand euros), mainly reflects insurance premiums, maintenance and repair contracts, rentals and software licenses paid for during the year but for which the expense will accrue the following year.

* The 2013 figures are restated and does not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

f) Cash and cash equivalents

	Thousands of euros	
	2014	**2013 Restated***
Cash	213,430	342,105
Cash equivalents	270,504	178,312
	483,934	520,417

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

Cash equivalents correspond to surplus cash investments maturing in less than three months.

The breakdown by currencies and interest rates at December 31, 2014 and December 31, 2013 is the following:

	2014		
Company	Thousands of euros	Source currency	Interest rate range
Gestamp Automoción SA	222,000	Euros	0.62%
Gestamp Baires S.A.	3,165	Argentine pesos	14.67%
Gestamp Metal Forming Subgroup	269	Renmimbi yuan	0.35%
Gestamp Brasil Industria de Autopeças, S.A.	45,070	Brazilian reais	100% CDI
	270,504		

	2013 Restated*		
Company	Thousands of euros	Source currency	Interest rate range
Gestamp Brasil Industria de Autopeças, S.A.	15	Brazilian reais	10.00%
Gestamp Baires, S.A	6,277	Argentine pesos	11.38%-19.58%
Gestamp Severstal Kaluga, Llc.	3,819	Russian rubles	5%-6.30%
Gestamp Automotive India Private, Ltd.	7,888	Indian rupees	7.25%-9.10%
Gestamp Sungwoo Stampings & Assemblies Pvt Ltd.	236	Indian rupees	7.00%
Edscha subgroup	47	Euros	0.5%-1%
Edscha subgroup	1	Renmimbi yuan	2%-3%
Gestamp Automoción, S.A.	80,000	Euros	0.30%-1.15%
Gestamp Servicios, S.A.	80,029	US dollar	1.00%
	178,312		

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

The amounts included in this heading of the attached Consolidated Balance Sheet are not encumbered.

13. Issued capital and share premium

The “Issued capital” and “Share premium” at December 31, 2014 and December 31, 2013 are as follows:

ITEM	December 31, 2014	December 31, 2013
No. of shares	4,795,953	4,795,953
Par value	60.10	60.10
	Thousands of euros	
Issued capital:		
Issued capital (par value)	288,237	288,237
	288,237	**288,237**
Share premium	**61,591**	**61,591**
Total issued capital + share premium	**349,828**	**349,828**

a) Share capital

At December 31, 2014 the Company’s share capital is represented by 4,795,953 registered shares (At December 31, 2013: 4,795,953 equity units) indivisible and accumulable with a par value of 60.10 euros each, fully subscribed and paid in, and all carrying the same rights and obligations.

The shareholder structure at December 31, 2014 and December 31, 2013 is as follows:

Shareholders	shareholding
Acek Desarrollo y Gestión Industrial, S.L.	54.25%
ArcelorMittal Spain Holding, S.L.	24.18%
ArcelorMittal Basque Holding, S.L.	10.82%
Risteel Corporation, B.V.	10.75%

There are no bylaw restrictions on the transfer of the registered shares and they are not listed.

b) Share premium

The share premium of the Company amounts to 61,591 thousand euros at December 31, 2014 and December 31, 2013.

The amended Spanish Corporate Enterprises Act expressly permits the use of paid-in surplus capital to increase share capital balance, corresponding to an unrestricted reserve.

14. Retained earnings

The changes in “Retained earnings” in 2013 and 2014 were as follows:

	RETAINED EARNING AT DECEMBER 31, 2014 AND DECEMBER 21, 2013 (thousand of euros)							
	Legal reserve	Goodwill reserves	Unrestricted reserves	Reserves at fully consolidated entities	Reserves at associates	Profit for the year	Effective hedges	Total
AT JANUARY 1, 2013	**33,131**	**2,171**	**213,700**	**548,781**	**(2,489)**	**170,141**	**(23,477)**	**941,958**
Changes in accounting policies (Note 4.5)				(4,105)	6,060	1,442		3,397
AT JANUARY 1, 2013 Restated*	**33,131**	**2,171**	**213,700**	**544,676**	**3,571**	**171,583**	**(23,477)**	**945,355**
Profit for 2013						113,987		113,987
Fair value adjustments reserve (hedge)							(6,370)	(6,370)
Actuarial gains and losses				2,492				2,492
Appropiation of 2012 profits	5,620	571	33,164	132,563	(335)	(171,583)		
Dividends distributed by the Company			(51,029)					(51,029)
Dividends distributed by subsidiaries			2,898	(2,898)				
Exit of non-controling interest Gestamp Metal Forming Subgroup (Liberty)				(2,446)				(2,446)
Entry of non-controlling interest MITSUI and exit of non-controlling interest COFIDES (Note 2.a)				16,182				16,182
Interest from participative loans			(12,895)	12,895				
Transfers from retained earnings to non-controlling interests due to the change of shareholding in companies and others				1,625	(35)			1,590
Other movements and adjustements from prior years				(318)	18			(300)
AT DECEMBER 31, 2013 Restated*	**38,751**	**2,742**	**185,838**	**704,771**	**3,219**	**113,987**	**(29,847)**	**1,019,461**
Profit for 2014						125,702		125,702
Fair value adjustments reserve (hedge)							(7,006)	(7,006)
Actuarial gains and losses				(12,939)				(12,939)
Appropiation of 2013 profits	6,500	571	52,574	56,622	(2,280)	(113,987)		
Dividends distributed by the Company			(33,922)					(33,922)
Dividends distributed by subsidiaries			556	(556)				
Merge of subisidiaries including companies not previosly in consolidation scope				46				46
Transfer from reserves under equity method to reserves under full consolidation method because of sale of companies				7,112	(7,112)			
Interest from participative loans			29,527	(29,527)				
Increase in shareholding in companies previously under control				(4,603)				(4,603)
Transfers from retained earnings to non-controlling interests due to the change of shareholding in companies and others				1,439				1,439
Other movements and adjustments from prior years				(842)	(10)			(852)
AT DECEMBER 31, 2014	**45,251**	**3,313**	**234,573**	**721,523**	**(6,183)**	**125,702**	**(36,853)**	**1,087,326**

*Some figures included do not match with those from 2013 Consolidated Financial Statements and they reflect adjustments detailed in Note 4.5

14.1 Legal reserve of the Company

The Legal Reserve of the Company amounted to 45,251 thousand euros at December 31, 2014 (38,751 thousand euros at December 31, 2013).

The Company is obliged to transfer 10% of profit for the year to a legal reserve until this reserve is equivalent to at least 20% of issued capital. This reserve is not distributable to shareholders and may only be used to offset losses if no other reserves are available.

14.2 Goodwill reserve

The Company is required to set aside a non-distributable reserve equal to the amount of goodwill on its balance sheet which amounts to 11,415 thousand euros at December 31, 2014 and December 31, 2013. The amount of profit designated for this purpose must represent at least 5% of goodwill. If no profits are available or profits should prove to be insufficient, freely distributable reserves must be used for this purpose. The amount of the goodwill reserve amounted to 3,313 thousand euros at December 31, 2014 (2,742 thousand euros at December 31, 2013) of which 571 thousand euros were provisioned in 2014 (December 31, 2013: 571 thousand euros).

14.3 Unrestricted Company reserves

At December 31, 2014 the Company's unrestricted reserves amounting to 234,573 thousand euros, correspond to those derived from the individual financial statements of the Company amounting to 307,691 thousand euros (December 31, 2013: 283,683 thousand euros) less the adjustments generated in the consolidation process for an amount of 73,118 thousand euros that mainly correspond to:

- The difference between the carrying amount of Gestamp Brasil Industria de Autopeças, S.A., Gestamp Global Tooling, S.L. and Matricerías Deusto, S.A. and the consolidated value of the said companies, which amounted to 63,656 thousand euros, has been reversed in the consolidation process.

- The remaining amount of 9,462 thousand euros mainly corresponded to the elimination of the margins registered by the Company as per its individual financial statements, and were related to intercompany purchase-sale transactions of financial participations, as well as to the reverse of the goodwills arisen in the merger processes between Group companies.

14.4 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) Revaluation reserve. Regional Law 6/1996

In accordance with prevailing regional legislation, this reserve can be used to offset losses, increase share capital or be transferred to non-distributable reserves.

The balance at December 31, 2014 and December 31, 2013 amounted to 4,884 thousand euros.

b) Revaluation/ Restatement reserve RDL 7/96, of June 7, of Gestamp Toledo, S.L.

The balance of this reserve may be used tax free to offset losses and increase share capital. From January 2007 on, the balance of this reserve may be taken to freely distributable reserves, provided that the capital gain has been realized and the corresponding amortization/ depreciation recorded, or the revaluated assets have been transferred or written off the general ledgers. If the balance of this account were used for any other purpose, it would be considered taxable.

The balance of this restricted reserve at December 31, 2014 and December 31, 2013 amounted to 383 thousand euros.

c) Reserve for productive investments. Regional Law 3/1996, of June 26

In accordance with prevailing regional legislation, this special reserve may only be applied to offset losses or increase share capital in 5 years since it is materialized in fixed assets.

The balance of this reserve at December 31, 2014 and December 31, 2013 was 26,398 thousand euros.

d) Legal reserves at subsidiaries

By virtue of 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 profit is applied to offset losses or increase share capital.

The balance of these reserves at December 31, 2014 and December 31, 2013 was 65,557 thousand euros and 61,931 thousand euros respectively.

e) Fair value of property, plant and equipment

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

The after-tax increase in reserves deriving from these revaluations amounts to 125 million euros at December 31, 2014 and 128 million euros at December 31, 2013.This increase of reserves is not distributable.

f) Restrictions related to capitalized development expenses and goodwill

Under prevailing legislation, dividend payments cannot result in an unrestricted reserve balance that is lower than the net carrying amount of development expenses and goodwill as per the individual financial statements of the Group’s Spanish companies prepared under prevailing Spanish GAAP.

15. Translation differences

The breakdown of this line item by company included in the consolidation scope is as follows:

Company	Thousands of euros 2014	2013 Restated*
ARGENTINA		
Gestamp Córdoba, S.A.	(19,874)	(18,046)
Gestamp Argentina, S.A.	2,273	2,338
Gestamp Baires, S.A.	(38,985)	(30,327)
BRAZIL		
Gestamp Brasil Industria de Autopeças, S.A.	17,276	13,166
Edscha do Brasil Ltda.	(747)	(1,037)
UNITED KINGDOM		
Gestamp Washington UK Limited	2,864	2,797
Autotech R&D UK Limited	79	(17)
Automotive Chassis Products Plc.	2,772	1,155
Gestamp Tallent , Ltd	7,005	5,531
POLAND		
Gestamp Polska, S.P., Zoo	(9,623)	(12,177)
Gestamp Wroclaw Sp.z,o.o.	(227)	(89)
HUNGARY		
Gestamp Hungaria KFT	(2,440)	(6,231)
Gestamp Mor	(1)	(1)
USA		
Gestamp Alabama, LLC	5,891	(16,399)
Gestamp Mason, LLc	(12,445)	977
Gestamp North America, INC	(18,109)	(3,405)
Gestamp Chattanooga LLc	(602)	(395)
Gestamp South Carolina, LLc.	1,537	(1,922)
Gestamp West Virginia, Llc	(1,118)	373
Edscha Automotive Michigan, Inc	1,544	62
SWEDEN		
Gestamp Sweden, AB	(2,203)	(405)
Gestamp HardTech AB	(1,031)	(1,523)
Gestamp Holding China AB	396	390
MEXICO		
Gestamp Aguascalientes, S.A. de CV	(6,485)	(6,589)
Gestamp MSL, S.A. de CV	(43)	(50)
Gestamp Cartera de México, S.A de CV	(2,044)	(1,573)
Gestamp Puebla, S.A. de CV	(11,200)	(12,403)
Mexicana Servicios Laborales, S.A. de CV	(12)	(24)
Gestamp Toluca, S.A. de CV	(3,571)	(3,550)
Gestamp Serv. Laborales de Toluca, S.A. de CV	23	10
Gestamp Puebla II, S.A. de CV	10	17
CHINA		
Gestamp Auto Components (Kunshan) Co., Ltd	8,803	5,676
Gestamp Auto Components (Shenyang) Co.,Ltd.	87	(517)
Gestamp Auto Components (Dongguan) Co.,Ltd.	243	(387)
GMF Wuhan, Ltd	9,037	647
Edscha Automotive Technology Co., Ltd.	34	18
Anhui Edscha Automotive Parts Co Ltda.	3,155	936
Shanghai Edscha Machinery Co., Ltd.	2,540	1,120
Edscha Automotive Components Co., Ltda.	950	(496)
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	281	100
INDIA		
Gestamp Services India Private, Ltd.	60	87
Gestamp Automotive India Private Ltd.	602	(4,441)
Gestamp Automotive Chennai Private, Ltd.	(92)	(556)
SOUTH KOREA		
Gestamp Kartek	2,764	82
Edscha Pha, Ltd.	88	(46)
TURKEY		
Beyçelik, A.S.	(20,156)	(22,015)
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	132	178
RUSSIA		
Gestamp Severstal Vsevolozhsk Llc	(9,587)	(256)
Gestamp Severstal Kaluga, Llc	(43,411)	(9,913)
Gestamp Togliatti, Llc.	(3,845)	(1,087)
Edscha Togliatti, Llc.	919	(81)
CZECH REPUBLIC		
Gestamp Louny, S.R.O.	(3,011)	(2,725)
Edscha Hradec S.R.O.	(27)	(25)
Edscha Automotive Kamenice S.R.O.	(2,991)	(2,596)
LUXEMBOURG		
Gestamp Funding Luxembourg, S.A.	24,502	(599)
SPAIN		
Gestamp Automoción, S.A.	(31,479)	1,141
Gestamp Bizkaia, S.A.	-	11
Gestamp Palencia, S.A.	-	292
Gestamp Toledo, S.L.	-	(3,859)
Gestamp Servicios, S.A.	9,161	(914)
Gestamp Global Tooling, S.L.	-	55
Gestamp Tool Hardening, S.L.	-	(56)
Loire SAFE	-	100
Gestamp Holding México, S.L.	(144)	-
Gestamp Metalbages, S.A.	3	-
OTHER		
Other	732	(422)
TOTAL	(139,740)	(129,895)

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

16. Non-controlling interest

The changes in “Equity attributable to non-controlling interest” by company in 2013 and 2014 were as follows:

Company	At January 1, 2013	Translation differences	Capital increase	Distribution of dividends	Transfer of fully consolidated reserves	Addition of MITSUI and exit of COFIDES	Exit of LIBERTY from GMF subgroup	Sale of company Araluce, S.A.	Other movements	Profit (loss)	At December 31, 2013 Restated*
	Thousands of euros										
Griwe Subgroup	2,281								(2,281)		-
Autotech Engineering, A.I.E.	2,718								(2,718)		-
Gestamp Finance Luxemburgo, S.A.	50	(88)								88	50
Todlem, S.L./ Gestamp Seversta Vsevolozhsk Llc./Gestamp Stadco Holding, S.L./Gestamp Severstal Kaluga, Llc.	32,540	(7,061)	2,822		459				83	(1,636)	27,207
Gestamp Holding Rusia, S.L.	24,470				1					1	24,472
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	15,743	(258)			5				1,103	2,807	19,400
Edscha Subgroup	27,381	(530)		(1,933)	845				(1,336)	(1,373)	25,313
Araluce, S.A.	7,393				(443)			(8,646)	1,696		-
Matricerias Deusto S.L.	8,641				(1,299)				3,471	(1,623)	9,190
Adral Matriceria y Pta. a punto , S.L.	4,509								(374)	1,159	5,294
Gestamp Tooling Services, AIE	(219)								(7)	(79)	(305)
Gestamp Global Tooling, S.L.	458				(107)			11,936	56	(4,560)	7,783
Gestamp Tool Hardening, S.L.	245								(95)	1,164	1,314
Bero Tools, S.L.	(6)										(6)
Die Diede Development, S.L.	(191)								(46)	(26)	(263)
Gestamp Metal Forming Subgroup	133,580	(4,974)			(27)		(101,554)			(6,796)	20,229
Gestamp Louny, S.R.O.	(9)	7			3				(1)		-
Gestamp Autocomponents (Dongguan) Co. Ltd.	(90)	13							77		-
Gestamp Try Out Services, S.L.	-									373	373
Gestamp Brasil Industria Autopeças, S.A.	-	(3,274)				52,850			(1)	(1,387)	48,188
Gestamp Holding Argentina, S.L. and Argentinian companies	-	(12,421)			12	29,216				(2,654)	14,153
Gestamp Holding México, S.L. and Mexican companies	50,831	(1,745)			(66)	34,363			(173)	6,718	89,928
Gestamp North America, INC and North American companies	-	(4,879)				71,249				2,032	68,402
Mursolar 21, S.L.	-									23	40,023
Beyçelik, A.S.	29,091	(3,534)		(2,801)					(22)	2,052	24,786
Gestamp Automotive India Private Ltd.	6,710	(689)								(247)	5,774
Gestamp sungwoo Stampings & Assemblies Private Ltd.	3,166	(236)							(11)	(1,751)	1,168
GMF Otomotiv Parçalari Sanayi ve Ticaret Ltd. Sirketi	(4,755)	39							311	(2,618)	(7,023)
	344,537	(39,630)	2,822	(4,734)	(617)	187,678	(101,554)	3,290	(268)	(8,333)	425,450

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

The most significant movements in “Non-controlling interest” at December 31, 2013 correspond to:

- The additions to consolidation scope mainly correspond to Edscha Aapico Automotive Co.Ltd and Edscha Pha, Ltd. from Edscha subgroup.
- It is also included the incorporation of COFIDES, S.A. as non-controlling partner of the company Mursolar 21, S.L. (holding company of Gestamp Autocomponent (Shenyang) Co. Ltd. and Gestamp Autocomponents (Dongguan) Co. Ltd) on December 20, 2013 through two capital increases where COFIDES, S.A. acquired 35% shareholding (Note 2.a).
- The acquisition to COFIDES, S.A. of its entire shareholding in the Mexican companies and the entry of Mitsui & Co, Ltd. as a new non-controlling partner in the Argentinian, Mexican, North American and Brazilian companies, through capital increases representing 30% shareholding (Note 2.a).
- The acquisition to Tocqueville Capital Company B.V. (company belonging to Liberty Hampshire Company Llc. Group), non-controlling partner of GMF Holding, GmbH, of their shareholding in this company; as consequence the Group reaches 100% shareholding in the mentioned company (Note 2.a) according to agreement between the Group and Liberty granting a purchase option to the Group exercisable in 2013.
- Sale of shareholding in Araluce, S.A. to third parties. This company was indirectly shareholded by non-controlling partner Ekarpen SPE, S.A.
- “Other movements” in 2013 include the exit of non-controlling partners of the company Autotech Engineering, A.I.E. and of Griwe subgroup. They are also included profit (loss) adjustments attributable to non-controlling interests in 2012.

Company	At December 31, 2013	Translation differences	Capital increase	Distribution of dividends	Transfer of fully consolidated reserves	Increase in shareholding in companies previously under control	Other movements	Profit (loss)	At December 31, 2014
	Thousands of euros								
Gestamp Finance Luxemburgo, S.A.	50								50
Todlem, S.L./ Gestamp Seversta Vsevolozhsk Llc.//Gestamp Severstal Kaluga, Llc.	27,207	(13,784)	1,722		247		(130)	(19,108)	(3,846)
Gestamp Holding Rusia, S.L.	24,472				24			(3)	24,493
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	19,400	2,369					565	3,688	26,022
Edscha subgroup	25,313	1,221		(3,747)	1,337	(4,865)	13	(1,389)	17,883
Matricerias Deusto S.L.	9,190				185		271	(6,345)	3,301
Adral Matriceria y Pta. a punto , S.L.	5,294						(209)	1,435	6,520
Gestamp Tooling Services, AIE	(305)						(5)	(63)	(373)
Gestamp Global Tooling, S.L.	7,783						(45)	2,016	9,754
Gestamp Tool Hardening, S.L.	1,314						(312)	1,914	2,916
Bero Tools, S.L.	(6)								(6)
Die Diede Development, S.L.	(263)						(3)	(42)	(308)
Gestamp Metal Forming Subgroup	20,229	(74)					(178)	(2,156)	17,821
Gestamp Try Out Services, S.L.	373						(104)	475	744
Gestamp Brasil Industria Autopeças, S.A.	48,188	271					389	2,205	51,053
Gestamp Holding Argentina, S.L. and Argentinian companies	14,153	283					297	(2,309)	12,424
Gestamp Holding México, S.L. and Mexican companies	89,928	132		(1,086)			(67)	4,704	93,611
Gestamp North America, INC and North American companies	68,402	10,555						8,298	87,255
Mursolar 21, S.L./Gestamp A. Shenyang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	40,023	981			(3,232)		(905)	(63)	36,804
Beyçelik, A.S.	24,786	1,458		(2,757)			(126)	6,426	29,787
Gestamp Automotive India Private Ltd.	5,774	725					(52)	3,743	10,190
Gestamp Automotive Chennai Private Ltd.	1,168	723				(3,574)	1,683		-
GMF Otomotiv Parçalari Sanayi ve Ticaret Ltd. Sirketi	(7,023)	(57)					128	(318)	(7,270)
	425,450	4,803	1,722	(7,590)	(1,439)	(8,439)	1,210	3,108	418,825

The most significant movements in “Non-controlling interest” at December 31, 2014 correspond to:

- Translation differences generated in 2014.

- Capital increase in Todlem, S.L.

- Distribution of dividends by the subsidiaries Anhui Edscha Automotive Parts Co. Ltda, Gestamp 2008, S.L., Beycelik A.S. and Gestamp Holding Mexico, S.L.

- The transfers of fully consolidated reserves correspond to:

  - the capital increases in Todlem, S.L. and Edscha do Brasil Ltda., not proportionately subscribed by its shareholders.

  - COFIDES, S.A., shareholding recognition in Gestamp Autocomponents (Shenyang) Co. Ltd. and Gestamp Autocomponents (Dongguan) Co. Ltd. as indirect non-controlling interest through the subsidiary Mursolar 21, S.L. (Note 2.a).

- Increase in shareholding in Anhui Edscha Automotive Parts Co. Ltda. and in Gestamp Automotive Chennai Private, Ltd., by acquisition of 30% and 50% shareholding respectively and by so acquiring 100% shareholding and consequently non-controlling interest are derecognized.

- “Other movements” in 2014 correspond to profit (loss) adjustments attributable to non-controlling interests in 2013.

- Profit from 2014 attributable to non-controlling interest.

The most significant non-controlling interests informed above, have protection rights regarding significant decisions about desinvestments, corporate restructuring, dividends distribution and amending of bylaws.

17. Deferred income

Deferred income includes grants relating to assets obtained by Group subsidiaries pending release to the Consolidated Income Statement.

The breakdown of this heading at December 31, 2013 and December 31, 2014 including the movements during the year is as follows:

Company	At January 1, 2013	Additions consolidation scope	Additions	Released income	Translation differences	Other movements	At December 31, 2013 Restated*
	Thousands of euros						
Gestamp Bizkaia, S.A.	2,242			(258)			1,984
Gestamp Vigo, S.A.	4,097			(1,178)		346	3,265
Gestamp Toledo, S.L.	2,783			(385)			2,398
Gestamp Palencia, S.A.	3,470			(356)			3,114
Gestamp Linares, S.A.	1,064			(92)			972
Gestamp Galvanizados, S.A.	99			(13)			86
Gestamp Puebla, S.A. de C.V.	245			(34)	(11)		200
Gestamp Aveiro, S.A.	332			(95)			237
Gestamp Navarra, S.A.	1,995			(246)			1,749
Gestamp Solblank Navarra, S.L.	65			(9)			56
Gestamp Aragón, S.A.	803			(109)			694
Gestamp Abrera, S.A.	1,402			(146)			1,256
Gestamp Metalbages, S.A.	141			(19)			122
Gestamp Solblank Barcelona, S.A.	135			(29)			106
Gestamp Washington UK, Ltd			341	(91)	(2)		248
Gestamp Levante, S.A.	724			(104)			620
Gestamp Hungaria KFT	248			(14)	(2)		232
Griwe Subgroup	3,224			(964)		(11)	2,249
Gestamp Cataforesis Vigo, S.A.	346					(346)	-
Gestamp Kartek Co, Ltd.	29			(7)	(1)		21
Gestamp Manufactoring Autochasis, S.L.	175			(19)			156
Adral, matriceria y pta. a punto, S.L.	192					(57)	135
Gestamp Esmar, S.A.	9			(3)			6
Beyçelik, A.S.	306		122		(62)	(23)	343
Edscha Subgroup	4,602		198	(95)	(19)	(499)	4,187
Gestamp Metal Forming Subgroup	130		6,729	(812)	(16)		6,031
Loire Sociedad Anónima Franco Española	343		31	(49)			325
Diede Die Developments, S.L.	422		34	(28)		63	491
Total	29,623		7,455	(5,155)	(113)	(527)	31,283

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

Company	At December 31, 2013	Additions consolidation scope	Additions	Released income	Translation differences	Other movements	At December 31, 2014
	Thousands of euros						
Gestamp Bizkaia, S.A.	1,984			(271)			1,713
Gestamp Vigo, S.A.	3,265			(881)			2,384
Gestamp Toledo, S.L.	2,398			(290)			2,108
Gestamp Palencia, S.A.	3,114			(358)			2,756
Gestamp Linares, S.A.	972			(58)			914
Gestamp Galvanizados, S.A.	86			(13)			73
Gestamp Puebla, S.A. de C.V.	200			(32)	1		169
Gestamp Aveiro, S.A.	237			(68)			169
Gestamp Navarra, S.A.	1,749			(194)			1,555
Gestamp Solblank Navarra, S.L.	56			(9)			47
Gestamp Aragón, S.A.	694			(94)		(9)	591
Gestamo Abrera, S.A.	1,256			(255)			1,001
Gestamp Metalbages, S.A.	122			(19)			103
Gestamp Solblank Barcelona, S.A.	106			(19)			87
Gestamp Washington UK, Ltd	248			(100)	13		161
Gestamp Levante, S.A.	620		2,927	(451)			3,096
Gestamp Hungaria KFT	232			(11)	(14)		207
Griwe Subgroup	2,249			(439)		2	1,812
Gestamp Kartek Co, Ltd.	21			(9)	2		14
Gestamp Manufactoring Autochasis, S.L.	156			(20)			136
Adral, matriceria y pta. a punto, S.L.	135					(37)	98
Gestamp Esmar, S.A.	6			(3)			3
Beyçelik, A.S.	343		104		14		461
Edscha Subgroup	4,187		1,793	(841)	(5)	(546)	4,588
Gestamp Metal Forming Subgroup	6,031		151	(812)	384		5,754
Loire Sociedad Anónima Franco Española	325		16	(69)			272
Diede Die Developments, S.L.	491			(72)		(39)	380
Gestamp Puebla II, S.A. de C.V.	-		628				628
Total	31,283		5,619	(5,388)	395	(629)	31,280

The additions recognized in 2013 and 2014 correspond to grants received from public authorities for investments in plant and equipment and job creation.

The Group companies have met all the requirements attaching to these grants to qualify as non-reimbursable grants.

18. Provisions

The breakdown of non-current and current provisions in 2014 and 2013 is as follows:

	Non-current		Current	
	2014	2013 Restated*	2014	2013 Restated*
Provisions for retributions to employees (Note 19)	79,517	60,449	7,014	5,265
Provisions for taxes	6,440	4,865	-	-
Provisions for dismantlement and retirement of tangible fixed assets	-	351	-	-
Other provisions	45,269	69,355	12,077	8,383
	131,226	135,020	19,091	13,648

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

The changes in Provisions during 2014 and 2013 are as follows:

	Thousands of euros	
	Non-current	Current
Balance at January 1, 2013	168,054	15,641
Additions to scope	(87)	-
Increase in allowance	15,625	7,892
Decrease	(48,905)	(7,244)
Translation differences	(644)	(414)
Other movements	977	(2,227)
Balance at December 31, 2013 Restated*	135,020	13,648
Increase in allowance	36,260	6,314
Decrease	(32,303)	(14,858)
Translation differences	(223)	283
Other movements	(7,528)	13,704
Balance at December 31, 2014	131,226	19,091

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

This line item primarily reflects employee compensations and provisions recognized by certain Group companies to cover specific risks arising from their day-to-day businesses and potential liabilities relating to employee compensations and tax assessments which are currently being appealed, among other items.

Non-current provisions

In 2013 the additions to consolidation scope correspond to the exit of company Araluce, S.A. from consolidation scope (Note 2.a).

Increases of non-current provisions in 2014 and 2013 correspond mainly to post-retirement benefits, liabilities relating to differences in the interpretation of tax matters, and long term employee compensation.

