

Audit Report on Financial Statements
issued by an Independent Auditor

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and Consolidated Management
Report for the year ended
December 31, 2017

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

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of GESTAMP AUTOMOCIÓN, S.A. (the parent) and its subsidiaries (the Group), which comprise balance sheet at December 31, 2017, the income statement, the statement of other comprehensive income, the statement of changes in equity, the cash flow statement, and the notes thereto, all of them consolidated, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of equity and the financial position of the Group at December 31, 2017 and of its financial performance and its cash flows, all of them consolidated, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of intangible assets and property, plant, and equipment

Description At December 31, 2016, the Group had goodwill, other intangible assets, and property, plant, and equipment in the respective amounts of 104,757 thousand, 309,940 thousand, and 3,407,779 thousand euros. Management conducts impairment tests annually for cash generating units (CGUs) with goodwill or assets with assigned indefinite useful lives or indications of the impairment. These impairment tests are made through calculating value in use based on a cash flow discount rate forecasted in CGU budgeted projections. These analyses require making significant accounting estimates and judgments on the CGU's cash flows. We considered this area to be a key audit matter, since the analyses made by Group management require making complex estimates and judgments on the future results of the CGUs to which the abovementioned assets belong. The measurement standard and method for calculating calculation of value in use, recoverability analyses of CGUs, and IFRS-EU disclosures are discussed in Notes 6.7, 7. 10, and 11 of the accompanying Notes to the consolidated financial statements.

Our response Part of our audit procedures involved verifying the Group's indicators for determine whether there is any indication of impairment are consistent with IAS 36 requirements. For CGUs subject to impairment testing, we reviewed the reasonableness of the financial information and cash flow projections included in the business plan, and consider both historic and current information, as well as budgets approved by the Board of Directors. We also involved our valuation specialists to verify the reasonableness of the methodology used for calculating discounted cash flows for each CGU included in the recoverability analysis, mainly covering the discount rate used, as well as long-term growth rate and certain sales ratios. We also analyzed the information disclosed in the notes thereto for the year on the criteria, hypotheses, and sensitivity analyses used for the impairment test.

Recoverability of deferred tax assets

Description As indicated in Note 23, at December 31, 2017, the Group had deferred tax assets totalling 265,799 thousand euros corresponding to tax credits and other deductible temporary differenced which Group management expects to reverse in the future. Management's assessment of the recoverability of the deferred tax assets is based on its estimates on future taxable profit based on the Company's financial projections and business plans and contemplating applicable tax regulations at any given time. The determination of the amount to be recovered in the future entails management making serious judgments based on a reasonable period and the consolidated tax group's taxable profit. The assessment of these assets is relevant for our audit as it requires making judgments and complex estimates and the recognized amounts are significant. The accounting standard and the disclosures required by IFRS-EU are detailed in the notes 6.19, 7, 23, and 28 of the accompanying consolidated notes to the financial statements.

Our response Our audit procedures mainly included evaluating management's assumptions and estimates based on the probability of generating sufficient future taxable profit based on: forecasts, business performance, historic experience, sensitivity analyses, and meetings with Management. We involved our team of tax specialists in the analysis and assessment of the related tax effects. We also reviewed the appropriateness of the information breakdown in accompanying consolidated notes regarding the applicable regulatory framework for financial information in Spain.

Measurement of derivative instruments

Description The Company has arranged several hedging instruments to cover the risk of changes in the variable interest rates associated with part of its financial debt. Considering that these derivatives are recognized on the consolidated balance sheet at market value, which entails making significant estimates and judgments, we have considered that this area could potentially have a notable impact on our audit. A description of the measurement criteria for derivative financial instruments and information to disclose on the Group's financial derivatives required by IFRS-EU are reflected in the accompanying Notes 6.20, 12.a.3, and 22b of the accompanying consolidated notes to the financial statements.

Our response In this area, our audit procedures included the following, among others:

- ▶ Understand the procedures and controls established by the Company to ensure the appropriate measurement and accounting treatment for derivative instruments
- ▶ With support from our derivatives specialists, conduct comparisons of the fair value to analyze the correct accounting treatment based on the classification of derivatives, and
- ▶ Review of the information disclosed in the accompanying notes to the consolidated financial statements.

Other information: consolidated management report

Other information refers exclusively to the 2017 consolidated management report, the preparation of which is the responsibility of the parent Company's directors and is not an integral part of the financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the information contained in the consolidated management report is defined in prevailing audit regulations, which distinguish two levels of responsibility:

- a. A specific level applicable to the non-financial information statement, as well as certain information included in the Corporate Governance Report, as defined in article 35.2 b) of Law 22/2015 on auditing, which solely requires that we verify whether said information has been included in the consolidated management report and if not, disclose this fact.

- b. A general level applicable to the remaining information included in the consolidated management report, which requires us to evaluate and report on the consistency of said information in the consolidated financial statements, based on knowledge of the Group obtained during the audit, excluding information not obtained from evidence. Moreover, we are required to evaluate and report on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described in the above paragraph, we have verified that the specific information referred to in paragraph a) above has been provided in the consolidated management report, and that the remaining the information contained therein is consistent with that provided in the 2017 consolidated financial statements and their content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company's directors and the audit committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and consolidated results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Group's management.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the parent company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Additional report to the parent company audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the parent company audit committee on February 26, 2018.

Term of engagement

The annual general shareholders' meeting held on October 5, 2015 appointed us as auditors for a period of 3 years, commencing on financial year 2015.

Previously, we were appointed as auditors by the shareholders for 3 years and we have been carrying out the audit of the consolidated financial statements continuously since December 31, 1999.

ERNST & YOUNG, S.L.

(Signed on the original version in Spanish)

Ramón Masip López

February 26, 2018

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

**Consolidated Financial Statements and
Consolidated Management Report for the year ended
December 31, 2017**



GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

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GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2017 AND DECEMBER 31, 2016
(In thousands of euros)

	<u>Note</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
ASSETS			
Non-current assets			
Intangible assets	10	414,697	392,964
Goodwill		104,757	110,504
Other intangible assets		309,940	282,460
Property, plant and equipment	11	3,407,779	3,160,014
Land and buildings		1,040,863	983,285
Plant and other PP&E		1,728,297	1,608,351
PP&E under construction and prepayments		638,619	568,378
Financial assets	12	69,427	95,514
Investments in associates accounted for using the equity method		1,787	5,740
Loans and receivables		39,248	50,581
Derivatives in effective hedges		14,718	25,710
Other non-current financial assets		13,674	13,483
Deferred tax assets	23	265,799	273,439
Total non-current assets		4,157,702	3,921,931
Current assets			
Inventories	13	681,322	630,897
Raw materials and other consumables		350,446	308,335
Work in progress		143,476	141,149
Finished products and by-products		124,487	129,591
Prepayments to suppliers		62,913	51,822
Trade and other receivables	14	1,375,709	1,376,889
Trade receivables		1,174,714	1,169,925
Other receivables		31,627	20,819
Current income tax assets		26,795	35,306
Receivables from public authorities		142,573	150,839
Other current assets	14	71,057	26,240
Financial assets	12	78,896	43,228
Loans and receivables		34,598	11,036
Securities portfolio		5,376	338
Other current financial assets		38,922	31,854
Cash and cash equivalents	14	860,238	430,463
Total current assets		3,067,222	2,507,717
Total assets		7,224,924	6,429,648

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2017 AND DECEMBER 31, 2016
(In thousands of euros)

	<u>Note</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
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	1,551,924	1,378,145
Translation differences	17	(366,516)	(203,300)
Equity attributable to equity holders of the parent		1,534,756	1,524,673
Equity attributable to non-controlling interest	18	435,799	347,330
Total equity		1,970,555	1,872,003
Liabilities			
Non-current liabilities			
Deferred income	19	22,315	25,945
Non-current provisions	20-21	143,044	154,153
Non trade liabilities	22	2,364,497	1,779,451
Interest-bearing loans and borrowings and debt issues		2,167,091	1,548,305
Derivative financial instruments		66,201	87,983
Other non-current financial liabilities		121,612	132,805
Other non-current liabilities		9,593	10,358
Deferred tax liabilities	23	217,444	238,454
Other non-current liabilities		-	599
Total non-current liabilities		2,747,300	2,198,602
Current liabilities			
Non trade liabilities	22	678,279	716,036
Interest-bearing loans and borrowings		543,789	419,294
Other current financial liabilities		4,537	5,922
Other non-trade liabilities		129,953	290,820
Trade and other payables	24	1,814,073	1,621,425
Trade accounts payable		1,513,083	1,356,144
Current tax liabilities		25,905	20,727
Other accounts payable		275,085	244,554
Current provisions	20-21	11,723	18,072
Other current liabilities		2,994	3,510
Total current liabilities		2,507,069	2,359,043
Total liabilities		5,254,369	4,557,645
Total equity and liabilities		7,224,924	6,429,648

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017 AND DECEMBER 31, 2016
(In thousands of euros)**

	Note	December 31, 2017	December 31, 2016
CONTINUING OPERATIONS			
OPERATING INCOME	25	8,390,531	7,673,939
Revenue		8,201,571	7,548,938
Other operating income		197,192	131,571
Changes in inventories	13	(8,232)	(6,570)
OPERATING EXPENSE	26	(7,905,802)	(7,211,317)
Raw materials and other consumables		(4,882,126)	(4,509,742)
Personnel expenses		(1,492,846)	(1,366,884)
Depreciation, amortization, and impairment losses		(405,147)	(378,528)
Other operating expenses		(1,125,683)	(956,163)
OPERATING PROFIT		484,729	462,622
Financial income	27	9,000	5,275
Financial expenses	27	(101,753)	(98,758)
Exchange gains (losses)		(22,918)	(12,442)
Share of profits from associates - equity method	12	(997)	(8,539)
Change in fair value of financial instruments		2,086	-
Impairment and gains (losses) on sale of financial instruments		32	(77)
PROFIT BEFORE TAXES FROM CONTINUING OPERATIONS		370,179	348,081
Income tax expense	28	(82,102)	(88,940)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		288,077	259,141
PROFIT FOR THE YEAR		288,077	259,141
Profit (loss) attributable to non-controlling interest	18	(48,385)	(37,787)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		239,692	221,354
Earnings per share (in euros)			
-Basic (*)	29	0.42	0.38
From continuing operations		0.42	0.38
-Diluted (*)	29	0.42	0.38
From continuing operations		0.42	0.38

(*) 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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR PERIOD ENDED DECEMBER 31, 2017 AND DECEMBER 31, 2016
(In thousands of euros)

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
PROFIT FOR THE YEAR	288,077	259,141
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income not to be reclassified to income in next years:</i>		
Actuarial gains and losses	16	1,077
<i>Other comprehensive income to be reclassified to income in next years:</i>		
From cash flow hedges	22.b.1)	6,267
Translation differences	<u>(199,794)</u>	<u>(34,811)</u>
Attributable to Parent Company	17	(163,216)
Attributable to non-controlling interest	18	(36,578)
TOTAL COMPREHENSIVE INCOME NET OF TAXES	95,627	216,284
Attributable to:		
- Parent Company	83,691	177,817
- Non-controlling interest	11,936	38,467
	<u>95,627</u>	<u>216,284</u>

