Gestamp Automoción, S.A.

Annual Report 2013

Financial results for the year to December 31, 2013

TABLE OF CONTENTS

USE OF TERMS AND CONVENTIONS

Unless otherwise specified or the context requires otherwise in this Annual Report:

- references to "Banc of America" are to Banc of America Securities Limited;
- references to the "Collateral" are to the first-ranking share charges securing the notes;
- references to the "Dollar notes" are to the $350 million 5.625% Senior Secured Notes due 2020;
- references to "EIB" are to the European Investment Bank;
- references to the "EU" are to the European Union;
- references to "EUR", "euro(s)" and "€" are to the currency of those countries in the European Union that form part of the common currency of the euro;
- references to the "Euro notes" are to the €500 million 5.875% Senior Secured Notes due 2020;
- references to "GBP", "pound(s)" and "£" are to the currency of the United Kingdom;
- references to "Gestamp", "Gestamp Automoción", "Parent Guarantor", "we", "us" and "our" are to Gestamp Automoción, S.A. together with its consolidated subsidiaries;
- references to "Gestamp Funding" are to Gestamp Funding Luxembourg S.A.;
- references to the "Guarantees" are to the unconditional guarantees of the notes to be granted by Gestamp Automoción and certain of its subsidiaries;
- references to the "Guarantors" are to the Parent Guarantor and to the subsidiaries of Gestamp Automoción which will unconditionally guarantee the notes;
- references to "ICO" are to Instituto de Crédito Oficial;
- references to "IFRS" are to the International Financial Reporting Standards promulgated by the International Accounting Standards Board and as adopted by the European Union;
- references to "IKB" are to IKB Deutsche Industriebank AG;
- references to the "Indenture" are to the indenture governing the notes and dated May 20, 2013;
- references to the "notes" are to the Euro notes and the Dollar notes;
- references to "Other Debt Facilities" are to certain of our significant interest bearing loans and borrowings (other than the notes and the Senior Facilities), namely, the Banc of America loan, EIB loan, the ICO loan and the IKB loans (See "Description of Other Indebtedness—Other Debt Facilities");
- references to "Senior Facilities" are to the senior term facilities and the revolving credit facility made available under the Senior Facilities Agreement;
- references to the "Senior Facilities Agreement" are to the senior term and revolving credit facilities agreement dated April 19, 2013 entered into between, among others, Gestamp Automoción as the company and Gestamp Funding, each as an original borrower, various subsidiaries of Gestamp Automoción (including Gestamp Funding) as original guarantors, the original lenders listed therein, Deutsche Bank AG, London Branch as agent and Deutsche Trustee Company Limited as security agent;
- references to the "UK" are to the United Kingdom;
- references to "US", "U.S." and "United States" are to the United States of America; and
- references to "US$", "dollar(s)" and "$" are to the currency of the United States of America.

FORWARD-LOOKING STATEMENTS

Except for historical information contained herein, statements contained in this Annual Report may constitute "forward looking statements" within the meaning of the US Private Securities Litigation Reform Act of 1995.

The words "believe", "anticipate", "expect", "predict", "continue", "intend", "estimate", "plan", "aim", "assume", "positioned", "will", "may", "should", "shall", "risk", "probable" and other similar expressions, which are predictions or indications of future events and future trends, which do not relate to historical matters, identify forward-looking statements. This Annual Report includes forward-looking statements relating to our potential exposure to various types of market risks, such as credit risk, interest rate risk, exchange rate risk and commodity price risk. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are in some cases beyond our control and may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements (and from past results, performance or achievements). Certain factors that may cause such differences include but are not limited to:

- continued or increased weakness in the global economy, including the European sovereign debt crisis and restricted access to financing;
- the failure of one or more major financial institutions;
- increased or more pronounced cyclicality in the automobile industry;
- the loss of customers and/or the inability to realise revenues;
- disruptions to the automotive supply chain and volatility in raw material prices;
- increased competition and/or shifts in demand for certain vehicles and products;
- our inability to offset price concessions or additional costs;
- the costs in relation to construction, maintenance and closing of plants, including mechanical failures, equipment shutdowns and interruptions to the supply of utilities;
- integration and consolidation risks associated with acquisitions and difficulties in connection with program launches;
- risks associated with our joint ventures, certain of which we do not control;
- our international operations, including in relation to compliance with anti-corruption laws, regulations and economic sanctions programs;
- foreign exchange rate fluctuations and risks associated with tax liability in the jurisdictions in which we operate;
- loss of key executives, availability of labor and workforce utilization efficiency;
- legal, regulatory, product liability and/or health and safety issues; and
- other risks and uncertainties inherent in our business and the world economy.

For a more detailed discussion of these factors, see "Risk Factors", "Business" and "Operating and Financial Review and Prospects" included elsewhere in this Annual Report. You are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are made as of the date of this Annual Report and are not intended to give any assurance as to future results. We undertake no obligation to, and do not intend to, publicly update or revise any of these forward-looking statements, whether to reflect new information or future events or circumstances or otherwise.

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial information and operational data

This annual report includes our audited consolidated financial statements as of and for the years ended December 31, 2013, 2012 and 2011. Other financial data is included which is derived from our accounting records. We prepare our financial statements in euro. Unless otherwise indicated, all financial information in this Annual Report 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 US.

See "Independent Auditors" for a description of the independent auditors' reports on our consolidated financial statements for the years ended December 31, 2013, 2012 and 2011, which have been audited by Ernst & Young, S.L, independent auditors, as stated in their unqualified reports appearing herein on pages F-2 and F-126 of this Annual Report.

We have presented certain information in this Annual Report that are non-IFRS measures. As used in this annual report, this information includes "EBITDA", which represents operating profit before amortization, impairment and depreciation. This annual report also contains other measures and ratios such as net financial debt. We present these non-IFRS measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

In particular, we believe that EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA is used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions. To facilitate the analysis of our operations, this indicator excludes amortization, impairment and depreciation expenses from operating profit in order to eliminate the impact of general long-term capital investment. Although we are presenting this measure to enhance the understanding of our historical operating performance, EBITDA should not be considered an alternative to operating profit as an indictor of our operating performance, or an alternative to cash flows from operating activities as a measure of our liquidity.

The information presented by EBITDA, and other adjusted financial information presented in this annual report is unaudited and has not been prepared in accordance with IFRS or any other accounting standards. We present these non-IFRS measures because we believe that they and similar measures are widely used by 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.

You should not consider EBITDA or any other non-IFRS or financial measures presented herein, as alternatives to measures of financial performance determined in accordance with generally accepted accounting principles, such as net income, as a measure of operating results or cash flow as a measure of liquidity. EBITDA is not a measure of financial performance under IFRS. Our computation of EBITDA and other non-IFRS financial measures may not be comparable to similarly titled measures of other companies.

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

Industry data

In this Annual Report, 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, and we make no representation or warranty as to the accuracy or completeness of such information set forth in this Annual Report.

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.

In addition, in many cases, we have made statements in this Annual Report regarding our industry and our position in the industry based solely on our experience, our internal studies and estimates, and our own investigation of market conditions.

We cannot assure you that any of these assumptions are accurate or correctly reflect our position in the industry, and none of our internal surveys or information has been verified by any independent sources. We make no representation or warranty as to the accuracy or completeness of this information. Some of the surveys or sources were compiled by our advisors and are not publicly available and accordingly may not be considered to be as independent as other third party sources.

EXCHANGE RATE AND CURRENCY INFORMATION

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 Annual Report. 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 December 31, 2013 was $ 1.3743 per €1.00.

	U.S. dollars per €1.00			
	High	**Low**	**Average(1)**	**Period end**
2009	1.5134	1.2530	1.3948	1.4321
2010	1.4513	1.1923	1.3266	1.3384
2011	1.4830	1.2907	1.3926	1.2961
2012	1.3458	1.2061	1.2860	1.3193
2013	1.3802	1.2780	1.3285	1.3743

	High	Low	Average(2)	Period end
July 2013	1.3302	1.2781	1.3095	1.3302
August 2013	1.3417	1.3207	1.3319	1.3222
September 2013	1.3530	1.3120	1.3362	1.3527
October 2013	1.3802	1.3520	1.3644	1.3584
November 2013	1.3606	1.3367	1.3498	1.3591
December 2013	1.3801	1.3542	1.3703	1.3743

(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.

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data for Gestamp Automoción, S.A. and its subsidiaries have been derived from our audited consolidated financial statements for the years ended December 31, 2013, 2012 and 2011.

Our selected consolidated financial data is presented in Euros and has been prepared in accordance with IFRS. You should read this selected consolidated financial data in conjunction with "Operating and Financial Review and Prospects", and the historical consolidated financial statements and the related notes, included elsewhere in this Annual Report.

	YTD December 31,		
	2011	**2012**	**2013**
Consolidated Income Statement Data	*(Millions of Euros)*		
Operating income	4,913.8	5,872.1	5,938.9
Revenue	4,774.6	5,757.3	5,788.7
Other operating incomes	36.6	91.8	133.2
Changes in inventories	102.6	23.0	17.0
Operating expenses	-4,607.1	-5,532.0	-5,647.5
Raw materials and other consumables	-3,165.3	-3,635.2	-3,553.1
Personnel expenses	-733.9	-989.6	-1,060.0
Depreciation, amortization and impairment losses	-240.6	-280.0	-302.3
Other operating expenses	-467.3	-627.2	-732.1
Operating profit	306.7	340.1	291.4
Finance income	10.0	7.3	19.3
Finance expenses	-72.5	-87.5	-137.3
Exchange gains (losses)	-11.7	-1.5	-20.7
Other	-2.5	4.1	-12.5
Profit from continuing operations	230.0	262.5	140.2
Income tax expense	-57.4	-76.4	-32.7
Profit for the period	172.6	186.1	107.5
Profit (loss) attributable to non-controlling interest	-4.1	-16.0	5.6
Profit attributable to equity holders of the parent	**168.5**	**170.1**	**113.1**
EBITDA	547.3	620.1	593.7

	YTD December 31,		
	2011	**2012**	**2013**
	(Millions of Euros)		
Operating profit	306.7	340.1	291.4
Adjusted for:			
Depreciation, amortization and impairment losses	240.6	280.0	302.3
EBITDA	**547.3**	**620.1**	**593.7**

Note: "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 the year ended December 31, 2013, the subsidiaries guaranteeing the notes represent approximately 50.6% of our total consolidated EBITDA.

	As of December 31,		
	2011	**2012**	**2013**
Consolidated Balance Sheet Data:		*(Millions of Euros)*	
Non-current assets	2,565.7	2,881.6	3,058.5
Intangible assets	197.4	215.1	276.4
Property, plant and equipment	2,132.9	2,431.4	2,486.5
Financial assets	52.0	60.8	100.7
Deferred tax assets	183.4	174.3	194.9
Current assets	1,773.9	1,809.5	2,247.9
Assets held for sale	0.0	0.0	69.2
Inventories	452.8	496.0	511.1
Trade and other receivables	1,016.3	1,003.8	1,094.7
Other current assets	9.2	8.7	11.3
Financial assets	35.5	53.4	51.4
Cash and cash equivalent	260.1	247.6	510.2
Total assets	**4,339.6**	**4,691.1**	**5,306.4**

	As of December 31,		
	2011	**2012**	**2013**
Consolidated Balance Sheet Data:		*(Millions of Euros)*	
Equity	1,443.9	1,550.2	1,632.8
Equity attributable to shareholders of the parent	1,167.0	1,251.1	1,233.6
Equity attributable to non-controlling interest	276.9	299.1	399.2
Non-current liabilities	1,237.0	1,493.3	2,047.7
Deferred income	30.3	29.5	31.1
Provisions	171.5	167.2	134.1
Non-trade liabilities	862.2	1,119.1	1,705.5
Deferred tax liabilities	170.5	176.2	176.6
Other non-current liabilities	2.5	1.3	0.4
Current liabilities	1,658.7	1,647.6	1,625.9
Liabilities associated with assets held for sale	0.0	0.0	44.1
Non-trade liabilities	645.4	701.2	507.9
Trade and other payables	949.6	924.6	1,058.2
Provisions	59.2	15.1	13.2
Other current liabilities	4.5	6.7	2.5
Total equity and liabilities	**4,339.6**	**4,691.1**	**5,306.4**

	Year ended December 31,		
	2011	2012	2013
	(€'millions, except percentages and ratios)		
Other Financial Data:			
Total financial debt[(1)]..	1,329.6	1,598.7	2,022.0
Net financial debt[(1)]	1,034.0	1,297.7	1,460.4

(1) 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. The following table presents a calculation of these measures:

	YTD December 31,		
	2011	**2012**	**2013**
	(Millions of Euros)		
Interest bearing loans and borrowings	1,232.2	1,378.1	1,717.6
Financial leasing	0.2	25.1	23.7
Borrowings from associated companies	74.6	121.5	192.1
Loans from the Ministry of Science and Technology	22.6	34.5	58.3
Other interest bearing loans	0.0	39.5	30.3
Total Financial Debt	**1,329.6**	**1,598.7**	**2,022.0**
Cash, cash equivalents and current financial assets	295.6	301.0	561.6
TOTAL NET FINANCIAL DEBT	**1,034.0**	**1,297.7**	**1,460.4**

Cash, cash equivalents and current financial assets includes cash and cash equivalents as of December 31, 2013 of €510.2 million and current financial assets as of December 31, 2013 of € 51.4 million (including loans and receivables, securities and other current financial assets).

Included in Borrowings from associated companies is €28.1 million of long term debt with Corporación Gestamp in relation to the acquisition of the Gestamp trademark from our parent company, a transaction described in the offering memorandum for our senior secured notes due 2020. Also included in Borrowings from associated companies is €124.6 million due to Corporación Gestamp in relation to the financing on-lent to us from our parent company from the proceeds of the European Investment Bank and ICO loans at Corporación Gestamp (current balance of those term loans: €126.5 million).

The following non-trade liabilities are not considered financial debt as of December 31, 2013: €65.1 million in derivative financial instruments, €112.2 million of non-interest bearing short term liabilities (of which € 95.2 million were to suppliers of fixed assets) and €14.1 million of non-interest bearing long term liabilities.

	YTD December 31,		
	2011	**2012**	**2013**
	(Millions of Euros)		
Consolidated Cash Flow Information			
Cash flows from operating activities	307.6	371.5	373.6
Cash flows from investing activities	-622.7	-579.2	-659.5
Cash flows from financing activities	240.5	196.5	570.4
Translation differences in cash & cash equivalents	-2.4	-1.3	-20.6
Cash in assets held for sale	0.0	0.0	-1.3
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS	**-77.0**	**-12.5**	**262.6**

RISK FACTORS

The following summarizes certain risks related to our business. There may be additional risks that we do not currently know of or that we currently deem immaterial based on information available to us. Our business, financial condition or results of operations could be materially adversely affected by any of these risks.

Risks related to our Business

The weakness in the global economy, the global credit markets and the financial services industry over the past several years has severely and negatively affected demand for automobiles and automotive parts and continued weakness or a worsening of economic and political conditions could have a material adverse effect on our profitability.

Demand for and pricing of our products are subject to economic and political conditions and other factors present in the various domestic and international markets where our products are sold. The level of demand for our products depends primarily upon the level of consumer demand for new vehicles that are manufactured with our products.

The global economic crisis has resulted in delayed and reduced purchases of durable consumer goods, such as automobiles. Although the global economic climate improved during 2011 and 2012 and 2013, the global economy has not recovered to levels previously experienced and remains fragile. If the global economy were to take another significant downturn, depending upon its length, duration and severity, our business, financial condition, results of operations, and cash flow would again be materially adversely affected.

The continuation or worsening of the European "sovereign debt crisis" 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.

As a result of the continuing credit crisis in Europe and the widespread concern about the ability of several European governments to repay their debt, particularly in Cyprus, Greece, Italy, Ireland, Portugal and Spain, in March 2011, the European Council agreed on the need for Eurozone countries to establish a permanent stability mechanism, the European Stability Mechanism (the "ESM"), to assume the role of the European Financial Stability Facility and the European Financial Stability Mechanism in providing external financial assistance to Eurozone countries after June 2013.

On February 2, 2012, the Treaty Establishing the European Stability Mechanism (the "ESM Treaty") was signed by each Member State of the countries that utilize the Euro as an official currency (the "Eurozone"). The ESM Treaty includes a package of measures, including the provision of financial assistance to its signatories experiencing or being threatened by severe financing problems, where such financial assistance is necessary for the safeguarding of financial stability in the Eurozone as a whole, and entered into force on September 27, 2012.

On March 2, 2012, a new fiscal compact, the Treaty on Stability, Coordination and Governance in the Economic Monetary Union (the "Fiscal Compact"), was signed by all Member States of the European Union (the "Member States") (except the Czech Republic and the United Kingdom) and entered into force on January 1, 2013. To date, the European Council had received 10 ratification instruments from Eurozone countries. The Fiscal Compact places deficit restrictions on Member State budgets (other than the United Kingdom and Czech Republic), with associated sanctions for those Member States that violate the specified limits.

Despite these measures, conditions in Europe have resulted in increased volatility in global capital markets, as well as lower consumer confidence, which could continue for the foreseeable future. In these circumstances, many of the risks faced by the automotive industry and our business could intensify, which could have a material adverse effect on our business, financial condition, results of operations and cash flows as well as negatively impact our access to, and cost of, capital.

An unanticipated deterioration of economic conditions, which may include the failure of one or more major financial institutions, could adversely affect the amount of credit available to us, result in depletion of our cash resources and subject us to counterparty risk in connection with derivative transactions, each of which could have a material adverse effect on our operations and financial condition.

Uncertain economic conditions create significant planning risks for us. The occurrence of an economic shock not contemplated in our business plan, a rapid deterioration of economic conditions or a more prolonged recession than that experienced during the global economic crisis could result in the depletion of our cash resources. Notwithstanding that we have a diverse group of financial institutions acting as providers of credit to our business, the failure of a financial institution in which we invest our cash reserves or that is a counterparty in a derivatives transaction with us, could increase the risk that our cash reserves and amounts owing to us pursuant to derivative transactions may not be fully recoverable. Each of these factors could have a material adverse effect on our operations and financial condition.

Deterioration in the world economies could exacerbate the difficulties experienced by our customers and suppliers in obtaining financing, which, in turn, could materially and adversely impact our business, financial condition, results of operations and cash flows.

Lending institutions have suffered and may continue to suffer losses due to their lending and other financial relationships, especially because of the general weakening of the global economy and the increased financial instability of many borrowers. Longer-term disruptions in the credit markets could further adversely affect our customers by making it increasingly difficult for them to obtain financing for their businesses and for their customers to obtain financing for automobile purchases. Our OEM customers typically require significant financing for their respective businesses. In addition, our OEM customers typically have related finance companies that provide financing to their dealers and customers. These finance companies have historically been active participants in the securitization markets, which have experienced severe disruptions during the global economic crisis. Our suppliers, as well as the other suppliers to our customers, may face similar difficulties in obtaining financing for their businesses. If capital is not available to our customers and suppliers, or if its cost is prohibitively high, their businesses would be negatively impacted, which could result in their restructuring or even reorganization/liquidation under applicable bankruptcy laws. Any such negative impact, in turn, could materially and negatively affect our company either through the loss of revenues to any of our customers so affected, or due to our inability to meet our commitments without excess expense resulting from disruptions in supply caused by the suppliers so affected.

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 we otherwise experienced a loss of, or material reduction in, business from such customer. As a result of such difficulties, we could experience lost revenues, significant write-offs of accounts receivable, significant impairment charges or additional restructurings beyond the steps we have taken to date.

The automobile industry is highly cyclical and cyclical downturns in our business segments 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, sometimes significantly from year-to-year. These fluctuations are caused by such factors as general economic conditions, interest rates, consumer confidence, consumer preferences, patterns of consumer spending, fuel costs and the automobile replacement cycle, and such fluctuations give rise to changes in demand for our products and may have a significant adverse impact on our results of operations.

The highly cyclical and fluctuating nature of the automotive industry presents a risk that is outside our control and that cannot be accurately predicted. Moreover, a number of factors that we cannot predict can and have impacted cyclicality in the past. Decreases in demand for automobiles generally, or in the demand for our products in particular, could materially and adversely impact our business, financial condition, results of operations and cash flows.

We are dependent on large 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, as is common in our industry we depend on certain large-value customers for a significant proportion of our revenues. 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 make fewer sales to these customers for a variety of reasons, including, but not limited to:

- loss of awarded business;
- reduced or delayed customer requirements;
- OEMs' insourcing business they have traditionally outsourced to us;
- strikes or other work stoppages affecting production by our customers;
- bankruptcy or insolvency of a customer; or
- reduced demand for our customers' products.

See also “—Deterioration in the world economies could exacerbate the difficulties experienced by our customers and suppliers in obtaining financing, which, in turn, could materially and adversely impact our business, financial condition, results of operations and cash flows”.

Our inability to realize revenues represented by 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 a commitment regarding minimum volumes of purchases from us. In addition, such contracts typically provide that customers have the contractual right to unilaterally terminate our contracts with them with no notice or limited notice. 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. We cannot assure you that our results of operations will not 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.

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 customers.

Disruptions could be caused by a multitude of potential problems, such as closures of one of our 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 weather, earthquakes, or other natural or nuclear disasters, mechanical failures, delayed customs processing and more.

Additionally, if we are the cause for a customer being forced to halt production, the customer may seek to recoup all of its losses and expenses from us. Any disruptions affecting us or caused by us could have a material adverse impact on our business, financial condition, results of operations and cash flows.

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 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.

The volatility of steel prices may adversely affect our results of operations.

The primary raw material used in our business is steel, which in recent years has represented approximately 50% of our sales. The majority of our steel is typically purchased through OEM re-sale programs, with the remainder of our steel purchasing requirements being met through contracts with steel suppliers that we negotiate.

An increase or decrease in steel prices affects our results. Although we have sought to be largely neutral with respect to steel pricing's impact on our margins over time as a result of our steel pricing arrangements, there is no guarantee that we will be able to achieve that goal. Most of our steel purchasing contracts that we negotiate directly with suppliers and that are not under OEM re-sale programs do not have any contractual provisions for pass through of the price of steel to the OEMs. Although historically and consistent with automotive industry standards, we have been able to negotiate with our OEM customers to pass through the impact of price swings leaving us protected from changing steel prices, however, there are no assurances that this will continue in the future.

We typically 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, in cases where we are on resale programs, or in the product pricing that we negotiate with OEMs regarding increases and decreases in the steel price in cases where we purchase steel directly from the mills. We may be impacted by the fluctuation in scrap steel prices, either positive or negative, in relation to our various customer agreements. If costs of raw materials and energy continue to 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 able to compensate such cost increases, which could have a material adverse effect on our business, financial condition and results of operations.

We may have difficulty competing favorably in the highly competitive automotive parts industry generally and in certain product or geographic areas specifically.

The automotive parts industry is highly competitive. Although the overall number of competitors has decreased due to ongoing industry consolidation, we face significant competition within each of our major product areas, including from new competitors entering the markets that we serve, and OEMs that may seek to integrate vertically. The principal competitive factors include price, quality, global presence, service, product performance, design and engineering capabilities, new product innovation and timely delivery. We cannot assure you that we will be able to continue to compete favorably in these competitive markets or that increased competition will not have a material adverse effect on our business by reducing our ability to increase or maintain sales and profit margins.

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. 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.

Shifts in market shares among vehicles or vehicle segments or shifts away from vehicles on which we have significant content could have a material adverse effect on our profitability.

While we supply parts for a wide variety of vehicles produced globally, we do not supply parts for all vehicles produced, nor is the number or value of parts evenly distributed among the vehicles for which we do supply parts. Shifts in market shares among vehicles or vehicle segments, particularly shifts away from vehicles on which we have significant content and shifts away from vehicle segments in which our sales may be more heavily concentrated, could have a material adverse effect on our profitability.

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 previously paid for directly by OEMs. Typically, in line with our 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 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 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, the 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. We continually attempt to align production capacity with demand; therefore, we cannot assure you that additional plants will not have to be closed.

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 adversely affect our business operations, financial position and operational results.

Mechanical failure, equipment shutdowns and technological breakdown could adversely affect our business.

We are subject to mechanical failure and equipment shutdowns which may be beyond our control. If a section of one of our facilities is damaged or shuts down, it could cause a mechanical failure or equipment shutdown in other components of such facility. If 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.

Interruptions in the supply of utilities to our facilities may negatively affect our operations

We are 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 a trip 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 which could materially and adversely impact our business operations, operational results and financial position.

Our ongoing operations may require increased capital expenditure at certain stages that will consume cash from our operations and borrowings.

In order to maintain our product lines for existing products, from time to time, we are required to make certain operational and maintenance-related capital expenditure on our facilities. Our ability to undertake such operational and maintenance measures largely depends on our cash flow from our operations and access to capital. We intend to continue to fund our cash needs through cash flow from operations. However, there may be unforeseen capital expenditure needs for which we may not have adequate capital. The timing of capital expenditures also may cause fluctuations in our operational results.

Our profitability may be adversely affected by program launch difficulties.

From time to time we are awarded new or takeover business by our customers. 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 or takeover business could have an adverse effect on our profitability.

There are integration and consolidation risks associated with potential future acquisitions and divestitures. Future acquisitions and divestment may result in significant transaction expenses, unexpected liabilities and a negative impact on operations and/or cash flows. Future acquisitions may result in risks associated with entering new markets, and we may be unable to profitably operate the acquired businesses.

We have a history of making strategic acquisitions and divestitures 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. We may also consider and make strategic divestitures where this is in line with our strategy.

However, we may not be able to identify suitable acquisition candidates in the future, or may not be able to finance such acquisitions on favorable terms. We may lack sufficient management, 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 and divestitures 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 or divestitures could impact our financial position, cash-flow or create dilution for our stockholders. 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.

As a result of our acquisitions or divestments, 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.

We do not control certain of our joint ventures.

We have a number of strategic partnerships and joint ventures and alliances in which we hold a non-controlling interest. For example, we have entered into a Turkish joint venture in Beyçelik in which we have a 50% interest. We also hold 50% interests in several entities in India and China. 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 these businesses, 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. Finally, there could be circumstances in which we may wish or be required to acquire the ownership interests of our partners, and there can be no assurance that we will have access to the funds necessary to do so, on commercially reasonably terms or at all.

The estimates of our return on investment may be inaccurate which could negatively impact upon our results.

While returns on investments are not guaranteed, in assessing a new investment or acquisition, as part of our internal decision making methodology, one of the factors we consider is whether we believe that the investment may result in an internal rate of return to us of approximately 15%. Due to a number of the risk factors set out in this section, our investment methodology may prove to be materially inaccurate which could negatively impact our results of operations, cash flows and financial condition.

The value of our deferred tax assets could become impaired, which could materially and adversely affect our operating results.

As of December 31, 2013, we had approximately €194.9 million in net deferred income tax assets. These deferred tax assets include net operating loss carry forwards 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 adjust the valuation allowance to reduce our deferred tax assets. Such a reduction could result in material non-cash expenses in the period in which the valuation allowance is adjusted 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 and 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.

We have a material amount of goodwill, which, if it becomes impaired, would result in a reduction in our net income and equity.

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, 2013, we had approximately €116.6 million of goodwill on our consolidated balance sheet 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. We could also be required to recognize additional impairments in the future and such an impairment charge could have a material adverse effect on our financial position and results of operations in the period of recognition.

We are subject to risks related to our international operations.

Our international operations include manufacturing facilities in, among other locations, Brazil, China, India, Thailand, Russia, Turkey, US, Mexico and Argentina, and we sell our products in each of these areas. For the year ended December 31, 2013, a significant share of our revenues derived from operations in these economies. International operations 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, 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;
- exposure to local tax requirements and obligations;
- foreign currency exchange rate fluctuations and currency controls;
- greater risk of uncontrollable accounts and longer collection cycles;
- the risk of government-sponsored competition;
- 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
- export and import restrictions.

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

Our international operations require us to comply with the laws and regulations of various jurisdictions. In particular, 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.

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 as developed a legal system as other locations and are perceived to have high levels of corruption. Our continued geographical diversification, including in growth economies, development of joint venture relationships worldwide 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.

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 its business, financial condition or results of operations if it failed to prevent any such violations.

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 Chinese Yuan, the Russian Ruble, the Brazilian Real, the Argentinian Peso and the Turkish Lira. In the year ended December 31, 2013, €3,244.0 million of our revenues (which represented approximately 56.0 % of our revenue for that period), on a consolidated basis, were generated in currencies other than the Euro.

We are subject to risk if the foreign currency in which our costs are paid appreciates against the currency in which we generate revenues because the appreciation effectively increases our cost in that country. 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 sales and profits while depreciation of the Euro against these foreign currencies will generally have a positive effect on reported revenues and profits.

Significant long-term fluctuations in relative currency values, in particular a significant change in the relative values of the Chinese Yuan, the Russian Ruble, the Brazilian Real, the Argentinian Peso and/or the Turkish Lira could have an 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.

Economic instability in the countries in which we operate where the Euro is not the local currency and the related decline in the value of the relevant local currency in these countries could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In jurisdictions where the prevailing currency is subject to significant volatility, in the contracts we enter into in these jurisdictions we seek to nominate an alternative functional currency, typically either the Euro or U.S. Dollar, to seek to minimize the impact of any exchange rate fluctuations.

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

We may use a combination of natural hedging techniques and financial derivatives to protect against certain foreign currency exchange rate risks. Such hedging activities may be ineffective or may not offset more than 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.

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 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 the US, Mexico, Brazil, Turkey, Russia, China, India and Thailand as key markets where we are likely to experience substantial growth, and accordingly have made and expect to continue to make substantial 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 existing investments, but we may incur losses on such investments and be unable to timely redeploy the invested capital to take advantage of other markets, potentially resulting in lost market share to our competitors. Our results will also suffer if these regions do not grow as quickly as we anticipate.

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.

Our effective tax rate varies in each country in which we conduct business. 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.

Our profitability may be materially adversely affected by our inability to utilize tax losses or because of tax exposures we face.

We have incurred losses in some countries which we may not be able to fully or partially offset against income we have earned in those countries. 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. To the extent we cannot implement measures to offset these exposures, they may have a material adverse effect on our profitability.

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

We have a management team with a substantial amount of expertise in the automotive industry. 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 labor in some of the areas in which we operate could negatively impact our operations

When establishing and operating facilities in some growth economies, we may encounter difficulties with the availability of 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.

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 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 ability to schedule our portfolio of projects to efficiently utilize our employees and minimize production downtime;
- 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; and
- the degree of structural flexibility of labor laws in countries where our employees are located.

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 result in a material adverse effect.

As of December 31, 2013, we had 31,593 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 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 renegotiation of 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. 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.

A shift away from technologies in which we invest could have a material adverse affect on our profitability and financial condition.

Our business requires a high level of technical expertise for the development and manufacture of our products. 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, product instructions and customer requirements. Our ability to anticipate changes in technology and to successfully develop and introduce new and enhanced products or manufacturing processes on a timely basis will be a significant factor in our ability to remain competitive. New technologies or changes in industry and customer requirements may render one or more of our current offerings 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. 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.

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 legal or regulatory proceedings, claims or investigations, including by governmental bodies, customers, suppliers, former employees, class action plaintiffs and others. On an ongoing basis, we attempt to assess 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.

Except as disclosed from time to time 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.

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.

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 which are either covered under their warranty or are the subject of a recall by them. 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. 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. Because we have never been the cause of a vehicle recall nor suffered any product recalls or liability damages, we 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 do not have 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 actual and perceived quality of our products could damage our image and reputation and also the image and reputation of one or more of our brands. Defective products 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 an adverse effect on our sales and results of operations.

Our operations expose us to the risk of material health and safety liabilities.

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 cause damage to our reputation. Such events could have a material adverse effect on our business operations, financial position and operational results.

We are subject to environmental requirements and risks as a result of which we may incur significant costs, liabilities and obligations.

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 greenhouse gases ("GHG"), into the environment; and health and safety. 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, have tended to become more stringent over time and may necessitate substantial capital expenditures or operating costs.

We are also subject to environmental laws requiring investigation and clean-up of environmental contamination and are in various stages of investigation and clean-up at one of our manufacturing facilities where contamination has been alleged. Estimating environmental clean-up liabilities is complex and heavily dependent on the nature and extent of historical information and physical data relating to the contaminated sites, the complexity of the contamination, the uncertainty of which remedy to apply and the outcome of discussions with regulatory authorities relating to the contamination. In addition, these environmental laws and regulations are complex, change frequently and have tended to become more stringent and expensive over time. Therefore, we may not have been, and in the future may not be, in complete compliance with all such laws and regulations and we may incur material costs or liabilities as a result of such laws and regulations significantly in excess of amounts we have reserved. In addition to potentially significant investigation and cleanup costs, contamination can give rise to third-party claims for fines or penalties, natural resource damages, personal injury or property damage.

We cannot assure you that our costs, liabilities and obligations relating to environmental matters will not have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may not be adequately insured.

We currently have insurance arrangements in place for products and public liability, property damage, business interruption (including for sudden and unexpected environmental damage). However, these insurance policies may not cover any 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 environmental occurrences.

Significant changes in laws and governmental regulations could have an adverse effect on our profitability.

The legal, regulatory and industry-standard environment in our principal markets is complex and dynamic, and future changes to the laws, regulations and market practice as regards, for example, CO_2 emissions and safety tests and protocols, could have an adverse effect on the products we produce and our profitability. Additionally, we could be adversely affected by changes in tax or other laws which impose additional costs on automobile manufacturers or consumers, or more stringent fuel economy and emissions requirements on manufacturers, of sport-utility vehicles, light trucks and other vehicles from which we derive some of our sales.

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 emission 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 EPA 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, any 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.

Natural disasters 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 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.

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.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion together with our consolidated financial statements included elsewhere in this Annual Report. The financial data in this discussion of our results of operations and financial condition as of and for the years ended December 31, 2013, 2012 and 2011 has been derived from the audited consolidated financial statements of Gestamp Automoción and its subsidiaries as of and for the years ended December 31, 2013, 2012 and 2011 prepared in accordance with IFRS as adopted by the European Union. Certain monetary amounts, percentages and other figures included in this Annual Report 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.

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

Overview

We are a leading global automotive supplier active in the design, development and manufacture of metal components and assemblies for sale to OEMs, primarily for use in the production of light vehicles. We have an extensive global footprint of 94 production facilities in 20 countries over four continents with two additional plants under construction as of December 31, 2013. We supply our products globally to all of the 12 largest OEMs by production volume. Our extensive geographical and customer diversification allows us to take advantage of global growth opportunities and has mitigated the impact of regional production fluctuations on our business during economic downturns.

We offer our OEM customers a diverse product portfolio, supplying Body-in-White and Chassis structures and complex assemblies, Mechanisms, as well as tooling and dies and other related services. We are one of the very few truly global suppliers to OEMs in our product portfolios, which sets us apart from many of our competitors in the industry. We have long-standing and entrenched relationships with our largest OEM customers and, as a result, have been able to proactively manage our business to meet the developing global trends in the industry and the resulting changes in the requirements of the OEMs that we supply.

Key factors affecting our results of operations

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

- ***Significant acquisitions***

Certain significant, discretionary acquisitions listed below have had a material effect on our financial results, have affected our consolidation perimeter and represented a large portion of our investments in the past few years. The following is a summary of the acquisitions that have had a significant effect on our financial results in the years ended December 31, 2013, 2012 and 2011.

2013

There were no acquisitions which had a significant effect on our financial results in the year ended December 31, 2013.

2012

There were no acquisitions which had a significant effect on our financial results in the year ended December 31, 2012.

2011

ThyssenKrupp Metal Forming business acquisition.

On April 28, 2011 our subsidiary Metalbages, S.A. signed a sale and purchase agreement with ThyssenKrupp for the acquisition of 100% of the share capital of certain companies of the metal forming business unit of the ThyssenKrupp group, or ThyssenKrupp Metal Forming. After having received the required approvals, as of July 20, 2011, we consummated the aforementioned acquisition through a newly incorporated subsidiary, GMF Holding GmbH ("GMF Holding"). ThyssenKrupp Metal Forming is domiciled in several European countries (Germany, France and the United Kingdom). In acquiring these companies we assumed the contracts with clients and suppliers, the staff and the shareholdings in companies located in Spain, the United Kingdom, Poland and Turkey. These newly acquired companies were incorporated into our consolidation scope as of July 31, 2011. Subsequently, on December 2, 2011, after receiving the relevant regulatory approvals, GMF Holding acquired one additional company, based in China, which had also belonged to ThyssenKrupp Metal Forming. As a result of the acquisition of ThyssenKrupp Metal Forming, we acquired 18 production facilities and two R&D centers.

The acquired business is one of the main producers of chassis components. The transaction improved our market position worldwide in chassis structures, enhanced the diversification of our customer base and brought improvements to our technology base, as well as increased economies of scale. The headcount of this newly incorporated business unit amounted to approximately 4,430 at the time of the acquisition.

The cost of the acquisition amounted to €383.8 million, of which €195.3 million corresponded to the purchase of the companies' shares and €188.6 million to the assumption of debts. The acquired company had €45.0 million of cash on its balance sheet. Of the total consideration, €358.8 million was paid in cash by GMF Holding and Gestamp Auto Component (Kunshan), Co., Ltd. In addition, €25.0 million was deferred until the year 2012. There were no outstanding payments as at December 31, 2012.

No goodwill arose from the acquisition and there are no significant contingent payments. The net effect of the business combination has been registered under the heading "Other operating income" in our consolidated income statement as of December 31, 2011. The revenue and net result of the acquired businesses reflected in our consolidated financial statements from the date of incorporation into the consolidation scope to December 31, 2011 amounted to €518.7 million and €3.2 million in losses, respectively, including the net effect on income of the business combination amounting to €2.6 million.

On December 6, 2011, we sold a 49.06% non-controlling interest in this business unit to Tocqueville Capital Company B.V. ("Tocqueville") (which is a subsidiary of the Liberty Hampshire Company, LLC or "Liberty"). Under our agreement with Liberty, we had an option to purchase the shares in GMF Holding held by Tocqueville, for a fixed purchase price of €104.0 million on or prior to September 30, 2013 (the "Liberty Option"). In September 2013 we paid €104.0 million in the exercise of our option to buy back the 49.06% non-controlling stake, which was thus consumated in September 2013.

ALHC, LLC and Gestamp South Carolina, LLC

On October 1, 2009 Gestamp North America, Inc. acquired a 40% stake in ALHC, LLC, which in 2009 and 2010 was reflected in our consolidated financial statements using the equity method. As a result of this acquisition, we acquired one manufacturing facility. On April 29, 2011 Gestamp North America, Inc. acquired the remaining 60% shareholding of ALHC, LLC, which owns 100% of Gestamp South Carolina, a company domiciled in South Carolina (US) whose corporate purpose is metal stamping and the manufacture of metal components. As such, as of that date, we acquired full ownership of both companies.. The headcount of this newly incorporated business amounted to approximately 190. The net effect of the business combination amounted to €1.8 million and has been registered under the heading "Other operating expenses" in our consolidated income statement as of December 31, 2011. Additionally, when we obtained control, there was a net debt at ALHC, LLC with the acquiring company Gestamp North America, Inc., in the amount of €30.0 million, included in the previous balance sheet, mainly, under the heading "other non-current liabilities". The revenue and net income of the acquired business reflected in the consolidated financial statements from the date of incorporation into the consolidation scope to December 31, 2011 amounted to €148.3 million and € 8.3 million in profit, respectively, including the net effect on income of the business combination amounting to €1.8 million of profit.

- ***Capital expenditure***

The growth of our business involves significant capital expenditure, to the extent that we build new manufacturing plants or increase capacity 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. Once a project is ongoing, maintenance capital expenditure is limited and somewhat predictable. When new programs or vehicle models are required, usually at the end of a vehicle cycle, "renewal" or "replacement" capital expenditure is required in order to adapt existing infrastructure to accommodate new assembly and process design, usually at levels significantly below the expenditure required to create the capacity in the first place.

The construction period for these new manufacturing facilities typically ranges between 12 months and 15 months and the cash used in investments in property, plant and equipment associated with the construction and equipment of these new manufacturing facilities 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.

- ***Global automotive market***

The cycles of the global automotive industry, which is correlated with general global macroeconomic conditions, impacts our OEM customers' production requirements and consequently impacts the volume of purchases of our products by our OEM customers. With increased economic growth in our growth markets and recovery in our more traditional markets, we have experienced and expect to experience increased vehicle production levels, with a consequent increase in the demand for our products and a positive impact on our revenues with slower economic growth having the correlative effect.

- ***Diversification***

Our strong geographic, customer and product diversification has had the effect of reducing revenue volatility during the economic downturn. Our well-diversified customer base, which includes all of the 12 largest OEMs by production volume, has limited our exposure to a downturn in the demand for any one OEM's products 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 stable revenues have allowed us to take advantage of global growth opportunities, even during the economic downturn.

- ***Steel price***

A significant part of our cost base consists of purchases of raw materials which are variable in nature. The primary raw material used in our business is steel, which in recent years has represented approximately 50% of our sales. While steel prices affect our revenue and costs, historically, our profit margins have not been significantly affected by changes in steel prices. The majority of our steel is typically purchased through OEM re-sale programs, under which an OEM customer negotiates directly with the steel suppliers the price of the steel that we use to manufacture components for that OEM. Such negotiated steel price is passed through to the OEM customer in the sale price of the automotive component. The remainder of our steel purchasing requirements are typically met through contracts with steel suppliers that we negotiate. Historically, we have negotiated with our OEM customers to pass through the increase or decrease in the steel price, eliminating significant volatility in our margins relating to volatility in steel prices. Due to our strong relationships with OEMs and the large steel volumes we acquire in the market place, we expect to be able to negotiate competitive steel contracts from suppliers and to pass through cost increases to our customers, thus stabilizing the effect on our margins.

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, in cases where we are on resale programs, or in the product pricing that we negotiate with OEMs based on increases and decreases in the steel price in cases where we purchase steel directly from the mills. As with steel prices, we may be impacted by the fluctuation in scrap steel prices, either positive or negative, but historically these fluctuations have had a limited impact on our margins.

- ***Other costs***

Labor costs have represented in recent years between approximately 15% and 18% of our total annual sales. A significant part of our labor costs are semi-variable in nature and can be adjusted to meet business needs. For example, in 2008 and 2009, we were able to respond quickly to the deterioration in market conditions and took measures to contain costs by lowering headcount, including a reduction in the number of temporary personnel. The predictability of our cost-base has assisted our strategic planning and has allowed us to maintain consistent profit margins.

- ***Vehicle cycles***

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 prohibitive operational, technical and logistical costs of switching, particularly during the life cycle of a specific vehicle model. Vehicle models typically have long, multi-year product life cycles. Given these factors, while the actual revenues which we derive from a project ultimately depend on our

OEM customers' production volumes achieved for the respective car models, we have good visibility on mid-term revenues within a relatively small range of sensitivity.

- ***Product pricing***

During the life cycle of a contract, we are expected to achieve production efficiencies. Typically, in line with our 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. When negotiated price reductions are expected to be retroactive, we accrue 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 revenues.

- ***Seasonality***

Our business is seasonal. Our working capital requirements typically increase during the first and second quarters of the year and reduce towards the end of the year. This is due to the following 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. Further, 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 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. Further, a significant portion of our tooling receivables balances are collected from our clients typically before year-end, resulting in a reduction in receivables and cash inflows 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 take advantage of global production cycles and has mitigated the impact of regional demand fluctuations during the year on our business.

- ***Transaction and foreign exchange translation***

We seek to limit our foreign exchange transaction risk by purchasing and manufacturing products in the same country where we sell to our final customer. However, 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. In the year ended December 31, 2013, every non-Euro currency in which we generate revenue depreciated against the Euro, and during that period €3,244.0 million of our revenues (which represented approximately 56.0 % of our revenue for that period), on a consolidated basis, were generated in currencies other than the Euro. The functional currency of our foreign operations is the local currency. Assets and liabilities of our foreign operations are translated into Euro 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).

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.

Operating Income

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: 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 5 to our consolidated financial statements for the years ended December 31, 2013, 2012 and 2011 included elsewhere in this Annual Report.

- 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 relates 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 is 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) relates to the impact of changes in the functional currency relative to the euro on foreign currency borrowings considered permanent. These exchange gains (losses) are taken directly to equity under “Translation differences”, net of the tax effect.

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.

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 be clearly demonstrated. 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

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 2013 and 2012 was 30%. The “differences in prevailing rates” in 2013 and 2012 reflects the differences between prevailing rates in certain operating markets and the theoretical applicable rate, mainly relating to operations taxed in the US, Brazil (34%), and Argentina (35%).

The permanent differences in 2013 and 2012 reflect mainly accelerated depreciation, inflation adjustments, nondeductible provisions, fiscal transparency, nondeductible differences in exchange rates, nondeductible expenses, and those differences generated in the consolidation process.

Profit (loss) attributable to non-controlling interest

Our consolidated results include entities in which we have a non-controlling interest. See note 16 to our consolidated financial statements for the years ended December 31, 2013, 2012 and 2011 included elsewhere in this Annual Report for a description of the entities in which we had a non-controlling interest during the period.

Non-GAAP measures

EBITDA

We define EBITDA as operating profit before depreciation and amortization and impairment losses. See "Presentation of Financial and Other Data—Financial information and operational data".

Results of operations

Year ended December 31, 2013 compared to year ended December 31, 2012

The table below sets out our results of operations for the year ended December 31, 2013, compared to the year ended December 31, 2012.

	YTD December 31,				
	2011	**2012**	**% Change**	**2013**	**% Change**
Consolidated Income Statement Data		*(Millions of Euros)*			
Operating income	4,913.8	5,872.1	19.5%	5,938.9	1.1%
Revenue	4,774.6	5,757.3	20.6%	5,788.7	0.5%
Other operating incomes	36.6	91.8	150.8%	133.2	45.1%
Changes in inventories	102.6	23.0	-77.6%	17.0	-26.1%
Operating expenses	-4,607.1	-5,532.0	20.1%	-5,647.5	2.1%
Raw materials and other consumables	-3,165.3	-3,635.2	14.8%	-3,553.1	-2.3%
Personnel expenses	-733.9	-989.6	34.8%	-1,060.0	7.1%
Depreciation, amortization and impairment losses	-240.6	-280.0	16.4%	-302.3	8.0%
Other operating expenses	-467.3	-627.2	34.2%	-732.1	16.7%
Operating profit	306.7	340.1	10.9%	291.4	-14.3%
Finance income	10.0	7.3	-27.0%	19.3	164.4%
Finance expenses	-72.5	-87.5	20.7%	-137.3	56.9%
Exchange gains (losses)	-11.7	-1.5	-87.2%	-20.7	1280.0%
Other	-2.5	4.1	-264.0%	-12.5	-404.9%
Profit from continuing operations	230.0	262.5	14.1%	140.2	-46.6%
Income tax expense	-57.4	-76.4	33.1%	-32.7	-57.2%
Profit for the period	172.6	186.1	7.8%	107.5	-42.2%
Profit (loss) attributable to non-controlling interests	-4.1	-16.0	290.2%	5.6	-135.0%
Profit attributable to equity holders of the parent	**168.5**	**170.1**	**0.9%**	**113.1**	**-33.5%**
EBITDA	547.3	620.1	13.3%	593.7	-4.3%

Revenue

Revenue increased by €31.4 million, or 0.5%, to €5,788.7 million in 2013 from €5,757.3 million in 2012. The increase in revenue was primarily attributable to (A) a €104.4 million or 22.1% increase in revenue in 2013 in Asia (B) a €70.6 million or 2.1% decrease in revenue in 2013 in the European Union and the Americas associated with lower sales in Western Europe and Brazil. The stronger Euro in 2013 compared to 2012 negatively affected revenue growth in 2013 by approximately €200 million, as the translation into Euros of our revenue mainly in the United Kingdom, Brazil, Argentina, United States, Russia, Turkey, India and China was negatively impacted by adverse movements in the respective exchange rates.

The following table sets forth, by product category, our revenue for the years ended December 31, 2013 and 2012:

	YTD December 31,		
	2012	2013	% Change
Revenue	*(Millions of Euros)*		
Body-in-White and Chassis	4,748.3	4,676.4	-1.5%
Mechanisms	682.3	705.6	3.4%
Toolings and Others	326.7	406.7	24.5%
Total	**5,757.3**	**5,788.7**	**0.5%**

Body-in-White and Chassis: Revenue decreased by €71.9 million, or 1.5%, to € 4,676.4 million in 2013 from €4,748.3 million in 2012. This decrease was primarily due to lower sales in Western Europe partially offset by an increase of sales in Eastern Europe, North America and Asia.

Mechanisms: Revenue increased by €23.3 million, or 3.4%, to €705.6 million in 2013 from €682.3 million in 2012. This increase was primarily due to an increase of sales in China and Japan, United States and Slovakia partially offset by a decrease of sales in Western Europe .

Tooling and Others: Revenue increased by €80.0 million, or 24.5%, to €406.7 million in 2013 from €326.7 million in 2012. This increase was in all geographic zones except South America.

Operating expenses

Raw materials and other consumables. Raw materials and other consumables decreased by € 82.1 million, or 2.3%, to €3,553.1 million in 2013 from €3,635.3 million in 2012. The decrease in raw materials and other consumables expenses in 2013 despite the increase of revenue in 2013 was partially attributable to a larger contribution of new projects in 2013 vs. 2012, for example due to the lower average age of projects operating, which impacts gross margin insofar as pre-agreed price reductions during the life of a project have a comparatively lower impact on total gross margin. Also contributing to the decrease were lower steel prices and growth in sales of chassis and mechanisms products, which utilize less raw material.

Personnel Expenses. Personnel expenses increased by €70.4 million, or 7.1%, to € 1,060.0 million in 2013 from €989.6 million in 2012. This increase was due to an increase in full-time employees due to the ramp up of our new plants in the US and China, the decline in activity in Western Europe not fully offset by reductions in labor, an increase in the average salary of our employees, and to a lesser extent, to an increase in expenses on R&D and corporate organizational platforms to accompany our recent growth,.

Depreciation, amortization and impairment losses. Depreciation, amortization and impairment losses increased by €22.3 million, or 8.0%, to €302.3 million in 2013 from €280.0 million in 2012, largely as a result of depreciation of new investments carried out during 2012 and during 2013, particularly in Asia and the Americas, as well as in the Mechanisms business unit in general.

Other Operating Expenses. Other operating expenses increased by €104.9 million, or 16.7%, to €732.1 million in 2013 from €627.2 million in 2012. This increase was largely in the areas of maintenance and external services associated with startup costs of projects in the US, Russia and Mexico completed in 2013. In addition, operating expenses could not be fully adjusted to reflect the lower than expected volumes, and utility prices were overall higher than in the prior year.

Operating profit or loss

Operating profit decreased by €48.7 million, or 14.3%, to €291.4 million in 2013 from €340.1 million in 2012, largely due to the higher operating expenses associated with start-up costs of new projects and increased depreciation related to investments in 2012 and 2013, partially offset by improved gross margin due to lower percentages of raw material and consumables.

EBITDA

EBITDA decreased by €26.4 million, or 4.3%, to €593.7 million in 2013 from € 620.1 million in 2012. This decrease was primarily a result of launch and ramp-up related higher personnel and other operating expenses in 2013 compared to 2012. The stronger Euro in 2013 compared to 2012 negatively affected EBITDA in 2013 as the translation into Euros of our EBITDA in the United Kingdom, Brazil, Argentina, United States, Russia, Turkey, India and China was impacted by adverse movements in the respective exchange rates.

Net financial income (expenses)

Net financial expense increased by €37.8 million, or 47.1%, to €118.0 million in 2013 from €80.2 million in 2012. This increase was primarily due to a weighted average increase in financial debt of €217.4 million for the year, or 18.4%, and, to a lesser extent, due to an increase of approximately 30 basis points in the average interest rate applicable to our indebtedness, as well as to extraordinary expenses arising from the notes issuance, as well as the early repayment and restructuring of existing financing facilities (e.g., unwinding of upfront financing fees which had been capitalized).

Exchange gains (losses)

Exchange losses increased by €19.2 million to €20.7 million in 2013 from €1.5 million in 2012. This increase was primarily due to adverse currency movements mainly in East Europe (Russia and Turkey), Mercosur (Brazil and Argentina) and Asia (India) partially offset by positive exchange differences by the valuation of dollar notes at December 31, 2013.

Income Tax

Income tax expense decreased by €43.7 million, or 57.2%, to €32.7 million in 2013 from €76.4 million in 2012, which has resulted in adecrease in the average tax rate from 29.1% in 2012 to 23.3% in 2012. This decrease in the income tax was primarily due to an increase in taxable income in 2013 generated in jurisdictions with higher tax rates like Brazil, Argentina and Germany.

Profit attributable to non-controlling interest

Profit attributable to non-controlling interest decreased by €21.6 million to losses of €5.6million in 2013 from profit of €16.0 million in 2012. This decrease in profit attributable to our non-controlling interest is attributable to the lower profits or higher losses achieved by our subsidiaries in which third parties hold a minority interest, such as our joint ventures in Russia, Brazil and Argentina mainly due to negative exchange differences in 2013.

Year ended December 31, 2012 compared to year ended December 31, 2011

Revenue

Revenue increased by €982.7 million, or 20.6%, to €5,757.3 million in 2012 from € 4,774.6 million in 2011. The increase in revenue is primarily attributable to (A) a € 812.4 million or 17.0% increase in revenue in 2012 due to the fact that we consolidated the results of our acquired business, ThyssenKrupp Metal Forming for a twelve-month period in 2012 compared to only a five month period in 2011; (B) a €350.1 million or 7.3% increasing in revenue in 2012 due to organic growth comprised of a €281.7 million or 5.9% increase in revenue in 2012 due to new contracts in the US, Russia and Brazil; and (C) a €68.4 million or 1.4% increase in revenue in 2012 associated with additional sales under existing contracts, partially offset by a €179.8 million or 3.8% reduction in revenue associated with lower sales in Western Europe and a reduction in prices due to lower average steel prices.

The following table sets forth, by product category, our revenue for the years ended December 31, 2011 and 2012:

	Year ended December 31, 2011	2012	% Change
	(€'million)		
Revenue:			
Body-in-White and Chassis	3,788.6	4,748.3	25.3%
Mechanisms	690.7	682.3	(1.2)%
Tooling and Other	295.3	326.7	10.6%
Total	**4,774.6**	**5,757.3**	20.6%

Body-in-White and Chassis. Revenue increased by €969.7 million, or 25.7%, to € 4,748.3 million in 2012 from €3,788.6 million in 2011. This increase was primarily due to a €812.4 million increase in revenue in 2012 due to the full year effect in 2012 of the acquisition of ThyssenKrupp Metal Forming in 2011 and a net increase in revenue in 2012 due to new contracts in the US, Russia and Brazil and additional orders under existing contracts partially offset by lower sales in Western Europe.

Mechanisms. Revenue decreased by €8.4 million, or 1.2%, to €682.3 million in 2012 from €690.7 million in 2011. This decrease was primarily due to a reduction in the number of units sold, in particular in Spain and France, partially offset by an increase in the sale price of the units.

Tooling and Other. Revenue increased by €31.4 million, or 10.6%, to €326.7 million in 2012 from €295.3 million in 2011. This increase was primarily due to the completion of some greenfield projects and the sale of tooling kits for our new production lines in the US, Mexico, Russia and Brazil.

Operating expenses

Raw materials and other consumables. Raw materials and other consumables increased by € 470.0 million, or 14.8%, to €3,635.3 million in 2012 from €3,165.3 million in 2011. This increase was primarily due to the full year effect in 2012 of the acquisition of ThyssenKrupp Metal Forming in 2011 and an increase in consumption of raw materials and other consumables in 2012 due to new contracts in the US, Russia and Brazil and additional orders under existing contracts. The lower percentage increase in raw materials and other consumables expenses in 2012 in contrast to the revenue increase in 2012 is primarily due to lower steel prices and growth in sales of chassis products, which utilize less raw materials.

Personnel Expenses. Personnel expenses increased by €255.7 million, or 34.8%, to € 989.6 million in 2012 from €733.9 million in 2011. This increase was primarily due to a €160.1 million increase in personnel expenses in 2012 due to the full year effect in 2012 of the acquisition of ThyssenKrupp Metal Forming in 2011, a €95.6 million increase in personnel expenses in 2012 due to an increase in full time employees due to the ramp up phase of our new factories in the Czech Republic, Brazil, the US and Russia and the increase in the average salary of our employees.

Depreciation, amortization and impairment losses. Depreciation, amortization and impairment losses increased by €39.4 million, or 16.4%, to €280.0 million in 2012 from €240.6 million in 2011. This increase was primarily due to a €28.1 million increase in depreciation due to the full year effect in 2012 of the acquisition of ThyssenKrupp Metal Forming in 2011 and higher depreciation resulting from the increased asset base compared to the prior year.

Other Operating Expenses. Other operating expenses increased by €160.0 million, or 34.2%, to €627.2 million in 2012 from €467.3 million in 2011. This increase was primarily due to a €115.8 million increase in other operating expenses due to the full year effect in 2012 of the acquisition of ThyssenKrupp Metal Forming in 2011 and an increase in other operating expenses associated with startup costs of projects in the US, Russia and Brazil completed in 2012 and higher other operating expenses due to the increase in sales in 2012 and inflation.

Operating profit or loss

Operating profit increased by €33.3 million, or 10.9%, to €340.1 million in 2012 from €306.8 million in 2011. This increase was primarily due to the full year effect in 2012 of the acquisition of ThyssenKrupp Metal Forming in 2011. Operating margin, operating profit over revenue, has decreased from 6.4% in 2011 to 5.9% in 2012 due to the fact that operating margins in ThyssenKrupp Metal Forming are lower than the operating margins in the rest of our group since ThyssenKrupp Metal Forming is a newly acquired business that we are still in the process of integrating it with the rest of our business.

EBITDA

EBITDA increased by €72.7 million, or 13.3%, to €620.1 million in 2012 from € 547.4 million in 2011 primarily due to a greater increase in revenue than in our operating expenses.

Net financial income (expenses)

Net financial expense increased by €17.7 million, or 28.3%, to €80.2 million in 2012 from €62.5 million in 2011. This increase was primarily due to a weighted average increase in financial debt of €213.2 million for the year, or 21.8%, and, to a lesser extent, due to an increase of approximately 30 basis points in the average interest rate applicable to our indebtedness.

Income Tax

Income tax expense increased by €19.0 million, or 33.1%, to €76.4 million in 2012 from €57.4 million in 2011, which has resulted in an increase in the average tax rate from 25.0% in 2011 to 29.1% in 2012. This increase in the income tax was primarily due to an increase in taxable income in 2012 generated in jurisdictions with higher tax rates like the US, Mexico, Brazil, Argentina and Germany, and amendments in tax regulations in Spain that have resulted in a reduction in tax deductions being available to us.

Profit attributable to non-controlling interest

Profit attributable to non-controlling interest increased by €11.9 million to €16.0 million in 2012 from €4.1 million in 2011. This increase in profit attributable to our non-controlling interest is attributable to the higher profits achieved by our subsidiaries in which third parties hold a minority interest, such as our joint ventures in China and Russia and our tooling companies and the full year effect in 2012 of the acquisition of Thyssen Krupp Metal Forming in 2011.

Liquidity and capital resources

Historical cash flows

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

	YTD December 31,		
	2011	**2012**	**2013**
	(Millions of Euros)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxes and after non-controlling interest	**225.9**	**246.6**	**145.7**
Adjustments to profit	**292.4**	**344.4**	**384.9**
Depreciation and amortization of fixed assets	239.5	280.5	299.6
Impairment of fixed assets	1.1	-0.6	2.7
Impairment	6.6	18.5	-1.0
Change in provisions	-20.4	-47.2	-30.8
Change in deferred tax	0.0	0.0	0.0
Grants released to income	-7.5	-4.9	-5.1
Profit (loss) attributable to non-controlling interests	4.1	16.0	-5.6
Profit from disposal of fixed assets	0.9	0.4	-0.1
Profit from disposal of financial instruments	0.0	0.3	12.3
Financial income	-10.0	-7.3	-19.2
Financial expenses	72.5	87.5	137.3
Share of profits from associates - equity method	2.4	-0.3	0.1
Exchange rate differences	11.7	1.5	-5.4
Change in fair value of financial instruments	0.0	0.0	0.1
Other income and expenses	-8.5	0.0	0.0
Changes in working capital	**-129.6**	**-85.6**	**50.1**
(Increase)/Decrease in Inventories	-46.8	-61.8	-21.3
(Increase)/Decrease in Trade and other receivables	-39.6	8.8	-116.6
(Increase)/Decrease in Other current assets	22.9	0.1	-2.8
Increase/(Decrease) in Trade and other payables	-61.6	-33.7	195.0
Increase/(Decrease) in Other current liabilities	-3.8	2.2	-4.2
Other non-current assets and liabilities	-0.7	-1.2	0.0
Other cash-flows from operating activities	**-81.1**	**-133.9**	**-207.1**
Interest paid	-70.4	-73.0	-155.1
Interest received	10.3	5.5	20.2
Proceeds (payments) of income tax	-21.0	-66.4	-72.2
Cash flows from operating activities	**307.6**	**371.5**	**373.6**

	YTD December 31,		
	2011	2012	2013
	(Millions of Euros)		
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments	**-713.0**	**-604.8**	**-732.9**
Group companies and associates	-422.1	-8.8	-23.2
Addition to consolidation scope	64.1	0.0	0.0
Intangible assets	-28.4	-40.1	-101.8
Property, plant and equipment	-299.4	-533.9	-577.6
Other financial assets	-6.0	-22.0	-29.0
Other assets	-21.2	0.0	-1.3
Proceeds from divestments	**90.3**	**25.6**	**73.4**
Group companies and associates	41.4	4.8	22.3
Intangible assets	4.9	0.4	0.1
Property, plant and equipment	16.2	4.8	42.6
Other financial assets	27.1	15.6	8.4
Other assets	0.7	0.0	0.0
Cash flows from investing activities	**-622.7**	**-579.2**	**-659.5**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds and payments on equity instruments	**145.9**	**4.4**	**169.2**
Change in non-controlling interests	137.7	0.3	163.5
Grants, donations and legacies received	7.8	4.1	6.9
Other equity movements	0.4	0.0	-1.2
Proceeds and payments on financial liabilities	**128.0**	**242.6**	**454.2**
Proceeds from	**390.3**	**443.7**	**1,694.6**
Bonds and other securitites to trade	0.0	0.0	756.5
Interest-bearing loans and borrowings	294.7	313.6	805.7
Borrowings from Group companies and associates	57.5	47.1	111.2
Other borrowings	38.1	83.0	21.2
Repayment of	**-262.3**	**-201.1**	**-1,240.4**
Interest-bearing loans and borrowings	-205.5	-181.7	-1,184.5
Borrowings from Group companies and associates	-46.9	0.0	-40.0
Other borrowings	-9.9	-19.4	-15.9
Payments on dividends and other equity instruments	**-33.4**	**-50.5**	**-53.0**
Dividends	-33.4	-50.5	-53.0
Cash flows from financing activities	**240.5**	**196.5**	**570.4**
Effect of changes in exchange rates	**-2.4**	**-1.3**	**-20.6**
Cash in assets held for sale	**0.0**	**0.0**	**-1.3**
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS	**-77.0**	**-12.5**	**262.6**

Cash flows from operating activities

Our net cash flows from operating activities were €373.6 million in 2013 primarily attributable to the profit for the year before taxes and after non-controlling interest of €145.7 million, attributable to increased activity, depreciation and amortization of €299.6 million, reduction of needs in working capital of €50.1 million, net cash payments of interest of €134.9 million, and payments of income tax of €72.2 million (cash payments of taxes are correlated to pre-tax income of the previous fiscal year). In addition to the negative impact of the strong Euro mentioned above (both with respect to realized foreign currency losses of €26.1 million as well as the impact in translation of foreign currency EBITDA to the Euro), other factors negatively impacting cash flows from operating activities in 2013 include a reduction in non-recourse factoring of €33.8 million, as well as an estimated €35 million of one-off transaction related expenses related to the notes offerings, the Senior Facilities Agreement and related re-financings undertaken during 2013, included in cash payments of interest.

Our net cash flows from operating activities were €371.5 million in 2012 primarily attributable to the profit for the year before taxes and after non-controlling interest of €246.6 million, attributable to increased activity, depreciation and amortization of €280.6 million, working capital requirements of €85.6 million and payments of income tax of €66.4 million.

Our net cash flows from operating activities were €307.6 million in 2011 primarily attributable to profit for the year before taxes and after non-controlling interest of €225.9 million, attributable to increased activity, depreciation and amortization of €292.4 million, payments of income tax of €21.0 million and working capital requirements of €129.6 million.

Cash flows from (used in) investing activities

Our net cash flows used in investing activities were €659.5 million in 2013, primarily attributable to €577.6 million used in investments in new projects in China, US, United Kingdom, Russia and Germany and maintenance and replacement capital expenditure. The amount of net cash flows used in investing activities includes an extraordinary addition to intangible assets in the amount of €31 million resulting from the acquisition of the Gestamp trademark from our parent company. Net cash flows used in investing activities also includes €37.2 million reflecting the reduction of payables to fixed assets suppliers between yearend 2012 and yearend 2013.

Our net cash flows used in investing activities were €579.2 million in 2012, primarily attributable to €533.9 million used in investments in new projects in the US, Brazil and Russia and maintenance and replacement capital expenditure.

Our net cash flows used in investing activities were €622.7 million in 2011 attributable to €422.1 million used for acquisitions, of which €383.8 million was used for the acquisition of ThyssenKrupp Metal Forming and €299.4 million was used for new projects in Brazil, Argentina, Mexico, the US, China and India, and also attributable to maintenance and replacement capital expenditure partially offset by €90.4 million from divestments.

Cash flows from financing activities

Our net cash flows from financing activities were €570.4 million in 2013, primarily due to an increase of cash as a result of:

- the issuance of the senior secured notes in the amount of €756.5 million;
- funding of the new syndicated loan of €570.0 million;
- the proceeds from the investments by Mitsui & Co., Ltd. of €297 million through the acquisition of a 30% share in our Brazilian, Mexican, Argentinian and North American operations via several capital increases; and
- the proceeds from the investments by COFIDES of €40.0 million through the acquisition of a 35% share in our subsidiary Mursolar 21.

This increase has been partially offset by:

- the net amortization of other interest bearing loans in the amount of €1,170.9 million;
- the execution of the purchase option to acquire the 49% minority interest shareholding in GMF Holding GmbH from Tocqueville Capital Company B.V. (company belonging to Liberty Hampshire Company, LLC group) for €104 million;
- the purchase of the 35% minority interest shareholding in our Mexican operations from COFIDES for €67.5 million; and
- the payment of dividends to our shareholders of €51.0 million from the parent company and €2.0 million to other shareholders in subsidiaries.

Our net cash flows from financing activities were €196.5 million in 2012, attributable to an increase in our net indebtedness of €242.6 million and partially offset by payment of dividends to our shareholders of €50.5 million.

Our net cash flows from financing activities were €240.5 million in 2011, attributable to €137.7 million received from the sale of a minority interest in ThyssenKrupp Metal Forming and an increase in our net indebtedness of €128.0 million and partially offset by payment of dividends to our shareholders of €33.4 million.

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."*

Following the issuance of our senior secured notes due 2020 and the repayment of certain of our long-term indebtedness, our long-term indebtedness primarily consists of € 742.6 million Euros in senior secured notes; € 557.2 million in long-term portion of a funded senior secured amortizing Term Loan (part of the bank facilities syndicated on April 19, 2013, of which an additional € 280 million is in the form of an undrawn Revolving Credit Facility); a € 60.0 million bilateral term loan; and € 92.2 million of aggregate principal amount in other long-term financing.

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, including the notes, 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.

