Gestamp Automoción, S.A.
Annual Report 2015

Financial results for the year to December 31, 2015

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USE OF TERMS AND CONVENTIONS

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

- references to "Acek" are to our majority shareholder Acek, Desarrollo y Gestión Industrial, S.L. (formerly named Corporación Gestamp, S.L.);
- references to "Asia" are to China, India, South Korea, Japan, Thailand and Taiwan;
- references to "Bank of America" are to Bank of America Merrill Lynch Limited (formerly Banc of America Securities Limited);
- references to "Bank of America loan" are to the facility agreement dated March 21, 2012, entered into, among others, the Company and Bank of America, N.A., Sucursal en España, for a maximum amount of €60.0 million;
- references to "CAGR" are to compound annual growth rate;
- 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 "Eastern Europe" are to Russia, Poland, Hungary, Slovakia, the Czech Republic and Turkey;
- 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 "Gestamp", "Gestamp Automoción", "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 "Grupo Acek" are to Acek together with its subsidiaries;
- 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 the "Indenture" are to the indenture governing the notes and dated May 20, 2013;
- references to "North America" are to the United States and Mexico;
- references to the "notes" are to the Euro notes and the Dollar notes;
- references to "Senior Facilities" are to the senior term facilities and the revolving credit facility made available under the Senior Facilities Agreement;
- references to "Senior Facilities Agreement" are to the senior facilities agreement dated April 19, 2013 as amended on May 8, 2013, May 2, 2014, December 10, 2014 and April 17, 2015 entered into between, among others, Gestamp Automoción as the company and an original borrower, Gestamp Funding, 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 as security agent;

- references to "South America" are to Brazil and Argentina;
- references to "UK" are to the United Kingdom;
- references to "US", "U.S." and "United States" are to the United States of America;
- references to "US$", "dollar(s)" and "$" are to the currency of the United States of America; and
- references to "Western Europe" are to Spain, Portugal, France, the United Kingdom, Germany, Sweden, Belgium and Luxembourg.

FORWARD-LOOKING STATEMENTS

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

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

- economic downturns or continued or increased weakness in the global economy and restricted access to financing;
- continued uncertainties and challenging political conditions in Spain, the European economy and the euro;
- increased or more pronounced cyclicality in the automobile industry;
- risks associated with foreign exchange fluctuations;
- the loss of customers and/or the inability to realize revenues;
- risks associated with investment in markets in which we expect growth;
- disruptions to the automotive supply chain;
- the inability for us or our customers or suppliers to obtain and maintain sufficient capital financing;
- risks related to a shift away from technologies in which we invest;
- volatility in raw material and energy 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;
- risks associated with the capital expenditure needs of our on-going operations;
- difficulties in connection with program launches and integration and consolidation;

- risks associated with acquisitions;
- risks associated with our joint ventures, certain of which we do not control;
- inaccuracies in our estimates of return on investment;
- risks associated with tax liability in the jurisdictions in which we operate;
- our international operations, including in relation to compliance with anti-corruption laws, regulations and economic sanctions programs;
- risks associated with the adequacy of our hedging arrangements;
- risks on the conduct of our business as a result of a failure to comply with restrictive covenants under our credit facilities;
- loss of key executives, availability of labor and workforce;
- changes in regulation;
- legal, regulatory, product liability and/or health and safety issues; and
- other risks and uncertainties inherent in our business and the world economy.

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

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

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, 2015, 2014 and 2013. 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.

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.

IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements

The Group adopted IFRS 10 and IFRS 11 in 2014. The application of both standards has led to the modification of the accounting and consolidation methods of the following companies:

Company	**Shareholding**		**Consolidation method**	
	December 31,		**December 31,**	
	2014	**2013**	**2014**	**2013**
Beyçelik Gestamp, A.S.	50.00%	50.00%	Full	Proportionally
Gestamp Automotive India Private Ltd.	50.00%	50.00%	Full	Proportionally
Gestamp Automotive Chennai Private, Ltd.	100.00%	50.00%	Full	Proportionally
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	50.00%	50.00%	Full	Proportionally
Edscha Pha, Ltd.	50.00%	50.00%	Full	Proportionally
Sungwoo Gestamp Hitech Pune Private, Ltd.	50.00%	50.00%	Equity method	Proportionally
Sungwoo Gestamp Hitech Chennai, Ltd.	0.00%	50.00%	N/A	Proportionally
Gestamp Sungwoo Hitech (Chennai) Private,	0.00%	50.00%	N/A	Proportionally
GS Hot Stamping Co., Ltd.	0.00%	47.49%	N/A	Proportionally
Jui Li Edscha Body Systems Co., Ltd.	50.00%	50.00%	Equity method	Proportionally
Jui Li Edscha Hainan Industry Enterprise Co.,	50.00%	50.00%	Equity method	Proportionally
Jui Li Edscha Holding Co., Ltd.	50.00%	50.00%	Equity method	Proportionally

Prior to application of IFRS 10 and 11 the companies mentioned above were considered jointly controlled entities and the interest of the Group in their assets, liabilities, income and expenses was accounted by the proportional consolidation method in the consolidated financial statements.

At the date of first application of IFRS 10 and 11 (2014) the Group assessed their control in the entities mentioned above. After this assessment, it was concluded that we had control over Beyçelik Gestamp, A.S., Gestamp Automotive India Private, Ltd., Gestamp Automotive Chennai Private, Ltd., GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi and Edscha Pha, Ltd, so according to IFRS 10 these companies come to be consolidated by the full consolidation method.

The Group decided to consider its interest in 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 Hainan Industry Enterprise Co. Ltd and Jui Li Edscha Holding Co, Ltd as joint-venture interests according to IFRS 11 and these companies came to be consolidated by the equity method.

As of April 30, 2014 Gestamp unwound its Joint Ventures with Sungwoo; Gestamp no longer has equity interests in Sungwoo Gestamp Hitech Chennai Ltd., Gestamp Sungwoo Hitech (Chennai) Private Ltd. and GS Hot Stamping Co. Ltd.

The application of both IFRS 10 and IFRS 11 is retrospective, as the standards require, and the comparative information of the previous year, 2013, has been restated in the consolidated financial statements.

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.

This Annual Report also contains estimations of market data and information derived from such data that cannot be obtained from publications by market research institutes or from other independent sources. Such information is partly based on our own market observations, the evaluation of industry information (such as from conferences and sector events) or internal assessments. We believe that our estimates of market data and the information we have derived from such data helps investors to better understand the industry we operate in and our position within it. Our own estimates have not been checked or verified externally. We nevertheless believe that our own market observations are reliable. We give no warranty for the accuracy of our own estimates and the information derived from them. They may differ from estimates made by our competitors or from future studies conducted by market research institutes or other independent sources.

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

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, 2015 was $ 1.0866 per €1.00.

	U.S. dollars per €1.00			
	High	**Low**	**Average**(1)	**Period end**
2013	1.3805	1.2544	1.3284	1.3789
2014	1.3925	1.2100	1.3285	1.2100
2015	1.2099	1.0496	1.1100	1.0866

(1) The average of the exchange rates on the last business day of each month 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, 2015, 2014 and 2013.

In order to enable you to compare our financial results as of and for the year ended December 31, 2014 with the financial results as of and for the year ended December 31, 2013, we have presented in this Annual Report, as required by IFRS, certain reclassified financial information as of and for the year ended December 31, 2013, after giving effect to IFRS 10 and IFRS 11. For more information, see "Presentation of Financial and Other Data—Financial information and operational data—IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements."

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.

	Year ended December 31,		
	2013	**2014**	**2015**
		(€ millions)	
Consolidated Income Statement Data:			
Operating income	**6,001.3**	**6,411.4**	**7,202.3**
Revenue	*5,853.3*	*6,255.8*	*7,034.5*
Other operating income	*133.3*	*126.6*	*156.9*
Changes in inventories	*14.7*	*29.0*	*10.9*
Operating expenses	**(5,699.3)**	**(6,073.9)**	**(6,802.1)**
Raw materials and other consumables	*(3,582.7)*	*(3,885.8)*	*(4,308.6)*
Personnel expenses	*(1,068.3)*	*(1,124.9)*	*(1,258.0)*
Depreciation, amortization, and impairment losses	*(306.7)*	*(319.0)*	*(360.1)*
Other operating expenses	*(741.6)*	*(744.2)*	*(875.4)*
Operating profit	**302.0**	**337.5**	**400.2**
Finance income	18.5	9.6	13.3
Finance expenses	(138.9)	(138.6)	(121.8)
Exchange gains (losses)	(31.6)	(7.6)	(24.7)
Other(1)	(14.7)	(10.2)	(14.2)
Profit for the year from continuing operations	**135.3**	**190.7**	**252.8**
Income tax expense	(29.6)	(60.3)	(63.9)
Profit for the year	**105.7**	**130.4**	**188.9**
(Loss) from discontinued operations	—	(1.6)	—
(Loss) profit attributable to non-controlling interests	8.3	(3.1)	(27.4)
Profit attributable to equity holders of the parent	**114.0**	**125.7**	**161.5**

	As of December 31,		
	2013	**2014**	**2015**
		(€ millions)	
Consolidated Balance Sheet Data:			
Intangible assets	275.9	311.6	359.4
Property, plant, and equipment	2,553.8	2,661.8	2,861.8
Non-current financial assets	114.8	76.8	57.7
Inventories	527.0	573.0	586.4
Trade and other receivables	1,127.8	1,057.5	1,194.7

Cash and cash equivalents	520.4	483.9	356.0
Other(2)	297.3	342.5	329.8
Total assets	**5,417.0**	**5,507.1**	**5,745.7**
Total equity	**1,664.8**	**1,716.2**	**1,798.4**
Non trade liabilities	1,785.9	1,725.3	1,674.2
Trade and other payables	1,092.4	1,191.8	1,384.4
Other liabilities(3)	873.9	873.8	888.7
Total liabilities	**3,752.2**	**3,790.9**	**3,947.3**

	Year ended December 31,		
	2013	**2014**	**2015**
	(€ millions)		
Consolidated Cash Flow Information:			
Cash flows from operating activities	367.1	565.5	600.0
Cash flows from investing activities	(656.5)	(447.6)	(534.5)
Cash flows from financing activities	578.0	(178.9)	(199.1)
Effect of changes in exchange rates	(28.0)	24.5	5.7
Net (decrease) increase of cash or equivalent	**260.6**	**(36.5)**	**(127.9)**

	As of and for the year ended December 31,		
	2013 (restated)	**2014**	**2015**
	(€ millions, except percentages and ratios)		
Other Financial Data:			
EBITDA(4)	608.7	656.5	760.3
EBITDA margin	10.4%	10.5%	10.8%
Capital expenditures(5)	637.4	483.3	622.4
Changes in working capital	32.1	151.8	9.7
Net payments on investments(6)	630.4	438.4	595.5
Acquisitions (net of disposals)(7)	(4.5)	(18.4)	26.4
Dividends(8)	(55.7)	(41.5)	(50.2)
Cash, cash equivalents and current financial assets	578.0	559.8	391.4
Total financial debt(9)	2,110.2	1,969.5	1,884.5
Net financial debt(9)	1,532.2	1,409.7	1,493.1
Net financial expenses(10)	120.4	129.0	108.5
Ratio of net financial debt to EBITDA(11)	2.5x	2.1x	2.0x
Ratio of EBITDA to net financial expenses(12)	5.1x	5.1x	7.0x

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

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

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

(4) "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. The following table presents the calculation of this measure:

	Year ended December 31,		
	2013	**2014**	**2015**
	(€'millions)		
Operating profit	**302.0**	**337.5**	**400.2**
Adjusted for:			
Depreciation, amortization and impairment losses	306.7	319.0	360.1
EBITDA	**608.7**	**656.5**	**760.3**

(5) Capital expenditures mean expenditure on property, plant and equipment and on intangible assets.

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

(7) We define acquisitions net of disposals to include cash flows used in investments in group companies and associates less cash flows from divestments of group companies and associates.

(8) Dividends consist of the dividends paid by the Company to its shareholders. In 2016, a dividend of €49.0 million to the shareholders of the Company in lieu of 2015 net income is expected to be declared on or about June 30, 2016, and will be paid on or before July 31, 2016.

(9) 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:

	As of December 31,		
	2013	**2014**	**2015**
	(€ millions)		
Interest bearing loans and borrowings	1,746.6	1,764.8	1,730.9
Financial leasing	28.8	28.6	35.2
Borrowings from associated companies	246.2	99.4	79.0
Other interest bearing loans	88.6	76.7	39.4
Total financial debt	**2,110.2**	**1,969.5**	**1,884.5**
Cash and cash equivalents and current financial assets	578.0	559.8	391.4
Net financial debt	**1,532.2**	**1,409.7**	**1,493.1**

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

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

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

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

Economic downturns or a worsening of global 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 in 2008 and 2009 resulted in delayed and reduced purchases of durable consumer goods, such as automobiles. Although the global economic climate improved slightly between 2010 and 2015, the global economy generally has not recovered to levels previously experienced and remains fragile. In particular, the global economy is impacted by an unpredictable political landscape, decreasing oil prices and strong currency fluctuations. In addition, recent concerns on the economy of emerging markets, particularly China, Russia and Brazil, may have an impact on the global economy. There is no assurance that the global economic climate will continue to improve or that the current levels of growth will remain stable.

If the global economy 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.

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

Continuing or renewed instability in global markets, the stability of the euro and the uncertainty derived from the refugee crisis has recently contributed to weak European economic performance. Future developments may continue to be dependent upon a number of political and economic factors, including the effectiveness of measures by the European Central Bank and the European Commission to address debt burdens of certain countries in Europe and the continued stability of the Eurozone. Despite our global presence, the Eurozone is a significant market for our business, and adverse economic effects within the Eurozone could have a material adverse impact on our cash flows, financial condition and results of operations.

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

For example, following the Conservative party win in the U.K. General Election on May 7, 2015, the U.K. Government has promised to hold an in-or-out referendum on the U.K.'s membership within the EU. The referendum is expected to take place on June 23, 2016. If the referendum results in a U.K. exit from the EU, a process of negotiation would determine the future terms of the U.K.'s relationship with the EU, which could, in turn, undermine confidence in the overall stability of the European Economic Area. These and other potential developments, or market perceptions concerning these and related issues, could have adverse consequences for us with respect to our outstanding debt obligations that are euro-denominated and, as we have a substantial amount of debt denominated in euro, our financial condition may be materially affected.

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

In addition, despite our global presence, Spain is still a significant market for our business, representing 22% of our EBITDA. While Spain's economy has been gradually improving since 2013, Spain experienced a significant economic downturn between 2008 and 2012. The unemployment rate, while improving in relative terms, was reported to be 20.90% in December 2015 and gross domestic product contracted in 2012 and 2013 before making a modest recovery in 2014 and 2015. In addition, in the recent general elections held on December 20, 2015 no party has obtained an outright majority sufficient to form a stable government. While attempts are being made by the major parties to resolve the situation, if a new government has not been formed by the end of April 2016, new elections will be called by the end of June 2016. This political uncertainty may impact the Spanish economic recovery and affect Spain's economic growth.

Finally, institutions in the European Union are facing significant challenges derived from recent crises in the Middle East, including the Syrian refugee crisis as a result of the Syrian civil war which started in 2011. While several EU member states have made attempts to address the humanitarian crisis, a common approach by all EU member states has not been yet achieved. For example, Austria recently enacted a temporary Schengen suspension, while other member states are threatening to impose similar restrictions in their borders with other European countries.

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.

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. While we mitigate cyclicality by diversifying our businesses geographically there is no assurance that this will be sufficient. 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.

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

Although our reporting currency is the Euro, a portion of our sales and operating costs are realized in other currencies, such as the U.S. Dollar, the pound sterling, the Chinese Yuan, the Russian Ruble, the Brazilian Real, the Argentinian Peso, the Turkish Lira, the Mexican Peso, the Indian Rupee, the Czech Corona, the Polish Zloty, Swedish Crown, Hungarian Forint, Korean Won, Japanese Yen and Thai Baht. In the year ended December 31, 2015, €4,181.8 million of our revenues (which represented approximately 59.4% 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 revenues 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 U.S. Dollar, the pound sterling, the Chinese Yuan, the Russian Ruble, the Brazilian Real, the Argentinian Peso, the Turkish Lira, the Swedish Crown and the Mexican Peso could have 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, we seek to nominate an alternative functional currency in the contracts we enter into, typically either the Euro or U.S. Dollar, to seek to minimize the impact of any exchange rate fluctuations. In the year ended December 31, 2015, we had a negative impact on our balance sheet of €28.0 million as a result of foreign exchange rate translations to our reporting currency.

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. For example, during 2015, our top three customers represented an aggregate of approximately 47.9% 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;
- damage to a customer’s reputation;

- strikes or other work stoppages affecting production by our customers;
- bankruptcy or insolvency of a customer; or
- reduced demand for our customers' products.

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

Additionally, financial difficulties experienced by any major customer could have a material adverse impact on us if such customer were unable to pay for the products we provide, materially reduced its capital expenditure on, and resulting demand for, new product lines, or 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, material write-offs of accounts receivable, significant impairment charges or additional restructurings beyond the steps we have taken to date.

See also "—Continued weakness or a worsening of global economic and political conditions could have a material adverse effect on our profitability".

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.

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

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

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.

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

Our business requires a high level of technical expertise for the development and manufacture of our products. 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.

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

The primary raw material used in our business is steel, which in the last five years has represented approximately 40% of our sales. Approximately 60% of our steel is typically purchased through OEM re-sale programs, with the remainder of our steel purchasing requirements are typically 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, 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. While the cost of energy and raw materials has recently been subject to a significant decline since early 2015, if costs of raw materials and energy rise, and if we are not able to undertake cost saving measures elsewhere in our operations or increase the selling prices of our products, we will not be able to compensate such cost increases, which could have a material adverse effect on our business, financial condition and results of operations.

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 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, financial position and operational results.

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.

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

We have a number of strategic partnerships, joint ventures and alliances, and our ownership stake in these arrangements is such that, even if we own a majority interest in such venture, we may be required to seek consent from third parties in order to make certain decisions. For example, while we own 70% of our joint ventures with Mitsui, the investment agreement governing that joint venture provides for certain reserved matters on which both we and Mitsui must agree. In addition, while we own approximately 75% of our joint venture with JSC Severstal and Severstal Trade GesmbH in Russia, the agreement governing that joint venture provides for certain reserved matters on which both we and Severstal must agree.

Further, we do not control or have a majority interest in certain other of our joint ventures. For example, we are part of a Turkish joint venture in Beyçelik in which we have a 50% interest. 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 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, 2015, we had approximately €270.78 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 are subject to risks related to our international operations.

Our international operations include manufacturing facilities in, among other locations, Argentina, Brazil, China, India, Mexico and Russia, and we sell our products in each of these areas. For the year ended December 31, 2015, 26.3% 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;
- difficulty in staffing and managing widespread operations and in attracting and retaining qualified management and employees, especially management personnel in China, while continuing to further rationalize our work force;
- 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 some emerging markets, development of joint venture relationships and our employment of local agents in the countries in which we operate increases the risk of violations of anti-corruption laws, sanctions or similar laws. Violations of anti-corruption laws and sanctions regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on our reputation and consequently on our ability to win future business.

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

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 are subject to restrictive covenants under our debt facilities. These covenants could significantly affect the way in which we conduct our business. Our failure to comply with these covenants could lead to an acceleration of our debt.

We entered into debt facilities that contain covenants that at certain levels, among other things, restrict our ability to sell assets; incur, repay or refinance indebtedness; create liens; make investments; engage in mergers or acquisitions; pay dividends, including to us; repurchase stock; or make capital expenditures. These debt facilities also require compliance with specified financial covenants, including minimum interest coverage and maximum leverage ratios.

Our ability to comply with the applicable covenants may be affected by events beyond our control. The breach of any of the covenants contained in the debt facilities, unless waived, could result in a default under our debt facilities. This would permit the lenders to terminate their commitments to extend debt under, and accelerate the maturity of, the facilities. The acceleration of debt could have a material adverse effect on our financial condition and liquidity. If we were unable to repay our debt to the lenders and holders or otherwise obtain a waiver from the lenders and holders, the lenders and holders could proceed against the collateral securing the debt facilities and exercise all other rights available to them. We may not have sufficient funds to make these accelerated payments and may not be able to obtain any such waiver on acceptable terms or at all.

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.

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, 2015, we had approximately €110.0 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.

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 emerging markets, 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 have a material adverse effect on our business.

As of December 31, 2015, we had 33,192 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 renegotiating our labor arrangements or otherwise. We cannot guarantee that we will be able to successfully extend or renegotiate our collective bargaining agreements as they expire from time to time. If we fail to extend or renegotiate any of our collective bargaining agreements or are only able to renegotiate them on terms that are less favorable to us, we may need to incur additional costs, which could have a material adverse effect on our business, financial condition and results of operations.

Further, many of the manufacturing facilities of our customers and suppliers are unionized and are subject to the risk of labor disruptions from time to time. 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.

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 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. Our activities may have an adverse impact on the environment; in particular, we may contaminate the soil or cause water discharge contamination. If we fail to comply with these laws, regulations or permits, we could be fined or otherwise sanctioned by regulators or become subject to litigation. Environmental and pollution control laws, regulations and permits, and the enforcement thereof, change frequently, have tended to become more stringent over time and may necessitate substantial capital expenditures or operating costs. In addition, costs related to the investigation of the nature of a potential damage to the environment and any remediation measures taken thereof, may be substantial.

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.

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.

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. For example, changes to emissions testing protocols as a result of the ongoing investigations by environmental authorities worldwide (including, *inter alia*, Australia, Brazil, Canada, China, France, Germany, India, the European Union and the United States) in relation to the potential manipulation of emission control systems which had been installed by certain OEMs for the purposes of manipulating laboratory emissions testing could have an adverse effect on the sales of the products we produce and our profitability.

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

GHG emissions have increasingly become the subject of substantial international, national, regional, state and local attention. GHG 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.

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, 2015, 2014 and 2013 has been derived from the audited consolidated financial statements of Gestamp Automoción and its subsidiaries as of and for the years ended December 31, 2015, 2014 and 2013 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.

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

In order to enable investors to compare our financial results for the years ended December 31, 2014 and 2015 with prior periods, we have presented in this Annual Report, as required by IFRS-EU, certain reclassified financial information as of and for the year ended December 31, 2013 after giving effect to IFRS 10 and IFRS 11. All financial information presented as of and for years ended December 31, 2014 and 2015 has been presented giving effect to the adoption of IFRS 10 and IFRS 11.

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 one of the world's largest suppliers of automotive components and assemblies. We design, develop, manufacture and sell highly engineered body and chassis components and mechanisms to original equipment manufacturers ("OEMs"), primarily for use in the production of light vehicles. We have cultivated strong relationships with our OEM customers by offering them leading technologies through our extensive global footprint of 95 production facilities in 20 countries over four continents as of December 31, 2015. Our technological leadership and extensive geographical and customer footprint allow us to take advantage of global growth opportunities while maintaining a conservative, diversified risk profile.

We offer our OEM customers a diverse product portfolio as a Tier 1 supplier of body-in-white ("Body-in-White") and chassis ("Chassis") structures and complex assemblies, opening systems and mechanisms ("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 visible 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 that enable the user to open and shut the automobile's hood, side and rear doors and lift-gates, as well as pedal systems and hand brakes. Mechanisms also include powered systems that allow automobile doors to open and close electrically and by remote activation.

- *Other products:* We design, engineer, manufacture, service and sell dies and tools in support of our customers. We also design, manufacture and sell presses.

We believe that we are one of the two leading suppliers 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. In Mechanisms products, we believe that we are the clear market leader in Western and Eastern Europe, and in South America, with estimated regional market shares between 40% and 50% in 2015.

Our expertise is in developing and producing light-weight components, which help our customers meet CO2 emissions targets while at the same time enhancing the safety features of their vehicles. We believe we are one of the very few truly global suppliers to OEMs in our product portfolio, with the capacity to meet the same high standards worldwide, either where the same vehicle model is produced in several regions, or where the same vehicle platform is used across different models globally. Our leading technologies, global footprint and proven track record in executing complex projects set us apart from many of our competitors in the industry and have allowed us to secure strong relationships with almost all major global automakers, including Volkswagen AG ("Volkswagen"), Daimler AG ("Daimler"), the Renault-Nissan Alliance ("Renault Nissan"), Ford Motor Company ("Ford"), Peugeot Citroën ("PSA"), Bayerische Motoren Werke AG ("BMW"), General Motors Company ("General Motors") and Fiat Chrysler Automobiles N.V. ("Fiat Chrysler), each of which accounted for more than 5% of our component sales for the year ended December 31, 2015. In addition, our leading technologies have allowed us to rapidly grow our revenue with other OEMs, such as Jaguar Land Rover Limited ("Jaguar Land Rover") and Honda Motor Company ("Honda").

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

Our segment within the automotive components market has been, and continues to be, particularly characterized by the secular trend of OEMs outsourcing an increasing share of a vehicle's metal components content as they shift more of their capital spending to other areas. This trend impacts our organic investment and sales growth, particularly as OEMs increasingly rely on fewer, larger, well-capitalized and trusted partners.

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

Key factors affecting our results of operations

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

- ***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 new manufacturing facilities (or expansions of existing 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. The table below sets out 14 such new manufacturing facilities and capacity expansion, the cash used in or expected to be used in investments in property, plant and equipment, its construction start date, its construction end date and its expected first year of full production.

Manufacturing Facility	Cash used in or expected to be used in property, plant and equipment (€ millions)	Construction start date	Construction end date	Expected year of full production
Wroclaw (Poland)	38.2	January 2015	January 2017	2019
Wuhan II (China)	55.5	April 2016	December 2016	2018
Kunshan Expansion (China)	13.9	April 2016	December 2016	2017
Wrzesnia (Poland)	90.4	November 2014	December 2016	2019
Pune II (India)	22.3	November 2015	November 2016	2018
Chattanooga I Expansion (USA)	63.5	August 2015	July 2016	2018
Chattanooga II (USA)	63.1	August 2015	July 2016	2018
Chattanooga Chassis (USA)	48.4	April 2015	June 2016	2019
Betim (Brazil)	24.3	November 2015	May 2016	2018
Puebla II (Mexico) (Phase 2)	76.6	December 2014	January 2016	2018
Shenyang (China) (Phase 2)	32.4	May 2015	November 2015	2018
Chonqing (China) (Phase 2)	5.3	May 2015	November 2015	2017
Edscha Kunshan (China)	22.0	May 2012	August 2013	2016
West Virginia Phase 2 (USA)	61.0	N/A(1)	N/A(1)	2018

(1) Gestamp West Virginia Phase 2 includes investment for (i) Honda Civic, which launched production in September 2015, (ii) Honda CR-V, which is expected to launch by November 2016 and (iii) Honda Accord, which is expected to launch by September 2017.

As of December 31, 2015, these 14 new manufacturing facilities and major expansions have not yet generated a year of fully ramped-up revenue and EBITDA.

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

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

The total cash used in or expected to be used in property, plant and equipment for the manufacturing facilities above amounted to €344.9 million for the year ended December 31, 2015, the total revenue and EBITDA for the same period amounted to €448.6 million and €75.5 million, respectively, and the aggregated EBITDA margin was 16.8% in the same period.

- ***Global automotive market production***

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. Global vehicle production levels have grown moderately between 2012 and 2015, with substantial growth being registered in North America and Asia, which was partially offset by negative vehicle production levels in South America and, to a lesser extent, Japan and Eastern Europe. While China has moderated its outlook, and Russia and Brazil have experienced weak economic performance, we believe that China, India, the rest of Asia, and North America still show strong potential for growth. The growth in vehicle production has resulted in a higher demand for our products and a positive impact on our revenues, while slightly offset by the impact of slower economic growth from Brazil and Russia. Going forward, global auto production growth is expected to sustain a steady increase, at an estimated CAGR of 2.7% in the period between 2015 and 2020. Growth during that period is expected to be led primarily by Greater China, the single-largest market globally, with an estimated increase of 4.3%, while other key geographies of Western Europe, North America and Eastern Europe are expected to grow at an estimated CAGR of 0.7%, 1.6% and 4.4%, respectively. South America and Asia (excluding Greater China), the two regions which recorded declines between 2012 and 2015, are also expected to return to growth, with an estimated CAGR of 1.3% and 2.0%, respectively, between 2015 and 2020.

- ***Outsourcing***

In addition, OEMs are increasing their investment in engine-related technology and platform design, leading them to invest less in other important areas such as body and chassis development and production. This trend supports an increase in outsourcing, as the OEMs entrust a select number of strategic supply partners with an increasingly high content of vehicle production. In parallel, specialization has led to advances achieved by suppliers such as ourselves in certain technologies, such as hot stamping, where we are a market leader and which OEMs find difficult to match in-house in price and quality, thereby resulting in increased outsourcing. In addition, as OEMs grow outside of their home markets, OEMs are more inclined to turn to external suppliers for content they have provided in-house in their home markets. Furthermore, suppliers such as ourselves benefit from economies of scale that our OEM customers find more difficult to achieve in their domestic markets.

- ***Diversification***

Our strong geographic, customer and product diversification has had the effect in the past of reducing revenue volatility during periods of economic downturn. Our well-diversified customer base, which includes all of the 12 largest OEMs by production volume, has limited our exposure to a downturn in the demand for any one OEM's product portfolio. Regional differences in duration, timing and intensity of economic cycles, combined with the diversity of our geographic footprint, have mitigated the effects of the economic cycle on our business, limiting the impact of our exposure to the cycle in any one region or geography. Our diversified revenue base has allowed us to take advantage of global growth opportunities, even during periods of economic downturn.

- ***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 the last five years has represented approximately 40% 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. Approximately 60% 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 marketplace, 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 input 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.

- ***Labor costs***

Labor costs have represented in the last five years between approximately 15% and 19% 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. The variable nature 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 significant 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 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 profit margins.

- ***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 several factors. OEMs typically slow down vehicle production during certain portions of the year. For instance, our customers in Europe typically slow down vehicle production during the beginning of the second half of the year in July or August as well as towards the end of the year during the holiday season in December during which they also often conduct internal maintenance and adjustments to inventory. Furthermore, there are a fewer number of working days at the end of a year as opposed to the beginning of a year and this results in a reduction in vehicle production at the end of the year. Also, we typically agree final due amounts with our suppliers at the end of the year, which are usually paid at the beginning of the following year, resulting in higher payables at the end of the year and significant cash outflows during January and February. Furthermore, a significant portion of our tooling receivables balances are collected from our clients typically before year-end, resulting in cash inflows and a reduction in receivables at the end of the year. Our results of operations, cash flows and liquidity may therefore be impacted by these seasonal practices. However, our strong geographic, customer and product diversification allows us to take advantage of global production cycles and has mitigated the impact of regional demand fluctuations during the year on our business.

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

We seek to limit our foreign exchange transaction risk by purchasing and manufacturing products in the same country where we sell to our 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. 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, 2015 and 2014 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 are less than the depreciation of our assets. Land is not depreciated and is presented net of any impairment charges.

Property, plant, and equipment is carried at either acquisition or production cost, including all the costs and expenses directly related with assets acquired until ready for use, less accumulated depreciation and any impairment losses.

Certain major parts of some items of plant and equipment may require replacement at irregular intervals. The cost of these parts is capitalized when the part is replaced and depreciated over their estimated useful lives. The net carrying amount of replaced parts is retired with a charge to income when the replacement occurs. Ordinary repair or maintenance work is not capitalized.

An item of property, plant, and equipment is retired upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on retirement of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is included in the income statement in the year the asset is retired. Borrowing costs directly attributable to the acquisition or development of a qualifying asset (which is an asset that takes more than one year to be ready for its intended use) are capitalized as part of the cost of the respective assets.

Other operating expenses

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

Financial income (expenses)

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

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

Exchange gains (losses)

Exchange gains (losses) 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.

The Dollar notes are considered a hedge of equity invested in companies in the United States, so exchange differences arising from the valuation at the year-end exchange rate in 2015 are considered "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 2015 was 28% while in 2014 and 2013 it was 30%. The "differences in prevailing rates" in 2015 and 2014 reflects the differences between prevailing rates in certain operating markets and the theoretical applicable rate, mainly relating to operations taxed in the US, Brazil (34%), and Argentina (35%).

The permanent differences 2014 and 2013 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. Also, in 2015 "Other tax adjustments" includes adjustments to capitalized tax credits related to differences in tax rates.

Profit (loss) attributable to non-controlling interests

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, 2015, 2014 and 2013 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, 2015 compared to year ended December 31, 2014

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

	Year ended December 31,		
	2014	2015	% Change
	(€ millions)		
Consolidated Income Statement Data:			
Operating income	**6,411.3**	**7,202.3**	**12.3%**
Revenue	*6,255.8*	*7,034.5*	*12.4%*
Other operating income	*126.6*	*156.9*	*23.9%*
Changes in inventories	*29.0*	*10.9*	*(62.4)%*
Operating expenses	**(6,073.9)**	**(6,802.1)**	**12.0%**
Raw materials and other consumables	*(3,885.8)*	*(4,308.6)*	*10.9%*
Personnel expenses	*(1,124.9)*	*(1,258.0)*	*11.8%*
Depreciation, amortization, and impairment losses	*(319.0)*	*(360.1)*	*12.9%*
Other operating expenses	*(744.2)*	*(875.4)*	*17.6%*
Operating profit	**337.5**	**400.2**	**18.6%**
Finance income	9.6	13.3	38.5%
Finance expenses	(138.6)	(121.9)	(12.1)%
Exchange gains (losses)	(7.6)	(24.7)	NM
Other	(10.2)	(14.2)	39.2%
Profit for the year from continuing operations	**190.7**	**252.8**	**32.6%**
Income tax expense	(60.3)	(63.9)	6.0%
Profit for the year	**130.4**	**189.0**	**44.9%**
(Loss) from discontinued operations	(1.6)	—	NM
(Loss) attributable to non-controlling interests	(3.1)	(27.4)	NM
Profit attributable to equity holders of the parent	**125.7**	**161.5**	**28.5%**

Revenue

Revenue increased by €778.7 million, or 12.4%, to €7,034.5 million in 2015 from €6,255.8 million in 2014. The increase in revenue is primarily attributable to a €335.4 million or 33.9% increase in revenue in North America, as well as a €308.8 million or 9.4% increase in revenue in Western Europe and a €236.8 million or 32.0% increase in Asia. These increases were partly offset by a €101.9 million or 17.9% decrease in revenue in South America associated with lower sales in Brazil and a €0.4 million or 0.1% decrease in revenue in Eastern Europe associated primarily with lower sales in Russia. These lower sales in South America are due to a 20% decrease in the volume of production in our facilities located in such geographical area. Although the increase of the volume of global production in countries in which our manufacturing plants operate amounted to 2.8% for the year ended December 31, 2015, compared with the year ended

December 31, 2014, the increase of our revenues was higher as a result of the start in production of several new projects in the United States, Mexico, Spain and China.

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

	YTD December 31,		
	2014	**2015**	**% Change**
	(Millions of Euros)		
Revenue			
Body-in-White and Chassis	5,090.0	5,813.0	14.2%
Mechanisms	750.4	832.1	10.9%
Toolings and Others	415.4	389.4	-6.3%
Total	**6,255.8**	**7,034.5**	**12.4%**

Body-in-White and Chassis: Revenue increased by €723.0 million, or 14.2%, to €5,813.0 million in 2015 from €5,090.0 million in 2014. This increase was primarily attributable to a €324.4 million or 36.0% increase in revenue in North America; a €292.9 million or 11.1% increase in revenue in Western Europe; and €196.6 million or 35.9% increase in revenue in Asia. These increases were partly offset by a €89.5 million or 18.4% decrease in revenue in South America due to a 20% decrease in the volume of production in our facilities located in South America. Revenue also declined, by €1.3 million or 0.2%, in Eastern Europe.

Mechanisms: Revenue increased by €81.7 million, or 10.9%, to €832.1 million in 2015 from €750.4 million in 2014. This increase was primarily due to an increase of sales in the U.S., Spain, China and South Korea, partially offset by a decrease of sales in Brazil and France.

Tooling and Other: Revenue decreased by €26.0 million, or 6.3%, to €389.4 million in 2015 from €415.4 million in 2014. This decrease was primarily due to lower sales in the U.S., Germany, the United Kingdom, Brazil and South Korea, partially offset by an increase in Spain, Argentina and China. Tooling revenues are linked to projects under development and do not recur over time in a linear fashion.

Operating expenses

Raw materials and other consumables. Raw materials and other consumables increased by €422.8 million, or 10.9%, to €4,308.6 million in 2015 from €3,885.8 million in 2014. The increase in raw materials and other consumables expenses in 2015 is mainly due to higher sales volumes in Western Europe, North America, and Asia and is consistent with the rate of growth of sales.

Personnel Expenses. Personnel expenses increased by €133.1 million, or 11.8%, to €1,258.0 million in 2015 from €1,124.9 million in 2014. This increase was primarily due to higher sales volume in Western Europe, North America and Asia partially offset by a decrease in Brazil and Russia due to lower sales volume. The increase in volume of production has allowed us to spread our personnel costs over higher revenue, such that the percentage increase in 2015 in personnel expenses is lower than the corresponding increase in revenues. Furthermore, for the purposes of covering additional needs arising from higher activity levels, we increased the recruitment of temporary workforce, the cost of which is reflected under "Other Operating Expenses."

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

Other Operating Expenses. Other operating expenses increased by €131.2 million, or 17.6%, to €875.4 million in 2015 from €744.2 million in 2014. This increase was primarily due to higher sales volume in the Americas, Western Europe, Asia and Eastern Europe as a result of increased recruitment of temporary workers and maintenance costs. This increase was offset by a decrease in sales in Russia and Brazil.

Operating profit

Operating profit increased by €62.7 million, or 18.6%, to €400.2 million in 2015 from €337.5 million in 2014. This increase was primarily due to the higher sales volume and lower percentage increase in operating costs. Our higher sales volume has not resulted in corresponding increases in our fix costs structure resulting in a better distribution of our fix costs within our overall costs structure.

EBITDA

EBITDA increased by €103.8 million, or 15.8%, to €760.3 million in 2015 from € 656.5 million in 2014 primarily due to a greater increase in revenue than in our operating expenses, as well as improvements in our margins.

Net financial income (expenses)

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

Exchange gains (losses)

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

Income tax

Income tax expense increased by €3.6 million, or 6.0%, to €63.9 million in 2015 from €60.3 million in 2014, which has resulted in a decrease in the average tax rate from 31.6% in 2014 to 25.3% in 2015. This increase in the income tax was primarily due to higher profit from continuing operations in 2015 compared t o 2014.

Profit attributable to non-controlling interest

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

Year ended December 31, 2014 compared to year ended December 31, 2013

The table below sets out our results of operations for the year ended December 31, 2014, compared to the year ended December 31, 2013, as restated to give effect to the adoption of IFRS 10 and IFRS 11. See "Presentation of Financial and Other Data."

	Year ended December 31, 2013 (restated)	2014	% change
	(€ millions)		
Consolidated Income Statement Data:			
Operating income	**6,001.3**	**6,411.4**	**6.8%**
Revenue	*5,853.3*	*6,255.8*	*6.9%*
Other operating income	*133.3*	*126.6*	*(5.0)%*
Changes in inventories	*14.7*	*29.0*	*97.3%*
Operating expenses	**(5,699.3)**	**(6,073.9)**	**6.6%**
Raw materials and other consumables	*(3,582.7)*	*(3,885.8)*	*8.5%*
Personnel expenses	*(1,068.3)*	*(1,124.9)*	*5.3%*
Depreciation, amortization, and impairment losses	*(306.7)*	*(319.0)*	*4.0%*
Other operating expenses	*(741.6)*	*(744.2)*	*0.4%*
Operating profit	**302.0**	**337.5**	**11.8%**
Finance income	18.5	9.6	(48.1)%
Finance expenses	(138.9)	(138.6)	(0.2)%
Exchange gains (losses)	(31.6)	(7.6)	(75.9)%
Other	(14.7)	(10.2)	(30.6)%
Profit for the year from continuing operations	**135.3**	**190.7**	**40.9%**
Income tax expense	(29.6)	(60.3)	103.7%
Profit for the year	**105.7**	**130.4**	**23.4%**
(Loss) from discontinued operations	—	(1.6)	—
Profit (loss) attributable to non-controlling interests	8.3	(3.1)	NM
Profit attributable to equity holders of the parent	**114.0**	**125.7**	**10.3%**

Revenue

Revenue increased by €402.5 million, or 6.9%, to €6,255.8 million in 2014 from €5,853.3 million in 2013. The increase in revenue was primarily attributable to a €186.0 million or 33.6% increase in revenue in Asia; a €166.3 million or 20.2% increase in revenue in North America; and a €156.6 million or 5.0% increase in Western Europe. These increases were in part offset by a €108.4 million or 9.9% decrease in revenue in Eastern Europe and South America associated with lower sales in Russia, Argentina and Brazil.

The following table sets forth, by product category, our revenue for the years ended December 31, 2014 and 2013:

	YTD December 31, 2013	2014	% Change
	(Millions of Euros)		
Revenue			
Body-in-White and Chassis	4,744.4	5,090.0	7.3%
Mechanisms	702.9	750.4	6.8%
Toolings and Others	406.0	415.4	2.3%
Total	**5,853.3**	**6,255.8**	**6.9%**

Body-in-White and Chassis: Revenue increased by €345.6 million, or 7.3%, to € 5,090.0 million in 2014 from €4,744.4 million in 2013. This increase was primarily due to higher sales in North America, Western Europe and Asia partially offset by a decrease of sales in South America and Russia.

Mechanisms: Revenue increased by €47.5 million, or 6.8%, to €750.4 million in 2014 from €702.9 million in 2013. This increase was primarily due to an increase of sales in United States, Spain, China, Germany and South Korea partially offset by a decrease of sales in Brazil and France.

Tooling and Other: Revenue increased by €9.4 million, or 2.3%, to €415.4 million in 2014 from €406.0 million in 2013. This increase was primarily due to higher sales in Asia and South America partially offset by a decrease of sales in Eastern Europe and North America.

Operating expenses

Raw materials and other consumables. Raw materials and other consumables increased by €303.1 million, or 8.5%, to €3,885.8 million in 2014 from €3,582.7 million in 2013. The increase in raw materials and other consumables expenses in 2014 is mainly due to higher sales volume in North America, Western Europe and Asia and is consistent with the rate of growth of sales.

Personnel Expenses. Personnel expenses increased by €56.6 million, or 5.3%, to €1,124.9 million in 2014 from €1,068.3 million in 2013. 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, and to the decline in activity in some geographies, not fully offset by reductions in labor.

Depreciation, amortization and impairment losses. Depreciation, amortization and impairment losses increased by €12.3 million, or 4.0%, to €319.0 million in 2014 from €306.7 million in 2013, largely as a result of depreciation of new investments carried out during 2013 and during 2014, particularly in Asia and the Americas, as well as in the Mechanisms business unit in general.

Other Operating Expenses. Other operating expenses increased by €2.6 million, or 0.4%, to €744.2 million in 2014 from €741.6 million in 2013. This increase was largely in the areas of maintenance and external services. In 2013, operating expenses could not be fully adjusted to reflect the lower than expected volume, but in 2014, these operating expenses have been adjusted to the volume of activity.

Operating profit or loss

Operating profit increased by €35.5 million, or 11.8%, to €337.5 million in 2014 from €302.0 million in 2013, largely due to the higher sales volume and lower percentage increase in operating costs.

EBITDA

EBITDA increased by €47.8 million, or 7.9%, to €656.5 million in 2014 from € 608.7 million in 2013 primarily due to a greater increase in revenue than in our operating expenses.

Net financial expenses

Net financial expense increased by €8.6 million, or 7.1%, to €129.0 million in 2014 from €120.4 million in 2013. This increase was primarily due to a higher weighted average of financial debt in 2014 compared to 2013.

Exchange gains (losses)

Exchange losses decreased by €24.0 million to €7.6 million in 2014 from €31.6 million in 2013. In 2014 adverse currency movements in Russia had the most impact, whereas in 2013 the impact from adverse currency movements came mainly from East Europe (Russia and Turkey), South America (Brazil and Argentina) and Asia (India).

Income tax

Income tax expense increased by €30.7 million, or 103.7%, to €60.3 million in 2014 from €29.6 million in 2013, which has resulted in an increase in the average tax rate from 21.9% in 2013 to 31.6% in 2014. This increase in the income tax was primarily due to an increase in taxable income in 2014 generated in jurisdictions with higher tax rates like Brazil, United States, and Germany; and the effect of changes in future tax rates in Spain.

Profit attributable to non-controlling interest

Profit attributable to non-controlling interest increased by €11.4 million to profit of €3.1 million in 2014 from losses of €8.3 million in 2013. This increase in profit attributable to our non-controlling interest is attributable to the higher profits or lower losses achieved by our subsidiaries in which third parties hold a minority interest, such as our joint ventures in United States, Turkey and Brazil.