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR PERIOD ENDED DECEMBER 31, 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	-	-	239,692	-	239,692	48,385	288,077
Fair value adjustments (hedge)	-	-	6,267	-	6,267	-	6,267
Variation in translation differences	-	-	-	(163,216)	(163,216)	(36,578)	(199,794)
Actuarial gains and losses	-	-	948	-	948	129	1,077
Total comprehensive income	-	-	246,907	(163,216)	83,691	11,936	95,627
Dividends distributed by the Parent Company	-	-	(66,356)	-	(66,356)	-	(66,356)
Dividends distributed by subsidiaries	-	-	-	-	-	(5,931)	(5,931)
Business combinations (Jui Li Eds. Body System., Co.Ltd Group and Gestamp Palau, S.A)	-	-	-	-	-	2,164	2,164
Increase in shareholding in controlled companies	-	-	(1,143)	-	(1,143)	(3,307)	(4,450)
Decrease in shareholding	(480)	-	480	-	-	-	-
Capital increase in subsidiaries (Edscha Pha, Ltd.)	-	-	-	-	-	1,199	1,199
Recognition of the Put Option sold to non-controlling interest (Note 22.d)	-	-	(4,047)	-	(4,047)	80,947	76,900
Other movements and adjustments from prior years	-	-	(2,062)	-	(2,062)	1,461	(601)
AT DECEMBER 31, 2017	287,757	61,591	1,551,924	(366,516)	1,534,756	435,799	1,970,555

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR PERIOD ENDED DECEMBER 31, 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	-	-	221,354	-	221,354	37,787	259,141
Fair value adjustments (hedge)	-	-	(2,631)	-	(2,631)	-	(2,631)
Variation in translation differences	-	-	-	(35,491)	(35,491)	680	(34,811)
Actuarial gains and losses	-	-	(5,415)	-	(5,415)	-	(5,415)
Total comprehensive income	-	-	213,308	(35,491)	177,817	38,467	216,284
Dividends distributed by the Parent Company	-	-	(48,444)	-	(48,444)	-	(48,444)
Dividends distributed by the subsidiaries	-	-	-	-	-	(8,547)	(8,547)
Business combination Çelik Form Gestamp Otomotiv, A.S.	-	-	-	-	-	(2,748)	(2,748)
Disposal of companies (G Finance Luxemburgo, S.A.)	-	-	-	-	-	(51)	(51)
Capital increase in controlled companies (Edscha Aapico Aut. Co. Ltd.)	-	-	-	-	-	151	151
Acquisition of non-controlling interest in Gestamp 2008, S.L. (Note 2.b)	-	-	(263)	-	(263)	(6,119)	(6,382)
Transfer from non-controlling interest due to changes in shareholding of Gestamp 2008, S.L. (Note 2.b)	-	-	(190)	-	(190)	190	-
Recognition of the Put Option sold to non-controlling interest (Note 22.d)	-	-	4,047	-	4,047	(80,947)	(76,900)
Other movements and adjustments from prior years	-	-	(102)	-	(102)	349	247
AT DECEMBER 31, 2016	288,237	61,591	1,378,145	(203,300)	1,524,673	347,330	1,872,003

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR PERIOD ENDED DECEMBER 31, 2017 AND DECEMBER 31, 2016
(In thousands of euros)

	Note	December 31, 2017	December 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxes and after non-controlling interest		321,794	310,294
Adjustments to profit		504,177	489,708
Depreciation and amortization of intangible assets and PP&E	10-11	401,595	377,934
Impairment of intangible assets and PP&E	10-11	3,552	594
Impairment	13-14	16,051	(1,064)
Change in provisions	20	(14,031)	(12,248)
Grants released to income	19	(4,918)	(6,218)
Profit (loss) attributable to non-controlling interest	18	48,385	37,787
Profit from disposal of intangible assets and PP&E		(5,981)	(994)
Profit from disposal of financial instruments		-	77
Financial income	27	(9,000)	(5,275)
Financial expenses	27	101,753	98,758
Share of profits from associates - equity method	12	997	8,539
Unrealized exchange rate differences		(31,521)	(8,182)
Change of fair value of financial instruments		(2,086)	-
Other incomes and expenses		(619)	-
Changes in working capital		13,736	24,581
(Increase)/Decrease in Inventories	13	(58,673)	(42,714)
(Increase)/Decrease in Trade and other receivables	14	(3,622)	(168,741)
(Increase)/Decrease in Other current assets	14	(38,620)	(2,707)
Increase/(Decrease) in Trade and other payables	24	117,061	243,164
Increase/(Decrease) in Other current liabilities		(2,410)	(4,421)
Other cash-flows from operating activities		(155,978)	(172,003)
Interest paid		(99,931)	(98,156)
Interest received		8,346	6,348
Income tax paid		(64,393)	(80,195)
Cash flows from operating activities		683,729	652,580
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		(910,083)	(738,427)
Acquisition of companies and group investments		(10,934)	(7,611)
Incorporation of treasury from business combinations		2,636	225
Other Intangible assets	10-22	(95,702)	(84,558)
Property, plant and equipment	11-22	(787,441)	(587,095)
Net change of financial assets		(18,642)	(59,388)
Proceeds from divestments		28,685	7,893
Other intangible assets	10	6,452	1,474
Property, plant and equipment	11	22,233	6,419
Grants, donations and legacies received	19	1,549	1,731
Cash flows from investing activities		(879,849)	(728,803)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds and payments on equity instruments		(1,312)	(8,253)
Change in non-controlling interest	18	(2,108)	(6,282)
Translation differences in equity		796	(1,971)
Proceeds and payments on financial liabilities		705,732	216,690
Issue		1,065,345	1,226,928
Bonds and other securities to trade		-	497,875
Interest-bearing loans and borrowings		1,057,136	659,357
Net change in credit facilities, discounted bills and factoring		-	53,828
Borrowings from related parties		62	5,092
Other borrowings		8,147	10,776
Repayment of		(359,613)	(1,010,238)
Bonds and other marketable securities		-	(807,875)
Interest-bearing loans and borrowings		(264,199)	(172,177)
Net change in credit facilities, discounted bills and factoring		(82,367)	-
Borrowings from related parties		(7,010)	(12,530)
Other borrowings		(6,037)	(17,656)
Payments on dividends and other equity instruments		(73,130)	(56,143)
Dividends	16-18-22	(73,130)	(56,143)
Cash flows from financing activities		631,290	152,294
Effect of changes in exchange rates		(5,395)	(1,583)
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS		429,775	74,488

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR PERIOD ENDED DECEMBER 31, 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.

Admission to trading of the shares of the Parent Company

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 admission to trading of the shares of the Parent 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 since then divided into 575,514,360 shares with a nominal value of 0.50 euros.

The admission to trading of the shares of the Parent Company 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, at December 31, 2017 Gestamp Automoción, S.A. shares 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 that hold the indirect investments corresponding to December 31, 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 including these companies in the Consolidated Financial Statements at December 31, 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 companies MPO Providers Rezistent, S.R.L. (Romania), Gestamp Nitra, S.R.O. (Slovakia) and Almussafes Mantenimiento de Troqueles, S.L. (Spain) were acquired and included in consolidation scope by full consolidation method. Additionally, the companies Beyçelik Gestamp Teknoloji Kalip, A.S (Turkey), Gestamp (China) Holding, Co. Ltd. (China), Gestamp Autotech Japan K.K. (Japan) and Edscha Automotive Components (Chongqing), Co. Ltd. (China) were 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 consolidated equity (1,143 thousands of euros).

In 2017 also took place the merge operation between the subsidiaries Gestamp Metalbages, S.A. (the acquiring company) and Metalbages P-51, S.L. (the acquired company).

Finally, the subsidiaries Edscha Scharwaechter Mechanisms, S.A.P.I. de C.V. and Edscha Scharwaechter Mechanism Servicios Laborales S.A.P.I. de C.V changed their legal names to Edscha Automotive SLP, S.A.P.I. de C.V. and Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V. respectively (Annex I). The company Bero Tools, S.L. also changed its legal name to Gestamp Tooling Erandio, S.L.

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).

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 Tavor Internacional SGPS, Lda. was dissolved.

3. Business combination

During 2017

Gestamp Palau, S.A.

On November 24, 2016 Gestamp Metalbages, S.A. acquired 60% of shares of Gestamp Palau, S.A. (Essa Palau, S.A. changed its legal name on March 9, 2017) 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.

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

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 25.b).

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 (Note 23)	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
Fair value 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 December 31, 2017 amounted to 61,867 thousand euros and 1,743 thousand euros of profit respectively.

The headcount of this business unit incorporated to Group was 254 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 December 31, 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:

	<u>Thousands of euros</u>
Intangible assets (Note 10)	177
Property, plant and equipment (Note 11)	
Land and buildings	97
Plant and other PP&E	446
Inventories (Note 13)	2,173
Advances to suppliers	143
Trade receivables	2,743
Cash and cash equivalents	2,465
Other assets	44
Deferred tax assets (Note 23)	49
	<u>8,337</u>
Other non current liabilities	40
Non-current provisions (Note 20)	29
Trade accounts payable	2,825
	<u>2,894</u>
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 December 31, 2017 amounted to 9,095 thousand euros and 354 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 December 31, 2017, the amount was totally disbursed.

This business combination originated a 981 thousand euros Goodwill (Note 10).

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 December 31, 2017 amounted to 35,712 thousand euros and 850 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 stamping and manufacturing of automobile components for passenger cars.

The revenue and the income attributable to this business combination since the incorporation date to December 31, 2017 amounted to 4,953 thousand euros and 55 thousand euros of profit respectively.

There were no significant costs associated to this transaction.

Almussafes Mantenimiento de Troqueles, S.L.

On November 24, 2016 Gestamp Metalbages, S.A. acquired 60% of shares of Gestamp Palau, S.A. to third parties, thus increasing its shareholding in this company from 40% to 100%. As a result of this transaction, the Group acquired the company Almussafes Mantenimiento de Troqueles, S.L. a solely held subsidiary of Gestamp Palau, S.A. This subsidiary was included in the consolidation scope in 2017.

There are no relevant effects related to this business combination.

Almussafes Mantenimiento de Troqueles, S.L main activity is the manufacturing and maintenance of dies.

The revenue and the income attributable to this business combination since the incorporation date to December 31, 2017 amounted to 2,515 thousand euros and 556 thousand euros of profit respectively.

There were no significant costs associated to this transaction.

During 2016

On January 29, 2016 the subsidiary Beyçelik Gestamp Kalip A.S. acquired a 51.60% shareholding in Çelik Form Gestamp Otomotiv, A.S. 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 A.S. is a 50% investee with a non-controlling interest, such part of the said goodwill is attributable to 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 A.S. 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:

	<u>Thousands of euros</u>
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
	<u>9,120</u>
Other non current liabilities	174
Current provisions (Note 20)	125
Other current liabilities	2,782
Trade accounts payable	3,136
Other liabilities	508
	<u>6,724</u>
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 Consolidated Financial Statements for the period ended December 31, 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 December 31, 2017.

The Consolidated Financial Statements have been prepared on the basis of the accounting records of each Group company as at December 31, 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.

These Consolidated Financial Statements for year ended December 31, 2017 were authorized by the Board of Directors of Gestamp Automoción S.A. on February 26, 2018 for issue and submission to the Annual General Meeting where they are expected to be approved without modification.

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

4.2 Comparison of information

In 2017, the following companies were incorporated under the consolidation scope:

- MPO Providers Rezistent, S.R.L.
- Beyçelik Gestamp Teknoloji Kalip, A.S.
- Gestamp Nitra, S.R.O.
- Almussafes Mantenimiento de Troqueles, S.L.
- Gestamp (China) Holding, Co. Ltd.
- Gestamp Autotech Japan K.K.
- Edscha Automotive Components (Chongqing), Co. Ltd.