Decreases of non-current provisions in 2014 and 2013 mainly reflect:

- Application of provisions relating to tax assessments.
- Application of provisions from onerous contracts of the Edscha Subgroup and Gestamp Vendas Novas Lda.
- Application of long term employee compensation provisions among others.

Changes of non-current provisions directly registered in the Consolidated Income Statement in 2014 mainly correspond to:

- Balance of 12,479 thousand euros under the heading "Other operating income" as provision surplus (2013: 10,647 thousand euros) (Note 23.b).
- Surplus provisions amounting to 3,558 thousand euros (2013: 2,550 thousand euros).
- The amount included in the rest of operating expenses is 19,317 thousand euros (2013: 24,812 thousand euros).

Current provisions

Additions to current provisions in 2014 correspond mainly to provisions of Gestamp Metal Forming (Wuhan), Ltd., Gestamp Umformtechnik, GmbH., Sofedit, S.A.S, Edscha Automotive Kamenice S.R.O., Edscha do Brasil, Ltd. and Shanghai Edscha Machinery Co. Ltd. to short-term employee compensation and to cover specific risks arising from day to day businesses.

Additions to current provisions in 2013 correspond mainly to provisions for obtaining customer projects of Gestamp Metal Forming (Wuhan), Ltd., to short-term employee compensation and other issues with customers of Sofedit S.A.S. and to customer guarantees of Edscha Automotive Kamenice S.R.O.

Decreases of current provisions in 2014 and 2013 correspond mainly to employee reestructuring installements, regularization of provisions related to resolved litigations and to short term employee compensation.

Other movements in current and non-current provisions in 2014 and 2013 are mainly related to prior year's adjustments and reclassifications. In the first quarter of 2014, non-current provisions, were transferred to current amounting 14,500 thousand euros as it is deemed to be written off in less than 12 months.

19. Pensions and other post-employment obligations

The breakdown of the provision for employee benefits is as follows:

Item		Non-current		Current		Total	
		2014	2013 Restated*	2014	2013 Restated*	2014	2013 Restated*
Employee benefits	a)	11,060	7,899	7,014	5,256	18,074	13,155
Post-employment benefits							
Defined benefit plans	b)	68,457	52,550	-	9	68,457	52,559
Total (Note 18)		79,517	60,449	7,014	5,265	86,531	65,714

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

a) Employee benefits

This line item includes provisions by some Group companies for seniority awards and other benefits for staying in the company (anniversary, retirement, awards, etc.).

b) Defined benefit plans

The Group has a number of defined benefit plans. The main defined benefit plans are located in Germany and France and correspond to companies belonging to Gestamp Metal Forming Subgroup and Edscha Subgroup as well as Autotech Engineering Deutchland, GmbH.,. Among these pension plans, there are partially supported plans by an investment fund and not supported plans by an investment fund.

The risks of the different defined benefit plans are those associated to pensions not supported by an external fund. Other risks of the defined benefit plans common to partially supported plans as well as to not supported plans are those related to demographic issues, such as mortality and longevity of employees, and those related to financial issues such as pension increase rate depending on inflation.

Assets and liabilities recognized in these Consolidated Financial Statements and corresponding to the said plan, by countries, are the following:

	Thousand of euros		
Item	**Germany**	**France**	**Total**
Present value of the defined benefit obligation	67,303	7,937	75,240
Fair value of plan assets and reimbursement rights	(4,410)	(2,373)	(6,783)
Value of defined benefit obligation at December 31, 2014	**62,893**	**5,564**	**68,457**

	Thousand of euros		
Item	**Germany**	**France**	**Total**
Present value of the defined benefit obligation	52,017	7,333	59,350
Fair value of plan assets and reimbursement rights	(4,338)	(2,453)	(6,791)
Value of defined benefit obligation at December 31, 2013	**47,679**	**4,880**	**52,559**

The changes in present value of the defined benefit obligations are the following:

	Thousand of euros		
	Germany	**France**	**Total**
Present value of the defined benefit obligation at January 1, 2013	**54,248**	**6,992**	**61,240**
Current service cost year 2013	2,386	417	2,803
Interest income or expense	1,555	209	1,764
Pension cost charged to profit and loss at 2013	3,941	626	4,567
Payments from the plan except any settlements	(2,040)	(267)	(2,307)
Actuarial gains and losses arising from changes in demographic assumptions	-	(24)	(24)
Actuarial gains and losses arising from changes in financial assumptions	(2,561)	6	(2,555)
Remeasurements of the net defined benefit liability	(2,561)	(18)	(2,579)
Effect of disposals	(611)	-	(611)
Other effects	(960)	-	(960)
Present value of the defined benefit obligation at December 31, 2013	**52,017**	**7,333**	**59,350**
Current service cost year 2014	2,489	424	2,913
Gains and losses arising from settlements	-	(143)	(143)
Interest income or expense	1,722	146	1,868
Pension cost charged to profit and loss at 2014	4,211	427	4,638
Payments from the plan except any settlements	(2,039)	(129)	(2,168)
Actuarial gains and losses arising from changes in financial assumptions	12,785	470	13,255
Actuarial gains and losses attributable to non-controlling interests	-	(164)	(164)
Tax effect	(253)	-	(253)
Remeasurements of the net defined benefit liability	12,532	306	12,838
Effect of disposals	14	-	14
Other effects	568	-	568
Present value of the defined benefit obligation at December 31, 2014	**67,303**	**7,937**	**75,240**

The changes in fair value of plan assets are the following:

	Thousand of euros		
	Germany	France	Total
Fair value of plan assets and reimbursement rights at January 1, 2013	**4,279**	**2,504**	**6,783**
Interest income or expense	128	75	203
Pension cost charged to profit and loss at 2013	128	75	203
Payments from the plan except any settlements	-	(267)	(267)
Return on plans assets, excluding amounts included in interest	-	(18)	(18)
Actuarial gains and losses arising from changes in demographic assumptions	(69)	-	(69)
Remeasurements of the net defined benefit liability	(69)	(18)	(87)
Contributions to the plan by the employer	-	159	159
Fair value of plan assets and reimbursement rights at December 31, 2013	**4,338**	**2,453**	**6,791**
Interest income or expense	148	74	222
Pension cost charged to profit and loss at 2014	148	74	222
Payments from the plan except any settlements	-	(129)	(129)
Return on plans assets, excluding amounts included in interest	-	(38)	(38)
Actuarial gains and losses arising from changes in financial assumptions	(76)	-	(76)
Actuarial gains and losses attributable to non-controlling interests	-	13	13
Remeasurements of the net defined benefit liability	(76)	(25)	(101)
Fair value of plan assets and reimbursement rights at December 31, 2014	**4,410**	**2,373**	**6,783**

The breakdown of the expense recognized in the Consolidated Income Statement regarding these plans is as follows:

	Thousand of euros			
	Germany		France	
Item	**2014**	**2013**	**2014**	**2013**
Current service cost	2,489	2,386	424	417
Gains and losses arising from settlements			(143)	
Net interest on the net defined benefit liability (asset)	1,574	1,427	72	134
Total expense recognised in profit or loss	**4,063**	**3,813**	**353**	**551**

The main categories of plan assets and their fair value are the following:

	Thousand of euros			
	Germany		France	
Item	**2014**	**2013**	**2014**	**2013**
Investments quoted in active markets				
Mixed investment funds in Europe	4,410	4,338		
Not quoted investments				
Investment funds in insurances			2,373	2,453
	4,410	**4,338**	**2,373**	**2,453**

The main hypotheses used for determining the defined benefit obligation are the following:

Item	Germany 2014	Germany 2013	France 2014	France 2013
Discount rate	1.8% - 2.6%	3.4%-3.5%	1.8%	3.0%
Expected rate of return on any plan assets	0%- 1.8%	3.0%	-	3.0%
Future salary increases rate	2.5%	2.5%	2.5%	2.5%
Future pension increases rate	1.5% - 2%	1.5%-2.5%	-	-
Inflation rate	2.0%	2.0%	-	2.0%
Mortality table	RT 2005 G	RT 2005 G	INSEE F 08-10	INSEE 07-09
Rates of employee turnover, disability and early retirement	Aon Hewitt Standard tables, RT 2005 G, 0.5%	RT 2005G 0.8%-0.5%	-	-
Proportion of plan members with dependants who will be eligible for benefits	100.0%	100.0%	-	-
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service	0% -2%	-	-	45%
Retirement age	-	-	62-65 years	60-65 years

The sensitivity analysis of the value of post-retirement benefits obligations for the main hypotheses at December 31, 2014 and December 31, 2013 are as follows:

		Thousand of euros 2014			
		Germany		France	
Assumptions	Sensitivity	Increase	Decrease	Increase	Decrease
Discount rate					
Increase	0.25%				301
Decrease	0.25%			316	
Increase	0.5%		4,226		
Decrease	0.5%	4,696			
Future pension increases rate					
Increase	0.5%	2,011			
Decrease	0.5%		1,910		
Future salary increases rate					
Increase	0.5%			641	
Decrease	0.5%				583
Mortality rate					
Increase	1 year	1,368			

		Thousand of euros 2013			
		Germany		France	
Assumptions	Sensitivity	Increase	Decrease	Increase	Decrease
Discount rate					
Increase	0.5%				886
Decrease	0.5%			1,084	
Increase	1.0%		2,884		
Decrease	1.0%	3,208			
Future pension increases rate					
Increase	0.5%	1,404			
Decrease	0.5%		1,371		
Future salary increases rate					
Increase	0.5%			514	
Decrease	0.5%				469
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service					
Increase	1.0%			51	
Decrease	1.0%				51

The expected future payments related to pension benefit at December 31, 2014 and December 31, 2013 are the following:

	Thousand of euros 2014			2013		
	Germany	France	Total	Germany	France	Total
Within the next 12 months	2,864	24	2,888	2,702	84	2,786
Between 2 and 5 years	10,426	1,649	12,075	9,940	1,900	11,840
Beyond 5 years	13,159	22,475	35,634	12,869	23,342	36,211
Total	**26,449**	**24,148**	**50,597**	**25,511**	**25,326**	**50,837**

20. Non-trade liabilities

The breakdown of non-trade liabilities at December 31, 2014 and December 31, 2013 classified by concepts is as follows:

		Non current			Current	
		2014	2013 Restated*		2014	2013 Restated*
Interest-bearing loans and borrowings	a.1)	1,482,300	1,479,024	a.2)	282,480	267,618
Derivative financial instruments	b.4)	47,404	96,960		-	-
Other financial liabilities		195,621	209,882		171,985	244,474
Financial leasing	b.1)	25,076	25,646	b.1)	3,516	3,232
Borrowings from Associated companies	b.2)	73,179	81,560	b.2)	51,159	128,898
Other financial liabilities	b.3)	97,366	102,676	b.3)	117,310	112,344
		1,725,325	1,785,866		454,465	512,092

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

a) Interest-bearing loans and borrowings

a.1) Non-current interest-bearing loans and borrowings

The breakdown by company and maturity date of non-current interest-bearing loans and borrowings is as follows:

	Thousands of euros						
	2014						2013 Restated*
	2016	2017	2018	2019	Beyond	Total	Total
In Euros	**113,470**	**245,706**	**264,530**	**9,817**	**499,990**	**1,133,513**	**1,170,060**
Gestamp Automoción,S.A.	84,854	232,374	253,102			570,330	595,716
Griwe Subgroup	3,520	2,712	2,712	2,712	4,068	15,724	20,001
Beyçelik, A.S.	18,810	4,213	2,187	446		25,656	29,149
Gestamp Metal Forming Subgroup	4,167	4,167	4,167	4,167	3,125	19,793	23,960
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	2,119	2,240	2,362	2,492		9,213	9,952
Gestamp Funding Luxembourg, S.A.					492,797	492,797	491,282
In foreign currency	**19,981**	**15,277**	**8,135**	**7,794**	**297,600**	**348,787**	**308,964**
Brazilian reais							
Gestamp Brasil Industria de Autopeças, S.A.	9,261	4,271	3,730	3,713	7,291	28,266	33,035
Edscha Subgroup	663					663	2,184
Indian rupees							
Gestamp Automotive Chennai Private Ltd.	527	9,647	3,154	3,154	3,942	20,424	14,998
Remimbi Yuan							
Gestamp Autocomponents (Shenyang), Co. Ltd.	6,561					6,561	-
Edscha Subgroup	1,508					1,508	-
Czech Crowns							
Edscha Subgroup	901	901	901	901		3,604	5,411
Korean wons							
Gestamp Kartek Co, Ltd	560	458	350	26	13	1,407	2,017
US Dollars							
Gestamp Funding Luxembourg, S.A.					286,354	286,354	251,319
	133,451	260,983	272,665	17,611	797,590	1,482,300	1,479,024

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidation Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

The breakdown of maturity dates for the balances at December 31, 2013 is as follows:

Thousands of euros					
2013 Restated*					
2015	2016	2017	2018	Beyond	Total
85,815	104,591	235,220	290,626	762,772	1,479,024

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

The guarantees granted are personal guarantees of the borrower, except for the loans granted to the Griwe Subgroup which are additionally secured by the property, plant, and equipment financed by these loans (Note 9), and the in rem guarantees and the guarantees related to the individual operations described in this Note.

The nominal interest rate on the loans at December 31, 2014 is as follows:

	Interest rate
• Loans denominated in euros	1.45% - 3.50%
• Loans denominated in Indian rupees	10.3% - 12.3%
• Loans denominated in Brazilian reais*	4.5% - 16.21%
• Loans denominated in Korean wons	3.6% - 4.0%

* The lower level of the band corresponds to loans received from BNDES, with a subsidised interest rate.

The average nominal interest rate on the loans at December 31, 2013, was as follows:

	Interest rate
• Loans denominated in euros	2.5% - 3.75%
• Loans denominated in Indian rupees	10.3% - 12.3%
• Loans denominated in Brazilian reais	4.5% - 13.0%
• Loans denominated in Korean wons	3.6% - 4.0%

Bond May 2013

On May 2013, the Group has completed an issuance of bonds through its subsidiary Gestamp Funding Luxemburgo, S.A. This issuance has been carried out in two stages, in the first stage bonds were issued amounting to 500 million euros at an interest rate of 5.875%, and in the second stage bonds were issued amounting 350 million dollars with 5.625% interest rate.

The amortized cost at December 31, 2014 at exchange rate of the said date is 779 million euros (December 31, 2013: 742 million euros).

Interests are payable every six months (November and May).

The maturity date of the bonds is May 31, 2020.

Certain Group companies, which together represent a significant portion of total consolidated assets and EBITDA, act as joint guarantors of the bonds. These companies are:

Gestamp Navarra, S.A.	Gestamp Noury, SAS
Edscha Automotive Kamenice, S.R.O.	Gestamp Palencia, S.A.
Edscha Engineering, GmbH.	Gestamp Polska, Sp.Z.o.o.
Edscha Briey, S.A.S.	Gestamp Cerveira, Ltda
Edscha France Engineering , S.A.S.	Gestamp Ronchamp, S.A.S.
Edscha Automotive Hauzenberg, GmbH	Gestamp Servicios, S.A.
Edscha Hauzenberg Real Estate GmbH, & Co.	Gestamp Washington UK Limited
Edscha Hengersberg Real Estate GmbH, & Co.	Gestamp Vendas Novas Unipessoal, Lda.
Edscha Automotive Hengersberg, GmbH.	Gestamp Vigo, S.A.
Edscha Holding, GmbH.	Gestamp Unformtechnik, GmbH
Edscha Hradec, S.r.o.	Griwe Subgroup
Edscha Velky Meder, S.r.o.	Ingeniería Global MB, S.A.
Gestamp Bizkaia, S.A.	Loire S.A. Franco Española
Gestamp Galvanizados, 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.	Sofedit España, S.A.
Gestamp Linares, S.A.	SCI de Tournan en Brie
Gestamp Louny, S.r.o.	Gestamp Solblank Barcelona, S.A.
Gestamp Esmar, S.A.	Gestamp Tallent Limited
Sofedit Polska, Sp. Z.o.o	Gestamp Sweden AB
Sofedit, S.A.S.	Edscha Burgos, S.A.
Gestamp Toledo, S.A.	Gestamp Levante, S.A.
Edscha Santander, S.L.	

Additionally, the Group companies 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. have shares pledge.

Loan March 2012

On March 21, 2012, the Company signed a loan for 60 million euros.

The nominal outstanding balance at December 31, 2014 amounts to 60 million euros.

The final installment on this 5-year facility is due on March 21, 2017. The Company has agreed to comply with certain financial covenants based on its Consolidated Financial Statements throughout the duration of the loan. These covenants for year 2014 are:

- "Net debt/EBITDA" below 3.50x
- "EBITDA/Financial expense" above 4.00x
- "Net debt/Equity" below to 1.15x

At December 31, 2014 and December 31, 2013 the Company was not in breach of any of these covenants.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the above mentioned loan. These companies are:

Gestamp Navarra, S.A.	Gestamp Noury, SAS
Edscha Automotive Kamenice, S.R.O.	Gestamp Palencia, S.A.
Edscha Engineering, GmbH.	Gestamp Polska, Sp.Z.o.o.
Edscha Briey, S.A.S.	Gestamp Cerveira, Ltda
Edscha France Engineering , S.A.S.	Gestamp Ronchamp, S.A.S.
Edscha Automotive Hauzenberg, GmbH	Gestamp Servicios, S.A.
Edscha Hauzenberg Real Estate GmbH, & Co.	Gestamp Washington UK Limited
Edscha Hengersberg Real Estate GmbH, & Co.	Gestamp Vendas Novas Unipessoal, Lda.
Edscha Automotive Hengersberg, GmbH.	Gestamp Vigo, S.A.
Edscha Holding, GmbH.	Gestamp Unformtechnik, GmbH
Edscha Hradec, S.r.o.	Griwe Subgroup
Edscha Velky Meder, S.r.o.	Ingeniería Global MB, S.A.
Gestamp Bizkaia, S.A.	Loire S.A. Franco Española
Gestamp Galvanizados, 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.	Sofedit España, S.A.
Gestamp Linares, S.A.	SCI de Tournan en Brie
Gestamp Louny, S.r.o.	Gestamp Solblank Barcelona, S.A.
Gestamp Esmar, S.A.	Gestamp Tallent Limited
Sofedit Polska, Sp. Z.o.o	Gestamp Sweden AB
Sofedit, S.A.S.	Edscha Burgos, S.A.
Gestamp Toledo, S.A.	Gestamp Levante, S.A.
Edscha Santander, S.L.	

Additionally, the Group companies 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. have shares pledge.

Syndicated Loan 2013

On April 19, 2013 the Company signed a syndicated loan with a group of banks for 850 million euros. The loan is divided into two tranches, Tranche A (loan) amounting to 570,000 thousand of euros with a nominal outstanding balance at December 31, 2014 amounting to 544,350 thousand of euros and Revolving Creidit Facility Tranche amounting to 280,000 thousand of euros that at December 31, 2014 there is no outstanding amount under this facility.

The final installment on this 5-year facility is due on April 19, 2018.

The Company has agreed to comply with certain financial covenants based on its Consolidated Financial Statements throughout the duration of the loan. These covenants for year 2014 are:

- "Net debt/EBITDA" below or equal 3.50x
- "EBITDA/Financial expense" above 4.00x

Additionally, there is a limitation for the dividends distribution as follows:

- If "Net debt/EBITDA" is below 3.00x and above 2.00x dividends can be no more than 35% of the consolidated benefit.
- If "Net debt/EBITDA" is equal or below 2.00x dividends can be no more than 50% of the consolidated benefit.

At December 31, 2014 and December 31, 2013 the Company was not in breach of any of these covenants.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the above mentioned syndicated loan. These companies are:

Gestamp Navarra, S.A.
Edscha Automotive Kamenice, S.R.O.
Edscha Engineering, GmbH.
Edscha Briey, S.A.S.
Edscha France Engineering , 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 Galvanizados, 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.
Sofedit Polska, Sp. Z.o.o
Sofedit, S.A.S.
Gestamp Toledo, S.A.
Edscha Santander, S.L.
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 Unformtechnik, GmbH
Griwe Subgroup
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.
Sofedit España, S.A.
SCI de Tournan en Brie
Gestamp Solblank Barcelona, S.A.
Gestamp Tallent Limited
Gestamp Sweden AB
Edscha Burgos, S.A.
Gestamp Levante, S.A.

Additionally, the Group companies 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. have shares pledge.

a.2) Current interest-bearing loans and borrowings

The Group companies have been granted the following credit and discounting facilities:

Company	Thousands of euros											
	Credit facilities				Loans (b)		Accrued interest (c)		Discounted bills (d)		(a)+(b)+(c)+(d)	
	Drawn down (a)		Limit								TOTALS	TOTALS
	2014	2013 Restated*	2014	2013 Restated*	2014	2013 Restated*	2014	2013 Restated*	2014	2013 Restated*	2014	2013 Restated*
In Euros	**50,609**	**94,258**	**315,800**	**290,800**	**86,775**	**51,322**	**7,426**	**9,226**	**72,378**	**32,199**	**217,188**	**187,005**
Gestamp Automoción,S.A.	43,608	88,349	308,600	283,600	50,386	22,512	4,163	5,568	52,712		150,869	116,429
Gestamp Toledo, S.L.										24		24
Gestamp Solblank Barcelona, S.A.							4				4	
Gestamp Palencia, S.A.									2,291	29	2,291	29
Gestamp Servicios, S.A.							45	45	4,042	13,008	4,087	13,053
Gestamp Metalbages, S.A.	7,001	5,909	7,200	7,200			2			3,404	7,003	9,313
Gestamp Abrera, S.A.							4	4			4	4
Griwe Subgroup					4,273	4,282					4,273	4,282
Beyçelik, A.S.					4,445		130				4,575	
Gestamp Aragón, S.A.							2	3			2	3
Edscha Subgroup									13,333	15,734	13,333	15,734
Gestamp Manufacturing Autochasis, S.L.												
MB Levante, S.L.							2	2			2	2
Gestamp Navarra, S.A.							18	6			18	6
Gestamp Vigo, S.A.							2	3			2	3
Gestamp Hungaria KFT						4,682						4,682
Gestamp Severstal Vsevolozhsk Llc						4						4
Gestamp Auto Components (Kunshan) Co., Ltd					14,051	18,800	48	113			14,099	18,913
Gestamp Auto Components (Donguan) Co., Ltd					2,562		3				2,565	
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi							229	244			229	244
Gestamp Metal Forming subgroup					4,167	1,042					4,167	1,042
Gestamp Funding Luxembourg, S.A.							2,774	3,238			2,774	3,238
Gestamp Ingeniería Europa Sur, S.L.												
Gestamp Polska, SP. Z.O.O.					1,473						1,473	
Loire Sociedad Anónima Franco Española					5,404						5,404	
Autotech Engineering R&D Uk limited					14						14	
In foreign currency	**1,193**		**3,048**		**61,476**	**77,813**	**2,623**	**2,800**			**65,292**	**80,613**
US dollars												
Gestamp Baires, S.A.						3,112		31				3,143
Gestamp Córdoba, S.A.						3,389		30				3,419
Gestamp Funding Luxembourg, S.A.							1,530	1,532			1,530	1,532
Turkish lira												
Beyçelik, A.S.						3,381		166				3,547
Brazilian reais												
Gestamp Brasil Industria de Autopeças, S.A.					16,555	47,564	417	402			16,972	47,966
Edscha Subgroup					4,348	7,948	597	473			4,945	8,421
Indian rupees												
Gestamp Services India Private, Ltd.					70	319					70	319
Gestamp Autocomponents (Shenyang), Co. Ltd.						2,037						2,037
Gestamp Automotive Chennai Private Ltd.								161				161
Remimbi Yuan												
Gestamp Auto Components (Kunshan) Co., Ltd						761						761
Gestamp Auto Components (Shenyang) Co., Ltd					13,905		38				13,943	
Edscha Subgroup	1,193		3,048		1,193						2,386	
Gestamp Metal Forming Subgroup					21,208	6,009	39				21,247	6,009
Czech Crowns												
Edscha Subgroup					3,400	2,500					3,400	2,500
Korean wons												
Gestamp Kartek Co, Ltd.					797	793	2	5			799	798
	51,802	**94,258**	**318,848**	**290,800**	**148,251**	**129,135**	**10,049**	**12,026**	**72,378**	**32,199**	**282,480**	**267,618**

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

Discounted bills of the Company at December 31, 2014 amounting to 52,712 thousand of euros, correspond to the assumed risk of the discount bills of several Spanish subsidiaries.

In all, the Group has approximately 415 million euros in with-recourse and non-recourse factoring and available discounting facilities at December 31, 2014 (December 31, 2013: 253 million euros).

Interest on the credit facilities is basically indexed to a floating rate of Euribor plus a spread between 1.00% and 1.75% in 2014 and a spread between 1.50% and 3.75% and 2013.

b) Financial instruments and other non-trade liabilities

b.1) Leases

The finance lease commitments recognized under this heading correspond to the present value of the payment commitments on the finance leases outlined in Note 9. The payment schedule for these lease payments and the corresponding finance expenses are as follows:

	2013 Restated* **Thousands of euros**				
	Present value of lease obligations			Future finance expenses	Finance lease installments
	Less than one year	Between one and five years	More than five years		
Gestamp West Virginia, LlC		2,565	15,623	6,713	24,901
Beyçelik, A.S.	3,064	7,171		874	11,109
Gestamp Metal Forming Subgroup	78	195		26	299
GMF Otomotive Parçalari Sanayi ve Ticaret L.S	22	44		4	70
Loire Sociedad Anónima Franco Española	56	28		3	87
Edscha Subgroup	12	20		4	36
Total	3,232	10,023	15,623	7,624	36,502

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

	2014 **Thousands of euros**				
	Present value of lease obligations			Future finance expenses	Finance lease installments
	Less than one year	Between one and five years	More than five years		
Gestamp West Virginia, LlC	46	3,890	16,725	6,676	27,337
Beyçelik, A.S.	3,345	4,314		479	8,138
Gestamp Metal Forming Subgroup	59	136		11	206
GMF Otomotive Parçalari Sanayi ve Ticaret L.S	32			3	35
Loire Sociedad Anónima Franco Española	25			1	26
Edscha Subgroup	9	11		2	22
Total	3,516	8,351	16,725	7,172	35,764

b.2) Borrowings from Group companies

The breakdown of this heading in the Consolidated Balance Sheet is as follows:

	2013 Restated*				
	Thousands of euros				
Lender	Item	Current	Non-current	Due date	Interest rate
Acek, Desarrollo y Gestión Industrial, S.L.	Current account	124,571	-	2014	Euribor+0.4 %
Acek, Desarrollo y Gestión Industrial, S.L.	Fixed assets suppliers	808	28,054	2032	6.60%
Acek, Desarrollo y Gestión Industrial, S.L.	Interest	1,419	-	-	-
Gonvarri Corporación Financiera, S.L.	Loan and interests	974	35,700	2015	Euribor+5%
Severstal Trade, GmbH	Loan and interests	682	6,970	2018	12.52%
Severstal Trade, GmbH	Loan and interests	439	4,571	2019	12.52%
Melsonda Holding Ltd	Loan and interests	5	6,265	2022	6.55%
		128,898	81,560		

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

The interest accrued and not paid on the loans included in the table above amounts to 3,519 thousand euros.

	2014				
	Thousands of euros				
Lender	Item	Current	Non-current	Due date	Interest rate
Acek, Desarrollo y Gestión Industrial, S.L.	Fixed assets suppliers	861	27,193	2032	6.60%
Acek, Desarrollo y Gestión Industrial, S.L.	Current account	399	-	2015	Euribor+0.4 %
Acek, Desarrollo y Gestión Industrial, S.L.	Interest	1,379	-	-	-
Mitsui & Co., LTD	Loan and interests	-	18,054	2016	Libor+3.5%
Gonvarri Corporación Financiera, S.L.	Loan and interests	22,046	7,438	2016	Euribor+5%
Gonvarri I. Centro de Servicios, S.L.	Interest	37	-	-	-
Severstal Trade, GmbH	Loan and interests	651	6,543	2018	12.52%
Severstal Trade, GmbH	Loan and interests	412	4,291	2019	12.52%
Melsonda Holding Ltd	Loan and interests	8	9,660	2022	6.55%
Gonvarri Argentina S.A	Loan and interests	354	-	-	-
Inmobiliaria Acek, S.L.	Fixed assets suppliers	25,010	-	-	-
Esymo-Metal, S.L.	Fixed assets suppliers	2	-	-	-
		51,159	73,179		

All amounts included in the table above have a single due date.

The interest accrued and not paid on the loans included in the table above amounts to 3,269 thousand euros.