As market conditions warrant, we may from time to time purchase, redeem, repurchase, prepay, cancel or otherwise restructure or refinance all or a portion of our indebtedness including debt under the notes and the Senior Facilities, in privately negotiated transactions, open market transactions or otherwise. 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 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 €33.4 million in 2011, €50.5 million in 2012 and €51 million in 2013. This last dividend was paid in July 2013.

We are leveraged and have debt service obligations. We anticipate that our leverage will continue for the foreseeable future. Our level of debt may have important negative consequences for you.

Working capital

The table below shows the sources (and uses) of cash related to working capital during the periods indicated:

	YTD December 31,		
	2011	2012	2013
	(Millions of Euros)		
Changes in working capital	**-129.6**	**-85.6**	**50.1**
(Increase)/Decrease in Inventories	-46.8	-61.8	-21.3
(Increase)/Decrease in Trade and other receivables	-39.6	8.8	-116.6
(Increase)/Decrease in Other current assets	22.9	0.1	-2.8
Increase/(Decrease) in Trade and other payables	-61.6	-33.7	195.0
Increase/(Decrease) in Other current liabilities	-3.8	2.2	-4.2
Other non-current assets and liabilities	-0.7	-1.2	0.0

Our working capital requirements largely arise from our trade receivables, which are primarily composed of amounts owed to us by our customers, inventories primarily composed of raw materials (mainly steel) and other current assets which comprise receivables accounts with the public treasury by the advanced payments of taxes or refunds of taxes. Our trade 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 funds from other financing sources.

Net working capital requirements decreased by €50.1 million during 2013, compared to an increase of €85.6 million during 2012. The decrease in net working capital in 2013 was due to the increase in trade and other payables due to the increase in the average days for payment to suppliers to 63 days in 2013 from 58 days in 2012. This was partially offset by the increase in trade and other receivables by €116.6 million due the increase in the average days for collection from customers to 42 days in 2013 from 41 days in 2012.

Net working capital increased by €85.5 million in 2012 as compared to an increase of € 129.6 million in 2011. In 2012, working capital requirements increased by €33.7 million primarily as a result of a reduction in the average days for payment of trade payables from 64 days in 2011 to 58 days in 2012, partially offset by a reduction in the average days for collection of trade receivables from 47 days in 2011 to 41 days in 2012 and also as a result of an increase in our inventories by €61.7 million primarily due to an increase in the average days for raw materials from 18 days in 2011 to 23 days in 2012, which in turn was largely attributable to stocks in new facilities that were in ramp-up phase.

Net working capital requirements increased in 2011 by €129.6 million. This was primarily attributable to a reduction in the average days for payment of trade payables to 64 days in 2011, partially offset by a reduction in the average days for collection of trade receivables to 47 days in 2011.

Investments in fixed assets

	YTD December 31,		
	2011	2012	2013
	(Millions of Euros)		
Investments in fixed assets			
Investments intangible assets	28.4	40.0	102.6
Capital expenditures	340.4	590.9	545.5
Total	**368.8**	**630.9**	**648.1**
Net payments on investments			
Intangible assets	23.5	39.7	101.7
Tangible assets	283.2	529.1	535.0
Total	**306.7**	**568.8**	**636.7**

Investments in fixed assets during 2012 and 2013 amounted to approximately €630.9 million and €648.1 million, respectively. Investments in fixed assets primarily consists of expenditure on property, plant and equipment. This includes expenditure on new manufacturing plants and expansion of existing plant capacity for new production lines, maintenance capital expenditure comprised of expenditures on maintenance of machinery and buildings, improvements of existing plants driven by health and safety and noise reduction concerns and replacement capital expenditure incurred in relation to changes to our production platforms in connection with new models. Replacement capital expenditure is primarily incurred in connection with updating our welding and assembly cells and equipment, given that the most costly categories of our infrastructure, such as land, buildings and press equipment, have long lives and can be adapted with relatively low expenditure for replacement or renewal business.

Investments in fixed assets also includes expenditure on intangible assets, such as research and development costs. Included in investments in fixed assets is an extraordinary addition to intangible assets in the amount of € 31 million resulting from the acquisition of the Gestamp trademark from our parent company, a transaction described in the offering memorandum for our senior secured notes due 2020.

Net payments on investments reflect actual net cash outlays for fixed assets, taking into account increases and decreases in payables to our suppliers of fixed assets as well as proceeds from divestments of fixed assets, and amounted to approximately €568.8 million and €636.7 million during 2012 and 2013 respectively. Net payments on investments in 2013 include a reduction in payables to our suppliers of fixed assets in the amount of €37.2 million, as well as the payment of €31 million for the acquisition of the Gestamp trademark from our parent company, a transaction described in the offering memorandum for our senior secured notes due 2020.

Contractual obligations

We have contractual commitments providing for payments primarily pursuant to our outstanding financial debt, including the financial obligations arising from the notes but excluding financial derivatives.

Our consolidated contractual obligations as of December 31, 2013 were as follows:

	As of December 31, 2013			
	Total	Less than 1 year	1 - 5 years	More than 5 years
	(Millions of Euros)			
Contractual obligations				
Interest bearing loans and borrowings	1,717.6	265.6	690.7	761.3
Financial leases	23.7	1.7	6.4	15.6
Borrowings from associated companies	192.1	128.4	32.8	30.9
Other financial debts	88.6	0.0	58.1	30.5
Total Financial Debts	**2,022.0**	**395.7**	**788.0**	**838.3**
Operating leases	353.2	55.7	181.5	116.0
Non interest bearing loans	14.0	0.0	9.6	4.4
Current non-trade liabilities	112.2	112.2	0.0	0.0
Total Contractual Obligations	**2,501.4**	**563.6**	**979.1**	**958.7**

Off-balance sheet arrangements

We generally do not utilize off-balance sheet arrangements. We have also given a guarantee in respect of the EIB loan and the ICO loan. Please see “Description of Other Indebtedness—Other Debt Facilities—EIB loan and ICO loan”.

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 5 to our consolidated financial statements for the years ended December 31, 2013 and 2012 included elsewhere in this Annual Report.

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, 2013, €3,244.0 million of our revenues (which represented approximately 56.0% of our revenue for that period), on a consolidated basis, were generated in currencies other than the Euro. 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, specifically affecting management of our financial debt.

We mainly operate in the following currencies: Argentine Peso, Brazilian Real, Chinese Yuan, Czech Crown, Euro, GB Pound, Hungarian Forint, Indian Rupee, Korean Won, Mexican Peso, Polish Zloty, Russian Ruble, Swedish Crown, Taiwanese Dollar, 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.

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

	2013		
		Impact on Profit (€'thousands)	
	Currency	5% Fluctuation	−5% Fluctuation
	Swedish Krona	134	(134)
	US Dollar	333	(333)
	Hungarian Florint	(251)	251
	Sterling	834	(834)
	Mexican Peso	624	(624)
	Brazilian Real	313	(313)
	Chinese Renminbi	697	(697)
	Indian Rupee	(196)	196
	Turkish Lira	(28)	28
	Argentine Peso	229	(229)
	Russian Ruble	441	(441)
	Korean Won	16	(16)
	Polish Zloty	87	(87)
	Czech Koruna	116	(116)
	Japanese Yen	(38)	38
	Taiwanese Dollar	(2)	2
Impact in absolute terms		3,311	(3,311)
Result attributable to equity holders of parent company		113,069	113,069
Effect in relative terms..		2.93%	(2.93)%

We hold hedges contracted for net foreign investments to cover the exposure to changes in exchange rates with respect to the interest in the net assets of foreign operations. These financial derivatives hedging net foreign investments are initially recognized in our 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.

Interest rate risks

Our borrowings mainly 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 borrowings are at floating rates indexed to Euribor.

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. 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. Our maximum exposure to credit risk at December 31, 2011, 2012 and 2013 amounts to the carrying values, except for financial guarantees and derivative financial instruments.

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 provide us a natural hedge.

BUSINESS

Our company

We are a leading global automotive supplier active in the design, development and manufacture of metal components and assemblies for sale to OEMs, primarily for use in the production of light vehicles. We have an extensive global footprint of 94 production facilities in 20 countries over four continents with two additional plants under construction as of December 31, 2013. We supply our products globally to all of the 12 largest OEMs by production volume. Our extensive geographical and customer diversification allows us to take advantage of global growth opportunities and has mitigated the impact of regional production fluctuations on our business during economic downturns.

We offer our OEM customers a diverse product portfolio, supplying Body-in-White and Chassis structures and complex assemblies, Mechanisms, as well as tooling and dies and other related services.

- *Body-in-White:* 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 exterior skin of an automobile. This product portfolio also includes 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:* Our Chassis product portfolio consists of systems, frames and related parts, such as front and rear axles and links, control arms and integrated links, which link the body and the powertrain of an automobile and carry the load of the vehicle.

- *Mechanisms:* Our Mechanisms product portfolio consists of mechanical components such as hinges for doors, hoods, and trunk lids, door checks and door hinges with integrated door checks that join the automobile's body with the moving parts and that enable the user to open and shut the automobile's front, side and rear doors and lift-gates. Mechanisms also include powered systems that allow automobile doors to open and close electrically and by remote activation.

- *Other products (tooling):* We have extensive in-house capabilities in the design, engineering, manufacturing and servicing of dies and tools in support of our customers and in-house press manufacturing.

We are one of the very few truly global suppliers to OEMs in our product portfolio, which sets us apart from many of our competitors in the industry. We have long-standing and entrenched relationships with our largest OEM customers and, as a result, have been able to proactively manage our business to meet the developing global trends in the industry and the resulting changes in the requirements of the OEMs that we supply.

In 2013, our revenue was €5,788.7 million and our EBITDA was €593.7 million. During the same period, we derived revenues of €4,676.4 million from our Body-in-White and Chassis sales, representing approximately 80.8% of our total revenue and revenues of €705.6 million from our Mechanisms sales, representing approximately 12.2% of our total revenue.

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

Highly diversified revenue base across regions, customers and products

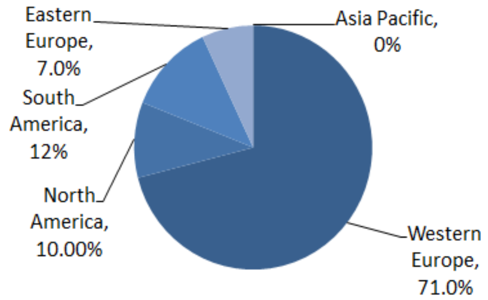
Regional diversification

We have a geographically highly diversified global footprint with 94 production facilities in 20 countries over four continents with two additional plants under construction as of December 31, 2013. Since 2007, we have focused our expansion outside our traditional markets in Western Europe, into North America, South America, Asia and Eastern Europe where we have been able to capture the increasing demand for our products, in part driven by a significant increase in vehicle production, particularly in the US, Mexico, Brazil, China, India, Thailand, Turkey and Russia.

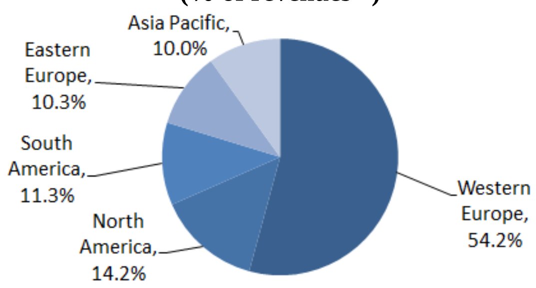
We are one of very few truly global players in our product portfolio who have committed substantial investment to and have a well established presence in these growth markets. We are market leaders by revenue in the majority of them, which gives us a competitive advantage over those suppliers who are yet to establish themselves in these growing markets.

As part of our customer-focused approach to our expansion strategy, we have proactively managed the decision of when and where to expand in our growth markets by coordinating our roll-out plans with those of the OEMs we supply. Since 2007, we have opened 22 production facilities outside of Western Europe, with two more under construction as of December 31, 2013. Our strong geographical diversification throughout our regional centers of operation allows us to take advantage of global growth opportunities and has mitigated the impact of regional demand fluctuations on our business during economic downturns. The charts below reflect the evolution of our regional diversification between 2007 and 2013 by revenue:

2007
(% of revenues[(1)])



2013
(% of revenues[(1)])



(1) Based on manufacturing origin of sales

Customer diversification

We have a well diversified customer base which, through a successful development strategy, has expanded to include all of the 12 largest OEMs by production volume in 2012, as compared to seven of the largest OEMs by production volume in 2007. In the financial year ended December 31, 2013, our top three OEM customers accounted for 49.2% of our sales to OEMs (excluding tooling), compared to 60.3% in the financial year ended December 31, 2007.

We have pursued a strategy of customer diversification and have forged new global relationships with Jaguar Land Rover, Hyundai, Toyota, Honda and other OEMs with whom we had a limited relationship prior to 2007.

Product diversification

Our historic product portfolio has been comprised primarily of Body-in-White products and, to a lesser extent, Chassis products. With the acquisition of the metal forming business unit of ThyssenKrupp Metal Forming in 2011, we have significantly strengthened our position in Chassis products. Sales of our Body-in-White and Chassis products represented 80.8% of our total revenues in 2013.

The acquisition in 2010 of the body components business unit of Edscha, a manufacturer of Mechanisms products, enabled us to diversify our product portfolio by further increasing the range of products we can offer our customers in the area of body and structural automotive components. Sales of our Mechanisms products represented 12.2% of our total revenues in 2013. Our expansion into these product areas was in line with our long-term growth strategy and strongly supported by our key OEM customers.

The diversification of our product portfolio has helped us to strengthen our strategic relationships with OEMs, who are able to turn to us for innovative and market-leading product solutions across the value chain.

Technology and leading R&D capabilities

One of the global trends in the automotive industry is the increased focus on innovative and technologically advanced products that seek to address the parallel concerns of improved safety for passengers and road users and weight and emissions reduction. Our commitment to developing innovative, high quality products has defined our approach to our customers. We are a global leader in the automotive supplier industry in the use of high strength and ultra high strength steel, which find their application in many body parts of the car where it helps to reduce vehicle weight and improve fuel and emissions efficiency while also improving safety in a cost-effective way. Many of our products are manufactured using our state-of-the-art technologies in innovative press hardening (also known as hot stamping) and other high strength stamping processes. These products provide superior safety and weight reduction, differentiate us from our competition and help us to achieve leading positions in the industry. We have made significant investments over the past three years in rolling out our press hardening and stamping technology in our facilities around the world to respond to growing demand from OEMs for our products.

Our innovative products and market-leading processes are developed through our targeted R&D platform, which has a dedicated team of approximately 1,000 employees, across 12 facilities spread around the globe. Furthermore, we are among the very few Tier 1 suppliers that have in-house tooling capabilities. Underlying our innovative products and processes and in-house capabilities is the maintenance of rigorous quality management systems in all of our manufacturing plants and R&D facilities. Through regular internal audits we are able to ensure that our products and processes are monitored to the highest industry standards. We believe that these competencies and capabilities along the entire value chain give us a competitive advantage over many of the other suppliers.

Leading market positions

We believe that we are the number 1 supplier of Body-in-White and Chassis products globally by combined revenue. In Body-in-White products, we believe that we are the clear market leader among individual suppliers in Western and Eastern Europe combined, and in South America. In Chassis products, we believe that we are number two in the market among individual suppliers in Western and Eastern Europe combined, and in South America. Body-in-White, Chassis and Mechanisms products collectively represented €5,382 million or 93% of our revenues in 2013.

In developing and rolling-out new models, OEMs are increasingly collaborating with suppliers to design models around common platforms and are seeking to consolidate their supplier-base with an increased focus on large, technically and financially strong global suppliers that are capable of producing consistent and high-quality products at competitive prices. As a result, large, multi-technology, high-quality Tier 1 suppliers such as ourselves are increasingly taking market share from smaller competitors, as we are in a better position to meet these OEM criteria.

We have strategic and long-standing relationships with our largest OEM customers, which are based on confidence and an understanding established over many years of successful collaboration. There are very few suppliers that, like us, have such long-standing relationships with the largest global OEMs, and there are an even smaller number of suppliers that, like us, are capable of delivering solutions to complex projects, truly globally and on a consistent and high quality basis across the product portfolios. Our scale and ability to develop differentiated solutions for OEMs' on a global footing are critical to our success and differentiate us from local and regional suppliers of car components.

Our highly advanced technological capabilities, global manufacturing and managerial footprint, significant operational scale and track record of financial stability enable us to be one of the very few suppliers who can support an OEM throughout the full product life cycle, including as a development partner during the early stages of product development. This 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, and would take significant investment and many years to attempt to replicate.

From operational, technical and logistical perspectives, OEMs face substantial switching costs in replacing the supplier of a particular component or platform, particularly during the life cycle of a specific vehicle model, and the supplier of a particular car model is often also 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, and to 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 help us to develop a competitive advantage over our competitors, entrench our strategic relationships with OEMs and reduce the risk of a committed OEM switching from us to an alternative supplier.

High mid-term revenue visibility, predictable cost-base and conservative financial risk profile

We have long-term and strategic relationships with our OEM customers. 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 prohibitive operational, technical and logistical costs of switching, particularly during the life cycle of a specific vehicle model. Given these factors, while the actual revenues which we derive from a project ultimately depend on our OEM customers' production volumes achieved for the respective car models, we have good visibility of mid-term revenues within a relatively small range of sensitivity. Each year, most of our revenues are derived from projects that continue into following years, given that vehicle cycles last several years.

In addition, our OEM customer, brand and model diversification, highly diversified global footprint and our complementary product lines strongly mitigate the effects of regional demand or individual model volume fluctuations and help to reduce mid-term revenue volatility.

We have a relatively predictable cost base, with limited maintenance capital expenditure once a project is ongoing and limited exposure to raw material price volatility. The primary raw material used in our business is steel, which in recent years represented approximately 50% of our sales. While steel prices affect our revenue and costs, historically, our profit margins have not been significantly affected by changes in steel prices. The majority of our steel is typically purchased through OEM re-sale programs, under which an OEM customer negotiates directly with the steel suppliers the price of the steel that we use to manufacture components for that OEM. Such negotiated steel price is passed through to the OEM customer in the sale price of the automotive component. The remainder of our steel purchasing requirements are typically met through contracts with steel suppliers that we negotiated. Historically, we have negotiated with our OEM customers to pass through the increase or decrease in the steel price, eliminating significant volatility in our margins relating to volatility in steel prices. Due to our strong relationships with OEMs and the large steel volumes we acquire in the market place, we expect to be able to negotiate competitive steel contracts with suppliers and to pass through cost increases to our customers, thus stabilizing the effect on our results.

In addition to our limited exposure to raw material price volatility, we have a low operating leverage. A significant part of our labor costs, which have represented in recent years between approximately 15% and 18% of our total annual sales, are semi-variable in nature and can be adjusted to meet business needs. For example, in 2008 and 2009, we were able to respond quickly to the deterioration in market conditions and took measures to contain costs by lowering headcount, including a reduction in the number of temporary personnel.

We have been able to keep our leverage ratios stable despite our sizeable acquisitions in 2010 (Edscha) and in 2011 (ThyssenKrupp Metal Forming). We were able to continue to invest during the downturn and maintain a high level of profitability by managing our working capital effectively, managing the timing of capital expenditures and delivering cost savings across our business. Our predictable cost-base, conservative financial profile and low operating leverage reduce the exposure of our operations to unpredictable externalities and are valued by our OEM customers.

Experienced management team focused on operational excellence, profitable growth and stable shareholder structure

Our management team has extensive experience in the industry and most of our executive committee have been with the company for more than 10 years. Operational excellence is deeply rooted in our organizational structure and culture. Our geographical divisions are focused on improving manufacturing processes (built upon plant-by-plant profit centers), while our business units are centered on customers, products, process innovation and R&D. Our focus on operational excellence across all of our production and R&D facilities has established us as one of the technology, quality and innovation leaders in the industry.

Our management team has a demonstrated track record of achieving long-term profitable growth through the economic cycle, maintaining double-digit EBITDA margins even during the 2008-2009 economic crisis. Our recent successful major acquisitions in 2010 (Edscha) and in 2011 (ThyssenKrupp Metal Forming) were driven by our management's identification of the substantial value creation potential of these businesses.

Our controlling shareholders are long-term holders, supportive of our vision and strategy. Our Chief Executive Officer, who is also one of our largest shareholders, has been instrumental in driving our profitable growth strategy.

Our strategies

Our mission is to strive to be an indispensible strategic partner for a diversified OEM customer base across our entire product portfolio. The strategies to achieve our mission, set out in more detail below, are founded upon the pillars of best-in-class processes and product technology innovation, customer-focused growth and diversification of our global footprint, while maintaining operational excellence at all levels and in all regions.

Retain and strengthen technological and quality leadership

Our objective is to leverage our operational economies of scale to provide our customers with a best-in-class range of products that seek to address weight and emissions reduction targets, as well as improved passenger and road user safety. We intend to continue to strengthen our technological competencies to benefit from the trend towards co-development of new vehicles and common platforms between OEMs and suppliers, while also growing our presence in innovative technologies. Our R&D platform plays a key role in the development of new products, applications, technologies and processes, and we intend to continue to invest to retain our technological leadership and respond to the latest automotive industry trends.

Increase penetration with OEMs

Having significantly improved our worldwide customer penetration since the global financial crisis, we believe that we are poised to benefit from the large number of new model roll-outs of our OEM customers. We aim to increase our market share by winning new business across our global footprint. One of our key focus areas for future growth is in deepening supply relationships with Japanese OEMs outside of Japan. We see a trend of Japanese OEMs shifting more of their production base outside of Japan to be closer to the markets with growing demand for vehicles. In doing so, Japanese OEMs are more open to work with foreign suppliers. We believe that our relationship with Mitsui through our joint venture in North and South America will enhance our relationships with Japanese OEMs in general. We also intend to grow with other Asian OEMs outside of their home markets.

Expand with discipline through selective and profitable investments

We aim to be an indispensable global partner for our OEM customers and we strive to achieve this aim by continually proving our reliability as a strategic supplier by, for example, providing solutions to their most critical needs on a global scale, and by continuing to tailor our expansion plans to match theirs.

Our capital expenditure is associated with disciplined growth, generally tied specifically to client project nominations. Since 2007 we have opened 22 new manufacturing facilities outside of Western Europe which have collectively added to our EBITDA and cash flow from operating activities. While returns on investments are not guaranteed, in assessing a new investment, as part of our internal decision making methodology, one of the factors our management considers is whether we believe that the investment may result in an internal rate of return to us of at least 15%.

This selective and disciplined approach to investments has significantly contributed to our increase in EBITDA from €390.0 million in 2010 to €593.71 million in 2013 and to our increase in cash flows from operating activities from €271.2 million in 2010 to €373.6 million in 2013. Although, we have favored organic growth over acquisitions, through our strategic acquisitions of Edscha (2010) and ThyssenKrupp Metal Forming (2011), we have participated in the consolidation and rationalization of the supplier base in collaboration with OEMs.

We aim to continue this approach of disciplined investments. Currently the primary focus, both for our OEM customers and for us, is on growth markets where there are opportunities to capitalize on growing long-term demand relative to that of the mature economies. For instance, we believe that we are well-positioned to take advantage of China’s growth as a result of our existing footprint of high-quality manufacturing facilities in the country. Three out of our four additional plants that were inaugurated during 2013 are located in China to meet non-Chinese OEMs’ local needs. There currently is substantial demand for our products in growth markets that would require additional manufacturing facilities and we aim to take advantage of this demand through selective and disciplined investments.

Maintain and bring improved operational excellence to bear on existing and acquired businesses

Our objective is to deliver a best-in-class range of products to our OEM customers and, to this end, we strive to maintain an organizational structure and culture with consistent levels of operational excellence across all of our production and R&D facilities.

At the same time, we focus on reducing our cost base through improved economies of scale and capitalizing on synergies with recently acquired businesses. Over the past five years, we have delivered double-digit EBITDA margins in our existing businesses and have a track record of improving EBITDA margins in acquired businesses as we adapt them to our best-in-class manufacturing techniques and processes.

Evaluate regional partnerships in new markets

We continually evaluate working with regional strategic partners when entering new markets in order to limit start-up risks and benefit from partners’ intimate knowledge of local requirements and customers’ needs. Two examples of such joint ventures are our operations in Turkey, with Beyçelik, and in Russia, with Severstal. We also have financial partners in some joint ventures with the aim to mitigate the financial costs of entering new markets. We have recently closed on a joint venture with Mitsui which we expect will bring both financial and strategic benefits. If opportunities arise in the future, we will evaluate suitable partnerships strategically aligned from a customer, technological, geographic and/or financial perspective.

Mitsui Joint Venture

In 2013 we signed and closed on an investment agreement with Mitsui & Co., Ltd (“Mitsui”) by which Mitsui invested €297 million in our United States, Mexican, Brazilian and Argentinian operations via several capital increases, acquiring a 30% share in our business in those four countries. The joint venture with Mitsui will reinforce our position in those geographies in the future.

Furthermore, we see a trend of Japanese OEMs shifting more of their production base outside of Japan to be closer to the markets with growing demand for vehicles. In doing so, Japanese OEMs are more open to work with foreign suppliers. One of our key focus areas for future growth is in deepening supply relationships with Japanese OEMs outside of Japan. We believe that our relationship with Mitsui will enhance our relationships with Japanese OEMs in general and support us in our strategy for growth in this regard.

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 structures and complex assemblies, opening systems and Mechanisms, as well as tooling and other services. We focus on innovation in the design of our products with the fundamental goals of promoting weight reduction, therefore reducing harmful emissions and environmental impact; and improving safety, thereby increasing the protection of passengers, other road users and pedestrians.

Body-in-White and Chassis

<u>Body-in-White</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 “exterior skin” of the vehicle. 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 arches, which together with the “exterior skin” component parts and assemblies, form the essential structure of the vehicle.

Product Category	Typical Products
Exterior	• Hoods
	• Roofs
	• Fenders
	• Doors
Structural/Crash relevant	• Floors
	• Pillars
	• Rails
	• Wheel arches
	• Front modules
	• Bumper
	• Crash boxes
	• Cross car beams

Our Body-in-White product lines consist of both component parts, as well as the complex assemblies which are made up of multiple component parts and sub-assemblies welded together to form major portions of the vehicle’s body structure.

<u>Chassis</u>

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 “skeleton”, or essential lower body structure, of the vehicle 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 heavy gauge 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**
Sub-frames/Cross member Links/Control arms	• Front sub-frames • Rear axles • Front/rear link • Control arms integrated links

The primary technologies and processes involved in the manufacturing of our Body-in-White and Chassis products include (i) press hardening (also known as hot forming); (ii) cold forming technologies such as stamping, roll-forming and hydro-forming; (iii) advanced assembly technologies such as remote laser welding; and (iv) finishing technologies such as powder coating and cataphoretic painting. See "—Manufacturing processes".

Mechanisms

Our mechanisms 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 vehicle lids to open and close electrically driven at the touch of a button. 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

The primary technologies and processes involved in the manufacturing of our Mechanisms products include, among other things, stamping, sawing, milling and plastic injection molding. See "—Manufacturing processes".

Other products (tooling)

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, in cases where we are on resale programs, or in the product pricing that is negotiated regarding increases and decreases in the steel price in cases where we purchase steel directly from the mills.

Manufacturing processes

Since our foundation in 1997 we, and the technology employed in our manufacturing processes, 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 (iv) finishing technologies such as powder coating and cataphoretic painting.

Die or tool manufacturing

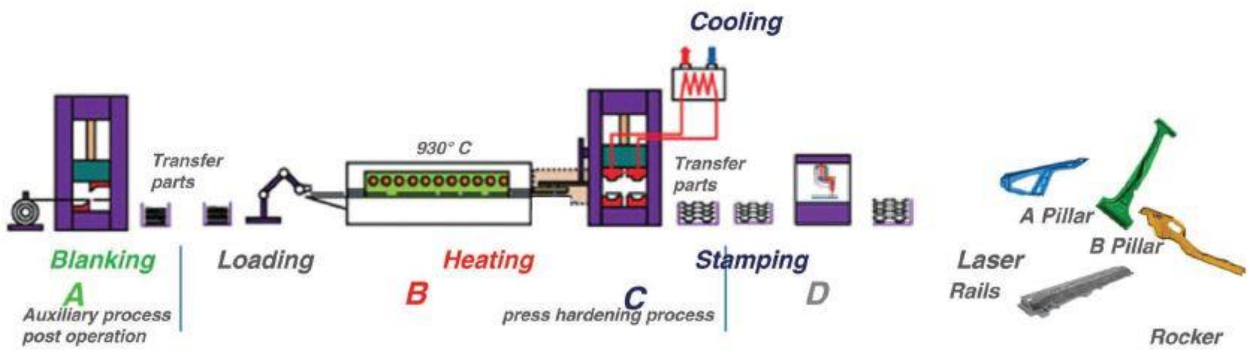
Dies or tools are the common terms for the equipment used in the stamping and forming processes to cut or form raw material into a required shape using a press. Our in-house tooling capabilities cover the entire tooling value chain from the initial process of die design to the secondary phase of prototyping, 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 outer skin of the car (also called A-class parts) such as doors and hoods. Critical phases such as follow-ups and quality checks are carried out globally by a dedicated European team. We have 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 press hardening.

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 passenger safety requirements.

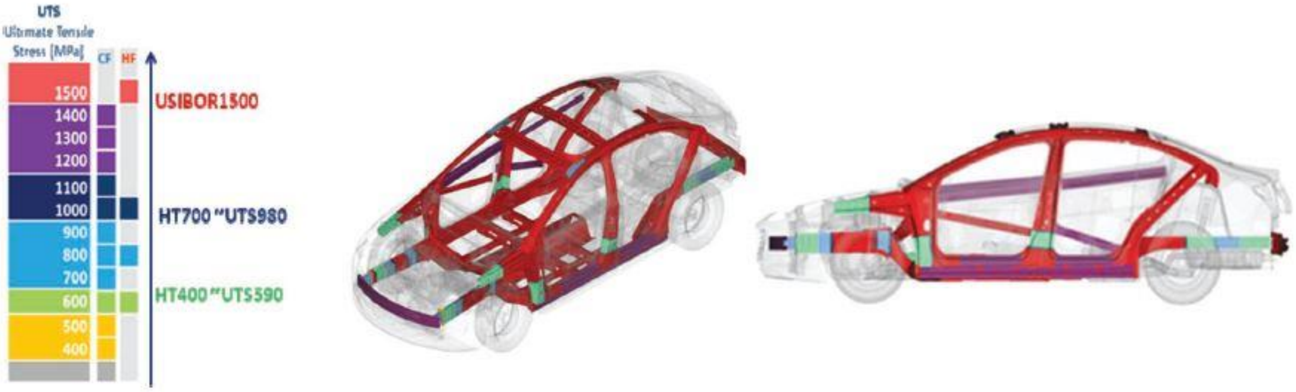
Set out below is a graphic description of the basic process of press hardening.



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 produce 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.

The close cooperation between our R&D and process know-how has resulted in the creation of a highly sophisticated and patented “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. TMP technology, creating deformable soft zones, allows us to provide new product offerings that provide better crash behavior 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 especially in the car chassis 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 only could 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 body shops 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 (MIG) welding or metal active gas (MAG) welding. We use parts resistant or spot welding in the welding of Ultra High Strength Steel and Press Hardening parts. Our welding cells are typically highly automated and we use automated 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 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

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.

Research and Development

We operate in a highly competitive and globalized industry and must constantly change and adapt to meet our customer’s needs and expectations. We consider innovation and R&D to be key success factors for the differentiation of our products and services from those of our competitors. Among our global workforce of 31,593 as at December 31, 2013, approximately 1,000 employees are focused on R&D.

Our Body-in-White and Chassis products are fundamental elements in the vehicles produced by our OEM customers. The design and manufacture of these products are driven by the requirements and expectations of the OEMs that we supply, and we collaborate and work closely with them, from the early stages of development through to final production, to ensure their requirements and expectations are met.

When conceiving of, designing and producing our Body-in-White products, we collaborate with the OEMs to focus on improving the fundamental, strategic functions of the vehicle such as sustainability (including lightweight design; use of eco-friendly technologies), passive safety (EuroNCAP and IIHS), NVH, exterior styling (which is a non-technical but esthetic consideration) and architecture (involving support to all the functions and modules of the vehicle), durability and fatigue. We seek to create close collaborations with our clients in order to co-develop body-in-white concepts and technologies for the future. In Chassis, our R&D efforts are geared towards achieving weight reduction. In Mechanisms, we look to address daily challenges such as vehicle access, crash safety and reliability. Across our product lines, cost effective design is a key area of strategic focus of our innovation efforts.

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 performance. See "—Manufacturing processes".

While we manufacture a small number of products using aluminum and carbon-fiber, demand in the market for aluminum and carbon-fiber based products is limited at present, primarily due to the high costs in relation to performance and weight savings. Nevertheless, we monitor the evolution of demand in the market for premium products constructed using these materials, and our customer-focused strategy may lead us to manufacture more products with these materials, based on customer demand and potential for adequate returns for us.

Our close working relationships with the 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 consolidates our relationship with them as a core supplier and co-developer of strategic importance.

Intellectual Property

Although the processes we use in the manufacture of the products we produce are technical in nature, our business does not rely heavily on intellectual property. Among the most important intellectual property that we do own relate to the patented press hardening processes we utilise in our operations, as well as our brand name, Gestamp.

Customers and Geography

We have a broad customer base as well as an extensive global manufacturing and managerial footprint. We have increasingly diversified our customer base to an extent that we now sell our products to each of the top 12 OEMs by production volume, including Volkswagen, Renault-Nissan, BMW, General Motors and Daimler.

We have developed long-standing business relationships with our automotive customers around the world. We work together with our customers along the full value chain, including development, industrial engineering, tooling and manufacturing. Quality assurance programs matching the highest standards underlie our service offering. In growing economies in particular, our customers are focusing their own resources on vehicle assembly and seek to outsource 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) high-quality products at competitive prices with standardized high-level quality; 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.

Mandates in the automotive OEM business involve long-term production arrangements 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.

In addition to being diversified, our customer base is weighted towards financially stable OEMs, meaning that, subject to the stage of the automotive industry cycle and prevailing macroeconomic conditions, our revenue streams are relatively secure.

Our geographical diversification strategy is aligned with the ongoing expansion by OEMs into growth economies and the consolidation of their existing presence in established markets. As OEMs have sought to establish presence in growth markets and to grow outside of their home markets, we have adapted our geographical diversification strategy to focus less on our presence in Western Europe, which is well established, and more on these growing markets.

While we continue to pursue a measured strategy of geographical diversification, the basis of our technological expertise continues to be Western Europe. Our acquisition of ThyssenKrupp Metal Forming, while having the effect of returning weight back to our Western European sales contribution, brought us important technical expertise, particularly with regard to chassis design and development.

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.

The primary raw material used in our business is steel, which in recent years represented approximately 50% of our sales. The majority of our steel is typically purchased through OEM re-sale programs, under which an OEM customer negotiates directly with the steel suppliers the price of the steel that we use to manufacture components for that OEM. Such negotiated steel price is passed through to the OEM customer in the sale price of the automotive component. The remainder of our steel purchasing requirements are typically met through contracts with steel suppliers that we negotiate. Historically, we have negotiated with our OEM customers to pass through the increase or decrease in the steel price, eliminating significant volatility in our cost base relating to volatility in steel prices. Due to our strong relationships with OEMs and the large steel volumes we acquire in the market place, we expect to be able negotiate competitive steel contracts from suppliers and to pass through cost increases to our customers, thus stabilizing the effect on our results.

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. Our key competitors with a similar global offering are Benteler, Magna International, Inc. (Cosma division) ("Magna") and, to a somewhat lesser extent, Tower International LLC ("Tower").

The market positions stated below are based on management's assessment.

Competitive landscape for Body-in-White

The competitive landscape for Body-in-White varies significantly by region. Western and Eastern Europe, North America and South America are relatively highly consolidated, while the Asian market is highly fragmented. We believe that we are the clear market leader among individual suppliers in Western and Eastern Europe combined. Our main competitors in Western and Eastern Europe are Benteler, Magna, Magnetto-Unipres and Kirchoff. In the North American market, we are within the top four individual players, with Magna being the market leader, and Benteler and Martinrea being the other key competitors. In South America, we are the market leader, with Aethra, Delga, Magnetto-Unipres and Tower International being our key competitors. In this region, local players tend to be strong competitors; however, we believe that we differentiate our offering through superior technological know-how. 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 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; therefore, our exposure to the Chinese market is primarily through supplying foreign OEMs.

Competitive landscape for chassis

Market concentration dynamics for chassis are similar to Body-in-White, with Western and Eastern Europe, North America and South America being somewhat 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 South America, with Benteler being the market leader in Western and Eastern Europe and Magna being the market leader in South America. The North American market in particular exhibits very high concentration, with Benteler, Magna, Martinrea, Metalsa and Tower International holding substantial market shares. We do not have a significant presence in chassis in North America. In the Asian market, domestic suppliers such as Hyundai Mobis and Yorozu have significant market shares, with Benteler, Magna and Tower International being the leading international competitors. 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,

Competitive landscape for hinges and mechanisms

We believe that we are the clear market leader by individual suppliers in Western and Eastern Europe combined, and in South America; a significantly higher market share than any of our competitors. Our key competitors in Western and Eastern Europe are ISE Automotive Group and Multimatic Inc. ("Multimatic"). We do not have any individual significant competitors in South America, and compete against a range of players with substantially lower market shares in the region; including AISIN SEIKI Co. Ltd. ("AISIN"), Flex-N-Gate Plastics Group ("Flex"), Midway Products and

Mitsui Kinzoku AC. 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.

Key customer criteria for purchasing decisions

We believe that our customers choose between different suppliers based largely on the following criteria:

- Price competitiveness
- Product quality
- Ability to manage complex projects
- R&D competencies
- Process technology competencies
- Tooling competencies across the value chain
- Breadth of geographical manufacturing footprint
- 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 our market. The strength and breadth of our program management and engineering capabilities, as well as our geographic, customer and product diversification, provide the necessary scale to be cost and quality competitive. 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, in the areas of the industry in which we operate, there are very few global competitors, as the financial and logistical constraints inherent in establishing and maintaining a true global presence are quite high. Our major competitors include Benteler, Magna and Tower in Body-in-White and Chassis and Flex, AISIN and Multimatic in Mechanisms. 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 and the recent economic downturn. 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 and may force combinations of some suppliers.

Property, Plant and Equipment

Our registered address is in the industrial park of Lebario S/N 48220 in Abadiño, Spain.

We have an extensive global footprint and our products are manufactured at 94 plants in 20 countries, with two additional plants under construction as of December 31, 2013. Our plants are strategically positioned to serve our global customer base locally and to create logistical cost-efficiencies. The following table sets forth selected information regarding our top 20 production facilities by size.

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 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
Sungwoo Gestamp Hitech	India	114,591	Owned	2009	2009
Gestamp Ludwigsfelde	Germany	113,000	Owned	1991	2011
Gestamp Automotive India	India	107,500	Leased	2009	NA
Gestamp Shenyang	China	103,669	Leased	2012	NA
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

Of our 96 production facilities, 57 are acquired sites, 31 are greenfield sites, six are acquired sites which have subsequently been substantially re-developed and two sites are currently under construction. Of the 57 sites which we have acquired, 12 were acquired as part of our acquisition of Edscha and 17 were acquired as part of our acquisition of ThyssenKrupp. Of our 12 R&D centers, three were acquired as part of our acquisition of Edscha and two were acquired as part of our acquisition of ThyssenKrupp.

The following table sets forth the total number of our production facilities and our R&D centers, by region:

Region	Production Facilities	R&D Centers
Western Europe	46	8
Eastern Europe	15(1)	—
North America	10(1)	1
South America	9	1
Asia	16	2
TOTAL	**96**	**12**

(1) Includes one under construction

Environmental

We have a strong commitment to environmental issues and the impact of our operations on the environment, including with respect to climate change. We are also committed to maintaining high standards of health and safety, both environmental and general..

As manufacturers of automotive components, the impacts generated by us have to be taken into account throughout the life cycle of the vehicle and not only during the manufacturing phase of our parts. For this reason we are committed to adapting and using the best techniques available for our installations, as well as to include environmental aspects in the design and operation of them.

Over the past five years, we have had no material environmental issues, actions, claims or liabilities and are currently not aware of any such issues, actions, claims or liabilities.

In Gestamp it is a requirement that each center has an environmental management certificate that ensures legislative compliance, minimization of contamination and the continued improvement in processes. The majority of our plants are compliant with ISO 14.000 and some also have the European EMAS quality standards.

At corporate level we also have an Environmental Indicator that enables us to monitor the main environmental aspects of all of our production centers. This document considers baseline consumptions (of energy, water, principle raw materials and stocked products), CO_2 emissions and waste management.

Health and Safety

In terms of Health and Safety we are aware of the risks in our business and have a policy that ensures that both our employees and those from other companies working on our premises have a safe and healthy working environment.

According to this policy, we use the same criteria when assessing the performance of any company in terms of Health and Safety and no difference is established between the companies operating in the countries in which we are present.

By means of our own indicator which we call GHSI (Gestamp Health and Safety Index) we carry out a quarterly inspection to monitor working conditions and the degree of implementation of management systems. This inspection allows us to identify the improvements implemented and to prepare new plans of action.

There is also a system of audits which verifies that these improvements meet with the criteria established in standards, thereby assuring reliability and comparability among the companies.

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. As of the date of this Annual Report, the material proceedings to which we are a party have an aggregate estimated potential liability of € 51.5 million, of which approximately €45.7 million relates to contingent liabilities associated with tax audits in Brazil. We have not made any provisions with respect to these contingent tax liabilities in Brazil, because we believe there is a low probability that we may be required to recognize any liability associated with these tax events in Brazil.

Employees

Over the past decade, as our operations have grown, we have seen employee headcount grow commensurately. As of December 31, 2013, we had 31,593 employees globally, of which 48%, 11%, 11%, 16% and 15% were based in Western Europe, Eastern Europe, North America, South America and Asia, respectively.

Our strategy is to manage 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. This policy allows us to benefit from a number of 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 a country level one.

In addition to this strategy, we try to build open and trusting relations with Union representatives at regional level or country level, in order to allow a bi-directional communication channel to provide them with relevant information, but also to understand their real worries and concerns.

During the global economic crisis, we proactively managed our employee requirements while endeavoring to find constructive measures to manage and retain experienced professionals. Given the global nature of our business and operations, the measures implemented required an in-depth analysis of the legal framework of each jurisdiction in which we operate. Our extensive global footprint has also given us a tool to fight the impact of the global economic crisis as it has allowed for increased geographical mobility and provided us with the ability to temporarily balance our resources across different regions, supporting strategic projects with the most skilled and experienced workers.

Where the opportunities have arisen and it has been possible to do so, we have deployed under-utilized staffing resources from one area of our business to other areas experiencing increased staffing requirements. As a result, we have been able to leverage the know-how of our experienced professionals to ensure that the new plants are well supervised by a trained workforce, achieving the required quality standards, while also retaining key resources.

In addition, we have been able to maintain a streamlined temporary workforce which allows us to react to the evolving demands of our business, partially mitigating the negative effects of the global economic crisis in a short period of time.

Where necessary and where the legal and regulatory labor and employment framework in a jurisdiction allows, we have implemented measures such as temporary reduction of the workforce, early retirement programs (as a way to achieve cost reduction in the short term and to reduce the average age of the staff in the medium to long term) and "Substitute Contracts" which has proven to be an efficient way to manage costs and rejuvenate the workforce, while accommodating the aging population.

MANAGEMENT

Board of Directors

Our Board of Directors has the power and duty to manage our corporate affairs. The Board of Directors elects its President and can select one Vice President. Except for matters reserved by law and by the articles to the general shareholders' meeting, the Board of Directors is the highest decision making body of Gestamp Automoción.

The following table sets forth, as of the date of this Annual Report, the name and title of each member of the Board of Directors, together with their representatives (in the case of corporate directors), and is followed by a summary of biographical information of each director or representative (in the case of corporate directors), including their respective ages.

Name	Position
Francisco José Riberas Mera	President
Holding Gonvarri, S.L. *(represented by Juan María Riberas Mera)*	Secretary and Managing Director
Gestamp Bizkaia, S.A. *(represented by Francisco José Riberas Mera)*	Managing Director
Risteel Corporation, B.V. *(represented by Francisco López Peña)*	Director
Autotech Engineering, A.I.E. *(represented by Juan María Riberas Mera)*	Director
Angel Gamboa Llona	Director
Arcelormittal Basque Holding, S.L. *(represented by Jean Martin Van der Hoeven)*	Director
Arcelormittal Esperbras, S.L. *(represented by Robrecht Himpe)*	Director
Arcelormittal Gipuzkoa, S.L. *(represented by Gonzalo Urquijo Fdez de Araoz)*	Director

Francisco José Riberas Mera (49). President of Gestamp Automoción and its Managing Director, as legal representative of Gestamp Bizkaia, S.A., the entity appointed as managing director of Gestamp Automoción. He holds a "Licenciado en Derecho" (University Degree in Law) and "Licenciado en Ciencias Empresariales" (University Degree in Business), both from Comillas University—ICADE (Madrid). He promoted the setting up of Gestamp Automoción in 1997 and assumed the role of Chief Executive Officer. Mr. Francisco José Riberas was a member of the Board of Aceralia from 1998 to 2001. Prior to the establishment of Gestamp Automoción, he held various management positions in Gonvarri Group from 1989. He is a shareholder and director in other companies belonging to the Corporación Gestamp, S.L. group, through the Gonvarri, Gestamp Renewables and Immobiliaria Acek groups. He also holds a directorship position in CIE Automotive, S.A.

Juan María Riberas Mera (45). Secretary and Managing Director of Gestamp Automoción, as legal representative of Holding Gonvarri S.L., the entity appointed as secretary and managing director of Gestamp Automoción. He holds a "Licenciado en Derecho" (University Degree in Law) and "Licenciado en Ciencias Empresariales" (University Degree in Business), both from Comillas University—ICADE (Madrid). He joined Gonvarri Steel Industries 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 holds a shareholding position in the Immobiliaria Acek group. He also holds a directorship position in CIE Automotive, S.A.

Francisco López Peña (55). Chief Financial Officer of Gestamp Automoción. "Ingeniero Industrial" (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 Gestamp Automoción's Board of Directors from 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.

Angel Gamboa Llona (68). Member of Gestamp Automoción's Board of Directors since 1999. He holds a "Licenciado en Ciencias Empresariales" (University Degree in Business) from the Universidad País Vasco. He has been with the Gestamp group since its incorporation in 1997 when he joined as manager of the Bizkaia plant. In 2004, he became Director of the Gestamp North Europe Division. Prior to joining Gestamp Automoción, he held managing positions in other automotive stamping facilities.

Jean Martin Van der Hoeven (49). Vice President and Chief Marketing Officer of ArcelorMittal Flat Carbon Europe, S.A. Mr. Van Der Hoeven also serves as Board Manager of CLN Coils Lamiere Nastri S.p.A., as Board Member of Bamesa Çelik S.S.V.T.A.S., Borcelik SANAYII TICARET A.S. and a member of the Supervisory Board at ArcelorMittal Bremen GmbH & Eisenhüttenstadt GmbH.

Robrecht Himpe (54). Chief Executive Officer of Flat Europe and Executive Vice President of ArcelorMittal USA Inc. Mr. Himpe serves as the Chief Executive Officer of Flat Europe and Executive Vice President of Arcelor

Mittal. Mr. Himpe held the position of Chief Operating Officer of Flat Carbon Western Europe (FCWE), which he started in 2007. He was responsible for FCWE Upstream Competence Domain, since 2006, and served as an Operational Director in Arcelor Asturias, since 2003. He served as Operational Director of Arcelor Bremen since 2001. He served as the head of the Sidmar Gent Cold Rolling department. since 1995. Mr. Himpe started his career in 1981 in the Sidmar Gent Hot Strip Mill. Mr. Himpe served as a Director of Paul Wurth S.A. He is an Electrotechnical Engineer, graduated from the University of Gent.

Gonzalo Urquijo Fdez de Araoz (51). President of the Board of Directors of ArcelorMittal Spain and Managing Director of Long products, Stainless steel, Tubes, China and Corporate Responsibility of ArcelorMittal, as well as managing director of the ArcelorMittal Foundation. Gonzalo Urquijo was previously senior executive vice president and chief financial officer of Arcelor. Before the creation of Arcelor in 2002, when he became executive vice president of the Operational Unit South of the Flat Carbon Steel sector, Mr Urquijo was CFO of Aceralia. Between 1984 and 1992 he held a variety of positions at Citibank and Crédit Agricole before joining Aristrain in 1992 as CFO, and later co-chief executive officer. Mr Urquijo graduated in economics and political science from Yale University, US, and holds an MBA from the Instituto de Empresa in Madrid, Spain.

Senior Management

Our senior management team is led by Francisco José Riberas Mera. The following table sets forth, as of the date of this Annual Report, the name and title of each member of the senior management team 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
Jeff Wilson	Senior Manager
David Vázquez Pascual	General Counsel
Felipe de Frutos	Corporate Finance and Administration Manager
Richard Egües	Corporate Development and International Finance Manager

Jeff Wilson (54). 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 business 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).

David Vázquez Pascual (49). Mr. Vázquez Pascual joined Gestamp Automoción in 2000 as General Counsel. He holds a "Licenciado en Derecho" (University Degree in Law) and a "Licenciado 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 in 1994.

Felipe de Frutos (53). Mr. de Frutos joined Gestamp in 2000 as Finance and Administration Director. He holds a "Licenciado en Ciencias Económicas" (University Degree in Economics) at Universidad Autónoma de Madrid. Prior to joining Gestamp, he was appointed Administration Director of Agroman/Ferrovial in 1988. Previously he worked in Arthur Andersen as senior auditor in the manufacturing area (automotive sector, chemical, metallurgy and electric).

Richard Egües (47). Mr. Egües holds a Master in Business Administration, M.I.T. Sloan School of Management and Bachelor of Arts, Yale University. Prior to joining Gestamp Automoción he was CFO of a renewable energy business in Spain. Before that he held corporate banking and corporate finance advisory positions with banking institutions in New York, Frankfurt and Madrid.

Compensation

In 2013, the members of our Board of Directors received no remuneration from us or any of our group companies, nor were they granted any loans, advances, pension or life insurance benefits. In 2013, our shareholder, Corporación Gestamp received a total remuneration of €1.5 million as compensation for membership of the board of certain of our group companies. Further, in 2013 the total remuneration for the members of our senior management and other key employees amounted to €2.4 million. We made no contributions to pension plans on their behalf.

SHAREHOLDERS AND CERTAIN TRANSACTIONS

As of the date of this Annual Report, our issued share capital consists of 4,795,953 ordinary shares with a par value of €60.1 each. Each ordinary share carries the right to receive dividends and to receive notice of and vote at any general meeting of shareholders.

Our controlling shareholders are Corporación Gestamp, which holds directly and indirectly 65% of our ordinary shares and ArcelorMittal S.A., which indirectly holds the remaining 35% of our ordinary shares.

Terms and conditions of transactions with related parties

Transactions in the ordinary course

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 primarily related to the purchase of steel blanks and coils for a consideration of approximately €700.0 million annually.

We also enter into transactions in the ordinary course of business with Corporación Gestamp, its shareholders and subsidiaries, including lease and license agreements, professional and other services and the sale of goods. In particular, we have leased the following properties from Inmobiliaria Acek S.L. (in which Corporación Gestamp holds a 66.6% shareholding): (i) the plant in Vigo and part of the plant in Bizkaia (ii) the offices located at Alfonso XII, Madrid; and (iii) part of the offices located at Ombú 3, Madrid, all of them for an aggregate annual payment of approximately €3.0 million.

In addition to the above, and according to our business needs from time to time, we charter an airplane from Air Executive, which is a fully owned subsidiary of Corporación Gestamp. The total amount paid to Air Executive for the charter of the airplane amounts to approximately €1.0 million annually.

We sell our scrap steel to Gescrap S.L. (in which Corporación Gestamp holds a 50% shareholding) and to Reimasa Scrap AIE (in which Corporación Gestamp holds a 40% shareholding) for a consideration of approximately €80.0 million annually.

We expect to continue in the future to enter into these types of transactions with the Gonvarri group and with Corporación Gestamp and its subsidiaries.

Sale of Trademark

In January 2013, Corporación Gestamp sold to Gestamp Automoción the Gestamp trade mark for the automotive category to Gestamp Automoción. The consideration for the sale was €31.0 million to be paid within 20 years by annual installments.

EIB loan and ICO loans

On June 27, 2011, our shareholder, Corporación Gestamp entered into a €125.0 million loan agreement with the European Investment Bank and on November 17, 2011 our shareholder, Corporación Gestamp entered into a €50.0 million loan agreement with Instituto de Crédito Oficial. We and certain Guarantors have given a guarantee in respect of these loans and we account for this liability as a contingent obligation in our financial statements. Corporación Gestamp drew down only €152.0 million and passed on €143.0 million of the combined loan proceeds to us. As of December 31, 2013, the balance between Corporación Gestamp and us in respect of this amount is €124.6 million. These facilities terminate on July 12, 2018 and November 17, 2018 respectively.

Transactions with Directors

In 2013, Corporación Gestamp received a total remuneration of €1.5 million as compensation for membership of the board of certain of our group companies.

DESCRIPTION OF OTHER INDEBTEDNESS

The following section contains a summary of certain key terms of the Senior Facilities Agreement and the Intercreditor Agreement and certain other financing arrangements other than the notes. The section is intended to be a summary only and does not purport to be a complete or exhaustive description of the topics summarized. Terms not defined in the following section or otherwise defined in this Annual Report have the meanings given to them in the Senior Facilities Agreement.

Senior Facilities Agreement

Gestamp Automoción and Gestamp Funding are parties to a senior term and revolving facilities agreement dated April 19, 2013 (the "Senior Facilities Agreement") entered into between, among others, Gestamp Automoción as the company and original borrower, various subsidiaries of Gestamp Automoción (including Gestamp Funding) as original guarantors, the original lenders listed therein, Deutsche Bank AG, London Branch as agent ("Agent") and security agent.

Senior facilities

Committed facilities

The Senior Facilities Agreement currently provides for committed facilities of €850 million, split into:

- a five year amortizing euro term loan facility of €570 million ("Facility A"); and
- a five year multi-currency revolving credit facility of €280 million (the "Revolving Credit Facility").

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.

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 in respect of any relevant testing period, as demonstrated in the compliance certificate required to be delivered with the annual audited and quarterly unaudited financial statements of the Group. 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, Gestamp Automoción is obligated to pay certain fees, including a commitment fee in respect of the available but undrawn Revolving Facility commitments.

Guarantees

Pursuant to the terms of the Senior Facilities Agreement, Gestamp Automoción, the Issuer and certain subsidiaries of Gestamp Automoción (together with Gestamp Automoción and the Issuer, 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.

Gestamp Toledo, S.A., Gestamp Levante, S.A. and Edscha Burgos, S.A. have been converted from Sociedades Limitadas to Sociedades Anónimas in accordance with the requirements of the Senior Facilities Agreement and have acceded to the Senior Facilities Agreement as SFA Guarantors. Edscha Santander, S.L. is still in the process of changing its corporate form, a process which is expected to be completed during 2014.

Gestamp Automoción is required to ensure that each of its subsidiaries in which it holds at least 90 per cent. of the ordinary shares, and which for the last financial year has (a) earnings before interest, tax, depreciation and amortization (i) calculated on the same basis as EBITDA, representing 2.50%. or more of the Group's 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 Group's net assets (calculated on a consolidated basis) (a company meeting these criteria being a "Material Company"), accedes to the Senior Facilities Agreement as an additional SFA Guarantor as soon as possible after becoming a Material Company. The obligation to require such a Material Company to accede as a SFA 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 subsidiary of Gestamp Automoción that becomes a guarantor in respect of the notes is also required to accede to the Senior Facilities Agreement as a SFA Guarantor.

Security

Gestamp Automoción, Gestamp Servicios, S.A. (other than in relation to paragraph (e) below) and Gestamp Toledo, S.A. (other than in relation to paragraph (f) below) have granted Spanish law pledges (the "Initial Share Pledges") over all of the shares 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.

(such Spanish law pledges together the "Senior Facilities and Senior Secured Notes Share Pledges").

The Senior Facilities and Senior Secured Notes Share Pledges secure obligations owed under the Senior Facilities Agreement and related finance documents and the notes. Simultaneously with entry into the Initial Share Pledges, the Gestamp Toledo Share Pledge and the Gestamp Servicios Share Pledge, Gestamp Automoción and where applicable, Gestamp Servicios, S.A. and Gestamp Toledo have granted Spanish law governed pledges (the "Existing Creditor Share Pledges") over the shares they hold in the Initial Share Security Subsidiaries and Gestamp Toledo as security for amounts owed in respect of the Designated Existing Indebtedness. The Senior Facilities Agreement also permits Gestamp Automoción and its subsidiaries to grant pledges (the "Future Creditor Share Pledges" and together with the Senior Facilities and Senior Secured Notes Share Pledges and the Existing Creditor Share Pledges, the "Transaction Security") over the shares it holds in the Share Security Subsidiaries as security for obligations that may in the future be owed by the Group to other creditors subject to satisfaction of certain conditions set out in the Indenture, the Senior Facilities Agreement and the Intercreditor Agreement (any such indebtedness being "Additional Senior Financing"). The security created by the Transaction Security will rank in the order described in the section titled "—Intercreditor Agreement" below.

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.

Financial covenants

The Senior Facilities Agreement contains financial covenants that require the Group to ensure that:

- the ratio of EBITDA to Financial Expenses is not lower 5.00:1.00 on each testing date; and

- the ratio of Net Financial Indebtedness to Adjusted EBITDA is not higher than 3.00:1.00 on each testing date.

Maturity

Loans drawn under Facility A are required to be repaid in semi-annual instalments, starting from the date that is 12 months after the date of the Senior Facilities Agreement, in accordance with an amortization schedule set out in the Senior Facilities Agreement, with the final repayment instalment due on the date that is five years after the date of the Senior Facilities Agreement. 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 the date that is five years after the date of the Senior Facilities Agreement.

Prepayments

Subject to certain conditions, Gestamp Automoción or the other borrowers under the Senior Facilities Agreement 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 utilizations 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 Gestamp Automoción).

A change of control of Gestamp Automoción 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 the assets of the Group to a third party.

"change of control" for these purposes means Corporacion Gestamp Group, 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 a general meeting of Gestamp Automoción; (ii) appoint or remove all, or the majority of the directors or equivalent officers of Gestamp Automoción; or (iii) give directions with respect to the operating and financial policies of Gestamp Automoción with which the directors or equivalent officers are obliged to comply; or (b) hold beneficially at least 50.01% of the issued share capital of Gestamp Automoción with voting rights.

Events of default

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.

Intercreditor Agreement

Gestamp Automoción, Gestamp Funding, the Subsidiary Guarantors, the Trustee, the Agent, the Security Agent, the lenders under the Senior Facilities Agreement and certain other parties have entered into the Intercreditor Agreement to establish the relative rights of certain of the Group's creditors including creditors under the Senior Facilities Agreement, the Indenture, the Designated Existing Indebtedness and any Additional Senior Financings.

The Intercreditor Agreement sets out:

- the ranking of the indebtedness under the Senior Facilities Agreement, the notes, the Designated Existing Indebtedness 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 favour 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 favour 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 Corporación Gestamp (not including the on-loan by Corporación Gestamp of the proceeds of the EIB Loan Facility and the ICO Loan Facility) 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. It does not restate the Intercreditor Agreement in its entirety.

Priority of debts

The Intercreditor Agreement provides that all liabilities owed under the Senior Facilities Agreement, the notes, the Designated Existing Indebtedness and the Additional Senior Financing (including in each case, any liabilities owed pursuant to any guarantees given in respect of such 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 pursuant to the Senior Facilities and Senior Secured Notes Share Pledges which security shall secure indebtedness under the Senior Facilities Agreement and indebtedness in respect of the notes *pari passu* and without any preference between them;

(b) second, security created pursuant to the Existing Creditor Share Pledges which security shall secure the Designated Existing Indebtedness *pari passu* and without any preference between the different facilities; and

(c) thereafter, security created pursuant to the Future Creditor Share Pledges and any security created pursuant to share pledges granted in favour 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) the Trustee;

- second, on a *pari passu* and *pro rata* basis to the (i) 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 authorised (without the requirement to obtain any further consent or authorisation 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 authorised (without the requirement to obtain any further consent or authorisation 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, Gestamp Automoción 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 Gestamp Automoción nor any of its 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 Gestamp Automoción nor any other subsidiary 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, Corporación Gestamp S.L. and future equity investors party thereto have agreed to subordinate the Equity Investor Liabilities to the Senior Secured Debt. Gestamp Automoción 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".

Other Debt Facilities

The following is a brief description of certain of our other significant interest bearing loans and borrowings ("Other Debt Facilities").

Banc of America loan

On March 21, 2012 we entered into a €60.0 million facility agreement with Banc of America Securities Limited as arranger and as initial lender ("Banc of America loan"). The purpose of the Banc of America loan is financing general corporate purposes. This facility has a scheduled termination date of March 21, 2017. The lenders thereunder may, at their option, terminate this facility early, from March 21, 2015.

EIB loan and ICO loan

On June 27, 2011, our shareholder, Corporación Gestamp entered into a €108.4 million loan agreement with the European Investment Bank and on November 17, 2011 our shareholder ("EIB loan"), Corporación Gestamp entered into a €44.3 million loan agreement with Instituto de Crédito Oficial ("ICO loan"). The combined balance of the EIB loan and the ICO loan as of December 31, 2013 was €126.5 million. Certain of our subsidiaries have given a guarantee in respect of the EIB loan and the ICO loan and we account for this liability as a contingent obligation in our financial statements. Of the total loan proceeds from the EIB loan and the ICO loan, Corporación Gestamp, S.L. passed on €143.0 million to us. As of December 31, 2013, the balance between Corporación Gestamp, S.L. and us in respect of this amount is €124.6 million. These facilities terminate on July 12, 2018 and November 17, 2018 respectively.

IKB loans

The four IKB loans ("IKB loans") refer to (i) the following two facility agreements, each dated June 29, 2011 and in respect of each of which, on June 30, 2011, Gestamp Automoción, S.A. gave a guarantee, and each of which terminate on June 30, 2021 (a) the €12.5 million loan agreement between, among others, Gestamp Griwe Westerburg GmbH (formerly named: GRIWE Innovative Umformtechnik GmbH) (with Gestamp Griwe Haynrode GmbH (formerly named: GRIWE System Produktions-GmbH) as well as Gestamp Griwe Hot Stamping GmbH (formerly named: GRIWE Werkzeug Produktions GmbH) as co-debtors) and IKB Deutsche Industriebank AG, (b) the €9.2 million loan agreement between, among others, Gestamp Griwe Hot Stamping GmbH (formerly named: GRIWE Werkzeug Produktions GmbH) (and Gestamp Griwe Haynrode GmbH (formerly named: GRIWE System Produktions-GmbH) as well as Gestamp Griwe Westerburg GmbH (formerly named: GRIWE Innovative Umformtechnik GmbH) as co-debtors) and IKB Deutsche Industriebank AG, (ii) the €7.5 million loan agreement between, among others, Gestamp Griwe Hot Stamping GmbH (formerly named: GRIWE Werkzeug Produktions GmbH) (and Gestamp Griwe Haynrode GmbH (formerly named: GRIWE System Produktions-GmbH) as well as Gestamp Griwe Westerburg GmbH (formerly named: GRIWE Innovative Umformtechnik GmbH) as co-debtors) and IKB Deutsche Industriebank AG, (iii) the up to €25 million loan agreement entered into between, among others, GMF Holding GmbH (and Gestamp Umformtechnik GmbH (formerly named: GMF Umformtechnik GmbH) as co-debtor) and IKB Deutsche Industriebank AG dated on July 16, 2012 maturing on September 30, 2020.

The 2007 loan is secured by amongst other things pledges of certain real estate assets of the borrowers. Under all loans, IKB has certain rights to be granted (additional) security (under certain circumstances) in particular by way of positive pledges (in the case of the 2011 loan) and/or negative pledges (in the case of the 2007 and 2012 loans). In addition, the 2011 loans contain cross default clauses. The three loans of 2012 and 2011 are subject to certain restrictive covenants such as restrictions on payments of dividends above 50% of distributable profits . The loan of 2012 contains furthermore restrictions such as on the sale, pledge or other disposal of shares held by the borrowers in companies held by them. The loan of 2007 contains certain financial covenants (i.e. equity capital rates and debt/equity ratio to be met). All loans contain certain termination rights.

GLOSSARY OF TECHNICAL TERMS

Unless otherwise defined in this Annual Report, the following industry terms and abbreviations when used in this Annual Report have the meaning ascribed to them below.

Abbreviation	**Definitions**
"Body-in-White"	Component parts and assemblies, such as hoods, roofs, doors, fenders and other high quality and high efficiency or "Class A" surfaces and assemblies.
"Cataphoretic painting"	A fully automated process of painting by immersion, which is based on the movement of charged particles in an electric field (paint) towards an oppositely charged pole (metallic surface to be painted). The main objective of the coating process is to protect the surfaces from corrosion, and its properties make it the ideal treatment for this purpose
"Chassis"	The internal framework of an automotive vehicle used in automobile manufacturing.
"Class A surfaces"	Freeform surfaces of high efficiency and quality with G2 (or even G3) curvature continuity to one another.
"Crash box"	Automotive vehicle part for crash energy absorption.
"Die"	Equipment used in the stamping and forming processes to cut or form raw material into a required shape using a press.
"EMAS"	European Union Eco-Management and Audit Scheme.
"EPA"	Environmental Protection Agency in the United States.
"EuroNCAP"	European New Car Assessment Progam, established in 1997,and composed of seven European governments and motoring and consumer organizations to encourage safety improvements to new car design.
"GHG"	Greenhouse Gas.
"IIHS"	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.
"Mechanisms"	The moving parts and systems used in an automotive vehicle.
"MPa"	Megapascal, a measure of force per unit area.
"NEDC"	New European Driving Cycle, a test procedure for vehicle efficiency that consists of different drive cycles simulating city and highway conditions and serves as a uniform standard for measuring carbon dioxide emissions
"NVH"	Noise, vibration and harshness.
"OEMs"	Original equipment manufacturers, a manufacturer of products that are used as components in another company's product.
"TMP"	Tailored Material Property, a specific press hardening process, which can be used to produce different strength levels for monolithic parts.
"TWB"	Tailored welded blank sheets made from individual steel sheets of different thickness, strength and coating which are joined together by laser welding.

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

Consolidated Financial Statements
and Group Management Report
for the year ended
December 31, 2013

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

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of GESTAMP AUTOMOCIÓN, S.A.:

We have audited the 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, 2013, the consolidated income statement, the consolidated comprehensive income statement, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto for the year then ended. As indicated in Note 4 to the accompanying consolidated financial statements, the directors are responsible for the preparation of the Group's financial statements 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. Our responsibility is to express an opinion on the aforementioned consolidated financial statements taken as a whole, based upon work performed in accordance with prevailing audit regulations in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the consolidated financial statements, and the evaluation of whether their presentation, the accounting principles and criteria applied and the estimates made are in agreement with the applicable regulatory framework for financial information.

In our opinion, the accompanying 2013 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 subsidiaries at December 31, 2013 and the consolidated results of operations and consolidated cash flow for the year then ended, in conformity with IFRS, as adopted by the EU, and other applicable provisions in the regulatory framework for financial information.

The accompanying 2013 consolidated management report contain such explanations as the directors of the Company consider appropriate concerning the situation of the Group, the evolution of it 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 2013 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 obtained from the accounting records of GESTAMP AUTOMOCIÓN, S.A. and its subsidiaries.

ERNST & YOUNG, S.L.