Additionally, the method used to include the following companies under the consolidation scope was modified (Note 2.b):

- Gestamp Palau, S.A.
- Jui Li Edscha Body Systems, Co. Ltd.
- Jui Li Edscha Hainan Industry Enterprise, Co. Ltd.
- Jui Li Edscha Holding, Co. Ltd.

It also took place the merge operation between the subsidiaries Gestamp Metalbages, S.A. (the acquiring company) and Metalbages P-51, S.L. (the acquired company).

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 Consolidated Financial Statements comprise the financial statements of the Parent Company and subsidiaries at December 31, 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 Consolidated Financial Statements include that subsidiary's results for the portion of the year during which the Group held control.

The financial statement of the subsidiaries have the same closing date as the Parent Company, except for the companies mentioned in Note 2.a. The said companies have an additional closing for the financial year for their inclusion to the Consolidated Financial Statements, being elaborated with the same accounting policies in a uniform and coherent procedure.

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

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

- Derecognizes assets (including goodwill) and liabilities of such subsidiary.
- Derecognizes carrying amount of non-controlling interests.
- Derecognizes the translation differences registered in Equity.
- Recognizes the fair value of the amount received for the operation.
- Recognizes the fair value of any retained investment.
- Recognizes any excess or deficit in the Consolidated Income Statement.
- Reclassifies the shareholding of the Parent Company in the items previously registered in Other Comprehensive Income to profit or to retained earnings, as appropriate.

Subsidiaries

The full consolidation method is used for companies 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 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 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 Consolidated Balance Sheet date, are registered as “Translation differences”, with the corresponding negative or positive sign, in the Equity in the Consolidated Balance Sheet (Note 17).

Exchange gains and losses due to the impact of changes in the functional currency relative to the euro on foreign currency borrowings considered permanent are taken directly to equity under “Translation differences”, net of tax effect. The net amount of translation differences in 2017 is 74.6 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 December 31, 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 Consolidated Balance Sheet and in “Profit (loss) attributable to non-controlling interest” in the Consolidated Income Statement and in the Consolidated Statement of Comprehensive Income, respectively.

4.4 Going concern

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

The Group has sufficient financing in place to fund its operations. The 80% of its bank financing as at December 31, 2017, maturing over periods longer than twelve months (December 31, 2016: 79%).

At December 31, 2017, total available liquidity held by the Group raised the amount of 1,788.5 million euros (1,168.1 million euros at December 31, 2016), including 860.2 million euros in cash and cash equivalents (430.5 million euros at December 31, 2016) and 5.4 million euros in securities portfolio (0.3 million euros at December 31, 2016). In addition, the Group had undrawn credit facilities amounting to 642.9 million euros at December 31, 2017 (457.3 million euros at December 31, 2016) and 280.0 million euros in an undrawn Revolving Credit Facility at December 31, 2017 and December 31, 2016. The aforementioned Revolving Credit Facility has maturity on July 15, 2022, different than other credit facilities that have maturity not later than 12 months.

4.5 Alternative management indicators

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

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

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

EBITDA at December 31, 2017 and 2016 was as follows:

	Thousands of euros	
	2017	2016
Operating Profit	484,729	462,622
Depreciation and amortization	405,147	378,528
	889,876	841,150

EBIT (Earnings Before Interest and Taxes)

EBIT is the Operating Profit

Net Financial Debt

Net Financial Debt at December 31, 2017 and December 31, 2016 was as follows (Note 22):

	Thousands of euros	
	2017	2016
Interest-bearing loans and borrowings and debt issues	2,710,880	1,967,599
Financial leasing	32,672	33,574
Borrowings from related parties	59,294	70,162
Other non-current financial liabilities	34,183	34,991
Total (Note 22)	2,837,029	2,106,326
Current financial assets	(78,896)	(43,228)
Cash and cash equivalents	(860,238)	(430,463)
Total	(939,134)	(473,691)
Net financial debt	1,897,895	1,632,635

CAPEX

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

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

	Thousands of euros	
	2017	2016
Additions to Other intangible assets	95,702	83,581
Additions to Property, plant and equipment	700,307	641,185
	796,009	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 Consolidated Financial Statements are the same as the policies applied in the Consolidated Financial Statements as at 31 December 2016, except for the amendments to IAS 7 *Statement of Cash Flows: information provided*. These amendments requires entities to disaggregate all changes in liabilities due to financial activity, including derivative financial instruments and hedges (e.g. exchange gains and losses). This new information to be provided had been detailed in Note 22, and as it is allowed in IAS 7, the Group opted for not provide comparative information.

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

The Group will not adopt the standards, interpretations and amendments to standards issued by IASB, that are not effective in the European Union at the date of issuance of these Consolidated Financial Statements until its official implementation. These to be implemented standards 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 is effective for annual periods beginning on or after 1 January 2018. Except for hedge accounting, retrospective application is required. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard by not reexpressing comparative information. During 2017, 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 in 2018 when the Group will adopt this standard.

The most relevant impact of IFRS 9 implementation in this Consolidated Financial Statements correspond to debt restructuring processes.

(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, except for those aspects related to debt restructuring processes.

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. The Group analysed the contractual cash flow characteristics of those instruments and concluded that all those instruments meet the criteria for amortized cost measurement under IFRS 9. Thus, no reclassification of those instruments is required.

Debt restructuring processes

Group financial debt with banks and credit institutions for the amount of 2,710,880 thousand euros (1,967,599 thousand euros at December 31, 2016) experienced some restructuring processes after the date on which was granted, as it is explained in Note 22. Taking into account these debt restructuring terms, the Group did not consider these modifications as relevant under IAS 39 requirements. Thus, the debt amount booked in the Consolidated Balance Sheet was adjusted to include restructuring fees and to update the effective interest rate.

IFRS 9 guidelines for this kind of debt restructuring processes is different from the above criteria, since it requires to adjust the debt balance registered in balance sheet by means of adjusted cash flows discounted to the original effective interest rate. This rate, once adjusted using the possible restructuring fees, must be used for subsequent periods.

(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. The Group expects no significant impact due to customer's credit quality.

(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.

All things considered, the IFRS 9 adoption impact will be only linked to debt restructuring processes, and it is expected that this impact will be quantified as follows:

	Millions of euros
Liabilities	2017
Interest-bearing loans and borrowings	(106)
Deferred tax liabilities	26
Total liabilities	(80)
Positive impact on equity	80

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and modified in April 2016. This standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 implementation is required for annual periods beginning on 1 January 2018. Even they are not relevant, the Group analysed the impact on the amount and the time of recognition of the revenues. The specific circumstances related to this issue involving the Group are as follows:

(a) Performance obligations identification

The Group brings tooling services and pieces that are delivered to the customer over time, and not necessarily all of them at the same time. As a general point, Group contracts consist in non-previously determined service and pieces supply agreements, with possible additional orders from the customer.

(b) Allocation of the considerations

The Group negotiates with clients discounts or incentives, which result under IFRS 15 do not lead to significantly different results than those applied at the moment. Even if the agreement has an undetermined number of pieces to be produced, these discounts and incentives are discounted from expected future income.

(c) Revenue recognition

The Group recognizes revenue from pieces on a risk and profit transmission basis as required by IAS 18. Contrary to that criterion, IFRS 15 implies revenue recognition on control transmission basis. Relating to this issue, most of the pieces brought to customers do not have any alternative use, and considering all related circumstances the Group has the right to receive the cost plus a margin. In accordance with that, the stocks of finished products and work in progress will be valued at sale price and will be detailed in the Consolidated Balance Sheet under the heading Assets from contracts with customers.

(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 and the Group estimated that the impact of some of these requirements would be significant. The Group expects that the notes to the Consolidated Financial Statements will be extended due to implementation of significative judgements disclosures: agreement duration identification, performance obligations identification.

In accordance with IFRS 15 requirements, the Group will disclose the operating revenue from contracts with customers in additional categories such as revenue nature, which will be disclosed between the different segments reported.

The expected IFRS 15 implementation quantified effect is as follows:

	Millions of euros
Assets	2017
Work in progress	(143)
Finished products	(124)
Assets from contracts with customers	284
Total assets	17
Liabilities	2017
Deferred tax liabilities	5
Total liabilities	5
Impact in equity	12
Retained earnings	11
Non-controlling interest	1

IFRS 16 - Leases

IFRS 16 was issued in January 2016 and replaces the current lease contract regulation. Although, the standard includes two recognition exemptions for leases of 'low-value' assets and short-term leases, the lessee must recognize a liability for the future lease payments and an asset for the right of use of the leased item during the agreement lifetime. The lessee also must recognize separately the expenditure linked to the interests derived of the lease liability and the expenditure linked to the amortization of the right of use.

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.

IFRS 16 implementation is required for annual periods beginning on 1 January 2019. Lessees can chose between the total retroactive application of this standard or a retroactive modified transition. The transitional dispositions of the standard aloud some exceptions.

The Group will continue to evaluate the potential impact of IFRS 16 implementation in the Consolidated Financial Statements in 2018. This potential effect is expected to be significant taking into account the number of contracts detailed in Note 30.

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

This interpretation clarifies the spot exchange rate to be used for assets initial recognition and income and losses (or a part of them) registration, originated when a non-monetary asset or liability was registered with an advanced payment. The date of transaction will be that of the initial recognition of the non-monetary asset or liability. In case of situations with several payments, the entity must determine the date of every advanced payment received. This interpretation could be applied completely retroactively. Alternatively, an entity could apply the interpretation prospectively to all assets, income and expenses included in this interpretation range initially recognized as or after:

- i. The beginning of the first period of implementation of this interpretation, or
- ii. The beginning of a previous period used as comparative information in the period of first implementation of this interpretation in the financial statements.

This interpretation is expected to be required for annual periods beginning on 1 January 2018 or later. The advanced application of this interpretation is allowed and must be disclosed. Taking into account that the Group usual practice is in line with this interpretation, there is no expected effect in the consolidated financial statements related to this issue.

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 clarifies the accounting for uncertainties over income taxes treatments under IAS 12. This interpretation not include levies and taxes out of IAS 12 scope, nor the treatment of tax penalties and interests related to this tax. The interpretation approach specifically to the following aspects:

- When an entity should consider uncertainty over tax separately.
- The hypothesis to be implemented about fiscal authority's tax treatment revision.
- How an entity should determine income for tax purposes, tax bases, tax loses to be compensated, tax deductions and tax rates.
- How an entity should consider changes in facts and circumstances.

Any entity must determine to consider every uncertainty over income tax separately or jointly with other uncertainties over income tax. The criterion to be applied is those that better clarifies the uncertainty linked to income tax. This interpretation is expected to be required for annual periods beginning on 1 January 2019 or later, and some exceptions are allowed during transitional period.

The Group will apply this interpretation since its implementation date. Taking into account that the Group operates in an international complex tax environment, the application of this interpretation might affect the consolidated financial statements and its disclosures. It also may be possible that the Group will need to implement new processes and procedures to obtain the necessary information to apply properly this interpretation.

6. Summary of significant accounting policies

6.1 Foreign currency transactions

Functional and presentation currency

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

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

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

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

6.2 Property, plant and equipment

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

Acquisition cost includes:

- 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, determined by an independent expert at the moment of its incorporation into the Group (Note 6.3).

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

Ordinary repair or maintenance work is not capitalized.

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

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

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

The estimated useful lives of the various asset categories are:

	Years of estimated useful life	
	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 Consolidated Income Statement.

