



**Interim Condensed Consolidated Financial Statements of Gestamp
Automoción, S.A.**

June 30, 2017

Management Discussion and Analysis

June 30, 2017

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

**Interim Condensed Consolidated Financial Statements
for the six-month period ended June 30, 2017**



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GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AT JUNE 30, 2017 AND DECEMBER 31, 2016

(In thousands of euros)

	Note	June 30, 2017	December 31, 2016
ASSETS			
Non-current assets			
Intangible assets	10	401,952	392,964
Goodwill		108,641	110,504
Other intangible assets		293,311	282,460
Property, plant and equipment	11	3,356,943	3,160,014
Land and buildings		998,349	983,285
Plant and other PP&E		1,744,193	1,608,351
PP&E under construction and prepayments		614,401	568,378
Financial assets	12	88,158	95,514
Investments in associates accounted for using the equity method		2,860	5,740
Loans and receivables		49,853	50,581
Derivatives in effective hedges		21,712	25,710
Other non-current financial assets		13,733	13,483
Deferred tax assets		292,917	273,439
Total non-current assets		4,139,970	3,921,931
Current assets			
Inventories	13	694,129	630,897
Raw materials and other consumables		348,356	308,335
Work in progress		147,386	141,149
Finished products and by-products		128,854	129,591
Prepayments to suppliers		69,533	51,822
Trade and other receivables	14	1,695,398	1,376,889
Trade receivables		1,429,340	1,169,925
Other receivables		35,191	20,819
Current income tax assets		37,768	35,306
Receivables from public authorities		193,099	150,839
Other current assets	14	49,739	26,240
Financial assets	12	43,748	43,228
Loans and receivables		9,334	11,036
Securities portfolio		2,641	338
Other current financial assets		31,773	31,854
Cash and cash equivalents	14	448,167	430,463
Total current assets		2,931,181	2,507,717
Total assets		7,071,151	6,429,648

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AT JUNE 30, 2017 AND DECEMBER 31, 2016

(In thousands of euros)

	Note	June 30, 2017	December 31, 2016
EQUITY AND LIABILITIES			
Equity			
Capital and reserves attributable to equity holders of the parent			
Issued capital	15	287,757	288,237
Share premium	15	61,591	61,591
Retained earnings	16	1,425,687	1,378,145
Translation differences	17	(266,462)	(203,300)
Equity attributable to equity holders of the parent		1,508,573	1,524,673
Equity attributable to non-controlling interest	18	445,181	347,330
Total equity		1,953,754	1,872,003
Liabilities			
Non-current liabilities			
Deferred income	19	24,863	25,945
Provisions	20	144,359	154,153
Non trade liabilities	21	2,396,391	1,779,451
Interest-bearing loans and borrowings		2,183,385	1,548,305
Derivative financial instruments		80,362	87,983
Other non-current financial liabilities		125,659	132,805
Other non-current liabilities		6,985	10,358
Deferred tax liabilities		245,723	238,454
Other non-current liabilities		551	599
Total non-current liabilities		2,811,887	2,198,602
Current liabilities			
Non trade liabilities	21	462,404	716,036
Interest-bearing loans and borrowings		259,569	419,294
Other current financial liabilities		3,044	5,922
Other non-trade liabilities		199,791	290,820
Trade and other payables	22	1,817,767	1,621,425
Trade accounts payable		1,451,967	1,356,144
Current tax liabilities		45,620	20,727
Other accounts payable		320,180	244,554
Provisions	20	19,027	18,072
Other current liabilities		6,312	3,510
Total current liabilities		2,305,510	2,359,043
Total liabilities		5,117,397	4,557,645
Total equity and liabilities		7,071,151	6,429,648

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017
(In thousands of euros)**

	Note	June 30, 2017	June 30, 2016
CONTINUING OPERATIONS			
OPERATING INCOME	23	4,185,886	3,803,103
Revenue		4,131,161	3,741,174
Other operating income		54,680	61,780
Changes in inventories	13	45	149
OPERATING EXPENSE	24	(3,943,649)	(3,587,871)
Raw materials and other consumables		(2,441,844)	(2,234,888)
Personnel expenses		(758,912)	(672,497)
Depreciation, amortization and impairment losses		(210,094)	(192,098)
Other operating expenses		(532,799)	(488,388)
OPERATING PROFIT		242,237	215,232
Financial income	25	1,734	3,545
Financial expenses	25	(47,775)	(50,898)
Exchange gains (losses)		(1,100)	(13,775)
Share of profits from associates - equity method	12	(181)	(1,371)
Impairment and gains (losses) on sale of financial instruments		-	(1)
PROFIT BEFORE TAXES FROM CONTINUING OPERATIONS		194,915	152,732
Income tax expense	26	(49,819)	(40,928)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		145,096	111,804
PROFIT FOR THE YEAR		145,096	111,804
Profit (loss) attributable to non-controlling interest	18	(28,654)	(20,294)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		116,442	91,510
Earnings per share			
-Basic (*)	27	0.20	0.16
-Diluted (*)	27	0.20	0.16

(*) During 2017, a split stock took place in the proportion of 120 new shares for every former one. In order to make comparative the information, the earning per share in 2016 is shown after applying the split stock of 2017

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017
(In thousands of euros)**

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
PROFIT FOR THE YEAR	145,096	111,804
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income not to be reclassified to income in next years:</i>		
Actuarial gains and losses	21.b) (39)	(16)
<i>Other comprehensive income to be reclassified to income in next years:</i>		
From cash flow hedges	22.b.1) 2,608	(23,664)
Translation differences	<u>(76,095)</u>	<u>(17,706)</u>
Attributable to Parent Company	17 (63,162)	(13,109)
Attributable to non-controlling interest	18 (12,933)	(4,597)
TOTAL COMPREHENSIVE INCOME NET OF TAXES	<u>71,570</u>	<u>70,418</u>
Attributable to:		
- Parent Company	55,880	54,721
- Non-controlling interest	15,690	15,697
	<u>71,570</u>	<u>70,418</u>

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

(In thousands of euros)

	Issued capital (Note 15)	Share premium (Note 15)	Retained earnings (Note 16)	Translation differences (Note 17)	Total capital and reserves	Non-controlling interest (Note 18)	Total equity
AT JANUARY 1, 2017	288,237	61,591	1,378,145	(203,300)	1,524,673	347,330	1,872,003
Profit for the period	-	-	116,442	-	116,442	28,654	145,096
Fair value adjustments (hedge)	-	-	2,608	-	2,608	-	2,608
Variation in translation differences	-	-	-	(63,162)	(63,162)	(12,933)	(76,095)
Actuarial gains and losses	-	-	(8)	-	(8)	(31)	(39)
Total comprehensive income	-	-	119,042	(63,162)	55,880	15,690	71,570
Dividends distributed by the Parent Company	-	-	(66,356)	-	(66,356)	-	(66,356)
Business combinations (Jui Li Eds. Body System., Co.Ltd Group and Gestamp Palau, S.A)	-	-	(433)	-	(433)	2,164	1,731
Increase in shareholding in controlled companies	-	-	(1,143)	-	(1,143)	(3,307)	(4,450)
Decrease in shareholding	(480)	-	480	-	-	-	-
Put Option retrocession	-	-	(4,048)	-	(4,048)	80,947	76,899
Other movements and adjustments from prior years	-	-	-	-	-	2,357	2,357
AT JUNE 30, 2017	287,757	61,591	1,425,687	(266,462)	1,508,573	445,181	1,953,754

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

(In thousands of euros)

	Issued capital (Note 15)	Share premium (Note 15)	Retained earnings (Note 16)	Translation differences (Note 17)	Total capital and reserves	Non-controlling interest (Note 18)	Total equity
AT JANUARY 1, 2016	288,237	61,591	1,209,789	(167,809)	1,391,808	406,585	1,798,393
Profit for the period	-	-	91,510	-	91,510	20,294	111,804
Fair value adjustments (hedge)	-	-	(23,664)	-	(23,664)	-	(23,664)
Variation in translation differences	-	-	-	(13,109)	(13,109)	(4,597)	(17,706)
Actuarial gains and losses	-	-	(16)	-	(16)	-	(16)
Total comprehensive income	-	-	67,830	(13,109)	54,721	15,697	70,418
Dividends distributed by the Parent Company	-	-	(48,444)	-	(48,444)	-	(48,444)
Dividends distributed by the subsidiaries	-	-	-	-	-	(2,337)	(2,337)
Business combination Celik Form Otomotiv. S.L.	-	-	-	-	-	(2,748)	(2,748)
Increase in shareholding in controlled companies (Edscha Aapico Aut. Co. Ltd.)	-	-	-	-	-	151	151
Increase in shareholding in controlled companies due to purchase of non-controlling interest (Gestamp 2008, S.L.)	-	-	(7,821)	-	(7,821)	1,440	(6,381)
Other movements and adjustments from prior years	-	-	-	-	-	354	354
AT JUNE 30, 2016	288,237	61,591	1,221,354	(180,918)	1,390,264	419,142	1,809,406

**INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX- MONTH PERIOD ENDED JUNE 30, 2017
(In thousands of euros)**

	Note	June 30, 2017	June 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxes and after non-controlling interest		166,261	132,438
Adjustments to profit		259,146	275,277
Depreciation and amortization of intangible assets and PP&E	10-11	210,186	191,796
Impairment of intangible assets and PP&E	10-11	(92)	302
Impairment	13-14	3,488	2,567
Change in provisions	20	(8,182)	(851)
Grants released to income	19	(1,829)	(3,060)
Profit (loss) attributable to non-controlling interest	18	28,654	20,294
Profit from disposal of intangible assets and PP&E		162	(472)
Profit from disposal of financial instruments		-	1
Financial income	25	(1,734)	(3,545)
Financial expenses	25	47,775	50,898
Share of profits from associates - equity method	12	181	1,371
Unrealized exchange rate differences		(18,844)	15,976
Other income and expenses		(619)	-
Changes in working capital		(257,503)	(188,333)
(Increase)/Decrease in Inventories	13	(57,400)	(70,287)
(Increase)/Decrease in Trade and other receivables	14	(315,071)	(308,190)
(Increase)/Decrease in Other current assets	14	(17,302)	(8,912)
Increase/(Decrease) in Trade and other payables	22	131,362	204,290
Increase/(Decrease) in Other current liabilities		908	(5,234)
Other cash-flows from operating activities		(65,886)	(90,989)
Interest paid		(47,517)	(44,856)
Interest received		1,691	4,552
Income tax paid		(20,060)	(50,685)
Cash flows from operating activities		102,018	128,393
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		(456,618)	(347,669)
Acquisition of companies and group investments		(10,405)	(5,350)
Incorporation of treasury from business combinations		-	225
Other Intangible assets	10-21	(40,963)	(43,397)
Property, plant and equipment	11-21	(405,250)	(299,147)
Proceeds from divestments		22,088	6,944
Other intangible assets	10	610	964
Property, plant and equipment	11	9,101	3,288
Net change of financial assets		12,377	2,692
Grants, donations and legacies received	19	788	790
Cash flows from investing activities		(433,742)	(339,935)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds and payments on equity instruments		1,731	(6,229)
Change in non-controlling interest	18	1,731	(6,229)
Proceeds and payments on financial liabilities		416,793	263,340
Issue		702,886	1,150,986
Bonds and other securities to trade		-	497,875
Interest-bearing loans and borrowings		687,081	525,693
Net change in credit facilities, discounted bills and factoring		-	122,004
Borrowings from related parties		-	5,092
Other borrowings		15,805	322
Repayment of		(286,093)	(887,646)
Bonds and other marketable securities		-	(807,875)
Interest-bearing loans and borrowings		(265,303)	(53,048)
Net change in credit facilities, discounted bills and factoring		(7,763)	-
Borrowings from related parties		(7,418)	(12,529)
Other borrowings		(5,609)	(14,194)
Payments on dividends and other equity instruments		(67,199)	(48,612)
Dividends	16-18-21	(67,199)	(48,612)
Cash flows from financing activities		351,325	208,499
Effect of changes in exchange rates		(1,897)	(6,400)
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS		17,704	(9,443)

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

1. Activity and companies included in consolidation scope

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

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

On August 2, 2012 the Parent Company registered the change of its legal name, from limited company to corporation, at the Biscay Commercial Registry. Additionally, since 7 April 2017 the shares of the company are listed in Madrid, Barcelona, Valencia and Bilbao stock exchanges.

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

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

Most of the Group’s business is conducted in the Western Europe segment; the North America segment constitutes the second most significant geographic market and the Asia segment the third one (Note 9).

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

Flotation

Since April 7, 2017 Gestamp Automoción, S.A. shares are admitted to trading on Madrid, Barcelona, Valencia and Bilbao stock exchanges. There is no restrictions on transferability of the shares. The previous operations to the flotation of the company shares were as follows:

- On March 7, 2017 the share capital of the company was reduced in the amount of 479,595.30 euros with the aim of constitute a restricted reserve, with no reimbursement to shareholders. This operation implied the reduction of the nominal value of the 4,795,953 shares of the company in the amount of 0.10 euros per share, this also implied that the

nominal value of every share changed to 60.00 euros per share. The restricted reserve mentioned above will be un-restricted only in case of reduction of the share capital.

- After the share capital reduction, a share split operation was held on March 7, 2017. This operation implied a reduction in the nominal value of every share, from 60.00 euros to 0.50 euros, and the transformation of every former share in 120 new shares. The operation did not implied any change in share capital, and the share capital of the company is now divided into 575,514,360 shares with a nominal value of 0.50 euros.

The flotation of shares was conducted by means of an IPO (Initial Public Offering) for institutional investors, amounting to 155,388,877 shares representing 27% of the share capital of the company. The operation also included an additional acquisition option for up to 15% of the initial offer, which was materialized in the sale of 1,199,561 additional shares that represents an additional 0.21% of Gestamp Automoción, S.A. share capital.

The IPO prospectus was approved by CNMV (Spanish securities and exchange authority) on March 23, 2017.

On April 5, 2017 the subscription period ended and the offering price was fixed at 5.60 euros per share. Consequently on June 30, 2017 the shares of Gestamp Automoción, S.A. were admitted to trading on Madrid, Barcelona, Valencia and Bilbao stock exchanges.

JP Morgan Securities Plc. , Morgan Stanley & Co. International Plc. and UBS Ltd. acted as lead underwriters for the initial public stock offering. The cost of the IPO amounted to 2,209 thousands of euros and were completely assumed by Gestamp Automoción, S.A., being accordingly booked in the company's Income Statement.

2. Consolidation scope

2.a Breakdown of consolidation scope

The breakdown of companies included in the consolidation scope, as well as information on the consolidation method applied, location, activity, direct or indirect shareholdings and their auditors, is specified in Annex I.

The companies which hold the indirect investments corresponding to June 30, 2017 and December 31, 2016 are specified in Annex II.

No significant subsidiaries have been excluded from the consolidation scope.

The closing of the financial year for the companies included in the consolidation scope is December 31, with the exception of the subsidiaries Gestamp Services India Private, Ltd., Gestamp Automotive India Private, Ltd, Gestamp Automotive Chennai Private Ltd. and Gestamp Pune Automotive Private Ltd, whose fiscal years close on March 31. However, an interim closing as at December, 31 has been prepared for the purpose of including these companies in the Interim Condensed Consolidated Financial Statements at June 30, 2017 and December 31, 2016.

There are no significant restrictions in the capability of accessing to or using the assets or liquidate the liabilities from the subsidiaries included in the consolidation scope.

2.b Changes in consolidation scope

During 2017

In 2017, the company MPO Providers Rezistent, S.R.L. was acquired and included in consolidation scope by full consolidation method. Additionally, the company Beyçelik Gestamp Teknoloji Kalip, A.S was created and included in consolidation scope by full consolidation method (Note 3).

On January 1, 2017, after getting permission from National Commission on Markets and Competition, the subsidiary Gestamp Metalbages, S.A. acquires 60% shareholding in subsidiary Essa Palau, S.A., increasing its shareholding in this company from 40% to 100%. This transaction implied a change in consolidation method of the subsidiary, changing from equity method to full consolidation method (Note 3).

In addition, on March 9, 2017 the subsidiary changed its legal name to Gestamp Palau, S.A.

On January 1, 2017 the subsidiary Edscha Holding GmbH. acquired a 10% of shareholding in subsidiary Jui Li Edscha Body Systems, Co. Ltd., thus increasing its shareholding in this company and its subsidiaries Jui Li Hainan Industry Enterprise, Co. Ltd. and Jui Li Edscha Holding, Co.Ltd. from 50% to 60%. All these companies were incorporated in consolidation scope by equity method, and after this transaction they are included using full consolidation method (Note 3).

On May 15, 2017 the subsidiary Beyçelik Gestamp Kalip, A.S. acquired to third parties a 48.4% shareholding in subsidiary Çelik Form Gestamp Otomotive, A.S. The acquisition price was 4,450 thousands of euros and after this operation the shareholding in the subsidiary mounted to 100%.

This transaction implied a change in shareholding with no change on control, and thus the difference between non-controlling interests (3,307 thousands of euros (Note 18)) and the fair value of the remuneration paid (4,450 thousands of euros) was booked as equity (1,143 thousands of euros).

Finally, the company Edscha Scharwaechter Mechanisms, S.A.P.I. de C.V. changed its legal name to Edscha Automotive SLP, S.A.P.I. de C.V. (Annex I).

During 2016

On January, 2016 the company Çelik Form Gestamp Otomotive, A.S. was acquired and included in consolidation scope by full consolidation method (Note 3).

The following companies were created in 2016: Gestamp Washtenaw, LLC., Gestamp San Luis de Potosí, S.A.P.I. de C.V., Gestamp San Luis de Potosí Servicios Laborales, S.A.P.I. de C.V., Gestamp Auto Components (Tianjin) Co., LTD, Gestamp 2017 S.L., Autotech Engineering (Shanghai) Co. Ltd., Gestamp Hot Stamping Japan K.K. and Global Laser Araba S.L. All these companies were incorporated into the consolidation scope by the full consolidation method except the last one which was incorporated by the equity method.

On March 31, 2016 the subsidiary Edscha Holding GmbH acquired an additional 40% shareholding in subsidiary Gestamp 2008 S.L. from the shareholder Ade Capital Sodical SCR, S.A. for 6,382 thousand euros, increasing its shareholding in this company from 60% to 100%.

Since this transaction implied a change in shareholding but maintaining control, the difference between the adjustment to the non-controlling interest (6,119 thousand euros (Note 18)) and the

fair value effectively paid (6,382 thousand euros) was directly recognized in equity (263 thousand euros (Note 16)).

Additionally, the increase in shareholding in Gestamp 2008 S.L. led to a rise in shareholding in their investees due to its previously held investments in several companies. This led to a transfer from Non-controlling interest to Retained earnings in the amount of 190 thousand euros (Note 18).

In 2016 100% shareholding in the company G. Finance Luxemburgo S.A. was sold, including its subsidiary S.G.F. S.A, generating profit for 240 thousand euros.

On a separate issue, the company Tavorl Internacional SGPS, Lda was dissolved.

3. Business combination

During 2017

Gestamp Palau, S.A.

On November 24, 2016 Gestamp Metalbages, S.A. acquires 60% of shares of Gestamp Palau, S.A. (Essa Palau, S.A. changed its legal name on March 9, 2016) to third parties, for the amount of 5,491 thousand euros. This amount included the acquisition price (23,373 thousands of euros) less the debt and interests owed to the subsidiary by these third parties (17,882 thousands of euros). The previously mentioned debt was fully paid by Gestamp Metalbages, S.A. to Gestamp Palau, S.A. in the name of these third parties by means of bank transfer.

Prior to this transaction the Group held a 40% shareholding in Gestamp Palau, S.A., thus the subsidiary was consolidated using equity method previously to control takeover. The valuation to fair value of this previously held shareholding at the date of acquisition, led to a gain of 3,660 thousands of euros. This amount was booked under the heading Other operating income in the Consolidated Income Statement (Note 23.b).

As at 30 June 2017 the valuation of the transaction by an independent expert is still pending so the effect of this business combination might change.

The contract entered in to force on January 1, 2017 after National Commission on Markets and Competition approval (suspensory condition).

Gestamp Palau, S.A. main activity is the manufacturing of automobile components for passenger cars.

The fair value of the assets and liabilities from Gestamp Palau, S.A. obtained from the inclusion balance sheet is as follows:

	Thousands of euros
Intangible assets (Note 10)	2
Property, plant and equipment (Note 11)	
Plant and other PP&E	43,064
Non-current financial assets	5,440
Deferred tax assets	7,592
Inventories (Note 13)	3,207
Trade receivables	9,783
Current financial assets	1,074
Cash and cash equivalents	120
	70,282
Other non current liabilities	21,540
Deferred tax liabilities	134
Other current liabilities	5,309
Trade accounts payable	39,457
	66,440
Net assets	3,842
Carrying amount of 40% (first acquisition)	3,660
Provision for responsibilities prior to control takeover	(5,309)
Cost of 60% of consideration (control takeover)	5,491
Net effect business combination	-

The revenue and the income attributable to this business combination since the incorporation date to June 30, 2017 amounted to 34,100 thousand euros and 1,682 thousand euros of profit respectively.

The headcount of this business unit incorporated to Group was 259 approximately.

There were no significant costs associated to this transaction.

Jui Li Edscha Body System Co., Ltd.

On January 1, 2017 Edscha Holding GmbH acquired 10% of shares of Jui Li Edscha Body System Co, Ltd, to minority shareholders for the amount of 18,000 thousand Taiwanese dollars (543 thousand euros). This transaction implied the gain of control over the company and its subsidiaries Jui Li Edscha Hainan Industry Enterprise Co., Ltd. and Jui Li Edscha Holding Co., Ltd. As at June 30, 2017 the transaction price was totally disbursed.

The Group held a 50% stake on Jui Li Edscha Body System Co, Ltd., prior to transaction, thus the company was consolidated using equity method previously to control takeover. The valuation to fair value of this previously held shareholding at the date of acquisition, led to no significant profit.

Jui Li Edscha Body System Co., Ltd. main activity is the manufacturing of automobile components.

The fair value of the assets and liabilities from Jui Li Edscha Body System Co., Ltd. and its subsidiaries, obtained from the inclusion balance sheet is as follows:

	January 1, 2017
	Thousands of euros
Intangible assets (Note 10)	177
Property, plant and equipment (Note 11)	
Land and buildings	97
Plant and other PP&E	446
Inventories (Note 13)	2,172
Advances to suppliers	143
Trade receivables	2,743
Cash and cash equivalents	2,465
Other assets	94
	<hr/> 8,337 <hr/>
Other non current liabilities	40
Non-current provisions (Note 20)	29
Trade accounts payable	2,825
	<hr/> 2,894 <hr/>
Net assets	5,443
Net attributable assets (60%)	3,266
Carrying amount of 50% (first acquisition)	2,713
Cost of 10% of consideration (control takeover)	543
Net effect business combination	10

The revenue and the income attributable to this business combination since the incorporation date to June 30, 2017 amounted to 4,129 thousand euros and 144 thousand euros of profit respectively.

The headcount of this business unit incorporated to Group was 93 approximately.

There were no significant costs associated to this transaction.

MPO Providers Rezistent, S.R.L.

On February 16, 2017 the subsidiary Beyçelik Gestamp Kalip, A.S. acquired 70% of shares of MPO Providers Rezistent, S.R.L. to non-controlling interests for the amount of 4,900 thousand euros. As at June 30, 2017 the amount was totally disbursed.

The balance and P&L figures from this company are integrated in those of the Group since January 1, 2017.

MPO Providers Rezistent, S.R.L. main activity is the manufacturing of automobile components.

The fair value of the assets and liabilities from MPO Providers Rezistent, S.R.L. obtained from the inclusion balance sheet is as follows:

	Thousands of euros
Intangible assets (Note 10)	35
Property, plant and equipment (Note 11)	
Land and buildings	1,461
Plant and other PP&E	3,814
Inventories (Note 13)	1,383
Trade receivables	3,435
Cash and cash equivalents	51
Other assets	6,103
	<hr/> 16,282 <hr/>
Other non current liabilities	2,198
Other current liabilities	178
Trade accounts payable	3,149
Other liabilities	6,560
	<hr/> 12,085 <hr/>
Net assets	4,197
Direct shareholding acquired	70.00%
Attributable net assets	2,938
Total consideration	4,900
Net effect business combination	1,962
Indirect shareholding	50.00%
Final net effect business combination	981

The revenue and the income attributable to this business combination since the incorporation date to June 30, 2017 amounted to 13,345 thousand euros and 578 thousand euros of profit respectively.

The headcount of this business unit incorporated to Group was 300 approximately.

There were no significant costs associated to this transaction.

Gestamp Nitra, S.R.O.

On February 19, 2016 the Parent Company acquired 100% of shareholding in the Company Gestamp Nitra, S.R.O. for the amount of 6.8 thousand of euros. The subsidiary was included in the consolidation scope in 2017.

There are no relevant effects related to this business combination.

Gestamp Nitra, S.R.O. main activity is the manufacturing of automobile components.

There were no significant costs associated to this transaction.

During 2016

On January 29, 2016 the subsidiary Beyçelik Gestamp Kalip AS acquired 51.60% shareholding in Çelik Form Gestamp Otomotiv, AS. for 9,050 thousand euros. Of this amount, 6,750 thousand euros was already disbursed at December 31, 2016 and the outstanding payment for 2,300 thousand euros was disbursed on 2017.

The company is located in Bursa (Turkey) and its activity is stamping and manufacturing automobile components for passenger cars.

The initial goodwill amounted to 7,814 thousand euros. Nevertheless since Beyçelik Gestamp Kalip AS is a 50% investee with a non-controlling interest, such part of the said goodwill is attributable to the non-controlling interest, so the final goodwill is 3,907 thousand euros (Note 10).

Similarly, the non-controlling interest initially incorporated for the not acquired percentage in Çelik Form Gestamp Otomotiv AS amounted to 1,159 euros (credit) but after attribution mentioned above the final balance is 2,748 thousand euros (debit) (Note 18).

The fair value of the assets and liabilities from Çelik Form Gestamp Otomotiv, A.S. obtained from the inclusion balance sheet is as follows:

	Thousands of euros
Intangible assets (Note 10)	57
Property, plant and equipment (Note 11)	
Land and buildings	40
Plant and other PP&E	2,392
Inventories	1,651
Trade receivables	4,731
Cash and cash equivalents	225
Other assets	24
	<hr/>
	9,120
	<hr/>
Other non current liabilities	174
Current provisions (Note 20)	125
Other current liabilities	2,782
Trade accounts payable	3,136
Other liabilities	508
	<hr/>
	6,724
	<hr/>
Net assets	2,395
Direct shareholding acquired	51.60%
Attributable net assets	1,236
Total consideration	9,050
Net effect business combination	7,814
Indirect shareholding	50.00%
Final net effect business combination	3,907

The revenue and the income attributable to the business combination from the incorporation date to December 31, 2016 amounted to 16,722 thousand euros and 540 thousand euros of profit respectively.

The headcount incorporated from this business was around 166.

There were no significant costs associated to this transaction.

The main valuation criteria used in these statements for business combination fair value quantification, 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 realizable value.

Other assets and liabilities: measured at nominal value.

4. Basis of presentation

4.1 True and fair view

The Interim Condensed Consolidated Financial Statements for the period ended June 30, 2017 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 June 30, 2017.

The Interim Condensed Consolidated Financial Statements have been prepared on the basis of the accounting records of each Group company as at June 30, 2017 and December 31, 2016. Each company prepares its Financial Statements in accordance with the accounting principles and standards in force in the country in which it operates; the required adjustments and reclassifications were made in consolidation process in order to harmonize the policies and methods used and to adapt them to IFRS.

The figures contained in these Interim Condensed Consolidated Financial Statements are expressed in thousands of euros, unless otherwise indicated. Thus they are susceptible to rounding.

4.2 Comparison of information

In 2017 the companies MPO Providers Rezistent, S.R.L., Beyçelik Gestamp Teknoloji Kalip, A.S. and Gestamp Nitra, S.R.O. were incorporated into the consolidation scope, and the method used to include Gestamp Palau, S.A., Jui Li Edscha Body Systems, Co. Ltd., Jui Li Hainan Industry Enterprise, Co. Ltd. and Jui Li Edscha Holding, Co.Ltd. in consolidation scope was changed (Note 2.b).

The company Çelik Form Gestamp Otomotiv, A.S. was incorporated in January 2016 and control was taken through the subsidiary Beyçelik Gestamp Kalip, A.S. (Note 2.b).

On December 2016 the company G. Finance Luxemburgo S.A. was sold including the interest in its subsidiary S.G.F., S.A. (Note 2.b).

4.3 Basis of consolidation

The Interim Condensed Consolidated Financial Statements comprise the financial statements of the Parent Company and subsidiaries at June 30, 2017.

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 and
- The ability to use its power over the subsidiary to affect the said variable returns.

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

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

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

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

The financial statement of the subsidiaries have the same closing date as the Parent Company, except for the companies mentioned in Note 2.a. The said companies have an additional closing for the financial year for their inclusion to the Interim Condensed 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 Interim Condensed 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 included in the consolidation scope and controlled by the Parent Company. The Parent Company controls a subsidiary if and only if the Parent Company has all the following:

- I. Power over the subsidiary. The Parent Company has power when it has existing rights that give the ability to make decisions on their relevant activities, which affect, in a significant way, to the subsidiary returns
- II. Exposure, or rights, to variable returns from its involvement with the subsidiary; and
- III. The ability to use its power over the subsidiary to affect the amount of the Parent Company's returns.

Joint ventures

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

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

Joint operations

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

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

Associates

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

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

Translation of the Financial Statements of foreign operations

The assets and liabilities and income statements of foreign companies included in the Interim Condensed Consolidated Financial Statements, whose functional currency is different from the presentation currency are translated to 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, as 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 Interim Condensed Consolidated Balance Sheet date, are registered as "Translation differences", with the corresponding negative or positive sign, in the Equity in the Interim Condensed Consolidated Balance Sheet (Note 17).

Exchange gains and losses due to the impact of changes in the functional currency relative to the euro on foreign currency borrowings considered permanent are taken directly to equity under

“Translation differences”, net of tax effect. The net amount of translation differences in 2017 is 32.7 million euros of negative translation differences (8.6 million euros of positive translation differences in 2016).

The intercompany loans to subsidiaries whose repayment is not foreseen are considered permanent financing and thus they are considered equity.