The balance of fixed assets suppliers with Acek, Desarrollo y Gestión Industrial, S.L. correspond to the purchase of GESTAMP brand at December 31, 2014 and December 31, 2013.

b.3) Other borrowings

Other non-current financial liabilities

The breakdown of the amounts included under this heading, by company, nature, and maturity, at December 31, 2014 and December 31, 2013 is as follows:

	Thousands of euros						
Company	**2016**	**2017**	**2018**	**2019**	**Beyond**	**Total 2014**	**Total 2013**
Guarantees received	6				9	15	8
Gestamp Abrera, S.A.	6					6	-
Gestamp Kartek Co, Ltd					8	8	7
Gestamp Metalbages, S.A.					1	1	1
Loans from Ministry of Science and Technology	5,289	7,715	9,750	9,145	24,097	55,996	58,257
Gestamp Vigo, S.A	356	525	525	525	1,747	3,678	3,750
Gestamp Toledo, S.L	474	474	757	757	2,636	5,098	5,044
Gestamp Palencia, S.A	262	400	401	401	1,330	2,794	2,997
Gestamp Linares, S.A	181	181	145	70		577	830
Gestamp Galvanizados, S.A	34	34	34	34	99	235	221
Gestamp Metalbages, S.A.	75	339	337	335	1,412	2,498	2,527
Gestamp Navarra, S.A	632	2,184	3,791	3,407	3,273	13,287	13,356
Gestamp Manufactoring Autochasis S.L	50	277	274	272	1,132	2,005	1,985
Autotech Engineering, A.I.E	227	262	182	162	583	1,416	1,457
Gestamp Aragón, S.A.	313	301	289	278	1,152	2,333	2,517
Gestamp Abrera, S.A.	366	465	444	428	1,942	3,645	3,978
Gestamp Levante, S.L.	303	292	281	271	1,070	2,217	2,432
Gestamp Ingenieria Europa Sur, S.L.	28	28	28	29	81	194	-
Gestamp Solblank Navarra, S.L.	40	36	33	29	13	151	164
Loire Sociedad Anónima Franco Española					337	337	333
Gestamp Solblank Barcelona, S.A	89	82	412	395	1,880	2,858	2,927
Diede Die Developments S.L	233	167	149	84	337	970	745
Gestamp Bizkaia, S.A.	1,626	1,668	1,668	1,668	5,073	11,703	12,994
Other creditors	18,814	16,332	3,275	150	2,784	41,355	44,411
Gestamp Servicios, S.A	10,105	10,633				20,738	30,342
Gestamp Córdoba, S.A	130	83	97	114	397	821	-
Gestamp Automoción, S.A						-	1,000
SCI de Tournan en Brie					93	93	93
Gestamp Argentina, S.A					93	93	83
Gestamp Sweden, AB					4	4	4
Gestamp Aveiro, S.A	271	495	458			1,224	1,029
Gestamp Cerveira, Lda	1,374	914	651		409	3,348	3,208
Diede Die Developments S.L						-	896
Ocon Automated Systems S.L.						-	96
Edscha Subgroup	6,897	2,104	2,032		1,788	12,821	5,635
Gestamp Baires, S.A	37	37	37	36		147	206
Gestamp West Virginia, LlC		2,066				2,066	1,819
Total	24,109	24,047	13,025	9,295	26,890	97,366	102,676

On December 19, 2012, Gestamp Servicios, S.L. received a loan granted by International Bussiness Machine, S.A. amounting to 48,760 thousand euros. This loan accrues a market interest rate of 5.10% with quarterly due dates, being the last one on December 19, 2017.

The breakdown of maturity dates for the balances at December 31, 2013 is as follows:

Thousands of euros					
2013					
2015	2016	2017	2018	Beyond	Total
18,205	18,556	20,562	10,420	34,933	102,676

Other current financial liabilities

The amounts included under this heading by nature are as follows:

	Thousands of euros	
	2014	2013 Restated*
Fixed assets suppliers	98,334	95,306
Short term debts	18,336	16,562
Short term interests payable	38	547
Deposits and guarantees	137	118
Other	465	(189)
	117,310	112,344

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

b.4) Non-current derivatives

The fair value of interest rate and derivatives held for trading hedges contracted by the Group are recognized in the following headings of the Consolidated Balance Sheet:

	Thousands of euros	
Description	2014	2013 Restated*
Financial assets - derivatives	**5,863**	**63,756**
Others	5,863	63,756
Financial liabilities - derivatives	**47,404**	**96,960**
Derivatives held for trading	1,187	15,635
Cash flow hedges	40,354	17,569
Others	5,863	63,756

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5.

The breakdown of the fair value of the contracts is as follows:

		Thousands of euros			
		2014		2013	
Contract	Item	Asset	Liability	Asset	Liability
1	Cash flow	-	7,661	-	4,297
3	Cash flow	-	13,649	-	-
4	Cash flow	-	9,147	-	1,724
5	Cash flow	-	32	-	5,270
6	Cash flow	-	-	-	6,278
8	Cash flow	-	4,910	-	-
9	Cash flow	-	4,955	-	-
Total cash flow hedges			**40,354**	-	**17,569**
2	Derivatives held for trading	-	1,061	-	3,224
3	Derivatives held for trading	-	-	-	12,279
7	Derivatives held for trading	-	126	-	132
Total derivatives held for trading		-	**1,187**		**15,635**

The hedges in place at December 31, 2014 were as follows:

Contract 1

- In March 2013, with an effective date of April 2, 2013 the Company decided to restructure a pre-existent swap by selling an interest rate option on a fixed notional amount, as set out below:

Year	Notional amount
2015	140,000
2016	140,000
2017	140,000
2018	140,000

The nature of this agreement is the following:

The Company purchased a right to pay 1.77% and receive 3-month Euribor on the notional amount indicated above.

The maturity date for this contract is April 3, 2018.

Contract 2

- In July 2011, with an effective date of July 1, 2011, the Company was party to a swap agreement with a fixed notional amount, as set out below:

Year	Notional amount
2015	100,000

The nature of this agreement is the following:

The Company purchased a right to pay 2.17% and receive 3-month Euribor plus a differential referenced to the Spanish deflation rate on the notional amount indicated above.

The maturity date for this contract is July 1, 2015.

Contract 3

- In January 2014, with an effective date of December 31, 2013, the Company decided to restructure a pre-existent swap by selling an interest rate option on a fixed notional amount, as set out below:

Year	Notional amount
2015	320,000
2016	320,000
2017	320,000

The nature of this agreement is the following:

The Company purchased a right to pay 0.05% in 2014, 1.25% in 2015, 1.50% in 2016 and 1.75% in 2017 and receive 3-month Euribor on the notional amount indicated above.

The maturity date for contract is December 31, 2017.

Contract 4

- In January 2013, with an effective date of January 2, 2015, the Company was party to several swap agreements with a decreasing notional amount, as set out below:

Year	Notional amount
2015	233,505
2016	77,835

The nature of this agreement is the following:

The Company purchased a right to pay 2.30% less a differential referenced to European inflation and receive 3-month Euribor on the notional amount indicated above.

The maturity date for this contract is January 31, 2017.

Contract 5

- In March 2010, with an effective date of April 1, 2010, the Company was party to several swap agreements with a decreasing notional amount, as set out below:

Year	Notional amount
2015	192,500

The nature of this agreement is the following:

The Company purchased a right to pay 2.99% during 2014 and receive 3-month Euribor on the notional amount indicated above.

The maturity date for this contract is January 2, 2015.

Contract 6

- In March 2010, with an effective date of April 1, 2010, the Company was party to several swap agreements with a decreasing notional amount.

Although the maturity date of this contract was January 1, 2015 it was closed early.

Contract 7

- In August 2012, with an effective date of August 6, 2012, the subsidiary Gestamp Tallent Ltd. was party to a swap agreement with an decreasing notional amount in sterling pounds, as set out below:

Year	Notional amount
2015	14,000
2016	10,000

The nature of this agreement is the following:

The subsidiary Gestamp Tallent Ltd. purchased a right to pay 0.975% and receive 3-month Libor on the notional amount indicated above.

The maturity date for this contract is June 30, 2016.

Contract 8

- In March 2014, with an effective date of April 2, 2014, the Company was party to a swap agreement with a fixed notional amount, as set out below

Year	Notional amount
2015	110,000
2016	110,000
2017	110,000
2018	110,000

The nature of this agreement is the following:

The Company purchased a right to pay 1.26% and receive 3-month Euribor on the notional amount indicated above.

The maturity date for this contract is January 2, 2019.

Contract 9

- In March 2014, with an effective date of January 2, 2014, the Company was party to a swap agreement with a fixed notional amount, as set out below

Year	Notional amount
2015	110,000
2016	110,000
2017	110,000
2018	110,000

The nature of this agreement is the following:

The Company purchased a right to pay 1.27% and receive 3-month Euribor on the notional amount indicated above, only when 3-month Euribor is below 2.5%.

The maturity date for this contract is January 2, 2019.

"Others" includes the purchase option of the 60% shareholding of Essa Palau, S.A. for 3,000 thousand euros which has been fully impaired at December 31, 2014 and December 31, 2013, as well as the present value of implicit derivatives of exchange rates applicable to sales and purchases prices in certain customer and suppliers contracts.

At December 31, 2014, the Company arranged a strategy to hedge interest rate risk on notionals of the Group's estimated bank debt for the period from 2015 to 2018 via several interest rate swaps with the following current notional amounts:

Year	Current notional amount
2015	913,505
2016	757,835
2017	360,000
2018	220,000

The hedging arrangements outlined above qualify as effective hedges under IFRS hedge accounting criteria. Accordingly, changes in the fair value of the swaps are recognized in equity while the interest accrued is recognized in the Consolidated Income Statement.

The cash flows underlying the hedge are expected to affect profit or loss in the following years:

2014	
	Thousands of euros
2015	(16,510)
2016	(12,362)
2017	(10,083)
2018	(2,586)
	(41,541)

2013	
	Thousands of euros
2014	(19,484)
2015	(8,046)
2016	(3,991)
2017	(2,397)
2018	714
	(33,204)

At December 31, 2014 the Group has transferred from Equity to the Consolidated Income Statement the amount of approximately 11,935 thousand euros (expense) as a result of liquidations carried out in 2014 corresponding to cash flow (interest rate) hedges. In 2013, expense recognized on the same basis amounted to 22,015 thousand euros.

At December 31, 2014 the Group has recognized an income amounting to 2,178 thousand euros in the Consolidated Income Statement relating to derivatives held for trading, while during 2013 was recognized an income amounting to 3,032 thousand euros.

b.5) Net investment hedges

At December 31, 2014, the heading “Interest-bearing loans and borrowings” includes the bond issued by the subsidiary Gestamp Funding Luxembourg, S.A., amounting to 350 thousand US dollar classified as hedges in net investment in subsidiaries located in the United States.

This bond covers the Group exposure to the exchange rate risk of these investments. The gains and losses arising in the conversion of the bond are included in the consolidated equity under the heading Translation differences, to compensate the gains and losses due to the conversion of the net investment in the subsidiaries. The losses generated in the conversion of the debt (hedge instrument) included in the consolidated equity, amounts to 27,988 thousand euros (20,151 thousand euros in net amount).

The net investment in the subsidiaries includes the investment in equity of the subsidiaries and the loans granted to the subsidiaries in US dollar by Group which functional currency is Euro.

On May, 2013, the bond was issued in US dollar by Gestamp Funding Luxembourg, S.A, however the hedging relationship has not been stablished for accountancy purpose until January 1, 2014. At December 31, 2014 there is no hedge inefficiency.

21. Deferred Taxes

The changes in deferred tax assets and liabilities were as follows:

Deferred tax assets	Thousands of euros Tax credits	Reversal of start-up expenses	Fair value of property and buildings	Non-deductible provisions	Accelerated depreciation	Unrealized, non-deductible exchange gains (losses)	Other	Total
At January 1, 2013	**91,752**	**1,889**	**17,849**	**46,541**	**6,957**	**9,240**	**547**	**174,775**
Inclusion in scope								-
Increases	46,527	475		5,831	733	7,319	9,514	70,399
Decreases	(7,905)		(1)	(5,758)	(213)	(7,269)	(9,703)	(30,849)
Translation differences	57	(964)	(5)	(1,240)	(42)	(193)	(2,988)	(5,375)
Other	(10,549)	944	(177)	(1,972)	(845)	(282)	4,401	(8,480)
At December 31, 2013	**119,882**	**2,344**	**17,666**	**43,402**	**6,590**	**8,815**	**1,771**	**200,470**
Inclusion in scope								-
Increases	21,212	90		6,581	623	2,766	16,131	47,403
Decreases	(27,532)			(8,691)	(113)	(2,484)	(16,268)	(55,088)
Translation differences	3,189	(120)	(2)	855	15	(61)	968	4,844
Other	47,568	(1,491)	(480)	(5,067)	1,870	33	8,278	50,711
At December 31, 2014	**164,319**	**823**	**17,184**	**37,080**	**8,985**	**9,069**	**10,880**	**248,340**

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

Deferred tax liabilities	Thousands of euros Portfolio provisions - individual companies	Tax deduction - goodwill individual companies	Capitalization of expenses	Allocation to goodwill	Revaluation of land and buildings	Depreciation/ amortization	Other	Total
At January 31, 2013	**4,419**	**7,342**	**19,654**	**34,261**	**81,257**	**13,511**	**16,174**	**176,618**
Inclusion in scope								-
Increases	327	1,048	13,535		183	6,162	5,132	26,387
Decreases		(311)	(1,789)	(1,417)	(3,649)	(1,683)	(3,188)	(12,037)
Translation differences			(545)			(146)	(2,218)	(2,909)
Other movements		2,805	(899)	1,287	94	271	(12,707)	(9,149)
At December 31, 2013	**4,746**	**10,884**	**29,956**	**34,131**	**77,885**	**18,115**	**3,193**	**178,910**
Inclusion in scope	-							-
Increases		994	17,662	84		11,457	3,728	33,925
Decreases	(529)		(2,878)	(5,731)	(1,490)	(2,348)	(1,378)	(14,354)
Translation differences			185	(56)		4,879	506	5,514
Other movements	(1,329)	(351)	(191)	9,355	(6,933)	36,574	(6,025)	31,100
At December 31, 2014	**2,888**	**11,527**	**44,734**	**37,783**	**69,462**	**68,677**	**24**	**235,095**

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

The net amount recognized in Other movements at December 31, 2014 amounting to 19,611 thousand euros (asset), correspond mainly to the tax rates updating and adjustments from previous years. The movements recognized under the headings tax credits and deprecitation/amortization, correspond mainly to deferred tax reclassifications of assets and liabilities in 2014 by the subsidiary Gestamp North America, INC.

22. Trade and other payables

a) Trade payables

	Thousands of euros 2014	2013 Restated*
Trade accounts payable	689,604	608,401
Trade bills payable	89,055	56,084
Suppliers from Group companies (Note 29)	160,202	162,650
Suppliers from Associated companies (Note 29)	2,265	2,406
Trade creditors, Group companies (Note 29)	4,486	7,225
Trade creditors, Associated companies (Note 29)	-	170
	945,612	836,936

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

b) Other payables

	Thousands of euros	
	2014	2013 Restated*
VAT payable	48,127	44,618
Tax withholdings payable	18,539	21,370
Other items payable to the tax authorities	26,361	19,246
Payable to social security	23,490	22,276
Other payables	27,879	38,223
Outstanding remuneration	87,197	79,037
Advances received from clients	-	20,796
	231,593	245,566

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

23. Operating revenue

a) Revenue

The breakdown of revenue by category in 2014 and 2013 is as follows:

	Thousands of euros	
	2014	2013 Restated*
Parts, prototypes and components	5,565,547	5,186,659
Tools	415,432	406,021
Byproducts and containers	264,000	249,458
Services rendered	10,825	11,136
	6,255,804	5,853,274

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

The geographical breakdown of revenue was as follows:

	Thousands of euros		%	
	2014	**2013 Restated***	**2014**	**2013 Restated***
European Union	3,593,760	3,434,516	57%	59%
Home market	1,087,489	1,030,044	17%	18%
Other European Union countries	2,506,271	2,404,472	40%	41%
France	387,132	384,805		
Portugal	138,182	129,750		
Poland	118,005	124,409		
Hungary	49,917	48,733		
Slovakia	11,289	12,380		
Czech Republic	116,047	111,908		
United Kingdom	582,652	534,191		
Sweden	72,301	72,141		
Germany	1,030,746	986,155		
Other markets	2,662,044	2,418,758	43%	41%
America	1,556,419	1,474,744	25%	25%
Brazil	385,133	430,459		
Argentina	183,317	222,657		
Mexico	294,367	262,141		
USA	693,602	559,487		
Asia	739,821	553,758	12%	9%
India	121,934	97,708		
South Korea	87,283	54,458		
China	521,084	392,869		
Taiwan	-	1		
Japan	6,088	7,006		
Thailand	3,432	1,716		
Other	365,804	390,256	6%	7%
Russia	149,898	211,140		
Turkey	215,906	179,116		
TOTAL	6,255,804	5,853,274	100%	100%

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

b) Other operating income

	Thousands of euros	
	2014	**2013 Restated***
Other operating income	27,692	27,389
Grants related to income	3,861	7,281
Grants related to assets released to income for the year (Note 17)	5,388	5,155
Surplus provision for taxes	-	353
Surplus provision for environmental matters and other commitments	10,097	6,229
Surplus provision for restructuring	80	177
Own work capitalized	67,746	70,638
Other	11,691	16,121
Decrease of provisions (Note 18)	12,479	10,647
Other	(788)	5,474
	126,555	133,343

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

24. Operating expenses

a) Raw materials and other consumables

	Thousands of euros	
	2014	2013 Restated*
Purchases of goods and tools for resale	445,435	434,597
Discounts for prompt payment	(2,035)	(2,207)
Purchase returns and similar transactions	(3,483)	(6,501)
Volume discounts	(7,503)	(4,449)
Change in inventories (**)	(28,181)	11,162
Purchases of raw materials	2,740,494	2,457,654
Consumption of other supplies	491,781	411,420
Work performed by third parties	252,009	281,983
Impairment of goods for resale and raw materials (**)	2,538	5,801
Reversal of impairment of goods for resale and raw materials (**)	(5,283)	(6,763)
	3,885,772	3,582,697

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

**The total of this line items make a net consumption of raw materials amounting to 30,926 thousand euros (Note 11).

b) Personnel expenses

The breakdown of "Personnel expenses" in the Consolidated Income Statement is as follows:

	Thousands of euros	
	2014	2013 Restated*
Salaries	859,856	828,586
Social security	191,845	189,977
Other benefits expenses	73,233	49,767
	1,124,934	1,068,330

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

The breakdown of average headcount by professional level in 2014 and 2013 is as follows:

Professional level	2014	2013 Restated*
Directors/ Managers	725	728
Clerical, financial and IT department	1,240	1,506
Quality control deparment	1,782	1,745
Logistics department	2,520	2,381
Supply department	827	890
Technical department	3,075	2,350
Production foreman	1,125	2,790
Production workers	16,167	18,259
Other	3,712	587
	31,173	**31,236**

The breakdown of headcount by professional level at year end at December 31, 2014 and December 31, 2013 is as follows:

	2014		2013 Restated*	
Professional level	Males	Females	Males	Females
Directors/ Managers	645	99	661	85
Clerical, financial and IT department	619	671	888	616
Quality control deparment	1,559	254	1,522	283
Logistics department	2,197	327	2,076	342
Supply department	706	126	771	119
Technical department	3,059	265	2,502	161
Production foreman	1,087	55	2,572	191
Production workers	15,421	1,211	14,559	1,266
Other	2,872	573	2,553	356
	28,165	**3,581**	**28,104**	**3,419**

c) Other operating expenses

	Thousands of euros	
	2014	**2013 Restated***
Maintenance and upkeep	443,812	420,104
Other external services	271,898	282,547
Taxes and levies	24,408	28,514
Impairment of accounts receivable	(702)	1,562
Other	4,744	8,866
Losses and impairment of assets	1,379	-
Provision for risks and expenses	3,365	8,866
	744,160	741,593

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

Balance in "Other" in 2014 and 2013 corresponds to Edscha and Gestamp Metal Forming Subgroups related to provisions for litigations, employee contribution and others (Note 18).

25. Financial income and financial expenses

a) Financial income

	Thousands of euros	
	2014	**2013 Restated***
From current loans to third parties	395	283
Other financial income	8,023	16,640
Total from loans to Associated companies (Note 29)	1,179	1,575
From non-current loans to Associated companies	13	-
From current loans to Associates companies	1,166	1,575
	9,597	18,498

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

b) Financial expenses

	Thousands of euros	
	2014	**2013 Restated***
On bank borrowings	113,864	106,408
On trade bills with credit institutions	2,123	2,307
Other financial expenses	14,199	21,987
Total on borrowings from Group companies and associates (Note 29)	8,422	8,186
	138,608	138,888

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

26. Profit from discontinued operations

On December 26, 2013 the Group signed an agreement of intentions to sell the subsidiaries Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd, Sungwoo Gestamp Hitech Chennai, Ltd and GS Hot-Stamping Co. Ltd. so their assets and liabilities were classified as held for sale at December 31, 2013.

These companies were sold on April 11, 2014 (Note 2.a).

At December 31, 2014 the result of these companies (the result generated until the sale as well as the own result of the sale) has been classified as profit from discontinued operations according to the following breakdown:

	Thousands of euros			
	2014			
	Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd	Sungwoo Gestamp Hitech Chennai, Ltd	GS Hot Stamping, Co. Ltd	Total
Income from discontinued operations				
Profit (loss) from associates under equity method	(251)	(796)	-	(1,047)
Profit (loss) from the sale of discontinued operations	1,781	(4,073)	1,766	(526)
Net profit (loss) from discontinued operations	**1,530**	**(4,869)**	**1,766**	**(1,573)**

At December 31, 2014, the Group has no assets held for sale.

The breakdown of the heading Assets held for sale reclassified from Investments accounted for using equity method at December 31, 2013 is as follows:

	Thousands of euros			
	2013 Restated*			
	Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd	Sungwoo Gestamp Hitech Chennai, Ltd	GS Hot Stamping, Co. Ltd	Total
Assets held for sale				
Investments in associates accounted for using the equity method (Note 10.a))	**3,205**	**22,033**	**2,143**	**27,381**

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

27. Income tax

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

- From January 1, 2014 on, the Company choose to apply the special fiscal consolidation regime, regulated under Basque Regional Law 3/1996. The subsidiaries include in this fiscal group are Gestamp Bizkaia, S.A; Bero Tools, S.L.; Gestamp North Europe Services, S.L. and Loire S.A.F.E. During 2013 these subsidiaries filed their income tax returns separately.

- The subsidiaries Gestamp North America, Inc., Gestamp Alabama, Llc., Gestamp Mason, Llc., Gestamp Chattanooga, Llc., Gestamp South Carolina, Llc. and Gestamp West Virginia, Llc. file a tax return according to fiscal transparency system.

- The subsidiaries Gestamp 2008, S.L., Edscha Santander, S.L. and Edscha Burgos, S.L. file a consolidated tax return.

- The subsidiaries Gestamp Global Tooling, S.L., Matricerías Deusto, S.L., Adral, Matricería y Puesta a punto, S.L, Gestamp Tool Hardening, S.L. and Gestamp Try Out Services, S.L. file a consolidated tax return.

- The subsidiaries Griwe Innovative Umfortechnik, 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 file a tax return according to 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 taxes in 2014 and 2013, in thousands of euros, is as follows:

	Thousands of euros	
	2014	**2013**
Current tax expense	57,805	48,385
Deferred tax	9,832	(16,832)
Other income tax adjustments	(7,347)	(1,952)
	60,290	**29,601**

Tax expense was calculated based on accounting profit before taxes, as shown below:

	Thousands of euros	
	2014	**2013**
Accounting profit (before taxes)	**190,674**	**135,255**
Theoretical tax expense	57,202	40,577
Differences in prevailing rates	3,409	2,791
Permanent differences	14,844	(46,139)
Deductions and tax credits previously not recognized	(12,293)	(19,264)
Statute-barred tax credits	23,232	39,360
Current income tax of prior years adjustments	(20,380)	12,276
Tax rate adjustments in Spain	(5,724)	-
Tax expense (tax income)	**60,290**	**29,601**

The theoretical tax rate applied is 30% in 2014 and 2013.

"Differences in prevailing rates" in 2014 and 2013 reflects the differences between prevailing rates in certain operating markets and the theoretical applicable rate, mainly relating to operations taxed in the United States (38.76%), Brazil (34%), and Argentina (35%).

The Permanent differences in 2014 and 2013 reflect mainly inflation adjustments, fiscal transparency, nondeductible differences in exchange rates, nondeductible expenses, and those differences generated in the consolidation process.

The Tax rate adjustments in Spain, reflect the appliance of law 27/2014, approved on November 27, for Corporate Income Tax in Spain, that has modified the general tax rate, from the present tax rate of 30%, to the 2015 tax rate of 28% and beyond of 2015 tax rate of 25%. Previous deferred tax assets and liabilities have been adjusted according to the tax rate changes at the reversion date.

At December 31, 2014 the conversion to euros of tax loss carried forwards in other currencies, calculated at the exchange rates prevailing on that date, amounted to 813 million euros (2013: 912 million euros).

At December 31, 2014 the conversion to euros of unused tax credits carried forward in other currencies calculated at the exchange rates prevailing on that date, amounted to 134 million euros (2013: 100 million euros).

At year end 2014 and 2013, the Group had capitalized unused tax losses and tax credits that it expects to be able to utilize in future periods based on earnings projections and the deadlines and limits for their utilization.

At December 31, 2014, the Group had capitalized tax credits for a total of 164 million euros of unused tax losses and unused tax credits (2013: 120 million euros) (Note 21).

The unused tax losses and unused tax credits at December 31, 2014 whose corresponding tax credit has not been registered amount to 474 million euros (2013: 745 million euros). From that amount, 314 million euros have limitation period for their utilization between 2015 and 2033 (2013: 381 million euros with limitation period between 2014 and 2032) and the rest have no limitation period.

The majority of Group companies are open to inspection of all taxes to which they are liable and for the full statute of limitations period (4 years from filing date for all Spanish companies except for those with registered offices in the Basque Country for which the period is three years, and five years, as a rule, for companies based abroad), or since the date of incorporation, if more recent.

Management of the Company and its subsidiaries calculated income tax for 2014 and the years open for inspection according to the legislation prevailing in each year. Given that the prevailing tax regulations related to the above mentioned matters are subject to varying interpretations, certain tax liabilities and contingencies may exist for 2014 and previous years that cannot be objectively quantified. However, the Group's directors and their legal and tax advisors consider that any potential tax liability which might arise would not significantly affect the accompanying Consolidated Financial Statements.

28. <u>Contingent liabilities and commitments</u>

The Company is joint guarantor, together with other companies from Gestamp Automoción Group, of a loan for 125 million euros granted to its majority shareholder, Acek, Desarrollo y Gestión Industrial, S.L. on June 27, 2011. Additionally, the pledge of shares of 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 is also set.

This loan was paid out on August 4, 2014. At December 31, 2013, 90 million euros had been drawn down and none of the financial covenants stipulated in the loan agreement had been breached.

The Company and some companies from Gestamp Automoción Group are joint guarantor of an additional loan for 50 million euros granted on November 17, 2011 to the company Acek, Desarrollo y Gestión Industrial, S.L. Additionally, the pledge of shares of 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 is also set.

This loan was paid out on August 4, 2014. At December 31, 2013 32 million euros had been drawn down and none of the financial covenants stipulated in the loan agreement had been breached.

The Group companies have not provided liens to third parties for significant amounts other than the Griwe Subgroup PP&E items pledged to guarantee repayment of the loans they were granted (Note 9) or other non-current borrowings.