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

Goodwill

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

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

If the Parent Company's interest in the net fair value of the identifiable acquired assets, assumed liabilities, and contingent liabilities exceeds the cost of the business combination, the Parent Company reconsiders the identification and measurement of the assets, liabilities, and contingent liabilities of the acquired company, as well as the measurement of the cost of the business

combination (even non-monetary) and recognizes any excess that continues to exist after this reconsideration in the 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 Consolidated Income Statement. When there has been a change recognized directly in equity by the associate or joint venture, the Group recognizes its share of this change, when applicable, in the Consolidated Statement of Changes in Equity. Non-realized gains or losses resulting from transactions between the Group and the associate or joint venture corresponding to the share of the Group in the associate or joint venture are eliminated.

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

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

After using the equity method, the Group decides if impairment losses on the investment in the associate or joint venture have to be recognized. At the closing date the Group considers if there

are evidences of impairment of the investment in the associate or joint venture. If so, the impairment is calculated as the difference between the recoverable amount and the carrying amount of the associate or joint venture, and the amount of such impairment is recognized in “Share of profits from associates- equity method” in the Consolidated Income Statement.

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

6.5 Other intangible assets

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

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

Research and development costs

Research costs are expensed as incurred.

Development expenditure is capitalized when the Group can demonstrate:

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

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

At December 31, 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 Consolidated Income Statement.

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

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

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

Financial assets at fair value with changes through profit and loss

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

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

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

Held-to-maturity investments

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

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

Loans and receivables

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

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

Available-for-sale financial assets

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

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

Investments in associates accounted for using the equity method

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

Derecognition of financial instruments

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

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

6.7 Impairment of assets

Impairment of non-financial assets

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

A relevant decrease in EBITDA compared to the previous year or a relevant decrease of EBITDA in the following years forecast 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 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 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 Consolidated

Income Statement for the year. The cumulative loss recognized in the Consolidated Income Statement is measured as the difference between the acquisition cost and current fair value.

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

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

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

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

6.8 [Assets and liabilities held for sale and discontinued operations](#)

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

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

At December 31, 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 Consolidated Balance Sheet at nominal value.

Discounted bills pending maturity at year end are included in the accompanying 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 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 in these Consolidated Financial Statements, on the definitive settlement of the tool manufacture contracts in progress at December 31, 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 in the Consolidated Income Statement as an expense immediately.

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

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

6.12 [Cash and cash equivalents](#)

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

6.13 [Government grants](#)

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

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

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

6.14 Financial liabilities (trade and other payables and borrowings)

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

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

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

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

When the conditions of the sale option of the non-controlling interest do not give the Group present access to economic profit from the shares or investments, a partial recognition of non-controlling interest is registered. At first stage a financial liability is registered and reclassified to non-controlling interest. Any excess in the fair value of the liability related to the option with respect to the percentage corresponding to non-controlling interest is directly registered in equity attributable to the Parent Company. No amount is registered in the Consolidated Income Statement related to the subsequent accounting of the financial liability. Until the option is exercised, the same accounting will be carried out at each closing and the financial liability will be cancelled against the amount paid to non-controlling interest. If the option was not exercised, the financial liability would be cancelled against non-controlling interest and the corresponding equity attributable to the Parent Company in the same way as initially registered (Note 22.d).

6.15 Provisions and contingent liabilities

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

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

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

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

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

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

6.16 Employee benefits

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

The group classifies its pension commitments depending on their nature in defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the company pays fixed contributions into a separate entity (insurance company or pension plan), and will have no legal or constructive obligation to pay further contributions if the separate company does not carry out its assumed commitments. Defined benefit plans are post-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 Consolidated Income Statement at December 31, 2017 was 5.5 million euros (December 31, 2016: 6.1 million euros) (Note 26.b).

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 Consolidated Income Statement as soon as they are known.

6.17 Leases

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

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

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

6.18 Revenue and expense recognition

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

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

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

Revenue includes:

- 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 Consolidated Income Statement includes current and deferred income tax.

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

Current tax

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

Tax credits

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

Temporary differences

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

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

6.20 Derivative financial instruments and hedges

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

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

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

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

In addition, the Group had a debt instrument (US dollar bonds) until June 17, 2016 to cover the exposure to exchange rate risk of the investments in subsidiaries whose functional currency is US dollar (Note 22.b.2).

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

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

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

6.21 Related parties

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

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

6.22 Environmental 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 Consolidated Balance Sheet.

7. Significant accounting judgments, estimates and assumptions

The preparation of the accompanying Consolidated Financial Statements under IFRS requires management to make judgments, estimates and assumptions that affect the Consolidated Balance Sheet and the 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 21.

Taxes

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

The Group does not register deferred tax assets in the following cases: negative tax bases to be offset from subsidiaries with loss history, which cannot be used to offset future tax profits from other group companies and when there are no taxable temporary differences. Notes 23 and 28 include more detailed information about taxes and tax receivables not recognized for accounting purposes.

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 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 (Note 12 and Note 22.b.1).

Assessment of gain of control in subsidiaries

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

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

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

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

1. Car manufacturers require from their suppliers the capability to reach and maintain quality standards across a wide geographic presence in order to negotiate global supply.
2. Accordingly, the most important activities for a supplier in this sector are 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 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 the 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
 - 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
 - Taiwan

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

The Board of Directors of the Group managed the operating segments corresponding to continuing activities basically according to the evolution of the main financial indicators from each segment such as revenue, EBITDA, EBIT and fixture investments. Financial income and expenses, as well as 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:

ITEM	Thousands of euros					
	2017					
	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
NON-CURRENT ASSETS						
Goodwill	73,291	19,582	8,982	2,890	12	104,757
Other intangible assets	236,941	10,987	4,729	23,514	33,769	309,940
Property, plant and equipment	1,274,953	516,425	246,180	851,777	518,444	3,407,779
Non-current financial investments	41,766	30	2,737	8,512	16,382	69,427
Deferred tax assets	152,092	22,573	28,058	53,570	9,506	265,799
Total non-current assets	1,779,043	569,597	290,686	940,263	578,113	4,157,702
WORKING CAPITAL						
Inventories	254,841	78,917	59,285	168,605	119,674	681,322
Trade and other receivables	692,296	189,535	53,930	140,831	299,117	1,375,709
Other current assets	5,940	11,520	10,036	37,656	5,905	71,057
Trade and other payables	(1,030,507)	(195,960)	(72,260)	(231,014)	(284,332)	(1,814,073)
Provisions	(5,050)	(3,616)	(1,107)	(237)	(1,713)	(11,723)
Other current liabilities	(1,377)	(1,190)	-	(423)	(4)	(2,994)
Other current debt	(59,109)	(4,250)	(12,014)	(24,660)	(29,920)	(129,953)
Total working capital	(142,966)	74,956	37,870	90,758	108,727	169,345

ITEM	Thousands of euros					
	2017					
	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
Revenue	4,011,171	1,043,441	562,316	1,482,798	1,101,845	8,201,571
EBITDA	423,876	122,842	59,530	123,208	160,420	889,876

ITEM	Thousands of euros					
	2016					
	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
NON-CURRENT ASSETS						
Goodwill	74,345	22,835	10,422	2,890	12	110,504
Other intangible assets	211,566	9,084	5,266	23,408	33,136	282,460
Property, plan and equipment	1,206,745	450,511	272,388	729,639	500,731	3,160,014
Non-current financial investments	46,747	36	10,980	9,667	28,084	95,514
Deferred tax assets	164,584	18,792	28,983	48,824	12,256	273,439
Total non-current assets	1,703,987	501,258	328,039	814,428	574,219	3,921,931
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

ITEM	Thousands of euros					
	2016					
	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
Revenue	3,704,113	859,490	401,365	1,546,104	1,037,866	7,548,938
EBITDA	378,044	95,614	23,198	167,183	177,111	841,150

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	
	2017	2016
Western Europe	66,670	60,870
Eastern Europe	3,830	4,053
Mercosur	2,227	1,828
North America	8,704	7,818
Asia	14,271	9,012
Total	95,702	83,581

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

Segment	Thousands of euros	
	2017	2016
Western Europe	195,741	188,840
Eastern Europe	105,819	94,571
Mercosur	25,386	54,969
North America	264,212	227,493
Asia	109,149	75,312
Total	700,307	641,185

In 2017, the three customers representing the highest contribution to sales represent the 48.1% of revenue (2016: 44.5%) 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 December 31, 2016	Additions	Currency translation differences	At December 31, 2017
Western Europe				
Gestamp HardTech AB	39,951	-	(1,053)	38,898
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 puesta a punto S.L.	857	-	-	857
Eastern Europe				
Beyçelik Gestamp Kalip, A.S.	19,356	-	(3,582)	15,774
Gestamp Severstal Vsevolozhsk, LLC	117	-	(8)	109
Çelik Form Gestamp Otomotive, A.S.	3,362	-	(622)	2,740
MPO Providers Rez. S.R.L.	-	981	(22)	959
Mercosur				
Gestamp Brasil Industria de Autopeças, S.A.	10,422	-	(1,440)	8,982
Asia				
Gestamp Services India Private, Ltd.	12	-	(1)	11
Total	110,504	981	(6,728)	104,757

Additions in 2017 correspond to the acquisition of MPO Providers Rezistent S.R.L., which has been included in the consolidation scope by full consolidation method, because of the acquisition of control of this business combination (Note 3).

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

Additions in 2016 correspond to the acquisition of Çelik Form Gestamp Otomotive, A.S. that 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 Consolidated Balance Sheet date, according to IAS 21 (Note 6.3).

Impairment test of Goodwill

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

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

The CGU recoverable value at December 31, 2017 and 2016 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.

The cash flows beyond the five-year period have been extrapolated using a growth rate of 1% for 2017 and 2016. These hypotheses can be considered cautious compared with the rest of the long-term average growth rates of the automotive sector.

The pre-tax discount rate for cash flow projections for the CGUs is calculated in base on the Weighted Average Cost of Capital (WACC) and it is based on the weighted average cost of equity and cost of debt according to the financial structure set for the Group.

The pre-tax discount rates for the CGUs with the most significant goodwill in 2017 and 2016 are as follows:

Segment	CGU	Pre-tax discount rate	
		2017	2016
Western Europe	Gestamp HardTech, AB	8.93%	9.35%
Western Europe	Gestamp Metalbages, S.A.	9.81%	9.99%
Eastern Europe	Beyçelik Gestamp Kalip, A.S.	17.92%	17.74%

The recoverable value is higher than the net value for all the CGUs, so the Group can recover the value of all goodwill recognized at December 31, 2017 and 2016.

Economic projections realized in previous years were not significantly different from the actual figures.

Sensitivity analysis to changes in key assumptions

The Parent Company's management subjects its goodwill valuations to a sensitivity analysis, varying key inputs such as the discount and terminal growth rates used, to ensure that potential changes in these estimates do not reduce recoverable amounts to below carrying amounts, when value in use is the reference value.