Liquidity and capital resources

Historical cash flows

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

	Year ended December 31,		
	2013	**2014**	**2015**
	(€ millions)		
Cash flows from operating activities:			
Profit for the year before taxes and after minority interest	**143.6**	**187.6**	**225.4**
(Loss) for the year from discontinued operations net of taxes	**—**	**(1.6)**	**—**
Adjustments to profit	**396.5**	**420.9**	**542.1**
Depreciation and amortization of fixed assets and PP&E	*304.0*	*318.9*	*356.4*
Impairment of fixed assets and PP&E	*2.7*	*0.1*	*3.7*
Impairment	*(1.0)*	*(11.0)*	*5.6*
Change in provisions	*(30.4)*	*(9.9)*	*31.2*
Grants released to income	*(5.2)*	*(5.4)*	*(6.6)*
Profit (loss) attributable to non-controlling interests	*(8.3)*	*3.1*	*27.4*
Profit (loss) from disposal of fixed assets and PP&E	*(0.4)*	*1.4*	*(1.8)*
Profit from disposal of financial instruments	*12.3*	*—*	*13.8*
Financial income	*(18.5)*	*(9.6)*	*(13.3)*
Financial expenses	*138.9*	*138.6*	*121.8*
Share of profits from associates—equity method	*2.3*	*3.2*	*0.4*
Exchange rate differences	*—*	*(12.0)*	*4.9*
Other income and expenses	*0.1*	*3.5*	*(1.4)*
Changes in working capital	**32.1**	**151.8**	**9.7**
(Increase) in Inventories	*(19.2)*	*(38.8)*	*(19.9)*
(Increase)/Decrease in Trade and other receivables	*(125.2)*	*84.5*	*(141.6)*
(Increase) in other current assets	*(2.9)*	*(6.6)*	*(5.2)*
Increase in Trade and other payables	*183.6*	*120.2*	*171.1*
Increase/(Decrease) in other current liabilities	*(4.2)*	*(7.5)*	*5.3*
Other cash-flows from operating activities	**(205.1)**	**(193.2)**	**(177.2)**
Interest paid	*(157.1)*	*(139.8)*	*(113.1)*
Interest received	*20.1*	*7.2*	*8.7*
(Payments) of income tax	*(68.1)*	*(60.6)*	*(72.8)*
Cash flows from operating activities	**367.1**	**565.5**	**600.0**
Cash flows from investing activities:			
Payments on investments	**(715.5)**	**(548.4)**	**(626.6)**
Group companies and associates	*(11.8)*	*(28.8)*	*(2.0)*
Intangible assets	*(101.9)*	*(70.0)*	*(88.3)*
Property, plant and equipment	*(571.7)*	*(382.0)*	*(528.0)*
Other financial assets	*(30.1)*	*(67.6)*	*(8.3)*
Proceeds from divestments	**59.0**	**100.8**	**92.1**
Group companies and associates	*7.3*	*10.4*	*28.4*
Intangible assets	*—*	*1.1*	*0.6*
Property, plant and equipment	*43.2*	*12.5*	*20.2*
Other financial assets	*8.5*	*48.4*	*4.3*
Other assets	*—*	*28.4*	*38.6*
Cash flows from investing activities	**(656.5)**	**(447.6)**	**(534.5)**
Cash flows from financing activities:			

Proceeds and payments on equity instruments	**171.0**	**(6.5)**	**(28.0)**
Change in non-controlling interests	*165.3*	*(11.3)*	*(32.2)*
Grants, donations and legacies received	*6.9*	*5.0*	*5.8*
Other equity movements	*(1.2)*	*(0.2)*	*(1.6)*
Proceeds and payments on financial liabilities	**462.7**	**(130.9)**	**(120.9)**
Issue:	1,698.1	131.7	162.7
Bonds and other securities to trade	*756.5*	—	—
Interest-bearing loans and borrowings	*809.1*	*100.1*	*154.5*
Borrowings from Group companies and associates	*111.3*	*21.8*	—
Other borrowings	*21.2*	*9.8*	*8.2*
Repayment of:	(1,235.4)	(262.6)	(283.6)
Bonds and other securities to trade	—	—	*(20.4)*
Interest-bearing loans and borrowings	*(1,179.0)*	*(116.5)*	*(198.9)*
Borrowings from Group companies and associates	*(40.0)*	*(131.2)*	*(22.0)*
Other borrowings	*(16.4)*	*(14.9)*	*(42.3)*
Payments on dividends and other equity instruments	**(55.7)**	**(41.5)**	**(50.2)**
Dividends	(55.7)	(41.5)	(50.2)
Cash flows from financing activities	**578.0**	**(178.9)**	**(199.1)**
Effect of changes in exchange rates	**(28.0)**	**24.5**	**5.7**
NET INCREASE/DECREASE OF CASH OR EQUIVALENTS	**260.6**	**(36.5)**	**(127.9)**

Cash flows from operating activities

Our net cash flows from operating activities were €600.0 million in 2015, primarily attributable to (i) the profit for the year before taxes and after non-controlling interests of €225.4 million, as a result of increased activity and improvement of our operating margins; (ii) depreciation and amortization of €356.4 million; (iii) reduction of needs in working capital of €9.7 million; (iv) net cash payment of interest of €113.1 million; and (v) payment of income tax of €72.8 million. Our cash flow from operating activities were negatively impacted in 2015 by an increase in tooling in progress of €112.2 million, which was partially offset by an increase in non-recourse factoring of €73.3 million.

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

Our net cash flows from operating activities were €367.1 million in 2013, primarily attributable to (i) the profit for the year before taxes and after non-controlling interest of €143.6 million, as a result of increased activity; (ii) depreciation and amortization of €304.0 million; (iii) a reduction of needs of working capital of €32.1 million; (iv) net cash payments of interest of €137.0 million; and (v) payments of income tax of €68.1 million. Our cash flows from operating activities were negatively impacted in 2013 as a result of 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 offering of the notes, the implementation of the Senior Facilities and related refinancings undertaken during 2013, included in cash payments of interest.

Cash flows from (used in) investing activities

Our net cash flows used in investing activities were €534.5 million in 2015, primarily attributable to €528.0 million used in investments in new projects in Spain, Poland, Mexico, China, United States, United Kingdom and Germany.

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

Our net cash flows used in investing activities were €656.5 million in 2013, primarily attributable to €571.7 million used in investments in Spain, China, United States, United Kingdom, Brazil, Russia and Germany.

Cash flows from financing activities

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

- the net amortization of other interest bearing loans in the amount of €64.8 million (repayments of loans and borrowings of €198.9 million and repurchase of notes of €20.4 million and proceeds from loans and borrowings of €154.5 million);

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

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

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

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

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

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

Our net cash flows from financing activities were €578.0 million in 2013, primarily due to an increase of debts as a result of:

- the issuance of the notes in the amount of €756.5 million;

- the funding of the Senior Facilities of €570.0 million;

- the proceeds from the investments by Mitsui of €297 million through the acquisition of a 30% share in our Brazilian, Mexican, Argentinian and North American operations via several capital increases;

- the proceeds from the investments by COFIDES of €40.0 million through the acquisition of a 35% share in Gestamp Autocomponents (Shenyang), Co. Ltd and Gestamp Autocomponents (Dongguang), Co. Ltd.; and

- certain other bilateral facilities in Brazil, Turkey and Spain.

This increase was partially offset by:

- the net amortization of other interest bearing loans in the amount of €1,179.0 million;

- the execution of the purchase option to acquire the 49% minority interest shareholding in GMF Holding GmbH from Tocqueville Capital Company B.V. (which was owned by 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 €51.0 million in dividends to our shareholders and €4.7 million to shareholders in our subsidiaries.

Liquidity

Our principal source of liquidity is our operating cash flow, which is analyzed above. Our ability to generate cash from our operations depends on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control, as well as other factors discussed in the section entitled *"Risk Factors."*

Our long-term indebtedness primarily consists of the notes and €520.1 million in long-term portion of a funded senior secured amortizing Term Loan. In addition, we have a revolving credit facility in an amount of €280.0 million which currently remains undrawn, as well as €309.6 million in credit lines of which €41.0 million were drawn as of December 31, 2015. These credit lines are generally renewed each year and do not have any security and have customary covenants.

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 €51.0 million in 2013 (plus €4.7 million to shareholders in our subsidiaries), €33.9 million in 2014 (plus €7.6 million to shareholders in our subsidiaries) and €37.7 million in 2015 (plus €12.5 million to shareholders in our subsidiaries).

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

	As of December 31,		
	2013	**2014**	**2015**
	(€ millions)		
(Increase) in Inventories	(19.2)	(38.8)	(19.9)
(Increase)/Decrease in Trade and other receivables	(125.2)	84.5	(141.6)
(Increase) in Other current assets	(2.9)	(6.6)	(5.2)
Increase in Trade and other payables	183.6	120.2	171.1
Increase / (Decrease)	(4.2)	(7.5)	5.3
Total	**32.1**	**151.8**	**9.7**

Our working capital requirements largely arise from our trade receivables, which are primarily composed of amounts owed to us by our customers as well as unbilled tooling work in progress, inventories primarily composed of raw materials (mainly steel) and other current assets which comprise receivables accounts with the public treasury by the advanced payments of taxes or refunds of taxes. Our trade payables primarily relate to trade payables to our suppliers for raw materials and services, other amounts to the public treasury for taxes and payments to our employees by way of salaries. We have historically funded our working capital requirements through funds generated from our operations, from borrowings under bank facilities and through other sources of financing, such as recourse and non-recourse factoring of our accounts receivable. See Note 20 to our consolidated financial statements for the years ended December 31, 2015, 2014 and 2013 included elsewhere in this Annual Report.

Net working capital requirements decreased by €9.7 million in 2015 as compared to a decrease of €151.8 million in 2014. In 2015, working capital requirements decreased primarily as a result of the increase in trade and other payables by €171.1 million, with average days for payment to supplier increasing to 70 days in 2015 from 69 days in 2014, offset with the increase in trade and other receivables by €141.6 million, and this increase is primarily due to a higher volume of work in process of tooling.

Net working capital requirements decreased by €151.8 million during 2014, compared to a decrease of €32.1 million during 2013. The decrease in net working capital in 2014 was due to the decrease in trade and other receivables by €84.5 million in part from additional collections on tooling and also from a decrease in the average days for collection from customers to 41 days in 2014 from 42 days in 2013; and also due to an increase in trade and other payables, with average days for payment to suppliers increasing to 69 days in 2014 from 63 days in 2013.

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

Capital expenditures

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

	As of December 31,		
	2013	**2014**	**2015**
	(€ millions)		
Capital expenditures	637.4	483.3	622.4
Net payments on investments	630.4	438.4	595.5

Capital expenditures for the years ended December 31, 2013, 2014 and 2015 amounted to approximately €637.4 million, €483.3 million and €622.4 million, respectively. We define capital expenditures as consisting primarily 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 comprising 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 when we change the engineering of 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. Our estimated capital expenditure budget for 2016 is similar to our capital expenditure in 2015. We expect that our capital expenditure (including both maintenance and replacement capital expenditures and growth capital expenditure) will remain stable as a percentage of sales in the near term.

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

Contractual obligations

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

Our consolidated contractual obligations as of December 31, 2015 were as follows:

	As of December 31, 2015			
	Total	**Less than 1 year**	**1 - 5 years**	**More than 5 years**
	(Millions of Euros)			
Contractual obligations				
Interest bearing loans and borrowings	1,730.9	282.9	1,442.8	5.2
Financial leases	35.2	6.3	10.0	18.9
Borrowings from associated companies	79.0	10.5	53.0	15.5
Other financial debts	39.4	0.0	23.8	15.6
Total Financial Debts	**1,884.5**	**299.7**	**1,529.6**	**55.2**
Operating leases	439.8	75.6	227.8	136.4
Non interest bearing loans	16.6	0.0	14.0	2.6
Current non-trade liabilities	150.2	150.2	0.0	0.0
Current non-trade liabilities from associates companies	0.9	0.9	0.0	0.0
Total Contractual Obligations	**2,492.0**	**526.4**	**1,771.4**	**194.2**

Off-balance sheet arrangements

We generally do not utilize off-balance sheet arrangements.

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, 2015, 2014 and 2013 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, 2015, €4,181.8 million of our revenues (which represented approximately 59.4% 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.

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, Thai Baht, Turkish Lira, US Dollar and Japanese Yen.

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

- Foreign currency forward contracts: These arrangements lock in the price at which an entity can buy or sell a currency on a set date; the timing can be adjusted to align the transactions with the hedged cash flows.

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

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

		2015	
		Impact on Profit	
		(€ thousands)	
	Currency	**5% Fluctuation**	**−5% Fluctuation**
	Swedish krona	(1,021)	1,021
	US dollar	817	(817)
	Hungarian florint	(419)	419
	Sterling	830	(830)
	Mexican peso	1,200	(1,200)
	Brazilian reais	(565)	565
	Chinese renminbi	2,093	(2,093)
	Indian rupee	349	(349)
	Turkish lira	90	(90)
	Argentine peso	(98)	98
	Russian ruble	(296)	296
	Korean won	249	(249)
	Polish zloty	(89)	89
	Czech koruna	66	(66)
	Japanese yen	60	(60)
	Thailand Baht	10	(10)
Impact in absolute terms........................		**3,276**	**(3,276)**
Effect in relative terms		**2.0%**[1]	**(2.0)%**[1]

(1) Effect in relative terms is calculated by dividing impact in absolute terms by profit attributable to equity holders of parent company of €161.5 million.

Interest rate risks

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

Assuming a 50 basis point variation in the average interest rate on our floating interest rate financial borrowings and assuming that all other variables remained constant, the finance cost would not have been materially different as of December 31, 2013 and would have been €0.1 million higher or lower both in the years ended December 31, 2014 and 2015.

Liquidity risk

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

Credit risk

Credit risk is concentrated primarily in our accounts receivable. Our management considers that our counterparties are creditworthy, multinational companies. 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, 2013, 2014 and 2015 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 one of the world's largest suppliers of automotive components and assemblies. We design, develop, manufacture and sell highly engineered body and chassis components and mechanisms to original equipment manufacturers ("OEMs"), primarily for use in the production of light vehicles. We have cultivated strong relationships with our OEM customers by offering them leading technologies through our extensive global footprint of 95 production facilities in 20 countries over four continents as of December 31, 2015. Our technological leadership and extensive geographical and customer footprint allow us to take advantage of global growth opportunities while maintaining a conservative, diversified risk profile.

We offer our OEM customers a diverse product portfolio as a Tier 1 supplier of body-in-white ("Body-in-White") and chassis ("Chassis") structures and complex assemblies, opening systems and mechanisms ("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 visible 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 that enable the user to open and shut the automobile's hood, side and rear doors and lift-gates, as well as pedal systems and hand brakes. Mechanisms also include powered systems that allow automobile doors to open and close electrically and by remote activation.

- *Other products:* We design, engineer, manufacture, service and sell dies and tools in support of our customers. We also design, manufacture and sell presses.

In 2015, our revenue was €7,034.5 million and our EBITDA was €760.3 million, or approximately 20% and 25% higher than in 2013, respectively. Of our total revenue for the year ended December 31, 2015, €5,813.0 million, or approximately 82.6%, was derived from Body-in-White and Chassis and €832.1 million, or approximately 11.8%, was derived from Mechanisms during the same period.

We believe that we are one of the two leading suppliers 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. In Mechanisms products, we believe that we are the clear market leader in Western and Eastern Europe, and in South America, with estimated regional market shares between 40% and 50% in 2015.

Our expertise is in developing and producing light-weight components, which help our customers meet CO_2 emissions targets while at the same time enhancing the safety features of their vehicles. We believe we are one of the very few truly global suppliers to OEMs in our product portfolio, with the capacity to meet the same high standards worldwide, either where the same vehicle model is produced in several regions, or where the same vehicle platform is used across different models globally. Our leading technologies, global footprint and proven track record in executing complex projects set us apart from many of our competitors in the industry and have allowed us to secure strong relationships with almost all major global automakers, including Volkswagen AG (“Volkswagen”), Daimler AG (“Daimler”), the Renault-Nissan Alliance (“Renault Nissan”), Ford Motor Company (“Ford”), Peugeot Citroën (“PSA”), Bayerische Motoren Werke AG (“BMW”), General Motors Company (“General Motors”) and Fiat Chrysler Automobiles N.V. (“Fiat Chrysler), each of which accounted for more than 5% of our component sales for the year ended December 31, 2015. In addition, our leading technologies have allowed us to rapidly grow our revenue with other OEMs, such as Jaguar Land Rover Limited (“Jaguar Land Rover”) and Honda Motor Company (“Honda”).

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

Our segment within the automotive components market has been, and continues to be, particularly characterized by the secular trend of OEMs outsourcing an increasing share of a vehicle’s metal components content as they shift more of their capital spending to other areas. This trend impacts our organic investment and sales growth, particularly as OEMs increasingly rely on fewer, larger, well-capitalized and trusted partners.

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

Our Strengths

Technological leadership leveraged over a global footprint

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 R&D capabilities and technological leadership, combined with our global footprint, enable us to capitalize on the OEM customer needs evolving from these regulatory requirements.

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 steels, which find their application in many body parts of the car where such steel helps to reduce vehicle weight and improve fuel and emissions efficiency, while also improving safety in a cost-effective manner. Many of our products are manufactured using our state-of-the-art technologies in press hardening (also known as hot stamping) and other high strength steel stamping processes. These products, which provide tailored material performance, deformation control and energy absorption potential, offer superior safety and weight reduction, differentiate us from our competitors and help us achieve leading positions in the industry.

Although the share of steel products we produce largely reflects the share of steel used by our OEM customers in the vehicles they produce, we also apply aluminum in several of our plants to produce aluminum components for several of our OEM customers, including for BMW in North America, Jaguar Land Rover in the United Kingdom, Audi and other OEMs in Spain, as well as for selected OEMs in Germany. We are a strategic partner for some important premium brands in aluminum chassis development, and we collaborate with them in light-weighting and aluminum technologies. We also use carbon fiber in numerous prototype development projects as part of our work on multi-material solutions for our customers. We are active in R&D with regard to new material applications and joining technologies and believe that we are well positioned as a multi-material solutions provider to employ the best combinations between steel, aluminum and all types of fiber components (or other materials such as carbon) for our OEM customers.

Our innovative products and market leading processes are developed through our R&D platform, which has a dedicated team of over 1,300 employees, spread across 12 facilities around the globe, and we are committed to continued investment in R&D. For example, in 2014, we inaugurated a new R&D center in Bielefeld, Germany, focused on our Chassis operations, and we continue to enhance and grow our R&D platforms, particularly in North America and Asia where proximity to OEM customer headquarters is improving our market position with OEMs in Asia and North America. In North America we will inaugurate a new R&D center at the end of 2016 and in Asia, we will open a new R&D product design center in Japan after the summer in 2016 and in parallel our Body-in-White business unit will start operating from our existing R&D center in China.

Selected recent examples of our R&D success include the collaboration of our engineers with Honda in Japan, whereby we were able to provide Honda with key input in the design phase of a number of its vehicle components, demonstrating to its engineers the potential for our tailored material property press hardening technology to reduce weight and increase safety in a cost-effective manner. This co-development work significantly enhanced our relationship with Honda, generating combined product patents that are jointly shared among Gestamp and Honda, the eighth largest OEM by production volume in 2015. This led to new orders at our West Virginia plant in 2014 for components for the new Honda Civic, which launched production in late 2015 and which also led to follow-on nominations in 2015 for components for the Honda CR-V (which is expected to launch by the end of 2016), as well as the Honda Accord (which is expected to launch in the second half of 2017). The Honda Civic, which won the 2016 North American Car of the Year Award, where safety is among the selection criteria, features our soft zone hot stamping technology. We also won the steel award in the area of US winners of the 2016 annual Great Designs in Steel (GDIS) Automotive Excellence Award for advanced high-strength steel innovations.

We believe that our technological leadership will allow us to continue to gain share in markets where we remain under-represented (such as North America) and will allow us to further penetrate OEMs that have not historically represented a share of our total revenue in line with their share of global production volumes, such as with Japanese automakers who generally have tended to use their captive or semi-captive supplier networks ("*keiretsu*"). Our ability to use technology and our co-development capabilities to win project nominations has particular potential in Body-in-White, as the OEM tendency to co-develop with suppliers in this segment is relatively nascent. Recent developments other Japanese OEMs in advanced crash system development indicates similar improvement in terms of weight reduction combined with performance increase and cost reduction potential, which leads us to believe in similar future success as those realized with Honda to date.

Our in-house tooling and project management capabilities and our proven track record of successfully managing large, challenging projects, complement our product development and technological expertise and help us win major project awards. We believe we are among the few Tier 1 suppliers that have significant, sophisticated in-house tooling capabilities. These in-house resources give our OEM customers the necessary confidence that we will be able to execute high-content, complex projects on time and according to the required quality standards. For example, for the first vehicle that Audi will produce in North America, we have been entrusted with significant hot stamping of structural parts and assembly content for the Q5 in Puebla, Mexico. We were also entrusted by Volkswagen to manufacture "Class A" surfaces, Body-in–White structural components and Chassis components in Chattanooga for the Cross-Blue, their first midsize SUV to be produced in the North American market, with start of production expected by the end of 2016.

In Chassis, we are developing innovative solutions for components, focused on weight reduction, passenger safety and cost savings applying advancements in materials, technologies and processes. Our R&D teams in Chassis are developing hybrid solutions involving steel pressings combined with glass or carbon compounds, and is active with premium OEMs in developing aluminum solutions. Our Chassis business unit is also working on solutions tailored for electric vehicles.

In Mechanisms, our R&D teams continue to develop and design innovative hinge systems, driver control and powered systems, focused on weight reduction, ease of use in entering and exiting the vehicle, as well as safety. With regard to weight reduction, our teams have developed hinge systems using aluminum, plastic reinforced with carbon fiber, as well as high strength steel. Products developed by us also protect pedestrians. Our expertise in the development of spindle drives for powered liftgates as well as active/adaptive door checks enhance the passenger's experience entering and exiting the vehicle. In addition, the adaptive door check protects the vehicle door from collisions with the environment. We are perceived in Mechanisms as the innovation leader by our customers: We have introduced the first plastic door check (ECC Edscha Corporate Check) in the market, the first spindle drive for automatic liftgates and will next year be the first supplier worldwide who launches a carbon fiber hood hinge in the market.

Supporting 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, together with a high standardization of process equipment and process development, gives us a competitive advantage over many other suppliers. Full standardization, as shown by our own designed and manufactured press hardening equipment, is considered the basis for launching complex technologies with the highest quality requirement in the shortest time, offering as well technological back up strategies to reduce industrial risks.

Highly diversified revenue base across regions, customers and products

Diverse regional footprint

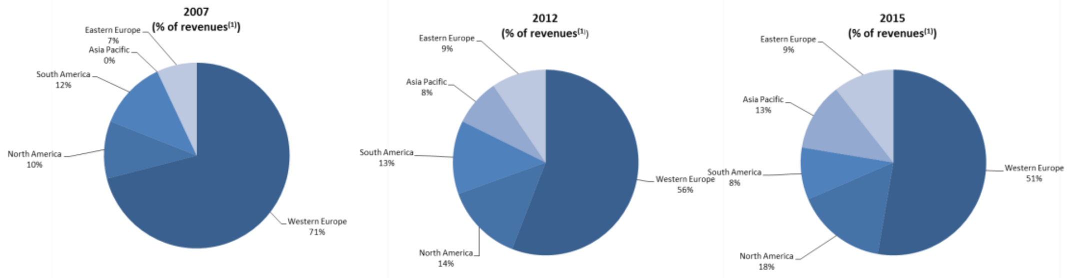
We have a geographically highly diversified global footprint with 95 production facilities in 20 countries over four continents as of December 31, 2015. Our customers often demand just-in-time and just-in-sequence component deliveries. Quality standards for many of the components we produce also require the distance travelled to the OEM to be minimized. These logistical and quality factors generally require that suppliers in our product segments be located close to OEMs' production facilities.

We have continued our successful trend to further diversify geographically, as evidenced by the growth in the share of our total revenues originating in North America and Asia, which amounted to 19% and 14% for the year ended December 31, 2015, respectively, compared to 14% and 8% for the year ended December 31, 2012. North America is now our third largest market, after Germany and Spain.

Our geographic expansion is based on a customer-focused approach. Therefore, while we decide when and where to expand our market presence based on the economic and strategic merits of each particular business opportunity, we tend to expand in regional markets in line with our customers' strategic needs. Once we have established a strategic supplier relationship with an OEM customer, particularly in locations outside its home market, it becomes difficult for that OEM to switch suppliers and we are well positioned to maintain or increase our business with that OEM.

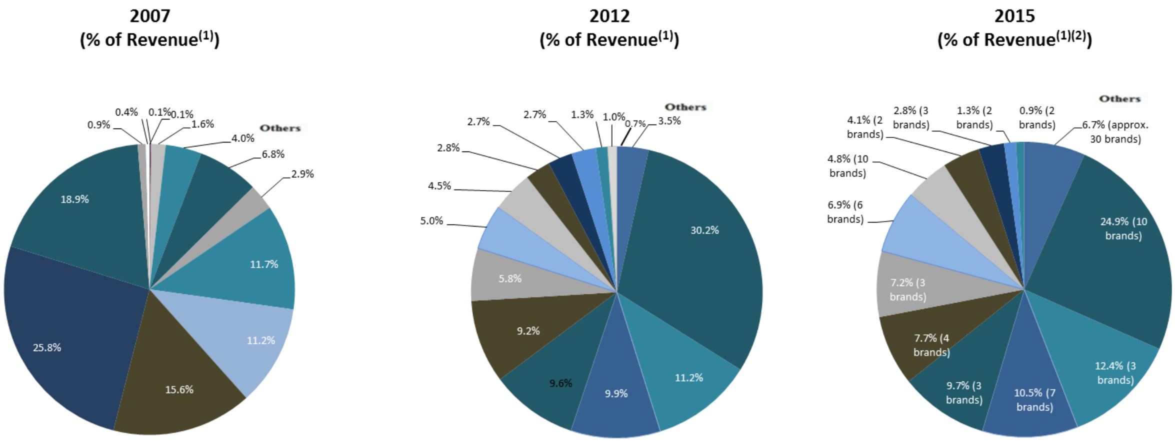
Our extensive geographic footprint also positions us to capitalize on growth in demand for our products from OEMs already established in a regional market (such as North American OEMs in North America or Western European OEMs in Europe), as well as from OEMs growing production outside their home markets (such as Western European OEMs in North America and Asia, or Japanese OEMs outside of Japan).

Our strong geographical diversification not only allows us to take advantage of global growth opportunities, it also mitigates the impact of regional demand fluctuations on our business. For example, the recent declines in vehicle production in Russia and Brazil have been more than offset by growth in Asia, North America and Western Europe, while production in Asia and South America during the global financial crisis in 2008 and 2009 mitigated the concurrent steep drop in vehicle production in North America during the same period.



(1) Based on manufacturing origin of sales.

Customer diversification



(1) Based on sales to OEMs (excluding tooling)
(2) Our revenues derived from each of our three largest OEM customers in 2015 were spread across a number of brands within each OEM. Our revenues from our largest OEM customer were derived from ten unique brands, our revenues from our second largest OEM customer were derived from three unique brands and our revenues from our third largest OEM were derived from seven unique brands.

Source: Company

We have a well-diversified customer base which, which through our successful development strategy, has expanded to include all of the 12 largest OEMs by production volume in 2015 (in addition to several smaller OEMs), as compared to seven of the largest OEMs by production volume in 2007. In the year ended December 31, 2015, our top three OEM customers accounted for 47.9% of our sales to OEMs (excluding tooling), compared to 60.3% in the year ended December 31, 2007. We continue to pursue a strategy of customer diversification and are increasing our penetration of OEMs such as Jaguar Land Rover, Honda, Toyota and others. Our dialogue with Japanese OEMs has been supported by our relationship with Mitsui & Co. Ltd. (“Mitsui”) through our joint ventures, and has been driven by an increased appreciation among Japanese OEMs of our technological leadership. For example, Honda's contribution to our North American revenues is expected to increase to 10% in the year ended December 31, 2016 from 2% in the year ended December 31, 2014.

In addition to diversification among customer groups, we supply a growing range of vehicle models for each customer. In 2015, we supplied components for 756 models for 16 different OEM groups.

Our customer diversification mitigates production volume risk to the extent that some brands perform better than others across different models at different points in time in a particular geography at the expense of their OEM competitors.

Diverse product portfolio

The general automotive supplier segment of metal components is comprised of a diverse number and type of parts and systems. The fact that we have expertise and an established leading market position not only in Body-in-White, but also in Chassis and Mechanisms, allows us to compete for vehicle content across hundreds of parts and assembled systems.

Our diverse product portfolio also supports our strategic relationships with OEMs, who are able to turn to us for innovative, market-leading and comprehensive product solutions across a wide scope of high-value vehicle content.

Leading market positions

We believe that are we one of the two leading suppliers 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. In Mechanisms products, we believe that we are the clear market leader in Western and Eastern Europe, and in South America, with estimated regional market shares between 40% and 50% in each region in 2015.

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. 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 automotive 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 few suppliers in our product segment who can support an OEM 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 often face substantial switching costs in replacing the supplier of a particular component or platform, particularly during the life cycle of a specific vehicle model, and the supplier of a particular car model is also often chosen for subsequent generations of that model. This is largely due to the long lead-time and significant investment required to set up the production and supply processes, 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 provide a competitive advantage over our competitors, entrench our strategic relationships with OEMs and encourage OEMs to entrust us with repeat and new business.

High revenue visibility, highly flexible cost-base and conservative 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 significant 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 into mid-term revenues. Each year, most of our revenues are derived from projects that continue into following years, given that vehicle cycles last several years. Based on current expectations, we believe that approximately 85% of the revenues we expect in the period between December 31, 2015 and December 31, 2018 will be generated by orders already in hand by the end of 2015. In addition, we believe we have a strong track record of winning replacement business, including nominations for content on subsequent cycles of car models for which we already manufacture components.

In addition, our OEM customers, our brand and model diversification, our 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 highly variable cost base, with limited exposure to raw material price volatility and limited maintenance capital expenditure once a project is ongoing. The primary raw material used in our business is steel, which in the last five years represented approximately 40% 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. Approximately 60% 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 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, with fixed costs accounting for less than 20% of our revenues in the year ended December 31, 2015. A significant part of our labor costs, which have represented between approximately 15% and 19% of our total annual sales in the last five years, are semi-variable in nature and can be adjusted to meet business needs.

Our conservative risk profile also derives from our areas of product focus. The automotive component segment in which we operate is highly independent of the type of motorization, irrespective of whether the vehicle is gasoline or diesel, internal combustion ("ICE") or EV, or hybrid. Therefore, we believe we are less exposed to the evolution of engine technology than other automotive suppliers. Moreover, our expertise in product development and manufacturing processes across a variety of materials reduces the risk of dependence on the success of any one type of material. Although the share of steel we use largely reflects the share of steel used by our OEM customers in the vehicles they produce, we use aluminum in several of our plants to produce components for several of our OEM customers globally. We are a strategic partner for Jaguar Land Rover in aluminum chassis development, and we collaborate with them in light-weighting and aluminum technologies. We also use carbon fiber in numerous prototype development projects as part of our work on multi-material solutions for our customers. We are active in R&D with regard to new material applications and joining technologies and believe that we are well positioned as a multi-material solutions provider to employ the best combinations of steel, aluminum and all types of fiber components (or other materials such as carbon) for our OEM customers.

Our conservative risk profile also extends to our financial condition. We have been able to maintain and improve conservative leverage ratios despite investing over €1 billion between 2013 and 2015, largely for growth projects whose full production are not yet reflected in our results of operations. Our EBITDA between the years ended December 31, 2013 and 2015 increased at a CAGR of 11.8%, while our net debt has remained stable, allowing us to reduce the ratio of net financial debt to EBITDA from approximately 2.5x to 2.0x during the same period.

Our highly variable cost-base, conservative risk profile and low operating leverage reduce the exposure of our operations to unpredictable externalities and constitute an important strength of ours.

Experienced management team and committed controlling shareholders focused on operational excellence and profitable growth

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 by maintaining double-digit EBITDA margins even during the global financial crisis in 2008 and 2009 and successfully integrating sizeable acquisitions in 2010 (Edscha) and in 2011 (ThyssenKrupp Metal Forming).

Our ultimate controlling shareholders, the Riberas family, have been instrumental in establishing and executing on our vision and strategy and continue to drive and support our profitable growth.

Our Strategies

Our mission is to be an indispensable 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.

Maintain and strengthen our technological leadership

We will continue to invest in research and development to maintain and enhance our ability to provide compelling, value-added solutions to our OEM customers. We aim to enhance existing technologies, to investigate and develop new processes and, in cooperation with the steel industry, to develop new materials, as well as to apply new combinations of materials to provide our customers with products and solutions, primarily to address weight reduction targets and to provide improved passenger and road user safety at an optimized cost. Our strategy is to leverage our technological competencies in order to win more content with our OEM customers, increasingly by way of co-development with the OEM of components for their new vehicle models.

Growth through continued enhancement of strategic relationships with our customers

We believe that a key to our success is to be strategically close to our OEM customers, with regard to product development and the alignment of our geographical expansion strategies. Providing solutions to our OEM customers has made us increasingly critical to their success. We intend to continue to reinforce this strategy as a means to increase our share of content with the OEMs.

Increase penetration of Asian OEMs

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 also believe that our technological leadership, particularly with regard to press hardening structural components, offers alternatives to Japanese OEMs that are superior to what is available to them within their traditional supplier networks. Our recent content wins with Honda for our West Virginia plant on the Honda Civic, CR-V and Accord are an example of our successful penetration of Japanese OEMs, with Honda's contribution to our North American revenues expected to increase to 10% in the year ended December 31, 2016 from 2% in the year ended December 31, 2014.

We further believe that our relationship with Mitsui enhances our relationships with Japanese OEMs globally.

We also intend to grow with other Asian OEMs where we are underrepresented vis-à-vis their share of global production.

Increase our share of the North American market

We are a leader in the North American market in the supply of metal components to German OEMs. Our strategy is to leverage our technological leadership and North American footprint (i) to grow alongside our European OEM customers as they grow in this market and (ii) to more deeply penetrate U.S. and Asian OEMs in the North American market.

Emissions standards have traditionally been tighter in Europe than in North America. As targets in the U.S. market have tightened, North American OEM producers are increasingly under pressure to reduce vehicle weight, which increases our potential to win content and market share in this market.

Position ourselves as first-choice supplier for profitable expansion into new markets

Our deep and long-standing customer relationships give us insight into their evaluation of opportunities in new markets. We study these opportunities in parallel with our OEM customers and often are the supplier of choice to accompany the OEM in a new market. We aim to position ourselves to be able to choose those opportunities which provide profitable growth potential for us.

Focus on reliability and maintenance of a conservative risk profile

We aim to continue to win and maintain the trust and confidence of our customers by demonstrating constant reliability and a conservative risk profile. We believe that a combination of factors such as our diversified footprint and revenue base, our consistent track record of meeting our customers' strategic needs in project execution, the maintenance of high quality standards globally, and our conservative financial policies, has demonstrated to our OEM customers that we are a reliable partner and has led to an increase in the content awarded to us by our OEM customers.

We will continue to diversify our revenue base, from a geographic, customer and product perspective, as well as our sources of financing, as a means to maintain and enhance our overall conservative risk profile and stability, which we believe gives our OEM customers confidence in us as a strategic supplier over the long term.

We aim to build on our proven track record of successfully managing projects which are highly demanding, whether due to scope and size, technological complexity, timing of execution, or geographic location. Our expertise in project management on a global scale, as well as our in-house tooling capabilities, give our OEM customers the necessary confidence that we will be able to successfully execute high-content, complex projects according to the required quality standards.

We believe that the maintenance of rigorous quality management systems in all of our manufacturing plants and R&D facilities is critical to our strategy.

Moreover, we aim to maintain a conservative financial profile even as we continue to make significant investments in growth projects.

Optimize efficiency in the utilization of resources

Operational excellence is deeply rooted in our organizational structure and culture. While our business units are centered on customers, products, process innovation and R&D, our geographical divisions are focused on improving manufacturing processes and profitability; each of our plants operates as a profit center. Our focus on operational excellence across all of our production and R&D facilities not only positions us as one of the technology, quality and innovation leaders in the industry, it also allows us to control costs and extract synergies globally.

Our purchasing platform allows us to derive efficiencies across a diverse supplier base, based on volume and disciplined sourcing policies and procedures. Our management of personnel endeavors to assure positive labor relations while maintaining flexibility and efficiency in labor costs.

Our capital expenditure is associated with disciplined growth, generally tied specifically to client project nominations. We apply a selective and disciplined approach to investments, which has significantly contributed to our growth in EBITDA from €608.7 million in 2013 to €760.3 million in 2015.

While we have executed on a more active acquisition strategy in the past through our strategic acquisitions of Edscha (2010) and ThyssenKrupp Metal Forming (2011), we are currently more focused on organic growth by participating in the secular trend of OEM outsourcing in our product segments and the consolidation and rationalization of the supplier base in collaboration with OEMs. In addition, since 2012, we have invested in 14 new manufacturing facilities (including both new manufacturing facilities and capacity expansion).

Maintain and enhance our corporate social responsability

We seek to build on our transparent relationships with all of our stakeholders, enhancing our ties in particular to our employees, our suppliers, our investors, as well as other social and institutional bodies surrounding our operations. We aim to achieve this by continuous improvement in our management processes, such as corporate governance, community programs and initiatives, as well as communication and institutional relations. This strategy is supported by our strong track record in compliance, internal controlling and risk management processes, and we maintain the highest standards of compliance as a strategic priority to ensure that we continue to meet the regulatory requirements of each jurisdiction in which we operate.

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

Body-in-White

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.

Chassis

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	• Front sub-frames • Rear axles
Links/Control arms	• 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	• Door checks
Powered systems	• Hinge systems
Driver controls	• 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

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 utilize 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 technologies 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

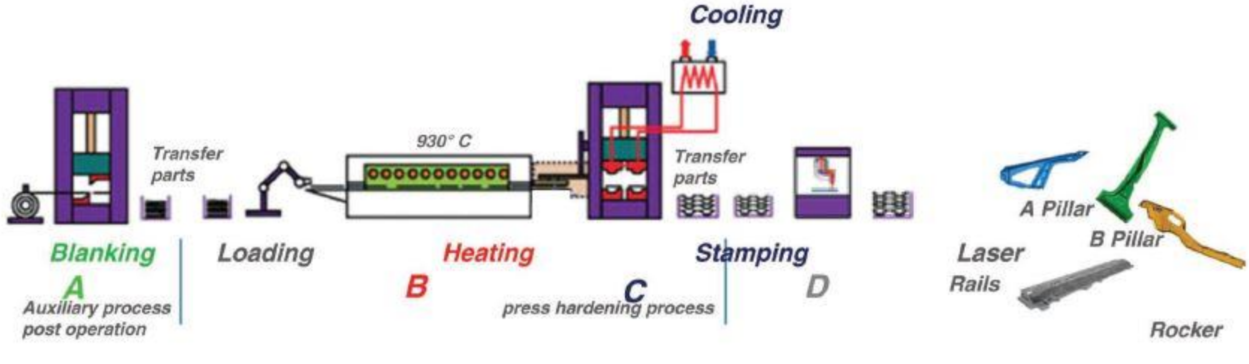
Dies or tools are the common terms for the equipment used in the stamping and forming processes to cut or form raw material into a required shape using a press. Our in-house tooling capabilities cover the entire tooling value chain from the initial process of die design to the secondary phase of prototyping,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

<u>Press Hardening or Hot Stamping</u>

Press hardening is an innovative process by which advanced ultra-high strength steel is formed into complex shapes more efficiently than with traditional cold stamping. The process involves the heating of the steel blanks until they are malleable, followed by formation and then rapid cooling in specially designed dies, creating in the process a transformed and hardened material. Because of this ability to efficiently combine strength and complexity, press hardened parts accomplish in one relatively light-weight piece what would typically require thicker, heavier parts welded together in more than one process under cold stamping. Press hardening parts therefore currently represent one of the most advanced lightweight solutions for the car body structure that simultaneously allows us to improve crash performance and the fulfillment of passenger safety requirements.

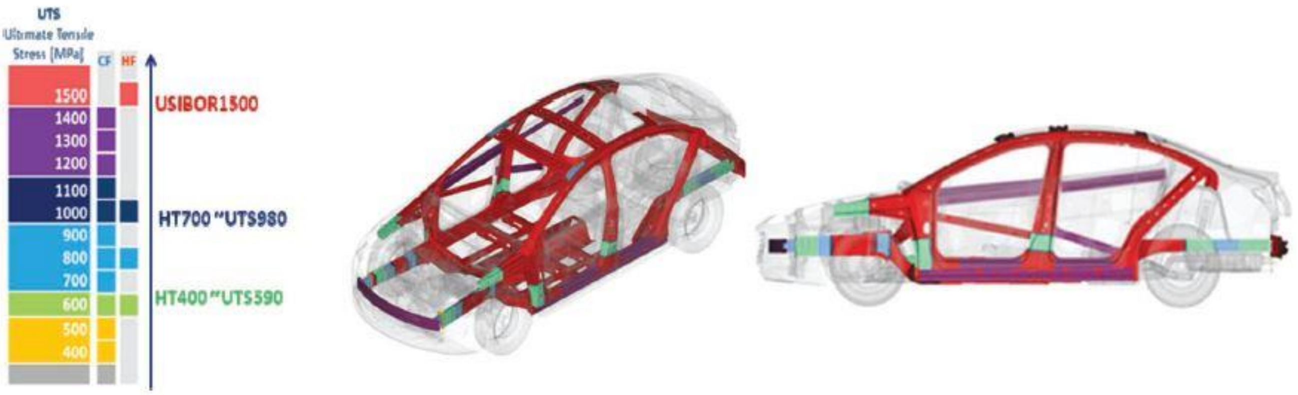
Set out below is a graphic description of the basic process of press hardening.



The press hardening process is comprised of four main steps. First, sheets of material are cut into blank units by a blanking line. The blanks are then loaded into an automatic furnace and heated over a defined period of time to 930°C. After the heating process is complete, they are transferred into a press. Immediately upon transfer into the press, the material is stamped to a complex shape while being cooled at a minimum cooling rate of 50°C per second while inside the die. The newly produced part has an ultra-high strength of 1500 Mpa, as opposed to ca. 550 Mpa with cold stamped boron steel. Following this process, the produced part needs to be cut and pierced using a laser.

We are the largest global supplier of press hardening parts and, our press hardening production lines cover the entire value chain from the manufacturing of our own dies to production lines.

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 where material thickness and strengths are required.

Roll forming is a cold forming process, where a coil strip is subjected to a bending operation by passing the strip through sets of rollers resulting in continuous deformation. Each set of rollers performs an incremental part of the bend, until the desired cross-section profile is obtained. This process is ideal for producing parts with constant profiles, long lengths and in large quantities. We operate several variations of roll forming and can also perform automatic cutting, piercing, separating and laser welding. With this range of capabilities we can manufacture parts with minimum material usage.

Hydroforming is a specialized type of cold forming that uses a high pressure hydraulic fluid to press room temperature tubes into a die. The process consists of pre-bending a metallic tube and placing this pre-shaped tube inside a die with the desired cross sections and forms, and applying pressure to the inside of the tube held by the die. During the blowing or forming of the tube held in the die, holes can be pierced into the tube thereby avoiding secondary operations in most cases. Hydroforming allows complex shapes with concavities to be formed, which would be difficult or impossible with standard stamping. Hydroforming is considered to be a cost-effective way of shaping metal into lightweight, structurally stiff, complex and strong pieces. One of the advantages of using this process is that it enables us to create a three dimensional tube that in cold stamping could only be manufactured by welding two shells together. The ability to deform thick materials makes this technology useful for chassis applications in particular.

Assembly

During the assembly stage, we effectively combine components of all our different manufacturing processes using welding, clinching and adhesive technologies. Our factories use the most advanced technologies for assembling complex parts such as complete chassis and engine cradles using advanced assembly technologies such as metal inert gas welding (MIG) or metal active gas welding (MAG). For advanced light weight products such as ultra high strength steel and press hardening parts, we use for cutting mainly solid state disc laser and for welding purposes we use cutting-edge laser welding and plasma technology of blanks in addition to resistant medium frequency (MF 1000Hz) spot welding technology for the assemblies. Our welding cells are typically highly automated and we use robots to perform several of the most precise operations inside the welding cells to achieve maximum cost reduction and ensure we produce the highest quality assemblies.

We use a special process of laser welding in all the different aspects of our production. For instance, the Tailor Welded Blank ("TWB") process involves the welding of two flat metal blanks, thereby creating a single product with different thicknesses or comprising several different types of materials. TWB products are important in the weight reduction of the car body structure and can be combined with any types of material for cold forming and press hardening.

Laser welding technology is not limited to flat material welding and is used also to weld different parts into an assembly. The advantages of laser welding are the very short time cycles and minimal deformation due to the reduced thermic effect.

Finishing

We use various finishing technologies such as shot blasting, zinc coating, powder coating and cataphoretic painting on our products. Shot blasting is used to clean surfaces such as uncoated steels, mainly in press hardening and to prepare parts for welding and painting. Zinc coating is used for maximum corrosion protection and is applied to chassis components. Powder coating and painting operations are the basis for any assembly for normal corrosion requirements. Finishing is always a fully automated process so as to guarantee the highest quality finish and to meet pre-agreed product specifications and requirements.

Processes specifically used in our Mechanisms segment

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 33,192 people as at December 31, 2015, over 1,300 employees were focused on R&D. In 2014, we inaugurated a new R&D center in Bielefeld, Germany, one of our largest R&D centers, where about 40 employees develop innovative chassis components for our OEM customers. During 2016, we will inaugurate additional R&D centers in China (Anting) and Japan (Tokyo), as well as in the United States (Detroit).

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. We help our OEM customers in the achievement of their objective to design as light as possible, enable a crash strategy with a robust crash performance, reduce their fleet emissions as well as to save lives on the street.

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. For example, thanks to the collaboration of our engineers with Honda on location in Japan, we were able to provide Honda with key input in the design phase of a number of its vehicle components, demonstrating to its engineers the potential for our press hardening technology to reduce weight and increase safety in a cost-effective manner. This co-development work significantly enhanced our relationship with Honda, generating combined product patents that are jointly shared among Gestamp and Honda, the eighth largest OEM by production volume in 2015, and led to new orders at our West Virginia plant in 2014 for components for the new Honda Civic, which launched production in late 2015 and which also led to follow-on nominations in 2015 for components for the Honda CR-V (to launch by the end of 2016) and the Honda Accord (to launch in the second half of 2017).

In Chassis, we are developing innovative solutions for components, focused on weight reduction, passenger safety and cost savings applying advancements in materials, technologies and processes. Our R&D teams in Chassis are developing hybrid solutions involving steel pressings combined with glass or carbon compounds, and is active with premium OEMs in developing aluminum solutions. Our Chassis business unit is also working on solutions tailored for electric vehicles.

In Mechanisms, our R&D teams continue to develop and design innovative hinge systems, driver control and powered systems, focused on weight reduction, ease of use in entering and exiting the vehicle, as well as safety. With regard to weight reduction, our teams have developed hinge systems using aluminum, plastic reinforced with carbon fiber, as well as high strength steel. Products developed by us also protect pedestrians. Our expertise in the development of spindle drives for powered liftgates as well as active/adaptive door checks enhance the passenger's experience entering and exiting the vehicle. In addition, the adaptive door check protects the vehicle door from collisions with the environment. We are perceived in Mechanisms as the innovation leader by our customers: We also have introduced the first plastic door check (ECC Edscha Corporate Check) in the market, the first spindle drive for automatic liftgates and will next year be the first supplier worldwide who launches a carbon fiber hood hinge in the market.