Operating lease commitments

The Group is a lessee of buildings, warehouses, machinery and vehicles. The lease expenses charged to the December 31, 2014 Consolidated Income Statement amount to 69,101 thousand euros (December 31, 2013: 55,414 thousand euros) and the breakdown by country is as follows:

	Thousands of euros	
	2014	2013 Restated*
Spain	16,637	13,966
Germany	11,917	9,466
USA	7,190	6,276
Mexico	5,885	2,420
United Kingdom	5,915	4,193
France	3,063	3,103
China	3,227	2,948
Brazil	2,940	2,917
Portugal	1,828	1,842
Sweden	1,747	1,591
Russia	1,349	1,149
Turkey	2,879	2,060
Poland	1,081	813
Argentina	662	590
Czech Republic	473	522
Hungary	732	462
India	762	575
South Korea	564	249
Japan	161	187
Slovakia	23	50
Luxembourg	44	23
Thailand	22	12
	69,101	55,414

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

Total future minimum payments for operating leases at December 31, 2014 and December 31, 2013 are as follows:

	Thousands of euros		
	Future minimun payments		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Spain	20,540	64,426	30,123
USA	6,512	27,201	26,154
United Kingdom	11,282	26,937	51,130
Mexico	17,541	74,297	17,026
Germany	6,280	11,406	268
Turkey	704	2,672	3,340
Portugal	1,358	3,448	-
France	2,714	911	-
Russia	347	1,987	-
China	3,040	-	-
Brazil	1,873	-	-
Poland	476	490	-
Sweden	1,399	1,712	-
Czech Republic	129	246	-
Japan	177	190	-
Argentina	7	33	-
India	181	247	-
Slovakia	1	-	-
Total 2014	**74,561**	**216,203**	**128,041**

	Thousands of euros		
	Future minimun payments		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Total 2013 Restated*	**56,800**	**187,064**	**132,880**

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

29. Related party transactions

29.1 Balances and transactions with Related Parties

At December 31, 2014 and December 31, 2013 the amounts payable to and receivable from Related Parties and transactions carried out with Related Parties were as follows:

	Thousands of euros	
	2014	2013
Balances receivable	51,738	37,493
Balances payable	(291,291)	(382,911)
Revenue		
Sales of goods	175,050	140,797
Services rendered	3,048	3,213
Financial income	1,179	1,575
Expenses		
Purchases	941,653	937,630
Services received	8,926	8,752
Financial expenses	8,422	8,184

The breakdown of receivables from and payables to Related Parties at December 31, 2014 is as follows:

Company	Item	Thousands of euros	
		Amounts receivable	Amounts payable
Acek, Desarrollo y Gestión Industrial, S.L.	Current account	-	(399)
Total Current Account			(399)
Mitsui &Co., Ltd	Non-current loans	-	(18,054)
Gonvarri Corporación Financiera, S.L.	Non-current loans	-	(7,438)
Severstal Trade GesmbH	Non-current loans	-	(10,834)
Melsonda Holdings Ltd.	Non-current loans	-	(9,660)
Gonvarri Argentina, S.A	Current loans	-	(354)
Gonvarri Corporación Financiera, S.L.	Current loans	-	(21,263)
Total Loans			(67,603)
Gonvarri I. Centro Servicios, S.L.	Current interest payable	-	(36)
Acek, Desarrollo y Gestión Industrial, S.L.	Current interest payable	-	(1,379)
Severstal Trade GmbH	Current interest payable	-	(1,064)
Melsonda Holdings Ltd.	Current interest payable	-	(9)
Gonvarri Corporación Financiera, S.L.	Current interest payable	-	(782)
Total interest payable			(3,270)
Esymo Metal, S.L.	Non-current loans	1,440	-
Essa Palau, S.A.	Non-current loans	4,000	-
Gestión Global de Matricería, S.L.	Non-current loans	24,628	-
Esymo Metal, S.L.	Current loans	978	-
Gonvarri Argentina S.A.	Current loans	673	-
Essa Palau, S.A.	Current loans	3,000	-
Essa Palau, S.A.	Current interest receivable	243	-
Acek, Desarrollo y Gestión Industrial, S.L.	Current interest receivable	3	-
Gestión Global de Matricería, S.L.	Current interest receivable	12	-
Total loans and interest receivable		34,977	
Gescrap Navarra, S.L.	Trade receivables from Group companies	676	-
Gescrap, S.L.	Trade receivables from Group companies	6,356	-
Gescrap Polska SPZ00	Trade receivables from Group companies	1,097	-
Gescrap Desarrollo, S.L.	Trade receivables from Group companies	1,174	-
Gescrap France S.A.R.L.	Trade receivables from Group companies	1,676	-
Gescrap Centro, S.L	Trade receivables from Group companies	419	-
Gonvarri I. Centro Servicios, S.L.	Trade receivables from Group companies	496	-
Gonvarri Galicia, SA	Trade receivables from Group companies	645	-
Gonvauto Navarra, SA	Trade receivables from Group companies	199	-
Gonvauto Puebla S.A. de C.V.	Trade receivables from Group companies	28	-
Gonvauto Thuringen, GMBH	Trade receivables from Group companies	740	-
Gonvauto, SA	Trade receivables from Group companies	1,054	-
Hierros y Aplanaciones, SA	Trade receivables from Group companies	24	-
Gonvarri Corporación Financiera, S.L.	Trade receivables from Group companies	124	-
Severstal Gonvarri Kaluga, LLC	Trade receivables from Group companies	1	-
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	Trade receivables from Group companies	77	-
Sungwoo Gestamp Hitech Pune Private, Ltd.	Trade receivables from Group companies	56	-
Esymo Metal, S.L.	Trade receivables from Group companies	16	-
Essa Palau, S.A.	Trade receivables from Group companies	1,420	-
Ingeniería y Construcción Matrices, S.A.	Trade receivables from Group companies	121	-
IxCxT, S.A.	Trade receivables from Group companies	4	-
Gestión Global de Matricería, S.L.	Trade receivables from Group companies	235	-
GGM Puebla, S.A. de C.V.	Trade receivables from Group companies	115	-
Inmobiliaria Acek, S.L.	Trade receivables from Group companies	8	-
Total Trade receivables from Group companies (Note 12.a)		16,761	
Agricola La Veguilla, S.A.	Suppliers from Group companies	-	(18)
Acek, Desarrollo y Gestión Industrial, S.L.	Suppliers from Group companies	-	(313)
Gonvarri I. Centro Servicios S.L.	Suppliers from Group companies	-	(33,043)
Arcelormittal Gonvarri Brasil Prod. Siderúrgicos	Suppliers from Group companies	-	(591)
Gonvarri Galicia, SA	Suppliers from Group companies	-	(9,807)
Hierros y Aplanaciones, SA	Suppliers from Group companies	-	(71)
Gonvarri Ptos. Siderúrgicos, SA	Suppliers from Group companies	-	(10,282)
Gonvauto Navarra, SA	Suppliers from Group companies	-	(4,790)
Gonvauto Puebla S.A. de C.V.	Suppliers from Group companies	-	(24,430)
Gonvauto Thuringen, GMBH	Suppliers from Group companies	-	(4,769)
Gonvauto, SA	Suppliers from Group companies	-	(20,084)
Gonvarri Argentina S.A.	Suppliers from Group companies	-	(8,374)
Gestión Global de Matricería, S.L.	Suppliers from Group companies	-	(124)
Ind. Ferrodistribuidora, S.L.	Suppliers from Group companies	-	787
Severstal Gonvarri Kaluga, LLC	Suppliers from Group companies	-	(14)
Gonvarri Polska, SP, ZOO.	Suppliers from Group companies	-	(8,501)
Steel & Alloy	Suppliers from Group companies	-	(12,349)
Gonvarri Tarragona, S.L.	Suppliers from Group companies	-	(1,026)
Gonvauto Asturias	Suppliers from Group companies	-	(183)
Air Executive, S.L.	Suppliers from Group companies	-	(144)
Inmobiliaria Acek, S.L.	Suppliers from Group companies	-	(270)
Gescrap Navarra, S.L.	Suppliers from Group companies	-	(4)
Gescrap, S.L.	Suppliers from Group companies	-	(18)
Gescrap Polska SPZ00	Suppliers from Group companies	-	(4)
Esymo Metal, S.L.	Suppliers from Group companies	-	(1,584)
Essa Palau, S.A.	Suppliers from Group companies	-	(16,969)
Ingeniería y Construcción Matrices, S.A.	Suppliers from Group companies	-	(592)
GGM Puebla, S.A. de C.V.	Suppliers from Group companies	-	(28)
Arcelor Group	Suppliers from Group companies	-	(2,607)
Total Suppliers from Group companies (Note 22.a)			(160,202)
Arcelor Group	Suppliers from Associated companies	-	(2,265)
Total Suppliers from Associated companies (Note 22.a)			(2,265)
Severstal Gonvarri Kaluga, LLC	Trade creditors, Group companies	-	(4,486)
Total Trade creditors, Group companies (Note 22.a)			(4,486)
Acek, Desarrollo y Gestión Industrial, S.L.	Long term fixed assets suppliers, Group companies	-	(27,193)
Acek, Desarrollo y Gestión Industrial, S.L.	Short term fixed assets suppliers, Group companies	-	(861)
Esymo Metal, S.L.	Short term fixed assets suppliers, Group companies	-	(2)
Inmobiliaria Acek, S.L.	Short term fixed assets suppliers	-	(25,010)
Total Fixed assets suppliers			(53,066)
		51,738	(291,291)

The breakdown of receivables from and payables to Related Parties at December 31, 2013 were as follows:

Company	Item	Thousands of euros Amounts receivable	Amounts payable
Acek, Desarrollo y Gestión Industrial, S.L.	Current account		(124,571)
Gonvarri Corporación Financiera, S.L.	Non-current loans	-	(35,700)
Severstal Trade GesmbH	Non-current loans	-	(11,542)
Melsonda Holdings Ltd.	Non-current loans	-	(6,265)
Total Loans			(53,507)
Gonvarri Corporación Financiera, S.L.	Current interest payable	-	(975)
Acek, Desarrollo y Gestión Industrial, S.L.	Current interest payable	-	(1,419)
Severstal Trade GmbH	Current interest payable	-	(1,121)
Melsonda Holdings Ltd.	Current interest payable	-	(5)
Total interest payable			(3,520)
Esymo Metal, S.L.	Non-current loans	2,418	-
Essa Palau, S.A.	Non-current loans	4,000	-
GS Hot Stamping, Ltd.	Non-current loans	3,553	-
Shrenik Industries Private Ltd.	Non-current loans	2,590	-
Gonvarri Argentina S.A.	Current loans	4,441	-
Essa Palau, S.A.	Current interest receivable	162	-
Total loans and interest receivable		17,164	
Acek, Desarrollo y Gestión Industrial, S.L.	Trade receivables from Group companies	119	-
Inmobiliaria Acek, S.L.	Trade receivables from Group companies	8	-
Gescrap Centro, S.L.	Trade receivables from Group companies	458	-
Gescrap Navarra, S.L.	Trade receivables from Group companies	691	-
Gescrap, S.L.	Trade receivables from Group companies	6,755	-
Gescrap Polska SPZ00	Trade receivables from Group companies	618	-
Gescrap Desarrollo, S.L.	Trade receivables from Group companies	686	-
Gescrap France S.A.R.L.	Trade receivables from Group companies	592	-
Gonvarri I. Centro Servicios, S.L.	Trade receivables from Group companies	294	-
Gonvarri Galicia, SA	Trade receivables from Group companies	885	-
Gonvauto Navarra, SA	Trade receivables from Group companies	393	-
Gonvauto Puebla S.A. de C.V.	Trade receivables from Group companies	96	-
Gonvauto Thuringen, GMBH	Trade receivables from Group companies	637	-
Gonvauto, SA	Trade receivables from Group companies	2,207	-
Gonvarri Solar Steel S.L.	Trade receivables from Group companies	176	-
Gonvarri Polska, SP, ZOO.	Trade receivables from Group companies	18	-
Severstal Gonvarri Kaluga, LLC	Trade receivables from Group companies	9	-
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	Trade receivables from Group companies	149	-
Jui Li Edscha Body Systems	Trade receivables from Group companies	4	-
Sungwoo Gestamp Hitech Pune Private, Ltd.	Trade receivables from Group companies	56	-
Sungwoo Gestamp Hitech Chennai, Ltd.	Trade receivables from Group companies	1,122	-
Gestamp Sungwoo Hitech Chennai Private Ltd.	Trade receivables from Group companies	1,545	-
Esymo Metal, S.L.	Trade receivables from Group companies	33	-
GS Hot Stamping, Ltd.	Trade receivables from Group companies	617	-
Essa Palau, S.A.	Trade receivables from Group companies	748	-
Ingeniería y Construcción Matrices, S.A.	Trade receivables from Group companies	1,352	-
IxCxT, S.A.	Trade receivables from Group companies	5	-
Arcelor Group	Trade receivables from Group companies	56	-
Total Trade receivables from Group companies (Note 12.a)		20,329	
Gescrap Navarra, S.L.	Suppliers from Group companies	-	(4)
Gescrap Centro, S.L.	Suppliers from Group companies	-	(6)
Gescrap Polska SPZ00	Suppliers from Group companies	-	(2)
Agricola La Veguilla, S.A.	Suppliers from Group companies	-	(18)
Acek, Desarrollo y Gestión Industrial, S.L.	Suppliers from Group companies	-	(2,833)
Gonvarri I. Centro Servicios S.L.	Suppliers from Group companies	-	(62,771)
Arcelormittal Gonvarri Brasil Prod. Siderúrgicos	Suppliers from Group companies	-	(65)
Gonvarri Galicia, SA	Suppliers from Group companies	-	(11,265)
Hierros y Aplanaciones, SA	Suppliers from Group companies	-	(667)
Gonvarri Ptos. Siderúrgicos, SA	Suppliers from Group companies	-	(10,837)
Gonvauto Navarra, SA	Suppliers from Group companies	-	(6,932)
Gonvauto Puebla S.A. de C.V.	Suppliers from Group companies	-	(6,588)
Gonvauto Thuringen, GMBH	Suppliers from Group companies	-	(4,546)
Gonvauto, SA	Suppliers from Group companies	-	(13,392)
Gonvarri Argentina S.A.	Suppliers from Group companies	-	(4,691)
Ind. Ferrodistribuidora, S.L.	Suppliers from Group companies	-	(2,258)
Severstal Gonvarri Kaluga, LLC	Suppliers from Group companies	-	(713)
Gonvarri Polska, SP, ZOO.	Suppliers from Group companies	-	(9,811)
Steel & Alloy	Suppliers from Group companies	-	(11,972)
Gonvarri Tarragona, S.L.	Suppliers from Group companies	-	(4)
Inmobiliaria Acek, S.L.	Suppliers from Group companies	-	(224)
Air Executive, S.L.	Suppliers from Group companies	-	(24)
Esymo Metal, S.L.	Suppliers from Group companies	-	(829)
Essa Palau, S.A.	Suppliers from Group companies	-	(4,935)
Ingeniería y Construcción Matrices, S.A.	Suppliers from Group companies	-	(560)
GS Hot Stamping, Ltd.	Suppliers from Group companies	-	(7)
Arcelor Group	Suppliers from Group companies	-	(6,696)
Total Suppliers from Group companies (Note 22.a)			(162,650)
Steel & Alloy	Suppliers from Associated companies	-	(854)
Acek, Desarrollo y Gestión Industrial, S.L.	Suppliers from Associated companies	-	(20)
Arcelor Group	Suppliers from Associated companies	-	(1,532)
Total Suppliers from Associated companies (Note 22.a)			(2,406)
Severstal Gonvarri Kaluga, LLC	Trade creditors, Group companies	-	(6,628)
Gestamp Sungwoo Hitech Chennai Private Ltd.	Trade creditors, Group companies	-	(597)
Total Trade creditors, Group companies (Note 22.a)			(7,225)
Sungwoo Hitech Company Ltd. Korea	Trade creditors, Associated companies	-	(170)
Total Trade creditors, Associated companies (Note 22.a)			(170)
Acek, Desarrollo y Gestión Industrial, S.L.	Long term fixed assets suppliers	-	(28,054)
Acek, Desarrollo y Gestión Industrial, S.L.	Short term fixed assets suppliers	-	(808)
Total Fixed assets suppliers			(28,862)
		37,493	(382,911)

In addition, the breakdown of transactions carried out with Related Parties during the period ended December 31, 2014 was as follows:

Company	Group	Transaction	Thousands of euros
Acek, Desarrollo y Gestión Industrial, S.L.	Parent company	Sales	(10)
Gescrap, S.L.	Acek, Desarrollo y Gestión Industrial	Sales	(61,749)
Gescrap Navarra, S.L.	Acek, Desarrollo y Gestión Industrial	Sales	(5,009)
Gescrap Polska SPZ00	Acek, Desarrollo y Gestión Industrial	Sales	(10,333)
Gescrap France S.A.R.L.	Acek, Desarrollo y Gestión Industrial	Sales	(5,109)
Gescrap Autometal Comercio de Sucata S.A.	Acek, Desarrollo y Gestión Industrial	Sales	(10,517)
Gescrap Autometal México, S.A. de C.V.	Acek, Desarrollo y Gestión Industrial	Sales	(17,178)
Gonvarri Galicia, SA	Acek, Desarrollo y Gestión Industrial	Sales	(5,935)
Gonvarri Polska, SP, ZOO.	Acek, Desarrollo y Gestión Industrial	Sales	(1,170)
Gonvarri I. Centro Servicios, S.L.	Acek, Desarrollo y Gestión Industrial	Sales	(2,459)
Gonvauto Navarra, SA	Acek, Desarrollo y Gestión Industrial	Sales	(7,709)
Gonvauto, SA	Acek, Desarrollo y Gestión Industrial	Sales	(30,316)
Gonvauto Asturias	Acek, Desarrollo y Gestión Industrial	Sales	(1)
Gonvarri Argentina S.A.	Acek, Desarrollo y Gestión Industrial	Sales	(2)
Gonvauto Thuringen, GMBH	Acek, Desarrollo y Gestión Industrial	Sales	(20)
Gonvarri Corporación Financiera, S.L.	Acek, Desarrollo y Gestión Industrial	Sales	-
Gonvarri MS Corporate, S.L	Acek, Desarrollo y Gestión Industrial	Sales	(34)
Gonvauto Puebla S.A. de C.V.	Acek, Desarrollo y Gestión Industrial	Sales	(193)
Gonvarri Ptos. Siderúrgicos, S.A	Acek, Desarrollo y Gestión Industrial	Sales	(19)
Gescrap Centro, S.L	Acek, Desarrollo y Gestión Industrial	Sales	(3,027)
Ingeniería y Construcción Matrices, S.A.	-	Sales	97
Gestamp Global Mexico	-	Sales	(2,110)
Severstal Gonvarri Kaluga, Llc	-	Sales	(28)
Essa Palau, S.A.	-	Sales	(3,742)
Gestión Global de Matricería, S.L.	-	Sales	(8,477)
Total Sales			(175,050)
Acek, Desarrollo y Gestión Industrial, S.L.	Parent company	Services rendered	(11)
Gonvauto Puebla S.A. de C.V.	Acek, Desarrollo y Gestión Industrial	Services rendered	(55)
Gonvarri Polska, SP, ZOO.	Acek, Desarrollo y Gestión Industrial	Services rendered	(20)
Gonvarri Corporación Financiera, S.L.	Acek, Desarrollo y Gestión Industrial	Services rendered	(170)
Gonvarri Ptos. Siderúrgicos, S.A	Acek, Desarrollo y Gestión Industrial	Services rendered	1
Steel & Alloy	Acek, Desarrollo y Gestión Industrial	Services rendered	(21)
Inmobiliaria Acek S.L.	Acek, Desarrollo y Gestión Industrial	Services rendered	(51)
Esymo Metal, S.L.	-	Services rendered	(89)
Gescrap France S.A.R.L.	Acek, Desarrollo y Gestión Industrial	Services rendered	(48)
Gonvarri I. Centro Servicios, S.L.	Acek, Desarrollo y Gestión Industrial	Services rendered	(38)
Gestamp Global Mexico	Acek, Desarrollo y Gestión Industrial	Services rendered	(54)
Gestamp Polska SPZ00	Acek, Desarrollo y Gestión Industrial	Services rendered	(2)
Gestamp Energías Renovables	Acek, Desarrollo y Gestión Industrial	Services rendered	(70)
Gescrap Autometal México, S.A. de C.V.	Acek, Desarrollo y Gestión Industrial	Services rendered	(3)
Essa Palau, S.A.	-	Services rendered	(439)
Reimasa	Acek, Desarrollo y Gestión Industrial	Services rendered	(48)
Gestión Global de Matricería, S.L.	-	Services rendered	(43)
IxCxT, S.A	-	Services rendered	1
Jui Li Edscha Body System y dependientes	-	Services rendered	(26)
Ingeniería y Construcción Matrices, S.A.	-	Services rendered	(1,862)
Total Services rendered			(3,048)
Acek, Desarrollo y Gestión Industrial, S.L.	Parent company	Financial income	(140)
Esymo Metal, S.L.	-	Financial income	(43)
Essa Palau, S.A.	-	Financial income	(169)
Jeff Wilson	-	Financial income	(16)
Gonvarri Argentina S.A.	Acek, Desarrollo y Gestión Industrial	Financial income	(705)
Shrenik Industries Private Ltd.	Acek, Desarrollo y Gestión Industrial	Financial income	(106)
Total Financial income			(1,179)

Company	Group	Transaction	Thousands of euros
Acek, Desarrollo y Gestión Industrial, S.L.	Parent company	Purchases	4
Gonvarri Galicia, SA	Acek, Desarrollo y Gestión Industrial	Purchases	59,069
Gonvarri I. Centro Servicios, S.L.	Acek, Desarrollo y Gestión Industrial	Purchases	173,283
Gonvarri Polska, SP, ZOO.	Acek, Desarrollo y Gestión Industrial	Purchases	57,717
Gonvarri Tarragona, S.L.	Acek, Desarrollo y Gestión Industrial	Purchases	4,799
Gonvarri Ptos. Siderúrgicos, SA	Acek, Desarrollo y Gestión Industrial	Purchases	30,594
Hierros y Aplanaciones, SA	Acek, Desarrollo y Gestión Industrial	Purchases	72
Ind. Ferrodistribuidora, S.L.	Acek, Desarrollo y Gestión Industrial	Purchases	1,786
Gonvauto Navarra, SA	Acek, Desarrollo y Gestión Industrial	Purchases	17,632
Gonvauto Puebla S.A. de C.V.	Acek, Desarrollo y Gestión Industrial	Purchases	54,823
Gestamp Global México	Acek, Desarrollo y Gestión Industrial	Purchases	23
Gonvauto Thuringen, GMBH	Acek, Desarrollo y Gestión Industrial	Purchases	70,967
Gonvarri Argentina S.A.	Acek, Desarrollo y Gestión Industrial	Purchases	49,715
Gonvauto, SA	Acek, Desarrollo y Gestión Industrial	Purchases	72,195
Severstal Gonvarri Kaluga, LLC	Acek, Desarrollo y Gestión Industrial	Purchases	61,303
Steel & Alloy	Acek, Desarrollo y Gestión Industrial	Purchases	68,732
Gonvauto Asturias S.L.	Acek, Desarrollo y Gestión Industrial	Purchases	172
Gescrap Navarra, S.L.	Acek, Desarrollo y Gestión Industrial	Purchases	769
Gescrap, S.L.	Acek, Desarrollo y Gestión Industrial	Purchases	231
Arcelormilttal Gonvarri Brasil Ptos. Siderúrgicos, S.A	-	Purchases	7,517
Esymo Metal, S.L	-	Purchases	2,839
Essa Palau, S.A.	-	Purchases	48,193
Ingeniería y Construcción Matrices, S.A.	-	Purchases	7,610
Arcelor Group	-	Purchases	151,608
Total Purchases			941,653
Acek, Desarrollo y Gestión Industrial, S.L.	Parent company	Services received	2,611
Gescrap Navarra, S.L.	Acek, Desarrollo y Gestión Industrial	Services received	11
Gescrap Polska SPZ00	Acek, Desarrollo y Gestión Industrial	Services received	17
Gonvauto, SA	Acek, Desarrollo y Gestión Industrial	Services received	39
Gonvauto Puebla S.A. de C.V.	Acek, Desarrollo y Gestión Industrial	Services received	83
Gonvarri I. Centro Servicios, S.L.	Acek, Desarrollo y Gestión Industrial	Services received	(31)
Gonvarri Corporación Financiera, S.L.	Acek, Desarrollo y Gestión Industrial	Services received	2
Gonvarri Galicia, SA	Acek, Desarrollo y Gestión Industrial	Services received	(1)
Gonvarri Ptos. Siderúrgicos, SA	Acek, Desarrollo y Gestión Industrial	Services received	260
Inmobiliaria Acek S.L.	Acek, Desarrollo y Gestión Industrial	Services received	3,849
Air Executive, S.L.	Acek, Desarrollo y Gestión Industrial	Services received	1,289
Agricola La Veguilla, S.A	Acek, Desarrollo y Gestión Industrial	Services received	125
Gonvarri Polska, SP, ZOO.	Acek, Desarrollo y Gestión Industrial	Services received	(1)
Gestamp Eólica	Acek, Desarrollo y Gestión Industrial	Services received	1
Gestamp Solar	Acek, Desarrollo y Gestión Industrial	Services received	(207)
Essa Palau, S.A.	-	Services received	(69)
Gestamp Global México	-	Services received	101
Arcelor Group	-	Services received	(11)
Ingeniería y Construcción Matrices, S.A.	-	Services received	528
Esymo Metal, S.L	-	Services received	328
Ind. Ferrodistribuidora, S.L.	Acek, Desarrollo y Gestión Industrial	Services received	2
Total Services received			8,926
Acek, Desarrollo y Gestión Industrial, S.L.	Parent company	Financial expenses	3,804
Gonvarri Galicia, SA	Acek, Desarrollo y Gestión Industrial	Financial expenses	60
Gonvarri Corporación Financiera, S.L.	Acek, Desarrollo y Gestión Industrial	Financial expenses	1,737
Gonvarri Argentina S.A.	Acek, Desarrollo y Gestión Industrial	Financial expenses	337
Gonvarri I. Centro Servicios, S.L.	Acek, Desarrollo y Gestión Industrial	Financial expenses	114
Gonvarri Ptos. Siderúrgicos, SA	Acek, Desarrollo y Gestión Industrial	Financial expenses	82
Gescrap Navarra, S.L.	Acek, Desarrollo y Gestión Industrial	Financial expenses	1
Gonvauto Navarra, SA	Acek, Desarrollo y Gestión Industrial	Financial expenses	22
Gonvauto, SA	Acek, Desarrollo y Gestión Industrial	Financial expenses	229
Ind. Ferrodistribuidora, S.L.	Acek, Desarrollo y Gestión Industrial	Financial expenses	1
Mitsui & Co, Ltd	-	Financial expenses	8
Severstal Trade GesmbH	-	Financial expenses	1,353
Melsonda Holdings Ltd.	-	Financial expenses	674
Total Financial expenses			8,422

In addition, the breakdown of transactions carried out with Related Parties during the year 2013 was as follows:

Company	Group	Transaction	Thousands of euros
Gescrap, S.L.	Acek, Desarrollo y Gestión Industrial	Sales	(43,792)
Gescrap Centro, S.L.	Acek, Desarrollo y Gestión Industrial	Sales	(3,479)
Gescrap Navarra, S.L.	Acek, Desarrollo y Gestión Industrial	Sales	(4,886)
Gescrap Polska SPZ00	Acek, Desarrollo y Gestión Industrial	Sales	(10,716)
Gescrap Desarrollo, S.L.	Acek, Desarrollo y Gestión Industrial	Sales	(6,830)
Gescrap France S.A.R.L.	Acek, Desarrollo y Gestión Industrial	Sales	(5,161)
Gescrap Autometal Comercio de Sucata S.A.	Acek, Desarrollo y Gestión Industrial	Sales	(6,129)
Arcelormittal Gonvarri Brasil Pdtos. Siderurgicos, S.A.	Acek, Desarrollo y Gestión Industrial	Sales	(16)
Gonvarri Galicia, SA	Acek, Desarrollo y Gestión Industrial	Sales	(6,540)
Gonvarri Polska, SP, ZOO.	Acek, Desarrollo y Gestión Industrial	Sales	(1,111)
Gonvarri I. Centro Servicios, S.L.	Acek, Desarrollo y Gestión Industrial	Sales	(4,659)
Gonvauto Navarra, SA	Acek, Desarrollo y Gestión Industrial	Sales	(8,996)
Gonvauto, SA	Acek, Desarrollo y Gestión Industrial	Sales	(37,691)
Gestamp Solar Steel S.L.	Acek, Desarrollo y Gestión Industrial	Sales	140
Gonvarri Burgos	Acek, Desarrollo y Gestión Industrial	Sales	(14)
Gonvauto Thuringen, GMBH	Acek, Desarrollo y Gestión Industrial	Sales	(43)
Gonvarri Ptos. Siderúrgicos, SA	Acek, Desarrollo y Gestión Industrial	Sales	(23)
GS Hot Stamping, Ltd.	-	Sales	(1,204)
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	-	Sales	(53)
Essa Palau, S.A.	-	Sales	432
Esymo Metal, S.L.	-	Sales	(15)
Ingeniería y Construcción Matrices, S.A.	-	Sales	(11)
Total Sales			(140,797)
Acek, Desarrollo y Gestión Industrial, S.L.	Parent company	Services rendered	(7)
Gonvarri Ptos. Siderúrgicos, SA	Acek, Desarrollo y Gestión Industrial	Services rendered	(2)
Gonvauto Puebla S.A. de C.V.	Acek, Desarrollo y Gestión Industrial	Services rendered	(291)
Gonvarri Polska, SP, ZOO.	Acek, Desarrollo y Gestión Industrial	Services rendered	(13)
Inmobiliaria Acek S.L.	Acek, Desarrollo y Gestión Industrial	Services rendered	(17)
Esymo Metal, S.L.	-	Services rendered	(76)
Gescrap Navarra, S.L.	Acek, Desarrollo y Gestión Industrial	Services rendered	(1)
Gescrap Polska SPZ00	Acek, Desarrollo y Gestión Industrial	Services rendered	(1)
Gescrap, S.L.	Acek, Desarrollo y Gestión Industrial	Services rendered	5
Gescrap France S.A.R.L.	Acek, Desarrollo y Gestión Industrial	Services rendered	(2)
GS Hot Stamping, Ltd.	-	Services rendered	(170)
Sungwoo Gestamp Hitech Pune, Ltd.	-	Services rendered	(87)
Sungwoo Gestamp Hitech Chennai Ltd.	-	Services rendered	(280)
Jui Li Edscha Body Systems	-	Services rendered	(5)
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	-	Services rendered	(11)
Essa Palau, S.A.	-	Services rendered	(582)
Recuperaciones Medioambientales subgroup	Acek, Desarrollo y Gestión Industrial	Services rendered	(59)
Ingeniería y Construcción Matrices, S.A.	-	Services rendered	(1,608)
IxCxT, S.A.	-	Services rendered	(6)
Total Services rendered			(3,213)
Acek, Desarrollo y Gestión Industrial, S.L.	Parent company	Financial income	(151)
Risteel Corporation, B.V.	Acek, Desarrollo y Gestión Industrial	Financial income	(98)
Esymo Metal, S.L.	-	Financial income	(43)
GS Hot Stamping, Ltd.	-	Financial income	(174)
Essa Palau, S.A.	-	Financial income	(113)
Jeff Wilson	-	Financial income	(16)
Shrenik Industries Private Ltd.	Acek, Desarrollo y Gestión Industrial	Financial income	(201)
Gonvarri Argentina S.A.	Acek, Desarrollo y Gestión Industrial	Financial income	(779)
Total Financial income			(1,575)