At June 30, 2017 and December 31, 2016 neither the Parent Company nor the subsidiaries held equity units issued by the Parent Company.

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

Transactions between companies included in the consolidation scope

The following transactions and balances were eliminated in consolidation:

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

Non-controlling interest

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

4.4 Going concern

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

The Group has sufficient financing in place to fund its operations on an ongoing basis with 89% of its bank financing as at June 30, 2017, maturing over periods longer than twelve months (December 31, 2016: 79%).

At June 30, 2017, total available liquidity hold by the Group raised the amount of 1,359.3 million euros (1,168.1 million euros at December 31, 2016), comprised of 448.1 million euros in cash and cash equivalents (430.5 million euros at December 31, 2016) and 2.6 million euros in securities portfolio (0.3 million euros at December 31, 2016). In addition, the Group had undrawn credit facilities amounting to 628.6 million euros at June 30, 2017 (457.3 million euros at December 31, 2016) and 280 million euros in an undrawn Revolving Credit Facility at June 30, 2017 and December 31, 2016.

4.5 Alternative management indicators

The Group uses a set of indicators in the decision making process since they allow a better analysis of their financial situation and they are widely used by investors, financial analysts and other interest groups. These indicators are not defined by IFRS and thus may not be comparable to similar indicators used by other companies.

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

EBITDA represents the operating profit before depreciation, amortization and impairment losses.

EBITDA at June 30, 2017 and 2016 was as follows:

	Thousands of euros	
	For the six months ended June 30,	
	2017	2016
Operating Profit	242,237	215,232
Depreciation and amortization	210,094	192,098
	452,331	407,330

EBIT (Earnings Before Interest and Taxes)

EBIT is the Operating Profit

Net Financial Debt

Net Financial Debt at June 30, 2017 and December 31, 2016 was as follows (Note 21):

	Thousands of euros	
	June 30, 2017	2016
Interest-bearing loans and borrowings	2,442,954	1,967,599
Financial leasing	31,688	33,574
Borrowings from related parties	60,147	70,162
Other non-current financial liabilities	36,868	34,991
Current financial assets	(43,748)	(43,228)
Cash and cash equivalents	(448,167)	(430,463)
Net financial debt	2,079,742	1,632,635

CAPEX

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

CAPEX at June 30, 2017 and December 31, 2016 was as follows (Notes 10.b and 11):

	Thousands of euros	
	June 30, 2017	2016
Additions to Other intangible assets	40,963	83,581
Additions to Property, plant and equipment	380,399	641,185
	421,362	724,766

5. Changes in accounting policies

a) Standards and interpretations approved by the European Union and applied for the first time during the period

The accounting policies used in the preparation of these Interim Condensed Consolidated Financial Statements are the same as the policies applied in the Consolidated Financial Statements as at 31 December 2016, except for the following amendments that have been applied for the first time during this year and may have had the potential to have some impact:

Amendments to IAS 7 – Statement of Cash Flows: information provided

Amendments to IAS 7 are part of IASB initiative to improve information provided to users of financial statements about an entity's financing activities, including cash and non-cash flows. There is no relevant changes according to information provided by the Group on previous years.

Amendments to IAS 12 – Recognition of deferred tax assets for unrealized losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

These amendments have no significant effects for the Group.

b) Standards issued by IASB but not yet effective this period.

The standards and interpretations issued by IASB, that are not yet effective at the date of issuance of these Group's Consolidated Financial Statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Although the Group is currently analysing their impact on Consolidated Financial Statements, based on the analysis made so far, the Group estimates that their initial application will not have a significant impact in the Consolidated Financial Statements, except for the following policies, interpretations and disclosures:

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* that replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9.

IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. Although early application is permitted the Group will not apply the standard earlier. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date. During 2016, the Group has performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from

further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. Overall, the Group expects no major impact on its balance sheet and equity except for the effect of applying the impairment requirements of IFRS 9, not expected to be significant.

(a) Classification and measurement

The Group does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Debt securities are expected to be measured at fair value through (Other Comprehensive Income) under IFRS 9 as the Group expects not only to hold the assets to collect contractual cash flows but also to sell a significant amount on a relatively frequent basis.

The equity shares in non-listed companies are intended to be held for the foreseeable future. The Group expects to apply the option to present fair value changes in Other Comprehensive Income, and, therefore, believes the application of IFRS 9 would not have a significant impact. If the Group were not to apply that option, the shares would be held at fair value through profit or loss, which would increase the volatility of recorded profit or loss.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Group expects that these will continue to be measured at amortized cost under IFRS 9. However, the Group will analyse the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortized cost measurement under IFRS 9.

(b) Impairment

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. However the Group expects no significant impact on its equity, but it is performing a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of the impact.

(c) Hedge accounting

The Group believes that all existing hedge relationships that are currently designated in effective hedging relationships will still qualify for hedge accounting under IFRS 9. As IFRS 9 does not change the general principles of how an entity accounts for effective hedges, the Group does not expect a significant impact as a result of applying IFRS 9. The Group will assess possible changes related to the accounting for the time value of options, forward points or the currency basis spread in more detail in the future.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. During 2016, the Group performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. Furthermore, the Group is considering the clarifications issued by the IASB in April 2016 and will monitor any further developments.

Although at the issuance date of these Interim Condensed Consolidated Financial Statements the analysis has not been finalized, the Group's management preliminarily considers that it is foreseeable that its application will have some impact on the amount and the time of recognition of the revenues related to the products sold by the Group as a consequence of the following circumstances:

(a) Agreement's duration

Some of the contracts that the group carries out with its customers are long-term supply contracts, which implies taking into account the contract as a whole and making an allocation of the consideration for all performance obligations identified. This could lead to a different revenue amount recognized when compared to the revenue that is being recognized with the current standards.

(b) Performance obligations, allocation of the considerations received and revenue recognition

The majority of the client contracts contain several performance obligations (tooling services and delivery of pieces) that are being delivered to the customer over time and not necessarily all of them at the same time. This brings a greater likelihood of impact due to the need to separate sale prices and the moment of transfer of control of each item.

The standard requires recording the performance obligations over time or at a specific time depending on the transfer of control. The revenue recognition's method which is currently being used by the Group for the delivery of pieces that are non-tooling goods is focused on physical delivery which could differ from the revenue recognition method applied with IFRS 15 depending on the characteristics of each contract.

(c) Sales incentives and discounts

Additionally, the Group negotiates with its clients discounts or incentives that need to be analysed from the perspective of the contract as a whole and it needs to be verified whether the results derived from the application of the criteria established in IFRS 15 do not lead to significantly different results than those applied at the moment.

(d) Presentation and disclosure requirements

IFRS 15 provides presentation and disclosure requirements, which are more detailed than under current IFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in Group's Consolidated Financial Statements. Many of the disclosure requirements in IFRS 15 are completely new. In 2016 the Group developed and started testing internal controls, policies and procedures necessary to collect and disclose the required information.

Once the above analysis is completed, the method of transition to be applied will be decided.

IFRS 16 Leases

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

IFRS 16 was issued in January 2016 and it replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessees will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

The nature of the leasing agreements of the Group are detailed in Note 30.

It is expected that IFRS 16 will have an impact on the Consolidated Financial Statements of the Group, and the Group's management is analysing the information related to these contracts in terms of amounts committed, planned renewals, those that are at the Group's discretion, concepts included in contracts that correspond to services rather than leases, etc.

The Group is also evaluating the different transition possibilities and practical solutions offered by the standard in its first application.

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

On December 8, 2017 the IASB published this interpretation to determine the spot exchange rate to be used for assets, income and losses (or a part of them) registration. The interpretation is used when reporting foreign currency transactions in which a customer paid for goods or services in advance. The date of transaction determines the exchange rate to be used for assets, income and expenses initial recognition. The interpretation clarifies about situations with a solely payment as well as for situations with several payments. The target of the guideline is to reduce diversity of methods in practical situations. The interpretation will be effective for annual periods beginning on 1 January 2018 with early application permitted. The Group is evaluating the different transition possibilities and practical solutions offered by the standard in its first application.

6. Summary of significant accounting policies

6.1 Foreign currency transactions

Functional and presentation currency

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

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

Transactions in foreign currency 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 Interim Condensed Consolidated Income Statement.

6.2 Property, plant and equipment

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

Acquisition cost includes:

- 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-IFRS (January 1, 2007), Property, plant and equipment was measured at fair value at the said date, based on the appraisals of an independent expert, which generated a revaluation of Group assets (Note 11).

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

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

Ordinary repair or maintenance work is not capitalized.

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

As permitted under revised IAS 23, borrowing costs directly attributable to the acquisition or development of a qualifying asset - an asset that takes more than one year to be ready for its intended use - are capitalized as part of the cost of the respective assets. The amount of the said capitalized costs is not significant.

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

The estimated useful lives of the various asset categories are:

	Years of estimated useful life	
	June 30, 2017	2016
Buildings	17 to 35	17 to 35
Plant and machinery	3 to 20	3 to 20
Other plant, tools and furniture	2 to 10	2 to 10
Other PP&E items	4 to 10	4 to 10

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

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

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

6.3 [Business combinations and 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 Interim Condensed Consolidated Income Statement.

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

Goodwill

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

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

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

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

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

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

6.4 Investment in associates and joint ventures

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

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

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

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

The share of the Group in profits of operations of the associate or joint venture is reflected in the Interim Condensed 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 Interim Condensed Consolidated Statement of Changes in Equity. Non-realized gains or losses resulting from transactions between the Group and the associate or joint venture corresponding to the share of the Group in the associate or joint venture are eliminated.

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

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

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

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

6.5 Other intangible assets

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

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

Research and development costs

Research costs are expensed as incurred.

Development expenditure is capitalized when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete and its ability to use or sell the resulting asset;
- Its ability to use or sell the intangible asset;
- The economic and commercial profitability of the project is reasonably ensured;
- The availability of adequate technical and financial resources to complete and to use or sell the resulting asset; and
- Its ability to measure reliably the expenditure during development.

Capitalized development costs are amortized over the period of expected future benefits, no more than 6 years.

At June 30, 2017 and December 31, 2016, there are no intangible assets related to development costs capitalized more than one year prior and whose amortization was not started.

Concessions, patents, licenses, trademarks, et al.

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

Software

Software is measured at acquisition cost.

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

IT maintenance costs are expensed as incurred.

6.6 Financial assets

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

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

- Financial assets at fair value with changes through profit and loss (held for trading).
- Held-to-maturity investments.
- Loans and receivables.
- Available-for-sale financial assets.
- Investments in associates accounted for using the equity method.

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

Financial assets at fair value with changes through profit and loss

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

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

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

Held-to-maturity investments

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

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

Loans and receivables

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

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

Available-for-sale financial assets

These are financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. They are classified as non-current unless management plans to dispose of them within 12 months from the Interim Condensed Consolidated Balance Sheet date.

They are measured at fair value at the Interim Condensed Consolidated 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 Interim Condensed Consolidated Income Statement.

Investments in associates accounted for using the equity method

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

Derecognition of financial instruments

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

If the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity does not retire the transferred asset from its balance sheet and 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 Interim Condensed Consolidated Income Statement. Such income and expense are not offset.

6.7 Impairment of assets

Impairment of non-financial assets

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

A relevant decrease in EBITDA compared to the previous year or a relevant decrease of EBITDA in the following years or any other qualitative factor that may affect the Cash-Generating Unit are considered indications of impairment. In the case of capitalized Research and Development Expenses, not obtaining the expected return is considered an indication of impairment.

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

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

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

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

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

The impairment losses from continued operations, including impairment of inventories, are registered in the Interim Condensed 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 Interim Condensed Consolidated Income Statement, if there has been a change in the assumptions used to determine the asset's recoverable amount. The restated recoverable amount of the asset cannot exceed the carrying amount that would have been determined had no impairment loss been recognized.

The following assets present specific characteristics when assessing their impairment:

Consolidation goodwill

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

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

Goodwill impairment losses cannot be reversed in future periods.

Intangible assets

The Group has implemented annual procedures to test intangible assets with indefinite useful life for impairment. These assessments are 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 Interim Condensed Consolidated Income Statement for the year. The cumulative loss recognized in the Interim Condensed Consolidated Income Statement is measured as the difference between the acquisition cost and current fair value.

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

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

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

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

6.8 Assets and liabilities held for sale and discontinued operations

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

Discontinued operations are reflected in the Interim Condensed 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 June 30, 2017 and December 31, 2016 there are no assets nor liabilities in this category and no profit from discontinued operations.

6.9 [Trade and other receivables](#)

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

Discounted bills pending maturity at year end are included in the accompanying Interim Condensed Consolidated balance sheet under "Trade receivables," with a balancing entry in "Interest-bearing loans and borrowings". The balances transferred to banks as Non-Recourse Factoring are not included in "Trade receivables" since all risks related to them, including bad and past-due debt risks, have been transferred to the bank (Note 14.a).

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

6.10 [Inventories](#)

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

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

Inventories have been valued using the average weighted cost method.

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

6.11 [Tools made to customer order](#)

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

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognized by reference to the stage of completion of the contract activity at the Interim Condensed Consolidated Balance Sheet date (Note 6.18).

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

Based on its experience and Group estimates, with rare exceptions, management does not expect to incur losses, which have not been recognized on these Interim Condensed Consolidated Financial Statements, on the definitive settlement of the tool manufacture contracts in progress at June 30, 2017.

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

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

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

6.12 Cash and cash equivalents

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

6.13 Government grants

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

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

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

6.14 Financial liabilities (trade and other payables and borrowings)

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

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

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

When non-controlling interests have an option to sell their shares or investments to the Group, it is assessed whether there is present access to the ownership of the shares by the Group due to the conditions inherent to the option. The Group has no non-controlling interests with option to sell their shares where the Group has present access to the ownership of the shares.

When the conditions of the sale option of the non-controlling interest do not give the Group present access to economic profit from the shares or investments, a partial recognition of non-controlling interest is registered. At first stage a financial liability is registered and reclassified to non-controlling interest. Any excess in the fair value of the liability related to the option with respect to the percentage corresponding to non-controlling interest is directly registered in equity attributable to the Parent Company. No amount is registered in the Interim Condensed Consolidated Income

Statement related to the subsequent accounting of the financial liability. Until the option is exercised, the same accounting will be carried out at each closing and the financial liability will be cancelled against the amount paid to non-controlling interest. If the option was not exercised, the financial liability would be cancelled against non-controlling interest and the corresponding equity attributable to the Parent Company in the same way as initially registered (Note 21.d).

6.15 Provisions and contingent liabilities

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

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

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

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

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

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

6.16 Employee benefits

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

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

Defined contribution plans

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

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

The amount registered in the Interim Condensed Consolidated Income Statement at June 30, 2017 was 2.5 million euros (June 30, 2016: 1.5 million euros).

Defined benefit plans

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

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

Indemnities

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

6.17 Leases

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

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

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

6.18 Revenue and expense recognition

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

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

For those contracts according to stage of completion and when profit cannot be reliably estimated, revenue is recognized only to the extent where costs are recoverable and costs are recognized as expenses of the year when occurred.

Revenue includes:

- 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 and machinery for third party sale and rendering of services: the Group uses the stage of completion method for sales of tools and machinery because buyer can specify the most important structural elements in the design of tools before construction starts, as well as the most relevant structural changes (Note 6.11).
- Interest, royalties, and dividends: interest revenue is recognized as interest accrues taking into account the effective return of the asset (using the effective interest method, i.e., the rate that makes discounted future cash receipts through the expected life of the financial instrument equal to the initial carrying amount of the asset).

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

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

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

6.19 Income tax

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

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

Current tax

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

Tax credits

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

Temporary differences

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

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

6.20 Derivative financial instruments and hedges

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

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

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

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

In addition, the Group had a debt instrument (US dollar bonds) until June 17, 2016 to cover the exposure to exchange rate risk of the investments in subsidiaries whose functional currency is US dollar (Note 21.b.2).

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

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

After cancellation of the debt instrument issued and considered hedge of net investment, the balance considered translation differences will stay in this heading until derecognition of the investment of the foreign operation. At the moment, the accumulated loss or gain in this heading is transferred to the Interim Condensed Consolidated Income Statement.

6.21 [Related parties](#)

The Group considers as Related Parties: direct and indirect shareholders, companies over which they have significant influence or joint control, companies accounted for under the equity method and their officers.

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

6.22 [Environmental expenses](#)

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

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

7. Significant accounting judgments, estimates and assumptions

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

Impairment of non-financial assets

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

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

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

For calculating the value at perpetuity for the method of discounting cash-flows, a normalized year with all reasonable and recurrent in the future hypotheses is used.

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

Revenue recognition and the stage of completion

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

Pension benefits

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

The most changing parameter is the discount rate. To calculate the proper discount rate the Management uses the interest rate of 10-year bonds and extrapolates them over the underlying curve corresponding to the expected maturity of the obligation for defined benefit plans. In

addition, the quality of the underlying bonds is reviewed. Those bonds with excessive credit spreads are excluded from the analysis as they are not considered to be of a high credit rating.

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

Further details on assumptions considered and a sensitivity analysis are included in Note 20.

Taxes

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

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

Revision of useful lives

Useful life of tangible fixed assets is determined according to the expected use of the asset as well as the past experience of use and duration of similar assets. In the 2016 review, the Group analyzed the current use of certain property, plant and equipment. This review was based on the analysis of an independent third party. The total cost of items whose useful life was reviewed was 2,205 million euros.

If this revision had not been carried out, the impact in the Interim Condensed Consolidated Income Statement in 2016 would have been higher depreciation expenses in the amount of 12.5 million euros.

Useful life of intangible assets without finite useful life (including capitalized development expenses) is calculated according to internal analysis where useful life is no longer than 6 years and recovery is linear according to the pattern of consumption representing the production of operating plants.

Fair value of financial instruments

When fair value of financial assets and liabilities cannot be obtained from quoted prices in active markets it is calculated by valuation techniques which include the model of discounting cash flows. The required data are obtained from observable markets when possible and when not, some value judgments are made in order to establish reasonable values. Judgments refer to liquidity risk, credit risk and volatility. Changes in assumptions related to these factors may affect the reasonable value of financial instruments reported. Please see Note 12 and Note 21.b.1.

Assessment of gain of control in subsidiaries

According to IFRS 10, currently in force, the Group Management assess the existence of control of significant companies with 50% shareholding, like Beyçelik Gestamp Kalip, A.S. and Gestamp Automotive India Private Ltd.

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

Regarding Gestamp Automotive India Private Ltd. non-controlling interests corresponding to the remaining 50% shareholding are Group related parties since it is to a company controlled by shareholders of the Parent Company.

Although board members are elected according to shareholding percentage, it is considered there is control over this company according to the following circumstances related to the most important activities:

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

All these activities are carried out by the Group given that the other shareholder does not possess those capacities.

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

Regarding Gestamp Automotive India Private Ltd, the Group has designated 4 board members of this company out of a total of 6 members, so the Group is capable of carrying out the relevant activities.

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

Changes in accounting estimates:

The effect of a change in an accounting estimate is recognized in the same Interim Condensed 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 Interim Condensed Consolidated Income Statement for the year. In these instances, the prior year's balances are also restated to maintain comparability of information.

9. Segment reporting

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

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

- ✓ Western Europe
 - Spain
 - Germany
 - United Kingdom
 - France
 - Portugal
 - Sweden
 - Belgium
 - Luxembourg

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

- ✓ Mercosur
 - Brazil
 - Argentina

- ✓ North America
 - USA
 - Mexico

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

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

The Board of Directors of the Group manages the operating segments corresponding to continuing activities basically according to the evolution of the main financial indicators from each segment such as revenue and EBITDA (Earnings before interest, taxes, depreciation and amortization). Financial income and expenses, income tax and the allocation of profit to non-controlling interests are analyzed together at Group level since they are centrally managed.

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

Segment information for 2017 and 2016 is as follows:

Thousands of euros						
June 30, 2017						
ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
NON-CURRENT ASSETS						
Goodwill	73,574	22,315	9,850	2,890	12	108,641
Other intangible assets	222,326	10,618	4,420	21,788	34,159	293,311
Property, plant and equipment	1,253,907	475,542	262,472	861,698	503,324	3,356,943
Total non-current assets	1,549,807	508,475	276,742	886,376	537,495	3,758,895
WORKING CAPITAL						
Inventories	265,473	86,657	63,034	139,931	139,034	694,129
Trade and other receivables	942,204	202,620	82,624	184,225	283,725	1,695,398
Other current assets	13,452	6,506	7,351	20,606	1,824	49,739
Trade and other payables	(1,041,900)	(208,091)	(78,838)	(232,291)	(256,647)	(1,817,767)
Provisions	(10,405)	(2,146)	(1,489)	(790)	(4,197)	(19,027)
Other current liabilities	339	(4,734)	721	(2,635)	(3)	(6,312)
Other current debt	(70,651)	(11,710)	(14,447)	(72,778)	(30,205)	(199,791)
Total working capital	98,512	69,102	58,956	36,268	133,531	396,369

Thousands of euros						
For the six months ended June 30, 2017						
ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
Revenue	2,144,202	483,519	255,547	751,455	496,438	4,131,161
EBITDA	225,098	60,489	24,799	62,290	79,655	452,331

Thousands of euros						
2016						
ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
NON-CURRENT ASSETS						
Goodwill	74,345	22,835	10,422	2,890	12	110,504
Other intangible assets	211,566	9,084	5,266	23,408	33,136	282,460
Property, plant and equipment	1,206,745	450,511	272,388	729,639	500,731	3,160,014
Total non-current assets	1,492,656	482,430	288,076	755,937	533,879	3,552,978
WORKING CAPITAL						
Inventories	243,881	83,395	63,870	126,637	113,114	630,897
Trade and other receivables	631,866	169,093	54,882	230,882	290,166	1,376,889
Other current assets	3,362	5,740	3,487	12,897	754	26,240
Trade and other payables	(856,615)	(180,663)	(64,640)	(254,684)	(264,823)	(1,621,425)
Provisions	(9,380)	(3,300)	(1,560)	(129)	(3,703)	(18,072)
Other current liabilities	682	(600)	-	(3,580)	(12)	(3,510)
Other current debt	(152,340)	(10,409)	(16,537)	(84,416)	(27,118)	(290,820)
Total working capital	(138,544)	63,256	39,502	27,607	108,378	100,199

Thousands of euros						
For the six months ended June 30, 2016						
ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
Revenue	1,962,679	374,054	165,628	748,198	490,615	3,741,174
EBITDA	201,233	45,992	11,145	68,229	80,731	407,330

Recurrent operating activities between subsidiaries of different segments are not significant.

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

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

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

Segment	Thousands of euros	
	June 30, 2017	2016
Western Europe	31,184	60,870
Eastern Europe	2,065	4,053
Mercosur	102	1,828
North America	2,890	7,818
Asia	4,722	9,012
Total	40,963	83,581

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

Segment	Thousands of euros	
	June 30, 2017	2016
Western Europe	99,689	188,840
Eastern Europe	26,095	94,571
Mercosur	14,426	54,969
North America	190,355	227,493
Asia	49,834	75,312
Total	380,399	641,185

In 2017 second quarter, the three groups of customers representing the highest contribution to sales represent the 43.8% of revenue (2016: 43.3%) and each of them represents more than 10% of revenue for the same period (2016: 10%).

10. Intangible assets

a) Goodwill

The change in goodwill in 2017 and 2016 is as follows:

Segment / CGU	Thousands of euros				At June 30, 2017
	At December 31, 2016	Additions	Decreases	Currency translation differences	
Western Europe					
Gestamp HardTech AB	39,951	-	-	(770)	39,181
Gestamp Metalbages S.A.	15,622	-	-	-	15,622
Gestamp Aveiro, S.A.	7,395	-	-	-	7,395
Gestamp Levante, S.A.	6,944	-	-	-	6,944
Griwe Subgroup	6,466	-	-	-	6,466
Adral, matricería y pta a punto S.L.	857	-	-	-	857
Eastern Europe					
Beyçelik Gestamp Kalip, A.S.	19,356	-	-	(1,279)	18,077
Gestamp Severstal Vsevolozhsk, LLC	117	-	-	2	119
Çelik Form Gestamp Otomotive, A.S.	3,362	-	-	(222)	3,140
MPO Providers Rez. S.R.L.	-	981	-	(3)	978
Mercosur					
Gestamp Brasil Industria de Autopeças, S.A.	10,422	-	-	(572)	9,850
Asia					
Gestamp Services India Private, Ltd.	12	-	-	-	12
Total	110,504	981	-	(2,844)	108,641

Segment / CGU	Thousands of euros				At December 31, 2016
	At December 31, 2015	Additions	Decreases	Currency translation differences	
Western Europe					
Gestamp HardTech AB	41,624	-	-	(1,673)	39,951
Gestamp Metalbages S.A.	15,622	-	-	-	15,622
Gestamp Aveiro, S.A.	7,395	-	-	-	7,395
Gestamp Levante, S.A.	6,944	-	-	-	6,944
Griwe Subgroup	6,466	-	-	-	6,466
Adral, matricería y pta a punto S.L.	857	-	-	-	857
Eastern Europe					
Beyçelik Gestamp Kalip, A.S.	22,620	-	-	(3,264)	19,356
Gestamp Severstal Vsevolozhsk, LLC	96	-	-	21	117
Çelik Form Gestamp Otomotive, A.S.	-	3,907	-	(545)	3,362
Mercosur					
Gestamp Brasil Industria de Autopeças, S.A.	8,309	-	-	2,113	10,422
Asia					
Gestamp Services India Private, Ltd.	13	-	-	(1)	12
Total	109,946	3,907	-	(3,349)	110,504

Additions in 2017 correspond to the acquisition of MPO Providers Rez. S.R.L. which has been included in the consolidation scope by full consolidation method (Note 3).

Additions in 2016 correspond to the acquisition of Çelik Form Gestamp Otomotive, A.S. which has been included in the consolidation scope by full consolidation method (Note 3).

Currency translation differences in 2017 and 2016 correspond to the adjustments to the goodwill of companies whose functional currency is different from the Euro, translated at the exchange rate prevailing at Interim Condensed Consolidated Balance Sheet date, according to IAS 21 (Note 4.3).

Impairment test of Goodwill

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

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

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

According to the estimations and economic projections realized by the Group, the recoverable value is higher than the net value for all the CGUs, so the Group can recover the value of all goodwill recognized at June 30, 2017.

b) Other intangible assets

The breakdown and change in the various items comprising “Other intangible assets” are shown below:

Cost	Thousands of euros						At June 30, 2017
	At December 31, 2016	Changes in consolidation scope	Additions	Disposals	Currency translation differences	Other movements	
R&D expenses	298,475	826	22,197	(494)	(1,812)	560	319,752
Concessions	21,202	-	-	-	(880)	-	20,322
Patents, licenses & trademark	40,266	-	151	-	(83)	67	40,401
Goodwill	1,673	-	-	-	(393)	117	1,397
Transfer fees	-	-	-	-	-	7	7
Software	143,379	428	8,040	(298)	(1,484)	5,596	155,661
Prepayments	17,521	192	10,575	(65)	139	(4,324)	24,038
Total cost	522,516	1,446	40,963	(857)	(4,513)	2,023	561,578
Amortization and impairment							
R&D expenses	(136,853)	(674)	(19,203)	-	765	(208)	(156,173)
Concessions	(2,392)	-	(533)	-	106	-	(2,819)
Patents, licenses & trademark	(4,074)	-	(1,018)	-	23	(33)	(5,102)
Transfer fees	(567)	-	(115)	-	7	2	(673)
Software	(94,347)	(366)	(8,134)	244	983	(177)	(101,797)
Total accumulated amortization	(238,233)	(1,040)	(29,003)	244	1,884	(416)	(266,564)
Impairment of Intangible assets	(1,823)	-	124	-	(4)	-	(1,703)
Net carrying amount	282,460	406	12,084	(613)	(2,633)	1,607	293,311

Changes in consolidation scope at June 30, 2017 correspond to the incorporation of the companies Gestamp Palau, S.A., MPO Providers Rezistent, S.R.L., Gestamp Nitra, S.R.O., Jui Li Edscha Body System Co., Ltd. and Jui Li Edscha Hainan Industry Enterprise Co., Ltd. (Note 3).

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

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

Additions to Prepayments correspond to costs from SAP implementation.

The most significant additions by segment is shown in Note 9.

Main disposals correspond to Software regarding items fully amortized and to development projects whose feasibility is not reasonably assured.

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

Cost	Thousands of euros						
	At December 31, 2015	Changes in consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2016
R&D expenses	240,898	-	58,887	(1,096)	5	(219)	298,475
Concessions	18,434	-	3,972	(707)	(620)	123	21,202
Patents, licenses & trademark	39,102	-	1,491	(205)	(115)	(7)	40,266
Goodwill	1,900	-	-	-	89	(316)	1,673
Transfer fees	114	-	-	-	2	(116)	-
Software	127,475	390	11,815	(1,699)	772	4,626	143,379
Prepayments	13,248	-	7,416	(217)	(8)	(2,918)	17,521
Total cost	441,171	390	83,581	(3,924)	125	1,173	522,516
Amortization and impairment							
R&D expenses	(103,622)	-	(33,920)	818	88	(217)	(136,853)
Concessions	(1,720)	-	(424)	47	57	(352)	(2,392)
Patents, licenses & trademark	(3,983)	-	(510)	15	44	360	(4,074)
Transfer fees	(294)	-	(274)	-	(12)	13	(567)
Software	(80,406)	(333)	(14,571)	1,670	(540)	(167)	(94,347)
Total accumulated amortization	(190,025)	(333)	(49,699)	2,550	(363)	(363)	(238,233)
Impairment of Intangible assets	(1,708)	-	(564)	2	(7)	454	(1,823)
Net carrying amount	249,438	57	33,318	(1,372)	(245)	1,264	282,460

Changes in consolidation scope at December 31, 2016 corresponded to the incorporation of Çelik Form Gestamp Otomotiv, A.S. (Note 3).

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

Additions to Concessions corresponded to the right to use land.

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

Additions to Prepayments corresponded to costs from SAP implementation.

The most significant additions by segment is shown in Note 9.

Main disposals corresponded to Software regarding items fully amortized and to development projects whose feasibility is not reasonably assured.

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

Development expenses corresponding to projects not fulfilling requirements to be capitalized were registered in the heading Other operating expenses from the Interim Condensed Consolidate Income Statement and they amount to 156 thousand euros at June 30, 2017 (June 30, 2016: 411 thousand euros).