- ✓ Although a 50 basis point increase in the discount rate used would reduce value in use, in no case would this be reduced to below the carrying amount of the analyzed assets.
- ✓ Assuming a rate of perpetual growth of 0.5% would similarly result in a decline in value in use, albeit in no instance to below the carrying amount of the analyzed assets.
- ✓ Assuming a 150 basis point decrease in EBITDA /sales ratio used for extrapolating cash-flow to perpetuity would reduce value in use but in no case would mean impairment of the carrying amount of the analyzed assets.

b) Other intangible assets

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

Cost	Thousands of euros						
	At December 31, 2016	Changes in consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2017
R&D expenses	298,475	826	72,745	(6,878)	(3,382)	(588)	361,198
Concessions	21,202	-	2,436	(3,735)	(1,255)	701	19,349
Patents, licenses & trademark	40,266	-	1,851	(732)	(117)	(344)	40,924
Goodwill	1,673	-	-	-	(761)	189	1,101
Transfer fees	-	-	-	-	-	7	7
Software	143,379	467	13,667	(882)	(3,951)	8,210	160,890
Prepayments	17,521	191	5,003	(1,647)	(154)	(6,638)	14,276
Total cost	522,516	1,484	95,702	(13,874)	(9,620)	1,537	597,745
Amortization and impairment							
R&D expenses	(136,853)	(674)	(40,118)	4,060	1,540	510	(171,535)
Concessions	(2,392)	-	(430)	146	152	(3)	(2,527)
Patents, licenses & trademark	(4,074)	-	(1,435)	739	51	349	(4,370)
Transfer fees	(567)	-	(329)	-	46	12	(838)
Software	(94,347)	(404)	(16,697)	2,387	2,732	(316)	(106,645)
Total accumulated amortization	(238,233)	(1,078)	(59,009)	7,332	4,521	552	(285,915)
Impairment of Intangible assets	(1,823)	-	(359)	84	(15)	223	(1,890)
Net carrying amount	282,460	406	36,334	(6,458)	(5,114)	2,312	309,940

Changes in consolidation scope at December 31, 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., Almussafes Mantenimiento de Troqueles, S.L. 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 concessions are mainly related to land usage rights.

Additions to Prepayments correspond to costs from SAP implementation.

Additions to Patents, licenses & trademark mainly correspond to cost incurred due to industrial patents acquisition.

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

Main disposals correspond to development projects whose feasibility is not reasonably assured, to software, and land usage rights disposals.

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

Additions to Concessions corresponded to land usage rights.

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 Consolidate Income Statement and they amount to 1,473 thousand euros at December 31, 2017 (December 31, 2016: 470 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 December 31,	Changes in		Currency translation		Other	At December 31,
	2016	consolidation scope	Additions	Disposals	differences	movements	2017
Land and buildings	1,391,486	1,694	25,459	(2,830)	(45,827)	89,590	1,459,572
Plant and other PP&E	4,541,828	121,145	127,372	(77,944)	(182,631)	342,007	4,871,777
PP&E under construction and prepayments	568,378	3,374	547,476	(3,769)	(35,495)	(441,345)	638,619
Total cost	6,501,692	126,213	700,307	(84,543)	(263,953)	(9,748)	6,969,968
Depreciation and impairment							
Land and buildings	(407,967)	(134)	(31,633)	276	13,851	7,134	(418,473)
Plant and other PP&E	(2,927,871)	(75,572)	(310,953)	67,952	108,727	(77)	(3,137,794)
Accumulated depreciation	(3,335,838)	(75,706)	(342,586)	68,228	122,578	7,057	(3,556,267)
Impairment of PP&E	(5,840)	-	(3,193)	69	(14)	3,056	(5,922)
Net book value	3,160,014	50,507	354,528	(16,246)	(141,389)	365	3,407,779

Changes in consolidation scope at December 31, 2017 correspond to the incorporation of the companies Gestamp Palau, S.A., MPO Providers Resistente, S.R.L., Gestamp Nitra, S.R.O., Jui Li Edscha Body System Co., Ltd., Almussafes Mantenimiento de Troqueles, S.L. and Jui Li Edscha Hainan Industry Enterprise Co., Ltd. (Note 3).

Cost value of the property, plant and equipment additions at December 31, 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 mainly correspond to companies located in USA, Mexico, Spain, China, Japan, Germany, United Kingdom, Czech Republic and Slovakia. 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, 2015	Changes in consolidation scope	Additions	Disposals	Currency translation differences	Other movements	At December 31, 2016
Land and buildings	1,323,618	203	11,737	(910)	8,437	48,401	1,391,486
Plant and other PP&E	4,347,927	6,770	117,113	(140,332)	(32,735)	243,085	4,541,828
PP&E under construction and 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	
	2017	2016
Initial cost	266,567	266,567
Fair value	509,428	509,428
Revaluation	242,861	242,861
Accumulated depreciation	(44,844)	(40,739)
Deferred tax liabilities	(50,026)	(51,115)
Total	147,991	151,007
Non-controlling interest	(24,878)	(25,121)
Reserves (Note 16.4.c)	(125,886)	(128,659)
Profit for the year	2,773	2,773
Total	(147,991)	(151,007)

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

Segment / Country	Thousands of euros	
	Net carrying amount	Net carrying amount
	2017	2016
Western Europe	628,008	621,301
Germany	276,274	270,703
France	87,945	93,215
Portugal	55,966	48,080
Sweden	23,469	27,671
United Kingdom	184,354	181,632
Eastern Europe	516,425	450,510
Poland	167,106	156,481
Russia	92,825	106,465
Hungary	33,982	35,821
Czech Republic	103,736	75,883
Romania	8,650	-
Turkey	74,469	70,247
Slovakia	35,657	5,613
Mercosur	246,180	272,389
Argentina	24,349	30,443
Brazil	221,831	241,946
North America	851,777	729,639
USA	580,437	513,897
Mexico	271,340	215,742
Asia	518,445	500,731
China	361,997	361,964
India	94,349	92,907
South Korea	48,169	45,260
Japan	13,482	361
Taiwan	49	-
Thailand	399	239
Total	2,760,835	2,574,570

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

Segment	Asset cost (thousands of euros)	Lease term	Installments paid	2017		
				Thousands of euros		
				Present value of lease obligations (Note 22.c.1)		Purchase option value
Short term	Long term					
Western Europe						
Other fixtures	297	5 years	285	11	-	-
Eastern Europe						
Machinery	2,837	5 years	2,272	345	153	-
Machinery	13,335	7 years	4,056	1,200	12,080	1
North America						
Machinery	20,825	20 years	5,287	996	17,887	-
				2,552	30,120	

Segment	2016					
	Asset cost (thousands of euros)	Lease term	Installments paid	Thousands of euros		Purchase option value
				Present value of lease obligations (Note 22.c.1)		
				Short term	Long term	
Western Europe						
Software	34	4 years	34	-	-	-
Other fixtures	297	5 years	222	64	10	-
Eastern Europe						
Machinery	12,978	4.75 years	14,397	267		1
Machinery	3,220	5 years	2,466	632	496	-
Machinery	11,561	7 years	2,355	1,414	8,035	5
North America						
Machinery	23,771	20 years	4,210	1,101	21,555	-
				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.

Assets tested represented 24% of total Property, Plant and Equipment of the Group (12% in 2016). The increase is mainly related to USA CGU.

The CGU's recoverable value at December 31, 2017 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.

Pre-tax discount rates for the CGUs with signs of impairment in 2017 and 2016 were as follows:

Segment	2017	
	WACC rate before taxes	Rate of perpetual growth
Western Europe	8.72% - 10.0%	1.00%
Eastern Europe	9.12% - 17.92%	1.00%
Asia	11.48%	1.00%
North America	9.76%	1.00%
Mercosur	15.28% - 22.89%	1.00%

Segment	2016	
	WACC rate before taxes	Rate of perpetual growth
Western Europe	9.36%-9.99%	1.00%
Eastern Europe	11.21% - 16.65%	1.00%
Asia	9.78%	1.00%
North America	10.50%	1.00%
Mercosur	20.9%-23.65%	1.00%

The recoverable value was higher than the net value for all the CGUs, so the Group can recover the value of the consolidated assets of each CGU at December 31, 2017 and 2016.

Economic projections from previous years were not significantly different from actual figures.

Sensitivity analysis to changes in key assumptions

The Parent Company's management subjects its PP&E valuations to a sensitivity analysis, varying key inputs such as the discount and terminal growth rates used, to ensure that potential changes in these estimates do not reduce recoverable amounts to below carrying amounts, when value in use in the reference value.

- ✓ Although a 50 basis point increase in the discount rate used would reduce value in use, in no case would this be reduced to below the carrying amount of the analyzed assets.
- ✓ Assuming a rate of perpetual growth of 0.5% would similarly result in a decline in value in use, albeit in no instance to below the carrying amount of the analyzed assets.
- ✓ Assuming a 150 basis point decrease in Ebitda/sales ratio used for extrapolating cash flow to perpetuity would reduce value in use but in no case would mean impairment of the carrying amount of the analyzed assets.

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

As at December 31, 2017 and 2016 there are no items of property, plant, and equipment set aside to secure bank loans (Note 22.a.1).

12. Financial assets

The breakdown of the Group's financial assets at December 31, 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Non-current financial assets	1,787	5,740	39,248	50,581	14,718	25,710	-	-	13,674	13,483
Investments accounted for using the equity method	1,787	5,740	-	-	-	-	-	-	-	-
Held-to-maturity investments	-	-	-	-	-	-	-	-	898	957
Loans and receivables	-	-	39,248	50,581	-	-	-	-	12,776	12,526
Derivative financial instruments (Note 22.b.1)	-	-	-	-	14,718	25,710	-	-	-	-
Current financial assets	-	-	34,598	11,036	-	-	5,376	338	38,922	31,854
Held-to-maturity investments	-	-	-	-	-	-	5,376	338	-	-
Loans and receivables	-	-	34,598	11,036	-	-	-	-	38,922	31,854
Total financial assets	1,787	5,740	73,846	61,617	14,718	25,710	5,376	338	52,596	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	-	(3,061)
Additions	-	4,597	-	2,734
Disposals	-	(5,843)	-	1,762
Changes in valuations of financial derivatives	-	-	(10,992)	-
Transfers	-	(12,463)	-	-
Other movements	-	332	-	1
Share of profit	(997)	-	-	-
Translation differences	(234)	(1,464)	-	(1,245)
Balance at December 31, 2017	1,787	39,248	14,718	13,674

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 997 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 Gestamp Palau, S.A. (former 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		
	December 31, 2017		
	Global Laser Araba	GGM & subsidiaries	Industrias Tamer, S.A.
Total non-current assets	11,942	68,787	1,396
Total current assets	2,751	52,349	4,622
Total non-current liabilities	(10,600)	(48,859)	(220)
Total current liabilities	(3,276)	(68,337)	(4,598)
	-	-	-
Equity	(817)	(4,297)	(1,200)
Translation differences	-	357	-
Shareholding	30%	30%	30%
Carrying amount of the investment	245	1,182	360

	Thousands of euros				
	December 31, 2016				
	Essa Palau, S.A.	Global Laser Araba	Jui Li Edscha Body Systems & subsidiaries	GGM & 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		
	December 31, 2017		
	Global Laser Araba	GGM & subsidiaries	Industrias Tamer, S.A.
Operating income	2,910	29,779	2,661
Operating expense	(3,689)	(30,937)	(2,460)
OPERATING PROFIT/LOSS	(779)	(1,158)	201
Financial profit	(166)	(815)	(15)
Exchange gain (losses)	-	(1,254)	-
Impairment and other	-	-	-
PROFIT/LOSS BEFORE TAXES	(945)	(3,227)	186
Income tax expense	-	-	-
Adjustments from previous years	282	547	(166)
Profit for the year from discontinued operations net of taxes	-	-	-
PROFIT/LOSS FOR THE YEAR	(663)	(2,680)	20
Shareholding	30%	30%	30%
Participation of the Group in profit	(199)	(804)	6

Thousands of euros					
December 31, 2016					
	Essa Palau, S.A.	Global Laser Araba	Jui Li Edscha Body Systems & subsidiaries	GGM & subsidiaries	Industrias Tamer, S.A.
Operating income	80,879	23	11,395	25,261	2,862
Operating expense	(89,140)	(896)	(10,542)	(25,815)	(2,571)
OPERATING PROFIT/LOSS	(8,261)	(873)	853	(554)	291
Financial profit	(1,817)	(143)	9	(789)	(24)
Exchange gain (losses)	-	-	(75)	(1,597)	-
Impairment and other	(13)	-	-	-	-
PROFIT/LOSS BEFORE TAXES	(10,091)	(1,016)	787	(2,940)	267
Income tax expense	-	-	(257)	-	-
Adjustments from previous years	10,091	-	-	(7,960)	-
Profit for the year from discontinued operations net of taxes	-	-	-	-	-
PROFIT/LOSS FOR THE YEAR	-	(1,016)	530	(10,900)	267
Shareholding	40%	30%	50%	30%	30%
Participation of the Group in profit	-	(305)	265	(3,270)	80

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 3,450 thousand euros, and in Gestamp Pune Automotive Pvt. Ltd. for 157 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:

- 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).
- Partial payment from employees amounting to 1,450 thousand euros corresponding to loans granted to employees for Parent Company shares acquisition from Acek Desarrollo y Gestión Industrial S.L.
- Cancellation of withholding tax and interests with public administrations for the amount of 746 thousand euros.

