Management Discussion and Analysis of the Financial Condition and Results of Operations for the three months period ended March 31, 2018

Gestamp Automoción, S.A.

May 7, 2018

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 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. Please be cautioned not to place undue reliance on these forward looking statements. These forward statements are made as of the date of this report and are not intended to give any assurance as to future results.

2. BUSINESS PERFORMANCE AND RESULT

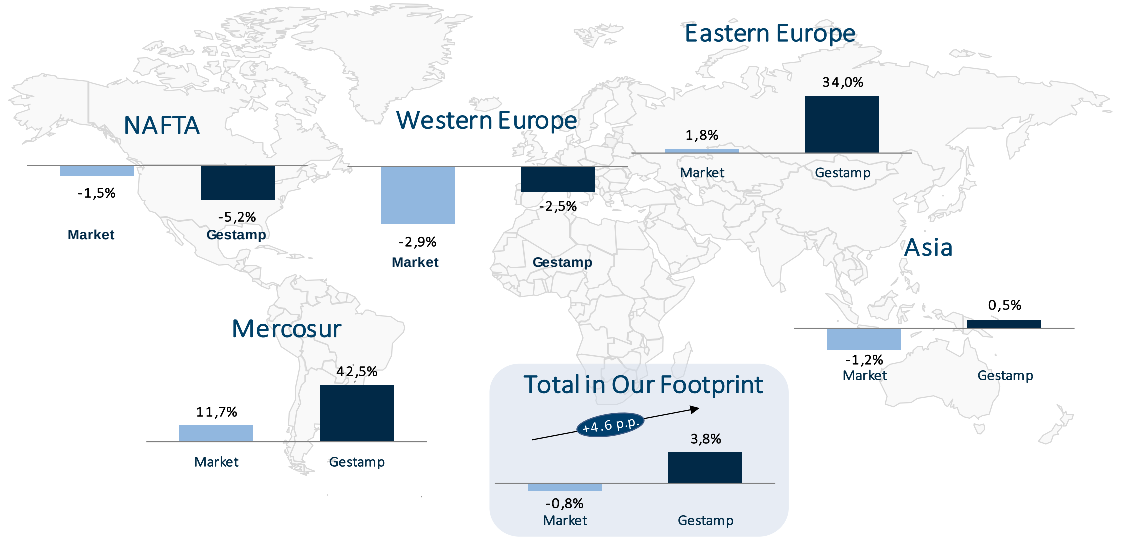
Global macro environment during the first three months of 2018 has been challenging, with currency depreciation versus the Euro. On the geopolitical front, the threat of commercial trade frictions between the USA and China has increased, as a consequence of protectionist measures announced by the US Administration.

In this context, the evolution of the automotive sector has experienced lower production volumes when compared to the first three months of 2017 due to the impact of the number of working days during the first three months of 2018, although a good performance is expected for the full year 2018 at a 2.4% growth rate. Global light vehicle production, according to IHS data as of April 2018, decreased by 0.7% during the first three months of 2018 (versus the first three months of 2017). Growth was mainly driven by South America (+19.0%), Eastern Europe (+11.1%) and Asia (+5.3%). The decrease in Gestamp's footprint stood at 0.8%.

The increase of trade frictions between USA and China is impacting the auto market as China has responded to US tariffs by reducing car import tariffs and might potentially increase the aid to foreign Joint Ventures. Global OEM's have continued to focus on "CASE" (*Connectivity, Autonomous driving, Shared mobility and Electrification*), which supports the outsourcing of the "Hardware" of a vehicle to global suppliers, such as Gestamp. Furthermore, OEMs continue focusing on emissions reduction, which not only means focusing on EV's but also making current internal combustion vehicles more efficient, as electrification will not be fast enough to achieve targets. Lightweighting solutions are key to increase autonomy and reduce CO2 emissions, which strengthens Gestamp's position in capturing new business.