Impairment test of assets with indefinite useful life

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

11. Property, plant and equipment

The breakdown and change of the items comprising Property, plant and equipment is as follows:

Cost	Thousands of euros						At June 30, 2017
	At December 31, 2016	Changes in consolidation scope	Additions	Disposals	Currency translation differences	Other movements	
Land and buildings	1,391,486	1,692	18,773	(204)	(13,704)	19,807	1,417,850
Plant and other PP&E	4,541,828	120,486	44,967	(17,022)	(71,223)	245,771	4,864,807
PP&E under construction and prepayments	568,378	12,415	316,659	(6,362)	(8,983)	(267,706)	614,401
Total cost	6,501,692	134,593	380,399	(23,588)	(93,910)	(2,128)	6,897,058
Depreciation and impairment							
Land and buildings	(407,967)	(134)	(14,483)	45	5,122	(1,850)	(419,267)
Plant and other PP&E	(2,927,871)	(73,430)	(166,552)	14,283	39,717	(1,111)	(3,114,964)
Accumulated depreciation	(3,335,838)	(73,564)	(181,035)	14,328	44,839	(2,961)	(3,534,231)
Impairment of PP&E	(5,840)	-	(32)	-	(12)	-	(5,884)
Net book value	3,160,014	61,029	199,332	(9,260)	(49,083)	(5,089)	3,356,943

Changes in consolidation scope at June 30, 2017 correspond to the incorporation of the companies Gestamp Palau, S.A., MPO Providers Rezistent, S.R.L., Gestamp Nitra, S.R.O., Jui Li Edscha Body System Co., Ltd. and Jui Li Edscha Hainan Industry Enterprise Co., Ltd. (Note 3).

Cost value of the property, plant and equipment additions at June 30, 2017 mainly correspond to investments in plants and production lines, with the aim of increase the productive capacity of the Group, as well as to capital expenditure to maintain existing activities. They correspond mainly to companies located in USA, Mexico, Spain, China, Germany, United Kingdom, Brazil and Japan. Additions by segment are shown in Note 9.

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

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

Cost	Thousands of euros						At December 31, 2016
	At December 31, 2015	Changes in consolidation scope	Additions	Disposals	Currency translation differences	Other movements	
Land and buildings	1,323,618	203	11,737	(910)	8,437	48,401	1,391,486
Plant and other PP&E	4,347,927	6,770	117,113	(140,332)	(32,735)	243,085	4,541,828
PP&E under construction and prepayments	378,608	-	512,335	(718)	(11,205)	(310,642)	568,378
Total cost	6,050,153	6,973	641,185	(141,960)	(35,503)	(19,156)	6,501,692
Depreciation and impairment							
Land and buildings	(365,011)	(163)	(34,899)	552	(3,580)	(4,866)	(407,967)
Plant and other PP&E	(2,811,335)	(4,378)	(293,673)	130,115	26,908	24,492	(2,927,871)
Accumulated depreciation	(3,176,346)	(4,541)	(328,572)	130,667	23,328	19,626	(3,335,838)
Impairment of PP&E	(12,000)	-	(30)	5,767	850	(427)	(5,840)
Net book value	2,861,807	2,432	312,583	(5,526)	(11,325)	43	3,160,014

Changes in consolidation scope in 2016 corresponded to the incorporation of the subsidiary Çelik Form Gestamp Otomotiv, A.S. (Note 3).

Cost value of the property, plant and equipment additions at December 31, 2016 mainly corresponded to investments in plants and production lines aimed to increase the productive capacity of the Group as well as to capital expenditure to maintain existing activities. They corresponded mainly to companies located in USA, Mexico, Spain, Germany and Poland. Additions by segment are shown in Note 9.

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

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

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

	Thousands of euros	
	June 30, 2017	2016
Initial cost	266,567	266,567
Fair value	509,428	509,428
Revaluation	242,861	242,861
Accumulated depreciation	(42,926)	(40,739)
Deferred tax liabilities	(50,499)	(51,115)
Total	149,436	151,007
Non-controlling interest	(24,999)	(25,121)
Reserves (Note 16.4.d)	(125,886)	(128,659)
Profit for the year	1,449	2,773
Total	(149,436)	(151,007)

The breakdown of assets acquired under finance lease agreements at June 30, 2017 and December 31, 2016 is as follows:

Segment	Asset cost (thousands of euros)	Lease term	Installments paid	June 30, 2017		
				Thousands of euros		
				Present value of lease obligations (Note 21.c.1)		Purchase option value
Short term	Long term					
Western Europe						
Other fixtures	297	5 years	252	44	-	-
Eastern Europe						
Machinery	12,769	4,75 years	14,674	-	-	1
Machinery	633	5 years	434	70	120	-
Machinery	719	5 years	333	75	287	-
Machinery	3,266	7 years	1,010	241	1,873	-
Machinery	2,201	7 years	681	156	1,239	-
Machinery	326	7 years	97	23	185	1
Machinery	1,231	7 years	366	86	701	1
Machinery	542	7 years	155	37	313	-
Machinery	689	7 years	172	47	416	-
Machinery	712	7 years	128	46	469	1
Machinery	616	7 years	110	40	406	1
Machinery	741	7 years	100	50	524	-
Machinery	699	7 years	83	46	497	1
Machinery	2,506	7 years	107	54	2,559	-
Machinery	587	5 years	501	70	53	-
Machinery	1,105	5 years	918	142	42	-
North America						
Machinery (November 2012)	13,349	20 years	2,832	518	11,927	-
Machinery (December 2012)	8,899	20 years	1,821	347	7,985	-
				2,092	29,596	

Segment	December 31, 2016					
	Thousands of euros					
	Asset cost (thousands of euros)	Lease term	Installments paid	Present value of lease obligations (Note 21.c.1)		Purchase option value
				Short term	Long term	
Western Europe						
Software	34	4 years	34	-	-	-
Other fixtures	297	5 years	222	64	10	-
Eastern Europe						
Machinery	244	5 years	283	15	-	-
Machinery	12,978	4.75 years	14,397	267	-	1
Machinery	1,104	5 years	955	241	42	-
Machinery	597	5 years	485	120	120	-
Machinery	646	5 years	273	128	287	-
Machinery	2,969	7 years	815	412	1,870	-
Machinery	1,952	7 years	550	265	1,238	-
Machinery	285	7 years	78	38	185	1
Machinery	1,081	7 years	293	146	701	1
Machinery	473	7 years	123	63	313	-
Machinery	598	7 years	131	79	416	-
Machinery	711	7 years	86	79	469	1
Machinery	616	7 years	74	68	406	1
Machinery	755	7 years	62	86	524	-
Machinery	706	7 years	42	77	497	1
Machinery	1,415	7 years	101	101	1,416	-
Machinery	629	5 years	470	128	47	-
North America						
Machinery (November 2012)	14,263	20 years	2,569	661	12,911	-
Machinery (December 2012)	9,508	20 years	1,641	440	8,644	-
				3,478	30,096	

The figures in the table above are affected by the application of different exchange rates in the conversion process of the financial statements of the subsidiaries. These subsidiaries have functional currencies different from the presentation currency.

Impairment test of Property, Plant and Equipment

Impairment tests calculate recoverable value and are carried out for those CGU's where signs of deterioration are found according to indicators mentioned in Note 6.7.

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

According to economic projections forecasted in previous years the recoverable value is higher than the net value for all the CGUs, so the Group can recover the value of the consolidated assets of each CGU at June 30, 2017.

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

As at June 30, 2017 and December 31, 2016 there are no items of property, plant, and equipment set aside to secure bank loans (Note 21.a.1).

12. Financial assets

The breakdown of the Group's financial assets at June 30, 2017 and December 31, 2016 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	
	June 30, 2017	2016	June 30, 2017	2016	June 30, 2017	2016	June 30, 2017	2016	June 30, 2017	2016
Non-current financial assets	2,860	5,740	49,853	50,581	21,712	25,710	-	-	13,733	13,483
Investments accounted for using the equity method	2,860	5,740	-	-	-	-	-	-	-	-
Held-to-maturity investments	-	-	-	-	-	-	-	-	2,177	957
Loans and receivables	-	-	49,853	50,581	-	-	-	-	11,556	12,526
Derivative financial instruments (Note 21.b.1)	-	-	-	-	21,712	25,710	-	-	-	-
Current financial assets	-	-	9,334	11,036	-	-	2,641	338	31,773	31,854
Held-to-maturity investments	-	-	-	-	-	-	2,641	338	-	-
Loans and receivables	-	-	9,334	11,036	-	-	-	-	31,773	31,854
Total financial assets	2,860	5,740	59,187	61,617	21,712	25,710	2,641	338	45,506	45,337

a) *Non-current financial assets*

The variation of non-current financial assets in 2017 and 2016 is 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, 2015	8,272	8,918	28,184	12,308
Changes in consolidation scope	-	750	-	-
Additions	-	-	57,228	3,463
Disposals	-	-	(276)	(2,205)
Changes in valuations of financial derivatives	-	-	-	(2,474)
Transfers	-	-	(17,031)	541
Other movements	-	-	10	215
Share of profit	(3,230)	-	-	-
Translation differences	(52)	1,732	-	(839)
Balance at December 31, 2016	5,740	50,581	25,710	13,483
Changes in consolidation scope	-	(2,722)	3,508	(1,918)
Additions	-	-	3,184	611
Disposals	-	-	(3,633)	1,603
Changes in valuations of financial derivatives	-	-	-	(3,998)
Transfers	-	-	(3,553)	-
Other movements	-	-	330	-
Share of profit	(181)	-	-	-
Translation differences	23	(564)	-	(46)
Balance at June 30, 2017	2,860	49,853	21,712	13,733

a.1) Investments accounted for using the equity method

Changes in consolidation scope in 2017 corresponded to the incorporation of Jui Li Edscha Body Systems Co., Ltd., Jui Li Edscha Holding Co., Ltd., Jui Li Edscha Hainan Industry Enterprise Co., Ltd. that changed their consolidation method from equity method to full consolidation method (Note 2.b).

Changes in consolidation scope in 2016 corresponded to the incorporation of the subsidiary Global Laser Araba S.L. by equity method (Note 2.b).

"Share of profit" in 2017 and 2016 amounting to 181 thousand euros and 3,230 thousand euros of loss respectively, represented Group's share of the profit recorded by each company.

In addition, the heading “Share of profits from associates - equity method” in the Consolidated Income Statement included the provision for registered risks related to the investment in ESSA Palau S.A. for 5,309 thousand euros (Note 20).

No dividends have been received from companies accounted for using the equity method in 2017 and 2016.

The summarized financial information of the Group’s investment in 2017 and 2016 is as follows:

Summarised balance sheet:

	Thousands of euros		
	June 30, 2017		
	Global Laser Araba	GGM and subsidiaries	Industrias Tamer, S.A.
Total non-current assets	5,880	62,237	1,347
Total current assets	5,845	51,443	4,384
Total non-current liabilities	(4,300)	(44,724)	(180)
Total current liabilities	(6,352)	(61,629)	(4,418)
Equity	(1,073)	(6,827)	(1,133)
Translation differences	-	(500)	-
Shareholding	30%	30%	30%
Carrying amount of the investment	322	2,198	340

	Thousands of euros				
	2016				
	Essa Palau, S.A.	Global Laser Araba	Jui Li Edscha Body Systems and subsidiaries	GGM and subsidiaries	Industrias Tamer, S.A.
Total non-current assets	36,137	2,827	793	53,364	1,471
Total current assets	14,184	3,160	7,545	21,183	3,726
Total non-current liabilities	(21,633)	-	(69)	(25,860)	(360)
Total current liabilities	(54,090)	(4,507)	(2,825)	(41,287)	(3,657)
Equity	25,402	(1,480)	(4,721)	(6,978)	(1,180)
Translation differences	-	-	(723)	(422)	-
Shareholding	40%	30%	50%	30%	30%
Carrying amount of the investment	-	444	2,722	2,220	354

Summarised income statement:

	Thousands of euros		
	For the six months ended June 30, 2017		
	Global Laser Araba	GGM and subsidiaries	Industrias Tamer, S.A.
Operating income	265	12,144	864
Operating expense	(906)	(12,448)	(737)
OPERATING PROFIT/LOSS	(641)	(304)	127
Financial profit	(48)	(250)	(8)
Exchange gains (losses)	-	600	-
Impairment and others	-	-	-
PROFIT/LOSS BEFORE TAXES	(689)	46	119
Income tax expense	-	(8)	-
Adjustments from previous years	282	(188)	(166)
Profit for the year from discontinued operations net of taxes	-	-	-
PROFIT/LOSS FOR THE YEAR	(407)	(150)	(47)
Shareholding	30%	30%	30%
Participation of the Group in profit	(122)	(45)	(14)

Thousands of euros				
For the six months ended June 30, 2016				
	Essa Palau, S.A.	Jui Li Edscha Body Systems and subsidiaries	GGM and subsidiaries	Industrias Tamer, S.A.
Operating income	41,327	6,012	11,529	1,865
Operating expense	(43,266)	(5,668)	(12,138)	(1,606)
OPERATING PROFIT/LOSS	(1,939)	344	(609)	259
Financial profit	(916)	9	(385)	(15)
Exchange gains (losses)	-	(25)	(880)	-
Impairment and others	(7)	-	-	-
PROFIT/LOSS BEFORE TAXES	(2,862)	328	(1,874)	244
Income tax expense	-	(91)	-	-
Adjustments from previous years	-	-	(3,335)	-
Profit for the year from discontinued operations net of taxes	-	-	-	-
PROFIT/LOSS FOR THE YEAR	(2,862)	237	(5,209)	244
Shareholding	40%	50%	30%	30%
Participation of the Group in profit	(1,145)	119	(1,563)	73

a.2) Non-current loans and receivables

Changes in consolidation scope in 2017 correspond to the incorporation of subsidiary Gestamp Palau S.A. by full consolidation method (Note 2.b). The subsidiary has loans granted to third parties for the amount of 3,508 thousand of euros. This receivables were totally impaired due to uncertainty about its recoverability.

Additions in 2017 mainly correspond to:

- Increase in receivables from public authorities in Gestamp Brasil Industria de Autopeças S.A. for 2,310 thousand euros, and in Gestamp Pune Automotive Pvyd. Ltd. for 130 thousand euros.
- Loans to Group employees amounting to 650 thousand euros for the acquisition of shares in the Parent Company from Acek Desarrollo y Gestión Industrial S.L. (Note 15.a). A pledge on the shares was generated as a guarantee for the loans. The interest rate of the loans is the legal interest rate prevailing every calendar year and the duration is six years from the date of signature.

Disposals in 2017 mainly correspond to the payment made from third parties to Gestamp Palau, S.A. amounting to 3,119 thousand euros. The operation included the reversal of impairment losses linked to these loans (Note 12.a.4).

Transfers in 2017 mainly correspond to the reclassification to the heading Public authorities of debit balances from Brazilian and Indian public authorities with Gestamp Brasil Industria de Autopeças, S.A. (2,622 thousand euros) and with Gestamp Pune Automotive Pvt. Ltd. (931 thousand euros).

Additions in 2016 mainly corresponded to:

- Increase in debit balances from public authorities with Gestamp Brasil Industria de Autopeças S.A. for 9,963 thousand euros.
- Loan granted by the subsidiary Gestamp Finance Slovakia S.R.O. to Gestión Global de Matricería S.L. amounting to 8,400 thousand euros. This loan earns a 2.756% interest rate and initial maturity was March 2023. At December 31, 2016 this loan was transferred to short term and final maturity is June 2017.
- Loans to Group employees amounting to 37,110 thousand euros for the acquisition of shares in the Parent Company from Acek Desarrollo y Gestión Industrial S.L. (Note 15.a). A pledge on the shares was generated as a guarantee for the loans. The interest rate of the

loans is the legal interest rate prevailing every calendar year and the duration is six years from the date of signature.

The fair value of the shares sold by Acek Desarrollo y Gestión Industrial S.L. to employees was based on the operation between significant shareholders in the first quarter of 2016 and the Group Management considered it was out of scope of IFRS 2.

Transfers in 2016 mainly corresponded to the transfer to the heading Public authorities of debit balances of Brazilian public authorities with Gestamp Brasil Industria de Autopeças, S.A. amounting to 8,161 thousand euros and to the loan granted by the subsidiary Gestamp Finance Slovakia S.R.O. to Gestión Global de Matricería S.L. amounting to 8,400 thousand euros.

a.3) Derivative financial instruments

Changes in valuation of financial instruments at December 31, 2016 correspond to the change in the present value of implicit derivatives mainly due to the decrease in notional hedged as well as to the evolution of the exchange rates applicable to sales and purchase prices in certain customer and supplier contracts (Note 21.b.1).

a.4) Other non-current financial assets

Changes in consolidation scope in 2017 correspond to the incorporation of subsidiary Gestamp Palau S.A. by full consolidation method (Note 2.b). The incorporation included a stake in the company Almatro S.L. valued in 1,273 thousand euros and the impairment of loans granted to third parties for the amount of -3,508 thousand euros (Note 12.a.2).

Additions in 2017 mainly correspond to deposits as guarantee for operating leases amounting to 572 thousand euros.

Disposals in 2017 mainly correspond to impairment reversal in Gestamp Palau, S.A. due to payment received from third parties for the amount of 3,119 thousand euros.

Additions in 2016 mainly correspond to deposits as guarantee for operating leases amounting to 3,088 thousand euros.

Disposals at December 31, 2016 mainly correspond to:

- ✓ The refund of deposits as guarantee for operating leases amounting to 1,629 thousand euros and the refund of legal deposits amounting to 213 thousand euros.
- ✓ The cancellation of the investment of Gestamp Manufacturing Autochasis in Beyçelik Craiova S.R.L. amounting to 100 thousand euros.

b) Current financial assets

Variation in current financial assets in 2017 and 2016 is as follows:

	Thousands of euros		
	Loans and receivables	Securities portfolio	Other financial assets
Balance at December 31, 2015	1,638	2,535	31,282
Changes in consolidation scope	-	-	-
Additions	6,245	104	12,608
Disposals	(5,572)	(2,300)	(3,817)
Transfers	8,720	-	(7,976)
Other movements	-	-	79
Translation differences	5	(1)	(322)
Balance at December 31, 2016	11,036	338	31,854
Changes in consolidation scope	(1,745)	-	-
Additions	234	2,255	15,845
Disposals	(191)	48	(15,081)
Transfers	-	-	-
Other movements	-	-	103
Translation differences	-	-	(948)
Balance at June 30, 2017	9,334	2,641	31,773

b.1) Current loans and receivables

Changes in 2017 consolidation scope correspond to current loans and receivables from Gestamp Palau, S.A., that were eliminated as part of consolidation process (Note 2.b).

Additions in 2016 mainly correspond to a new credit line granted by Gestamp Metalbages S.A. to ESSA Palau S.A. for 5,619 thousand euros. The loan earns an interest referenced to 3-month Euribor plus a 3% spread.

Disposals in 2016 mainly correspond to partial repayment of the credit line granted by Gestamp Metalbages S.A. to ESSA Palau S.A. for 3,550 thousand euros.

Transfers in 2016 mainly corresponded to the reclassification from long term of the loan granted by Gestamp Finance Slovakia S.R.O. to Gestión Global de Matricería S.L. for 8,400 thousand euros (heading a.2).

b.2) Current securities portfolio

Current securities portfolio at June 30, 2017 mainly correspond to short term deposits from the company Edscha do Brasil, for the amount of 2,593 thousand of euros, with maturity in the same year and average profitability between 4.5% and 5.5%.

In 2016 current securities portfolio mainly corresponded to short term deposits from the company Edscha do Brasil for the amount of 338 thousand of euros with an average profitability between 4.5% and 6%.

b.3) Other current financial investments

Additions in 2017 mainly correspond to bank deposits from the companies Gestamp Automotive Chennai Private Ltd and Gestamp Automotive India Private Ltd amounting to 8,329 thousand euros;

and a Satate administration deposit of the subsidiary Gestamp Servicios, S.A. for 3,295 thousand euros.

Disposals in 2017 mainly correspond to the cancellation of bank deposits from the companies Gestamp Córdoba, S.A., Gestamp Baires, S.A. y Gestamp Automotive Chennai Private Ltd. amounting to 14,476 thousand euros.

Additions in 2016 mainly corresponded to bank deposits from the companies Gestamp Automotive Chennai Private Ltd and Gestamp Automotive India Private Ltd amounting to 11,468 thousand euros.

Disposals in 2016 mainly corresponded to the cancellation of bank deposits from the company Gestamp Baires S.A. amounting to 1,583 thousand euros.

Transfers at December 31, 2016 mainly corresponded to:

- ✓ Reclassification of financial assets from the companies Gestamp Brasil Industria de Autopeças S.A. and Gestamp Automotive India Private Ltd amounting to 12,796 thousand euros and 4,054 thousand euros respectively. The maturity of those assets came to be less than three months so they were reclassified to the heading Cash and cash equivalents.
- ✓ Reclassification of financial assets from the company Gestamp Baires S.A. amounting to 9,372 thousand euros from the heading Cash and cash equivalents. The maturity of those assets came to be more than three months.

13. Inventories

The breakdown of inventories at June 30, 2017 and December 31, 2016 is as follows:

	Thousands of euros	
	June 30, 2017	2016
Commercial inventories	13,993	11,235
Raw materials	201,323	170,560
Parts and subassemblies	67,553	65,121
Spare parts	79,506	74,157
Packaging materials	4,643	5,035
Total cost of raw materials and other consumables	367,018	326,108
Work in progress	151,299	145,508
Finished products	137,821	137,923
Byproducts, waste and recovered materials	588	518
Prepayments to suppliers	69,533	51,822
Total cost of inventories	726,259	661,879
Impairment of raw materials	(10,700)	(10,044)
Impairment of other consumables	(7,962)	(7,729)
Impairment of work in progress	(3,913)	(4,359)
Impairment of finished products	(9,555)	(8,850)
Total impairment	(32,130)	(30,982)
Total inventories	694,129	630,897

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

Thousands of euros							
Change in inventories							
Balance at Dec 31, 2016	Impairment	Reversal of impairment	Changes in inventories	Total	Changes in consolidation scope	Balance at June 30, 2017	
Raw materials and other consumables		-	-	39,553		367,018	
Impairment of raw materials and other consumables	(4,329)	3,490	-	(839)	1,357	(18,662)	
Consumption (Note 24.a)	(4,329)	3,490	39,553	38,714	1,307	348,356	

Thousands of euros							
Change in inventories							
Balance at Dec 31, 2016	Impairment	Reversal of impairment	Changes in inventories	Total	Changes in consolidation scope	Balance at June 30, 2017	
Work in progress		-	-	315		151,299	
Finished products and byproducts		-	-	(32)	5,476	138,409	
Impairment of finished products and work in progress	(1,852)	1,614	-	(238)	(21)	(13,468)	
Changes in inventories (see Income Statement)	(1,852)	1,614	283	45	5,455	276,240	

Changes in consolidation scope correspond to the incorporation of the companies Gestamp Palau, S.A., MPO Providers Rezistent, S.R.L., Jui Li Edscha Body Systems Co., Ltd, Jui Li Edscha Holding Co., Ltd. and Jui Li Edscha Hainan Industry Enterprise Co., Ltd. (Note 3).

The inventories were not encumbered at June 30, 2017 and December 31, 2016.

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

a) Trade receivables

	Thousands of euros	
	June 30, 2017	2016
Trade receivables	1,003,980	843,048
Trade bills receivable	14,598	16,514
Accounts receivable by stage of completion, tools	351,135	279,677
Accounts receivable by stage of completion, machinery	20,443	2,976
Doubtful debts	1,608	770
Impairment losses	(7,147)	(4,736)
Trade receivables from related parties (Note 29)	44,723	31,676
Total	1,429,340	1,169,925

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

Accounts receivable by stage of completion correspond to the income recognized pending invoicing. There are no prepayments exceeding the stage of completion by customer. The amount of customer prepayments for tools under construction registered in the heading Accounts receivable by stage of completion, was 789 million euros at June 30, 2017 (December 31, 2016: 713 million euros).

The movement of the impairment provision at June 30, 2017 consisted of an increase of 1,258 thousand euros (December 31, 2016: 4.080 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 Argentinian banks, that were eliminated in the Interim Condensed Consolidated Balance Sheet amounted to 332,402 thousand euros and to 300,755 thousand euros at June 30, 2017 and December 31, 2016 respectively.

The expense of transferring non-due receivables balances at June 30, 2017 according to non-recourse factoring contracts amounted to 2,591 thousand euros (December 31, 2016: 5,350 thousand euros).

b) Other receivables

	Thousands of euros	
	June 30, 2017	2016
Debtors	29,422	18,796
Remuneration advances	5,091	1,937
Short-term loans to employees	678	86
Total	35,191	20,819

c) Current income tax assets

This line item amount to 37,768 thousand euros at June 30, 2017 (December 31, 2016: 35,306 thousand euros) and reflect the receivables balances related to corporate tax refunds of the Parent Company and group companies.

d) Public authorities

	Thousands of euros	
	June 30, 2017	2016
Sundry receivables from Public Authorities	177,804	150,431
VAT refund	145,483	106,865
Receivable grants	5,136	1,015
Corporate tax refund (a)	21,611	34,571
Others	5,574	7,980
Receivables from Social Security	676	408
Withholdings and installment payments on income tax	14,619	-
Total	193,099	150,839

(a) The 2017 and 2016 balances reflect receivables from corporate income tax declarations from prior years.

e) Other current assets

This line item, which at June 30, 2017 amount to 52,733 thousand euros (December 31, 2016: 26,240 thousand euros), mainly reflect 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	
	June 30, 2017	2016
Cash	441,095	403,789
Cash equivalents	7,072	26,674
Total	448,167	430,463

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

The breakdown by currencies and interest rates at June 30, 2017 and December 31, 2016 is as follows:

Company	June 30, 2017		
	Thousands of euros	Source currency	Interest rate range
Gestamp Brasil Industria de Autopeças S.A.	7,072	Brazilian reais	100%-101% CDI
Total	7,072		

Company	2016		
	Thousands of euros	Source currency	Interest rate range
Gestamp Severstal Vsevolozhsk Llc	1,855	Russian rubles	8.20%
Gestamp Brasil Industria de Autopeças S.A.	24,819	Brazilian reais	100%-101% CDI
Total	26,674		

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

15. Issued capital and share premium

The “Issued capital” and “Share premium” at June 30, 2017 and December 31, 2016 are as follows:

ITEM	June 30, 2017	December 31, 2016
No. of shares	575,514,360	4,795,953
Par value	0.50	60.10
	Thousands of euros	
Issued capital:		
Issued capital (par value)	287,757	288,237
	287,757	288,237
Share premium	61,591	61,591
Total issued capital + share premium	349,348	349,828

a) Share capital

As at December 31, 2016 the Parent Company’s share capital was represented by 4,795,953 registered shares indivisibles and accumulative with a par value of 60.10 euros each, fully subscribed and paid in, and all carrying the same rights and obligations.

On March 7, 2017 the following social agreements were registered:

- Share capital reduction in the nominal amount of 479.595,30 euros by reducing the nominal value of each one of the shares by the amount of 0.10 euro, creating a non-distributable reserve.
- Split the number of stakes by reducing the nominal value per share from 60 euros to 0.50 euro, in the proportion of 120 new stakes for every former one.

After these operations, and as shown on Note 1, the flotation of the Parent Company shares started on April 7, 2017. This process was conducted by means of an Initial Public Offering (IPO) for 155,388,877 shares representing a 27% of shareholding plus an additional sale equivalent of up to 15% of the shares initially offered. This later requirement materialized in the sale of 1,199,561 additional shares that represents a 0.21% of Gestamp Automoción, S.A. shares (Note 1).

The shareholding structure at June 30, 2017, after the agreements mentioned above, and at December 31, 2016, is as follows:

Shareholders	shareholding	
	June 30, 2017	December 31, 2016
Acek Desarrollo y Gestión Industrial, S.L.	21.17%	37.62%
Risteel Corporation, B.V.	-	10.75%
Gestamp 2020, S.L.	50.10%	50.10%
Employees	1.52%	1.53%
Free Float	27.21%	-

On February 1, 2016 ArcelorMittal Spain Holding S.L. and ArcelorMittal Aceralia Basque Holding S.L. formalized a private contract to sell their shareholding in the Parent Company to Acek Desarrollo y Gestión Industrial S.L. for 875 million euros.

This transaction implied that Acek Desarrollo y Gestión Industrial S.L. increased its shareholding in the Parent Company from the prior 54.25% to 89.25%.

On September 20, 2016 Acek Desarrollo y Gestión Industrial S.L. signed an investment agreement by which a 50.10% of shareholding in Gestamp Automoción S.A. was sold to Gestamp 2020 S.L., and Mitsui & Co. Ltd. acquired a 25% shareholding in Gestamp 2020 S.L. and thus indirectly a 12.525% shareholding in Gestamp Automoción S.A. On December 23, 2016, once the competence review was completed, the agreement entered into force.

In addition, in 2016 Acek Desarrollo y Gestión Industrial S.L. sold shares representing a 1.53% of shareholding in Gestamp Automoción S.A. to employees.

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

b) Share premium

The share premium of the Parent Company amounted to 61,591 thousand euros at June 30, 2017 and December 31, 2016.