Company	Group	Transaction	Thousands of euros
Arcelormittal Gonvarri Brasil Pdtos. Siderurgicos, S.A.	Acek, Desarrollo y Gestión Industrial	Purchases	24,018
Gonvarri Galicia, SA	Acek, Desarrollo y Gestión Industrial	Purchases	70,273
Gonvarri I. Centro Servicios, S.L.	Acek, Desarrollo y Gestión Industrial	Purchases	181,483
Gonvarri Polska, SP, ZOO.	Acek, Desarrollo y Gestión Industrial	Purchases	69,561
Gonvarri Tarragona, S.L.	Acek, Desarrollo y Gestión Industrial	Purchases	4
Gonvarri Ptos. Siderúrgicos, SA	Acek, Desarrollo y Gestión Industrial	Purchases	29,763
Hierros y Aplanaciones, SA	Acek, Desarrollo y Gestión Industrial	Purchases	3,283
Ind. Ferrodistribuidora, S.L.	Acek, Desarrollo y Gestión Industrial	Purchases	2,527
Gonvauto Navarra, SA	Acek, Desarrollo y Gestión Industrial	Purchases	22,254
Gonvauto Puebla S.A. de C.V.	Acek, Desarrollo y Gestión Industrial	Purchases	49,666
Gonvauto Thuringen, GMBH	Acek, Desarrollo y Gestión Industrial	Purchases	65,276
Gonvarri Argentina S.A.	Acek, Desarrollo y Gestión Industrial	Purchases	65,288
Gonvauto, SA	Acek, Desarrollo y Gestión Industrial	Purchases	64,682
Severstal Gonvarri Kaluga, LLC	Acek, Desarrollo y Gestión Industrial	Purchases	74,499
Steel & Alloy	Acek, Desarrollo y Gestión Industrial	Purchases	62,936
Gonvarri Steel Industries	Acek, Desarrollo y Gestión Industrial	Purchases	6
Esymo Metal, S.L.	-	Purchases	2,231
Air Executive, S.L.	Acek, Desarrollo y Gestión Industrial	Purchases	19
GS Hot Stamping, Ltd.	-	Purchases	7
Gescrap, S.L.	Acek, Desarrollo y Gestión Industrial	Purchases	168
Essa Palau, S.A.	-	Purchases	15,619
Ingeniería y Construcción Matrices, S.A.	-	Purchases	2,755
Arcelor Group	-	Purchases	131,081
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	-	Purchases	212
Jui Li Edscha Body Systems	-	Purchases	19
Total Purchases			937,630
Acek, Desarrollo y Gestión Industrial, S.L.	Parent company	Services received	3,554
Agricola La Veguilla, S.A.	Acek, Desarrollo y Gestión Industrial	Services received	415
Gescrap Centro, S.L.	Acek, Desarrollo y Gestión Industrial	Services received	22
Gescrap Navarra, S.L.	Acek, Desarrollo y Gestión Industrial	Services received	10
Gescrap Polska SPZ00	Acek, Desarrollo y Gestión Industrial	Services received	30
Gonvarri Galicia, SA	Acek, Desarrollo y Gestión Industrial	Services received	(1)
Gonvarri I. Centro Servicios, S.L.	Acek, Desarrollo y Gestión Industrial	Services received	102
Gonvarri Polska, SP, ZOO.	Acek, Desarrollo y Gestión Industrial	Services received	(1)
Gonvarri Ptos. Siderúrgicos, SA	Acek, Desarrollo y Gestión Industrial	Services received	259
Gonvauto Puebla S.A. de C.V.	Acek, Desarrollo y Gestión Industrial	Services received	35
Gonvauto, SA	Acek, Desarrollo y Gestión Industrial	Services received	137
Gonvauto Navarra, SA	Acek, Desarrollo y Gestión Industrial	Services received	4
Inmobiliaria Acek S.L.	Acek, Desarrollo y Gestión Industrial	Services received	3,531
Air Executive, S.L.	Acek, Desarrollo y Gestión Industrial	Services received	224
Esymo Metal, S.L.	-	Services received	107
Ingeniería y Construcción Matrices, S.A.	-	Services received	324
Total Services received			8,752
Acek, Desarrollo y Gestión Industrial, S.L.	Parent company	Financial expenses	3,510
Gonvarri Galicia, SA	Acek, Desarrollo y Gestión Industrial	Financial expenses	59
Gonvarri Corporación Financiera, S.L.	Acek, Desarrollo y Gestión Industrial	Financial expenses	2,277
Gonvarri I. Centro Servicios, S.L.	Acek, Desarrollo y Gestión Industrial	Financial expenses	82
Gonvarri Ptos. Siderúrgicos, SA	Acek, Desarrollo y Gestión Industrial	Financial expenses	66
Gonvauto Navarra, SA	Acek, Desarrollo y Gestión Industrial	Financial expenses	21
Gonvauto, SA	Acek, Desarrollo y Gestión Industrial	Financial expenses	213
Ind. Ferrodistribuidora, S.L.	Acek, Desarrollo y Gestión Industrial	Financial expenses	2
Severstal Trade GesmbH	-	Financial expenses	1,534
Melsonda Holdings Ltd.	-	Financial expenses	420
Total Financial expenses			8,184

29.2 Board of Directors' remuneration

In 2014 and 2013 the members of the Company’s Board of Directors received no remuneration from any of the companies which compose the Group, nor were they granted advances, pension or life insurance benefits.

In 2014 Acek, Desarrollo y Gestión Industrial, S.L. received total remuneration of 690 thousand euros as compensation for membership of the Board of Directors of certain Group companies (2013: 1,535 thousand euros).

The remuneration accrued during 2014 and 2013 by the representatives (natural persons) of the members of the Board of Directors (legal entity), is included in the remuneration accrued by the Management´s Remuneration informed in Note 29.3

In 2014 and 2013, no loans or advances, pensions or life insurance benefits were granted to members of its Board nor their representatives as natural persons.

29.3 Senior Management's Remuneration

In 2014 total remuneration for the members of the Management Committee, which fully correspond to salaries, amounted to 2,708 thousand euros (2013: 2,361 thousand euros), included in “Personnel expenses” in the accompanying consolidated income statement. The company made no contributions to pension plans on their behalf.

30. Subsidiaries with significant non-controlling interest

Financial information of subsidiaries that have significant non-controlling interests is provided below. The summarised financial information of these subsidiaries, grouped by continent, and based on their individual financial statements before intercompany eliminations and consolidation adjustments, is provided below.

Summarised profit statement at December 31, 2014 and December 31, 2013:

	2014								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating income	702,097	185,639	299,961	345,370	203,157	175,253	-	47,395	103,471
Operating expense	(664,807)	(178,944)	(281,962)	(312,735)	(188,519)	(160,208)	(235)	(48,124)	(97,008)
OPERATING PROFIT	**37,290**	**6,695**	**17,999**	**32,635**	**14,638**	**15,045**	**(235)**	**(729)**	**6,463**
Financial profit	(5,890)	(5,353)	3,878	(18,903)	(2,416)	(1,526)	3,132	(1,958)	(5,735)
Exchange gain (losses)	4,561	(12,175)	623	(45)	187	2,333	-	(15,280)	(32,986)
Impairment and other	-	-	(9)	(405)	-	-	-	-	-
PROFIT BEFORE TAXES	**35,961**	**(10,833)**	**22,491**	**13,282**	**12,409**	**15,852**	**2,897**	**(17,967)**	**(32,258)**
Income tax expense	190	5,418	(7,068)	(5,892)	(1,373)	(3,963)	-	520	-
Profit for the year from discontinued operations net of taxes	-	-	-	-	-	-	-	-	-
PROFIT FOR THE YEAR	**36,151**	**(5,415)**	**15,423**	**7,390**	**11,036**	**11,889**	**2,897**	**(17,447)**	**(32,258)**
Non-controlling interest	30.00%	30.01%	30.00%	30.00%	50.00%	31.05%	35.00%	41.87%	41.87%
Attributable to non-controlling interest	10,845	(1,625)	4,627	2,217	5,518	3,692	1,014	(7,305)	(13,506)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-

	2013								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating income	574,217	228,524	261,548	394,384	189,473	150,509	-	66,194	148,132
Operating expense	(549,069)	(218,691)	(235,627)	(364,112)	(172,773)	(136,615)	(1)	(59,393)	(142,041)
OPERATING PROFIT	**25,148**	**9,833**	**25,921**	**30,272**	**16,700**	**13,894**	**(1)**	**6,801**	**6,091**
Financial profit	(11,046)	(6,331)	1,990	(23,705)	(2,588)	(2,108)	112	(2,156)	(5,521)
Exchange gain (losses)	(2,252)	(24,955)	(1,477)	(6,086)	(9,550)	1,029	(17)	(3,024)	(8,854)
Impairment and other	-	-	(226)	(5,602)	-	-	-	-	-
PROFIT BEFORE TAXES	**11,850**	**(21,453)**	**26,208**	**(5,121)**	**4,562**	**12,815**	**94**	**1,621**	**(8,284)**
Income tax expense	(3,965)	5,417	(6,850)	(2,068)	(423)	(3,763)	-	(659)	-
Profit for the year from discontinued operations net of taxes	-	-	-	-	-	-	-	-	-
PROFIT FOR THE YEAR	**7,885**	**(16,036)**	**19,358**	**(7,189)**	**4,139**	**9,052**	**94**	**962**	**(8,284)**
Non-controlling interest	30.00%	30.01%	30.00%	30.00%	50.00%	31.06%	35.00%	42.68%	42.68%
Attributable to non-controlling interest	2,366	(4,812)	5,807	(2,157)	2,069	2,811	33	410	(3,536)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-

(*) These figures correspond to Subconsolidated Financial Statements

Summarised statement of financial position at December 31, 2014 and December 31, 2013:

	2014								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Total non-current assets	396,673	64,497	196,026	227,764	73,081	77,289	100,885	18,148	84,332
Total current assets	209,854	100,300	170,801	145,755	77,169	128,702	16,363	17,652	31,427
Total non-current liabilities	(185,766)	(67,951)	(16,580)	(87,539)	(39,419)	(25,954)	-	(17,273)	(56,650)
Total current liabilities	(117,028)	(41,681)	(103,701)	(131,672)	(57,450)	(96,135)	28	(13,446)	(20,933)
Equity	(287,747)	(90,402)	(275,064)	(135,597)	(65,278)	(72,372)	(117,276)	(12,094)	(75,588)
Translation differences	(15,986)	35,237	28,518	(18,711)	11,897	(11,530)	-	7,013	37,412
Equity attributable to:									
Equity holders of the parent	(201,423)	(63,272)	(192,545)	(94,918)	(32,639)	(49,900)	(76,229)	(7,030)	(43,939)
Non-controlling interest	(86,324)	(27,130)	(82,519)	(40,679)	(32,639)	(22,472)	(41,047)	(5,064)	(31,649)
Translation differences attributable to:									
Equity holders of the parent	(11,190)	24,662	19,963	(13,098)	5,949	(7,950)	-	4,077	21,748
Non-controlling interest	(4,796)	10,575	8,555	(5,613)	5,949	(3,580)	-	2,936	15,664

	2013								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Total non-current assets	307,649	70,369	115,845	221,498	71,556	63,852	57,476	32,024	141,208
Total current assets	175,285	93,164	190,933	158,428	65,039	91,541	56,904	26,895	55,607
Total non-current liabilities	(98,097)	(59,042)	(16,027)	(70,372)	(45,894)	(23,447)	-	(18,486)	(56,301)
Total current liabilities	(149,005)	(44,922)	(56,552)	(163,792)	(45,508)	(69,368)	-	(12,205)	(42,267)
Equity	(251,596)	(84,607)	(263,378)	(139,573)	(60,006)	(58,664)	(114,380)	(29,851)	(107,845)
Translation differences	15,764	25,038	29,179	(6,189)	14,813	(3,914)	-	1,623	9,598
Equity attributable to:									
Equity holders of the parent	(176,117)	(59,216)	(184,365)	(97,700)	(30,003)	(40,443)	(74,347)	(17,111)	(61,817)
Non-controlling interest	(75,479)	(25,391)	(79,013)	(41,873)	(30,003)	(18,221)	(40,033)	(12,740)	(46,028)
Translation differences attributable to:									
Equity holders of the parent	11,035	17,524	20,425	(4,332)	7,407	(2,698)	-	930	5,502
Non-controlling interest	4,729	7,514	8,754	(1,857)	7,407	(1,216)	-	693	4,096

(*) These figures correspond to Subconsolidated Financial Statements

Summarised cash flow at December 31, 2014 and December 31, 2013:

	2014								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating activities	77,650	216	37,658	59,792	17,055	21,194	(3,151)	3,803	15,600
Investing activities	(81,431)	(433)	(59,531)	(2,478)	(7,124)	(7,610)	(51,224)	(1,431)	(3,497)
Financing activities	(14,518)	1,702	11,240	(20,073)	(8,752)	2,358	10,909	(13,457)	(15,640)
Effect of changes in exclange rates	2,456	(3,399)	151	(328)	-	-	-	-	-
Net increase (decrease) of cash or cash equivalents	(18,299)	(1,914)	(10,633)	36,913	1,179	15,942	(43,466)	(11,085)	(3,537)

	2013								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating activities	29,470	17,134	23,115	21,047	27,187	9,867	(1)	15,750	2,097
Investing activities	(59,735)	(42,831)	(99,767)	(69,150)	(10,300)	(1,022)	(57,476)	(3,579)	(31,726)
Financing activities	49,960	24,092	87,440	54,431	(16,405)	(2,360)	114,378	(4,922)	31,215
Net increase (decrease) of cash or cash equivalents	19,695	(1,605)	10,788	6,328	482	6,485	56,901	7,249	1,586

(*) These figures correspond to Subconsolidated Financial Statements

As indicated in note 15, the most significant non-controlling interests have protection rights regarding significant decisions about desinvestments, corporate restructuring, dividends distribution and amending of bylaws.

31. Investment in associates

The Group has interests in the following associates:

Company	Shareholding	Activity
Industrias Tamer, S.A.	30.00%	Tooling and parts manufacturing
Sungwoo Gestamp Hitech Pune Private Ltd.	50.00%	Tooling and parts manufacturing
Essa Palau, S.A.	40.00%	Tooling and parts manufacturing
Gestión Global de Matricería, S.L.	35.00%	Dormant
GGM Puebla, S.A de C.V	35.00%	Die cutting production
GGM Puebla de Servicios Laborales, S.A de C.V	35.00%	Dormant
Ingeniería y Construcción Matrices, S.A.	35.00%	Die cutting production
IxCxT, S.A.	35.00%	Die cutting production
Jui Li Edscha Body Systems Co., Ltd.	50.00%	Parts manufacturing
Jui Li Edscha Holding Co., Ltd.	50.00%	Portfolio management
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	50.00%	Parts manufacturing

The summarized financial information of the Group´s investment in these companies at December 31, 2014 and December 31, 2013 is as follows:

Summary financial statement:

	2014				
	Sungwoo Gestamp Hitech Pune Private Ltd.	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Total non-current assets	5,959	42,396	327	702	45,421
Total current assets	3,940	27,318	1,696	4,438	9,024
Total non-current liabilities	-	(25,708)	(24)	-	(16,056)
Total current liabilities	(5,468)	(52,839)	(796)	(1,193)	(31,421)
Equity	(4,607)	8,833	(1,098)	(3,385)	(6,969)
Translation differences	176	-	(105)	(562)	1
Carrying amount of the investment	2,303	(3,533)	601	1,692	2,451

	2013				
	Sungwoo Gestamp Hitech Pune Private Ltd.	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Total non-current assets	7,801	42,755	315	633	10,491
Total current assets	4,236	32,155	1,521	3,635	3,895
Total non-current liabilities	-	(26,804)	(20)	-	(5,783)
Total current liabilities	(7,379)	(49,354)	(718)	(1,075)	(3,351)
Equity	(5,299)	1,248	(1,048)	(2,993)	(5,252)
Translation differences	641	-	(50)	(200)	-
Carrying amount of the investment	2,650	(499)	523	1,496	1,852

Summarised income statement

	2014				
	Sungwoo Gestamp Hitech Pune Private Ltd.	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Operating income	422	97,500	2,368	5,040	13,359
Operating expense	(1,227)	(103,062)	(2,298)	(4,514)	(13,848)
OPERATING PROFIT/LOSS	**(805)**	**(5,562)**	**70**	**526**	**(489)**
Financial profit	189	(1,074)	15	-	(105)
Exchange gain (losses)	(78)	(7)	22	-	(255)
Impairment and other	-	(8)	-	-	-
PROFIT/LOSS BEFORE TAXES	**(694)**	**(6,651)**	**107**	**526**	**(849)**
Income tax expense	-	-	(56)	(133)	-
Adjustments from previous years	1	(566)	-	-	421
PROFIT/LOSS FOR THE YEAR	**(693)**	**(7,217)**	**51**	**393**	**(428)**
Participation of the Group in profit	(347)	(2,887)	25	196	(151)

	2013				
	Sungwoo Gestamp Hitech Pune Private Ltd.	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Operating income	2,328	92,170	2,400	5,206	12,354
Operating expense	(2,492)	(91,215)	(2,353)	(4,669)	(12,236)
OPERATING PROFIT/LOSS	**(164)**	**955**	**47**	**537**	**118**
Financial profit	(132)	(1,177)	17	-	(89)
Exchange gain (losses)	(934)	2	50	11	-
Impairment and other	-	21	-	-	-
PROFIT/LOSS BEFORE TAXES	**(1,230)**	**(199)**	**114**	**548**	**29**
Income tax expense	-	-	(48)	(138)	-
Adjustments from previous years	-	-	-	-	(20)
PROFIT/LOSS FOR THE YEAR	**(1,230)**	**(199)**	**66**	**410**	**9**
Participation of the Group in profit	(615)	(80)	33	205	(5)

The difference in the participation of the Group in profit for associated companies in 2013 and the amount included in Note 10.a.1) is due to the reclassification of the result of the subsidiaries Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd., Sungwoo Gestamp Hitech Chennai, Ltd., and GS Hot-Stamping Co. Ltd., to held for sale, ceased to be considered as associated companies (Note 26).

32. Other disclosures

32.1 Audit fees

Audit fees related to the annual audit of consolidated and individual financial statements of the companies included in the consolidation scope for 2014 amounted to 3,468 thousand euros (2013: 3,487 thousand euros).

Of the audit fees mentioned above, the fees paid to the auditor of the Company for all audit work performed for the Group in 2014 amounted to 3,347 thousand euros (2013: 3,366 thousand euros).

Fees paid for other services rendered by the auditor of the Company in 2014 amounted to 650 thousand euros (2013: 402 thousand euros).

32.2 Environmental issues

The cost of PP&E items acquired for environmental protection and improvement purposes amounted to 3,694 thousand euros at year end 2014. Accumulated depreciation on these assets stood at 2,629 thousand euros (2013: 3,466 thousand euros and 2,399 thousand euros, respectively).

In 2014, the Group also recognized 903 thousand euros in environmental protection and improvement expenses (2013: 1,436 thousand euros).

The accompanying consolidated balance sheet does not include any provision for environmental issues given that the Company's directors consider that at year end there are no liabilities to be settled in the future in connection with actions taken by the companies which comprise the consolidated Group to prevent, reduce or repair damages to the environment, and they believe that were such liabilities to exist, they would not be significant. At year end the Group had not received any subsidies for environmental issues.

33. Financial risk management

To manage its financial risk, the Group continually revises its business plans, analyzes the relationship between the risks and the present value of cash flows associated with its investments in addition to taking an accounting approach that allows an assessment of changes in risk exposure.

33.1 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
  - Exposure to fluctuations in foreign exchange rates
  - Exposure to fluctuations in interest rates

- Liquidity risk
- Credit risk
- Raw material price risk

Foreign currency risk

Fluctuations in the exchange rate between the currency in which a transaction is denominated and the Group's presentation currency can have a negative or positive impact on its profit or loss, specifically affecting management of its financial debt.

The Group operates in the following currencies:

- Euro
- US dollar
- Mexican peso
- Argentine peso
- Brazilian reais
- GB pound
- Swedish crown
- Polish zloty
- Hungarian forint
- Turkish lira
- Indian rupee
- Korean won
- Chinese yuan
- Russian rubble
- Czech crown
- Yen
- Thai baht
- Taiwanese dollar

To manage exchange rate risk, the Group uses a series of financial instruments that give it a degree of flexibility, basically comprised of the following:

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. "Puttable instruments": Other derivatives are also used to hedge currency risk, including those designed to lock in a maximum or minimum exchange rate (collar or tunnel) at a set settlement date.

The tables below show the sensitivity of profit and equity, in thousands of euros, to changes in exchange rates relative to the euro.

The sensitivity of profit to exchange rate fluctuations, corresponding to years 2014 and 2013, is as follows:

2014

	IMPACT ON PROFIT	
Currency	5% Fluctuation	-5% Fluctuation
Swedish crown	(426)	426
US dollar	1,204	(1,204)
Hungarian florint	(452)	452
GB pound	985	(985)
Mexican peso	449	(449)
Brazilian reais	151	(151)
Chinese renminbi	864	(864)
Indian rupee	53	(53)
Turkish lira	290	(290)
Argentinian peso	509	(509)
Russian ruble	(396)	396
Korean won	123	(123)
Polish zloty	91	(91)
Czech crown	135	(135)
Japanese yen	34	(34)
Thai baht	(9)	9
IMPACT IN ABSOLUTE TERMS	**3,605**	**(3,605)**
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	**125,702**	**125,702**
EFFECT IN RELATIVE TERMS	**2.87%**	**-2.87%**

2013 Restated*

	IMPACT ON PROFIT	
Currency	5% Fluctuation	-5% Fluctuation
Swedish crown	134	(134)
US dollar	333	(333)
Hungarian florint	(251)	251
GB pound	834	(834)
Mexican peso	624	(624)
Brazilian reais	313	(313)
Chinese renminbi	687	(687)
Indian rupee	4	(4)
Turkish lira	(42)	42
Argentinian peso	229	(229)
Russian ruble	441	(441)
Korean won	18	(18)
Polish zloty	187	(187)
Czech crown	116	(116)
Japanese yen	(38)	38
Taiwan dollar	(2)	2
IMPACT IN ABSOLUTE TERMS	**3,587**	**(3,587)**
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	**113,987**	**113,987**
EFFECT IN RELATIVE TERMS	**3.15%**	**-3.15%**

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

The sensitivity of equity to exchange rate fluctuations, corresponding to years 2014 and 2013, is as follows:

	2014	
	IMPACT ON EQUITY	
Currency	5% Fluctuation	-5% fluctuation
Swedish crown	(863)	863
US dollar	(124)	124
Hungarian forint	(1,952)	1,952
GB pound	5,828	(5,828)
Mexican peso	498	(498)
Brazilian reais	3,759	(3,759)
Chinese renminbi	5,917	(5,917)
Indian rupee	(62)	62
Turkish lira	(560)	560
Argentinian peso	111	(111)
Russian ruble	(2,394)	2,394
Korean won	864	(864)
Polish zloty	2,424	(2,424)
Czech crown	826	(826)
Japanese yen	(159)	159
Thai baht	2	(2)
Taiwan dollar	(4)	4
IMPACT IN ABSOLUTE TERMS	**14,111**	**(14,111)**
EQUITY	**1,716,239**	**1,716,239**
EFFECT IN RELATIVE TERMS	**0.82%**	**-0.82%**

	2013 Restated*	
	IMPACT ON EQUITY	
Currency	5% Fluctuation	-5% fluctuation
Swedish crown	(372)	372
US dollar	(1,199)	1,199
Hungarian forint	(1,690)	1,690
GB pound	4,466	(4,466)
Mexican peso	154	(154)
Brazilian reais	3,846	(3,846)
Chinese renminbi	4,038	(4,038)
Indian rupee	(396)	396
Turkish lira	(803)	803
Argentinian peso	130	(130)
Russian ruble	237	(237)
Korean won	609	(609)
Polish zloty	2,206	(2,206)
Czech crown	1,145	(1,145)
Japanese yen	(192)	192
Thai baht	(3)	3
Taiwan dollar	1	(1)
IMPACT IN ABSOLUTE TERMS	**12,177**	**(12,177)**
EQUITY	**1,664,844**	**1,664,844**
EFFECT IN RELATIVE TERMS	**0.73%**	**-0.73%**

Interest rate risk

The Group's borrowings mainly bear interest at floating rates, exposing it to risk from fluctuations in market interest rates, so that market fluctuations affect cash flows. The Group mitigates this risk by using interest rate derivatives, 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.

In general the Group's borrowings are at floating rates indexed to Euribor except the bonds issued by the Group in May, 2013 which bear a fixed interest rate.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2014, all other variables remaining constant, the finance result would have been 0.1 million euros higher or lower.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2013, all other variables remaining constant, the finance result would not have been significantly affected.

Liquidity risk

Liquidity risk is defined as the risk that a company will not be able to service its commitments as a result of adverse conditions in the debt and/or equity markets that prevent or hinder its capital raising efforts.

The Group manages liquidity risk by maintaining sufficient cash balances to enable it to negotiate refinancing on the best possible terms and to cover its near term cash outlays, thereby avoiding the need to raise funds on disadvantageous terms.

The breakdown of liquidity and capital resources at December 31, 2014 and 2013 was as follows:

	Thousands of euros	
	2014	**2013 Restated***
Cash and cash equivalents	483,934	520,417
Revolving credit facilities	280,000	280,000
Undrawn credit lines	267,046	196,542
	1,030,980	996,959

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

The working capital can be defined as the permanent financial resources needed to carry out the activity of the company, that is, the part of current assets financed with long-term funds.

The Group´s working capital at December 31, 2014 and December 31, 2013 is as follows:

	Thousand euros	
	2014	2013 Restated*
Current assets	2,208,638	2,271,918
Current liabilities	(1,667,961)	(1,620,575)
TOTAL WORKING CAPITAL	**540,677**	**651,343**

	Thousand euros	
	2014	2013 Restated*
Equity	1,716,239	1,664,844
Non-current liabilities	2,122,943	2,131,541
Non-current assets	(3,298,505)	(3,145,042)
TOTAL WORKING CAPITAL	**540,677**	**651,343**

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

Credit risk

Credit risk is concentrated primarily in the Group's accounts receivable. Management considers that its counterparties are very creditworthy.

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 analyze 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 the Group policies.

The surplus cash investments are contracted only with authorized counterparties and always within the credit limit assigned for each counterparty.

The limits are established in order to minimize 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 December 31, 2014 and 2013 amounts to the carrying values (Note 12), except for financial guarantees and derivative financial instruments.

Raw Materials Price Risk

The steel is the main raw material used in the business. In 2014, 58% of the steel was purchased through programs of re-sale with clients, whereby the manufacturer negotiates the price of steel used by the Group in the production of automotive components. The negotiated price is directly included in the selling price customer.

The rest of the purchases of steel were performed through contracts negotiated with suppliers.

Historically, and in accordance with the standards of the automotive industry, the Group has been able to negotiate with clients, significantly, the transfer of the impact of variations in the price of steel.

33.2 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 a recognized asset or liability, 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 a recognized asset or liability, 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 at acquisition cost and are subsequently valued 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 recognized in the consolidated income statement.

- Cash flow hedges: changes in the fair value of the hedging instrument attributable to the risk hedged are recognized in “Retained earnings” in equity. Amounts taken to equity are transferred to the Consolidated Income Statement when the hedged cash flows affect profit or loss.