____
(Signed in the original)
José Juan de Frutos Martín

April 10, 2014

GESTAMP AUTOMOCION AND SUBSIDIARIES

CONTENTS

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AT DECEMBER 31, 2013 AND DECEMBER 31, 2012

(In thousands of euros)

ASSETS	Note	December 31, 2013	December 31, 2012
Non-current assets			
Intangible assets	8	276,404	215,116
Goodwill		116,599	136,150
Other intangible assets		159,805	78,966
Property, plant, and equipment	9	2,486,476	2,431,412
Land and buildings		829,117	847,761
Plant and other PP&E		1,181,911	1,153,031
PP&E under construction and prepayments		475,448	430,620
Financial assets	10	100,689	60,807
Investments in associates accounted for using the equity method		5,880	5,965
Loans and receivables		46,061	35,167
Derivatives in effective hedges		31,878	14,174
Other non-current financial assets		16,870	5,501
Deferred tax assets	21	194,940	174,299
Total non-current assets		**3,058,509**	**2,881,634**
Current assets			
Assets held for sale	26	69,259	-
Inventories	11	511,097	495,956
Raw materials and other consumables		220,606	230,553
Work in progress		119,572	109,872
Finished products and by-products		109,701	102,355
Prepayments to suppliers		61,218	53,176
Trade and other receivables	12	1,094,672	1,003,842
Trade receivables		893,596	823,294
Other receivables		22,407	30,106
Current income tax assets		37,917	37,853
Receivables from public authorities		140,752	112,589
Other current assets	12	11,343	8,731
Financial assets	10	51,362	53,397
Loans and receivables		17,091	31,961
Securities portfolio		-	12,518
Other current financial assets		34,271	8,918
Cash and cash equivalents	12	510,196	247,566
Total current assets		**2,247,929**	**1,809,492**
Total assets		**5,306,438**	**4,691,126**

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AT DECEMBER 31, 2013 AND DECEMBER 31,2012

(In thousands of euros)

EQUITY AND LIABILITIES	Note	December 31, 2013	December 31, 2012
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	1,015,186	941,959
Translation differences	15	(131,368)	(40,705)
Equity attributable to equity holders of the parent		**1,233,646**	**1,251,082**
Equity attributable to non-controlling interest	16	**399,192**	**299,101**
Total equity		**1,632,838**	**1,550,183**
Liabilities			
Non-current liabilities			
Deferred income	17	31,112	29,481
Provisions	18	134,066	167,222
Non trade liabilities	20	1,705,480	1,119,143
Interest-bearing loans and borrowings		1,451,974	919,521
Derivative financial instruments		65,081	52,949
Other non-current financial liabilities		188,425	146,673
Deferred tax liabilities	21	176,624	176,192
Other non-current liabilities		462	1,288
Total non-current liabilities		**2,047,744**	**1,493,326**
Current liabilities			
Liabilities associated with assets held for sale	26	44,125	-
Non trade liabilities	20	507,903	701,205
Interest-bearing loans and borrowings		265,633	458,623
Other current financial liabilities		242,270	242,582
Trade and other payables	22	1,058,160	924,620
Trade accounts payable		816,112	714,711
Current tax liabilities		10,056	25,728
Other accounts payable		231,992	184,181
Provisions	18	13,195	15,120
Other current liabilities		2,473	6,672
Total current liabilities		**1,625,856**	**1,647,617**
Total liabilities		**3,673,600**	**3,140,943**
Total equity and liabilities		**5,306,438**	**4,691,126**

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

AT DECEMBER 31, 2013 AND DECEMBER 31, 2012

(In thousands of euros)

	Note	December 31, 2013	December 31, 2012
OPERATING INCOME	23	5,938,884	5,872,146
Revenue		5,788,663	5,757,314
Other operating income		133,176	91,821
Changes in inventories	11	17,045	23,011
OPERATING EXPENSE	24	(5,647,458)	(5,532,033)
Raw materials and other consumables		(3,553,053)	(3,635,257)
Personnel expenses		(1,060,002)	(989,572)
Depreciation, amortization, and impairment losses		(302,290)	(279,960)
Other operating expenses		(732,113)	(627,244)
OPERATING PROFIT		**291,426**	**340,113**
Financial income	25	19,253	7,317
Financial expenses	25	(137,333)	(87,489)
Exchange gains (losses)		(20,677)	(1,492)
Share of profits from associates - equity method	10	(85)	290
Change in fair value of financial instruments		(130)	-
Impairment of and gains (losses) on sale of financial instruments		(12,310)	3,829
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**140,144**	**262,568**
Income tax expense	27	(32,663)	(76,434)
PROFIT FOR THE YEAR		**107,481**	**186,134**
Profit (loss) attributable to non-controlling interest	16	5,588	(15,993)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**113,069**	**170,141**

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
AT DECEMBER 31, 2013 AND DECEMBER 31, 2012
(In thousands of euros)

	December 31, 2013	**December 31, 2012**
PROFIT FOR THE YEAR	107,481	186,134
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassied to income in next years:		
From cash flow hedges	(6,370)	(2,289)
Translation differences	(124,922)	(21,791)
Actuarial gains and losses	2,492	(9,981)
TOTAL COMPREHENSIVE INCOME NET OF TAXES	**(21,319)**	**152,073**
Attributable to:		
- Parent company	18,528	135,866
- Non-controlling interest	(39,847)	16,207
	(21,319)	**152,073**

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT DECEMBER 31, 2013 AND DECEMBER 31, 2012

(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, 2011	**288,237**	**61,591**	**831,470**	**(14,275)**	**1,167,023**	**276,889**	**1,443,912**
Profit for 2012			170,141		170,141	15,993	186,134
Fair value adjustments reserve (hedge)			(2,289)		(2,289)		(2,289)
Variation in translation differences				(26,430)	(26,430)	4,639	(21,791)
Actuarial gains and losses			(5,556)		(5,556)	(4,425)	(9,981)
Total comprehensive income for 2012			**162,296**	**(26,430)**	**135,866**	**16,207**	**152,073**
Dividends distributed by the Company			(50,549)		(50,549)		(50,549)
Capital increases						6,502	6,502
Capital share increase due to the purchase of non-controlling interest			(361)		(361)	(804)	(1,165)
Transfers from retained earnings to non-controlling interest due to the change of shareholding in companies			(897)		(897)	897	
Adjustements from prior years						(590)	(590)
AT DECEMBER 31, 2012	**288,237**	**61,591**	**941,959**	**(40,705)**	**1,251,082**	**299,101**	**1,550,183**
Profit for 2013			113,069		113,069	(5,588)	107,481
Fair value adjustments reserve (hedge)			(6,370)		(6,370)		-6,370
Variation in translation differences				(90,663)	(90,663)	(34,259)	(124,922)
Actuarial gains and losses			2,492		2,492		2,492
Total comprehensive income for 2013			**109,191**	**(90,663)**	**18,528**	**(39,847)**	**(21,319)**
Dividends distributed by the company			(51,029)		(51,029)		(51,029)
Dividends distributed by subsidiaries						(1,933)	(1,933)
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.)						49,131	49,131
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			1,633		1,633	(1,633)	
Capital share increase due to the purchase of non-controlling interest (Autotech Engineering, AIE and Griwe Subgroup)						(3,901)	(3,901)
Other movements and adjustements from prior years			(304)		(304)	6,038	5,734
AT DECEMBER 31, 2013	**288,237**	**61,591**	**1,015,186**	**(131,368)**	**1,233,646**	**399,192**	**1,632,838**

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

AT DECEMBER 31, 2013 AND DECEMBER 31, 2012

(In thousands of euros)

	Note	December 31, 2013	December 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxes and after non-controlling interest		**145,732**	**246,575**
Adjustments to profit		**384,844**	**344,394**
Depreciation and amortization of intangible assets and PP&E	8-9	299,632	280,575
Impairment of intangible assets and PP&E	8-9	2,658	(615)
Impairment	11-12	(980)	18,479
Change in provisions	18	(30,780)	(47,181)
Grants released to income	17	(5,155)	(4,934)
Profit (loss) attributable to non-controlling interest	16	(5,588)	15,993
Profit from disposal of intangible assets and PP&E		(127)	374
Profit from disposal of financial instruments		12,310	329
Financial income	25	(19,253)	(7,317)
Financial expenses	25	137,333	87,489
Share of profits from associates - equity method	10	85	(290)
Exchange rate differences		(5,421)	1,492
Other income and expenses		130	-
Changes in working capital		**50,112**	**(84,381)**
(Increase)/Decrease in Inventories		(21,234)	(61,705)
(Increase)/Decrease in Trade and other receivables		(116,634)	8,796
(Increase)/Decrease in Other current assets		(2,767)	87
Increase/(Decrease) in Trade and other payables		194,946	(33,717)
Increase/(Decrease) in Other current liabilities		(4,199)	2,158
Other cash-flows from operating activities		**(207,110)**	**(133,888)**
Interest paid		(155,107)	(73,042)
Interest received		20,203	5,562
Proceeds (payments) of income tax		(72,206)	(66,408)
Cash flows from operating activities		**373,578**	**372,700**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		**(732,905)**	**(606,023)**
Group companies and associates		(23,234)	(8,786)
Intangible assets	8-20	(101,799)	(40,073)
Property, plant and equipment	9-20	(577,620)	(533,934)
Other financial assets		(28,944)	(22,038)
Other assets		(1,308)	(1,192)
Proceeds from divestments		**73,430**	**25,617**
Group companies and associates		22,290	4,763
Intangible assets	8	117	448
Property, plant and equipment	9	42,607	4,759
Other financial assets		8,416	15,647
Cash flows from investing activities		**(659,475)**	**(580,406)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds and payments on equity instruments		**143,792**	**4,423**
Change in non-controlling interest	16	138,136	322
Grants, donations and legacies received	17	6,880	4,101
Translation differences in equity		(1,224)	-
Proceeds and payments on financial liabilities		**454,209**	**242,649**
Issue		970,638	443,798
Bonds and other securitites to trade		756,517	-
Interest-bearing loans and borrowings		81,679	313,586
Borrowings from Group companies and associates		111,253	47,069
Other borrowings		21,189	83,143
Repayment of		(516,429)	(201,149)
Interest-bearing loans and borrowings		(460,491)	(181,720)
Borrowings from Group companies and associates		(40,001)	-
Other borrowings		(15,937)	(19,429)
Payments on dividends and other equity instruments		**(52,962)**	**(50,549)**
Dividends	14-16	(52,962)	(50,549)
Cash flows from financing activities		**545,039**	**196,523**
Effect of changes in exchange rates		**3,488**	**(1,304)**
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS		**262,630**	**(12,487)**

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2013

1. Activity and companies included in consolidation scope

GESTAMP AUTOMOCION, 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 02, 2012 the Company registered the change of its legal name, from limited company to corporation, in the Commercial Register of Vizcaya (Note 2.a).

The Company in turn belongs to a larger group, headed by its majority shareholder Corporación Gestamp, S.L. ("Grupo Corporación Gestamp"). The Company carries out commercial and financial transactions with the companies of Grupo Corporación Gestamp 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.

On April 11, 2013 the company Gestamp Funding Luxembourg S.A. was formed with capital of 2,000 thousand euros. This company is a holding created for bond issue amounting to 500 million euros and 350 million US dollars. The maturity date of the bonds is May 31, 2020 (Note 20.a.1).

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 via several capital increases. In 2013 there have been additions to consolidation scope as well as the exit through sale to third parties of the subsidiary Araluce, S.A. whose impact is quantified in Note 2.a.

On September 2013 the company Gestamp Metalbages, S.A executed their purchase option to acquire 49.06% shareholding of the company GMF Holding, GmbH (company belonging to Gestamp Metal Forming Subgroup) from Tocqueville Capital Company B.V. (company belonging to Liberty Hampshire Company, LLC group). This means that Gestamp Metalbages, S.A. has reached 100% shareholding in the mentioned company (Note 16).

2. Changes in consolidation scope and business combinations

(ii) 2.a Changes in consolidation scope

During 2013

Addition of non-controlling shareholder Mitsui & Co., Ltd. and exit of COFIDES, S.A.

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 from COFIDES, S.A., former non-controlling shareholder, according to agreement with Mitsui & Co. by which Gestamp Automoción Group must own 100% shareholding of subsidiaries prior to Mitsui & Co. becoming 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. from 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, thereby 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, thereby 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, thereby 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. from 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 01, 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 except Edscha Pha, Ltd. which has been included by the proportional consolidation method.

The incorporated company Gestamp Funding Luxembourg, S.A. has been issuer in the bond offering carried out by the Group in May (Note 20.a.1).

Mursolar 21, S.L. was acquired through a purchase agreement and valued at book value. On December 18, 2013 Mursolar 21, S.L. acquired shareholding in subsidiaries Gestamp Autocomponents (Shenyang) Co. and Gestamp Autocomponents (Dongguan) Co. from other Group companies. This agreement is subject to approval from Chinese competition authorities.

On December 20, 2013 Mursolar 21, S.L. carried out two capital increases where COFIDES, S.A. acquired 35% shareholding and so became a non-controlling shareholder.

The subsidiary Edscha Holding GmbH acquired 5% shareholding of the subsidiary Shanghai Edscha Machinery Co., Ltd. with effect since January 01, 2013. This company has changed from the proportional consolidation method to the full consolidation method.

The balance sheets of this company are included in additions to consolidation scope in the notes of these Consolidated Financial Statements.

The contribution to Consolidated Balance Sheet and Income Statement from the new companies included in the consolidation scope in 2013 was 80,715 thousand euros in assets, 19,666 thousand euros in profit and 79,720 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.

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

Year 2012

In 2012, the group companies Gestamp Autocomponents (Shenyang), Co. Ltd., Gestamp West Virginia, LLC., and Gestamp Autocomponents (Dongguan), Co. Ltd. have been included in the consolidation scope by means of incorporation.

In addition, during 2012, the companies Edscha Automotive Components Co., Ltd., Gestamp Finance Slovakia, S.R.O., and Edscha Kunststofftechnik, GmbH. (previously, *Edscha Services, GmbH.*) were incorporated. First of them was included in the consolidation scope by means of incorporation during the fourth quarter of 2012, while the last two were acquired in previous years but had not been included in the consolidation scope based on their immateriality until 2012.

On July 06, 2012 the company Gestión Global de Matricería, S.L. was formed, and the Company subscribed the 35% of the share capital. Additionally, the company Gestión Global de Matricería, S.L., through a purchase agreement, acquired the 100% of the share capital of the companies Ingeniería y Construcción Matrices, S.A. and IxCxT, S.A. These companies are consolidated by the equity method.

The contribution to the Group's assets and revenue at December 31, 2012, related to the companies mentioned in the previous paragraphs, was 110,993 thousand euros and 420 thousand euros respectively, as well as 971 thousand euros of losses.

On July 10, 2012 the company Tallent Automotive, Ltd., which belongs to the Gestamp Metal Forming Subgroup, signed the sale of 100% of the share capital of GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi to the group company Beyçelik, A.S. As a consequence, governance of the company is now via joint control and the consolidation method changed from full to proportionate consolidation.

In 2012, the group companies Gestamp Tooling Overseas Design India, Ltd., Gestamp Paraná, S.A., and GMF Umformtechnik, GmbH. changed their names to Gestamp Services India Private, Ltd., Gestamp Brasil Industria de Autopeças, S.A., and Gestamp Umformtechnik, GmbH., respectively.

During this period, the group companies Continental Group, Ltd. and Gestamp Tooling Overseas, Ltd., were dissolved. There were no significant effects in connection with these dissolutions.

In addition, Gestamp Tool Hardening, S.L. acquired 20% of the share capital of Bero Tools, S.L and 38% of the share capital of Diede Die Developments S.L.

In August 2012, both the Company and Gestamp Servicios, S.L. have registered the change of their legal names, from limited company to corporation, upon the approval of the new statutes, and so have been renamed as Gestamp Automoción, S.A and Gestamp Servicios, S.A.

Finally, on September 14, 2012 Gestamp Stadco Holding, S.L. has merged into Todlem, S.L.

(iii) 2.b Business combinations

There were no business combinations in the period ended December 31, 2013 or during the year 2012.

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, 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		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		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

December 31, 2013							
Company	**Address**	**Country**	**Direct shareholding**	**Indirect shareholding**	**Activity**	**Consolidation method**	**Auditors**
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
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	Proportionally	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	Proportionally	Ernst & Young
Sungwoo Gestamp Hitech Pune Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Sungwoo Gestamp Hitech Chennai Ltd.	Chennai	India		50.00%	Tooling and parts manufacturing	Proportionally	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	Proportionally	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
GS Hot-Stamping Co. Ltd.	Busan	South Korea		47.49%	Tooling and parts manufacturing	Proportionally	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	Proportionally	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	Proportionally	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	IZE Auditores
IxCxT, S.A.	Vizcaya	Spain		35.00%	Die cutting production	Equity method	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		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
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.

December 31, 2012							
Company	**Address**	**Country**	**Direct shareholding**	**Indirect shareholding**	**Activity**	**Consolidation method**	**Auditors**
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio management	Full	Ernst & Young
Estampaciones Metálicas Vizcaya, 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 Cataforesis Vigo, S.L.	Pontevedra	Spain	5.01%	94.99%	Parts protection	Full	Ernst & Young
Gestamp Portugal, Lda.	Viana do Castelo	Portugal	0.01%	99.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.L.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering AIE	Vizcaya	Spain	10.00%	85.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Real Estate	Full	N/A
Solblank, 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	92.10%	7.90%	Portfolio management	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina		100.00%	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
Araluce, S.A.	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Galvanizaciones Castellana, 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		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Estampaciones Martinez, 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 México, S.A.de C.V.	Aguas Calientes	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		65.00%	Portfolio management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa II, S.L.	Barcelona	Spain		100.00%	Portfolio management	Full	N/A
Todlem, S.L.	Barcelona	Spain		55.77%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		100.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administrative services	Full	N/A
MB Aragón, S.A.	Zaragoza	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
MB Pamplona, S.A.	Navarra	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
MB Abrera, S.A.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
MB Levante, S.L.	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 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		100.00%	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

			December 31, 2012				
Company	**Address**	**Country**	**Direct shareholding**	**Indirect shareholding**	**Activity**	**Consolidation method**	**Auditors**
Gestamp Mason, LLc.	Michigan	USA		100.00%	Tooling and parts manufacturing	Full	Plante & Moran, LLP/E&Y
Gestamp Alabama, LLc.	Alabama	USA		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
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		100.00%	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	Proportionally	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		65.00%	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		55.77%	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		55.77%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Sungwoo Gestamp Hitech Pune Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Sungwoo Gestamp Hitech Chennai Ltd.	Chennai	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Gestamp Chattanooga, Llc	Chattanooga	USA		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain		74.39%	Portfolio management	Full	Ernst & Young
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	Tamil Nadu	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
ALHC, Llc.	South Carolina	USA		100.00%	Portfolio management	Full	N/A
Gestamp South Carolina, Llc	South Carolina	USA		100.00%	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	Proportionally	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		50.94%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Sungwoo Stampings & Assemblies Private Ltd	Chennai	India		50.00%	Tooling and parts manufacturing	Proportionally	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		97.64%	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		100.00%	Tooling and parts manufacturing	Full	N/A
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirke	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Proportionally	Denetciler Swon/KPMG
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		94.99%	Tooling and parts manufacturing	Full	Ernst & Young
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	IZE Auditores
IxCxT, S.A.	Vizcaya	Spain		35.00%	Die cutting production	Equity method	IZE Auditores

(*) 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.

The companies which hold the indirect investments indicated in the above table, corresponding to December 31, 2013 and December 31, 2012 are specified in Annex I.

The companies which compose the Griwe Subgroup at December 31, 2013 and December 31, 2012 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, 2013 and December 31, 2012, and the information about the consolidation method used, address and shareholding percentage (direct and indirect), are the following:

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.	Villalonquéjar (Burgos)	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%			Proportionally
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		50.00%		Proportionally
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		50.00%		Proportionally
Edscha Automotive Technology Co., Ltd.	Shanghai	China	100.00%			Full
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China	55.00%			Proportionally
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	Korea	50.00%			Proportionally
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand	50.99%	0.01%		Full

December 31, 2012						
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
Edscha España Holding, S.L.	Villalonquéjar (Burgos)	Spain	59.99%	0.01%		Full
Edscha Burgos, S.L.	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 France Engineering S.A.S.	Les Ulis	France	100.00%			Full
Edscha Do Brasil, Ltda.	Sorocaba	Brazil		56.98%		Full
Edscha Japan Co Ltda.	Yokohama	Japan	100.00%			Full
Jui Li Edscha Body Systems Co Ltda.	Kaohsiung	Taiwan	50.00%			Proportionally
Jui Li Edscha Holding Co. Ltda.	Apia	Samoa		50.00%		Proportionally
Jui Li Edscha Hainan Industry Enterprise Co Ltda.	Hainan	China		50.00%		Proportionally
Edscha Automotive Technology Co Ltda	Shanghai	China	100.00%			Full
Shanghai Edscha Machinery Co Ltda.	Shanghai	China	50.00%			Proportionally
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China	70.00%			Full
Edscha 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

The companies which hold the indirect shareholding indicated in the above table at December 31, 2013 and December 31, 2012 are the following:

December 31, 2013		
Company	Company holding the indirect investment	% investment
Edscha España Holding, S.L.	Edscha Engineering GmbH	0.01%
Edscha Burgos, S.L.	Edscha España Holding, S.L.	99.99%
Edscha Santander, S.L.	Edscha España Holding, S.L.	94.97%
Edscha Briey S.A.S.	Edscha Santander, S.L.	100.00%
Edscha Do Brasil, Ltda.	Edscha Santander, S.L.	99.99%
Edscha Do Brasil, Ltda.	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%
Edsha Aapico Automotive, Co. Ltd.	Edscha Engineering GmbH	0.01%

December 31, 2012		
Company	Company holding the indirect investment	% investment
Edscha España Holding, S.L.	Edscha Engineering GmbH	0.01%
Edscha Burgos, S.L.	Edscha España Holding, S.L.	99.99%
Edscha Santander, S.L.	Edscha España Holding, S.L.	94.97%
Edscha Briey S.A.S.	Edscha Santander, S.L.	100.00%
Edscha Do Brasil, Ltda.	Edscha Santander, S.L.	99.99%
Edscha Do Brasil, Ltda.	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%

These companies are active primarily in the manufacturing of automotive components.

The companies which compose the Gestamp Metal Forming Subgroup at December 31, 2013 and December 31, 2012, and the information about the consolidation method used, address and shareholding percentage (direct and indirect), are the following:

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).

December 31, 2012					
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
Prisma, S.A.S	Usine de Messempré	France	100.00%		Full
Tallent Automotive, Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Full
Sofedit España, S.A.	Valladolid	Spain		65.00%	Full
Sofedit Polska Sp.z,o.o.	Wroclaw	Poland		65.00%	Full

During the year 2012, the company GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi ceased to belong to the scope of Gestamp Metal Forming Subgroup being sold the entire interest in this company to the subsidiary Beyçelik, A.S. (Note 2.a).

The companies which hold the indirect shareholding indicated in the above table at December 31, 2013 and December 31, 2012, are the following:

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%

December 31, 2012		
Company	Company holding the indirect investment	% investment
Tallent Automotive, Ltd.	Automotive Chassis Products, Plc	100.00%
Sofedit España, S.A.	Sofedit, S.A.S	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, 2013 is December 31, with the exception of the subsidiaries Gestamp Services India Private, Ltd., Gestamp Automotive India Private, Ltd., Sungwoo Gestamp Hitech Pune Private, Ltd., Sungwoo Gestamp Hitech Chennai Ltd., Gestamp Sungwoo Hitech (Chennai) Private, Ltd. and Gestamp Sungwoo Stampings & Assemblies 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, 2013 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, 2013.

The Consolidated Financial Statements have been prepared on the basis of the accounting records of each group company as of December 31, 2013 and 2012. 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 2013 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 2013 Consolidated Financial Statements as a result of this process. The Gestamp Automoción Group's 2013 Consolidated Financial Statements will be authorized by the Board of Directors of the Company on March 31, 2014 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, 2013 for approval at the Annual General Meeting:

	Thousands of euros
Basis of appropriation	
As per income statement	65,001
Appropriation to:	
Legal reserve	6,500
Goodwill reserve	571
Voluntary reserves	57,930

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.

Nor 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, 2013.

During period ended December 31, 2013, there have been additions to the consolidation scope whose contribution to the Consolidated Financial Statements is 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, 2013.

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 statements for the subsidiaries have the same financial year end as the parent's, except for those mentioned on Note 3 where an interim closing has been prepared for the purpose of including these companies in the Consolidated Financial Statements, and have been prepared using the same accounting standards.

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 exercises effective control over financial and operational policies.

Jointly controlled entities

Jointly controlled entities or interests in joint ventures are consolidated using the proportionate consolidation method until the date on which the Group ceases to have joint control over the venture.

A jointly controlled entity is a business over which the Group exercises joint control.

Associates

Investments in which the Group has significant influence but not control or joint control have been consolidated under the equity method. For the purposes of the preparation of the accompanying 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.

Companies in which the Company's direct or indirect holding is between 20% and 50%, but in which it does not hold the majority of voting rights or in which it does not have effective control or joint control with another non-group company, are consolidated using the equity method.

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 the tax effect. The net amount of negative translation differences, including the tax effect, in 2013 amounted to 13.08 million euros (8.2 million euros of negative translation differences in 2012).

At December 31, 2013 and 2012 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

a) Standards and interpretations adopted by the European Union this financial year

The accounting policies used in the preparation of the Consolidated Financial Statements for the year ended December 31, 2013 are the same applied to the Consolidated Financial Statements for the year ended December 31, 2012, except for the following standards, amendments and interpretations which are applicable to the years starting from January 01, 2013:

- *IFRS 13 "Fair Value Measurement"*
- *Amendment to IAS 1 "Presentation of items of other comprehensive income"*
- *IAS 19 (revised) "Employee Benefits"*
- *Amendments to IFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities"*
- *Amendment to IAS 12 "Deferred taxes – Recovery of underlying assets"*
- *IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine."*

- *Annual Improvements to IFRSs cycle 2009-2011*

The application of these standards and amendments has led to modify the presentation of the Consolidated Comprehensive Income Statement, to separate the items that may be reclassified (or “recycled”) to the Consolidated Income Statement at some future time from those others that will never be reclassified.

b) Standards and interpretations adopted by the European Union that need not be mandatorily applied this year

At the date of publication of these Consolidated Financial Statements, the following standards, amendments and interpretation had been published by the IASB and approved by the European Union, but were not mandatory:

- IFRS 10 "Consolidated Financial Statements": Effective from years beginning January 01, 2014.
- IFRS 11 “Joint Agreements”: Effective from years beginning January 01, 2014.
- IFRS 12 "Disclosure of Interests in Other Entities": Effective from years beginning January 01, 2014.
- Amendment to IAS 28: "Investments in Associates and Joint Ventures": Effective from years beginning January 01, 2014.
- Amendments to IAS 32 "Offsetting Financial Assets and Financial Liabilities": Effective from years beginning January 01, 2014.
- Amendments to IFRS 10, IFRS 11 and IFRS 12 “Transition Guidance”: Effective from years beginning January 01, 2014.

The Group is currently analyzing the impact of applying these standards, amendments, and interpretation.
Based on the analyses carried out to date, the Group considers that the application of these standards, amendments and interpretation, will not have a significant impact on the Consolidated Financial Statements in the initial period of application except the accounting of companies Beyçelik, A.S., GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi, Gestamp Automotive India Private Ltd., Gestamp Sungwoo Stampings & Assemblies Private Ltd. and Shanghai Edscha Machinery Co., Ltd. through full consolidation method and the companies Sungwoo Gestamp Hitech Pune Private Ltd., Sungwoo Gestamp Hitech Chennai Ltd., Gestamp Sungwoo Hitech (Chennai) Private, Ltd., GS Hot-Stamping Co. Ltd., Jui Li Edscha Body Systems Co., Ltd., Jui Li Edscha Holding Co., Ltd. Jui Li Edscha Hainan Industry Enterprise Co., Ltd. through equity method, when they were consolidated through proportionally method at December 31, 2013 (Note 30).

c) Standards and interpretations issued by the IASB and not yet approved by the European Union

At the date of publication of these Consolidated Financial Statements, the following standards and amendments had been published by the IASB but were not mandatory and had yet to be endorsed by the European Union:

- IFRS 9 "Financial instruments": Effective for IASB from years beginning January 01, 2015.
- Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date and Transition Disclosures": Effective for IASB from years beginning January 01, 2015.
- Amendment to IFRS 10, IFRS 12 and IAS 27 “Investment entities”. Effective for IASB from years beginning January 01, 2014.

- Amendment to IAS 36 “Recoverable amount disclosures for non-financial assets”. Effective for IASB from years beginning January 1, 2014.
- Amendment to IAS 39 “Novation of derivatives and continuation of hedge accounting””. Effective for IASB from years beginning January 01, 2014.
- IFRIC 21 "Levies". Effective for IASB from years beginning January 01, 2014.

The Group is currently analyzing the impact of applying these new standards and amendments. 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 in the initial period of application.

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 88% of its bank financing as of December 31, 2013 (2012: 67%) maturing over periods longer than twelve months.

At December 31, 2013 the Group had 492 million euros (2012: 301 million euros) of total available liquidity, comprised of 441 million euros in cash and cash equivalents (2012: 248 million euros) and 51 million euros in current financial assets (2012: 53 million euros). In addition, the Group has at December 31, 2013 undrawn credit facilities amounting to 266 million euros (2012: 143 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 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. Jointly controlled entities are consolidated using the proportionate consolidation method.

The Group integrates in the Consolidated Financial Statements its shareholding percentage over the assets, liabilities, income and expenses of the joint venture in similar items.

The financial statements of 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.

The Consolidated Financial Statements include the adjustments to eliminate their participation in balances, transactions and profits and losses between the Group and its joint venture. Transactions losses are recognized immediately if the loss reflects a reduction in the net realisable value of current assets or an impairment loss.

The joint venture is proportionately consolidated until the date that the Group ceases to exercise joint control over it. Once the joint control is ceased, the Group measures and recognizes investments held at fair value. Any difference between the carrying amount of the investment that was jointly controlled and the fair value of the investment held, including the revenues, is recognised in the Consolidated Income Statement.

Investments in which the Group has significant influence but not control or joint control, is consolidated under the equity method.

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 less 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 (held for trading)

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, companies in which the Group has significant influence, are accounted for using the equity method.

According to the equity method, the investment is recognized initially at cost. From the acquisition date on, the carrying amount of the investment is adjusted in accordance with any changes in Group's interest in the associate. Goodwill related to the associate is included in the carrying amount of the investment and it is not amortized and no impairment test related is done.

If the resulting amount of the investment valuation is negative, the Group's investment in the associate is written down to zero in the Consolidated Balance Sheet unless there is a commitment by the Group to replenish the company's equity, in which case the corresponding provision is recognized.

The share of the Group in profits of operations of associates is reflected in the Consolidated Income Statement. When there has been a change recognized directly in equity by the associate, the Group recognizes its share of this change, when applicable, in "Other comprehensive Income" and discloses this, when applicable, in the Consolidated Statement of Changes in Equity.

Non-realized gains or losses resulting from transactions between the Group and the associate corresponding to the share of the Group in the associate are eliminated.

The share of the Group in profits of associates are reflected directly in the Consolidated Income Statement and represents profit after taxes and non-controlling interests.

Financial statements of the associate are prepared for the same period that for the Group and with all necessary adjustments in order to homogenize to Group's accounting policies.

After using the equity method, the Group decides if impairment losses on the investment in associated have to be recognised. At closing date the Group consider if there are evidences of impairment of the investment in the associate and if so, the impairment is calculated as the difference between the recoverable value and the carrying amount of the associate 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 ceases, the Group recognises the investment at its fair value. Any difference between the carrying amount of the associate in the moment of lost of significant influence and the fair value of the investment plus the income for sale is recognized in the Consolidated Income Statement.

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

Assets and liabilities included in a disposal group whose recovery is expected through sale and not through continued use are included in this category.

Gestamp Sungwoo Hitech (Chennai) Pvt., Ltd., Sungwoo Gestamp Hitech Chennai, Ltd. and GS Hot-Stamping Co. Ltd are expected to be sold in 2014 so their assets and liabilities have been classified as held for sale (Note 26).

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.

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, 2013.

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.

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 (Note 19).

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 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

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.

In addition, the Company holds hedges contracted for net foreign investments to cover the exposure to changes in exchange rates with respect to the interest in the net assets of foreign operations.

These financial derivatives hedging cash flow and net foreign investments 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.

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 estimate EBITDA at the CGUs, management used the most conservative scenarios so that adjustments to carrying amounts in this regard are considered unlikely (Note 5.7).
- The likelihood and quantification of indeterminate and contingent liabilities (Note 5.15).
- 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.

In terms of current and non-current provisions (Note 18), the Group did not change any of the estimates used to calculate these balances under IFRS.

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 2012 and 2013 is as follows:

	Thousands of euros				
Company	At December 31, 2011	Additions	Decreases	Currency translation differences	At December 31, 2012
Metalbages, S.A.	15,622				15,622
MB Levante, S.L.	6,944				6,944
Gestamp Aveiro, S.A.	7,395				7,395
Griwe Subgroup	6,466				6,466
Gestamp HardTech, AB	42,921			1,682	44,603
Gestamp Paraná, S.A.	14,825			(1,597)	13,228
Beyçelik, A.S.	29,356			1,133	30,489
Continental Group, Ltd.	1,381		(1,381)		-
Gestamp Tooling Overseas Design India, Ltd.	13			(1)	12
Gestamp Severstal Vsevolozhsk, Llc	182			6	188
Adral, matricería y pta. a punto, S.L.	857				857
Sungwoo Gestamp Hitech Chennai, Ltd.	8,482			(465)	8,017
Sungwoo Gestamp Hitech Pune Private, Ltd.	720			(39)	681
Gestamp Sungwoo Automotive (Chennai) Pvt Ltd	1,743			(95)	1,648
	136,907	-	(1,381)	624	136,150

Decreases in period ended December 31, 2012 correspond to Continental Group, Ltd. dissolution (Note 2.a).

Company	Thousands of euros At December 31, 2012	Additions	Decreases	Currency translation differences	Other movements	At December 31, 2013
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	44,603			(1,367)		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
Sungwoo Gestamp Hitech Chennai, Ltd.	8,017			(1,177)	(6,840)	-
Sungwoo Gestamp Hitech Pune Private, Ltd.	681			(100)		581
Gestamp Sungwoo Automotive (Chennai) Pvt Ltd	1,648			(244)	(1,404)	-
	136,150	-	-	(11,307)	(8,244)	116,599

Currency translation differences in 2012 and 2013 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).

Other movements include the reclassification to Assets held for sale (Note 26).

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.

For each CGU, these calculations are made using cash flow projections for the cash-generating unit based on current operating results and business plans covering a five-year period. The pre-tax discount rates used for the cash flow projections in 2013 range from 9.91% to 12.18% for western European companies and from 15.12% to 18.57% for the remaining companies. In 2012 the rates ranged from 8.66% to 11.02% for western European companies and from 10.61% to 13.26% for the remaining companies.

As a general rule the Group used an estimate of constant growth at approximately 1% for the extrapolation of cash flows beyond the five-year period.

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, 2012 and 2011 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 December 31, 2011**	**Additions**	**Disposals**	**Currency translation differences**	**Other movements**	**At December 31, 2012**
R&D expenses	65,573	31,168	(570)	169	(671)	95,669
Concessions	1,274			8	16	1,298
Patents, licenses & trademark	3,016	82	(3)	18	1,651	4,764
Goodwill	3,243			(68)	(973)	2,202
Transfer fees	1,986			66	(690)	1,362
Software	65,883	7,592	(1,340)	(168)	2,000	73,967
Prepayments	4,726	1,189		240	(4,487)	1,668
Total cost	145,701	40,031	(1,913)	265	(3,154)	180,930
Amortization and impairment						
R&D expenses	(32,820)	(11,739)	150	4	687	(43,718)
Concessions	(301)	(97)		(9)	(16)	(423)
Patents, licenses & trademark	(2,603)	(238)	3	(18)	(65)	(2,921)
Transfer fees	(1,054)	(96)		(60)	54	(1,156)
Software	(48,062)	(6,512)	1,312	150	(289)	(53,401)
Total accumulated amortization	(84,840)	(18,682)	1,465	67	371	(101,619)
Impairment of Intangible assets	(298)	(254)			207	(345)
Net carrying amount	60,563	21,095	(448)	332	(2,576)	78,966

Additions in 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 with the business.

Additions in Software corresponded mainly to software licenses, and consulting costs of SAP implementation project in subsidiaries in Spain, Russia, Brazil and Argentina.

Disposals correspond, mainly, to obsolete and fully amortized software of Gestamp Noury, S.A.S. (1,198 thousand euros).

Other movements mainly reflect differences in opening balances of individual Group companies; as well as reclassifications between intangible assets, PP&E and inventories.

	Thousands of euros						
Cost	**At December 31, 2012**	**Additions to consolidation scope**	**Additions**	**Disposals**	**Currency translation differences**	**Other movements**	**At December 31, 2013**
R&D expenses	95,669	3,939	46,847	(1,077)	(1,116)	(442)	143,820
Concessions	1,298		8,423		(16)	6,574	16,279
Patents, licenses & trademark	4,764	267	32,328	(10)	(44)	(1,825)	35,480
Goodwill	2,202				(118)	(235)	1,849
Transfer fees	1,362				(13)	(1,097)	252
Software	73,967	(500)	9,592	(95)	(1,709)	2,667	83,922
Prepayments	1,668		5,417	(132)	(133)	(429)	6,391
Total cost	180,930	3,706	102,607	(1,314)	(3,149)	5,213	287,993
Amortization and impairment							
R&D expenses	(43,718)	(2,892)	(16,826)	905	567	329	(61,635)
Concessions	(423)		(231)		8	(325)	(971)
Patents, licenses & trademark	(2,921)	(200)	(306)	11	27	103	(3,286)
Transfer fees	(1,156)		(89)	126	11	951	(157)
Software	(53,401)	491	(7,207)	160	860	(1,575)	(60,672)
Total accumulated amortization	(101,619)	(2,601)	(24,659)	1,202	1,473	(517)	(126,721)
Impairment of Intangible assets	(345)	(110)	(1,258)		3	243	(1,467)
Net carrying amount	78,966	995	76,690	(112)	(1,673)	4,939	159,805

The net value of the additions to consolidation scope corresponds to the sale to third parties of the company Araluce, S.A. (57 thousand euros) as well as to the addition of 50% of intangible assets of the company Shanghai Edscha Machinery Co., Ltd. because of the change in their consolidation method (1,052 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 from Corporación Gestamp, 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 and reclassifications to Assets held for sale (Note 26).

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, 2011**	**Additions**	**Disposals**	**Currency translation differences**	**Other movements**	**At December 31, 2012**
Land and buildings	1,040,313	44,820	(749)	(2,727)	41,584	1,123,241
Plant and other PP&E	3,155,175	193,399	(37,794)	(14,038)	146,970	3,443,712
PP&E under construction and prepayments	292,429	352,710	(8,236)	(8,012)	(198,271)	430,620
Total cost	4,487,917	590,929	(46,779)	(24,777)	(9,717)	4,997,573
Depreciation and impairment						
Land and buildings	(235,830)	(31,601)	601	1,994	(10,213)	(275,049)
Plant and other PP&E	(2,108,285)	(228,320)	32,949	9,366	13,262	(2,281,028)
Accumulated depreciation	(2,344,115)	(259,921)	33,550	11,360	3,049	(2,556,077)
Impairment of PP&E	(10,922)	583		(182)	437	(10,084)
Net book value	2,132,880	331,591	(13,229)	(13,599)	(6,231)	2,431,412

Cost value of the property, plant and equipment additions at December 31, 2012 correspond, mainly, to investments in plants and production lines, and to replacement capital expenditure to maintain existing activities. The breakdown by country of investments is the following: China (92,388 thousand euros), USA (85,874 thousand euros), Spain (83,018 thousand euros), United Kingdom (52,276 thousand euros), Brazil (51,471 thousand euros), Russia (44,626 thousand euros), Germany (35,805 thousand euros), France (34,348 thousand euros), India (23,617 thousand euros), Mexico (23,639 thousand euros), and Czech Republic (21,069 thousand euros).

The net value of Disposals corresponds, mainly, to the reduction of the shareholding percentage in the company GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi (7,743 thousand euros), (Note 3); as well as to sales to third parties outside the Group carried out by the companies Gestamp Brasil Industria de Autopeças, S.A. (445 thousand euros), Gestamp Servicios, S.A. (573 thousand euros), Gestamp Automotive India Private Ltd. (636 thousand euros), Gestamp

Alabama, LLC. (707 thousand euros) and Edscha Subgroup (870 thousand euros) being the result of these sales not significant.

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 2012 is the following:

	Thousands of euros
Brazil	(15,123)
Argentina	(12,115)
Mexico	5,140
Russia	4,548
USA	(3,524)
Poland	3,045
India	(2,759)
United Kingdom	2,320
Turkey	2,163
Other countries	2,706
TOTAL	(13,599)

	Thousands of euros						
Cost	**At December 31, 2012**	**Additions to consolidation scope**	**Additions**	**Disposals**	**Currency translation differences**	**Other movements**	**At December 31, 2013**
Land and buildings	1,123,241	(13,684)	19,393	(11,025)	(34,696)	44,853	1,128,082
Plant and other PP&E	3,443,712	(16,150)	119,117	(124,566)	(117,652)	207,824	3,512,285
PP&E under construction and prepayments	430,620	1,290	407,022	(7,605)	(39,778)	(316,101)	475,448
Total cost	4,997,573	(28,544)	545,532	(143,196)	(192,126)	(63,424)	5,115,815
Depreciation and impairment							
Land and buildings	(275,049)	2,691	(34,189)	748	7,557	(485)	(298,727)
Plant and other PP&E	(2,281,028)	17,252	(240,784)	93,582	64,204	29,217	(2,317,557)
Accumulated depreciation	(2,556,077)	19,943	(274,973)	94,330	71,761	28,732	(2,616,284)
Impairment of PP&E	(10,084)	(8)	(1,399)	53	448	(2,065)	(13,055)
Net book value	2,431,412	(8,609)	269,160	(48,813)	(119,917)	(36,757)	2,486,476

The net value of the additions to consolidation scope corresponds to the sale to third parties of the company Araluce, S.A. (11,726 thousand euros) as well as to the addition of 50% of PP&E of the company Shanghai Edscha Machinery Co., Ltd. because of the change in their consolidation method (3,117 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: Spain (95,929 thousand euros), China (88,320 thousand euros), USA (61,705 thousand euros), Brazil (50,285 thousand euros), United Kingdom (44,611 thousand euros), Russia (41,373 thousand euros), Germany (39,448 thousand euros), Mexico (28,347 thousand euros), India (25,146 thousand euros), France (21,872 thousand euros), Czech Republic (8,016 thousand euros), Hungary (7,377 thousand euros), Turkey (6,240 thousand euros), Argentina (4,674 thousand euros) and Korea (4,658 thousand euros).

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 retirement of fully amortized items.

Other movements mainly reflect reclassifications between PP&E and intangible assets, adjustments relating to prior years and a reclassification to Assets held for sale (Note 26).

The breakdown by country of translation differences arising at December 31, 2013 is the following:

	Thousands of euros
Brazil	(31,216)
India	(16,758)
Russia	(17,428)
Argentina	(20,231)
USA	(10,117)
Turkey	(8,053)
Czech Republic	(4,090)
United Kingdom	(3,154)
Mexico	(4,526)
China	(2,043)
Other countries	(2,301)
TOTAL	(119,917)

The asset revaluation effect that was carried out at 2007 as a result of the IFRSs transition is as follows:

	Thousands of euros	
	2013	**2012**
Initial cost	257,780	261,916
Fair value	550,563	562,253
Revaluation	292,783	300,337
Accumulated depreciation	(32,147)	(27,686)
Deferred tax liabilities	(76,570)	(80,013)

Balances for 2013 have been reduced respect previous year due to the exit of subsidiary Araluce, S.A. from consolidation scope through sale (Note 2.a).

In 2014 the Group will carry out several investment projects for increasing the productive capacity of plants and improving their efficiency. However investments in tangible assets are expected to be lower than investments over the last two years.

The breakdown of PP&E located outside Spain, by country, is as follows:

Country	Thousands of euros Net carrying amount 2013	Net carrying amount 2012
PORTUGAL	37.263	38.131
FRANCE	100.061	98.324
GERMANY	251.416	261.785
BRAZIL	200.758	192.757
ARGENTINA	54.975	81.695
MEXICO	94.398	108.143
UNITED KINGDOM	146.828	135.234
HUNGARY	23.182	19.848
POLAND	40.030	44.445
SWEDEN	33.510	36.825
USA	309.738	282.617
CHINA	250.634	179.539
INDIA	35.230	69.665
SOUTH KOREA	39.559	47.185
TURKEY	39.808	46.685
RUSSIA	183.198	174.530
CZECH REPUBLIC	60.034	61.388
JAPAN	100	157
SLOVAKIA	3.998	4.444
TAIWAN	12	13
THAILAND	752	-
	1.905.484	1.883.410

The breakdown of assets acquired under finance lease agreements at December 31, 2013 and December 31, 2012 are as follows:

	December 31, 2013					
			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						
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	96	5.16 years	52	23	60	-
Machinery	5,166	4.75 years	2,353	1,407	3,164	1
Machinery	478	5 years	101	102	361	-
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi						
Machinery	53	3 years	20	11	22	-
Gestamp West Virginia Llc.						
Machinery	10,913	20 years	374	-	10,913	-
Machinery	7,275	20 years	221	-	7,275	-
				1,689	**22,038**	

December 31, 2012							
				Thousands of euros			
					Present value of lease obligations		
	Asset cost (thousands of euros)	Lease term	Contract date	Installments paid	Short term	Long term	Purchase option value
Edscha subgroup							
Furniture	9	4 years	April 30, 2008	11	-	-	-
Machinery	19	4 years	December 20, 2010	11	5	4	-
Loire Sociedad Anónima Franco Española							
Machinery	400	5 years	May 21, 2010	259	54	87	5
Beyçelik, A.S.							
Machinery	122	5,16 years	April 16, 2012	22	30	97	-
Machinery	6,481	4,75 years	January 01, 2012	880	1,484	4,330	1
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi							
Machinery	68	3 years	December 28, 2012	7	27	34	-
Gestamp West Virginia Llc.							
Machinery	11,369	20 years	November 13, 2012	18	-	11,369	-
Machinery	7,579	20 years	December 27, 2012	-	-	7,579	-
					1,600	**23,500**	

At December 31, 2013 and December 31, 2012 the company Gestamp West Virginia, LLC. has no recorded lease obligations in the short term as principal amortization will start from year 2015 on for the first contract and from year 2016 on for the second contract. The fees paid 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.

<u>Pledged property, plant and equipment to secure bank loans, in rem guarantees and others</u>

At December 31, 2013 the Griwe Subgroup has pledged items of property, plant, and equipment to secure bank loans received in the outstanding amount of 3,938 thousand euros (December 31, 2012: 5,483 thousand euros). The net carrying amount of these assets at December 31, 2013 was 7,970 thousand euros (December 31, 2012: 8,008 thousand euros).

The subsidiary Adral Matricería y Puesta a Punto, S.L. had pledged items of property, plant, and equipment to secure bank loans received, which maturity date was on December, 2013. (129 thousand euros at December 31, 2012). The net carrying amount of these assets at December 31, 2012 was 1,961 thousand euros.

10. Financial assets

The breakdown of the Group's financial assets at December 31, 2013 and 2012 by category and maturity, expressed in thousands of euros, is as follows:

	Non-current							
	Investments in associates		Loans and receivables		Derivative financial instruments		Other financial assets	
Item	2013	2012	2013	2012	2013	2012	2013	2012
Investments in associates accounted for using the equity method	5,880	5,965						
Held-to-maturity investments							3,169	3,091
Loans and receivables			46,061	35,167			13,701	2,410
Derivative financial instruments (Note 20.b.4)					31,878	14,174		
	5,880	**5,965**	**46,061**	**35,167**	**31,878**	**14,174**	**16,870**	**5,501**

Item	Current					
	Loans and receivables		Securities portfolio		Other financial assets	
	2013	2012	2013	2012	2013	2012
Held-to-maturity investments			-	12,518		
Loans and receivables	17,091	31,961			34,271	8,918
	17,091	**31,961**	**-**	**12,518**	**34,271**	**8,918**

a) Non-current financial assets

a.1) Investments in associates accounted for using the equity method

The breakdown and movements in this category at 2012 and 2013, by company, are as follows:

Company	Thousands of euros			
	At December 31, 2011	Additions to consolidation scope	Share of profit	At December 31, 2012
Industrias Tamer, S.A.	150		35	185
Essa Palau, S.A.	4,650		(364)	4,286
Gestión Global de Matricería, S.L.		875	(6)	869
Ingeniería y Construcción Matrices, S.A.			589	589
IxCxT, S.A.			36	36
	4,800	875	290	5,965

The additions to consolidation scope during 2012 correspond to the company Gestión Global de Matricería, S.L., which was formed on July 6, 2012. The Group subscribed 35% of share capital through the Company.

In addition, the companies Ingeniería y Construcción Matrices, S.A. and IxCxT, S.A. which belong to the company Gestión Global de Matricería, S.L., are integrated into the consolidation scope.

Company	Thousands of euros			
	At December 31, 2012	Additions to consolidation scope	Share of profit	At December 31, 2013
Industrias Tamer, S.A.	185		53	238
Essa Palau, S.A.	4,286		(80)	4,206
Gestión Global de Matricería, S.L.	869		25	894
Ingeniería y Construcción Matrices, S.A.	589		39	628
IxCxT, S.A.	36		(122)	(86)
	5,965		(85)	5,880

"Share of profit" represents the Group's share of the profit recorded by the associated company.

a.2) Non-current loans and receivables

The breakdown and movements in this category at December 31, 2012 and 2013 are as follows:

Item	Thousands of euros						
	At December 31, 2011	Additions	Decreases	Transfers	Other movements	Translation differences	At December 31, 2012
Loan to Esymo Metal, S.L.	2,880						2,880
Credit facility for Gestamp Automotive Private Ltd.	17,660					255	17,915
Credit facility for Essa Palau, S.A.	4,000						4,000
Credit facility for GS Hot-stamping Co. Ltd.	1,893					(36)	1,857
Receivable from public authorities	1,917	3,793	(2,153)	4,045	499	(197)	7,904
Loans to employees	418		(392)		5		31
Credit facility for Nano-Seven (project L47)	765			(765)			
Credit facility for Ocon Industrielle Konzepte, S.L.	107						107
Executive Compensation Program	1,601				(1,571)	(30)	
Other	133	24	(92)		409	(1)	473
	31,374	**3,817**	**(2,637)**	**3,280**	**(658)**	**(9)**	**35,167**

Item	Thousands of euros				
	At December 31, 2012	Additions	Decreases	Translation differences	At December 31, 2013
Loan to Esymo Metal, S.L.	2,880		(462)		2,418
Credit facility for Gestamp Automotive Private Ltd.	17,915			(76)	17,839
Credit facility for Essa Palau, S.A.	4,000				4,000
Credit facility for GS Hot-stamping Co. Ltd.	1,857			(80)	1,777
Loan to Beyçelik, A.S.	-	11,394	(6,969)		(2,544)
Loan to GMF Otomotiv Parçalari Sanayi ve Ticaret L.S.	-	4,038			4,038
Loan to Shrenik Industries Pvt Ltd		1,295			1,295
Receivable from public authorities	7,904	3,877	(786)	(1,328)	9,667
Loans to employees	31		(10)		21
Credit facility for Ocon Industrielle Konzepte, S.L.	107				107
Other	473	20		(19)	474
	35,167	**20,624**	**(8,227)**	**(1,503)**	**46,061**

The loan granted to Esymo Metal, S.L. which amounts to 2,418 thousand euros and 2,880 thousand euros at December 31, 2013 and December 31, 2012, respectively, and with final maturity in 2020 corresponds to the loan granted by Gestamp Linares, S.A and accrues annual interest rate equal to Euribor plus a 1.35 %spread.

The loan granted to Gestamp Automotive India Private, Ltd. which amounts to 17,839 thousand euros at December 31, 2013 (December 31, 2012: 17,915 thousand euros) and with a maturity date of 2015, corresponds to the loan granted by Gestamp Polska, SP. Z.o.o and earns an interest referenced to 6-month Euribor plus a 5% spread.

The loan granted to Essa Palau, S.A. which amounts to 4,000 thousand euros at December 31, 2013 and December 31, 2012, and with maturity date on 2016, corresponds to the loan granted by Gestamp Solblank Barcelona, S.A. on July, 2011. The credit facility earns a 2% interest rate plus a variable percentage referenced to the income statement.

The loan granted to GS Hot-Stamping Co, Ltd. which amounts to 1,777 thousand euros at December 31, 2013 (December 31, 2012: 1,857 thousand euros) and with a maturity date in December, 2015, corresponds to the loan granted by the subsidiary Gestamp Metalbages, S.A. The credit facility earns an interest referenced to Libor plus a 4.06% spread.

The balance registered at December 31, 2013 amounting to 9,667 thousand euros (December 31, 2012: 7,904 thousand euros) corresponds mainly to Gestamp Brasil Industria de Autopeças, S.A. related to Federal Brazilian Tax receivables with maturity date from 2015 to 2017, as well as the receivable balance of Gestamp Baires, S.A. with Argentinian public authorities regarding local tax Impuesto de Ganancia Mínima Presunta.

Additions at December 31, 2013 correspond mainly to:

- The credit facilities granted by the subsidiary Gestamp Servicios, S.A. to Beyçelik, A.S. and to GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi. Balances at December 31, 2013 amounted to 11,394 thousand euros and 4,038 thousand euros respectively, both with maturity date on February 4, 2018. Both credit facilities earn an interest referenced to 3-month Euribor 4.25% plus a spread.
- The credit facility granted by the subsidiary Gestamp Automotive India Private, Ltd. to Shrenik Industries Private Ltd. amounting to 1,295 thousand euros with a maturity date in 2015. The credit facility earns a 13.5 % interest rate.

The most significant balance included in Decreases at December 31, 2013 amounting to 6,969 thousand euros corresponds to a decrease in the credit facility granted by Gestamp Servicios, S.A. to Beyçelik Gestamp, A.S. because of an offsetting of credit balances between some Group companies and Beyçelik Gestamp, A.S. according to an agreement on July, 2013.

a.3) Other non-current financial assets

The breakdown and movements in this category at December 31, 2012 and 2013 are as follows:

	Thousands of euros					
Item	**At December 31, 2011**	**Additions**	**Decreases**	**Other movements**	**Translation differences**	**At December 31, 2012**
Shareholding in Esymo Metal, S.L.	407					407
Shareholding in Beyçelik Craiova, S.R.L.	100					100
Shareholding in Autotech Engineering Deutschland, GmbH.	-	25				25
Genesis International, LLC	2,225				(42)	2,183
Fixed income securities	300					300
Non-current deposits and guarantees	2,490	228	(278)	3	(33)	2,410
Other	163	6	(66)	3	(29)	76
	5,685	**259**	**(344)**	**6**	**(104)**	**5,501**

	Thousands of euros						
Item	**At December 31, 2012**	**Additions**	**Decreases**	**Transfers**	**Other movements**	**Translation differences**	**At December 31, 2013**
Shareholding in Esymo Metal, S.L.	407						407
Shareholding in Beyçelik Craiova, S.R.L.	100						100
Shareholding in Autotech Engineering Deutschland, GmbH.	25				(25)		-
Shareholding in Ocon Industrielle Konzepte, S.L.	-	50					50
Shareholding in Edscha Dienstleistungs, GmbH.	-	26					26
Price adjustment due to Araluce, S.A. sale	-	4,500					4,500
Genesis International, LLC	2,183					29	2,212
Fixed income securities	300						300
Non-current deposits and guarantees	2,410	7,372	(265)	(244)		(98)	9,175
Other	76	21	(21)	24			100
	5,501	**11,969**	**(286)**	**(220)**	**(25)**	**(69)**	**16,870**

Additions at December 31, 2013 correspond mainly to:

- 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. have created deposits as guarantee for operating leases (Note 28) amounting to 7,372 thousand euros.
- The price adjustment due to Araluce, S.A. sale amounting to 4,500 thousand euros which depends on their revenue in 2015 and 2016 (Note 2.a).

Transfers at December 31, 2013 amounting to 220 thousand euros correspond to the reclassification of the balance of company GS Hot Stamping Co. Ltd from non-current deposits to Assets held for sale (Note 26).

At December 31, 2013 and December 31, 2012 the fixed income securities correspond to a structured deposit with maturity in 2015.

b) Current financial assets

b.1) Current loans and receivables

The breakdown and movements in this category at December 31, 2012 and 2013 are as follows:

	Thousands of euros						
Borrower	At December 31, 2011	Additions	Decreases	Transfers	Other movements	Translation differences	At December 31, 2012
Esymo Metal, S.L.	6		(3)				3
Risteel Corporation B.V.	3,597	128					3,725
Nano-Seven (project L47)	1,532		(1,532)	765			765
Genesis International, LLC	20,377		(8,107)		(419)	(385)	11,466
GMF Otomotiv Parçalari Sanayi ve Ticaret, L.S.	-	9,270					9,270
Beyçelik, A.S.	-	6,573					6,573
Essa Palau, S. A.	-	3,081	(3,000)				81
Other	6	147	(75)		10	(10)	78
	25,518	**19,199**	**(12,717)**	**765**	**(409)**	**(395)**	**31,961**

The amount of 9,270 thousand euros related to additions at December 31, 2012 correspond to:

- The group company Gestamp Servicios, S.A. has granted loans to GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi amounting to 3,500 thousand euros (January 25, 2012 and April 16, 2012). The loans earn an interest referenced to Euribor plus a 2.5% spread.

- The Gestamp Metal Forming Subgroup has granted a loan to GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi amounting to 5,770 thousand euros. The loan earns a fixed interest between 5.5% and 6%.

The addition amounting to 6,573 thousand euros, receivable by the Gestamp Metal Forming Subgroup, arises from the purchase of the company GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi by Beyçelik, A.S. The final payment has to be made on November 2013.

The addition and decrease amounting to 3,081 thousand euros and 3,000 thousand euros, respectively, correspond to a credit facility granted to Essa Palau, S.A. by the group company Metalbages, S.A. (September 20, 2012). The loan earned an interest referenced to Euribor plus a 2.5% spread. The maturity date was December 14, 2012.

The decrease amounting to 8,107 thousand euros correspond to the partial cancellation of the loan granted to Génesis international, LLC. by Gestamp North America, Inc.

	Thousands of euros				
Borrower	At December 31, 2012	Additions	Decreases	Translation differences	At December 31, 2013
Esymo Metal, S.L.	3		(3)		-
Risteel Corporation B.V.	3,725		(3,725)		-
Nano-Seven (project L47)	765		(765)		-
Genesis International, LLC	11,466	253		(459)	11,260
GMF Otomotiv Parçalari Sanayi ve Ticaret, L.S.	9,270	335	(8,672)	(127)	806
Beyçelik, A.S.	6,573	269	(6,428)	(145)	269
Essa Palau, S. A.	81	81			162
Gonvarri Argentina, S.A.	-	4,441			4,441
Other	78	81	(4)	(2)	153
	31,961	**5,460**	**(19,597)**	**(733)**	**17,091**

Additions at December 31, 2013 correspond mainly to:

- The addition amounting to 4,441 thousand euros correspond to a loan granted by Gestamp Baires, S.A. to Gonvarri Argentina, S.A. (February 22, 2013). The loan earns an interest of 17.5%. The maturity date is February 11, 2014.

The decreases mainly correspond to:

- Repayment of the loan granted by Gestamp Tallent, Ltd. to GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi amounting to 5,172 thousand euros.

- Repayment of the loan granted by Gestamp Servicios, S.A. to GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi amounting to 3,500 thousand euros.

- Partial payment by Beyçelik, A.S. to Gestamp Tallent, Ltd. amounting to 6,428 thousand euros of the remaining debt regarding the purchase of shareholding in the company GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi.

- Full repayment of the loan granted by Gestamp Automoción, S.A. to Risteel Corporation, B.V. amounting to 3,725 thousand euros.

b.2) Current securities portfolio

The breakdown of this heading at December 31, 2013 and 2012 is as follows:

		2013		2012	
Company	**Class**	**Return**	**Thousands of euros**	**Return**	**Thousands of euros**
Gestamp Brasil Industria de Autopeças, S.A.	Deposits (*)	-	-	%CDI	5,499
Gestamp Automotive India Private, Ltd.	Deposits (*)	-	-	7%	6,914
Other companies	Interest	-	-	-	105
			-		**12,518**

(*) Transferred to the heading “Other current financial investments” at December 31, 2013.

b.3) Other current financial investments

The breakdown of this heading at December 31, 2012 and December 31, 2013 is as follows:

		Thousands of euros						
Creditor company	**Item**	**At December 31, 2011**	**Additions**	**Decreases**	**Transfers**	**Other movements**	**Translation differences**	**At December 31, 2012**
Gestamp Alabama, Llc.	Factory lease deposit	618	-	(5)	-	-	(12)	601
Autotech Engineering, A.I.E.	Inter-company current account	2,000	-	-	-	(2,000)	-	-
Gestamp North America, Inc.	Credit card guarantees	115	-	-	-	-	(2)	113
Beyçelik, A.S.	Guarantees	144	4	(149)	-	-	6	5
Sungwoo Gestamp Hitech Pune Pvt, Ltd.	Guarantees	117	12	-	-	-	(5)	124
Sungwoo Gestamp Hitech (Chennai), Ltd.	Deposits and guarantees	1,519	380	(1,550)	-	(30)	(83)	236
Gestamp Sungwoo Hitech Chennai Pvt. Ltd.	Guarantees	83	-	(3)	-	95	(5)	170
Gestamp South Carolina, LLc.	Guarantees	372	-	-	-	-	(8)	364
Gestamp Automotive India Private Ltd.	Deposits and guarantees	356	24	-	-	-	(17)	363
Gestamp Sungwoo Stampings and Assemblies Pvt. Ltd.	Deposits and interest	-	2,432	-	-	41	-	2,473
Gestamp Baires, S.A.	Deposits	-	2,666	-	-	-	-	2,666
Other companies	Other	293	721	(129)	8	911	(1)	1,803
		5,617	**6,239**	**(1,836)**	**8**	**(983)**	**(127)**	**8,918**

The additions related to the group company Gestamp Sungwoo Stampings and Assemblies, Private Ltd. (2,432 thousand euros) correspond to bank deposits and guarantees. These deposits earn a 7.5% interest.

The additions related to the group company Gestamp Baires, S.A. (2,666 thousand euros) correspond to deposits. These deposits earn an interest between 14.04% and 15.04%.

The decreases mainly correspond to the company Sungwoo Gestamp Hitech Chennai Ltd. (1,550 thousand euros) related to bank deposits; the balance at December 31, 2012 corresponds to deposits and guarantees for different concepts.

The amount of 2,000 thousand euros related to “Other movements” is informed in Note 20.b.2.

		Thousands of euros					
Creditor company	Item	At December 31, 2012	Additions	Decreases	Transfers	Translation differences	At December 31, 2013
Gestamp Alabama, Llc.	Factory lease deposit	601		(207)		(24)	370
Gestamp North America, Inc.	Credit card guarantees	113	1			(3)	111
Beyçelik, A.S.	Guarantees	5		(2)		(1)	2
Sungwoo Gestamp Hitech Pune Pvt, Ltd.	Guarantees	124		(1)		(18)	105
Sungwoo Gestamp Hitech (Chennai), Ltd.	Deposits and guarantees	236	35	(80)	(155)	(36)	-
Gestamp Sungwoo Hitech Chennai Pvt. Ltd.	Guarantees	170	154	(56)	(245)	(23)	-
Gestamp South Carolina, LLc.	Guarantees	364				(15)	349
Gestamp Automotive India Private Ltd.	Deposits and guarantees	363	956	(27)	5,898	(53)	7,137
Gestamp Brasil Industria de Autopeças, S.A.	Deposits	-	20,546		4,576		25,122
Gestamp Sungwoo Stampings and Assemblies Pvt. Ltd.	Deposits and interest	2,473	218	(2,202)	138	(362)	265
Gestamp Baires, S.A.	Deposits	2,666		(1,930)		(736)	
Other companies	Other	1,803	13	(16)	(940)	(50)	810
		8,918	**21,923**	**(4,521)**	**9,272**	**(1,321)**	**34,271**

The additions related to the company Gestamp Brasil Industria de Autopeças, S.A. amounting to 20,546 thousand euros correspond to increases in fixed-income bank deposits available in current account. The return of these deposits is referenced to CDI interbank index.

The decreases of the companies Gestamp Sungwoo Stampings and Assemblies Pvt. Ltd. and Gestamp Baires, S.A. amounting to 2,202 and 1,930 thousand euros respectively correspond to due bank deposits.

The transfers at December 31, 2013 mainly correspond to:

- Bank deposits of the companies Gestamp Automotive India Pvt. Ltd. and Gestamp Brasil Industria de Autopeças, S.A. amounting to 5,898 thousand euros and 4,576 thousand euros respectively that were recorded as current securities portfolio in 2012 (Note 10.b.2).
- Deposits of the companies Sungwoo Gestamp Hitech (Chennai) Ltd. and Gestamp Sungwoo Hitech Chennai Pvt. Ltd. amounting to 155 thousand euros and 245 thousand euros respectively that have been reclassified to Assets held for sale (Note 26).
- Deposits as guarantees of retirements insurances of the company Gestamp Umformtechnik, GmbH. amounting to 940 thousand euros that have been reclassified to liabilities for long-term provisions for employees as a decrease in liabilities.

11. Inventories

The breakdown of inventories at December 31, 2013 and December 31, 2012 is as follows:

	Thousands of euros 2013	2012
Commercial inventories	9,938	10,929
Raw materials	143,450	159,665
Parts and subassemblies	33,450	34,215
Spare parts	46,174	39,581
Packaging materials	2,453	1,952
Total cost of raw materials and other consumables	235,465	246,342
Work in progress	127,957	116,742
Finished products	119,658	110,796
Byproducts, waste, and recovered materials	20	79
Prepayments to suppliers	61,218	53,176
Total cost of inventories	544,318	527,135
Impairment of raw materials	(8,269)	(9,103)
Impairment of other consumables	(6,590)	(6,686)
Impairment of work in progress	(8,385)	(6,870)
Impairment of finished products	(9,977)	(8,520)
Total impairment	(33,221)	(31,179)
Total inventories	511,097	495,956

The breakdown of purchases used in production change in inventories is as follows:

			2013 movements			
	2013	2012	Impairment	Reversal of impairment	Changes in inventories	Total change in inventories
Raw materials and other consumables	235,465	246,342			(10,877)	(10,877)
Impairment of raw materials and other consumables	(14,859)	(15,789)	(5,785)	6,716		931
Consumption (Note 24.a)	**220,606**	**230,553**	**(5,785)**	**6,716**	**(10,877)**	**(9,946)**

			2013 movements			
	2013	2012	Impairment	Reversal of impairment	Changes in inventories	Total change in inventories
Work in progress	127,957	116,742	-	-	11,215	11,215
Finished products and byproducts	119,678	110,875	-	-	8,803	8,803
Impairment of finished products and work in progress	(18,362)	(15,390)	(6,833)	3,860	-	(2,973)
Changes in inventories (see Income Statement)	**229,273**	**212,227**	**(6,833)**	**3,860**	**20,018**	**17,045**

The inventories are not encumbered at December 31, 2013 and December 31, 2012.

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

a) Trade receivables

	Thousands of euros 2013	2012
Trade receivables	679,101	620,824
Trade bills receivable	36,243	32,096
Accounts receivable, tools	165,372	150,039
Doubtful debts	1,512	5,005
Impairment losses	(8,994)	(12,015)
Trade receivables from Group companies (Note 29.1)	20,362	27,345
	893,596	823,294

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.

See Note 32.1 regarding the credit risk of the receivables which explains how the Group manages and assesses the credit quality of the receivables.