The first quarter results for 2018 have been positive, showing a favorable evolution of our industrial operations in line with what we anticipated during 4Q 2017, as well as good progress in our NAFTA operations, which are on track with our action plan. Even if Revenues in the quarter have been affected by weaker auto markets, FX headwinds and less tooling sales, the EBITDA grew by 4.1% (10.1% at constant FX) and Net Income grew by 14.2%. During this first quarter of 2018, Gestamp has continued to make significant investments to support high-quality projects which provide high revenue visibility and are expected to drive strong profitable growth in the coming years. Additionally, and as already announced, Gestamp has signed important strategic agreements in China, Brazil and Morocco, during the first quarter 2018, which reinforce positively the strategic position of the Group. Finally, on April 20th Gestamp completed a new senior secured notes offering for an amount of 400 million euros, due in 2026 and at an annual coupon of 3.25%. The net proceeds of the issuance will be used to extend gross debt maturities and to amortize mainly short term debt. As a result, Gestamp has enhanced its financial structure by extending the Company's debt maturity profile at an attractive cost, at a time of change in the monetary policy of several Governments. The first quarter results for 2018 are in line with our expectations and on the right path to achieve full year guidance targets.

Gestamp Revenue Growth at Constant FX vs. Market Production Growth in Gestamp's Footprint

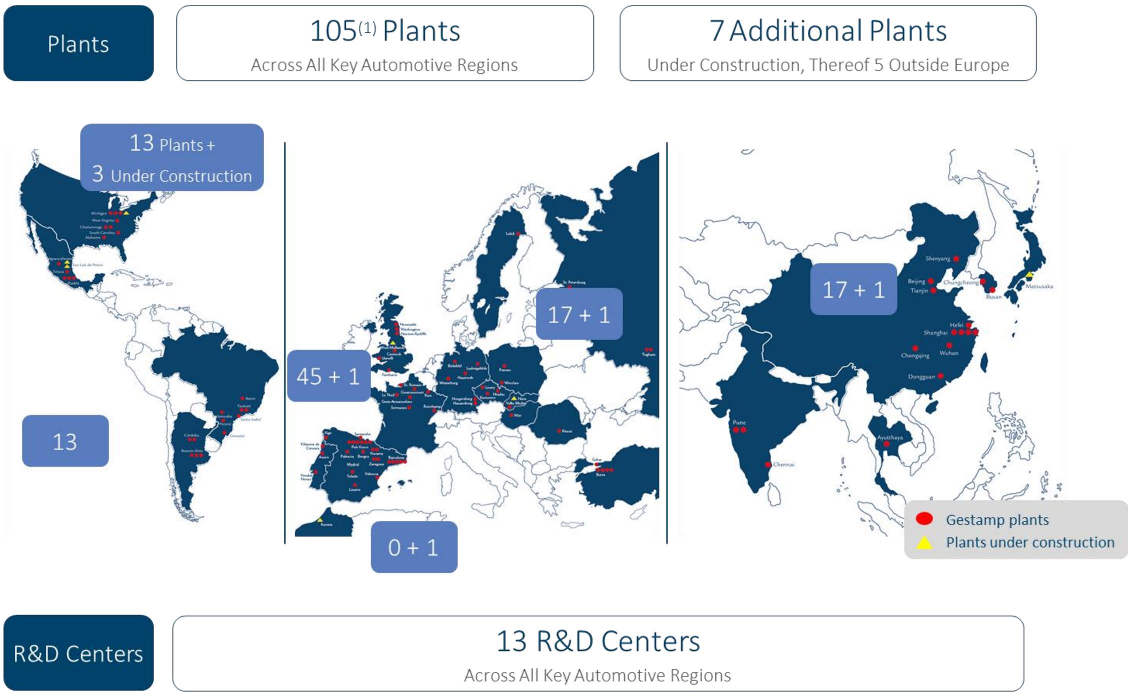


Note: Gestamp's growth at constant FX used for comparability with production volumes as this is a more accurate reflection of our underlying business activity. Market production volume growth is based on countries in Gestamp's production footprint (IHS data for Q1 2018 as of April 2018)

During the first three months of 2018 Gestamp has outperformed market production volume growth on a constant currency basis (in its production footprint – IHS data as of April 2018) by more than 4.5 percentage points.

Macro and Auto sector environment during the first three months of 2018 have been challenging. In that context, Gestamp has experienced a positive quarter with a special focus on efficiencies in our industrial activities worldwide, especially in our NAFTA operations, which are on track with our action plan.