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

16. Retained earnings

The changes in “Retained earnings” for 2017 and 2016 are as follows:

Thousands of euros	Legal reserve	Goodwill reserves	Unrestricted reserves	Reserves at fully consolidated entities	Reserves at associates	Profit for the year	Effective hedges	Total
AT JANUARY 1, 2017	46,129	4,455	187,679	957,080	(3,796)	221,354	(34,756)	1,378,145
Profit for the period	-	-	-	-	-	116,442	-	116,442
Fair value adjustments (hedge)	-	-	-	-	-	-	2,608	2,608
Actuarial gains and losses	-	-	-	(8)	-	-	-	(8)
Appropriation of 2016 profits	-	-	13,107	211,477	(3,230)	(221,354)	-	-
Dividends distributed by the Parent Company	-	-	(66,356)	-	-	-	-	(66,356)
Business combinations (Jui Li Eds. Body System., Co.Ltd Group and Gestamp Palau, S.A)	-	-	-	(5,113)	4,680	-	-	(433)
Increase in shareholding in controlled companies	-	-	-	(1,143)	-	-	-	(1,143)
Decrease in shareholding	-	-	480	-	-	-	-	480
Interest from participative loans	-	-	11,878	(11,878)	-	-	-	-
Put Option retrocession	-	-	-	(4,048)	-	-	-	(4,048)
AT JUNE 30, 2017	46,129	4,455	146,788	1,146,367	(2,346)	116,442	(32,148)	1,425,687

	Legal reserve	Goodwill reserves	Unrestricted reserves	Reserves at fully consolidated entities	Reserves at associates	Profit for the year	Effective hedges	Total
AT JANUARY 1, 2016	45,251	3,884	219,687	815,120	(3,508)	161,480	(32,125)	1,209,789
Profit for the period	-	-	-	-	-	91,510	-	91,510
Fair value adjustments (hedge)	-	-	-	-	-	-	(23,664)	(23,664)
Actuarial gains and losses	-	-	-	(16)	-	-	-	(16)
Appropriation of 2015 profits	878	571	7,480	152,839	(288)	(161,480)	-	-
Dividends distributed by the Parent Company	-	-	(48,444)	-	-	-	-	(48,444)
Interest from participative loans	-	-	8,956	(8,956)	-	-	-	-
Increase in shareholding in controlled companies due to purchase of non-controlling interest (Gestamp 2008, S.L.)	-	-	-	(7,821)	-	-	-	(7,821)
AT JUNE 30, 2016	46,129	4,455	187,679	951,166	(3,796)	91,510	(55,789)	1,221,354

16.1 Legal reserve

The Legal Reserve of the Parent Company amounted to 46,129 thousand euros at June 30, 2017 and at June 30, 2016.

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

16.2 Goodwill reserve

The Parent Company is required to set aside a non-distributable reserve equal to the amount of goodwill on its balance sheet which was eliminated in the consolidation process and amounted to 6,025 thousand euros at June 30, 2017 (December 31, 2016: 7,610 thousand euros). The amount of profit designated for this purpose must represent at least 5% of goodwill. If no profits are available or profits should prove to be insufficient, freely distributable reserves must be used for this purpose. The amount of the goodwill reserve amounted to 4,455 thousand euros at June 30, 2017 and at June 30, 2016. The amount provisioned in 2016 was 571 thousand euros.

16.3 Unrestricted reserves

The most significant movements in the Parent Company's unrestricted reserves as at June 30, 2017, apart from 2016 profit distribution, amount to 13,107 thousand euros (June 30, 2016: 7,480 thousand euros). These movements are included in the retained earnings detail shown above, and mainly correspond to:

- Dividend distribution by the Parent Company from unrestricted reserves at March 3, 2017, amounting 66,356 thousand euros. The dividend is utterly paid at June 30, 2017.
- Reclassification of participative loan interests, from reserves at fully consolidated companies in the amount of 11,878 thousand euros (June 30, 2016: 8,956 thousand euros).
- On March 7, 2017 the Parent Company share capital is reduced in the nominal amount of 480 thousand euros by reducing the nominal value of each share in the amount of 0.10 euro. A non-distributable reserve was created for this purpose. This reserve is not distributable to shareholders and may only be used with the same requirements as a share capital reduction (Note 15.a).

16.4 Availability of reserves at fully consolidated companies

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

The restrictions regarding the reserves mentioned above are the following:

a) 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 June 30, 2017 and June 30, 2016 amounts 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 June 30, 2017 and June 30, 2016 was 26,398 thousand euros.

c) Legal reserves at subsidiaries

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

The balance of these reserves at June 30, 2017 and June 30, 2016 amounts to 76,560 thousand euros and 74,152 thousand euros respectively.

d) Reserve from IFRS first application (January 1, 2007)

As a result of valuation of Property, plant and equipment at fair value, the land and buildings of certain subsidiaries were 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 reserves deriving from these revaluations, net of tax, amounts to 126 million euros at June 30, 2017 and 129 million euros at June 30, 2016 (Note 11). This reserve 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.

17. Translation differences

The breakdown of translation differences by country is as follows:

Segment / Country	Thousands of euros		
	June 30, 2017	2016	Difference
Western Europe			
Germany	65	440	(375)
Spain	(17,513)	12,909	(30,422)
France	-	(1)	1
Luxembourg	(1)	(1)	-
United Kingdom	(9,746)	(5,542)	(4,204)
Sweden	(4,272)	(3,756)	(516)
Eastern Europe			
Hungary	(2,494)	(2,011)	(483)
Poland	(27,226)	(34,413)	7,187
Czech Republic	(2,454)	(4,938)	2,484
Romania	(10)	-	(10)
Russia	(47,893)	(49,571)	1,678
Turkey	(34,617)	(31,296)	(3,321)
Mercosur			
Argentina	(78,242)	(75,834)	(2,408)
Brazil	5,516	11,381	(5,865)
North America			
USA	(20,018)	(1,254)	(18,764)
Mexico	(42,785)	(46,679)	3,894
Asia			
China	6,987	19,151	(12,164)
South Korea	5,072	4,363	709
India	2,914	3,489	(575)
Japan	(320)	186	(506)
Thailand	55	77	(22)
Taiwan	520	-	520
Total	(266,462)	(203,300)	(63,162)

Changes in translation differences for the second quarter of the year amount to 63,162 thousand euros (2016: 35,491 thousand euros), mainly corresponding to: Western Europe, mainly occurred in Spain and to a lesser extent in the UK, regarding the fluctuation of the British pound; Asia regarding the fluctuation of the Chinese yuan renminbi; Eastern Europe regarding to Polish zloty and to a lesser extent to Turkish lira fluctuation; North America regarding the fluctuation of US dollar and to a lesser extent to Mexican peso, and Mercosur regarding the fluctuation of Brazilian real.

18. Non-controlling interest

The changes in “Equity attributable to non-controlling interest” by company in 2017 and 2016 are as follows:

Company	Thousands of euros							At June 30, 2017
	At December 31, 2016	Changes in consolidation scope	Translation differences	Increase in shareholding in companies previously under control	Put Option	Other movements	Profit (loss)	
Gestamp Holding Rusia, S.L./Todlem, S.L./ Gestamp Seversta Vsevolozhsk UG./Gestamp Severstal Kaluga, UG.	21,225	-	127	-	-	(1,305)	(1,301)	18,746
Gestamp Auto Components (Kunshan) Co., Ltd./Gestamp Holding China, AB	36,971	-	(1,573)	-	-	341	145	35,884
Shanghai Edscha Machinery Co., Ltd.	11,166	-	(487)	-	-	(124)	929	11,484
Edscha Pha, Ltd.	4,700	-	56	-	-	29	868	5,653
Edscha Aapico Automotive Co. Ltd	1,183	-	(21)	-	-	(3)	177	1,336
Sofedit, SAS	30,245	-	-	-	-	-	3,633	33,878
Gestamp Wroclaw, sp. Z.o.o.	(4,844)	-	(159)	-	-	-	(482)	(5,485)
Gestamp Brasil Industria Autopeças, S.A.	27,504	-	(1,545)	-	13,752	49	(1,552)	38,208
Gestamp Holding Argentina, S.L. and Argentine companies	1,884	-	(987)	-	-	942	1,077	2,916
Gestamp Holding Mexico, S.L. and Mexican companies	58,907	-	1,682	-	-	29,454	357	101,047
Gestamp North America, INC and North American companies	73,598	-	(7,149)	-	-	36,799	1,188	101,187
Mursolar 21, S.L./Gestamp A. ShenYang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	39,114	-	(1,029)	-	-	-	1,878	43,774
Beyçelik Gestamp Kalip, A.S. / Çelik Form Otomotive, A.S./ Beyçelik Tooling, A.S./MPO Providers rez. S.R.L.	29,365	275	(1,668)	(3,307)	-	-	(115)	32,968
Gestamp Automotive India Private Ltd.	23,836	-	(285)	-	-	-	-	4,182
Beyçelik Gestamp Sasi, L.S.	(7,524)	-	(128)	-	-	-	37	(6,722)
Jui Li Edscha Body System Co. Ltd./Jui Li Edscha Hainan Industry Enterprise Co. Ltd./Jui Li Edscha Holding Co. Ltd.	-	1,889	233	-	-	-	(6)	2,224
Total	347,330	2,164	(12,933)	(3,307)	80,947	2,326	28,654	445,181

The most significant variations in “Non-controlling interest” at June 30, 2017 correspond to:

- Inclusion of the companies Beyçelik Tooling A.S., MPO Providers Rez, S.R.L., Gestamp Nitra S.R.O., Jui Li Edscha Body System Co, Ltd. and subsidiaries (Note 2.b).
- Increase in “Non-controlling interest” balance included in the Put Option column, corresponds to the reversal of a Put Option granted by the Parent Company to Mitsui & Co. Ltd., related to 10% of shares in subsidiaries companies in which Mitsui & Co. Ltd. was shareholder. The option was not exercised. (Note 21.d).
- Increase in shareholding in companies previously under control is due to Beyçelik Gestamp Kalip, A.S. acquisition of 48.4% shareholding in the subsidiary Çelik Form Gestamp Otomotive, A.S. (Note 2.b).
- “Other movements” in 2017 mainly corresponds to profit (loss) adjustments attributable to non-controlling interest in 2016.

Company	Thousands of euros									At December 31, 2016
	At December 31, 2015	Changes in consolidation scope	Capital increase	Translation differences	Distribution of dividends	Increase in shareholding in companies previously under control	Put Option	Other movements	Profit (loss)	
G Finance Luxemburgo, S.A.	51	(51)	-	-	-	-	-	-	-	-
Gestamp Holding Rusia, S.L./Todlem, S.L./ Gestamp Seversta Vsevolozhsk UG./Gestamp Severstal Kaluga, UG.	11,848	-	-	3,702	-	-	-	(427)	6,102	21,225
Gestamp Auto Components (Kunshan) Co., Ltd./Gestamp Holding China, AB	33,821	-	-	(1,215)	-	-	-	1,687	2,678	36,971
Gestamp 2008, S.L.	6,119	-	-	-	-	(6,119)	-	-	-	-
Edscha Briej S.A.S.	(11,053)	-	-	-	-	11,053	-	-	-	-
Edscha Santander, S.L.	13,466	-	-	-	-	(13,466)	-	-	-	-
Edscha Burgos, S.A.	(1,334)	-	-	-	-	1,334	-	-	-	-
Edscha do Brasil Ltda.	(1,079)	-	-	(190)	-	1,269	-	-	-	-
Shanghai Edscha Machinery Co., Ltd.	12,603	-	-	(475)	(2,169)	-	-	-	1,207	11,166
Edscha Pha, Ltd.	2,773	-	-	43	-	-	-	253	1,631	4,700
Edscha Aapico Automotive Co. Ltd	825	-	151	42	(168)	-	-	80	253	1,183
Gestamp Global Tooling, S.L.	11	-	-	-	-	-	-	-	(11)	-
Sofedit, SAS	21,722	-	-	-	-	-	-	(857)	9,380	30,245
Gestamp Wroclaw, sp. Z.o.o.	(478)	-	-	-	-	-	-	-	(4,368)	(4,844)
Gestamp Brasil Industria Autopeças, S.A.	35,242	-	-	6,162	-	-	(13,752)	495	(943)	27,504
Gestamp Holding Argentina, S.L. and Argentine companies	6,155	-	-	(2,199)	-	-	(942)	(197)	(933)	1,884
Gestamp Holding Mexico, S.L. and Mexican companies	96,135	-	-	(5,564)	(6,210)	-	(29,454)	(69)	4,069	58,907
Gestamp North America, INC and North American companies	105,911	-	-	3,683	-	-	(36,799)	(1)	804	73,598
Mursolar 21, S.L./Gestamp A. ShenYang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	37,526	-	-	(580)	-	-	-	(1,189)	3,357	39,114
Beyçelik Gestamp Kalip, A.S. / Çelik Form Otomotive, A.S.	28,214	(2,748)	-	(3,153)	-	-	-	106	6,946	29,365
Gestamp Automotive India Private Ltd.	16,953	-	-	351	-	-	-	-	6,552	23,836
Beyçelik Gestamp Sasi, L.S.	(8,826)	-	-	71	-	-	-	468	763	(7,524)
Total	406,585	(2,799)	151	680	(8,547)	(5,929)	(80,947)	349	37,787	347,330

The most significant variation in “Non-controlling interest” at December 31, 2016 corresponded to:

- Incorporation of the company Çelik Form Gestamp Otomotive, A.S. and exit from consolidation scope of the company G Finance Luxemburgo, S.A. (Note 2.b).
- Increase in shareholding in Gestamp 2008 S.L. Since there was already prior control in this company, there was a direct decrease in non-controlling interest of 6,119 thousand euros and

an indirect increase due to the investments of this company in other group companies of 190 thousand euros (Note 2.b).

- Decrease in “Non-controlling interest” included in the Put Option Colum, corresponds to the Put Option granted by the Parent Company to Mitsui & Co. Ltd., issued on December 23, 2016, in relation to 10% of shares in subsidiary companies (Note 21.d).
- “Other movements” in 2016 corresponds to profit (loss) adjustments attributable to non-controlling interests in 2015.

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

19. Deferred income

Deferred income includes grants relating to assets obtained by Group subsidiaries, pending release to the Interim Condensed Consolidated Income Statement.

The variation in this heading as at June 30, 2017 and December 31, 2016 is as follows:

	Thousands of euros
Balance at December 31, 2015	30,720
Additions	2,264
Disposals	(529)
Released income	(6,218)
Translation differences	(905)
Other movements	613
Balance at December 31, 2016	25,945
Additions	1,310
Disposals	(478)
Released income (Note 23.b))	(1,829)
Translation differences	(41)
Other movements	(44)
Balance at June 30, 2017	24,863

The additions correspond to grants received from public authorities for investments in plant and equipment and job-creation incentives.

The Group companies are able to meet all the requirements attaching to these grants to qualify as non-reimbursable grants.

Grants to be released to income next year are expected to be similar to the present year.

20. Provisions and contingent liabilities

The breakdown of provisions by concept in 2017 and 2016 is as follows:

	Thousands of euros					
	Non-current		Current		Total	
	June 30, 2017	2016	June 30, 2017	2016	June 30, 2017	2016
Provision for employee compensation	96,824	91,642	2,172	1,904	98,996	93,546
Provision for taxes	7,745	7,252	-	-	7,745	7,252
Provision for other responsibilities	39,790	55,259	16,855	16,168	56,645	71,427
	144,359	154,153	19,027	18,072	163,386	172,225

The changes in provisions during 2017 and 2016 are as follows:

	Thousands of euros			
	Provision for employee compensation	Provision for taxes	Provision for other responsibilities	Total
Balance at December 31, 2015	79,068	6,898	87,139	173,105
Changes in consolidation scope	-	-	125	125
Increase in allowance	20,568	1,074	20,712	42,354
Decrease	(2,396)	(905)	(38,291)	(41,592)
Translation differences	(169)	781	(93)	519
Other	(3,525)	(596)	1,835	(2,286)
Balance at December 31, 2016	93,546	7,252	71,427	172,225
Changes in consolidation scope	29	-	-	29
Increase in allowance	7,883	786	3,479	12,148
Decrease	(2,164)	(100)	(16,773)	(19,037)
Translation differences	45	(193)	(546)	(694)
Other	(343)	-	(942)	(1,285)
Balance at June 30, 2017	98,996	7,745	56,645	163,386

Provision for employee compensation

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

The provision for long term defined benefit plans is quantified considering the eventual affected assets according to the registration and valuation standards.

Increases in 2017 and 2016 mainly correspond to:

- Provisions for employee compensation regarding seniority awards and other benefits for staying in the company.
- Provisions based on actuarial calculations.
- Provisions for employee compensation regarding a long-term incentive plan for 5,555 thousand euros in 2016. This plan is aimed to certain employees considered as key by the Group management and the amount depends on the compliance with certain consolidated financial parameters in 2019 and 2020, established in the Group Strategic Plan elaborated in 2016. It will be paid in cash. The provision is based on the estimation of the compliance with those consolidated parameters which are linked to the fulfillment of the Group strategic plan. Such incentive plan is not related to the process for admission of the Group to official listing in the Madrid Stock Exchange.

Decreases in 2017 and 2016 mainly correspond to reversal of long term employee compensation provisions.

Provision for taxes

The Group basically registers the estimated amount of tax debts related to tax assessments currently appealed and others whose amount or payment date is uncertain.

Decreases in 2017 and 2016 mainly correspond to the application of provisions relating to tax assessments.

Provision for other responsibilities

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

In 2016 a provision for the amount 5,309 thousand euros was made with the purpose of reestablishing the financial position of the company Gestamp Palau S.A., included in the consolidation scope by the equity method (Note 12.a). In 2017, with the integration of the company Gestamp Palau, S.A. in the consolidation scope as fully consolidated (Note 2.b), this provision was reversed.

Decreases in 2016 correspond to the reversal of provisions for onerous contracts from Gestamp Vendas Novas Lda., company belonging to Western Europe segment. This reversal was registered in the heading "Other operating expenses" for the amount of 2,090 thousand euros.

In 2016 a reversal for the amount of 26,850 thousand euros was made as a result of risk revaluation in a provision from 2015 for risks on commercial activity. The provision was related to operating expenses valued on 50,000 thousand euros that were registered as consumables and other operating expenses. In 2017 an additional amount of 5,000 thousand euros was reversed.

This line item also includes provisions for risks related to personnel restructuring, commercial disputes and claims from suppliers.

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

As at June 30, 2017 and December 31, 2016 there are no significant contingent liabilities.

21. Non-trade liabilities

The breakdown of non-trade liabilities at June 30, 2017 and December 31, 2016 classified by concepts is as follows:

Item		Thousands of euros				
		Non current		Current		
		June 30, 2017	2016	June 30, 2017	2016	
a) Interest-bearing loans and borrowings	a.1)	2.183.385	1.548.305	a.2)	259.569	419.294
b) Derivative financial instruments	b.1)	80.362	87.983		-	-
c) Other financial liabilities		<u>125.659</u>	<u>132.805</u>		<u>3.044</u>	<u>5.922</u>
Financial leasing	c.1)	29.596	30.096	c.1)	2.092	3.478
Borrowings from related parties	c.2)	59.195	67.718	c.2)	952	2.444
Other liabilities	c.3)	36.868	34.991	c.3)	-	-
d) Other non-trade liabilities	d)	6.985	10.358		199.791	290.820
Total		2.396.391	1.779.451		462.404	716.036

a) Interest-bearing loans and borrowings

a.1) Non-current interest-bearing loans and borrowings

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

Description	Thousands of euros						2016 Total
	June 30, 2017						
	July 2018 to June 2019	July 2019 to June 2020	July 2020 to June 2021	July 2021 to June 2022	Beyond	Total	
In Euros	285,440	430,550	674,528	83,704	682,270	2,156,492	1,528,472
Western Europe	274,759	426,202	672,481	81,656	681,725	2,136,823	1,511,689
Eastern Europe	10,681	4,348	2,047	2,048	545	19,669	16,783
In foreign currency	15,240	4,834	2,973	2,553	1,293	26,893	19,833
Brazilian reais							
Mercosur	3,300	3,292	2,343	1,479	1,293	11,707	14,198
Turkish Lira							
Eastern Europe	10,178	936	630	90	-	11,834	-
Czech Crowns							
Europa oriental	1,261	606	-	-	-	1,867	2,510
Remimbi Yuan							
Asia	-	-	-	-	-	-	2,726
Romanian Leu							
Eastern Europe	-	-	-	984	-	984	-
Korean wons							
Asia	163	-	-	-	-	163	399
Russian ruble							
Eastern Europe	328	-	-	-	-	328	-
Indian rupees							
Asia	10	-	-	-	-	10	-
Total	300,680	435,384	677,501	86,257	683,563	2,183,385	1,548,305

The breakdown of maturity dates for the balances at December 31, 2016 is as follows:

Thousands of euros					
2016					
2018	2019	2020	2021	Beyond	Total
99,950	159,279	250,027	390,619	648,430	1,548,305

The guarantees granted are personal guarantees of the borrower.

As at December 31, 2016 the loans granted to the Griwe Subgroup (belonging to the Western Europe segment) were repaid. These loans were additionally secured by the property, plant and equipment financed by these loans and, thus, there are no real guarantees over loans at December 31, 2016 nor at June 30, 2017 (Note 11).

It also exists real and related guarantees in the description of individual financial arrangements included in this Note.

The nominal interest rate on the loans at June 30, 2017 is as follows:

	<u>Interest rate</u>
• Loans denominated in euros	1.00% - 0.90%
• Loans denominated in Brazilian real*	4.50% - 8.50%
• Loans denominated in Korean won	3.60%
• Loans denominated in US dollar	1.45% - 2.10%

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

The nominal interest rate on the loans at December 31, 2016 is as follows:

	<u>Interest rate</u>
• Loans denominated in euros	1.00% - 1.45%
• Loans denominated in Brazilian real*	4.50% - 8.50%
• Loans denominated in Korean won	3.60%
• Loans denominated in US dollar	1.45% - 2.10%

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

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

I) 2012 Bank of America Loan and 2013 Syndicated Loan (modified in 2016)

On May 20, 2016 the Parent Company signed an agreement modifying the syndicated loan from April 2013. The agreement modified the amount granted (increase of 340 million euros, tranche A2) and certain loan conditions.

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

On March 21, 2017, maturity date of the contract, the loan signed between the Parent Company and Bank of America was completely paid.

The most relevant information regarding interest-bearing loans and borrowings subject to covenants at June 30, 2017 and December 31, 2016 is as follows:

Entity	Initial date	Modification agreement date	Amount granted	Maturity date	Financial obligations	Restrictions
Bank of America Securities Limited	March 21, 2012		60 million euros	March 21, 2017	<p>"Net debt/EBITDA" below 3.50x</p> <p>"EBITDA/Financial expense" above 4.00x</p>	N/A
Group of banks	April 19, 2013	May 20, 2016	<p>Tranche A1: 532 million euros</p> <p>Tranche A2: 340 million euros</p> <p>Revolving Credit Facility: 280 million euros</p>	<p>Tranche A1: May 31, 2021</p> <p>Tranche A2: May 31, 2021</p> <p>Revolving Credit Facilities: May 31, 2021</p>	<p>"Net debt/EBITDA" below or equal 3.50x</p> <p>"EBITDA/Financial expense" above 4.00x</p>	<p>Limitation for the dividends distribution:</p> <p>- Dividends can be no more than 50% of the consolidated profit</p>

The outstanding amount of the syndicated loan, granted to the Parent Company, is registered as long-term in the amount of 832,851 thousand euros and as short-term in the amount of 39,244 thousand euros.

The Revolving Credit Facility granted, amounting to 280,000 thousand euros, was undrawn neither at June 30, 2017 nor at December 31, 2016.

As at June 30, 2016 and December 31, 2016, the Parent Company is not in breach of any of these covenants.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the mentioned loans. These companies are specified in Annex III.

II) May 2013 and May 2016 Bonds

On May 2013, the Group completed an issuance of bonds through its subsidiary Gestamp Funding Luxembourg, S.A., a company belonging to the Western Europe segment. This issuance was carried out in two tranches, one amounting to 500 million euros with an interest rate of 5.875%, and the other amounting to 350 million dollars with a 5.625% interest rate.

The initial maturity date of the bonds was May 31, 2020 and interest are payable every six months (November and May).

On September and October 2015, the Group acquired a part of the issued bonds for 16,702 thousand dollars and 5,500 thousand euros.

On May 11, 2016, a new issuance of bond by the subsidiary Gestamp Funding Luxembourg, S.A. was made for the amount of 500 million euros with a spread rate of 3.5%. This new issue of bonds was used to fully cancel the May 2013 bond emission plus interest payments.

After the required analysis, this transaction was considered to be a bond refinancing operation due to there was no substantial change in the debt.

The tranche A2 of the new syndicated loan for 340 million euros granted on May 20 (heading I) was used on June 17, 2016 to fully cancel the US dollar bond issued in May 2013 plus interest payments.

After the required analysis, this re-financing was considered new debt and as a result was registered a financial expense for the amount of 9.8 million euros in the Interim Condensed Consolidated Income Statement at December 31, 2016.

The maturity date of the new bond is May 15, 2023 with coupon payable every six months (in November and May).

The carrying value of the May 2016 bond emission at June 30, 2017 amounts to 476 million euros (December, 31 2016: 486 million euros). The carrying value of the May 2013 bonds at December 31, 2015 at the exchange rate of the said date amounted to 793 million euros (489 million euros and 304 million euros corresponding to the euro and dollar bond respectively).

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of the bonds. These companies are specified in Annex III.

III) European Investment Bank

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

The loan term is seven years with maturity on June 22, 2023. The Parent Company must accomplish certain financial obligations related to Consolidated Financial Statements over the life of the loan. The mentioned obligations are as follows:

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

It also exists a limitation on dividends distribution such that dividends each year can be no more than 50% of the consolidated net income.

Parent Company ratios accomplished both covenants either on June 30, 2017 and December 31, 2016.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of this loan. These companies are specified in Annex III.

a.2) Current interest-bearing loans and borrowings

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

Description	Thousands of euros											
	Credit facilities				Loans (b)		Accrued interest (c)		Discounted bills (d)		(a)+(b)+(c)+(d)	
	Drawn down (a)		Limit		June 30, 2017	2016	June 30, 2017	2016	June 30, 2017	2016	June 30, 2017	2016
In Euros	74,130	109,629	549,800	528,800	89,738	246,478	8,749	7,987	12,119	88	184,736	364,182
Western Europe	74,130	109,629	549,800	528,800	81,218	229,557	8,517	7,701	12,119	88	175,984	346,975
Eastern Europe	-	-	-	-	4,432	15,067	192	273	-	-	4,624	15,340
Asia	-	-	-	-	4,088	1,854	40	13	-	-	4,128	1,867
In foreign currency	24,189	8,484	177,172	46,600	49,469	46,313	1,175	315	-	-	74,833	55,112
US dollars												
North America	-	-	-	-	17,798	19,017	-	-	-	-	17,798	19,017
Eastern Europe	2,068	-	27,943	-	-	-	-	-	-	-	2,068	-
Turkish lira												
Eastern Europe	-	772	-	5,199	11,956	6,747	1,087	282	-	-	13,043	7,801
Argentine pesos												
Mercosur	-	-	-	-	3,629	-	-	-	-	-	3,629	-
Brazilian reais												
Mercosur	-	-	-	-	3,491	4,119	11	12	-	-	3,502	4,131
Indian rupees												
Asia	18,073	4,850	62,746	33,763	661	212	-	-	-	-	18,734	5,062
Remimbi Yuan												
Asia	4,048	2,862	84,876	6,064	5,881	14,485	74	20	-	-	10,003	17,367
Czech Crowns												
Eastern Europe	-	-	-	-	1,261	1,255	-	-	-	-	1,261	1,255
Romanian Leu												
Eastern Europe	-	-	-	-	4,246	-	-	-	-	-	4,246	-
Korean wons												
Asia	-	-	1,599	1,574	483	478	3	1	-	-	486	479
Russian ruble												
Eastern Europe	-	-	8	-	63	-	-	-	-	-	63	-
Total	98,319	118,113	726,972	575,400	139,207	292,791	9,924	8,302	12,119	88	259,569	419,294

The Group had approximately 567 million euros in with-recourse and non-recourse factoring and available discounting facilities at June 30, 2017 (569 million euros at December 31, 2016).

Interest rate on the credit facilities is basically indexed to a floating rate of Euribor plus a spread between 0.50% and 0.75% in 2017 and 2016.

b) Derivative financial instruments

b.1) Interest rate derivatives and exchange rate derivatives

The Interim Condensed Consolidated Balance Sheet register the fair value of interest rate hedges and the fair value of derivatives held for trading contracted by the Group:

Description	Thousands of euros	
	June 30, 2017	2016
Financial assets - derivatives (Note 12.a.3))	21,712	25,710
Others	21,712	25,710
Financial liabilities - derivatives	80,362	87,983
Derivatives held for trading	13,123	13,123
Cash flow hedges	45,527	49,150
Others	21,712	25,710

The interest rate swaps, arranged by the Group, in place at June 30, 2017 and December 31, 2016 are the following:

Contract	Item	Thousands of euros			
		June 30, 2017		2016	
		Asset	Liability	Asset	Liability
1	Derivatives held for trading	-	4,277	-	4,277
2	Derivatives held for trading	-	5,484	-	5,484
5	Derivatives held for trading	-	3,362	-	3,362
Total derivatives held for trading		-	13,123	-	13,123
1	Cash flow	-	9,662	-	10,494
2	Cash flow	-	20,054	-	20,889
3	Cash flow	-	6,085	-	6,796
4	Cash flow	-	2,750	-	3,432
5	Cash flow	-	6,976	-	7,539
Total cash flow hedges		-	45,527	-	49,150

As at June 30, 2017 the Group arranges a strategy to hedge interest rate risk on notional of the Group's estimated bank debt for the period from 2017 to 2021, via several interest rate swaps with the following notional amounts at December 31 of each year in thousands of euros:

Year	Contract 1	Contract 2	Contract 3	Contract 4	Contract 5
2017	140,000	320,000	77,835	110,000	110,000
2018	140,000	320,000	77,835	110,000	110,000
2019	140,000	320,000	77,835	-	110,000
2020	140,000	320,000	77,835	-	110,000

The interest rate swaps, arranged by the Group, in place at June 30, 2017 have the following terms:

Contract	Effective date	Maturity date	Floating rate (to be received)	Fixed rate (to be paid)
Contract 1	July 1, 2015	January 4, 2021	3-month Euribor	0.25% (2015), 0.45% (2016), 1.20% (2017), 1.40% (2018), 1.98% (2019) and 2.15% (2020)
Contract 2	July 14, 2015	January 4, 2021	1-month Euribor	0.25% (2015-2016-2017), 1.40% (2018), 1.98% (2019) and 2.15% (2020)
Contract 3	January 2, 2015	January 4, 2021	3-month Euribor	1.24% (2015), 1.48% (2016), 1.66% (2017), 1.99% (2018) and 2.09% beyond 1.26%
Contract 4	April 2, 2014	January 2, 2019	3-month Euribor	
Contract 5	July 1, 2015	January 4, 2021	3-month Euribor	0.15% (2015), 0.40% (2016), 1.00% (2017), 1.25% (2018), 1.80% (2019) and 2.05% (2020)

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

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

Thousands of euros	
June 30, 2017	
2017	(5,917)
2018	(12,942)
2019	(13,493)
2020	(13,175)
Total	(45,527)

Thousands of euros	
2016	
2017	(8,680)
2018	(12,766)
2019	(13,800)
2020	(13,904)
Total	(49,150)

As at June 30, 2017 the Group has transferred from Equity to the Interim Condensed Consolidated Income Statement, the amount of 3,688 thousand euros (expense) as a result of liquidations carried out in the corresponding year to cash flow (interest rate) hedges. In 2016, expense recognized on the same basis amounted to 5,927 thousand euros.