Transfers in 2017 mainly correspond to:

- Reclassification to the heading Public authorities of debit balances from Indian public authorities with Gestamp Pune Automotive Pvt. Ltd. For 881 thousand euros.
- Reclassification to the heading Public authorities of debit balances from Brazilian public authorities with Gestamp Brasil Industria de Autopeças, S.A. for 11,153 thousand euros (Note 12.b.1).

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, 2017 and 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 22.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 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 526, deposits for employees accident insurance amounting to 1,029 thousand euros and deposits for legal responsibilities for the amount of 1,036 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.
- The refund of security deposits linked to operational lease contracts for 642 thousand euros and of deposits for legal responsibilities for 162 thousand euros.
- Payments for the amount of 284 thousand euros linked to compensations for accidents at work.

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	13,452	5,092	53,687
Disposals	(466)	(9)	(42,965)
Transfers	12,315	-	-
Other movements	6	-	(13)
Translation differences	-	(45)	(3,641)
Balance at December 31, 2017	34,598	5,376	38,922

b.1) Current loans and receivables

Changes in 2017 consolidation scope correspond to current loans and receivables from Gestamp Palau, S.A., and after this subsidiary was incorporated as fully-consolidated under the consolidation scope, were eliminated as part of consolidation process (Note 2.b).

Additions in 2017 mainly correspond to a loan that Gestamp Automoción, S.A. granted to Gestión Global de Matricería, S.L. in the amount of 13,000 thousand euros with maturity in December 2018. This loan bears a 1% interest rate.

Transfers in 2017 mainly correspond to the reclassification from non-current to current loans and receivables of the amounts to be received by the subsidiary Gestamp Brasil Industria de Autopeças, S.A. from Brazilian public authorities (Note 12.a.2)).

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 (Note 12.a.2)).

b.2) Current securities portfolio

Current securities portfolio at December 31, 2017 mainly correspond to:

- Short term deposits from the company Edscha do Brasil, for the amount of 1,293 thousand of euros, with maturity in the same year and average profitability between 4% and 5.5%.
- Short term deposits from the subsidiary Gestamp Metal Forming (Wuhan), Ltd. for 3,798 thousand euros, with an average profitability between 0.30% and 1.30%.

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 Baires and Gestamp Automotive India Private Ltd amounting to 52,047 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 41,801 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 December 31, 2017 and December 31, 2016 is as follows:

	Thousands of euros	
	2017	2016
Commercial inventories	42,571	11,235
Raw materials	189,819	170,560
Parts and subassemblies	68,382	65,121
Spare parts	80,459	74,157
Packaging materials	1,979	5,035
Total cost of raw materials and other consumables	383,210	326,108
Work in progress	149,416	145,508
Finished products	131,297	137,923
Byproducts, waste and recovered materials	696	518
Prepayments to suppliers	62,913	51,822
Total cost of inventories	727,532	661,879
Impairment of raw materials	(23,569)	(10,044)
Impairment of other consumables	(9,195)	(7,729)
Impairment of work in progress	(5,940)	(4,359)
Impairment of finished products	(7,506)	(8,850)
Total impairment	(46,210)	(30,982)
Total inventories	681,322	630,897

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

	Thousands of euros						
	Balance at Dec 31, 2016	Change in inventories				Changes in consolidation	Balance at Dec 31, 2017
		Impairment	Reversal of impairment	Changes in inventories	Total		
Raw materials and other consumables	326,108	-	-	55,744	55,744	1,358	383,210
Impairment of raw materials and other consumables	(17,773)	(19,248)	4,307	-	(14,941)	(50)	(32,764)
Consumption (Note 26.a)	308,335	(19,248)	4,307	55,744	40,803	1,308	350,446
Work in progress	145,508	-	-	(1,568)	(1,568)	5,476	149,416
Finished products and byproducts	138,441	-	-	(6,448)	(6,448)	-	131,993
Impairment of finished products and work in progress	(13,209)	(3,998)	3,782	-	(216)	(21)	(13,446)
Changes in inventories (see Income Statement)	270,740	(3,998)	3,782	(8,016)	(8,232)	5,455	267,963

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., Almussafes Mantenimiento de Troqueles, S.L. and Jui Li Edscha Hainan Industry Enterprise Co., Ltd. (Note 3).

The inventories were not encumbered at December 31, 2017 nor at December 31, 2016.

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

a) Trade receivables

	Thousands of euros	
	2017	2016
Trade receivables	792,553	843,048
Trade bills receivable	19,465	16,514
Accounts receivable by stage of completion, tools	307,281	279,677
Accounts receivable by stage of completion, machinery	27,742	2,976
Doubtful debts	1,355	770
Impairment losses	(5,630)	(4,736)
Trade receivables from related parties (Note 31.1)	31,948	31,676
Total	1,174,714	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 750 million euros at December 31, 2017 (December 31, 2016: 713 million euros).

The variation of the impairment provision at December 31, 2017 consisted of an increase of 805 thousand euros (December 31, 2016: 4.080 thousand euros) (Note 26.c) as well as written-off balances and translation differences.

The age analysis of due accounts receivable related to the sale of parts at December 31, 2017 and 2016 is as follows:

	Thousands of euros	
	2016	2015
Less than 3 months	30,861	14,661
Between 3 and 6 months	3,931	6,093
Between 6 and 9 months	1,398	2,164
Between 9 and 12 months	236	730
More than 12 months	4,445	4,825
Total outstanding past due receivables	40,871	28,473
Impairment provision	(5,630)	(4,736)
Total	35,241	23,737

The past due accounts receivable not provisioned are related to customers with no history of default.

The receivables balances not yet due transferred by the Group as non-recourse factoring to Spanish, German, British, Brazilian and Polish banks, that were eliminated in the Consolidated Balance Sheet amounted to 380,293 thousand euros and to 300,755 thousand euros at December 31, 2017 and December 31, 2016 respectively.

The expense of transferring non-due receivables balances at December 31, 2017 according to non-recourse factoring contracts amounted to 7,682 thousand euros (December 31, 2016: 5,350 thousand euros).

b) Other receivables

	Thousands of euros	
	2017	2016
Debtors	27,691	18,796
Remuneration advances	3,064	1,937
Short-term loans to employees	872	86
Total	31,627	20,819

c) Current income tax assets

This line item amount to 26,795 thousand euros at December 31, 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	
	2017	2016
Sundry receivables from Public Authorities	141,916	150,431
VAT refund	108,814	106,865
Receivable grants	1,420	1,015
Corporate tax refund (a)	22,679	34,571
Others	9,003	7,980
Receivables from Social Security	657	408
Total	142,573	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 December 31, 2017 amount to 71,057 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	
	2017	2016
Cash	840,759	403,789
Cash equivalents	19,479	26,674
Total	860,238	430,463

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

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

Company	2017		
	Thousands of euros	Source currency	Interest rate range
Gestamp Severstal Vsevolozhsk, Llc.	3,103	Russian ruble	6.50%
Gestamp Severstal Kaluga, Llc.	7,217	Russian ruble	6.62%
Gestamp Brasil Industria de Autopeças, S.A.	9,159	Brazilian real	100%-101% CDI
Total	19,479		

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

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

15. Issued capital and share premium

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

ITEM	December 31, 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 December 31, 2017, after the agreements mentioned above, and at December 31, 2016, is as follows:

Shareholders	shareholding	
	December 31, 2017	December 31, 2016
Acek Desarrollo y Gestión Industrial, S.L.	21.17%	37.63%
Risteel Corporation, B.V.	-	10.75%
Gestamp 2020, S.L.	50.10%	50.10%
Free Float	28.73%	1.52%

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 December 31, 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	-	-	-	-	-	239,692	-	239,692
Fair value adjustments reserve (hedge)	-	-	-	-	-	-	6,267	6,267
Actuarial gains and losses	-	-	-	948	-	-	-	948
Appropriation of 2016 profits	980	-	12,127	211,477	(3,230)	(221,354)	-	-
Dividends distributed by the Parent Company	-	-	(66,356)	-	-	-	-	(66,356)
Dividends distributed by the subsidiaries	-	-	126,391	(126,391)	-	-	-	-
Business combinations (Jui Li Eds. Body System., Co.Ltd Group and Gestamp Palau, S.A)	-	-	-	(4,680)	4,680	-	-	-
Increase in shareholding in controlled companies	-	-	-	(1,143)	-	-	-	(1,143)
Decrease in shareholding	-	-	480	-	-	-	-	480
Interest from participative loans	-	-	11,878	(11,878)	-	-	-	-
Recognition of the Put Option sold to non-controlling interest (Note 22.d)	-	-	-	(4,047)	-	-	-	(4,047)
Other movements and adjustments from prior years	-	-	-	(2,062)	-	-	-	(2,062)
AT DECEMBER 31, 2017	47,109	4,455	272,199	1,019,304	(2,346)	239,692	(28,489)	1,551,924

	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	-	-	-	-	-	221,354	-	221,354
Fair value adjustments reserve (hedge)	-	-	-	-	-	-	(2,631)	(2,631)
Actuarial gains and losses	-	-	-	(5,415)	-	-	-	(5,415)
Appropriation of 2015 profits	878	571	7,480	152,915	(364)	(161,480)	-	-
Dividends distributed by the Parent Company	-	-	(48,444)	-	-	-	-	(48,444)
Interest from participative loans	-	-	8,956	(8,956)	-	-	-	-
Acquisition of non-controlling interest in Gestamp 2008, S.L. (Note 2.b)	-	-	-	(263)	-	-	-	(263)
Transfer to non-controlling interest due to changes in shareholding of Gestamp 2008, S.L (Note 2.b)	-	-	-	(190)	-	-	-	(190)
Recognition of the Put Option sold to non-controlling interest (Note 22.d)	-	-	-	4,047	-	-	-	4,047
Other movements and adjustments from prior years	-	-	-	(178)	76	-	-	(102)
AT DECEMBER 31, 2016	46,129	4,455	187,679	957,080	(3,796)	221,354	(34,756)	1,378,145

16.1 Legal reserve

The Legal Reserve of the Parent Company amounted to 47,109 thousand euros at December 31, 2017 and to 46,129 thousand euros at December 31, 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 3,805 thousand euros at December 31, 2017 (December 31, 2016: 7,610 thousand euros). The amount of the goodwill reserve amounted to 4,455 thousand euros at December 31, 2017 and at December 31, 2016. The amount provisioned in 2016 was 571 thousand euros. In 2017 no amount had been provisioned, being this reserve partially distributable in the amount exceeding the net book value of the goodwill at closing date.