During the first three months of 2018, 3 new plants have been added to our footprint with the opening of a new greenfield in China (Tianjin), the acquisition of a plant in Brazil (Sorocaba) and the Joint Venture signed with BHAP in China which contributes one additional plant in Beijing which is subject to regulatory approval. In addition, during this period Gestamp has also acquired a plant under construction in Morocco. These additions show Gestamp's focus on delivering on its strategy and strengthening the relationship with its customers.



(1) The addition of BHAP's plant in Beijing resulting from the JV announced on Jan. 25th, 2018 is subject to approval from the Chinese special commission SASAC, as well as to competition and other government authorities

First quarter of 2018 compared to first quarter of 2017

	First Quarter		
	2017	2018	% Change
Consolidated Income Statement Data		*(Millions of Euros)*	
Operating income	2,101.9	2,130.8	1.4%
Revenue	2,096.0	2,058.1	-1.8%
Other operating incomes	22.5	33.9	50.7%
Changes in inventories	-16.6	38.8	-333.7%
Operating expenses	-1,982.4	-2,002.2	1.0%
Raw materials and other consumables	-1,238.9	-1,227.6	-0.9%
Personnel expenses	-371.0	-384.4	3.6%
Depreciation, amortization and impairment losses	-102.6	-102.7	0.1%
Other operating expenses	-269.9	-287.5	6.5%
Operating profit	119.5	128.6	7.6%
Finance income	3.1	0.3	-90.3%
Finance expenses	-26.7	-31.8	19.1%
Exchange gains (losses)	1.1	0.6	-45.5%
Other	0.7	0.0	-100.0%
Profit from continuing operations	97.7	97.7	0.0%
Income tax expense	-23.8	-25.4	6.7%
Profit for the period	73.9	72.3	-2.2%
Result from discontinued operations	0.0	0.0	
Profit (loss) attributable to non-controlling interests	-18.9	-9.5	-49.7%
Profit attributable to equity holders of the parent	**55.0**	**62.8**	**14.2%**
EBITDA	222.1	231.3	4.1%

Revenues

During the first quarter of 2018, revenues reached €2,058.1 million, of which Body-in-White and Chassis represented €1,739.2 million, mechanisms €255.5 million, and tooling and others €63.4 million.

Revenues decreased by €37.9 million, or -1.8% (a growth of 3.8% at constant FX), versus sales of €2,096.0 million during the first quarter of 2017. The decrease in revenues was largely attributable to currency depreciation especially in the US, Mercosur, Turkey and China, and significantly lower tooling revenues compared to a very strong Q1 2017 especially in Europe and NAFTA. Mechanisms revenues remained broadly stable, while Body-in-White and Chassis revenues grew mainly in Western Europe, Eastern Europe and Mercosur, and decreased in North America and Asia.

Operating expenses

Raw materials and other consumables. During the first quarter of 2018 expenses on raw materials and other consumables decreased by €11.3 million, or -0.9%, to €1,227.6 million from €1,238.9 million during the first quarter of 2017. The decrease was mainly due to lower sales volumes consistent with the decrease in revenues.

Personnel Expenses. During the first quarter of 2018 personnel expenses increased by €13.4 million, or 3.6%, to €384.4 million from €371.0 million during the first quarter of 2017, mainly in Western Europe, Eastern Europe and Asia (consistent with the increases in sales by Body-in-White and Chassis).

Depreciation, amortization and impairment losses. During the first quarter of 2018 depreciation expense increased by €0.1 million, or 0.1%, to €102.7 million from €102.6 million in the first quarter of 2017.

Other operating expenses. During the first quarter of 2018 other operating expenses increased by €17.6 million, or 6.5%, to €287.5 million from €269.9 million in the first quarter of 2017, mainly in Western Europe due to higher sales volumes and in North America due to the project and launching expenses.

Operating profit or loss

Operating profit during the first quarter of 2018 increased by €9.1 million, or 7.6%, to €128.6 million from €119.5 million during the first quarter of 2017. This increase was primarily due to the increase in revenues in Body-in-White and Chassis and Mechanisms considering both sales to customers and production for inventory.

EBITDA

EBITDA during the first quarter of 2018 increased by €9.2 million, or 4.1%, to €231.3 million from €222.1 million during the first quarter of 2017, moving margin above 11%. Growth at constant FX was 10.1%.