In 2017, the Group has not recognized expense in the Interim Condensed Consolidated Income Statement relating to changes in value neither of derivatives held for trading, nor to hedges inefficiency. In 2016 the Group recognized expense amounting to 13,099 thousand euros in the Interim Condensed Consolidated Income Statement relating to changes in value of derivatives held for trading and expense amounting to 877 thousand euros relating to hedges inefficiency.

The effect of financial instruments in retained earnings in 2017 and 2016 is as follows:

	Thousands of euros
Fair value adjustment at December 31, 2015	(32,125)
Variation in fair value adjustment	(2,631)
Variation in deferred tax from financial instruments	1,023
Variation in derivative financial instruments (liabilities)	(4,531)
Effect in profit due to hedge inefficiency	877
Fair value adjustment at December 31, 2016	(34,756)
Variation in fair value adjustment	2,608
Variation in deferred tax from financial instruments	(1,015)
Variation in derivative financial instruments (liabilities)	3,623
Effect in profit due to hedge inefficiency	-
Fair value adjustment at June 30, 2017	(32,148)

“Others” includes the present value of implicit derivatives of exchange rates applicable to sales and purchases prices in certain customer and suppliers contracts (Note 12.a.3).

b.2) Net investment hedges

According to Note 21.a.1.II the bond issued by the subsidiary Gestamp Funding Luxembourg, S.A. amounting to 350 million US dollars, was classified as hedge in net investment in subsidiaries located in the United States. On June 17, 2016 this bond was purchased and fully cancelled (Note 22.a.1.II).

This bond covered the Group exposure to the exchange rate risk of these investments. The gains and losses arising in the conversion of the debt are included in consolidated equity under the heading Translation differences to compensate the possible gains and losses due to the conversion of the net investment in the subsidiaries.

Since this bond is considered a hedge instrument, the result generated in the conversion of the debt is included (net of tax effect) in consolidated equity under the heading Translation differences. The result amounted to 11,760 thousand euros in profit in 2016 (8,467 thousand euros net of taxes).

Cumulative translation differences through June 17, 2016 (date of the cancellation of the US dollar bonds) led to a loss of 46,813 thousand euros (33,706 thousand euros net of taxes).

The net investment in these subsidiaries includes the investment in the equity of the subsidiaries and the loans in US dollars granted to those subsidiaries by Group companies whose functional currency is Euro.

Although the bond was issued in US dollar by Gestamp Funding Luxembourg, S.A on May, 2013, the hedging relationship was not established for accountancy purposes until January 1, 2014. As at June 17, 2016 there was no hedge inefficiency.

c) Other liabilities

c.1) Financial leasing

The finance lease commitments, recognized under this heading, correspond to the present value of the payment commitments on the finance leases outlined in Note 11. The payment schedule for these lease payments and the corresponding finance expenses are as follows:

Thousands of euros							
June 30, 2017							
Segment	Present value of lease obligations				Total	Future financial expenses	Financial lease installments
	Short term		Long term				
	Less than one year	Between one and five years	More than five years				
North America	865	4,508	15,403	19,911		5,755	26,531
Eastern Europe	1,184	7,681	2,004	9,685		1,064	11,933
Western Europe	43	-	-	-		1	44
Total	2,092	12,189	17,407	29,596		6,820	38,508

2016							
Thousands of euros							
Segment	Present value of lease obligations				Total	Future financial expenses	Financial lease installments
	Short term		Long term				
	Less than one year	Between one and five years	More than five years				
North America	1,101	4,778	16,777	21,555		6,453	29,109
Eastern Europe	2,313	7,701	830	8,531		1,562	12,406
Western Europe	64	10	-	10		3	77
Total	3,478	12,489	17,607	30,096		8,018	41,592

c.2) Borrowings with related parties

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

Description	Thousands of euros			
	Long term		Short term	
	June 30, 2017	2016	June 30, 2017	2016
Loans (Note 29)	34.939	42.420	94	-
Fixed assets suppliers (Note 29)	24.256	25.298	-	-
Interest (Note 29)	-	-	858	2.413
Current accounts (Note 29)	-	-	-	31
Total	59.195	67.718	952	2.444

As at June 30, 2017 and December 31, 2016 the balance of long term fixed assets suppliers with Acek, Desarrollo y Gestión Industrial, S.L. corresponds to the purchase of the GESTAMP brand.

On June 22, 2017 the loan that the subsidiary Gestamp Severstal Kaluga, Ll., from Eastern Europe segment, borrowed from its minor shareholder JSC Karelsky was partially paid (Note 29).

The breakdown of expected maturities for borrowings with related parties is as follows (Note 29):

Description	Thousands of euros					Total June 30, 2017	Total 2016
	July 2018 to June 2019	July 2019 to June 2020	July 2020 to June 2021	July 2021 to June 2022	Beyond		
Loans	34,939	-	-	-	-	34,939	42,420
North America	19,440	-	-	-	-	19,440	20,771
Eastern Europe	15,499	-	-	-	-	15,499	21,649
Fixed assets suppliers	1,110	1,183	1,260	1,343	19,360	24,256	25,298
Western Europe	1,110	1,183	1,260	1,343	19,360	24,256	25,298

The breakdown of maturity dates for the balances at December 31, 2016 is as follows:

	Thousands of euros					Total
	2016					
	2017	2018	2019	2020	Beyond	
	21,813	22,759	1,183	1,260	20,703	67,718

Interest rates of loans granted by related parties are at market value.

c.3) Other liabilities

Other non-current liabilities

The breakdown of the amounts included under this heading, by nature and maturity, at June 30, 2017 and December 31, 2016 is as follows:

Description	Thousands of euros					Total June 30, 2017	Total 2016
	July 2018 to June 2019	July 2019 to June 2020	July 2020 to June 2021	July 2021 to June 2022	Beyond		
Loans from Ministry of Science and Technology	10,403	5,916	5,611	4,975	9,963	36,868	34,991

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

The breakdown of maturity dates for the balances at December 31, 2016 is as follows:

Thousands of euros					
2016					
2018	2019	2020	2021	Beyond	Total
6,316	5,920	5,559	5,007	12,189	34,991

d) Other non-trade liabilities

The breakdown of the amounts included under this heading by maturity and segment at June 30, 2017 and December 31, 2016 is as follows:

Description	Thousands of euros						Total June 30, 2017	2016
	July 2018 to June 2019	July 2019 to June 2020	July 2020 to June 2021	July 2021 to June 2022	Beyond			
Guarantees received	6	-	-	-	386	392	392	
Western Europe	6	-	-	-	384	390	390	
Mercosur	-	-	-	-	2	2	2	
Fixed assets suppliers	197	69	81	95	17	459	510	
Western Europe	138	-	-	-	-	138	138	
Mercosur	59	69	81	95	17	321	372	
Other creditors	1,991	1,491	566	1,459	627	6,134	9,456	
Western Europe	1,963	1,485	566	854	627	5,495	6,780	
Eastern Europe	-	-	-	605	-	605	2,303	
Mercosur	28	6	-	-	-	34	373	
Total	2,194	1,560	647	1,554	1,030	6,985	10,358	

The breakdown of maturity dates for the balances at December 31, 2016 is as follows:

Thousands of euros					
2016					
2018	2019	2020	2021	Beyond	Total
5,857	1,200	810	957	1,534	10,358

Other current liabilities

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

Item	Thousands of euros	
	June 30, 2017	2016
Fixed assets suppliers	155.784	182.953
Other suppliers (Note 29)	1.076	1.050
Dividends (Note 29)	5	848
Short term debts	42.964	29.156
Put Option	-	76.900
Short term interests payable	207	16
Deposits and guarantees	260	140
Others	(505)	(243)
Total	199.791	290.820

On December 23, 2016 the Parent Company granted a Put Option to Mitsui & Co. Ltd. for 10% of the shares in certain subsidiaries. The Put Option was valued according to the calculation method established in the contract, based on a multiplier of EBITDA generated in 2016 by the subsidiaries

included in the put option. This option would be exercisable within 45 days after the notification to Mitsui & Co. Ltd. of the intention to start a process for admission to official listing in the Madrid Stock Exchange.

On February 24, 2017 Mitsui & Co. Ltd notified irrevocably that the Put Option will not be exercised, and consequently the recognition of this option was cancelled (Note 18).

22. Trade and other payables

a) Trade payables

	Thousands of euros	
	June 30, 2017	2016
Trade accounts payable	1,036,230	978,617
Trade bills payable	143,156	147,166
Suppliers from related parties (Note 29)	268,211	226,348
Trade creditors, related parties (Note 29)	4,370	4,013
Total	1,451,967	1,356,144

b) Other payables

	Thousands of euros	
	June 30, 2017	2016
VAT payable	105,930	60,682
Tax withholdings payable	6,750	12,910
Other items payable to the tax authorities	18,925	18,101
Payable to social security	32,386	28,124
Other payables	11,488	14,918
Outstanding remuneration	134,431	109,819
Advances received from clients	10,270	-
Total	320,180	244,554

23. Operating revenue

a) Revenue

The breakdown of revenue by category in 2017 and 2016 is as follows:

	Thousands of euros	
	For the six months ended June 30,	
	2017	2016
Parts, prototypes and components	3.713.284	3.500.035
Tools	276.848	138.585
Byproducts and containers	134.462	97.375
Services rendered	6.567	5.179
Total	4.131.161	3.741.174

b) Other operating income

	Thousands of euros	
	For the six months ended June 30,	
	2017	2016
Other operating income	15,504	14,831
Grants related to income	589	1,022
Grants related to assets released to income for the year (Note 19)	1,829	3,060
Surplus provision for environmental matters and other commitments	561	1,715
Own work capitalized	33,334	40,501
Others	2,863	651
Adjustments from prior years	(1,790)	(1,842)
Other	4,653	2,493
Total	54,680	61,780

Other operating income in 2017 and 2016 mainly include third party billing for transactions different from the main activity of the companies.

24. Operating expenses

a) Raw materials and other consumables

	Thousands of euros	
	For the six months ended June 30,	
	2017	2016
Purchases of goods and tools for resale	291,357	424,613
Discounts for prompt payment	(773)	(892)
Purchase returns and similar transactions	754	(906)
Volume discounts	(3,637)	(3,801)
Change in inventories (**)	(39,553)	(37,180)
Purchases of raw materials	1,510,833	1,339,462
Consumption of other supplies	479,955	344,501
Work performed by third parties	202,069	167,614
Impairment of goods for resale and raw materials (**)	4,329	3,567
Reversal of impairment of goods for resale and raw materials (**)	(3,490)	(2,090)
Total	2,441,844	2,234,888

**The total of these line items amounts to a net consumption of raw materials of 38,714 thousand euros (Note 13).

b) Personnel expenses

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

	Thousands of euros	
	For the six months ended June 30,	
	2017	2016
Salaries	605,472	515,259
Social security	102,850	111,885
Other benefit expenses	50,590	45,353
Total	758,912	672,497

Other benefit expenses included the contributions to defined contribution plans amounting to 2.461 million euros in 2017 (2016: 3.119 million euros) (Note 6.16).

The breakdown of headcount by sex at June 30, 2017 and June 30, 2016 is as follows:

	June 30, 2017	June 30, 2016
Men	31,861	29,836
Women	6,075	5,350
Total	37,936	35,186

c) Other operating expenses

	Thousands of euros	
	For the six months ended June 30,	
	2017	2016
Maintenance and upkeep	324,803	283,290
Other external services	188,520	184,678
Taxes and levies	18,154	16,954
Impairment of accounts receivable (Note 14.a)	1,258	2,460
Others	64	1,006
Losses and impairment of assets	162	-
Provision for risks and expenses	(98)	1,006
Total	532,799	488,388

25. Financial income and financial expenses

a) Financial income

	Thousands of euros	
	For the six months ended June 30,	
	2017	2016
From equity investments	1	1
Other financial income	1,533	3,429
From current loans to related parties (Note 29)	43	115
From non-current loans to third parties	157	-
Total	1,734	3,545

b) Financial expenses

	Thousands of euros	
	For the six months ended June 30,	
	2017	2016
On bank borrowings	38,195	40,568
On trade bills with credit institutions	2,380	971
Other financial expenses	4,931	6,355
On update provisions	-	19
On borrowings from related parties (Note 29)	2,269	2,985
Total	47,775	50,898

26. Income tax

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

- From January 1, 2014 on, the Parent Company chooses to apply the special fiscal consolidation regime, regulated under Basque Regional Law 11/2013. The subsidiaries included in this fiscal group are Gestamp Bizkaia, S.A; Bero Tools, S.L.; Gestamp North Europe Services, S.L., Loire S.A.F.E., Gestamp Global Tooling S.L., Matricerías Deusto S.L., Adral Matricería y Puesta a Punto S.L., Gestamp Tool Hardening S.L., Gestamp Try Out Services S.L., Gestamp Technology Institute S.L. and Diede Die Development S.L.

- The subsidiaries Gestamp North America, Inc., Gestamp Alabama, Ll., Gestamp Mason, Ll., Gestamp Chattanooga, Ll., Gestamp Chattanooga II Ll., Gestamp South Carolina, Ll., Gestamp West Virginia, Ll. and Gestamp Washtenaw Ll. file a tax return according to fiscal transparency system.
- The subsidiaries Gestamp 2008, S.L., Edscha Santander, S.L. and Edscha Burgos, S.L. file a consolidated tax return.
- The subsidiaries Griwe Innovative Umforttechnik, GmbH. Griwe Werkzeug Produktions GmbH and Griwe System Produktions GmbH file a tax return according to a profit and loss transfer agreement.
- The subsidiaries Edscha Holding, GmbH, Edscha Automotive Hengersberg, GmbH, Edscha Automotive Hauzenberg, GmbH, Edscha Engineering, GmbH, Edscha Kunststofftechnik GmbH, Edscha Hengersberg Real State GmbH and Edscha Hauzenberg Real State GmbH file a tax return according to a profit and loss transfer agreement.
- The subsidiaries GMF Holding, GmbH and Gestamp Umformtechnik, GmbH file a tax return according to a profit and loss transfer agreement.
- The subsidiaries Gestamp Sweden, AB and Gestamp HardTech AB file a tax return according to a profit and loss transfer agreement.

The detail of income taxes in 2017 and 2016, in thousands of euros, is as follows:

	Thousands of euros	
	For the six months ended June 30,	
	2017	2016
Current tax expense	55,165	26,751
Deferred tax	(5,346)	14,177
Total	49,819	40,928

27. Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

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

Basic and diluted earnings per share for 2017 and 2016 are as follows:

	For the six months ended June 30,	
	2017	2016 (*)
Profit attributable to equity holders of the parent company (Thousands of euros)	116,442	91,510
Weighted average number of ordinary shares outstanding (Thousands of shares)	575,514	575,514
Basic earnings per share from continuing operations (Euros per share)	0.20	0.16
Diluted earnings per share from continuing operations (Euros per share)	0.20	0.16

(*) On March 2017 the Parent Company splitted the number of shares in the proportion of 120 new shares for every former one (Note 15). To made comparable both exercises, 2016 figures assumption is that operation also occurred in 2016.

28. Commitments

The Group is lessee of buildings, warehouses, machinery and vehicles. The lease expenses charged as at June 30, 2017 in the Interim Condensed Consolidated Income Statement amount to 62,311 thousand euros (June 30, 2016: 51,670 thousand euros) and the breakdown by segment is as follows:

	Thousands of euros	
	For the six months ended June 30,	
	2017	2016
Western Europe	34,172	31,696
Eastern Europe	6,038	4,942
Mercosur	1,731	1,366
North America	15,844	9,583
Asia	4,526	4,083
Total	62,311	51,670

Total future minimum payments for non-cancellable operating lease contracts as at June 30, 2017 and December 31, 2016 by segment are as follows:

	Thousands of euros		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Western Europe	46,361	99,871	95,584
Eastern Europe	2,805	11,982	1,905
Mercosur	2,622	1,150	-
North America	29,731	115,965	60,545
Asia	4,790	7,987	2,269
At June 30, 2017	86,309	236,955	160,303

	Thousands of euros		
	Less than 1 year	Between 1 and 5 years	More than 5 years
At December, 2016	85,872	241,645	158,004

The increase in future minimum payments from 2016 to 2017 mainly corresponded to the renegotiation of already existing agreements and to the signature of new agreements (mainly related to property, plant and equipment) in companies belonging to the Western Europe and North America segments.

The commitments acquired by Group companies relating to the acquisition of fixed assets amounted to 1,416 million euros at June 30, 2017. Of those, 9% referred to orders from 2014, 18% from 2015, 50% from 2016 and 23% from 2017. It is likely that the execution of these orders will be from 2017 to 2020.

Additionally, the commitments acquired at December 31, 2016 amounted to 895 million euros. These commitments mainly refer to projects from new plants for manufacturing parts already nominated by customers to our Group.

The Group has no guarantees granted to third parties. The guarantees received from financial entities by the Group and presented to third parties at June 30, 2017 amounted to 328 million euros (2016: 305 million euros).

29. Related party transactions

The breakdown of receivables from and payables to Related Parties as at June 30, 2017 and December 31, 2016 is as follows:

Balance at June 30, 2017			
Company	Thousands of euros	Company	Thousands of euros
Shareholders		Associates	
Mitsui &Co., Ltd	(19,440)	Acek, Desarrollo y Gestión Industrial, S.L	(279)
JSC Karelsky Okatysh	(15,499)	JSC Karelsky Okatysh	(439)
Total non-current loans (Note 21.c.2)	(34,939)	Shareholders	
Associates		Mitsui &Co., Ltd	(104)
Esymo Metal, S.L.	320	Related parties	
Gestión Global de Matriceria, S.L	8,400	Gonvarri I. Centro Servicios, S.L.	(36)
Total Current Loans	8,720	Total interest payable (Note 21.c.2)	(858)
Shareholders		Associates	
Acek, Desarrollo y Gestión Industrial, S.L	2	Esymo Metal, S.L.	800
Associates		Total Non-current Loans	800
Esymo Metal, S.L.	6	Shareholders	
Gestión Global de Matriceria, S.L	37	Others shareholders	(5)
Total interest receivable	45	Total Dividends payable (Note 21.d)	(5)
Related parties		Shareholders	
Gescrap Centro, S.L	2,656	Acek, Desarrollo y Gestión Industrial, S.L	(3,302)
Gescrap France S.A.R.L.	2,678	Related parties	
Gescrap Navarra, S.L.	564	Gonvarri Argentina S.A.	(12,241)
Gonvarri Argentina S.A.	731	Gonvarri Galicia, SA	(35,222)
Gescrap Polska SPZOO	1,153	Gonvarri I. Centro Servicios, S.L.	(76,029)
Gescrap Bilbao, S.L.	4,231	Gonvarri Polska, SP, ZOO.	(19,249)
Gescrap, S.L.	582	Gonvarri Ptos. Siderúrgicos, SA	(14,843)
Gescrap Autometal Mexico S.A. de C.V.	1,550	Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	(4,159)
Gescrap Czech S.R.O.	66	Gonvauto Asturias S.L.	(2,984)
Gescrap Autometal Comercio de Sucatas S.A.	976	Gonvauto Navarra, SA	(2,517)
Gestamp Solar Steel, S.L.	46	Gonvauto Puebla S.A. de C.V.	(17,624)
Gescrap GmbH	851	Gonvauto Thuringen, GMBH	(9,230)
Gescrap Noroeste, S.L.U.	663	Gonvauto, SA	(33,497)
Gescrap Rus Llc.	181	Gonvauto South Carolina LLC	(6,075)
GES Recycling USA Llc.	2,270	Ind. Ferrodistribuidora, S.L	(1,209)
Gonvarri Galicia, SA	1,514	Láser Automotive Barcelona S.L.	(782)
Gonvarri I. Centro Servicios, S.L.	129	Bursa Celik Sigorta Aracilik Hizma. A.S.	(37)
Ind. Ferrodistribuidora, S.L.	222	Gonvarri Czech S.R.O.	(440)
Gonvauto Navarra, SA	291	Steel & Alloy Ltd	(15,406)
Gonvauto Puebla S.A. de C.V.	195	Inmobiliaria Acek,S.L.	(255)
Gonvauto Thuringen, GMBH	4,229	Arcelor Group	(3,111)
Gonvauto, SA	1,073	Others	(58)
Others	28	Associates	
Associates		Gestamp Tooling Manufacturing Kunshan Co Ltd	(228)
Gestamp Tooling Manufacturing Kunshan Co Ltd	10,671	Esymo Metal, S.L.	(2,114)
Esymo Metal, S.L.	15	GGM Puebla, S.A. de C.V.	(4,757)
GGM Puebla, S.A. de C.V.	4,413	Gestión Global de Matriceria, S.L	(74)
Gestión Global de Matriceria, S.L	1	Ingeniería y Construcción Matrices, S.A.	(2,596)
Ingeniería y Construcción Matrices, S.A.	2,656	IxCxT, S.A.	(172)
IxCxT, S.A.	88	Total Suppliers from related parties (Note 22.a)	(268,211)
Total Trade receivables from related parties (Note 14.a)	44,723	Related parties	
Related parties		Severstal Gonvarri Kaluga, LLC	(4,334)
Gescrap Bilbao, S.L.	(94)	Associates	
Total current loan (Note 21.c.2)	(94)	Gestión Global de Matriceria, S.L	(36)
Shareholders		Total Trade creditors, related parties (Note 22.a)	(4,370)
Acek, Desarrollo y Gestión Industrial, S.L	(1,042)	Shareholders	
Associates		Acek, Desarrollo y Gestión Industrial, S.L	(24,256)
GGM Puebla, S.A de C.V	(34)	Total non-current Fixed assets suppliers (Note 21.c.2)	(24,256)
Total Other current suppliers (Note 21.d)	(1,076)		
		Total balances receivable / payable	(279,521)

Balance at December 31, 2016			
Company	Thousands of euros	Company	Thousands of euros
Shareholders		Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(31)	Acek, Desarrollo y Gestión Industrial, S.L	(1,292)
Total payable Current account (Note 21.c.2)	(31)	JSC Karelsky Okatysh	(1,085)
Shareholders		Related parties	
Mitsui &Co., Ltd	(20,771)	Gonvarri I. Centro Servicios, S.L.	(36)
JSC Karelsky Okatysh	(21,649)	Total interest payable (Note 21.c.2)	(2,413)
Total non-current loans (Note 21.c.2)	(42,420)	Associates	
Associates		Esymo Metal, S.L.	800
Esymo Metal, S.L.	320	Total Non-current Loans	800
Essa Palau, S.A.	1,745	Shareholders	
Gestión Global de Matriceria, S.L	8,400	Mitsui &Co., Ltd	(842)
Total Current Loans	10,465	Otros socios	(6)
Associates		Total Dividends payable (Note 21.d)	(848)
Esymo Metal, S.L.	1	Shareholders	
Gestión Global de Matriceria, S.L	2	Acek, Desarrollo y Gestión Industrial, S.L	(101)
Total interest receivable	3	Related parties	
Shareholders		Agrícola La Vegailla, S.A.	(18)
Acek, Desarrollo y Gestión Industrial, S.L	406	Gescrap Navarra, S.L	(2)
Related parties		Gescrap Polska SPZOO	(16)
Gescrap Centro, S.L	1,571	Gescrap France S.A.R.L.	2
Gescrap France S.A.R.L.	91	Gonvarri Argentina S.A.	(7,903)
Gescrap Navarra, S.L.	86	Gonvarri Galicia, SA	(31,988)
Gescrap Polska SPZOO	258	Gonvarri Corporación Financiera, S.L	(62)
Gescrap, S.L.	803	Gonvarri I. Centro Servicios, S.L.	(53,865)
Gescrap Hungría KFT	306	Gonvarri Polska, SP, ZOO.	(23,714)
Gescrap Autometal Mexico S.A. de C.V.	96	Gonvarri Ptos. Siderúrgicos, SA	(11,700)
Gescrap Czech S.R.O.	42	Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	(2,341)
Gescrap Autometal Comercio de Sucatas S.A.	1,141	Gonvauto Asturias S.L.	(1,608)
GES Recycling Ltd.	5	Gonvauto Navarra, SA	(3,072)
Gescrap GmbH	1,454	Gonvauto Puebla S.A. de C.V.	(16,946)
Gescrap Noroeste, S.L.U.	26	Gonvauto Thuringen, GMBH	(7,590)
Gescrap Kaluga Llc.	257	Gonvauto, SA	(30,220)
GES Recycling USA Llc.	852	Gonvauto South Carolina LLC	(1,160)
Gonvarri Galicia, SA	1,225	Severstal Gonvarri Kaluga, LLC	(135)
Gonvarri I. Centro Servicios, S.L.	264	Ind. Ferrodistribuidora, S.L	(504)
Gonvarri MS Corporate S.L.	46	Láser Automotive Barcelona S.L.	(629)
Gonvauto Navarra, SA	432	Gonvarri Czech S.R.O.	(771)
Gonvauto Puebla S.A. de C.V.	3	Steel & Alloy Ltd	(12,143)
Gonvauto Thuringen, GMBH	3,147	Láser Automotive GmbH	(205)
Gonvauto, SA	3,199	Inmobiliaria Acek,S.L.	(359)
Gonvarri Corporación Financiera, S.L.	(369)	Arcelor Group	(1,991)
Gonvarri Polska, SP, ZOO.	5	Associates	
Steel & Alloy Ltd	362	Essa Palau, S.A.	(8,365)
Ind. Ferrodistribuidora, S.L.	56	Esymo Metal, S.L.	(2,306)
Gestamp Energías Renovables S.L.	501	GGM Puebla, S.A. de C.V.	(4,385)
Associates		Gestión Global de Matriceria, S.L	(444)
Gestamp Tooling Manufacturing Kunshan Co Ltd	8,166	Ingeniería y Construcción Matrices, S.A.	(1,413)
Essa Palau, S.A.	1,647	IxCxT, S.A.	(394)
Esymo Metal, S.L.	26	Total Suppliers from related parties (Note 22.a)	(226,348)
GGM Puebla, S.A. de C.V.	2,736	Related parties	
Gestión Global de Matriceria, S.L	77	Severstal Gonvarri Kaluga, LLC	(4,002)
Ingeniería y Construcción Matrices, S.A.	2,540	Associates	
IxCxT, S.A.	135	Gestión Global de Matriceria, S.L	(11)
Jui Li Edscha Body System Co Ltd	3	Total Trade creditors, related parties (Note 22.a)	(4,013)
Jui Li Edscha Hainan Co Ltd	81	Shareholders	
Total Trade receivables from related parties (Note 14.a)	31,676	Acek, Desarrollo y Gestión Industrial, S.L	(25,298)
		Total non-current fixed assets suppliers (Note 21.c.2)	(25,298)
		Shareholders	
		Acek, Desarrollo y Gestión Industrial, S.L	(978)
		Associates	
		Esymo Metal, S.L.	(72)
		Total Other current suppliers (Note 21.d)	(1,050)
Total balances receivable / payable			(259,477)

The consideration of related parties in the following schedules correspond to subsidiaries and associates of Acek Desarrollo y Gestión Industrial S.L. Group where the Parent Company has not direct or indirect investment.

There are no acquisition commitments with related parties not related to the usual productive activity of the Group.