- Hedges of a net investment in a foreign operation: these hedges are accounted for in a way similar to cash flow hedges. Fair value gains or losses in these hedging instruments are recognized in "Translation differences." If a foreign operation is sold, the cumulative value of any such gains or losses recognized directly in equity ("Retained earnings") is transferred to the income statement.

33.3 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 organized 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.

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 consolidated balance sheet at fair value when they can be valued 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 recognized with a charge or credit, as appropriate, to “Retained earnings” within Equity until these investments are sold, at which time the cumulative amount recognized in equity is recognized in full in the consolidated income statement. If fair value is lower than acquisition cost, the difference is recognized directly in equity, unless the asset is determined to be impaired, in which case it is recognized in the 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 consolidated balance sheet 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).

The classification of financial assets recognized in the financial statements, by methodology of fair value measurement, is as follows:

	Thousands of euros					
	Level 1		Level 2		Level 3	
	2014	2013 Restated*	2014	2013 Restated*	2014	2013 Restated*
Financial assets measured at fair value (Note 10)						
Financial derivative hedging instruments			5,863	63,756		
Total	-	-	5,863	63,756	-	-

The classification of financial liabilities at fair value in the financial statements, according to their relevant valuation methodology, is as follows:

	Thousands of euros					
	Level 1		Level 2		Level 3	
	2014	2013 Restated*	2014	2013 Restated*	2014	2013 Restated*
Financial liabilities measured at fair value (Note 20.b.4)						
Financial derivative hedging instruments			40,346	29,846		
Financial derivative instruments held-for-trading			7,058	67,114		
Total	-	-	47,404	96,960	-	-

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

33.4 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 to maximize shareholder value.

The Group monitors its capital structure based on its leverage ratio. It defines leverage as net debt (current and non-current financial borrowings less short-term investments and cash and cash equivalents) divided by total equity (consolidated equity plus grants pending release to the income statement).

The Group's leverage at year end 2014 and 2013 is set forth below:

	Thousands of euros	
	2014	**2013 Restated***
Non-current debt	1,482,300	1,479,024
Current debt	282,480	267,618
Short term financial investments	(75,877)	(57,587)
Cash and cash equivalents	(483,934)	(520,417)
TOTAL NET DEBT	**1,204,969**	**1,168,638**
Consolidated equity	1,716,239	1,664,844
Grants received	31,280	31,283
TOTAL EQUITY	**1,747,519**	**1,696,127**
LEVERAGE RATIO	**69.0%**	**68.9%**

* The 2013 figures are restated and do not agree with the corresponding figures in 2013 Consolidated Financial Statements as a result of the transition effect of IFRS 10 and IFRS 11, refer note 4.5

During 2014, the leverage ratio has mantained at level comparable to 2013.

During 2014 the Group maintained its average collection and payment periods, as well as its average inventory turnover rates, at levels comparable to 2013. In addition, during 2014 the Group continued to exercise strict control over investments.

34. Information about postponement of payments to suppliers in commercial transactions

The Spanish companies of the Group have adapted their internal processes and payment policy terms to the legal provision of the Law 15/2010, which establishes actions against late payment in commercial transactions. In this sense, the contractual conditions in the year 2014 with commercial suppliers in Spain have included periods of payment equal to or less than 60 days (60 days in 2013), according to the second transitory legal provision of the Law.

Due to reasons of efficiency, and in line with the common practice of trading, the Spanish companies of the Group have, basically, a schedule of payments to suppliers by virtue of which payments are made on fixed days, which in the majority of companies are twice a month.

In general terms, in 2014 and 2013, payments made by Spanish companies to suppliers, for contracts concluded after the entry into force the Law 15/2010, have not exceeded the legal limits of payment terms. Payments to Spanish suppliers which have exceeded the legal deadline for years 2014 and 2013 have been, in quantitative terms, no relevant and are derived from circumstances or incidents beyond the established payment policy, which include, primarily, the closing of agreements with suppliers in the delivery of the goods or provision of the service or handling specific processes.
In addition, at December 31, 2014 and 2013 there were no outstanding amounts of payment to suppliers located in Spain exceeding the maximum legal payment terms.

35. Subsequent events

There are no significant subsequent events.

36. Information about compliance with the Article 229 of the Spanish Corporate Enterprises Act

In compliance with the articles 229 and 231 of the Spanish Corporate Enterprises Act and with the aim of reinforcing the transparency of the capital enterprises, the Board Members of the Company and their representatives have reported that they do not own any shareholding in companies with the same or similar activity to the corporate purpose of the Company or the Group, neither do they exercise positions or work personally or for another party in companies with the same or similar activity to the corporate purpose of the Company or the Group.

Additionally, Mr. Francisco José Riberas Mera, as president and representative of GESTAMP BIZKAIA, S.A. and Mr. Juan María Riberas Mera as representative of HOLDING GONVARRI, S.L. and AUTOTECH ENGINEERING, A.I.E., board members of the Company, have reported that they are shareholders and board members of ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. and several subsidiaries of the Company.

ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L is the parent company of an industrial group that developed, through the following subgroups, the activities mentioned below:

- GESTAMP AUTOMOCIÓN GROUP: engaged in manufacturing and sale of metal parts and components for the automotive industry.

- GONVARRI GROUP: engaged in manufacturing, processing and sale of metal products, including structures for renewable energy such as wind turbines, photovoltaic plants and infrastructure elements of solar thermal power plants
- GESTAMP ENERGíAS RENOVABLES GROUP: dedicated to the development, construction and operation of plants generating renewable energy including solar, wind and biomass.
- INMOBILIARIA ACEK GROUP: engaged in real estate activities.

Additionally, ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L holds a direct and indirect investment of 24.82% in the company Cie Automotive, S.A., of which Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera are also directors.

Additionally, Mr. Francisco López Peña is a member of the Board of CIE Automotive, S.A

Cie Automotive, S.A. is the parent company of an industrial group which is engaged in, among other things, the design, manufacture and sale of automobile components and sub-units on the world automotive market.

37. Additional note for English Translation

These consolidated financial statements were originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

ANNEX I

Indirect investments at December 31, 2014

Company	Company holding the indirect investment	% investment
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.01%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.01%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.04%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.90%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	25.00%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Servicios, S.A.	1.01%
Beyçelik, A.S.	Gestamp Servicios, S.A.	50.00%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.85%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.66%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.00%
Gestamp Cerveira, Lda.	Gestamp Vigo, S.A.	60.63%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	100.00%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.00%
Gestamp Louny sro.	Gestamp Cerveira, Lda.	52.72%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.66%
Sungwo Gestamp Hitech Pune, Ltd.	Gestamp Cerveira, Lda.	50.00%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.00%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.01%
Gestamp Finance Luxemburgo, S.A.	Gestamp Bizkaia, S.A.	49.95%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.03%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.00%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.00%
Gestamp Tooling AIE	Gestamp Bizkaia, S.A.	40.00%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.50%
S.G.F, S.A.	Gestamp Finance Luxemburgo, S.A.	100.00%
Gestamp Hard Tech AB	Gestamp Sweden AB	100.00%
Gestamp Holding China, AB	Gestamp Hard Tech AB	68.94%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.10%
Gestamp Tooling AIE	Matricerías Deusto, S.L.	20.00%

Company	Company holding the indirect investment	% investment
SCI Tournan en Brie	Gestamp Noury, S.A.	99.90%
Gestamp Linares, S.L.	Gestamp Toledo, S.L.	94.98%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.L.	43.53%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.34%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	94.99%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.67%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.04%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.00%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	16.03%
Mursolar, 21, S.L.	MB Aragón, S.A.	16.92%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.15%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.62%
Tavol Internacional, S.A.	Gestamp Aveiro, S.A.	100.00%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.00%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	94.99%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.00%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.99%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.99%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.00%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.96%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	50.00%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.00%
Edscha Subgroup	Gestamp Metalbages, S.A.	67.00%
Metalbages P-51	Gestamp Metalbages, S.A.	100.00%
Gestamp Metal Forming Subgroup	Gestamp Metalbages, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Levante, S.L.	98.99%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.L.	7.81%
Gestamp Hungaria KFT	Gestamp Navarra, S.A.	100.00%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.54%

Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	MB Solblank Navarra, S.L.	5.64%
Gestamp Mor Kft	Gestamp Hungaria KFT	100.00%
Gestamp Severstal Vsevolozhsk Llc	Todlem, S.L.	100.00%
Gestamp Severstal Kaluga, Llc	Todlem, S.L.	100.00%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	99.90%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.42%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.77%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.00%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.99%
Gestamp Finance Luxemburgo, S.A.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Holding Rusia, S.L.	Gestamp Polonia SP. Z.O.O.	24.56%
Edscha subgroup	Gestamp Polonia SP. Z.O.O.	33.00%
Gestamp Automotive India Private Ltd.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona,S.A.	100.00%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona,S.A.	6.67%
Gestamp Chattanooga, LLC.	Gestamp North América, Inc.	100.00%
Gestamp Mason, Llc.	Gestamp North América, Inc.	100.00%
Gestamp Alabama, Llc	Gestamp North América, Inc.	100.00%
Gestamp West Virginia, Llc.	Gestamp North América, Inc.	100.00%
Gestamp South Carolina, LLC.	Gestamp North América, Inc.	100.00%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74.98%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China AB	100.00%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.00%

Company	Company holding the indirect investment	% investment
Mursolar, 21, S.L.	Griwe Subgroup	19.54%
Gestamp Louny sro.	Griwe Subgroup	47.28%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51	44.99%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.00%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.90%
ESSA PALAU,S.A.	Gestamp Manufacturing Autochasis, S.L.	40.00%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.00%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	77.55%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.23%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.00%
Autotech Engineering R&D Uk limited	Autotech Engineering AIE	45.00%
Diede Die Development, S.L.	Gestamp Tool Hardening, S.L.	38.00%
Bero Tools, S.L.	Gestamp Tool Hardening, S.L.	20.00%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding Mexico, S.L.	100.00%
Gestamp Argentina, S.A.	Gestamp Holding Mexico, S.L.	3.00%
Bero Tools, S.L.	Loire S.A. Franco Española	80.00%
Diede Die Development, S.L.	Bero Tools, S.L.	62.00%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.00%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100.00%
GGM Puebla, S.A. de C.V.	IxCxT, S.A.	0.00%
GGM Puebla de Servicios Laborales, S.A. de C.V.	IxCxT, S.A.	0.00%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.99%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.99%
Gestamp Sweden, AB	Gestamp Metal Forming Subgroup	44.99%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar , 21, S.L.	100.00%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar , 21, S.L.	100.00%
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Beyçelik, A.S.	100.00%

Indirect investments at December 31, 2013

Company	Company holding the indirect investment	% investment
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.01%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.01%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.04%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.90%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	25.00%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Servicios, S.A.	1.01%
Beyçelik, A.S.	Gestamp Servicios, S.A.	50.00%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.85%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	8.03%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.00%
Gestamp Cerveira, Lda.	Gestamp Vigo, S.A.	99.99%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	100.00%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.00%
Gestamp Louny sro.	Gestamp Cerveira, Lda.	52.72%
Sungwo Gestamp Hitech Pune, Ltd.	Gestamp Cerveira, Lda.	50.00%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.00%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.01%
Gestamp Finance Luxemburgo, S.A.	Gestamp Bizkaia, S.A.	49.95%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.03%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.00%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.00%
Gestamp Tooling AIE	Gestamp Bizkaia, S.A.	40.00%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	94.99%
S.G.F, S.A.	Gestamp Finance Luxemburgo, S.A.	100.00%
Gestamp Hard Tech AB	Gestamp Sweden AB	100.00%
Gestamp Holding China, AB	Gestamp Hard Tech AB	68.94%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.10%
Gestamp Tooling AIE	Matricerías Deusto, S.L.	20.00%

Company	Company holding the indirect investment	% investment
SCI Tournan en Brie	Gestamp Noury, S.A.	99.90%
Gestamp Linares, S.L.	Gestamp Toledo, S.L.	94.98%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.L.	43.53%
Sunqwo Gestamp Hitech Chennai, Ltd.	Gestamp Toledo, S.L.	50.00%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	100.00%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	94.99%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.67%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.04%
Sofedit España, S.A.U	Gestamp Palencia, S.A.	100.00%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.00%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	51.58%
Gestamp Auto Components (Shenyang), Co. Ltd.	Gestamp Aragón, S.A.	100.00%
Mursolar, 21, S.L.	Gestamp Aragón, S.A.	16.92%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.15%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.62%
Tavol Internacional, S.A.	Gestamp Aveiro, S.A.	100.00%
Gestamp Holding Rusia, S.L.	Gestamp Aveiro, S.A.	26.41%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.00%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	94.99%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.00%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.99%
MB Pamplona, S.A.	Gestamp Metalbages, S.A.	100.00%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.99%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.00%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.96%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	50.00%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.00%
Edscha Subgroup	Gestamp Metalbages, S.A.	67.00%
Metalbages P-51	Gestamp Metalbages, S.A.	94.68%
Gestamp Metal Forming Subgroup	Gestamp Metalbages, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Levante, S.L.	98.99%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.L.	3.33%
Gestamp Hungaria KFT	Gestamp Navarra, S.A.	100.00%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.54%

Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	Gestamp Solblank Navarra, S.L.	5.92%
Gestamp Mor Kft	Gestamp Hungaria KFT	100.00%
Gestamp Severstal Vsevolozhsk Llc	Todlem, S.L.	100.00%
Gestamp Severstal Kaluga, Llc	Todlem, S.L.	100.00%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	99.90%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	20.60%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	45.01%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.00%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.99%
Gestamp Finance Luxemburgo, S.A.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Holding Rusia, S.L.	Gestamp Polonia SP. Z.O.O.	25.76%
Edscha Subgroup	Gestamp Polonia SP. Z.O.O.	33.00%
Gestamp Automotive India Private Ltd.	Gestamp Polonia SP. Z.O.O.	50.00%
G. Sungwoo Stampings & Assemblies private Limited	Gestamp Solblank Barcelona,S.A.	50.00%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona,S.A.	7.00%
Gestamp Chattanooga, LLC.	Gestamp North América, Inc.	100.00%
Gestamp Mason, Llc.	Gestamp North América, Inc.	100.00%
Gestamp Alabama, Llc	Gestamp North América, Inc.	100.00%
Gestamp West Virginia, Llc.	Gestamp North América, Inc.	100.00%
Gestamp South Carolina, LLC.	Gestamp North América, Inc.	100.00%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74.98%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China AB	100.00%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.00%
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	Sunqwo Gestamp Hitech Chennai, Ltd.	49.54%

Company	Company holding the indirect investment	% investment
GS Hot-stamping Co. LTD	Griwe Subgroup	50.00%
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	Griwe Subgroup	25.22%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Griwe Subgroup	100.00%
Mursolar, 21, S.L.	Griwe Subgroup	19.54%
Gestamp Louny sro.	Griwe Subgroup	47.28%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51	44.99%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.00%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.90%
ESSA PALAU,S.A.	Gestamp Manufacturing Autochasis, S.L.	40.00%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.00%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	27.77%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	54.99%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.00%
Autotech Engineering R&D Uk limited	Autotech Engineering AIE	45.00%
Diede Die Development, S.L.	Gestamp Tool Hardening, S.L.	38.00%
Bero Tools, S.L.	Gestamp Tool Hardening, S.L.	20.00%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding Mexico, S.L.	100.00%
Gestamp Argentina, S.A.	Gestamp Holding Mexico, S.L.	3.00%
Bero Tools, S.L.	Loire S.A. Franco Española	80.00%
Diede Die Development, S.L.	Bero Tools, S.L.	62.00%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.00%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100.00%
Ocón Automated Systems S.L.	Gestamp Ingeniería Europa Sur, S.L.	100.00%
Gestamp Sweden AB	Gestamp Metal Forming Subgroup	44.99%
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Beyçelik, A.S.	100.00%

2014 Management Report

At the **macroeconomic level**, worthwide economic growth in 2014, as in previous two years, has been moderate and diverse according to the different geographic areas. In this context, the most developed economies, specially the United States, has grown at a higher rate than the previous year. On the contrary, developing emerging economies have grown at a lower rate. In the Group, China continues growing at a high rate, meanwhile Brazil and Russia maintain a disappointing year.

In a controlled global inflation environment with a lax monetary policy maintained by the main Central Banks, the Euro has continued appreciating against the mayority of currencies for much of the year. In the last months it has started to decrease.

In the **Automotive sector**, the global production of light vehicles grew 3.1% in 2014 to 87.4 million units. China and North America were the economies with a better growth, meanwhile Russia, Mercosur and India were depressed. In West Europe, the production increased 0.6 million vehicles in 2014 after several year of decreasings.

Against this background, **revenue** grew 6.9% reaching 6,255 million euros, after the previous consolidation exercise. Although the appreciation of the euro against the mayority of other currencies in a large part of the year, the strong growth was due to the entry into production of a large number of programs, the recovery of the production in West Europe and the favourable performance of some markets. In particular, Gestamp components sales in China grew 45% in 2014 and more than 32% in the United Estates over the previous year.

On a result level, the EBITDA of the present exercice grew 7.8% over 2013, reaching 656 million euros, with a return on sales of 10.5%, higher than the previous year.

In 2014, the Group has undertaken important investments worldwide in line with its strategy of global cooperation with clients. Although these investments that reached 483 million euros, the Group has been able to generate a positive cash flow thanks to the EBITDA generated and the good control of working capital. As consecuence, the Group net debt decreased 88 million euros and the financial leverage of the Group stands at 1.8 (NFD/EBITDA) at the end of the year.

On a strategic level, 2014 has also been a positive exercise for Gestamp. In line with our objective to develop more lightly and secure products, the Group has increased the number of important orders from our clients in this year, that will affect to an important growth around the world in the next years.

2015

In macroeconomic terms, we expect that worldwide growth in 2015 will be higher than in 2014, except for Mercosur and Russia, that are the important geographic areas for the Group in which we expect a negative evolucion.

For year 2015, we expect that the fall in oil prices and the devaluation of Euro against the Dollar and other currencies, will have a positive net effect in the Group, mainly in the higher production levels and the vehicles selling in Europe and a more favourable results attribution to our non European subsidiaries.

In line with the global economic recovery, we expect a significant increase in light vehicles production in 2015, exceeding the 90 million units for the first time.

In a favourable context, we expect a good development of the Group for this exercise. We expect an increase of 10% in revenues over the previous years and an organic growth as consecuence of the investments carried out in the last years, that will allow us, the next year, to increase the turnover above the average of the sector.

On a EBITDA level, we expect a recovery higher than the sales, as consecuence of the entry in profitability of some operations and the expenses decrease of program launches.

In exercice 2015, the Group will continue with its strategy of globalization and development of new products, with the aim of maintaining the trust of our customer and assuring a healthy growth rate for the following years

SPANISH TRANSLATION OF THE SUMMARY

NOTA DE SÍNTESIS

La nota de síntesis está compuesta por determinados requisitos de información conocidos como "Elementos". Estos Elementos figuran numerados en las Secciones A – E (A.1 – E.7).

La presente nota de síntesis contiene todos los Elementos que deben incluirse en una nota de síntesis para este tipo de valores y de sociedad. Dado que no es necesario abordar determinados Elementos, es posible que figuren espacios en blanco en la secuencia numérica de los Elementos.

Aunque sea preceptivo insertar un Elemento en la nota de síntesis debido al tipo de valores y sociedad, podría darse el caso de que no pueda ofrecerse información pertinente en relación con dicho Elemento. En tal caso, el resumen incluye una sucinta descripción del Elemento seguida de la indicación "no procede".

Sección A – Introducción y advertencias		
A.1	Advertencia a los inversores	**LA PRESENTE NOTA DE SÍNTESIS DEBE LEERSE COMO INTRODUCCIÓN AL PRESENTE DOCUMENTO (EL "FOLLETO"). TODA DECISIÓN DE INVERTIR EN LAS ACCIONES DE GESTAMP AUTOMOCIÓN, S.A. (LAS "ACCIONES" Y LA "SOCIEDAD", "NOSOTROS" Y CONJUNTAMENTE CON SUS FILIALES, EL "GRUPO", RESPECTIVAMENTE) DEBE ESTAR BASADA EN LA CONSIDERACIÓN POR PARTE DEL INVERSOR DEL FOLLETO EN SU CONJUNTO.** **Es posible que, cuando se presente ante los tribunales una demanda sobre la información contenida en este Folleto, el inversor demandante deba -en virtud del Derecho nacional de los Estados miembros de la Unión Europea- soportar los gastos de la traducción del presente Folleto antes de que dé comienzo el procedimiento judicial.** Con arreglo al ordenamiento jurídico español, la responsabilidad civil recae exclusivamente sobre aquellas personas que hayan presentado la nota de síntesis, incluida cualquier traducción de la misma, y únicamente cuando la nota de síntesis sea engañosa, inexacta o incoherente en relación con las restantes partes de este Folleto, o no aporte -leída junto con las otras partes del folleto- información fundamental para ayudar a los inversores a la hora de determinar si invierten o no en tales Acciones.
A.2	Reventa posterior o colocación final de los valores a través de intermediarios financieros	No procede. No vamos a contratar intermediarios financieros para la reventa de valores o colocación final de valores que haga necesario un folleto tras la publicación del presente documento y no hemos prestado nuestro consentimiento a ninguna reventa o colocación de tal índole.

Sección B – El Emisor		
B.1	Nombre legal y comercial	Nuestro nombre legal es Gestamp Automoción, S.A. y nuestro nombre comercial es “Gestamp”.
B.2	Domicilio y forma jurídica	Somos una Sociedad Anónima (S.A.) constituida en España con arreglo a la Ley de Sociedades de Capital (según definido dicho término más adelante). Nuestro domicilio social se encuentra sito en el Polígono Industrial de Lebario s/n, 48220, Abadiño, Bizkaia (España), con número de teléfono 00 34 94 450 70 10. La sociedad se ha constituido por tiempo indefinido. El LEI (identificador de entidad jurídica) de la Sociedad es 95980020140005484363.
B.3	Operaciones en curso/actividades y mercados principales	Somos uno de los mayores proveedores del mundo de componentes y conjuntos para el sector de automoción en términos de ingresos (fuente: estudio Roland Berger Study: “Componentes metálicos de automoción para carrocerías y chasis” (“*Automotive metal components for car bodies and chassis*”), el estudio “Roland Berger Study”, y estimaciones internas basadas en la información de la Sociedad y en la documentación pública de nuestros competidores). Diseñamos, desarrollamos, fabricamos y vendemos componentes y mecanismos para carrocerías y chasis de alta ingeniería a fabricantes de equipos originales (“OEM”), principalmente para su uso en la producción de vehículos ligeros. Hemos cultivado sólidas y duraderas relaciones con nuestros clientes OEM ofreciéndoles tecnologías líderes a través de nuestra amplia área de presencia global formada por 98 instalaciones de producción, con otras diez plantas adicionales en construcción y 12 centros de I+D, con otro más en construcción, en 21 países de cuatro regiones (Europa, América del Norte, América del Sur y Asia) a 1 de marzo de 2017. Clasificamos nuestras actividades en cinco segmentos geográficos, a saber, Europa Occidental, Europa Oriental, América del Norte, Mercosur (Brasil y Argentina) y Asia. Nuestro liderazgo tecnológico y nuestra amplia área de presencia geográfica y de clientela nos permiten beneficiarnos de las oportunidades de crecimiento globales a la vez que conservamos un perfil de riesgos conservador y diversificado. Ofrecemos a nuestros clientes OEM una diversa cartera de productos como proveedores de Nivel 1 de carrocerías (“Carrocerías” o “BIW”) y estructuras de chasis (“Chasis”), mecanismos y sistemas de cierre (“Mecanismos”) y servicios de utillaje y troquelado y otros servicios relacionados (“Utillaje y Otros Productos”). • *Carrocerías y Chasis:* Nuestra cartera de productos BIW incluye grandes componentes y conjuntos de piezas ensambladas, tales como capós, techos, puertas, aletas y otras superficies y conjuntos de “Clase A” de alta calidad, que se emplean para la creación del exterior visible (“piezas piel”) de un automóvil. Esta cartera de productos incluye además otros productos estructurales y piezas relevantes en caso de choque, tales como suelos, pilares, largueros, paso de ruedas, módulos frontales, parachoques, traviesas salpicadero, que, junto con los componentes y conjuntos de ensamblajes que conforman las piezas piel, forman las estructuras (plataforma) superiores e inferiores esenciales de un automóvil. Nuestra cartera de productos de Chasis está compuesta por sistemas, estructuras y piezas relacionadas, tales como elementos transversales delanteros y traseros, brazos de suspensión integrada, viguetas

<table>
<tr><td></td><td></td><td>longitudinales, ejes y brazos de control delanteros y traseros y conexiones integradas, que unen la carrocería y el tren motriz del vehículo y soportan la carga del vehículo. Estas estructuras resultan esenciales para el rendimiento y la seguridad del vehículo, influyendo en particular en el ruido, la vibración, la conducción y en la gestión de impactos.

• Mecanismos (Edscha): Nuestra cartera de productos de mecanismos consiste en componentes mecánicos tales como bisagras para puertas, capós y portones, retenedores de puerta, así como pedaleras y frenos de mano. Esta cartera de productos incluye también sistemas electrónicos que permiten abrir y cerrar las puertas y el maletero del automóvil por control remoto.

• Utillaje y Otros Productos: Contamos con amplias capacidades para el diseño, ingeniería, fabricación, asistencia técnica y venta de troqueles y utillaje como elementos de apoyo a nuestros clientes. También diseñamos, fabricamos y vendemos prensas. Creemos que estamos entre los pocos proveedores de Nivel 1 que cuentan con amplias y sofisticadas capacidades internas de fabricación de utillaje y prensas.

En el ejercicio cerrado a 31 de diciembre de 2016, obtuvimos unos ingresos de 7.548,9 millones de EUR y nuestro EBITDA se situó en 841,1 millones de EUR, alrededor de un 7,3% y un 10,6%, respectivamente, por encima del ejercicio cerrado a 31 de diciembre de 2015. De nuestros ingresos totales correspondientes al ejercicio cerrado a 31 de diciembre de 2016, 6.067,4 millones de EUR, o alrededor del 80,4%, procedieron de productos de Carrocerías y Chasis, 902,4 millones de EUR, o alrededor del 11,9%, procedieron de productos de Mecanismos y 579,1 millones de EUR, o alrededor del 7,7%, procedieron de Utillaje y Otros Productos.

Creemos que somos el proveedor líder mundial de componentes para productos BIW en términos de ingresos. Por lo que respecta a productos de Chasis, estimamos que estamos entre los tres mayores a nivel mundial en términos de ingresos. En productos de Mecanismos, creemos que somos el claro líder del mercado mundial en términos de ingresos (fuente: estudio “Roland Berger Study”, y estimaciones internas basadas en la información de la Sociedad y en la documentación pública de nuestros competidores.</td></tr>
<tr><td>B.4</td><td>Tendencias recientes más significativas que afecten al Grupo y a los sectores en los que ejerce su actividad</td><td>El mercado internacional del automóvil se caracteriza por varias tendencias principales. Estas tendencias se pueden clasificar en (i) tendencias tecnológicas y regulatorias, (ii) tendencias geográficas, y (iii) tendencias relacionadas con la estrategia actual de OEMs.