The improvement has been due to a strong growth in Mercosur and Eastern Europe in terms of EBITDA increase, whereas Western Europe, Mercosur and NAFTA have driven the increase in margins.

Net financial income (expenses)

Net financial expense increased by €7.9 million, or 33.5%, to €31.5 million during the first quarter of 2018 from €23.6 million during the first quarter of 2017. This increase was primarily due to a higher average net financial debt for the period and the effect of the application of the change in IFRS 9 has involved an additional financial expense of €4.9 million.

Exchange gains (losses)

During the first quarter of 2018 exchange profits amounted to €0.6 million and €1.1 million during the first quarter of 2017. The exchange profits in the first quarter of 2018 were primarily due to the revaluation of the Pound Sterling against the Euro and Mexican Peso, partially offset by the depreciation of Turkish Lira and Brazilian Real.

Income tax

Income tax expense during the first quarter of 2018 increased by €1.6 million, to €25.4 million from €23.8 million during the first quarter of 2017.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests during the first quarter of 2018 decreased by €9.4 million to €9.5 million from €18.9 million during the first quarter of 2017, largely as a result of lower profits in subsidiaries with minority partners.

Financial information by geographic segment

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

REVENUES

	First Quarter		
	2017	2018	% Change
Revenues	*(Millions of Euros)*		
Geographic segments			
Western Europe	1,100.4	1,066.6	-3.1%
Eastern Europe	223.6	284.5	27.2%
Mercosur	116.5	130.8	12.3%
North America	392.6	330.4	-15.8%
Asia	262.9	245.8	-6.5%
Total	**2,096.0**	**2,058.1**	**-1.8%**

Western Europe

Revenues decreased during the first quarter of 2018 by €33.8 million, or -3.1% (-2.5% at constant FX), to €1,066.6 million. The decrease in revenues was attributable primarily to significantly lower tooling revenues, the impact of working days seasonality and foreign exchange headwinds (specially British Pound). Excluding tooling, solid growth in Spain, Portugal and France has been strong thanks to the ramp-up of new projects.

Eastern Europe

During the first quarter of 2018 revenues increased by €60.9 million, or 27.2% (34.0% at constant FX), to €284.5 million. The increase in revenues was due to a strong performance in almost all countries. Continued growth as a result of ramp-ups in Turkey (FCA and Ford), Poland (VW Crafter), Hungary (Audi) and Romania (Dacia) as well as market recovery in Russia.

Mercosur

During the first quarter of 2018 revenues increased by €14.3 million, or 12.3% (42.5% at constant FX), to €130.8 million. Growth, which was above-market, was fueled by new program wins entering ramp-up, partially offset by currency depreciations.

North America

During the first quarter of 2018 revenues decreased by €62.2 million or -15.8% (-5.2% at constant FX), to €330.4 million. The evolution of revenues was largely affected by lower tooling and currency headwinds. Excluding tooling, sales would have been positive. Revenues were impacted by change-over of large programs resulting in lower volumes, projects ramping-up in Mexico slightly slower than planned, although expected to recover in the coming months. New launches to come in the second half of 2018, especially in USA.

Asia

During the first quarter of 2018 revenues decreased by € 17.1 million, or -6.5% (0.5% at constant FX), to € 245.8 million. The evolution of revenues was similar in all areas (China, India and South Korea), with currency depreciation impacting results. Latest market forecasts show an improvement of vehicle production in China.

EBITDA

	First Quarter		
	2017	**2018**	**% Change**
EBITDA	*(Millions of Euros)*		
Geographic segments			
Western Europe	109.7	111.5	1.6%
Eastern Europe	28.7	35.6	24.0%
Mercosur	7.8	16.1	106.4%
North America	32.7	30.8	-5.8%
Asia	43.2	37.3	-13.7%
Total	**222.1**	**231.3**	**4.1%**

Western Europe

EBITDA increased during the first quarter of 2018 by €1.8 million, or 1.6% (2.0% at constant FX), to €111.5 million. This increase in EBITDA, despite the revenue drop, is due to operational efficiencies, higher quality projects launched and lower tooling revenues, resulting in a margin improvement to 10.5%.