Our past R&D activities have resulted in a number of new proprietary manufacturing processes and products including, for example, the TMP design technology described above, which enables us to create specifically targeted material properties in precision targeted areas of the part and which allows our clients to optimize weight and control the crash performance. See "—Manufacturing processes".

The recent innovation programs at R&D are showing new material and process development in the ultrahigh strength steel press hardening areas where we managed to create a process using zinc coated boron steel. The result is an increase of productivity with a significant increase of corrosion protection at the same cost level. We believe furthermore that this new process technology in zinc will reduce investment levels for manufacturing equipment and that we will be at the forefront in offering this process to the OEMs in the coming years, resulting in a range of complete new press hardening design products.

Although the share of steel products we produce largely reflects the share of steel used by our OEM customers in the vehicles they produce, we apply aluminum in several of our plants to produce aluminum components for several of our OEM customers globally. We are a strategic partner for Jaguar Land Rover in aluminum chassis development, and we collaborate with them in light-weighting and aluminum technologies. We also use carbon fiber in numerous protoype development projects, as part of our work on multi-material solutions for our customers. We are active in R&D with regard to new material applications and joining technologies and believe that we are well positioned as a multi-material solutions provider to employ the best combinations of steel, aluminum and all types of fiber components (or other materials such as carbon) for our OEM customers.

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. For example, we routinely showcase our R&D capabilities to OEMs around the world. In 2015, we implemented several "Tech Shows" in China and Japan which have allowed us to increase the awareness of our brand, in particular with Toyota, Honda and Nissan, and have served as a basis for strengthening our long-standing business relations with our OEMs.

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 utilize in our operations, as well as our brand name, Gestamp.

Customers

Our leading technologies, global footprint and proven track record in executing complex projects set us apart from many of our competitors in the industry and have allowed us to secure strong relationships with almost all major global automakers, including Volkswagen, Daimler, the Renault-Nissan group, Ford, the PSA Peugeot Citroën group, BMW, General Motors and the Fiat Chrysler group, each of which accounted for more than 5% of our component sales in 2015, and to rapidly grow our revenue with other OEMs, such as Jaguar Land Rover and Honda.

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 certain emerging markets, 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. For example, we were entrusted by Volkswagen to manufacture Class A surfaces, Body-in–White structural components and Chassis components in Chattanooga for the Cross-Blue, their first midsize SUV to be produced in the North American market, with start of production expected by the end of 2016. This project is our 15th hot stamping line in North America and our 58th throughout our global footprint. As one of the top three Chassis suppliers worldwide, we are introducing our Chassis activity to the U.S. market through this project.

Further, the trend towards common platforms and global models provides automotive suppliers such as ourselves increased opportunities to supply larger volumes of products over longer time frames and to benefit from economies of scale. For example, the UKL (LU) platform, which is made for six different automobile models (with their different commercial variants), including BMW 1-Series, BMW 2-Series, BMW X1, Mini Clubman and Mini Countryman, was made by us in 11 different countries and is expected to reach peak annual production of 1.07 million vehicles in 2022. The MQB A0 platform is made for ten different automobile models (with their different commercial varients) including VW Polo, Seat Ibiza and Skoda Rapid and will be made in 13 different countries and is expected to reach peak annual production of 2.74 million vehicles in 2022.

Project awards 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.

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 the last five years represented approximately 40% of our sales. Approximately 60% 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 such 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 is 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 Magna International, Inc. (Cosma division) ("Magna"), Benteler 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, Tower 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, the severe macro-economic downturn and resulting steep declines in vehicle production have weakened and diminished the competition. In Asia, it is difficult to estimate our regional market position with any accuracy, as competitive dynamics can vary significantly by country. In Japan and South Korea, a significant proportion of parts are outsourced to companies that traditionally have close links to domestic OEMs, with local OEMs sometimes being the only major customer of the respective suppliers. In China, domestic OEMs still mostly work with domestic suppliers in body and structural components; however, while our exposure to the Chinese market is primarily through supplying foreign OEMs, we are growing our business with local Chinese OEMs as their requirements for more highly value additive products evolve.

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 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 and Magna 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 Mechanisms

We believe that we are the clear market leader by individual suppliers in Western and Eastern Europe combined and in South America. 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. In Mechanisms products, we believe that we are the clear market leader in Western and Eastern Europe, and in South America, with estimated regional market shares between 40% and 50% in 2015.

Key customer criteria for purchasing decisions

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

- Product quality
- Ability to manage complex projects
- R&D competencies
- Breadth of geographical manufacturing footprint
- Process technology competencies
- Tooling competencies across the value chain
- Price competitiveness
- Financial stability
- Partnership in consolidation/rationalization of the global automotive supplier base

We principally compete for new business both at the beginning of the development of new models and upon the redesign of existing models. Once a supplier has been designated to supply parts for a new program, an OEM usually will continue to purchase those parts from the designated producer for the life of the program, although not necessarily for a redesign. OEMs typically rigorously evaluate suppliers based on many criteria such as quality, price/cost competitiveness, system and product performance, reliability and timeliness of delivery, new product and technology development capability, excellence and flexibility in operations, degree of global and local presence, effectiveness of customer service and overall management capability.

We believe that we compete effectively with other leading suppliers in 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, there are very few global competitors in the areas of the industry in which we operate, as the financial and logistical constraints inherent in establishing and maintaining a true global presence are quite high. We compete with other companies with respect to certain of our products and in particular geographic markets. The number of our competitors has decreased in recent years and we believe will continue to decline due to continued supplier consolidation. We expect that OEMs will continue to be increasingly focused on the financial strength and viability of their supply base. We believe that such scrutiny of suppliers will result in additional contraction in the supplier base.

Joint ventures

Mitsui Investment in our American Operations

On January 4, 2013 we entered into an investment agreement with Mitsui pursuant to which Mitsui acquired a 30% minority stake in our operations in North and South America by investing €297.0 million in newly issued shares of Gestamp North America, Inc., Gestamp 2015, S.L., Gestamp 2016, S.L. and Gestamp Brasil Indústria de Autopeças, S.A. (collectively the "Holdcos"), our US, Mexican, Argentine and Brazilian sub-holding companies, respectively (the "Mitsui Investment"). We also entered into a shareholders' agreement with Mitsui to govern the terms of the Mitsui Investment and promote the efficient management of each of the Holdcos. The governance structure reflects our majority holding, with certain reserved matters on which both we and Mitsui must agree.

Each Holdco is required to fund its operations in any calendar year such that 20% of related capital costs are financed by debt and 80% are financed by retained earnings or capital contributions. The shareholders' agreement also contains certain restrictions on guarantees being given by any of the Holdcos or their respective subsidiaries for obligations of Gestamp Automoción and its affiliates. Subject to cash and working capital needs and certain additional obligations, the joint venture's policy would be that the Holdcos would declare and pay dividends which, on an aggregate annual basis, amount to the lesser of (i) 60% of the Holdcos' net profit; and (ii) the maximum amount permitted to be distributed under applicable law.

Subject to certain restrictions as regards transfers to competitors, the shareholders' agreement includes standard exit provisions including rights of last refusal, a tag-along right for Mitsui and a drag-along right for us. The shareholders' agreement also includes typical put options, both for us and for Mitsui on a change of control and, following a material default under the shareholders' agreement; a call option for us (where Mitsui is the defaulting party) and a put option for Mitsui (where we are the defaulting party). The shareholders' agreement also contains certain non-compete restrictions on Mitsui.

We believe that our relationship with Mitsui enhances our relationships with Japanese OEMs in general and supports us in our strategy for deepening supply relationships with Japanese OEMs outside of Japan, given the trend of Japanese OEMs towards shifting more of their production base outside of Japan to be closer to the markets with growing demand for vehicles.

Our other joint ventures include:

Severstal

In October 2008 our subsidiary Gestamp Levante, S.A. signed a shareholders' agreement with the Russian steel manufacturer JSC Severstal and its subsidiary Severstal Trade GesmbH, pursuant to which Gestamp incorporated a joint venture company in Spain, Todlem, S.L., which is the holding company of two operative companies in Russia, Gestamp Severstal Vsevolozhsk LLC and Gestamp Severstal Kaluga LLC. The current shareholding structure of the joint venture company is as follows: Gestamp (through the company

Gestamp Holding Rusia, S.L.): 74.98% of the share capital; Severstal (through Severstal Trade GesmbH): 25.02%. The governance structure reflects our majority holding, with certain reserved matters on which both we and Severstal must agree.

Beyçelik, A.S., joint venture with Faik Çelik Holding A.S.

On June 13, 2007, our subsidiary Gestamp Servicios, S.A. ("Gestamp Servicios") entered into a share purchase agreement with certain members of the Çelik family pursuant to which it acquired a 50% stake in Beyçelik Gestamp Kalip ve Oto Yan Sanayii Pazarlama ve ticaret A.S. (the "Beyçelik JV") for a total consideration (subject to certain adjustments) of €52.5 million. On July 27, 2007, Gestamp Servicios signed a shareholders' agreement with certain members of the Çelik family and Faik Çelik Holding A.S. (the "Local Shareholders"), pursuant to which the management of the Beyçelik JV is governed on a 50-50 basis. On July 11, 2012 the Beyçelik JV acquired 100% of the share capital of GMF Otomotiv Parçalari Sanayi Ve Ticaret Limited Şirketi (former ThyssenKrupp Otomotiv Parçalari Sanayi Ve Ticaret Limited Şirketi) ("GMF Otomotiv") from Gestamp Tallent Automotive Limited, and thus GMF Otomotiv became part of the joint venture with Faik Çelik Holding A.S. On March 17, 2016, the Beyçelik JV acquired from Faik Çelik Holding A.S. a 51.6% stake in the company Çelik Form Otomotiv A.S. (renamed as "Çelik Form Gestamp Otomotiv A.S.") ("Çelik Form"), for a purchase price of €9.05 million. On the same date, the shareholders' agreement signed between Gestamp Servicios and the Local Shareholders was amended to include Çelik Form under its scope.

Shanghai Edscha Machinery Co. Ltd.

On May 21, 1994 Edscha International Holding GmbH AG ("Edscha") signed a joint venture contract (which was transferred to Edscha Holding GmbH) with Shanghai Automotive Forging Works pursuant to which Edscha acquired a 50% interest in Shangai Edscha Machinery Co. Ltd., for a total initial contribution equivalent to approximately €1.8 million. In 2010, Shanghai Automotive Forging Works was merged into Shanghai Tractor and Internal Combustion Engine Co., Ltd. ("STICE").

Edscha Holding GmbH acquired from STICE 5% of its equity interests in Shanghai Edscha Machinery Co. Ltd. and increased its participation from 50% to 55%, effective as of January 1, 2013. The registered capital of STICE after the transaction is 45%, equal to $5,445,000, and of Edscha Holding GmbH is 55%, equal to $6,655,000.

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 95 production facilities in 20 countries, including ten new production facilities opened since 2012 but not including production facilities associated with unwound joint ventures or production facilities that have been consolidated, closed or sold, and with six additional plants under construction as of December 31, 2015. 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 West Virginia	USA	137,598	Leased	2013	NA
Gestamp Paraná	Brazil	135,783	Owned	1999	NA
Gestamp Baires Escobar	Argentina	129,507	Owned	2006	NA
Edscha Hengersberg Real State ..	Germany	118,136	Owned	1963	2010
Gestamp Ludwigsfelde	Germany	113,000	Owned	1991	2011
Gestamp Automotive India	India	107,500	Leased	2009	NA
Gestamp Shenyang	China	103,669	Owned	2012	2013
Gestamp Griwe Haynrode	Germany	100,889	Owned	1991	2000
Gestamp Kunshan	China	100,800	Leased	2008	NA
Gestamp Hungary	Hungary	100,000	Owned	1999	2003
Gestamp Taubate	Brazil	93,000	Owned	1996	1999

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

Region	Production Facilities	R&D Centers
Western Europe	46[(1)]	8
Eastern Europe	15	–
North America	13[(2)]	1
South America	12[(1)]	1
Asia	15[(2)]	2
TOTAL	101	12

(1) Includes one under construction.

(2) Includes two 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. As of December 31, 2015, we had 106 employees dedicated to environmental issues.

As manufacturers of automotive components, the environmental impact of our business has to be taken into account throughout the life cycle of the vehicle, 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 including 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.

We require 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 consumption:** Of energy, water and principle raw materials and stocked products;
- **CO_2 emissions:** We reduced our CO_2 emissions in 2015 by 3% relative to our CO_2 emissions in 2014. This was achieved through a variety of initiatives including, but not limited to, technical

improvements in manufacturing plants, acquisition of new equipment and general organizational and systems optimizations; and

- **Production and management of waste:** Each one of the plants reports the tons produced of the main categories of waste separated by hazardous and non-hazardous, so that they are managed in the most appropriate way.

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. At the end of the 2015, we had 168 employees dedicated to health and safety issues.

According to this policy, we use the same criteria when assessing the performance of any group 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 Indicator), we are able to evaluate the performance of our plants in terms of health and safety standards and to obtain information regarding their safety conditions and the degree to which those standards are implemented. Our plants may report on a quarterly basis the improvements that they have implemented in terms of health and safety to ensure that they comply with our standards.

According to (i) our Severity rate, which provides us with information regarding the number of accidents in our plants and their seriousness, as well as (ii) our Average Duration rate, with which we assess whether the results are due to the number of accidents or the severity thereof, we are able to monitor the efficiency of our health and safety policies. These rates refer to our own workers and those that are outsourced or who work for temporary employment agencies who perform our tasks or tasks that are necessary for our business.

	2013	2014	2015
Severity rate[1]	0.19	0.18	0.18
Average Duration rate[2]	13.9	13.5	13.4
Fatal Accidents[3]	1	2	1

(1) Severity rate: Number of labor days (Mon-Fri) lost / thousand hours worked.

(2) Average Duration rate: Number of labor days (Mon-Fri) lost / No. of accidents resulting in sick leave.

(3) Number of Fatal Accidents: Number of fatal accidents that occurred.

Despite the growth that we have experienced in the last two years in the number of employees, we have managed to keep our rates stable or to slightly improve them, which reflects our commitment in terms of health and safety.

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, we have contingent liabilities in an amount of €21.8 million 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 addition, Gestamp South Carolina LLC ("Gestamp South Carolina") has received a non-judicial claim from the insurer Allianz AG, as insurer of BMW, arising out of damages Allianz AG paid to BMW as the result of an accident at the Gestamp South Carolina plant. In the accident, the wire rope on an overhead crane being used to move a BMW die parted, allowing the die to fall to the floor of the plant. Although no one was hurt in the accident, the die was damaged, resulting in a line stoppage at the BMW plant. Allianz AG alleges to have paid BMW a total of $57.9 million under the terms of the applicable insurance policy, consisting of (i) out-of-pocket expenses and costs of BMW related to the broken die of approximately $6.8 million and (ii) approximately $51.1 million in lost profits BMW claimed due to the line stoppage. Allianz AG seeks to recover the full amount (including lost profits) from Gestamp South Carolina. Gestamp South Carolina has held meetings with both BMW and Allianz AG for the purposes of resolving the claim out of court. The liability insurer for Gestamp South Carolina has denied coverage for this claim.

While Allianz AG has not yet filed a lawsuit over this claim against Gestamp South Carolina, we believe that there is a high likelihood that a suit may be filed. We further believe that in the event a suit is filed, there is a good probability that a court will not find Gestamp South Carolina liable for the alleged lost profits claimed by Allianz AG.

Employees

Over the past decade, as our operations have grown, we have seen employee headcount grow commensurately. As of December 31, 2015, we had 33,192 employees globally, of which 46.1%, 14.8%, 12.0%, 12.3% and 14.8% 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
Gestamp Global Tooling, S.L. *(represented by Francisco José Riberas Mera)*	Director
Gestamp North Europe Services, S.L. *(represented by Juan María Riberas Mera)*	Director
Angel Gamboa Llona	Director
Geert Maurice Van Poelvoorde	Director

Francisco José Riberas Mera (51). 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 Grupo Acek, through the Gonvarri, Gestamp Renewables and Immobiliaria Acek groups. He also holds a directorship position in CIE Automotive, S.A.

Juan María Riberas Mera (47). 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 (57). Chief Financial Officer of Gestamp Automoción. "Ingeniero de Caminos, Canales y Puertos" (University Degree in Civil Engineering) at Universidad Politécnica de Barcelona, and Master in Business Administration (MBA) at IESE (Barcelona). He joined Gestamp in 1998 as Corporate Development Director and he is a member of Gestamp Automoción's Board of Directors since 2009. Prior to joining Gestamp Automoción, he held various management positions in industrial mineral and textile sectors. He also holds a directorship position in CIE Automotive, S.A.

Angel Gamboa Llona (70). 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.

Geert Maurice Van Poelvoorde (51). Executive Vice President of ArcelorMittal, Chief Executive Officer of ArcelorMittal Europe Flat Products and Europe Purchasing Platform. Mr.Van Poelvoorde started his career in 1989 as a project engineer at the Sidmar Gent hot strip mill, where he held several senior positions in the automation and process computer department. He moved to Stahlwerke Bremen in 1995 as senior project manager. Between 1998 and 2002 he headed a number of departments, and in 2003 he was appointed director of Stahlwerke Bremen, responsible for operations and engineering. In 2005 he returned to ArcelorMittal Gent to take up the position of chief operating officer. In 2008 he became chief executive officer (CEO) of ArcelorMittal Gent with direct responsibility for primary operations. He was appointed CEO of the Business Division North within Flat Carbon Europe in 2009 and since January 2014, chief executive officer, Flat Carbon Europe. Mr Van Poelvoorde graduated from the University of Ghent, Belgium, with a degree in civil engineering and electronics.

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 (56). 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 (51). 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 (55). 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 (49). 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. Mr. Egües is currently our Director of Corporate Development and International Financing.

Compensation

In 2015, 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 2015, our shareholder, Acek, received a total remuneration of €0.7 million as compensation for membership of the board of certain of our group companies. Further, in 2015 the total remuneration for the members of our top-tier management and amounted to €4.3 million. We made no contributions to pension plans on their behalf.

In addition, we are in the process of establishing a management incentive program in order to align the long term interest of our management team with that of our shareholders. The management incentive program encompasses senior and other key members of management and contains customary provisions regarding time and performance vesting, financing, good and bad leavers, tag along rights, drag along rights and certain other transfer restrictions.

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 shareholders are the Riberas family, which hold, through Acek, Desarrollo y Gestión Industrial, S.L. (formerly Corporación Gestamp, S.L.) ("Acek") and Risteel Corporation, B.V., 100% of the ordinary shares of Gestamp Automoción. Acek was formerly named Corporación Gestamp, S.L. before the change of its legal name was adopted in the Extraordinary and Universal General Shareholders' Meeting on February 5, 2015. Acek carries out commercial and financial transactions with the companies of Grupo Acek 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.

Terms and conditions of transactions with related parties

Acquisition by Acek of ArcelorMittal's 35% stake in Gestamp Automoción

On February 1, 2016, Acek purchased ArcelorMittal's 35% stake in Gestamp Automoción for a total cash consideration of €875.0 million.

The transaction is unconditional and payment has been deferred to the end of the third quarter.

ArcelorMittal will continue its supply relationship with Gestamp Automoción through its 35% stake in Gonvarri, a steel service center controlled by the Riberas family. Furthermore, ArcelorMittal will continue sit on the board of directors of Gestamp Automoción as an independent member and continue collaborating with us in automotive research and development while remaining our major steel supplier.

Acek intends to finance the payment of the purchase price for the acquisition of ArcerlorMittal's 35% stake in part through a new five year facility signed April 27, 2016 with an average life of approximately four years and with a margin in line with margins paid by Gestamp Automoción in its Senior Facilities Agreement, which is subject to certain covenants (the "Acek Facility"). The Acek Facility is secured by a pledge over 35% of the shares of the Company, which shall decrease over time. The financing parties will have no recourse against the Company or its subsidiaries under the Acek Facility.

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 which we paid a consideration of approximately €760.0 million in the year ended December 31, 2015. The majority of such sales are determined by direct agreements between Gonvarri and the different OEMs, in which case the actual customer of Gonvarri is the relevant OEM. The percentage of Gonvarri's sales that are subject to specific agreements with the Company comprise approximately 10% of our revenues for the year ended December 31, 2015.

We also enter into transactions in the ordinary course of business with Acek, its shareholder and subsidiaries, including lease and license agreements, professional and other services and the sale of goods and real estate. In particular, we have leased the following properties from Inmobiliaria Acek S.L. ("Inmobiliaria") (in which Acek holds a 66.6% shareholding): (i) the offices located at Alfonso XII, Madrid; and (ii) part of the offices located at Ombú 3, Madrid, all of them for an aggregate annual payment of approximately €2.0 million. In addition, in 2014 we purchased two plants from Inmobiliaria, both of which we had previously leased from Inmobiliaria, for a total consideration of approximately €25.0 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 Acek. The total amount paid to Air Executive for the charter of the airplane was €0.6 million in 2015.

We sell our scrap steel to Gescrap S.L. (in which Acek holds a 50% shareholding) and to Reimasa Scrap AIE (in which Acek holds a 40% shareholding). In 2015, we received €85.0 million in consideration for these sales.

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

Sale of Trademark

In January 2013, Acek 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.

Transactions with Directors

In 2015, Acek received a total remuneration of €0.7 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, as amended on May 8, 2013, May 20, 2014, December 10, 2014 and April 17, 2015 (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:

- an amortizing euro term loan facility of €570 million ("Facility A") terminating on March 11, 2020; and
- a multi-currency revolving credit facility of €280 million (the "Revolving Credit Facility") terminating on March 11, 2020.

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 required 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, Gestamp Funding and certain subsidiaries of Gestamp Automoción (together with Gestamp Automoción and Gestamp Funding, the "SFA Guarantors") guarantee all amounts due to the lenders and other finance parties under the Senior Facilities Agreement and related finance documents. The guarantees granted by the SFA Guarantors are subject to certain guarantee limitations which are set out in the Senior Facilities Agreement. These guarantee limitations primarily limit the scope of the guarantees granted by the SFA Guarantors to ensure that they comply with the laws of the jurisdictions in which the SFA Guarantors are incorporated.

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 guarantor as soon as possible after becoming a Material Company. The obligation to require such a Material Company to accede as a guarantor is subject to certain limitations specified in the Senior Facilities Agreement and does not apply to a Spanish company established as an Agrupación de Interés Económico or any subsidiary incorporated in any country located in North America or South America or in Japan, China, South Korea, India or Taiwan.

Any 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 guarantor.

Security

Gestamp Automoción, Gestamp Servicios, S.A. (other than in relation to paragraph (e) below) and Gestamp Toledo, (other than in relation to paragraph (f) below) granted Spanish law pledges (the "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.

(The companies listed in (a) to (e) above being the "Share Security Subsidiaries").

The Share Pledges will secure obligations owed under (i) the Senior Facilities Agreement and related finance documents, (ii) the notes and (iii) the Bank of America loan. The Senior Facilities Agreement also permits Gestamp Automoción and its subsidiaries to grant pledges (the "Future Creditor Share Pledges" and together with the 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 4.00:1.00 on each testing date; and
- the ratio of Net Financial Indebtedness to Adjusted EBITDA is not higher than 3.50:1.00 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 March 11, 2020. 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 March 11, 2020.

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 Acek 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 guarantors party thereto, the lenders under the Senior Facilities Agreement and certain other parties entered into an Intercreditor Agreement dated May 10, 2013 to establish the relative rights of certain of the Group's creditors including creditors under the Senior Facilities Agreement, the Bank of America loan, the Indenture and any Additional Senior Financings. By accepting a note, holders of notes will be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement.

The Intercreditor Agreement sets out:

- the ranking of the indebtedness under the Senior Facilities Agreement, the notes and any Additional Senior Financing (together the "Senior Secured Debt" and the creditors to whom the additional senior faciliaties liabilities are 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 Acek and other equity investors ("Equity Investor Liabilities") will be subordinated; and
- turnover provisions.

The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety and, as such, we urge you to read that document because it, and not the discussion that follows, defines certain rights (and restrictions on entitlement) of the holders of the notes and other Senior Secured Creditors.

Priority of debts

The Intercreditor Agreement provides that all liabilities owed under the Senior Facilities Agreement, the notes 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 to secure the Senior Facilities and the notes 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 to secure the Bank of America loan; 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 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 and (iii) 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) 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, Acek 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”.

Existing Debt Facilities

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

Bank of America loan

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

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 and (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. The IKB loans do not share any security with the Senior Facilities, the notes or the Bank of America loan and are not subject to the Intercreditor Agreement.

Other

In addition, as of December 31, 2015, we had other interest bearing loans and borrowings of €297.8 million maturing between 2016 and 2023, primarily including unsecured loans, as well as €309.6 million in credit lines granted mainly to the Company and which have a maturity of less than one year. These credit lines are unsecured and are generally reviewed each year and are subject to customary covenants. €41.0 million of our credit lines had been drawn as of December 31, 2015.

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 Program, 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.
"ISO 14000"	Standard set by the International Organization for Standardization in relation to various aspects of environmental management.
"Mechanisms"	The moving parts and systems used in an automotive vehicle.
"MPa"	Megapascal, a measure of force per unit area.
"NVH"	Noise, vibration and harshness.
"OEMs"	Original equipment manufacturers, a manufacturer of products that are used as components in another company's product.
"SUVs"	Sport Utility Vehicles.

“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 AUTOMOCIÓN, S.A. AND SUBSIDIARIES

Consolidated Financial Statements and Consolidated Management Report for the year ended December 31, 2015

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Building a better working world

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

INDEPENDENT AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of GESTAMP AUTOMOCIÓN, S.A. (the parent company) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes thereto for the year then ended.

Directors' responsibility for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the consolidated equity and consolidated statement of financial position and the consolidated results of GESTAMP AUTOMOCIÓN, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit. We conducted our audit in accordance with prevailing audit regulations in Spain. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of consolidated financial statements by the directors of the parent company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of GESTAMP AUTOMOCIÓN, S.A. and its subsidiaries at December 31, 2015, and its consolidated results and consolidated cash flow for the year then ended, in accordance with IFRS, as adopted by the EU, and other provisions in the regulatory framework for financial information applicable in Spain.

Report on other legal and regulatory requirements

The accompanying consolidated 2015 management report contains such explanations as the directors of the parent company consider appropriate concerning the situation of the Group, the evolution of its business and other matters; however, it is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the 2015 consolidated financial statements. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of GESTAMP AUTOMOCIÓN, S.A. and its subsidiaries.

ERNST & YOUNG, S.L.

(Signed in the original in Spanish)

Ramón Masip López

March 22, 2016

GESTAMP AUTOMOCIÓN AND SUBSIDIARIES

CONTENTS

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

(In thousands of euros)

ASSETS	Note	December 31, 2015	December 31, 2014
Non-current assets			
Intangible assets	8	359,384	311,591
Goodwill		109,946	114,384
Other intangible assets		249,438	197,207
Property, plant, and equipment	9	2,861,807	2,661,789
Land and buildings		958,215	962,088
Plant and other PP&E		1,524,984	1,448,898
PP&E under construction and prepayments		378,608	250,803
Financial assets	10	57,682	76,785
Investments in associates accounted for using the equity method		8,272	9,455
Loans and receivables		8,918	43,556
Derivatives in effective hedges		28,184	5,863
Other non-current financial assets		12,308	17,911
Deferred tax assets	21	270,777	248,340
Total non-current assets		**3,549,650**	**3,298,505**
Current assets			
Inventories	11	586,438	573,031
Raw materials and other consumables		277,870	258,238
Work in progress		158,676	149,071
Finished products and by-products		118,287	116,966
Prepayments to suppliers		31,605	48,756
Trade and other receivables	12	1,194,690	1,057,453
Trade receivables		992,938	852,106
Other receivables		25,058	26,749
Current income tax assets		32,906	32,143
Receivables from public authorities		143,788	146,455
Other current assets	12	23,533	18,343
Financial assets	10	35,455	75,877
Loans and receivables		1,638	18,319
Securities portfolio		2,535	-
Other current financial assets		31,282	57,558
Cash and cash equivalents	12	355,975	483,934
Total current assets		**2,196,091**	**2,208,638**
Total assets		**5,745,741**	**5,507,143**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

(In thousands of euros)

EQUITY AND LIABILITIES	Note	December 31, 2015	December 31, 2014
Equity			
Capital and reserves attributable to equity holders of the parent			
Issued capital	13	288,237	288,237
Share premium	13	61,591	61,591
Retained earnings	14	1,209,789	1,087,326
Translation differences	15	(167,809)	(139,740)
Equity attributable to equity holders of the parent		**1,391,808**	**1,297,414**
Equity attributable to non-controlling interest	16	**406,585**	**418,825**
Total equity		**1,798,393**	**1,716,239**
Liabilities			
Non-current liabilities			
Deferred income	17	30,720	31,280
Provisions	18-19	156,787	131,226
Non trade liabilities	20	1,674,148	1,725,325
Interest-bearing loans and borrowings		1,448,036	1,482,300
Derivative financial instruments		72,828	47,404
Other non-current liabilities		153,284	195,621
Deferred tax liabilities	21	225,544	235,095
Other non-current liabilities		619	17
Total non-current liabilities		**2,087,818**	**2,122,943**
Current liabilities			
Non trade liabilities	20	450,875	454,465
Interest-bearing loans and borrowings		282,900	282,480
Other current liabilities		167,975	171,985
Trade and other payables	22	1,384,406	1,191,765
Trade accounts payable		1,137,378	945,612
Current tax liabilities		30,269	14,560
Other accounts payable		216,759	231,593
Provisions	18-19	16,318	19,091
Other current liabilities		7,931	2,640
Total current liabilities		**1,859,530**	**1,667,961**
Total liabilities		**3,947,348**	**3,790,904**
Total equity and liabilities		**5,745,741**	**5,507,143**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

(In thousands of euros)

	Note	December 31, 2015	December 31, 2014
CONTINUING OPERATIONS			
OPERATING INCOME	23	7,202,309	6,411,331
Revenue		7,034,512	6,255,804
Other operating income		156,871	126,555
Changes in inventories	11	10,926	28,972
OPERATING EXPENSE	24	(6,802,113)	(6,073,861)
Raw materials and other consumables		(4,308,597)	(3,885,772)
Personnel expenses		(1,258,010)	(1,124,934)
Depreciation, amortization, and impairment losses		(360,137)	(318,995)
Other operating expenses		(875,369)	(744,160)
OPERATING PROFIT		**400,196**	**337,470**
Financial income	25	13,309	9,597
Financial expenses	25	(121,850)	(138,608)
Exchange gains (losses)		(24,660)	(7,575)
Share of profits from associates - equity method	10	(364)	(3,164)
Change in fair value of financial instruments		-	(7,047)
Impairment and gains (losses) on sale of financial instruments		(13,829)	-
PROFIT BEFORE TAXES FROM CONTINUING OPERATIONS		**252,802**	**190,673**
Income tax expense	27	(63,950)	(60,290)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**188,852**	**130,383**
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations net of taxes	26	-	(1,573)
PROFIT FOR THE YEAR		**188,852**	**128,810**
Profit (loss) attributable to non-controlling interest	16	(27,372)	(3,108)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**161,480**	**125,702**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

(In thousands of euros)

	December 31, 2015	December 31, 2014
PROFIT FOR THE YEAR	188,852	128,810
OTHER COMPREHENSIVE INCOME		
Other comprehensive income not to be reclassified to income in next years:		
Actuarial gains and losses	5,745	(12,939)
Other comprehensive income to be reclassified to income in next years:		
From cash flow hedges	4,728	(7,006)
Translation differences	(34,411)	(5,042)
TOTAL COMPREHENSIVE INCOME NET OF TAXES	**164,914**	**103,823**
Attributable to:		
- Parent company	143,884	95,912
- Non-controlling interest	21,030	7,911
	164,914	**103,823**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

(In thousand of euros)

	Issued capital (Note 13)	Share premium (Note 13)	Retained earnings (Note 14)	Translation differences (Note 15)	Total capital and reserves	Non-controlling interest (Note 16)	Total equity
AT DECEMBER 31, 2013	**288,237**	**61,591**	**1,019,461**	**(129,895)**	**1,239,394**	**425,450**	**1,664,844**
Profit for 2014			125,702		125,702	3,108	128,810
Fair value adjustments reserve (hedge)			(7,006)		(7,006)		(7,006)
Variation in translation differences				(9,845)	(9,845)	4,803	(5,042)
Actuarial gains and losses			(12,939)		(12,939)		(12,939)
Total comprehensive income for 2014			**105,757**	**(9,845)**	**95,912**	**7,911**	**103,823**
Dividends distributed by the Company			(33,922)		(33,922)		(33,922)
Dividends distributed by subsidiaries						(7,590)	(7,590)
Merge of subisidiaries including companies not previously in consolidation scope			46		46		46
Capital increase in Todlem, S.L.						1,722	1,722
Increase in shareholding in companies previously under control			(4,603)		(4,603)	(8,439)	(13,042)
Transfers from retained earnings to non-controlling interest due to the change of shareholding in companies and others			1,439		1,439	(1,439)	-
Other movements and adjustments from prior years			(852)		(852)	1,210	358
AT DECEMBER 31, 2014	**288,237**	**61,591**	**1,087,326**	**(139,740)**	**1,297,414**	**418,825**	**1,716,239**
Profit for 2015			161,480		161,480	27,372	188,852
Fair value adjustments reserve (hedge)			4,728		4,728		4,728
Variation in translation differences				(28,069)	(28,069)	(6,342)	(34,411)
Actuarial gains and losses			5,745		5,745		5,745
Total comprehensive income for 2015			**171,953**	**(28,069)**	**143,884**	**21,030**	**164,914**
Dividends distributed by the Company			(37,711)		(37,711)		(37,711)
Dividends distributed by subsidiaries						(12,485)	(12,485)
Increase in shareholding in companies previously under control (adjustment for dividends paid to former shareholders of Anhui Edscha Automotive Parts Co. Ltda.)			(712)		(712)		(712)
Increase in shareholding in companies previously under control due to acquisition to non-controlling interest (Ekarpen Private Equity, S.A.)			(7,997)		(7,997)	(24,219)	(32,216)
Transfers from retained earnings to non-controlling interest due to non-proportional capital increase			(2,771)		(2,771)	2,771	
Other movements and adjustments from prior years			(299)		(299)	663	364
AT DECEMBER 31, 2015	**288,237**	**61,591**	**1,209,789**	**(167,809)**	**1,391,808**	**406,585**	**1,798,393**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

(In thousands of euros)

	Note	December 31, 2015	December 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxes and after non-controlling interest from continuing activities		**225,430**	**187,565**
Profit for the year from discontinued operations net of taxes		**-**	**(1,573)**
Profit for the year before taxes and after non-controlling interest		**225,430**	**185,992**
Adjustments to profit		**542,083**	**420,850**
Depreciation and amortization of intangible assets and PP&E	8-9	356,402	318,917
Impairment of intangible assets and PP&E	8-9	3,735	78
Impairment	11-12	5,570	(10,988)
Change in provisions	18	31,181	(9,862)
Grants released to income	17	(6,589)	(5,388)
Profit (loss) attributable to non-controlling interest	16	27,372	3,108
Profit from disposal of intangible assets and PP&E		(1,832)	1,379
Profit from disposal of financial instruments		13,829	-
Financial income	25	(13,309)	(9,597)
Financial expenses	25	121,850	138,608
Share of profits from associates - equity method	10	364	3,164
Exchange rate differences		4,881	(12,054)
Other income and expenses		(1,371)	3,485
Changes in working capital		**9,685**	**151,833**
(Increase)/Decrease in Inventories		(19,931)	(38,816)
(Increase)/Decrease in Trade and other receivables		(141,582)	84,503
(Increase)/Decrease in Other current assets		(5,190)	(6,576)
Increase/(Decrease) in Trade and other payables		171,097	120,195
Increase/(Decrease) in Other current liabilities		5,291	(7,473)
Other cash-flows from operating activities		**(177,255)**	**(193,198)**
Interest paid		(113,135)	(139,820)
Interest received		8,680	7,224
Proceeds (payments) of income tax		(72,800)	(60,602)
Cash flows from operating activities		**599,943**	**565,477**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		**(626,649)**	**(501,636)**
Group companies and associates		(2,050)	(28,811)
Intangible assets	8-20	(88,303)	(70,008)
Property, plant and equipment	9-20	(528,018)	(382,033)
Other financial assets		(8,278)	(6,105)
Net change of other financial assets		-	(14,679)
Proceeds from divestments		**92,070**	**54,035**
Group companies and associates		28,411	10,403
Intangible assets	8	574	1,086
Property, plant and equipment	9	20,165	12,481
Other financial assets		4,317	1,652
Net change of other financial assets		38,603	-
Assets held for sale		-	28,413
Cash flows from investing activities		**(534,579)**	**(447,601)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds and payments on equity instruments		**(28,067)**	**(6,535)**
Change in non-controlling interest	16	(32,216)	(11,320)
Grants, donations and legacies received	17	5,772	4,990
Translation differences in equity		(911)	(205)
Other movements on equity		(712)	-
Proceeds and payments on financial liabilities		**(120,799)**	**(130,869)**
Issue		162,734	74,417
Interest-bearing loans and borrowings		154,492	42,824
Net change in credit facilities, discounted bills and factoring		-	-
Borrowings from Group companies and associates		-	21,803
Other borrowings		8,242	9,790
Repayment of		(283,533)	(205,286)
Bonds and other marketable securities		(20,371)	-
Interest-bearing loans and borrowings		(139,066)	(56,982)
Net change in credit facilities, discounted bills and factoring		(59,809)	(2,277)
Borrowings from Group companies and associates		(22,019)	(131,170)
Other borrowings		(42,268)	(14,857)
Payments on dividends and other equity instruments		**(50,196)**	**(41,512)**
Dividends	14-16	(50,196)	(41,512)
Cash flows from financing activities		**(199,062)**	**(178,916)**
Effect of changes in exchange rates		**5,739**	**24,557**
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS		**(127,959)**	**(36,483)**

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2015

1. Activity and companies included in consolidation scope

GESTAMP AUTOMOCIÓN, S.A., (hereinafter, the "Company") was incorporated on December 22, 1997. Its registered address is currently in the Industrial Park of Lebario in Abadiano (Vizcaya).

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

On August 2, 2012 the Company registered the change of its legal name, from limited company to corporation, in the Commercial Register of Vizcaya.

The Company in turn belongs to a larger group, headed by its majority shareholder Acek, Desarrollo y Gestión Industrial, S.L., formerly named Corporación Gestamp, S.L. The legal name change was adopted in the Extraordinary and Universal General Shareholders' Meeting on February 5, 2015, being executed in a public deed on the same day. The Company carries out commercial and financial transactions with the companies of Acek, Desarrollo y Gestión Industrial Group under the terms and conditions established among the parties on an arm's length basis. Intra-Group transfer prices are duly documented as stipulated by the prevailing legislation.

The activities of the Company and its subsidiaries (the "Group") are focused on the design, development, and manufacturing of metal components for the automotive Industry via: stamping, tooling, assembly, welding, tailor welded blanks, and die cutting. The Group also includes other companies dedicated to services such as research and development of new technologies.

Most of the Group's business is conducted in the European Union; the Americas constitute the second most significant geographic market and Asia the third one (Note 23.a).

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

2. Changes in consolidation scope and business combinations

2.a Changes in consolidation scope

During 2015

In 2015 the companies Gestamp Technology Institute S.L., Gestamp Tooling Engineering Deutschland GmbH, Gestamp Chattanooga II Llc., Autotech Engineering R&D USA, Inc., Gestamp Autocomponents Wuhan, Co. Ltd. and the companies belonging to Edscha Subgroup Edscha Scharwaechter Mechanism S.A.P.I. de C.V. and Edscha Scharwaechter Mechanism Servicios Laborales S.A.P.I. de C.V. were incorporated into the consolidation scope. These companies have been created in 2015 and incorporated into consolidation scope by full consolidation method.

On December 1, 2015 the company Gestamp Mor KFT was dissolved.

On November 4, 2015 the company GMF Wuhan Ltd, which belonged to Gestamp Metal Forming Subgroup, split and consequently the company Gestamp Auto Components (Chongqing) Co Ltd. was created.

In 2015 there have been a business combination of Gestamp Pune Automotive Private Limited (Note 2.b).

Due to the acquisition of 30% shareholding in Anhui Edscha Automotive Parts Co Ltda in 2014 there has been a price adjustment for 712 thousand euros.

On July 21, 2015 the Company and the subsidiary Gestamp Bizcaya, S.A. acquired 40% shareholding in subsidiary Gestamp Global Tooling S.L. from non-controlling partner Ekarpen Private Equity S.A. (Ekarpen) for 32,216 thousand euros.

By this operation the Group increased their shareholding in the said company from 60% to 100%. Since there were previous control, the profit from the operation was directly registered in Equity, leading to a decrease in Reserves at fully-consolidated companies for 7,997 thousand euros (Note 14).

In addition, this operation meant a decrease in non-controlling interest for 24,219 thousand euros (Note 16).

<u>During 2014</u>

In 2014 the companies GGM Puebla, S.A. de C.V and GGM Puebla Servicios Laborales, S.A. de C.V., were incorporated into the consolidation scope. Both companies are consolidated by full consolidation method into the Gestión Global de Matricería, S.L. Subgroup, which is included into the Group consolidation scope by equity method.

On April 11, 2014 the group company Gestamp Toledo S.A. sold their investment in the company Sungwoo Gestamp Hitech Chennai Ltd. In addition, the Griwe Subgroup has sold their investment in companies Gestamp Sungwoo Hitech (Chennai) private Ltd and GS Hot Stamping Co. Ltd. The sold companies were being consolidated under equity method. The result of the operation is 526 thousand euros of losses, registered under the heading discontinued operations (Note 26).

On April 11, 2014 the group company Gestamp Solblank Barcelona S.A. acquired 50% shareholding of the company Gestamp Automotive Chennai Private, Ltd. (by so reaching 100% shareholding) over which they already had control. This increase in shareholding has led to a decrease in Reserves at fully consolidated entities registered under the heading retained earnings amounting to 1,553 thousand euros.

On February 17, 2014, with effective date January 1, 2014, the company Edscha Holding GmbH, belonging to Edscha Subgroup, acquired 30% shareholding of Anhui Edscha Automotive Parts Co Ltda, company also belonging to Edscha Subgroup over which they already had 70% shareholding and had control. This increase in shareholding has led to a decrease in Reserves at fully consolidated entities registered under the heading retained earnings amounting to 1,780 thousand euros.

Additionally, in 2013 the Group acquired 5% shareholding of Griwe Subgroup. The cost price has increased in 2014 due to the tax settlement related to the acquisition amounting to 1,270 thousand euros.

The total decrease in Retained earnings due to the increase in shareholding in Gestamp Automotive Chennai Private, Ltd. and Anhui Edscha Automotive Parts Co Ltd as well as to the cost price adjustment of Griwe Subgroup amounted to 4,603 thousand euros (Note 14).

On February 7, 2014 the companies Gestamp Ingeniería Europa Sur S.L., Ocon Automated Systems S.L.U. and Ocon Industrielle Konzepte S.L.U. have merged, being Gestamp Ingeniería Europa Sur S.L. the absorbing company. Ocon Industrielle Konzepte S.L.U. was not included in consolidation scope since considered no significant, so the merge has led to an increase in Reserves at fully consolidated entities for 46 thousand euros (Note 14).

On February 7, 2014 the company MB Pamplona S.A.U. was dissolved.

On December 18, 2013 Mursolar 21, S.L. acquired shareholding in subsidiaries Gestamp Autocomponents (Shenyang) Co. Ltd. and Gestamp Autocomponents (Dongguan) Co. Ltd. to other Group companies. This agreement was subject to approval from Chinese competence authorities.

In 2014 the requirements for the completion of the sale are fulfilled, therefore Mursolar, 21, S.L. has direct shareholding in both companies, recognizing COFIDES, S.A. as indirect non-controlling interest.

On September 26, 2014 the companies Gestamp Palencia, S.A. and Sofedit España, S.A.U. have merged, being Gestamp Palencia, S.A. the absorbing company.

In 2014, the company Gestamp Sungwoo Stamping&Assemblies Private, Ltd changed their legal name to Gestamp Automotive Chennai Private, Ltd.

The contribution to Consolidated Balance Sheet and Income Statement from the new companies included in the consolidation scope in 2014 is not significant.

2.b Business combinations

Gestamp Pune Automotive Private Limited (formerly Sungwoo Gestamp Hitech (Pune) Private Limited) located in Pune (India) was incorporated on August 7, 2008 by Sungwoo Hitech Company Ltd. On April 3, 2013 Sungwoo Hitech Company Ltd signed a Joint Venture agreement with subsidiary Gestamp Cerveira Ltda so each company owned 50% shareholding in Sungwoo Gestamp Hitech (Pune) Private Limited.

This investment was accounted for using the equity method until acquiring control in July 2015 and the carrying amount at the said date was 3,542 thousand euros. When assessing again the fair value of the investment before business combination it was recognized loss amounting to 1,037 thousand euros.

The company purpose is manufacturing automobile components for passenger cars.

On July 22, 2015 the subsidiary Gestamp Automotive Chennai Private Limited acquired remaining 50% shareholding in Gestamp Pune Automotive Private Limited and by so acquired control. The cost of this acquisition amounted to 98 thousand euros.

The fair value of the assets and liabilities from Gestamp Pune Automotive Private Limited obtained from the inclusion balance sheet is as follows:

	Thousand euros
Intangible assets (Note 8)	33
Property, plant and equipment (Note 9)	
Land and buildings	6,006
Plant and other PP&E	783
Inventories	40
Cash and cash equivalents	2,656
Other assets	1,597
	11,115
Other current liabilities	5
Trade accounts payable	51
Other liabilities	6,048
	6,104
Net assets	5,011
Carrying amount of 50% (first adquisition)	3,542
Cost of 50% of consideration (control takeover)	98
Net effect business combination	1,371

The consideration was fully paid in cash.

No goodwill arose from the acquisition and there were no significant contingent payments.

The net effect of the business combination amounted to 1,371 thousand euros and was registered under the heading “Other operating income” in the Consolidated Income Statement as of December 31, 2015 (Note 23.b).