16.3 Unrestricted reserves

The most significant movements in the Parent Company's unrestricted reserves as at December 31, 2017, apart from 2016 profit distribution, amount to 12,127 thousand euros (December 31, 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 on March 3, 2017, amounting 66,356 thousand euros (December 31, 2016: 48,444 thousand euros). The dividend is utterly paid at December 31, 2017.
- Dividend distribution by some subsidiaries from unrestricted reserves on December 21, 2017, amounting to 126,391 thousand euros. The dividends are utterly paid at December 31, 2017.
- 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).
- Reclassification of participative loan interests, from reserves at fully consolidated companies in the amount of 11,878 thousand euros (September 30, 2016: 8,956 thousand euros).

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 update

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

The balance at December 31, 2017 and December 31, 2016 amounts to 4,884 thousand euros.

b) 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 December 31, 2017 and December 31, 2016 amounts to 85,337 thousand euros and 75,986 thousand euros respectively.

c) 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 December 31, 2017 and 129 million euros at December 31, 2016 (Note 11). This reserve is not distributable.

d) Restrictions related to capitalized development expenses

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

16.5 Approval of the Financial Statements and proposal for the allocation of profit

The individual 2017 Financial Statements of the Group companies will be presented for approval at their respective Annual General Meetings of shareholders within the deadlines established by the prevailing legislation. The Directors of the Parent Company believe that no significant changes will be made to the 2017 Consolidated Financial Statements as a result of this process. The Gestamp Automoción Group's 2017 Consolidated Financial Statements will be authorized by the Board of Directors of the Parent Company on February 26, 2018 for issue and submission to the Annual General Meeting where they are expected to be approved without modification.

The Parent Company's Board of Directors will submit the following allocation of profit proposal for the year ended December 31, 2017 for approval at the Annual General Meeting:

	<u>Thousands of euros</u>
Basis of allocation	
As per income statement	190,437
Allocation to:	
Legal reserve	10,441
Dividends	71,939
Unrestricted reserve	108,057

Restrictions on the distribution of dividends

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

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

In addition to these legal restrictions there are contractual restrictions detailed in Note 22.

17. Translation differences

The breakdown of translation differences by country is as follows:

Segment / Country	Thousands of euros		
	2017	2016	Difference
Western Europe			
Germany	5	440	(435)
Spain	(49,710)	12,909	(62,619)
France	-	(1)	1
Luxembourg	(1)	(1)	-
United Kingdom	(13,014)	(5,542)	(7,472)
Sweden	(3,895)	(3,756)	(139)
Eastern Europe			
Hungary	(2,455)	(2,011)	(444)
Poland	(27,176)	(34,413)	7,237
Czech Republic	(2,263)	(4,938)	2,675
Romania	(77)	-	(77)
Russia	(52,773)	(49,571)	(3,202)
Turkey	(40,767)	(31,296)	(9,471)
Mercosur			
Argentina	(83,972)	(75,834)	(8,138)
Brazil	(5,323)	11,381	(16,704)
North America			
USA	(35,125)	(1,254)	(33,871)
Mexico	(56,029)	(46,679)	(9,350)
Asia			
China	3,142	19,151	(16,009)
South Korea	4,110	4,363	(253)
India	29	3,489	(3,460)
Japan	(1,315)	186	(1,501)
Thailand	26	77	(51)
Taiwan	67	-	67
Total	(366,516)	(203,300)	(163,216)

Changes in translation differences for the year period amount to a negative variation of 163,216 thousand euros (2016: 35,491 thousand euros), mainly corresponding to:

- Spain, mainly corresponding to the permanent financing granted to subsidiaries that generated translation differences regarding the US dollar and the Brazilian real;

- United Kingdom, regarding the fluctuation of the British pound;
- Asia regarding the fluctuation of the Chinese yuan renminbi;
- Eastern Europe regarding to Polish zloty and to Turkish lira;
- North America regarding the fluctuation of US dollar and to a lesser extent to Mexican peso; and,
- Mercosur regarding the fluctuation of Brazilian real and Argentinian peso.

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 December 31, 2017
	At December 31, 2016	Changes in consolidation scope	Capital increase	Translation differences	Distribution of dividends	Increase in % of shareholding in companies previously under control	Put Option	Other movements	Profit (loss)	
Gestamp Holding Rusia, S.L./Tolltem, S.L./ Gestamp Severstal Yzevlozhsk LLC / Gestamp Severstal Kaluga, LLC	21,225			(1,578)				(725)	458	19,380
Gestamp Auto Components (Kunshan) Co., Ltd./Gestamp Holding China, AB	36,971			(2,258)				342	2,380	37,435
Shanghai Edscha Machinery Co., Ltd.	11,166			(592)	(2,010)			(124)	1,662	10,102
Edscha Pha, Ltd.	4,700		1,199	(54)	(1,512)			28	2,048	6,409
Edscha Aapico Automotive Co. Ltd	1,183			(49)				(3)	325	1,456
Sofedit, SAS	30,245							162	8,844	39,251
Gestamp Wroclaw, sp. z o.o.	(4,844)			(183)				(110)	(871)	(6,008)
Gestamp Brasil Industria Autopeças, S.A.	27,504			(3,999)			13,752	49	(2,176)	35,130
Gestamp Holding Argentina, S.L. and Argentinian companies	1,884			(3,480)			942		2,603	1,949
Gestamp Holding México, S.L. and Mexican companies	58,907			(4,042)	(2,409)		29,454	1,962	12,785	96,657
Gestamp North America, INC and North American companies	73,598			(13,397)			36,799	14	(5,836)	91,178
Mursolar 21, S.L./Gestamp A. Shenyang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	39,114			(1,318)				75	4,603	42,474
Beyçelik Gestamp Kalip, A.S. / Çelik Form Gestamp Otomotive, A.S./ Beyçelik Gestamp Teknoloji Kalip, A.S./ MPO Providers rez. S.R.L./Beyçelik Gestamp Sasi, L.S.	21,841	275		(4,051)		(3,307)		(73)	15,108	29,793
Gestamp Automotive India Private Ltd.	23,836			(1,759)					6,233	28,310
Jui Li Edscha Body System Co. Ltd./Jui Li Edscha Hainan Industry Enterprise Co. Ltd./Jui Li Edscha Holding Co. Ltd.		1,889		182				(7)	219	2,283
Total	347,330	2,164	1,199	(36,578)	(5,931)	(3,307)	80,947	1,590	48,385	435,799

The most significant variations in “Non-controlling interest” at December 31, 2017 correspond to:

- Inclusion of the companies Beyçelik Gestamp Teknoloji Kalip, A.S., MPO Providers Rezistent, 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 22.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, 2015	Changes in consolidation scope	Capital increase	Translation differences	Distribution of dividends	Increase in % of shareholding in companies previously under control	Put Option	Other movements	Profit (loss)	At December 31, 2016
G Finance Luxemburgo, S.A.	51	(51)	-	-	-	-	-	-	-	-
Gestamp Holding Rusia, S.L./Todlem, S.L./ Gestamp Severstal Vsevolozhsk Llc / Gestamp Severstal Kaluga, Llc.	11,848	-	-	3,702	-	-	-	(427)	6,102	21,225
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	33,821	-	-	(1,215)	-	-	-	1,687	2,678	36,971
Gestamp 2008, S.L.	6,119	-	-	-	-	(6,119)	-	-	-	-
Edscha Briey S.A.S.	(11,053)	-	-	-	-	11,053	-	-	-	-
Edscha Santander, S.L.	13,466	-	-	-	-	(13,466)	-	-	-	-
Edscha Burgos, S.A.	(1,334)	-	-	-	-	1,334	-	-	-	-
Edscha do Brasil Ltda.	(1,079)	-	-	(190)	-	1,269	-	-	-	-
Shanghai Edscha Machinery Co., Ltd.	12,603	-	-	(475)	(2,169)	-	-	-	1,207	11,166
Edscha Pha, Ltd.	2,773	-	-	43	-	-	-	253	1,631	4,700
Edscha Apapico 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 Wrocław, sp. z o.o.	(478)	-	-	2	-	-	-	-	(4,368)	(4,844)
Gestamp Brasil Industria Autopeças, S.A.	35,242	-	-	6,162	-	-	(13,752)	495	(643)	27,504
Gestamp Holding Argentina, S.L. and Argentinian companies	6,155	-	-	(2,199)	-	-	(942)	(197)	(933)	1,884
Gestamp Holding México, S.L. and Mexican companies	96,135	-	-	(5,564)	(6,210)	-	(29,454)	(69)	4,069	58,907
Gestamp North America, INC and North American companies	105,911	-	-	3,683	-	-	(36,799)	(1)	804	73,598
Marsolar 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 Gestamp Otomotive, A.S./Beyçelik Gestamp Sasi, L.S.	19,388	(2,748)	-	(3,082)	-	-	-	574	7,709	21,841
Gestamp Automotive India Private Ltd.	16,933	-	-	351	-	-	-	-	6,552	23,836
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 22.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.

Financial information about subsidiaries that have significant non-controlling interests is provided below and has been elaborated following the criteria as follows:

- Based on the individual financial statements of each subgroup, except for USA, Argentina, Mexico and Brazil which information had been based on their Consolidated Financial Statements.
- The formentioned financial statements are adapted to Group criteria.
- Intercompany eliminations from Gestamp Autoción Group consolidation process are not included.
- Other consolidation adjustments from Gestamp Automoción Group are detailed in an additional line.

Summarised income statement at December 31, 2017 and December 31, 2016:

2017									
Item	USA Subgroup	Argentina Subgroup	Mexico Subgroup	Brazil Subgroup	Beyçelik, A.S.	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup	Total
Operating income	973,550	219,098	478,651	305,299	384,534	189,619	211,548	101,482	2,863,781
Operating expense	(990,994)	(200,330)	(420,228)	(288,423)	(339,016)	(181,801)	(193,323)	(89,192)	(2,703,307)
Operating profit	(17,444)	18,768	58,423	16,876	45,518	7,818	18,225	12,290	160,474
Financial profit	(19,659)	(2,098)	802	(18,164)	(3,036)	(32)	(2,762)	(6,185)	(51,134)
Exchange gain (losses)	(2,383)	(874)	6,292	(6,638)	(10,930)	(1,275)	2,287	(3,398)	(16,919)
Impairment and other	-	-	6	619	-	-	-	-	625
Profit before taxes	(39,486)	15,796	65,523	(7,307)	31,552	6,511	17,750	2,707	93,046
Income tax expense	24,507	(6,537)	(14,615)	833	(3,322)	(1,171)	(1,287)	(189)	(1,781)
Non-controlling interest	-	(625)	-	-	-	-	-	-	(625)
Profit attributable to parent company	(14,979)	8,634	50,908	(6,474)	28,230	5,340	16,463	2,518	90,640
Gain (Loss) attributable to non-controlling interest	(4,494)	2,590	15,272	(1,942)	14,115	1,658	5,762	1,054	34,015
Consolidation adjustments	(1,342)	13	(2,487)	(234)	(586)	722	(1,159)	(593)	(5,666)
Non-controlling interest profit	(5,836)	2,603	12,785	(2,176)	13,529	2,380	4,603	461	28,349
Other subgroup non-controlling interest	-	-	-	-	1,579	-	-	(3)	1,576
Onther non-significative non-controlling interest	-	-	-	-	-	-	-	-	18,460
Total Gain (Loss) attributable to non-controlling in	(5,836)	2,603	12,785	(2,176)	15,108	2,380	4,603	458	48,385