Eastern Europe

EBITDA during the first quarter of 2018 increased by €6.9 million, or 24.0% (32.3% at constant FX), to €35.6 million, primarily due to the increase in revenues, offset by higher launching expenses in Turkey, Romania and Slovakia compared to the first quarter of 2017.

Mercosur

EBITDA during the first quarter of 2018 increased by €8.3 million, or 106.4% (159.6% at constant FX), to €16.1 million. The increase in EBITDA was due to the ongoing volume recovery, the good performance of new projects and efficiency improvements. Supportive market trends are expected for the remainder of year.

North America

EBITDA during the first quarter of 2018 decreased by €1.9 million, or -5.8% (4.6% at constant FX), to €30.8 million. The EBITDA evolution reflects a margin expansion, with NAFTA performance developing in line with action plan, and lower sales of tooling. Revenue, EBITDA and margin growth expected in 2018 and 2019 as a result of new ramp-ups.

Asia

EBITDA during the first quarter of 2018 decreased by €5.9 million, or -13.7% (-6.8% at constant FX), to €37.3 million. EBITDA margins are in line with 2017 levels (14.6%), after the moderation experienced versus 2016. Launching expenses in new plants of Tianjin and Matsusaka, with start of production expected in the third quarter of 2018. The integration of BHAP's Beijing plant is expected by the fourth quarter 2018.

Information on cash flows

	First Quarter	
	2017	**2018**
	(Millions of Euros)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year before taxes and after non-controlling interest from continuing operations	**78.8**	**88.2**
Adjustments to profit	**134.2**	**146.6**
Depreciation and amortization of fixed assets	102.6	102.7
Impairment	-2.6	0.2
Change in provisions	-7.3	4.9
Grants released to income	-1.0	-1.0
Profit (loss) attributable to non-controlling interests	18.9	9.5
Profit from disposal of fixed assets	0.0	0.3
Profit from disposal of financial instruments	0.0	0.0
Financial income	-3.1	-0.3
Financial expenses	26.7	31.8
Share of profits from associates - equity method	0.0	0.1
Exchange rate differences	0.0	-1.6
Other income and expenses	0.0	0.0
Changes in working capital	**-173.8**	**-235.6**
(Increase)/Decrease in Inventories	-36.0	-79.8
(Increase)/Decrease in Trade and other receivables	-199.3	-179.0
(Increase)/Decrease in Other current assets	-31.5	-23.7
Increase/(Decrease) in Trade and other payables	87.4	43.9
Increase/(Decrease) in Other current liabilities	5.6	3.0
Other cash-flows from operating activities	**-39.6**	**-32.1**
Interest paid	-26.7	-21.5
Interest received	3.1	1.2
Proceeds (payments) of income tax	-16.0	-11.8
Cash flows from operating activities	**-0.4**	**-32.9**

	First Quarter	
	2017	2018
	(Millions of Euros)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments on investments	**-259.3**	**-259.2**
Group companies and associates	-9.9	0.0
Intangible assets	-16.1	-23.2
Property, plant and equipment	-233.3	-236.0
Other financial assets	0.0	0.0
Other assets	0.0	0.0
Proceeds from divestments	**31.8**	**3.2**
Group companies and associates	0.0	0.0
Intangible assets	1.2	0.3
Property, plant and equipment	5.2	1.5
Other financial assets	0.0	0.0
Other assets	25.4	1.4
Cash flows from investing activities	**-227.5**	**-256.0**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds and payments on equity instruments	**3.6**	**0.0**
Change in non-controlling interests	2.2	0.0
Grants, donations and legacies received	0.0	0.0
Other equity movements	1.4	0.0
Proceeds and payments on financial liabilities	**292.4**	**226.8**
Proceeds from	**301.3**	**267.0**
Bonds and other securitites to trade	0.0	0.0
Interest-bearing loans and borrowings	260.0	123.4
Net increase of credit lines and commercial discount	33.4	2.4
Borrowings from Group companies and associates	0.0	140.1
Other borrowings	7.9	1.1
Repayment of	**-8.9**	**-40.2**
Bonds and other securitites to trade	0.0	0.0
Interest-bearing loans and borrowings	0.0	-34.0
Net decrease of credit lines and commercial discount	0.0	0.0
Borrowings from Group companies and associates	-1.0	0.0
Other borrowings	-7.9	-6.2
Payments on dividends and other equity instruments	**-66.3**	**0.0**
Dividends	-66.3	0.0
Cash flows from financing activities	**229.7**	**226.8**
Effect of changes in exchange rates	**0.3**	**-0.5**
Cash in assets held for sale	**0.0**	**0.0**
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS	**2.1**	**-62.6**