Since the company was still dormant at December 31, 2015 there was no contribution to revenue. The income attributable to the business combination from the acquisition date to December 31, 2015 amounted to 912 thousand euros of profit. It included the net effect of the business combination for 2015 amounting to 1,371 thousand euros. The headcount incorporated from this business was around 19.

There were no significant costs associated to this transaction.

With regard to this business combination, the principal assessment criteria for calculating the fair value of the different accounting line items are as follows:

Intangible assets: measured at acquisition cost, which approximates to fair value.

Property, plant, and equipment: valuations were based on an independent third party report. Market valuations served as the underlying criteria for the determination of fair value of Land and buildings.

Inventories of finished products: measured according to production cost, which also approximates to replacement value.

Other assets and liabilities: measured at nominal value.

There were no business combinations at December 31, 2014.

3. Consolidation scope

The breakdown of companies included in the consolidation scope, as well as information on the consolidation method applied, location, activity, direct or indirect shareholdings and their auditors, is shown below:

December 31, 2015							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio management	Full	Ernst & Young
Gestamp Bizkaia, S.A.	Vizcaya	Spain	85.31%	14.69%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Vigo, S.A.	Pontevedra	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cerveira, Lda.	Viana do Castelo	Portugal	39.37%	60.63%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.A.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering AIE	Vizcaya	Spain	10.00%	90.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Real Estate	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailored blank welding	Full	Ernst & Young
Gestamp Palencia, S.A.	Palencia	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Argentina, S.A.	Buenos Aires	Argentina		70.00%	Portfolio management	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Linares, S.A.	Jaén	Spain	5.02%	94.98%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios, S.A.	Madrid	Spain	100.00%		Administrative services	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		100.00%	Die cutting production	Full	Ernst & Young
Gestamp Galvanizados, S.A.	Palencia	Spain	5.01%	94.99%	Component galvanazing	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	Dormant	Full	N/A
Gestamp Brasil Industria de Autopeças, S.A.	Parana	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Esmar, S.A.	Barcelona	Spain	0.10%	99.90%	Tooling and parts manufacturing	Full	Ernst & Young
Metalbages P-51, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Noury, S.A.S	Tournan	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A.	Aveiro	Portugal		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Tavol Internacional SGPS, Lda.	Madeira	Portugal		100.00%	Dormant	Full	N/A
Griwe Subgroup	Westerburg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aguascalientes, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		70.00%	Portfolio management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Portfolio management	Full	Ernst & Young
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administrative services	Full	N/A
Gestamp Aragón, S.A.	Zaragoza	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Abrera, S.A.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Levante, S.A.	Valencia	Spain	88.50%	11.50%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Solblank Navarra, S.L.	Navarra	Spain		100.00%	Tailored blank welding	Full	Ernst & Young
MB Aragón P21, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Polska, SP. Z.O.O.	Wielkopolska	Poland		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washington UK Limited	Newcastle	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Hungaria KFT	Akai	Hungary	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North America, INC	Michigan	USA		70.00%	Administrative services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio management	Full	Ernst & Young
Gestamp HardTech, AB	Lulea	Sweden		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mason, LLc.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Alabama, LLc.	Alabama	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Luxemburgo, S.A.	Luxembourg	Luxembourg		99.95%	Portfolio management	Full	Grant Thornton Lux Audit
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
S.G.F, S.A.	Brussels	Belgium		99.95%	Portfolio management	Full	Deloitte
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Industrias Tamer, S.A.	Barcelona	Spain		30.00%	Tooling and parts manufacturing	Equity method	Ernst & Young

December 31, 2015							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Tooling Services, AIE	Vizcaya	Spain		100.00%	Engineering and mold design	Full	Ernst & Young
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68.95%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Kartek Co, Ltd.	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		69.93%	Labor services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
Gestamp Severstal Vsevolozhsk Llc	Saint Petersburg	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		100.00%	Adjustment	Full	Ernst & Young
Gestamp Severstal Kaluga, LLc	Kaluga	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Pune Automotive, Private Ltd.	Pune	India		100.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Chattanooga, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain	25.19%	52.34%	Portfolio management	Full	Ernst & Young
Gestamp South Carolina, Llc	South Carolina	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio management	Full	Ernst & Young
Edscha Subgroup (*)	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%	0.01%	Engineering and mold design	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Engineering and mold design	Full	Ernst & Young
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, Llc.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Metal Forming Subgroup	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive Chennai Private Ltd.	Chennai	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Essa Palau, S.A.	Barcelona	Spain		40.00%	Tooling and parts manufacturing	Equity method	Deloitte
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultory services	Full	Ernst & Young
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		Manufacture and sale of machinery for cutting	Full	Ernst & Young
Bero Tools, S.L.	Guipúzcoa	Spain		100.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain		100.00%	Die cutting production	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, Llc.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	N/A
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Denetciler Swon/KPMG
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Try Out Services, S.L.	Vizcaya	Spain		100.00%	Die cutting production	Full	Ernst & Young
Gestión Global de Matricería, S.L.	Vizcaya	Spain	30.00%		Dormant	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores
IxCxT, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio management	Full	Ernst & Young
Gestamp Puebla II, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering Deutschland GmbH	Bielefeld	Germany		100.00%	Research & Development and IT	Full	Ernst & Young
Autotech Engineering R&D Uk limited	Durhan	United Kingdom		100.00%	Research & Development and IT	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio management	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio management	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio management	Full	Ernst & Young
GGM Puebla, S.A. de C.V.	Puebla	Mexico		30.00%	Tooling and parts manufacturing	Equity method (A)	N/A
GGM Puebla de Servicios Laborales, S.A. de C.V.	Puebla	Mexico		30.00%	Labor services	Equity method (A)	N/A
Gestamp Technlogy Institute, S.L.	Vizcaya	Spain	99.99%	0.01%	Education	Full	N/A
Gestamp Tooling Engineering Deutschland, GmbH	Braunschweig.	Germany		100.00%	Die cutting production	Full	N/A
Gestamp Chattanooga II, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Autotech Engineering R&D USA	Delaware	USA		100.00%	Research & Development and IT	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%		Tooling and parts manufacturing	Full	N/A

(*****) The Edscha Subgroup indirect shareholding corresponds to the Gestamp Metalbages, S.A. and Gestamp Polska, SP. Z.O.O. direct shareholding in Edscha Holding GmbH., 67% and 33%, respectively.

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

December 31, 2014							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio management	Full	Ernst & Young
Gestamp Bizkaia, S.A.	Vizcaya	Spain	75.00%	25.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Vigo, S.A.	Pontevedra	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cerveira, Lda.	Viana do Castelo	Portugal	39.37%	60.63%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.A.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering AIE	Vizcaya	Spain	10.00%	90.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Real Estate	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailored blank welding	Full	Ernst & Young
Gestamp Palencia, S.A.	Palencia	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Argentina, S.A.	Buenos Aires	Argentina		70.00%	Portfolio management	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Linares, S.A.	Jaén	Spain	5.02%	94.98%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios, S.A.	Madrid	Spain	100.00%		Administrative services	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		60.00%	Die cutting production	Full	Ernst & Young
Gestamp Galvanizados, S.A.	Palencia	Spain	5.01%	94.99%	Component galvanazing	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	Dormant	Full	N/A
Gestamp Brasil Industria de Autopeças, S.A.	Parana	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Esmar, S.A.	Barcelona	Spain	0.10%	99.90%	Tooling and parts manufacturing	Full	Ernst & Young
Metalbages P-51, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Noury, S.A.S	Tournan	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A.	Aveiro	Portugal		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Tavol Internacional SGPS, Lda.	Madeira	Portugal		100.00%	Dormant	Full	N/A
Griwe Subgroup	Westerburg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aguascalientes, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		70.00%	Portfolio management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Portfolio management	Full	N/A
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administrative services	Full	N/A
Gestamp Aragón, S.A.	Zaragoza	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Abrera, S.A.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Levante, S.A.	Valencia	Spain	88.50%	11.50%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Solblank Navarra, S.L.	Navarra	Spain		100.00%	Tailored blank welding	Full	Ernst & Young
MB Aragón P21, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Polska, SP. Z.O.O.	Wielkopolska	Poland		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washington UK Limited	Newcastle	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Hungaria KFT	Akai	Hungary		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mör, KFT	Akai	Hungary		100.00%	Dormant	Full	N/A
Gestamp North America, INC	Michigan	USA		70.00%	Administrative services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio management	Full	Ernst & Young
Gestamp HardTech, AB	Lulea	Sweden		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mason, LLc.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Plante & Moran, LLP/E&Y
Gestamp Alabama, LLc.	Alabama	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young

December 31, 2014							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Finance Luxemburgo, S.A.	Luxembourg	Luxembourg		99.95%	Portfolio management	Full	Grant Thornton Lux Audit
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
S.G.F, S.A.	Brussels	Belgium		99.95%	Portfolio management	Full	Deloitte
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Industrias Tamer, S.A.	Barcelona	Spain		30.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Tooling Services, AIE	Vizcaya	Spain		76.00%	Engineering and mold design	Full	Ernst & Young
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68.95%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Kartek Co, Ltd.	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
Gestamp Severstal Vsevolozhsk Llc	Saint Petersburg	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		60.00%	Adjustment	Full	Ernst & Young
Gestamp Severstal Kaluga, LLc	Kaluga	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Sungwoo Gestamp Hitech Pune Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Chattanooga, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain	25.19%	52.34%	Portfolio management	Full	Ernst & Young
Gestamp South Carolina, Llc	South Carolina	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio management	Full	Ernst & Young
Edscha Subgroup (*)	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Global Tooling, S.L.	Vizcaya	Spain	60.00%		Engineering and mold design	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		60.00%	Engineering and mold design	Full	Ernst & Young
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, Llc.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Metal Forming Subgroup	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive Chennai Private Ltd.	Chennai	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Essa Palau, S.A.	Barcelona	Spain		40.00%	Tooling and parts manufacturing	Equity method	Deloitte
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultory services	Full	N/A
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		Manufacture and sale of machinery for cutting	Full	Ernst & Young
Bero Tools, S.L.	Guipúzcoa	Spain		92.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain		79.84%	Die cutting production	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, Llc.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	N/A
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Denetciler Swon/KPMG
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Try Out Services, S.L.	Vizcaya	Spain		60.00%	Die cutting production	Full	N/A
Gestión Global de Matricería, S.L.	Vizcaya	Spain	35.00%		Dormant	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		35.00%	Die cutting production	Equity method (A)	IZE Auditores
IxCxT, S.A.	Vizcaya	Spain		35.00%	Die cutting production	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio management	Full	Ernst & Young
Gestamp Puebla II, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering Deutschland GmbH	Bielefeld	Germany		100.00%	Research & Development and IT	Full	Ernst & Young
Autotech Engineering R&D Uk limited	Durhan	United Kingdom		100.00%	Research & Development and IT	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio management	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio management	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio management	Full	Ernst & Young
GGM Puebla, S.A. de C.V.	Puebla	Mexico		35.00%	Tooling and parts manufacturing	Equity method (A)	N/A
GGM Puebla de Servicios Laborales, S.A. de C.V.	Puebla	Mexico		35.00%	Labor services	Equity method (A)	N/A

(*) The Edscha Subgroup indirect shareholding corresponds to the Gestamp Metalbages, S.A. and Gestamp Polska, SP. Z.O.O. direct shareholding in Edscha Holding GmbH., 67% and 33%, respectively.
(A) These companies are consolidated under full consolidation method in Gestión Global de Matricería Subgroup. This Subgroup is accounted for in Gestamp Group using the equity method.

The companies which hold the indirect investments indicated in the above table, corresponding to December 31, 2015 and December 31, 2014 are specified in Annex I.

The companies which compose the Griwe Subgroup at December 31, 2015 and December 31, 2014 are the following:

Company	Address	Country	Shareholding	Consolidation method
Gestamp Griwe Westerburg GmbH	Westerburg	Germany	Parent company	Full
Gestamp Griwe Hot Stamping GmbH	Haynrode	Germany	100.00%	Full
Gestamp Griwe Haynrode GmbH	Haynrode	Germany	100.00%	Full

The activity of these companies relates mainly to manufacturing automobile parts and components.

The companies which compose the Edscha Subgroup at December 31, 2015 and December 31, 2014 and the information about the consolidation method used, address and shareholding percentage (direct and indirect), are the following:

December 31, 2015						
Company	Address	Country	Direct shareholding	Indirect shareholding	% Direct shareholding Gestamp Automoción	Consolidation method
Edscha Holding GmbH	Remscheid	Germany	Parent company			Full
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany	100.00%			Full
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany	100.00%			Full
Edscha Engineering GmbH	Remscheid	Germany	100.00%			Full
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	94.90%		5.10%	Full
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	94.90%		5.10%	Full
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic	100.00%			Full
Edscha Hradec S.R.O.	Hradec	Czech Republic	100.00%			Full
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia	100.00%			Full
Gestamp 2008, S.L.	Villalonquéjar (Burgos)	Spain	60.00%			Full
Edscha Burgos, S.A.	Villalonquéjar (Burgos)	Spain	0.01%	59.99%		Full
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain		56.99%	5.01%	Full
Edscha Briey S.A.S.	Briey Cedex	France		62.00%		Full
Edscha Engineering France SAS	Les Ulis	France	100.00%			Full
Edscha do Brasil Ltda.	Sorocaba	Brazil		93.64%		Full
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan	100.00%			Full
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan	50.00%			Equity method
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		50.00%		Equity method (A)
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		50.00%		Equity method (A)
Edscha Automotive Technology Co., Ltd.	Shanghai	China	100.00%			Full
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China	55.00%			Full
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China	100.00%			Full
Edscha Automotive Michigan, Inc	Lapeer	USA	100.00%			Full
Edscha Togliatti, Llc.	Togliatti	Russia	100.00%			Full
Edscha Automotive Components Co., Ltda.	Kunshan	China	100.00%			Full
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	75.00%		25.00%	Full
Edscha Kunststofftechnik GmbH	Remscheid	Germany	100.00%			Full
Edscha Pha, Ltd.	Seul	South Korea	50.00%			Full
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand	50.99%	0.01%		Full
Edscha Scharwaecther Mechanism S.A.P.I. de C.V.	México DF	Mexico	99.99%	0.01%		Full
Edscha Scharwaecther Mechanism Servicios Laborales S.A.P.I. de C.V.	México DF	Mexico	99.99%	0.01%		Full

(A) These companies are consolidated under full consolidation method in Jui Li Edscha Body Systems Subgroup. This Subgroup is accounted for in Edscha Subgroup using the equity method.

December 31, 2014						
Company	Address	Country	Direct shareholding	Indirect shareholding	% Direct shareholding Gestamp Automoción	Consolidation method
Edscha Holding GmbH	Remscheid	Germany	Parent company			Full
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany	100.00%			Full
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany	100.00%			Full
Edscha Engineering GmbH	Remscheid	Germany	100.00%			Full
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	94.90%		5.10%	Full
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	94.90%		5.10%	Full
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic	100.00%			Full
Edscha Hradec S.R.O.	Hradec	Czech Republic	100.00%			Full
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia	100.00%			Full
Gestamp 2008, S.L.	Villalonquéjar (Burgos)	Spain	60.00%			Full
Edscha Burgos, S.A.	Villalonquéjar (Burgos)	Spain	0.01%	59.99%		Full
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain		56.99%	5.01%	Full
Edscha Briey S.A.S.	Briey Cedex	France		56.98%		Full
Edscha Engineering France SAS	Les Ulis	France	100.00%			Full
Edscha do Brasil Ltda.	Sorocaba	Brazil		74.78%		Full
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan	100.00%			Full
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan	50.00%			Equity method
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		50.00%		Equity method (A)
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		50.00%		Equity method (A)
Edscha Automotive Technology Co., Ltd.	Shanghai	China	100.00%			Full
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China	55.00%			Full
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China	100.00%			Full
Edscha Automotive Michigan, Inc	Lapeer	USA	100.00%			Full
Edscha Togliatti, Llc.	Togliatti	Russia	100.00%			Full
Edscha Automotive Components Co., Ltda.	Kunshan	China	100.00%			Full
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	75.00%		25.00%	Full
Edscha Kunststofftechnik GmbH	Remscheid	Germany	100.00%			Full
Edscha Pha, Ltd.	Seul	South Korea	50.00%			Full
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand	50.99%	0.01%		Full

(A) These companies are consolidated under full consolidation method in Jui Li Edscha Body Systems Subgroup. This Subgroup is accounted for in Edscha Subgroup using the equity method.

The companies which hold the indirect shareholding indicated in the above table at December 31, 2015 and December 31, 2014 are the following:

December 31, 2015		
Company	Company holding the indirect investment	% investment
Edscha Santander, S.L.	Gestamp 2008, S.L.	94.99%
Edscha Burgos, S.A.	Gestamp 2008, S.L.	99.99%
Edscha do Brasil, Ltda.	Edscha Santander, S.L.	16.74%
Edscha Briey, S.A.S	Edscha Santander, S.L.	100.00%
Edscha do Brasil, Ltda.	Edscha Engineering GmbH	83.26%
Edscha Aapico Automotive, Co, Ltd.	Edscha Engineering GmbH	0.01%
Edscha Scharwaechter Mec. S.A.P.I. de C.V.	Edscha Engineering GmbH	0.01%
Edscha Scharwaechter Mec. Serv. Lab. S.A.P.I. de C.V.	Edscha Engineering GmbH	0.01%
Jui Li Edscha Holding Co. Ltda.	Jui Li Edscha Body Systems Co Ltda.	100.00%
Jui Li Edscha Hainan Industry Enterprise Co Ltda.	Jui Li Edscha Holding Co. Ltda.	100.00%

December 31, 2014		
Company	Company holding the indirect investment	% investment
Edscha Santander, S.L.	Gestamp 2008, S.L.	94.99%
Edscha Burgos, S.A.	Gestamp 2008, S.L.	99.99%
Edscha do Brasil, Ltda.	Edscha Santander, S.L.	58.63%
Edscha Briey, S.A.S	Edscha Santander, S.L.	100.00%
Edscha do Brasil, Ltda.	Edscha Engineering GmbH	41.37%
Jui Li Edscha Holding Co. Ltda.	Jui Li Edscha Body Systems Co Ltda.	100.00%
Jui Li Edscha Hainan Industry Enterprise Co Ltda.	Jui Li Edscha Holding Co. Ltda.	100.00%
Edscha Aapico Automotive, Co, Ltd.	Edscha Engineering GmbH	0.01%

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

The companies which compose the Gestamp Metal Forming Subgroup at December 31, 2015 and December 31, 2014 and the information about the consolidation method used, address and shareholding percentage (direct and indirect), are the following:

December 31, 2015					
Company	Address	Country	Direct shareholding	Indirect shareholding	Consolidation method
GMF Holding GmbH	Remscheid	Germany	Parent company		Full
GMF Wuhan, Ltd	Wuhan	China	100.00%		Full
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany	100.00%		Full
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom	100.00%		Full
Sofedit, S.A.S	Le Theil sur Huisne	France	65.00%		Full
Gestamp Prisma, S.A.S	Usine de Messempré	France	100.00%		Full
Gestamp Tallent , Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Full
Gestamp Wroclaw Sp.z,o.o.	Wroclaw	Poland		65.00%	Full
Gestamp Auto components (Chongqing) Co., Ltd.	Chongqing	China	100.00%		Full

December 31, 2014					
Company	Address	Country	Direct shareholding	Indirect shareholding	Consolidation method
GMF Holding GmbH	Remscheid	Germany	Parent company		Full
GMF Wuhan, Ltd	Wuhan	China	100.00%		Full
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany	100.00%		Full
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom	100.00%		Full
Sofedit, S.A.S	Le Theil sur Huisne	France	65.00%		Full
Gestamp Prisma, S.A.S	Usine de Messempré	France	100.00%		Full
Gestamp Tallent , Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Full
Gestamp Wroclaw Sp.z,o.o.	Wroclaw	Poland		65.00%	Full

The companies which hold the indirect shareholding indicated in the above table at December 31, 2015 and December 31, 2014 are the following:

December 31, 2015		
Company	Company holding the indirect investment	% investment
Gestamp Tallent, Ltd.	Automotive Chassis Products, Plc	100.00%
Gestamp Wroclaw Sp.z,o.o.	Sofedit, S.A.S	100.00%

December 31, 2014		
Company	Company holding the indirect investment	% investment
Gestamp Tallent, Ltd.	Automotive Chassis Products, Plc	100.00%
Gestamp Wroclaw Sp.z,o.o.	Sofedit, S.A.S	100.00%

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

No significant subsidiaries have been excluded from the consolidation scope.

The closing of the financial year for the companies included in the consolidation scope is December 31, with the exception of the subsidiaries Gestamp Services India Private, Ltd., Gestamp Automotive India Private, Ltd, Gestamp Automotive Chennai Private Ltd. and Gestamp Pune Automotive Private Ltd, whose fiscal years close on March 31. However, an interim closing as at December, 31 has been prepared for the purpose of including these companies in the Consolidated Financial Statements at December 31.

4. Basis of presentation

4.1 True and fair view

The Consolidated Financial Statements for the period ended December 31, 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and enacted in European Commission legislation in effect on December 31, 2015.

The Consolidated Financial Statements have been prepared on the basis of the accounting records of each group company as of December 31, 2015 and December 31, 2014. Each company prepares its Financial Statements in accordance with the accounting principles and standards in force in the country in which it operates; the required adjustments and reclassifications have been made in consolidation in order to harmonize the policies and methods used and to adapt them to IFRS.

The figures contained in these Consolidated Financial Statements are expressed in thousands of euros, unless otherwise indicated.

4.2 Approval of the Financial Statements and proposal for the appropriation of profit

The individual 2015 Financial Statements of the Group companies will be presented for approval at their respective Annual General Meetings of shareholders within the deadlines established by the prevailing legislation. The Directors of the Company believe that no significant changes will be made to the 2015 Consolidated Financial Statements as a result of this process. The Gestamp Automoción Group's 2015 Consolidated Financial Statements will be authorized by the Board of Directors of the Company on March 21, 2016 for issue and submission to the Annual General Meeting where they are expected to be approved without modification.

The Company's Board of Directors will submit the following appropriation of profit proposal for the year ended December 31, 2015 for approval at the Annual General Meeting:

	Thousands of euros
Basis of appropriation	
As per income statement	8,785
Appropriation to:	
Losses to offset	7,336
Legal reserve	878
Goodwill reserve	571

Restrictions on the distribution of dividends

The Company is obliged to transfer 10% of profit for the year to a legal reserve until this reserve reaches an amount at least equal to 20% of issued capital. Unless the balance of the reserve exceeds this amount, it cannot be distributed to shareholders.

Once the legal requirements have been met, dividends may only be distributed against profit for the year or against unrestricted reserves if the book value of equity is not lower than, or as a result of the dividend payment would not dip below, issued share capital. For this purpose, profit recognized directly in shareholders' equity cannot be directly or indirectly distributed. If prior years' losses have reduced the Company's book value of equity to below the amount of its issued share capital, profit must be allocated to offset these losses.

4.3. Comparison of information

There have been no significant additions to consolidation scope in 2015 and 2014 except the business combination of Gestamp Pune Automotive Private Limited (Note 2.b) and the acquisition of 40% shareholding in Gestamp Global Tooling, S.L. to non-controlling shareholder Ekarpen Private Equity S.A. (Ekarpen) (Note 2.a).

4.4 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the parent company and subsidiaries as per December 31, 2015.

The Group controls a subsidiary if and only if it has:

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

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

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

The Group reassesses the existence of control over a subsidiary when facts and circumstances indicate changes in one or more elements determining control (Note 6).

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

The financial statement of the subsidiaries have the same closing date as the parent company, except for the companies mentioned in Note 3. The said companies have an additional closing for the financial year for their inclusion to the Consolidated Financial Statements, being elaborated with the same accounting policies in a uniform and coherent procedure.

The profit of a subsidiary is attributed to non-controlling interest even if it means registering a receivable balance.

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

- Derecognizes assets (including goodwill) and liabilities of such subsidiary.
- Derecognizes carrying amount of non-controlling interests.
- Derecognizes the translation differences registered in Equity.

- Recognizes the fair value of the amount received for the operation.
- Recognizes the fair value of any retained investment.
- Recognizes any excess or deficit in the Consolidated Income Statement.
- Reclassifies the shareholding of the parent Company in the items previously registered in Other Comprehensive Income to profit or to retained earnings, as appropriate.

Subsidiaries

The full consolidation method is used for companies meeting the following requirements:

I. Companies in which the Company holds a direct or indirect interest of over 50%, which gives it more than half the voting rights on the entity's governing bodies.

II. Companies where the Company have influence in returns, over which the Company has rights, by making decisions on their relevant activities.

Joint ventures

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

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

Joint operations

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

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

Associates

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

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

Translation of the Financial Statements of foreign operations

The assets and liabilities and income statements of foreign operations included in the consolidation scope whose functional currency is different from the presentation currency are translated to euro using the closing foreign exchange rates method as follows:

- The assets, rights, and liabilities of foreign operations are translated at the exchange rate prevailing at the Consolidated Balance Sheet date.

- Income and expenses are translated using the average exchange rate, so long as that average is a reasonable approximation of the cumulative effect of the actual exchange rates prevailing at the transactions dates.

The differences between the net book value of equity of the foreign companies converted using historical exchange rates and including the net result from the Profit and Loss Account reflecting the above mentioned treatment of income and expenses in foreign currencies, and the net book value of equity resulting from the conversion of goods, rights and liabilities using the exchange rate prevailing at the Consolidated Balance Sheet date, are registered as "Translation differences", with the corresponding negative or positive sign, in the Equity in the Consolidated Balance Sheet (Note 15).

Exchange gains and losses due to the impact of changes in the functional currency relative to the euro on foreign currency borrowings considered permanent are taken directly to equity under "Translation differences", net of tax effect. The net amount of translation differences in 2015 is 16 million euros of negative translation differences (20 million euros of negative translation differences in 2014).

At December 31, 2015 and December 31, 2014 neither the Company nor the subsidiaries held equity units issued by the Company.

The effect of changes in foreign exchange rates, when presenting the Statement of Cash Flows by indirect method, has been calculated considering an average for the year of Cash and cash equivalents and applying the change of foreign exchange rates at closing of each year.

Transactions between companies included in the consolidation scope

The following transactions and balances were eliminated in consolidation:

- Reciprocal receivables/payables and expenses/income relating to intra-Group transactions.

- Income from the purchase and sale of property, plant, and equipment as well as unrealized gains on inventories, if the amount is significant.

- Intra-Group dividends and the debit balance corresponding to interim dividends recognized at the company that paid them.

Non-controlling interest

The value of non-controlling interest in the equity and profit (loss) for the year of consolidated subsidiaries consolidated by the full consolidation method is recognized in "Equity attributable to non-controlling interest" in the Equity in the Consolidated Balance Sheet and in "Profit (loss) attributable to non-controlling interest" in the Consolidated Income Statement and Consolidated Comprehensive Income Statement, respectively.

4.5 Changes in accounting policies

1. *Standards and interpretations adopted by the European Union applied by first time this year*

The accounting policies used in the preparation of these Consolidated Financial Statements are the same to those applied to the Consolidated Financial Statements for the year ended December

31, 2014 since none of the modifications to the standards or the interpretations which are first time applicable this year have impact in the Group.

2. *Standards and interpretations issued by the IASB but not applicable this year*

The Group intends to adopt the standards, interpretations and amendments issued by the IASB but not mandatory in the European Union at the date of these consolidated financial statements when they become effective, if applicable. The Group is currently analyzing the impact. Based on the analyses carried out to date, the Group considers that the application of these standards and amendments will not have a significant impact on the consolidated financial statements except amendments down below.

IFRS 15 *Revenue From Contracts With Customers*

IFRS 15 was published in May 2014 and establishes a new five-step model framework applicable to revenue from customer contracts. Under IFRS 15, the amount of revenue recognized reflects the consideration to which the entity expects to be entitled in exchange for those goods or services provided to a customer. The principles of IFRS 15 introduce a more structured approach to measuring and recognizing revenue.

This new standard supersedes all prior standards on revenue recognition. IFRS 15 must be applied retroactively either totally or in part for the years beginning on January 01, 2018 or afterwards; early application is also permitted although this standard has not been adopted by the European Union yet. The Group is currently assessing the impact of IFRS 15 and plans to adopt it by the abovementioned date.

IFRS 16 *Leases*

IFRS 16 was published in January 2016 and implies significant changes for lessees since, for most leases, they will have to account an asset for the right to use and a liability for the rentals to pay. For lessors there are few changes compared to current IAS 17.

This new standard supersedes prior standards on leases. IFRS 16 permits either a full retrospective or a modified retrospective approach for the years beginning on January 01, 2019 included; early application is also permitted although this standard has not been adopted by the European Union yet. The Group pretends to adopt this new standard at the required effective date by a retrospective transition approach. The Group has started a preliminary assessment of IFRS 16 and the effects on their consolidated financial statements.

Company as lessee

The main effect in Group financial statements is the recognition in balance sheet of the right to use and the corresponding liability related to operating leases. As mentioned in Note 28, future minimum payments for non-cancellable operating leases amount to 439,838 thousand euros at December 31, 2015. The Group is analyzing whether periods for those future minimum payments are similar to lease periods to use according to IFRS 16.

In addition there will be an increase in operating income since leasing expenses (88,038 thousand euros in 2015 (Note 28)) are eliminated and amortization and financial expenses will increase for a total amount slightly higher to that amount.

Amendments to IAS 1 Disclosure Initiative

The Group is analyzing the proposed amendments and thus expects to apply the following recommendations in its 2015 financial statements:

- Eliminate immaterial information.
- Structure the notes so that the most relevant matters are described at the beginning of the notes to the financial statements.
- Eliminate disclosures included in the accounting policies that are included in the standards, including only Group-specific matters.

The Group's consolidated financial statements are not expected to be affected by the remaining amendments.

Amendments to IAS 7 Statement of cash-flows: Disclosure Initiative

These amendments require the Group to present information about the changes in financial liabilities for a better understanding of movements in Group debt. The amendments will enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from monetary and non-monetary operations (such as foreign exchange differences).

The amendments include illustrative examples with the reconciliation between the opening and closing balances of items for which cash flows are classified as financing activities, excluding equity items and separating movements that imply cash-flows from those that do not. These amendments will become effective for annual periods beginning on or after January 1, 2017 although early application is permitted. Comparative information from previous year is not required. Consequently, the amendments will not have impact until 2017, when this disclosure is required.

4.6 Going concern

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

The Group has sufficient financing in place to fund its operations on an ongoing basis with 84% of its bank financing as of December 31, 2015 and 2014 maturing over periods longer than twelve months.

At December 31, 2015 the Group had 391 million euros (2014: 560 million euros) of total available liquidity, comprised of 356 million euros in cash and cash equivalents (2014: 484 million euros) and 35 million euros in current financial assets (2014: 76 million euros). In addition, the Group has undrawn credit facilities amounting to 345 million euros at December 31, 2015 (2014: 267 million euros).

5. Summary of significant accounting policies

5.1 Foreign currency transactions

Functional and presentation currency

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

The Consolidated Annual Financial Statements are presented in thousands of euros, as the Euro is the Group's presentation currency and the functional currency of the parent company.

Transactions in foreign currency different to the functional currency of each company

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

5.2 Property, plant and equipment

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

Acquisition cost includes:

- Purchase Price.
- Discounts for prompt payment, which are deducted from the asset's carrying value.
- Directly attributable costs incurred to ready the asset for use.

Prior to the IFRS transition date (January 1, 2007), certain Group companies revalued certain items of property, plant, and equipment as permitted under applicable legislation (Royal Decree-Law 7/1996, Basque regional law 6/1996 and several international laws). The amount of these revaluations is considered part of the cost of the assets as provided for under IAS 1.

At the transition date to EU-IFRSs (January 1, 2007), Property, plant and equipment was measured at fair value at the said date, based on the appraisals of an independent expert, which generated a revaluation of Group assets (Note 9).

The carrying value of Property, plant, and equipment acquired by means of a business combination is measured by its fair value at the moment of its incorporation into the Group (Note 5.3) being it consider as its cost value.

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

Ordinary repair or maintenance work is not capitalized.

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

As permitted under revised IAS 23, borrowing costs directly attributable to the acquisition or development of a qualifying asset - an asset that takes more than one year to be ready for its intended use - are capitalized as part of the cost of the respective assets.

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

The estimated useful lives of the various asset categories are:

	Years of estimated useful life
Buildings	17 to 50
Plant and machinery	3 to 15
Other plant, tools and furniture	2 to 10
Other PP&E items	4 to 10

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

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

5.3 Business combinations and goodwill

Business combinations

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

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

Acquisition costs incurred are registered under the heading “Other operating expenses” in the Consolidated Income Statement.

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

Goodwill

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

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

If the Company's interest in the net fair value of the identifiable acquired assets, assumed liabilities, and contingent liabilities exceeds the cost of the business combination, the Company reconsiders the identification and measurement of the assets, liabilities, and contingent liabilities of the acquired company, as well as the measurement of the cost of the business combination (even non-monetary). The Company recognizes any excess that continues to exist after this reconsideration in the income statement.

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

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

Impairment is determined by assessing the recoverable amount of the cash-generating unit or groups of cash-generating units to which the goodwill relates. If the recoverable amount of the cash-generating unit or group of cash-generating units is less than the carrying amount, the Group recognizes an impairment loss (Note 5.7).

5.4 Investment in associates and joint ventures

The Group has several participations in joint ventures, business over which the Group exercises joint control, where contractual agreements exist. The contracts require that the agreement between the parties with respect the operating and financial decisions be unanimous.

The Group has also participations in associates, business over which the Group has significant influence.

Participations in associates and joint ventures are accounted for using the equity method.

According to this method, the investment in an associate or a joint venture is initially recorded at cost. From the acquisition date on, the carrying amount of the investment is adjusted to reflect the changes of the investor's share of the net assets of the associate and the joint venture. The goodwill related to the associate or jointly controlled entity is included in the carrying amount of the investment and it is not amortised and no impairment test related is done.

The share of the Group in profits of operations of the associate or joint venture is reflected in the Consolidated Income Statement. When there has been a change recognized directly in equity by the associate or joint venture, the Group recognizes its share of this change, when applicable, in the statement of changes in equity. Non-realized gains or losses resulting from transactions between the Group and the associate or joint venture corresponding to the share of the Group in the associate or joint venture are eliminated.

The share of the Group in profits of the associate or joint venture is reflected directly in the Consolidated Income Statement and it represents profit after taxes and non-controlling interests.

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

After using the equity method, the Group decides if impairment losses on the investment in the associate or joint venture have to be recognised. At closing date the Group consider if there are evidences of impairment of the investment in the associate or joint venture. If so, the impairment is calculated as the difference between the recoverable amount and the carrying amount of the associate or joint venture and the amount of such impairment is recognized in "Share of profits from associates- equity method" in the Consolidated Income Statement.

When the significant influence of the Group in the associate or joint venture ceases, the Group recognises the investment at its fair value. Any difference between the carrying amount of the associate or joint venture in the moment of loss of significant influence and the fair value of the investment plus the income for sale is recognized in the Consolidated Income Statement.

5.5 Other intangible assets

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

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

Research and development costs

Research costs are expensed as incurred.

Development expenditure is capitalized when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the resulting asset;
- its ability to use or sell the intangible asset;
- the economic and commercial profitability of the project is reasonably ensured;

- the availability of adequate technical and financial resources to complete and to use or sell the resulting asset; and

- its ability to measure reliably the expenditure during development.

Capitalized development costs are amortized over the period of expected future benefits.

Concessions, patents, licenses, trademarks, et al.

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

Software

Software is measured at acquisition cost.

Software acquired from third parties and capitalized is amortized over its useful life, which in no instance will exceed 5 years.

IT maintenance costs are expensed as incurred.

5.6 Financial assets

Financial assets are initially measured at fair value plus any directly attributable transaction costs, except financial assets at fair value through profit and loss where transaction cost are registered in Consolidated Income Statement.

The Group classifies its financial assets, current and non-current, into the following categories:

- Financial assets at fair value through profit and loss (held for trading).

- Held-to-maturity investments.

- Loans and receivables.

- Available-for-sale financial assets.

- Investments in associates accounted for using the equity method.

Classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition and reassesses this designation at each year end.

Financial assets at fair value through profit and loss

These are financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments, except those designated as hedging instruments in an effective hedge.

They are classified as non-current assets, except for those maturing in less than 12 months, and they are carried on the balance sheet at fair value. Changes in value of these assets are recognized in the Consolidated Income Statement as Financial gains or losses.

Fair value is the market price at the Consolidated Balance Sheet date.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity.

They are classified as non-current, except for those maturing in less than 12 months from the balance sheet date. They are carried at amortized cost using the effective interest method, less any impairment charges.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current, except for those maturing in more than 12 months from the balance sheet date.

They are carried at amortized cost using the effective interest method, less any impairment charges.

Available-for-sale financial assets

There are financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. They are classified as non-current unless management plans to dispose of them within 12 months from the balance sheet date.

They are measured at fair value at the balance sheet date. Unrealized gains or losses are recognized in Retained earnings until the investment is retired or impaired, at which time the cumulative gain or loss recorded in equity is recognized in the Consolidated Income Statement.

Investments in associates accounted for using the equity method

Investments in associates or joint ventures, companies in which the Group has significant influence, are accounted for using the equity method (Note 5.4).

Derecognition of financial instruments

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

If the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity does not retire the transferred asset from its balance sheet and recognizes a financial liability for the consideration received. This financial liability is subsequently measured at amortized cost. The transferred financial asset continues to be measured using the same criteria as prior to the transfer. In subsequent periods, the Group recognizes any income on the transferred asset and any expense incurred on the financial liability in the Consolidated Income Statement. Such income and expense are not offset.

5.7 Impairment of assets

Impairment of non-financial assets

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

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash inflows from other assets.

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

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

When assessing value in use, estimated future cash-flows are discounted at present value by using a pre-tax discount rate that reflects current market valuations of money and risks of the asset. For calculating the fair value of the asset less costs to sell, recent transactions are considered and if they cannot be identified, a proper valuation method is used. These calculations are based on several considerations, market prices and other available indicators of the fair value.

The calculation of impairment is based on detailed budgets and previsions individually prepared for each CGU to which the asset is allocated. Those budgets and previsions refer to a five-year period and for longer periods a long-term growing rate is calculated and used for estimating cash-flows after the fifth year.

The impairment losses from continued operations, including impairment of inventories, are registered in the Consolidated Income Statement in the expenses related to the function of the impaired asset.

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

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

The following assets present specific characteristics when assessing their impairment:

Consolidation goodwill

At year end as well as when there is evidence that goodwill may be impaired, an impairment test of goodwill is carried out.

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

Goodwill impairment losses cannot be reversed in future periods.

Intangible assets

The Group has implemented annual procedures to test intangible assets with indefinite useful life for impairment. This assessment is carried out for each of the CGUs or groups of CGUs, as well as when there is evidence that intangible assets may be impaired.

Impairment of financial assets

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

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

In the case of debt instruments classified as available-for-sale assets, if the fair value of an impaired debt instrument subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

The recoverable amount of held-to-maturity investments and loans and receivables carried at amortized cost is calculated as the present value of the expected future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account and the amount of the loss is recognized in the Consolidated Income Statement. Current investments are not discounted to present value.

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

5.8 Assets and liabilities held for sale and discontinued operations

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

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

At December 31, 2015 there are no assets and liabilities in this category and no profit from discontinued operations.

At December 31, 2014 the result of the sale of companies Gestamp Sungwoo Hitech (Chennai) Pvt., Ltd., Sungwoo Gestamp Hitech Chennai, Ltd. and GS Hot-Stamping Co. Ltd was registered as Profit for the year from discontinued operations net of taxes (under the heading Discontinued operations) for 526 thousand euros of losses (Note 26).

In addition, the 2014 profit from these companies until the sale amounting to 1,047 thousand euros of losses (Note 26) was also registered as Profit for the year from discontinued operations net of taxes (under the heading Discontinued operations).

5.9 Trade and other receivables

Accounts receivable from customers are measured in the accompanying Consolidated Balance Sheet at nominal value.

Discounted bills pending maturity at year end are included in the accompanying consolidated balance sheets under "Trade receivables," with a balancing entry in "Interest-bearing loans and borrowings". The balances transferred to banks as Non-Recourse Factoring are not included in "Trade receivables" since all risks related to them have been transferred to the bank (Note 12.a).

The Group recognizes impairment allowances on balances past-due over certain periods, or when other circumstances warrant their classification as impaired.

5.10 Inventories

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

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

Inventories have been valued using the average weighted cost method.

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

5.11 Tools made to customer order

A construction contract is a contract specifically negotiated with a customer for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognized by reference to the stage of completion of the contract activity at the balance sheet date (Note 5.18).

When the outcome of a construction contract cannot be estimated reliably, revenue is recognized to the extent that contract costs incurred are expected to be recoverable.

Based on its experience and Group estimates, with rare exceptions, management does not expect to incur losses, which have not been recognized on these Financial Statements, on the definitive settlement of the tool manufacture contracts in progress at December 31, 2015.

In the exceptional cases where there are contract costs that may not be recovered, no revenue is recognized and all amounts of such costs are recognized as an expense immediately.

Customer advances received reflect billing milestones and not necessarily the stage of completion of the contract.

Tools-in-progress measured using the stage of completion method are recognized under "Trade receivables" net of customer advances with a balancing entry to "Revenue from tool sales".

5.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are subject to an insignificant risk of changes in value. An investment is considered a cash equivalent when it has a maturity of three months or less from the date of acquisition or establishment.

5.13 Government grants

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

When the grant relates to an asset, it is recognized as "Deferred Income" in the Consolidated Balance Sheet and released to income over the expected useful life of the related asset.

When the grant relates to expense items, it is recognized directly in the Consolidated Income Statement as income.

5.14 Financial liabilities (trade and other payables and borrowings)

Financial liabilities are initially recognized at fair value less attributable to transaction costs except financial liabilities at fair value through profit and loss. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost, measured as the difference between their cost and redemption value, using the effective interest rate method.

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

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

5.15 Provisions and contingent liabilities

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

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

Headcount restructuring provisions are stated at the amount of expenses expected to arise from the restructuring and any other expenses not associated with the entity's day-to-day business.

Headcount restructuring provisions are only recognized when there is a formal plan identifying the affected business, the main locations affected, and the employees to receive redundancy payments, the outlays to be incurred, when it will be implemented, and when the entity has raised a valid expectation that it will carry out the restructuring and those affected have been informed.

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

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

5.16 Employee benefits

The Group has assumed pension commitments for some companies belonging to the Edscha and the Gestamp Metal Forming Subgroups located in Germany and France.

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

Defined contribution plans

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

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

Defined benefit plans

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

The amounts to be recognized in profit and loss are:

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

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

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

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

The deficit or surplus is:

- The present value of the defined benefit obligation.
- Less the fair value of plan assets (if any).

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

Indemnities

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

5.17 Leases

Leases in which all the risks and benefits associated with ownership of the asset are substantially transferred are classified as finance leases.

Assets acquired under financial lease arrangements are recognized, based on their nature, at the lower of the fair value of the leased item and the present value of the minimum lease payments at the outset of the lease term. A financial liability is recognized for the same amount. Lease payments are apportioned between finance charges and reduction of the lease liability. Leased assets are depreciated, impaired, and retired using the same criteria applied to assets of a similar nature.

Leases where the lessor substantially retains all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated Income Statement on a straight line basis over the lease term.

5.18 Revenue and expense recognition

Revenue and expenses are recognized when products are delivered or services are provided, regardless of when actual payment or collection occurs.

Revenue is recognized at fair value of the balancing entry, defining fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Revenue includes:

- Sale of goods: Revenue from the sale of goods is recognized when the following conditions have been met:
    - the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
    - the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
    - the amount of revenue can be measured reliably;
    - it is probable that the economic benefits associated with the transaction will flow to the Group.
    - the costs incurred or to be incurred in respect of the transaction can be reliably measured.
- Manufacture of tools for third party sale and rendering of services: revenue arising from the manufacture of tools for sale to third parties and the rendering of services are recognized by reference to the stage of completion of the transaction at the reporting date - stage of completion method (Note 5.11).
- Interest, royalties, and dividends: interest revenue is recognized as interest accrues taking into account the effective return of the asset (using the effective interest method, i.e., the rate that makes discounted future cash receipts through the expected life of the financial instrument equal to the initial carrying amount of the asset).

  Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement.

  Dividends are recognized when the shareholder’s right to receive payment is established.

Expenses are recognized when there is a decrease in the value of an asset or an increase in the value of a liability that can be measured reliably, and they are recognized during the period in which they are incurred.

5.19 Income tax

The income tax recognized in the Consolidated Income Statement includes current and deferred income tax.

Income tax expense is recognized in the Consolidated Income Statement except for current income tax relating to line items in shareholders' equity, which is recognized in equity and not in the income statement.

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

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

Temporary differences
Deferred tax liabilities: a deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, affects neither the accounting nor the fiscal result.

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

5.20 Derivative financial instruments and hedges

The Company has arranged cash flow (interest rate) hedges through entities that operate on organized markets. These instruments are used to hedge exposure to fluctuations in floating interest rates on a portion of the bank loans granted to the Company and on a portion of expected future borrowings.

These financial derivatives hedging cash flow are initially recognized in the Consolidated Balance Sheet at acquisition cost and, subsequently, they are marked to market.

Any gains or losses arising from changes in the market value of derivatives in respect of the ineffective portion of an effective hedge are taken directly to the Consolidated Income Statement, while gains or losses on the effective portion are recognized in "Effective hedges" within "Retained earnings" with respect to cash flow hedges, and in "Translation differences" with respect to net foreign investment hedges. The cumulative gain or loss recognized in equity is taken to the Consolidated Income Statement when the hedged item affects profit or loss or in the year of disposal of the item.

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

In addition, the Group has debt instrument (US dollar bonds issuance) to cover the exposure to exchange rate risk of the investments in subsidiaries whose functional currency is US dollar (Note 20.b.2).

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

The ineffective portion of the bonds exchange differences shall be recognized in Consolidated Income Statement and the effective portion in Translation differences (Consolidated Equity). The accumulated loss or gain is transferred to the Consolidated Income Statement when the investment of the foreign operation is derecognized.

5.21 Related parties

The Group considers its direct and indirect shareholders, its associated companies, its directors and its officers as Related Parties.