• Tendencias tecnológicas y regulatorias:

• Crecimiento de regulaciones y estándares internacionales estrictos relativos a las emisiones.
• Crecimiento en las formas de seguridad activa y pasiva.
• Crecimiento del enfoque en características de confort y dinámicas.
• Uso de motores de combustión externos, particularmente vehículos eléctricos.
• Producción de vehículos global.</td></tr>
</table>

		• *Tendencias geográficas*: • Cambios regionales hacia mercados emergentes. • Recuperación del mercado en Rusia y América del Sur. • Producción local. • *Tendencias relacionadas con la estrategia actual de OEMs*: • Externalización de partes de los procesos de producción para reducir los requisitos de capital. • Movimiento hacia plataformas comunes y modelos globales. • Tecnologías de conducción autónoma y movilidad compartida. Todas estas tendencias ayudan a Gestamp de manera favorable, ya que los automóviles requerirán una carrocería y un chasis y esperamos que productos con características mejoradas como los que fabricamos en mecanismos estén más extendidos.
B.5	Estructura del Grupo	A 1 de marzo de 2017, el Grupo estaba compuesto por 158 filiales en todo el mundo cuya sociedad matriz es la Sociedad. Sin perjuicio de la estructura legal del grupo (propiedad/accionariado de cada filial), las operaciones de Gestamp se organizan en ocho divisiones operativas además del apoyo de los servicios corporativos: • *División Europa Sur*: incluye 32 plantas ubicadas en seis países distintos: España, Francia, Portugal, Hungría, Turquía y Rumanía. Todas las plantas pertenecen a filiales participadas al 100% por Gestamp, a excepción de lo siguiente: (i) nuestro socio local "Faik Çelik Holding, A.S." ostenta una participación del 50% de la filial que explota las cinco plantas turcas, siendo Gestamp el titular de la participación del 50% restante, (ii) el fondo público francés "Fonds d'Avenir Automobile" ostenta una participación minoritaria del 35% en la filial que explota cuatro plantas en Francia, siendo Gestamp el titular de la participación del 65% restante y (iii) la sociedad francesa MPO Group ostenta una participación minoritaria del 30% en la filial que explota la planta de Rumanía, siendo Gestamp el titular de la participación del 70% restante; • *División Europa Norte*: incluye 17 plantas ubicadas en seis países distintos: Alemania, Reino Unido, Suecia, Polonia, República Checa y Rusia. Todas las plantas pertenecen a filiales participadas al 100% por Gestamp, excepto por lo que respecta a dos plantas de Rusia en las que (i) la empresa de titularidad pública española "Compañía Española de Financiación al Desarrollo, Cofides, S.A." ostenta una participación minoritaria indirecta del 16,87% en la filial que explota dicha planta y (ii) nuestro socio local "Severstal" ostenta otra participación minoritaria del 25,02%. Gestamp ostenta el 58,11% restante. • *División América del Norte:* incluye 10 plantas ubicadas en Estados Unidos y Méjico. Nuestro socio global japonés, Mitsui & Co., Ltd., ostenta una participación minoritaria del 30% en la filial que explota todas las plantas de la División de América del Norte y Gestamp ostenta el 70% restante. • *División Mercosur (América del Sur):* incluye 10 plantas ubicadas en Brasil y Argentina. Nuestro socio global japonés, Mitsui & Co., Ltd., ostenta una participación minoritaria del 30% en la filial que

		explota todas las plantas de la División Mercosur y Gestamp ostenta el 70% restante. • *División Asia*: incluye 9 plantas ubicadas en tres países distintos: China, Corea e India. Todas las plantas pertenecen a filiales participadas al 100% por Gestamp, a excepción de lo siguiente: (i) la empresa de titularidad pública española "Compañía Española de Financiación al Desarrollo, Cofides, S.A." ostenta una participación minoritaria del 35% en una filial que explota dos plantas en China, en la que Gestamp es titular del 65% restante, así como una participación minoritaria del 31,05% en una filial adicional que explota una planta también en China, en la que Gestamp es titular del 68,95% restante y (ii) Gonvarri ostenta una participación del 50% en una filial que explota una planta en India en la que Gestamp es titular del 50% restante; • *División Edscha (Mecanismos):* cuenta con 15 plantas ubicadas en diez países distintos: Alemania, España, Eslovaquia, República Checa, Rusia, Estados Unidos, Brasil, Corea, China y Tailandia. Todas las plantas pertenecen a filiales participadas al 100% por Gestamp, a excepción de lo siguiente: (i) nuestro socio local "Shanghai Tractor Internal and Combustion Engine Co., Ltd." ostenta una participación minoritaria del 45% en una filial que explota una planta en China en la que Gestamp es titular del 55% restante, (ii) nuestro socio local "Jui Liu Enterprise Co. Ltd" y otros ostentan una participación del 50% en una filial que explota una planta en China en la que Gestamp es titular del 50% restante (a 31 de diciembre de 2016), (iii) nuestro socio local "AAPICO Hitech Public Co. Ltd" ostenta una participación minoritaria del 49% en una filial que explota una planta en Tailandia en la que Gestamp es titular del 51% restante y (iv) nuestro socio local "PHA Pyeonghwa Automotive Co, Ltd." ostenta una participación del 50% en la filial que explota una planta en Corea en la que Gestamp es titular del 50% restante. • *División de Utillaje y Equipo:* incluye 5 plantas ubicadas en dos países distintos: España y Méjico. Todas las plantas pertenecen a filiales participadas al 100% por Gestamp, a excepción de una planta de Méjico en la que tres fondos públicos vascos (Ekarpen Private Equity, S.A., Ezten FCR y Basque FCR) ostentan -en total- un 70% y Gestamp es titular del 30% restante. • *División de Investigación y Desarrollo (filiales Autotech):* que incluye 12 centros de I+D (con otro centro adicional en construcción) ubicados en ocho países distintos: España, Alemania, Francia, Suecia, Estados Unidos, Brasil, China y Japón. Todos los centros pertenecen a filiales participadas al 100% por Gestamp. Alguna de nuestras divisiones operativas (Edscha, utillaje y equipo e investigación y desarrollo) forma parte de más de uno de nuestros segmentos geográficos.
B.6	Accionistas Principales	A fecha del presente Folleto, el capital social emitido de la Sociedad está compuesto por 575.514.360 Acciones, con un valor nominal de 0,50€ cada una de ellas. Cada Acción lleva aparejado el derecho a recibir los dividendos y demás distribuciones que se declaren y paguen tras la liquidación de la Oferta y a recibir notificación de convocatoria de todas las Juntas Generales de Accionistas y a votar en las referidas juntas. El 3 de marzo de 2017, la Junta General Extraordinaria de Accionistas (según definido dicho término más adelante) aprobó el reparto de unos dividendos en efectivo por importe de 0,1153€ por Acción con cargo a

reservas distribuibles que ha sido pagado íntegramente a la fecha del presente Folleto. Tras dicho reparto, la Sociedad no prevé pagar más dividendos en relación con el ejercicio económico 2016.

A fecha del presente Folleto, D. Francisco José Riberas Mera y D. Juan María Riberas Mera y sus respectivos descendientes directos por consanguinidad o adopción (la "Familia Riberas") controlan, indirectamente a través de Acek, Risteel y Gestamp 2020, 566.763.720 Acciones de la Sociedad, representativas del 98,48% de las Acciones. A este respecto, la estructura accionarial actual de la Sociedad en las siguiente:

- Acek Desarrollo y Gestión Industrial, S.L. ("Acek") ostenta 216.534.480 Acciones o el 37,62% del capital social emitido de la Sociedad. Actualmente se prevé que, tras la Oferta, Acek ostentará 123.042.083 Acciones, representativas del 21,38% del total del capital social ordinario emitido de la Sociedad, presumiéndose que no se ejerza la Opción de Sobreasignación y 99.733.752 Acciones, representativas del 17,33% del total del capital social ordinario emitido de la Sociedad, presumiéndose que se ejerza íntegramente la Opción de Sobreasignación;

- Risteel Corporation, B.V. ("Risteel") ostenta 61.896.480 Acciones o el 10,75% del capital social emitido de la Sociedad. Actualmente se prevé que, tras la Oferta, Risteel no ostentará ninguna Acción; y

- Gestamp 2020, S.L. ("Gestamp 2020") ostenta 288.332.760 Acciones o el 50,10% del capital social emitido de la Sociedad. Gestamp 2020 no participará en la Oferta. Acek es el propietario económico del 75% del capital social de Gestamp 2020 mientras que Mitsui & Co., Ltd. ("Mitsui") es el propietario económico del 25% restante.

- Determinados empleados del Grupo ostentan 8.750.640 Acciones o el 1,52% del capital social emitido de la Sociedad. Los empleados del Grupo no participarán en la Oferta.

	Antes de la Oferta		Nº de Acciones ofertadas en la Oferta	Opción de Sobreasignación	Nº total + Opción de Sobreasignación)	Después de la Oferta			
Propietario	Nº de Acciones controladas	%	Nº de Acciones			Nº de Acciones en propiedad (presumiéndose el ejercicio íntegro de la Opción de Sobreasignación)	%	Nº de Acciones en propiedad (presumiéndose que no se ejerza la Opción de Sobreasignación)	%
Familia Riberas (1)(2)	566.763.720	98,48	155.388.877	23.308.331	178.697.208	388.066.512	67,43	411.374.843	71,48
Empleados	8.750.640	1,52	0	0	0	8.750.640	1,52	8.750.640	1,52
Cotización Libre	0	0	0	0	0	178.697.208	31,05	155.388.877	27,00

(1) A fecha de este Folleto, la Familia Riberas mantiene su participación a través de Acek, Risteel y Gestamp 2020, de acuerdo con el siguiente detalle: Acek es titular directo de 216.534.480 Acciones de la Sociedad, representativas del

		37,62% de su capital social, Acek asimismo es titular indirecto de (i) 61.896.480 Acciones de la Sociedad, representativas del 10,75% del capital social de la Sociedad a través de Risteel Corporation B.V. y (ii) 1.802.080 participaciones sociales de Gestamp 2020 que representan el 75% de su capital social y, por tanto, indirectamente, 216.249.600 Acciones de la Sociedad, representativas del 37,58% del capital social de la Sociedad. (2) A fecha de este Folleto, Mitsui & Co. Ltd. ostenta directamente 600.693 participaciones sociales de Gestamp 2020 que representan el 25% de su capital social y por tanto, indirectamente, 72.083.990 Acciones de la Sociedad, representativas del 12,53% del capital social de la Sociedad. Los Accionistas Vendedores serán Acek y Risteel, sociedades ambas controladas al 100% por la Familia Riberas, que pretende conservar la propiedad de más del 50% de nuestro capital social y derechos de voto después de la Oferta y, por tanto, mantener el control de la Sociedad. Todas las Acciones tienen -y tendrán después de la Oferta- una prelación crediticia igual (o *pari passu*) entre sí en todos los aspectos, incluido a efectos de derechos de voto y de todas las distribuciones de beneficios e ingresos procedentes de la liquidación de la Sociedad.
B.7	Síntesis sobre información financiera fundamental histórica	(see tables below)

	Ejercicio con cierre a 31 de diciembre de		
	2014	**2015**	**2016**
	(millones de €)		
Datos de las cuentas de resultados consolidadas:			
Ingresos de explotación	**6.411,4**	**7.202,3**	**7.673,9**
Ingresos ordinarios	*6.255,8*	*7.034,5*	*7.548,9*
Otros ingresos de explotación	*126,6*	*156,9*	*131,6*
Cambios en existencias	*29,0*	*10,9*	*(6,6)*
Gastos de explotación	**(6.073,9)**	**(6.802,1)**	**(7.211,3)**
Materias primas y otros consumibles	*(3.885,8)*	*(4.308,6)*	*(4.509,7)*
Gastos de personal	*(1.124,9)*	*(1.258,0)*	*(1.366,9)*
Amortizaciones y pérdidas por deterioro	*(319,0)*	*(360,1)*	*(378,5)*
Otros gastos de explotación	*(744,2)*	*(875,4)*	*(956,2)*
Beneficios de explotación	**337,5**	**400,2**	**462,6**
Ingresos financieros	9,6	13,3	5,3
Gastos financieros	(138,6)	(121,8)	(98,8)
Pérdidas por diferencias de cambio	(7,6)	(24,7)	(12,4)
Otros[1]	(10,2)	(14,2)	(8,6)
Beneficio en el ejercicio procedente de actividades en curso	**190,7**	**252,8**	**348,1**
Gasto fiscal	(60,3)	(63,9)	(88,9)
Beneficio en el ejercicio	**130,4**	**188,9**	**259,2**
Pérdidas de actividades interrumpidas	(1,6)	—	—
Resultados atribuibles a intereses minoritarios	(3,1)	(27,4)	(37,8)
Beneficio atribuible a los accionistas de la sociedad dominante	**125,7**	**161,5**	**221,4**

	A 31 de diciembre de		
	2014	**2015**	**2016**
	(millones de €)		
Datos de los balances de situación consolidados:			
Inmovilizados intangibles	311,6	359,4	393,0
Inmovilizado material	2.661,8	2.861,8	3.160,0
Activo financiero no corriente	76,8	57,7	95,5
Existencias	573,0	586,4	630,9
Deudores comerciales y otras cuentas a cobrar	1.057,5	1.194,7	1.376,9
Efectivo y otros medios líquidos equivalentes	483,9	356,0	430,5
Otros[2]	342,5	329,7	342,8
Total activo	**5.507,1**	**5.745,7**	**6.429,6**
Total patrimonio neto	**1.716,2**	**1.798,4**	**1.872,0**
Pasivo no comercial no corriente	1.725,3	1.674,2	1.779,4
Pasivo financiero corriente	312,2	299,7	425,2
Pasivo no financiero corriente	142,3	151,2	290,8
Acreedores comerciales y otras cuentas a pagar	1.191,8	1.384,4	1.621,4
Pasivo por impuestos diferidos	235,1	225,5	238,5
Otros pasivos[3]	184,2	212,3	202,3
Total pasivo	**3.790,9**	**3.947,3**	**4.557,6**

	Ejercicio con cierre a 31 de diciembre de		
	2014	**2015**	**2016**
	(millones de €)		
Información de los estados resumidos de flujos de efectivo consolidados:			

Beneficio en el ejercicio antes de impuestos y después de intereses minoritarios	187,6	225,4	310,3
Pérdidas en el ejercicio de actividades interrumpidas, netas de impuestos	(1,6)	—	—
Ajustes en el beneficio	420,9	542,1	489,7
Variaciones en el fondo de maniobra	151,8	9,7	24,6
Otros flujos de efectivo de actividades de explotación	(193,2)	(177,2)	(172,0)
Flujos de efectivo de actividades de explotación	**565,5**	**600,0**	**652,6**
Pagos por inversiones	(548,4)	(626,6)	(738,4)
Cobros por desinversiones	100,8	92,1	7,9
Flujos de efectivo procedentes de actividades de inversión	**(447,6)**	**(534,5)**	**(730,5)**
Cobros y pagos por instrumentos de capital	(6,5)	(28,0)	(6,6)
Cobros y pagos por pasivos financieros	(130,9)	(120,9)	216,7
Pagos por dividendos y otros instrumentos de capital	(41,5)	(50,2)	(56,1)
Flujos de efectivo de actividades de financiación	**(178,9)**	**(199,1)**	**154,0**
Efecto de las variaciones en los tipos de cambio	24,5	5,7	(1,6)
Aumento (disminución) neta en el efectivo o equivalentes	**(36,5)**	**(127,9)**	**74,5**

	Datos a 31 de diciembre y para ese ejercicio		
	2014	**2015**	**2016**
	(millones de €, salvo los porcentajes y ratios)		
Otros datos financieros:			
Ingresos a tipo de cambio constante(4)	N/A	6.769,2	7.897,1
EBITDA(5)	656,5	760,3	841,1
Margen EBITDA	10,5%	10,8%	11,1%
Inversiones de capital de desarrollo(6)	166,8	286,2	389,6
Inversiones de capital recurrentes(6)	246,5	248,0	251,5
Inversiones de capital en intangibles(6)	70,0	88,3	83,6
Pago neto por inversiones(7)	438,4	595,5	663,7
Flujo de efectivo de operaciones ajustado(8)	340,0	424,0	506,0
Conversión de flujos de efectivo(9)	52%	56%	60%
Variaciones en el fondo de maniobra	151,8	9,7	24,6
Dividendos(10)	(41,5)	(50,2)	(56,1)
Contratación(11)	5.821,0	11.780,6	11.917,4
Cociente contratación/ventas (*book-to-bill*) (11)	1,1	1,9	1,8
Datos financieros adicionales sobre el endeudamiento:			
Total deuda financiera(12)	1.969,5	1.884,5	2.106,3
Efectivo y otros medios líquidos equivalentes	484,0	356,0	430,5
Activo financiero corriente	75,9	35,5	43,2
Deuda financiera neta(12)	1.409,7	1.493,1	1.632,6
Cociente deuda financiera / EBITDA(13)	2,1	2,0	1,9
Gastos financieros netos(14)	129,0	108,5	93,5
Cociente EBITDA / gastos financieros netos(15)	5,1	7,0	9,0

(1) Se compone de la participación en beneficios de entidades asociadas, los cambios en el valor razonable de los instrumentos financieros, y el deterioro y resultados por enajenaciones de instrumentos financieros.

(2) Se compone de activos por impuestos diferidos, activos mantenidos para la venta (formado por activos y pasivos cuya recuperación se prevé mediante la venta y no mediante el uso continuado, como nuestra participación en algunos negocios conjuntos), activos financieros corrientes y otros activos corrientes.

(3) Se compone de provisiones no corrientes, ingresos diferidos, provisiones corrientes y otros pasivos corrientes.

(4) Calculamos los ingresos a tipo de cambio constante en base al tipo de cambio medio de los años 2016, 2015 y 2014. No presentamos ingresos para los ejercicios cerrados a 31 de diciembre de 2014 con tipos de cambio constantes dado que no comparamos nuestros resultados a 31 de diciembre de 2014 con nuestros resultados a 31 de diciembre de 2013.

(5) El "EBITDA" representa los beneficios de explotación antes de amortizaciones y pérdidas por deterioro. La dirección considera que el EBITDA es un indicador valioso para los inversores por cuanto proporciona un análisis de los resultados de explotación y nuestra rentabilidad y capacidad de afrontar la deuda, y porque es el indicador que emplean los máximos responsables de la toma de decisiones en nuestra empresa para hacer un seguimiento de la evolución económica, fijar objetivos operativos y estratégicos, y tomar importantes decisiones de negocio. Asimismo, el EBITDA también es una medida preparada y empleada habitualmente a efectos de información financiera por parte de analistas, inversores y otras partes interesadas en nuestro sector. Con vistas a facilitar el análisis de nuestras operaciones, este indicador excluye el deterioro y los gastos de amortización de los beneficios de explotación ya

		que con ello se elimina la repercusión de las inversiones generales de capital a largo plazo. Si bien presentamos esta medida con ánimo de facilitar una mejor comprensión de nuestro historial de resultados de explotación, el EBITDA no debe ser considerado una alternativa a los beneficios de explotación en cuanto indicador del resultado de explotación, ni como alternativa a los flujos de efectivo procedentes de actividades de explotación en cuanto medida de liquidez. (6) "Inversiones de capital" hace referencia a las inversiones en inmovilizado material y en activos inmateriales. Las inversiones de capital de desarrollo engloban las inversiones de capital en proyectos vírgenes, en grandes ampliaciones de instalaciones existentes y en procesos/tecnologías de nuevo cuño en instalaciones existentes. Inversiones de capital en intangibles hace referencia a las inversiones en activos intangibles. Inversiones de capital recurrentes son los desembolsos destinados a mantenimiento de instalaciones y sustitución empresarial (*business replacement*). (7) Definimos los pagos netos por inversiones como los desembolsos de efectivo neto reales en concepto de inmovilizado material y activos intangibles, tomando en consideración los incrementos y disminuciones en las partidas a pagar a nuestros proveedores de inmovilizado material y activos intangibles, así como los importes obtenidos de la desinversión de inmovilizado material y activos intangibles. (8) Definimos el flujo de efectivo de operaciones ajustado como nuestro EBITDA menos las inversiones de capital recurrentes y las inversiones de capital en intangibles. (9) Definimos la conversión del flujo de efectivo como el flujo efectivo de operaciones ajustado dividido entre el EBITDA. (10) Los dividendos se componen de los dividendos abonados por la Sociedad a sus accionistas y a los socios en negocios conjuntos en determinadas filiales. En 2016, se declaró un dividendo de €48,4 millones a los accionistas de la Sociedad con fecha 1 de febrero y 27 de junio, que fue desembolsado el 28 de junio de ese mismo ejercicio. (11) Definimos "contratación" como las ventas de componentes atribuibles a programas de vehículos concedidos a la Sociedad por fabricantes de equipos originales (OEM) durante el periodo indicado menos las cancelaciones, según las mejores estimaciones razonables de la dirección en cuanto a volúmenes, precios de venta y ciclo de vida de los proyectos. La contratación excluye las ventas intercompañía, de despieces y utillaje. El cociente de contratación/ventas se define como la contratación durante un ejercicio dividida entre los ingresos ordinarios de dicho ejercicio, excluyendo de ambas magnitudes las ventas intercompañía, de despieces y utillaje. (12) El total de deuda financiera se compone de préstamos y endeudamientos remunerados, arrendamientos financieros, deudas con asociadas, préstamos del Ministerio de Ciencia y Tecnología y otros préstamos remunerados, si bien excluye los instrumentos financieros derivados, los préstamos no remunerados, otros pasivos no comerciales corrientes, ingresos diferidos, provisiones, pasivos por impuestos diferidos, acreedores comerciales y otras cuentas a pagar y otros pasivos. La deuda financiera neta se compone de la deuda financiera total menos el efectivo y otros medios equivalentes y los activos financieros corrientes. (13) Calculado dividiendo la deuda financiera neta entre el EBITDA. (14) Los gastos financieros netos son los gastos financieros menos los ingresos financieros. (15) Calculado dividiendo el EBITDA entre los gastos financieros netos. En 2014, la producción global de vehículos ligeros creció un 3,1% hasta 87,4 millones de unidades. Durante el ejercicio 2014, el Grupo realizó importantes inversiones a nivel mundial para apoyar a las necesidades credientes de externalización total de los OEMs, a medida que expanden sus negocios globalmente. Invertimos un total de 483 millones de euros durante el ejercicio finalizado el 31 de diciembre de 2014 y pudimos generar flujos de caja operativos positivos gracias al EBITDA generado y a un buen control de nuestro capital circulante. En consecuencia, la deuda neta del Grupo se redujo hasta 1.410 millones de euros y el apalancamiento financiero del Grupo se situó en 2,1x (Deuda Financiera Neta/EBITDA) a final de 2014. En 2015, la producción global de vehículos ligeros creció menos de un 2%. A pesar de una economía más débil y unas cifras de producción más lentas en el sector automovilístico, tuvimos una evolución favorable con un crecimiento en los ingresos superior al 12%, sobrepasando el nivel de

		los 7.000 millones de euros. La rentabilidad de nuestras operaciones en 2015 también fue satisfactoria. El EBITDA creció más de 100 millones de euros en comparación con 2014 (+16%), lo que representó un margen de EBITDA del 10,8%. El beneficio operativo creció casi un 19% en compración con el año anterior, alcanzando los 400 millones de euros. En 2015 las inversiones se incrementaron como resultado de las nuevas oportunidades de negocio. Además de los proyectos ya comenzados en 2014, empezamos a construir cinco instalaciones de nueva creación (*greenfield*) que contribuyen a la previsión de crecimiento sólido para los próximos años. Aunque la deuda neta del Grupo se incrementó en términos absolutos, la evolución favorable del EBITDA condujo a una nueva reducción de nuestro apalancamiento financiero hasta el 2.0x de Deuda Financiera Neta/EBITDA. Finalmente, en 2016 el rendimiento del negocio de Gestamp dentro del entorno macroeconómico actual, y también en el sector automovilístico, ha sido nuevamente favorable. Los ingresos superaros los 7.500 millones de euros por primera vez. El crecimiento, que a tipo de cambio constante se mantuvo en un 12,5%, fue apoyado por la consolidación de proyectos en los que el Gurpo había invertido en los años anteriores, y por el buen rendimiento de mercados clave como China, La India, España y Reino Unido. El ejercicio 2016 también ha sido positivo en términos de rentabilidad, con crecimientos interanuales en los principales indicadores, tales como el EBITDA, el EBIT y el beneficio atribuible a los accionistas, bastante superiores al crecimiento de los ingresos. El EBITDA creció en 8,1 millones de euros hasta 841 millones de euros, esto es, un 10,6% en el ejercicio, mientras que el EBIT creció un 15,6% hasta 463 millones de euros y el beneficio neto, en un 37,1% hasta 221 millones de euros. En línea con ejercicios recientes, el nivel de gastos de capital en 2016 ha sido significativo, permitiendo al Grupo continuar creciendo a una tasa superior a la de su mercado objeto en los próximos años. En el ejercicio finalizado el 31 de diciembre de 2016, invertimos 725 millones de euros en gastos de capital destinados a apoyar los proyectos de los clientes de Gestamp en todo el mundo. Entre los gastos de capital se incluyen gastos de capital de crecimiento, recurrentes e intangibles. Asimismo, alrededor de la mitad de los gastos de capital han sido impulsados por proyectos no restringidos, incluyendo inversiones en proyectos de nueva creación (*greenfield*), expansiones significativas de instalaciones existentes y nuevos procesos / tecnologías en plantas existentes. Los gastos de capital recurrentes incluyeron inversiones para sustituir programas existentes y gastos de mantenimiento de bienes de producción. Sean gastos de crecimiento o de reemplazo de negocios, nuestros gastos de capital están apoyados en órdenes firmes y a largo plazo de nuestros clientes.
B.8	Información financiera fundamental seleccionada pro forma	No procede. Este Folleto no contiene información financiera pro forma.
B.9	Previsión de beneficios	No procede. Este Folleto no contiene previsiones ni cálculos o estimaciones de beneficios.
B.10	Reservas o salvedades en el	Los informes de auditoría correspondientes a nuestros estados financieros para los ejercicios cerrados a 31 de diciembre de 2016, 2015

	informe de auditoría sobre la información histórica	y 2014 que se incluyen en otras partes del presente Folleto y que fueron elaborados por Ernst & Young S.L., firma auditora independiente, se emitieron "sin reservas".
B.11	Capital circulante insuficiente	No procede. A nuestro juicio, el capital circulante del que disponemos resulta suficiente para las necesidades presentes de la Sociedad y, en concreto, resulta suficiente para los próximos 12 meses siguientes a la fecha de este Folleto. Este continuará siendo el caso con ocasión de la consumación de la Oferta.

Sección C – Los Valores		
C.1	Descripción de la clase de valores	Acek y Risteel (conjuntamente, los "Accionistas Vendedores") ofertan un número de acciones ordinarias de hasta un máximo de 155.388.877, con un valor nominal de 0,50€ por acción (las "Acciones Iniciales Ofertadas"), de la Sociedad a través de una oferta institucional dirigida a inversores institucionales de fuera de Estados Unidos, incluida España, de conformidad con lo previsto en el Reglamento S (el "Reglamento S" ("*Regulation S*")) de la Ley de Valores de 1933 de EE.UU. (*United States Securities Act of 1933*), en su versión actualizada (la "Ley de Valores") y compradores institucionales cualificados de Estados Unidos con arreglo a lo previsto en la Norma 144A (*Rule 144A*) de la Ley de Valores (la "Oferta"). Acek otorgará a Morgan Stanley & Co. International plc, o a cualquiera de sus agentes, como entidad directora de la estabilización (la "Entidad Directora de la Estabilización"), en su propio nombre y en nombre de las entidades directoras que participen en la Oferta (las "Entidades Directoras"), una opción de compra de hasta 23.308.331 Acciones adicionales (las "Acciones Adicionales") y, junto con las Acciones Iniciales Ofertadas, las "Acciones Ofertadas") representativas de hasta el 15% de las Acciones Iniciales Ofertadas en relación con la Oferta (la "Opción de Sobreasignación"). Todas las Acciones Ofertadas son propiedad de los Accionistas Vendedores y la Sociedad no ofrecerá acciones de nueva emisión en la Oferta. La Agencia Nacional de Codificación de Valores Mobiliarios -entidad que depende de la Comisión Nacional del Mercado de Valores (la "CNMV")- ha asignado a las Acciones el código ISIN ES0105223004. Se espera que las Acciones sean admitidas a cotización en las Bolsas de Valores Españolas a través del Sistema de Interconexión Bursátil (SIBE o *AQS*) con el *ticker* "GEST".
C.2	Divisa de emisión de los valores	La moneda de denominación de las Acciones es el euro (EUR).
C.3	Número de acciones emitidas y totalmente desembolsadas	A fecha del presente Folleto y en la Admisión, el capital social emitido de la Sociedad está compuesto por 575.514.360 Acciones con un valor nominal de 0,50€ cada una de ellas. Cada Acción lleva aparejado el derecho a recibir los dividendos y demás distribuciones que se declaren y paguen tras la liquidación de la Oferta y a recibir notificación de convocatoria de todas las Juntas Generales de Accionistas y a votar en las referidas juntas de la Sociedad (la "Junta General de Accionistas"). Todas las Acciones de la Sociedad se encuentran totalmente suscritas y desembolsadas.