Cash flow from operating activities

Cash flow used in operating activities during the first quarter of 2018 increased by €32.5 million to a net amount of €32.9 million from a net amount €0.4 million in the first quarter of 2017, primarily due to an increase in the cash used for working capital by €61.8 million, partially offset by the increase in EBITDA linked to operating activities.

Cash flow from (used in) investing activities

Cash flow used in investing activities during the first quarter of 2018 increased by €28.5 million to €256.0 million from €227.5 million during the first quarter of 2017. The cash flow used in the first quarter of 2018 was primarily for investments in projects in North America, Spain, Germany, Czech Republic, Japan, Slovakia and China.

Cash flow from (used in) financing activities

Cash flow from financing activities during the first quarter of 2018 amounted to €226.8 million primarily due to a net increase in interest-bearing loans and the new loan from associated companies.

Working capital

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

	First Quarter	
	2017	**2018**
	(Millions of Euros)	
Changes in working capital	**-173.8**	**-235.6**
(Increase)/Decrease in Inventories	-36.0	-79.8
(Increase)/Decrease in Trade and other receivables	-199.3	-179.0
(Increase)/Decrease in Other current assets	-31.5	-23.7
Increase/(Decrease) in Trade and other payables	87.4	43.9
Increase/(Decrease) in Other current liabilities	5.6	3.0

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

Our trade and other payables primarily relate to trade payables to our suppliers for raw materials and services, other amounts to the public treasury for taxes and payments to our employees by means of salaries. We have historically funded our working capital requirements through funds generated from our operations, from borrowings under bank facilities and through funds from other financing sources.

Net working capital requirements increased by €235.6 million during the first quarter of 2018 (€173.8 million during the first quarter of 2017), primarily due to an increase in the amount of receivables resulting mainly from an increase in the average days for collections from customers and in the average periods of stock rotation during the first quarter of 2018 compared to the end of the year 2017, offset in part by an increase in the amount of payables resulting mainly from an increase in the average days for payment to suppliers during the first quarter of 2018 with respect to the end of year 2017.

Investments in fixed assets

	First Quarter	
	2017	2018
	(Millions of Euros)	
Capital Expenditures		
Intangible Assets	16,1	23,2
Tangible assets	208,4	255,1
- Growth Capex	*116,8*	*179,0*
- Recurrent Capex	*91,6*	*76,1*
Total	**224,5**	**278,3**

Investments in fixed assets during the first quarter of 2018 and 2017 amounted to approximately €278.3 million and €224.5 million, respectively. Investments in fixed assets primarily consists of expenditure on property, plant and equipment.

As in the past several years, most of our capital expenditures have been dedicated to growth investments, which during the first quarter of 2018 amounted to approximately €179.0 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. Around two thirds of capex has been dedicated to growth projects. Capex is mostly weighted towards H1 of 2018.

Recurrent capital expenditure, which during the first quarter of 2018 amounted to €76.1 million, includes investments in plant maintenance and business replacement.

Intangible capital expenditure during the first quarter of 2018 amounted to €23.2 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 March 31, 2018			
	Total	Less than 1 year	1 - 5 years	More than 5 years
	(Millions of Euros)			
Contractual obligations				
Interest bearing loans and borrowings	2,707.3	557.6	1,550.5	599.2
Financial leases	32.6	3.5	14.3	14.8
Borrowings from associated companies	199.3	3.2	178.2	17.9
Other financial debts	34.1	0.0	25.5	8.6
Total Financial Debts	**2,973.3**	**564.3**	**1,768.5**	**640.5**
Operating leases	491.8	89.9	218.7	183.2
Non interest bearing loans	9.7	0.0	8.3	1.4
Current non-trade liabilities	135.8	135.8		
Total Contractual Obligations	**3,610.6**	**790.0**	**1,995.5**	**825.1**