Companies belonging to the majority shareholder of the Company are also considered related parties.

5.22 Environmental issues

Expenses relating to decontamination and restoration work in polluted areas, as well as the elimination of waste and other expenses incurred to comply with the environmental protection legislation, are registered in the year they are incurred, unless they correspond to the acquisition cost of assets to be used over an extended period. In this case, they are recognized in the corresponding heading under “Property, plant, and equipment” and are depreciated using the same criteria described in Note 5.2 above.

Estimable amounts of contingent liabilities for environmental issues, if any, would be provisioned as a liability in Consolidated Balance Sheet.

6. Significant accounting judgments, estimates, and assumptions

The preparation of the accompanying Consolidated Financial Statements under IFRS requires management to make judgments, estimates, and assumptions that affect:

- The reported amounts of assets and liabilities.
- The disclosure of contingent assets and liabilities at the reporting date.
- The reported amounts of revenue and expenses throughout the year.

The key estimates and assumptions that have a significant impact on the accompanying Consolidated Financial Statements are as follows:

- The valuation of assets and goodwill for the purposes of determining any impairment losses.

- In relation to the assumptions used to estimate cash flows at the CGUs, management used the most conservative scenarios so that adjustments to carrying amounts in this regard are considered unlikely (Note 5.7 and 8.a).
- Cash-flow discount rates and growth rates (Note 8.a).
- The likelihood and quantification of indeterminate and contingent liabilities (Note 5.15 and 18).
- Calculation of discount rates, future salary increases, mortality rates and future pensions increases.
- Revision of useful lifes of operative assets.
- The Group checks all relevant facts and circumstances that may imply significant changes in control of subsidiaries.
- Calculation of income tax expense and recognition of deferred tax assets: the correct measurement of income tax expense depends on a number of factors, including timing estimates in relation to the application of deferred tax assets and the accrual of income tax payments. The actual timing of payments and collections could differ from these estimates as a result of changes in tax regulations or in planned/future transactions with an impact on the tax base of the Group's assets.

Although these estimates have been made based on the best information available regarding the facts analyzed at the reporting date, events may occur in the future that require adjustments to be made prospectively in subsequent years to reflect the effect of the revised estimates. Nevertheless, management does not expect any such adjustments to have a material impact on its future Consolidated Financial Statements.

7. Changes in significant accounting policies and estimates and restatement of errors

Changes in accounting estimates:
The effect of a change in an accounting estimate is recognized prospectively in the same Consolidated Income Statement heading in which the associated income or expense was recognized under the former estimate.

Changes in significant accounting policies and restatement of errors:
Changes in accounting policies and restatement of errors are recognized to the extent they are significant: the cumulative effect of the change at the beginning of the period is recognized by restating "Retained earnings" while the period-specific effect of the change is recognized in Consolidated Profit and Loss for the year. In these instances, the prior year's balances are also restated to maintain comparability of information.

8. Intangible assets

a) Goodwill

The change in goodwill in 2014 and 2015 is as follows:

Company	Thousands of euros At December 31, 2013	Additions	Decreases	Currency translation differences	At December 31, 2014
Gestamp Metalbages, S.A.	15,622				15,622
Gestamp Levante, S.L.	6,944				6,944
Gestamp Aveiro, S.A.	7,395				7,395
Griwe Subgroup	6,466				6,466
Gestamp HardTech, AB	43,236			(2,709)	40,527
Gestamp Brasil Industria de Autopeças, S.A.	11,007			103	11,110
Beyçelik, A.S.	24,312			1,035	25,347
Gestamp Services India Private, Ltd.	11			1	12
Gestamp Severstal Vsevolozhsk, Llc	168			(64)	104
Adral, matricería y pta. a punto, S.L.	857				857
	116,018	-	-	(1,634)	114,384

Company	Thousands of euros At December 31, 2014	Additions	Decreases	Currency translation differences	At December 31, 2015
Gestamp Metalbages, S.A.	15,622				15,622
Gestamp Levante, S.L.	6,944				6,944
Gestamp Aveiro, S.A.	7,395				7,395
Griwe Subgroup	6,466				6,466
Gestamp HardTech, AB	40,527			1,097	41,624
Gestamp Brasil Industria de Autopeças, S.A.	11,110			(2,801)	8,309
Beyçelik, A.S.	25,347			(2,727)	22,620
Gestamp Services India Private, Ltd.	12			1	13
Gestamp Severstal Vsevolozhsk, Llc	104			(8)	96
Adral, matricería y pta. a punto, S.L.	857				857
	114,384	-	-	(4,438)	109,946

Currency translation differences in 2014 and 2015 correspond to the adjustments to the goodwill of companies whose functional currency is different from the Euro, translated at the exchange rate prevailing at the Consolidated Balance Sheet date, according to IAS 21 (Note 5.3).

Impairment test of Goodwill

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

The CGU recoverable value at December 31, 2015 has been determined by the assessment of value in use, using cash flow projections covering a five-year period and based on the future business evolution. The cash flows beyond the five-year period has been extrapolated using a growth rate of 1% for 2015 and 2014, except for the Brazilian CGU where the growth rate used in 2015 is 2%. These hypotheses can be considered cautious compared with the rest of the long term average growth rates of the automotive sector. Pre-tax discount rate for cash flow projections for the CGUs with the most significant goodwill in 2015 and 2014 are the followings:

CGU	Pre-tax discount rate 2015	2014
Gestamp HardTech, AB	10.65%	10,24%
Beycelik, A.S.	18.00%	17.65%
Gestamp Metalbages, S.A.	10.58%	10.51%

The value in use is higher than the net value for all the CGUs.

According to the estimates and projections available to management, the expected future cash flows attributable to the various CGUs or groups of CGUs to which goodwill is assigned indicate that the carrying amount of all the goodwill recognized at December 31, 2015 is at least equal to the corresponding recoverable amounts.

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, 2013**	**Additions**	**Disposals**	**Currency translation differences**	**Other movements**	**At December 31, 2014**
R&D expenses	143,710	46,721	(2,001)	1,500	(9,826)	180,104
Concessions	16,278	464		1,674	(1,093)	17,323
Patents, licenses & trademark	35,478	1,096	(104)	(104)	85	36,451
Goodwill	1,849			351	(302)	1,898
Transfer fees	252			(7)	(126)	119
Software	84,375	12,670	(1,932)	732	9,438	105,283
Prepayments	6,393	9,057	(4)	(259)	(6,261)	8,926
Total cost	288,335	70,008	(4,041)	3,887	(8,085)	350,104
Amortization and impairment						
R&D expenses	(61,614)	(19,199)	1,836	(1,151)	3,480	(76,648)
Concessions	(971)	(359)		(129)	245	(1,214)
Patents, licenses & trademark	(3,288)	(550)	100	29		(3,709)
Transfer fees	(156)	59		7	58	(32)
Software	(60,898)	(8,871)	1,019	(671)	(557)	(69,978)
Total accumulated amortization	(126,927)	(28,920)	2,955	(1,915)	3,226	(151,581)
Impairment of Intangible assets	(1,467)	1	-	(27)	177	(1,316)
Net carrying amount	159,941	41,089	(1,086)	1,945	(4,682)	197,207

Additions in R&D expenses correspond mainly to the companies Autotech Engineering AIE and Edscha Automotive Technology Co. Ltd. regarding development and design costs of portfolio projects, as well as the application of new technologies and the introduction of new materials related with the business.

Additions in Software corresponded mainly to software licenses renewal and to costs of SAP development and implementation in subsidiaries.

Other movements mainly reflect a reclassification for 4,277 thousand euros from R&D expenses to Machinery, after an accurate study on the nature of these items, as well as adjustments from previous years.

	Thousands of euros						
Cost	At December 31, 2014	Additions to consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2015
R&D expenses	180,104		57,904	(910)	1,722	2,078	240,898
Concessions	17,323				1,106	5	18,434
Patents, licenses & trademark	36,451		2,854	(73)	58	(188)	39,102
Goodwill	1,898			(4)	303	(297)	1,900
Transfer fees	119					(5)	114
Software	105,283	103	14,244	(397)	(255)	8,497	127,475
Prepayments	8,926		13,301	(174)	(270)	(8,535)	13,248
Total cost	350,104	103	88,303	(1,558)	2,664	1,555	441,171
Amortization and impairment							
R&D expenses	(76,648)		(26,558)	787	(903)	(300)	(103,622)
Concessions	(1,214)		(344)		(72)	(90)	(1,720)
Patents, licenses & trademark	(3,709)		(456)	73	(43)	152	(3,983)
Transfer fees	(32)		(265)		3		(294)
Software	(69,978)	(70)	(11,217)	(8)	108	759	(80,406)
Total accumulated amortization	(151,581)	(70)	(38,840)	852	(907)	521	(190,025)
Impairment of Intangible assets	(1,316)		(802)	132	(19)	297	(1,708)
Net carrying amount	197,207	33	48,661	(574)	1,738	2,373	249,438

Additions to consolidation scope in 2015 correspond to assets contributed by Gestamp Pune Automotive Pvt Ltd (Note 2.b).

Additions in R&D expenses correspond mainly to the companies Autotech Engineering AIE, Edscha Automotive Michigan Inc. and Edscha Automotive Hengersberg GmbH regarding development and design costs of portfolio projects, as well as the application of new technologies and the introduction of new materials related with the business

Additions in Software mainly corresponded to software licenses renewal and to costs of SAP development and implementation in subsidiaries.

Additions in Prepayments correspond to costs from SAP implementation in subsidiaries.

The net balance of Other movements mainly reflects adjustments from previous years, as well as reclassifications between intangible assets and PP&E.

9. Property, plant and equipment

The breakdown and change in various items comprising “Property, plant and equipment” are shown below:

	Thousands of euros					
Cost	At December 31, 2013	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2014
Land and buildings	1,149,335	31,361	(143)	5	119,076	1,299,634
Plant and other PP&E	3,575,528	109,062	(35,289)	35,955	361,697	4,046,953
PP&E under construction and prepayments	483,611	272,888	(31,486)	1,830	(476,040)	250,803
Total cost	5,208,474	413,311	(66,918)	37,790	4,733	5,597,390
Depreciation and impairment						
Land and buildings	(301,557)	(36,303)	141	(1,244)	1,589	(337,374)
Plant and other PP&E	(2,340,080)	(254,245)	31,555	(20,809)	(5,889)	(2,589,468)
Accumulated depreciation	(2,641,637)	(290,548)	31,696	(22,053)	(4,300)	(2,926,842)
Impairment of PP&E	(13,055)	(79)	549	(342)	4,168	(8,759)
Net book value	2,553,782	122,684	(34,673)	15,395	4,601	2,661,789

Cost value of the property, plant and equipment additions at December 31, 2014 correspond, mainly, to investments in plants and production lines as well as to replacement of capital expenditure to maintain existing activities. The breakdown of investments by countries is as follows:

	Thousands of euros
Spain	79,278
China	71,853
United Kingdom	52,406
USA	43,520
Germany	38,925
Mexico	30,482
Brazil	19,567
Czech Republic	14,591
Russia	10,550
France	10,310
Turkey	7,923
Korea	6,218
Other	27,688
TOTAL	**413,311**

The net value of Disposals of plant and other PP&E corresponds, mainly, to the dismantlement of production lines and disposal of fully amortized items out of use.

Cost value of the PP&E under construction disposals correspond, mainly, to the sale of PP&E under construction of Gestamp Bizkaia, S.A.

The net value of Other movements mainly reflect adjustments relating to prior years as well as the reclassification from R&D expenses to Machinery for 4,277 thousand euros (Note 8.b).

The breakdown by country of translation differences arising at December 31, 2014 is the following:

	Thousands of euros
USA	37,752
China	23,329
United Kingdom	15,682
India	6,365
Turkey	2,843
Argentina	(7,152)
Russia	(63,906)
Other countries	482
TOTAL	15,395

	Thousands of euros						
Cost	**At December 31, 2014**	**Additions to consolidation scope**	**Additions**	**Disposals**	**Currency translation differences**	**Other movements**	**At December 31, 2015**
Land and buildings	1,299,634	7,023	10,974	(5,602)	(5,711)	17,300	1,323,618
Plant and other PP&E	4,046,953	1,839	148,413	(75,438)	2,616	223,544	4,347,927
PP&E under construction and prepayments	250,803		374,738	(2,421)	(848)	(243,663)	378,609
Total cost	5,597,390	8,862	534,125	(83,461)	(3,943)	(2,819)	6,050,154
Depreciation and impairment							
Land and buildings	(337,374)	(1,017)	(32,393)	3,262	1,320	1,191	(365,011)
Plant and other PP&E	(2,589,468)	(1,056)	(285,110)	61,866	3,547	(1,115)	(2,811,336)
Accumulated depreciation	(2,926,842)	(2,073)	(317,503)	65,128	4,867	76	(3,176,347)
Impairment of PP&E	(8,759)	-	(2,933)	-	(309)	1	(12,000)
Net book value	2,661,789	6,789	213,689	(18,333)	615	(2,742)	2,861,807

Additions to consolidation scope in 2015 correspond to assets contributed by Gestamp Pune Automotive Pvt Ltd (Note 2.b).

Cost value of the property, plant and equipment additions at December 31, 2015 correspond, mainly, to investments in plants and production lines as well as to replacement of capital expenditure to maintain existing activities. The breakdown of investments by countries is as follows:

	2015 Thousands of euros
Spain	69,684
Poland	69,546
Mexico	66,714
USA	62,892
China	66,067
United Kingdom	52,993
Germany	37,133
France	24,362
Brazil	18,744
Turkey	15,720
Czech Republic	8,732
Hungary	8,213
India	7,939
Other	25,386
TOTAL	**534,125**

The net value of Disposals of plant and other PP&E corresponds, mainly, to the dismantlement of production lines and disposal of fully amortized items out of use, as well as to the sale of items to third parties.

The net value of Other movements mainly reflect reclassifications between PP&E and intangible assets as well as differences relating to prior years.

The breakdown by country of translation differences arising at December 31, 2015 is the following:

	2015 Thousands of euros
USA	38,585
China	20,870
United Kingdom	10,111
India	4,371
Czech Republic	1,407
Korea	979
Sweden	747
Mexico	(4,309)
Russia	(6,218)
Turkey	(7,377)
Argentina	(10,243)
Brazil	(48,651)
Other countries	343
TOTAL	**615**

The movement in Currency translation differences mainly corresponds to changes in the closing exchange rates of this year compared to those of the previous year used to translate the foreign currency balances into Euros. The most significant changes correspond to Brazilian reais, Turkish lira and Argentine peso in 2015 and to Russian ruble in 2014.

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

	Thousands of euros	
	2015	**2014**
Initial cost	266,567	266,567
Fair value	563,300	563,300
Revaluation	296,733	296,733
Accumulated depreciation	(41,482)	(36,839)
Deferred tax liabilities	(68,276)	(69,599)

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

	Thousands of euros	
Country	**Net carrying amount 2015**	**Net carrying amount 2014**
PORTUGAL	38,297	35,576
FRANCE	90,044	89,185
GERMANY	252,150	251,019
BRAZIL	162,447	212,901
ARGENTINA	34,921	48,342
MEXICO	168,063	117,051
UNITED KINGDOM	216,373	188,967
HUNGARY	30,248	24,403
POLAND	106,006	38,733
SWEDEN	32,264	31,456
USA	409,739	357,285
CHINA	362,172	316,010
INDIA	78,582	70,517
SOUTH KOREA	45,138	44,091
TURKEY	77,483	80,607
RUSSIA	93,262	111,975
CZECH REPUBLIC	70,888	67,978
JAPAN	96	93
SLOVAKIA	3,664	3,743
THAILAND	305	357
	2,272,142	2,090,289

The breakdown of assets acquired under finance lease agreements at December 31, 2015 and December 31, 2014 are as follows:

	December 31, 2015					
			Thousands of euros			
			Present value of lease obligations			
	Asset cost (thousands of euros)	Lease term	Installments paid	Short term	Long term	Purchase option value
Edscha subgroup						
Software	34	4 years	23	9	2	-
Gestamp Metal Forming subgroup						
Other fixtures	297	5 years	181	61	75	-
Beyçelik, A.S.						
Machinery	244	5 years	224	56	15	-
Machinery	12,990	4.75 years	11,186	3,127	267	1
Machinery	1,105	5 years	705	228	283	-
Machinery	598	5 years	241	120	240	-
Machinery	647	5 years	130	122	415	-
Machinery	2,971	7 years	352	776	2,196	-
Machinery	1,954	7 years	238	449	1,505	-
Machinery	285	7 years	32	37	223	1
Machinery	1,082	7 years	117	141	848	1
Machinery	474	7 years	45	61	377	-
Machinery	598	7 years	33	76	496	-
Gestamp West Virginia Llc.						
Machinery (November 2012)	13,414	20 years	1,427	618	13,135	-
Machinery (December 2012)	8,943	20 years	882	411	8,792	-
				6,292	**28,869**	

	December 31, 2014					
			Thousands of euros			
			Present value of lease obligations			
	Asset cost (thousands of euros)	Lease term	Installments paid	Short term	Long term	Purchase option value
Edscha subgroup						
Software	34	4 years	14	9	11	-
Gestamp Metal Forming subgroup						
Other fixtures	297	5 years	122	59	136	-
Loire Sociedad Anónima Franco Española						
Machinery	400	5 years	375	25	-	5
Beyçelik, A.S.						
Machinery	200	5 years	163	51	70	-
Machinery	10,773	4.75 years	7,920	2,959	3,377	1
Machinery	1,004	5 years	452	215	508	-
Machinery	623	5 years	80	120	359	-
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi						
Machinery	110	3 years	79	32	-	-
Gestamp West Virginia Llc.						
Machinery (November 2012)	12,397	20 years	831	46	12,351	-
Machinery (December 2012)	8,264	20 years	522	-	8,264	-
				3,516	**25,076**	

At December 31, 2015 the company Beyçelik A.S. recorded seven new finance lease agreements regarding machinery.

In addition, the companies GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi and Loire Sociedad Anónima Franco Española finished their agreements so currently they have no assets under financial lease.

At December 31, 2014 the company Gestamp West Virginia, LLc. has no recorded lease obligations in the short term for December 2012 contract as principal amortization will start from year 2016 on. The fees paid regarding this contract correspond to interest amortization for 2015 and 2014.

The fees paid by the company Gestamp West Virginia, Llc. regarding November 2012 contract correspond to interest amortization for 2014 and to interest amortization and a fee for 2015.

The amounts contained in the table above are affected by the application of different exchange rates in the conversion process of the financial statements at the exchange rate prevailing at the date of the transaction for companies whose functional currency is different from the presentation currency. Regarding Gestamp West Virginia, Llc., the effect of exchange rate variations of US dollar is specially significant, making long term debt at December 31, 2015 is higher than the one at December 31, 2014.

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

At December 31, 2015 the Griwe Subgroup has pledged items of property, plant, and equipment to secure bank loans received in the outstanding amount of 808 thousand euros (December 31, 2014: 2,619 thousand euros). The net carrying amount of these assets at December 31, 2015 was 6,914 thousand euros (December 31, 2014: 7,441 thousand euros).

10. Financial assets

The breakdown of the Group's financial assets at December 31, 2015 and December 31, 2014 by category and maturity, expressed in thousands of euros, is as follows:

	Thousands of euros									
	Investments accounted for using the equity method		Loans and receivables		Derivative financial instruments		Securities portfolio		Other financial assets	
Item	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Non-current financial assets	**8,272**	**9,455**	**8,918**	**43,556**	**28,184**	**5,863**	**-**	**-**	**12,308**	**17,911**
Investments accounted for using the equity method	8,272	9,455								
Held-to-maturity investments									914	3,125
Loans and receivables			8,918	43,556					11,394	14,786
Derivative financial instruments (Note 20.b.1)					28,184	5,863				
Current financial assets	**-**	**-**	**1,638**	**18,319**	**-**	**-**	**2,535**	**-**	**31,282**	**57,558**
Held-to-maturity investments							2,535			
Loans and receivables			1,638	18,319					31,282	57,558
Total financial assets	**8,272**	**9,455**	**10,556**	**61,875**	**28,184**	**5,863**	**2,535**	**-**	**43,590**	**75,469**

a) Non-current financial assets

The movements of non-current financial assets in 2015 and 2014 are as follows:

	Thousands of euros			
	Investments accounted for using the equity method	Loans and receivables	Derivative financial instruments	Other financial assets
Balance at December 31, 2013	11,302	22,850	63,756	16,923
Additions	875	28,312		2,429
Disposals		(6,657)		(1,534)
Changes in valuations of financial derivatives			(57,893)	
Transfers		(1,298)		11
Other movements		23		(43)
Share of profit	(3,164)			
Translation differences	442	326		125
Balance at December 31, 2014	9,455	43,556	5,863	17,911
Additions to consolidation scope	(3,542)			
Additions	2,450	2,938		5,340
Disposals		(24,682)		(10,975)
Changes in valuations of financial derivatives			22,321	
Transfers		(10,719)		64
Other movements		8		388
Share of profit	(364)			
Translation differences	273	(2,183)		(420)
Balance at December 31, 2015	8,272	8,918	28,184	12,308

a.1) Investments accounted for using the equity method

Additions in 2014 correspond to the capital increase in the company Gestión Global de Matricería, S.L. for 2,500 thousand euros and 35% subscribed by the Company.

Additions to consolidation scope in 2015 correspond to the subsidiary Gestamp Pune Automotive Pvt Ltd which changes from equity method to full consolidation method since control is acquired (Note 2.b).

Additions in 2015 correspond to the capital increase in the company Gestión Global de Matricería, S.L. for 9,000 thousand euros and subscribed by the Company for 2,450 thousand euros. Since the capital increase was not proportionally subscribed, the shareholding has decreased from 35% to 30%.

“Share of profit” represents the Group’s share of the profit recorded by each company.

a.2) Non-current loans and receivables

Additions in 2014 mainly correspond to:

- ✓ Loan granted to Gestión Global de Matricería, S.L. amounting to 24,628 thousand euros for financing tangible investments and working capital. The loan earns a 3.25% interest rate with sole maturity date at December 2016.
- ✓ Increase of long term Federal Brazilian Tax receivables of the subsidiary Gestamp Brasil Industria de Autopeças, S.A., with maturity date between 2015 and 2017.
- ✓ Increase of debt of the Argentine public authorities with Gestamp Baires, S.A. regarding local tax Impuesto de Ganancia Mínima Presunta (GMP).

Disposals in 2014 mainly correspond to the early repayment of the loan granted to Shrenik Industries Pvt Ltd. and GS Hot Stamping, Co, Ltd., amounting to 2,590 thousand euros and 3,553 thousand euros respectively.

Transfers in 2014 mainly correspond to the transfer from long-term to short-term of the part of the loan granted to Esymo Metal, S.L. with maturity date in 2015 (heading b.1).

Disposals in 2015 mainly correspond to the repayment of the loan granted to Gestión Global de Matricería, S.L. amounting to 24,628 thousand euros. Bank financing has been obtained and so the loan has been early paid out.

Transfers in 2015 correspond to the transfer to the heading Public authorities of debit balances of Argentine and Brazilian public authorities with companies Gestamp Baires, S.A. and Gestamp Brasil Industria de Autopeças, S.A. as well as to the transfer from long-term to short-term of the loans granted to Esymo Metal, S.L. and to ESSA Palau S.A. (heading b.1).

a.3) Derivatives financial instruments

Change in valuation of financial instruments at December 31, 2015 and 2014 corresponds to the change of the present value of implicit derivatives mainly due to the evolution of the exchange rates applicable to sales and purchases prices in certain customer and suppliers contracts (note 20.b.1).

a.4) Other non-current financial assets

Additions in 2014 mainly include labor legal deposits amounting to 991 thousand euros and deposits as guarantee for operating leases amounting to 989 thousand euros.

Disposals in 2014 mainly include the refund of several labor legal deposits amounting to 833 thousand euros and the refund of deposits as guarantee for operating leases amounting to 408 thousand euros.

Additions in 2015 mainly include deposits as guarantee of labor insurances amounting to 880 thousand euros and deposits as guarantee for operating leases amounting to 3,567 thousand euros.

Disposals in 2015 mainly correspond to:

- ✓ The refund of deposits as guarantee for operating leases amounting to 3,045 thousand euros and the refund of legal deposits amounting to 524 thousand euros.
- ✓ The cancellation of the investment of Gestamp Servicios S.A. in Genesis International Llc amounting to 2,200 thousand euros.
- ✓ The derecognition amounting to 4,500 thousand euros from the regularization of the sale price of Araluce S.A. in previous years, since production objectives were not achieved as indicated in the sale agreement. This regularization was registered in the heading Impairment and gains (losses) on sale of financial instruments from the Consolidated Income Statement.

b) Current financial assets

The movements of current financial assets in 2015 and 2014 are as follows:

	Thousands of euros		
	Loans and receivables	Securities portfolio	Other financial assets
Balance at December 31, 2013	16,017		41,570
Additions	4,254		53,847
Disposals	(3,928)		(1,610)
Transfers	978		(38,210)
Other movements	4		
Translation differences	994		1,961
Balance at December 31, 2014	18,319	-	57,558
Additions to consolidation scope			225
Additions	2,247	2,535	21,373
Disposals	(16,361)		(46,022)
Transfers	5,385		(58)
Other movements	(9,324)		(2,022)
Translation differences	1,372		228
Balance at December 31, 2015	1,638	2,535	31,282

b.1) Current loans and receivables

Additions in 2014 mainly correspond to the loan granted to Essa Palau, S.A. by Gestamp Metalbages, S.A., amounting to 3,000 thousand euros. The loan earns an interest referenced to 3-month Euribor plus a 3% spread.

Disposals in 2014 mainly correspond to the partial cancellation of the loan granted to Gonvarri Argentina, S.A. by Gestamp Baires, S.A., amounting to 3,612 thousand euros.

Transfers in 2014 correspond to the short-term maturity of the loan granted to Esymo Metal, S.L.

Additions in 2015 mainly correspond to a loan granted to Essa Palau S.A. by Gestamp Metalbages S.A. amounting to 2,000 thousand euros. The loan earns an interest referenced to 3-month Euribor plus a 3% spread.

Disposals in 2015 mainly correspond to the repayment of the loan granted to Genesis Internacional S.A. by Gestamp Servicios, S.A. amounting to 14,262 thousand euros.

Transfers in 2015 mainly correspond to the transfer from long-term to short-term of the loans granted to Esymo Metal S.L. and to ESSA Palau, S.A.

Other movements in 2015 include the full impairment of the loans granted to ESSA Palau S.A. by Gestamp Metalbages S.A. (5,000 thousand euros) and by Gestamp Solblank Barcelona S.A. (4,000 thousand euros). This impairment was registered in the heading Impairment and gains (losses) on sale of financial instruments from the Consolidated Income Statement.

b.2) Current securities portfolio

Additions in 2015 mainly correspond to bank deposits from the company Gestamp Pune Automotive Pvt Ltd with maturity in 2016 and average profitability between 4.5% and 6%.

b.3) Other current financial investments

Additions in 2014 mainly include bank deposits of the subsidiaries Gestamp Automotive India Private, Ltd. and Gestamp Brasil Industria de Autopeças, S.A. amounting to 27,727 and 24,806 thousand euros, respectively.

Transfers in 2014 mainly include deposits movements of the subsidiary Gestamp Brasil Industria de Autopeças, S.A. due to the following items:

- ✓ Transfer to the heading Cash and Cash equivalents amounting to 45,070 thousand euros due to a maturity of no more than three months (Note 12.f).
- ✓ Transfer from the heading Cash and Cash equivalents amounting to 5,315 thousand euros due to a maturity of more than three months.

Additions in 2015 mainly include bank deposits of the companies Gestamp Automotive India Private, Ltd. and Gestamp Brasil Industria de Autopeças, S.A. amounting to 13,517 thousand euros and 5,013 thousand euros respectively.

Disposals in 2015 mainly include the cancellation of bank deposits of the company Gestamp Automotive India Private Ltd amounting to 43,991 thousand euros. It is related to the repayment of loans granted by Gonvarri Corporación Financiera S.L. and Gestamp Polska SP ZOO.

11. Inventories

The breakdown of inventories at December 31, 2015 and December 31, 2014 is as follows:

	Thousands of euros	
	2015	**2014**
Commercial inventories	10,865	10,619
Raw materials	163,480	155,706
Parts and subassemblies	56,731	48,961
Spare parts	58,572	52,440
Packaging materials	3,020	2,620
Total cost of raw materials and other consumables	292,668	270,346
Work in progress	166,448	155,109
Finished products	126,239	124,776
Byproducts, waste, and recovered materials	554	31
Prepayments to suppliers	31,605	48,756
Total cost of inventories	617,514	599,018
Impairment of raw materials	(7,331)	(6,360)
Impairment of other consumables	(7,467)	(5,748)
Impairment of work in progress	(7,772)	(6,038)
Impairment of finished products	(8,506)	(7,841)
Total impairment	(31,076)	(25,987)
Total inventories	586,438	573,031

The breakdowns of purchases used in production and changes in inventories are as follows:

	2015	2014	2015 movements: Impairment	Reversal of impairment	Changes in inventories	Total change in inventories
Raw materials and other consumables	292,668	270,346			22,322	22,322
Impairment of raw materials and other consumables	(14,798)	(12,108)	(4,067)	1,377		(2,690)
Consumption (Note 24.a)	**277,870**	**258,238**	**(4,067)**	**1,377**	**22,322**	**19,632**

	2015	2014	2015 movements: Impairment	Reversal of impairment	Changes in inventories	Total change in inventories
Work in progress	166,448	155,109			11,339	11,339
Finished products and byproducts	126,793	124,807			1,986	1,986
Impairment of finished products and work in progress	(16,278)	(13,879)	(3,878)	1,479		(2,399)
Changes in inventories (see Income Statement)	**276,963**	**266,037**	**(3,878)**	**1,479**	**13,325**	**10,926**

The inventories are not encumbered at December 31, 2015 and December 31, 2014.

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

a) Trade receivables

	Thousands of euros 2015	2014
Trade receivables	750,592	684,845
Trade bills receivable	37,457	75,554
Accounts receivable, tools	192,024	79,803
Doubtful debts	1,837	368
Impairment losses	(5,706)	(5,225)
Trade receivables from Group companies (Note 29.1)	16,734	16,761
	992,938	852,106

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

The movement of the impairment provision at December 31, 2015 consists of a reversal of 127 thousand euros (December 31, 2014: reversal of 702 thousand euros) (Note 24.c) as well as written-off balances and translation differences.

The receivables balances not yet due transferred by the Group as non-recourse factoring to Spanish, German, British, Brazilian, Polish and Argentine banks, that have been eliminated in the Consolidated Financial Statements amounted to 224,039 thousand euros and to 150,701 thousand euros at December 31, 2015 and December 31, 2014 respectively.

The expense of transferring non-due receivables balances at December 31, 2015 according to the non-recourse factoring contract amounted to 2,822 thousand euros (December 31, 2014: 1,819 thousand euros).

b) Other receivables

	Thousands of euros	
	2015	2014
Debtors	23,089	23,997
Remuneration advances	1,862	2,608
Short-term loans to employees	107	144
	25,058	26,749

c) Current income tax assets

This line item amounted to 32,906 thousand euros at December 31, 2015 (December 31, 2014: 32,143 thousand euros) and reflects the receivables balances related to corporate tax refund of the Company and group companies.

d) Public authorities

	Thousands of euros	
	2015	2014
Sundry receivables from Public Authorities	143,588	146,493
VAT refund	107,202	116,479
Receivable grants	3,887	5,334
Corporate tax refund (a)	28,073	19,924
Other	4,426	4,756
Receivables from Social Security	200	(38)
	143,788	146,455

(a) The 2015 and 2014 balances reflect receivables corporate income tax declarations from previous years. The most significant balances correspond to the Company, whose balance from 2014 was fully collected in 2015.

e) Other current assets

This line item, which at December 31, 2015 amounted to 23,533 thousand euros (December 31, 2014: 18,343 thousand euros), mainly reflects insurance premiums, maintenance and repair contracts, rentals and software licenses paid for during the year but for which the expense will accrue the following year, as well as expenses for commercial agreements.

f) Cash and cash equivalents

	Thousands of euros	
	2015	2014
Cash	296,482	213,430
Cash equivalents	59,493	270,504
	355,975	483,934

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

The breakdown by currencies and interest rates at December 31, 2015 and December 31, 2014 is the following:

Company	2015		
	Thousands of euros	Source currency	Interest rate range
Gestamp Automoción S.A.	47,500	Euros	0.30%
Gestamp Baires S.A.	11,159	Argentine pesos	15-22.67%
Gestamp Metal Forming (Wuhan) Ltd.	834	Renmimbi yuan	2.55%-3%
	59,493		

Company	2014		
	Thousands of euros	Source currency	Interest rate range
Gestamp Automoción S.A.	222,000	Euros	0.62%
Gestamp Baires S.A.	3,165	Argentine pesos	14.67%
Gestamp Metal Forming Subgroup	269	Renmimbi yuan	0.35%
Gestamp Brasil Industria de Autopeças, S.A.	45,070	Brazilian reais	100% CDI
	270,504		

The amounts included in this heading of the attached Consolidated Balance Sheet are not encumbered.

13. Issued capital and share premium

The "Issued capital" and "Share premium" at December 31, 2015 and December 31, 2014 are as follows:

ITEM	December 31, 2015	December 31, 2014
No. of shares	4,795,953	4,795,953
Par value	60.10	60.10
	Thousands of euros	
Issued capital:		
Issued capital (par value)	288,237	288,237
	288,237	**288,237**
Share premium	**61,591**	**61,591**
Total issued capital + share premium	**349,828**	**349,828**

a) Share capital

At December 31, 2015 and December 31, 2014 the Company's share capital is represented by 4,795,953 registered shares indivisible and accumulable with a par value of 60.10 euros each, fully subscribed and paid in, and all carrying the same rights and obligations.

The shareholder structure at December 31, 2015 and December 31, 2014 is as follows:

Shareholders	shareholding
Acek Desarrollo y Gestión Industrial, S.L.	54.25%
ArcelorMittal Spain Holding, S.L.	24.18%
ArcelorMittal Basque Holding, S.L.	10.82%
Risteel Corporation, B.V.	10.75%

There are no bylaw restrictions on the transfer of the registered shares and they are not listed.

b) Share premium

The share premium of the Company amounts to 61,591 thousand euros at December 31, 2015 and December 31, 2014.

The amended Spanish Corporate Enterprises Act expressly permits the use of paid-in surplus capital to increase share capital balance, corresponding to an unrestricted reserve.

14. Retained earnings

The changes in “Retained earnings” in 2014 and 2015 were as follows:

	RETAINED EARNING AT DECEMBER 31, 2015 AND DECEMBER 31, 2014 (thousand of euros)							
	Legal reserve	Goodwill reserves	Unrestricted reserves	Reserves at fully consolidated entities	Reserves at associates	Profit for the year	Effective hedges	Total
AT DECEMBER 31, 2013	**38,751**	**2,742**	**185,838**	**704,771**	**3,219**	**113,987**	**(29,847)**	**1,019,461**
Profit for 2014						125,702		125,702
Fair value adjustments reserve (hedge)							(7,006)	(7,006)
Actuarial gains and losses				(12,939)				(12,939)
Appropiation of 2013 profits	6,500	571	52,574	56,622	(2,280)	(113,987)		
Dividends distributed by the Company			(33,922)					(33,922)
Dividends distributed by subsidiaries			556	(556)				
Merge of subisidiaries including companies not previosly in consolidation scope				46				46
Transfer from reserves under equity method to reserves under full consolidation method because of sale of companies				7,112	(7,112)			
Interest from participative loans			29,527	(29,527)				
Increase in shareholding in companies previously under control				(4,603)				(4,603)
Transfers from retained earnings to non-controlling interests due to the change of shareholding in companies and others				1,439				1,439
Other movements and adjustements from prior years				(842)	(10)			(852)
AT DECEMBER 31, 2014	**45,251**	**3,313**	**234,573**	**721,523**	**(6,183)**	**125,702**	**(36,853)**	**1,087,326**
Profit for 2015						161,480		161,480
Fair value adjustments reserve (hedge)							4,728	4,728
Actuarial gains and losses				5,745				5,745
Appropiation of 2014 profits			31,765	97,101	(3,164)	(125,702)		
Dividends distributed by the Company			(37,711)					(37,711)
Dividends distributed by subsidiaries			2,147	(2,147)				
Transfer from reserves under equity method to reserves under full consolidation method because of sale of companies (Gestamp Pune Aut. Pvte. Ltd.)				(5,839)	5,839			
Interest from participative loans			(10,516)	10,516				
Increase in shareholding in companies previously under control (adjustment for dividends paid to former shareholders of Anhui Edscha Automotive Parts Co. Ltda.)				(712)				(712)
Increase in shareholding in companies previously under control due to acquisition to non-controlling interest (Ekarpen Private Equity, S.A.)				(7,997)				(7,997)
Transfers from retained earnings to non-controlling interest due to non-proportional capital increase				(2,771)				(2,771)
Other movements and adjustements from prior years		571	(571)	(299)				(299)
AT DECEMBER 31, 2015	**45,251**	**3,884**	**219,687**	**815,120**	**(3,508)**	**161,480**	**(32,125)**	**1,209,789**

14.1 Legal reserve of the Company

The Legal Reserve of the Company amounted to 45,251 thousand euros at December 31, 2015 and December 31, 2014.

The Company is obliged to transfer 10% of profit for the year to a legal reserve until this reserve is equivalent to at least 20% of issued capital. This reserve is not distributable to shareholders and may only be used to offset losses if no other reserves are available.

14.2 Goodwill reserve

The Company is required to set aside a non-distributable reserve equal to the amount of goodwill on its balance sheet which amounts to 11,415 thousand euros at December 31, 2015 and December 31, 2014. The amount of profit designated for this purpose must represent at least 5% of goodwill. If no profits are available or profits should prove to be insufficient, freely distributable reserves must be used for this purpose. The amount of the goodwill reserve amounted to 3,884 thousand euros at December 31, 2015 (December 31, 2014: 3,313 thousand euros) .The amount provisioned in 2015 as well as in 2014 is 571 thousand euros.

14.3 Unrestricted Company reserves

At December 31, 2015 the Company's unrestricted reserves amounting to 219,687 thousand euros, correspond to those derived from the individual financial statements of the Company amounting to 261,452 thousand euros (December 31, 2014: 307,691 thousand euros) less the adjustments generated in the consolidation process for an amount of 41,765 thousand euros that mainly correspond to:

- Elimination of the difference between the carrying amount of Gestamp Brasil Industria de Autopeças, S.A., Gestamp Global Tooling, S.L. and Matricerías Deusto, S.A. and the consolidated value of the said companies amounting to 63,656 thousand euros.

- The remaining balance mainly corresponds to: elimination of the margins from intercompany purchase-sale transactions of financial participations; reversal of the goodwills arisen in the merger processes between Group companies; reversal of portfolio provisions and capitalization of differences derived from changes in exchange rates of functional currencies compared to Euro in Group financing considered permanent (Note 4.4).

14.4 Availability of reserves at fully consolidated companies

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

The restrictions regarding the reserves mentioned above are the following:

a) Revaluation reserve. Regional Law 6/1996

In accordance with prevailing regional legislation, this reserve can be used to offset losses, increase share capital or be transferred to non-distributable reserves.

The balance at December 31, 2015 and December 31, 2014 amounted to 4,884 thousand euros.

b) Reserve for productive investments. Regional Law 3/1996, of June 26

In accordance with prevailing regional legislation, this special reserve may only be applied to offset losses or increase share capital in 5 years since it is materialized in fixed assets.

The balance of this reserve at December 31, 2015 and December 31, 2014 was 26,398 thousand euros.

c) Legal reserves at subsidiaries

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

The balance of these reserves at December 31, 2015 and December 31, 2014 was 69,139 thousand euros and 65,557 thousand euros respectively.

d) Fair value of property, plant and equipment

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

The after-tax increase in reserves deriving from these revaluations amounts to 129 million euros at December 31, 2015 and 125 million euros at December 31, 2014. This increase of reserves is not distributable.

e) Restrictions related to capitalized development expenses

Under prevailing legislation, dividend payments cannot result in an unrestricted reserve balance that is lower than the net carrying amount of development expenses as per the individual financial statements of the Group's Spanish companies prepared under prevailing Spanish GAAP.

15. Translation differences

The breakdown of this line item by company included in the consolidation scope is as follows:

Company	Thousands of euros 2015	2014
ARGENTINA		
Gestamp Córdoba, S.A.	(22,616)	(19,874)
Gestamp Argentina, S.A.	2,112	2,273
Gestamp Baires, S.A.	(49,902)	(38,985)
BRAZIL		
Gestamp Brasil Industria de Autopeças, S.A.	(18,586)	17,276
Edscha do Brasil Ltda.	2,791	(747)
UNITED KINGDOM		
Gestamp Washington UK Limited	2,791	2,864
Autotech R&D UK Limited	97	79
Automotive Chassis Products Plc.	4,128	2,772
Gestamp Tallent , Ltd	11,975	7,005
POLAND		
Gestamp Polska, S.P., Zoo	(9,870)	(9,623)
Gestamp Wroclaw Sp.z,o.o.	(187)	(227)
HUNGARY		
Gestamp Hungaria KFT	2,961	(2,440)
Gestamp Mor	-	(1)
USA		
Gestamp Alabama, LLC	25,994	5,891
Gestamp Mason, LLc	(18,474)	(12,445)
Gestamp North America, INC	(34,998)	(18,109)
Gestamp Chattanooga LLc	(805)	(602)
Gestamp South Carolina, LLc.	8,184	1,537
Gestamp West Virginia, Llc	(2,814)	(1,118)
Gestamp Chattanooga II, Llc	(15)	-
Gestamp Chattanooga II, Llc	(5)	-
Edscha Automotive Michigan, Inc	2,819	1,544
SWEDEN		
Gestamp Sweden, AB	(1,895)	(2,203)
Gestamp HardTech AB	(413)	(1,031)
Gestamp Holding China AB	393	396
MEXICO		
Gestamp Aguascalientes, S.A. de CV	(7,702)	(6,485)
Gestamp MSL, S.A. de CV	(69)	(43)
Gestamp Cartera de México, S.A de CV	(2,903)	(2,044)
Gestamp Puebla, S.A. de CV	(14,463)	(11,200)
Mexicana Servicios Laborales, S.A. de CV	(15)	(12)
Gestamp Toluca, S.A. de CV	(4,852)	(3,571)
Gestamp Serv. Laborales de Toluca, S.A. de CV	8	23
Gestamp Puebla II, S.A. de CV	(18)	10
CHINA		
Gestamp Auto Components (Kunshan) Co., Ltd	11,770	8,803
Gestamp Auto Components (Shenyang) Co.,Ltd.	(1,469)	87
Gestamp Auto Components (Dongguan) Co.,Ltd.	(182)	243
Gestamp Auto Components (Wuhan) Co. Ltd	38	-
GMF Wuhan, Ltd	12,726	9,037
Gestamp Auto Components Chongquing	1,921	-
Edscha Automotive Technology Co., Ltd.	46	34
Anhui Edscha Automotive Parts Co Ltda.	4,299	3,155
Shanghai Edscha Machinery Co., Ltd.	3,403	2,540
Edscha Automotive Components Co., Ltda.	1,972	950
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	-	281
INDIA		
Gestamp Services India Private, Ltd.	14	60
Gestamp Automotive India Private Ltd.	1,425	602
Gestamp Automotive Chennai Private, Ltd.	760	(92)
Gestamp Pune Automotive Pvt. Ltd	111	-
SOUTH KOREA		
Gestamp Kartek	3,751	2,764
Edscha Pha, Ltd.	113	88
TURKEY		
Beyçelik, A.S.	(24,712)	(20,156)
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	224	132
RUSSIA		
Gestamp Severstal Vsevolozhsk Llc	(9,769)	(9,587)
Gestamp Severstal Kaluga, Llc	(48,337)	(43,411)
Gestamp Togliatti, Llc.	(3,238)	(3,845)
Edscha Togliatti, Llc.	1,268	919
CZECH REPUBLIC		
Gestamp Louny, S.R.O.	(2,529)	(3,011)
Edscha Hradec S.R.O.	(22)	(27)
Edscha Automotive Kamenice S.R.O.	(2,192)	(2,991)
LUXEMBOURG		
Gestamp Funding Luxembourg, S.A.	(9,383)	(10,116)
SPAIN		
Gestamp Automoción, S.A.	2,888	3,139
Gestamp Servicios, S.A.	6,364	9,161
Gestamp Global Tooling, S.L.	296	-
Gestamp Holding México, S.L.	118	(144)
Gestamp Metalbages, S.A.	-	3
Mursolar 21, S.L.	5,541	-
OTHER		
Other	1,325	732
TOTAL	(167,809)	(139,740)

16. Non-controlling interest

The changes in “Equity attributable to non-controlling interest” by company in 2014 and 2015 were as follows:

	Thousands of euros								
Company	At December 31, 2013	Translation differences	Capital increase	Distribution of dividends	Transfer of fully consolidated reserves	Increase in shareholding in companies previously under control	Other movements	Profit (loss)	At December 31, 2014
Gestamp Finance Luxemburgo, S.A.	50								50
Todlem, S.L./ Gestamp Seversta Vsevolozhsk Llc.//Gestamp Severstal Kaluga, Llc.	27,207	(13,784)	1,722		247		(130)	(19,108)	(3,846)
Gestamp Holding Rusia, S.L.	24,472				24			(3)	24,493
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	19,400	2,369					565	3,688	26,022
Edscha subgroup	25,313	1,221		(3,747)	1,337	(4,865)	13	(1,389)	17,883
Matricerias Deusto S.L.	9,190				185		271	(6,345)	3,301
Adral Matriceria y Pta. a punto , S.L.	5,294						(209)	1,435	6,520
Gestamp Tooling Services, AIE	(305)						(5)	(63)	(373)
Gestamp Global Tooling, S.L.	7,783						(45)	2,016	9,754
Gestamp Tool Hardening, S.L.	1,314						(312)	1,914	2,916
Bero Tools, S.L.	(6)								(6)
Die Diede Development, S.L.	(263)						(3)	(42)	(308)
Gestamp Metal Forming Subgroup	20,229	(74)					(178)	(2,156)	17,821
Gestamp Try Out Services, S.L.	373						(104)	475	744
Gestamp Brasil Industria Autopeças, S.A.	48,188	271					389	2,205	51,053
Gestamp Holding Argentina, S.L. and Argentine companies	14,153	283					297	(2,309)	12,424
Gestamp Holding México, S.L. and Mexican companies	89,928	132		(1,086)			(67)	4,704	93,611
Gestamp North America, INC and North American companies	68,402	10,555						8,298	87,255
Mursolar 21, S.L./Gestamp A. Shenyang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	40,023	981			(3,232)		(905)	(63)	36,804
Beyçelik, A.S.	24,786	1,458		(2,757)			(126)	6,426	29,787
Gestamp Automotive India Private Ltd.	5,774	725					(52)	3,743	10,190
Gestamp Automotive Chennai Private Ltd.	1,168	723				(3,574)	1,683		-
GMF Otomotiv Parçalari Sanayi ve Ticaret Ltd. Sirketi	(7,023)	(57)					128	(318)	(7,270)
	425,450	4,803	1,722	(7,590)	(1,439)	(8,439)	1,210	3,108	418,825

The most significant movements in “Non-controlling interest” at December 31, 2014 correspond to:

- Translation differences generated in 2014.
- Capital increase in Todlem, S.L.
- Distribution of dividends by the subsidiaries Anhui Edscha Automotive Parts Co. Ltda, Gestamp 2008, S.L., Beycelik A.S. and Gestamp Holding Mexico, S.L.
- The transfers of fully consolidated reserves correspond to:
  - the capital increases in Todlem, S.L. and Edscha do Brasil Ltda., not pro rata subscribed by its shareholders.
  - recognition of COFIDES, S.A., shareholding in Gestamp Autocomponents (Shenyang) Co. Ltd. and Gestamp Autocomponents (Dongguan) Co. Ltd. as indirect non-controlling interest through the subsidiary Mursolar 21, S.L. (Note 2.a).
- Increase in shareholding in Anhui Edscha Automotive Parts Co. Ltda. and in Gestamp Automotive Chennai Private, Ltd., by acquisition of 30% and 50% shareholding respectively and by so acquiring 100% shareholding and consequently non-controlling interest are derecognized.
- “Other movements” in 2014 correspond to profit (loss) adjustments attributable to non-controlling interests in 2013.
- Profit from 2014 attributable to non-controlling interest.