The movement of the impairment provision at December 31, 2013 consists of an increase of 1,897 thousand euros (December 31, 2012: 1,135 thousand euros) (Note 24.c) as well as written-off balances and translation differences.

The receivables balances transferred by the Group as non-recourse factoring to Spanish, German and Polish banks, that have been eliminated in the Consolidated Financial Statements amounted to 85,896 thousand euros and to 119,738 thousand euros at December 31, 2013 and December 31, 2012 respectively.

The expense of transferring non-due receivables balances at December 31, 2013 according to the non-recourse factoring contract amounted to 2,023 thousand euros (December 31, 2012: 765 thousand euros).

b) Other receivables

	Thousands of euros	
	2013	**2012**
Debtors	20,684	28,384
Remuneration advances	1,493	1,512
Short-term loans to employees	230	210
	22,407	30,106

c) Current income tax assets

This line item, which at December 31, 2013 amounted to 37,917 thousand euros (December 31, 2012: 37,853 thousand euros), mainly reflects receivables balances related to corporate tax refund.

d) Public authorities

	Thousands of euros	
	2013	**2012**
Sundry receivables from Public Authorities	140,520	112,331
VAT refund	129,687	101,466
Receivable grants	2,362	5,599
Other	8,471	5,266
Receivables from Social Security	232	258
	140,752	112,589

e) Other current assets

This line item, which at December 31, 2013 amounted to 11,343 thousand euros (December 31, 2012: 8,731 thousand euros), mainly reflects insurance premiums, maintenance contracts, rentals and software licenses paid for during the year but for which the expense will accrue the following year.

f) Cash and cash equivalents

	Thousands of euros	
	2013	**2012**
Cash	335,298	233,800
Cash equivalents	174,898	13,766
	510,196	247,566

Cash equivalents correspond to surplus cash investments maturing in less than three months.

The breakdown by currencies and interest rates at December 31, 2013 and December 31, 2012 is the following:

	2013		
Company	**Thousands of euros**	**Source currency**	**Interest rate range**
Gestamp Brasil Industria de Autopeças, S.A.	15	Brazilian reais	10%
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.	3,944	Indian rupees	7.25%-9.10%
Sungwoo Gestamp Hitech Pune Private Ltd.	648	Indian rupees	6.25%
Gestamp Sungwoo Stampings & Assemblies Pvt Ltd.	118	Indian rupees	7%
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%
	174,898		

	2012		
Company	**Thousands of euros**	**Source currency**	**Interest rate range**
Gestamp Brasil Industria de Autopeças, S.A.	961	Brazilian reais	10%
Gestamp Baires, S.A	12,614	Argentine pesos	9.32% - 16.75%
Sungwoo Gestamp Hitech Chennai Ltd.	54	Indian rupees	9.25%
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	86	Indian rupees	8%
Edscha Subgroup	51	euros	-
	13,766		

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, 2013 and 2012 are as follows:

ITEM	**December 31, 2013**	**December 31, 2012**
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, 2013 the Company's share capital is represented by 4,795,953 registered shares (At December 31, 2012: 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.

As indicated in Note 2.a, on August 2012 the Company has registered the change of its legal name, from limited company to corporation, so the equity units became registered shares.

The shareholder structure at December 31, 2013 and 2012 is as follows:

Shareholders	shareholding
Corporación Gestamp, 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, 2013 and December 31, 2012.

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 2012 and 2013 were as follows:

	RETAINED EARNINGS AT DECEMBER 31, 2013 AND DECEMBER 31, 2012 (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, 2011	**32,769**	**1,600**	**223,536**	**426,335**	**(67)**	**168,486**	**(21,189)**	**831,470**
Profit for 2012						170,141		170,141
Fair value adjustments reserve (hedge)							(2,289)	(2,289)
Actuarial gains and losses				(5,556)				(5,556)
Appropiation of 2011 profits	362	571	28,239	141,736	(2,422)	(168,486)		
Dividends distributed by the Company			(50,549)					(50,549)
Capital share increase due to the purchase of non-controlling interest				(361)				(361)
Interest from pariticipative loans			12,476	(12,476)				
Transfers from retained earnings to non-controlling interests due to the change of shareholding in companies				(897)				(897)
AT DECEMBER 31, 2012	**33,131**	**2,171**	**213,702**	**548,781**	**(2,489)**	**170,141**	**(23,478)**	**941,959**
Profit for 2013						113,069		113,069
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	130,496	290	(170,141)		
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 pariticipative loans			(12,895)	12,895				
Transfers from retained earnings to non-controlling interests due to the change of shareholding in companies and others				1,633				1,633
Other movements and adjustements from prior years				(304)				(304)
AT DECEMBER 31, 2013	**38,751**	**2,742**	**185,840**	**706,831**	**(2,199)**	**113,069**	**(29,848)**	**1,015,186**

14.1 Legal reserve of the Company

The Legal Reserve of the Company amounted to 38,751 thousand euros at December 31, 2013 (33,131 thousand euros at December 31, 2012).

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, 2013 and December 31, 2012. 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 2,742 thousand euros at December 31, 2013 (2,171 thousand euros at December 31, 2012) of which 571 thousand euros were provisioned in 2013 (December 31, 2012: 571 thousand euros).

14.3 Unrestricted Company reserves

At December 31, 2013 the Company's unrestricted reserves amounting to 185,840 thousand euros, correspond to those derived from the individual financial statements amounting to 283,683 thousand euros (December 31, 2012: 284,703 thousand euros) less the adjustments generated in the consolidation process for an amount of 97,843 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 34,187 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) <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, 2013 amounted to 4,884 thousand euros (December 31, 2012: 6,755 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. As of January 2007 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, 2013 and December 31, 2012 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, 2013 and December 31, 2012 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, 2013 and December 31, 2012 was 59,270 thousand euros and 41,404 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 128 million euros at December 31, 2013 and 142 million euros at December 31, 2012.

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:

		Thousands of euros	
	Company	2013	2012
ARGENTINA			
	Gestamp Córdoba, S.A.	(18,046)	(19,944)
	Gestamp Argentina, S.A.	2,338	3,619
	Gestamp Baires, S.A.	(30,327)	(20,529)
BRAZIL			
	Gestamp Brasil Industria de Autopeças, S.A.	13,166	26,055
UNITED KINGDOM			
	Gestamp Washington UK Limited	2,797	2,955
	Autotech R&D UK Limited	(17)	-
POLAND			
	Gestamp Polska, S.P., Zoo	(12,177)	(12,821)
HUNGARY			
	Gestamp Hungaria KFT	(6,231)	(6,063)
	Gestamp Mor	(1)	(1)
USA			
	Gestamp Alabama, LLC	(16,399)	(8,430)
	Gestamp Mason, LLc	977	(640)
	Gestamp North America, INC	(3,405)	(1,744)
	Gestamp Chattanooga LLc	(395)	(732)
	ALHC, LLc.	-	1,153
	Gestamp South Carolina, LLc.	(1,922)	(860)
	Gestamp West Virginia, Llc	373	82
SWEDEN			
	Gestamp Sweden, AB	(405)	6,718
	Gestamp HardTech AB	(1,523)	4,026
	Gestamp Holding China AB	390	388
MEXICO			
	Gestamp Aguascalientes, S.A. de CV	(6,589)	(4,981)
	Gestamp MSL, S.A. de CV	(50)	(12)
	Gestamp Cartera de México, S.A de CV	(1,573)	(243)
	Gestamp Puebla, S.A. de CV	(12,403)	(9,577)
	Mexicana Servicios Laborales, S.A. de CV	(24)	(14)
	Gestamp Toluca, S.A. de CV	(3,550)	(2,066)
	Gestamp Serv. Laborales de Toluca, S.A. de CV	5	5
	Gestamp Puebla II, S.A. de CV	17	-
CHINA			
	Gestamp Auto Components (Kunshan) Co., Ltd	5,676	7,603
	Gestamp Auto Components (Shenyang) Co.,Ltd.	(517)	(642)
	Gestamp Auto Components (Dongguan) Co.,Ltd.	(387)	(323)
INDIA			
	Gestamp Services India Private, Ltd.	87	(90)
	Gestamp Automotive India Private Ltd.	(4,453)	(923)
	Sungwoo Gestamp Hitech Pune, Ltd.	(473)	203
	Sungwoo Gestamp Hitech Chennai, Ltd.	(3,893)	(1,347)
	Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	(2,054)	(906)
	Gestamp Sungwoo Stampings & Assemblies Private Limited	(639)	(487)
KOREA			
	Gestamp Kartek	82	490
	GS Hot Stamping Co., Ltd.	(15)	254
TURKEY			
	Beyçelik, A.S.	(21,986)	(12,068)
	GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	197	150
RUSSIA			
	Gestamp Severstal Vsevolozhsk Llc	(256)	2,117
	Gestamp Severstal Kaluga, Llc	(9,913)	1,708
	Gestamp Togliatti, Llc.	(1,087)	50
CZECH REPUBLIC			
	Gestamp Louny, S.R.O.	(2,725)	(285)
LUXEMBOURG			
	Gestamp Funding Luxembourg, S.A.	(599)	-
SPAIN			
	Gestamp Automoción, S.A.	1,141	564
	Gestamp Bizkaia, S.A.	12	12
	Gestamp Palencia, S.A.	292	292
	Gestamp Servicios, S.A.	(914)	(587)
	Gestamp Global Tooling, S.L.	55	-
	Gestamp Tool Hardening, S.L.	(56)	-
	Loire SAFE	100	84
OTHER			
	Other	5,931	7,082
TOTAL		(131,368)	(40,705)

16. Non-controlling interest

The changes in "Equity attributable to non-controlling interest" by company in 2012 and 2013 were as follows:

	Thousands of euros							
Company	At December 31, 2011	Translation differences	Transfer of fully consolidated reserves	Increases	Decreases	Other movements	Profit (loss)	At December 31, 2012
Griwe Subgroup	2,217						99	2,316
Autotech Engineering, A.I.E.	2,661						58	2,719
Mexicana Serv. Laborales, S.A. de C.V.	124	3					15	142
Gestamp México, S.A. de C.V.	10,805	593					840	12,238
Gestamp Puebla, S.A. de C.V.	24,682	1,434					4,115	30,231
Gestamp Mexicana Serv. Lab., S.A. de C.V.	445	10					99	554
Gestamp Toluca S.A. de C.V.	5,211	15					1,797	7,023
Gestamp Servicios Lab. de Toluca S.A. de C.V.	21	1				(24)	32	30
Gestamp Cartera de México, S.A. de C.V.	587	27					(1)	613
Gestamp Finance Luxemburgo, S.A.	50							50
Todlem, S.L./ Gestamp Seversta Vsevolozhsk Llc./Gestamp Stadco Holding, S.L./Gestamp Severstal Kaluga, Llc.	20,241	1,924	695	6,502		(1,665)	4,844	32,541
Gestamp Holding Rusia, S.L.	24,408		73			(2)	(9)	24,470
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	13,421	(156)					2,478	15,743
GS Hot-Stamping Co. Ltd.	-							
Edscha subgroup	15,703	(681)	(38)			1,158	(31)	16,111
Araluce, S.A.	7,091		42			102	158	7,393
Matricerias Deusto S.L.	8,621		158			34	(172)	8,641
Adral Matriceria y Pta. a punto , S.L.	3,982					(323)	850	4,509
Gestamp Tooling Services, AIE	(156)					12	(75)	(219)
Gestamp Global Tooling, S.L.	101					134	223	458
Gestamp Tool Hardening, S.L.	(100)					4	342	246
Loire, S.A. Franco Española	-							
Bero Tools, S.L.	100				(106)			(6)
Die Diede Development, S.L.	535		(31)		(698)	(20)	23	(191)
Gestamp Metal Forming Subgroup	136,139	1,489			(4,425)		378	133,581
Gestamp Louny, S.R.O.	-	(7)	(2)					(9)
Gestamp Autocomponents (Dongguan) Co. Ltd.	-	(13)					(77)	(90)
Gestamp Sungwoo Hitech (Chennai) Private Ltd.	-						7	7
	276,889	4,639	897	6,502	(5,229)	(590)	15,993	299,101

The transfers of fully consolidated reserves correspond mainly to the capital increase at Gestamp Holding Rusia, S.L. not pro rata subscribed by its shareholders.

The increases arise from the capital increase at Todlem, S.L. subscribed by non-controlling interest.

The decreases in 2012 correspond to:

- The reduction of the percentage of non-controlling interest of the group companies Bero Tools, S.L. and Diede Die Development, S.L. as consequence of the acquisition of that percentage by the Group in 2012.

- The reduction of non-controlling interest due to the allocation of actuarial losses to the Equity of the Gestamp Metal Forming Subgroup.

"Other movements" in period ended December 31, 2012 correspond to profit (loss) adjustments attributable to non-controlling interests in 2011.

	Thousands of euros											
Company	At December 31 2012	Additions to consolidation scope	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
Griwe Subgroup	2,316									(2,316)		
Autotech Engineering, A.I.E.	2,719									(2,719)		
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.	32,541		(7,061)	2,822		459				80	(1,636)	27,205
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				1,106	2,807	19,403
GS Hot-Stamping Co. Ltd.	-											-
Edscha subgroup	16,111	9,131	420		(1,933)	845				374	(1,191)	23,757
Araluce, S.A.	7,393					(443)			(8,646)	1,696		-
Matricerias Deusto S.L.	8,641					(1,299)				3,472	(1,623)	9,191
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.	246									(96)	1,164	1,314
Loire, S.A. Franco Española	-											-
Bero Tools, S.L.	(6)											(6)
Die Diede Development, S.L.	(191)									(46)	(26)	(263)
Gestamp Metal Forming Subgroup	133,581		(4,974)			(27)		(101,554)			(6,796)	20,230
Gestamp Louny, S.R.O.	(9)		7			3				(1)		-
Gestamp Autocomponents (Dongguan) Co. Ltd.	(90)		(13)							103		-
Gestamp Try Out Services, S.L.	-										373	373
Gestamp Sungwoo Hitech (Chennai) Private Ltd.	7					2				(9)		-
Autotech Engineering Deuchland, GmbH.	-											-
Autotech Engineering R&D UK, Ltd.	-											-
Gestamp Brasil Industria Autopeças, S.A.	-		(3,274)				52,850				(1,388)	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.	-	40,000									23	40,023
	299,101	49,131	(34,286)	2,822	(1,933)	(615)	187,678	(101,554)	3,290	1,146	(5,588)	399,192

The most significant movements in “Non-controlling interest” at December 31, 2013 correspond to:

- The additions to consolidation scope mainly correspond to the change in consolidation method of Shanghai Edscha Machinery Co. Ltd from proportionally method to full consolidation method because of the acquisition of an additional 5% shareholding.

  It is also included the incorporation of COFIDES, S.A. as non-controlling partner of the company Mursolar 21, S.L. on December 20, 2013 through two capital increases where COFIDES, S.A. acquired 35% shareholding.

- The acquisition from 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 a 30% of capital share (Note 2.a).

- The acquisition from 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 held 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. Also included are profit (loss) adjustments attributable to non-controlling interests in 2012.

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, 2012 and December 31, 2013 including the movements during the year is as follows:

	Thousands of euros					
Company	At December 31, 2011	Additions	Released income	Translation differences	Other movements	At December 31, 2012
Estampaciones Metálicas Vizcaya, S.A.	2,487		(245)			2,242
Gestamp Vigo, S.A.	5,155		(1,059)			4,096
Gestamp Toledo, S.L.	2,649	497	(363)			2,783
Gestamp Palencia, S.A.	3,836		(366)			3,470
Gestamp Linares, S.A.	1,174		(109)			1,065
Galvanizaciones Castellana, S.A.	110		(12)			98
Gestamp Puebla, S.A. de C.V.	262		(34)	17		245
Gestamp Aveiro, S.A.	205	822	(695)			332
Gestamp Navarra, S.A.	2,263		(266)			1,997
Gestamp Solblank Navarra, S.L.	79		(15)			64
MB Aragón, S.A.	896		(93)			803
MB Abrera, S.A.	1,542		(139)			1,403
Metalbages, S.A.	158		(17)			141
Solblank, S.A.	177		(43)			134
Gestamp UK, Ltd	382		(392)	10		
MB Levante, S.A.	825		(100)			725
Gestamp Hungaria KFT	249		(16)	16		249
Griwe Subgroup	3,105	682	(561)		(1)	3,225
Gestamp Cataforesis Vigo, S.A.	450		(105)			345
Kartek Corporation	39		(10)			29
Gestamp Manufactoring Autochasis, S.L.	194		(18)			176
Adral, matriceria y pta. a punto, S.L.	240				(48)	192
Sungwo Gestamp Hitech Chennai Ltd.	11			(1)		10
Estampaciones Martinez, S.A.	11		(3)			8
Beyçelik, A.S.	85	65		4		154
Edscha Subgroup	2,630	2,328	(77)		(279)	4,602
Gestamp Metal Forming Subgroup	259		(130)			129
Loire Sociedad Anónima Franco Española	246	22	(21)		96	343
Diede Die Developments, S.L.	548		(45)		(82)	421
Total	30,267	4,416	(4,934)	46	(314)	29,481

	Thousands of euros					
Company	At December 31, 2012	Additions	Released income	Translation differences	Other movements	At December 31, 2013
Estampaciones Metálicas Vizcaya, S.A.	2,242		(258)			1,984
Gestamp Vigo, S.A.	4,096		(1,178)		346	3,264
Gestamp Toledo, S.L.	2,783		(385)			2,398
Gestamp Palencia, S.A.	3,470		(356)			3,114
Gestamp Linares, S.A.	1,065		(92)			973
Gestamp Galvanizados, S.A.	98		(13)			85
Gestamp Puebla, S.A. de C.V.	245		(34)	(11)		200
Gestamp Aveiro, S.A.	332		(95)			237
Gestamp Navarra, S.A.	1,997		(246)			1,751
Gestamp Solblank Navarra, S.L.	64		(9)			55
Gestamp Aragón, S.A.	803		(109)			694
Gestamo Abrera, S.A.	1,403		(146)			1,257
Gestamp Metalbages, S.A.	141		(19)			122
Gestamp Solblank Barcelona, S.A.	134		(29)			105
Gestamp Washington UK, Ltd		341	(91)	(2)		248
Gestamp Levante, S.A.	725		(104)			621
Gestamp Hungaria KFT	249		(14)	(2)		233
Griwe Subgroup	3,225		(964)		(12)	2,249
Gestamp Cataforesis Vigo, S.A.	345				(345)	-
Gestamp Kartek	29		(7)	(1)		21
Gestamp Manufactoring Autochasis, S.L.	176		(19)			157
Adral, matriceria y pta. a punto, S.L.	192				(57)	135
Sungwo Gestamp Hitech Chennai Ltd.	10			(2)	(8)	-
Gestamp Esmar, S.A.	8		(3)			5
Beyçelik, A.S.	154	61		(31)	(12)	172
Edscha Subgroup	4,602	198	(95)	(19)	(499)	4,187
Gestamp Metal Forming Subgroup	129	6,729	(812)	(16)		6,030
Loire Sociedad Anónima Franco Española	343	31	(49)			325
Diede Die Developments, S.L.	421	34	(28)		63	490
Total	29,481	7,394	(5,155)	(84)	(524)	31,112

The additions recognized in 2012 and 2013 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 2013 and 2012 is as follows:

	Non-current		Current	
	2013	2012	2013	2012
Provisions for retributions to employees (Note 19)	60,364	62,873	5,265	3,615
Provisions for taxes	4,865	4,876	-	-
Provisions for dismantlement and retirement of tangible fixed assets	350	589	-	-
Other provisions	68,487	98,884	7,930	11,505
	134,066	167,222	13,195	15,120

The changes in Provisions during 2012 and 2013 are as follows:

	Thousands of euros	
	Non-current	Current
Balance at December 31, 2011	171,487	59,166
Additions to scope	-	-
Increase in allowance	16,807	6,868
Decrease	(20,554)	(44,322)
Translation differences	(51)	(579)
Other movements	(467)	(6,013)
Balance at December 31, 2012	167,222	15,120
Additions to scope	(87)	304
Increase in allowance	15,602	7,490
Decrease	(48,914)	(7,137)
Translation differences	(641)	(355)
Other movements	884	(2,227)
Balance at December 31, 2013	134,066	13,195

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 tax assessments which are currently being appealed, among other items.

Non-current provisions

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 2012 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 2012 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.

Decreases of non-current provisions directly registered in the Consolidated Income Statement mainly correspond to:

- Balance of 10,647 thousand euros under the heading “Other operating income” (Note 23.b) (2012: 8,100 thousand euros under the heading “Other operating expenses” (Note 24.c).
- Surplus provisions amounting to 2,550 thousand euros (Note 24.c).

- The amount included in the rest of operating expenses is 24,812 thousand euros.

Current provisions

The additions to consolidation scope include the change from proportionally method to full consolidation method of the company Shanghai Edscha Machinery Co. Ltd. (Note 2.a).

Additions to current provisions in 2013 correspond principally 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 2013 correspond mainly to the regularization of provisions related to resolved litigations and to short term employee compensation.

Additions to current provisions in 2012 corresponded principally to the selling risk of Gestamp Umformtechnik, GmbH.

Decreases of current provisions in 2012 corresponded mainly to the regularization of provisions related to resolved litigations. The corresponding amount registered in the Consolidated Income Statement under the heading “Consumables” was 34,560 thousand euros. Decreases also include the application of short term employee compensation provision.

Other movements in current and non-current provisions in 2012 and 2013 are mainly related to prior year’s adjustments and reclassifications.

19. Pensions and other post-employment obligations

The breakdown of the provision for employee benefits is as follows:

		Non-current		Current		Total	
Item		**2013**	**2012**	**2013**	**2012**	**2012**	**2011**
Employee benefits	a)	7,814	8,436	5,256	3,595	13,070	12,031
Post-employment benefits							
Defined benefit plans	b)	52,550	54,437	9	20	52,559	54,457
Total (Note 18)		60,364	62,873	5,265	3,615	65,629	66,488

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

There are defined benefit plans for the companies Sofedit, S.A.S. and Gestamp Umformtechnik, GmbH. (belonging to the Gestamp Metal Forming Subgroup); Edscha Holding, GmbH., Edscha Automotive Hengersberg, GmbH., Edscha Automotive Hauzenberg, GmbH. and Edscha Engineering, GmbH. (belonging to the Edscha Subgroup). There are partially supported plans by an investment fund and not supported plans.

The risks of to 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	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**

	Thousand of euros		
Item	**Germany**	**France**	**Total**
Present value of the defined benefit obligation	54,248	6,992	61,240
Fair value of plan assets and reimbursement rights	4,279	2,504	6,783
Value of defined benefit obligation at December 31, 2012	**49,969**	**4,488**	**54,457**

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 December 31, 2011	**43,005**	**5,894**	**48,899**
Current service cost year 2012	2,090	366	2,456
Interest income or expense	1,812	252	2,064
Pension cost charged to profit and loss at 2012	3,902	618	4,520
Payments from the plan except any settlements	(1,974)	(149)	(2,123)
Actuarial gains and losses arising from changes in demographic assumptions	(13)	(484)	(497)
Actuarial gains and losses arising from changes in financial assumptions	9,637	1,113	10,750
Remeasurements of the net defined benefit liability	9,624	629	10,253
Contributions to the plan by the employer	(159)		(159)
Effect of disposals	(150)	-	(150)
Present value of the defined benefit obligation at December 31, 2012	**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**

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, 2011	**4,083**	**2,604**	**6,687**
Interest income or expense	245	101	346
Pension cost charged to profit and loss at 2012	245	101	346
Actuarial gains and losses arising from changes in demographic assumptions	(49)	-	(49)
Remeasurements of the net defined benefit liability	(49)	-	(49)
Return on plans assets, excluding amounts included in interest	-	(23)	(23)
Contributions to the plan by plan participants	-	(30)	(30)
Payments from the plan except any settlements	-	(148)	(148)
Fair value of plan assets and reimbursement rights at December 31, 2012	**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**

The breakdown of the expense recognized in the income statement regarding these plans is as follows:

	Thousand of euros			
	Germany		France	
Item	**2013**	**2012**	**2013**	**2012**
Current service cost	2,386	2,090	417	366
Past service cost	-	-	-	-
Net interest on the net defined benefit liability (asset)	1,427	1,567	134	151
Total expense recognised in profit or loss	**3,813**	**3,657**	**551**	**517**

The main categories of plan assets and their fair value are the following:

	Thousand of euros			
	Germany		France	
Item	**2013**	**2012**	**2013**	**2012**
Investments quoted in active markets				
Mixed investment funds in Europe	4,338	4,279	-	-
Not quoted investments				
Investment funds in insurances	-	-	2,453	2,504
	4,338	**4,279**	**2,453**	**2,504**

The main hypotheses used for determining the defined benefit obligation are the following:

Item	Germany 2013	Germany 2012	France 2013	France 2012
Discount rate	3.4%-3.5%	3%-3.8%	3%	3%
Expected rate of return on any plan assets	3%	6%	3%	3.8%
Future salary increases rate	2.5%	2.5%-3%	2.5%	2.5%
Future pension increases rate	1.5%-2.5%	1.5%	-	-
Inflation rate	2%	2%	2%	2%
Mortality table	RT 2005 G	RT 2005 G	INSEE 07-09	INSEE 06-08
Rates of employee turnover, disability and early retirement	RT 2005G 0.8%-0.5%	RT 2005G 0.8%-3.2%	-	-
Proportion of plan members with dependants who will be eligible for benefits	100%	100%	-	-
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service	-	-	45%	45%
Retirement age	-	-	60-65 years	60-65 years

The sensitivity analysis for the main hypotheses at December 31, 2013 is as follows:

		Thousand of euros			
		Germany		France	
Assumptions	**Sensitivity**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate					
Increase	0.5%				886
Decrease	0.5%			1,084	
Increase	1%		2,884		
Decrease	1%	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%			51	
Decrease	1%				51

The expected future payments related to pension benefit at December 31, 2013 are the following:

	Thousand of euros 2013		
	Germany	**France**	**Total**
Within the next 12 months	2,702	84	2,786
Between 2 and 5 years	9,940	1,900	11,840
Beyond 5 years	12,869	23,342	36,211
Total	**25,511**	**25,326**	**50,837**

20. Non-trade liabilities

The breakdown of non-trade liabilities at December 31, 2013 and December 31, 2012 classified by concepts is as follows:

		Non current 2013	Non current 2012		Current 2013	Current 2012
a) Interest-bearing loans and borrowings	a.1)	1,451,974	919,521	a.2)	265,633	458,623
b) Derivative financial instruments	b.4)	65,081	52,949		-	-
b) Other financial liabilities		188,425	146,673		242,270	242,582
Financial leasing	b.1)	22,038	23,500	b.1)	1,689	1,600
Borrowings from Associated companies	b.2)	63,711	33,791	b.2)	128,411	87,753
Other financial liabilities	b.3)	102,676	89,382	b.3)	112,170	153,229
		1,705,480	1,119,143		507,903	701,205

a) Interest-bearing loans and borrowings

a.1) Non-current

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

	Thousands of euros						
	2013						2012
	2015	2016	2017	2018	Beyond	Total	Total
In Euros	**62,244**	**91,715**	**227,475**	**269,034**	**500,041**	**1,150,509**	**809,237**
Gestamp Automoción,S.A.	45,386	79,854	217,374	253,102		595,716	662,399
Gestamp Bizkaia, S.A.							1,851
Autotech Engineering, A.I.E.							708
Gestamp Solblank Barcelona, S.A.							346
Gestamp Metalbages, S.A.							1,622
Gestamp Navarra, S.A.							107
Gestamp Aragón, S.A.							115
Griwe Subgroup	4,273	3,521	2,713	9,494		20,001	24,271
Beyçelik, A.S.	8,041	3,115	2,103	1,092	223	14,574	7,818
Gestamp Metal Forming Subgroup	4,167	4,167	4,167	4,167	7,292	23,960	110,000
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirket	377	1,058	1,118	1,179	1,244	4,976	
Gestamp Funding Luxembourg, S.A.					491,282	491,282	
In foreign currency	**15,152**	**8,703**	**4,524**	**11,822**	**261,264**	**301,465**	**110,284**
Brazilian reais							
Gestamp Brasil Industria de Autopeças, S.A.	12,257	6,920	2,834	2,732	8,292	33,035	27,501
Edscha Subgroup	2,184					2,184	3,532
Indian rupees							
Sungwoo Gestamp Hitech Pune Private Ltd.							366
Sungwoo Gestamp Hitech Chennai Ltd.							3,455
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.							6,523
Gestamp Sungwoo Stamping & Assemblies Pvt. Ltd.				7,499		7,499	10,005
Sterling Pounds							
Gestamp Metal Forming Subgroup							56,048
Czech Crowns							
Edscha Subgroup		1,271	1,271	1,271	1,598	5,411	
Korean wons							
Gestamp Kartek Co, Ltd	711	512	419	320	55	2,017	2,854
US Dollars							
Gestamp Funding Luxembourg, S.A.					251,319	251,319	
	77,396	100,418	231,999	280,856	761,305	1,451,974	919,521

The breakdown of maturity dates for the balances at December 31, 2012 is as follows:

Thousands of euros					
2012					
2014	2015	2016	2017	Beyond	Total
119,773	431,794	183,454	150,454	34,046	919,521

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).

The nominal interest rate on the loans at December 31, 2013 is 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%
• Loans denominated in Korean wones	3.6% - 4%

The average nominal interest rate on the loans at December 31, 2012, was as follows:

	Interest rate
• Loans denominated in euros	2.0% - 4.5%
• Loans denominated in Indian rupees	10.3% - 12.3%
• Loans denominated in Brazilian reais	4.5% - 9.4%
• Loans denominated in Korean wones	3.4% - 4.7%
• Loans denominated in Sterling pounds	3.8%

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, 2013 at exchange rate of December 31, 2013 is 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.
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.
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.

Loan March 2012

On March 21, 2012, the Company signed a loan for 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 are:

- “Net debt/EBITDA” below 3.00x
- “EBITDA/Financial expense” above 5.00x
- “Net debt/Equity” below to 1.15x

At December 31, 2013 and December 31, 2012 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.
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.
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.

Syndicated Loan 2013

On April 19, 2013 the Company signed a syndicated loan with a group of banks for 850 million euros which is composed of two tranches:

- First tranch formalized as loan for 570 million euros.
- Second tranch formalized as Revolving credit facilities for 280 million euros. This tranch can be drawn down when required by the Group for a 5-year period.

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 are:

- "Net debt/EBITDA" below 3.00x
- "EBITDA/Financial expense" above 5.00x

At 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.
Edscha Burgos, S.A.
Gestamp Toledo, S.A.
Gestamp Noury, SAS
Gestamp Palencia, S.A.
Gestamp Polska, Sp.Z.o.o.
Gestamp Cerveira, Ltda
Gestamp Ronchamp, S.A.S.
Gestamp Servicios, S.A.
Gestamp Washington UK Limited
Gestamp Vendas Novas Unipessoal, Lda.
Gestamp Vigo, S.A.
Gestamp Unformtechnik, GmbH
Griwe Subgroup
Ingeniería Global MB, S.A.
Loire S.A. Franco Española
Gestamp Abrera, S.A.
Gestamp Aragón, S.A.
Gestamp Funding Luxembourg, 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
Gestamp Levante, S.A.

Complying with 27.26 clause of syndicated loan signed on April 19, 2013, in May 2013 syndicated loans from years 2008, 2010 and 2011 mentioned in 2012 Notes to the Consolidated Financial Statements have been early cancelled in 2013.

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) 2013	Credit facilities: Drawn down (a) 2012	Credit facilities: Limit 2013	Credit facilities: Limit 2012	Loans (b) 2013	Loans (b) 2012	Accrued interest (c) 2013	Accrued interest (c) 2012	Discounted bills (d) 2013	Discounted bills (d) 2012	(a)+(b)+(c)+(d) TOTALS 2013	TOTALS 2012
	Thousands of euros											
In Euros	**94,258**	**182,992**	**290,800**	**318,814**	**51,322**	**81,331**	**9,104**	**16,607**	**32,199**	**39,957**	**186,883**	**320,887**
Gestamp Automoción,S.A.	88,349	174,038	283,600	306,000	22,512	59,169	5,568	16,390			116,429	249,597
Gestamp Bizkaia, S.A.										9,348		9,348
Gestamp Toledo, S.L.									24	26	24	26
Autotech Engineering AIE						350						350
Gestamp Solblank Barcelona, S.A.						111						111
Gestamp Argentina, S.A.												
Gestamp Palencia, S.A.									29	29	29	29
Gestamp Linares, S.A.										1		1
Gestamp Servicios, S.A.							45		13,008	25,848	13,053	25,848
Gestamp Metalbages, S.A.	5,909	6,340	7,200	10,200		453			3,404	432	9,313	7,225
Gestamp Abrera, S.A.							4	4			4	4
Griwe Subgroup					4,282	5,381					4,282	5,381
Gestamp Esmar, S.A.										4,273		4,273
Beyçelik, A.S.		2,614		2,614		5,584		211				8,409
Gestamp Tooling Overseas Ltd.												
Gestamp Severstal Vsevolozhsk Llc						3						3
Gestamp Aragón, S.A.						77	3	2			3	79
Edscha Subgroup						10,000			15,734		15,734	10,000
Loire Sociedad Anónima Franco Española						203						203
MB Levante, S.L.							2				2	
Gestamp Navarra, S.A.							6				6	
Gestamp Vigo, S.A.							3				3	
Gestamp Hungaria KFT					4,682						4,682	
Gestamp Severstal Vsevolozhsk Llc					4						4	
Diede Die Developments, S.L.												
Gestamp Auto Components (Kunshan) Co., Ltd					18,800		113				18,913	
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirket							122				122	
Gestamp Metal Forming subgroup					1,042						1,042	
Gestamp Funding Luxembourg, S.A.							3,238				3,238	
In foreign currency		**3,242**		**10,611**	**76,122**	**133,465**	**2,628**	**1,029**			**78,750**	**137,736**
US dollars												
Gestamp Baires, S.A.		3,242		3,261	3,112		31	7			3,143	3,249
Gestamp Córdoba, S.A.					3,389	3,530	30	36			3,419	3,566
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.												
Gestamp Alabama, Llc						34,106						34,106
Gestamp Funding Luxembourg, S.A.							1,532				1,532	
Sterling Pound												
Gestamp Metal Forming Subgroup						4,624						4,624
Turkish lira												
Beyçelik, A.S.					1,690		83				1,773	
Brazilian reais												
Gestamp Brasil Industria de Autopeças, S.A.					47,564	42,084	402	516			47,966	42,600
Edscha Subgroup					7,948	7,288	473	397			8,421	7,685
Indian rupees												
Gestamp Automotive India Private Ltd.												
Sungwoo Gestamp Hitech Pune Private Ltd.						4,447		11				4,458
Sungwoo Gestamp Hitech Chennai Ltd.						465						465
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.						442		1				443
Gestamp Services India Private, Ltd.					319	690					319	690
Gestamp Autocomponents (Shenyang), Co. Ltd.					2,037						2,037	
Gestamp Sungwoo Stamping & Assemblies Private Ltd.							72	35			72	35
Remimbi Yuan												
Gestamp Auto Components (Kunshan) Co., Ltd					761	18,125					761	18,125
Edscha Subgroup												
Gestamp Metal Forming Subgroup					6,009	12,959		21			6,009	12,980
Czech Crowns												
Edscha Subgroup					2,500						2,500	
Korean wons												
GS Hot-Stamping Co. Ltd.						4,200						4,200
Kartek Corporation				7,350	793	505	5	5			798	510
	94,258	**186,234**	**290,800**	**329,425**	**127,444**	**214,796**	**11,732**	**17,636**	**32,199**	**39,957**	**265,633**	**458,623**

In all, the Group has approximately 253 million euros in with-recourse factoring and available discounting facilities at December 31, 2013 (December 31, 2012: 183 thousand euros).

Interest on the credit facilities is basically indexed to a floating rate of Euribor plus a spread between 2.50% and 3.75% in 2013 and 2012.

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 Thousands of euros				
	Present value of lease obligations				
	Less than one year	Between one and five years	More than five years	Future finance expenses	Finance lease installments
Gestamp West Virginia, LlC	-	2,565	15,623	6,713	24,901
Beyçelik, A.S.	1,532	3,585		437	5,554
Gestamp Metal Forming Subgroup	78	195		26	299
GMF Otomotive Parçalari Sanayi ve Ticaret L.S	11	22		2	35
Loire Sociedad Anónima Franco Española	56	28		3	87
Edscha Subgroup	12	20		4	36
Total	1,689	6,415	15,623	7,185	30,912

	2012 Thousands of euros				
	Present value of lease obligations				
	Less than one year	Between one and five years	More than five years	Future finance expenses	Finance lease installments
Gestamp West Virginia, LLC		1,767	17,181	7,610	26,558
Loire Safe	54	87		8	149
GMF Otomotive Parçalari Sanayi ve L.S	27	34		2	63
Beyçelik, A.S.	1,514	4,427		258	6,199
Edscha Subgroup	5	4		1	10
Total	1,600	6,319	17,181	7,879	32,979

b.2) Borrowings from Group companies

The breakdown of this heading in the Consolidated Balance Sheet is as follows:

	2013				
	Thousands of euros				
Lender	Item	Current	Non-current	Due date	Interest rate
Corporación Gestamp, S.L.	Current account	124,571	-	2014	Euribor+0.4 %
Corporación Gestamp, S.L.	Fixed assets suppliers	808	28,054	2032	6.60%
Corporación Gestamp, S.L.	Interest	1,419	-	-	-
Gonvarri Corporación Financiera, S.L.	Loan and interests	487	17,850	2015	Euribor+5%
Severstal Trade, GmbH	Loan and interests	682	6,970	2018	12.52%
Severstal Trade, GmbH	Loan and interests	439	4,572	2019	12.52%
Melsonda Holding Ltd	Loan and interests	5	6,265	2022	6.55%
		128,411	63,711		

The current balance of 128,411 thousand euros includes the 3,032 thousand euros of interest accrued on these loans at December 31, 2013; as well as the current accounts with associated companies amounting to 124,571 thousand euros, and associated fixed assets suppliers amounting to 808 thousand euros.

The balance of fixet assets suppliers with Corporación Gestamp, S.L. correspond to the purchase of GESTAMP brand.

	2012				
	Thousands of euros				
Lender	Item	Current	Non-current	Due date	Interest rate
Corporación Gestamp, S.L.	Current account	45,519	-	2013	Euribor+0.4 %
Corporación Gestamp, S.L.	Interest	1,095	-	-	-
Holding Gonvarri, S.L.	Current account	(2,000)	-	-	-
Gonvarri Corporación Financiera, S.L.	Loan and interests	980	18,093	2015	Euribor+5%
Severstal Trade, GmbH	Loan and interests	672	6,993	2018	12.52%
Severstal Trade, GmbH	Loan and interests	440	4,587	2019	12.52%
Melsonda	Loan and interests	3	4,118	2022	6.55%
Gonvarri Corporación Financiera, S.L.	Loan and interests	41,044	-	-	5.00%
		87,753	33,791		

The current balance of 87,753 thousand euros includes the 4,233 thousand euros of interest accrued on these loans at December 31, 2012 as well as the portion of borrowings classified as current, amounting to 83,520 thousand euros.

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, 2013 and December 31, 2012 is as follows:

	Thousands of euros						
Company	2015	2016	2017	2018	Beyond	Total 2013	Total 2012
Guarantees received	-	-	-	-	8	8	21
Gestamp Abrera, S.A.	-	-	-	-	-	-	14
Gestamp Kartek Co, Ltd	-	-	-	-	7	7	7
Gestamp Metalbages, S.A.	-	-	-	-	1	1	-
Loans from Ministry of Science and Technology	3,623	6,281	9,174	8,664	30,515	58,257	34,859
Gestamp Vigo, S.A	304	356	525	525	2,040	3,750	3,647
Gestamp Toledo, S.L	428	410	394	378	3,434	5,044	3,364
Gestamp Palencia, S.A	207	269	366	366	1,789	2,997	1,951
Gestamp Linares, S.A	253	181	181	145	70	830	1,173
Galvanizaciones Castellana, S.A	34	34	34	34	85	221	243
Gestamp Metalbages, S.A.	45	43	71	69	2,299	2,527	645
Gestamp Navarra, S.A	331	2,122	3,902	3,532	3,469	13,356	2,234
Gestamp Manufactoring Autochasis S.L	-	47	274	272	1,392	1,985	361
Autotech Engineering, A.I.E	233	260	244	164	556	1,457	805
Gestamp Aragón, S.A.	278	300	289	278	1,372	2,517	2,425
Gestamp Abrera, S.A.	189	390	481	460	2,458	3,978	3,840
Gestamp Levante, S.L.	303	292	281	271	1,285	2,432	2,344
Gestamp Solblank Navarra, S.L.	20	38	34	31	41	164	155
Adral matricería y pta. a punto, S.L	-	-	-	-	-	-	218
Loire Sociedad Anónima Franco Española	9	-	-	-	324	333	320
Gestamp Solblank Barcelona, S.A	89	89	412	412	1,925	2,927	349
Diede Die Developments S.L	-	-	47	46	652	745	-
Gestamp Bizkaia, S.L	900	1,450	1,639	1,681	7,324	12,994	10,785
Other creditors	14,582	12,275	11,388	1,756	4,410	44,411	54,502
Gestamp Servicios, S.A	9,604	10,105	10,633	-	-	30,342	39,468
Gestamp Automoción, S.A	-	-	-	-	1,000	1,000	1,000
SCI de Tournan en Brie	-	-	-	-	93	93	93
Gestamp Argentina, S.A	-	-	-	-	83	83	83
Sungwo Gestamp Hitech Chennai Ltd.					-	-	911
Gestamp Sweden, AB	-	-	-	-	4	4	4
Gestamp Aveiro, S.A	592	146	291	-	-	1,029	756
Gestamp Cerveira, Lda	-	14	296	1,606	1,292	3,208	2,039
Diede Die Developments S.L	318	83	150	150	195	896	1,767
GS Hot stamping Co. Ltd.	-	-	-	-	-	-	190
Ocon Automated Systems S.L.	-	-	-	-	96	96	58
Edscha Subgroup	3,973	13	2	-	1,647	5,635	6,238
Gestamp Baires, S.A	95	95	16	-	-	206	-
Gestamp West Virginia, LlC	-	1,819	-	-	-	1,819	1,895
Total	18,205	18,556	20,562	10,420	34,933	102,676	89,382

The breakdown of maturity dates for the balances at December 31, 2012 is as follows:

Thousands of euros					
2012					
2014	2015	2016	2017	Beyond	Total
11,710	15,530	13,897	15,493	32,752	89,382

Other current financial liabilities

The amounts included under this heading by nature are as follows:

	Thousands of euros	
	2013	2012
Fixed assets suppliers	95,208	132,437
Short term debts	16,356	20,542
Short term interests payable	547	68
Deposits and guarantees	59	-
Other	-	182
	112,170	153,229

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	2013	2012
Financial assets - derivatives	**31,878**	**14,174**
Derivatives held for trading	-	6,576
Cash flow hedges	-	-
Others	31,878	7,598
Financial liabilities - derivatives	**65,081**	**52,949**
Derivatives held for trading	15,634	12,520
Cash flow hedges	17,569	32,831
Others	31,878	7,598

The breakdown of the fair value of the contracts is as follows:

		Thousands of euros			
		2013		2012	
Contract	Item	Asset	Liability	Asset	Liability
1	Cash flow	-	4,297	-	7,979
2	Cash flow	-	-	-	57
3	Cash flow	-	-	-	573
4	Cash flow	-	-	-	11
5	Cash flow	-	5,270	-	10,940
6	Cash flow	-	6,278	-	12,709
11	Cash flow	-	-	-	562
13	Cash flow	-	1,724	-	-
	Total cash flow hedges		**17,569**	-	**32,831**
7	Derivatives held for trading	-	-	5,691	-
8	Derivatives held for trading	-	3,224	-	5,254
9	Derivatives held for trading	-	12,279	-	6,264
10	Derivatives held for trading	-	-	885	-
11	Derivatives held for trading	-	131	-	-
12	Derivatives held for trading	-	-	-	1,002
	Total derivatives held for trading	-	**15,634**	**6,576**	**12,520**

The hedges in place at December 31, 2013 were as follows:

Contract 1

- With an effective date of March 22, 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
2014	140,000
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 September 2008, with an effective date of January 30, 2009, the Company was party to a swap agreement with a decreasing notional amount.

The maturity date for this contract was January 2, 2013.

Contract 3

- In September 2008, with an effective date of January 30, 2009, the Company was party to a swap agreement with a decreasing notional amount.

The maturity date for this contract was July 30, 2013.

Contract 4

- In September 2008, with an effective date of January 4, 2010, the Company was party to a swap agreement with an increasing notional amount.

The maturity date for contract was January 2, 2013.

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
2014	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, as set out below:

Year	Notional amount
2014	220,000

The nature of this agreement is the following:

The Company purchased a right to pay 3.11% during 2014 and receive 3-month Euribor on the notional amount indicated above.

The maturity date for this contract is January 1, 2015.

Contract 7

- In October 2010, with an effective date of April 1, 2010, the Company was party to several swap agreements with an increasing notional amount.

The maturity date for this contract was January 1, 2015 but it was closed early.

Contract 8

- 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
2014	100,000
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 9

- In June 2012 with an effective date of July 1, 2012 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
2014	200,000
2015	200,000
2016	200,000
2017	200,000

The nature of this agreement is the following:

The Company purchased a right to pay 3.09% less a differential referenced to the European inflation rate and receive 1-month Euribor on the notional amount indicated above.

The maturity date for contract is June 30, 2017.

Contract 10

- In March 2012, with an effective date of April 1, 2012, the Company was party to a swap agreement with an increasing notional amount.

  The maturity date for this contract was January 1, 2015 but it was closed early.

Contract 11

- 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
2014	42,000
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 12

- In February 2009, with an effective date of January 30, 2009, the Company was party to a swap agreement with a decreasing notional amount.

  The maturity date for this contract was July 30, 2013.

Contract 13

- In January 2013, with an effective date of January 1, 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 1.12% in 2015 and 1.035% in 2016 less a differential referenced to European inflation both years and receive 3-month Euribor on the notional amount indicated above.

The maturity date for this contract is January 31, 2017.

“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, 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, 2013, the Company arranged a strategy to hedge interest rate risk on notionals of the Group’s estimated bank debt for the period from 2014 to 2017 via several interest rate swaps with the following current notional amounts:

Year	Current notional amount
2014	852,500
2015	573,505
2016	417,835
2017	140,000

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:

	2013
	Thousands of euros
2014	(19,484)
2015	(8,046)
2016	(3,991)
2017	(2,397)
2018	715
	(33,203)

	2012
	Thousands of euros
2013	(18,105)
2014	(15,646)
2015	(2,998)
2016	(1,460)
2017	(566)
	(38,775)

In 2013, the Group has transferred from Equity to the Consolidated Income Statement the amount of approximately 22,015 thousand euros (expense) as a result of liquidations carried out in 2013 corresponding to cash flow (interest rate) hedges. In 2012, expense recognized on the same basis amounted to 19,888 thousand euros.

In 2013, the Group has recognized an income amounting to 11,940 thousand euros in the

Consolidated Income Statement relating to derivatives held for sale, while during 2012 was recognized an income amounting to 472 thousand euros.

21. 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, 2011	**88,924**	**1,803**	**17,665**	**52,685**	**6,191**	**10,716**	**5,413**	**183,397**
Inclusion in scope								
Increases	7,140	480	184	7,554	16	5,308	4,464	25,146
Decreases	(10,662)			(18,125)	(1,079)	(6,720)	(6,605)	(43,191)
Translation differences		(885)		468	9	482	(1,644)	(1,570)
Other	5,793	490		3,890	1,737	(546)	(847)	10,517
At December 31, 2012	**91,195**	**1,888**	**17,849**	**46,472**	**6,874**	**9,240**	**781**	**174,299**
Inclusion in scope								
Increases	43,857	475		5,529	817	6,999	9,625	67,302
Decreases	(9,022)		(1)	(5,758)	(213)	(7,271)	(9,703)	(31,968)
Translation differences	(437)	(964)	(5)	(1,240)	(43)	(193)	(3,023)	(5,905)
Other	(10,548)	944	(177)	-1,972	(845)	(282)	4,092	(8,788)
At December 31, 2013	**115,045**	**2,343**	**17,666**	**43,031**	**6,590**	**8,493**	**1,772**	**194,940**

	Thousands of euros							
Deferred tax liabilities	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, 2011	**5,625**	**5,267**	**8,766**	**38,119**	**83,596**	**13,278**	**15,844**	**170,495**
Inclusion in scope								
Increases		860	11,143			942	3,774	16,719
Decreases	(1,123)		(369)	(3,795)	(1,383)	(49)	(2,879)	(9,598)
Translation differences			187			42	(1,722)	(1,493)
Other movements	(83)	1,215	(73)	(63)	(1,725)	(519)	1,317	69
At December 31, 2012	**4,419**	**7,342**	**19,654**	**34,261**	**80,488**	**13,694**	**16,334**	**176,192**
Inclusion in scope								
Increases	327	1,048	13,535			4,666	4,946	24,522
Decreases		(311)	(1,789)	(1,417)	(3,645)	(1,683)	(3,188)	(12,033)
Translation differences			(545)			(144)	(2,245)	(2,934)
Other movements		2,806	(899)	1,287	94	280	(12,691)	(9,123)
At December 31, 2013	**4,746**	**10,885**	**29,956**	**34,131**	**76,937**	**16,813**	**3,156**	**176,624**

22. Trade and other payables

a) Trade payables

	Thousands of euros	
	2013	**2012**
Trade accounts payable	579,872	510,961
Trade bills payable	56,303	62,519
Suppliers from Group companies (Note 29.1)	171,245	129,537
Suppliers from Associated companies (Note 29.1)	1,979	432
Trade creditors, Group companies (Note 29.1)	6,628	8,792
Trade creditors, Associated companies (Note 29.1)	85	2,470
	816,112	714,711

b) Other payables

	Thousands of euros	
	2013	2012
VAT payable	44,627	18,178
Tax withholdings payable	21,126	18,416
Other items payable to the tax authorities	17,231	15,925
Payable to social security	22,077	22,213
Other payables	27,566	37,895
Outstanding remuneration	78,552	71,554
Advances received from clients	20,813	-
	231,992	184,181

23. Operating revenue

a) Revenue

The breakdown of revenue by category in 2013 and 2012 is as follows:

	Thousands of euros	
	2013	2012
Parts, prototypes, and components	5,126,846	5,173,568
Tools	406,674	312,218
Byproducts and containers	243,231	257,086
Services rendered	11,912	14,442
	5,788,663	5,757,314

The geographical breakdown of revenue was as follows:

	Thousands of euros		%	
	2013	2012	2013	2012
European Union	3,436,322	3,507,018	60%	61%
Home market	1,031,551	1,054,547	18%	18%
Other European Union countries	2,404,771	2,452,471	42%	43%
France	384,831	408,642		
Portugal	129,750	116,053		
Poland	124,409	141,669		
Hungary	48,733	48,006		
Slovakia	12,380	8,409		
Czech Republic	111,908	88,485		
United Kingdom	534,191	558,002		
Sweden	72,394	85,422		
Germany	986,175	997,783		
Other markets	2,352,341	2,250,296	40%	39%
America	1,474,744	1,515,010	25%	26%
Brazil	430,459	494,009		
Argentina	222,657	240,205		
Mexico	262,141	284,511		
USA	559,487	496,285		
Asia	576,899	472,480	10%	8%
India	112,671	122,377		
South Korea	60,509	64,811		
China	394,827	283,268		
Taiwan	170	220		
Japan	7,006	1,804		
Thailand	1,716	-		
Other	300,698	262,806	5%	5%
Russia	211,140	173,236		
Turkey	89,558	89,570		
TOTAL	5,788,663	5,757,314	100%	100%

b) Other operating income

	Thousands of euros	
	2013	**2012**
Other operating income	27,169	13,283
Grants related to income	7,281	5,623
Grants related to assets released to income for the year (Note 17)	5,155	4,934
Surplus provision for taxes	353	-
Surplus provision for environmental matters and other commitments (a)	6,235	6,330
Surplus provision for restructuring	177	-
Own work capitalized	70,957	61,651
Other	15,849	-
Decrease of provisions (Note 18)	10,647	-
Other	5,202	-
	133,176	91,821

(a) Surplus of non-current provisions amounts to 2,550 thousand euros (Note 18).

24. Operating expenses

a) Raw materials and other consumables

	Thousands of euros 2013	Thousands of euros 2012
Purchases of goods and tools for resale	442,208	387,104
Discounts for prompt payment	(2,207)	(97)
Purchase returns and similar transactions	(6,385)	(6,011)
Volume discounts	(4,448)	(8,769)
Change in inventories (*)	10,877	(21,171)
Purchases of raw materials	2,416,501	2,602,812
Consumption of other supplies	412,781	406,482
Work performed by third parties	284,657	268,305
Impairment of goods for resale and raw materials (*)	5,785	7,088
Reversal of impairment of goods for resale and raw materials (*)	(6,716)	(486)
	3,553,053	3,635,257

*Consumption of raw materials: 9,946 thousand euros (Note 11).

b) Personnel expenses

The breakdown of "Personnel expenses" in the Consolidated Income Statement is as follows:

	Thousands of euros 2013	Thousands of euros 2012
Salaries	821,996	763,317
Social security	188,816	183,144
Other benefits expenses	49,190	43,111
	1,060,002	989,572

The breakdown of average headcount by professional level in 2013 and 2012 is as follows:

Professional level	2013	2012
Directors/ Managers	744	693
Clerical, financial and IT department	1,512	1,671
Quality control deparment	1,748	1,490
Logistics department	2,382	1,921
Supply department	890	424
Technical department	2,421	1,732
Production foreman	2,792	2,810
Production workers	16,196	19,045
Other	2,716	529
	31,401	**30,315**

The breakdown of headcount by professional level at year end at December 31, 2013 and December 31, 2012 is as follows:

	2013		2012	
Professional level	Males	Females	Males	Females
Directors/ Managers	662	85	596	97
Clerical, financial and IT department	888	616	1,060	612
Quality control deparment	1,522	283	1,225	265
Logistics department	2,076	342	1,661	259
Supply department	771	119	334	90
Technical department	2,568	163	1,608	124
Production foreman	2,572	191	2,744	66
Production workers	14,559	1,266	17,589	1,456
Other	2,553	357	454	73
	28,171	**3,422**	**27,271**	**3,042**

c) Other operating expenses

	Thousands of euros	
	2013	2012
Maintenance and upkeep	412,109	385,827
Other external services	280,791	224,428
Taxes and levies	28,451	25,955
Impairment of accounts receivable	1,897	1,135
Other	8,865	(10,101)
Losses and impairment of assets	-	373
Provision for risks and expenses	8,865	1,095
Increase/ Application of provisions (Note 18)	-	(8,100)
Other	-	(3,469)
	732,113	627,244

The balance of provision for risks and expenses in 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	
	2013	2012
From non-current loans to Group companies	-	45
From current loans to Group companies	3,047	1,659
From current loans to third parties	282	1,549
Other financial income	15,924	4,064
	19,253	7,317

b) Financial expenses

	Thousands of euros	
	2013	2012
On borrowings from Group companies	5,217	4,147
On borrowings from associates	1,954	1,500
On bank borrowings	105,625	68,188
On trade bills with credit institutions	2,307	6,029
Other financial expenses	22,230	7,625
	137,333	87,489

26. Assets and liabilities held for sale

On December 26, 2013 the Group signed memorandum of understanding to sale the subsidiaries Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd, Sungwoo Gestamp Hitech Chennai, Ltd and GS Hot-Stamping Co. Ltd. Because of this, assets and liabilities of these companies have been reclassified as held for sale.

The sale is expected to occur in 2014.

At December 31, 2013 the items of individual balance sheets of these three companies have been classified as assets and liabilities held for sale and they are the following:

	Thousands of euros			
	2013			
	Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd	Sungwoo Gestamp Hitech Chennai, Ltd	GS Hot Stamping, Co. Ltd	**Total**
Assets				
Intangible assets (Note 8)	1,404	6,855	-	8,259
Property, plant and equipment (Note 9)	12,114	15,132	7,768	35,014
Non-current financial assets (Note 10.a.3)	-	-	220	220
Deferred tax assets	1	142	404	547
Inventories, trade and other receivables	6,271	16,395	708	23,374
Current financial assets (Note 10.b.3)	245	155	-	400
Other assets	7	114	16	137
Cash and cash equivalents	189	892	227	1,308
Assets held for sale	**20,231**	**39,685**	**9,343**	**69,259**
Liabilities				
Deferred income (Note 17)	-	8	-	8
Provisions	-	-	93	93
Non-current non-trade liabilities (Note 20)	1,444	1,498	293	3,235
Deferred tax liabilities	140	-	-	140
Current non-trade liabilities (Note 20)	5,114	7,657	4,259	17,030
Trade and other account payables	8,018	15,345	256	23,619
Liabilities associated with assets held for sale	**14,716**	**24,508**	**4,901**	**44,125**
Net assets associated with disposal group	**5,515**	**15,177**	**4,442**	**25,134**
Included in Other Comprehensive Income:	-	-	-	
Translation differences	(777)	(2,546)	(268)	(3,591)
Total comprehensive income of the disposal group	**(777)**	**(2,546)**	**(268)**	**(3,591)**

27. Income tax

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

- 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 2013 and 2012, in thousands of euros, is as follows:

	Thousands of euros	
	2013	**2012**
Current tax expense	48,264	58,643
Deferred tax	(15,726)	17,860
Other income tax adjustments	125	(69)
	32,663	**76,434**

Tax expense was calculated based on accounting profit before taxes, as shown below (figures expressed in thousands of euros):

	Thousands of euros	
	2013	**2012**
Accounting profit (before taxes)	**140,144**	**262,568**
Theoretical tax expense	42,043	78,770
Differences in prevailing rates	4,499	4,054
Permanent differences	(46,139)	(10,430)
Deductions and tax credits applied in 2013 and previously not recognized	(19,265)	(7,025)
Tax credits generated in 2013 and not recognized	39,250	
Current income tax of prior years adjustments	12,275	11,065
Tax expense (tax income)	**32,663**	**76,434**

The theoretical tax rate applied is 30% in 2013 and 2012.

"Differences in prevailing rates" in 2013 and 2012 reflects the differences between prevailing rates in certain operating markets and the theoretical applicable rate, mainly relating to operations taxed in the US and Brazil (34%), and Argentina (35%).

The permanent differences in 2013 and 2012 reflect mainly inflation adjustments, fiscal transparency, nondeductible differences in exchange rates, nondeductible expenses, and those differences generated in the consolidation process.

At December 31, 2013 the conversion to euros of tax loss carried forwards in other currencies, calculated at the exchange rates prevailing on that date, amounted to 908 million euros (2012: 548 million euros).

At December 31, 2013 the conversion to euros of unused tax credits carried forward in other currencies calculated at the exchange rates prevailing on that date, amounted to 98 million euros (2012: 106 million euros).

At year end 2013 and 2012, 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, 2013, the Group had capitalized tax credits for a total of 115 million euros of unused tax losses and unused tax credits (2012: 91 million euros) (Note 21).

The unused tax losses and unused tax credits at December 31, 2013 whose corresponding tax credit has not been registered amount to 757 million euros (2012: 127 million euros). From that amount, 390 million euros have limitation period for their utilization between 2014 and 2032 (2012: 72 million euros with limitation period between 2013 and 2027) 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 2013 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 2013 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 Company is joint guarantor, together with other companies from Gestamp Automoción Group, of a loan for 125 million euros granted to its majority shareholder, Corporación Gestamp, S.L. on June 27, 2011, of which the latter had drawn down 90 million euros at December 31, 2013 and 108 million euros at December 31, 2012. At both dates 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 Corporación Gestamp, S.L., of which the latter had drawn down 36 million euros at December 31, 2013 and 43 million euros at December 31, 2012. At both dates 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, 2013 Consolidated Income Statement amount to 54,253 thousand euros (December 31, 2012: 47,532 thousand euros) and the breakdown by country is as follows:

	Thousands of euros	
	2013	2012
Spain	13,966	12,507
Germany	9,466	8,970
USA	6,276	4,232
Mexico	2,420	1,377
United Kingdom	4,193	4,279
France	3,103	3,461
China	2,990	2,373
Brazil	2,917	3,132
Portugal	1,842	1,885
Sweden	1,591	1,375
Russia	1,149	425
Turkey	1,030	1,035
Poland	813	857
Argentina	590	311
Czech Republic	522	449
Hungary	462	45
India	391	212
South Korea	243	275
Japan	187	228
Slovakia	50	61
Luxembourg	23	25
Taiwan	17	18
Thailand	12	-
	54,253	**47,532**

Total future minimum payments for operating leases at December 31, 2013 and December 31, 2012 are as follows:

	Thousands of euros		
	Future minimun payments		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Spain	14,684	60,550	31,031
USA	6,079	21,138	27,998
United Kingdom	5,529	16,245	31,785
Mexico	10,610	62,507	23,694
Germany	6,615	11,940	245
Turkey	313	1,318	1,281
Portugal	1,473	3,645	-
France	2,517	996	-
Russia	669	1,211	-
China	2,850	277	-
Brazil	2,473	-	-
Poland	492	506	-
Sweden	912	279	-
Czech Republic	177	396	-
Japan	160	340	-
Argentina	7	12	-
South Korea	49	144	-
Taiwan	17	3	-
India	43	17	-
Slovakia	4	-	-
Total 2013	**55,673**	**181,524**	**116,034**

	Thousands of euros		
	Future minimun payments		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Total 2012	**39,645**	**88,882**	**70,354**

The reason of the significant increase in future minimum payments for operating leases is mainly the contracts signed in 2013 by the Mexican companies Gestamp Aguascalientes, S.A. de C.V., Gestamp Puebla, S.A. de C.V. and Gestamp Puebla II, S.A. de C.V. as well as by Gestamp Tallent, Ltd.