Other Financial Data

	YTD March 31,	
	2017	**2018**
	(Millions of Euros)	
Interest bearing loans and borrowings	2.303,8	2.707,3
Financial leasing	33,0	32,6
Borrowings from associated companies	69,2	199,3
Other financial debts	39,3	34,1
Total Financial Debt	**2.445,3**	**2.973,3**
Cash, cash equivalents and current financial asse	465,2	873,7
TOTAL NET FINANCIAL DEBT	**1.980,1**	**2.099,6**

	YTD March 31,	
	2017	**2018**
	(Millions of Euros)	
Operating profit	119.5	128.6
Adjusted for:		
Depreciation, amortization and impairment losses	102.6	102.7
EBITDA	**222.1**	**231.3**

Cash, cash equivalents and current financial assets includes cash and cash equivalents as of March 31, 2018 of €797.6 million and current financial assets of €76.1 million (including loans and receivables, securities and other current financial assets).

The following non-trade liabilities are not considered financial debt as of March 31, 2018: €57.5 million in derivative financial instruments, €135.8 million of non-interest bearing short-term liabilities (of which €110.8 million were to suppliers of fixed assets) and €9.7 million of non-interest bearing long-term liabilities.

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

Consolidated Balance Sheet Data:	March 31, 2017	December 31, 2017	March 31, 2018
		(Millions of Euros)	
Non-current assets	4,116.5	4,157.7	4,308.2
Intangible assets	395.9	414.7	419.6
Property, plant and equipment	3,353.1	3,407.8	3,561.7
Financial assets	95.1	69.4	68.3
Deferred tax assets	272.4	265.8	258.6
Current assets	2,798.8	3,067.2	3,317.0
Assets held for sale	0.0	0.0	0.0
Inventories	671.0	681.3	778.4
Trade and other receivables	1,598.8	1,375.7	1,570.2
Other current assets	63.8	71.1	94.7
Financial assets	32.6	78.9	76.1
Cash and cash equivalent	432.6	860.2	797.6
Total assets	**6,915.3**	**7,224.9**	**7,625.2**

Consolidated Balance Sheet Data:	March 31, 2017	December 31, 2017	March 31, 2018
		(Millions of Euros)	
Equity	1,998.7	1,970.6	2,131.2
Equity attributable to shareholders of the parent	1,542.1	1,534.8	1,685.3
Equity attributable to non-controlling interest	456.6	435.8	445.9
Non-current liabilities	2,499.8	2,747.2	2,886.3
Deferred income	26.1	22.3	22.2
Provisions	146.0	143.0	144.7
Non-trade liabilities	2,088.9	2,364.5	2,476.2
Deferred tax liabilities	234.6	217.4	243.2
Other non-current liabilities	4.2	0.0	0.0
Current liabilities	2,416.8	2,507.1	2,607.7
Non-trade liabilities	628.5	678.3	700.1
Trade and other payables	1,758.4	1,814.1	1,886.8
Provisions	18.9	11.7	14.8
Other current liabilities	11.0	3.0	6.0
Total equity and liabilities	**6,915.3**	**7,224.9**	**7,625.2**

Impacts from IFRS 9 and IFRS 15

The first adoption of IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers) as of 1st January 2018 has impacted our opening balance sheet.

IFRS 9 implementation has required to assess the value of our financial debt affected by restructuring deals, discounting new future cash flows at the original effective interest rates. This has led to a reduction of €106.2 million in our financial debt, as of 1st January 2018, that will flow over time into our P&L as higher financial expenses (€4.9 million in Q1 2018). This debt decrease has led to higher reserves for €80.1 million and higher deferred tax liabilities for €26.1 million.

IFRS 15 has led to reassess the value of our inventories as of 1st January 2018, increasing it by €17.2 million, with no impact on P&L.

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 €428.7 million in senior secured notes; €801.5 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 €759.5 million of aggregate principal amount in other long-term bilateral financing.

On April 20th, 2018 we issued €400 million bonds maturing in 2026, with 3.25% coupon, and 3.375% implied yield to maturity, to refinance mainly debt with shorter maturities, mainly in 2018.

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 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 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 have debt service obligations. We anticipate that our leverage will continue for the foreseeable future.