As at June 30, 2017 and December 31, 2016 the transactions carried out with Related Parties are as follows:

	Thousands of euros	
	For the six months ended June 30,	
	2017	2016
Revenue		
Sales of goods	(120,084)	(80,503)
Services rendered	(1,469)	(1,894)
Financial income	(43)	(115)
Expenses		
Purchases	585,308	501,789
Services received	7,911	6,813
Financial expenses	2,269	2,985

The breakdown of transactions carried out with Related Parties as at June 30, 2017 has been as follows:

For the six months ended June 30, 2017			
Company	Thousands of euros	Company	Thousands of euros
Related parties		Related parties	
Gescrap Autometal Comercio de Sucata S.A.	(5,035)	Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	14,455
Gescrap Autometal México, S.A. de C.V.	(10,230)	Gonvauto Asturias	6,522
Gescrap Centro, S.L	(1,855)	Gonvarri Argentina S.A.	23,911
Gescrap France S.A.R.L.	(8,896)	Gonvarri Galicia, SA	47,017
Gescrap Navarra, S.L	(3,020)	Gonvarri I. Centro Servicios, S.L	126,318
Gonvarri Polska, SP, ZOO.	(6,516)	Gonvarri Polska, SP, ZOO.	49,405
Gescrap Czech S.R.O.	(415)	Gonvarri Ptos. Siderúrgicos, SA	21,091
GES Recycling Ltd.	(5,233)	Gonvauto Navarra, SA	4,781
Gescrap RUS LLC	(1,404)	Gonvauto Puebla S.A. de C.V.	48,924
Gescrap GmbH	(8,885)	Gonvauto Thuringen, GMBH	28,674
Gescrap Noroeste, S.L.U.	(1,868)	Gonvauto, SA	52,457
Gescrap Bilbao, S.L.	(22,710)	Ind. Ferrodistribuidora, S.L	2,105
GES Recycling USA LLC.	(12,084)	Severstal Gonvarri Kaluga, LLC	21,880
Gonvarri Galicia, SA	(3,680)	Steel & Alloy	46,147
Gonvarri I. Centro Servicios, S.L	(593)	Gonvauto South Carolina Llc.	11,892
Gonvauto Navarra, SA	(868)	Laser Automotive Barcelona	1,280
Gonvauto Puebla S.A. de C.V.	(158)	Gonvarri Czech	1,444
Ind. Ferrodistribuidora, S.L	(221)	Gonvarri Corporación Financiera, S.L	41
Gonvauto, SA	(14,770)	Arcelor Group	61,607
Gonvauto Thuringen, GMBH	(6,350)	Associates	
Gonvarri Ptos. Siderúrgicos, SA	(5)	IxCxT, S.A.	889
Severstal Gonvarri Kaluga, LLC	(8)	Ingeniería y Construcción Matrices, S.A.	5,542
Arcelor Group	(74)	Gestamp Tooling Manufacturing Kunshan Co Ltd	2,368
Associates		GGM Puebla, S.A de C.V	4,714
Ingeniería y Construcción Matrices, S.A.	(493)	Esymo Metal, S.L.	1,844
Gestamp Tooling Manufacturing Kunshan Co Ltd	(4,698)	Total Purchases	585,308
GGM Puebla, S.A de C.V	(4)	Shareholders	
Gestion Global de Matriceria, S.L	(11)	Acek, Desarrollo y Gestión Industrial, S.L	4,088
Total Sales	(120,084)	Related parties	
Shareholders		Air Executive, S.L	289
Acek, Desarrollo y Gestión Industrial, S.L	(187)	Gonvauto Asturias	1
Related parties		Gescrap Navarra, S.L	7
Gonvarri Polska, SP, ZOO.	(55)	Gescrap Polska SPZOO	58
Gonvarri Ptos. Siderúrgicos, SA	(1)	Gonvarri Polska, SP, ZOO.	10
Inmobiliaria Acek, S.L	(23)	Gonvarri Ptos. Siderúrgicos, SA	132
Gonvauto, SA	(6)	Gonvauto Puebla S.A. de C.V.	101
Gescrap Autometal México, S.A. de C.V.	(12)	Gonvauto, SA	26
Gescrap Autometal México Servicios, S.A. de C.V.	(1)	Láser Automotive Barcelona S.L	2
Gescrap Polska SPZOO	(22)	Gonvarri Czech	8
Others	(5)	Gescrap Bilbao, S.L	96
Associates		Inmobiliaria Acek, S.L	968
Ingeniería y Construcción Matrices, S.A.	(356)	Associates	
IxCxT, S.A	(109)	Ingeniería y Construcción Matrices, S.A.	136
Esymo Metal, S.L	(66)	IxCxT, S.A	58
GGM Puebla, S.A de C.V	(517)	Gestamp Tooling Manufacturing Kunshan Co Ltd	274
Gestamp Tooling Manufacturing Kunshan Co Ltd	(104)	Esymo Metal, S.L	47
Gestión Global de Matriceria, S.L.	(5)	Gestión Global de Matriceria, S.L.	1,210
Total Services rendered	(1,469)	GGM Puebla, S.A de C.V	400
Shareholders		Total Services received	7,911
Acek, Desarrollo y Gestión Industrial, S.L	(2)	Shareholders	
Associates		Acek, Desarrollo y Gestión Industrial, S.L	726
Esymo Metal, S.L	(5)	Mitsui & Co	247
Gestion Global de Matriceria, S.L	(36)	JSC Karelsky Okatysh	893
Total Financial income (Note 25.a)	(43)	Related parties	
		Gonvarri Galicia, SA	129
		Gonvarri I. Centro Servicios, S.L	44
		Gonvarri Ptos. Siderúrgicos, SA	27
		Gonvauto Navarra, SA	3
		Gonvauto, SA	82
		Gonvauto Puebla S.A. de C.V.	99
		Others	19
		Total Financial expenses (Note 25.b)	2,269

The breakdown of transactions carried out with Related Parties as at June 30, 2016 has been as follows:

For the six months ended June 30, 2016			
Company	Thousands of euros	Company	Thousands of euros
Related parties		Related parties	
Gescrap Autometal Comercio de Sucata S.A.	(2,905)	Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	6,807
Gescrap Autometal México, S.A. de C.V.	(4,543)	Gonvauto Asturias	4,953
Gescrap S.L.	(14,238)	Gonvarri Argentina S.A.	21,238
Gescrap Centro, S.L	(1,405)	Gonvarri Galicia, SA	39,654
Gescrap France S.A.R.L.	(6,395)	Gonvarri I. Centro Servicios, S.L.	112,596
Gescrap Navarra, S.L.	(2,152)	Gonvarri Polska, SP, ZOO.	37,939
Gescrap Polska SPZOO	(3,262)	Gonvarri Ptos. Siderúrgicos, SA	17,695
Gescrap Czech S.R.O.	(246)	Gonvauto Navarra, SA	9,206
Gescrap Hungría	(703)	Gonvauto Puebla S.A. de C.V.	29,811
GES Recycling Ltd.	(1,336)	Gonvauto Thuringen, GMBH	43,253
Gescrap GmbH	(3,271)	Gonvauto, SA	48,501
Gonvarri Galicia, SA	(3,527)	Ind. Ferrodistribuidora, S.L.	827
Gonvarri I. Centro Servicios, S.L.	(636)	Severstal Gonvarri Kaluga, LLC	25,895
Gonvauto Navarra, SA	(2,294)	Steel & Alloy	20,041
Gonvauto Puebla S.A. de C.V.	(198)	Gonvauto South Carolina Ll.c.	4,182
Gonvauto, SA	(18,792)	Laser Automotive Barcelona	1,432
Gonvauto Thuringen, GMBH	(9,551)	Gonvarri Czech	1,333
Severstal Gonvarri Kaluga, LLC	(46)	Laser Automotive Thuringen GmbH	353
Associates		Arcelor Group	29,918
Ingeniería y Construcción Matrices, S.A.	(347)	Associates	
Jui Li Edscha Hainan Industry Enterprise	(9)	Jui Li Edscha Body Systems Co. Ltd.	7
Essa Palau, S.A.	(4,274)	Ingeniería y Construcción Matrices, S.A.	4,661
GGM Puebla, S.A de C.V	(373)	GGM Puebla, S.A de C.V	3,591
Total Sales	(80,503)	Essa Palau, S.A.	36,145
Shareholders		Esymo Metal, S.L.	1,751
Acek, Desarrollo y Gestión Industrial, S.L	(16)	Total Purchases	501,789
Related parties		Shareholders	
Gonvarri Ptos. Siderúrgicos, SA	(1)	Acek, Desarrollo y Gestión Industrial, S.L	2,325
Gonvarri Corporación Financiera, S.L.	(355)	Related parties	
Gonvauto Thuringen, GMBH	(80)	Air Executive, S.L.	1,085
Inmobiliaria Acek, S.L	(11)	Agrícola La Vegailla	161
Gescrap S.L.	(1)	Gescrap S.L.	104
Gescrap Autometal México, S.A. de C.V.	(39)	Gescrap Navarra, S.L	8
Gescrap Autometal México Servicios, S.A. de C.V.	(1)	Gescrap Polska SPZOO	16
Gescrap France S.A.R.L.	(40)	Gonvarri I. Centro Servicios, S.L.	80
Associates		Gonvarri Ptos. Siderúrgicos, SA	173
Ingeniería y Construcción Matrices, S.A.	(355)	Gonvauto Puebla S.A. de C.V.	119
IxCxT, S.A	(110)	Gonvauto, SA	3
Jui Li Edscha Body Systems Co. Ltd.	(1)	Laser Automotive Barcelona	4
Jui Li Edscha Hainan Industry Enterprise	(1)	Ind. Ferrodistribuidora, S.L.	1
Essa Palau, S.A.	(192)	Gonvauto Asturias	(1)
Esymo Metal, S.L.	(63)	Gonvauto South Carolina Ll.c.	(1)
GGM Puebla, S.A de C.V	(626)	Gonvarri Galicia, SA	21
Gestión Global de Matricería, S.L.	(2)	Inmobiliaria Acek, S.L	1,096
Total Services rendered	(1,894)	Associates	
Shareholders		Ingeniería y Construcción Matrices, S.A.	91
Acek, Desarrollo y Gestión Industrial, S.L	(4)	Essa Palau, S.A.	6
Associates		Esymo Metal, S.L.	209
Essa Palau, S.A.	(111)	Gestión Global de Matricería, S.L.	1,137
Esymo Metal, S.L.	(10)	GGM Puebla, S.A de C.V	176
Gestion Global de Matriceria, S.L	10	Total Services received	6,813
Total Financial income (Note 25.a)	(115)	Shareholders	
		Acek, Desarrollo y Gestión Industrial, S.L	969
		Mitsui & Co	443
		JSC Karelsky Okatysh	1,055
		Related parties	
		Gonvarri Corporación Financiera, S.L.	76
		Gonvarri Galicia, SA	110
		Gonvarri I. Centro Servicios, S.L.	33
		Gonvarri Ptos. Siderúrgicos, SA	37
		Gonvauto Navarra, SA	8
		Gonvauto, SA	100
		Gonvauto Puebla S.A. de C.V.	154
		Total Financial expenses (Note 25.b)	2,985

30. 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.

30.1 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 real	British pound
Swedish crown	Polish zloty	Hungarian forint
Turkish lira	Indian rupee	Korean won
Chinese yuan	Russian rubble	Czech crown
Japanese yen	Thai baht	Romanian Leu
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.

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 bond issued by the Group on May 2016, which bears a fixed interest rate.

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 short term cash outlays, thereby avoiding the need to raise funds on disadvantageous terms.

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.

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

Raw Materials Price Risk

The steel is the main raw material used in the business.

For the first six months of 2017 and for the year 2016, 60% of the steel was purchased through "re-sale" programs with customers (60% in 2016), whereby the OEM periodically negotiates with the steel

maker the price of the steel that Gestamp uses for the production of automotive components. Any fluctuations in steel prices are directly adjusted in the selling price of the final product.

In the case of products that use steel not purchased under "re-sale", the OEMs adjust Gestamp's selling prices based on the steel prices they have negotiated with steel suppliers. Historically, the Group has negotiated and agreed its purchase contracts with steel suppliers under terms such that the impact (whether positive or negative) of the steel price fluctuation in these cases is minimal.

Hence Gestamp considers that the Group's exposure to steel price fluctuations is not significant.

30.2 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 Interim Consolidated Income Statement.
- Cash flow hedges: changes in the fair value of the hedging instrument attributable to the risk hedged, as long as the hedge is effective, are recognized in "Retained earnings" in equity. Amounts taken to equity are transferred to the Interim Consolidated Income Statement when the hedged cash flows affect profit or loss.
- Hedges of a net investment in a foreign operation: these hedges are accounted for in a way similar to cash flow hedges. Fair value gains or losses in these hedging instruments are recognized in "Translation differences." If a foreign operation is sold, the cumulative value of any such gains or losses recognized directly in equity ("Translation differences") is transferred to the Interim Consolidated Income Statement.

30.3 Fair value of financial instruments

The fair value of financial instruments is determined as follows:

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

Non-current financial assets

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

Equity investments are carried on the Interim Condensed 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 Interim Condensed 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 Interim Condensed Consolidated Income Statement.

Trade receivables

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

Current financial assets

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

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

Interest-bearing loans and borrowings

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

Trade and other payables

The Group’s management considers the carrying amount of the items recorded in this 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).

30.4 Capital risk management

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

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

31. Subsequent events

There are no significant subsequent events as at June 30, 2017.

32. Additional note for English translation

These consolidated financial statements were originally prepared in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

ANNEX I

Consolidation scope

June 30, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio management	Full	Ernst & Young
Gestamp Bizkaia, S.A.	Vizcaya	Spain	85.31%	14.69%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Vigo, S.A.	Pontevedra	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cerveira, Lda.	Viana do Castelo	Portugal	42.25%	57.75%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.A.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering AIE	Vizcaya	Spain	10.00%	90.00%	Research & Development and IT	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Real Estate	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailored blank welding	Full	Ernst & Young
Gestamp Palencia, S.A.	Palencia	Spain	100.00%	0.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Argentina, S.A.	Buenos Aires	Argentina	0.00%	70.00%	Portfolio management	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina	0.00%	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%	0.00%	Administrative services	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain	0.00%	100.00%	Die cutting production	Full	Ernst & Young
Gestamp Galvanizados, S.A.	Palencia	Spain	5.01%	94.99%	Component galvanizing	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	0.00%	70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Metalbages, S.A.	Barcelona	Spain	100.00%	0.00%	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	0.00%	100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Noury, S.A.S	Tournan	France	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A.	Aveiro	Portugal	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Griwe Subgroup	Westerburg	Germany	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aguascalientes, S.A.de C.V.	Aguas Calientes	Mexico	0.00%	70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico	0.00%	70.00%	Labor services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico	0.00%	70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico	0.00%	70.00%	Portfolio management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico	0.00%	70.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain	100.00%	100.00%	Portfolio management	Full	Ernst & Young
Todlem, S.L.	Barcelona	Spain	0.00%	58.13%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	71.37%	28.63%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina	0.00%	70.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain	0.00%	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 Abdera, 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	0.00%	100.00%	Tailored blank welding	Full	Ernst & Young
MB Aragón P21, S.L.	Barcelona	Spain	0.00%	100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Polska, SP. Z.O.O.	Wielkopolska	Poland	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washington UK Limited	Newcastle	United Kingdom	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Hungaria KFT	Akai	Hungary	100.00%	0.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North America, INC	Michigan	USA	0.00%	70.00%	Administrative services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden	0.00%	100.00%	Portfolio management	Full	Ernst & Young
Gestamp HardTech, AB	Lulea	Sweden	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mason, LLC.	Michigan	USA	0.00%	70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Alabama, LLC.	Alabama	USA	0.00%	70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Ronchamp, S.A.S	Ronchamp	France	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Industrias Tamer, S.A.	Barcelona	Spain	0.00%	30.00%	Tooling and parts manufacturing	Equity method	Ernst & Young

June 30, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Tooling Services, A/E	Vizcaya	Spain	0.00%	100.00%	Engineering and mold design	Full	Ernst & Young
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China	0.00%	68.95%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Kartek Co, Ltd.	Gyeongsangnam-Do	South Korea	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Kalip, A.S.	Bursa	Turkey	0.00%	50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico	0.00%	70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico	0.00%	69.93%	Labor services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India	0.00%	100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
Gestamp Severstal Vsevolzhsk UIC	Saint Petersburg	Russia	0.00%	58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain	0.00%	100.00%	Adjustment	Full	Ernst & Young
Gestamp Severstal Kaluga, LLC	Kaluga	Russia	0.00%	58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India	0.00%	50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Pune Automotive, Private Ltd.	Pune	India	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Chattanooga, U/c	Chattanooga	USA	0.00%	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, U/c	South Carolina	USA	0.00%	70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden	0.00%	68.95%	Portfolio management	Full	Ernst & Young
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%	0.01%	Engineering and mold design	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain	0.00%	100.00%	Engineering and mold design	Full	Ernst & Young
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%	0.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, U/c.	Togliatti	Russia	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive Chennai Private Ltd.	Chennai	India	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Palau, S.A.	Barcelona	Spain	0.00%	100.00%	Tooling and parts manufacturing	Full	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%	0.00%	Manufacture and sale of machinery for cutting	Full	Ernst & Young
Bero Tools, S.L.	Guipúzcoa	Spain	0.00%	100.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain	100.00%	0.00%	Die cutting production	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang) Co. Ltd.	Shenyang	China	0.00%	65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, U/c.	Michigan	USA	0.00%	70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Sasi, L.S.	Kocaeli	Turkey	0.00%	50.00%	Tooling and parts manufacturing	Full	Denetçiler Swon/KPMG
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China	0.00%	65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Try Out Services, S.L.	Vizcaya	Spain	0.00%	100.00%	Die cutting production	Full	Ernst & Young
Gestión Global de Matriceria, S.L.	Vizcaya	Spain	30.00%	0.00%	Dormant	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain	0.00%	30.00%	Die cutting production	Equity method (A)	IZE Auditores
IxCAT, S.A.	Vizcaya	Spain	0.00%	30.00%	Die cutting production	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%	0.00%	Portfolio management	Full	Ernst & Young
Gestamp Puebla II, S.A. de C.V.	Puebla	Mexico	0.00%	70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering Deutschland GmbH	Bielefeld	Germany	0.00%	100.00%	Research & Development and IT	Full	Ernst & Young
Autotech Engineering R&D UK Ilimited	Durhan	United Kingdom	0.00%	100.00%	Research & Development and IT	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain	0.00%	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	0.00%	65.00%	Portfolio management	Full	Ernst & Young
GGM Puebla, S.A. de C.V.	Puebla	Mexico	0.00%	30.00%	Tooling and parts manufacturing	Equity method (A)	N/A
GGM Puebla de Servicios Laborales, S.A. de C.V.	Puebla	Mexico	0.00%	30.00%	Labor services	Equity method (A)	N/A
Gestamp Technology Institute, S.L.	Vizcaya	Spain	99.99%	0.01%	Education	Full	N/A
Gestamp Tooling Engineering Deutschland, GmbH	Braunschweig	Germany	0.00%	100.00%	Die cutting production	Full	N/A
Gestamp Chattanooga II, U/c	Chattanooga	USA	0.00%	70.00%	Tooling and parts manufacturing	Full	N/A
Autotech Engineering R&D USA	Delaware	USA	0.00%	100.00%	Research & Development and IT	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%	0.00%	Tooling and parts manufacturing	Full	N/A
Çelik Form Gestamp Otomotive, A.S.	Bursa	Turkey	0.00%	50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washtenaw, LLC.	Delaware	USA	0.00%	70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Mexico City	Mexico	0.00%	70.00%	Labor services	Full	N/A
Gestamp San Luis Potosí Servicios Laborales S.A.P.I. de C.V.	Mexico City	Mexico	0.00%	70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Auto Components (Tianjin) Co., LTD.	Tianjin	China	0.00%	100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp 2017, S.L.	Madrid	Spain	100.00%	0.00%	Portfolio management	Full	N/A
Autotech Engineering (Shanghai) Co. Ltd.	Shanghai	China	0.00%	100.00%	Research & Development	Full	N/A
Gestamp Hot Stamping Japan K.K.	Tokio	Japan	0.00%	100.00%	Tooling and parts manufacturing	Full	N/A
Global Laser Araba, S.L.	Álava	Spain	30.00%	0.00%	Tooling and parts manufacturing	Equity method	N/A
MPO Providers Resistente, S.R.L.	Darmanesti	Romania	0.00%	35.00%	Tooling and parts manufacturing	Full	Toma Financial Consulting
Beyçelik Gestamp Teknoloji Kalip, A.S.	Bursa	Turkey	0.00%	50.00%	Die cutting production	Full	Ernst & Young
Gestamp Nitra, S.R.O.	Bratislava	Slovakia	100.00%	0.00%	Tooling and parts manufacturing	Full	N/A

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

June 30, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Edscha Holding GmbH	Remscheid	Germany	0.00%	100.00%	Portfolio management	Full	Ernst & Young
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering GmbH	Remscheid	Germany	0.00%	100.00%	Research & Development	Full	Ernst & Young
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	5.10%	94.90%	Real Estate	Full	N/A
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	5.10%	94.90%	Real Estate	Full	N/A
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Hradec S.R.O.	Hradec	Czech Republic	0.00%	100.00%	Die cutting production	Full	Ernst & Young
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 2008, S.L.	Villalonquéjar (Burgos)	Spain	0.00%	100.00%	Portfolio management	Full	Ernst & Young
Edscha Burgos, S.A.	Villalonquéjar (Burgos)	Spain	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Briey S.A.S.	Briey Cedex	France	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering France S.A.S.	Les Ulis	France	0.00%	100.00%	Research & Development	Full	Ernst & Young
Edscha do Brasil Ltda.	Sorocaba	Brazil	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan	0.00%	100.00%	Sales office	Full	N/A
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan	0.00%	60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa	0.00%	60.00%	Portfolio management	Full	N/A
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China	0.00%	60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Technology Co., Ltd.	Shanghai	China	0.00%	100.00%	Research & Development	Full	Shangai Ruitong Cpa
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China	0.00%	55.00%	Tooling and parts manufacturing	Full	Ernst & Young
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Michigan, Inc	Lapeer	USA	0.00%	100.00%	Tooling and parts manufacturing	Full	N/A
Edscha Togliatti, Llc.	Togliatti	Russia	0.00%	100.00%	Tooling and parts manufacturing	Full	National Audit Corporation
Edscha Automotive Components Co., Ltda.	Kunshan	China	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	25.00%	75.00%	Portfolio management	Full	N/A
Edscha Kunststofftechnik GmbH	Remscheid	Germany	0.00%	100.00%	Tooling and parts manufacturing	Full	JKG Treuhand
Edscha Pha, Ltd.	Seul	South Korea	0.00%	50.00%	Research & Development and parts manufacturing	Full	N/A
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Yutthaya	Thailand	0.00%	51.00%	Parts manufacturing	Full	Ernst & Young
Edscha Automotive SLP, S.A.P.I. de C.V.	Mexico City	Mexico	0.00%	100.00%	Dormant	Full	N/A
Edscha Scharwaether Mechanism Servicios Laborales S.A.P.I. de C.V.	Mexico City	Mexico	0.00%	100.00%	Dormant	Full	N/A
GMF Holding GmbH	Remscheid	Germany	0.00%	100.00%	Portfolio management	Full	Ernst & Young
GMF Wuhan, Ltd	Wuhan	China	0.00%	100.00%	Parts manufacturing	Full	Ernst & Young
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany	0.00%	100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom	0.00%	100.00%	Portfolio management	Full	Ernst & Young
Sofedit, S.A.S	Le Theil sur Huisne	France	0.00%	65.00%	Parts manufacturing	Full	Ernst & Young
Gestamp Prisma, S.A.S	Usine de Messempre	France	0.00%	100.00%	Parts manufacturing	Full	Ernst & Young
Gestamp Tallent, Ltd	Newton Aycliffe, Durham	United Kingdom	0.00%	100.00%	Parts manufacturing	Full	Ernst & Young
Gestamp Wroclaw Sp.z.o.o.	Wroclaw	Poland	0.00%	65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Auto components (Chongqing) Co., Ltd.	Chongqing	China	0.00%	100.00%	Parts manufacturing	Full	Ernst & Young

December 31, 2016							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio management	Full	Ernst & Young
Gestamp Bizkaia, S.A.	Vizcaya	Spain	85,31%	14,69%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Vigo, S.A.	Pontevedra	Spain	99,99%	0,01%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cerveira, Lda.	Viana do Castelo	Portugal	42,25%	57,75%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.A.	Toledo	Spain	99,99%	0,01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering AIE	Vizcaya	Spain	10,00%	90,00%	Research & Development and IT	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0,10%	99,90%	Real Estate	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5,01%	94,99%	Tailored blank welding	Full	Ernst & Young
Gestamp Palencia, S.A.	Palencia	Spain	100,00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Argentina, S.A.	Buenos Aires	Argentina		70,00%	Portfolio management	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina		70,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Linares, S.A.	Jaén	Spain	5,02%	94,98%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios, S.A.	Madrid	Spain	100,00%		Administrative services	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		100,00%	Die cutting production	Full	Ernst & Young
Gestamp Galvanizados, S.A.	Palencia	Spain	5,01%	94,99%	Component galvanizing	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
Gríwe Subgroup	Westerburg	Germany		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aguascalientes, S.A.de C.V.	Aguas Calientes	Mexico		70,00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		70,00%	Labor services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		70,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		70,00%	Portfolio management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70,00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100,00%	Portfolio management	Full	Ernst & Young
Todlem, S.L.	Barcelona	Spain		58,13%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	71,37%	28,63%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70,00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100,00%	Administrative services	Full	N/A
Gestamp Aragón, S.A.	Zaragoza	Spain	5,01%	94,99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Abrera, S.A.	Barcelona	Spain	5,01%	94,99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Levante, S.A.	Valencia	Spain	88,50%	11,50%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Solblank Navarra, S.L.	Navarra	Spain		100,00%	Tailored blank welding	Full	Ernst & Young
MB Aragón P21, S.L.	Barcelona	Spain		100,00%	Tooling and parts manufacturing	Full	N/A
Gestamp Polska, SP. Z.O.O.	Wielkopolska	Poland		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washington UK Limited	Newcastle	United Kingdom		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Hungaria KFT	Akai	Hungary	100,00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North America, INC	Michigan	USA		70,00%	Administrative services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100,00%	Portfolio management	Full	Ernst & Young
Gestamp HardTech, AB	Lulea	Sweden		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mason, LLC.	Michigan	USA		70,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Alabama, LLC.	Alabama	USA		70,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Ronchamp, S.A.S	Ronchamp	France		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain	5,01%	94,99%	Tooling and parts manufacturing	Full	Ernst & Young
Industrias Tamer, S.A.	Barcelona	Spain		30,00%	Tooling and parts manufacturing	Equity method	Ernst & Young

December 31, 2016							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Tooling Services, AIE	Vizcaya	Spain		100,00%	Engineering and mold design	Full	Ernst & Young
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68,95%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Kartek Co. Ltd.	Gyeongsangnam-Do	South Korea		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Kalip, A.S.	Bursa	Turkey		50,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		70,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		69,93%	Labor services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100,00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.
Gestamp Severstal Vsevolozhsk Uc	Saint Petersburg	Russia		58,13%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		100,00%	Adjustment	Full	Ernst & Young
Gestamp Severstal Kaluga, LLC	Kaluga	Russia		58,13%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Pune Automotive, Private Ltd.	Pune	India		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Chattanooga, Uc	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, Uc	South Carolina	USA		70,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68,95%	Portfolio management	Full	Ernst & Young
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99,99%	0,01%	Engineering and mold design	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100,00%	Engineering and mold design	Full	Ernst & Young
Gestamp Vendas Novas Lda.	Évora	Portugal	100,00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, Uc.	Togliatti	Russia		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive Chennai Private Ltd.	Chennai	India		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Essa Palau, S.A.	Barcelona	Spain		40,00%	Tooling and parts manufacturing	Equity method	Deloitte
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99,97%	0,03%	Consultory services	Full	Ernst & Young
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100,00%		Manufacture and sale of machinery for cutting	Full	Ernst & Young
Bero Tools, S.L.	Guipúzcoa	Spain		100,00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain		100,00%	Die cutting production	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China		65,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, Uc.	Michigan	USA		70,00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Sasi, L.S.	Kocaeli	Turkey		50,00%	Tooling and parts manufacturing	Full	Denetçiler 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 Matriceria, 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
IxCiT, 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 Technology 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, Uc	Chattanooga	USA		70,00%	Tooling and parts manufacturing	Full	N/A
Autotech Engineering R&D USA	Delaware	USA		100,00%	Research & Development and IT	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100,00%		Tooling and parts manufacturing	Full	N/A
Çelik Form Gestamp Otomotive, A.S.	Bursa	Turkey		25,80%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washtenaw, LLC.	Delaware	USA		70,00%	Tooling and parts manufacturing	Full	N/A
Gestamp San Luis Potosí, S.A.P.I. de C.V.	México DF	Mexico		70,00%	Labor services	Full	N/A
Gestamp San Luis Potosí Servicios Laborales S.A.P.I. de C.V.	México DF	Mexico		70,00%	Tooling and parts manufacturing	Full	N/A
Gestamp Auto Components (Tianjin) Co., LTD.	Tianjin	China		100,00%	Tooling and parts manufacturing	Full	N/A
Gestamp 2017, S.L.	Madrid	Spain	100,00%		Portfolio management	Full	N/A
Autotech Engineering (Shanghai) Co. Ltd.	Shangai	China		100,00%	Research & Development	Full	N/A
Gestamp Hot Stamping Japan K.K.	Tokio	Japan		100,00%	Tooling and parts manufacturing	Full	N/A
Global Laser Araba, S.L.	Álava	Spain	30,00%		Tooling and parts manufacturing	Equity method	N/A

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

December 31, 2016							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Edscha Holding GmbH	Remscheid	Germany		100,00%	Portfolio management	Full	Ernst & Young
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering GmbH	Remscheid	Germany		100,00%	Research & Development	Full	Ernst & Young
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	5,10%	94,90%	Real Estate	Full	N/A
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	5,10%	94,90%	Real Estate	Full	N/A
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Hradec S.R.O.	Hradec	Czech Republic		100,00%	Die cutting production	Full	Ernst & Young
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 2008, S.L.	Villalonquéjar (Burgos)	Spain		100,00%	Portfolio management	Full	Ernst & Young
Edscha Burgos, S.A.	Villalonquéjar (Burgos)	Spain		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain	5,01%	94,99%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Briey S.A.S.	Briey Cedex	France		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering France S.A.S.	Les Ulis	France		100,00%	Research & Development	Full	Ernst & Young
Edscha do Brasil Ltda.	Sorocaba	Brazil		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan		100,00%	Sales office	Full	N/A
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan		50,00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		50,00%	Portfolio management	Equity method (B)	N/A
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		50,00%	Tooling and parts manufacturing	Equity method (B)	Ernst & Young
Edscha Automotive Technology Co., Ltd.	Shanghai	China		100,00%	Research & Development	Full	Shanghai Ruitong Cpa
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China		55,00%	Tooling and parts manufacturing	Full	Ernst & Young
Anhui Edscha Automotive Parts Co. Ltda.	Anhui	China		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Michigan, Inc	Lapeer	USA		100,00%	Tooling and parts manufacturing	Full	N/A
Edscha Togliatti, LLC.	Togliatti	Russia		100,00%	Tooling and parts manufacturing	Full	National Audit Corporation
Edscha Automotive Components Co., Ltda.	Kunshan	China		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	25,00%	75,00%	Portfolio management	Full	N/A
Edscha Kunststofftechnik GmbH	Remscheid	Germany		100,00%	Tooling and parts manufacturing	Full	JKG Treuhand
Edscha Pha, Ltd.	Seul	South Korea		50,00%	Research & Development and parts manufacturing	Full	N/A
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayuthaya	Thailand		51,00%	Parts manufacturing	Full	Ernst & Young
Edscha Scharwaechter Mechanism S.A.P.I. de C.V.	Mexico City	Mexico		100,00%	Dormant	Full	N/A
Edscha Scharwaechter Mechanism Servicios Laborales S.A.P.I. de C.V.	Mexico City	Mexico		100,00%	Dormant	Full	N/A
GMF Holding GmbH	Remscheid	Germany		100,00%	Portfolio management	Full	Ernst & Young
GMF Wuhan, Ltd	Wuhan	China		100,00%	Parts manufacturing	Full	Ernst & Young
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany		100,00%	Tooling and parts manufacturing	Full	Ernst & Young
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom		100,00%	Portfolio management	Full	Ernst & Young
Sofedit, S.A.S	Le Theil sur Huisne	France		65,00%	Parts manufacturing	Full	Ernst & Young
Gestamp Prisma, S.A.S	Usine de Messempre	France		100,00%	Parts manufacturing	Full	Ernst & Young
Gestamp Tallent, Ltd	Newton Aycliffe, Durham	United Kingdom		100,00%	Parts manufacturing	Full	Ernst & Young
Gestamp Wroclaw Sp.z.o.o.	Wroclaw	Poland		65,00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Auto components (Chongqing) Co., Ltd.	Chongqing	China		100,00%	Parts manufacturing	Full	Ernst & Young

(B) These companies are consolidated under full consolidation method in Jui Li Edscha Body Systems Subgroup. This Subgroup is integrated in Gestamp Group using the equity method.