C.4	Derechos vinculados a las acciones	Las Acciones tienen una prelación crediticia igual (o *pari passu*) entre ellas en todos sus aspectos, inclusive por lo que respecta a los derechos de voto y a todas las distribuciones de beneficios e ingresos procedentes de la liquidación. Las Acciones confieren a sus tenedores los derechos previstos en los estatutos sociales (los "Estatutos Sociales") y en la Ley de Sociedades de Capital aprobada mediante el Real Decreto Legislativo 1/2010, de 2 de julio, que aprueba el Texto Refundido de la Ley de Sociedades de Capital (en su versión actualizada, la "Ley de Sociedades de Capital"), como, por ejemplo y entre otros, (i) el derecho a asistir -con voz y voto- a cualquier Junta General de Accionistas, (ii) el derecho a recibir dividendos en proporción a su participación desembolsada en la Sociedad, (iii) el derecho de suscripción preferente de acciones ordinarias de nueva emisión u otros valores (inclusive de warrants y obligaciones convertibles emitidos a cambio de aportaciones en efectivo o mediante una emisión gratuita con cargo a reservas y (iv) el derecho sobre cualesquiera activos sobrantes una vez atendido íntegramente el pago a los acreedores de la Sociedad en proporción a sus respectivas participaciones con ocasión de la liquidación de la Sociedad.
C.5	Restricciones a la libre transmisibilidad de las acciones	Salvo por lo que respecta a las restricciones que procedan con arreglo a las leyes de valores aplicables, no existen restricciones a la libre transmisibilidad de las Acciones, sin perjuicio de los acuerdos de no transmisión o *lock-up* suscritos en relación con la Oferta.
C.6	Solicitud de admisión a cotización en mercados regulados	Se presentará la correspondiente solicitud de admisión a cotización de las Acciones en las bolsas de valores de Madrid, Barcelona, Bilbao y Valencia (las "Bolsas de Valores Españolas") para su negociación a través del SIBE, hecho que se espera tenga lugar el 7 de abril de 2017 o fecha cercana a la misma. No se ha presentado -ni actualmente se pretende presentar- solicitud alguna para que las Acciones sean admitidas a cotización o negociación en ninguna otra bolsa.
C.7	Política de dividendos	Con ocasión de la Admisión -y presumiéndose que existan suficientes reservas distribuibles disponibles en dicho momento- pretendemos alcanzar unos dividendos cercanos al 30% de los beneficios netos consolidados del Grupo en cada ejercicio, a partir de 2018 respecto del ejercicio económico 2017, de conformidad con la política de dividendos aprobada por el Consejo de Administración el 3 de marzo de 2017. En esa misma fecha, la Junta General de Accionistas con carácter extraordinario de la Sociedad aprobó la distribución de unos dividendos en efectivo por importe de 0,1153€ por Acción con cargo a reservas distribuibles que han sido íntegramente pagados a la fecha del presente Folleto. Tras dicha distribución, la Sociedad no prevé repartir más dividendos en relación con el ejercicio económico 2016. Nuestras expectativas en relación con dividendos, reservas distribuibles, comportamiento del negocio y condiciones del mercado están sujetas a numerosas presunciones o hipótesis, riesgos e incertidumbres, que puede que escapen a nuestro control. Podremos proceder a revisar nuestra política de dividendos en su momento.

<table>
<tr><th colspan="3">Sección D – Riesgos</th></tr>
<tr><td>D.1</td><td>Información fundamental sobre los principales riesgos específicos del Grupo o de su sector de actividad</td><td>Riesgos relacionados con nuestra actividad de negocio
Estamos sujetos a riesgos relacionados con nuestras operaciones internacionales.
Dependemos de una reducida cantidad de clientes de gran volumen para nuestros ingresos corrientes y futuros. La pérdida de alguno de estos clientes o la pérdida de cuota de mercado por parte de éstos podría tener un efecto adverso significativo sobre nosotros.
En caso de que no podamos trasladar el impacto de la volatilidad en los precios del acero y la energía a nuestros clientes OEM, nuestros resultados podrían verse negativamente afectados.
Nuestra imposibilidad de realizar los ingresos esperados de las actividades de negocio de las que seamos adjudicatarios o la terminación o no renovación de pedidos de producción por parte de nuestros clientes, podrían afectar negativa y significativamente a nuestro negocio, situación económica, resultados y flujos de efectivo.
Determinadas decisiones adoptadas por nuestras empresas en participación (o joint ventures) requieren del consentimiento de terceros sobre los que no tenemos control, y no tenemos control sobre varias de nuestras empresas en participación.
Hemos invertido una cantidad sustancial de recursos en mercados en los que esperamos crecimiento, y es posible que no podamos modificar oportunamente nuestras estrategias en caso de que no se cumplan nuestras expectativas.
Las reclamaciones o demandas de responsabilidad por productos y los costes de garantía y retirada de productos podrían conllevar que incurriésemos en pérdidas y un daño para nuestra reputación.
Riesgos relacionados con nuestra Estructura Financiera
Nuestro nivel de endeudamiento podría dificultarnos atender el servicio de nuestra deuda y explotar nuestro negocio.
Estamos sujetos a compromisos restrictivos en virtud de nuestras líneas de financiación. Estos compromisos podrían afectar significativamente a la forma en la que llevamos nuestro negocio. El incumplimiento de estos compromisos podría conllevar un incumplimiento y el vencimiento anticipado de nuestra deuda, así como la ejecución de las garantías constituidas en relación con dicho endeudamiento.
Nuestras operaciones requieren inversión en gastos de capital en determinados estadios o etapas, lo que podría consumir efectivo de nuestras operaciones.
Las fluctuaciones de los tipos de cambio de divisas podrían conllevar una merma en nuestra situación económica, resultados y flujos de efectivo.
Necesitamos una cantidad significativa de efectivo para atender al servicio de nuestra deuda y para otros fines corporativos de carácter general. Nuestra capacidad para generar efectivo suficiente depende de muchos factores que escapan a nuestro control.
Las inspecciones fiscales o las reclamaciones legales o reguladoras presentadas contra la Sociedad podrían conllevar un efecto adverso significativo para nuestra situación económica.
El valor de nuestros activos por impuestos diferidos podría verse</td></tr>
</table>

		deteriorado, o es posible que no podamos utilizar los créditos por bases imponibles negativaso gestionar otras exposiciones tributarias a las que nos enfrentamos, lo que podría afectar significativa y negativamente a nuestros resultados. • Es posible que nuestros seguros no proporcionen una cobertura adecuada. • Contamos con una gran cantidad de fondo de comercio, lo que podría conllevar una reducción de nuestro patrimonio e ingresos netos en caso de deterioro. • Es posible que los contratos de cobertura y demás contratos de derivados no compensen de forma efectiva o suficiente el impacto negativo de las fluctuaciones en los tipos de cambio de divisas. **Riesgos relacionados con nuestro Sector de Actividad** • Las perturbaciones en la cadena de suministro de automoción podrían tener un impacto adverso significativo sobre nuestro negocio, situación económica, resultados y flujos de efectivo. • La industria del automóvil es cíclica, y las contracciones cíclicas o los cambios seculares que afecten al sector automovilístico podrían tener un impacto negativo en nuestro negocio, situación económica, resultados y flujos de efectivo. • Un abandono parcial de las tecnologías en las que invertimos y los cambios en las necesidades del sector, incluidos materiales, podrían tener un efecto adverso significativo sobre nuestra rentabilidad y situación económica. • Es posible que tengamos dificultades a la hora de competir con éxito en el altamente competitivo sector de componentes de automoción en general y en determinadas áreas geográficas o de productos en especial, y dicha competencia podría afectar a nuestros resultados. • La mano de obra del sector automovilístico está altamente sindicalizada y si no conseguimos renovar o renegociar nuestros convenios colectivos con los sindicatos a medida que vayan expirando, o en caso de que nuestros empleados -o los empleados de nuestros clientes- emprendan actuaciones tales como paros laborales u otras acciones laborales problemáticas, dicha circunstancia podría conllevar un efecto adverso significativo para nuestro negocio. El incremento de la remuneración de la mano de obra a resultas de la renegociación de un convenio colectivo podría reducir nuestra rentabilidad. • Estamos sujetos a requisitos y riesgos medioambientales y de higiene y seguridad a resultas de los cuales podríamos incurrir en costes, responsabilidades, pasivos y obligaciones significativos. Además, los cambios significativos en las leyes y en la normativa pública podrían conllevar un efecto adverso para nuestro negocio, situación económica y resultados. • Es posible que tengamos que hacer frente a determinados riesgos relacionados con el cambio climático que podrían conllevar un impacto adverso sobre nuestro negocio. • Estamos expuestos a determinados riesgos relativos a nuestros derechos de propiedad intelectual e industrial, a la validez de los mismos y a los derechos de propiedad intelectual e industrial de terceros. • Nuestras operaciones se basan en complejos sistemas y redes informáticos. **Riesgos relacionados con nuestra Estructura Accionarial**

		• Nuestro accionista de control podrá ejercer una influencia significativa sobre nosotros y nos enfrentamos a determinados riesgos relativos a conflictos de interés entre nosotros y nuestro accionista de control. • En el pasado hemos llevado a cabo, y esperamos llevar a cabo en el futuro, operaciones y transacciones con nuestras asociadas y con las asociadas de nuestro accionista de control, siendo posible que algunas de las cuales pueden no ser en el futuro consideradas por terceros como operaciones y transacciones en condiciones de mercado. **Riesgos relacionados con el Entorno Político, Regulatorio, Normativo y Macroeconómico** • Las contracciones económicas o el empeoramiento de las condiciones económicas y políticas globales podrán tener un efecto adverso significativo sobre la demanda de nuestros productos y sobre nuestra rentabilidad. • Las continuas incertidumbres y las difíciles condiciones políticas de España, de la economía europea y del euro podrían intensificar los riesgos a los que se enfrenta el sector automovilístico y nuestro negocio, lo que podría conllevar un efecto adverso significativo para nuestras operaciones, situación económica y rentabilidad. • Tendremos que hacer frente a más requisitos administrativos y poner en práctica ajustes en nuestro sistema de control interno como consecuencia de la admisión a cotización de las Acciones en las Bolsas de Valores Españolas, que es posible que no podamos afrontar o poner en práctica adecuadamente. **Otros Riesgos** • Las dificultades relativas a la salida de nuevos programas podrían afectar adversamente a nuestras operaciones de negocio, situación económica y resultados. • Nuestra incapacidad, o la incapacidad de nuestros clientes, a la hora de conseguir y mantener una financiación de capital suficiente, incluidas líneas de capital circulante, y seguros de crédito, podría conllevar un efecto adverso para nuestra liquidez y situación financiera y para las de nuestros clientes. • Nuestra incapacidad a la hora de compensar las concesiones en los precios o los costes adicionales procedentes de nuestros clientes podría conllevar un efecto adverso para nuestra rentabilidad. • Es posible que debamos incurrir en costes significativos relacionados con cierres de plantas, lo que podría conllevar un impacto adverso significativo para nuestro negocio, situación económica, resultados y flujos de efectivo. • La construcción y mantenimiento de nuestras instalaciones conlleva determinados riesgos. • Existen riesgos de integración y consolidación asociados a posibles futuras adquisiciones. • Cambios en las normas de contabilidad y su interpretación podrían afectar a nuestros resultados de explotación y a nuestras obligaciones financieras. • Estamos expuestos a riesgos relacionados con el cumplimiento de la legalidad y la normativa anticorrupción y en materia de competencia, así como con programas de sanciones económicas. • Nuestra rentabilidad podría verse negativamente afectada en caso de que no seamos capaces de mantener una adecuada utilización de

		nuestra mano de obra. • La pérdida de personal o ejecutivos clave y la imposibilidad de atraer a empleados cualificados -incluidos directivos- podría limitar nuestro crecimiento y afectar negativamente a nuestras operaciones. • La disponibilidad de mano de obra cualificada en algunas de las áreas en las que operamos podría afectar negativamente a nuestras operaciones. • Los desastres naturales, los fallos mecánicos, las averías y paros de equipos y los colapsos tecnológicos podrían perturbar a nuestra cadena de suministro de productos a nuestros clientes, lo que podría conllevar un efecto adverso significativo para nuestras operaciones y rentabilidad. • Los ataques terroristas y demás actos violentos o de guerra o los cambios políticos en las áreas geográficas en las que operamos podrían afectar a nuestro negocio y resultados.
D.2	Información fundamental sobre los principales riesgos específicos de las acciones	**Riesgos relacionados con las Acciones, la Oferta y la Admisión** • No puede asegurarse que el Rango de Precios de la Oferta y el Precio de la Oferta concuerden con el precio futuro de las Acciones después de la Oferta. • El precio de mercado de las Acciones puede fluctuar ampliamente en respuesta a diversos factores. • No existe un mercado previo de negociación para nuestras Acciones y es posible que no llegue a desarrollarse un mercado líquido para las Acciones. • No puede asegurarse que la Sociedad pueda efectuar distribuciones a los accionistas de la Sociedad en el futuro. • Las ventas sustanciales de Acciones por parte de los Accionistas Vendedores o de otros accionistas -o la posibilidad de que se produzcan tales ventas- podrían afectar al precio de mercado de las Acciones. • Es posible que los inversores de esta Oferta experimenten una dilución en su participación patrimonial debido a la futura emisión de Acciones adicionales o valores convertibles. • Los accionistas de países cuya moneda sea distinta al euro se enfrentan a riesgos de inversión adicionales en relación con sus Acciones a causa de las fluctuaciones en los tipos de cambio de divisas. • Es posible que los accionistas de determinadas jurisdicciones no puedan ejercer sus derechos de suscripción preferente para adquirir más Acciones o participar en recompras. • En caso de concurso de la Sociedad o de nuestras filiales, nuestros accionistas podrían sufrir la pérdida total del valor de sus Acciones. • La suspensión de la negociación de nuestras Acciones podría afectar negativamente al precio de las mismas. • Es posible que los accionistas que se encuentren fuera de España tengan dificultades a la hora de notificar el inicio de procedimientos o acciones legales contra o de ejecutar sentencias extranjeras contra la Sociedad o los consejeros; por ejemplo, los accionistas podrían tener dificultades a la hora de proteger sus intereses dadas las diferencias en los derechos de los accionistas y las responsabilidades fiduciarias existentes entre la legislación española y la legislación de otras jurisdicciones, incluida la mayoría de los estados de EE.UU.

Sección E – Oferta y Admisión		
E.1	Ingresos netos totales y cálculo de los gastos de la Oferta	En virtud de la Oferta, los Accionistas Vendedores esperan obtener unos ingresos brutos de aproximadamente 955,64 millones de euros (cifra calculada asumiendo que el Precio de la Oferta sea el punto medio del Rango de Precios de la Oferta) en caso de no ejercerse la Opción de Sobreasignación, y de aproximadamente 1.098,99 millones de euros (en base a las mismas presunciones) en caso de ejercerse íntegramente la Opción de Sobreasignación. El "Rango de Precios de la Oferta" es el rango de precios no vinculante por Acción Ofertada en la Oferta, que se encuentra entre 5,60€ y 6,70€ por Acción Ofertada y que se ha determinado sin consultar con ningún experto independiente. Las comisiones máximas pagaderas por los Accionistas Vendedores en relación con la Oferta (presumiéndose el pago íntegro de la tarifa discrecional pero excluido el impuesto sobre el valor añadido (u otros impuestos sobre las ventas equivalentes), que se añadirá cuando proceda) ascienden a una cuantía de aproximadamente 23.628 miles de euros, cifra calculada asumiendo que el Precio de la Oferta sea el punto medio del Rango de Precios de la Oferta. Los gastos máximos estimados (distintos de las comisiones) pagaderos por los Accionistas Vendedores y la Sociedad en relación con la Oferta (sin IVA, que se añadirá cuando proceda) ascienden aproximadamente a 5.405 millones de euros y 3.243 miles de euros, respectivamente. Ni los Accionistas Vendedores ni la Sociedad trasladarán ninguno de los gastos de la Oferta a los inversores.
E.2	Motivos de la Oferta y destino de los ingresos	Los Accionistas Vendedores creen que la Oferta es el siguiente paso natural en el desarrollo a largo plazo del Grupo. El hecho de convertirse en una sociedad cotizada aportará ventajas al Grupo, que incluirán una mejora en la transparencia, en el gobierno corporativo, así como el fortalecimiento e institucionalización de las relaciones del Grupo con sus socios/accionistas internos y externos, a la vez que se amplía su base de accionistas. Los Accionistas Vendedores creen que la Oferta permitirá a la Sociedad alcanzar un nivel de cotización libre superior al umbral mínimo de distribución de Acciones necesario para su admisión a negociación en las Bolsas de Valores Españolas. La Sociedad no recibirá ningún ingreso de la venta de las Acciones Ofertadas por los Accionistas Vendedores en la Oferta.
E.3	Condiciones de la Oferta	Los Accionistas Vendedores ofertan un número de Acciones Iniciales Ofertadas de hasta un máximo de 155.388.877 en la Oferta, con un valor nominal de 0,50€ por acción, que representa el 27% del total del capital social ordinario emitido de la Sociedad. Acek otorgará a la Entidad Directora de la Estabilización, actuando en nombre propio y en el del resto de las Entidades Directoras indicadas más adelante, una opción de compra de hasta 23.308.331 Acciones Adicionales, que representa hasta el 15% del número total de Acciones Iniciales Ofertadas, ejercitable -en su totalidad o en parte- durante un periodo de 30 días naturales a partir de la fecha en la que las Acciones comiencen a ser objeto de negociación en las Bolsas de Valores Españolas para cubrir las posibles

sobreasignaciones, en su caso.

Los Accionistas Vendedores han contratado a J.P. Morgan Securities plc, Morgan Stanley & Co. International plc, UBS Limited, Banco Santander, S.A., Deutsche Bank AG, London Branch, Société Générale, Banco Bilbao Vizcaya Argentaria, S.A., BNP PARIBAS y CaixaBank, S.A., como Entidades Directoras, para distribuir las Acciones Ofertadas en la Oferta.

En los estados miembros del Área Económica Europea ("AEE"), la Oferta consiste en una oferta no calificada como oferta pública a los efectos de la Directiva de Folletos y únicamente dirigida y destinada a personas que sean inversores cualificados con arreglo a la definición ofrecida en el artículo 2(1)(e) de la Directiva de Folletos (incluida cualquier medida de implantación pertinente en cada uno de los correspondientes estados miembros del AEE, como el Texto Refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre (la "Ley del Mercado de Valores") y el Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos (el "Real Decreto 1310/2005").

Además, la oferta consiste en una oferta (i) en los Estados Unidos dirigida a personas que razonablemente se consideren compradores institucionales cualificados (o QIB) con arreglo y en base a la Norma 144A y (ii) fuera de los Estados Unidos de conformidad con lo previsto en el Reglamento S.

El Rango de Precios de la Oferta indicativo y no vinculante al que se ofertan las Acciones Ofertadas en la Oferta oscila entre 5,60€ y 6,70€ por Acción Ofertada, aunque es posible que el Precio de la Oferta se encuentre fuera de este rango. El Rango de Precios de la Oferta se ha determinado en base a las conversaciones y acuerdos entre los Accionistas Vendedores y J.P. Morgan Securities plc, Morgan Stanley & Co. International plc y UBS Limited, como coordinadores globales conjuntos (los "Coordinadores Globales Conjuntos"), no habiéndose consultado con expertos independientes a la hora de determinar el Rango de Precios de la Oferta.

El Precio de la Oferta de las Acciones Ofertadas se determinará con ocasión de la finalización del periodo de prospección de la demanda ("*book-building period*") (determinación que se espera para 5 de abril de 2017, o fecha cercana a la misma) y será anunciado por la Sociedad mediante la publicación de un "hecho relevante". No se consultará con expertos independientes a la hora de determinar el Precio de la Oferta.

La Oferta se llevará a cabo a través de un proceso de prospección de la demanda que se prevé transcurra desde el 24 de marzo de 2017 -una vez registrado en la CNMV el presente Folleto- hasta el 5 de abril de 2017. Durante el periodo de prospección de la demanda, las Entidades Directoras comercializarán las Acciones Iniciales Ofertadas entre inversores cualificados de conformidad y con sujeción a las restricciones de venta establecidas en este Folleto. Los inversores podrán presentar sus propuestas de compra durante este periodo debiendo indicar el importe total en euros que estarían dispuestos a invertir en la compra de Acciones Ofertadas y, en su caso, el precio máximo de compra al que estarían interesados en adquirirlas.

El periodo de prospección de la demanda podrá reducirse o ampliarse mediante acuerdo de los Accionistas Vendedores y de los Coordinadores Globales Conjuntos en caso de que -en el primero de los supuestos- el nivel de demanda pertinente esté, a su juicio, suficientemente cubierto antes de

		finalizar el periodo de prospección de la demanda o que -en el segundo caso- estimen que la ampliación del periodo de prospección de la demanda resulta adecuado para asegurar el éxito de la Oferta. En caso de producirse una reducción o ampliación del periodo de prospección de la demanda, la Sociedad informará al mercado a través de la publicación de un "hecho relevante", pudiéndose posponer o adelantar entonces en consecuencia los pasos siguientes del calendario orientativo de la Oferta. Las propuestas de compra presentadas por los inversores durante el periodo de prospección de la demanda constituirán únicamente una indicación del interés de los inversores en las Acciones Iniciales Ofertadas y, en consecuencia, no serán vinculantes respecto del importe en euros que pretenda invertirse en la compra de las Acciones Ofertadas ni, en su caso, del precio por Acción Ofertada ni para los inversores ni para los Accionistas Vendedores. Tras la determinación del Precio de la Oferta y la asignación de las Acciones Ofertadas a los inversores, los destinatarios de las correspondientes asignaciones serán notificados por cualquiera de las Entidades Directoras tanto del Precio de la Oferta como del número de Acciones Ofertadas asignadas a los mismos, solicitándoseles también que confirmen sus propuestas de compra. Una vez confirmada una propuesta de compra por un inversor, ésta devendrá irrevocable. Se espera que los inversores confirmen sus propuestas de compra a sus entidades de custodia a cargo de su "facturación y entrega" ("*billing and delivery*") incluyendo en sus instrucciones de liquidación los 35 dígitos correspondientes a la cuenta de liquidación de cada uno de los inversores finales abierta en la Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Sociedad Unipersonal ("Iberclear") y los 20 dígitos correspondientes a la cuenta de valores de cada inversor final abierta en una entidad partícipe de Iberclear. La falta de entrega de tales instrucciones a sus respectivas entidades de "facturación y entrega" podría conllevar la no asignación a los inversores de las Acciones Iniciales Ofertadas o la no aceptación de la liquidación por parte de las entidades de custodia. La Sociedad correrá con los gastos pagaderos, en su caso, a las Bolsas de Valores Españolas y a Iberclear que traigan causa del registro de las Acciones a nombre de los correspondientes inversores. La Sociedad y los Accionistas Vendedores han discutido con los Coordinadores Globales Conjuntos acerca de los principios aplicables a la asignación, los factores que estiman relevantes para la asignación y el establecimiento del precio de las Acciones Ofertadas, y han acordado los objetivos y los procesos de asignación y establecimiento de precios relativos a las Acciones Ofertadas. Los Coordinadores Globales Conjuntos tendrán en cuenta sus obligaciones de prudencia para gestionar adecuadamente sus riesgos a la hora de acordar la asignación, el precio y los tiempos. Los Accionistas Vendedores se reservan expresamente el derecho a retirar la Oferta, posponerla, diferirla o suspenderla -temporal o indefinidamente- por cualquier motivo en cualquier momento anterior al establecimiento del Precio de la Oferta. Además, la Oferta podrá ser revocada con ocasión del acaecimiento de determinadas circunstancias incluidas las habituales disposiciones sobre extinción que se establezcan en el contrato de aseguramiento que suscriban la Sociedad, los Accionistas Vendedores y las Entidades Directoras que participen en la Oferta.
E.4	Intereses significativos en la Oferta	Cada una de las Entidades Directoras es una entidad financiera que ofrece servicios integrales y se dedica a varias actividades, entre las que podría incluirse la prestación de servicios de banca de inversiones, banca comercial, asesoramiento financiero y servicios de otra índole. En el curso ordinario de su actividad, las Entidades Directoras y sus respectivas asociadas han llevado

		a cabo en el pasado operaciones y prestado varios servicios de préstamo, negociación, banca de inversiones, asesoramiento financiero y otros, con y para la Sociedad, los Accionistas Vendedores y sus respectivas asociadas, y otras compañías y sociedades en las que los Accionistas Vendedores ostenta participaciones patrimoniales minoritarias que conllevan una influencia significativa, a cambio de los que han recibido o pueden recibir las tarifas y comisiones habituales y el correspondiente reembolso de gastos, pudiendo las Entidades Directoras y sus respectivas asociadas prestar tales servicios a la Sociedad, los Accionistas Vendedores y sus respectivas asociadas, y otras compañías y sociedades en las que los Accionistas Vendedores ostentan participaciones patrimoniales minoritarias que conllevan una influencia significativa, en el futuro. Además, en el curso ordinario de sus diversas actividades de negocio, las Entidades Directoras y sus respectivas asociadas podrán efectuar u ostentar una amplia gama de inversiones y negociar activamente valores de deuda y renta variable (o valores derivados conexos) e instrumentos financieros (que pueden incluir préstamos bancarios y/o permutas por incumplimiento crediticio) tanto por cuenta propia como por cuenta de sus clientes y podrán, en cualquier momento, ostentar posiciones largas y cortas en tales valores e instrumentos. Tales actividades de inversión y valores pueden incluir valores e instrumentos, incluidas líneas de financiación corporativa o valores de deuda corporativa, del Grupo y de los Accionistas Vendedores. Determinadas Entidades Directoras o sus Asociadas son o pueden ser en el futuro entidades prestamistas, agentes o gestoras de las entidades de préstamo en virtud de líneas de crédito u otros mecanismos de crédito y financiación de la Sociedad, los Accionistas Vendedores o sus respectivas asociadas y facilitan o pueden facilitar avales de cumplimiento u otro tipo de garantías o avales al Grupo. En concreto, las siguientes entidades, a saber, Banco Santander, Deutsche Bank, Société Générale, BBVA, BNP PARIBAS y CaixaBank son entidades de prestamistas y/o agentes en virtud de un contrato de financiación sénior (*senior facilities agreement*) suscrito con la Sociedad, como prestataria. Banco Santander, Deutsche Bank, Société Générale, BBVA, BNP PARIBAS y CaixaBank actuaron, entre otros, como *joint bookrunners* en la oferta de los pagarés con vencimiento en 2023 emitidos por Gestamp Funding Luxembourg S.A. y garantizados por, entre otros, la Sociedad, por lo que recibieron las habituales tarifas y comisiones y el correspondiente reembolso de gastos. Morgan Stanley asesoró a Mitsui en su adquisición de una participación del 30% en nuestras operaciones en América del Norte y Mercosur en enero de 2013. Société Générale actuó como *joint bookrunner* en la ampliación de capital de alrededor de 93 millones de EUR por una prospección de la demanda acelerada de CIE Automotive, S.A., una sociedad en la que Acek ostenta una participación del 24,82%, en junio de 2014. Société Générale actuó también como coordinador global conjunto y *joint bookrunner* en la oferta pública inicial (*IPO*) de Global Dominion Access, S.A., una sociedad en la que Acek ostenta una participación del 6,639% y en la que CIE Automotive, S.A. ostenta una participación del 50,01%, en abril de 2016. CaixaBank actúa como Banco Agente en la Oferta. Se espera que Banco Portugues de Investimento, S.A. a través de un acuerdo con CaixaBank participe en la comercialización de la Oferta, aunque no será parte del Contrato de Aseguramiento y no recibirá ninguna comisión de la

		Compañía o los Accionistas Vendedores. Salvo por lo que respecta a los acuerdos y contratos que anteceden, las Entidades Directoras no consideran la existencia de otros acuerdos y contratos que resulten significativos o materiales en el contexto de la Oferta. No tenemos conocimiento de ninguna persona que pretenda adquirir Acciones que representen un porcentaje superior al 5% del total del capital social ordinario emitido de la Sociedad.
E.5	Entidades que ofrecen las acciones y acuerdos de no enajenación o *lock-up*	Los Accionistas Vendedores ofertan las Acciones tal y como se expone en el apartado B.6 anterior. La Sociedad acordará en el Contrato de Aseguramiento que, con sujeción a determinadas excepciones, durante un periodo que comenzará en la fecha del Contrato de Aseguramiento y se prolongará hasta que se cumplan 180 días a partir de la Admisión, se abstendrá -sin contar con el consentimiento previo y por escrito de los Coordinadores Globales Conjuntos- de emitir, ofrecer, vender o acordar vender, o enajenar de otra forma, directa o indirectamente, o anunciar una oferta de Acciones (o de cualquier interés o derecho sobre o en relación con las mismas) o suscribir cualquier operación o transacción con efectos económicos equivalentes a cualquiera de los que anteceden. Los Accionistas Vendedores, Gestamp 2020 y los empleados del Grupo acordarán -en el Contrato de Aseguramiento o en una carta de acuerdo de no enajenación separada- restricciones similares, con sujeción a determinadas excepciones, durante un periodo que comenzará en la fecha del Contrato de Aseguramiento y se prolongará hasta que se cumplan 180 días (o 360 días en el caso de consejeros y empleados del Grupo) a partir de la admisión a cotización de las Acciones en las Bolsas de Valores Españolas.
E.6	Dilución	No procede. Dado que la Oferta es totalmente secundaria, no conllevará ningún efecto dilutivo.
E.7	Gastos aplicados a los inversores	Ni la Sociedad ni los Accionistas Vendedores cobrarán a los inversores ningún gasto además del Precio de la Oferta. Es posible que -además del Precio de la Oferta- los compradores de las Acciones deban pagar impuestos sobre actos jurídicos documentados u otras tasas o impuestos de conformidad con la normativa y las prácticas vigentes en el país en el que se efectúe la compra. Además, los compradores deberán soportar el pago de las comisiones pagaderas a los intermediarios financieros a través de los cuales compren o vayan a ostentar las Acciones.

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