29. Related party transactions

29.1 Balances and transactions with Related Parties

At December 31, 2013 and December 31, 2012, the amounts payable to and receivable from Related Parties and transactions carried out with Related Parties were as follows:

	Thousands of euros	
	2013	**2012**
Balances receivable	61,832	75,649
Balances payable	(372,059)	(264,773)
Revenue		
Sales of goods	141,606	123,566
Services rendered	4,721	4,435
Financial income	3,048	1,702
Expenses		
Purchases	950,885	1,067,628
Services received	8,944	9,365
Financial expenses	7,170	5,646

The breakdown of receivables from and payables to Related Parties at December 31, 2013 is as follows:

Company	Item	Thousands of euros Amounts receivable	 Amounts payable
Corporación Gestamp, S.L.	Current account	-	(124,571)
Gonvarri Corporación Financiera, S.L.	Non-current loans	-	(17,850)
Severstal Trade GesmbH	Non-current loans	-	(11,542)
Melsonda Holdings Ltd.	Non-current loans	-	(6,265)
Gonvarri Corporación Financiera, S.L.	Current interest payable	-	(487)
Corporación Gestamp, S.L.	Current interest payable	-	(1,419)
Severstal Trade GmbH	Current interest payable	-	(1,121)
Melsonda Holdings Ltd.	Current interest payable	-	(5)
Esymo Metal, S.L.	Non-current loans	2,418	-
Essa Palau, S.A.	Non-current loans	4,000	-
Gestamp Automotive India Private Ltd.	Non-current loans	17,839	-
Beyçelik, A.S.	Non-current loans	4,425	-
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	Non-current loans	4,038	-
GS Hot Stamping, Ltd.	Non-current loans	1,777	-
Shrenik Industries Private Ltd.	Non-current loans	1,295	-
Gonvarri Argentina S.A.	Current loans	4,441	-
Beyçelik, A.S.	Current interest receivable	269	-
Essa Palau, S.A.	Current interest receivable	162	-
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	Current interest receivable	806	-
Corporación Gestamp, 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	6,752	-
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	-
Beyçelik, A.S.	Trade receivables from Group companies	436	-
Gestamp Automotive India Private Ltd.	Trade receivables from Group companies	1,534	-
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	Trade receivables from Group companies	75	-
Jui Li Edscha Body Systems	Trade receivables from Group companies	2	-
Edscha Pha, Ltd.	Trade receivables from Group companies	30	-
Sungwoo Gestamp Hitech Pune Private, Ltd.	Trade receivables from Group companies	28	-
Sungwoo Gestamp Hitech Chennai, Ltd.	Trade receivables from Group companies	501	-
Gestamp Sungwoo Hitech Chennai Private Ltd.	Trade receivables from Group companies	480	-
Gestamp Sungwoo Stampings & Assemblies Private Ltd.	Trade receivables from Group companies	99	-
Esymo Metal, S.L.	Trade receivables from Group companies	33	-
GS Hot Stamping, Ltd.	Trade receivables from Group companies	228	-
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	Trade receivables from Group companies	116	-
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)		20,362	
Gescrap Navarra, S.L.	Suppliers from Group companies		(3)
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)
Corporación Gestamp, 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		(11,936)
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)
Beyçelik, A.S.	Suppliers from Group companies		(4,955)
Gestamp Sungwoo Stampings & Assemblies Private Ltd.	Suppliers from Group companies		(1)
GS Hot Stamping, Ltd.	Suppliers from Group companies		(3)
Sungwoo Hitech Company Ltd. Korea	Suppliers from Group companies		(3,309)
I Zone	Suppliers from Group companies		(355)
Essa Palau, S.A.	Suppliers from Group companies		(4,935)
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	Suppliers from Group companies		(16)
Ingeniería y Construcción Matrices, S.A.	Suppliers from Group companies		(560)
Arcelor Group	Suppliers from Group companies		(6,696)
Total Suppliers from Group companies (Note 22.a)			(171,245)
Steel & Alloy	Suppliers from Associated companies		(427)
Corporación Gestamp, S.L.	Suppliers from Associated companies		(20)
Arcelor Group	Suppliers from Associated companies		(1,532)
Total Suppliers from Associated companies (Note 22.a)			(1,979)
Severstal Gonvarri Kaluga, LLC	Trade creditors, Group companies		(6,628)
Total Trade creditors, Group companies (Note 22.a)			(6,628)
Sungwoo Hitech Company Ltd. Korea	Trade creditors, Associated companies		(85)
Total Trade creditors, Associated companies (Note 22.a)			(85)
Corporación Gestamp, S.L.	Long term fixed assets suppliers		(28,054)
Corporación Gestamp, S.L.	Short term fixed assets suppliers		(808)
		61,832	(372,059)

The breakdown of receivables from and payables to Related Parties at December 31, 2012 were as follows:

Company	Item	Thousands of euros Amounts receivable	Amounts payable
Holding Gonvarri, S.L.	Current account	2,000	-
Corporación Gestamp, S.L.	Current account	-	(45,519)
Gonvarri Corporación Financiera, S.L.	Non-current loans	-	(18,093)
Severstal Trade GesmbH	Non-current loans	-	(11,580)
Melsonda Holdings Ltd.	Non-current loans	-	(4,118)
Gonvarri Corporación Financiera, S.L.	Current loans	-	(40,000)
Gonvarri Corporación Financiera, S.L.	Current interest payable	-	(2,023)
Corporación Gestamp, S.L.	Current interest payable	-	(1,095)
Severstal Trade GmbH	Current interest payable	-	(1,111)
Melsonda Holdings Ltd.	Current interest payable	-	(3)
Esymo Metal, S.L.	Non-current loans	2,880	-
Essa Palau, S.A.	Non-current loans	4,000	-
Gestamp Automotive India Private Ltd.	Non-current loans	17,915	-
GS Hot Stamping, Ltd.	Non-current loans	1,857	-
Risteel Corporation, B.V.	Current loans	3,690	-
Beyçelik, A.S.	Current loans	6,573	-
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	Current loans	8,789	-
Risteel Corporation, B.V.	Current interest receivable	34	-
Esymo Metal, S.L.	Current interest receivable	3	-
Essa Palau, S.A.	Current interest receivable	81	-
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	Current interest receivable	482	-
Corporación Gestamp, S.L.	Trade receivables from Group companies	4,131	-
Gescrap Centro, S.L.	Trade receivables from Group companies	579	-
Gescrap Navarra, S.L.	Trade receivables from Group companies	769	-
Gescrap, S.L.	Trade receivables from Group companies	5,461	-
Gescrap Polska SPZ00	Trade receivables from Group companies	439	-
Gonvarri L Centro Servicios, S.L.	Trade receivables from Group companies	501	-
Gonvarri Galicia, SA	Trade receivables from Group companies	1,861	-
Gonvauto Navarra, SA	Trade receivables from Group companies	612	-
Gonvauto Puebla S.A. de C.V.	Trade receivables from Group companies	59	-
Gonvauto Thuringen, GMBH	Trade receivables from Group companies	1,233	-
Gonvauto, SA	Trade receivables from Group companies	1,715	-
Gonvarri Solar Steel S.L.	Trade receivables from Group companies	1,915	-
Gonvarri Ptos. Siderúrgicos, SA	Trade receivables from Group companies	32	-
Gonvarri Polska, SP, ZOO.	Trade receivables from Group companies	10	-
Gestamp Eolica, S.L.	Trade receivables from Group companies	60	-
Gestamp Solar, S.L.	Trade receivables from Group companies	209	-
Beyçelik, A.S.	Trade receivables from Group companies	391	-
Inmobiliaria Acek, S.L.	Trade receivables from Group companies	27	-
Gestamp Automotive India Private Ltd.	Trade receivables from Group companies	4,386	-
Shanghai Edscha Machinery Co. Ltd.	Trade receivables from Group companies	735	-
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	Trade receivables from Group companies	40	-
Jui Li Edscha Body Systems	Trade receivables from Group companies	3	-
Sungwoo Gestamp Hitech Pune Private, Ltd.	Trade receivables from Group companies	173	-
Sungwoo Gestamp Hitech Chennai, Ltd.	Trade receivables from Group companies	370	-
Gestamp Sungwoo Stampings & Assemblies Private Ltd.	Trade receivables from Group companies	78	-
Gestamp Sungwoo Hitech Chennai Private, Ltd	Trade receivables from Group companies	152	-
Esymo Metal, S.L.	Trade receivables from Group companies	16	-
GS Hot Stamping, Ltd.	Trade receivables from Group companies	130	-
Severstal Trade GmbH	Trade receivables from Group companies	14	-
Recuperaciones Medioambientales Subgroup	Trade receivables from Group companies	55	-
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	Trade receivables from Group companies	167	-
Essa Palau, S.A.	Trade receivables from Group companies	66	-
IxCxT, S.A.	Trade receivables from Group companies	2	-
Ingeniería y Construcción Matrices, S.A.	Trade receivables from Group companies	954	
Total Trade receivables from Group companies (Note 12.a)		27,345	
Gescrap Navarra, S.L.	Suppliers from Group companies	-	(2)
Gescrap Polska SPZ00	Suppliers from Group companies	-	(5)
Agricola La Veguilla, S.A.	Suppliers from Group companies	-	(67)
Corporación Gestamp, S.L.	Suppliers from Group companies	-	(1,686)
Gonvarri L Centro Servicios S.L.	Suppliers from Group companies	-	(35,912)
Arcelormittal Gonvarri Brasil Prod. Siderúrgicos S.A.	Suppliers from Group companies	-	(2,470)
Gonvarri Galicia, SA	Suppliers from Group companies	-	(10,119)
Hierros y Aplanaciones, SA	Suppliers from Group companies	-	(581)
Gonvarri Ptos. Siderúrgicos, SA	Suppliers from Group companies	-	(9,579)
Gonvauto Navarra, SA	Suppliers from Group companies	-	(5,728)
Gonvauto Puebla S.A. de C.V.	Suppliers from Group companies	-	(5,991)
Gonvauto Thuringen, GMBH	Suppliers from Group companies	-	(4,952)
Gonvauto, SA	Suppliers from Group companies	-	(16,772)
Gonvarri Argentina S.A.	Suppliers from Group companies	-	(6,684)
Ind. Ferrodistribuidora, S.L.	Suppliers from Group companies	-	(380)
Severstal Gonvarri Kaluga, LLC	Suppliers from Group companies	-	(971)
Gonvarri Polska, SP, ZOO.	Suppliers from Group companies	-	(4,598)
Steel & Alloy	Suppliers from Group companies	-	(11,846)
Inmobiliaria Acek, S.L.	Suppliers from Group companies	-	(253)
Air Executive, S.L.	Suppliers from Group companies	-	(17)
Esymo Metal, S.L.	Suppliers from Group companies	-	(702)
Beyçelik, A.S.	Suppliers from Group companies	-	(474)
Sungwoo Hitech Company Ltd. Korea	Suppliers from Group companies	-	(7,120)
I Zone	Suppliers from Group companies	-	(370)
Shanghai Edscha Machinery Co. Ltd.	Suppliers from Group companies	-	(65)
Essa Palau, S.A.	Suppliers from Group companies	-	(1,526)
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	Suppliers from Group companies	-	(55)
Gescrap Centro, S.L.	Suppliers from Group companies	-	(1)
Ingeniería y Construcción Matrices, S.A.	Suppliers from Group companies	-	(611)
Total Suppliers from Group companies (Note 22.a)			(129,537)
Steel & Alloy	Suppliers from Associated companies (Note 22.a)	-	(432)
Severstal Gonvarri Kaluga, LLC	Trade creditors, Group companies	-	(8,783)
Corporación Gestamp, S.L.	Trade creditors, Group companies	-	(9)
Total Trade creditors, Group companies (Note 22.a)			(8,792)
Sungwoo Hitech Company Ltd. Korea	Trade creditors, Associated companies (Note 22.a)		(2,470)
		75,649	(264,773)

In addition, the breakdown of transactions carried out with Related Parties during the period ended December 31, 2013 was as follows:

Company	Group	Transaction	Thousands of euros
Gescrap, S.L.	Corporación Gestamp	Sales	(43,792)
Gescrap Centro, S.L.	Corporación Gestamp	Sales	(3,479)
Gescrap Navarra, S.L.	Corporación Gestamp	Sales	(4,886)
Gescrap Polska SPZ00	Corporación Gestamp	Sales	(10,716)
Gescrap Desarrollo, S.L.	Corporación Gestamp	Sales	(6,830)
Gescrap France S.A.R.L.	Corporación Gestamp	Sales	(5,161)
Gescrap Autometal Comercio de Sucata S.A.	Corporación Gestamp	Sales	(6,129)
Arcelormittal Gonvarri Brasil Pdtos. Siderurgicos, S.A.	Corporación Gestamp	Sales	(16)
Gonvarri Galicia, SA	Corporación Gestamp	Sales	(6,540)
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Sales	(1,111)
Gonvarri I. Centro Servicios, S.L.	Corporación Gestamp	Sales	(4,659)
Gonvauto Navarra, SA	Corporación Gestamp	Sales	(8,996)
Gonvauto, SA	Corporación Gestamp	Sales	(37,691)
Gestamp Solar Steel S.L.	Corporación Gestamp	Sales	140
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Sales	(576)
Gonvarri Burgos	Corporación Gestamp	Sales	(14)
Gonvauto Thuringen, GMBH	Corporación Gestamp	Sales	(43)
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Sales	(23)
Beyçelik, A.S.	-	Sales	(279)
GS Hot Stamping, Ltd.	-	Sales	(602)
Gestamp Sungwoo Stampings & assemblies Private ltd	-	Sales	(129)
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	-	Sales	(27)
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	-	Sales	(1)
Esymo Metal, S.L.	-	Sales	(15)
Ingeniería y Construcción Matrices, S.A.	-	Sales	(11)
Edscha Pha, Ltd.	-	Sales	(20)
Total Sales			(141,606)
Corporación Gestamp, S.L.	Parent company	Services rendered	(7)
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Services rendered	(2)
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Services rendered	(291)
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Services rendered	(13)
Inmobiliaria Acek S.L.	Corporación Gestamp	Services rendered	(17)
Esymo Metal, S.L.	-	Services rendered	(76)
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Services rendered	(733)
Gescrap Navarra, S.L.	Corporación Gestamp	Services rendered	(1)
Gescrap Polska SPZ00	Corporación Gestamp	Services rendered	(1)
Gescrap, S.L.	Corporación Gestamp	Services rendered	5
Gescrap France S.A.R.L.	Corporación Gestamp	Services rendered	(2)
Beyçelik, A.S.	-	Services rendered	(684)
GS Hot Stamping, Ltd.	-	Services rendered	(85)
Sungwoo Gestamp Hitech Pune, Ltd.	-	Services rendered	(44)
Sungwoo Gestamp Hitech Chennai Ltd.	-	Services rendered	(140)
Gestamp Sungwoo Stampings & assemblies Private ltd	-	Services rendered	(102)
Jui Li Edscha Body Systems	-	Services rendered	(2)
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	-	Services rendered	(6)
Essa Palau, S.A.	-	Services rendered	(582)
Recuperaciones Medioambientales subgroup	Corporación Gestamp	Services rendered	(59)
Ingeniería y Construcción Matrices, S.A.	-	Services rendered	(1,608)
IxCxT, S.A.	-	Services rendered	(6)
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	-	Services rendered	(255)
Edscha Pha, Ltd.	-	Services rendered	(10)
Total Services rendered			(4,721)
Corporación Gestamp, S.L.	Parent company	Financial income	(151)
Risteel Corporation, B.V.	Corporación Gestamp	Financial income	(98)
Esymo Metal, S.L.	-	Financial income	(43)
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Financial income	(964)
GS Hot Stamping, Ltd.	-	Financial income	(87)
Essa Palau, S.A.	-	Financial income	(113)
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	-	Financial income	(427)
Beyçelik, A.S.	-	Financial income	(269)
Jeff Wilson	-	Financial income	(16)
Shrenik Industries Private Ltd.	Corporación Gestamp	Financial income	(101)
Gonvarri Argentina S.A.	Corporación Gestamp	Financial income	(779)
Total Financial income			(3,048)

Company	Group	Transaction	Thousands of euros
Arcelormittal Gonvarri Brasil Pdtos. Siderurgicos, S.A.	Corporación Gestamp	Purchases	24,018
Gonvarri Galicia, SA	Corporación Gestamp	Purchases	70,273
Gonvarri I. Centro Servicios, S.L.	Corporación Gestamp	Purchases	181,231
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Purchases	69,561
Gonvarri Tarragona, S.L.	Corporación Gestamp	Purchases	4
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Purchases	29,763
Hierros y Aplanaciones, SA	Corporación Gestamp	Purchases	3,283
Ind. Ferrodistribuidora, S.L.	Corporación Gestamp	Purchases	2,527
Gonvauto Navarra, SA	Corporación Gestamp	Purchases	22,254
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Purchases	49,666
Gonvauto Thuringen, GMBH	Corporación Gestamp	Purchases	65,276
Gonvarri Argentina S.A.	Corporación Gestamp	Purchases	65,288
Gonvauto, SA	Corporación Gestamp	Purchases	64,682
Severstal Gonvarri Kaluga, LLC	Corporación Gestamp	Purchases	74,499
Steel & Alloy	Corporación Gestamp	Purchases	62,013
Gonvarri Steel Industries	Corporación Gestamp	Purchases	6
Esymo Metal, S.L.	-	Purchases	2,231
Air Executive, S.L.	Corporación Gestamp	Purchases	19
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	-	Purchases	123
Sungwoo Hitech Ltd Korea	-	Purchases	9,808
Beyçelik, A.S.	-	Purchases	4,623
GS Hot Stamping, Ltd.	-	Purchases	4
Gescrap, S.L.	Corporación Gestamp	Purchases	168
Essa Palau, S.A.	-	Purchases	15,619
Ingeniería y Construcción Matrices, S.A.	-	Purchases	2,755
Arcelor Group	-	Purchases	131,076
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	-	Purchases	106
Jui Li Edscha Body Systems	-	Purchases	9
Total Purchases			950,885
Corporación Gestamp, S.L.	Parent company	Services received	3,554
Agricola La Veguilla, S.A.	Corporación Gestamp	Services received	415
Gescrap Centro, S.L.	Corporación Gestamp	Services received	22
Gescrap Navarra, S.L.	Corporación Gestamp	Services received	10
Gescrap Polska SPZ00	Corporación Gestamp	Services received	30
Gonvarri Galicia, SA	Corporación Gestamp	Services received	(1)
Gonvarri I. Centro Servicios, S.L.	Corporación Gestamp	Services received	102
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Services received	(1)
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Services received	259
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Services received	35
Gonvauto, SA	Corporación Gestamp	Services received	137
Gonvauto Navarra, SA	Corporación Gestamp	Services received	4
Inmobiliaria Acek S.L.	Corporación Gestamp	Services received	3,531
Air Executive, S.L.	Corporación Gestamp	Services received	224
Esymo Metal, S.L.	-	Services received	107
Sungwoo Hitech Ltd Korea	-	Services received	176
Beyçelik, A.S.	-	Services received	14
Ingeniería y Construcción Matrices, S.A.	-	Services received	324
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Services received	2
Total Services received			8,944
Corporación Gestamp, S.L.	Parent company	Financial expenses	3,510
Gonvarri Galicia, SA	Corporación Gestamp	Financial expenses	59
Gonvarri Corporación Financiera, S.L.	Corporación Gestamp	Financial expenses	1,263
Gonvarri I. Centro Servicios, S.L.	Corporación Gestamp	Financial expenses	82
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Financial expenses	66
Gonvauto Navarra, SA	Corporación Gestamp	Financial expenses	21
Gonvauto, SA	Corporación Gestamp	Financial expenses	213
Ind. Ferrodistribuidora, S.L.	Corporación Gestamp	Financial expenses	2
Severstal Trade GesmbH	-	Financial expenses	1,534
Melsonda Holdings Ltd.	-	Financial expenses	420
Total Financial expenses			7,170

In addition, the breakdown of transactions carried out with Related Parties during the year 2012 was as follows:

Company	Group	Transaction	Thousands of euros
Gescrap, S.L.	Corporación Gestamp	Sales	(18,334)
Gescrap Centro, S.L.	Corporación Gestamp	Sales	(4,497)
Gescrap Navarra, S.L.	Corporación Gestamp	Sales	(5,451)
Gescrap Polska SPZ00	Corporación Gestamp	Sales	(12,056)
Gonvarri Brasil Pdtos. Siderurgicos, S.A.	Corporación Gestamp	Sales	(14)
Gonvarri Galicia, SA	Corporación Gestamp	Sales	(7,826)
Gonvarri L Centro Servicios, S.L.	Corporación Gestamp	Sales	(4,314)
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Sales	(8)
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Sales	(86)
Gonvauto Navarra, SA	Corporación Gestamp	Sales	(8,752)
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Sales	150
Gonvauto, SA	Corporación Gestamp	Sales	(37,857)
Gestamp Solar Steel S.L.	Corporación Gestamp	Sales	(17,251)
Gestamp Wind Steel. S.A.	Corporación Gestamp	Sales	(2)
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Sales	(6,744)
Beyçelik, A.S.	-	Sales	(215)
Shanghai Edscha Machinery Co. Ltd.	-	Sales	(246)
Essa Palau, S.A.	-	Sales	2
Ingeniería y Construcción Matrices, S.A.	-	Sales	(65)
Total Sales			(123,566)
Corporación Gestamp, S.L.	Parent company	Services rendered	(7)
Gonvarri Corporación Financiera, S.L.	Corporación Gestamp	Services rendered	(26)
Gonvarri L Centro Servicios, S.L.	Corporación Gestamp	Services rendered	(108)
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Services rendered	(16)
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Services rendered	(2)
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Services rendered	(289)
Gestamp Solar Steel S.L.	Corporación Gestamp	Services rendered	(38)
Inmobiliaria Acek S.L.	Corporación Gestamp	Services rendered	(70)
Esymo Metal, S.L.	-	Services rendered	(84)
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Services rendered	(586)
Beyçelik, A.S.	-	Services rendered	(716)
GS Hot Stamping, Ltd.	-	Services rendered	(102)
Gestamp Solar, S.L.	Corporación Gestamp	Services rendered	4
Sungwoo Gestamp Hitech Pune, Ltd.	-	Services rendered	(160)
Sungwoo Gestamp Hitech Chennai Ltd.	-	Services rendered	(407)
Gestamp Sungwoo Stampings & assemblies Private ltd	-	Services rendered	(87)
Shanghai Edscha Machinery Co. Ltd.	-	Services rendered	(697)
Jui Li Edscha Body Systems	-	Services rendered	(3)
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	-	Services rendered	(18)
Essa Palau, S.A.	-	Services rendered	(99)
Recuperaciones Medioambientales Subgroup	Corporación Gestamp	Services rendered	(47)
IxCxT, S.A.	-	Services rendered	(2)
Ingeniería y Construcción Matrices, S.A.	-	Services rendered	(875)
Total Services rendered			(4,435)
Corporación Gestamp, S.L.	Parent company	Financial income	(67)
Risteel Corporation, B.V.	Corporación Gestamp	Financial income	(129)
Esymo Metal, S.L.	-	Financial income	(75)
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Financial income	(1,090)
GS Hot Stamping, Ltd.	-	Financial income	(96)
Essa Palau, S.A.	-	Financial income	(91)
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	-	Financial income	(154)
Total Financial income			(1,702)
Gonvarri Brasil Pdtos. Siderurgicos, S.A.	Corporación Gestamp	Purchases	34,958
Gonvarri Galicia, SA	Corporación Gestamp	Purchases	77,766
Gonvarri L Centro Servicios, S.L.	Corporación Gestamp	Purchases	203,682
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Purchases	70,013
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Purchases	28,551
Hierros y Aplanaciones, SA	Corporación Gestamp	Purchases	3,886
Ind. Ferrodistribuidora, S.L.	Corporación Gestamp	Purchases	1,883
Gonvauto Navarra, SA	Corporación Gestamp	Purchases	22,014
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Purchases	61,699
Gonvauto Thuringen, GMBH	Corporación Gestamp	Purchases	65,203
Gonvarri Argentina S.A.	Corporación Gestamp	Purchases	71,824
Gonvauto, SA	Corporación Gestamp	Purchases	64,054
Severstal Gonvarri Kaluga, LLC	Corporación Gestamp	Purchases	46,117
Steel & Alloy	Corporación Gestamp	Purchases	45,527
Esymo Metal, S.L.	-	Purchases	2,149
Sungwoo Hitech Ltd Korea	-	Purchases	6,515
Beyçelik, A.S.	-	Purchases	2,916
Shanghai Edscha Machinery Co. Ltd.	-	Purchases	303
Essa Palau, S.A.	-	Purchases	3,699
Ingeniería y Construcción Matrices, S.A.	-	Purchases	794
Arcelor Group	-	Purchases	254,075
Total Purchases			1,067,628

Company	Group	Transaction	Thousands of euros
Corporación Gestamp, S.L.	Parent company	Services received	4,896
Gescrap Centro, S.L.	Corporación Gestamp	Services received	23
Gescrap Navarra, S.L.	Corporación Gestamp	Services received	8
Gescrap Polska SPZ00	Corporación Gestamp	Services received	33
Agricola La Veguilla, S.A.	Corporación Gestamp	Services received	(49)
Gonvarri Brasil Pdtos. Siderurgicos, S.A.	Corporación Gestamp	Services received	1
Gonvarri Galicia, SA	Corporación Gestamp	Services received	7
Gonvarri Corporación Financiera, S.L.	Corporación Gestamp	Services received	(243)
Gonvarri L Centro Servicios, S.L.	Corporación Gestamp	Services received	1
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Services received	(1)
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Services received	261
Gonvauto Navarra, SA	Corporación Gestamp	Services received	23
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Services received	39
Gonvauto, SA	Corporación Gestamp	Services received	112
Inmobiliaria Acek S.L.	Corporación Gestamp	Services received	3,402
Air Executive, S.L.	Corporación Gestamp	Services received	880
Esymo Metal, S.L.	-	Services received	123
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Services received	(1)
Sungwoo Hitech Ltd Korea	-	Services received	190
Beyçelik, A.S.	-	Services received	5
Essa Palau, S.A.	-	Services received	(345)
Total Services received			9,365
Corporación Gestamp, S.L.	Parent company	Financial expenses	1,616
Gonvarri Galicia, SA	Corporación Gestamp	Financial expenses	115
Gonvarri Corporación Financiera, S.L.	Corporación Gestamp	Financial expenses	2,206
Gonvarri L Centro Servicios, S.L.	Corporación Gestamp	Financial expenses	136
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Financial expenses	130
Ind. Ferrodistribuidora, S.L.	Corporación Gestamp	Financial expenses	1
Gonvauto Navarra, SA	Corporación Gestamp	Financial expenses	29
Gonvauto, SA	Corporación Gestamp	Financial expenses	235
Severstal Trade GesmbH	-	Financial expenses	1,483
Melsonda Holdings Ltd.	-	Financial expenses	17
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	-	Financial expenses	(322)
Total Financial expenses			5,646

29.2 Board of Directors' remuneration

In 2013 and 2012 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 2013 Corporación Gestamp, S.L. received total remuneration of 1,535 thousand euros as compensation for membership of the Board of Directors of certain Group companies (2012: 2,684 thousand euros).

In 2013 and 2012, no loans or advances, pensions or life insurance benefits were granted to members of its Board.

29.3 Senior Management's Remuneration

In 2013 total remuneration for the members of the Management Committee, which fully correspond to salaries, amounted to 2,361 thousand euros (2012: 1,506 thousand euros), included in "Personnel expenses" in the accompanying consolidated income statement. The company made no contributions to pension plans on their behalf.

30. Joint ventures

The Group participates in the following jointly controlled entities at December 31, 2013 and December 31, 2012 (Note 3):

Company	Shareholding 2013	2012
Beyçelik, A.S.	50.00%	50.00%
Gestamp Automotive India Private Ltd.	50.00%	50.00%
Sungwoo Gestamp Hitech Pune Private, Ltd.	50.00%	50.00%
Sungwoo Gestamp Hitech Chennai, Ltd. *	50.00%	50.00%
Gestamp Sungwoo Hitech (Chennai) Private Ltd. *	50.00%	50.00%
GS Hot-Stamping Co. Ltd. *	50.00%	47.49%
Gestamp Sungwoo Stampings & Assemblies Private Ltd.	50.00%	50.00%
Shanghai Edscha Machinery Co., Ltd.	-	50.00%
Jui Li Edscha Body Systems Co., Ltd.	50.00%	50.00%
Jui Li Edscha Hainan Industry Entreprise Co., Ltd.	50.00%	50.00%
Jui Li Edscha Holding Co., Ltd.	50.00%	50.00%
Edscha Pha, Ltd.	50.00%	-
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	50.00%	50.00%

At December 31, 2013 the company Shanghai Edscha Machinery Co. Ltd. changed from proportionally method to full consolidation method (Note 2.a).

The key financial indicators for the Group's jointly-controlled entities at December 31, 2013 and December 31, 2012 are set forth below:

	2013 Thousands of euros					
Company	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Income	Expense
Beyçelik, A.S.	35,343	30,632	22,947	20,431	98,454	96,385
Gestamp Automotive India Private Ltd.	22,655	26,416	37,269	8,350	37,751	39,069
Sungwoo Gestamp Hitech Pune Private Ltd.	3,901	2,118	-	3,689	1,292	1,907
Sungwoo Gestamp Hitech Chennai, Ltd. *	-	39,685	-	24,508	41,963	42,722
Gestamp Sungwoo Hitech (Chennai) Private Ltd. *	-	20,231	-	14,716	29,107	30,006
GS Hot-Stamping Co. Ltd. *	-	9,343	-	4,901	5,791	5,951
Gestamp Sungwoo Stampings and Assemblies Private limited	13,734	10,452	10,443	13,476	12,845	15,497
Jui Li Edscha Body Systems Co. Ltda.	157	760	10	359	1,234	1,200
Jui Li Edscha Hainan Industry Entreprise Co. Ltda.	316	1,817	-	538	2,753	2,548
Jui Li Edscha Holding Co. Ltda.	130	-	2	-	-	-
Edscha Pha, Ltd.	179	1,430	21	85	15	236
GMF Otomotiv Parçalari Sanayi ve Ticaret L. S.	8,073	3,885	9,019	4,085	7,240	10,512
	84,488	**146,769**	**79,711**	**95,138**	**238,445**	**246,033**

(*)At December 31, 2013 the current assets and current liabilities of the companies Sungwoo Gestamp Hitech Chennai, Ltd., Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd. and GS Hot-Stamping Co. Ltd. have been classified as assets and liabilities held for sale (Note 26).

	2012 Thousands of euros					
Company	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Income	Expense
Beyçelik, A.S.	40,634	34,190	7,970	39,970	86,173	80,653
Gestamp Automotive India Private Ltd.	23,082	29,015	36,217	10,421	38,179	34,631
Sungwoo Gestamp Hitech Pune Private, Ltd.	4,879	2,965	366	8,574	5,197	6,889
Sungwoo Gestamp Hitech Chennai, Ltd.	16,492	16,821	4,442	16,320	45,307	44,681
Gestamp Sungwoo Hitech (Chennai) Private Ltd.	14,357	10,069	6,892	10,863	38,901	38,169
GS Hot-Stamping Co. Ltd.	8,293	1,199	2,215	4,940	2,949	3,767
Gestamp Sungwoo Stampings & Assemblies Private Ltd.	14,326	6,453	10,459	7,155	2,128	3,375
Shanghai Edscha Machinery Co., Ltd.	4,432	13,747	77	6,848	31,531	29,348
Jui Li Edscha Body Systems Co., Ltd.	162	732	8	344	1,765	1,751
Jui Li Edscha Hainan Industry Entreprise Co., Ltd.	450	1,313	-	352	3,491	3,333
Jui Li Edscha Holding Co., Ltd.	130	-	2	-	-	-
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	9,580	5,017	8,781	4,040	8,466	9,757
	136,817	**121,521**	**77,429**	**109,827**	**264,087**	**256,354**

31. Other disclosures

31.1 Audit fees

Audit fees related to the annual audit of consolidated and individual financial statements of the companies included in the consolidation scope for 2013 amounted to 3,487 thousand euros (2012: 3,405 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 2013 amounted to 3,366 thousand euros (2012: 3,203 thousand euros).

Fees paid for other services rendered by the auditor of the Company in 2013 amounted to 402 thousand euros (2012: 470 thousand euros).

31.2 Environmental issues

The cost of PP&E items acquired for environmental protection and improvement purposes amounted to 3,466 thousand euros at year end 2013. Accumulated depreciation on these assets stood at 2,399 thousand euros (2012: 3,335 thousand euros and 2,277 thousand euros, respectively).

In 2013, the Group also recognized 1,436 thousand euros in environmental protection and improvement expenses (2012: 1,100 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.

32. 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.

32.1 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

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 2013 and 2012, is as follows:

2013

Currency	IMPACT ON PROFIT 5% Fluctuation	-5% Fluctuation
Swedish crown	134	(134)
US dollar	333	(333)
Hungarian florint	(251)	251
Sterling pound	834	(834)
Mexican peso	624	(624)
Brazilian reais	313	(313)
Chinese renminbi	697	(697)
Indian rupee	(196)	196
Turkish lira	(28)	28
Argentinian peso	229	(229)
Russian ruble	441	(441)
Korean won	16	(16)
Polish zloty	87	(87)
Czech crown	116	(116)
Japanese yen	(38)	38
Thai baht	(2)	2
Taiwan dollar	2	(2)
IMPACT IN ABSOLUTE TERMS	**3,311**	**(3,311)**
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	**113,069**	**113,069**
EFFECT IN RELATIVE TERMS	**2.93%**	**-2.93%**

2012

Currency	IMPACT ON PROFIT 5% Fluctuation	-5% Fluctuation
Swedish crown	46	(46)
US dollar	452	(452)
Hungarian florint	(172)	172
Sterling pound	655	(655)
Mexican peso	644	(644)
Brazilian reais	316	(316)
Chinese renminbi	743	(743)
Indian rupee	199	(199)
Turkish lira	267	(267)
Argentinian peso	552	(552)
Russian ruble	335	(335)
Korean won	(64)	64
Polish zloty	141	(141)
Czech crown	232	(232)
Japanese yen	(49)	49
Taiwan dollar	2	(2)
IMPACT IN ABSOLUTE TERMS	**4,299**	**(4,299)**
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	**170,141**	**170,141**
EFFECT IN RELATIVE TERMS	**2.53%**	**-2.53%**

The sensitivity of equity to exchange rate fluctuations, corresponding to years 2013 and 2012, is as follows:

	2013	
	IMPACT ON EQUITY	
Currency	5% Fluctuation	-5% fluctuation
Swedish crown	(372)	372
US dollar	(1,199)	1,199
Hungarian forint	(1,690)	1,690
Sterling pound	4,466	(4,466)
Mexican peso	154	(154)
Brazilian reais	3,846	(3,846)
Chinese renminbi	4,109	(4,109)
Indian rupee	(770)	770
Turkish lira	(812)	812
Argentinian peso	130	(130)
Russian ruble	237	(237)
Korean won	509	(509)
Polish zloty	2,106	(2,106)
Czech crown	1,145	(1,145)
Japanese yen	(192)	192
Thai baht	(5)	5
Taiwan dollar	17	(17)
IMPACT IN ABSOLUTE TERMS	**11,679**	**(11,679)**
EQUITY	**1,632,839**	**1,632,839**
EFFECT IN RELATIVE TERMS	**0.72%**	**-0.72%**

	2012	
	IMPACT ON EQUITY	
Currency	5% Fluctuation	-5% fluctuation
Swedish crown	65	(65)
US dollar	(1,677)	1,677
Hungarian forint	(1,411)	1,411
Sterling pound	3,509	(3,509)
Turkish lira	(150)	150
Argentinian peso	45	(45)
Mexican peso	777	(777)
Brazilian reais	2,254	(2,254)
Russian ruble	576	(576)
Indian rupee	(180)	180
Korean won	529	(529)
Chinese renminbi	3,478	(3,478)
Polish zloty	1,973	(1,973)
Czech crown	1,273	(1,273)
Japanese yen	1,072	(1,072)
Taiwan dollar	1,088	(1,088)
IMPACT IN ABSOLUTE TERMS	**13,221**	**(13,221)**
EQUITY	**1,550,183**	**1,550,183**
EFFECT IN RELATIVE TERMS	**0.85%**	**-0.85%**

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.

In 2013 the borrowings at floating rate are practically fully hedged with derivatives and the only debt not hedged is related to the fixed interest rate bonds.

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.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2012, all other variables remaining constant, the finance result would have been 1.09 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, 2013 and 2012 was as follows:

	Thousands of euros	
	2013	**2012**
Cash and cash equivalents	510,196	247,566
Current financial investments		
Debt securities	-	12,518
Revolving credit facilites	280,000	-
Undrawn credit lines	196,542	143,191
	986,738	403,275

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, 2013 and December 31, 2012 is as follows:

	Thousand euros	
	2013	2012
Current assets	2,247,929	1,809,492
Current liabilities	(1,625,856)	(1,647,617)
TOTAL WORKING CAPITAL	**622,073**	**161,875**

	Thousand euros	
	2013	2012
Equity	1,632,838	1,550,183
Non-current liabilities	2,047,744	1,493,326
Non-current assets	(3,058,509)	(2,881,634)
TOTAL WORKING CAPITAL	**622,073**	**161,875**

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, 2013 and 2012 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 2013, 57% 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.

32.2 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 marked to market. 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.

32.3 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	
	2013	2012	2013	2012	2013	2012
Financial assets measured at fair value (Note 10)						
Financial derivative hedging instruments			31,878	14,174		
Total	-	-	31,878	14,174	-	-

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	
	2013	2012	2013	2012	2013	2012
Financial liabilities measured at fair value (Note 20.b.4)						
Financial derivative hedging instruments			29,847	23,478		
Financial derivative instruments held-for-trading			35,236	29,471		
Total	-	-	65,083	52,949	-	-

During 2013 and 2012, no relevant transfers took place between the fair value levels.

32.4 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 2013 and 2012 is set forth below:

	Thousands of euros	
	2013	**2012**
Non-current interest-bearing borrowings	1,451,974	919,521
Current interest-bearing borrowings	265,633	458,623
Short term financial investments	(51,362)	(53,397)
Cash and cash equivalents	(510,196)	(247,566)
TOTAL NET DEBT	**1,156,049**	**1,077,181**
Consolidated equity	1,632,838	1,550,183
Grants received	31,112	29,481
TOTAL EQUITY	**1,663,950**	**1,579,664**
LEVERAGE RATIO	**69.5%**	**68.2%**

The increase in leverage in 2013 is mainly due to the bonds issuance by the subsidiary Gestamp Funding Luxembourg, S.A. (Note 20).

During 2013 the Group maintained its average collection and payment periods, as well as its average inventory turnover rates, at levels comparable to 2012. In addition, during 2013 the Group continued to exercise strict control over investments.

33. 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 2013 with commercial suppliers in Spain have included periods of payment equal to or less than 60 days (75 days in 2012), 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 2013 and 2012, 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 2013 and 2012 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, 2013 and 2012 there were no outstanding amounts of payment to suppliers located in Spain exceeding the maximum legal payment terms.

34. Subsequent events

There are no significant subsequent events.

35. 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 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, with the following exceptions:

1) Francisco José Riberas Mera and Mr. Juan María Riberas Mera:

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 CORPORACIÓN GESTAMP, S.L. and several subsidiaries of the Company.

CORPORACIÓN GESTAMP, S.L is the parent company of an industrial group that developed, through the following subgroups, the activities mentioned below:

- GESTAMP AUTOMOCION 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 ENERGIAS 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, CORPORACIÓN GESTAMP, S.L holds a direct and indirect investment of 26.36% in the company Cie Automotive, S.A., of which Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera are also directors. 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.

2) Gonzalo Urquijo Fernández de Araoz, as representative of ARCELORMITTAL GIPUZKOA, S.L.:

Position	*Shareholding*
Member of Managing Board of ArcelorMittal SA	No significant influence in management
AMDS – Corporate Responsibility – Chairman of the investments Allocations Committee	No shareholding

3) Robrecht Himpe, as representative of ARCELORMITTAL ESPERBRAS, S.L.:

Position	*Shareholding*
Member of Managing Board of ArcelorMittal Flat Carbon Europe S.A.	No significant influence in management

4) Jean Martin Van der Hoeven, as representative of ARCELORMITTAL BASQUE HOLDING, S.L. :

Position	*Shareholding*
Vice President and Chief Marketing Officer of ArcelorMittal Flat Carbon Europe SA	No significant influence in management

5) Francisco López Peña, as representative of RISTEEL CORPORATION B.V.:

Position	*Shareholding*
Director of EDSCHA AUTOMOTIVE HAUZENBERG GmbH	No shareholding
Director of EDSCHA AUTOMOTIVE HENGERSBERG GmbH	No shareholding
Director of AUTOMOTIVE ITALIA SRL	No shareholding
Director of EDSCHA AUTOMOTIVE KAMENICE s.r.o	No shareholding
Director of EDSCHA ENGINEERING FRANCE, S.A.S	No shareholding
Director of EDSCHA ENGINEERING GmbH	No shareholding
Director of EDCHA HOLDING GmbH	No shareholding
Director of EDSCHA HRADEC s.r.o.	No shareholding
Director of EDSCHA KUNSTSTOFFTECHNIK GmbH	No shareholding
Director of EDSCHA VELKY MEDER, s.r.o.	No shareholding
Director of BEYÇELIK GESTAMP, A.S.	No shareholding
Director of GESTAMP AUTOCOMPONENTS (DONGGUAN) CO., Ltd	No shareholding
Director of GESTAMP AUTOCOMPONENTS (SHENYAN) CO., Ltd	No shareholding
Director of GESTAMP AUTOMOTIVE INDIA PRIVATE LIMITED	No shareholding
Director of GESTAMP VENDAS NOVAS LDA	No shareholding

Director of AUTOCOMPONENTS (KUNSHAN) Co.,Ltd	No shareholding
Director of BEYCELIK CRAIOVA, S.R.L.	No shareholding
Director of GESTAMP HARDTECH, A.B.	No shareholding
Director of GESTAMP HOLDING CHINA, A.B.	No shareholding
Director of GESTAMP HOLDING RUSIA, S.L.	No shareholding
Director of GESTAMP KARTEK CORPORATION	No shareholding
Director of GESTAMP SUNGWOO HITECH (CHENNAI) PRIVATE LIMITED	No shareholding
Director of GESTAMP SWEDEN, A.B.	No shareholding
Director of SUNGWOO GESTAMP HITECH (CHENNAI) LIMITED	No shareholding
Director of TODLEM, S.L.	No shareholding

36. <u>Additional note for English Translation</u>

Translation of Consolidated Financial Statements originally issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of a discrepancy, the Spanish-language version prevails.

ANNEX I
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.	MB Aragón, S.A.	100.00%
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 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.	MB 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	GMF Subgroup	44.99%
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Beyçelik, A.S.	100.00%

Indirect investments at December 31, 2012

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.	100.00%
Gestamp Ingeniería Europa II, S.L.	Gestamp Servicios, S.A.	0.04%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Servicios, S.A.	65.00%
Estampaciones Metálicas Vizcaya, 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 Rusia, S.L.	Gestamp Servicios, S.A.	8.72%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.00%
Gestamp Portugal, Ltda.	Gestamp Vigo, S.A.	99.99%
Gestamp UK Limited	Gestamp Vigo, S.A.	100.00%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.00%
Gestamp Cataforesis Vigo, S.A.	Gestamp Vigo, S.A.	94.99%
Gestamp Louny sro.	Gestamp Portugal, Lda.	52.72%
Sungwo Gestamp Hitech Pune, Ltd.	Gestamp Portugal, Lda.	50.00%
Autotech Engineering AIE	Estampaciones Metálicas Vizcaya, S.A.	85.00%
Gestamp Sweden, AB	Estampaciones Metálicas Vizcaya, S.A.	100.00%
Gestamp Finance Luxemburgo, S.A.	Estampaciones Metálicas Vizcaya, S.A.	49.95%
Gestamp Tooling AIE	Estampaciones Metálicas Vizcaya, S.A.	40.00%
Gestamp North Europe Services, S.L.	Estampaciones Metálicas Vizcaya, S.A.	0.03%
MB Levante, S.A.	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%
Adral, S.L.	Araluce, S.A.	100.00%
Gestamp Tooling AIE	Araluce, S.A.	40.00%
Gestamp Tool Hardening, S.L.	Araluce, S.A.	0.10%

Company	Company holding the indirect investment	% investment
Adral, S.L.	Matricerías Deusto, S.L.	0.00%
Gestamp Tooling AIE	Matricerías Deusto, S.L.	20.00%
Gestamp Linares, S.L.	Gestamp Toledo, S.L.	94.98%
Gestamp Baires, S.A.	Gestamp Toledo, S.L.	46.41%
Sungwo Gestamp Hitech Chennai, Ltd.	Gestamp Toledo, S.L.	50.00%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	100.00%
Galvanizaciones Castellana, S.A.	Gestamp Palencia, S.A.	94.99%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.67%
Gestamp Córdoba, S.A.	Gestamp Palencia, S.A.	27.77%
Gestamp Ronchamp, S.A.	Gestamp Palencia, S.A.	100.00%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	51.58%
Gestamp Auto Components (Shenyang), Co. Ltd.	MB Aragón, S.A.	100.00%
Gestamp Baires, S.A.	Galvanizaciones Castellana, S.A.	8.58%
Gestamp Argentina, S.A.	Galvanizaciones Castellana, S.A.	7.90%
Tavol Internacional, S.A.	Gestamp Aveiro, S.A.	100.00%
Gestamp Holding Rusia, S.L.	Gestamp Aveiro, S.A.	20.04%
Gestamp North América, Inc.	Gestamp Aveiro, S.A.	100.00%
Gestamp Navarra, S.A	Metalbages, S.A.	94.99%
Ingeniería Global MB, S.A.	Metalbages, S.A.	100.00%
MB Aragon, S.A.	Metalbages, S.A.	100.00%
MB Pamplona, S.A.	Metalbages, S.A.	94.99%
MB Abrera, S.A.	Metalbages, S.A.	94.99%
MB Aragon P21, S.L.	Metalbages, S.A.	100.00%
Gestamp Ingeniería Europa II, S.L.	Metalbages, S.A.	99.96%
Gestamp Manufacturing Autochasis, S.L.	Metalbages, S.A.	50.00%
Griwe subgroup	Metalbages, S.A.	94.99%
Edscha subgroup	Metalbages, S.A.	67.00%
Metalbages P-51	Metalbages, S.A.	94.69%
Gestamp Metal Forming Subgroup	Metalbages, S.A.	50.94%
Ocon Automated Systems, S.L.	Metalbages, S.A.	99.99%
Gestamp Holding Rusia, S.L.	MB Levante, S.A.	3.61%
Gestamp Hungaria KFT	Gestamp Navarra, S.A.	100.00%

Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	Gestamp Solblank Navarra, S.L.	6.43%
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 México, 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 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	20.65%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S	45.01%
Gestamp Solblank Navarra, S.L.	MB Abrera, S.A.	100.00%
Solblank, S.A.	MB 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.	27.99%
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	Solblank,S.A.	50.00%
Gestamp Holding Rusia, S.L.	Solblank,S.A.	7.60%
Gestamp Chattanooga, Llc.	Gestamp North América, Inc.	100.00%
Gestamp West Virginia, 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%
ALHC, Llc.	Gestamp North América, Inc.	100.00%
Gestamp South Carolina, Llc.	ALHC, Llc.	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.	Estampaciones Martinez, S.A.	30.00%
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	Sunqwo Gestamp Hitech Chennai, Ltd.	49.54%
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	Griwe Subgroup	25.22%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Griwe Subgroup	100.00%
Gestamp Louny sro.	Griwe Subgroup	47.28%
GS Hot-Stamping Co. Ltd.	Griwe Subgroup	50.00%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51	44.99%
Araluce, S.A.	Gestamp Global Tooling, S.L.	100.00%
Matricerías Deusto, 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%
Loire S.A. Franco Española	Gestamp Manufacturing Autochasis, S.L.	100.00%
Diede Die Development, S.L.	Gestamp Tool Hardening, S.L.	38.00%
Bero Tools, S.L.	Gestamp Tool Hardening, S.L.	20.00%
Bero Tools, S.L.	Loire S.A. Franco Española	80.00%
Diede Die Development, S.L.	Bero Tools, S.L.	62.00%
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Beyçelik Gestamp, A.S.	100.00%
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%

2013 Management report

2013 has been again a very complex year on a macroeconomic level with limited global GDP growth, and at a rate lower than in 2012. Although it is true that several risks that were looming at the end of last year did not materialize (such as the fiscal cliff in the US, a severe slow-down in the Chinese economy and challenges to the integrity of the EU), several significant factors did in fact have a strong negative impact on 2013, such as the disappointing development of the economy in Euro zone, and problems in emerging economies such as Brazil, Russia and Turkey whose currencies have suffered significant devaluations.

On a global level, the Automotive sector has been a true reflection of the macro-economy in 2013. The worldwide production of light vehicles grew 4% last year to 84.8 million units, with positive contributions from China and North America, while Europe and Japan were a drag on world growth rates.

Against this background, revenue has reached 5,789 million euros, a similar figure to the prior year. The growth in sales from new projects, especially in China and the US, has mitigated the decline in sales from Europe and the negative effect of the depreciation of foreign currencies against the Euro. Sales that were lower than budgeted, combined with the high cost of launching several growth projects worldwide, have led to lower results vs. the prior year, with consolidated EBITDA declining by 4% to 594 million euros.

Despite the disappointing results in 2013, last year needs to be understood as a consolidation phase after the strong growth which the Group has experienced since 2009, when revenue was 2,032 million euros and consolidated EBITDA was lower than 223 million euros. In this 4-year period Gestamp has undertaken ambitious growth, acquiring two important German Groups (Edscha and the Metalforming Division of ThyssenKrupp) and investing more than 1,700 million euros in new plants and projects.

However, beyond the financial results, 2013 has also been very important on a strategic level for the Group: firstly, as a result of the closing of the investment agreement signed with the Japanese group Mitsui in the prior year by which Mitsui has acquired 30% of our operations in North and South America. This transaction not only will reinforce our position in those geographies in the future, but foremost it will enhance our relationships with key Japanese manufacturers with the help of our new partner.

In addition to the Mitsui investment, the Group has taken an important step forward by undertaking a profound change in its finance strategy. Through its inaugural issuance of bonds in the European and American capital markets and the agreement with its main institutional lenders, the Group has extended the maturity profile of its debt, at the same time reducing its dependence on bank financing.

2014

In macroeconomic terms, we expect that worldwide growth in 2014 will be higher than in 2013, with improvements in the more developed economies – mainly in the US but also in Europe and Japan – and more uncertainty with regard to growth in some countries which experienced high growth rates in recent years but which showed signs of fragility in 2013. In this context, the gradual reduction of monetary stimulus from the US Federal Reserve may drain funds from emerging economies and cause a depreciation of their currencies, resulting in lower growth in the short term.

In this economic context, we expect a moderate growth in vehicle manufacturing in 2014, varying by geography, and growth in the euro zone for the first time in three years.

We expect Gestamp to experience a significant increase in sales vs. the prior year due to the improvement in the European market as well as to the ramp-up in a significant number new projects we have developed over the past two years.

This year the Group will moderate the high level of investment of recent years but will maintain its commitment to long-term growth, with two new plants starting operations in Mexico and Russia.

On a financial level, improved results due to higher sales, along with the moderation of investments, are expected to lead to a reduction in debt and to a significant improvement in our financial ratios this year.

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

Consolidated Financial Statements
and Group Management Report
for the year ended
December 31, 2012

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

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of GESTAMP AUTOMOCIÓN, S.A.:

We have audited the consolidated financial statements of GESTAMP AUTOMOCIÓN, S.A. (the Parent Company) and its subsidiaries, which comprise the consolidated statement of financial position at December 31, 2012 and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto for the year then ended. As indicated in Note 4 to the accompanying consolidated financial statements, the directors are responsible for the preparation of the Group's financial statements 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. Our responsibility is to express an opinion on the aforementioned consolidated financial statements taken as a whole, based upon work performed in accordance with prevailing audit regulations in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the consolidated financial statements, and the evaluation of whether their presentation, the accounting principles and criteria applied and the estimates made are in agreement with the applicable regulatory framework for financial information.

In our opinion, the accompanying 2012 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 subsidiaries at December 31, 2012 and the consolidated results of operations and consolidated cash flow for the year then ended, in conformity with IFRS, as adopted by the EU, and other applicable provisions in the regulatory framework for financial information.

The accompanying 2012 consolidated management report contain such explanations as the directors of GESTAMP AUTOMOCIÓN, S.A. consider appropriate concerning the situation of the Group, the evolution of it 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 2012 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 obtained from the accounting records of GESTAMP AUTOMOCIÓN, S.A. and its subsidiaries.

ERNST & YOUNG, S.L.

____
(Signed in the original)
José Juan de Frutos Martín

April 08, 2013

GESTAMP AUTOMOCION AND SUBSIDIARIES

CONTENTS

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2012 AND DECEMBER 31, 2011

(In thousands of euros)

ASSETS	Note	December 31, 2012	December 31, 2011
Non-current assets			
Intangible assets	8	215,116	197,470
Goodwill		136,150	136,907
Other intangible assets		78,966	60,563
Property, plant, and equipment	9	2,431,412	2,132,880
Land and buildings		847,761	804,332
Plant and other PP&E		1,153,031	1,036,119
PP&E under construction and prepayments		430,620	292,429
Financial assets	10	60,807	51,982
Investments in associates accounted for using the equity method		5,965	4,800
Loans and receivables		35,167	31,374
Derivatives in effective hedges		14,174	10,123
Other non-current financial assets		5,501	5,685
Deferred tax assets	21	174,299	183,397
Total non-current assets		**2,881,634**	**2,565,729**
Current assets			
Inventories	11	495,956	452,826
Raw materials and other consumables		230,553	215,984
Work in progress		109,872	77,740
Finished products and by-products		102,355	111,204
Prepayments to suppliers		53,176	47,898
Trade and other receivables	12	1,003,842	1,016,330
Trade receivables		823,294	841,106
Other receivables		30,106	38,753
Current income tax assets		37,853	33,847
Receivables from public authorities		112,589	102,624
Other current assets	12	8,731	9,172
Financial assets	10	53,397	35,484
Loans and receivables		31,961	25,518
Securities portfolio		12,518	4,349
Other current financial assets		8,918	5,617
Cash and cash equivalents	12	247,566	260,053
Total current assets		**1,809,492**	**1,773,865**
Total assets		**4,691,126**	**4,339,594**

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2012 AND DECEMBER 31,2011

(In thousands of euros)

EQUITY AND LIABILITIES	**Note**	**December 31, 2012**	**December 31, 2011**
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	941,959	831,470
Translation differences	15	(40,705)	(14,275)
Interim dividend		-	-
Equity attributable to equity holders of the parent		**1,251,082**	**1,167,023**
Equity attributable to non-controlling interest	16	**299,101**	**276,889**
Total equity		**1,550,183**	**1,443,912**
Liabilities			
Non-current liabilities			
Deferred income	17	29,481	30,267
Provisions	18	167,222	171,487
Non trade liabilities	20	1,119,143	862,161
Interest-bearing loans and borrowings		919,521	755,900
Derivative financial instruments		52,949	47,082
Other non-current financial liabilities		146,673	59,179
Deferred tax liabilities	21	176,192	170,495
Other non-current liabilities		1,288	2,559
Total non-current liabilities		**1,493,326**	**1,236,969**
Current liabilities			
Non trade liabilities	20	701,205	645,452
Interest-bearing loans and borrowings		458,623	476,332
Other current financial liabilities		242,582	169,120
Trade and other payables	22	924,620	949,581
Trade accounts payable		714,711	722,576
Current tax liabilities		25,728	34,413
Other accounts payable		184,181	192,592
Provisions	18	15,120	59,166
Other current liabilities		6,672	4,514
Total current liabilities		**1,647,617**	**1,658,713**
Total liabilities		**3,140,943**	**2,895,682**
Total equity and liabilities		**4,691,126**	**4,339,594**

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT AT DECEMBER 31, 2012 AND DECEMBER 31, 2011

(In thousands of euros)

	Note	December 31, 2012	December 31, 2011
OPERATING INCOME	23	5,872,146	4,913,820
Revenue		5,757,314	4,774,622
Other operating income		91,821	36,570
Changes in inventories		23,011	102,628
OPERATING EXPENSE	24	(5,532,033)	(4,606,977)
Raw materials and other consumables		(3,635,257)	(3,165,268)
Personnel expenses		(989,572)	(733,879)
Depreciation, amortization, and impairment losses		(279,960)	(240,576)
Other operating expenses		(627,244)	(467,254)
OPERATING PROFIT		**340,113**	**306,843**
Financial income	25	7,317	9,953
Financial expenses	25	(87,489)	(72,493)
Exchange gains (losses)		(1,492)	(11,717)
Share of profits from associates - equity method	10	290	(2,422)
Change in fair value of financial instruments		-	-
Impairment of and gains (losses) on sale of financial instruments		3,829	(161)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**262,568**	**230,003**
Income tax expense	26	(76,434)	(57,389)
PROFIT FOR THE YEAR		**186,134**	**172,614**
Profit (loss) attributable to non-controlling interest	16	(15,993)	(4,128)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**170,141**	**168,486**

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT AT DECEMBER 31, 2012 AND DECEMBER 31, 2011

(In thousands of euros)

	December 31, 2012	December 31, 2011
PROFIT FOR THE YEAR	186,134	172,614
OTHER COMPREHENSIVE INCOME		
From cash flow hedges	(2,289)	(10,008)
Translation differences	(21,791)	(30,350)
Actuarial gains and losses	(9,981)	-
TOTAL COMPREHENSIVE INCOME NET OF TAXES	**152,073**	**132,256**
Attributable to:		
- Parent company	135,866	127,192
- Non-controlling interest	16,207	5,064
	152,073	**132,256**

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT DECEMBER 31, 2012 AND DECEMBER 31, 2011

(In thousands 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, 2010	**288,237**	**61,591**	**705,701**	**17,011**	**1,072,540**	**134,067**	**1,206,607**
Profit for 2011			168,486		168,486	4,128	172,614
Fair value adjustments reserve (hedge)			(10,008)		(10,008)		(10,008)
Variation in exchange rates				(31,286)	(31,286)	936	(30,350)
Total comprehensive income for 2011			**158,478**	**(31,286)**	**127,192**	**5,064**	**132,256**
Dividends distributed by parent company			(33,404)		(33,404)		(33,404)
Addition of Loire, S.A. Franco Española to the consolidation scope						612	612
Non-controlling interest of GMF subgroup						138,977	138,977
Capital increase of Edscha Holding España (proportional subscription)						2,000	2,000
Transfer from non-controlling interest to retained earnings due to the change of the shareholding in the Russian companies and others			568		568	(568)	
Adjustements from prior years						(455)	(455)
Change of consolidation method in GS Hot Stamping Co. Ltd. from full to proportionate						(2,633)	(2,633)
Other movements			127		127	(175)	(48)
AT DECEMBER 31, 2011	**288,237**	**61,591**	**831,470**	**(14,275)**	**1,167,023**	**276,889**	**1,443,912**
Profit for 2012			170,141		170,141	15,993	186,134
Fair value adjustments reserve (hedge)			(2,289)		(2,289)		(2,289)
Variation in exchange rates				(26,430)	(26,430)	4,639	(21,791)
Actuarial gains and losses			(5,556)		(5,556)	(4,425)	(9,981)
Total comprehensive income for 2012			**162,296**	**(26,430)**	**135,866**	**16,207**	**152,073**
Dividends distributed by parent company			(50,549)		(50,549)		(50,549)
Capital increases						6,502	6,502
Capital share increse due to the purchase of non-controlling interest			(361)		(361)	(804)	(1,165)
Transfer from retained earnings to non-controlling interest due to the change of the shareholding			(897)		(897)	897	
Adjustements from prior years						(590)	(590)
AT DECEMBER 31, 2012	**288,237**	**61,591**	**941,959**	**(40,705)**	**1,251,082**	**299,101**	**1,550,183**

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS AT DECEMBER 31, 2012 AND DECEMBER 31, 2011

(In thousands of euros)

	Note	December 31, 2012	December 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxes and after non-controlling interest		**246,575**	**225,875**
Adjustments to profit		**344,394**	**292,439**
Depreciation and amortization of fixed assets	8-9	280,575	239,474
Impairment of fixed assets	8-9	(615)	1,102
Impairment	11-12	18,479	6,570
Change in provisions	18	(47,181)	(20,379)
Change in deferred tax		0	0
Grants released to income	17	(4,934)	(7,535)
Profit (loss) attributable to non-controlling interests	16	15,993	4,128
Profit from disposal of fixed assets		374	858
Profit from disposal of financial instruments		329	-
Financial income	25	(7,317)	(9,953)
Financial expenses	25	87,489	72,493
Share of profits from associates - equity method	10	(290)	2,421
Exchange rate differences		1,492	11,717
Other income and expenses		-	(8,457)
Changes in working capital		**(85,573)**	**(129,630)**
(Increase)/Decrease in Inventories		(61,705)	(46,839)
(Increase)/Decrease in Trade and other receivables		8,796	(39,565)
(Increase)/Decrease in Other current assets		87	22,905
Increase/(Decrease) in Trade and other payables		(33,717)	(61,565)
Increase/(Decrease) in Other current liabilities		2,158	(3,842)
Other non-current assets and liabilities		(1,192)	(724)
Other cash-flows from operating activities		**(133,888)**	**(81,087)**
Interest paid		(73,042)	(70,350)
Interest received		5,562	10,250
Proceeds (payments) of income tax		(66,408)	(20,987)
Cash flows from operating activities		**371,508**	**307,597**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		**(604,831)**	**(713,039)**
Group companies and associates		(8,786)	(422,134)
Addition to consolidation scope		-	64,075
Intangible assets	8-20	(40,073)	(28,382)
Property, plant and equipment	9-20	(533,934)	(299,350)
Other financial assets		(22,038)	(6,046)
Other assets		-	(21,202)
Proceeds from divestments		**25,617**	**90,381**
Group companies and associates		4,763	41,396
Intangible assets	8	448	4,871
Property, plant and equipment	9	4,759	16,238
Other financial assets		15,647	27,114
Other assets		-	762
Cash flows from investing activities		**(579,214)**	**(622,658)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds and payments on equity instruments		**4,423**	**145,871**
Change in non-controlling interests	16	322	137,714
Grants, donations and legacies received	17	4,101	7,817
Other equity movements		-	340
Proceeds and payments on financial liabilities		**242,649**	**127,986**
Issue		443,798	390,245
Interest-bearing loans and borrowings		313,586	294,669
Borrowings from Group companies and associates		47,069	57,462
Other borrowings		83,143	38,114
Repayment of		(201,149)	(262,259)
Interest-bearing loans and borrowings		(181,720)	(205,485)
Borrowings from Group companies and associates		-	(46,898)
Other borrowings		(19,429)	(9,876)
Payments on dividends and other equity instruments		**(50,549)**	**(33,404)**
Dividends	14	(50,549)	(33,404)
Cash flows from financing activities		**196,523**	**240,453**
Effect of changes in exchange rates		**(1,304)**	**(2,390)**
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS		**(12,487)**	**(76,998)**

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2012

1. Activity and companies included in consolidation scope

GESTAMP AUTOMOCION, 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 02, 2012 the Company registered the change of its legal name, from limited company to corporation, in the Commercial Register of Vizcaya (Note 2.a).

The Company in turn belongs to a larger group, headed by its majority shareholder Corporación Gestamp, S.L. ("Grupo Corporación Gestamp"). The Company carries out commercial and financial transactions with the companies of Grupo Corporación Gestamp 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.

During 2012, the Group incorporated several companies into its consolidation scope, with an impact on the Consolidated Financial Statements that is not significant (Note 2.a).

During 2011, the Group acquired certain companies from the Metal Forming business unit of ThyssenKrupp Group, via the newly incorporated company GMF Holding GmbH. The activity of the acquired companies is similar to the Group's, and the acquisition has been reflected in these Consolidated Financial Statements as a business combination from the date of acquisition (Note 2).

In addition, other companies have been acquired during 2011 which have a less significant impact on the Consolidated Financial Statements (Note 2).

2. Changes in consolidation scope and business combinations

(iv) 2.a Changes in consolidation scope

In 2012, the group companies Gestamp Autocomponents (Shenyang), Co. Ltd., Gestamp West Virginia, LLC., and Gestamp Autocomponents (Dongguan), Co. Ltd. have been included in the consolidation scope by means of incorporation.

In addition, during 2012, the company Edscha Automotive Components Co., Ltd., was included in the consolidation scope by means of incorporation. The companies Gestamp Finance Slovakia, S.R.O., and Edscha Kunststofftechnik, GmbH. (previously, *Edscha Services, GmbH.*) were acquired in previous years but had not been included in the consolidation scope based on their immateriality until 2012. These companies belong to the Edscha Subgroup.

On July 06, 2012 the company Gestión Global de Matricería, S.L. was formed, and the Company subscribed the 35% of the share capital. Additionally, the company Gestión Global de Matriceria, S.L., through a purchase agreement, acquired the 100% of the share capital of the companies Ingeniería y Construcción Matrices, S.A. and IxCxT, S.A. These companies are consolidated by the equity method.

The contribution to the Group's assets and revenue at December 31, 2012, related to the companies mentioned in the previous paragraphs, was 110,993 thousand euros and 420 thousand euros respectively, as well as 971 thousand euros of losses.

On July 10, 2012 the company Tallent Automotive, Ltd., which belongs to the Gestamp Metal Forming Subgroup, signed the sale of 100% of the share capital of GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi to the group company Beyçelik, A.S. As a consequence, governance of the company is now via joint control and the consolidation method changed from full to proportionate consolidation.

In 2012, the group companies Gestamp Tooling Overseas Design India, Ltd., Gestamp Paraná, S.A., and GMF Umformtechnik, GmbH. changed their names to Gestamp Services India Private, Ltd., Gestamp Brasil Industria de Autopeças, S.A., and Gestamp Umformtechnik, GmbH., respectively.

During this period, the group companies Continental Group, Ltd. and Gestamp Tooling Overseas, Ltd., were dissolved. There were no significant effects in connection with this dissolution.

In addition, Gestamp Tool Hardening, S.L. acquired 20% of the share capital of Bero Tools, S.L and 38% of the share capital of Diede Die Developments S.L.

In August 2012, both the Company and Gestamp Servicios, S.L. have registered the change of their legal names, from limited company to corporation, and so have been renamed as Gestamp Automoción, S.A and Gestamp Servicios, S.A., upon the approval of the new statutes.

On September 14, 2012 Gestamp Stadco Holding, S.L. has merged into Todlem, S.L.

In 2011 the following companies and subgroups were incorporated into the consolidation scope:

- Ocon Automated Systems, S.L.
- Gestamp Togliatti, LLC.
- Edscha Automotive Michigan, Inc.
- Edscha Togliatti, LLC.
- Gestamp Metal Forming Subgroup (Note 2)

- Gestamp Sungwoo Stampings & Assemblies Private Limited.
- Essa Palau, S.A.
- Gestamp North Europe Services, S.L.
- Loire Sociedad Anónima Franco Española (Note 2)
- Bero Tools, S.L.
- Diede Die Developments, S.L.
- Gestamp Louny S.R.O.

Ocon Automated Systems, S.L. and Gestamp Louny, S.R.O. were acquired in previous years but had not been included in the consolidation scope based on their immateriality until 2011.

Gestamp Togliatti, LLC., Edscha Automotive Michigan, Inc., Edscha Togliatti, LLC. and Gestamp Sungwoo Stampings & Assemblies Private Limited, have been included in the consolidation scope by means of incorporation. The Gestamp Metal Forming Subgroup, Gestamp North Europe Services, S.L., Loire Sociedad Anónima Franco Española, Bero Tools S.L. and Diede Die Developments S.L. and Essa Palau, S.A. were acquired in the third quarter of the year. Of the latter has acquired 40% of the outstanding capital stock which is consolidated by the equity method.

In 2011 the Group acquired the remaining 60% of the outstanding shares of ALHC, LLC., sole shareholder of Gestamp South Carolina, LLC., for 8,806 thousand euros (12,728 thousand dollars), attaining thus 100% ownership in both companies. As a result, the consolidation method changed in 2011 from equity method to full consolidation (Note 2.b).

The contribution to the Group's assets and revenue from the new companies included in the consolidation scope in the year ended December 31, 2011 was 856,768 and 674,376 thousand euros respectively, as well as 16,622 thousand euros of profit and 7,632 thousand euros of losses.

The Griwe Subgroup did not subscribe pro rata to the capital increase carried out by group company GS Hot-Stamping Co. Ltd. and its shareholding in that company decreased as a result from 60% to 50%. As a consequence, governance of the company is now via joint control and the consolidation method has been changed from full to proportionate consolidation.

In 2011, the group company Gestamp Sungwoo Automotive (Chennai) Private Limited changed its name to Gestamp Sungwoo Hitech (Chennai) Private Limited.

In 2011, the group company Gestamp Servicios Administrativos de Brasil, S.A. was dissolved.

In addition, the following mergers took place in 2011:

- MB Hidroacero, S.A. and MB Navarra, S.A.; the Financial Statements of the latter have been included in those of the former and the merged company's name was changed to Gestamp Navarra, S.A.

- Gestamp Manufacturing Autochasis, S.L. and Gestamp Tavol España, S.L.; the Financial Statements of the latter have been included in those of the former.

(v) 2.b Business combinations

Acquisitions in 2012

In the period ended December 31, 2012, there were no acquisitions.

Acquisitions in 2011

Gestamp Metal Forming Subgroup

On April 28, 2011 the group company Metalbages, S.A. signed a purchase agreement with ThyssenKrupp for the acquisition of 100% of the share capital of certain companies of the Metal Forming business unit of the ThyssenKrupp Group. Closing of the acquisition was subject to obtaining certain regulatory approvals.

After having received the required approvals, as of July 20, 2011 the Company consummated the aforementioned acquisition via GMF Holding GmbH., which had been newly incorporated on June 2, 2011 with domicile in Remscheid, Germany. The companies acquired from the ThyssenKrupp Metal Forming business unit are domiciled in several European countries (Germany, France and the United Kingdom). In acquiring these companies the Group assumed the contracts with clients and suppliers, the staff and the shareholdings in companies located in Spain, the United Kingdom, Poland and Turkey. The newly acquired companies were incorporated into the Group consolidation scope as of July 31, 2011.

Subsequently, on December 2, 2011, after receiving the relevant regulatory approvals, GMF Holding GmbH. acquired one additional company, based in China, which had also belonged to the Metal Forming business unit of ThyssenKrupp Group, denominated GMF Wuhan, Ltd.

The Metal Forming business unit is one of the main producers of body components - principally chassis structures. As such this transaction improves the Group's market position worldwide in chassis structures, enhances the diversification of the Group's customer base, as well as increasing economies of scale and technological improvements.

Approximately, 98% of the total revenue of the Gestamp Metal Forming Subgroup derived from the European Union.

The fair value of the assets and liabilities of the Gestamp Metal Forming Subgroup as of July 31, 2011, the date of incorporation into the consolidation, and as of November 30, 2011 for GMF Wuhan, Ltd. is as follows:

	Thousand euros
Intangible assets (Note 8)	4,360
Property, plant and equipment (Note 9)	
Land and buildings	65,769
Plant and other PP&E	221,571
Deferred tax assets	9,309
Inventories	99,816
Trade receivables	242,334
Cash and cash equivalents	44,999
Other assets	28,092
	716,251
Non current provisions (Note 18)	74,024
Other non current liabilities	77
Deferred tax liabilities	10,933
Current provisions (Note 18)	12,680
Other current liabilities	3,888
Trade accounts payable	227,905
Other liabilities	307
	329,815
Net assets	386,436
Total consideration	383,820
Net effect business combination	2,616

The cost of the acquisition amounted to 383,820 thousand euros, of which 195,267 thousand euros correspond to purchase of the companies´ shares and 188,553 thousand euros to the assumption of debts. Of the total consideration, 358,820 thousand euros was paid in cash by GMF Holding GmbH. and Gestamp Auto Components (Kunshan), Co., Ltd.

In addition, 25,000 thousand euros was deferred until the year 2012. There are no outstanding payments at December 31, 2012.

Transaction related expenses amounted to approximately 578 thousand euros.

No goodwill arose from the acquisition and there are no significant contingent payments. The net effect of the business combination has been registered under the heading "Other operating expenses" in the Consolidated Income Statement as of December 31, 2011 (Note 24.c).

The Revenue and net result of the acquired businesses reflected in the Consolidated Financial Statements from the date of incorporation into the consolidation scope to December 31, 2011 amounted to 518,725 thousand euros and 3,237 thousand euros in losses, respectively, including the net effect on income of the business combination amounting to 2,616 thousand euros. The headcount of this newly incorporated business unit amounted to approximately 4,430.

In December 2011, Tocqueville Capital Company B.V., became a 49.06% non-controlling interest shareholder in GMF Holding GmbH. via subscription of a capital increase (Note 16).

Loire S.A.Franco Española

On August 4, 2011 the group company Gestamp Manufacturing Autochasis, S.L. signed a sale and purchase agreement for the acquisition of 100% of the share capital of Loire, S.A. Franco Española, subject to certain conditions precedent. These conditions were satisfied on October 3, 2011, which became the effective legal date of acquisition.

The acquired company is domiciled in Hernani (Guipúzcoa) and its corporate purpose is the manufacturing and sale of machinery for sheet metal cutting and stamping.