The companies which compose the Griwe Subgroup at June 30, 2017 and December 31, 2016 are the following:

Company	Address	Country	Shareholding	Consolidation method
Gestamp Griwe Westerburg GmbH	Westerburg	Germany	Parent company	Full
Gestamp Griwe Hot Stamping GmbH	Haynrode	Germany	100,00%	Full
Gestamp Griwe Haynrode GmbH	Haynrode	Germany	100,00%	Full

ANNEX II

Indirect investments at June 30, 2017

June 30, 2017		
Company	Company holding the indirect investment	% investment
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.010%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.040%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.900%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	14.690%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.000%
Gestamp Services India Private, Ltd.	Gestamp Servicios, S.A.	1.010%
Beyçelik Gestamp Kalip, A.S.	Gestamp Servicios, S.A.	50.000%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.850%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.655%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.000%
Gestamp Cerveira, Lda.	Gestamp Vigo, S.A.	57.750%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	4.990%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.000%
Gestamp Louny S.R.O.	Gestamp Cerveira, Lda.	52.720%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.660%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Cerveira, Lda.	26.370%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.000%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.010%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.030%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.000%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.000%
Gestamp Technology Institute, S.L.	Gestamp Bizkaia, S.A.	0.010%
Gestamp Global Tooling, S.L.	Gestamp Bizkaia, S.A.	0.010%
Autotech Engineering R&D USA, Inc.	Gestamp Bizkaia, S.A.	55.000%
Loire S.A. Franco Española	Gestamp Bizkaia, S.A.	1.000%
Autotech Engineering (Shangai), Co. Ltd.	Gestamp Bizkaia, S.A.	55.000%
Gestamp Tooling AIE	Gestamp Bizkaia, S.A.	40.000%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.500%
Gestamp Hard Tech AB	Gestamp Sweden, AB	100.000%
Gestamp Holding China, AB	Gestamp HardTech, AB	68.940%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.100%
Gestamp Tooling AIE	Matricerías Deusto, S.L.	20.000%
SCI Tournan en Brie	Gestamp Noury, S.A.S	99.900%
Gestamp Linares, S.L.	Gestamp Toledo, S.A.	94.980%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.A.	43.530%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.340%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	94.990%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.670%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.040%
Gestamp Autocomponents (Tianjin) Co., Ltd.	Gestamp Palencia, S.A.	100.000%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.000%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	16.030%
Mursolar, 21, S.L.	Gestamp Aragón, S.A.	16.924%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.150%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.620%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.000%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	28.630%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.000%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.990%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.990%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.000%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.960%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	50.000%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.000%
Edscha Holding GmbH	Gestamp Metalbages, S.A.	67.000%
Metalbages P-51	Gestamp Metalbages, S.A.	100.000%
ESSA PALAU, S.A.	Gestamp Metalbages, S.A.	60.000%
GMF Holding GmbH	Gestamp Metalbages, S.A.	100.000%
Gestamp Services India private. Ltd.	Gestamp Levante, S.A.	98.990%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.A.	7.810%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.535%

June 30, 2017		
Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	Gestamp Solblank Navarra, S.L.	5.642%
Gestamp Severstal Vsevolozhsk Llc	Todlem, S.L.	100.000%
Gestamp Severstal Kaluga, Llc	Todlem, S.L.	100.000%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.900%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.420%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.770%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.000%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.990%
Gestamp Holding Rusia, S.L.	Gestamp Polska, SP. Z.O.O.	24.561%
Edscha Holding GmbH	Gestamp Polska, SP. Z.O.O.	33.000%
Gestamp Automotive India Private Ltd.	Gestamp Polska, SP. Z.O.O.	50.000%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona, S.A.	100.000%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona, S.A.	6.673%
Gestamp Chattanooga, LLC.	Gestamp North America, INC	100.000%
Gestamp Mason, Llc.	Gestamp North America, INC	100.000%
Gestamp Alabama, Llc	Gestamp North America, INC	100.000%
Gestamp West Virginia, Llc.	Gestamp North America, INC	100.000%
Gestamp South Carolina, LLC.	Gestamp North America, INC	100.000%
Gestamp Washtenaw, LLC.	Gestamp North America, INC	100.000%
Gestamp Chattanooga II, LLC.	Gestamp North America, INC	100.000%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74.980%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China, AB	100.000%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.000%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Automotive Chennai Private Ltd.	73.630%
Mursolar, 21, S.L.	Grive Subgroup	19.540%
Gestamp Louny S.R.O.	Grive Subgroup	47.280%
Gestamp Palau, S.A.	Gestamp Manufacturing Autochasis, S.L.	40.000%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51, S.L.	44.990%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.000%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.900%
Gestamp Tooling Engineering Deutschland GmbH	Gestamp Global Tooling, S.L.	100.000%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.000%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	77.550%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.230%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.000%
Autotec Engineering (Shanghai), Co. Ltd.	Autotech Engineering AIE	45.000%
Autotech Engineering R&D Uk limited	Autotech Engineering AIE	45.000%
Autotech Engineering R&D USA limited	Autotech Engineering AIE	45.000%
Bero Tools, S.L.	Gestamp Tool Hardening, S.L.	20.000%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding México, S.L.	100.000%
Gestamp Argentina, S.A.	Gestamp Holding México, S.L.	3.000%
Bero Tools, S.L.	Loire Sociedad Anónima Franco Española	80.000%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.000%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100.000%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	0.001%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	0.001%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar 21, S.L.	100.000%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar 21, S.L.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0.010%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0.010%
Celik Form Otomotive, A.S.	Beyçelik Gestamp Kalip, A.S.	100.000%
MPO Providers Rezistent, SRL	Beyçelik Gestamp Kalip, A.S.	70.000%
Beyçelik Gestamp Teknoloji Kalip, A.S.	Beyçelik Gestamp Kalip, A.S.	100.000%
Beyçelik Gestamp Sasi, L.S.	Beyçelik Gestamp Kalip, A.S.	100.000%

June 30, 2017		
Company	Company holding the indirect investment	% investment
Edscha Automotive Hengersberg GmbH	Edscha Holding GmbH	100.000%
Edscha Automotive Hauzenberg GmbH	Edscha Holding GmbH	100.000%
Edscha Engineering GmbH	Edscha Holding GmbH	100.000%
Edscha Automotive Technology, Co. Ltd.	Edscha Holding GmbH	100.000%
Gestamp 2008, S.L.	Edscha Holding GmbH	100.000%
Anhui Edscha Automotive parts, Co. Ltd.	Edscha Holding GmbH	100.000%
Edscha Hradec, S.R.O.	Edscha Holding GmbH	100.000%
Gestamp edscha Japan, Co. Ltd.	Edscha Holding GmbH	100.000%
Edscha Burgos, S.A.	Edscha Holding GmbH	0.010%
Edscha Velky Meder, S.R.O.	Edscha Holding GmbH	100.000%
Edscha Automotiv Kamenice, S.R.O.	Edscha Holding GmbH	100.000%
Edscha Engineering France SAS	Edscha Holding GmbH	100.000%
Edscha Hengersberg Real Estate GmbH	Edscha Holding GmbH	94.900%
Edscha Hauzenberg Real Estate GmbH	Edscha Holding GmbH	94.900%
Shanghai Edscha Machinery, Co. Ltd.	Edscha Holding GmbH	55.000%
Edscha Automotive Michigan, Inc.	Edscha Holding GmbH	100.000%
Edscha Togliatti, LLC.	Edscha Holding GmbH	100.000%
Edscha Automotive Components, Co. Ltd.	Edscha Holding GmbH	100.000%
Gestamp Finance Slovakia, S.R.O.	Edscha Holding GmbH	75.000%
Edscha Kunststofftechnik GmbH	Edscha Holding GmbH	100.000%
Edscha Pha, Ltd.	Edscha Holding GmbH	50.000%
Edscha Automotive SLP, S.A.P.I. de C.V.	Edscha Holding GmbH	99.990%
Edscha Scharwaechter Mechanism Servicios Laborales S.A.P.I. de CV.	Edscha Holding GmbH	99.990%
Jui li Edscha Body Systems Co. Ltd.	Edscha Holding GmbH	60.000%
Edscha Automotive Italy	Edscha Holding GmbH	100.000%
Edscha Automotive Aapico, Co. Ltd.	Edscha Holding GmbH	50.990%
Jui li Edscha Holding, Co. Ltd.	Jui li Edscha Body Systems Co. Ltd.	100.000%
Jui li Edscha Hainan Industry Enterprise, Co. Ltd.	Jui li Edscha Holding, Co. Ltd.	100.000%
Edscha do Brasil, Ltd.	Edscha Engineering GmbH	83.260%
Edscha Scharwaechter Mechanism S.A.P.I. de CV.	Edscha Engineering GmbH	0.010%
Edscha Scharwaechter Mechanism Servicios Laborales S.A.P.I. de CV.	Edscha Engineering GmbH	0.010%
Edscha Automotive Aapico, Co. Ltd.	Edscha Engineering GmbH	0.010%
Edscha Santander, S.L.	Gestamp 2008, S.L.	94.990%
Edscha Burgos, S.A.	Gestamp 2008, S.L.	99.990%
Edscha Briey, S.A.S.	Edscha Santander, S.L.	100.000%
Edscha do Brasil, Ltd.	Edscha Santander, S.L.	16.740%
GMF Wuhan, Ltd.	GMF Holding GmbH	100.000%
Gestamp Umformtechnik GmbH	GMF Holding GmbH	100.000%
Automotive Chassis Products, Plc.	GMF Holding GmbH	100.000%
Sofedit SAS	GMF Holding GmbH	65.000%
Gestamp Auto Components (Chongqing), Co. Ltd.	GMF Holding GmbH	100.000%
Gestamp Prisma SAS	GMF Holding GmbH	100.000%
Gestamp Tallent, Ltd.	Automotive Chassis Products Plc.	100.000%
Gestamp Wroclaw, Sp. Z.o.o.	Sofedit, S.A.S	100.000%
Gestamp Washington UK, Limited	Gestamp Tallent, Ltd	95.010%
Gestamp Hot Stamping Japan K.K.	Gestamp Tallent, Ltd	100.000%
Gestamp Sweden, AB	Gestamp Tallent, Ltd	44.990%

Indirect investments at December 31, 2016

December 31, 2016		
Company	Company holding the indirect investment	% investment
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.010%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.010%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.040%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.900%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	14.690%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.000%
Gestamp Services India Private, Ltd.	Gestamp Servicios, S.A.	1.010%
Beçelik Gestamp Kalip, A.S.	Gestamp Servicios, S.A.	50.000%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.850%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.655%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.000%
Gestamp Cerveira, Lda.	Gestamp Vigo, S.A.	57.750%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	4.990%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.000%
Gestamp Louny S.R.O.	Gestamp Cerveira, Lda.	52.720%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.660%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Cerveira, Lda.	26.370%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.000%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.010%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.030%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.000%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.000%
Gestamp Technology Institute, S.L.	Gestamp Bizkaia, S.A.	0.010%
Gestamp Global Tooling, S.L.	Gestamp Bizkaia, S.A.	0.010%
Autotech Engineering R&D USA, Inc.	Gestamp Bizkaia, S.A.	55.000%
Loire S.A. Franco Española	Gestamp Bizkaia, S.A.	1.000%
Autotech Engineering (Shangai), Co. Ltd.	Gestamp Bizkaia, S.A.	55.000%
Gestamp Tooling AIE	Gestamp Bizkaia, S.A.	40.000%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.500%
Gestamp Hard Tech AB	Gestamp Sweden, AB	100.000%
Gestamp Holding China, AB	Gestamp HardTech, AB	68.940%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.100%
Gestamp Tooling AIE	Matricerías Deusto, S.L.	20.000%
SCI Tournan en Brie	Gestamp Noury, S.A.S	99.900%
Gestamp Linares, S.L.	Gestamp Toledo, S.A.	94.980%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.A.	43.530%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.340%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	94.990%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.670%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.040%
Gestamp Autocomponents (Tianjin) Co., Ltd.	Gestamp Palencia, S.A.	100.000%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.000%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	16.030%
Mursolar, 21, S.L.	Gestamp Aragón, S.A.	16.924%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.150%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.620%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.000%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	28.630%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.000%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.990%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.990%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.000%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.960%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	50.000%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.000%
Edscha Holding GmbH	Gestamp Metalbages, S.A.	67.000%
Metalbages P-51	Gestamp Metalbages, S.A.	100.000%
GMF Holding GmbH	Gestamp Metalbages, S.A.	100.000%
Gestamp Services India private. Ltd.	Gestamp Levante, S.A.	98.990%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.A.	7.810%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.535%

December 31, 2016		
Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	Gestamp Solblank Navarra, S.L.	5.642%
Gestamp Severstal Vsevolozhsk LLC	Todlem, S.L.	100.000%
Gestamp Severstal Kaluga, LLC	Todlem, S.L.	100.000%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.900%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.420%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.770%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.000%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.990%
Gestamp Holding Rusia, S.L.	Gestamp Polska, SP. Z.O.O.	24.561%
Edscha Holding GmbH	Gestamp Polska, SP. Z.O.O.	33.000%
Gestamp Automotive India Private Ltd.	Gestamp Polska, SP. Z.O.O.	50.000%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona, S.A.	100.000%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona, S.A.	6.673%
Gestamp Chattanooga, LLC.	Gestamp North America, INC	100.000%
Gestamp Mason, LLC.	Gestamp North America, INC	100.000%
Gestamp Alabama, LLC	Gestamp North America, INC	100.000%
Gestamp West Virginia, LLC.	Gestamp North America, INC	100.000%
Gestamp South Carolina, LLC.	Gestamp North America, INC	100.000%
Gestamp Washtenaw, LLC.	Gestamp North America, INC	100.000%
Gestamp Chattanooga II, LLC.	Gestamp North America, INC	100.000%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74.980%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China, AB	100.000%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.000%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Automotive Chennai Private Ltd.	73.630%
Mursolar, 21, S.L.	Griwe Subgroup	19.540%
Gestamp Louny S.R.O.	Griwe Subgroup	47.280%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51, S.L.	44.990%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.000%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.900%
Gestamp Tooling Engineering Deutschland GmbH	Gestamp Global Tooling, S.L.	100.000%
ESSA PALAU, S.A.	Gestamp Manufacturing Autochasis, S.L.	40.000%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.000%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	77.550%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.230%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.000%
Autotec Engineering (Shanghai), Co. Ltd.	Autotech Engineering AIE	45.000%
Autotech Engineering R&D Uk limited	Autotech Engineering AIE	45.000%
Autotech Engineering R&D USA limited	Autotech Engineering AIE	45.000%
Diede Die Development, S.L.	Gestamp Tool Hardening, S.L.	38.000%
Bero Tools, S.L.	Gestamp Tool Hardening, S.L.	20.000%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding México, S.L.	100.000%
Gestamp Argentina, S.A.	Gestamp Holding México, S.L.	3.000%
Bero Tools, S.L.	Loire Sociedad Anónima Franco Española	80.000%
Diede Die Development, S.L.	Bero Tools, S.L.	62.000%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.000%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100.000%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	0.001%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	0.001%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar 21, S.L.	100.000%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar 21, S.L.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0.010%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0.010%
Celik Form Otomotive, A.S.	Beyçelik Gestamp Kalip, A.S.	51.600%
Beyçelik Gestamp Sasi, L.S.	Beyçelik Gestamp Kalip, A.S.	100.000%

December 31, 2016		
Company	Company holding the indirect investment	% investment
Edscha Automotive Hengersberg GmbH	Edscha Holding GmbH	100.000%
Edscha Automotive Hauzenberg GmbH	Edscha Holding GmbH	100.000%
Edscha Engineering GmbH	Edscha Holding GmbH	100.000%
Edscha Automotive Technology, Co. Ltd.	Edscha Holding GmbH	100.000%
Gestamp 2008, S.L.	Edscha Holding GmbH	100.000%
Anhui Edscha Automotive parts, Co. Ltd.	Edscha Holding GmbH	100.000%
Edscha Hradec, S.R.O.	Edscha Holding GmbH	100.000%
Gestamp edscha Japan, Co. Ltd.	Edscha Holding GmbH	100.000%
Edscha Burgos, S.A.	Edscha Holding GmbH	0.010%
Edscha Velky Meder, S.R.O.	Edscha Holding GmbH	100.000%
Edscha Automotiv Kamenice, S.R.O.	Edscha Holding GmbH	100.000%
Edscha Engineering France SAS	Edscha Holding GmbH	100.000%
Edscha Hengersberg Real Estate GmbH	Edscha Holding GmbH	94.900%
Edscha Hauzenberg Real Estate GmbH	Edscha Holding GmbH	94.900%
Shanghai Edscha Machinery, Co. Ltd.	Edscha Holding GmbH	55.000%
Edscha Automotive Michigan, Inc.	Edscha Holding GmbH	100.000%
Edscha Togliatti, Llc.	Edscha Holding GmbH	100.000%
Edscha Automotive Components, Co. Ltd.	Edscha Holding GmbH	100.000%
Gestamp Finance Slovakia, S.R.O.	Edscha Holding GmbH	75.000%
Edscha Kunststofftechnik GmbH	Edscha Holding GmbH	100.000%
Edscha Pha, Ltd.	Edscha Holding GmbH	50.000%
Edscha Scharwaechter Mechanism S.A.P.I. de CV.	Edscha Holding GmbH	99.990%
Edscha Scharwaechter Mechanism Servicios Laborales S.A.P.I. de CV.	Edscha Holding GmbH	99.990%
Jui li Edscha Body Systems Co. Ltd.	Edscha Holding GmbH	50.000%
Edscha Automotive Aapico, Co. Ltd.	Edscha Holding GmbH	50.990%
Edscha do Brasil, Ltd.	Edscha Engineering GmbH	83.260%
Edscha Scharwaechter Mechanism S.A.P.I. de CV.	Edscha Engineering GmbH	0.010%
Edscha Scharwaechter Mechanism Servicios Laborales S.A.P.I. de CV.	Edscha Engineering GmbH	0.010%
Edscha Automotive Aapico, Co. Ltd.	Edscha Engineering GmbH	0.010%
Edscha Santander, S.L.	Gestamp 2008, S.L.	94.990%
Edscha Burgos, S.A.	Gestamp 2008, S.L.	99.990%
Edscha Briey, S.A.S.	Edscha Santander, S.L.	100.000%
Edscha do Brasil, Ltd.	Edscha Santander, S.L.	16.740%
GMF Wuhan, Ltd.	GMF Holding GmbH	100.000%
Gestamp Umformtechnik, GmbH	GMF Holding GmbH	100.000%
Automotive Chassis Products, Plc.	GMF Holding GmbH	100.000%
Sofedit SAS	GMF Holding GmbH	65.000%
Gestamp Auto Components (Chnongqing), Co. Ltd	GMF Holding GmbH	100.000%
Gestamp Prisma SAS	GMF Holding GmbH	100.000%
Gestamp Tallent, Ltd.	Automotive Chassis Products Plc.	100.000%
Gestamp Wroclaw, SP. Z.o.o.	Sofedit, S.A.S	100.000%
Gestamp Washington Uk, Limited	Gestamp Tallent , Ltd	95.010%
Gestamp Hot Stamping Japan, K.K.	Gestamp Tallent , Ltd	100.000%
Gestamp Sweden, AB	Gestamp Tallent , Ltd	44.990%

ANNEX III

Guarantors for May, 2013 and May, 2016 Bonds

Gestamp Navarra, S.A.	Gestamp Noury, SAS
Edscha Automotive Kamenice, S.R.O.	Gestamp Palencia, S.A.
Edscha Engineering, GmbH.	Gestamp Polska, Sp.Z.o.o.
Edscha Briey, S.A.S.	Gestamp Cerveira, Ltda
Edscha France Engineering , S.A.S.	Gestamp Ronchamp, S.A.S.
Edscha Automotive Hauzenberg, GmbH	Gestamp Servicios, S.A.
Edscha Hauzenberg Real Estate GmbH, & Co.	Gestamp Washington UK Limited
Edscha Hengersberg Real Estate GmbH, & Co.	Gestamp Vendas Novas Unipessoal, Lda.
Edscha Automotive Hengersberg, GmbH.	Gestamp Vigo, S.A.
Edscha Holding, GmbH.	Gestamp Unformtechnik, GmbH
Edscha Hradec, S.r.o.	Griwe Subgroup
Edscha Velky Meder, S.r.o.	Ingeniería Global MB, S.A.
Gestamp Bizkaia, S.A.	Loire S.A. Franco Española
Gestamp Galvanizados, S.A.	Gestamp Abrera, S.A.
Gestamp Automoción,S.A.	Gestamp Aragón, S.A.
Gestamp Aveiro, S.A.	Gestamp Metalbages, S.A.
Gestamp HardTech, AB	Gestamp Prisma, S.A.S.
Gestamp Hungaria, KFT.	SCI de Tournan en Brie
Gestamp Linares, S.A.	Gestamp Solblank Barcelona, S.A.
Gestamp Louny, S.r.o.	Gestamp Tallent Limited
Gestamp Esmar, S.A.	Gestamp Sweden AB
Gestamp Wroclaw, Sp. Z.o.o	Edscha Burgos, S.A
Sofedit, S.A.S.	Gestamp Levante, S.A.
Gestamp Toledo, S.A.	Edscha Santander, S.L.

Guarantors for 2012 Bank of America Loan and 2013 Syndicated Loan (modified in 2016)

Gestamp Navarra, S.A.	Gestamp Noury, SAS
Edscha Automotive Kamenice, S.R.O.	Gestamp Palencia, S.A.
Edscha Engineering, GmbH.	Gestamp Polska, Sp.Z.o.o.
Edscha Briey, S.A.S.	Gestamp Cerveira, Ltda
Edscha France Engineering , S.A.S.	Gestamp Ronchamp, S.A.S.
Edscha Automotive Hauzenberg, GmbH	Gestamp Servicios, S.A.
Edscha Hauzenberg Real Estate GmbH, & Co.	Gestamp Washington UK Limited
Edscha Hengersberg Real Estate GmbH, & Co.	Gestamp Vendas Novas Unipessoal, Lda.
Edscha Automotive Hengersberg, GmbH.	Gestamp Vigo, S.A.
Edscha Holding, GmbH.	Gestamp Unformtechnik, GmbH
Edscha Hradec, S.r.o.	Griwe Subgroup
Edscha Velky Meder, S.r.o.	Ingeniería Global MB, S.A.
Gestamp Bizkaia, S.A.	Loire S.A. Franco Española
Gestamp Galvanizados, S.A.	Gestamp Aragón, S.A.
Gestamp Automoción, S.A.	Gestamp Abrera, S.A.
Gestamp Aveiro, S.A.	Gestamp Metalbages, S.A.
Gestamp HardTech, AB	Gestamp Prisma, S.A.S.
Gestamp Hungaria, KFT.	SCI de Tournan en Brie
Gestamp Linares, S.A.	Gestamp Solblank Barcelona, S.A.
Gestamp Louny, S.r.o.	Gestamp Tallent Limited
Gestamp Esmar, S.A.	Gestamp Sweden AB
Gestamp Wroclaw, Sp. Z.o.o	Edscha Burgos, S.A.
Sofedit, S.A.S.	Gestamp Levante, S.A.
Gestamp Toledo, S.A.	Edscha Santander, S.L.

Additionally, the Group companies Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A. Gestamp Servicios, S.A. and Gestamp Toledo, S.A. have shares pledge.

Guarantors for European Investment Bank Loan

Gestamp Navarra, S.A.
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.
Gestamp Wroclaw, Sp. Z.o.o
Sofedit, S.A.S.

Gestamp Noury, SAS
Gestamp Palencia, S.A.
Gestamp Polska, Sp.Z.o.o.
Gestamp Cerveira, Ltda
Gestamp Ronchamp, S.A.S.
Gestamp Servicios, S.A.
Gestamp Washington UK Limited
Gestamp Vendas Novas Unipessoal, Lda.
Gestamp Vigo, S.A.
Gestamp 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.
SCI de Tournan en Brie
Gestamp Solblank Barcelona, S.A.
Gestamp Tallent Limited
Gestamp Sweden AB
Gestamp Funding Luxemburgo, S.A.



Management Discussion and Analysis of the Financial Condition and Results of Operations for the six-month period ended June 30, 2017

Gestamp Automoción, S.A.

July 24, 2017

1. PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial information and operational data

Unless otherwise indicated, all financial information in this report has been prepared in accordance with IFRS applicable at the relevant date and is presented in Euros. IFRS differs in certain significant respects from generally accepted accounting principles in the US.

We have presented certain information in this report that has not been prepared in accordance with IFRS or any other accounting standards. As used in this report, this information includes “EBITDA”, which represents operating profit before amortization, impairment and depreciation. This report also contains other measures such as: cash, cash equivalent and current financial assets, total financial debt and net financial debt. We present these non-IFRS measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

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

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

Industry data

In this report, we may rely on and refer to information regarding our business and the market in which we operate and compete. We have obtained this information from various third party sources, including providers of industry data, discussions with our customers and our own internal estimates. We cannot assure you that any of this information is accurate or correctly reflects our position in the industry, and none of our internal surveys or information has been verified by any independent sources. We do not make any representation or warranty as to the accuracy or completeness of any such information set forth in this report.

Forward looking statements and other qualifications

The following discussion and analysis is based on and should be read in conjunction with our historical financials included elsewhere in this quarterly report. Certain capitalized terms used herein have the meaning set out in the offering memorandum for our senior secured notes due 2023.

The discussion includes forward looking statements, which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties, which could cause actual events or conditions to differ materially from those implied herein. You are cautioned not to place undue reliance on these forward looking statements. These forward statements are made as of the date of this report and are not intended to give any assurance as to future results.

2. BUSINESS PERFORMANCE AND RESULT

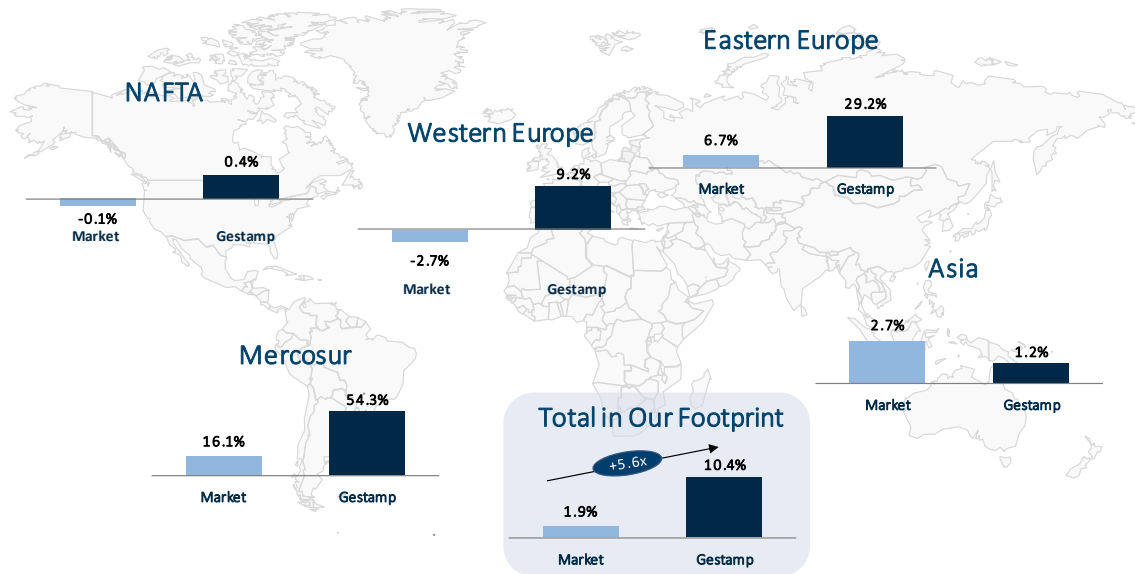
Global economic growth during the first half of 2017 has been moderate although slightly above that of recent years. Signs of a modest recovery in US specially during the second quarter add to a solid performance of the Eurozone and Japan. Relevant political events, such as general elections in France and the UK, together with on-going Brexit negotiations, have had limited impact on overall growth.

In this context, the evolution of the automotive sector has been positive. Global light vehicle production, according to IHS data as of June 2017, grew by 2.6% during the first half of 2017 (versus the first half of 2016) with the regions in which Gestamp is present growing at 1.9%. Growth in Gestamp regions was mainly driven by strong market production in particular in Mercosur (+16.1%) and Eastern Europe (+6.7%) and overall stable performance in mature markets.

Global OEM megatrends support the outsourcing of the “Hardware” of a vehicle. OEMs continue to focus on “CASE” (*Connectivity, Autonomous driving, Shared mobility and Electrification*) strategy for the vehicles of the future as well as to expand their business globally, generating more opportunities for leading global strategic suppliers such as Gestamp. This trend is reinforced by some recent examples such as: (i) Volvo announcement that they will only offer electrified powertrains (electric or hybrid) in models to be launched from 2019 onwards, with the aim of selling 1 million electrified vehicles by 2025; (ii) Toyota launch of a \$100 million venture capital fund targeting artificial intelligence, robotics, autonomous driving and data and cloud technologies investments; and (iii) Major Tech companies expected by the market to focus on providing OEMs with autonomous driving technology rather than building their own cars.

Gestamp has continued to build on its long-standing growth path. During the first half of 2017 Gestamp has outperformed market production volume growth (in its production footprint – IHS data as of June 2017) by more than 5 times. Revenue grew by 10.4% during the first half of 2017 reaching €4,131.2 million and EBITDA by 11.1% reaching € 452.4 million (11.1% and 12.8% at constant FX respectively). Net Income grew by 27.2% when compared to the first half 2016, reaching €116.4 million.