Company	Thousands of euros							
	At December 31, 2014	Translation differences	Distribution of dividends	Transfer Reserves under full consolidation method due to capital increase	Increase in shareholding in companies previously under control	Other movements	Profit (loss)	At December 31, 2015
Gestamp Finance Luxemburgo, S.A.	51							51
Todlem, S.L./ Gestamp Seversta Vsevolozhsk Llc.//Gestamp Severstal Kaluga, Llc.	(3,846)	(955)				565	(8,980)	(13,216)
Gestamp Holding Rusia, S.L.	25,068						(4)	25,064
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	26,021	1,684				684	5,432	33,821
Edscha subgroup	17,882	921	(2,799)	2,771		327	3,218	22,320
Matricerias Deusto S.L.	3,387				(4,849)	1,462		-
Adral Matriceria y Pta. a punto , S.L.	6,333				(6,025)	(308)		-
Gestamp Tooling Services, AIE	(302)				306	(4)		-
Gestamp Global Tooling, S.L.	9,784				(10,925)	(366)	1,518	11
Gestamp Tool Hardening, S.L.	2,917				(2,430)	(487)		-
Bero Tools, S.L.	(6)				6			-
Die Diede Development, S.L.	(308)				308			-
Gestamp Metal Forming Subgroup	17,822	30					3,392	21,244
Gestamp Try Out Services, S.L.	743				(610)	(133)		-
Gestamp Brasil Industria Autopeças, S.A.	51,054	(9,440)					(6,372)	35,242
Gestamp Holding Argentina, S.L. and Argentine companies	12,426	(5,781)					(490)	6,155
Gestamp Holding México, S.L. and Mexican companies	93,031	(2,224)	(6,243)			7	11,564	96,135
Gestamp North America, INC and North American companies	87,257	10,342					8,312	105,911
Mursolar 21, S.L./Gestamp A. Shenyang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	36,803	405				(915)	1,233	37,526
Beyçelik, A.S.	29,787	(1,996)	(3,443)			(169)	4,035	28,214
Gestamp Automotive India Private Ltd.	10,190	559					6,184	16,933
GMF Otomotiv Parçalari Sanayi ve Ticaret Ltd. Sirketi	(7,269)	113					(1,670)	(8,826)
	418,825	(6,342)	(12,485)	2,771	(24,219)	663	27,372	406,585

The most significant movements in "Non-controlling interest" at December 31, 2015 correspond to:

- Translation differences generated at December 2015.
- Dividends distributed to non-controlling interest by the subsidiaries Shanghai Edscha Machinery Co Ltd, Gestamp Cartera de Mexico S.A. de C.V and Beyçelik A.S.
- Non-proportional subscription of capital increase in Edscha do Brasil Ltda.
- Acquisition from non-controlling shareholders (EKARPEN Private Equity S.A.) of 40% shareholding in Gestamp Global Tooling S.L and indirectly also in their subsidiaries. By so, 100% shareholding in this company is reached, over which there was previous control (Note 2.a).
- "Other movements" in 2015 correspond to profit (loss) adjustments attributable to non-controlling interests in 2014.
- Profit from 2015 attributable to non-controlling interest.

The most significant non-controlling interest mentioned in this Note has protecting rights mainly related to significant decisions on divestments, companies restructuring, distribution of dividends and changes in statutes.

17. Deferred income

Deferred income includes grants relating to assets obtained by Group subsidiaries pending release to the Consolidated Income Statement.

The breakdown of this heading at December 31, 2014 and December 31, 2015 including the movements during the year is as follows:

Company	At December 31, 2013	Additions	Released income	Translation differences	Other movements	At December 31, 2014
	Thousands of euros					
Gestamp Bizkaia, S.A.	1,984		(271)			1,713
Gestamp Vigo, S.A.	3,265		(881)			2,384
Gestamp Toledo, S.L.	2,398		(290)			2,108
Gestamp Palencia, S.A.	3,114		(358)			2,756
Gestamp Linares, S.A.	972		(58)			914
Gestamp Galvanizados, S.A.	86		(13)			73
Gestamp Puebla, S.A. de C.V.	200		(32)	1		169
Gestamp Aveiro, S.A.	237		(68)			169
Gestamp Navarra, S.A.	1,749		(194)			1,555
Gestamp Solblank Navarra, S.L.	56		(9)			47
Gestamp Aragón, S.A.	694		(94)		(9)	591
Gestamo Abrera, S.A.	1,256		(255)			1,001
Gestamp Metalbages, S.A.	122		(19)			103
Gestamp Solblank Barcelona, S.A.	106		(19)			87
Gestamp Washington UK, Ltd	248		(100)	13		161
Gestamp Levante, S.A.	620	2,927	(451)			3,096
Gestamp Hungaria KFT	232		(11)	(14)		207
Griwe Subgroup	2,249		(439)		2	1,812
Gestamp Cataforesis Vigo, S.A.						-
Gestamp Kartek Co, Ltd.	21		(9)	2		14
Gestamp Manufactoring Autochasis, S.L.	156		(20)			136
Adral, matriceria y pta. a punto, S.L.	135				(37)	98
Gestamp Esmar, S.A.	6		(3)			3
Beyçelik, A.S.	343	104		14		461
Edscha Subgroup	4,187	1,793	(841)	(5)	(546)	4,588
Gestamp Metal Forming Subgroup	6,031	151	(812)	384		5,754
Loire Sociedad Anónima Franco Española	325	16	(69)			272
Diede Die Developments, S.L.	491		(72)		(39)	380
Gestamp Puebla II, S.A. de C.V.		628				628
Total	31,283	5,619	(5,388)	395	(629)	31,280

Company	At December 31, 2014	Additions	Released income	Translation differences	Other movements	At December 31, 2015
	Thousands of euros					
Gestamp Bizkaia, S.A.	1,713		(273)			1,440
Gestamp Vigo, S.A.	2,384		(870)			1,514
Gestamp Cerveira, Lda.			(17)		17	
Gestamp Toledo, S.L.	2,108	29	(251)			1,886
Gestamp Palencia, S.A.	2,756	3,468	(420)			5,804
Gestamp Linares, S.A.	914		(57)			857
Gestamp Galvanizados, S.A.	73		(13)			60
Gestamp Puebla, S.A. de C.V.	169		(33)	(6)		130
Gestamp Aveiro, S.A.	169		(114)		181	236
Gestamp Navarra, S.A.	1,555		(164)			1,391
Gestamp Solblank Navarra, S.L.	47		(8)			39
Gestamp Aragón, S.A.	591		(100)			491
Gestamo Abrera, S.A.	1,001		(145)			856
Gestamp Metalbages, S.A.	103		(19)			84
Gestamp Solblank Barcelona, S.A.	87	81	(40)			128
Gestamp Washington UK, Ltd	161		(111)	10		60
Gestamp Levante, S.A.	3,096		(525)		(4)	2,567
Gestamp Hungaria KFT	207		(11)			196
Griwe Subgroup	1,812		(332)		(4)	1,476
Gestamp Kartek Co, Ltd.	14		(4)	1		11
Gestamp Manufactoring Autochasis, S.L.	136		(22)			114
Adral, matriceria y pta. a punto, S.L.	98				(31)	67
Gestamp Esmar, S.A.	3		(3)			
Beyçelik, A.S.	461	93		(50)		504
Edscha Subgroup	4,588	205	(873)	8	(50)	3,878
Gestamp Metal Forming Subgroup	5,754	823	(1,992)	322		4,907
Loire Sociedad Anónima Franco Española	272	256	(80)			448
Diede Die Developments, S.L.	380		(88)			292
Gestamp Puebla II, S.A. de C.V.	628	708	(24)	(28)		1,284
Total	31,280	5,663	(6,589)	257	109	30,720

The additions recognized in 2014 and 2015 correspond to grants received from public authorities for investments in plant and equipment and job creation.

The Group companies are able to meet all the requirements attaching to these grants to qualify as non-reimbursable grants.

18. Provisions

The breakdown of non-current and current provisions in 2015 and 2014 is as follows:

	Non-current		Current	
	2015	2014	2015	2014
Provisions for retributions to employees (Note 19)	74,840	79,517	4,228	7,014
Provisions for taxes	6,898	6,440	-	-
Other provisions	75,049	45,269	12,090	12,077
	156,787	131,226	16,318	19,091

The changes in Provisions during 2014 and 2015 are as follows:

	Thousands of euros	
	Non-current	Current
Balance at December 31, 2013	135,020	13,648
Increase in allowance	36,260	6,314
Decrease	(32,303)	(14,858)
Translation differences	(223)	283
Other movements	(7,528)	13,704
Balance at December 31, 2014	131,226	19,091
Increase in allowance	69,487	4,290
Decrease	(43,588)	(7,124)
Translation differences	(1,916)	(732)
Other movements	1,578	793
Balance at December 31, 2015	156,787	16,318

This line item primarily reflects employee compensations and provisions recognized by certain Group companies to cover specific risks arising from their day-to-day businesses and potential liabilities relating to employee compensations and tax assessments which are currently being appealed, among other items.

<u>Non-current provisions</u>

Increases of non-current provisions at December 31, 2015 mainly correspond to risks from commercial activity related to operating expenses and increases in post-retirement benefits.

Increases of non-current provisions in 2014 correspond mainly to post-retirement benefits, liabilities relating to differences in the interpretation of tax matters, and long term employee compensation.

Decreases of non-current provisions in 2015 and 2014 mainly reflect:

- Application of provisions relating to tax assessments.
- Reversal of provisions from onerous contracts of the Edscha Subgroup and Gestamp Vendas Novas Lda.
- Application of long term employee compensation provisions among others.
- Reversal in 2015 of the provision for personnel restructuring in Edscha Briey SAS amounting to 5,077 thousand euros, whereof 4,227 thousand euros correspond to application and 850 thousand euros correspond to provision surplus.

Changes of non-current provisions directly registered in the Consolidated Income Statement in 2015 mainly correspond to:

- Reversal of provisions mainly related to onerous contracts mentioned above registered under the heading “Other operating income” amounting to 18,540 thousand euros (2014: 12,479 thousand euros (Note 23.b).

- Balance registered in consumables and operating expenses amounting to 50,406 thousand euros (2014: 19,317 thousand euros).

Current provisions

Increases in current provisions in 2015 mainly correspond to provisions from Edscha Automotive Kamenice S.R.O., Sofedit SAS and Gestamp Umformtechnik GmbH for short-term employee compensation and for covering specific risks arising from day to day businesses.

Increases in current provisions in 2014 mainly correspond to provisions from Gestamp Metal Forming (Wuhan), Ltd., Gestamp Umformtechnik Gmbh, Sofedit S.A.S., Edscha Automotive Kamenice S.R.O., Edscha do Brasil Ltda. and Shanghai Edscha Machinery Co. Ltd. for short-term employee compensation and for covering specific risks arising from day to day businesses.

Decreases in current provisions in 2015 and 2014 mainly correspond to employee restructuring installments, regularization of provisions related to resolved litigations and short term employee compensation.

Other movements in current and non-current provisions in 2015 and 2014 are mainly related to prior year's adjustments and reclassifications and transfers from non-current to current provisions since application is expected in less than 12 months.

19. Pensions and other post-employment obligations

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

Item		Non-current		Current		Total	
		2015	2014	2015	2014	2015	2014
Employee benefits	a)	6,137	11,060	4,228	7,014	10,365	18,074
Post-employment benefits							
Defined benefit plans	b)	68,703	68,457	-	-	68,703	68,457
Total (Note 18)		74,840	79,517	4,228	7,014	79,068	86,531

a) Employee benefits

This line item includes provisions by some Group companies for seniority awards and other benefits for staying in the company (anniversary, retirement, awards, etc.).

b) Defined benefit plans

The Group has a number of defined benefit plans. The main defined benefit plans are located in Germany and France and correspond to companies belonging to Gestamp Metal Forming Subgroup and Edscha Subgroup as well as Autotech Engineering Deutschland, GmbH. Among these pension plans, there are partially supported plans by an investment fund and not supported plans by an investment fund.

The risks of the different defined benefit plans are those associated to pensions not supported by an external fund. Other risks of the defined benefit plans common to partially supported plans as well as to not supported plans are those related to demographic issues, such as mortality and longevity of employees, and those related to financial issues such as pension increase rate depending on inflation.

Assets and liabilities recognized in these Consolidated Financial Statements and corresponding to the said plan, by countries, are the following:

	Thousand of euros		
Item	**Germany**	**France**	**Total**
Present value of the defined benefit obligation	66,573	8,845	75,418
Fair value of plan assets and reimbursement rights	(4,482)	(2,233)	(6,715)
Value of defined benefit obligation at December 31, 2015	**62,091**	**6,612**	**68,703**

	Thousand of euros		
Item	**Germany**	**France**	**Total**
Present value of the defined benefit obligation	67,303	7,937	75,240
Fair value of plan assets and reimbursement rights	(4,410)	(2,373)	(6,783)
Value of defined benefit obligation at December 31, 2014	**62,893**	**5,564**	**68,457**

The changes in present value of plan liabilities are the following:

	Thousand of euros		
	Germany	**France**	**Total**
Present value of the defined benefit obligation at December 31, 2013	**52,017**	**7,333**	**59,350**
Current service cost year 2014	2,489	424	2,913
Interest income or expense	-	(143)	(143)
Interest income or expense	1,722	146	1,868
Pension cost charged to profit and loss at 2014	4,211	427	4,638
Payments from the plan except any settlements	(2,039)	(129)	(2,168)
Actuarial gains and losses arising from changes in demographic assumptions	12,785	470	13,255
Actuarial gains and losses arising from changes in financial assumptions	-	(164)	(164)
Tax effect	(253)	-	(253)
Remeasurements of the net defined benefit liability	12,532	306	12,838
Effect of disposals	14	-	14
Other effects	568	-	568
Present value of the defined benefit obligation at December 31, 2014	**67,303**	**7,937**	**75,240**
Current service cost year 2015	3,077	549	3,626
Gains and losses arising from settlements	(105)	(619)	(724)
Interest income or expense	5,043	169	5,212
Pension cost charged to profit and loss at 2015	8,015	99	8,114
Payments from the plan except any settlements	(2,319)	(156)	(2,475)
Payments from plan settlements	(350)		(350)
Actuarial gains and losses arising from changes in financial assumptions	(5,724)	(128)	(5,852)
Actuarial gains and losses attributable to non-controlling interests	-	45	45
Tax effect		-	
Remeasurements of the net defined benefit liability	(5,724)	(83)	(5,807)
Effect of disposals		-	
Other effects	(352)	1,048	696
Present value of the defined benefit obligation at December 31, 2015	**66,573**	**8,845**	**75,418**

The changes in fair value of plan assets are the following:

	Thousand of euros		
	Germany	France	Total
Fair value of plan assets and reimbursement rights at December 31, 2013	**4,338**	**2,453**	**6,791**
Interest income or expense	148	74	222
Pension cost charged to profit and loss at 2014	148	74	222
Payments from the plan except any settlements	-	(129)	(129)
Return on plans assets, excluding amounts included in interest	-	(38)	(38)
Actuarial gains and losses arising from changes in demographic assumptions	(76)	-	(76)
Actuarial gains and losses attributable to non-controlling interests		13	13
Remeasurements of the net defined benefit liability	(76)	(25)	(101)
Contributions to the plan by the employer	-		
Fair value of plan assets and reimbursement rights at December 31, 2014	**4,410**	**2,373**	**6,783**
Interest income or expense	79	42	121
Pension cost charged to profit and loss at 2015	79	42	121
Payments from the plan except any settlements	-	(156)	(156)
Return on plans assets, excluding amounts included in interest	-	(40)	(40)
Actuarial gains and losses arising from changes in financial assumptions	(7)	-	(7)
Actuarial gains and losses attributable to non-controlling interests	-	14	14
Remeasurements of the net defined benefit liability	(7)	(26)	(33)
Fair value of plan assets and reimbursement rights at December 31, 2015	**4,482**	**2,233**	**6,715**

The breakdown of the expense recognized in the Consolidated Income Statement regarding these plans is as follows:

	Thousand of euros					
	Germany		France		Total	
Item	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Current service cost	3,077	2,489	549	424	3,626	2,913
Past service cost	-	-	-	-		
Gains and losses arising from settlements	(105)		(619)	(143)	(724)	(143)
Net interest on the net defined benefit liability (asset)	4,964	1,574	127	73	5,091	1,647
Total expense recognised in profit or loss	**7,936**	**4,063**	**57**	**354**	**7,993**	**4,417**

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

	Thousand of euros			
	Germany		France	
Item	**2015**	**2014**	**2015**	**2014**
Investments quoted in active markets				
Mixed investment funds in Europe	4,482	4,410		
Not quoted investments				
Investment funds in insurances			2,205	2,373
	4,482	**4,410**	**2,205**	**2,373**

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

Item	Germany 2015	Germany 2014	France 2015	France 2014
Discount rate	2.0% - 2.3%	1.8% - 2.6%	1.8%-1.9%	1.80%
Expected rate of return on any plan assets	0%- 2.2%	0%- 1.8%	1.90%	-
Future salary increases rate	2.50%	2.50%	2.50%	2.50%
Future pension increases rate	1.5% - 2%	1.5% - 2%	-	-
Inflation rate	2.00%	2.00%	1%-1.5%	-
Mortality table	RT 2005 G	RT 2005 G	INSEE F 08-10	INSEE F 08-10
Rates of employee turnover, disability and early retirement	Aon Hewitt Standard tables, RT 2005 G, 0.5%	Aon Hewitt Standard tables, RT 2005 G, 0.5%	3.00%	-
Proportion of plan members with dependants who will be eligible for benefits	100.00%	100.00%	-	-
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service	0% -2%	0% -2%	-	0.00%
Retirement age	-	-	62-65 years	62-65 years

The sensitivity analysis of the value of post-retirement benefits obligations for the main hypotheses at December 31, 2015 and December 31, 2014 are as follows:

		Thousand of euros 2015			
		Germany		France	
Assumptions	Sensitivity	Increase	Decrease	Increase	Decrease
Discount rate					
Increase	0.25%				301
Decrease	0.25%			317	
Increase	0.5%		4,291		
Decrease	0.5%	3,862			
Future pension increases rate					
Increase	0.5%	1,804			
Decrease	0.5%		1,714		
Future salary increases rate					
Increase	0.5%			641	
Decrease	0.5%				583
Mortality rate					
Increase	1 year	1,245			

		Thousand of euros 2014			
		Germany		France	
Assumptions	Sensitivity	Increase	Decrease	Increase	Decrease
Discount rate					
Increase	0.25%				301
Decrease	0.25%			316	
Increase	0.5%		4,226		
Decrease	0.5%	4,696			
Future pension increases rate					
Increase	0.5%	2,011			
Decrease	0.5%		1,910		
Future salary increases rate					
Increase	0.5%			641	
Decrease	0.5%				583
Mortality rate					
Increase	1 year	1,368			

The expected future payments related to pension benefit at December 31, 2015 and December 31, 2014 are the following:

	Thousand of euros 2015			2014		
	Germany	France	Total	Germany	France	Total
Within the next 12 months	3,049	87	3,136	2,864	24	2,888
Between 2 and 5 years	10,643	1,239	11,882	10,426	1,649	12,075
Beyond 5 years	13,905	23,768	37,673	13,159	22,475	35,634
Total	**27,597**	**25,094**	**52,691**	**26,449**	**24,148**	**50,597**

20. Non-trade liabilities

The breakdown of non-trade liabilities at December 31, 2015 and December 31, 2014 classified by concepts is as follows:

		Non current			Current	
		2015	2014		2015	2014
a) Interest-bearing loans and borrowings	a.1)	1,448,036	1,482,300	a.2)	282,900	282,480
b) Derivative financial instruments	b.1)	72,828	47,404		-	-
c) Other liabilities		153,284	195,621		167,975	171,985
Financial leasing	c.1)	28,869	25,076	c.1)	6,292	3,516
Borrowings from Associated companies	c.2)	68,442	73,179	c.2)	11,485	51,159
Other liabilities	c.3)	55,973	97,366	c.3)	150,198	117,310
		1,674,148	1,725,325		450,875	454,465

a) *Interest-bearing loans and borrowings*

a.1) Non-current interest-bearing loans and borrowings

The breakdown by company and maturity date of non-current interest-bearing loans and borrowings is as follows:

	Thousands of euros						
	2015						2014
	2017	2018	2019	2020	Beyond	Total	Total
In Euros	**130,892**	**87,194**	**158,127**	**736,489**	**1,354**	**1,114,056**	**1,133,513**
Gestamp Automoción,S.A. **I)**	119,438	77,360	151,247	242,021		590,066	570,330
Griwe Subgroup	2,713	2,713	2,713	2,713	1,354	12,206	15,724
Beyçelik, A.S.	2,199	449				2,648	25,656
Gestamp Metal Forming Subgroup	4,167	4,167	4,167	3,124		15,625	19,793
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	2,375	2,505				4,880	9,213
Gestamp Funding Luxembourg, S.A. **II)**				488,631		488,631	492,797
In foreign currency	**10,691**	**7,757**	**4,896**	**306,798**	**3,838**	**333,980**	**348,787**
Brazilian reais							
Gestamp Brasil Industria de Autopeças, S.A.	2,791	2,789	2,777	2,421	3,838	14,616	28,266
Edscha Subgroup							663
Indian rupees							
Gestamp Automotive Chennai Private Ltd.	3,351	3,351	837			7,539	20,424
Remimbi Yuan							
Gestamp Autocomponents (Shenyang), Co. Ltd.	2,820					2,820	6,561
Edscha Subgroup							1,508
Czech Crowns							
Edscha Subgroup	1,255	1,255	1,255			3,765	3,604
Korean wons							
Gestamp Kartek Co, Ltd	474	362	27	7		870	1,407
US Dollars							
Gestamp Funding Luxembourg, S.A. **II)**				304,370		304,370	286,354
	141,583	94,951	163,023	1,043,287	5,192	1,448,036	1,482,300

The breakdown of maturity dates for the balances at December 31, 2014 is as follows:

Thousands of euros					
2014					
2016	2017	2018	2019	Beyond	Total
133,451	260,983	272,665	17,611	797,590	1,482,300

The guarantees granted are personal guarantees of the borrower, except for the loans granted to the Griwe Subgroup which are additionally secured by the property, plant, and equipment financed by these loans (Note 9) and the guarantees mentioned in the description of individual operations included in this Note.

The nominal interest rate on the loans at December 31, 2015 is as follows:

	Interest rate
• Loans denominated in euros	1.45% - 2.50%
• Loans denominated in Indian rupees	10.30% - 12.30%
• Loans denominated in Brazilian reais*	4.50% - 16.21%

- Loans denominated in Korean wones 3.60% - 4.00%

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

The nominal interest rate on the loans at December 31, 2014 was as follows:

	Interest rate
• Loans denominated in euros	1.45% - 3.50%
• Loans denominated in Indian rupees	10.30% - 12.30%
• Loans denominated in Brazilian reais*	4.50% - 16.21%
• Loans denominated in Korean wones	3.60% - 4.00%

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

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

I) 2012 Bank of America Loan and 2013 Syndicated Loan

Most relevant information regarding interest-bearing loans and borrowings subject to covenants at December 31, 2015 and December 31, 2014 is as follows:

Entity	Initial date	Amount granted	Maturity date	Financial obligations	Restrictions
Bank of America Securities Limited	March 21, 2012	60 million euros	March 21, 2017	"Net debt/EBITDA" below 3.50x "EBITDA/Financial expense" above 4.00x	N/A
Group of banks	April 19, 2013	850 million euros *	March 11, 2020	"Net debt/EBITDA" below or equal 3.50x "EBITDA/Financial expense" above 4.00x	Limitation for the dividends distribution: - If "Net debt/EBITDA" is below 3.00x and above 2.00x dividends can be no more than 35% of the consolidated benefit - If "Net debt/EBITDA" is equal or below 2.00x dividends can be no more than 50% of the consolidated benefit

The 850 million euros loan is divided into Tranche A (loan) amounting to 570,000 thousand euros with a nominal outstanding balance at December 31, 2015 and December 31, 2014 amounting to 544,350 thousand euros and a Revolving Credit Facility Tranche amounting to 280,000 thousand euros that at December 31, 2015 and December 31, 2014 is not drawn down.

The Bank of America loan as well as the syndicated loan were granted to the Company and they are registered in long-term for 60,000 thousand euros and 519,840 thousand euros respectively, and the part of syndicated loan in short term for 24,510 thousand euros.

At December 31, 2015 and December 31, 2014 the Company was not in breach of any of these covenants.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the mentioned loans. These companies are specified in Annex II.

II) May 2013 Bond

On May 2013, the Group completed an issuance of bonds through its subsidiary Gestamp Funding Luxembourg, S.A. This issuance has been carried out in two stages, in the first stage bonds were issued amounting to 500 million euros at an interest rate of 5.875%, and in the second stage bonds were issued amounting 350 million dollars with 5.625% interest rate.

Interests are payable every six months (November and May).

The maturity date of the bonds is May 31, 2020.

On September and October 2015 the Group acquired part of the issued bonds for 16,702 thousand dollars and 5,500 thousand euros. These bonds were later cancelled and fully paid.

The amortized cost at December 31, 2015 at exchange rate of the said date was 793 million euros (489 million euros and 304 million euros corresponding to the stages in euros and dollars respectively). The cost at December 31, 2014 was 779 million euros (493 million euros and 286 million euros corresponding to the stages in euros and dollars respectively).

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the bonds. These companies are specified in Annex II.

a.2) Current interest-bearing loans and borrowings

The Group companies have been granted the following credit and discounting facilities:

Company	Credit facilities: Drawn down (a) 2015	Credit facilities: Drawn down (a) 2014	Credit facilities: Limit 2015	Credit facilities: Limit 2014	Loans (b) 2015	Loans (b) 2014	Accrued interest (c) 2015	Accrued interest (c) 2014	Discounted bills (d) 2015	Discounted bills (d) 2014	(a)+(b)+(c)+(d) TOTALS 2015	(a)+(b)+(c)+(d) TOTALS 2014
	Thousands of euros											
In Euros	**43,148**	**50,609**	**316,800**	**315,800**	**161,304**	**86,775**	**5,006**	**7,426**	**89**	**72,378**	**209,547**	**217,188**
Gestamp Automoción,S.A.	40,978	43,608	309,600	308,600	117,598	50,386	1,717	4,163		52,712	160,293	150,869
Gestamp Solblank Barcelona, S.A.							4	4			4	4
Gestamp Palencia, S.A.							4		28	2,291	32	2,291
Gestamp Servicios, S.A.							45	45	61	4,042	106	4,087
Gestamp Metalbages, S.A.	2,170	7,001	7,200	7,200			3	2			2,173	7,003
Gestamp Abrera, S.A.							8	4			8	4
Griwe Subgroup					3,521	4,273					3,521	4,273
Beyçelik, A.S.					22,275	4,445	328	130			22,603	4,575
Gestamp Aragón, S.A.							4	2			4	2
Edscha Subgroup										13,333		13,333
Gestamp Manufacturing Autochasis, S.L.												
MB Levante, S.L.							5	2			5	2
Gestamp Navarra, S.A.							8	18			8	18
Gestamp Vigo, S.A.							4	2			4	2
Gestamp Hungaria KFT												
Gestamp Auto Components (Kunshan) Co., Ltd					869	14,051	9	48			878	14,099
Gestamp Auto Components (Donguan) Co., Ltd						2,562	31	3			31	2,565
Gestamp Autocomponents (Shenyang), Co. Ltd.					2,519						2,519	
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi					2,251		173	229			2,424	229
Gestamp Metal Forming subgroup					4,167	4,167					4,167	4,167
Gestamp Funding Luxembourg, S.A.							2,663	2,774			2,663	2,774
Gestamp Polska, SP. Z.O.O.						1,473						1,473
Loire Sociedad Anónima Franco Española					8,104	5,404					8,104	5,404
Autotech Engineering R&D Uk limited						14						14
In foreign currency	**21,134**	**1,193**	**29,569**	**3,048**	**50,487**	**61,476**	**1,732**	**2,623**			**73,353**	**65,292**
US dollars												
Gestamp Funding Luxembourg, S.A.							1,534	1,530			1,534	1,530
Turkish lira												
Beyçelik, A.S.					7,885		80				7,965	
Argentine pesos												
Gestamp Córdoba, S.A.					922						922	
Brazilian reais												
Gestamp Brasil Industria de Autopeças, S.A.					8,570	16,555	11	417			8,581	16,972
Edscha Subgroup						4,348		597				4,945
Indian rupees												
Gestamp Services India Private, Ltd.					120	70					120	70
Sungwoo Gestamp Hitech Pune Private Ltd.	4,534		7,765								4,534	
Gestamp Automotive Chennai Private Ltd.	14,062		15,529		3,351		60				17,473	
Remimbi Yuan												
Gestamp AutoComponents (Shenyang) Co., Ltd					12,600	13,905	45	38			12,645	13,943
Edscha Subgroup	2,538	1,193	6,275	3,048		1,193					2,538	2,386
Gestamp Metal Forming Subgroup					11,140	21,208		39			11,140	21,247
Czech Crowns												
Edscha Subgroup					3,755	3,400					3,755	3,400
Korean wons												
Edscha Subgroup					1,558						1,558	
Gestamp Kartek Co, Ltd.					586	797	2	2			588	799
	64,282	**51,802**	**346,369**	**318,848**	**211,791**	**148,251**	**6,738**	**10,049**	**89**	**72,378**	**282,900**	**282,480**

Discounted bills of the Company at December 31, 2014 amounting to 52,712 thousand euros correspond to the assumed risk of the discount bills of several Spanish subsidiaries.

In all, the Group has approximately 431 million euros in with-recourse and non-recourse factoring and available discounting facilities at December 31, 2015 (December 31, 2014: 415 million euros).

Interest on the credit facilities is basically indexed to a floating rate of Euribor plus a spread between 0.65% and 1.75% in 2015 and a spread between 1.00% and 1.75% in 2014.

b) <u>Derivative financial instruments</u>

b.1) Interest rate derivatives and exchange rate derivatives

The fair value of interest rate and derivatives held for trading hedges contracted by the Group are recognized in the following headings of the Consolidated Balance Sheet:

	Thousands of euros	
Description	**2015**	**2014**
Financial assets - derivatives (Note 10.a.3)	**28,184**	**5,863**
Others	28,184	5,863
Financial liabilities - derivatives	**72,828**	**47,404**
Derivatives held for trading	25	1,187
Cash flow hedges	44,619	40,354
Others	28,184	5,863

The interest rate swaps arranged by the Group in place at December 31, 2015 and December 31, 2014 are the following:

		Thousands of euros			
		2015		2014	
Contract	Item	Asset	Liability	Asset	Liability
2	Derivatives held for trading	-		-	1,061
6	Derivatives held for trading	-	25	-	126
Total derivatives held for trading		-	**25**		**1,187**
1	Cash flow	-	9,263	-	7,661
3	Cash flow	-	16,242	-	13,649
4	Cash flow	-	8,073	-	9,147
5	Cash flow	-	-	-	32
7	Cash flow	-	4,524	-	4,910
8	Cash flow	-	6,517	-	4,955
Total cash flow hedges		-	**44,619**	-	**40,354**

At December 31, 2015 the Company arranged a strategy to hedge interest rate risk on notionals of the Group's estimated bank debt for the period from 2016 to 2024 via several interest rate swaps with the following notional amounts at December 31 of each year in thousand euros except contract 6, referenced to Sterling pounds:

Year	Contract 1	Contract 3	Contract 4	Contract 6	Contract 7	Contract 8
2016	140,000	320,000	77,835	10,000	110,000	110,000
2017	140,000	320,000	77,835		110,000	110,000
2018	140,000	320,000	77,835		110,000	110,000
2019	140,000	320,000	77,835			110,000
2020	140,000	320,000	77,835			110,000
2021	140,000					110,000
2022	140,000					110,000
2023	140,000					110,000
2024	140,000					110,000

The interest rate swaps arranged by the Group in place at December 31, 2015 have the following terms:

Contract	Effective date	Maturity date	Floating rate (to be received)	Fixed rate (to be paid)
Contract 1	July 1, 2015	January 1, 2025	3-month Euribor	0.25% (2015), 0.45% (2016), 1.2% (2017), 1.4% (2018), 1.98% (2019), 2.15% (2020) and 1.60% beyond
Contract 2	July 1, 2011	July 1, 2015	Closed	-
Contract 3	July 14, 2015	December 31, 2020	1-month Euribor	0.25% (2015-2016-2017), 1.40% (2018), 1.98% (2019) and 2.15% (2020)
Contract 4	January 2, 2015	January 4, 2021	3-month Euribor	1.24% (2015), 1.48% (2016), 1.66% (2017), 1.99% (2018) and 2.09% beyond
Contract 5	April 1, 2010	January 2, 2015	Closed	-
Contract 6	August 6, 2012	June 30, 2016	3-month Libor	0.975%
Contract 7	April 2, 2014	January 2, 2019	3-month Euribor	1.26%
Contract 8	July 1, 2015	January 1, 2025	3-month Euribor	0.15% (2015), 0.4% (2016), 1% (2017), 1.25% (2018) and 1.60% beyond

The hedging arrangements outlined above qualify as effective hedges under IFRS hedge accounting criteria. Accordingly, changes in the fair value of the swaps are recognized in equity while the interest accrued is recognized in the Consolidated Income Statement.

The cash flows underlying the hedges are expected to affect profit or loss in the following years:

2014	
	Thousands of euros
2015	(16,510)
2016	(12,362)
2017	(10,083)
2018	(2,586)
	(41,541)

2015	
	Thousands of euros
2016	(6,076)
2017	(6,964)
2018	(10,306)
2019	(10,131)
2020	(9,385)
2021	(1,966)
2022	(725)
2023	(32)
2024	452
2025	489
	(44,644)

At December 31, 2015 the Group has transferred from Equity to the Consolidated Income Statement the amount of approximately 9,633 thousand euros (expense) as a result of liquidations carried out in 2015 corresponding to cash flow (interest rate) hedges. In 2014, expense recognized on the same basis amounted to 11,935 thousand euros.

In 2015 the Group has recognized income amounting to 3,500 thousand euros in the Consolidated Income Statement relating to derivatives held for trading, while during 2014 the income recognized amounted to 2,178 thousand euros.

"Others" includes the present value of implicit derivatives of exchange rates applicable to sales and purchases prices in certain customer and suppliers contracts (Note 10.a.3).

In addition, there is a purchase option of the 60% shareholding of Essa Palau, S.A. with initial amount of 3,000 thousand euros in 2011 which was fully impaired at December 31, 2015 and December 31, 2014.

b.2) Net investment hedges

At December 31, 2015 the heading "Interest-bearing loans and borrowings" include the bond issued by the subsidiary Gestamp Funding Luxembourg, S.A. amounting to 333 million US dollar (350 million dollars less 17 million bought and cancelled in 2015 (Note 20.a.1.I)) classified as hedge in net investment in subsidiaries located in the United States.

This bond covers the Group exposure to the exchange rate risk of these investments. The gains and losses arising in the conversion of the debt are included in consolidated equity under the heading Translation differences to compensate the possible gains and losses due to the conversion of the net investment in the subsidiaries. The losses generated in the conversion of the debt (hedge instrument) included in consolidated equity and net of tax effect under the heading Translation differences of Gestamp North America INC (Note 15) amount to 30,585 thousand euros at December 31, 2015 (22,021 thousand euros net of taxes) and 27,988 thousand euros (20,151 thousand euros net of taxes) in 2014.

The net investment in these subsidiaries includes the investment in the equity of the subsidiaries and the loans in US dollar granted to the said subsidiaries by Group companies whose functional currency is Euro.

Although the bond in US dollar was issued by Gestamp Funding Luxembourg, S.A on May, 2013, the hedging relationship was not stablished for accountancy purpose until January 1, 2014. At December 31, 2015 and December 31, 2014 there is no hedge inefficiency.

c) __Other liabilities__

c.1) Financial leasing

The finance lease commitments recognized under this heading correspond to the present value of the payment commitments on the finance leases outlined in Note 9. The payment schedule for these lease payments and the corresponding finance expenses are as follows:

	2015 Thousands of euros				
	Present value of lease obligations			Future finance expenses	Finance lease installments
	Less than one year	Between one and five years	More than five years		
Gestamp West Virginia, LIC	1,029	4,476	17,451	6,983	29,939
Beyçelik, A.S.	5,192	5,457	1,408	1,054	13,111
Gestamp Metal Forming Subgroup	61	75		8	144
Edscha Subgroup	10	2		1	13
Total	6,292	10,010	18,859	8,046	43,207

	2014				
	Thousands of euros				
	Present value of lease obligations			Future finance expenses	Finance lease installments
	Less than one year	Between one and five years	More than five years		
Gestamp West Virginia, LlC	46	3,890	16,725	6,676	27,337
Beyçelik, A.S.	3,345	4,314		479	8,138
Gestamp Metal Forming Subgroup	59	136		11	206
GMF Otomotive Parçalari Sanayi ve Ticaret L.S	32			3	35
Loire Sociedad Anónima Franco Española	25			1	26
Edscha Subgroup	9	11		2	22
Total	3,516	8,351	16,725	7,172	35,764

c.2) Borrowings with Associated Companies

This heading in the Consolidated Balance Sheet includes the following items with associated companies:

	Long term		Short term	
Description	2015	2014	2015	2014
Current accounts (Note 29)	-	-	-	399
Loans (Note 29)	42,167	45,986	7,438	21,618
Interest (Note 29)	-	-	3,124	3,269
Fixed assets suppliers (Note 29)	26,275	27,193	923	25,873
	68,442	73,179	11,485	51,159

At December 31, 2015 and December 31, 2014 the balance of long term fixed assets suppliers with Acek, Desarrollo y Gestión Industrial, S.L. corresponds to the purchase of GESTAMP brand.

The balance of fixed assets suppliers amounting to 25,873 thousand euros in 2014 included the debt for purchases of PP&E to Inmobiliaria Acek S.L. amounting to 25,010 thousand euros (Note 29) paid out in the first quarter of 2015.

c.3) Other liabilities

Other non-current liabilities

The breakdown of the amounts included under this heading, by company, nature, and maturity, at December 31, 2015 and December 31, 2014 is as follows:

Company	2017	2018	2019	2020	Beyond	Total 2015	Total 2014
	Thousands of euros						
Guarantees received					401	401	15
Gestamp Automoción, S.A.					291	291	-
Gestamp Abrera, S.A.					6	6	6
Gestamp Argentina, S.A					2	2	-
Gestamp Kartek Co, Ltd					8	8	8
Gestamp Metalbages, S.A.					1	1	1
SCI de Tournan en Brie					93	93	-
Fixed assets suppliers	327	60	71	83	290	831	-
Gestamp Bizkaia, S.A.	276					276	-
Gestamp Córdoba, S.A.	51	60	71	83	290	555	-
Loans from Ministry of Science and Technology	6,245	5,915	6,124	5,499	15,645	39,428	55,996
Gestamp Vigo, S.A	513	513	513	513	1,325	3,377	3,678
Gestamp Toledo, S.L	474	474	474	474	900	2,796	5,098
Gestamp Palencia, S.A	262	262	262	262	585	1,633	2,794
Gestamp Linares, S.A	181	145	70			396	577
Gestamp Galvanizados, S.A	34	34	34	34	77	213	235
Gestamp Metalbages, S.A.	327	325	323	321	1,015	2,311	2,498
Gestamp Navarra, S.A	675	701	731	275	439	2,821	13,287
Gestamp Manufactoring Autochasis S.L	278	276	274	272	868	1,968	2,005
Autotech Engineering, A.I.E	247	167	167	167	418	1,166	1,416
Gestamp Aragón, S.A.	312	300	288	277	922	2,099	2,333
Gestamp Abrera, S.A.	477	456	439	423	1,559	3,354	3,645
Gestamp Levante, S.L.	303	292	281	271	1,035	2,182	2,217
Gestamp Ingenieria Europa Sur, S.L.							194
Gestamp Solblank Navarra, S.L.	40	36	33	28		137	151
Loire Sociedad Anónima Franco Española					351	351	337
Gestamp Solblank Barcelona, S.A	120	120	450	433	1,869	2,992	2,858
Diede Die Developments S.L	323	167	168	161	0	819	970
Gestamp Bizkaia, S.A.	1,679	1,647	1,617	1,588	4,282	10,813	11,703
Other creditors	8,770	3,739	391	527	1,886	15,313	41,355
Gestamp Aveiro, S.A	408	419				827	1,224
Gestamp Cerveira, Lda	1,268	1,056	364	527		3,215	3,348
Diede Die Developments S.L						-	
Ocon Automated Systems S.L.						-	
Edscha Subgroup	7,068	2,238			1,882	11,188	12,821
Gestamp Baires, S.A	26	26	27			79	147
Gestamp Sweden, AB					4	4	4
Gestamp West Virginia, LlC						-	2,066
Gestamp Servicios, S.A						-	20,738
Gestamp Córdoba, S.A						-	821
SCI de Tournan en Brie						-	93
Gestamp Argentina, S.A						-	93
Total	15,342	9,714	6,586	6,109	18,222	55,973	97,366

On December 19, 2012 Gestamp Servicios, S.L. received a loan granted by International Business Machine, S.A. amounting to 48,760 thousand euros. This loan accrued a 5.10% market interest rate with quarterly maturity dates, being the last one on December 19, 2017. The outstanding balance at December 31, 2014 amounted to 20,738 thousand euros. Because of Group financial restructuring and with the aim of saving financial costs, this loan was early paid out in the first quarter of 2015.

The breakdown of maturity dates for the balances at December 31, 2014 is as follows:

Thousands of euros					
2014					
2016	2017	2018	2019	Beyond	Total
24,109	24,047	13,025	9,295	26,890	97,366

Other current liabilities

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

	Thousands of euros	
	2015	2014
Fixed assets suppliers	127,698	98,334
Short term debts	22,240	18,336
Short term interests payable	242	38
Deposits and guarantees	148	137
Other	(130)	465
	150,198	117,310

21. Deferred Taxes

The changes in deferred tax assets and liabilities were as follows:

Deferred tax assets	Thousands of euros							
	Tax credits	Reversal of start-up expenses	Fair value of property and buildings	Non-deductible provisions	Accelerated depreciation	Unrealized, non-deductible exchange gains (losses)	Other	Total
At December 31, 2013	**119,882**	**2,344**	**17,666**	**43,402**	**6,590**	**8,815**	**1,771**	**200,470**
Increases	21,212	90		6,581	623	2,766	16,131	47,403
Decreases	(27,532)			(8,691)	(113)	(2,484)	(16,268)	(55,088)
Translation differences	3,189	(120)	(2)	855	15	(61)	968	4,844
Other	47,568	(2,153)	(480)	(11,967)	(3,438)	(4,074)	25,255	50,711
At December 31, 2014	**164,319**	**161**	**17,184**	**30,180**	**3,677**	**4,962**	**27,857**	**248,340**
Inclusion in scope								
Increases	10,569			29,757	742	1,794	34,362	77,224
Decreases	(28,668)	(78)		(9,292)	(67)	(2,766)	(4,881)	(45,752)
Translation differences	2,936	(4)		(3,722)	(123)	(526)	(1,038)	(2,477)
Other	1,121		(17,661)	1,352	1,209	885	6,536	(6,558)
At December 31, 2015	**150,277**	**79**	**(477)**	**48,275**	**5,438**	**4,349**	**62,836**	**270,777**

Increases in Other in 2015 amounting to 34,362 thousand euros mainly correspond to the tax effect of hedges from the Company as well as to non-deductible expenses from invoices to be received by Gestamp Polska SP Z.o.o.