At the date of the acquisition, Loire S.A. Franco Española owned 80% of Bero Tools, S.L., a holding company which owns 62% of Diede Die Developments, S.L., a tooling/die manufacturer. In 2012 the group company Gestamp Tool Hardening, S.L. acquired the remaining 20% shareholding of of Bero Tools, S.L. and 38% of Diede Die Developments, S.L. (Note 2.a).

The fair value of the assets and liabilities of Loire S.A. Franco Española, considering its shareholding in Bero Tools, S.L. and its indirect participation in Diede Die Developments, S.L., as of September 30, 2011 (the date of inclusion of these companies into the consolidation scope), is as follows:

	Thousand euros
Intangible assets (Note 8)	1,568
Property, plant and equipment (Note 9)	
Land and buildings	4,845
Plant and other PP&E	3,961
Deferred tax assets	707
Inventories	21,178
Trade receivables	5,756
Cash and cash equivalents	3,241
Other assets	898
	42,154
Non-controlling interest	568
Other non current liabilities	3,820
Deferred tax liabilities	1,423
Current provisions (Note 18)	336
Other current liabilities	947
Trade accounts payable	24,003
Other liabilities	1,338
	32,435
Net assets	9,719
Total consideration	5,702
Net effect business combination	4,017

The payment was fully disbursed in cash.

No goodwill arose from the acquisition and there are no significant contingent payments. The net effect of the business combination has been registered under the heading “Other operating expenses” in the Consolidated Income Statement as of December 31, 2011 (Note 24.c).

The Revenue and net income of the acquired business reflected in the Consolidated Financial Statements from the date of incorporation into the consolidation scope to December 31, 2011 amounted to 5,406 thousand euros and 4,462 thousand euros in profit, respectively, including the net effect on income of the business combination amounting to 4,017 thousand euros. The headcount of this newly incorporated business amounted to approximately 100.

The Group has opted to value non-controlling interest on the basis of the recognized value of net assets acquired and in proportion to the relative equity interest of non-controlling shareholdings.

There were no significant transaction related expenses in connection with this acquisition.

ALHC, LLC. and Gestamp South Carolina, LLC.

On October 1, 2009 the group company Gestamp North America, Inc. acquired a 40% stake in ALHC, LLC., which in 2009 and 2010 was reflected in the Group Consolidated Financial Statements using the equity method.

On April 29, 2011 the group company Gestamp North America, Inc., acquired the remaining 60% shareholding of ALHC, LLC., which owns 100% of Gestamp South Carolina, LLC. a company whose corporate purpose is metal stamping and the manufacture of metal components and which is domiciled in South Carolina (USA). As such, as of that date, the Group acquired full ownership of both companies.

The fair value of the assets and liabilities of ALHC, LLC., considering its shareholding in Gestamp South Carolina, LLC., is as follows:

	Thousand euros
Intangible assets (Note 8)	473
Property, plant and equipment (Note 9)	
Land and buildings	16,603
Plant and other PP&E	36,669
Inventories	36,616
Trade receivables	5,674
Cash and cash equivalents	16,371
Other assets	3,079
	115,485
Other non current liabilities	39,780
Other current liabilities	3,650
Trade accounts payable	50,604
Other liabilities	2,779
	96,813
Net assets	18,672
Fair value of 40%	8,042
Cost of 60% of consideration	8,806
Net effect business combination	1,824

The payment was fully disbursed in cash.

No goodwill arose from the acquisition and there are no significant contingent payments. The net effect of the business combination amounted to 1,824 thousand euros and has been registered under the heading “Other operating expenses” in the Consolidated Income Statement as of December 31, 2011 (Note 24.c).

Additionally, when the Group obtained control, there was a net debt at ALHC, LLC. with the acquiring company Gestamp North America, Inc., in the amount of 29,968 thousand euros, included in the previous Balance Sheet, mainly, under the heading “other current financial liabilities”.

The Revenue and net income of the acquired business reflected in the Consolidated Financial Statements from the date of incorporation into the consolidation scope to December 31, 2011 amounted to 148,274 thousand euros and 8,314 thousand euros in profit, respectively, including the net effect on income of the business combination amounting to 1,824 thousand euros. The headcount of this newly incorporated business amounted to approximately 193.

There were no significant transaction related expenses in connection with this acquisition.

With regard to all of the aforementioned business combinations, the principal assessment criteria utilized in calculating the fair value of the different accounting line items are as follows:

Intangible assets: measured based on their fair value.

Property, plant, and equipment: in the case of the Gestamp Metal Forming Subgroup, the fixed assets were valued according to their utility, considering an estimated remaining useful life of 7 years, given that the bulk of the fixed assets is machinery, and considering discount rates of between 10.8% and 14.5% depending on the country. The utility valuation was also verified using an appraisal by an independent expert who used market values for land and buildings and replacement value for the remaining fixed assets.

For the other business combinations the fixed asset valuations were based on independent third party reports. Market valuations served as the underlying criteria for the determination of fair value.

Inventories of raw materials: measured based on net replacement value.

Inventories of finished products: measured based on net replacement value.

Trade receivables and trade accounts payable: measured at nominal value.

Current and non current provisions: measured based on the present value of the expected future necessary cash payments.

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, 2012							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio management	Full	Ernst & Young
Estampaciones Metálicas Vizcaya, 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 Cataforesis Vigo, S.L.	Pontevedra	Spain	5.01%	94.99%	Parts protection	Full	Ernst & Young
Gestamp Portugal, Lda.	Viana do Castelo	Portugal	0.01%	99.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.L.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering AIE	Vizcaya	Spain	10.00%	85.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Real Estate	Full	N/A
Solblank, 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	92.10%	7.90%	Portfolio management	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina		100.00%	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
Araluce, S.A.	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Galvanizaciones Castellana, 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		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Estampaciones Martinez, 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 México, S.A.de C.V.	Aguas Calientes	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		65.00%	Portfolio management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa II, S.L.	Barcelona	Spain		100.00%	Portfolio management	Full	N/A
Todlem, S.L.	Barcelona	Spain		50.97%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		100.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administrative services	Full	N/A
MB Aragón, S.A.	Zaragoza	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
MB Pamplona, S.A.	Navarra	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
MB Abrera, S.A.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
MB Levante, S.L.	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 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		100.00%	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

December 31, 2012							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Mason, LLc.	Michigan	USA		100.00%	Tooling and parts manufacturing	Full	Plante & Moran, LLP/E&Y
Gestamp Alabama, LLc.	Alabama	USA		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
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		100.00%	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	Proportionally	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		65.00%	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		55.77%	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		50.97%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Sungwoo Gestamp Hitech Pune Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Sungwoo Gestamp Hitech Chennai Ltd.	Chennai	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Gestamp Chattanooga, Llc	Chattanooga	USA		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain		74.39%	Portfolio management	Full	Ernst & Young
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	Tamil Nadu	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
ALHC, Llc.	South Carolina	USA		100.00%	Portfolio management	Full	N/A
Gestamp South Carolina, Llc	South Carolina	USA		100.00%	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	Proportionally	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	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		50.94%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Sungwoo Stampings & Assemblies Private Ltd.	Chennai	India		50.00%	Tooling and parts manufacturing	Proportionally	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 cuttin	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		97.64%	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		100.00%	Tooling and parts manufacturing	Full	N/A
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Proportionally	Denetciler Swon/KPMG
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		94.99%	Tooling and parts manufacturing	Full	Ernst & Young
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	IZE Auditores
IxCxT, S.A.	Vizcaya	Spain		35.00%	Die cutting production	Equity method	IZE Auditores

(*) The Edscha Subgroup indirect shareholding corresponds to the Metalbages, S.A. and Gestamp Polska, SP. Z.O.O. direct shareholding in Edscha Holding GmbH., 67% and 33%, respectively.

December 31, 2011							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.L.	Vizcaya	Spain	Parent company		Portfolio management	Full	Ernst & Young
Estampaciones Metálicas Vizcaya, 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 Cataforesis Vigo, S.L.	Pontevedra	Spain	5.01%	94.99%	Parts protection	Full	Ernst & Young
Gestamp Portugal, Lda.	Viana do Castelo	Portugal	0.01%	99.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.L.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering AIE	Vizcaya	Spain	10.00%	85.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Real Estate	Full	N/A
Solblank, 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	92.10%	7.90%	Portfolio management	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina		100.00%	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.L.	Madrid	Spain	100.00%		Administrative services	Full	Ernst & Young
Araluce, S.A.	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Galvanizaciones Castellana, 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 Paraná, S.A.	Parana	Brazil		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Estampaciones Martinez, 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 México, S.A.de C.V.	Aguas Calientes	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		65.00%	Portfolio management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa II, S.L.	Barcelona	Spain		100.00%	Portfolio management	Full	N/A
Todlem, S.L.	Barcelona	Spain		50.97%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		100.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administrative services	Full	N/A
MB Aragón, S.A.	Zaragoza	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
MB Pamplona, S.A.	Navarra	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
MB Abrera, S.A.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
MB Levante, S.L.	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	Ernst & Young
Gestamp Polska, SP. Z.O.O.	Wielkopolska	Poland		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 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

December 31, 2011							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp North America, INC	Michigan	USA		100.00%	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		100.00%	Tooling and parts manufacturing	Full	Plante & Moran, LLP/E&Y
Gestamp Alabama, LLc.	Alabama	USA		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
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		100.00%	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
Kartek Corporation	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		65.00%	Labor services	Full	Ernst & Young
Gestamp Tooling Overseas Design India, LTD.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
Continental Group Ltd.	Coventry	United Kingdom		100.00%	Dormant	Full	Ernst & Young
Gestamp Tooling Overseas Ltd.	Coventry	United Kingdom		100.00%	Dormant	Full	Ernst & Young
Gestamp Stadco Holdings, S.L.	Madrid	Spain		50.97%	Portfolio management	Full	Ernst & Young
Gestamp Severstal Vsevolozhsk Llc	Saint Petersburg	Russia		50.97%	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		50.97%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Sungwoo Gestamp Hitech Pune Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Sungwoo Gestamp Hitech Chennai Ltd.	Chennai	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
Gestamp Chattanooga, Llc	Chattanooga	USA		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain		67.99%	Portfolio management	Full	Ernst & Young
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	Tamil Nadu	India		50.00%	Tooling and parts manufacturing	Proportionally	Ernst & Young
ALHC, Llc.	South Carolina	USA		100.00%	Portfolio management	Full	N/A
Gestamp South Carolina, Llc	South Carolina	USA		100.00%	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	Proportionally	N/A
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	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%	Dormant	Full	N/A
Gestamp Metal Forming Subgroup	Remscheid	Germany		50.94%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Sungwoo Stampings & Assemblies Private Ltd.	Chennai	India		50.00%	Tooling and parts manufacturing	Proportionally	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		80.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain		49.60%	Die cutting production	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic		100.00%	Tooling and parts manufacturing	Full	N/A

(*) The Edscha Subgroup indirect shareholding corresponds to the Metalbages, S.A. and Gestamp Polska, SP. Z.O.O. direct shareholding in Edscha Holding GmbH., 67% and 33%, respectively.

The companies which hold the indirect investments indicated in the above table, corresponding to December 31, 2012 and December 31, 2011 are specified in Annex I.

The companies which compose the Griwe Subgroup at December 31, 2012 and December 31, 2011 are the following:

Company	Address	Country	Shareholding	Consolidation method
GRIWE Innovative Umfortechnik GmbH	Westerburg	Germany	Parent company	Full
GRIWE Werkzeug Produktions GmbH	Haynrode	Germany	100.00%	Full
GRIWE System Produktions 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, 2012 and December 31, 2011, and the information about the consolidation method used, address and shareholding percentage (direct and indirect), are the following:

December 31, 2012						
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
Edscha España Holding, S.L.	Villalonquéjar (Burgos)	Spain	59.99%	0.01%		Full
Edscha Burgos, S.L.	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 France Engineering S.A.S.	Les Ulis	France	100.00%			Full
Edscha Do Brasil, Ltda.	Sorocaba	Brazil		56.98%		Full
Edscha Japan Co Ltda.	Yokohama	Japan	100.00%			Full
Jui Li Edscha Body Systems Co Ltda.	Kaohsiung	Taiwan	50.00%			Proportionally
Jui Li Edscha Holding Co. Ltda.	Apia	Samoa		50.00%		Proportionally
Jui Li Edscha Hainan Industry Enterprise Co Ltda.	Hainan	China		50.00%		Proportionally
Edscha Automotive Technology Co Ltda	Shanghai	China	100.00%			Full
Shanghai Edscha Machinery Co Ltda.	Shanghai	China	50.00%			Proportionally
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China	70.00%			Full
Edscha 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.	Kunshan	China	75.00%		25.00%	Full
Edscha Kunststofftechnik GmbH	Kunshan	China	100.00%			Full

December 31, 2011						
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
Edscha España Holding, S.L.	Villalonquéjar (Burgos)	Spain	59.99%	0.01%		Full
Edscha Burgos, S.L.	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 France Engineering S.A.S.	Les Ulis	France	100.00%			Full
Edscha Do Brasil, Ltda.	Sorocaba	Brazil		56.98%		Full
Edscha Japan Co Ltda.	Yokohama	Japan	100.00%			Full
Jui Li Edscha Body Systems Co Ltda.	Kaohsiung	Taiwan	50.00%			Proportionally
Jui Li Edscha Holding Co. Ltda.	Apia	Samoa		50.00%		Proportionally
Jui Li Edscha Hainan Industry Enterprise Co Ltda.	Hainan	China		50.00%		Proportionally
Edscha Automotive Technology Co Ltda	Shanghai	China	100.00%			Full
Shanghai Edscha Machinery Co Ltda.	Shanghai	China	50.00%			Proportionally
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China	70.00%			Full
Edscha Michigan, Inc	Lapeer	USA	100.00%			Full
Edscha Togliatti, Llc.	Togliatti	Russia	100.00%			Full

The companies which hold the indirect shareholding indicated in the above table at December 31, 2012 and December 31, 2011 are the following:

Company	Company holding the indirect investment	% investment
Edscha España Holding, S.L.	Edscha Engineering GmbH	0.01%
Edscha Burgos, S.L.	Edscha España Holding, S.L.	99.99%
Edscha Santander, S.L.	Edscha España Holding, S.L.	94.97%
Edscha Briey S.A.S.	Edscha Santander, S.L.	100.00%
Edscha Do Brasil, Ltda.	Edscha Santander, S.L.	99.99%
Edscha Do Brasil, Ltda.	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%

These companies are active primarily in the manufacturing of automotive components.

The companies which compose the Gestamp Metal Forming Subgroup at December 31, 2012 and December 31, 2011, and the information about the consolidation method used, address and shareholding percentage (direct and indirect), are the following:

December 31, 2012					
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
Prisma, S.A.S	Usine de Messempré	France	100.00%		Full
Tallent Automotive, Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Full
Sofedit España, S.A.	Valladolid	Spain		65.00%	Full
Sofedit Polska Sp.z,o.o.	Wroclaw	Poland		65.00%	Full

In addition, the company GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi was included in the consolidation scope of Gestamp Automoción (acquired by the group company Beyçelik, A.S.) from the consolidation scope of Gestamp Metal Forming Subgroup (Note 2.a).

December 31, 2011					
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
GMF 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
Prisma, S.A.S	Usine de Messempré	France	100.00%		Full
Tallent Automotive, Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Full
Sofedit España, S.A.	Valladolid	Spain		65.00%	Full
Sofedit Polska Sp.z,o.o.	Wroclaw	Poland		65.00%	Full
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Kocaeli	Turkey		100.00%	Full

The companies which hold the indirect shareholding indicated in the above table at December 31, 2012 and December 31, 2011, are the following:

December 31, 2012		
Company	Company holding the indirect investment	% investment
Tallent Automotive, Ltd.	Automotive Chassis Products, Plc	100.00%
Sofedit España, S.A.	Sofedit, S.A.S	100.00%
Sofedit Polska Sp.z.o.o	Sofedit, S.A.S	100.00%

December 31, 2011		
Company	Company holding the indirect investment	% investment
Tallent Automotive, Ltd.	Automotive Chassis Products, Plc	100.00%
Sofedit España, S.A.	Sofedit, S.A.S	100.00%
Sofedit Polska Sp.z.o.o	Sofedit, S.A.S	100.00%
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Tallent Automotive, Ltd.	100.00%

These companies are active primarily in the manufacturing of automotive components.

The closing of the financial year for the companies included in the consolidation scope at December 31, 2012 is December 31, with the exception of the subsidiaries Gestamp Services India Private, Ltd., Gestamp Automotive India Private, Ltd., Sungwoo Gestamp Hitech Pune Private, Ltd., Sungwoo Gestamp Hitech Chennai Ltd., Gestamp Sungwoo Hitech (Chennai) Private, Ltd. and Gestamp Sungwoo Stampings & Assemblies 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.

No significant subsidiaries have been excluded from the consolidation scope.

4. Basis of presentation

4.1 True and fair view

The Consolidated Financial Statements for the year ended December 31, 2012 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, 2012.

The Consolidated Financial Statements have been prepared on the basis of the accounting records of each group company as of December, 31 2012 and 2011. 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.

4.2 Approval of the Financial Statements and proposal for the appropriation of profit

The individual 2012 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 2012 Consolidated Financial Statements as a result of this process. The Gestamp Automoción Group's 2012 Consolidated Financial Statements will be authorized by the Board of Directors of the Company on April 05, 2013 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, 2012 for approval at the Annual General Meeting:

	Thousands of euros
Basis of appropriation	
As per income statement	56,200
Appropriation to:	
Legal reserve	5,620
Goodwill reserve	571
Voluntary reserves	50,009

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.

Nor 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.

The figures contained in these Consolidated Financial Statements are expressed in thousands of euros, unless otherwise indicated.

4.3. Comparison of information

The Group's Financial Statements were 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, 2012. The new standards are described in Note 4.5.

4.4 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the parent company and subsidiaries as per December 31, 2012.

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 statements for the subsidiaries have the same financial year end as the parent's, except for those mentioned on Note 3 where an interim closing has been prepared for the purpose of including these companies in the Consolidated Financial Statements, and have been prepared using the same accounting standards.

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 lose of control are reflected as an equity transaction. When the Group lose control of a subsidiary:

- Derecognises assets (including goodwill) and liabilities of such subsidiary.
- Derecognises carrying amount of non-controlling interests.
- Derecognises the translation differences registered in Equity.
- Recognises the fair value of the amount received for the operation.
- Recognises the fair value of any retained investment.
- Recognises any excess or deficit in the Consolidated Income Statement..
- Reclasifies 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:

III. 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.

IV. Companies over which the Company exercises effective control over financial and operational policies, irrespective of the shareholding percentage, by virtue of holding the majority of voting rights on the entity's governing bodies.

Jointly controlled entities
Jointly controlled entities or interests in joint ventures are consolidated using the proportionate consolidation method until the date on which the Group ceases to have joint control over the venture.

A jointly controlled entity is a business over which the Group exercises joint control.

<u>Associates</u>
Investments in which the Group has significant influence but not control or joint control have been consolidated under the equity method. For the purposes of the preparation of the accompanying 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.

Companies in which the Company's direct or indirect holding is between 20% and 50%, but in which it does not hold the majority of voting rights or in which it does not have effective control or joint control with another non-group company, are consolidated using the equity method.

<u>Translation of the Financial Statements of foreign operations</u>
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 the tax effect. The net amount of positive translation differences, including the tax effect, at December 31, 2012, amounted to 8.2 million euros (17 million euros of negative translation differences in 2011).

At December 31, 2012 and 2011 the subsidiaries held no 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.

<u>Transactions between companies included in the consolidation scope</u>

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

a) Standards and interpretations adopted by the European Union this financial year

The accounting policies used in the preparation of the Consolidated Financial Statements for the year ended December 31, 2012 are the same applied to the Consolidated Financial Statements for the year ended December 31, 2011, except for the following amendment, which is applicable to the years starting from January 1, 2012 inclusive:

- Amendment to IFRS 7 “Disclosures – Transfers of financial assets”: Applicable for financial years beginning July 1, 2011 or thereafter. Adoption of this amendment did not have any impact in the Group’s Consolidated Financial Statements.

b) Standards and interpretations adopted by the European Union that need not be mandatorily applied this year

At the date of publication of these Consolidated Financial Statements, the following standards, amendments and interpretation had been published by the IASB and approved by the European Union, but were not mandatory:

- Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income": Effective from years beginning July 1, 2012.
- IAS 19 (revised) – "Employee Benefits": Effective from years beginning July 1, 2013.
- IFRS 10 "Consolidated Financial Statements": Effective from years beginning January 1, 2014.
- IFRS 11 “Joint Agreements”: Effective from years beginning January 1, 2014.
- IFRS 12 "Disclosure of Interests in Other Entities": Effective from years beginning January 1, 2014.
- IFRS 13 "Fair Value Measurement": Effective from years beginning January 1, 2013.
- Amendment to IAS 28: "Investments in Associates and Joint Ventures": Effective from years beginning January 1, 2014.

- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine." Effective from years beginning January 1, 2013.
- Amendments to IAS 32 "Offsetting Financial Assets and Financial Liabilities": Effective from years beginning January 1, 2014.
- Amendments to IFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities": Effective from years beginning January 1, 2013.
- Amendment to IAS 12 "Deferred taxes – Recovery of underlying assets": Effective from years beginning January 1, 2013.

The Group is currently analyzing the impact of applying these standards, amendments, and interpretation. Based on the analyses carried out to date, the Group considers that the application of these standards, amendments and interpretation, will not have a significant impact on the Consolidated Financial Statements in the initial period of application.

c) Standards and interpretations issued by the IASB and not yet approved by the European Union

At the date of publication of these Consolidated Financial Statements, the following standards and amendments had been published by the IASB but were not mandatory and had yet to be endorsed by the European Union:

- IFRS 9 "Financial Instruments" and amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date and Transition Disclosures": Effective from years beginning January 1, 2015.
- Improvements to IFRS: Effective from years beginning January 1, 2013.
- Amendments to IFRS 10, IFRS 11 and IFRS 12. Effective from years beginning January 1, 2013.
- Amendment to IFRS 10, IFRS 11 and NIC 27 "Investment entities". Effective from years beginning January 1, 2014.

The Group is currently analyzing the impact of applying these new standards and amendments. 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 in the initial period of application.

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 67% of its bank financing as of December 31, 2012 (2011: 61%) maturing over periods longer than twelve months, with maturities between 2014 and subsequent to 2017.

At December 31, 2012 the Group had 301 million euros (2011: 296 million euros) of total available liquidity, comprised of 248 million euros in cash and cash equivalents (2011: 260 million euros) and 53 million euros in current financial assets (2011: 36 million euros). In addition, the Group has at December 31, 2012 undrawn credit facilities amounting to 143 million euros (2011: 99 million euros).

On February 7, 2013 the parent Company signed a loan with EBRD (European Bank of Restructuring and Development) for 150 million euros with maturity date between 2018 and 2020. On February 7, 2013 the subsidiary Edscha Holding GmbH signed a loan with Itaú Bank for 50 million euros with maturity date in December 2016.

5. Summary of significant accounting policies

5.1 Foreign currency transactions

Functional and presentation currency

Each entity in the Group determines its own functional currency, which is the currency of the primary economic environment in which it operates, and line items included in the financial statements of each entity are valued using that functional currency.

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).

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 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 acquiered 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 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. Jointly controlled entities are consolidated using the proportionate consolidation method.

The Group integrates in the Consolidated Financial Statements its shareholding percentage over the assets, liabilities, income and expenses of the joint venture in similar items.

The financial statements of 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.

The Consolidated Financial Statements include the adjustments to eliminate their participation in balances, transactions and profits and losses between the Group and its joint venture. Transactions losses are recognized immediately if the loss reflects a reduction in the net realisable value of current assets or an impairment loss.

The joint venture is proportionately consolidated until the date that the Group ceases to exercise joint control over it. Once the joint control is ceased, the Group measures and recognizes investments held at fair value. Any difference between the carrying amount of the investment that was jointly controlled and the fair value of the investment held, including the revenues, is recognised in the Consolidated Income Statement.

Investments in which the Group has significant influence but not control or joint control, is consolidated under the equity method.

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 less any directly attributable transaction costs. 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 (held for trading)

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.

<u>Loans and receivables</u>

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.

<u>Available-for-sale financial assets</u>

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.

<u>Investments in associates accounted for using the equity method</u>

Investments in associates, companies in which the Group has significant influence, are accounted for using the equity method.

According to the equity method, the investment is recognized initially at cost. From the acquisition date on, the carrying amount of the investment is adjusted in accordance with any changes in Group's interest in the associate. Goodwill related to the associate is included in the carrying amount of the investment and it is not amortized and no impairment test related is done.

If the resulting amount of the investment valuation is negative, the Group's investment in the associate is written down to zero in the Consolidated Balance Sheet unless there is a commitment by the Group to replenish the company's equity, in which case the corresponding provision is recognized.

The share of the Group in profits of operations of associates is reflected in the Consolidated Income Statement. Where there has been a change recognized directly in equity by the associate, the Group recognizes its share of this change,when applicable, in "Other comprehensive Income" and discloses this, when applicable, in the consolidated statement of changes in equity.

Non-realized gains or losses resulting from transactions between the Group and the associate corresponding to the share of the Group in the associate are eliminated.

The share of the Group in profits of associates are reflected directly in the Consolidated Income Statement and represents profit after taxes and non-controlling interests.

Financial statements of the associate are prepared for the same period that for the Group and with all necessary adjustements in order to homogeneize to Group's accounting policies.

After using the equity method, the Group decides if impairment losses on the investment in associated have to be recognised. At closing date the Group consider if there are evidences of impairment of the investment in the associate and if so, the impairment is calculated as the difference between the recoverable value and the carrying amount of the associate 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 ceases, the Group recognises the investment at its fair value. Any difference between the carrying amount of the associate in the moment of lost of significant influence and the fair value of the investment plus the income for sale is recognized in the Consolidated Income Statement.

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.

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 Statemtent in the expenses related to the function of the impaired asset.

For all assets except goodwill, an assesment is made every year to see if there are evidence that the impairment registered in previous years has been reduced or has dissapeared. 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 assesing their impairment:

<u>Consolidation goodwill</u>

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 assess 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.

<u>Intangible assets</u>

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.

<u>Impairment of financial assets</u>

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 impared, 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 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.

The Group recognizes impairment allowances on balances past-due over certain periods, or when other circumstances warrant their classification as impaired.

5.9 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).

5.10 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 5.17).

Where 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, 2012.

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".

5.11 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.

5.12 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 income, it is recognized directly in the Consolidated Income Statement.

5.13 Financial liabilities (trade and other payables and borrowings)

Financial liabilities are initially recognized at fair value less attributable 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.

5.14 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.

5.15 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 (Note 19).

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.

<u>Defined contribution plans</u>

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 projected unit credit method is used to make reliable estimates of the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. 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 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.

5.16 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.

5.17 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 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:

  - 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 5.10).

- 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.

5.18 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.

5.19 Derivative financial 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.

In addition, the Company holds hedges contracted for net foreign investments to cover the exposure to changes in exchange rates with respect to the interest in the net assets of foreign operations.

These financial derivatives hedging cash flow and net foreign investments 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.

5.20 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.

5.21 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.

Estimatable 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 estimate EBITDA at the CGUs, management used the most conservative scenarios so that adjustments to carrying amounts in this regard are considered unlikely (Note 5.7).

- The likelihood and quantification of indeterminate and contingent liabilities (Note 5.14).

- 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.

In terms of current and non-current provisions (Note 18), the Group did not change any of the estimates used to calculate these balances under IFRS.

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 or loss for the year. In these instances, the prior year's balances are also restated to maintain comparability of information.

8. Intangible assets

c) Goodwill

The change in goodwill in 2011 and 2012 is as follows:

	Thousands of euros				
Company	At December 31, 2010	Additions	Decreases	Currency translation differences	At December 31, 2011
Metalbages, S.A.	15,622				15,622
MB Levante, S.L.	6,944				6,944
Gestamp Aveiro, S.A.	7,395				7,395
Griwe Subgroup	6,466				6,466
Gestamp HardTech, AB	42,691			230	42,921
Gestamp Paraná, S.A.	13,466			1,359	14,825
Beyçelik, A.S.	38,010			(8,654)	29,356
Continental Group, Ltd.	1,569			(188)	1,381
Gestamp Tooling Overseas Design India, Ltd.	15			(2)	13
Gestamp Severstal Vsevolozhsk, Llc	207			(25)	182
Adral, matricería y pta. a punto, S.L.	857				857
Sungwoo Gestamp Hitech Chennai, Ltd.	8,558			(76)	8,482
Sungwoo Gestamp Hitech Pune Private, Ltd.	731			(11)	720
Gestamp Sungwoo Automotive (Chennai) Pvt Ltd	1,776			(33)	1,743
	144,307	-	-	(7,400)	136,907

	Thousands of euros				
Company	At December 31, 2011	Additions	Decreases	Currency translation differences	At December 31, 2012
Metalbages, S.A.	15,622				15,622
MB Levante, S.L.	6,944				6,944
Gestamp Aveiro, S.A.	7,395				7,395
Griwe Subgroup	6,466				6,466
Gestamp HardTech, AB	42,921			1,682	44,603
Gestamp Brasil Industria de Autopeças, S.A.	14,825			(1,597)	13,228
Beyçelik, A.S.	29,356			1,133	30,489
Continental Group, Ltd.	1,381		(1,381)		-
Gestamp Services India Private, Ltd.	13			(1)	12
Gestamp Severstal Vsevolozhsk, Llc	182			6	188
Adral, matricería y pta. a punto, S.L.	857				857
Sungwoo Gestamp Hitech Chennai, Ltd.	8,482			(465)	8,017
Sungwoo Gestamp Hitech Pune Private, Ltd.	720			(39)	681
Gestamp Sungwoo Automotive (Chennai) Pvt Ltd	1,743			(95)	1,648
	136,907	-	(1,381)	624	136,150

Currency translation differences 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).

Decreases in period ended December 31, 2012 correspond to Continental Group, Ltd. dissolution (Note 2.a).

In 2012, the group company Gestamp Tooling Overseas Design India, Ltd., changed its name to Gestamp Services India Private, Ltd. In addition, the group company Gestamp Paraná, S.A. changed its name to Gestamp Brasil Industria de Autopeças, S.A. (Note 2.a).

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.

For each CGU, these calculations are made using cash flow projections for the cash-generating unit based on current operating results and business plans covering a five-year period. The pre-tax discount rates used for the cash flow projections in 2012 range from 8.66% to 11.02% for western European companies and from 10.61% to 13.26% for the remaining companies. In 2011 the rates ranged from 10.86% to 14.30% for western European companies and from 13.31% to 14.51% for the remaining companies.

As in 2011, the Group used an estimate of constant growth at approximately 1% in 2012 for the extrapolation of cash flows beyond the five-year period.

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, 2012 and 2011 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.

d) Other intangible assets

The breakdown and change in the various items comprising "Other intangible assets" are shown below:

	Thousands of euros						
Cost	**At December 31, 2010**	**Additions to consolidation scope**	**Additions**	**Disposals**	**Currency translation differences**	**Other movements**	**At December 31, 2011**
R&D expenses	42,265	9,624	13,127	(149)	(123)	829	65,573
Concessions	1,235			(3)	42		1,274
Patents, licenses & trademark	3,431	1,249	94	(2)	11	(1,767)	3,016
Goodwill	2,601	705		(232)	127	42	3,243
Transfer fees	1,344	779	14		(96)	(55)	1,986
Software	54,091	3,746	10,428	(4,787)	(268)	2,673	65,883
Prepayments	318		4,719		(11)	(300)	4,726
Total cost	105,285	16,103	28,382	(5,173)	(318)	1,422	145,701
Amortization and impairment							
R&D expenses	(15,135)	(5,719)	(10,210)		(42)	(1,714)	(32,820)
Concessions	(194)		(124)		17		(301)
Patents, licenses & trademark	(1,187)	(957)	(325)		(11)	(123)	(2,603)
Transfer fees	(985)	(49)	(142)		123	(1)	(1,054)
Software	(39,674)	(2,976)	(5,543)	70	152	(91)	(48,062)
Total accumulated amortization	(57,175)	(9,701)	(16,344)	70	239	(1,929)	(84,840)
Impairment of R&D expenses	(48)		(240)		(10)		(298)
Net carrying amount	48,062	6,402	11,798	(5,103)	(89)	(507)	60,563

The amounts under "Additions to consolidation scope" corresponded to the companies Ocon Automated Systems, S.L., Gestamp South Carolina, LLC., Gestamp Metal Forming Subgroup, Loire Sociedad Anónima Franco Española and Diede Die Developments, S.L. (Note 2.a).

Additions in R&D expenses corresponded mainly to development and design costs of portfolio projects, as such as the application of new technologies and the introduction of new materials related with the business.

Additions in Software corresponded mainly to software licenses, and consulting costs of SAP implementation project in subsidiaries in Brazil and Korea.

Cost	Thousands of euros At December 31, 2011	Additions to consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2012
R&D expenses	65,573		31,168	(570)	169	(671)	95,669
Concessions	1,274				8	16	1,298
Patents, licenses & trademark	3,016		82	(3)	18	1,651	4,764
Goodwill	3,243				(68)	(973)	2,202
Transfer fees	1,986				66	(690)	1,362
Software	65,883		7,592	(1,340)	(168)	2,000	73,967
Prepayments	4,726		1,189		240	(4,487)	1,668
Total cost	145,701	-	40,031	(1,913)	265	(3,154)	180,930
Amortization and impairment							
R&D expenses	(32,820)		(11,739)	150	4	687	(43,718)
Concessions	(301)		(97)		(9)	(16)	(423)
Patents, licenses & trademark	(2,603)		(238)	3	(18)	(65)	(2,921)
Transfer fees	(1,054)		(96)		(60)	54	(1,156)
Software	(48,062)		(6,512)	1,312	150	(289)	(53,401)
Total accumulated amortization	(84,840)	-	(18,682)	1,465	67	371	(101,619)
Impairment of R&D expenses	(298)		(254)			207	(345)
Net carrying amount	60,563	-	21,095	(448)	332	(2,576)	78,966

Additions in R&D expenses corresponded mainly to development and design costs of portfolio projects, as such as the application of new technologies and the introduction of new materials related with the business.

Additions in Software corresponded mainly to software licenses, and consulting costs of SAP implementation project in subsidiaries in Spain, Russia, Brazil and Argentina.

Disposals correspond, mainly, to obsolete and fully amortized software of Gestamp Noury, S.A.S. (1,198 thousand euros).

Other movements mainly reflect differences in opening balances of individual Group companies; as well as reclassifications between intangible assets, PP&E and inventories.

9. Property, plant and equipment

The breakdown and change in various items comprising "Property, plant and equipment" are shown below:

Cost	Thousands of euros At December 31, 2010	Additions to consolidation scope	Additions	Disposals	Currency translatio differences	Other movements	At December 31, 2011
Land and buildings	862,093	141,883	25,986	(44)	(9,526)	19,770	1,040,162
Plant and other PP&E	2,080,810	953,972	93,515	(53,986)	(15,455)	96,319	3,155,175
PP&E under construction and prepayments	160,468	26,464	220,941	(7,031)	(1,773)	(106,640)	292,429
Total cost	3,103,371	1,122,319	340,442	(61,061)	(26,754)	9,449	4,487,766
Depreciation and impairment							
Land and buildings	(146,598)	(54,665)	(30,372)	15	(337)	(3,873)	(235,830)
Plant and other PP&E	(1,242,944)	(708,748)	(193,874)	41,139	(3,719)	(139)	(2,108,285)
Accumulated depreciation	(1,389,542)	(763,413)	(224,246)	41,154	(4,056)	(4,012)	(2,344,115)
Impairment of plant and other PP&E	(382)	(9,337)	(862)	127	(308)	(9)	(10,771)
Net book value	1,713,447	349,569	115,334	(19,780)	(31,118)	5,428	2,132,880

The amounts under “Additions to consolidation scope” corresponded to the companies Ocon Automated Systems, S.L., Gestamp South Carolina, LLC., Edscha Automotive Michigan, Inc., Gestamp Metal Forming Subgroup, Loire Sociedad Anónima Franco Española and Diede Die Developments, S.L. (Note 2.b).

The most significant additions at December 31, 2011 corresponded, principally, to investments in plants and production lines, as well as purchases carried out by plants in Brazil (71,516 thousand euros), Germany (38,143 thousand euros), Spain (34,662 thousand euros), USA (30,550 thousand euros), Czech Republic (25,814 thousand euros), China (23,095 thousand euros), Russia (19,957 thousand euros), Turkey (19,359 thousand euros), Mexico (17,939 thousand euros) and India (15,213 thousand euros); and to replacement capital expenditure to maintain existing activities.

Disposals corresponded, mainly, to obsolete and fully amortized elements of Gestamp Metal Forming Subgroup (16,386 thousand euros), Gestamp Navarra, S.A. (5,607 thousand euros), Estampaciones Metálicas Vizcaya, S.A. (4,833 thousand euros) and Gestamp Paraná, S.A. (3,712 thousand euros), and sales to third parties by Gestamp Severstal Kaluga, LLC. (4,447 thousand euros); the result of these sales is not significative. In addition, disposals include the reduction of the shareholding percentage in the group company GS Hot-Stamping Co. Ltd. (3,543 thousand euros): in 2010 the company was consolidated under the full consolidation method and in 2011 it is consolidated under the proportionate method (Note 2.a).

Other movements mainly reflect differences in opening balances of individual Group companies and PP&E under construction movements; as well as reclassifications between PP&E, intangible assets, and inventories.

The breakdown by country of translation differences arising in 2011 is the following:

	Thousands of euros
Brazil	(14,864)
India	(7,397)
Mexico	(6,168)
Argentina	(5,116)
USA	4,500
Other countries	(2,073)
TOTAL	(31,118)

	Thousands of euros						
Cost	**At December 31, 2011**	**Additions to consolidation scope**	**Additions**	**Disposals**	**Currency translatio differences**	**Other movements**	**At December 31, 2012**
Land and buildings	1,040,162		44,788	(749)	(2,726)	41,334	1,122,809
Plant and other PP&E	3,155,175		193,399	(37,794)	(14,038)	146,970	3,443,712
PP&E under construction and prepayments	292,429		352,710	(8,236)	(8,012)	(198,271)	430,620
Total cost	4,487,766	-	590,897	(46,779)	(24,776)	(9,967)	4,997,141
Depreciation and impairment							
Land and buildings	(235,830)		(31,601)	602	1,994	(10,213)	(275,048)
Plant and other PP&E	(2,108,285)		(228,320)	32,949	9,366	13,262	(2,281,028)
Accumulated depreciation	(2,344,115)		(259,921)	33,551	11,360	3,049	(2,556,076)
Impairment of plant and other PP&E	(10,771)		615		(183)	686	(9,653)
Net book value	2,132,880	-	331,591	(13,228)	(13,599)	(6,232)	2,431,412

The most significant additions at December 31, 2012 correspond, principally, to investments in plants and production lines, as well as purchases carried out by plants in China (92,388 thousand euros), USA (85,874 thousand euros), Spain (83,018 thousand euros), United Kingdom (52,276 thousand euros), Brazil (51,471 thousand euros), Russia (44,626 thousand euros), Germany (35,805 thousand euros), France (34,348 thousand euros), India (23,617 thousand euros), Mexico

(23,639 thousand euros), and Czech Republic (21,069 thousand euros); and to replacement capital expenditure to maintain existing activities.

Disposals correspond, mainly, to obsolete and fully amortized elements of Gestamp Metal Forming Subgroup (6,694 thousand euros), Gestamp Noury, S.A.S. (4,060 thousand euros), Estampaciones Metálicas Vizcaya, S.A. (3,469 thousand euros), MB Levante, S.L. (2,902 thousand euros) and Gestamp Solblank Navarra, S.L. (1,054 thousand euros), and to sales to third parties; the result of these sales is not significative. In addition, disposals include the reduction of the shareholding percentage in the company GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi (7,768 thousand euros), as consequence governance of the company is now via joint control and the consolidation method changed from full to proportionate consolidation (Note 2.a).

Other movements mainly reflect differences in opening balances of individual Group companies and PP&E under construction movements; as well as reclassifications between PP&E, intangible assets and inventories.

The breakdown by country of translation differences arising at December 31, 2012 is the following:

	Thousands of euros
Brazil	(15,123)
Argentina	(12,115)
Mexico	5,140
Russia	4,548
USA	(3,524)
Poland	3,045
India	(2,759)
United Kingdom	2,320
Turkey	2,163
Other countries	2,706
TOTAL	(13,599)

The asset revaluation effect that was carried out as a result of the IFRSs transition is as follows:

	Thousands of euros	
	2012	**2011**
Initial cost	261,916	261,916
Fair value	562,253	562,253
Revaluation	300,337	300,337
Accumulated depreciation	(27,686)	(23,023)
Deferred tax liabilities	(80,013)	(81,396)

In 2013 the Group will carry out several investment projects for increasing the productive capacity of plants and improving their eficiency. This will suppose investments in tangible assets in line with the investments of last two years.

The breakdown of PP&E located outside Spain, by country, is as follows:

Country	Thousands of euros Net carrying amount 2012	Net carrying amount 2011
PORTUGAL	38,131	33,245
FRANCE	98,324	90,119
GERMANY	261,785	266,209
BRAZIL	192,757	172,519
ARGENTINA	81,695	95,421
MEXICO	108,143	89,600
UNITED KINGDOM	135,234	100,017
HUNGARY	19,848	17,270
POLAND	44,445	48,235
SWEDEN	36,825	38,200
USA	282,617	218,584
CHINA	179,539	104,718
INDIA	69,665	59,920
SOUTH KOREA	47,185	48,572
TURKEY	46,685	42,241
RUSSIA	174,530	137,043
CZECH REPUBLIC	61,388	40,391
JAPAN	157	113
SLOVAKIA	4,444	4,776
TAIWAN	13	6
	1,883,410	1,607,199

The breakdown of assets acquired under finance lease agreements is as follows:

	December 31, 2012						
				Thousands of euros			
					Present value of lease obligations		
	Asset cost (thousands of euros)	Lease term	Contract date	Installments paid	Short term	Long term	Purchase option value
Edscha subgroup							
Furniture	9	4 years	April 30, 2008	11	-	-	-
Machinery	19	4 years	December 20, 2010	11	5	4	-
Loire Sociedad Anónima Franco Española							
Machinery	400	5 years	May 21, 2010	259	54	87	5
Beyçelik, A.S.							
Machinery	52	5.16 years	April 16, 2012	22	30	97	-
Machinery	2,755	4.75 years	January 01, 2012	880	1,484	4,330	1
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi							
Machinery	68	3 years	December 28, 2012	7	27	34	-
Gestamp West Virginia Llc.							
Machinery	11,369	20 years	November 13, 2012	18	-	11,369	-
Machinery	7,579	20 years	December 27, 2012	-	-	7,579	-
					1,600	23,500	

The most significant additions at December 31, 2012 reflect assets acquired under finance lease agreement corresponding to the group companies Beyçelik, A.S. and Gestamp West Virginia, LLC.

At December 31, 2012 assets acquired under finance lease agreement corresponding to the company Sofedit, S.A.S. have been cancelled.

	December 31, 2011						
				Thousands of euros			
					Present value of lease obligations		
	Asset cost (thousands of euros)	Lease term	Contract date	Installments paid	Short term	Long term	Purchase option value
Edscha subgroup							
Furniture	9	4 years	April 30, 2008	10	1	-	-
Furniture	2	4 years		2			
Machinery	19	4 years	December 20, 2010	5	5	10	-
Gestamp Metal Forming Subgroup							
Buildings	1,903	15 years	March 31, 1997	2,331	-	26	-
Loire Sociedad Anónima Franco Española							
Machinery	400	5 years	May 21, 2010	205	54	141	5
					60	**177**	

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.

<u>Pledged property, plant and equipment to secure bank loans, in rem guarantees and others</u>

The subsidiary Adral Matricería y Puesta a Punto, S.L. has pledged items of property, plant, and equipment to secure bank loans received in the amount of 129 thousand euros at December 31, 2012 (387 thousand euros at December 31, 2011). The net carrying amount of these assets at December 31, 2012 was 1,961 thousand euros (December 31, 2011: 2,066 thousand euros).

The subsidiary Edscha do Brasil, Ltda., which belongs to the Edscha Subgroup, has pledged items of property, plant, and equipment to secure bank loans received which expired in April 2012 (the outstanding amount at December 31, 2011 was 1,037 thousand Brazilian Reais). The net carrying amount of these assets at December 31, 2011 was 716 thousand Brazilian Reais.

The subsidiary Anhui Edscha Automotive Parts Co Ltda., which belongs to the Edscha Subgroup has pledged items of property, plant, and equipment to secure bank loans received which expired in the first quarter of 2012 (the outstanding amount at December 31, 2011 was 4,000 thousand Chinese Renminbis). The net carrying amount of these assets at December 31, 2011 was 10,960 thousand Chinese Renminbis.

The Griwe Subgroup has pledged items of property, plant, and equipment to secure bank loans received in the outstanding amount of 5,483 thousand euros at December 31, 2012 (December 31, 2011: 7,041 thousand euros). The net carrying amount of these assets at December 31, 2012 was 5,483 thousand euros (December 31, 2011: 7,041 thousand euros).

10. Financial assets

The breakdown of the Group's financial assets at December 31, 2012 and December 31, 2011 by category and maturity, expressed in thousands of euros, is as follows:

	Non-current							
	Investments in associates		Loans and receivables		Derivative financial instruments		Other financial assets	
Item	2012	2011	2012	2011	2012	2011	2012	2011
Investments in associates accounted for using the equity method	5,965	4,800						
Held-to-maturity investments							3,091	3,195
Loans and receivables			35,167	31,374			2,410	2,490
Derivative financial instruments (Note 20.b.4)					14,174	10,123		
	5,965	**4,800**	**35,167**	**31,374**	**14,174**	**10,123**	**5,501**	**5,685**

	Current					
	Loans and receivables		Securities portfolio		Other financial assets	
Item	2012	2011	2012	2011	2012	2011
Held-to-maturity investments			12,518	4,349		
Loans and receivables	31,961	25,518			8,918	5,617
	31,961	**25,518**	**12,518**	**4,349**	**8,918**	**5,617**

c) Non-current financial assets

a.1) Investments in associates accounted for using the equity method

The breakdown and movements in this category at year end 2011 and 2012, by company, are as follows:

	Thousands of euros					
Company	At December 31, 2010	Additions to consolidation scope	Additions	Decreases	Share of profit	At December 31, 2011
Industrias Tamer, S.A.	221				(71)	150
ALHC, LLc. - Gestamp South Carolina, LLc	8,042			(8,042)		-
Essa Palau, S.A.	-		7,001		(2,351)	4,650
	8,263	-	7,001	(8,042)	(2,422)	4,800

The additions during 2011 correspond to the integration of Essa Palau, S.A. into the consolidation scope, with acquisitions of a 10% shareholding in July, 2011 and a 30% shareholding in September, 2011.

In addition, on July 22, 2011 the Group acquired for 3,000 thousand euros a call option for the remaining 60% of the share capital, with an expiration date of December 31, 2016. This call option has been revalued according to contract conditions and future cash-flow estimates, and has consequently been impaired.

Decreases during 2011 correspond to the change in the consolidation method for ALHC, LLC. and Gestamp South Carolina, LLC.: starting on January 1, 2011 these companies are being fully consolidated (Note 2.a).

Company	Thousands of euros At December 31, 2011	Additions to consolidation scope	Additions	Decreases	Share of profit	At December 31, 2012
Industrias Tamer, S.A.	150				35	185
Essa Palau, S.A.	4,650				(364)	4,286
Gestión Global de Matricería, S.L.	-	875			(6)	869
Ingeniería y Construcción Matrices, S.A.	-				589	589
IxCxT, S.A.	-				36	36
	4,800	875	-	-	290	5,965

The additions to consolidation scope during 2012 correspond to the company Gestión Global de Matricería, S.L., which was formed on July 6, 2012. The Group subscribed 35% of share capital through the Company.

In addition, the companies Ingeniería y Construcción Matrices, S.A. and IxCxT, S.A. which belong to the company Gestión Global de Matricería, S.L., are integrated into the consolidation scope.

"Share of profit" represents the Group's share of the profit recorded by the associated company.

a.2) Non-current loans and receivables

The breakdown and movements in this category at year end 2011 and 2012 are as follows:

Item	Thousands of euros At December 31, 2010	Additions	Decreases	Transfers	Other movements	Translation differences	At December 31, 2011
Loan to Esymo Metal, S.L.	3,020		(140)				2,880
Credit facility for Gestamp Automotive Private Ltd.	17,620	2,038				(1,998)	17,660
Credit facility for Essa Palau, S.A.	-	4,000					4,000
Credit facility for GS Hot-stamping Co. Ltd.	-				1,893		1,893
Credit facility for Ocon Automated System, S.L.	497		(497)				-
Receivable from public authorities	971	1,587	(673)		86	(54)	1,917
Loans to employees	516		(98)				418
Credit facility for Nano-Seven (project L47)	1,839	1,356	(980)	(1,532)		82	765
Credit facility for Ocon Industrielle Konzepte, S.L.	-	107					107
Executive Compensation Program	-	1,601					1,601
Other	161	133	(153)	(9)		1	133
	24,624	**10,822**	**(2,541)**	**(1,541)**	**1,979**	**(1,969)**	**31,374**

Item	Thousands of euros At December 31, 2011	Additions	Decreases	Transfers	Other movements	Translation differences	At December 31, 2012
Loan to Esymo Metal, S.L.	2,880						2,880
Credit facility for Gestamp Automotive Private Ltd.	17,660					255	17,915
Credit facility for Essa Palau, S.A.	4,000						4,000
Credit facility for GS Hot-stamping Co. Ltd.	1,893					(36)	1,857
Receivable from public authorities	1,917	3,793	(2,153)	4,045	499	(197)	7,904
Loans to employees	418		(392)		5		31
Credit facility for Nano-Seven (project L47)	765			(765)			-
Credit facility for Ocon Industrielle Konzepte, S.L.	107						107
Executive Compensation Program	1,601				(1,571)	(30)	-
Other	133	24	(92)		409	(1)	473
	31,374	**3,817**	**(2,637)**	**3,280**	**(658)**	**(9)**	**35,167**

The subsidiary Gestamp Linares, S.A. has granted a loan to Esymo Metal, S.L. Balance at December 31, 2012 and December 31, 2011 amounted to 2,880 thousand euros, with a maturity date of 2020. The loan earns an annual interest referenced to Euribor plus a spread of 1.35%.

The subsidiary Gestamp Polska, SP. Z.o.o. has granted a credit facility to Gestamp Automotive India Private, Ltd. Balance at December 31, 2012 for an amount of 17,915 thousand euros (December 31, 2011: 17,660 thousand euros) with a maturity date of 2015. The credit facility earns an interest referenced to Euribor plus a spread of 4%.

The subsidiary Solblank, S.A. granted a credit facility on July, 2011 to Essa Palau, S.A. Balance at December 31, 2012 and December 31, 2011 amounted to 4,000 thousand euros with a maturity date 2016 extendable. The credit facility earns interests referenced to the income statement plus a spread of 2%.

The subsidiary Metalbages, S.A., has granted a credit facility to GS Hot-Stamping Co, Ltd. Balance at December 31, 2012 amounted to 1,857 thousand euros (December 31, 2011: 1,893 thousand euros) with a maturity date in December, 2015. The credit facility earns an interest referenced to Libor plus a spread of 4.06%.

The balance registered at December 31, 2012 amounting to 7,904 thousand euros (December 31, 2011: 1,917 thousand euros) with maturity date from 2014 to 2017, corresponds mainly to Gestamp Brasil Industria de Autopeças, S.A. related to Federal Brazilian Tax receivables.

a.3) Other non-current financial assets

The breakdown and movements in this category at December 31, 2011 and December 31, 2012 are as follows:

	Thousands of euros							
Item	At December 31, 2010	Additions to consolidation scope	Additions	Decreases	Transfers	Other movements	Translation differences	At December 31, 2011
Shareholding in Esymo Metal, S.L.	200		207					407
Shareholding in Beyçelik Craiova, S.R.L.	-		100					100
Genesis International, LLC	-		2,225					2,225
Fixed income securities	300							300
Non-current deposits and guarantees	2,048	219	791	(664)	187	(13)	(78)	2,490
Other	184	25	34	(85)	9		(4)	163
	2,732	**244**	**3,357**	**(749)**	**196**	**(13)**	**(82)**	**5,685**

The additions to the consolidation scope in 2011 correspond to the integration of the Gestamp Metal Forming Subgroup (Note 2.b).

	Thousands of euros							
Item	At December 31, 2011	Additions to consolidation scope	Additions	Decreases	Transfers	Other movements	Translation differences	At December 31, 2012
Shareholding in Esymo Metal, S.L.	407							407
Shareholding in Beyçelik Craiova, S.R.L.	100							100
Shareholding in Autotech Engineering Deutschland, GmbH.	-		25					25
Genesis International, LLC	2,225						(42)	2,183
Fixed income securities	300							300
Non-current deposits and guarantees	2,490		228	(278)		3	(33)	2,410
Other	163		6	(66)	(1)	3	(29)	76
	5,685	**-**	**259**	**(344)**	**(1)**	**6**	**(104)**	**5,501**

At December 31, 2012 and December 31, 2011 the maturity of the fixed income securities is 2014.

d) Current financial assets

b.1) Current loans and receivables

The breakdown and movements in this category at December 31, 2011 and December 31, 2012 are as follows:

	Thousands of euros						
Borrower	**At December 31, 2010**	**Additions**	**Decreases**	**Transfers**	**Other movements**	**Translation differences**	**At December 31, 2011**
Corporación Gestamp, S.L.	29,274	3,218	(22,548)	(9,944)			-
Portuguese Ministry of Finance	1,081		(1,081)				-
ALHC, LLc.	14,193		(13,961)			(232)	-
Esymo Metal, S.L.	356		(350)				6
Risteel Corporation B.V.	-	3,597					3,597
Nano-Seven (project L47)	-			1,532			1,532
Genesis International, LLC	-	20,377					20,377
Other	56		(50)				6
	44,960	**27,192**	**(37,990)**	**(8,412)**	**-**	**(232)**	**25,518**

Fixed rate is between 3.5% and 8.5%.

The decreases at December 31, 2011, mainly correspond to:

- Cancellation of short term debt of Corporación Gestamp, S.L. with the Company.
- Change in consolidation method for ALHC, LLC.: starting on January 1, 2011 the company is being fully consolidated (Note 2.a).

	Thousands of euros						
Borrower	**At December 31, 2011**	**Additions**	**Decreases**	**Transfers**	**Other movements**	**Translation differences**	**At December 31, 2012**
Esymo Metal, S.L.	6		(3)				3
Risteel Corporation B.V.	3,597	128					3,725
Nano-Seven (project L47)	1,532		(1,532)	765			765
Genesis International, LLC	20,377		(8,107)		(419)	(385)	11,466
GMF Otomotiv Parçalari Sanayi ve Ticaret, L.S.	-	9,270					9,270
Beyçelik, A.S.	-	6,573					6,573
Essa Palau, S. A.	-	3,081	(3,000)				81
Other	6	147	(75)		10	(10)	78
	25,518	**19,199**	**(12,717)**	**765**	**(409)**	**(395)**	**31,961**

The amount of 9,270 thousand euros related to additions at December 31, 2012 correspond to:

- The group company Gestamp Servicios, S.A. has granted loans to GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi amounting to 3,500 thousand euros (January 25, 2012 and April 16, 2012). The loans earn an interest referenced to Euribor plus a spread of 2.5%.
- The Gestamp Metal Forming Subgroup has granted a loan to GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi amounting to 5,770 thousand euros. The loan earns a fixed interest between 5.5% and 6%.

The addition amounting to 6,573 thousand euros, receivable by the Gestamp Metal Forming Subgroup, arises from the purchase of the company GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi by Beyçelik, A.S. The final payment has to be made on November 2013.

The addition and decrease amounting to 3,081 thousand euros and 3,000 thousand euros, respectively, correspond to a credit facility granted to Essa Palau, S.A. by the group company Metalbages, S.A. (September 20, 2012). The loan earned an interest referenced to Euribor plus a spread of 2.5%. The maturity date was December 14, 2012.

The decrease amounting to 8,107 thousand euros correspond to the partial cancellation of the loan granted to Génesis international, LLC. by Gestamp North America, Inc.

b.2) Current securities portfolio

The breakdown of this heading at December 31, 2012 and December 31, 2011 is as follows:

Company	Class	2012 Return	2012 Thousands of euros	2011 Return	2011 Thousands of euros
Gestamp Automotive India Private, Ltd.	Deposit	7.00%	6,914	-	-
Gestamp Brasil Industria de Autopeças, S.A.	Deposit	0.81%	5,499	0.91%	2,677
GS Hot Stamping Co, Ltd.	Deposit	-	-	3.10% - 3.40%	1,460
Other companies	Interest	-	105	-	212
			12,518		**4,349**

b.3) Other current financial investments

The breakdown of this heading at December 31, 2011 and December 30, 2012 is as follows:

Creditor company	Item	At December 31, 2010	Additions	Decreases	Transfers	Translation differences	At December 31, 2011
		Thousands of euros					
Gestamp Alabama, Llc.	Factory lease deposit	599		(1)		20	618
Autotech Engineering, A.I.E.	Inter-company current account	2,000					2,000
Gestamp North America, Inc.	Credit card guarantees	243		(136)		8	115
Beyçelik, A.S.	Guarantees	15	131			(2)	144
Sungwoo Gestamp Hitech Pune Pvt, Ltd.	Guarantees	92	37			(12)	117
Sungwoo Gestamp Hitech (Chennai), Ltd.	Deposits and guarantees	1,544	17	153		(195)	1,519
Gestamp Sungwoo Hitech Chennai Pvt. Ltd.	Guarantees	52	38			(7)	83
Gestamp Chattanooga, LLc.	Guarantees	115			(119)	4	-
Gestamp South Carolina, LLc.	Guarantees	-	372				372
Gestamp Automotive India Private Ltd.	Guarantees	-	356				356
Other companies	Other	68	268		(37)	(6)	293
		4,728	**1,219**	**16**	**(156)**	**(190)**	**5,617**

Creditor company	Item	At December 31, 2011	Additions	Decreases	Transfers	Other movements	Translation differences	At December 31, 2012
		Thousands of euros						
Gestamp Alabama, Llc.	Factory lease deposit	618		(5)			(12)	601
Autotech Engineering, A.I.E.	Inter-company current account	2,000				(2,000)		-
Gestamp North America, Inc.	Credit card guarantees	115					(2)	113
Beyçelik, A.S.	Guarantees	144	4	(149)			6	5
Sungwoo Gestamp Hitech Pune Pvt, Ltd.	Guarantees	117	12				(5)	124
Sungwoo Gestamp Hitech (Chennai), Ltd.	Deposits and guarantees	1,519	380	(1,550)		(30)	(83)	236
Gestamp Sungwoo Hitech Chennai Pvt. Ltd.	Guarantees	83		(3)		95	(5)	170
Gestamp South Carolina, LLc.	Guarantees	372					(8)	364
Gestamp Automotive India Private Ltd.	Deposits and guarantees	356	24				(17)	363
Gestamp Sungwoo Stampings and Assemblies Pvt. Ltd.	Deposits and interest	-	2,432			41		2,473
Gestamp Baires, S.A.	Deposits	-	2,666					2,666
Other companies	Other	293	721	(129)	8	911	(1)	1,803
		5,617	**6,239**	**(1,836)**	**8**	**(983)**	**(127)**	**8,918**

The additions related to the group company Gestamp Sungwoo Stampings and Assemblies, Private Ltd. (2,432 thousand euros) correspond to bank deposits and guarantees. These deposits earn an interest of 7.5%.

The additions related to the group company Gestamp Baires, S.A. (2,666 thousand euros) correspond to deposits. These deposits earn an interest between 14.04% and 15.04%.

The decreases correspond to the group company Sungwoo Gestamp Hitech Chennai Ltd. (1,550 thousand euros) related to bank deposits; the balance at December 31, 2012 corresponds to deposits and guarantees for different concepts.

The amount of 2,000 thousand euros related to “Other movements” is informed in Note 20.b.2).

11. Inventories

The breakdown of inventories at December 31, 2012 and December 31, 2011 is as follows:

	Thousands of euros	
	2012	2011
Commercial inventories	10,929	18,919
Raw materials	159,665	145,459
Parts and subassemblies	34,215	33,982
Spare parts	39,581	25,743
Packaging materials	1,952	1,068
Total cost of raw materials and other consumables	246,342	225,171
Work in progress	116,742	77,740
Finished products	110,796	114,882
Byproducts, waste, and recovered materials	79	89
Prepayments to suppliers	53,176	47,898
Total cost of inventories	527,135	465,780
Impairment of raw materials	(9,103)	(3,941)
Impairment of other consumables	(6,686)	(5,246)
Impairment of work in progress	(6,870)	-
Impairment of finished products	(8,520)	(3,767)
Total impairment	(31,179)	(12,954)
Total inventories	495,956	452,826

The breakdown of purchases used in production change in inventories is as follows:

			2012 movements			
	2012	2011	Impairment	Reversal of impairment	Changes in inventories	Total change in inventories
Raw materials and other consumables	246,342	225,171			21,171	21,171
Impairment of raw materials and other consumables	(15,789)	(9,187)	(7,088)	486		(6,602)
Consumption (Note 24.a)	**230,553**	**215,984**	**(7,088)**	**486**	**21,171**	**14,569**

			2012 movements			
	2012	2011	Impairment	Reversal of impairment	Changes in inventories	Total change in inventories
Work in progress	116,742	77,740	-	-	39,002	39,002
Finished products and byproducts	110,875	114,971	-	-	(4,096)	(4,096)
Impairment of finished products and work in progress	(15,662)	(3,767)	(21,343)	9,448	-	(11,895)
Changes in inventories (see Income Statement)	**211,955**	**188,944**	**(21,343)**	**9,448**	**34,906**	**23,011**

The inventories are not encumbered at December 31, 2012 and December 31, 2011.

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

g) Trade receivables

	Thousands of euros	
	2012	**2011**
Trade receivables	620,824	621,954
Trade bills receivable	32,096	46,295
Accounts receivable, tools	150,039	140,170
Doubtful debts	5,005	2,386
Impairment losses	(12,015)	(12,246)
Trade receivables from Group companies (Note 28.1)	27,345	42,547
	823,294	841,106

As indicated in Note 1, Group sales, as well as trade receivables 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.

See Note 31.1 regarding credit risk of accounts receivables where it is explained how the Group values and manages the quality of credit of accounts receivables.

The expense of the impairment provision at December 31, 2012 amounts to 1,135 thousand euros (December 31, 2011: 1,633 thousand euros) (Note 24.c). The impairment provision in 2011, mainly reflects the integration of the balances of companies from the Gestamp Metal Forming Subgroup.

The receivables balances transferred by the Group as non-recourse factoring to Spanish, German and Polish banks, that have been eliminated in the Consolidated Financial Statements amounted to 119,738 thousand euros at December 31, 2012 (December 31, 2011: 44,841 thousand euros).

The expense of transferring receivables balances according to the non-recourse factoring contract, amounted to 765 thousand euros at December 31, 2012 (December 31, 2011: 314 thousand euros).

h) Other receivables

	Thousands of euros	
	2012	**2011**
Debtors	28,384	37,220
Debtors, Group companies (Note 28.1)	-	32
Remuneration advances	1,512	1,108
Short-term loans to employees	210	393
	30,106	38,753

i) Current income tax assets

This line item, which at December 31, 2012 amounted to 37,853 thousand euros, mainly reflects receivables balances related to corporate tax refund.

j) Public authorities

Public Authorities

	Thousands of euros	
	2012	2011
Sundry receivables from Public Authorities	90,133	81,554
VAT refund	79,268	76,693
Receivable grants	5,599	1,366
Other	5,266	3,495
Receivables from Social Security	258	747
Withholdings and installment payments on income tax	22,198	20,323
	112,589	102,624

k) Other current assets

This line item, which at December 31, 2012 amounted to 8,731 thousand euros (December 31, 2011: 9,172 thousand euros), mainly reflects insurance premiums, maintenance contracts, and software licenses paid for during the year but for which the expense will accrue the following year.

l) Cash and cash equivalents

	Thousands of euros	
	2012	2011
Cash	233,800	233,875
Cash equivalents	13,766	26,178
	247,566	260,053

Cash equivalents correspond to surplus cash investments maturing in less than three months.

The breakdown by currencies and interest rates at December 31, 2012 and December 31, 2011 is the following:

	2012		
Company	Thousands of euros	Source currency	Interest rate range
Gestamp Brasil Industria de Autopeças, S.A.	961	Brazilian reais	10%
Gestamp Baires, S.A	12,614	Argentine pesos	9.32% - 16.75%
Sungwoo Gestamp Hitech Chennai Ltd.	54	Indian rupees	9.25%
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	86	Indian rupees	8%
Edscha subgroup	51	euros	-
	13,766		

	2011		
Company	Thousands of euros	Source currency	Interest rate range
Gestamp Paraná, S.A.	1,888	Brazilian reais	0.094% - 0.987%
Gestamp Sungwoo Hitech Chennai Pvt. Ltd.	218	Indian rupees	7.75% - 8.10%
Gestamp Baires, S.A	10,896	Argentine pesos	20.00%
Gestamp Córdoba, S.A.	2,179	Argentine pesos	21.96%
Gestamp Sungwoo Stampings and Assemblies Pvt. Ltd.	2,997	Indian rupees	6.25%
Gestamp Severstal Kaluga, LLc	8,000	Russian rubles	4.45%
	26,178		

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, 2012 and December 31, 2011 are as follows:

ITEM	December 31, 2012	December 31, 2011
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**

c) Share capital

At December 31, 2012 the Company’s share capital is represented by 4,795,953 registered shares (At December 31, 2011: 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.

As indicated in Note 2.a, on August 02, 2012 the Company has registered the change of its legal name, from limited company to corporation, so the equity units became registered shares.

The shareholder structure at December 31, 2012 and December 31, 2011 is as follows:

Shareholders	shareholding
Corporación Gestamp, 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.

d) Share premium

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. Reserves and retained earnings

14.1 Retained earnings

The changes in "Retained earnings" in 2011 and 2012 were as follows:

	Retained earnings							
	Legal reserve	Goodwill reserves	Unrestricted reserves	Reserves at fully consolidated entities	Reserves at associates	Profit for the year	Effective hedges	Total
AT DECEMBER 31, 2010	**27,284**	**1,029**	**246,293**	**330,858**	**64**	**111,354**	**(11,181)**	**705,701**
Profit for 2011						168,486		168,486
Fair value adjustments reserve (hedge)							(10,008)	(10,008)
Appropiation of 2010 profits	5,485	571	(4,428)	108,838	888	(111,354)		
Dividends paid by subsidiaries to Company			(33,404)					(33,404)
Interest from pariticipative loans			15,075	(15,075)				
Transfer from non-controlling interest to retained earnings due to the change of the shareholding in the Russian companies and others				568				568
Transfer due to the change in consolidation method for Gestamp South Carolina, LLc				1,019	(1,019)			
Other movements				127				127
AT DECEMBER 31, 2011	**32,769**	**1,600**	**223,536**	**426,335**	**(67)**	**168,486**	**(21,189)**	**831,470**
Profit for December 2012						170,141		170,141
Fair value adjustments reserve (hedge)							(2,289)	(2,289)
Actuarial gains and losses				(5,556)				(5,556)
Appropiation of 2011 profits	362	571	28,239	141,736	(2,422)	(168,486)		
Dividends distributed by parent company			(50,549)					(50,549)
Capital share increase due to the purchase of non-controlling interest				(361)				(361)
Interest from pariticipative loans			12,476	(12,476)				
Transfer from retained earnings to non-controlling interests due to the change of the shareholding				(897)				(897)
AT DECEMBER 31, 2012	**33,131**	**2,171**	**213,702**	**548,781**	**(2,489)**	**170,141**	**(23,478)**	**941,959**

14.2 Legal reserve of the Company

The Legal Reserve of the Company amounted to 33,131 thousand euros at December 31, 2012 (December 31, 2011: 32,769 thousand euros).