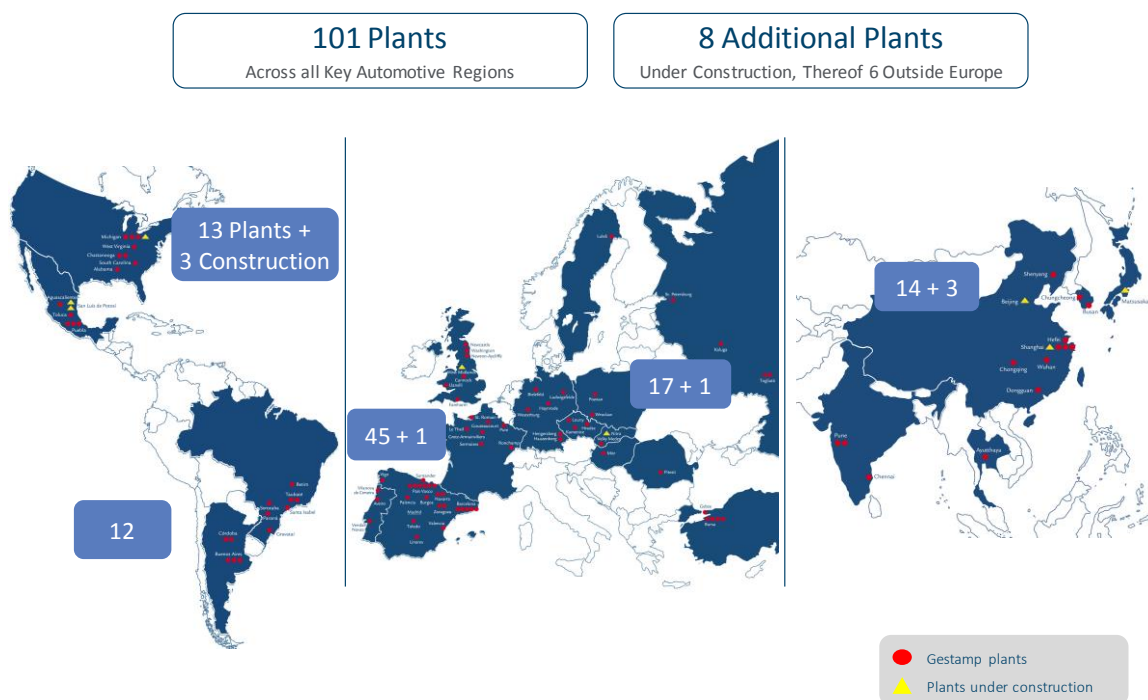
Gestamp Revenue Growth vs. Market Production Growth in Gestamp's Footprint



Note: Market production volume growth is based on countries in Gestamp's production footprint (IHS June 2017)

Growth during the first half of 2017 has been driven by good volumes of existing programs and the ramp-up of new projects especially in Eastern Europe and Mercosur. It is also worth noting that Q2 2017 vs. Q2 2016 was affected by the seasonality impact on working days (Easter Holiday).

During the first half of 2017, 5 new plants have been added to our footprint with the opening of three new greenfields (India, Brazil and USA) and the acquisition of two plants (Romania and SMA). Gestamp has continued to focus on its Asia strategy with the start of construction of its first plant in Japan and working towards getting closer to local Chinese OEMs. In addition, during this period Gestamp has strengthened its R&D capabilities by opening new centers in Tokyo (Japan) and Michigan (US), which enhance our ability to work closely with our customers and co-develop industry-leading solutions to produce lighter and safer vehicles.



Overall, Gestamp has continued its growth trend, outperforming the market by more than 5x, with first half results for 2017 are in line with expectations and on the right path to achieve full year guidance targets.

First half of 2017 compared to first half of 2016

	Second Quarter			YTD June 30,		
	2016	2017	% Change	2016	2017	% Change
Consolidated Income Statement Data	<i>(Millions of Euros)</i>			<i>(Millions of Euros)</i>		
Operating income	1,977.6	2,084.0	5.4%	3,803.1	4,185.9	10.1%
Revenue	1,935.7	2,035.2	5.1%	3,741.2	4,131.2	10.4%
Other operating incomes	34.2	32.2	-5.8%	61.8	54.7	-11.5%
Changes in inventories	7.7	16.6	115.6%	0.1	0.0	-100.0%
Operating expenses	-1,861.6	-1,961.2	5.4%	-3,587.9	-3,943.6	9.9%
Raw materials and other consumables	-1,167.6	-1,202.9	3.0%	-2,234.9	-2,441.8	9.3%
Personnel expenses	-345.6	-387.9	12.2%	-672.5	-758.9	12.8%
Depreciation, amortization and impairment losses	-98.9	-107.5	8.7%	-192.1	-210.1	9.4%
Other operating expenses	-249.5	-262.9	5.4%	-488.4	-532.8	9.1%
Operating profit	116.0	122.8	5.9%	215.2	242.3	12.6%
Finance income	1.6	-1.4	-187.5%	3.6	1.7	-52.8%
Finance expenses	-24.0	-21.1	-12.1%	-50.9	-47.8	-6.1%
Exchange gains (losses)	-8.5	-2.2	-74.1%	-13.8	-1.1	-92.0%
Other	-0.9	-0.9	0.0%	-1.4	-0.2	-85.7%
Profit from continuing operations	84.2	97.2	15.4%	152.7	194.9	27.6%
Income tax expense	-23.6	-26.0	10.2%	-40.9	-49.8	21.8%
Profit for the period	60.6	71.2	17.5%	111.8	145.1	29.8%
Result from discontinued operations	0.0	0.0		0.0	0.0	
Profit (loss) attributable to non-controlling interests	-10.4	-9.8	-5.8%	-20.3	-28.7	41.4%
Profit attributable to equity holders of the parent	50.2	61.4	22.3%	91.5	116.4	27.2%
EBITDA	214.9	230.3	7.2%	407.3	452.4	11.1%

Revenue

Revenue increased by € 390.0 million, or 10.4% (11.1% at constant FX), to € 4,131.2 million in the first half of 2017 compared to sales of € 3,741.2 million in the first half of 2016. The increase in revenue was attributable primarily to sales increases of €181.5 million in Western Europe,

€ 109.4 million in Eastern Europe, € 90.0 million in South America, € 5.8 million in Asia and € 3.3 million in North America.

The revenue growth rate in the second quarter was lower than in the first quarter due to seasonality impact (Easter Holiday) on working days and lower tooling revenue growth.

	Second Quarter			YTD June 30,		
	2016	2017	% Change	2016	2017	% Change
Revenue	<i>(Millions of Euros)</i>			<i>(Millions of Euros)</i>		
Body-in-White and Chassis	1,628.2	1,717.0	5.5%	3,154.0	3,372.4	6.9%
Mechanisms	228.0	227.0	-0.4%	448.6	481.9	7.4%
Toolings and Others	79.5	91.2	14.7%	138.6	276.9	99.8%
Total	1,935.7	2,035.2	5.1%	3,741.2	4,131.2	10.4%

Body-in-White and Chassis. Revenue increased by € 218.4 million, or 6.9%, to € 3,372.4 million in the first half of 2017 from € 3,154.0 million in the first half of 2016. This increase was attributable primarily to an increase of sales in Eastern Europe of € 110.0 million; in South America of € 75.2 million; and in Western Europe of € 36.4 million.

Mechanisms. Revenue increased by € 33.3 million, or 7.4%, to € 481.9 million in the first half of 2017 from € 448.6 million in the first half of 2016. This increase was attributable primarily to an increase of sales in Brazil, Germany, Spain, China, Czech Republic and North America, offset in part by a decrease of sales in China.

Tooling and Other. Revenue increased by € 138.3 million, or 99.8%, to € 276.9 million in the first half of 2017 from € 138.6 million in the first half of 2016. This increase was attributable primarily to an increase in sales in Western Europe.

Operating expenses

Raw materials and other consumables. Expenses on raw materials and other consumables increased by € 206.9 million, or 9.3%, to € 2,441.8 million in the first half of 2017 from € 2,234.9 million in the first half of 2016. The increase in raw materials and other consumables expenses in the first half of 2017 was mainly due to higher sales volumes and is consistent with the rate of growth of sales.

Personnel Expenses. Personnel expenses increased by € 86.4 million, or 12.8%, to € 758.9 million in the first half of 2017 from € 672.5 million in the first half of 2016, mainly in Western Europe, Mercosur, Eastern Europe and Asia and consistent with the respective increases in sales; and in North America due to the higher project and launching expenses.

Depreciation, amortization and impairment losses. Depreciation expense increased by € 18.0 million, or 9.4%, to € 210.1 million in the first half of 2017 from € 192.1 million in the first half of 2016, mainly in North America, Western Europe and Asia, largely as a result of depreciation of new investments carried out during 2016.

Other operating expenses. Other operating expenses increased by € 44.4 million, or 9.1%, to € 532.8 million in the first half of 2017 from € 488.4 million in the first half of 2016, mainly in South America, Eastern Europe and Asia due to higher sales volumes; and in North America due to higher project and launching expenses.

Operating profit or loss

Operating profit increased by € 27.1 million, or 12.6%, to € 242.3 million in the first half of 2017 from € 215.2 million in the first half of 2016. This increase was primarily due to sales growth and operating leverage with regard to personnel, depreciation and other operating expenses.

EBITDA

EBITDA increased by € 45.1 million, or 11.1%, to € 452.4 million in the first half of 2017 from € 407.3 million in the first half of 2016. Growth at constant FX was 12.8%. Growth was based on increased volumes, ramp up of new projects and strong performance in Eastern Europe, Mercosur and Western Europe. EBITDA margin improved during the first half despite higher incremental tooling sales in Western Europe, North America, Mercosur and Eastern Europe, as well as higher launching costs in new projects.

Net financial income (expenses)

Net financial expenses decreased by € 1.2 million, or 2.5%, to € 46.1 million in the first half of 2017 from € 47.3 million in the first half of 2016. This decrease was primarily due to a lower average interest rates and the renegotiation of loan interest margins with financial entities, partially offset by a higher average net financial debt.

Exchange gains (losses)

Exchange losses amounted to € 1.1 million in the first half of 2017 and € 13.8 million in the first half of 2016. The exchange losses in the first half of 2017 were primarily due to the depreciation of the Pound Sterling and Turkish Lira against the Euro.

Income tax

Income tax expense increased by € 8.9 million, to € 49.8 million during the first half of 2017 from € 40.9 million during the first half of 2016. This increase was primarily due to higher profit from continuing operations.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests increased by € 8.4 million to € 28.7 million in the first half of 2017 from € 20.3 million in the first half of 2016, largely as a result of higher profits in subsidiaries with minority partners.

Financial information by geographic segment

The following tables set forth, by geography, our revenues and EBITDA.

REVENUES

Revenues	Second Quarter			YTD June 30,		
	2016	2017	% Change	2016	2017	% Change
	<i>(Millions of Euros)</i>			<i>(Millions of Euros)</i>		
Geographic segments						
Western Europe	1,018.2	1,043.8	2.5%	1,962.7	2,144.2	9.2%
Eastern Europe	200.5	259.9	29.6%	374.1	483.5	29.2%
Mercosur	88.5	139.1	57.2%	165.6	255.6	54.3%
North America	384.2	358.9	-6.6%	748.2	751.5	0.4%
Asia	244.3	233.5	-4.4%	490.6	496.4	1.2%
Total	1,935.7	2,035.2	5.1%	3,741.2	4,131.2	

Western Europe

Revenue increased by € 181.5 million, or 9.2% (11.1% at constant FX), to € 2,144.2 million in the first half of 2017 from € 1,962.7 million in the first half of 2016. The increase in revenue was attributable primarily to the solid growth in France due to the ramp up of new PSA programs and to higher volumes in Iberia, offset in part by moderate growth in Germany and a negative impact from the depreciation of the British Pound.

Revenue grew during the second quarter by € 25.6 million, or 2.5% (4.0% at constant FX), to €1,043.8 million in the second quarter of 2017 from € 1,018.2 million in the second quarter of 2016, a lower growth rate than in the first quarter of 2017, due to the impact of fewer working days due to the Easter Holiday and lower tooling revenue growth.

Eastern Europe

Revenue increased by € 109.4 million, or 29.2% (34.3% at constant FX), to € 483.5 million in the first half of 2017 from € 374.1 million in the first half of 2016. The increase in revenue was due to continued growth in activity, especially in Poland as a result of the ramp up of the new VW Crafter, and in Turkey with FCA and Ford, together with higher tooling revenues. Additionally, we acquired a new company in Romania in January 2017.

Revenue grew during the second quarter by € 59.4 million, or 29.6% (35.4% at constant FX), to € 259.9 million in the second quarter on 2017 from € 200.5 million in the second quarter of 2016.

Mercosur

Revenue increased by € 90.0 million, or 54.3% (41.7% at constant FX), to € 255.6 million in the first half of 2017 from € 165.6 million in the first half of 2016. The increase in revenue was due to an increase of production volumes in both Brazil and Argentina and especially strong, above market, growth in Brazil as a result of new program wins entering SOP phase and tailwinds from the Brazilian Real.

Revenue grew during the second quarter by € 50.6 million , or 57.2% (50.5% at constant FX), to € 139.1 million in the second quarter of 2017 from € 88.5 million in the second quarter of 2016, in line the growth in the first quarter.

North America

Revenue increased by € 3.3 million or 0.4% (-0.5% at constant FX), to € 751.5 million in the first half of 2017 from € 748.2 million in the first half of 2016. After several years of high growth, 2017 is budgeted as a transition year. The evolution of revenue was largely affected by the change-over in large programs in the United States resulting in lower volumes.

Revenue during the second quarter fell by € 25.3 million, or 6.6% (-8.4% at constant FX), to € 358.9 million in the second quarter of 2017 from € 384.2 million in the second quarter of 2016.

Asia

Revenue increased by € 5.8 million, or 1.2% (0.6% at constant FX), to € 496.4 million in the first half of 2017 from € 490.6 million in the first half of 2016. China revenues declined as a result of FX headwinds and a decline of volumes in our Wuhan plant, partially offset by ramp-ups of new programs.

Revenue during the second quarter fell by € 10.8 million, 4.4% (-4.9% at constant FX) to € 233.5 million in the second quarter of 2017 from € 244.3 million in the second quarter of 2016.

EBITDA

EBITDA	Second Quarter			YTD June 30,		
	2016	2017	% Change	2016	2017	% Change
	<i>(Millions of Euros)</i>			<i>(Millions of Euros)</i>		
Geographic segments						
Western Europe	111.7	115.4	3.3%	201.2	225.1	11.9%
Eastern Europe	21.3	31.8	49.3%	46.0	60.5	31.5%
Mercosur	6.7	17.0	153.7%	11.1	24.8	123.4%
North America	36.0	29.6	-17.8%	68.2	62.3	-8.7%
Asia	39.1	36.5	-6.6%	80.7	79.7	-1.2%
Total	214.8	230.3	7.2%	407.2	452.4	

Western Europe

EBITDA increased by € 23.9 million, or 11.9% (14.0% at constant FX), to € 225.1 million in the first half of 2017 from € 201.2 million in the first half of 2016. The increase in EBITDA was due to the aforementioned revenue trends and performance improvements despite headwinds from the evolution of the British Pound.

EBITDA during the second quarter grew by 3.7 million, or 3.3% (5.0% at constant FX), to € 115.4 million in the second quarter of 2017 from € 111.7 million in the second quarter of 2016, above revenue growth and supported by French plants.

Eastern Europe

EBITDA increased by € 14.5 million, or 31.5% (39.0% at constant FX), to € 60.5 million in the first half of 2017 from €46.0 million in the first half of 2016, primarily due to the previously described revenue trends, performance improvements and decreasing ramp-up costs.

EBITDA during the second quarter grew by € 10.5 million, or 49.3% (56.8% at constant FX) to € 31.8 million in the second quarter of 2017 from € 21.3 million in the second quarter of 2016.

Mercosur

EBITDA increased by € 13.7 million, or 123.4% (106.6% at constant FX), to € 24.8 million in the first half of 2017 from € 11.1 million in the first half of 2016. The increase in EBITDA was due to the start of volume recovery, the positive impact from ramp-up of programs and performance improvement after the restructuring carried out in recent years.

EBITDA during the second quarter grew by € 10.3 million, or 153.7% (136.5% at constant FX), to € 17.0 million in the second quarter of 2017 from € 6.7 million in the second quarter of 2016.

North America

EBITDA decreased by € 5.9 million, or -8.7% (-6.6% at constant FX), to € 62.3 million in the first half of 2017 from € 68.2 million in the first half of 2016. The EBITDA evolution reflects higher than expected launch expenses in the United States, which were not fully mitigated by the good evolution of projects ramping up in Mexico.

EBITDA during the second quarter of 2017 fell by € 6.4 million, or -17.8% (-17.7% at constant FX), to € 29.6 million in the second quarter of 2017 from € 36.0 million in the second quarter of 2016.

Asia

EBITDA decreased by € 1.0 million, or -1.2% (-1.7% at constant FX), to € 79.7 million in the first half of 2017 from € 80.7 million in the first half of 2016. The evolution in EBITDA was in line with revenue evolution and impacted by the higher project and launching expenses. EBITDA margin stood at a good level after a strong performance in 2016.

EBITDA during the second quarter of 2017 fell by € 2.6 million, or -6.6% (-7.3% at constant FX), to € 36.5 million in the second quarter of 2017 from € 39.1 million in the second quarter of 2016.

	Second Quarter		YTD June 30,	
	2016	2017	2016	2017
	<i>(Millions of Euros)</i>		<i>(Millions of Euros)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the year before taxes and after non-controlling interest from continuing operations	73.8	87.4	132.4	166.2
Adjustments to profit	142.9	125.0	275.3	259.2
Depreciation and amortization of fixed assets	98.7	107.6	191.8	210.2
Impairment of fixed assets	0.2	-0.1	0.3	-0.1
Impairment	-2.1	6.1	2.6	3.5
Change in provisions	0.6	-0.9	-0.9	-8.2
Grants released to income	-2.0	-0.8	-3.1	-1.8
Profit (loss) attributable to non-controlling interests	10.4	9.8	20.3	28.7
Profit from disposal of fixed assets	-0.1	0.1	-0.5	0.1
Profit from disposal of financial instruments	0.0	0.0	0.0	0.0
Financial income	-1.5	1.4	-3.5	-1.7
Financial expenses	24.0	21.1	50.9	47.8
Share of profits from associates - equity method	0.9	0.2	1.4	0.2
Exchange rate differences	13.8	-18.9	16.0	-18.9
Other income and expenses	0.0	-0.6	0.0	-0.6
Changes in working capital	-56.7	-83.7	-188.3	-257.5
(Increase)/Decrease in Inventories	-35.0	-21.4	-70.3	-57.4
(Increase)/Decrease in Trade and other receivables	-112.5	-115.8	-308.2	-315.1
(Increase)/Decrease in Other current assets	-1.6	14.2	-8.9	-17.3
Increase/(Decrease) in Trade and other payables	93.0	44.0	204.3	131.4
Increase/(Decrease) in Other current liabilities	-0.6	-4.7	-5.2	0.9
Other cash-flows from operating activities	-65.8	-26.3	-91.0	-65.9
Interest paid	-34.4	-20.8	-44.9	-47.5
Interest received	1.6	-1.4	4.6	1.7
Proceeds (payments) of income tax	-33.0	-4.1	-50.7	-20.1
Cash flows from operating activities	94.2	102.4	128.4	102.0

	Second Quarter		YTD June 30,	
	2016	2017	2016	2017
	<i>(Millions of Euros)</i>		<i>(Millions of Euros)</i>	
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments on investments	-199.7	-197.3	-360.3	-456.6
Group companies and associates	-4.5	-0.5	-12.8	-10.4
Intangible assets	-27.7	-24.9	-43.4	-41.0
Property, plant and equipment	-164.1	-171.9	-299.1	-405.2
Other financial assets	-3.4	0.0	-5.0	0.0
Other assets	0.0	0.0	0.0	0.0
Proceeds from divestments	6.6	-9.7	19.5	22.1
Group companies and associates	0.1	0.0	0.1	0.0
Intangible assets	0.6	-0.6	1.0	0.6
Property, plant and equipment	-0.1	3.9	3.3	9.1
Other financial assets	-0.3	0.0	0.7	0.0
Other assets	6.3	-13.0	14.4	12.4
Cash flows from investing activities	-193.1	-207.0	-340.8	-434.5
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds and payments on equity instruments	-5.8	-1.1	-5.4	2.5
Change in non-controlling interests	-6.2	-0.5	-6.2	1.7
Grants, donations and legacies received	0.4	0.8	0.8	0.8
Other equity movements	0.0	-1.4	0.0	0.0
Proceeds and payments on financial liabilities	225.2	124.4	263.3	416.8
Proceeds from	1,045.0	435.0	1,151.0	702.9
Bonds and other securities to trade	497.9	0.0	497.9	0.0
Interest-bearing loans and borrowings	501.3	427.1	525.7	687.1
Net increase of credit lines and commercial discount	46.0	0.0	122.0	0.0
Borrowings from Group companies and associates	0.0	0.0	5.1	0.0
Other borrowings	-0.2	7.9	0.3	15.8
Repayment of	-819.8	-310.6	-887.7	-286.1
Bonds and other securities to trade	-807.9	0.0	-807.9	0.0
Interest-bearing loans and borrowings	-3.5	-265.3	-53.1	-265.3
Net decrease of credit lines and commercial discount	0.0	-41.2	0.0	-7.8
Borrowings from Group companies and associates	-5.1	-6.4	-12.5	-7.4
Other borrowings	-3.3	2.3	-14.2	-5.6
Payments on dividends and other equity instruments	-48.6	-0.9	-48.6	-67.2
Dividends	-48.6	-0.9	-48.6	-67.2
Cash flows from financing activities	170.8	122.4	209.3	352.1
Effect of changes in exchange rates	0.6	-2.2	-6.4	-1.9
Cash in assets held for sale	0.0	0.0	0.0	0.0
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS	72.5	15.6	-9.5	17.7

Cash flow from operating activities

Cash flow from operating activities decreased by € 26.4 million to a net amount of € 102.0 million during the first half of 2017 from a net amount € 128.4 million in the first half of 2016, primarily due to an increase in the cash used for working capital offset in part by a decrease in the cash used for payments of income tax and financial expenses.

Cash flow from (used in) investing activities

Cash flow used in investing activities increased by € 93.7 million in the first half of 2017 to € 434.5 million from € 340.8 million during the first half of 2016. The cash flow used in the first half of 2017 was primarily for investments in projects in North America, Spain, China, Germany, United Kingdom and Japan.

Cash flow from (used in) financing activities

Cash flow from financing activities amounted to € 352.1 million during the first half of 2017 primarily due to a net increase in interest-bearing loans.

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.

Our long-term indebtedness primarily consists of € 478.2 million Euros in senior secured notes; € 852.5 million in long-term portion of a funded senior secured amortizing Term Loan (part of the Senior Financing Agreement, or "SFA", originally syndicated on April 19, 2013, of which an additional € 280 million was in the form of a Revolving Credit Facility), € 160.0 million in long term debt with the European Investment Bank and € 692.7 million of aggregate principal amount in other long-term bilateral financing.

On May 11, 2016 we issued € 500 million of new senior secured notes due May 15, 2023 and on May 20, 2016 we signed an amendment and restatement of our SFA according to which, among other things, we agreed an increase in the availability of the Term Loan component of the SFA by € 340 million and extended the maturity of the Term Loans and the RCF to May 31, 2021. On June 6 and June 20, 2016 respectively we fully redeemed the remaining outstanding Euro and USD senior secured notes due May 2020 with proceeds from the aforementioned new senior secured notes and the increase in the SFA.

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 facilities) 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; or
- obtain additional debt or equity financing.

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.

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

Working capital

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

	Second Quarter		YTD June 30,	
	2016	2017	2016	2017
	<i>(Millions of Euros)</i>		<i>(Millions of Euros)</i>	
Changes in working capital	-56.7	-83.7	-188.3	-257.5
(Increase)/Decrease in Inventories	-35.0	-21.4	-70.3	-57.4
(Increase)/Decrease in Trade and other receivables	-112.5	-115.8	-308.2	-315.1
(Increase)/Decrease in Other current assets	-1.6	14.2	-8.9	-17.3
Increase/(Decrease) in Trade and other payables	93.0	44.0	204.3	131.4
Increase/(Decrease) in Other current liabilities	-0.6	-4.7	-5.2	0.9

Our working capital requirements largely arise from our trade and other receivables, which are primarily composed of amounts owed to us by our customers, inventories primarily composed of raw materials (mainly steel) and other current assets which comprise receivables accounts with the public treasury by the advanced payments of taxes or refunds of taxes. Our trade and other payables primarily relate to trade payables to our suppliers for raw materials and services, other amounts to the public treasury for taxes and payments to our employees by way of salaries. We have historically funded our working capital requirements through funds generated from our operations, from borrowings under bank facilities and through funds from other financing sources.

Net working capital requirements increased by € 257.5 million during the first half of 2017 (€ 188.3 million during the first half of 2016), primarily due to an increase in the amount of receivables resulting mainly from an increase in the average days for collections from customers in the first half of 2017 compared to the end of the year 2016, offset in part by an increase in the amount of payables resulting mainly from an increase in the average days for payment to suppliers in the first half of 2017 with respect to the end of year 2016.

Investments in fixed assets

	Second Quarter		YTD June 30,	
	2016	2017	2016	2017
	<i>(Millions of Euros)</i>		<i>(Millions of Euros)</i>	
Capital expenditures				
Intangible assets	27.7	24.9	43.4	41.0
Tangible assets	154.8	172.0	271.9	380.4
Total	182.5	196.9	315.3	421.4

Investments in fixed assets during the first half of 2016 and 2017 amounted to approximately € 315.3 million and € 421.4 million, respectively. Investments in fixed assets primarily consists of expenditure on property, plant and equipment. During the first half of the year 2017, capital expenditures were in line with expectations. Capital expenditures during the second half of the year will be less than during the first half of 2017 and as a result full year capital expenditure targets remain unchanged.

	Second Quarter		YTD June 30,	
	2016	2017	2016	2017
	<i>(Millions of Euros)</i>		<i>(Millions of Euros)</i>	
Capital expenditures by type				
Growth Capex	–	111.1	–	228.0
Recurrent Capex	–	60.9	–	152.4
Intangible Capex	–	24.9	–	41.0
Total	–	196.9	–	421.4

Note: 2016 capex split not available by type

As in the past several years, most of our capital expenditures have been dedicated to growth investments, which during the first half of 2017 amounted to approximately € 228.0 million. Growth capex includes greenfield projects, major expansions of existing facilities and new processes/technologies in existing plants. This high level of investments lays the groundwork for continued above-market growth over the coming years.

Recurrent capital expenditure, which during the first half of 2017 amounted to approximately € 152.4 million, includes investments in plant maintenance and business replacement.

Intangible capital expenditure during the first half of 2017 amounted to approximately € 41.0 million and includes expenditure on intangible assets such as certain research and development costs.

Contractual obligations

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

	As of June 30, 2017			
	Total	Less than 1 year	1 - 5 years	More than 5 years
	<i>(Millions of Euros)</i>			
Contractual obligations				
Interest bearing loans and borrowings	2,443.0	259.6	1,499.8	683.6
Financial leases	31.7	2.1	12.2	17.4
Borrowings from associated companies	60.1	0.9	39.8	19.4
Other financial debts	36.9	0.0	26.9	10.0
Total Financial Debts	2,571.7	262.6	1,578.7	730.4
Operating leases	483.6	86.3	237.0	160.3
Non interest bearing loans	7.0	0.0	6.0	1.0
Current non-trade liabilities	199.8	199.8		
Total Contractual Obligations	3,262.1	548.7	1,821.7	891.7

Other Financial Data

	2016	2017
	<i>(Millions of Euros)</i>	
Other Financial Data		
EBITDA	407.3	452.4
Cash, cash equivalent and current financial asset	369.6	492.0
Total Financial Debt	2,152.7	2,571.7
Total Net Financial Debt	1,783.1	2,079.7
	YTD June 30,	
	2016	2017
	<i>(Millions of Euros)</i>	
Operating profit	215.2	242.3
<i>Adjusted for:</i>		
Depreciation, amortization and impairment losses	192.1	210.1
EBITDA	407.3	452.4

	YTD June 30,	
	2016	2017
	<i>(Millions of Euros)</i>	
Interest bearing loans and borrowings	2,020.4	2,443.0
Financial leasing	32.3	31.7
Borrowings from associated companies	68.8	60.1
Other financial debts	31.2	36.9
Total Financial Debt	2,152.7	2,571.7
Cash, cash equivalents and current financial assets	369.6	492.0
TOTAL NET FINANCIAL DEBT	1,783.1	2,079.7

Cash, cash equivalents and current financial assets includes cash and cash equivalents as of June 30, 2017 of € 448.2 million and current financial assets as of June 30, 2017 of € 43.8 million (including loans and receivables, securities and other current financial assets).

The following non-trade liabilities are not considered financial debt as of June 30, 2017: € 80.4 million in derivative financial instruments, € 199.8 million of non-interest bearing short-term liabilities (of which € 155.8 million were to suppliers of fixed assets) and € 7.0 million of non-interest bearing long-term liabilities.

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

	June 30, 2016	December 31, 2016	June 30, 2017
Consolidated Balance Sheet Data:		<i>(Millions of Euros)</i>	
Non-current assets	3,629.3	3,921.9	4,140.0
Intangible assets	380.1	393.0	402.0
Property, plant and equipment	2,933.7	3,160.0	3,356.9
Financial assets	53.5	95.5	88.2
Deferred tax assets	262.0	273.4	292.9
Current assets	2,580.9	2,507.7	2,931.2
Assets held for sale	0.0	0.0	0.0
Inventories	655.4	630.9	694.1
Trade and other receivables	1,523.5	1,376.9	1,695.4
Other current assets	32.4	26.2	49.7
Financial assets	23.1	43.2	43.8
Cash and cash equivalent	346.5	430.5	448.2
Total assets	6,210.2	6,429.6	7,071.2
	June 30, 2016	December 31, 2016	June 30, 2017
Consolidated Balance Sheet Data:		<i>(Millions of Euros)</i>	
Equity	1,809.4	1,872.0	1,953.8
Equity attributable to shareholders of the parent	1,390.3	1,524.7	1,508.6
Equity attributable to non-controlling interest	419.1	347.3	445.2
Non-current liabilities	2,180.5	2,198.6	2,811.9
Deferred income	27.8	25.9	24.9
Provisions	154.8	154.2	144.4
Non-trade liabilities	1,776.5	1,779.5	2,396.4
Deferred tax liabilities	220.8	238.4	245.7
Other non-current liabilities	0.6	0.6	0.5
Current liabilities	2,220.3	2,359.0	2,305.5
Non-trade liabilities	611.2	716.0	462.4
Trade and other payables	1,588.4	1,621.4	1,817.8
Provisions	18.0	18.1	19.0
Other current liabilities	2.7	3.5	6.3
Total equity and liabilities	6,210.2	6,429.6	7,071.2