Deferred tax liabilities	Thousands of euros							
	Portfolio provisions - individual companies	Tax deduction - goodwill individual companies	Capitalization of expenses	Allocation to goodwill	Revaluation of land and buildings	Depreciation/ amortization	Other	Total
At January 31, 2013	**4,746**	**10,884**	**29,956**	**34,131**	**77,885**	**18,115**	**3,193**	**178,910**
Inclusion in scope								-
Increases		994	17,662	84		11,457	3,728	33,925
Decreases	(529)		(2,878)	(5,731)	(1,490)	(2,348)	(1,378)	(14,354)
Translation differences			185	(56)		4,879	506	5,514
Other movements	(3,414)	-3,647	(692)	1,913	(7,972)	39,926	4,986	31,100
At December 31, 2014	**803**	**8,231**	**44,233**	**30,341**	**68,423**	**72,029**	**11,035**	**235,095**
Inclusion in scope	-	-	-	-	-	-	-	-
Increases	-	852	10,364	3,003	1,643	11,644	2,725	30,231
Decreases	(1,203)	-	(4,790)	(3,645)	(1,666)	(3,106)	(885)	(15,295)
Translation differences	-	-	(86)	(858)	-	4,797	(797)	3,056
Other movements	(471)	(953)	(269)	-	(17,661)	(8,760)	571	(27,543)
At December 31, 2015	**(871)**	**8,130**	**49,452**	**28,841**	**50,739**	**76,604**	**12,649**	**225,544**

The net balance of Other movements in 2015 amounts to 20,985 thousand euros in liabilities and mainly includes adjustments from prior years as well as tax credits from Gestamp North America, INC regarding recognition of tax losses from previous years as a consequence of local regulations approved this year.

The net amount recognized in Other movements at December 31, 2014 amounting to 19,611 thousand euros (asset), correspond mainly to the tax rates updating and adjustments from previous years. The movements recognized under the headings tax credits and depreciation/amortization, correspond mainly to deferred tax reclassifications of assets and liabilities in 2014 by the subsidiary Gestamp North America, INC.

22. Trade and other payables

a) Trade payables

	Thousands of euros	
	2015	2014
Trade accounts payable	812,718	689,604
Trade bills payable	133,890	89,055
Suppliers from Group companies (Note 29.1)	187,351	160,202
Suppliers from Associated companies (Note 29.1)	1,054	2,265
Trade creditors, Group companies (Note 29.1)	2,365	4,486
	1,137,378	945,612

b) Other payables

	Thousands of euros	
	2015	2014
VAT payable	50,589	48,127
Tax withholdings payable	13,616	18,539
Other items payable to the tax authorities	11,617	26,361
Payable to social security	26,857	23,490
Other payables	16,966	27,879
Outstanding remuneration	97,114	87,197
	216,759	231,593

23. Operating revenue

a) Revenue

The breakdown of revenue by category in 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Parts, prototypes, and components	6,408,731	5,565,547
Tools	389,373	415,432
Byproducts and containers	219,136	264,000
Services rendered	17,272	10,825
	7,034,512	6,255,804

The geographical breakdown of revenue was as follows:

	Thousands of euros		%	
	2015	2014	2015	2014
European Union	3,908,810	3,593,760	55%	57%
Home market	1,269,940	1,087,489	18%	17%
Other European Union countries	2,638,870	2,506,271	37%	40%
France	409,625	387,132		
Portugal	143,487	138,182		
Poland	111,810	118,005		
Hungary	50,434	49,917		
Slovakia	9,329	11,289		
Czech Republic	129,875	116,047		
United Kingdom	685,919	582,652		
Sweden	78,016	72,301		
Germany	1,020,375	1,030,746		
Other markets	3,125,702	2,662,044	45%	43%
America	1,789,858	1,556,419	26%	25%
Brazil	247,295	385,133		
Argentina	219,208	183,317		
Mexico	416,009	294,367		
USA	907,346	693,602		
Asia	976,628	739,821	14%	12%
India	157,791	121,934		
South Korea	118,541	87,283		
China	690,110	521,084		
Japan	5,956	6,088		
Thailand	4,230	3,432		
Other	359,216	365,804	5%	6%
Russia	117,723	149,898		
Turkey	241,493	215,906		
TOTAL	7,034,512	6,255,804	100%	100%

b) Other operating income

	Thousands of euros	
	2015	2014
Other operating income	24,926	27,692
Grants related to income	2,073	3,861
Grants related to assets released to income for the year (Note 17)	6,589	5,388
Surplus provision for environmental matters and other commitments	4,454	10,097
Surplus provision for restructuring	5,147	80
Own work capitalized	91,757	67,746
Other	21,925	11,691
Change in provisions (Note 18)	18,540	12,479
Adjustments from prior years	(4,595)	-
Other	7,980	(788)
	156,871	126,555

Other operating income includes the income from the business combination of Gestamp Pune Automotive Private Limited amounting to 1.371 thousand euros (Note 2.b).

The heading Other includes profits from tangible assets amounting to 1,832 thousand euros as well as extraordinary income and expenses mainly related to commercial agreements, litigations and state financial aids amounting to 6,148 thousand euros.

24. Operating expenses

a) Raw materials and other consumables

	Thousands of euros	
	2015	2014
Purchases of goods and tools for resale	679,004	445,435
Discounts for prompt payment	(2,164)	(2,035)
Purchase returns and similar transactions	(5,269)	(3,483)
Volume discounts	(7,946)	(7,503)
Change in inventories (**)	(22,322)	(28,181)
Purchases of raw materials	2,764,168	2,740,494
Consumption of other supplies	644,581	491,781
Work performed by third parties	255,855	252,009
Impairment of goods for resale and raw materials (**)	4,067	2,538
Reversal of impairment of goods for resale and raw materials (**)	(1,377)	(5,283)
	4,308,597	3,885,772

**The total of this line items make a net consumption of raw materials amounting to 19,632 thousand euros (Note 11).

b) Personnel expenses

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

	Thousands of euros	
	2015	2014
Salaries	971,251	859,856
Social security	206,969	191,845
Other benefits expenses	79,790	73,233
	1,258,010	1,124,934

The breakdown of average headcount by professional level in 2015 and 2014 is as follows:

Professional level	2015	2014
Directors/ Managers	714	725
Clerical, financial and IT department	1,878	1,240
Quality control deparment	1,804	1,782
Logistics department	2,644	2,520
Supply department	864	827
Technical department	2,828	3,075
Production foreman	1,320	1,125
Production workers	16,764	16,167
Other	4,089	3,712
	32,905	**31,173**

The breakdown of headcount by professional level at year end at December 31, 2015 and December 31, 2014 is as follows:

Professional level	2015 Males	2015 Females	2014 Males	2014 Females
Directors/ Managers	666	94	645	99
Clerical, financial and IT department	1,382	881	619	671
Quality control deparment	1,557	249	1,559	254
Logistics department	2,274	319	2,197	327
Supply department	713	155	706	126
Technical department	2,874	232	3,059	265
Production foreman	1,261	57	1,087	55
Production workers	16,427	1,334	15,421	1,211
Other	2,268	449	2,872	573
	29,422	**3,770**	**28,165**	**3,581**

c) Other operating expenses

	Thousands of euros 2015	Thousands of euros 2014
Maintenance and upkeep	530,423	443,812
Other external services	310,387	271,898
Taxes and levies	30,761	24,408
Impairment of accounts receivable	(127)	(702)
Other	3,925	4,744
Losses and impairment of assets	-	1,379
Provision for risks and expenses	3,925	3,365
	875,369	744,160

Balance in "Other" in 2014 mainly corresponds to Edscha and Gestamp Metal Forming Subgroups related to provisions for litigations, employee contribution and others (Note 18),while in 2015 it fully corresponds to provision for risks and expenses.

25. Financial income and financial expenses

a) Financial income

	Thousands of euros 2015	Thousands of euros 2014
From equity investments, Group Companies	5	-
From equity investments	4	-
From current loans to third parties	27	395
Other financial income	12,913	8,023
Total from loans to Associated companies (Note 29.1)	360	1,179
From non-current loans to Associated companies	-	13
From current loans to Associates companies	360	1,166
	13,309	9,597

b) Financial expenses

	Thousands of euros 2015	Thousands of euros 2014
On bank borrowings	97,547	113,864
On trade bills with credit institutions	1,807	2,123
On factoring transactions with credit institutions	774	-
Other financial expenses	13,810	14,199
On update provisions	15	-
Total on borrowings from Group companies and associates (Note 29.1)	7,897	8,422
	121,850	138,608

26. Profit from discontinued operations

On December 26, 2013 the Group signed an agreement of intentions to sell the subsidiaries Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd, Sungwoo Gestamp Hitech Chennai, Ltd and GS Hot-Stamping Co. Ltd. so their assets and liabilities were classified as held for sale at December 31, 2013.

These companies were sold on April 11, 2014 (Note 2.a).

At December 31, 2014 the result of these companies (the result generated until the sale as well as the own result of the sale) has been classified as profit from discontinued operations according to the following breakdown:

	Thousands of euros			
	2014			
	Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd	Sungwoo Gestamp Hitech Chennai, Ltd	GS Hot Stamping, Co. Ltd	**Total**
Income from discontinued operations				
Profit (loss) from associates under equity method	(251)	(796)	-	(1,047)
Profit (loss) from the sale of discontinued operations	1,781	(4,073)	1,766	(526)
Net profit (loss) from discontinued operations	**1,530**	**(4,869)**	**1,766**	**(1,573)**

At December 31, 2014 the Group had no assets held for sale.

At December 31, 2015 the Group has no income from discontinued operations and no assets held for sale.

27. Income tax

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

- From January 1, 2014 on, the Company choose to apply the special fiscal consolidation regime, regulated under Basque Regional Law 3/1996. The subsidiaries include in this fiscal group are Gestamp Bizkaia, S.A; Bero Tools, S.L.; Gestamp North Europe Services, S.L. and Loire S.A.F.E.

- The subsidiaries Gestamp North America, Inc., Gestamp Alabama, Llc., Gestamp Mason, Llc., Gestamp Chattanooga, Llc., Gestamp Chattanooga II Llc.,Gestamp South Carolina, Llc. and Gestamp West Virginia, Llc. file a tax return according to fiscal transparency system.

- The subsidiaries Gestamp 2008, S.L., Edscha Santander, S.L. and Edscha Burgos, S.L. file a consolidated tax return.

- The subsidiaries Gestamp Global Tooling, S.L., Matricerías Deusto, S.L., Adral, Matricería y Puesta a punto, S.L, Gestamp Tool Hardening, S.L. and Gestamp Try Out Services, S.L. file a consolidated tax return.

- The subsidiaries Griwe Innovative Umfortechnik, GmbH. Griwe Werkzeug Produktions GmbH and Griwe System Produktions GmbH file a tax return according to a profit and loss transfer agreement.

- The subsidiaries Edscha Holding, GmbH, Edscha Automotive Hengersberg, GmbH, Edscha Automotive Hauzenberg, GmbH, Edscha Engineering, GmbH file a tax return according to a profit and loss transfer agreement.

- The subsidiaries GMF Holding, GmbH and Gestamp Umformtechnik, GmbH file a tax return according to a profit and loss transfer agreement.

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

The detail of income taxes in 2015 and 2014, in thousands of euros, is as follows:

	Thousands of euros	
	2015	**2014**
Current tax expense	84,053	57,805
Deferred tax	(23,458)	9,832
Other income tax adjustments	3,355	(7,347)
	63,950	**60,290**

Tax expense was calculated based on accounting profit before taxes, as shown below:

	Thousands of euros	
	2015	**2014**
Accounting profit (before taxes)	**252,802**	**190,673**
Theoretical tax expense	70,785	57,202
Differences in prevailing rates	(1,792)	3,409
Permanent differences	(215)	14,844
Deductions and tax credits previously not recognized	(10,124)	(12,293)
Statute-barred tax credits	21,602	23,232
Adjustments to income tax of prior years	(15,889)	(20,380)
Adjustments to tax rate	(417)	(5,724)
Tax expense (tax income)	**63,950**	**60,290**

The theoretical tax rate applied is 28% in 2015 and 30% in 2014.

“Differences in prevailing rates” in 2015 and 2014 reflects the differences between prevailing rates in certain operating markets and the theoretical applicable rate, mainly relating to operations taxed in the United States (35%), Brazil (34%), and Argentina (35%).

The Permanent differences in 2015 and 2014 reflect mainly inflation adjustments, exemption of income from brand billing, nondeductible differences in exchange rates, nondeductible expenses, and those differences generated in the consolidation process.

The Adjustments to tax rate in 2014 correspond to Spain and reflect the appliance of law 27/2014, approved on November 27, for Corporate Income Tax in Spain that has modified the general tax rate, from the present tax rate of 30%, to the 2015 tax rate of 28% and beyond of 2015 tax rate of 25%.

Previous deferred tax assets and liabilities have been adjusted according to the tax rate changes at the reversion date.

At December 31, 2015 the conversion to euros of tax loss carried forwards in other currencies, calculated at the exchange rates prevailing on that date, amounted to 872 million euros (2014: 813 million euros).

At December 31, 2015 the conversion to euros of unused tax credits carried forward in other currencies calculated at the exchange rates prevailing on that date, amounted to 145 million euros (2014: 134 million euros).

At year end 2015 and 2014, the Group had capitalized unused tax losses and tax credits that it expects to be able to utilize in future periods based on earnings projections and the deadlines and limits for their utilization.

At December 31, 2015 the Group had capitalized tax credits for a total of 150 million euros of unused tax losses and unused tax credits (2014: 164 million euros) (Note 21).

The unused tax losses and unused tax credits at December 31, 2015 whose corresponding tax credit has not been registered amount to 665 million euros (2014: 474 million euros). From that amount, 392 million euros have limitation period for their utilization between 2016 and 2034 (2014: 314 million euros with limitation period between 2015 and 2033) and the rest have no limitation period.

The majority of Group companies are open to inspection of all taxes to which they are liable and for the full statute of limitations period (4 years from filing date for all Spanish companies except for those with registered offices in the Basque Country for which the period is three years, and five years, as a rule, for companies based abroad), or since the date of incorporation, if more recent.

Management of the Company and its subsidiaries calculated income tax for 2015 and the years open for inspection according to the legislation prevailing in each year. Given that the prevailing tax regulations related to the above mentioned matters are subject to varying interpretations, certain tax liabilities and contingencies may exist for 2015 and previous years that cannot be objectively quantified. However, the Group's directors and their legal and tax advisors consider that any potential tax liability which might arise would not significantly affect the accompanying Consolidated Financial Statements.

28. Contingent liabilities and commitments

The Group companies have not provided liens to third parties for significant amounts other than the Griwe Subgroup PP&E items pledged to guarantee repayment of the loans they were granted (Note 9) or other non-current borrowings.

Operating lease commitments

The Group is a lessee of buildings, warehouses, machinery and vehicles. The lease expenses charged to the December 31, 2015 Consolidated Income Statement amount to 88,038 thousand euros (December 31, 2014: 69,101 thousand euros) and the breakdown by country is as follows:

	Thousands of euros	
	2015	2014
Spain	20,787	16,637
Germany	13,394	11,917
France	3,241	3,063
Portugal	2,060	1,828
Poland	1,433	1,081
Hungary	1,303	732
Slovakia	11	23
Czech Republic	524	473
United Kingdom	8,400	5,915
Sweden	2,661	1,747
Luxembourg	76	44
USA	10,578	7,190
Mexico	8,228	5,885
Brazil	2,184	2,940
Argentina	938	662
India	864	762
South Korea	387	564
China	6,275	3,227
Japan	221	161
Thailand	26	22
Russia	891	1,349
Turkey	3,556	2,879
	88,038	**69,101**

Total future minimum payments for operating leases at December 31, 2015 and December 31, 2014 are as follows:

	Thousands of euros		
	Future minimum payments		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Spain	16,415	53,214	30,715
Germany	9,341	20,450	777
France	2,520	953	-
Portugal	1,410	3,454	-
Poland	1,541	-	-
Czech Republic	48	280	-
United Kingdom	9,634	29,641	53,279
Sweden	643	1,697	-
USA	8,474	31,857	40,129
Mexico	15,641	81,173	9,082
Brazil	2,412	-	-
Argentina	8	38	-
India	219	263	-
China	6,285	395	-
Japan	50	-	-
Thailand	25	129	-
Russia	394	1,834	-
Turkey	582	2,453	2,383
Total 2015	**75,642**	**227,831**	**136,365**

	Thousands of euros		
	Future minimum payments		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Total 2014	**74,561**	**216,203**	**128,041**

The increase in long-term future minimum payments from 2014 to 2015 for 19 million euros corresponds to renegotiation of already existing agreements and to signing new agreements, mainly in companies in USA and Germany, as well as to changes in exchange rates.

The Group companies have not acquired additional significant commitments to those already existing corresponding to the planification of the ordinary business, acquisition of raw materials or fixed assets.

29. Related party transactions

29.1 Balances and transactions with Related Parties

At December 31, 2015 and December 31, 2014 the amounts payable to and receivable from Related Parties and transactions carried out with Related Parties were as follows:

	Thousands of euros	
	2015	2014
Balances receivable	18,262	51,738
Balances payable	(270,697)	(291,291)
Revenue		
Sales of goods	155,059	175,050
Services rendered	5,407	3,048
Financial income	360	1,179
Expenses		
Purchases	922,718	941,653
Services received	11,595	8,926
Financial expenses	7,897	8,422
Impairment loss	9,324	-

The breakdown of receivables from and payables to Related Parties at December 31, 2015 is as follows:

Company	Item	Thousands of euros: Amounts receivable	Thousands of euros: Amounts payable
Acek, Desarrollo y Gestión Industrial, S.L.	Current account	26	-
Total Current account		26	
Mitsui &Co., Ltd	Non-current loans	-	(20,104)
JSC Karelsky Okatysh	Non-current loans	-	(22,063)
Total non-current loans (Note 20.c.2)			(42,167)
Gonvarri Corporación Financiera, S.L.	Current loans	-	(7,438)
Total current loans (Note 20.c.2)			(7,438)
Acek, Desarrollo y Gestión Industrial, S.L	Current interest payable	-	(1,337)
Gonvarri I. Centro Servicios, S.L.	Current interest payable	-	(36)
Gonvarri Corporación Financiera, S.L.	Current interest payable	-	(582)
JSC Karelsky Okatysh	Current interest payable	-	(1,169)
Total interest payable (Note 20.c.2)			(3,124)
Esymo Metal, S.L.	Non-current loans	1,120	-
Esymo Metal, S.L.	Current loans	320	-
Total loans		1,440	
Esymo Metal, S.L.	Current interest receivable	1	-
Gestion Global de Matriceria, S.L	Current interest receivable	61	-
Total interest receivable		62	
Essa Palau, S.A.	Trade receivables from Group companies	1,440	-
Esymo Metal, S.L.	Trade receivables from Group companies	9	-
Gescrap Centro, S.L	Trade receivables from Group companies	516	-
Gescrap France S.A.R.L.	Trade receivables from Group companies	1,010	-
Gescrap Navarra, S.L.	Trade receivables from Group companies	234	-
Gescrap Polska SPZ00	Trade receivables from Group companies	345	-
Gescrap, S.L.	Trade receivables from Group companies	3,501	-
Gescrap Hungría KFT	Trade receivables from Group companies	176	-
Gescrap Autometal Mexico S.A. de C.V.	Trade receivables from Group companies	606	-
Gescrap Czech S.R.O.	Trade receivables from Group companies	22	-
Gescrap Autometal Comercio de Sucatas S.A.	Trade receivables from Group companies	351	-
GES Recycling Ltd.	Trade receivables from Group companies	285	-
GGM Puebla, S.A. de C.V.	Trade receivables from Group companies	1,373	-
Gestion Global de Matriceria, S.L	Trade receivables from Group companies	740	-
Gonvarri Galicia, SA	Trade receivables from Group companies	148	-
Gonvarri I. Centro Servicios, S.L.	Trade receivables from Group companies	112	-
Gonvarri MS Corporate S.L.	Trade receivables from Group companies	46	-
Gonvauto Navarra, SA	Trade receivables from Group companies	694	-
Gonvauto Puebla S.A. de C.V.	Trade receivables from Group companies	389	-
Gonvauto Thuringen, GMBH	Trade receivables from Group companies	1,092	-
Gonvauto, SA	Trade receivables from Group companies	480	-
Gonvarri Corporación Financiera, S.L.	Trade receivables from Group companies	169	-
Gonvarri Polska	Trade receivables from Group companies	4	-
Ind. Ferrodistribuidora, S.L.	Trade receivables from Group companies	281	-
Severstal Gonvarri Kaluga, LLC	Trade receivables from Group companies	8	-
Steel & Alloy	Trade receivables from Group companies	29	-
Gonvarri Czech S.R.O.	Trade receivables from Group companies	37	-
GS Hot Stamping, Ltd.	Trade receivables from Group companies	5	-
Ingeniería y Construcción Matrices, S.A.	Trade receivables from Group companies	1,919	-
IxCxT, S.A.	Trade receivables from Group companies	3	-
Jui Li Edscha Body System	Trade receivables from Group companies	6	-
Jui Li Edscha Hainan	Trade receivables from Group companies	257	-
Gestamp Energías Renovables	Trade receivables from Group companies	426	-
Inmobiliaria Acek,S.L.	Trade receivables from Group companies	8	-
Acek, Desarrollo y Gestión Industrial, S.L	Trade receivables from Group companies	7	-
Recuperaciones Medioambientales Subgroup	Trade receivables from Group companies	6	-
Total Trade receivables from Group companies (Note 12.a)		16,734	
Agricola La Veguilla, S.A.	Suppliers from Group companies		(18)
Acek, Desarrollo y Gestión Industrial, S.L	Suppliers from Group companies		(2,582)
Essa Palau, S.A.	Suppliers from Group companies		(13,777)
Esymo Metal, S.L.	Suppliers from Group companies		(1,766)
Gescrap Navarra, S.L.	Suppliers from Group companies		(2)
Gescrap Polska	Suppliers from Group companies		(3)
GGM Puebla, S.A. de C.V.	Suppliers from Group companies		(796)
Gestion Global de Matriceria, S.L	Suppliers from Group companies		(283)
Gonvarri Argentina S.A.	Suppliers from Group companies		(6,974)
Gonvarri Galicia, SA	Suppliers from Group companies		(23,753)
Gonvarri Corporación Financiera, S.L.	Suppliers from Group companies		41
Gonvarri I. Centro Servicios, S.L.	Suppliers from Group companies		(42,666)
Gonvarri Polska, SP, ZOO.	Suppliers from Group companies		(9,486)
Gonvarri Ptos. Siderúrgicos, SA	Suppliers from Group companies		(10,673)
Gonvauto Asturias	Suppliers from Group companies		(2,236)
Gonvauto Navarra, SA	Suppliers from Group companies		(4,976)
Gonvauto Puebla S.A. de C.V.	Suppliers from Group companies		(18,680)
Gonvauto Thuringen, GMBH	Suppliers from Group companies		(5,507)
Gonvauto, SA	Suppliers from Group companies		(22,812)
Gonvauto South Carolina LLC	Suppliers from Group companies		(673)
Severstal Gonvarri Kaluga, LLC	Suppliers from Group companies		(517)
Hierros y Aplanaciones, SA	Suppliers from Group companies		(70)
Ind. Ferrodistribuidora, S.L.	Suppliers from Group companies		70
Láser Automotive Barcelona	Suppliers from Group companies		(805)
Gonvarri Czech S.R.O.	Suppliers from Group companies		(621)
Steel & Alloy	Suppliers from Group companies		(15,092)
Inmobiliaria Acek,S.L.	Suppliers from Group companies		(208)
Arcelor Group	Suppliers from Group companies		(1,473)
Ingeniería y Construcción Matrices, S.A.	Suppliers from Group companies		(898)
Jui Li Edscha Body System	Suppliers from Group companies		(8)
Air Executive	Suppliers from Group companies		(107)
Total Suppliers from Group companies (Note 22.a)			(187,351)
Arcelor Group	Suppliers from Associated companies		(1,054)
Total Suppliers from Associated companies (Note 22.a)			(1,054)
Severstal Gonvarri Kaluga, LLC	Trade creditors, Group companies		(2,342)
Gestion Global de Matriceria, S.L	Trade creditors, Group companies		(23)
Total Trade creditors, Group companies (Note 22.a)			(2,365)
Acek, Desarrollo y Gestión Industrial, S.L	Long term fixed assets suppliers		(26,275)
Acek, Desarrollo y Gestión Industrial, S.L	Short term fixed assets suppliers		(918)
Gonvarri Galicia, SA	Short term fixed assets suppliers		(3)
Esymo Metal, S.L.	Short term fixed assets suppliers		(2)
Total Fixed assets suppliers (Note 20.c.2)			(27,198)
		18,262	(270,697)

The breakdown of receivables from and payables to Related Parties at December 31, 2014 were as follows:

		Thousands of euros	
Company	Item	Amounts receivable	Amounts payable
Acek, Desarrollo y Gestión Industrial, S.L.	Current account	-	(399)
Total Current Account (Note 20.c.2)			(399)
Mitsui &Co., Ltd	Non-current loans	-	(18,054)
Gonvarri Corporación Financiera, S.L.	Non-current loans	-	(7,438)
Severstal Trade GesmbH	Non-current loans	-	(10,834)
Melsonda Holdings Ltd.	Non-current loans	-	(9,660)
Total non-current loans (Note 20.c.2)			(45,986)
Gonvarri Argentina, S.A	Current loans	-	(354)
Gonvarri Corporación Financiera, S.L.	Current loans	-	(21,264)
Total current loans (Note 20.c.2)			(21,618)
Gonvarri I. Centro Servicios, S.L.	Current interest payable	-	(36)
Acek, Desarrollo y Gestión Industrial, S.L.	Current interest payable	-	(1,379)
Severstal Trade GmbH	Current interest payable	-	(1,064)
Melsonda Holdings Ltd.	Current interest payable	-	(9)
Gonvarri Corporación Financiera, S.L.	Current interest payable	-	(781)
Total interest payable (Note 20.c.2)			(3,269)
Esymo Metal, S.L.	Non-current loans	1,440	-
Essa Palau, S.A.	Non-current loans	4,000	-
Acek, Desarrollo y Gestión Industrial, S.L.	Non-current loans	24,628	-
Esymo Metal, S.L.	Current loans	978	-
Gonvarri Argentina S.A.	Current loans	673	-
Essa Palau, S.A.	Current loans	3,000	-
Essa Palau, S.A.	Current interest receivable	243	-
Acek, Desarrollo y Gestión Industrial, S.L.	Current interest receivable	3	-
Gestión Global de Matricería, S.L.	Current interest receivable	12	-
Total loans and interest receivable		34,977	
Gescrap Navarra, S.L.	Trade receivables from Group companies	676	-
Gescrap, S.L.	Trade receivables from Group companies	6,356	-
Gescrap Polska SPZ00	Trade receivables from Group companies	1,097	-
Gescrap Desarrollo, S.L.	Trade receivables from Group companies	1,174	-
Gescrap France S.A.R.L.	Trade receivables from Group companies	1,676	-
Gescrap Centro, S.L	Trade receivables from Group companies	419	-
Gonvarri I. Centro Servicios, S.L.	Trade receivables from Group companies	496	-
Gonvarri Galicia, SA	Trade receivables from Group companies	645	-
Gonvauto Navarra, SA	Trade receivables from Group companies	199	-
Gonvauto Puebla S.A. de C.V.	Trade receivables from Group companies	28	-
Gonvauto Thuringen, GMBH	Trade receivables from Group companies	740	-
Gonvauto, SA	Trade receivables from Group companies	1,054	-
Hierros y Aplanaciones, SA	Trade receivables from Group companies	24	-
Gonvarri Corporación Financiera, S.L.	Trade receivables from Group companies	124	-
Severstal Gonvarri Kaluga, LLC	Trade receivables from Group companies	1	-
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	Trade receivables from Group companies	77	-
Sungwoo Gestamp Hitech Pune Private, Ltd.	Trade receivables from Group companies	56	-
Esymo Metal, S.L.	Trade receivables from Group companies	16	-
Essa Palau, S.A.	Trade receivables from Group companies	1,420	-
Ingeniería y Construcción Matrices, S.A.	Trade receivables from Group companies	121	-
IxCxT, S.A.	Trade receivables from Group companies	4	-
Gestión Global de Matricería, S.L.	Trade receivables from Group companies	235	-
GGM Puebla, S.A. de C.V.	Trade receivables from Group companies	115	-
Inmobiliaria Acek, S.L.	Trade receivables from Group companies	8	-
Total Trade receivables from Group companies (Note 12.a)		16,761	
Agricola La Veguilla, S.A.	Suppliers from Group companies	-	(18)
Acek, Desarrollo y Gestión Industrial, S.L.	Suppliers from Group companies	-	(313)
Gonvarri I. Centro Servicios S.L.	Suppliers from Group companies	-	(33,043)
Arcelormittal Gonvarri Brasil Prod. Siderúrgicos	Suppliers from Group companies	-	(591)
Gonvarri Galicia, SA	Suppliers from Group companies	-	(9,807)
Hierros y Aplanaciones, SA	Suppliers from Group companies	-	(71)
Gonvarri Ptos. Siderúrgicos, SA	Suppliers from Group companies	-	(10,282)
Gonvauto Navarra, SA	Suppliers from Group companies	-	(4,790)
Gonvauto Puebla S.A. de C.V.	Suppliers from Group companies	-	(24,430)
Gonvauto Thuringen, GMBH	Suppliers from Group companies	-	(4,769)
Gonvauto, SA	Suppliers from Group companies	-	(20,084)
Gonvarri Argentina S.A.	Suppliers from Group companies	-	(8,374)
Gestión Global de Matricería, S.L.	Suppliers from Group companies	-	(124)
Ind. Ferrodistribuidora, S.L.	Suppliers from Group companies	-	787
Severstal Gonvarri Kaluga, LLC	Suppliers from Group companies	-	(14)
Gonvarri Polska, SP, ZOO.	Suppliers from Group companies	-	(8,501)
Steel & Alloy	Suppliers from Group companies	-	(12,349)
Gonvarri Tarragona, S.L.	Suppliers from Group companies	-	(1,026)
Gonvauto Asturias	Suppliers from Group companies	-	(183)
Air Executive, S.L.	Suppliers from Group companies	-	(144)
Inmobiliaria Acek, S.L.	Suppliers from Group companies	-	(270)
Gescrap Navarra, S.L.	Suppliers from Group companies	-	(4)
Gescrap, S.L.	Suppliers from Group companies	-	(18)
Gescrap Polska SPZ00	Suppliers from Group companies	-	(4)
Esymo Metal, S.L.	Suppliers from Group companies	-	(1,584)
Essa Palau, S.A.	Suppliers from Group companies	-	(16,969)
Ingeniería y Construcción Matrices, S.A.	Suppliers from Group companies	-	(592)
GGM Puebla, S.A. de C.V.	Suppliers from Group companies	-	(28)
Arcelor Group	Suppliers from Group companies	-	(2,607)
Total Suppliers from Group companies (Note 22.a)			(160,202)
Arcelor Group	Suppliers from Associated companies	-	(2,265)
Total Suppliers from Associated companies (Note 22.a)			(2,265)
Severstal Gonvarri Kaluga, LLC	Trade creditors, Group companies	-	(4,486)
Total Trade creditors, Group companies (Note 22.a)			(4,486)
Acek, Desarrollo y Gestión Industrial, S.L.	Long term fixed assets suppliers	-	(27,193)
Acek, Desarrollo y Gestión Industrial, S.L.	Short term fixed assets suppliers	-	(861)
Esymo Metal, S.L.	Short term fixed assets suppliers	-	(2)
Inmobiliaria Acek, S.L.	Short term fixed assets suppliers	-	(25,010)
Total Fixed assets suppliers (Note 20.c.2)			(53,066)
		51,738	(291,291)

The breakdown of transactions carried out with Related Parties during 2015 was as follows:

Company	Transaction	Thousands of euros
Gescrap Autometal Comercio de Sucata S.A.	Sales	(7,088)
Gescrap Autometal México, S.A. de C.V.	Sales	(16,621)
Gescrap S.L.	Sales	(27,082)
Gescrap Centro, S.L	Sales	(2,976)
Gescrap France S.A.R.L.	Sales	(15,474)
Gescrap Navarra, S.L.	Sales	(4,391)
Gescrap Polska SPZOO	Sales	(5,412)
Gescrap Czech S.R.O.	Sales	(430)
Gescrap Hungría	Sales	(1,609)
GES Recycling Ltd.	Sales	(4,199)
Gescrap GmbH	Sales	(8,276)
Gonvarri Galicia, SA	Sales	(5,900)
Gonvarri I. Centro Servicios, S.L.	Sales	(1,994)
Gonvauto Navarra, SA	Sales	(9,377)
Gonvauto Puebla S.A. de C.V.	Sales	(296)
Gonvauto, SA	Sales	(34,670)
Ind. Ferrodistribuidora, S.L.	Sales	(301)
Gonvauto South Carolina Llc.	Sales	(3)
Gonvauto Thuringen, GMBH	Sales	(30)
Severstal Gonvarri Kaluga, LLC	Sales	(26)
Ingeniería y Construcción Matrices, S.A.	Sales	(391)
Jui Li Edscha Hainan Industry Enterprise	Sales	(173)
Essa Palau, S.A.	Sales	(7,280)
GGM Puebla, S.A de C.V	Sales	(102)
Gestión Global de Matricería, S.L.	Sales	(958)
Total Sales		(155,059)
Acek, Desarrollo y Gestión Industrial, S.L	Services rendered	(16)
Gonvarri Polska, SP, ZOO.	Services rendered	(22)
Gonvarri Ptos. Siderúrgicos, SA	Services rendered	(1)
Gonvarri Czech	Services rendered	(30)
Gonvarri Corporación Financiera, S.L.	Services rendered	(400)
Gonvarri I. Centro Servicios, S.L.	Services rendered	(21)
Gonvarri Aluminium GmbH	Services rendered	(1)
Gonvauto Thuringen, GMBH	Services rendered	(13)
Inmobiliaria Acek, S.L	Services rendered	(10)
Gestamp Energías Renovables	Services rendered	(588)
Gescrap Autometal México, S.A. de C.V.	Services rendered	(3)
Ingeniería y Construcción Matrices, S.A.	Services rendered	(1,794)
IxCxT, S.A	Services rendered	(8)
Jui Li Edscha Body Systems Co. Ltd.	Services rendered	(12)
Jui Li Edscha Hainan Industry Enterprise	Services rendered	(6)
Essa Palau, S.A.	Services rendered	(581)
Esymo Metal, S.L.	Services rendered	(112)
GGM Puebla, S.A de C.V	Services rendered	(1,291)
Gestión Global de Matricería, S.L.	Services rendered	(399)
Recuperaciones Mediambientales Subgroup	Services rendered	(99)
Total Services rendered		(5,407)
Acek, Desarrollo y Gestión Industrial, S.L	Financial income	(9)
Essa Palau, S.A.	Financial income	(197)
Esymo Metal, S.L.	Financial income	(29)
Gestion Global de Matriceria, S.L	Financial income	(125)
Total Financial income (Note 25.a)		(360)

Company	Transaction	Thousands of euros
Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	Purchases	9,937
Gonvauto Asturias	Purchases	6,935
Gonvarri Argentina S.A.	Purchases	56,446
Gonvarri Galicia, SA	Purchases	60,484
Gonvarri I. Centro Servicios, S.L.	Purchases	184,532
Gonvarri Polska, SP, ZOO.	Purchases	67,152
Gonvarri Ptos. Siderúrgicos, SA	Purchases	31,687
Gonvauto Navarra, SA	Purchases	20,520
Gonvauto Puebla S.A. de C.V.	Purchases	68,892
Gonvauto Thuringen, GMBH	Purchases	77,437
Gonvauto, SA	Purchases	86,325
Ind. Ferrodistribuidora, S.L.	Purchases	201
Severstal Gonvarri Kaluga, LLC	Purchases	42,676
Steel & Alloy	Purchases	41,513
Gonvauto South Carolina Llc.	Purchases	6,355
Laser Automotive Barcelona	Purchases	812
Gonvarri Czech	Purchases	592
Gonvarri Aluminium GmbH	Purchases	66
Jui Li Edscha Body Systems Co. Ltd.	Purchases	53
Arcelor Group	Purchases	82,617
Ingeniería y Construcción Matrices, S.A.	Purchases	8,354
GGM Puebla, S.A de C.V	Purchases	4,976
Essa Palau, S.A.	Purchases	60,717
Esymo Metal, S.L.	Purchases	3,439
Total Purchases		922,718
Agricola La Veguilla, S.A	Services received	140
Air Executive, S.L.	Services received	587
Acek, Desarrollo y Gestión Industrial, S.L	Services received	3,593
Gescrap S.L.	Services received	194
Gescrap Navarra, S.L.	Services received	10
Gescrap Polska SPZOO	Services received	32
Gonvarri I. Centro Servicios, S.L.	Services received	124
Gonvarri Polska, SP, ZOO.	Services received	(1)
Gonvarri Ptos. Siderúrgicos, SA	Services received	237
Gonvauto Puebla S.A. de C.V.	Services received	737
Gonvauto, SA	Services received	23
Ind. Ferrodistribuidora, S.L.	Services received	4
Gonvauto Navarra, SA	Services received	(1)
Gonvarri Argentina S.A.	Services received	11
Gonvauto South Carolina Llc.	Services received	(92)
Inmobiliaria Acek, S.L	Services received	2,017
Ingeniería y Construcción Matrices, S.A.	Services received	176
Essa Palau, S.A.	Services received	(122)
Esymo Metal, S.L.	Services received	1,350
Gestión Global de Matricería, S.L.	Services received	2,418
GGM Puebla, S.A de C.V	Services received	158
Total Services received		11,595
Acek, Desarrollo y Gestión Industrial, S.L	Financial expenses	2,344
Gonvarri Corporación Financiera, S.L.	Financial expenses	1,320
Gonvarri Galicia, SA	Financial expenses	100
Gonvarri I. Centro Servicios, S.L.	Financial expenses	72
Gonvarri Ptos. Siderúrgicos, SA	Financial expenses	81
Gonvauto Navarra, SA	Financial expenses	18
Gonvauto, SA	Financial expenses	231
Gonvauto Puebla S.A. de C.V.	Financial expenses	642
Mitsui & Co	Financial expenses	809
JSC Karelsky Okatysh	Financial expenses	2,280
Total Financial expenses (Note 25.b)		7,897
Essa Palau, S.A.	Short term loans impairment loss	9,324
Total Short term loans impairment loss		9,324

The breakdown of transactions carried out with Related Parties during 2014 was as follows:

Company	Transaction	Thousands of euros
Acek, Desarrollo y Gestión Industrial, S.L.	Sales	(10)
Gescrap, S.L.	Sales	(61,749)
Gescrap Navarra, S.L.	Sales	(5,009)
Gescrap Polska SPZ00	Sales	(10,333)
Gescrap France S.A.R.L.	Sales	(5,109)
Gescrap Autometal Comercio de Sucata S.A.	Sales	(10,517)
Gescrap Autometal México, S.A. de C.V.	Sales	(17,178)
Gonvarri Galicia, SA	Sales	(5,935)
Gonvarri Polska, SP, ZOO.	Sales	(1,170)
Gonvarri I. Centro Servicios, S.L.	Sales	(2,459)
Gonvauto Navarra, SA	Sales	(7,709)
Gonvauto, SA	Sales	(30,316)
Gonvauto Asturias	Sales	(1)
Gonvarri Argentina S.A.	Sales	(2)
Gonvauto Thuringen, GMBH	Sales	(20)
Gonvarri MS Corporate, S.L	Sales	(34)
Gonvauto Puebla S.A. de C.V.	Sales	(193)
Gonvarri Ptos. Siderúrgicos, S.A	Sales	(19)
Gescrap Centro, S.L	Sales	(3,027)
Ingeniería y Construcción Matrices, S.A.	Sales	97
Gestamp Global Mexico	Sales	(2,110)
Severstal Gonvarri Kaluga, Llc	Sales	(28)
Essa Palau, S.A.	Sales	(3,742)
Gestión Global de Matricería, S.L.	Sales	(8,477)
Total Sales		(175,050)
Acek, Desarrollo y Gestión Industrial, S.L.	Services rendered	(11)
Gonvauto Puebla S.A. de C.V.	Services rendered	(55)
Gonvarri Polska, SP, ZOO.	Services rendered	(20)
Gonvarri Corporación Financiera, S.L.	Services rendered	(170)
Gonvarri Ptos. Siderúrgicos, S.A	Services rendered	1
Steel & Alloy	Services rendered	(21)
Inmobiliaria Acek S.L.	Services rendered	(51)
Esymo Metal, S.L.	Services rendered	(89)
Gescrap France S.A.R.L.	Services rendered	(48)
Gonvarri I. Centro Servicios, S.L.	Services rendered	(38)
Gestamp Global Mexico	Services rendered	(54)
Gestamp Polska SPZ00	Services rendered	(2)
Gestamp Energías Renovables	Services rendered	(70)
Gescrap Autometal México, S.A. de C.V.	Services rendered	(3)
Essa Palau, S.A.	Services rendered	(439)
Reimasa	Services rendered	(48)
Gestión Global de Matricería, S.L.	Services rendered	(43)
IxCxT, S.A	Services rendered	1
Jui Li Edscha Body System and subsidiaries	Services rendered	(26)
Ingeniería y Construcción Matrices, S.A.	Services rendered	(1,862)
Total Services rendered		(3,048)
Acek, Desarrollo y Gestión Industrial, S.L.	Financial income	(140)
Esymo Metal, S.L.	Financial income	(43)
Essa Palau, S.A.	Financial income	(169)
Jeff Wilson	Financial income	(16)
Gonvarri Argentina S.A.	Financial income	(705)
Shrenik Industries Private Ltd.	Financial income	(106)
Total Financial income (Note 25.a)		(1,179)

Company	Transaction	Thousands of euros
Acek, Desarrollo y Gestión Industrial, S.L.	Purchases	4
Gonvarri Galicia, SA	Purchases	59,069
Gonvarri I. Centro Servicios, S.L.	Purchases	173,283
Gonvarri Polska, SP, ZOO.	Purchases	57,717
Gonvarri Tarragona, S.L.	Purchases	4,799
Gonvarri Ptos. Siderúrgicos, SA	Purchases	30,594
Hierros y Aplanaciones, SA	Purchases	72
Ind. Ferrodistribuidora, S.L.	Purchases	1,786
Gonvauto Navarra, SA	Purchases	17,632
Gonvauto Puebla S.A. de C.V.	Purchases	54,823
Gestamp Global México	Purchases	23
Gonvauto Thuringen, GMBH	Purchases	70,967
Gonvarri Argentina S.A.	Purchases	49,715
Gonvauto, SA	Purchases	72,195
Severstal Gonvarri Kaluga, LLC	Purchases	61,303
Steel & Alloy	Purchases	68,732
Gonvauto Asturias S.L.	Purchases	172
Gescrap Navarra, S.L.	Purchases	769
Gescrap, S.L.	Purchases	231
Arcelormilttal Gonvarri Brasil Ptos. Siderúrgicos, S.A	Purchases	7,517
Esymo Metal, S.L	Purchases	2,839
Essa Palau, S.A.	Purchases	48,193
Ingeniería y Construcción Matrices, S.A.	Purchases	7,610
Arcelor Group	Purchases	151,608
Total Purchases		941,653
Acek, Desarrollo y Gestión Industrial, S.L.	Services received	2,611
Gescrap Navarra, S.L.	Services received	11
Gescrap Polska SPZ00	Services received	17
Gonvauto, SA	Services received	39
Gonvauto Puebla S.A. de C.V.	Services received	83
Gonvarri I. Centro Servicios, S.L.	Services received	(31)
Gonvarri Corporación Financiera, S.L.	Services received	2
Gonvarri Galicia, SA	Services received	(1)
Gonvarri Ptos. Siderúrgicos, SA	Services received	260
Inmobiliaria Acek S.L.	Services received	3,849
Air Executive, S.L.	Services received	1,289
Agricola La Veguilla, S.A	Services received	125
Gonvarri Polska, SP, ZOO.	Services received	(1)
Gestamp Eólica	Services received	1
Gestamp Solar	Services received	(207)
Essa Palau, S.A.	Services received	(69)
Gestamp Global México	Services received	101
Arcelor Group	Services received	(11)
Ingeniería y Construcción Matrices, S.A.	Services received	528
Esymo Metal, S.L	Services received	328
Ind. Ferrodistribuidora, S.L.	Services received	2
Total Services received		8,926
Acek, Desarrollo y Gestión Industrial, S.L.	Financial expenses	3,804
Gonvarri Galicia, SA	Financial expenses	60
Gonvarri Corporación Financiera, S.L.	Financial expenses	1,737
Gonvarri Argentina S.A.	Financial expenses	337
Gonvarri I. Centro Servicios, S.L.	Financial expenses	114
Gonvarri Ptos. Siderúrgicos, SA	Financial expenses	82
Gescrap Navarra, S.L.	Financial expenses	1
Gonvauto Navarra, SA	Financial expenses	22
Gonvauto, SA	Financial expenses	229
Ind. Ferrodistribuidora, S.L.	Financial expenses	1
Mitsui & Co, Ltd	Financial expenses	8
Severstal Trade GesmbH	Financial expenses	1,353
Melsonda Holdings Ltd.	Financial expenses	674
Total Financial expenses (Note 25.b)		8,422

29.2 Board of Directors' remuneration

In 2015 and 2014 the members of the Company’s Board of Directors received no remuneration from any of the companies which compose the Group.

In 2015 and 2014 Acek, Desarrollo y Gestión Industrial, S.L. received total remuneration of 690 thousand euros as compensation for membership of the Board of Directors of certain Group companies.

The remuneration accrued during 2014 by the representatives (natural persons) of the members of the Board of Directors (legal entity), is included in the remuneration accrued by the Management´s Remuneration informed in Note 29.3

In 2015 and 2014, no loans or advances, pensions or life insurance benefits were granted to members of its Board nor their representatives as natural persons.

29.3 Senior Management's Remuneration

In 2015 total remuneration for the members of the Management Committee, which fully correspond to salaries, amounted to 4,265 thousand euros (2014: 2,708 thousand euros), included in “Personnel expenses” in the accompanying consolidated income statement. The company made no contributions to pension plans on their behalf.