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.

14.3 Special reserves of the Company

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, 2012 (December 31, 2011: no change). 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 2,171 thousand euros at December 31, 2012 (December 31, 2011: 1,600 thousand euros), of which 571 thousand euros were provisioned in 2012 (571 thousand euros in 2011).

Other special reserves

At December 31, 2012, this heading amounted to 63,656 thousand euros (December 31, 2011: no change), fully generated in 2010, and reflects the difference between the carrying amount of Gestamp Brasil Industria de Autopeças, S.A., Araluce, S.A. and Matricerías Deusto, S.A. and the consolidated value of the said companies. These reserves have been reversed in the consolidation process.

14.4 Unrestricted Company reserves

At December 31, 2012 the Company’s share premium, as per its individual financial statements, amounted to 61,591 thousand euros (December 31, 2011: no change).

At December 31, 2012 the Company’s unrestricted reserves, as per its individual financial statements, amounted to 284,703 thousand euros (December 31, 2011: 332,560 thousand euros).

The unrestricted reserves correspond to the Group individual financial statements plus its consolidation adjustments. The most significant movements are:

Year ended 2011

- Profit for 2010 distributed by the Company.
- Dividends distributed by the Company in 2011.

Year ended 2012

- Profit for 2011 distributed by the Company.
- Dividends distributed by the Company in 2012.

14.5 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:

g) 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, 2012 and 2011 amounted to 6,755 thousand euros.

h) Revaluation/ Restatement reserve RDL 7/96, of June 7

The balance of this reserve may be used tax free to offset losses and increase share capital. As of January 2007 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, 2012 and December 31, 2011 amounted 383 thousand euros.

i) Other special reserves. 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. The balance of this reserve at December 31, 2012 and 2011 was 73,505 thousand euros and 72,517 thousand euros, respectively.

j) Revaluation/ Restatement reserve of Gestamp Noury, S.A.

This reserve relates to the voluntary revaluations of PP&E carried out in accordance with French legislation by virtue of which PP&E may be restated and related capital gains taken to this account. Said revaluation is not reversible and may only be applied once during the life of each asset.

The balance of this reserve at December 31, 2012 was used and at December 31, 2011 was 2,558 thousand euros.

The use of this reserve is restricted. It may not be distributed to shareholders or used to offset losses. However, it may be used for future capital increases.

k) 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, 2012 was 41,404 thousand euros (December 31, 2011: 37,015 thousand euros).

l) Fair value of property, plant and equipment

As a result of valuation of Property, plant, and equipment at fair value upon the first application of IFRS in 2008, 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 of 142 million euros at December 31, 2012 (December 31, 2011: 145 million euros) is not distributable.

m) 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.

n) Gestamp Aveiro, S.A. – Other special reserves

These reserves amounted to 17,439 thousand euros at December 31, 2012 (December 31, 2011: 18,285 thousand euros), and are mainly comprised of reserves set aside based on the equity method and that are not freely distributable.

These reserves amount to 28 thousand euros following initial application of the equity method for the associate companies Gestamp Alabama, LLC. and Tavol Internacional SGPS, Lda., and 17,337 thousand euros (December 31, 2011: 18,033 thousand euros) relating to the variations recognized in the application of the equity method to the associate companies, reflected in equity rather than results.

15. Translation differences

The breakdown of this line item by company included in the consolidation scope is as follows:

Company	Thousands of euros 2012	2011
ARGENTINA		
Gestamp Córdoba, S.A.	(19,944)	(16,551)
Gestamp Argentina, S.A.	3,619	3,783
Gestamp Baires, S.A.	(20,023)	(10,156)
BRAZIL		
Gestamp Brasil Industria de Autopeças, S.A.	25,038	47,591
UNITED KINGDOM		
Gestamp UK Limited	2,936	2,919
Continental Group Ltd.	-	(195)
Gestamp Tooling Overseas, Ltd.	-	(48)
POLAND		
Gestamp Polska, S.P., Zoo	(12,821)	(17,053)
HUNGARY		
Gestamp Hungaria KFT	(7,240)	(7,360)
Gestamp Mor	(1)	-
USA		
Gestamp Alabama, LLC	(8,430)	(3,928)
Gestamp Mason, LLc	692	(2,884)
Gestamp North America, INC	(1,744)	718
Gestamp Chattanooga LLc	(732)	(818)
ALHC, LLc.	1,153	1,131
Gestamp South Carolina, LLc.	(860)	(15)
Gestamp West Virginia, Llc	82	-
SWEDEN		
Gestamp Sweden, AB	6,579	6,192
Gestamp HardTech AB	2,901	1,774
Gestamp Holding China AB	388	390
MEXICO		
Gestamp México, S.A. de CV	(4,981)	(6,084)
Gestamp MSL, S.A. de CV	(12)	(30)
Gestamp Cartera de México, S.A de CV	(243)	(295)
Gestamp Puebla, S.A. de CV	(10,700)	(11,047)
Mexicana Servicios Laborales, S.A. de CV	(14)	(20)
Gestamp Toluca, S.A. de CV	(2,066)	(2,076)
Gestamp Serv. Laborales de Toluca, S.A. de CV	5	3
CHINA		
Gestamp Auto Components (Kunshan) Co., Ltd	8,505	8,197
Gestamp Auto Components (Shenyang) Co.,Ltd.	(678)	-
Gestamp Auto Components (Dongguan) Co.,Ltd.	(323)	-
INDIA		
Gestamp Services India Private, Ltd.	(90)	18
Gestamp Automotive India Private Ltd.	(923)	810
Sungwoo Gestamp Hitech Pune, Ltd.	203	179
Sungwoo Gestamp Hitech Chennai, Ltd.	(1,347)	(318)
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	(906)	(208)
Gestamp Sungwoo Stampings & Assemblies Private Limited	(487)	(304)
KOREA		
Kartek Corporation	490	508
GS Hot Stamping Co., Ltd.	254	75
TURKEY		
Beyçelik, A.S.	(12,068)	(14,364)
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	150	-
RUSSIA		
Gestamp Severstal Vsevolozhsk Llc	2,117	862
Gestamp Severstal Kaluga, SRL	1,708	219
Gestamp Togliatti, Llc.	50	(5)
CZECH REPUBLIC		
Gestamp Louny, S.R.O.	(285)	172
OTHERS		
Others	9,343	3,943
TOTAL	(40,705)	(14,275)

16. Non-controlling interest

The changes in “Equity attributable to non-controlling interest” by company in 2011 and 2012 were as follows:

	Thousands of euros								
Company	At December 31, 2010	Additions consolidation scope	Translation differences	Transfer of fully consolidated reserves	Increases	Decreases	Other movements	Profit (loss)	At December 31, 2011
Griwe Subgroup	2,015							202	2,217
Autotech Engineering, A.I.E.	2,938							(277)	2,661
Mexicana Serv. Laborales, S.A. de C.V.	115		(3)					12	124
Gestamp México, S.A. de C.V.	10,631		(810)					984	10,805
Gestamp Puebla, S.A. de C.V.	22,766		(1,957)				4	3,869	24,682
Gestamp Mexicana Serv. Lab., S.A. de C.V.	395		(12)				(1)	63	445
Gestamp Toluca S.A. de C.V.	5,392		(762)				(1)	582	5,211
Gestamp Servicios Lab. de Toluca S.A. de C.V.	17		(1)				(20)	25	21
Gestamp Cartera de México, S.A. de C.V.	14		(28)					601	587
Gestamp Finance Luxemburgo, S.A.	50								50
Todlem, S.L./ Gestamp Seversta Vsevolozhsk Llc./Gestamp Stadco Holding, S.L./Gestamp Severstal Kaluga, Llc.	18,022		(847)	(39)			(252)	3,357	20,241
Gestamp Holding Rusia, S.L.	24,416			(8)					24,408
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	9,866		1,092				(14)	2,477	13,421
GS Hot-Stamping Co. Ltd.	2,568		65			(2,633)			-
Edscha subgroup	12,181		562	(613)	2,000		(540)	2,113	15,703
Araluce, S.A.	8,794			21			96	(1,820)	7,091
Matricerias Deusto S.L.	10,484			143			89	(2,095)	8,621
Adral Matriceria y Pta. a punto , S.L.	3,292						52	638	3,982
Gestamp Tooling Services, AIE	49			(72)			(1)	(132)	(156)
Gestamp Global Tooling, S.L.	62							39	101
Gestamp Tool Hardening, S.L.	-							(100)	(100)
Bero Tools, S.L.	-	100							100
Die Diede Development, S.L.	-	512					(42)	65	535
Gestamp Metal Forming Subgroup	-		3,637		138,977			(6,475)	136,139
	134,067	612	936	(568)	140,977	(2,633)	(630)	4,128	276,889

The additions in 2011 correspond to:

- the addition of non-controlling interest arising from the capital increase at Edscha España Holding, S.L., part of the Edscha Subgroup.

- the addition of non-controlling interest arising from the capital increase (212,000 thousand euros) at GMF Holding, GmbH. (parent company of Gestamp Metal Forming Subgroup) on December 6, 2011. Via this capital increase, Tocqueville Capital Company B.V. (belonging to Liberty Hampshire Company, LLC. Group, or “Liberty”), which subscribed an amount of 104,000 thousand euros, acquired a 49.06% shareholding in this company.

According to the agreement between the Group and Liberty, the former was granted a purchase option exercisable in 2013. The Group decided to register this addition to capital as a non-controlling interest in Gestamp Metal Forming Subgroup, given that before any exercise of the purchase option (if executed), the company GMF Holding GmbH will distribute accumulated reserves according to the shareholding percentages.

The cost of the purchase option amounted to 1,900 thousand euros and the fair value at December 31, 2011 was the cost value. The fair value at December 31, 2012 is 859 thousand euros.

In addition, a capital increase in Sofedit, S.A.S. on December 28, 2011 by which Le Fonds de Modernisation des Equipementiers Automobiles (FMEA) acquired a 35% shareholding, resulted non-controlling interest.

Decreases in non-controlling interest corresponded to the group company GS Hot-Stamping Co. Ltd. as a result of the change in 2011 of the relevant consolidation method from full to proportionate consolidation (Note 2.a).

Company	At December 31, 2011	Translation differences	Transfer of fully consolidated reserves	Increases	Decreases	Other movements	Profit (loss)	At December 31, 2012
	Thousands of euros							
Griwe Subgroup	2,217						99	2,316
Autotech Engineering, A.I.E.	2,661						58	2,719
Mexicana Serv. Laborales, S.A. de C.V.	124	3					15	142
Gestamp México, S.A. de C.V.	10,805	593					840	12,238
Gestamp Puebla, S.A. de C.V.	24,682	1,434					4,115	30,231
Gestamp Mexicana Serv. Lab., S.A. de C.V.	445	10					99	554
Gestamp Toluca S.A. de C.V.	5,211	15					1,797	7,023
Gestamp Servicios Lab. de Toluca S.A. de C.V.	21	1				(24)	32	30
Gestamp Cartera de México, S.A. de C.V.	587	27					(1)	613
Gestamp Finance Luxemburgo, S.A.	50							50
Todlem, S.L./ Gestamp Seversta Vsevolozhsk Llc./Gestamp Stadco Holding, S.L./Gestamp Severstal Kaluga, Llc.	20,241	1,924	695	6,502		(1,665)	4,844	32,541
Gestamp Holding Rusia, S.L.	24,408		73			(2)	(9)	24,470
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	13,421	(156)					2,478	15,743
GS Hot-Stamping Co. Ltd.	-							
Edscha subgroup	15,703	(681)	(38)			1,158	(31)	16,111
Araluce, S.A.	7,091		42			102	158	7,393
Matricerias Deusto S.L.	8,621		158			34	(172)	8,641
Adral Matriceria y Pta. a punto , S.L.	3,982					(323)	850	4,509
Gestamp Tooling Services, AIE	(156)					12	(75)	(219)
Gestamp Global Tooling, S.L.	101					134	223	458
Gestamp Tool Hardening, S.L.	(100)					4	342	246
Loire, S.A. Franco Española	-							
Bero Tools, S.L.	100				(106)			(6)
Die Diede Development, S.L.	535		(31)		(698)	(20)	23	(191)
Gestamp Metal Forming Subgroup	136,139	1,489			(4,425)		378	133,581
Gestamp Louny, S.R.O.	-	(7)	(2)					(9)
Gestamp Autocomponents (Dongguan) Co. Ltd.	-	(13)					(77)	(90)
Gestamp Sungwoo Hitech (Chennai) Private Ltd.	-						7	7
	276,889	4,639	897	6,502	(5,229)	(590)	15,993	299,101

The transfers of fully consolidated reserves correspond mainly to the capital increase at Gestamp Holding Rusia, S.L. not pro rata subscribed by its shareholders.

The incresases arise from the capital increase at Todlem, S.L. suscribed by non-controlling interest.

The decreases in 2012 correspond to:

- the reduction of the percentage of non-controlling interests of the group companies Bero Tools, S.L. and Diede Die Development, S.L. as consequence of the acquisition of that percentage by the Group in 2012.

- the reduction of non-controlling interest due to the allocation of actuarial losses to the Equity of the Gestamp Metal Forming Subgroup.

"Other movements" in period ended December 31, 2012 correspond to profit (loss) adjustments attributable to non-controlling interests in 2011.

17. <u>Deferred income</u>

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, 2011 and 2012 including the movements during the year, is as follows:

	Thousands of euros						
Company	At December 31, 2010	Additions consolidation scope	Additions	Released income	differences taken to income statement	Other movements	At December 31, 2011
Estampaciones Metálicas Vizcaya, S.A.	2,694		358	(565)			2,487
Gestamp Vigo, S.A.	6,171		775	(1,791)			5,155
Gestamp Toledo, S.L.	3,009		433	(429)		(364)	2,649
Gestamp Palencia, S.A.	4,292			(456)			3,836
Gestamp Linares, S.A.	1,269		24	(119)			1,174
Galvanizaciones Castellana, S.A.	134			(24)			110
Gestamp Puebla, S.A. de C.V.	321			(33)	(26)		262
Gestamp Aveiro, S.A.	1		1,902	(1,698)			205
Gestamp Navarra, S.A.	2,419		229	(385)			2,263
Gestamp Solblank Navarra, S.L.	503			(81)		(343)	79
MB Aragón, S.A.	742			(189)		343	896
MB Abrera, S.A.	1,227		602	(287)			1,542
Metalbages, S.A.	192			(34)			158
Solblank, S.A.	255			(60)		(18)	177
Gestamp UK, Ltd	-			(366)	(15)	763	382
MB Levante, S.A.	1,011			(186)			825
Gestamp Hungaria KFT	297			(17)	(31)		249
Griwe Subgroup	2,847		785	(527)			3,105
Gestamp Cataforesis Vigo, S.A.	559			(109)			450
Gestamp Mason, Llc.	78				(1)	(77)	-
Kartek Corporation	55			(15)	(1)		39
Gestamp Manufactoring Autochasis, S.L.	36		231	(73)			194
Adral, matriceria y pta. a punto, S.L.	320					(80)	240
Sungwo Gestamp Hitech Chennai Ltd.	12				(1)		11
Estampaciones Martinez, S.A.	14			(3)			11
Tavol España	232					(232)	-
Beyçelik, A.S.	19		69		(3)		85
Edscha Subgroup	-		2,282			348	2,630
Gestamp Metal Forming Subgroup	-	307		(48)			259
Loire Sociedad Anónima Franco Española	-	263		(17)			246
Diede Die Developments, S.L.	-	571		(23)			548
Total	28,709	1,141	7,690	(7,535)	(78)	340	30,267

	Thousands of euros						
Company	At December 31, 2011	Additions consolidation scope	Additions	Released income	differences taken to income statement	Other movements	At December 31, 2012
Estampaciones Metálicas Vizcaya, S.A.	2,487			(245)			2,242
Gestamp Vigo, S.A.	5,155			(1,059)			4,096
Gestamp Toledo, S.L.	2,649		497	(363)			2,783
Gestamp Palencia, S.A.	3,836			(366)			3,470
Gestamp Linares, S.A.	1,174			(109)			1,065
Galvanizaciones Castellana, S.A.	110			(12)			98
Gestamp Puebla, S.A. de C.V.	262			(34)	17		245
Gestamp Aveiro, S.A.	205		822	(695)			332
Gestamp Navarra, S.A.	2,263			(266)			1,997
Gestamp Solblank Navarra, S.L.	79			(15)			64
MB Aragón, S.A.	896			(93)			803
MB Abrera, S.A.	1,542			(139)			1,403
Metalbages, S.A.	158			(17)			141
Solblank, S.A.	177			(43)			134
Gestamp UK, Ltd	382			(392)	10	-	
MB Levante, S.A.	825			(100)			725
Gestamp Hungaria KFT	249			(16)	16		249
Griwe Subgroup	3,105		682	(561)		(1)	3,225
Gestamp Cataforesis Vigo, S.A.	450			(105)			345
Kartek Corporation	39			(10)			29
Gestamp Manufactoring Autochasis, S.L.	194			(18)			176
Adral, matriceria y pta. a punto, S.L.	240					(48)	192
Sungwo Gestamp Hitech Chennai Ltd.	11				(1)		10
Estampaciones Martinez, S.A.	11			(3)			8
Beyçelik, A.S.	85		65		4		154
Edscha Subgroup	2,630		2,328	(77)		(279)	4,602
Gestamp Metal Forming Subgroup	259			(130)			129
Loire Sociedad Anónima Franco Española	246		22	(21)		96	343
Diede Die Developments, S.L.	548			(45)		(82)	421
Total	30,267		4,416	(4,934)	46	(314)	29,481

The additions recognized in 2012 and 2011 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 2012 and 2011 is as follows:

	Non-current		Current	
	2012	2011	2012	2011
Provisions for retributions to employees (Note 19)	62,873	56,101	3,615	10,568
Provisions for taxes	4,876	3,811	-	-
Provisions for dismantlement and retirement of tangible fixed assets	589	1,322	-	-
Other provisions	98,884	110,253	11,505	48,598
	167,222	171,487	15,120	59,166

The changes in Provisions during 2011 and 2012 are as follows:

	Thousands of euros	
	Non-current	Current
Balance at December 31, 2010	118,982	44,559
Additions to scope	74,024	13,065
Increase in allowance	6,505	44,105
Decrease	(27,080)	(42,149)
Translation differences	504	(102)
Other movements	(1,448)	(312)
Balance at December 31, 2011	171,487	59,166
Additions to scope	-	-
Increase in allowance	16,807	6,868
Decrease	(20,554)	(44,322)
Translation differences	(51)	(579)
Other movements	(467)	(6,013)
Balance at December 31, 2012	167,222	15,120

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 tax assessments which are currently being appealed, among other items.

Non-current provisions

Increases of non-current provisions in 2011 and 2012 correspond mainly to post-retirement benefits (Note 19), liabilities relating to differences in the interpretation of tax matters, and long term employee compensation.

Decreases of non-current provisions in 2011 and 2012 mainly reflect:

- Applications of provisions set aside in earlier periods for potential liabilities relating to tax assessments.
- Liabilities from onerous contracts of the Edscha Subgroup and of Gestamp Vendas Novas Lda.
- Workforce restructuring in Edscha Santander, S.L., Edscha Burgos, S.L., Edscha Briey, S.A.S. and Tallent Automotive, Ltd.
- Application of long term employee compensation provision.

Decreases of non-current provisions included in the Consolidated Income Statement under the heading “Other operating expenses” amount to 8,100 thousand euros (2011: 12,321 thousand euros) (Note 24.c)

Current provisions

Additions to current provisions in 2012 correspond principally to the selling risk of Gestamp Umformtechnik, GmbH.

Decreases of current provisions in 2012 correspond mainly to the regularization of provisions related to resolved litigations. The corresponding amount registered in the Consolidated Income Statement under the heading "Consumables" is 34,560 thousand euros. Decreases also include the application of short term employee compensation provision.

Other movements in current and non-current provisions in 2011 and 2012 are mainly related to prior years adjustments and reclassifications.

All of the current and non-current provisions in 2011 arising from additions to the consolidation scope correspond to the Gestamp Metal Forming Subgroup (Note 2).

Additions to current provisions in 2011 corresponded principally to provisions for losses related to customer contracts, guarantees and legal proceedings at the Edscha Subgroup, as well as for litigations at Sofedit S.A.S., which belongs to the Gestamp Metal Forming Subgroup, with social security authorities.

Decreases of current provisions in 2011 mainly corresponded to provisions set aside in earlier periods for employee compensation obligations of various Group companies.

19. Pensions and other post-employment obligations

The breakdown of the provision for employee benefits is as follows:

		Non-current		Current		Total	
Item		**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Employee benefits	a)	8,436	13,924	3,595	10,533	12,031	24,457
Post-employment benefits							
Defined benefit plans	b)	54,437	42,177	20	35	54,457	42,212
Total (Note 18)		62,873	56,101	3,615	10,568	66,488	66,669

c) Employee benefits

This line item includes provisions by some Group companies for seniority awards and other benefits for long term service (anniversary, retirement, awards, etc.).

d) Defined benefit plans

There are defined benefit plans for the companies Sofedit, S.A.S. and Gestamp Umformtechnik, GmbH. (belonging to the Gestamp Metal Forming Subgroup); Edscha Holding, GmbH., Edscha Automotive Hengersberg, GmbH., Edscha Automotive Hauzenberg, GmbH. and Edscha Engineering, GmbH. (belonging to the Edscha Subgroup). There are partially supported plans by an investment fund and not supported plans.

Assets and liabilities recognized in these Consolidated Financial Statements and corresponding to the said plan, by countries, are the following:

Item	Thousand of euros Germany	France	Total
Present value of the defined benefit obligation	54,248	6,992	61,240
Fair value of plan assets and reimbursement rights	4,279	2,504	6,783
Value of defined benefit obligation at December 31, 2012	**49,969**	**4,488**	**54,457**

Item	Thousand of euros Germany	France	Total
Present value of the defined benefit obligation	43,005	5,894	48,899
Fair value of plan assets and reimbursement rights	4,083	2,604	6,687
Value of defined benefit obligation at December 31, 2011	**38,922**	**3,290**	**42,212**

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 December 31, 2010	**2,303**	**-**	**2,303**
			-
Additions to scope	37,340	6,322	43,662
Current service cost year 2011	1,271	179	1,450
Interest income or expense	964	119	1,083
Contributions to the plan by the employer	(118)	-	(118)
Actuarial gains and losses arising from changes in demographic assumptions	(257)	(300)	(557)
Actuarial gains and losses arising from changes in financial assumptions	2,351	(153)	2,198
Payments from the plan except any settlements	(849)	(273)	(1,122)
Present value of the defined benefit obligation at December 31, 2011	**43,005**	**5,894**	**48,899**
Current service cost year 2012	2,090	366	2,456
Interest income or expense	1,812	252	2,064
Contributions to the plan by the employer	(159)	-	(159)
Actuarial gains and losses arising from changes in demographic assumptions	(13)	(484)	(497)
Actuarial gains and losses arising from changes in financial assumptions	9,637	1,113	10,750
Payments from the plan except any settlements	(1,974)	(149)	(2,123)
Effect of business combinations	(150)		(150)
Present value of the defined benefit obligation at December 31, 2012	**54,248**	**6,992**	**61,240**

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 December 31, 2010	-	-	-
Additions to scope	4,064	2,657	6,721
Interest income or expense	122	49	171
Actuarial gains and losses arising from changes in demographic assumptions	(103)	-	(103)
Return on plans assets, excluding amounts included in interest	-	(7)	(7)
Contributions to the plan by the employer	-	179	179
Payments from the plan except any settlements	-	(274)	(274)
Fair value of plan assets and reimbursement rights at December 31, 2011	**4,083**	**2,604**	**6,687**
Interest income or expense	245	101	346
Actuarial gains and losses arising from changes in demographic assumptions	(49)	-	(49)
Return on plans assets, excluding amounts included in interest	-	(23)	(23)
Contributions to the plan by the employer	-	-	-
Contributions to the plan by plan participants	-	(30)	(30)
Payments from the plan except any settlements	-	(148)	(148)
Fair value of plan assets and reimbursement rights at December 31, 2012	**4,279**	**2,504**	**6,783**

The breakdown of the expense recognized in the income statement regarding this plan is as follows:

	Thousand of euros			
	Germany		France	
Item	**2012**	**2011**	**2012**	**2011**
Current service cost	2,090	1,271	366	179
Past service cost	-	-	-	41
Net interest on the net defined benefit liability (asset)	1,567	841	151	70
Total expense recognised in profit or loss	**3,657**	**2,112**	**517**	**290**

The main hypotheses used for determining the defined benefit obligation are the following:

	Germany		France	
Item	**2012**	**2011**	**2012**	**2011**
Discount rate	3.0%-3.8%	4.5%-4.9%	3.00%	4.30%
Expected rate of return on any plan assets	6.00%	6.00%	3.80%	3.80%
Future salary increases rate	2.5%-3.0%	2.5%-3.0%	2.50%	2.50%
Future pension increases rate	1.50%	2.50%	-	-
Inflation rate	2%	2%	2%	2%
Mortality table	RT 2005 G	RT 2005 G	INSEE 06-08	NSEE 04-06
Rates of employee turnover, disability and early retirement	Aon Hewit Estandar tables/ RT 2005 G 0,8%-3.2%	Aon Hewit Estandar tables/ RT 2005 G 0.9%-3.0%	-	-
Proportion of plan members with dependants who will be eligible for benefits	100%	100%	-	-
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service	-	-	45.0%	45.0%
Retirement age	-	-	60-65 years	60-65 years

The effect that a 1% increase or decrease in most significant actuarial hypotheses would have on the obligation is as follows:

Item	Thousand of euros 2012 Increase	2012 Decrease	2011 Increase	2011 Decrease
Discount rate	(859)	1,054	(684)	830
Future salary increases rate	1,048	(871)	837	(701)
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service	48	(48)	41	(41)

20. Non-trade liabilities

The breakdown of non-trade liabilities at December 31, 2012 and December 31, 2011 classified by concepts is as follows:

		Non current 2012	Non current 2011		Current 2012	Current 2011
a) Interest-bearing loans and borrowings	a.1)	919,521	755,900	a.2)	458,623	476,332
b) Derivative financial instruments	b.4)	52,949	47,082		-	-
b) Other financial liabilities		146,673	59,179		242,582	169,120
Financial leasing	b.1)	23,500	177	b.1)	1,600	60
Borrowings from Associated companies	b.2)	33,791	25,227	b.2)	87,753	49,410
Other financial liabilities	b.3)	89,382	33,775	b.3)	153,229	119,650
		1,119,143	862,161		701,205	645,452

c) Interest-bearing loans and borrowings

a.1) Non-current

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

	Thousands of euros 2012 2014	2015	2016	2017	Beyond	Total	2011 Total
In Euros	**99,935**	**374,907**	**165,539**	**145,997**	**22,859**	**809,237**	**712,436**
Gestamp Automoción,S.A.	91,097	278,001	155,483	137,818		662,399	581,710
Estampaciones Metálicas Vizcaya, S.A.	36	36	36	207	1,536	1,851	1,851
Autotech Engineering, A.I.E.	218	142	136	120	92	708	1,060
Solblank, S.A.	90	23	23	17	193	346	457
Gestamp Linares, S.A.							300
Metalbages, S.A.	434	448	463	277		1,622	2,078
Gestamp Navarra, S.A.			7	14	86	107	107
MB Aragón, S.A.	38	77				115	-
Griwe Subgroup	4,271	4,273	3,521	2,712	9,494	24,271	27,184
Beyçelik, A.S.	2,710	2,740	1,703	665		7,818	7,956
Edscha Subgroup							
Gestamp Severstal Vsevolozhsk Llc						-	4,598
Gestamp Metal Forming Subgroup	1,041	89,167	4,167	4,167	11,458	110,000	85,000
Loire Sociedad Anónima Franco Española							135
In foreign currency	**19,838**	**56,887**	**17,915**	**4,457**	**11,187**	**110,284**	**43,464**
Brazilian reais							
Gestamp Brasil Industria de Autopeças, S.A.	3,715	4,650	4,538	3,466	11,132	27,501	27,622
Edscha Subgroup	3,532					3,532	3,806
Indian rupees							
Sungwoo Gestamp Hitech Pune Private Ltd.	366					366	2,083
Sungwoo Gestamp Hitech Chennai Ltd.	1,865	705	621	264		3,455	2,964
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.		6,523				6,523	3,752
Gestamp Sungwoo Stamping & Assemblies Pvt. Ltd.		10,005				10,005	-
Sterling Pounds							
Gestamp Metal Forming Subgroup	9,554	34,264	12,230			56,048	-
Korean wons							
Gestamp Kartek Co, Ltd	806	740	526	727	55	2,854	3,237
	119,773	431,794	183,454	150,454	34,046	919,521	755,900

The breakdown of maturity dates for the balances at December 31, 2011 is as follows:

Thousands of euros					
2011					
2013	2014	2015	2016	Beyond	Total
350,601	118,407	239,941	14,463	32,488	755,900

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).

The average nominal interest on the loans rate at December 31, 2012 and December 31, 2011, is as follows:

	Interest rate
• Loans denominated in euros	2.0% - 4.5%
• Loans denominated in indian rupees	10.3% - 12.3%
• Loans denominated in brazilian reais	4.5% - 9.4%
• Loans denominated in korean wones	3.4% - 4.7%
• Loans denominated in sterling pounds	3.8%

Syndicated Loan 2008

On July 30, 2008 the Company arranged a syndicated loan with a group of banks for 510 million euros.

The final installment on this 5-year facility is due on July 30, 2013. The outstanding payments at December 31, 2012 have been included into a new syndicated loan on December 20, 2012 (the characteristics are indicated below).

The Company has agreed to comply with certain financial covenants based on its Consolidated Financial Statements throughout the duration of the loan. These covenants are:

- “Net debt/EBITDA” below or equal to 3.00x
- “EBITDA/Financial expense” above 5x
- “Net debt/Equity” below 1.15x

At December 31, 2012 and December 31, 2011 the Company was not in breach of any of these covenants.

Dividend payments are limited to 35% of profit attributable to equity holders of the Company whenever “Net debt/EBITDA” is equal or above 2.00x. If “Net debt/EBITDA” is below 2.00x, dividends may be paid on up to 50% of profit attributable to equity holders of the Company.

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 Automoción,S.A.
Gestamp Vigo, S.A.
Gestamp Toledo, S.L.
Solblank, S.A.
Gestamp Palencia, S.A.
Gestamp Linares, S.A.
Gestamp Servicios, S.A.
Araluce, S.A.
Matricerías Deusto, S.L.
Galvanizaciones Castellana, S.A.
Estampaciones Metálicas Vizcaya, S.A.
Metalbages, S.A.
Gestamp Aveiro, S.A.
Griwe Subgroup
Gestamp Alabama, LLC.
Gestamp Baires, S.A.
Estampaciones Martínez, S.A.
Gestamp Mason, Llc.
Automotive Chassis Products Uk. Ltd.
Ingeniería Global MB, S.A.
Adral, Matricería y Puesta a Punto, S.L.
Autotech Engineering, A.I.E.
Gestamp Argentina, S.A.
Gestamp Chatanooga, Llc.
Gestamp Ingeniería Europa II,S.L.
Gestamp Manufacturing Autochasis, S.L.
Gestamp North America, INC.
Tallent Automotive, Ltd.
Gestamp Unformtechnik, GmbH
Edscha Burgos, S.L.
Prisma, S.A.S.
Edscha Automotive Kamenice, S.R.O.
Gestamp Togliatti, Llc.
Sofedit Polska, Sp.z.o.o.
Gestamp North Europe Services, S.L.
Sofedit España, S.A.
Gestamp Puebla, S.A. de C.V.
Gestamp Toluca, S.A. de C.V.
Edscha Michigan, Inc.
Edscha Togliatti, Llc.
Loire S.A. Franco Española
ALHC, Llc.
SCI de Tournan en Brie
Todlem, S.L
MB Aragón, S.A.
MB Abrera, S.A.
MB Levante, S.L.
Gestamp Navarra, S.A.
Gestamp Solblank Navarra, S.L.
MB Aragón P21, S.L.
Gestamp Ronchamp, S.A.S.
Gestamp Cataforesis Vigo, S.A.
Gestamp Noury, S.A.S.
Gestamp Brasil Industria de Autopeças, S.A.
Edscha Do Brasil, Ltd.
Gestamp Polska, z.o.o.
Gestamp Portugal, Ltda.
Gestamp HardTech, AB
Gestamp Hungaria, KFT.
Gestamp Córdoba, S.A.
Gestamp UK, Ltd.
Gestamp Louny, S.r.o.
Metalbages, P51, S.L.
Gestamp Tooling Services, AIE
Edscha Briey, 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.
Gestamp Vendas Novas, Lda.
Edscha Santander, S.L.
Edscha Velky Meder, S.r.o.
Edscha Engineering, GmbH.
Ocon Automoted System, S.L.
Sofedit, S.A.S.
Gestamp Mexico, S.A. de C.V.
Gestamp South Carolina, Llc.
Edscha España Holding, S.L.
Gestamp Tool Hardening, S.L.
Gestamp Global Tooling, S.L.
Gestamp Sweeden AB
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi
Edscha France Engineering, S.A.S.
MB Pamplona, S.A.
Gestamp West Virginia, LLC

Syndicated Loan 2010

On July 27, 2010, the Company signed a syndicated loan with a group of banks for 330 million euros, and subsequently the Instituto de Crédito Oficial joined the syndicate with an additional 25 million euros.

The final installment on this 5-year facility is due on July 27, 2015. The outstanding payments at January 2013, July 2013 and January 2014, have been included into a new syndicated loan on December 20, 2012 (the characteristics are indicated below).

The Company has agreed to comply with certain financial covenants based on its Consolidated Financial Statements throughout the duration of the loan. These covenants are:

- "Net debt/EBITDA" below or equal to 3.00x
- "EBITDA/Financial expense" above 5x
- "Net debt/Equity" below 1.15x.

At December 31, 2012 and December 31, 2011 the Company was not in breach of any of these covenants.

Dividend payments are limited to 35% of profit attributable to equity holders of the Company whenever "Net debt/EBITDA" is equal or above 2.00x. If "Net debt/EBITDA" is below 2.00x, dividends may be paid on up to 50% of profit attributable to equity holders of the Company.

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 Automoción,S.A.	MB Aragón, S.A.
Gestamp Vigo, S.A.	MB Abrera, S.A.
Gestamp Toledo, S.L.	MB Levante, S.L.
Solblank, S.A.	Gestamp Navarra, S.A.
Gestamp Palencia, S.A.	Gestamp Solblank Navarra, S.L.
Gestamp Linares, S.A.	MB Aragón P21, S.L.
Gestamp Servicios, S.A.	Gestamp Ronchamp, S.A.S.
Araluce, S.A.	Gestamp Cataforesis Vigo, S.A.
Matricerías Deusto, S.L.	Gestamp Noury, S.A.S.
Galvanizaciones Castellana, S.A.	Gestamp Brasil Industria de Autopeças, S.A.
Estampaciones Metálicas Vizcaya, S.A.	Edscha Do Brasil, Ltd.
Metalbages, S.A.	Gestamp Polska, z.o.o.
Gestamp Aveiro, S.A.	Gestamp Portugal, Ltda.
Griwe Subgroup	Gestamp HardTech, AB
Gestamp Alabama, LLC.	Gestamp Hungaria, KFT.
Gestamp Baires, S.A.	Gestamp Córdoba, S.A.
Estampaciones Martínez, S.A.	Gestamp UK, Ltd.
Gestamp Mason, Llc.	Gestamp Louny, S.r.o.
Automotive Chassis Products Uk. Ltd.	Metalbages, P51, S.L.
Ingeniería Global MB, S.A.	Gestamp Tooling Services, AIE
Adral, Matricería y Puesta a Punto, S.L.	Edscha Briey, S.A.S.
Autotech Engineering, A.I.E.	Edscha Automotive Hauzenberg, GmbH
Gestamp Argentina, S.A.	Edscha Hauzenberg Real Estate GmbH, & Co.
Gestamp Chatanooga, Llc.	Edscha Hengersberg Real Estate GmbH, & Co.
Gestamp Ingeniería Europa II,S.L.	Edscha Automotive Hengersberg, GmbH.
Gestamp Manufacturing Autochasis, S.L.	Edscha Holding, GmbH.
Gestamp North America, INC.	Edscha Hradec, S.r.o.
Tallent Automotive, Ltd.	Gestamp Vendas Novas, Lda.
Gestamp Unformtechnik, GmbH	Edscha Santander, S.L.
Edscha Burgos, S.L.	Edscha Velky Meder, S.r.o.
Prisma, S.A.S.	Edscha Engineering, GmbH.
Edscha Automotive Kamenice, S.R.O.	Ocon Automoted System, S.L.
Gestamp Togliatti, Llc.	Sofedit, S.A.S.
Sofedit Polska, Sp.z.o.o.	Gestamp Mexico, S.A. de C.V.
Gestamp North Europe Services, S.L.	Gestamp South Carolina, Llc.
Sofedit España, S.A.	Edscha España Holding, S.L.
Gestamp Puebla, S.A. de C.V.	Gestamp Tool Hardening, S.L.
Gestamp Toluca, S.A. de C.V.	Gestamp Global Tooling, S.L.
Edscha Michigan, Inc.	Gestamp Sweeden AB
Edscha Togliatti, Llc.	GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi
Loire S.A. Franco Española	Edscha France Engineering, S.A.S.
ALHC, Llc.	MB Pamplona, S.A.
SCI de Tournan en Brie	Gestamp West Virginia, LLC
Todlem, S.L	

Syndicated Loan 2011

On September 15, 2011, the company GMF Holding GmbH. from the Gestamp Metal Forming Subgroup signed a syndicated loan with a group of banks for 85 million euros.

The final installment on this 4-year facility is due on September 15, 2015.

The Company has agreed to comply with certain financial covenants based on its Consolidated Financial Statements throughout the duration of the loan. These covenants are:

- "Net debt/EBITDA" below 3.00
- "EBITDA/Financial expense" above 5x
- "Net debt/Equity" below to 1.15x

At December 31, 2012 and December 31, 2011 the Company was not in breach of any of these covenants.

Dividend payments are limited to 35% of profit attributable to equity holders of the Company whenever "Net debt/EBITDA" is equal or above 2.00x. If "Net debt/EBITDA" is below 2.00x, dividends may be paid on up to 50% of profit attributable to equity holders of the Company.

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 Automoción,S.A.	MB Aragón, S.A.
Gestamp Vigo, S.A.	MB Abrera, S.A.
Gestamp Toledo, S.L.	MB Levante, S.L.
Solblank, S.A.	Gestamp Navarra, S.A.
Gestamp Palencia, S.A.	Gestamp Solblank Navarra, S.L.
Gestamp Linares, S.A.	MB Aragón P21, S.L.
Gestamp Servicios, S.A.	Gestamp Ronchamp, S.A.S.
Araluce, S.A.	Gestamp Cataforesis Vigo, S.A.
Matricerías Deusto, S.L.	Gestamp Noury, S.A.S.
Galvanizaciones Castellana, S.A.	Gestamp Brasil Industria de Autopeças, S.A.
Estampaciones Metálicas Vizcaya, S.A.	Edscha Do Brasil, Ltd.
Metalbages, S.A.	Gestamp Polska, z.o.o.
Gestamp Aveiro, S.A.	Gestamp Portugal, Ltda.
Griwe Subgroup	Gestamp HardTech, AB
Gestamp Alabama, LLC.	Gestamp Hungaria, KFT.
Gestamp Baires, S.A.	Gestamp Córdoba, S.A.
Estampaciones Martínez, S.A.	Gestamp UK, Ltd.
Gestamp Mason, Llc.	Gestamp Louny, S.r.o.
Automotive Chassis Products Uk. Ltd.	Metalbages, P51, S.L.
Ingeniería Global MB, S.A.	Gestamp Tooling Services, AIE
Adral, Matricería y Puesta a Punto, S.L.	Edscha Briey, S.A.S.
Autotech Engineering, A.I.E.	Edscha Automotive Hauzenberg, GmbH
Gestamp Argentina, S.A.	Edscha Hauzenberg Real Estate GmbH, & Co.
Gestamp Chatanooga, Llc.	Edscha Hengersberg Real Estate GmbH, & Co.
Gestamp Ingeniería Europa II,S.L.	Edscha Automotive Hengersberg, GmbH.
Gestamp Manufacturing Autochasis, S.L.	Edscha Holding, GmbH.
Gestamp North America, INC.	Edscha Hradec, S.r.o.
Tallent Automotive, Ltd.	Gestamp Vendas Novas, Lda.
Gestamp Unformtechnik, GmbH	Edscha Santander, S.L.
Edscha Burgos, S.L.	Edscha Velky Meder, S.r.o.
Prisma, S.A.S.	Edscha Engineering, GmbH.
Edscha Automotive Kamenice, S.R.O.	Ocon Automoted System, S.L.
GMF Holding, Gmbh.	Sofedit, S.A.S.
Sofedit Polska, Sp.z.o.o.	Gestamp South Carolina, Llc.
Gestamp North Europe Services, S.L.	Edscha España Holding, S.L.
Sofedit España, S.A.	Gestamp Tool Hardening, S.L.
Edscha Michigan, Inc.	Gestamp Global Tooling, S.L.
Edscha Togliatti, Llc.	Gestamp Sweeden AB
Loire S.A. Franco Española	GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi
ALHC, Llc.	Edscha France Engineering, S.A.S.
SCI de Tournan en Brie	MB Pamplona, S.A.
Gestamp West Virginia, LLC	Todlem, S.L

<u>Loan March 2012</u>

On March 21, 2012, the Company signed a loan for 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 are:

- "Net debt/EBITDA" below 3.00x
- "EBITDA/Financial expense" above 5x
- "Net debt/Equity" below to 1.15x

At December 31, 2012 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 Vigo, S.A.
Gestamp Toledo, S.L.
Solblank, S.A.
Gestamp Palencia, S.A.
Gestamp Linares, S.A.
Gestamp Servicios, S.A.
Araluce, S.A.
Matricerías Deusto, S.L.
Galvanizaciones Castellana, S.A.
Estampaciones Metálicas Vizcaya, S.A.
Metalbages, S.A.
Gestamp Aveiro-Indústria de Acessórios de Automóveis, S.A.
Griwe Subgroup
Gestamp Alabama, LLC.
Gestamp Baires, S.A.
Estampaciones Martínez, S.A.
Gestamp Mason, Llc.
Gestamp Hungaria, Kft
Ingeniería Global Metalbages, S.A.
Adral, Matricería y Puesta a Punto, S.L.
Autotech Engineering, A.I.E.
Gestamp Argentina, S.A.
Gestamp Chatanooga, Llc.
Gestamp Ingeniería Europa II,S.L.
Gestamp Manufacturing Autochasis, S.L.
Gestamp North America, INC.
Tallent Automotive, Ltd.
Gestamp Unformtechnik, GmbH
Edscha Burgos, S.L.
Edscha Automotive Kamenice, S.R.O.
Gestamp Togliatti, Llc.
Sofedit Polska, Sp.z.o.o.
Sofedit España, S.A.
Edscha Automotive Michigan, Inc.
Edscha Togliatti, Llc.
ALHC, Llc.
MB Aragón, S.A.
MB Abrera, S.A.
MB Levante, S.L.
Gestamp Navarra, S.A.
Grestamp Solblank Navarra, S.L.
MB Aragón P21, S.L.
Gestamp Ronchamp, S.A.S.
Gestamp Cataforesis Vigo, S.A.
Gestamp Noury, S.A.S.
Gestamp Brasil Industria de Autopeças, S.A.
Edscha Do Brasil, Ltd.
Gestamp HardTech, AB
Gestamp Córdoba, S.A.
Gestamp UK, Ltd.
Gestamp Louny, S.r.o.
Metalbages, P51, S.L.
Gestamp Tooling Services, AIE
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.
Gestamp Vendas Novas Unipessoal, Lda.
Edscha Santander, S.L.
Edscha Velky Meder, S.r.o.
Edscha Engineering, GmbH.
Sofedit, S.A.S.
Gestamp South Carolina, Llc.
Gestamp Tool Hardening, S.L.
MB Pamplona, S.A.
Gestamp Portugal-Gestão e Indústria de Estampagens Metálicas, LDA
SCI de Tournan en Brie

Loan July 2012

On July 27, 2012, the companies Tallent Automotive, Ltd. and Gestamp UK, Ltd. signed a loan and a revolving credit facility for 50 million sterling pounds.

The final installment on this 4-year facility is due on June 30, 2016.

The Company has agreed to comply with certain financial covenants based on its Consolidated Financial Statements throughout the duration of the loan. These covenants are:

- "Net debt/EBITDA" below 3.00x
- "EBITDA/Financial expense" above 5x
- "Net debt/Equity" below to 1.15x

At December 31, 2012 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:

DieDe Die Developments, S.L
Gestamp Automoción,S.A.
Estampaciones Metálicas Vizcaya, S.A.
Gestamp Cataforesis Vigo, S.L
Gestamp Toledo S.L.
Solblank, S.A.
Gestamp Palencia, S.A.
Gestamp Linares, S.A.
Gestamp Servicios, S.A.
Araluce, S.A
Galvanizaciones Castellana, S.A.
Gestamp Navarra, S.A.
Gestamp North Europe Services, S.L.
MB Aragón, S.A.
MB Aragón P21, S.L.
MB Levante, S.L.
Matricerías Deusto, S.L.
Gestamp Solblank Navarra, S.L.
Adral, Matricería y puesta a punto, S.L
Autotech Engineering, A.I.E.
Estampaciones Martínez, S.A.
Gestamp Ingeniería Europa II,S.L.
Gestamp Manufacturing Autochasis, S.L.
Ingeniería Global MB, S.A.
Loire S.A. Franco Española
Metalbages, P51, S.L.
Edscha Burgos, S.L.
Edscha Santander, S.L.
Gestamp Tool Hardening, S.L.
Gestamp Tooling Services A.I.E.
Sofedit España, S.A.
Ocon Automoted System, S.L.
Gestamp Polska, Sp.Z.o.o.
Gestamp Portugal, Ltda
Gestamp Aveiro, S.A.
Gestamp Vendas Novas Unipessoal, Lda.
Gestamp Noury, SAS
Gestamp Ronchamp, S.A.S.
Edscha Briey, S.A.S.
Edscha France Engineering , S.A.S.
SCI de Tournan en Brie
Gestamp Unformtechnik, GmbH
Edscha Engineering, GmbH.
Edscha Automotive Hauzenberg, GmbH
Edscha Hauzenberg Real Estate GmbH, & Co.
Edscha Hengersberg Real Estate GmbH, & Co.
Edscha Automotive Hengersberg, GmbH.
Edscha Holding, GmbH.
Griwe Subgroup
ALHC, Llc.
Gestamp Alabama, Llc.
Gestamp Chatanooga, Llc.
Gestamp HardTech, AB
Gestamp Mason, LLC
Gestamp North America, Inc
Edscha Michigan, Inc.
Gestamp South Carolina, Llc.
Gestamp West Virginia, LLC
Gestamp HardTech, AB
Gestamp Sweeden AB
Gestamp Uk Limited
Tallent Automotive Limited
Gestamp Argentina, S.A.
Gestamp Baires, S.A.
Gestamp Córdoba, S.A.
Gestamp Hungaria, KFT.
Edscha Automotive Kamenice, S.R.O.
Edscha Hradec, S.r.o.
Gestamp Louny, S.r.o.
Edscha Velky Meder, S.r.o.

Syndicated Loan 2012

On December 20, 2012, the Company signed a syndicated loan with a group of banks for 389 million euros (of which 229 million euros should be provided only to cancel the outstanding payments of the Syndicated Loan 2008 at December 31, 2012; and 160 million euros related to the outstanding payments of the Syndicated Loan 2010 at January 2013, July 2013 and January 2014).

The final installment on this 4-year facility is due on January 27, 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 are:

- "Net debt/EBITDA" below 3.00
- "EBITDA/Financial expense" above 5x
- "Net debt/Equity" below to 1.15x

At December 31, 2012 the Company was not in breach of any of these covenants.

Dividend payments are limited to 35% of profit attributable to equity holders of the Company whenever "Net debt/EBITDA" is equal or above 2.00x. If "Net debt/EBITDA" is below 2.00x, dividends may be paid on up to 50% of profit attributable to equity holders of the Company.

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:

Adral, Matricería y puesta a punto, S.L
ALHC, Llc.
Araluce, S.A
Autotech Engineering, A.I.E.
DieDe Die Developments, S.L
Edscha Automotive Kamenice, S.R.O.
Edscha Burgos, S.L.
Edscha Santander, S.L.
Edscha Togliatti, Llc.
Edscha Do Brasil, Ltd.
Edscha Engineering, GmbH.
Edscha Briey, S.A.S.
Edscha France Engineering , S.A.S.
Edscha Michigan, Inc.
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.
Estampaciones Martínez, S.A.
Estampaciones Metálicas Vizcaya, S.A.
Galvanizaciones Castellana, S.A.
Gestamp Alabama, Llc.
Gestamp Argentina, S.A.
Gestamp Automoción,S.A.
Gestamp Aveiro, S.A.
Gestamp Baires, S.A.
Gestamp Cataforesis Vigo, S.L
Gestamp Chatanooga, Llc.
Gestamp Córdoba, S.A.
Gestamp HardTech, AB
Gestamp Hungaria, KFT.
Gestamp Ingeniería Europa II,S.L.
Gestamp Linares, S.A.
Gestamp Louny, S.r.o.
Gestamp Manufacturing Autochasis, S.L.
Gestamp Mason, LLC
Gestamp Navarra, S.A.
Gestamp North Europe Services, S.L.
Gestamp North America, Inc
Gestamp Noury, SAS
Gestamp Palencia, S.A.
Gestamp Polska, Sp.Z.o.o.
Gestamp Portugal, Ltda
Gestamp Ronchamp, S.A.S.
Gestamp Servicios, S.A.
Gestamp Solblank Navarra, S.L.
Gestamp South Carolina, Llc.
Gestamp Sweeden AB
Gestamp Togliatti, LLC
Gestamp Toledo S.L.
Gestamp Tooling Hardening, S.L.
Gestamp Tooling Services A.I.E.
Gestamp Uk Limited
Gestamp Vendas Novas Unipessoal, Lda.
Gestamp Vigo, S.A.
Gestamp West Virginia, LLC
Gestamp Unformtechnik, GmbH
Griwe Subgroup
Ingeniería Global MB, S.A.
Loire S.A. Franco Española
Matricerías Deusto, S.L.
MB Abrera, S.A.
MB Aragón, S.A.
MB Aragón P21, S.L.
MB Levante, S.L.
MB Pamplona, S.A.
Metalbages, P51, S.L.
Ocon Automoted System, S.L.
Metalbages, S.A.
Prisma, S.A.S.
Sofedit España, S.A.
SCI de Tournan en Brie
Solblank, S.A.
Tallent Automotive Limited
Gestamp Brasil Industria de Autopeças, S.A.

The Company is analyzing various options of long term financing and refinancing with longer maturities to better adapt its financial debt to its strategic objectives.

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											
	Drawn down (a)		Limit		Loans (b)		Accrued interest (c)		Discounted bills and factoring (d)		(a)+(b)+(c)+(d) TOTALS	(a)+(b)+(c)+(d) TOTALS
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
In Euros	**182,992**	**190,782**	**318,814**	**285,200**	**81,331**	**194,840**	**16,607**	**3,952**	**39,957**	**25,557**	**320,887**	**415,131**
Gestamp Automoción,S.A.	174,038	187,898	306,000	273,000	59,169	166,324	16,390	3,856		13,841	249,597	371,919
Estampaciones Metálicas Vizcaya, S.A.						36			9,348		9,348	36
Gestamp Toledo, S.L.									26	18	26	18
Autotech Engineering AIE					350	421					350	421
Solblank, S.A.					111	77					111	77
Gestamp Argentina, S.A.						2,047		29				2,076
Gestamp Palencia, S.A.									29	28	29	28
Gestamp Linares, S.A.						301			1		1	301
Gestamp Servicios, S.A.						5,234			25,848	11,670	25,848	16,904
Metalbages, S.A.	6,340	2,884	10,200	12,200	453	465		8	432		7,225	3,357
MB Abrera, S.A.							4	1			4	1
Griwe Subgroup					5,381	1,744					5,381	1,744
Estampaciones Martinez, S.A.						1,200		7	4,273		4,273	1,207
Beyçelik, A.S.	2,614		2,614		5,584		211	51			8,409	51
Gestamp Tooling Overseas Ltd.						6						6
Gestamp Severstal Vsevolozhsk Llc					3						3	
MB Aragón, S.A.					77		2				79	
Edscha Subgroup					10,000	13,612					10,000	13,612
Loire Sociedad Anónima Franco Española					203	3,117					203	3,117
Diede Die Developments, S.L.												
In foreign currency	**3,242**	**1,400**	**10,611**	**5,600**	**133,465**	**59,690**	**1,029**	**111**	-	-	**137,736**	**61,201**
US dollars												
Gestamp Baires, S.A.	3,242		3,261			3,305	7	8			3,249	3,313
Gestamp Córdoba, S.A.					3,530	3,598	36	36			3,566	3,634
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.						2,017						2,017
Gestamp Alabama, Llc					34,106						34,106	
Sterling Pound												
Gestamp Metal Forming Subgroup					4,624						4,624	
Turkish lira												
Beyçelik, A.S.						4,612						4,612
Brazilian reais												
Gestamp Brasil Industria de Autopeças, S.A.					42,084	26,623	516	26			42,600	26,649
Edscha Subgroup					7,288	2,147	397				7,685	2,147
Indian rupees												
Gestamp Automotive India Private Ltd.						3,187						3,187
Sungwoo Gestamp Hitech Pune Private Ltd.					4,447	3,199	11	17			4,458	3,216
Sungwoo Gestamp Hitech Chennai Ltd.					465	2,281		15			465	2,296
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.					442	3,614	1				443	3,614
Gestamp Services India Private, Ltd.					690						690	
Gestamp Sungwoo Stamping & Assemblies Private Ltd.							35				35	
Remimbi Yuan												
Gestamp Auto Components (Kunshan) Co., Ltd					18,125						18,125	
Edscha Subgroup						491						491
Gestamp Metal Forming Subgroup					12,959		21				12,980	
Korean wons												
GS Hot-Stamping Co. Ltd.					4,200	4,200					4,200	4,200
Kartek Corporation		1,400	7,350	5,600	505	416	5	9			510	1,825
	186,234	192,182	329,425	290,800	214,796	254,530	17,636	4,063	39,957	25,557	458,623	476,332

In all, the Group has approximately 183 million euros in with-recourse factoring and available discounting facilities at December 31, 2012 (December 31, 2011: 137 million euros).

Interest on the credit facilities is basically indexed to a floating rate of Euribor plus a spread of between 2.50% and 3.75% in 2012 and between 1.25% and 2.75% in 2011.

a) 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:

	2012				
	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		1,767	17,181	7,610	26,558
Loire Safe	54	87		8	149
GMF Otomotive Parçalari Sanayi ve L.S	27	34		2	63
Beyçelik, A.S.	1,514	4,427		258	6,199
Edscha Subgroup	5	4		1	10
Total	1,600	6,319	17,181	7,879	32,979

	2011				
	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		
Loire Safe	54	140		52	246
Gestamp Metal Forming Subgroup		27			27
Edscha Subgroup	6	10			16
Total	60	177	-	52	289

b.2) Borrowings from Group companies

The breakdown of this heading in the Consolidated Balance Sheet is as follows:

	2012				
	Thousands of euros				
Lender	Item	Current	Non-current	Due date	Interest rate
Corporación Gestamp, S.L.	Current account	45,519	-	2013	Euribor+0.4 %
Corporación Gestamp, S.L.	Interest	1,095	-	-	-
Holding Gonvarri, S.L.	Current account	(2,000)	-	-	-
Gonvarri Corporación Financiera, S.L.	Loan and interests	980	18,093	2015	Euribor+5%
Severstal Trade, GmbH	Loan and interests	672	6,993	2018	12.52%
Severstal Trade, GmbH	Loan and interests	440	4,587	2019	12.52%
Melsonda	Loan and interests	3	4,118	2022	6.55%
Gonvarri Corporación Financiera, S.L.	Loan and interests	41,044	-	-	5.00%
		87,753	33,791		

The current balance of 87,753 thousand euros includes the 4,233 thousand euros of interest accrued on these loans at December 31, 2012 as well as the portion of borrowings classified as current, amounting to 83,520 thousand euros.

	2011				
	Thousands of euros				
Lender	Item	Current	Non-current	Due date	Interest rate
Corporación Gestamp, S.L.	Current account	45,886	-	2012	Euribor+0.3 %
Corporación Gestamp, S.L.	Interest	1,346	-	-	-
Gonvarri Corporación Financiera, S.L.	Loan and interests	1,064	18,217	2015	Euribor+5%
Severstal Trade, GmbH	Loan and interests	1,114	7,010	2018	12.52%
		49,410	25,227		

The current balance of 49,410 thousand euros includes the 2,850 thousand euros of interest accrued on these loans at December 31, 2011 as well as the portion of borrowings classified as current, amounting to 46,560 thousand euros.

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, 2012 and 2011 is as follows:

	Thousands of euros						
Company	2014	2015	2016	2017	Beyond	Total 2012	Total 2011
Guarantees received	-	-	-	-	21	21	21
MB Abrera, S.A.	-	-	-	-	14	14	14
Kartek Corporation	-	-	-	-	7	7	7
Loans from Ministry of Science and Technology	918	2,465	3,167	3,375	24,614	34,539	22,629
Gestamp Vigo, S.A	-	-	-	-	3,647	3,647	2,975
Gestamp Toledo, S.L	75	118	133	148	2,890	3,364	3,298
Gestamp Palencia, S.A	207	269	269	269	937	1,951	1,310
Gestamp Linares, S.A	343	253	181	181	215	1,173	1,517
Galvanizaciones Castellana, S.A	34	34	34	34	107	243	231
Metalbages, S.A	-	43	71	69	462	645	629
Gestamp Navarra, S.A	11	59	106	141	1,917	2,234	1,159
Gestamp Manufactoring Autochasis S.L	-	-	45	43	273	361	343
Autotech Engineering, A.I.E	20	91	102	102	490	805	494
MB Aragón, S.A	-	236	294	282	1,613	2,425	1,968
MB Abrera, S.A	10	135	185	371	3,139	3,840	2,707
MB Levante, S.L	-	292	281	271	1,500	2,344	1,659
MB Solblank Navarra, S.L	-	19	18	18	100	155	148
Adral, S.L	218	-	-	-	-	218	449
Solblank, S.A	-	-	41	39	269	349	332
Loire Safe	-	-	-	-	-	-	299
Estampaciones Metálicas Vizcaya S.A	-	916	1,407	1,407	7,055	10,785	3,111
Other creditors	10,792	13,065	10,730	12,118	8,117	54,822	11,125
Gestamp Servicios, S.A	9,127	9,603	10,105	10,633	-	39,468	-
Gestamp Automoción, S.A	-	1,000	-	-	-	1,000	1,000
Gestamp Toledo, S.L	-	-	-	-	-	-	134
SCI de Tournan en Brie	-	-	-	-	93	93	93
Gestamp Argentina, S.A	-	-	-	-	83	83	81
Sungwo Gestamp Hitech Chennai LTd.	26	97	132	136	520	911	996
Gestamp Sweden, AB	4	-	-	-	-	4	4
Gestamp Aveiro, S.A	756	-	-	-	-	756	1,932
Gestamp Portugal Lda	-	13	296	1,153	577	2,039	349
Diede Die Developments S.L	343	83	197	196	948	1,767	1,400
GS Hot stamping Ltd	-	-	-	-	190	190	136
Loire Sociedad Anónima Franco Española	8	-	-	-	312	320	39
Ocon Automated Systems S.L.	58	-	-	-	-	58	-
Edscha Subgroup	470	374	-	-	5,394	6,238	4,961
Gestamp West Virginia, LLC	-	1,895	-	-	-	1,895	-
Total	11,710	15,530	13,897	15,493	32,752	89,382	33,775

The breakdown of maturity dates for the balances at December 31, 2011 is as follows:

Thousands of euros					
2011					
2013	2014	2015	2016	Beyond	Total
2,553	2,133	4,265	1,764	23,060	33,775

Other current financial liabilities

The amounts included under this heading by nature are as follows:

	Thousands of euros	
	2012	2011
Fixed assets suppliers	132,437	80,589
Short term debts	20,542	39,144
Short term interests payable	68	20
Other	182	(103)
	153,229	119,650

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	2012	2011
Financial assets - derivatives	**14,174**	**10,123**
Derivatives held for trading	6,576	6,261
Other	7,598	3,862
Financial liabilities - derivatives	**52,949**	**47,082**
Derivatives held for trading	12,520	6,343
Cash flow hedges	32,831	36,878
Other	7,598	3,861

The breakdown of the fair value of the contracts is as follows:

		Thousands of euros			
		2012		2011	
Contract	Item	Asset	Liability	Asset	Liability
1	Cash flow	-	-	-	71
2	Cash flow	-	57	-	7,834
3	Cash flow	-	573	-	1,752
4	Cash flow	-	11	-	1,582
5	Cash flow	-	10,940	-	8,321
6	Cash flow	-	20,688	-	15,836
9	Cash flow	-	-	-	1,482
11	Cash flow	-	562	-	-
	Total cash flow hedges	**-**	**32,831**	**-**	**36,878**
7	Derivatives held for trading	5,691	-	6,261	-
8	Derivatives held for trading	-	5,254	-	3,294
9	Derivatives held for trading	-	6,264	-	-
10	Derivatives held for trading	885	-	-	-
12	Derivatives held for trading	-	1,002	-	3,049
	Total derivatives held for trading	**6,576**	**12,520**	**6,261**	**6,343**

The hedges in place at December 31, 2012 were as follows:

Contract 1

- In February 2005, with an effective date of February 28, 2007, the Company was party to a swap agreement with a decreasing notional amount.

  The maturity date for this contract was February 29, 2012.

Contract 2

- In April 2005, with an effective date of January 2, 2009, the Company was party to a swap agreement with an increasing notional amount, as set out below:

Year	Notional amount
2013	266,667

The nature of this agreement is the following:

The Company purchased a right to pay a weighted average interest of 3.979% and receive 3-month Euribor on the notional amount indicated above.

The maturity date for this contract is January 2, 2013.

Contract 3

- In September 2008, with an effective date of January 30, 2009, the Company was party to a swap agreement with a decreasing notional amount, as set out below:

Year	Notional amount
2013	22,500

The nature of this agreement is the following:

The Company purchased a right to pay 4.20% and receive 1-month Euribor on the notional amount indicated above.

The maturity date for this contract is July 30, 2013.

Contract 4

- In September 2008, with an effective date of January 4, 2010, the Company was party to a swap agreement with an increasing notional amount, as set out below:

Year	Notional amount
2013	50,000

The nature of this agreement is the following:

The Company purchased a right to pay 4.2% and receive 3-month Euribor on the notional amount indicated above.

The maturity date for contract is January 2, 2013.

Contract 5

- In March 2010, with an effective date of April 1, 2010, the Company was party to several swap agreements with an increasing notional amount, as set out below:

Year	Notional amount
2013	196,000
2014	192,500

The nature of this agreement is the following:

The Company purchased a right to pay 2.05% during 2011, 2.80% during 2012, 3.05% during 2013 and 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 an increasing notional amount, as set out below:

Year	Notional amount
2013	362,000
2014	357,500

The nature of this agreement is the following:

The Company purchased a right to pay 2.05% during 2011, 2.80% during 2012, 3.05% during 2013 y 3.11% during 2014, and receive 3-month Euribor on the notional amount indicated above.

The maturity date for this contract is January 1, 2015.

Contract 7

- In October 2010, with an effective date of April 1, 2010, the Company was party to several swap agreements with an increasing notional amount, as set out below:

Year	Notional amount
2013	364,000
2014	357,500

The nature of this agreement is the following:

The Company purchased a right to pay 2.3% plus a spread depending on Spanish inflation on 2012 and until maturity date, and receive 2.05% during 2011, 2.80% during 2012, 3.05% during 2013 and 3.11% during 2014.

The maturity date for this contract is January 1, 2015.

Contract 8

- In July 2011, with an effective date of July 1, 2011, the Company was party to several swap agreements with a fixed notional amount, as set out below:

Year	Notional amount
2013	100,000
2014	100,000
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 October 1, 2015.

Contract 9

- In October 2011 with an effective date of October 17, 2011 the Company was party to several swap agreements with a fixed notional amount as set out below:

Year	Notional amount
2013	100,000
2014	100,000
2015	100,000

- In 2011 the Group considered this swap as an accounting hedge. However, in June 2012 with an effective date of July 1, 2012 the Company decided to restructure this swap by selling an interest rate option on a fixed notional amount, as set out below:

Year	Notional amount
2013	120,000
2014	120,000
2015	120,000
2016	120,000
2017	120,000

The nature of this agreement is the following:

The Company purchased a right to pay 0.85% until June 28, 2013, 1.5% until June 30, 2015 and 1.9% until June 30, 2017 and receive 1-month Euribor on the notional amount indicated above.

The maturity date for contract is June 30, 2017.

Contract 10

- In March 2012, with an effective date of April 1, 2012, the Company was party to several swap agreements with an increasing notional amount, as set out below:

Year	Notional amount
2013	196,000
2014	192,500

The nature of this agreement is the following:

The Company purchased a right to pay 2.575% during 2012, 2.825% during 2013 and 2.750% during 2014 and receive 2.80 during 2012, 3.05% during 2013 and 2.99% during 2014.

The maturity date for this contract is January 1, 2015.

Contract 11

- In August 2012, with an effective date of August 6, 2012, the subsidiary Tallent Automotive Ltd. was party to several swap agreements with an decreasing notional amount in sterling pounds, as set out below:

Year	Notional amount
2013	50,000
2014	42,000
2015	14,000
2016	10,000

The nature of this agreement is the following:

The subsidiary Tallent Automotive 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 12

In addition, the Group has contracted a net investment hedge that has been considered as a derivative held for trading hedge:

- In February 2009, with an effective date of January 30, 2009, the Company was party to a swap agreement with a decreasing notional amount, as set out below:

Year	Notional amount
2013	38,559

The nature of this agreement is the following:

The Company purchased a right to pay 4.42% and receive 3-month Euribor plus 1.10% on the notional amount indicated above.

The maturity date for this contract is July 30, 2013.

“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 31,2012 (Note 10.a.1), as well as the present value of implicit derivatives of exchange rates applicable to sales prices in certain customer contracts.

At December 31, 2012, the Company arranged four accounting hedging strategies:

Strategy 1: The first strategy was designed to hedge interest rate risk on loans signed in 2012 by the Gestamp Metal Forming Subgroup for 50 million sterling pounds, via several interest rate swaps with an aggregate notional amount of 50 million sterling pounds (62 million euros) at December 31, 2012.

Strategy 2: The second strategy was designed to hedge interest rate risk on the Group's estimated remaining net debt for the period from 2013 to 2017 via several interest rate swaps with the following current notional amounts:

Year	Current notional amount
2013	778,000
2014	770,000
2015	120,000
2016	120,000
2017	120,000

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:

2012		2011	
	Thousands of euros		Thousands of euros
2013	(18,105)	2012	(17,380)
2014	(15,646)	2013	(12,206)
2015	(2,998)	2014	(7,455)
2016	(1,460)	2015	(174)
2017	(566)	2016	256
	(38,775)		(36,959)

In 2012, the Group has transferred from Equity to the Consolidated Income Statement the amount of approximately 19,888 thousand euros (2011: 12,618 thousand euros) as a result of liquidations carried out in 2012 corresponding to cash flow (interest rate) hedges.

In 2012, the Group has recognized an amount of 472 thousand euros (income) in the Consolidated Income Statement relating to ineffective portions of hedges (2011: income of 1,150 thousand euros).

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, 2010	**92,405**	**3,091**	**17,661**	**43,361**	**5,298**	**3,902**	**11,864**	**177,582**
Inclusion in scope	789			8,309			912	10,010
Increases	13,973	373	39	5,421	394	5,971	7,434	33,605
Decreases	(21,143)	(396)	(37)	(7,212)	(15)	(3,648)	(6,419)	(38,870)
Translation differences		(890)		(171)	3	23	(920)	(1,955)
Other	2,900	(375)	2	2,977	511	4,468	(7,458)	3,025
At December 31, 2011	**88,924**	**1,803**	**17,665**	**52,685**	**6,191**	**10,716**	**5,413**	**183,397**
Inclusion in scope								
Increases	7,140	480	184	7,554	16	5,308	4,464	25,146
Decreases	(10,662)			(18,125)	(1,079)	(6,720)	(6,605)	(43,191)
Translation differences		(885)		468	9	482	(1,644)	(1,570)
Other	5,793	490		3,890	1,737	(546)	(847)	10,517
At December 31, 2012	**91,195**	**1,888**	**17,849**	**46,472**	**6,874**	**9,240**	**781**	**174,299**

The 2011 inclusions in scope of deferred tax assets correspond mainly to the fiscal effect of the restructuring provision included in the Gestamp Metal Forming Subgroup.

The 2011 decreases in provisions correspond mainly to the fiscal effect of restructuring provisions and onerous contracts of the Edscha and Gestamp Metal Forming Subgroups.

The 2012 decreases correspond to the reversal of the provision created in previous years by the parent Company for surplus provision on settled litigations (Note 18).

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, 2010	**7,358**	**4,346**	**6,063**	**28,598**	**83,069**	**11,698**	**14,535**	**155,667**
Inclusion in scope				12,259			78	12,337
Increases		860	3,363			1,999	5,723	11,945
Decreases	(2,780)		(860)	(3,133)	(1,431)	(264)	(3,231)	(11,699)
Translation differences			(10)		11	(58)	(237)	(294)
Other movements	1,047	61	210	395	1,947	(97)	(1,024)	2,539
At December 31, 2011	**5,625**	**5,267**	**8,766**	**38,119**	**83,596**	**13,278**	**15,844**	**170,495**
Inclusion in scope								
Increases		860	11,143			942	3,774	16,719
Decreases	(1,123)		(369)	(3,795)	(1,383)	(49)	(2,879)	(9,598)
Translation differences			187			42	(1,722)	(1,493)
Other movements	(83)	1,215	(73)	(63)	(1,725)	(519)	1,317	69
At December 31, 2012	**4,419**	**7,342**	**19,654**	**34,261**	**80,488**	**13,694**	**16,334**	**176,192**

The 2011 inclusions in scope of deferred tax liabilities fully correspond to Loire S.A. Franco Española and the Gestamp Metal Forming Subgroup, and they reflect the tax consequences from capital gains arising from the revaluation of tangible and intangible assets in the context of the fair value valuation of the assets incorporated from these business combinations.

22. Trade and other payables

c) Trade payables

	Thousands of euros 2012	2011
Trade accounts payable	510,961	466,460
Trade bills payable	62,519	84,086
Suppliers from Group companies (Note 28.1)	129,537	164,028
Suppliers from Associated companies (Note 28.1)	432	2,056
Trade creditors, Group companies (Note 28.1)	8,792	5,512
Trade creditors, Associated companies (Note 28.1)	2,470	434
	714,711	722,576

b) Other payables

	Thousands of euros 2012	2011
VAT payable	18,178	14,786
Tax withholdings payable	18,416	14,996
Other items payable to the tax authorities	15,925	24,950
Payable to social security	22,213	21,523
Other payables	37,895	39,371
Outstanding remuneration	71,554	76,966
	184,181	192,592

23. Operating revenue

a) Revenue

The breakdown of revenue by category in 2012 and 2011 was as follows:

	Thousands of euros 2012	2011
Parts, prototypes, and components	5,173,568	4,278,755
Tools	312,218	281,365
Byproducts and containers	257,086	200,589
Services rendered	14,442	13,913
	5,757,314	4,774,622

The geographical breakdown of revenue was as follows:

	Thousands of euros		%	
	2012	**2011**	**2012**	**2011**
European Union	3,507,018	3,025,753	61%	63%
Home market	1,054,547	1,244,860	18%	26%
Other European Union countries	2,452,471	1,780,893	43%	37%
France	408,642	271,694		
Portugal	116,053	127,808		
Poland	141,669	138,636		
Hungary	48,006	49,937		
Slovakia	8,409	8,824		
Czech Republic	88,485	78,413		
United Kingdom	558,002	237,282		
Sweden	85,422	89,566		
Germany	997,783	778,733		
Other markets	2,250,296	1,748,869	39%	37%
America	1,515,010	1,240,086	26%	26%
Brazil	494,009	402,521		
Argentina	240,205	257,000		
Mexico	284,511	210,557		
USA	496,285	370,008		
Asia	472,480	328,218	8%	7%
India	122,377	111,561		
South Korea	64,811	67,447		
China	283,268	145,956		
Taiwan	220	1,097		
Japan	1,804	2,157		
Other	262,806	180,565	5%	4%
Russia	173,236	117,824		
Turkey	89,570	62,741		
TOTAL	5,757,314	4,774,622	100%	100%

d) Other operating income

	Thousands of euros	
	2012	2011
Other operating income	13,283	2,599
Grants related to income	5,623	2,898
Grants related to assets released to income for the year (Note 17)	4,934	7,535
Surplus provision for other commitments	6,335	1,858
Surplus provision for environmental matters	(5)	(6)
Own work capitalized	61,651	21,686
	91,821	36,570

24. Operating expenses

d) Raw materials and other consumables

	Thousands of euros	
	2012	2011
Purchases of goods and tools for resale	387,104	391,879
Discounts for prompt payment	(97)	(69)
Purchase returns and similar transactions	(6,011)	(5,130)
Volume discounts	(8,769)	(5,783)
Change in inventories (Note 11)	(21,171)	(78,839)
Purchases of raw materials	2,602,812	2,364,221
Consumption of other supplies	406,482	298,615
Work performed by third parties	268,305	196,156
Impairment of goods for resale and raw materials	7,088	4,441
Reversal of impairment of goods for resale and raw materials	(486)	(223)
	3,635,257	3,165,268

e) Personnel expenses

The breakdown of "Personnel expenses" in the Consolidated Income Statement is as follows:

	Thousands of euros	
	2012	2011
Salaries	763,317	560,858
Social security	183,144	134,790
Other benefits expenses	43,111	38,231
	989,572	733,879

The average headcount in 2012 was 30,313 (2011: 26,519), of which 10% were female (2011: 11%).

The breakdown of average headcount by professional level in 2012 and 2011 is as follows:

	2012		2011	
Professional level	Males	Females	Males	Females
Directors/ Managers	596	97	672	85
Clerical, financial and IT department	1,060	612	1,042	496
Quality control deparment	1,225	265	957	194
Logistics department	1,661	259	1,241	216
Supply department	334	90	260	91
Technical department	1,608	124	1,764	114
Production foreman	2,744	66	2,102	72
Production workers	17,589	1,456	15,109	1,343
Other	454	73	635	125
	27,271	**3,042**	**23,783**	**2,736**

There is no significant difference between the headcount at December 31, 2012 and 2011 and the average headcount for those dates.

f) Other operating expenses

	Thousands of euros	
	2012	2011
Maintenance and upkeep	385,827	280,860
Other external services	224,428	173,647
Taxes and levies	25,955	19,369
Impairment of accounts receivable	1,135	1,633
Other	(10,101)	(8,255)
Profits from disposal of assets	(1,965)	(2,163)
Increase/ Application of provisions (Note 18)	(8,100)	(12,321)
Profit from business combination (Note 2)	-	(8,457)
Other	(36)	14,686
	627,244	467,254

25. Financial income and financial expenses

c) Financial income

	Thousands of euros	
	2012	2011
From equity investments	-	11
From non-current loans to Group companies	45	97
From current loans to Group companies	1,659	1,695
From non-current loans to third parties	-	195
From current loans to third parties	1,549	471
Other financial income	4,064	7,484
	7,317	9,953

d) Financial expenses

	Thousands of euros	
	2012	2011
On borrowings from Group companies	4,147	4,265
On borrowings from associates	1,500	888
On bank borrowings	68,188	55,562
On trade bills	6,029	4,475
Other financial expenses	7,625	7,179
On update provisions	-	124
	87,489	72,493

26. Income tax

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

- The subsidiaries Gestamp North America, Inc., Gestamp Alabama, LLC., Gestamp Mason, LLC., Gestamp Chattanooga, LLC., ALHC, LLC., Gestamp South Carolina, LLC. and Gestamp West Virginia, LLC. file a tax return according to fiscal transparency system.

- The subsidiaries Edscha España Holding, S.L., Edscha Santander, S.L. and Edscha Burgos, S.L. file a consolidated tax return.

- The subsidiaries Gestamp Global Tooling, S.L., Araluce, S.A., Matricerías Deusto, S.L., Adral, Matricería y Puesta a punto, S.L. and Gestamp Tool Hardening, 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 at December 31, 2012 and 2011, in thousands of euros, is as follows:

	Thousands of euros	
	2012	**2011**
Current tax expense	58,643	43,892
Deferred tax	17,860	10,202
Other income tax adjustments	(69)	3,295
	76,434	**57,389**

The heading "Current tax liabilities"of the Consolidated Balance Sheet reflects no withholdings and installment payments on income tax, which are registered in the assets of the Consolidated Balance Sheet.

Tax expense (tax income) was calculated based on accounting profit, as shown below (figures expressed in thousands of euros):

	Thousands of euros	
	2012	**2011**
Accounting profit (before taxes)	**262,568**	**230,003**
Theoretical tax expense	78,770	69,001
Differences in prevailing rates	4,054	(4,666)
Permanent differences	(10,430)	(11,005)
Deductions and tax credits previously not recognized	(7,025)	(7,100)
Statute-barred tax credits		3,676
Current income tax of prior years adjustments	11,065	3,988
Other tax adjustments		3,495
Tax expense (tax income)	**76,434**	**57,389**

The theoretical tax rate applied is 30% in 2012 and 2011.

"Differences in prevailing rates" in 2012 and 2011 reflects the differences between prevailing rates in certain operating markets and the theoretical applicable rate, mainly relating to operations taxed in the US (40%), Brazil (34%), and Argentina (35%).

The permanent differences in 2012 and 2011 reflect mainly inflation adjustments, fiscal transparency, nondeductible differences in exchange rates, nondeductible expenses, and those differences generated in the consolidation process.

Also, in 2011 “Other tax adjustments” includes adjustments to capitalized tax credits related to differences in rates.

At December 31, 2012 the conversion to euros of tax loss carried forwards in other currencies, calculated at the exchange rates prevailing on that date, amounted to 548 million euros (2011: 400 million euros).

At December 31, 2012 the conversion to euros of unused tax credits carried forward in other currencies calculated at the exchange rates prevailing on that date, amounted to 106 million euros (2011: 104 million euros).

At year end 2012 and 2011, 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, 2012, the Group had capitalized tax credits for a total of 91 million euros of unused tax losses and unused tax credits (2011: 89 million euros) (Note 21).

The unused tax losses and unused tax credits at December 31, 2012 whose correponding tax credit has not been registered amount to 127 million euros (2011: 87 million euros). From that amount, 72 million euros have limitation period for their utilization between 2013 and 2027 (2011: 57 million euros with limitation period between 2012 and 2026) 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 2012 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 2012 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.

27. Contingent liabilities and commitments

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, Corporación Gestamp, S.L. on June 27, 2011, of which the latter had drawn down 108 million euros at December 31, 2012 and December 31, 2011. At both dates none of the financial covenants stipulated in the loan agreement had been breached.

Some companies from Gestamp Automoción Group are joint guarantor of a loan which was initially for 50 million euros, on November 17, 2011, and was granted to the company Corporación Gestamp, S.L. The latter had drawn down 43 million euros at December 31, 2012 and December 31, 2011. At both dates 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 and Adral Matricería y Puesta a Punto, S.L. PP&E items pledged to guarantee repayment of the loans they were granted (Note 9) or other non-current borrowings.

<u>Operating lease commitments</u>

The Group is a lessee of buildings, warehouses, machinery and vehicles. The lease expenses charged to the December 31, 2012 Consolidated Income Statement amount to 47,532 thousand euros (December 31, 2011: 38,500 thousand euros).

Total future minimum payments for operating leases at December 31, 2012 and December 31,2011 are as follows:

	Thousands of euros			
		Future minimun payments		
	Lease expense	**Less than 1 year**	**Between 1 and 5 years**	**More than 5 years**
Gestamp Metal Forming Subgroup	13,059	12,170	29,973	3,010
Gestamp West Virgnia, Llc	48	1,465	10,078	11,543
Edscha Subgroup	4,876	4,045	6,242	930
Gestamp Servicios, S.A.	3,464	254	1,164	-
Gestamp Brasil Industria de Autopeças, S.A.	2,777	2,576	12,882	6,641
Gestamp Vigo, S.A.	2,081	1,710	1,649	-
Gestamp Alabama, Llc.	1,776	1,731	6,924	-
Gestamp Auto Components (Kunshan) Co,. Ltd	1,532	180	-	-
Autotech Engineering AIE	1,414	1,302	7,776	-
Gestamp HardTech, AB.	1,375	879	552	-
Gestamp Chattanooga, Llc	1,337	1,259	5,589	21,332
Gestamp Toluca S.A. de C.V.	1,001	800	1,599	-
Griwe Subgroup	960	1,000	4,000	-
Other	11,832	10,275	34,137	33,540
Total	**47,532**	**39,646**	**122,565**	**76,996**

	Thousands of euros			
		Future minimun payments		
	Lease expense	**Less than 1 year**	**Between 1 and 5 years**	**More than 5 years**
Gestamp Metal Forming Subgroup	5,077	5,105	4,205	5,366
Edscha Subgroup	4,910	2,433	5,900	1,702
Gestamp Servicios, S.L.	6,479	-	-	-
Gestamp Paraná, S.A.	2,175	1,109	6,532	6,642
Gestamp Alabama, Inc.	1,589	1,672	5,698	-
Gestamp Chattanooga, Llc	1,238	1,246	5,370	23,430
Gestamp Vigo, S.A.	1,999	1,847	3,280	-
Autotech Engineering AIE	1,198	300	147	-
Gestamp HardTech, AB.	1,073	868	1,375	3
Gestamp Aveiro	924	932	2,019	-
Gestamp Toluca	905	751	2,253	-
Griwe Subgroup	843	900	4,000	-
Other	10,090	5,924	13,755	31,461
Total	**38,500**	**23,087**	**54,534**	**68,604**

28. Related party transactions

28.1 Balances and transactions with Related Parties

At December 31, 2012 and 2011, the amounts payable to and receivable from Related Parties and transactions carried out with Related Parties, mainly Holding Gonvarri group companies, were as follows:

	Thousands of euros	
	2012	**2011**
Balances receivable	75,649	74,614
Balances payable	(264,773)	(246,668)
Revenue		
Sales of goods	123,566	167,326
Services rendered	4,435	3,636
Financial income	1,702	1,792
Expenses		
Purchases	1,067,628	1,013,688
Services received	9,365	8,168
Financial expenses	5,646	5,152

The breakdown of receivables from and payables to Related Parties at December 31, 2012 is as follows:

Company	Item	Thousands of euros Amounts receivable	 Amounts payable
Holding Gonvarri, S.L.	Current account	2,000	-
Corporación Gestamp, S.L.	Current account	-	(45,519)
Gonvarri Corporación Financiera, S.L.	Non-current loans	-	(18,093)
Severstal Trade GesmbH	Non-current loans	-	(11,580)
Melsonda Holdings Ltd.	Non-current loans	-	(4,118)
Gonvarri Corporación Financiera, S.L.	Current loans	-	(40,000)
Gonvarri Corporación Financiera, S.L.	Current interest payable	-	(2,023)
Corporación Gestamp, S.L.	Current interest payable	-	(1,095)
Severstal Trade GmbH	Current interest payable	-	(1,111)
Melsonda Holdings Ltd.	Current interest payable	-	(3)
Esymo Metal, S.L.	Non-current loans	2,880	-
Essa Palau, S.A.	Non-current loans	4,000	-
Gestamp Automotive India Private Ltd.	Non-current loans	17,915	-
GS Hot Stamping, Ltd.	Non-current loans	1,857	-
Risteel Corporation, B.V.	Current loans	3,690	-
Beyçelik, A.S.	Current loans	6,573	-
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	Current loans	8,789	-
Risteel Corporation, B.V.	Current interest receivable	34	-
Esymo Metal, S.L.	Current interest receivable	3	-
Essa Palau, S.A.	Current interest receivable	81	-
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	Current interest receivable	482	-
Corporación Gestamp, S.L.	Trade receivables from Group companies	4,131	-
Gescrap Centro, S.L.	Trade receivables from Group companies	579	-
Gescrap Navarra, S.L.	Trade receivables from Group companies	769	-
Gescrap, S.L.	Trade receivables from Group companies	5,461	-
Gescrap Polska SPZ00	Trade receivables from Group companies	439	-
Gonvarri L Centro Servicios, S.L.	Trade receivables from Group companies	501	-
Gonvarri Galicia, SA	Trade receivables from Group companies	1,861	-
Gonvauto Navarra, SA	Trade receivables from Group companies	612	-
Gonvauto Puebla S.A. de C.V.	Trade receivables from Group companies	59	-
Gonvauto Thuringen, GMBH	Trade receivables from Group companies	1,233	-
Gonvauto, SA	Trade receivables from Group companies	1,715	-
Gonvarri Solar Steel S.L.	Trade receivables from Group companies	1,915	-
Gonvarri Ptos. Siderúrgicos, SA	Trade receivables from Group companies	32	-
Gonvarri Polska, SP, ZOO.	Trade receivables from Group companies	10	-
Gestamp Eolica, S.L.	Trade receivables from Group companies	60	-
Gestamp Solar, S.L.	Trade receivables from Group companies	209	-
Beyçelik, A.S.	Trade receivables from Group companies	391	-
Inmobiliaria Acek, S.L.	Trade receivables from Group companies	27	-
Gestamp Automotive India Private Ltd.	Trade receivables from Group companies	4,386	-
Shanghai Edscha Machinery Co. Ltd.	Trade receivables from Group companies	735	-
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	Trade receivables from Group companies	40	-
Jui Li Edscha Body Systems	Trade receivables from Group companies	3	-
Sungwoo Gestamp Hitech Pune Private, Ltd.	Trade receivables from Group companies	173	-
Sungwoo Gestamp Hitech Chennai, Ltd.	Trade receivables from Group companies	370	-
Gestamp Sungwoo Stampings & Assemblies Private Ltd.	Trade receivables from Group companies	78	-
Gestamp Sungwoo Hitech Chennai Private, Ltd	Trade receivables from Group companies	152	-
Esymo Metal, S.L.	Trade receivables from Group companies	16	-
GS Hot Stamping, Ltd.	Trade receivables from Group companies	130	-
Severstal Trade GmbH	Trade receivables from Group companies	14	-
Recuperaciones Medioambientales Subgroup	Trade receivables from Group companies	55	-
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	Trade receivables from Group companies	167	-
Essa Palau, S.A.	Trade receivables from Group companies	66	-
IxCxT, S.A.	Trade receivables from Group companies	2	-
Ingeniería y Construcción Matrices, S.A.	Trade receivables from Group companies	954	
Total Trade receivables from Group companies (Note 12.a)		27,345	
Gescrap Navarra, S.L.	Suppliers from Group companies	-	(2)
Gescrap Polska SPZ00	Suppliers from Group companies	-	(5)
Agricola La Veguilla, S.A.	Suppliers from Group companies	-	(67)
Corporación Gestamp, S.L.	Suppliers from Group companies	-	(1,686)
Gonvarri L Centro Servicios S.L.	Suppliers from Group companies	-	(35,912)
Arcelormittal Gonvarri Brasil Prod. Siderúrgicos	Suppliers from Group companies	-	(2,470)
Gonvarri Galicia, SA	Suppliers from Group companies	-	(10,119)
Hierros y Aplanaciones, SA	Suppliers from Group companies	-	(581)
Gonvarri Ptos. Siderúrgicos, SA	Suppliers from Group companies	-	(9,579)
Gonvauto Navarra, SA	Suppliers from Group companies	-	(5,728)
Gonvauto Puebla S.A. de C.V.	Suppliers from Group companies	-	(5,991)
Gonvauto Thuringen, GMBH	Suppliers from Group companies	-	(4,952)
Gonvauto, SA	Suppliers from Group companies	-	(16,772)
Gonvarri Argentina S.A.	Suppliers from Group companies	-	(6,684)
Ind. Ferrodistribuidora, S.L.	Suppliers from Group companies	-	(380)
Severstal Gonvarri Kaluga, LLC	Suppliers from Group companies	-	(971)
Gonvarri Polska, SP, ZOO.	Suppliers from Group companies	-	(4,598)
Steel & Alloy	Suppliers from Group companies	-	(11,846)
Inmobiliaria Acek, S.L.	Suppliers from Group companies	-	(253)
Air Executive, S.L.	Suppliers from Group companies	-	(17)
Esymo Metal, S.L.	Suppliers from Group companies	-	(702)
Beyçelik, A.S.	Suppliers from Group companies	-	(474)
Sungwoo Hitech Company Ltd. Korea	Suppliers from Group companies	-	(7,120)
I Zone	Suppliers from Group companies	-	(370)
Shanghai Edscha Machinery Co. Ltd.	Suppliers from Group companies	-	(65)
Essa Palau, S.A.	Suppliers from Group companies	-	(1,526)
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	Suppliers from Group companies	-	(55)
Gescrap Centro, S.L.	Suppliers from Group companies	-	(1)
Ingeniería y Construcción Matrices, S.A.	Suppliers from Group companies	-	(611)
Total Suppliers from Group companies (Note 22.a)			(129,537)
Steel & Alloy	Suppliers from Associated companies (Note 22.a)	-	(432)
Severstal Gonvarri Kaluga, LLC	Trade creditors, Group companies	-	(8,783)
Corporación Gestamp, S.L.	Trade creditors, Group companies	-	(9)
Total Trade creditors, Group companies (Note 22.a)			(8,792)
Sungwoo Hitech Company Ltd. Korea	Trade creditors, Associated companies (Note 22.a)		(2,470)
		75,649	(264,773)

The breakdown of receivables from and payables to Related Parties at December 31, 2011 were as follows:

		Thousands of euros	
Company	Item	Amounts receivable	Amounts payable
Holding Gonvarri, S.L.	Current account	2,000	-
Gonvarri Corporación Financiera, S.L.	Non-current loans	-	(18,217)
Severstal Trade GesmbH	Non-current loans	-	(7,011)
Corporación Gestamp, S.L.	Current loans and current interest payable	-	(47,232)
Severstal Trade GesmbH	Current interest payable	-	(1,114)
Gonvarri Corporación Financiera, S.L.	Current interest payable	-	(1,064)
Esymo Metal, S.L.	Non-current loans	2,880	-
Essa Palau, S.A.	Non-current loans	4,000	-
GS Hot Stamping, Ltd.	Non-current loans	1,893	-
Gestamp Automotive India Private Ltd.	Non-current loans	17,660	-
Risteel Corporation, B.V.	Current loans	3,563	-
Risteel Corporation, B.V.	Current interest receivable	33	-
Esymo Metal, S.L.	Current interest receivable	6	-
Corporación Gestamp, S.L.	Trade receivables from Group companies	14	-
Gescrap Centro, S.L.	Trade receivables from Group companies	1,201	-
Gescrap Navarra, S.L.	Trade receivables from Group companies	827	-
Gescrap, S.L.	Trade receivables from Group companies	5,985	-
Gescrap Polska SPZ00	Trade receivables from Group companies	1,773	-
Gonvarri Galicia, SA	Trade receivables from Group companies	4,225	-
Gonvarri Industrial, SA	Trade receivables from Group companies	585	-
Gonvarri Polska, SP, ZOO.	Trade receivables from Group companies	1	-
Gonvauto Navarra, SA	Trade receivables from Group companies	719	-
Gonvauto Puebla S.A. de C.V.	Trade receivables from Group companies	36	-
Gonvauto Thuringen, GMBH	Trade receivables from Group companies	670	-
Gonvauto, SA	Trade receivables from Group companies	2,009	-
Gonvarri Solar Steel S.L.	Trade receivables from Group companies	12,810	-
Gonvarri Eólica S.L.	Trade receivables from Group companies	2	-
Gonvarri Corporación Financiera, S.L.	Trade receivables from Group companies	1	-
Gestamp Eolica, S.L.	Trade receivables from Group companies	62	-
Gestamp Solar, S.L.	Trade receivables from Group companies	218	-
Beyçelik, A.S.	Trade receivables from Group companies	753	-
Gestamp Automotive India Private Ltd.	Trade receivables from Group companies	10,184	-
Gestamp Sungwoo Hitech Chennai Private Ltd.	Trade receivables from Group companies	7	-
Shanghai Edscha Machinery Co. Ltd.	Trade receivables from Group companies	235	-
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	Trade receivables from Group companies	42	-
Jui Li Edscha Body Systems	Trade receivables from Group companies	3	-
Sungwoo Gestamp Hitech Pune, Ltd.	Trade receivables from Group companies	71	-
Sungwoo Gestamp Hitech Chennai,Ltd.	Trade receivables from Group companies	100	-
Esymo Metal, S.L.	Trade receivables from Group companies	14	-
Total Trade receivables from Group companies (Note 12.a)		42,547	
Severstal Gonvarri Kaluga, LLC	Debtors, Group companies (Note 12.b)	32	-
Gescrap Centro, S.L.	Suppliers from Group companies	-	(7)
Gescrap Navarra, S.L.	Suppliers from Group companies	-	(2)
Gonvarri Polska, SP, ZOO.	Suppliers from Group companies	-	(3)
Agricola La Veguilla, S.A.	Suppliers from Group companies	-	(18)
Corporación Gestamp, S.L.	Suppliers from Group companies	-	(416)
Gonvarri Brasil Pdtos. Siderurgicos, S.A.	Suppliers from Group companies	-	(3,072)
Gonvarri Galicia, SA	Suppliers from Group companies	-	(13,228)
Gonvarri Industrial, SA	Suppliers from Group companies	-	(64,137)
Hierros y Aplanaciones, SA	Suppliers from Group companies	-	(971)
Gonvarri Polska, SP, ZOO.	Suppliers from Group companies	-	(13,697)
Gonvarri Ptos. Siderúrgicos, SA	Suppliers from Group companies	-	(11,113)
Gonvauto Navarra, SA	Suppliers from Group companies	-	(7,932)
Gonvauto Puebla S.A. de C.V.	Suppliers from Group companies	-	(5,774)
Gonvauto Thuringen, GMBH	Suppliers from Group companies	-	(6,751)
Gonvauto, SA	Suppliers from Group companies	-	(21,161)
Gonvarri Argentina S.A.	Suppliers from Group companies	-	(8,823)
Ind. Ferrodistribuidora, S.L.	Suppliers from Group companies	-	(679)
Gonvarri Corporación Financiera, S.L.	Suppliers from Group companies	-	(254)
Severstal Gonvarri Kaluga, LLC	Suppliers from Group companies	-	(229)
Inmobiliaria Acek, S.L.	Suppliers from Group companies	-	(119)
Air Executive, S.L.	Suppliers from Group companies	-	(11)
Esymo Metal, S.L.	Suppliers from Group companies	-	(672)
Beyçelik, A.S.	Suppliers from Group companies	-	(35)
Sungwoo Hitech Company Ltd. Korea	Suppliers from Group companies	-	(4,414)
I Zone	Suppliers from Group companies	-	(390)
Shanghai Edscha Machinery Co. Ltd.	Suppliers from Group companies	-	(54)
Essa Palau, S.A.	Suppliers from Group companies	-	(66)
Total Suppliers from Group companies (Note 22.a))			(164,028)
Sungwoo Hitech Company Ltd. Korea	Suppliers from Associated companies (Note 22.a)	-	(2,056)
Severstal Gonvarri Kaluga, LLC	Trade creditors, Group companies	-	(5,318)
Beyçelik Gestamp, A.S.	Trade creditors, Group companies	-	(194)
Total Trade creditors, Group companies (Note 22.a)			(5,512)
Sungwoo Hitech Company Ltd. Korea	Trade creditors, Associated companies (Note 22.a)	-	(434)
		74,614	(246,668)

In addition, the breakdown of transactions carried out with Related Parties during the year 2012 was as follows:

Company	Group	Transaction	Thousands of euros
Gescrap, S.L.	Corporación Gestamp	Sales	(18,334)
Gescrap Centro, S.L.	Corporación Gestamp	Sales	(4,497)
Gescrap Navarra, S.L.	Corporación Gestamp	Sales	(5,451)
Gescrap Polska SPZ00	Corporación Gestamp	Sales	(12,056)
Gonvarri Brasil Pdtos. Siderurgicos, S.A.	Corporación Gestamp	Sales	(14)
Gonvarri Galicia, SA	Corporación Gestamp	Sales	(7,826)
Gonvarri L Centro Servicios, S.L.	Corporación Gestamp	Sales	(4,314)
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Sales	(8)
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Sales	(86)
Gonvauto Navarra, SA	Corporación Gestamp	Sales	(8,752)
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Sales	150
Gonvauto, SA	Corporación Gestamp	Sales	(37,857)
Gestamp Solar Steel S.L.	Corporación Gestamp	Sales	(17,251)
Gestamp Wind Steel. S.A.	Corporación Gestamp	Sales	(2)
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Sales	(6,744)
Beyçelik, A.S.	-	Sales	(215)
Shanghai Edscha Machinery Co. Ltd.	-	Sales	(246)
Essa Palau, S.A.	-	Sales	2
Ingeniería y Construcción Matrices, S.A.	-	Sales	(65)
Total Sales			(123,566)
Corporación Gestamp, S.L.	Parent company	Services rendered	(7)
Gonvarri Corporación Financiera, S.L.	Corporación Gestamp	Services rendered	(26)
Gonvarri L Centro Servicios, S.L.	Corporación Gestamp	Services rendered	(108)
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Services rendered	(16)
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Services rendered	(2)
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Services rendered	(289)
Gestamp Solar Steel S.L.	Corporación Gestamp	Services rendered	(38)
Inmobiliaria Acek S.L.	Corporación Gestamp	Services rendered	(70)
Esymo Metal, S.L.	-	Services rendered	(84)
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Services rendered	(586)
Beyçelik, A.S.	-	Services rendered	(716)
GS Hot Stamping, Ltd.	-	Services rendered	(102)
Gestamp Solar, S.L.	Corporación Gestamp	Services rendered	4
Sungwoo Gestamp Hitech Pune, Ltd.	-	Services rendered	(160)
Sungwoo Gestamp Hitech Chennai Ltd.	-	Services rendered	(407)
Gestamp Sungwoo Stampings & assemblies Private ltd	-	Services rendered	(87)
Shanghai Edscha Machinery Co. Ltd.	-	Services rendered	(697)
Jui Li Edscha Body Systems	-	Services rendered	(3)
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	-	Services rendered	(18)
Essa Palau, S.A.	-	Services rendered	(99)
Subgrupo Recuperaciones Medioambientales	Corporación Gestamp	Services rendered	(47)
IxCxT, S.A.	-	Services rendered	(2)
Ingeniería y Construcción Matrices, S.A.	-	Services rendered	(875)
Total Services rendered			(4,435)
Corporación Gestamp, S.L.	Parent company	Financial income	(67)
Risteel Corporation, B.V.	Corporación Gestamp	Financial income	(129)
Esymo Metal, S.L.	-	Financial income	(75)
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Financial income	(1,090)
GS Hot Stamping, Ltd.	-	Financial income	(96)
Essa Palau, S.A.	-	Financial income	(91)
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirk	-	Financial income	(154)
Total Financial income			(1,702)
Gonvarri Brasil Pdtos. Siderurgicos, S.A.	Corporación Gestamp	Purchases	34,958
Gonvarri Galicia, SA	Corporación Gestamp	Purchases	77,766
Gonvarri L Centro Servicios, S.L.	Corporación Gestamp	Purchases	203,682
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Purchases	70,013
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Purchases	28,551
Hierros y Aplanaciones, SA	Corporación Gestamp	Purchases	3,886
Ind. Ferrodistribuidora, S.L.	Corporación Gestamp	Purchases	1,883
Gonvauto Navarra, SA	Corporación Gestamp	Purchases	22,014
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Purchases	61,699
Gonvauto Thuringen, GMBH	Corporación Gestamp	Purchases	65,203
Gonvarri Argentina S.A.	Corporación Gestamp	Purchases	71,824
Gonvauto, SA	Corporación Gestamp	Purchases	64,054
Severstal Gonvarri Kaluga, LLC	Corporación Gestamp	Purchases	46,117
Steel & Alloy	Corporación Gestamp	Purchases	45,527
Esymo Metal, S.L.	-	Purchases	2,149
Sungwoo Hitech Ltd Korea	-	Purchases	6,515
Beyçelik, A.S.	-	Purchases	2,916
Shanghai Edscha Machinery Co. Ltd.	-	Purchases	303
Essa Palau, S.A.	-	Purchases	3,699
Ingeniería y Construcción Matrices, S.A.	-	Purchases	794
Arcelor Group	-	Purchases	254,075
Total Purchases			1,067,628

Company	**Group**	**Transaction**	**Thousands of euros**
Corporación Gestamp, S.L.	Parent company	Services received	4,896
Gescrap Centro, S.L.	Corporación Gestamp	Services received	23
Gescrap Navarra, S.L.	Corporación Gestamp	Services received	8
Gescrap Polska SPZ00	Corporación Gestamp	Services received	33
Agricola La Veguilla, S.A.	Corporación Gestamp	Services received	(49)
Gonvarri Brasil Pdtos. Siderurgicos, S.A.	Corporación Gestamp	Services received	1
Gonvarri Galicia, SA	Corporación Gestamp	Services received	7
Gonvarri Corporación Financiera, S.L.	Corporación Gestamp	Services received	(243)
Gonvarri L Centro Servicios, S.L.	Corporación Gestamp	Services received	1
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Services received	(1)
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Services received	261
Gonvauto Navarra, SA	Corporación Gestamp	Services received	23
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Services received	39
Gonvauto, SA	Corporación Gestamp	Services received	112
Inmobiliaria Acek S.L.	Corporación Gestamp	Services received	3,402
Air Executive, S.L.	Corporación Gestamp	Services received	880
Esymo Metal, S.L.	-	Services received	123
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Services received	(1)
Sungwoo Hitech Ltd Korea	-	Services received	190
Beyçelik, A.S.	-	Services received	5
Essa Palau, S.A.	-	Services received	(345)
Total Services received			9,365
Corporación Gestamp, S.L.	Parent company	Financial expenses	1,616
Gonvarri Galicia, SA	Corporación Gestamp	Financial expenses	115
Gonvarri Corporación Financiera, S.L.	Corporación Gestamp	Financial expenses	2,206
Gonvarri L Centro Servicios, S.L.	Corporación Gestamp	Financial expenses	136
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Financial expenses	130
Ind. Ferrodistribuidora, S.L.	Corporación Gestamp	Financial expenses	1
Gonvauto Navarra, SA	Corporación Gestamp	Financial expenses	29
Gonvauto, SA	Corporación Gestamp	Financial expenses	235
Severstal Trade GesmbH	-	Financial expenses	1,483
Melsonda Holdings Ltd.	-	Financial expenses	17
GMF Otomotive Parcalari Sanayi Ve Ticaret Limited Sirketi	-	Financial expenses	(322)
Total Financial expenses			5,646

The breakdown of transactions carried out with Related Parties during 2011 was as follows:

Company	Group	Transaction	Thousands of euros
Gescrap, S.L.	Corporación Gestamp	Sales	(33,164)
Gescrap Centro, S.L.	Corporación Gestamp	Sales	(5,689)
Gescrap Navarra, S.L.	Corporación Gestamp	Sales	(14,059)
Gescrap Polska SPZ00	Corporación Gestamp	Sales	(13,317)
Gonvarri Brasil Pdtos. Siderurgicos, S.A.	Corporación Gestamp	Sales	(2,967)
Gonvarri Galicia, SA	Corporación Gestamp	Sales	(13,758)
Gonvarri Industrial, SA	Corporación Gestamp	Sales	(6,640)
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Sales	(146)
Gonvauto Navarra, SA	Corporación Gestamp	Sales	(12,254)
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Sales	(85)
Gonvarri Argentina S.A.	Corporación Gestamp	Sales	(2)
Gonvauto, SA	Corporación Gestamp	Sales	(45,694)
Gestamp Solar Steel S.L.	Corporación Gestamp	Sales	(13,305)
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Sales	(4,909)
Beyçelik, A.S.	-	Sales	(1,230)
Gestamp Sungwoo Hitech Chennai Private Ltd.	-	Sales	(107)
Total Sales			(167,326)
Corporación Gestamp, S.L.	Parent company	Services rendered	(20)
Gescrap, S.L.	Corporación Gestamp	Services rendered	(2)
Gescrap Navarra, S.L.	Corporación Gestamp	Services rendered	(3)
Gescrap Polska SPZ00	Corporación Gestamp	Services rendered	(59)
Gonvarri Corporación Financiera, S.L.	Corporación Gestamp	Services rendered	(7)
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Services rendered	(18)
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Services rendered	(1)
Hierros y Aplanaciones, SA	Corporación Gestamp	Services rendered	(4)
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Services rendered	(448)
Gonvauto Thuringen, GMBH	Corporación Gestamp	Services rendered	(35)
Gestamp Solar Steel S.L.	Corporación Gestamp	Services rendered	(74)
Inmobiliaria Acek S.L.	Corporación Gestamp	Services rendered	(29)
Esymo Metal, S.L.	-	Services rendered	(43)
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Services rendered	(1,467)
Beyçelik, A.S.	-	Services rendered	(593)
GS Hot Stamping, Ltd.	-	Services rendered	(28)
Gestamp Eolica, S.L.	Corporación Gestamp	Services rendered	(2)
Halekulani, S.L.	-	Services rendered	1
Sungwoo Gestamp Hitech Pune, Ltd.	-	Services rendered	(140)
Sungwoo Gestamp Hitech Chennai Ltd.	-	Services rendered	(664)
Total Services rendered			(3,636)
Corporación Gestamp, S.L.	Parent company	Financial income	(266)
Risteel Corporation, B.V.	Corporación Gestamp	Financial income	(96)
Esymo Metal, S.L.	-	Financial income	(75)
Gestamp Automotive India Private Ltd.	Corporación Gestamp	Financial income	(1,224)
GS Hot Stamping, Ltd.	-	Financial income	(92)
Essa Palau, S.A.	-	Financial income	(39)
Total Financial income			(1,792)
Gescrap Centro, S.L.	Corporación Gestamp	Purchases	14
Gonvarri Brasil Pdtos. Siderurgicos, S.A.	Corporación Gestamp	Purchases	26,936
Gonvarri Galicia, SA	Corporación Gestamp	Purchases	100,722
Gonvarri Industrial, SA	Corporación Gestamp	Purchases	240,247
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Purchases	73,905
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Purchases	32,472
Hierros y Aplanaciones, SA	Corporación Gestamp	Purchases	4,633
Ind. Ferrodistribuidora, S.L.	Corporación Gestamp	Purchases	2,217
Gonvauto Navarra, SA	Corporación Gestamp	Purchases	27,795
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Purchases	51,073
Gonvauto Thuringen, GMBH	Corporación Gestamp	Purchases	68,995
Gonvarri Argentina S.A.	Corporación Gestamp	Purchases	71,077
Gonvauto, SA	Corporación Gestamp	Purchases	70,173
Severstal Gonvarri Kaluga, LLC	Corporación Gestamp	Purchases	5,429
Esymo Metal, S.L.	-	Purchases	1,596
Sungwoo Hitech Company Ltd. Korea	-	Purchases	4,470
Beyçelik, A.S.	-	Purchases	269
Essa Palau, S.A.	-	Purchases	51
Arcelor Group	-	Purchases	231,614
Total Purchases			1,013,688

Company	Group	Transaction	Thousands of euros
Corporación Gestamp, S.L.	Parent company	Services received	4,277
Gescrap, S.L.	Corporación Gestamp	Services received	1
Gescrap Navarra, S.L.	Corporación Gestamp	Services received	1
Gescrap Polska SPZ00	Corporación Gestamp	Services received	48
Gonvarri Galicia, SA	Corporación Gestamp	Services received	(8)
Gonvarri Corporación Financiera, S.L.	Corporación Gestamp	Services received	219
Gonvarri Industrial, SA	Corporación Gestamp	Services received	46
Gonvarri Polska, SP, ZOO.	Corporación Gestamp	Services received	(1)
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Services received	248
Gonvauto Navarra, SA	Corporación Gestamp	Services received	(37)
Gonvauto Puebla S.A. de C.V.	Corporación Gestamp	Services received	10
Gonvauto Thuringen, GMBH	Corporación Gestamp	Services received	1
Gonvauto, SA	Corporación Gestamp	Services received	112
Inmobiliaria Acek S.L.	Corporación Gestamp	Services received	2,553
Air Executive, S.L.	Corporación Gestamp	Services received	335
Esymo Metal, S.L.	-	Services received	160
Sungwoo Hitech Company Ltd. Korea	-	Services received	210
Beyçelik, A.S.	-	Services received	1
Essa Palau, S.A.	-	Services received	(8)
Total Services received			8,168
Corporación Gestamp, S.L.	Parent company	Financial expenses	937
Gonvarri Galicia, SA	Corporación Gestamp	Financial expenses	221
Gonvarri Corporación Financiera, S.L.	Corporación Gestamp	Financial expenses	1,243
Holding Gonvarri, S.L.	Corporación Gestamp	Financial expenses	896
Gonvarri Industrial, SA	Corporación Gestamp	Financial expenses	374
Gonvarri Ptos. Siderúrgicos, SA	Corporación Gestamp	Financial expenses	89
Ind. Ferrodistribuidora, S.L.	Corporación Gestamp	Financial expenses	3
Gonvauto Navarra, SA	Corporación Gestamp	Financial expenses	94
Gonvauto, SA	Corporación Gestamp	Financial expenses	407
Severstal Trade GesmbH	-	Financial expenses	888
Total Financial expenses			5,152

28.2 Board of Directors' remuneration

In 2012 and 2011 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 2012 Corporación Gestamp, S.L. received total remuneration of 2,684 thousand euros as compensation for membership of the Board of Directors of certain Group companies (2011: 3,018 thousand euros).

In 2012 and 2011, no loans or advances, pensions or life insurance benefits were granted to members of its Board.

28.3 Senior Management's Remuneration

In 2012 total remuneration for the members of the Management Committee, which fully correspond to salaries, amounted to 1,506 thousand euros (2011: 1,176 thousand euros), included in "Personnel expenses" in the accompanying consolidated income statement. The company made no contributions to pension plans on their behalf.

29. Joint ventures

The Group participates in the following jointly controlled entities at December 31, 2012 and 2011 (Note 3):

Company	Shareholding 2012	Shareholding 2011
Beyçelik, A.S.	50,00%	50,00%
Gestamp Automotive India Private Ltd.	50,00%	50,00%
Sungwoo Gestamp Hitech Pune Private Ltd.	50,00%	50,00%
Sungwoo Gestamp Hitech Chennai Ltd.	50,00%	50,00%
Gestamp Sungwoo Hitech (Chennai) Private Ltd.	50,00%	50,00%
GS Hot-Stamping Co. Ltd.	47,49%	47,49%
Gestamp Sungwoo Stampings and Assemblies Private Ltd.	50,00%	50,00%
Shanghai Edscha Machinery Co. Ltda.	50,00%	50,00%
Jui Li Edscha Body Systems Co. Ltda.	50,00%	50,00%
Jui Li Edscha Hainan Industry Entreprise Co. Ltda.	50,00%	50,00%
Jui Li Edscha Holding Co. Ltda.	50,00%	50,00%
GMF Otomotiv Parçalari Sanayi ve Ticaret L.S.	50,00%	-

The key financial indicators for the Group's jointly-controlled entities at December 31, 2012 and 2011 are set forth below:

	2012 Thousands of euros					
Company	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Income	Expense
Beyçelik, A.S.	40.634	34.190	7.970	39.970	86.173	80.653
Gestamp Automotive India Private Ltd.	23.082	29.015	36.217	10.421	38.179	34.631
Sungwoo Gestamp Hitech Pune Private Ltd.	4.879	2.965	366	8.574	5.197	6.889
Sungwoo Gestamp Hitech Chennai Ltd.	16.492	16.821	4.442	16.320	45.307	44.681
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	14.357	10.069	6.892	10.863	38.901	38.169
GS Hot-Stamping Co. Ltd.	8.293	1.199	2.215	4.940	2.949	3.767
Gestamp Sungwoo Stampings & Assemblies private Limited	14.326	6.453	10.459	7.155	2.128	3.375
Shanghai Edscha Machinery Co. Ltda.	4.432	13.747	77	6.848	31.531	29.348
Jui Li Edscha Body Systems Co. Ltda.	162	732	8	344	1.765	1.751
Jui Li Edscha Hainan Industry Entreprise Co. Ltda.	450	1.313	-	352	3.491	3.333
Jui Li Edscha Holding Co. Ltda.	130	-	2	-	-	-
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	9.580	5.017	8.781	4.040	8.466	9.757
	136.817	**121.521**	**77.429**	**109.827**	**264.087**	**256.354**

	2011 Thousands of euros					
Company	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Income	Expense
Beyçelik, A.S.	24.265	27.959	8.042	21.922	65.166	59.566
Gestamp Automotive India Private Ltd.	27.997	31.463	36.443	20.788	39.725	45.131
Sungwoo Gestamp Hitech Pune Private Ltd.	5.796	5.272	2.054	8.488	5.025	6.865
Sungwoo Gestamp Hitech Chennai Ltd.	13.152	27.337	3.973	24.025	45.871	43.800
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	14.559	9.244	3.950	16.812	27.510	26.376
GS Hot-Stamping Co. Ltd.	7.436	2.343	2.136	4.488	1.165	1.998
Gestamp Sungwoo Stampings & Assemblies private Limited	1.514	3.126	-	44	88	91
Shanghai Edscha Machinery Co. Ltda.	3.981	13.028	-	5.017	25.906	23.936
Jui Li Edscha Body Systems Co. Ltda.	159	1.220	6	598	1.940	1.810
Jui Li Edscha Hainan Industry Entreprise Co. Ltda.	325	1.755	-	813	3.242	2.940
Jui Li Edscha Holding Co. Ltda.	130	-	2	-	-	-
	99.314	**122.747**	**56.606**	**102.995**	**215.638**	**212.513**

30. <u>Other disclosures</u>

30.1 Audit fees

Audit fees related to the annual audit of consolidated and individual financial statements of the companies included in the consolidation scope for 2012 amounted to 3,405 thousand euros (2011: 3,290 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 2012 amounted to 3,203 thousand euros (2011: 3,039 thousand euros).

Fees paid for other services rendered by the auditor of the Company in 2012 amounted to 470 thousand euros (2011: 947 thousand euros).

30.2 Environmental issues

The cost of PP&E items acquired for environmental protection and improvement purposes amounted to 3,335 thousand euros at year end 2012. Accumulated depreciation on these assets stood at 2,277 thousand euros (2011: 3,115 thousand euros and 2,068 thousand euros, respectively).

In 2012, the Group also recognized 1,100 thousand euros in environmental protection and improvement expenses (2011: 1,251 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.

31. <u>Financial risk management</u>

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.

31.1 Financial risk factors

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

- Market risk
  - Exposure to fluctuations in foreign exchange rates
  - Exposure to fluctuations in interest rates

- Liquidity risk

<u>Foreign currency risk</u>

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 ruble
- Czech crown
- Yen
- 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:

C. 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.

D. "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 2012 and 2011, is as follows:

2012		
	IMPACT ON PROFIT	
Currency	5% Fluctuation	-5% Fluctuation
Swedish crown	46	(46)
US dollar	452	(452)
Hungarian florint	(172)	172
Sterling pound	655	(655)
Mexican peso	644	(644)
Brazilian reais	316	(316)
Chinese renminbi	743	(743)
Indian rupee	199	(199)
Turkish lira	267	(267)
Argentine peso	552	(552)
Russian ruble	335	(335)
Korean won	(64)	64
Polish zloty	141	(141)
Czech crown	232	(232)
Japanese yen	(49)	49
Taiwan dollar	2	(2)
IMPACT IN ABSOLUTE TERMS	**4,299**	**(4,299)**
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	**170,141**	**170,141**
EFFECT IN RELATIVE TERMS	**2.53%**	**-2.53%**

2011		
	IMPACT ON PROFIT	
Currency	5% Fluctuation	-5% Fluctuation
Swedish crown	33	(33)
US dollar	(275)	275
Hungarian florint	306	(306)
Sterling pound	3,675	(3,675)
Mexican peso	464	(464)
Brazilian reais	(134)	134
Chinese renminbi	1,635	(1,635)
Indian rupee	(296)	296
Turkish lira	(108)	108
Argentine peso	776	(776)
Russian ruble	365	(365)
Korean won	94	(94)
Polish zloty	459	(459)
Czech crown	343	(343)
Japanese yen	(8)	8
Taiwan dollar	5	(5)
IMPACT IN ABSOLUTE TERMS	**7,334**	**(7,334)**
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	**168,486**	**168,486**
EFFECT IN RELATIVE TERMS	**4.35%**	**-4.35%**

The sensitivity of equity to exchange rate fluctuations, corresponding to years 2012 and 2011, is as follows:

	2012	
	IMPACT ON EQUITY	
Currency	5% Fluctuation	-5% fluctuation
Swedish crown	65	(65)
US dollar	(1,677)	1,677
Hungarian florint	(1,411)	1,411
Sterling pound	3,509	(3,509)
Turkish lira	(150)	150
Argentine peso	45	(45)
Mexican peso	777	(777)
Brazilian reais	2,254	(2,254)
Russian ruble	576	(576)
Indian rupee	(180)	180
Korean won	529	(529)
Chinese renminbi	3,478	(3,478)
Polish zloty	1,973	(1,973)
Czech crown	1,273	(1,273)
Japanese yen	1,072	(1,072)
Taiwan dollar	1,088	(1,088)
IMPACT IN ABSOLUTE TERMS	**13,221**	**(13,221)**
EQUITY	**1,550,183**	**1,550,183**
EFFECT IN RELATIVE TERMS	**0.85%**	**-0.85%**

	2011	
	IMPACT ON EQUITY	
Currency	5% Fluctuation	-5% fluctuation
Swedish crown	(57)	57
US dollar	(1,928)	1,928
Hungarian florint	(1,244)	1,244
Sterling pound	2,362	(2,362)
Turkish lira	(356)	356
Argentine peso	165	(165)
Mexican peso	110	(110)
Brazilian reais	3,103	(3,103)
Russian ruble	273	(273)
Indian rupee	(391)	391
Korean won	585	(585)
Chinese renminbi	2,893	(2,893)
Polish zloty	1,612	(1,612)
Czech crown	1,046	(1,046)
Japanese yen	867	(867)
Taiwan dollar	892	(892)
IMPACT IN ABSOLUTE TERMS	**9,932**	**(9,932)**
EQUITY	**1,443,912**	**1,443,912**
EFFECT IN RELATIVE TERMS	**0.69%**	**-0.69%**

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.
Virtually all the Group's borrowings are at floating rates indexed to Euribor.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2012, all other variables remaining constant, the finance cost would have been 1.09 million euros higher or lower.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2011, all other variables remaining constant, the finance cost would have been 0.98 million euros higher or lower.

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, 2012 and 2011, was as follows:

	Thousands of euros	
	2012	**2011**
Cash and cash equivalents	247,566	260,053
Current financial investments		
Debt securities	12,518	4,349
Undrawn credit lines	143,191	98,618
	403,275	363,020

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, 2012 and 2011 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 2012, 65% 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.

31.2 Hedge accounting

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

- Fair value hedges when hedging the exposure to changes in the market value of 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 marked to market. 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.

31.3 Fair value of financial instruments

The fair value of financial instruments is determined as follows:

- The fair value of financial instruments that are actively traded in 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	
	2012	2011	2012	2011	2012	2011
Financial assets measured at fair value (Note 10)						
Financial derivative hedging instruments			14,174	10,123		
Total	-	-	14,174	10,123	-	-

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	
	2012	2011	2012	2011	2012	2011
Financial liabilities measured at fair value (Note 20.b.4)						
Financial derivative hedging instruments			23,478	21,189		
Financial derivative instruments held-for-trading			29,471	25,893		
Total	-	-	52,949	47,082	-	-

During 2012 and 2011, no relevant transfers took place between the fair value levels.

31.4 Capital risk management

The objective of the Group's capital management is to protect its ability to continue as a going concern, upholding the commitment to remain solvent and 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 2012 and 2011 is set forth below:

	2012	2011
Non-current debt	919,521	755,900
Current debt	458,623	476,332
Short term financial investments	(53,397)	(35,484)
Cash and cash equivalents	(247,566)	(260,053)
TOTAL NET DEBT	**1,077,181**	**936,695**
Consolidated equity	1,550,183	1,443,912
Grants received	29,481	30,267
TOTAL EQUITY	**1,579,664**	**1,474,179**
LEVERAGE RATIO	**68.2%**	**63.5%**

The increase in leverage in 2012, is mainly due to the investments in property, plant and equipment (Note 9).

During 2012 the Group maintained its average collection and payment periods, as well as its average inventory turnover rates, at levels comparable to 2011.

In addition, during 2012 the Group continued to exercise strict control over investments.

32. 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, by which establish actions against late payment in commercial transactions. In this sense, the contractual conditions in the year 2012 with commercial suppliers in Spain have included periods of payment equal to or less than 75 days (85 days in 2011), 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 2012 and 2011, 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 2011 and 2012 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, 2012 and 2011 there were no outstanding amounts of payment to suppliers located in Spain exceeding the maximum legal payment terms.

33. Subsequent events

On January 4, 2013 the Company signed an investment agreement with Mitsui & Co. Ltd according to which Mitsui will acquire a 30% non-controlling interest in the Group's operations in North & South America. This agreement is subject to obtaining certain regulatory approvals in order to become effective.

This transaction has been contemplated to take place under the following structure: on the one hand, Mitsui will suscribe new shares pending to be issued by Group American subsidiaries for a 15% stake in these companies; and at the same time, Mitsui will grant a convertible loan to these same Group subsidiaries, which will automatically convert into shares of these companies once certain pre-agreed conditions have been met, such that Mitsui would end up reaching a 30% ownership in these Group subsidiaries in 2 years.

The total amount of the transaction is 297 million euros: 122 million euros for the initial acquisition of shares and 175 million euros for the convertible loan.

In addition, in January 2013, Corporación Gestamp S.L. sold the Gestamp trade mark for automotive classes to the Company. The consideration for the sale has been 31 million euros to be paid within a period of 20 years.

34. Information about compliance with the Article 229 of the Spanish Corporate Enterprises Act

In compliance with the article 229 of the Spanish Corporate Enterprises Act, Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera, members of the Board of Directors of Gestamp Automoción, S.A., have reported that they are shareholders and board members of Corporación Gestamp, S.L. and in several subsidiaries of the Company.

Corporación Gestamp. S.L is the parent company of an industrial group that developed, through the following subgroups, the activities mentioned below:

- GRUPO GESTAMP AUTOMOCION: engaged in manufacturing and sale of metal parts and components for the automotive industry.
- GRUPO GONVARRI: 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
- GRUPO GESTAMP ENERGIAS RENOVABLES: dedicated to the development, construction and operation of plants generating renewable energy including solar, wind and biomass.
- GRUPO INMOBILIARIA ACEK: engaged in real state activities.

Additionally, Corporacion Gestamp, S.L holds a direct and indirect investment of 28.4% in the company Cie Automotive, S.A., of which Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera are also directors. 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.

35. Additional note for English Translation

Translation of Consolidated Financial Statements originally issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of a discrepancy, the Spanish-language version prevails.

ANNEX I

Indirect investments at December 31, 2012

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.	100.00%
Gestamp Ingeniería Europa II, S.L.	Gestamp Servicios, S.A.	0.04%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Servicios, S.A.	65.00%
Estampaciones Metálicas Vizcaya, 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 Rusia, S.L.	Gestamp Servicios, S.A.	8.72%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.00%
Gestamp Portugal, Ltda.	Gestamp Vigo, S.A.	99.99%
Gestamp UK Limited	Gestamp Vigo, S.A.	100.00%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.00%
Gestamp Cataforesis Vigo, S.A.	Gestamp Vigo, S.A.	94.99%
Gestamp Louny sro.	Gestamp Portugal, Lda.	52.72%
Sungwo Gestamp Hitech Pune, Ltd.	Gestamp Portugal, Lda.	50.00%
Autotech Engineering AIE	Estampaciones Metálicas Vizcaya, S.A.	85.00%
Gestamp Sweden, AB	Estampaciones Metálicas Vizcaya, S.A.	100.00%
Gestamp Finance Luxemburgo, S.A.	Estampaciones Metálicas Vizcaya, S.A.	49.95%
Gestamp Tooling AIE	Estampaciones Metálicas Vizcaya, S.A.	40.00%
Gestamp North Europe Services, S.L.	Estampaciones Metálicas Vizcaya, S.A.	0.03%
MB Levante, S.A.	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%
Adral, S.L.	Araluce, S.A.	100.00%
Gestamp Tooling AIE	Araluce, S.A.	40.00%
Gestamp Tool Hardening, S.L.	Araluce, S.A.	0.10%

Company	Company holding the indirect investment	% investment
Adral, S.L.	Matricerías Deusto, S.L.	0.00%
Gestamp Tooling AIE	Matricerías Deusto, S.L.	20.00%
Gestamp Linares, S.L.	Gestamp Toledo, S.L.	94.98%
Gestamp Baires, S.A.	Gestamp Toledo, S.L.	46.41%
Sunqwo Gestamp Hitech Chennai, Ltd.	Gestamp Toledo, S.L.	50.00%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	100.00%
Galvanizaciones Castellana, S.A.	Gestamp Palencia, S.A.	94.99%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.67%
Gestamp Córdoba, S.A.	Gestamp Palencia, S.A.	27.77%
Gestamp Ronchamp, S.A.	Gestamp Palencia, S.A.	100.00%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	51.58%
Gestamp Auto Components (Shenyang), Co. Ltd.	MB Aragón, S.A.	100.00%
Gestamp Baires, S.A.	Galvanizaciones Castellana, S.A.	8.58%
Gestamp Argentina, S.A.	Galvanizaciones Castellana, S.A.	7.90%
Tavol Internacional, S.A.	Gestamp Aveiro, S.A.	100.00%
Gestamp Holding Rusia, S.L.	Gestamp Aveiro, S.A.	20.04%
Gestamp North América, Inc.	Gestamp Aveiro, S.A.	100.00%
Gestamp Navarra, S.A	Metalbages, S.A.	94.99%
Ingeniería Global MB, S.A.	Metalbages, S.A.	100.00%
MB Aragon, S.A.	Metalbages, S.A.	100.00%
MB Pamplona, S.A.	Metalbages, S.A.	94.99%
MB Abrera, S.A.	Metalbages, S.A.	94.99%
MB Aragon P21, S.L.	Metalbages, S.A.	100.00%
Gestamp Ingeniería Europa II, S.L.	Metalbages, S.A.	99.96%
Gestamp Manufacturing Autochasis, S.L.	Metalbages, S.A.	50.00%
Griwe Subgroup	Metalbages, S.A.	94.99%
Edscha Subgroup	Metalbages, S.A.	67.00%
Metalbages P-51	Metalbages, S.A.	94.69%
Gestamp Metal Forming Subgroup	Metalbages, S.A.	50.94%
Ocon Automated Systems, S.L.	Metalbages, S.A.	99.99%
Gestamp Holding Rusia, S.L.	MB Levante, S.A.	3.61%
Gestamp Hungaria KFT	Gestamp Navarra, S.A.	100.00%

Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	Gestamp Solblank Navarra, S.L.	6.43%
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 México, 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 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	20.65%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S	45.01%
Gestamp Solblank Navarra, S.L.	MB Abrera, S.A.	100.00%
Solblank, S.A.	MB 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.	27.99%
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	Solblank,S.A.	50.00%
Gestamp Holding Rusia, S.L.	Solblank,S.A.	7.60%
Gestamp Chattanooga, Llc.	Gestamp North América, Inc.	100.00%
Gestamp West Virginia, 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%
ALHC, Llc.	Gestamp North América, Inc.	100.00%
Gestamp South Carolina, Llc.	ALHC, Llc.	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.	Estampaciones Martinez, S.A.	30.00%
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	Sunqwo Gestamp Hitech Chennai, Ltd.	49.54%
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	Griwe subgroup	25.22%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Griwe subgroup	100.00%
Gestamp Louny sro.	Griwe subgroup	47.28%
GS Hot-Stamping Co. Ltd.	Griwe subgroup	50.00%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51	44.99%
Araluce, S.A.	Gestamp Global Tooling, S.L.	100.00%
Matricerías Deusto, 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%
Loire S.A. Franco Española	Gestamp Manufacturing Autochasis, S.L.	100.00%
Diede Die Development, S.L.	Gestamp Tool Hardening, S.L.	38.00%
Bero Tools, S.L.	Gestamp Tool Hardening, S.L.	20.00%
Bero Tools, S.L.	Loire S.A. Franco Española	80.00%
Diede Die Development, S.L.	Bero Tools, S.L.	62.00%
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Beyçelik Gestamp, A.S.	100.00%
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%

Indirect investments at December 31, 2011

Company	Company holding the indirect investment	% investment
Gestamp Vigo, S.A.	Gestamp Servicios, S.L.	0.01%
Gestamp Toledo, S.L.	Gestamp Servicios, S.L.	0.01%
Gestamp Paraná, S.A.	Gestamp Servicios, S.L.	100.00%
Gestamp Ingeniería Europa II, S.L.	Gestamp Servicios, S.L.	0.04%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Servicios, S.L.	65.00%
Gestamp North America, INC	Gestamp Servicios, S.L.	100.00%
Estampaciones Metálicas Vizcaya, S.A.	Gestamp Servicios, S.L.	25.00%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.L.	100.00%
Gestamp Tooling Overseas Design India, LTD.	Gestamp Servicios, S.L.	1.01%
Beyçelik, A.S.	Gestamp Servicios, S.L.	50.00%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.L.	10.91%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.L.	100.00%
Gestamp Portugal, Ltda.	Gestamp Vigo, S.A.	99.99%
Gestamp UK Limited	Gestamp Vigo, S.A.	100.00%
Gestamp Cataforesis Vigo, S.A.	Gestamp Vigo, S.A.	94.99%
Sungwo Gestamp Hitech Pune, Ltd.	Gestamp Portugal, Lda.	50.00%
Autotech Engineering AIE	Estampaciones Metálicas Vizcaya, S.A.	85.00%
Gestamp Sweden, AB	Estampaciones Metálicas Vizcaya, S.A.	100.00%
Gestamp Finance Luxemburgo, S.A.	Estampaciones Metálicas Vizcaya, S.A.	49.95%
Gestamp Tooling AIE	Estampaciones Metálicas Vizcaya, S.A.	40.00%
Gestamp North Europe Services, S.L.	Estampaciones Metálicas Vizcaya, S.A.	0.03%
MB Levante, S.A.	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 Mason, Llc.	Gestamp Hard Tech AB	100.00%
Adral, S.L.	Araluce, S.A.	100.00%
Gestamp Tooling AIE	Araluce, S.A.	40.00%
Gestamp Tool Hardening, S.L.	Araluce, S.A.	0.10%

Company	Company holding the indirect investment	% investment
Adral, S.L.	Matricerías Deusto, S.L.	0.00%
Gestamp Tooling AIE	Matricerías Deusto, S.L.	20.00%
Gestamp Linares, S.L.	Gestamp Toledo, S.L.	94.98%
Gestamp Baires, S.A.	Gestamp Toledo, S.L.	46.41%
Sungwo Gestamp Hitech Chennai, Ltd.	Gestamp Toledo, S.L.	50.00%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	100.00%
Galvanizaciones Castellana, S.A.	Gestamp Palencia, S.A.	94.99%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.67%
Gestamp Córdoba, S.A.	Gestamp Palencia, S.A.	27.77%
SCI Rue Paul Strauss	Gestamp Palencia, S.A.	100.00%
Gestamp Ronchamp, S.A.	Gestamp Palencia, S.A.	100.00%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	51.58%
Gestamp Baires, S.A.	Galvanizaciones Castellana, S.A.	8.58%
Gestamp Argentina, S.A.	Galvanizaciones Castellana, S.A.	7.90%
Tavol Internacional, S.A.	Gestamp Aveiro, S.A.	100.00%
Gestamp Alabama, Llc.	Gestamp Aveiro, S.A.	100.00%
Gestamp Navarra, S.A	Metalbages, S.A.	94.99%
Ingeniería Global MB, S.A.	Metalbages, S.A.	100.00%
MB Aragon, S.A.	Metalbages, S.A.	100.00%
MB Pamplona, S.A.	Metalbages, S.A.	94.99%
MB Abrera, S.A.	Metalbages, S.A.	94.99%
MB Aragon P21, S.L.	Metalbages, S.A.	100.00%
Gestamp Ingeniería Europa II, S.L.	Metalbages, S.A.	99.96%
Gestamp Manufacturing Autochasis, S.L.	Metalbages, S.A.	50.00%
Griwe Subgroup	Metalbages, S.A.	94.99%
Edscha Subgroup	Metalbages, S.A.	67.00%
Ocón Automated Systems S.L.	Metalbages, S.A.	99.99%
Metalbages P-51	Metalbages, S.A.	94.69%
Gestamp Metal Forming Subgroup	Metalbages, S.A.	50.94%
Ocon Automated Systems, S.L.	Metalbages, S.A.	99.99%
Continental Group Ltd.	MB Levante, S.A.	100.00%
Gestamp Holding Rusia, S.L.	MB Levante, S.A.	4.52%
Gestamp Hungaria KFT	Gestamp Navarra, S.A.	100.00%

Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	MB Solblank Navarra, S.L.	8.04%
Gestamp Mor Kft	Gestamp Hungaria KFT	100.00%
Gestamp Stadco Holdings. S.L.	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 México, 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 Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	99.90%
Gestamp Córdoba, S.A.	Gestamp Paraná, S.A.	20.65%
Gestamp Baires, S.A.	Gestamp Paraná, S.A.	45.01%
MB Solblank Navarra, S.L.	MB Abrera, S.A.	100.00%
Solblank, S.A.	MB 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.	35.00%
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	Solblank,S.A.	50.00%
Gestamp Holding Rusia, S.L.	Solblank,S.A.	9.51%
Gestamp Tooling Oveseas	Continental Group Ltd.	100.00%
Gestamp Severstal Vsevolozhsk Llc	Gestamp Stadco Holdings, S.L.	100.00%
Gestamp Chattanooga, LLC.	Gestamp North America, Inc.	100.00%
ALHC, LLC.	Gestamp North America, Inc.	100.00%
Gestamp South Carolina, LLC.	ALHC, LLC.	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.	Estampaciones Martinez, S.A.	30.00%
Gestamp Sungwoo Automotive (Chennai) Private, Ltd.	Sungwo Gestamp Hitech Chennai, Ltd.	100.00%
GS Hot-stamping Co. LTD	Griwe Subgroup	50.00%
Gestamp Louny sro.	Griwe Subgroup	100.00%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51	44.99%
Araluce, S.A.	Gestamp Global Tooling, S.L.	100.00%
Matricerías Deusto, 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%
Loire S.A. Franco Española	Gestamp Manufacturing Autochasis, S.L.	100.00%
Bero Tools, S.L.	Loire S.A. Franco Española	80.00%
Diede Die Developmente, S.L.	Bero Tools, S.L.	62.00%