30. Subsidiaries with significant non-controlling interest

Financial information of subsidiaries that have significant non-controlling interests is provided below. The summarised financial information of these subsidiaries, based on their individual financial statements adapted to Group criteria and before intercompany eliminations and consolidation adjustments, is as follows:

Summarised profit statement at December 31, 2015 and December 31, 2014:

	2015								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating income	855,225	218,287	414,763	218,004	244,629	208,370	-	32,810	83,195
Operating expense	(818,075)	(213,582)	(362,029)	(212,771)	(225,669)	(185,275)	(171)	(30,320)	(73,519)
OPERATING PROFIT	**37,150**	**4,705**	**52,734**	**5,233**	**18,960**	**23,095**	**(171)**	**2,490**	**9,676**
Financial profit	(4,532)	(1,748)	1,517	(16,432)	(2,287)	(987)	3,058	(2,153)	(5,718)
Exchange gain (losses)	2,230	(4,669)	(1,185)	(20,714)	(5,785)	(1,510)	731	(4,877)	(11,411)
Impairment and other	-	-	-	-	-	-	-	-	-
PROFIT BEFORE TAXES	**34,848**	**(1,712)**	**53,066**	**(31,913)**	**10,888**	**20,598**	**3,618**	**(4,540)**	**(7,453)**
Income tax expense	(4,951)	(1,895)	(15,668)	10,603	(934)	(3,090)	-	443	-
Profit for the year from discontinued operations net of taxes	-	-	-	-	-	-	-	-	-
Non-controlling interest	-	81	-	-	-	-	-	-	-
PROFIT ATTRIBUTABLE TO PARENT COMPANY	**29,897**	**(3,526)**	**37,398**	**(21,310)**	**9,954**	**17,508**	**3,618**	**(4,097)**	**(7,453)**
Non-controlling interest	30.00%	30.01%	30.00%	30.00%	50.00%	31.06%	35.00%	41.87%	41.87%
Attributable to non-controlling interest	8,969	(1,058)	11,219	(6,393)	4,977	5,438	1,266	(1,715)	(3,121)

	2014								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk , LLc	Gestamp Severstal Kaluga, Llc
Operating income	702,097	185,639	299,961	345,370	203,157	175,253	-	47,395	103,471
Operating expense	(664,807)	(178,944)	(281,962)	(312,735)	(188,519)	(160,208)	(235)	(48,124)	(97,008)
OPERATING PROFIT	**37,290**	**6,695**	**17,999**	**32,635**	**14,638**	**15,045**	**(235)**	**(729)**	**6,463**
Financial profit	(5,890)	(5,353)	3,878	(18,903)	(2,416)	(1,526)	3,132	(1,958)	(5,735)
Exchange gain (losses)	4,561	(12,175)	623	(45)	187	2,333	-	(15,280)	(32,986)
Impairment and other	-	-	(9)	(405)	-	-	-	-	-
PROFIT BEFORE TAXES	**35,961**	**(10,833)**	**22,491**	**13,282**	**12,409**	**15,852**	**2,897**	**(17,967)**	**(32,258)**
Income tax expense	190	5,418	(7,068)	(5,892)	(1,373)	(3,963)	-	520	-
Profit for the year from discontinued operations net of taxes	-	-	-	-	-	-	-	-	-
Non-controlling interest	-	481	-	-	-	-	-	-	-
PROFIT ATTRIBUTABLE TO PARENT COMPANY	**36,151**	**(4,934)**	**15,423**	**7,390**	**11,036**	**11,889**	**2,897**	**(17,447)**	**(32,258)**
Non-controlling interest	30.00%	30.01%	30.00%	30.00%	50.00%	31.05%	35.00%	41.87%	41.87%
Attributable to non-controlling interest	10,845	(1,481)	4,627	2,217	5,518	3,692	1,014	(7,305)	(13,506)

(*) These figures correspond to Subconsolidated Financial Statements

Summarised statement of financial position at December 31, 2015 and December 31, 2014:

	2015								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Total non-current assets	441,226	47,049	192,058	189,840	73,556	81,965	78,061	15,864	71,574
Total current assets	279,197	96,631	233,204	78,763	94,921	157,294	70,453	12,996	36,022
Total non-current liabilities	(197,037)	(7,498)	(17,654)	(32,233)	(18,887)	(38,459)	(23,068)	(18,501)	(60,947)
Total current liabilities	(155,274)	(103,888)	(151,910)	(136,124)	(97,471)	(91,760)	(5,420)	(8,313)	(16,652)
Equity	(317,644)	(85,495)	(292,530)	(114,287)	(68,007)	(92,084)	(120,026)	(9,346)	(69,338)
Translation differences	(50,468)	53,201	36,832	14,041	15,888	(16,956)	-	7,300	39,341
Equity attributable to:									
Equity holders of the parent	(222,351)	(59,838)	(204,771)	(80,001)	(34,004)	(63,483)	(78,017)	(5,433)	(40,306)
Non-controlling interest	(95,293)	(25,657)	(87,759)	(34,286)	(34,004)	(28,601)	(42,009)	(3,913)	(29,032)
Translation differences attributable to:									
Equity holders of the parent	(35,327)	37,235	25,782	9,829	7,944	(11,689)	-	4,243	22,869
Non-controlling interest	(15,140)	15,966	11,050	4,212	7,944	(5,267)	-	3,057	16,472

	2014								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk , LLc	Gestamp Severstal Kaluga, Llc
Total non-current assets	396,673	64,497	196,026	227,764	73,081	77,289	100,885	18,148	84,332
Total current assets	230,643	105,799	170,801	145,755	77,169	128,702	16,363	17,652	31,427
Total non-current liabilities	(185,766)	(67,951)	(16,580)	(87,539)	(39,419)	(25,954)	-	(17,273)	(56,650)
Total current liabilities	(137,817)	(47,180)	(103,701)	(131,672)	(57,450)	(96,135)	28	(13,446)	(20,933)
Equity	(287,747)	(90,402)	(275,064)	(135,597)	(65,278)	(72,372)	(117,276)	(12,094)	(75,588)
Translation differences	(15,986)	35,237	28,518	(18,711)	11,897	(11,530)	-	7,013	37,412
Equity attributable to:									
Equity holders of the parent	(201,423)	(63,272)	(192,545)	(94,918)	(32,639)	(49,900)	(76,229)	(7,030)	(43,939)
Non-controlling interest	(86,324)	(27,130)	(82,519)	(40,679)	(32,639)	(22,472)	(41,047)	(5,064)	(31,649)
Translation differences attributable to:									
Equity holders of the parent	(11,190)	24,662	19,963	(13,098)	5,949	(7,950)	-	4,077	21,748
Non-controlling interest	(4,796)	10,575	8,555	(5,613)	5,949	(3,580)	-	2,936	15,664

(*) These figures correspond to Subconsolidated Financial Statements

Summarized cash flow at December 31, 2015 and December 31, 2014:

	2015								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating activities	63,406	24,471	13,432	13,851	24,729	52,938	(587)	6,459	12,839
Investing activities	(75,547)	(2,769)	(22,092)	(24,811)	(15,584)	(16,164)	30,638	(350)	(3,346)
Financing activities	(1,383)	(266)	17,224	(33,117)	(10,323)	1,549	23,390	(3,620)	(8,287)
Effect of changes in exclange rates	10,051	(10,822)	(5,352)	(988)	-	-	-	-	-
Net increase (decrease) of cash or cash equivalents	(3,473)	10,614	3,212	(45,065)	(1,177)	38,324	53,441	2,489	1,206

	2014								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk , LLc	Gestamp Severstal Kaluga, Llc
Operating activities	77,650	216	37,658	59,792	17,055	21,194	(3,151)	3,803	15,600
Investing activities	(81,431)	(433)	(59,531)	(2,478)	(7,124)	(7,610)	(51,224)	(1,431)	(3,497)
Financing activities	(14,518)	1,702	11,240	(20,073)	(8,752)	2,358	10,909	(13,457)	(15,640)
Effect of changes in exclange rates	2,456	(3,399)	151	(328)	-	-	-	-	-
Net increase (decrease) of cash or cash equivalents	(15,843)	(1,914)	(10,482)	36,913	1,179	15,942	(43,466)	(11,085)	(3,537)

(*) These figures correspond to Subconsolidated Financial Statements

As mentioned in Note 16, the most significant non-controlling interest mentioned has protecting rights mainly related to significant decisions on divestments, companies restructuring, distribution of dividends and changes in statutes.

31. Investment in associates

The Group has interests in the following associates:

Company	Shareholding 2015	Shareholding 2014	Activity
Industrias Tamer, S.A.	30.00%	30.00%	Tooling and parts manufacturing
Gestamp Pune Automotive Pvt, Ltd.	100.00%	50.00%	Tooling and parts manufacturing
Essa Palau, S.A.	40.00%	40.00%	Tooling and parts manufacturing
Gestión Global de Matricería, S.L.	30.00%	35.00%	Dormant
GGM Puebla, S.A de C.V	30.00%	35.00%	Die cutting production
GGM Puebla de Servicios Laborales, S.A de C.V	30.00%	35.00%	Labor services
Ingeniería y Construcción Matrices, S.A.	30.00%	35.00%	Die cutting production
IxCxT, S.A.	30.00%	35.00%	Die cutting production
Jui Li Edscha Body Systems Co., Ltd.	50.00%	50.00%	Parts manufacturing
Jui Li Edscha Holding Co., Ltd.	50.00%	50.00%	Portfolio management
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	50.00%	50.00%	Parts manufacturing

As explained in Note 2.b, on July 22, 2015 the subsidiary Gestamp Automotive Chennai Private Limited acquired remaining 50% shareholding in Gestamp Pune Automotive Private Limited and therefore acquired control.

The summarized financial information of the Group´s investment in these companies at December 31, 2015 and December 31, 2014 is as follows:

Summarised statement of financial position:

	2015				
	GGM and subsidiaries	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Total non-current assets	49,050	41,994	358	814	1,375
Total current assets	604	26,796	1,415	5,587	1,962
Total non-current liabilities	(17,929)	(23,552)	(28)	-	(314)
Total current liabilities	(19,763)	(59,300)	(912)	(1,853)	(1,889)
Equity	(11,962)	14,061	(744)	(3,739)	(1,134)
Translation differences	-	-	(89)	(809)	1
Carrying amount of the investment	3,589	(5,624)	372	1,870	392

	2014				
	Sungwoo Gestamp Hitech Pune Private Ltd.	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Total non-current assets	5,959	42,396	327	702	45,421
Total current assets	3,940	27,318	1,696	4,438	9,024
Total non-current liabilities	-	(25,708)	(24)	-	(16,056)
Total current liabilities	(5,468)	(52,839)	(796)	(1,193)	(31,421)
Equity	(4,607)	8,833	(1,098)	(3,385)	(6,969)
Translation differences	176	-	(105)	(562)	1
Carrying amount of the investment	2,303	(3,533)	601	1,692	2,451

Summarised profit statement:

	2015				
	GGM and subsidiaries	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Operating income	21,082	71,634	2,669	7,047	2,751
Operating expense	(22,963)	(76,853)	(2,521)	(6,560)	(2,650)
OPERATING PROFIT/LOSS	**(1,881)**	**(5,219)**	**148**	**487**	**101**
Financial profit	(575)	(1,355)	24	-	(39)
Exchange gain (losses)	(1,500)	-	(21)	(7)	-
Impairment and other	-	(18)	-	-	-
PROFIT/LOSS BEFORE TAXES	**(3,956)**	**(6,592)**	**151**	**480**	**62**
Income tax expense	-	-	(26)	(125)	-
Adjustments from previous years	221	-	-	-	-
PROFIT/LOSS FOR THE YEAR	**(3,735)**	**(6,592)**	**125**	**355**	**62**
Participation of the Group in profit	(1,120)	(2,637)	63	178	21

	2014				
	Sungwoo Gestamp Hitech Pune Private Ltd.	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Operating income	422	97,500	2,368	5,040	13,359
Operating expense	(1,227)	(103,062)	(2,298)	(4,514)	(13,848)
OPERATING PROFIT/LOSS	**(805)**	**(5,562)**	**70**	**526**	**(489)**
Financial profit	189	(1,074)	15	-	(105)
Exchange gain (losses)	(78)	(7)	22	-	(255)
Impairment and other	-	(8)	-	-	-
PROFIT/LOSS BEFORE TAXES	**(694)**	**(6,651)**	**107**	**526**	**(849)**
Income tax expense	-	-	(56)	(133)	-
Adjustments from previous years	1	(566)	-	-	421
PROFIT/LOSS FOR THE YEAR	**(693)**	**(7,217)**	**51**	**393**	**(428)**
Participation of the Group in profit	(347)	(2,887)	25	196	(151)

32. Other disclosures

32.1 Audit fees

Audit fees related to the annual audit of consolidated and individual financial statements of the companies included in the consolidation scope for 2015 amounted to 3,735 thousand euros (2014: 3,468 thousand euros).

Of the audit fees mentioned above, the fees paid to the auditor of the Company for all audit work performed for the Group in 2015 amounted to 3,598 thousand euros (2014: 3,347 thousand euros).

Fees paid for other services rendered by the auditor of the Company in 2015 amounted to 434 thousand euros (2014: 650 thousand euros).

32.2 Environmental issues

The cost of PP&E items acquired for environmental protection and improvement purposes amounted to 4,628 thousand euros at year end 2015. Accumulated depreciation on these assets stood at 2,932 thousand euros (2014: 3,694 thousand euros and 2,629 thousand euros, respectively).

In 2015, the Group also recognized 668 thousand euros in environmental protection and improvement expenses (2014: 903 thousand euros).

The accompanying consolidated balance sheet does not include any provision for environmental issues given that the Company's directors consider that at year end there are no liabilities to be settled in the future in connection with actions taken by the companies which comprise the consolidated Group to prevent, reduce or repair damages to the environment, and they believe that were such liabilities to exist, they would not be significant. At year end the Group had not received any subsidies for environmental issues.

33. Financial risk management

To manage its financial risk, the Group continually revises its business plans, analyses the relationship between the risks and the present value of cash flows associated with its investments in addition to taking an accounting approach that allows an assessment of changes in risk exposure.

33.1 Financial risk factors

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

- Market risk
  - Exposure to fluctuations in foreign exchange rates
  - Exposure to fluctuations in interest rates

- Liquidity risk
- Credit risk
- Raw material price risk

Foreign currency risk

Fluctuations in the exchange rate between the currency in which a transaction is denominated and the Group's presentation currency can have a negative or positive impact on its profit or loss, specifically affecting management of its financial debt.

The Group operates in the following currencies:

- Euro
- US dollar
- Mexican peso
- Argentine peso
- Brazilian reais
- GB pound
- Swedish crown
- Polish zloty
- Hungarian forint
- Turkish lira
- Indian rupee
- Korean won
- Chinese yuan
- Russian rubble
- Czech crown
- Yen
- Thai baht
- Taiwanese dollar

To manage exchange rate risk, the Group uses a series of financial instruments that give it a degree of flexibility, basically comprised of the following:

A. Foreign currency forward contracts: These arrangements lock in the price at which an entity can buy or sell a currency on a set date; the timing can be adjusted to align the transactions with the hedged cash flows.

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

The tables below show the sensitivity of profit and equity, in thousands of euros, to changes in exchange rates relative to the euro.

The sensitivity of profit to exchange rate fluctuations, corresponding to years 2015 and 2014, is as follows:

	2015	
	IMPACT ON PROFIT	
Currency	5% Fluctuation	-5% Fluctuation
Swedish crown	(1,021)	1,021
US dollar	817	(817)
Hungarian forint	(419)	419
GB pound	830	(830)
Mexican peso	1,200	(1,200)
Brazilian reais	(565)	565
Chinese yuan	2,093	(2,093)
Indian rupee	349	(349)
Turkish lira	90	(90)
Argentine peso	(98)	98
Russian ruble	(296)	296
Korean won	249	(249)
Polish zloty	(89)	89
Czech crown	66	(66)
Japanese yen	60	(60)
Thai baht	10	(10)
IMPACT IN ABSOLUTE TERMS	**3,276**	**(3,276)**
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	**161,480**	**161,480**
EFFECT IN RELATIVE TERMS	**2.03%**	**-2.03%**

2014		
	IMPACT ON PROFIT	
Currency	5% Fluctuation	-5% Fluctuation
Swedish crown	(426)	426
US dollar	1,204	(1,204)
Hungarian forint	(452)	452
GB pound	985	(985)
Mexican peso	449	(449)
Brazilian reais	151	(151)
Chinese yuan	864	(864)
Indian rupee	53	(53)
Turkish lira	290	(290)
Argentine peso	509	(509)
Russian ruble	(396)	396
Korean won	123	(123)
Polish zloty	91	(91)
Czech crown	135	(135)
Japanese yen	34	(34)
Thai baht	(9)	9
IMPACT IN ABSOLUTE TERMS	**3,605**	**(3,605)**
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	**125,702**	**125,702**
EFFECT IN RELATIVE TERMS	**2.87%**	**-2.87%**

The sensitivity of equity to exchange rate fluctuations, corresponding to years 2015 and 2014, is as follows:

2015		
	IMPACT ON EQUITY	
Currency	5% Fluctuation	-5% fluctuation
Swedish crown	(1,838)	1,838
US dollar	753	(753)
Hungarian forint	(2,101)	2,101
Sterling pound	7,204	(7,204)
Mexican peso	695	(695)
Brazilian reais	1,200	(1,200)
Chinese yuan	8,431	(8,431)
Indian rupee	65	(65)
Turkish lira	(865)	865
Argentine peso	(579)	579
Russian ruble	(2,898)	2,898
Korean won	1,156	(1,156)
Polish zloty	2,562	(2,562)
Czech crown	488	(488)
Japanese yen	(113)	113
Thai baht	18	(18)
IMPACT IN ABSOLUTE TERMS	**14,177**	**(14,177)**
EQUITY	**1,798,393**	**1,798,393**
EFFECT IN RELATIVE TERMS	**0.79%**	**-0.79%**

2014		
	IMPACT ON EQUITY	
Currency	5% Fluctuation	-5% fluctuation
Swedish crown	(863)	863
US dollar	(124)	124
Hungarian forint	(1,952)	1,952
GB pound	5,828	(5,828)
Mexican peso	498	(498)
Brazilian reais	3,759	(3,759)
Chinese yuan	5,917	(5,917)
Indian rupee	(62)	62
Turkish lira	(560)	560
Argentine peso	111	(111)
Russian ruble	(2,394)	2,394
Korean won	864	(864)
Polish zloty	2,424	(2,424)
Czech crown	826	(826)
Japanese yen	(159)	159
Thai baht	2	(2)
Taiwan dollar	(4)	4
IMPACT IN ABSOLUTE TERMS	**14,111**	**(14,111)**
EQUITY	**1,716,239**	**1,716,239**
EFFECT IN RELATIVE TERMS	**0.82%**	**-0.82%**

Interest rate risk

The Group's borrowings mainly bear interest at floating rates, exposing it to risk from fluctuations in market interest rates, so that market fluctuations affect cash flows. The Group mitigates this risk by using interest rate derivatives, mainly swaps, by which it converts the floating rate on a loan into a fixed rate. It may swap the rate on a portion of the loan or on the entire loan, and for its entire duration or a part thereof.

In general the Group's borrowings are at floating rates indexed to Euribor except the bonds issued by the Group in May, 2013 which bear a fixed interest rate.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2015, all other variables remaining constant, the finance result would have been 0.09 million euros lower or higher.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2014, all other variables remaining constant, the finance result would have been 0.1 million euros lower or higher.

Liquidity risk

Liquidity risk is defined as the risk that a company will not be able to service its commitments as a result of adverse conditions in the debt and/or equity markets that prevent or hinder its capital raising efforts.

The Group manages liquidity risk by maintaining sufficient cash balances to enable it to negotiate refinancing on the best possible terms and to cover its near term cash outlays, thereby avoiding the need to raise funds on disadvantageous terms.

The breakdown of liquidity and capital resources at December 31, 2015 and 2014 was as follows:

	Thousands of euros	
	2015	**2014**
Cash and cash equivalents	355,975	483,934
Current financial investments		
Debt securities	2,535	-
Revolving credit facilities	280,000	280,000
Undrawn credit lines	344,480	267,046
	982,990	1,030,980

The working capital can be defined as the permanent financial resources needed to carry out the activity of the company, that is, the part of current assets financed with long-term funds.

The Group´s working capital at December 31, 2015 and December 31, 2014 is as follows:

	Thousand euros	
	2015	**2014**
Current assets	2,196,091	2,208,638
Current liabilities	(1,859,530)	(1,667,961)
TOTAL WORKING CAPITAL	**336,561**	**540,677**

	Thousand euros	
	2015	**2014**
Equity	1,798,393	1,716,239
Non-current liabilities	2,095,848	2,122,943
Non-current assets	(3,557,680)	(3,298,505)
TOTAL WORKING CAPITAL	**336,561**	**540,677**

Credit risk

Credit risk is concentrated primarily in the Group's accounts receivable. Management considers that its counterparties are very creditworthy.

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

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

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

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

The surplus cash investments are contracted only with authorized counterparties and always within the credit limit assigned for each counterparty.

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

The maximum exposure of the Group to credit risk at December 31, 2015 and 2014 amounts to the carrying values (Note 12), except for financial guarantees and derivative financial instruments.

Raw Materials Price Risk

The steel is the main raw material used in the business. In 2015 and 2014, 58% of the steel was purchased through programs of re-sale with clients, whereby the manufacturer negotiates the price of steel used by the Group in the production of automotive components. The negotiated price is directly included in the selling price customer.

The rest of the purchases of steel were performed through contracts negotiated with suppliers.

Historically, and in accordance with the standards of the automotive industry, the Group has been able to negotiate with clients, significantly, the transfer of the impact of variations in the price of steel.

33.2 Hedge accounting

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

- Fair value hedges when hedging the exposure to changes in the market value of a recognized asset or liability, or of a firm commitment attributable to a specific risk.

- Cash flow hedges when hedging exposure to fluctuations in cash flows that are either attributable to a particular risk associated with a recognized asset or liability, or a highly probable forecast transaction.

- Hedges of a net investment in a foreign operation when hedging exposure to variability in exchange rates relative to a net investment in a foreign operation.

Such derivative financial instruments are initially recognized at acquisition cost and are subsequently valued at fair value. Changes in fair value are normally accounted for in keeping with specific hedge accounting criteria.

The accounting for these instruments is carried out as follows:

- Fair value hedges: changes in the fair value of the hedging instrument and the hedged item, in both instances attributable to the risk hedged, are recognized in the consolidated income statement.

- Cash flow hedges: changes in the fair value of the hedging instrument attributable to the risk hedged are recognized in “Retained earnings” in equity. Amounts taken to equity are transferred to the Consolidated Income Statement when the hedged cash flows affect profit or loss.

- Hedges of a net investment in a foreign operation: these hedges are accounted for in a way similar to cash flow hedges. Fair value gains or losses in these hedging instruments are recognized in "Translation differences." If a foreign operation is sold, the cumulative value of any such gains or losses recognized directly in equity ("Retained earnings") is transferred to the income statement.

33.3 Fair value of financial instruments

The fair value of financial instruments is determined as follows:

- The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market prices.

- Where there is no active market, fair value is determined using cash flow analysis discounted at market discount rates and based on market assumptions at the time of the estimate.

<u>Non-current financial assets</u>

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.

<u>Trade receivables</u>

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

<u>Current financial assets</u>

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

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

Interest-bearing loans and borrowings

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

Trade and other payables

The Group's management considers the carrying amount of the items recorded in this consolidated balance sheet line item to be a reasonable approximation of fair value

Fair values of financial instruments

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

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

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

The classification of financial assets recognized in the financial statements, by methodology of fair value measurement, is as follows:

	Thousands of euros					
	Level 1		Level 2		Level 3	
	2015	2014	2015	2014	2015	2014
Financial assets measured at fair value (Note 10)						
Financial derivative hedging instruments			28,184	5,863		
Total	-	-	28,184	5,863	-	-

The classification of financial liabilities at fair value in the financial statements, according to their relevant valuation methodology, is as follows:

	Thousands of euros					
	Level 1		Level 2		Level 3	
	2015	2014	2015	2014	2015	2014
Financial liabilities measured at fair value (Note 20.b.4)						
Financial derivative hedging instruments			45,074	40,346		
Financial derivative instruments held-for-trading			27,754	7,058		
Total	-	-	72,828	47,404	-	-

33.4 Capital risk management

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

The Group monitors its capital structure based on its leverage ratio. It defines leverage as net debt (current and non-current financial borrowings less short-term investments and cash and cash equivalents) divided by total equity (consolidated equity plus grants pending release to the income statement).

The Group's leverage is set forth below:

	Thousands of euros	
	2015	2014
Non-current debt	1,448,036	1,482,300
Current debt	282,900	282,480
Short term financial investments	(35,455)	(75,877)
Cash and cash equivalents	(355,975)	(483,934)
TOTAL NET DEBT	**1,339,506**	**1,204,969**
Consolidated equity	1,798,393	1,716,239
Grants received	30,720	31,280
TOTAL EQUITY	**1,829,113**	**1,747,519**
LEVERAGE RATIO	**73.2%**	**69.0%**

During 2015, the leverage ratio has maintained at level comparable to 2014.

During 2015 the Group maintained its average collection and payment periods, as well as its average inventory turnover rates, at levels comparable to 2014. In addition, during 2015 the Group continued to exercise strict control over investments

34. Information about postponement of payments to suppliers in commercial transactions

The Spanish companies of the Group have adapted their internal processes and payment policy terms to the legal provision of the Law 15/2010, which establishes actions against late payment in commercial transactions. In this sense, the contractual conditions in the year 2015 with commercial suppliers in Spain have included periods of payment equal to or less than 60 days in 2015 and in 2014, according to the second transitory legal provision of the Law.

Due to reasons of efficiency, and in line with the common practice of trading, the Spanish companies of the Group have, basically, a schedule of payments to suppliers by virtue of which payments are made on fixed days, which in the majority of companies are twice a month.

In general terms, in 2015 and 2014, payments made by Spanish companies to suppliers, for contracts concluded after the entry into force the Law 15/2010, have not exceeded the legal limits of payment terms. Payments to Spanish suppliers which have exceeded the legal deadline for years 2015 and 2014 have been, in quantitative terms, no relevant and are derived from circumstances or incidents beyond the established payment policy, which include, primarily, the closing of agreements with suppliers in the delivery of the goods or provision of the service or handling specific processes.

In addition, at December 31, 2015 and 2014 there were no outstanding amounts of payment to suppliers located in Spain exceeding the maximum legal payment terms.

35. Subsequent events

On February 1, 2016 the shareholders ArcelorMittal Spain Holding, S.L. and ArcelorMittal Basque Holding, S.L. sold their entire 35% shareholding in the Company to Acek Desarrollo y Gestión Industrial, S.L. for 875 million euros.

36. Information about compliance with the Article 229 of the Spanish Corporate Enterprises Act

According to the articles 229 and 231 of the Spanish Corporate Enterprises Act and with the aim of reinforcing the transparency of capital companies, the joint administrators of the Parent and their representative natural persons have reported they have no situations of conflict with the interest of the Parent or the Group.

Additionally, Mr. Francisco José Riberas Mera, as president and representative of GESTAMP BIZKAIA, S.A. and Mr. Juan María Riberas Mera as representative of HOLDING GONVARRI, S.L. and AUTOTECH ENGINEERING, A.I.E., board members of the Company, have reported that they are shareholders and board members of ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. and several subsidiaries of the Company.

ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L is the parent company of an industrial group that developed, through the following subgroups, the activities mentioned below:

- GESTAMP AUTOMOCIÓN GROUP: engaged in manufacturing and sale of metal parts and components for the automotive industry.
- GONVARRI GROUP: engaged in manufacturing, processing and sale of metal products, including structures for renewable energy such as wind turbines, photovoltaic plants and infrastructure elements of solar thermal power plants.
- GESTAMP ENERGíAS RENOVABLES GROUP: dedicated to the development, construction and operation of plants generating renewable energy including solar, wind and biomass.
- INMOBILIARIA ACEK GROUP: engaged in real estate activities.

Additionally, ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L holds a direct and indirect investment of 24.82% in the company Cie Automotive, S.A., of which Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera are also directors.

Additionally, Mr. Francisco López Peña is a member of the Board of CIE Automotive, S.A

Cie Automotive, S.A. is the parent company of an industrial group which is engaged in, among other things, the design, manufacture and sale of automobile components and sub-units on the world automotive market.

37. Additional note for English Translation

These consolidated financial statements were originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

ANNEX I

Indirect investments at December 31, 2015

Company	Company holding the indirect investment	% investment
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.01%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.01%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.04%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.90%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	14.69%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Servicios, S.A.	1.01%
Beyçelik, A.S.	Gestamp Servicios, S.A.	50.00%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.85%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.66%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.00%
Gestamp Cerveira, Lda.	Gestamp Vigo, S.A.	60.63%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	100.00%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.00%
Gestamp Louny sro.	Gestamp Cerveira, Lda.	52.72%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.66%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Cerveira, Lda.	50.00%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.00%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.01%
Gestamp Finance Luxemburgo, S.A.	Gestamp Bizkaia, S.A.	49.95%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.03%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.00%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.00%
Gestamp Technology Institute, S.L.	Gestamp Bizkaia, S.A.	0.01%
Gestamp Global Tooling, S.L.	Gestamp Bizkaia, S.A.	0.01%
Autotech Engineering R&D USA, Inc.	Gestamp Bizkaia, S.A.	55.00%
Gestamp Tooling Services, AIE	Gestamp Bizkaia, S.A.	40.00%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.50%
S.G.F, S.A.	Gestamp Finance Luxemburgo, S.A.	100.00%
Gestamp Hard Tech AB	Gestamp Sweden AB	100.00%
Gestamp Holding China, AB	Gestamp Hard Tech AB	68.94%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.10%
Gestamp Tooling Services, AIE	Matricerías Deusto, S.L.	20.00%

Company	Company holding the indirect investment	% investment
SCI Tournan en Brie	Gestamp Noury, S.A.	99.90%
Gestamp Linares, S.L.	Gestamp Toledo, S.L.	94.98%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.L.	43.53%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.34%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	94.99%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.67%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.04%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.00%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	16.03%
Mursolar, 21, S.L.	MB Aragón, S.A.	16.92%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.15%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.62%
Tavol Internacional, S.A.	Gestamp Aveiro, S.A.	100.00%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.00%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	94.99%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.00%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.99%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.99%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.00%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.96%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	50.00%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.00%
Edscha Subgroup	Gestamp Metalbages, S.A.	67.00%
Metalbages P-51	Gestamp Metalbages, S.A.	100.00%
Gestamp Metal Forming Subgroup	Gestamp Metalbages, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Levante, S.L.	98.99%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.L.	7.81%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.54%

Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	MB Solblank Navarra, S.L.	5.64%
Gestamp Severstal Vsevolozhsk Llc	Todlem, S.L.	100.00%
Gestamp Severstal Kaluga, Llc	Todlem, S.L.	100.00%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	99.90%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.42%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.77%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.00%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.99%
Gestamp Finance Luxemburgo, S.A.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Holding Rusia, S.L.	Gestamp Polonia SP. Z.O.O.	24.56%
Edscha subgroup	Gestamp Polonia SP. Z.O.O.	33.00%
Gestamp Automotive India Private Ltd.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona,S.A.	100.00%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona,S.A.	6.67%
Gestamp Chattanooga, LLC.	Gestamp North América, Inc.	100.00%
Gestamp Mason, Llc.	Gestamp North América, Inc.	100.00%
Gestamp Alabama, Llc	Gestamp North América, Inc.	100.00%
Gestamp West Virginia, Llc.	Gestamp North América, Inc.	100.00%
Gestamp South Carolina, LLC.	Gestamp North América, Inc.	100.00%
Gestamp Chattanooga II, LLC.	Gestamp North América, Inc.	100.00%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74.98%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China AB	100.00%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.00%

Company	Company holding the indirect investment	% investment
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Automotive Chennai Private, Ltd.	50.00%
Mursolar, 21, S.L.	Griwe Subgroup	19.54%
Gestamp Louny sro.	Griwe Subgroup	47.28%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51	44.99%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.00%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.90%
Gestamp Tooling Engineering Deutschland GmbH	Gestamp Global Tooling, S.L.	100.00%
ESSA PALAU,S.A.	Gestamp Manufacturing Autochasis, S.L.	40.00%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.00%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	77.55%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.23%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.00%
Autotech Engineering R&D Uk limited	Autotech Engineering AIE	45.00%
Autotech Engineering R&D USA limited	Autotech Engineering AIE	45.00%
Diede Die Development, S.L.	Gestamp Tool Hardening, S.L.	38.00%
Bero Tools, S.L.	Gestamp Tool Hardening, S.L.	20.00%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding Mexico, S.L.	100.00%
Gestamp Argentina, S.A.	Gestamp Holding Mexico, S.L.	3.00%
Bero Tools, S.L.	Loire S.A. Franco Española	80.00%
Diede Die Development, S.L.	Bero Tools, S.L.	62.00%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.00%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100.00%
GGM Puebla, S.A. de C.V.	IxCxT, S.A.	0.001%
GGM Puebla de Servicios Laborales, S.A. de C.V.	IxCxT, S.A.	0.001%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.99%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.99%
Gestamp Sweden, AB	GMF Subgroup	44.99%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar , 21, S.L.	100.00%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar , 21, S.L.	100.00%
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Beyçelik, A.S.	100.00%

Indirect investments at December 31, 2014

Company	Company holding the indirect investment	% investment
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.01%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.01%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.04%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.90%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	25.00%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Servicios, S.A.	1.01%
Beyçelik, A.S.	Gestamp Servicios, S.A.	50.00%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.85%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.66%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.00%
Gestamp Cerveira, Lda.	Gestamp Vigo, S.A.	60.63%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	100.00%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.00%
Gestamp Louny sro.	Gestamp Cerveira, Lda.	52.72%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.66%
Sungwo Gestamp Hitech Pune, Ltd.	Gestamp Cerveira, Lda.	50.00%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.00%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.01%
Gestamp Finance Luxemburgo, S.A.	Gestamp Bizkaia, S.A.	49.95%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.03%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.00%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.00%
Gestamp Tooling Services, AIE	Gestamp Bizkaia, S.A.	40.00%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.50%
S.G.F, S.A.	Gestamp Finance Luxemburgo, S.A.	100.00%
Gestamp Hard Tech AB	Gestamp Sweden AB	100.00%
Gestamp Holding China, AB	Gestamp Hard Tech AB	68.94%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.10%
Gestamp Tooling Services, AIE	Matricerías Deusto, S.L.	20.00%

Company	Company holding the indirect investment	% investment
SCI Tournan en Brie	Gestamp Noury, S.A.	99.90%
Gestamp Linares, S.L.	Gestamp Toledo, S.L.	94.98%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.L.	43.53%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.34%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	94.99%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.67%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.04%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.00%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	16.03%
Mursolar, 21, S.L.	MB Aragón, S.A.	16.92%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.15%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.62%
Tavol Internacional, S.A.	Gestamp Aveiro, S.A.	100.00%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.00%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	94.99%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.00%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.99%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.99%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.00%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.96%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	50.00%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.00%
Edscha Subgroup	Gestamp Metalbages, S.A.	67.00%
Metalbages P-51	Gestamp Metalbages, S.A.	100.00%
Gestamp Metal Forming Subgroup	Gestamp Metalbages, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Levante, S.L.	98.99%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.L.	7.81%
Gestamp Hungaria KFT	Gestamp Navarra, S.A.	100.00%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.54%

Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	MB Solblank Navarra, S.L.	5.64%
Gestamp Mor Kft	Gestamp Hungaria KFT	100.00%
Gestamp Severstal Vsevolozhsk Llc	Todlem, S.L.	100.00%
Gestamp Severstal Kaluga, Llc	Todlem, S.L.	100.00%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	99.90%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.42%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.77%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.00%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.99%
Gestamp Finance Luxemburgo, S.A.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Holding Rusia, S.L.	Gestamp Polonia SP. Z.O.O.	24.56%
Edscha subgroup	Gestamp Polonia SP. Z.O.O.	33.00%
Gestamp Automotive India Private Ltd.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona,S.A.	100.00%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona,S.A.	6.67%
Gestamp Chattanooga, LLC.	Gestamp North América, Inc.	100.00%
Gestamp Mason, Llc.	Gestamp North América, Inc.	100.00%
Gestamp Alabama, Llc	Gestamp North América, Inc.	100.00%
Gestamp West Virginia, Llc.	Gestamp North América, Inc.	100.00%
Gestamp South Carolina, LLC.	Gestamp North América, Inc.	100.00%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74.98%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China AB	100.00%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.00%

Company	Company holding the indirect investment	% investment
Mursolar, 21, S.L.	Griwe Subgroup	19.54%
Gestamp Louny sro.	Griwe Subgroup	47.28%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51	44.99%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.00%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.90%
ESSA PALAU,S.A.	Gestamp Manufacturing Autochasis, S.L.	40.00%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.00%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	77.55%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.23%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.00%
Autotech Engineering R&D Uk limited	Autotech Engineering AIE	45.00%
Diede Die Development, S.L.	Gestamp Tool Hardening, S.L.	38.00%
Bero Tools, S.L.	Gestamp Tool Hardening, S.L.	20.00%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding Mexico, S.L.	100.00%
Gestamp Argentina, S.A.	Gestamp Holding Mexico, S.L.	3.00%
Bero Tools, S.L.	Loire S.A. Franco Española	80.00%
Diede Die Development, S.L.	Bero Tools, S.L.	62.00%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.00%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100.00%
GGM Puebla, S.A. de C.V.	IxCxT, S.A.	0.00%
GGM Puebla de Servicios Laborales, S.A. de C.V.	IxCxT, S.A.	0.00%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.99%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.99%
Gestamp Sweden, AB	Gestamp Metal Forming Subgroup	44.99%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar , 21, S.L.	100.00%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar , 21, S.L.	100.00%
GMF Otomotiv Parçalari Sanayi ve Ticaret Limited Sirketi	Beyçelik, A.S.	100.00%

ANNEX II

Guarantors for May 2, 2013 Bond

Gestamp Navarra, S.A.
Edscha Automotive Kamenice, S.R.O.
Edscha Engineering, GmbH.
Edscha Briey, S.A.S.
Edscha France Engineering , S.A.S.
Edscha Automotive Hauzenberg, GmbH
Edscha Hauzenberg Real Estate GmbH, & Co.
Edscha Hengersberg Real Estate GmbH, & Co.
Edscha Automotive Hengersberg, GmbH.
Edscha Holding, GmbH.
Edscha Hradec, S.r.o.
Edscha Velky Meder, S.r.o.
Gestamp Bizkaia, S.A.
Gestamp Galvanizados, S.A.
Gestamp Automoción,S.A.
Gestamp Aveiro, S.A.
Gestamp HardTech, AB
Gestamp Hungaria, KFT.
Gestamp Linares, S.A.
Gestamp Louny, S.r.o.
Gestamp Esmar, S.A.
Sofedit Polska, Sp. Z.o.o
Sofedit, S.A.S.
Gestamp Toledo, S.A.
Edscha Santander, S.L.
Gestamp Noury, SAS
Gestamp Palencia, S.A.
Gestamp Polska, Sp.Z.o.o.
Gestamp Cerveira, Ltda
Gestamp Ronchamp, S.A.S.
Gestamp Servicios, S.A.
Gestamp Washington UK Limited
Gestamp Vendas Novas Unipessoal, Lda.
Gestamp Vigo, S.A.
Gestamp Unformtechnik, GmbH
Griwe Subgroup
Ingeniería Global MB, S.A.
Loire S.A. Franco Española
Gestamp Abrera, S.A.
Gestamp Aragón, S.A.
Gestamp Metalbages, S.A.
Gestamp Prisma, S.A.S.
Sofedit España, S.A.
SCI de Tournan en Brie
Gestamp Solblank Barcelona, S.A.
Gestamp Tallent Limited
Gestamp Sweden AB
Edscha Burgos, S.A.
Gestamp Levante, S.A.

Additionally, the Group companies Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A. Gestamp Servicios, S.A. and Gestamp Toledo, S.A. have shares pledge.

Guarantors for April 19, 2013 Syndicated Loan

Gestamp Navarra, S.A.	Gestamp Noury, SAS
Edscha Automotive Kamenice, S.R.O.	Gestamp Palencia, S.A.
Edscha Engineering, GmbH.	Gestamp Polska, Sp.Z.o.o.
Edscha Briey, S.A.S.	Gestamp Cerveira, Ltda
Edscha France Engineering , S.A.S.	Gestamp Ronchamp, S.A.S.
Edscha Automotive Hauzenberg, GmbH	Gestamp Servicios, S.A.
Edscha Hauzenberg Real Estate GmbH, & Co.	Gestamp Washington UK Limited
Edscha Hengersberg Real Estate GmbH, & Co.	Gestamp Vendas Novas Unipessoal, Lda.
Edscha Automotive Hengersberg, GmbH.	Gestamp Vigo, S.A.
Edscha Holding, GmbH.	Gestamp Unformtechnik, GmbH
Edscha Hradec, S.r.o.	Griwe Subgroup
Edscha Velky Meder, S.r.o.	Ingeniería Global MB, S.A.
Gestamp Bizkaia, S.A.	Loire S.A. Franco Española
Gestamp Galvanizados, S.A.	Gestamp Abrera, S.A.
Gestamp Automoción,S.A.	Gestamp Aragón, S.A.
Gestamp Aveiro, S.A.	Gestamp Metalbages, S.A.
Gestamp HardTech, AB	Gestamp Prisma, S.A.S.
Gestamp Hungaria, KFT.	Sofedit España, S.A.
Gestamp Linares, S.A.	SCI de Tournan en Brie
Gestamp Louny, S.r.o.	Gestamp Solblank Barcelona, S.A.
Gestamp Esmar, S.A.	Gestamp Tallent Limited
Sofedit Polska, Sp. Z.o.o	Gestamp Sweden AB
Sofedit, S.A.S.	Edscha Burgos, S.A.
Gestamp Toledo, S.A.	Gestamp Levante, S.A.
Edscha Santander, S.L.	

Additionally, the Group companies Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A. Gestamp Servicios, S.A. and Gestamp Toledo, S.A. have shares pledge.

Guarantors for March 21, 2012 Loan

Gestamp Navarra, S.A.
Edscha Automotive Kamenice, S.R.O.
Edscha Engineering, GmbH.
Edscha Briey, S.A.S.
Edscha France Engineering , S.A.S.
Edscha Automotive Hauzenberg, GmbH
Edscha Hauzenberg Real Estate GmbH, & Co.
Edscha Hengersberg Real Estate GmbH, & Co.
Edscha Automotive Hengersberg, GmbH.
Edscha Holding, GmbH.
Edscha Hradec, S.r.o.
Edscha Velky Meder, S.r.o.
Gestamp Bizkaia, S.A.
Gestamp Galvanizados, S.A.
Gestamp Automoción,S.A.
Gestamp Aveiro, S.A.
Gestamp HardTech, AB
Gestamp Hungaria, KFT.
Gestamp Linares, S.A.
Gestamp Louny, S.r.o.
Gestamp Esmar, S.A.
Sofedit Polska, Sp. Z.o.o
Sofedit, S.A.S.
Gestamp Toledo, S.A.
Edscha Santander, S.L.
Gestamp Noury, SAS
Gestamp Palencia, S.A.
Gestamp Polska, Sp.Z.o.o.
Gestamp Cerveira, Ltda
Gestamp Ronchamp, S.A.S.
Gestamp Servicios, S.A.
Gestamp Washington UK Limited
Gestamp Vendas Novas Unipessoal, Lda.
Gestamp Vigo, S.A.
Gestamp Unformtechnik, GmbH
Griwe subgroup
Ingeniería Global MB, S.A.
Loire S.A. Franco Española
Gestamp Abrera, S.A.
Gestamp Aragón, S.A.
Gestamp Metalbages, S.A.
Gestamp Prisma, S.A.S.
Sofedit España, S.A.
SCI de Tournan en Brie
Gestamp Solblank Barcelona, S.A.
Gestamp Tallent Limited
Gestamp Sweden AB
Edscha Burgos, S.A.
Gestamp Levante, S.A.

Additionally, the Group companies Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A. Gestamp Servicios, S.A. and Gestamp Toledo, S.A. have shares pledge.

2015 Management Report

-Worldwide economic growth in 2015 was very moderate, lower to the levels reached before the crisis started in 2008. This growth, very heterogeneous according to geographic areas, was accompanied by very moderate inflation levels. In fact, the fall in prices of several raw materials, specially oil, led to serious imbalances in economies of emerging countries.

Last year, the main central banks maintained a lax monetary policy according to the low levels of growth and inflation. However, in December the first expected interest rate rise in US in years took place, accordingly with the improvement in their economy and the appreciation of dollar against different foreign currencies including the euro.

Furthermore, the armed conflicts in Near East and the political instability in some European countries, partly due to the immigration flows from countries in conflict, increased the levels of uncertainty in financial markets.

-2015 was not a positive year for the <u>Automotive sector</u> since the global production of light vehicles grew less than 2%. Last year the market evolution in North America and Europe was positive whereas important emerging markets such as Brazil and Russia had negative evolution for many years. Chinese market, the real driving force in Automotive sector in the last years, remained flat although good results in the last quarter offset bad results obtained in summer.

-In this weak economic context and Automotive sector background, <u>our Group</u> had a favourable evolution with <u>revenue growth</u> over 12%, surpassing the 7,000 million euros milestone for the first time. As in 2014, the strong growth was based on the development of operations in Asia and North America and also the recovery in European countries such as Spain and UK. On the negative side, sales in Russia and Brazil decreased in line with difficulties in these markets.

The <u>profitability</u> of our operations in 2015 was also satisfactory. EBITDA grew more than 100 million euros more compared with 2014 (+16%) and represented 10.8% of revenue. Regarding operating income, the 400 million euros generated meant near 19% growth compared with the previous year.

In 2015 Group investments increased due to the expanding business opportunities. In addition to the projects already started in 2014, the Group started building five new greenfields that support the strong growth forecast for next years.

Although the net debt of the Group increased, the favourable evolution of EBITDA led to a new decrease in our <u>financial leverage</u>.

<u>-2016</u>

In macroeconomic terms, we do not expect high growth in 2016 but evolution of main economic indicators similar to previous years. Low growth with regional differences and low inflation and interest rates will be the main economic characteristics of 2016.

We expect an increase in light vehicles production worldwide higher than previous year, exceeding the 90 million units.

The Group production will growth over the Sector in 2016 thanks to the favourable evolution of our projects and the start-up of new projects. Some important projects in North America and Poland will start up by the end of 2016 but they will not develop their full sales potential until 2017.

The continuous improvement in efficiency of operations and the start-up of some projects support a clear improvement in profitability levels of the Group that should lead to growth in EBITDA higher than in revenue.

In 2016 the Group will continue with its business strategy of last years. A greater focus on Asian and American markets and customers will lead to develop new R&D centers in US, China and Japan next year.