2016									
Item	USA Subgroup	Argentina Subgroup	Mexico Subgroup	Brazil Subgroup	Beyçelik, A.S.	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup	Total
Operating income	1,086,896	156,838	407,146	220,570	286,509	206,359	195,671	94,996	2,654,985
Operating expense	(1,066,058)	(152,321)	(362,370)	(219,608)	(261,956)	(191,562)	(174,081)	(84,627)	(2,512,583)
Operating profit	20,838	4,517	44,776	962	24,553	14,797	21,590	10,369	142,402
Financial profit	(9,194)	(3,247)	857	(17,745)	(3,089)	(248)	(3,567)	(7,687)	(43,920)
Exchange gain (losses)	631	(2,234)	(24,507)	14,394	(9,461)	(1,759)	(6,875)	16,391	(13,420)
Impairment and other	-	-	(40)	(1,70)	-	-	-	-	(210)
Profit before taxes	12,275	(964)	21,086	(2,559)	12,003	12,790	11,148	19,073	84,852
Income tax expense	(8,283)	(737)	(7,706)	1,892	(802)	(4,171)	(1,198)	(4,832)	(25,837)
Non-controlling interest	-	158	-	-	-	-	-	-	158
Profit attributable to parent company	3,992	(1,543)	13,380	(667)	11,201	8,619	9,950	14,241	59,173
Gain (Loss) attributable to non-controlling interest	1,198	(463)	3,010	300	5,601	2,676	3,483	5,963	22,272
Consolidation adjustments	(394)	(470)	55	(443)	556	2	(126)	141	(679)
Non-controlling interest profit	804	(933)	4,069	(643)	6,157	2,678	3,357	6,104	21,593
Other subgroup non-controlling interest	-	-	-	-	1,552	-	-	(2)	1,550
Onther non-significative non-controlling interest	-	-	-	-	-	-	-	-	14,644
Total Gain (Loss) attributable to non-controlling in	804	(933)	4,069	(643)	7,709	2,678	3,357	6,102	37,787

Summarised balance sheet at December 31, 2017 and December 31, 2016:

2017									
Item	USA Subgroup	Argentina Subgroup	Mexico Subgroup	Brazil Subgroup	Beyçelik, A.S.	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup	Total
Total non-current assets	603,798	31,645	276,292	237,421	79,946	70,086	138,481	86,912	1,524,581
Total current assets	458,825	100,960	308,259	110,898	96,731	99,492	2,982	37,919	1,216,066
Total non-current liabilities	(158,468)	(4,329)	(14,496)	(31,537)	(21,696)	(128)	(7,841)	(50,838)	(289,333)
Total current liabilities	(583,327)	(107,394)	(311,055)	(217,717)	(87,237)	(51,078)	(12,593)	(19,862)	(1,390,263)
Equity	(302,740)	(91,742)	(332,356)	(107,143)	(94,891)	(112,609)	(121,029)	(95,698)	(1,258,208)
Translation differences	(18,088)	70,860	73,356	8,078	27,147	(5,763)	-	41,567	197,157
Equity attributable to non-controlling interest	(96,248)	(6,265)	(77,700)	(29,720)	(33,872)	(36,755)	(42,360)	(22,665)	(345,585)
Consolidation adjustments	5,070	4,316	(18,957)	(5,410)	4,079	(680)	(114)	3,285	(8,411)
Non-controlling interest	(91,178)	(1,949)	(96,657)	(35,130)	(29,793)	(37,435)	(42,474)	(19,380)	(353,996)
Other not significant non-controlling interest	-	-	-	-	-	-	-	-	(81,803)
Total Non-controlling interest	-	-	-	-	-	-	-	-	(435,799)

2016									
Item	USA Subgroup	Argentina Subgroup	Mexico Subgroup	Brazil Subgroup	Beyçelik, A.S.	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup	Total
Total non-current assets	530,028	40,610	239,320	263,902	74,381	79,383	144,066	98,740	1,470,430
Total current assets	431,960	88,209	256,075	101,982	100,108	142,737	3,324	55,676	1,180,071
Total non-current liabilities	(195,531)	(6,204)	(19,124)	(98,260)	(30,585)	(5)	(12,042)	(79,160)	(440,911)
Total current liabilities	(382,077)	(99,395)	(246,450)	(147,992)	(86,262)	(102,924)	(14,254)	(20,399)	(1,099,753)
Equity	(321,634)	(83,255)	(288,593)	(113,620)	(79,039)	(106,152)	(121,094)	(92,656)	(1,206,043)
Translation differences	(62,746)	60,035	58,772	(6,012)	21,397	(13,039)	-	37,799	96,206
Equity attributable to non-controlling interest	(115,314)	(6,966)	(68,946)	(35,890)	(28,821)	(37,009)	(42,383)	(22,969)	(358,298)
Consolidation adjustments	4,917	4,140	(19,415)	(5,366)	6,980	38	3,269	1,744	(3,693)
Put Option	(36,799)	(942)	(29,454)	(13,752)	-	-	-	-	(80,947)
Non-controlling interest	(73,598)	(1,884)	(58,907)	(27,504)	(21,841)	(36,971)	(39,114)	(21,225)	(281,044)
Other not significant non-controlling interest	-	-	-	-	-	-	-	-	(66,286)
Total Non-controlling interest	-	-	-	-	-	-	-	-	(347,330)

Summarized cash flow at December 31, 2017 and December 31, 2016:

2017									
Item	USA Subgroup	Argentina Subgroup	Mexico Subgroup	Brazil Subgroup	Beyçelik, A.S.	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup	Total
Operating activities	13,417	22,761	53,870	37,766	48,008	23,284	(20)		24,687
Investing activities	(202,559)	(2,497)	(96,631)	(17,334)	(22,061)	(10,644)	9,664		(1,283)
Financing activities	248,882	(10,447)	55,793		(14,562)	(40,835)	(9,644)		(37,928)
Net increase (decrease) of cash or cash equivalents	59,740	9,817	13,032	5,215	11,385	(28,195)	-	-	(14,524)

Item	2016							
	USA Subgroup	Argentina Subgroup	Mexico Subgroup	Brazil Subgroup	Beyçelik, A.S	Gestamp Holding China Subgroup	Mursolar Subgroup	Todlem Subgroup
Operating activities	57,421	7,350	25,749	28,204	26,842	32,393	(53)	31,901
Investing activities	(97,726)	(3,718)	(74,582)	(43,030)	(17,337)	(20,805)	(66,005)	(1,398)
Financing activities	126,474	(8,356)	52,435	26,844	(5,352)	(24,334)	(820)	(1,431)
Net increase (decrease) of cash or cash equivalents	86,169	(4,724)	3,602	12,018	4,153	(12,746)	(66,878)	29,072

19. Deferred income

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

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

	Thousands of euros
Balance at December 31, 2015	30,720
Grants received during the period	2,264
Grants disposals during the period	(529)
Released income during the period (Note 25.b)	(6,218)
Translation differences	(905)
Other movements	613
Balance at December 31, 2016	25,945
Grants received during the period	1,760
Grants disposals during the period	(227)
Released income during the period (Note 25.b)	(4,918)
Translation differences	(261)
Other movements	16
Balance at December 31, 2017	22,315

Grants received correspond to grants 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	
	2017	2016	2017	2016	2017	2016
Provision for employee compensation (Note 21)	100,984	91,642	625	1,904	101,609	93,546
Provision for taxes	7,848	7,252	-	-	7,848	7,252
Provision for other responsibilities	34,212	55,259	11,098	16,168	45,310	71,427
	143,044	154,153	11,723	18,072	154,767	172,225

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

	Thousands of euros			Total
	Provision for employee compensation	Provision for taxes	Provision for other responsibilities	
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	16,979	1,753	7,808	26,540
Decrease	(6,880)	(670)	(32,885)	(40,435)
Translation differences	(152)	(487)	(1,870)	(2,509)
Other	(1,913)	-	830	(1,083)
Balance at December 31, 2017	101,609	7,848	45,310	154,767

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 as detailed in Note 21.
- Provisions for employee compensation regarding a long-term incentive plan for 9,491 thousand euros in 2017 (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.

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 equity method (Note 12.a.1). 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 (Note 26.c).

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.

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

In 2017, and as a result of the obtainment of new information, the Group made a reversal of 13,640 thousand euros from exceeded provisions.

Other decreases in provisions are mainly related to operational expenses and trade operations provisions applications from different Group subsidiaries.

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

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

21. Pensions and other post-employment obligations

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

Item		Non-current		Current		Total	
		2017	2016	2017	2016	2017	2016
Employee benefits	a)	21,515	14,114	625	1,904	22,140	16,018
Post-employment benefits							
Defined benefit plans	b)	79,469	77,528	-	-	79,469	77,528
Total (Note 20)		100,984	91,642	625	1,904	101,609	93,546

a) Employee benefits

This line item includes provisions by some Group companies for seniority awards and other benefits for staying in the company (anniversary, retirement, awards, etc.).

b) Defined benefit plans

The Group has a number of defined benefit plans. The main defined benefit plans are located in Germany and France. Among these pension plans, some are partially funded by investment funds and some are not funded at all by investment funds.

The risks of the different defined benefit plans are those associated with pensions not funded by an external fund. Other risks of the defined benefit plans common to partially funded plans as well as to unfunded plans are those related to demographic issues, such as mortality and longevity of employees, and those related to financial issues such as pension increase rate depending on inflation.

Assets and liabilities corresponding to the said plans at December 31, 2017 and December 31, 2016, by countries, are the following:

Item	Thousand of euros		
	Germany	France	Total
Present value of the defined benefit obligation	76,162	9,775	85,937
Fair value of plan assets and reimbursement rights	(4,575)	(1,893)	(6,468)
Value of defined benefit obligation at December 31, 2017	71,587	7,882	79,469

Item	Thousand of euros		
	Germany	France	Total
Present value of the defined benefit obligation	74,551	9,648	84,199
Fair value of plan assets and reimbursement rights	(4,516)	(2,155)	(6,671)
Value of defined benefit obligation at December 31, 2016	70,035	7,493	77,528

The changes in present value of plan liabilities are the following:

	Thousand of euros		
	Germany	France	Total
Present value of the defined benefit obligation at December 31, 2015	66,573	8,846	75,419
Current service cost year 2016	2,929	552	3,481
Interest income or expense	-	44	44
Interest income or expense	1,420	175	1,595
Pension cost charged to profit and loss at 2016	4,349	771	5,120
Payments from the plan except any settlements	(1,392)	(173)	(1,565)
Payments from plan settlements	-	-	-
Actuarial gains and losses arising from changes in demographic assumptions	-	(66)	(66)
Actuarial gains and losses arising from changes in financial assumptions	5,021	655	5,676
Actuarial gains and losses attributable to non-controlling interests	-	(229)	(229)
Remeasurements of the net defined benefit liability	5,021	360	5,381 (*)
Other effects	-	(156)	(156)
Present value of the defined benefit obligation at December 31, 2016	74,551	9,648	84,199
Current service cost year 2017	3,261	605	3,866
Gains and losses arising from settlements	-	6	6
Interest income or expense	1,172	144	1,316
Pension cost charged to profit and loss at 2016	4,433	755	5,188
Payments from the plan except any settlements	(2,099)	(366)	(2,465)
Payments from plan settlements	-	-	-
Actuarial gains and losses arising from changes in demographic assumptions	-	(607)	(607)
Actuarial gains and losses arising from changes in financial assumptions	(660)	130	(530)
Actuarial gains and losses attributable to non-controlling interests	-	167	167
Remeasurements of the net defined benefit liability	(660)	(310)	(970) (**)
Other effects	(63)	48	(15)
Present value of the defined benefit obligation at December 31, 2017	76,162	9,775	85,937

The changes in fair value of plan assets are the following:

	Thousand of euros		
	Germany	France	Total
Fair value of plan assets and reimbursement rights at December 31, 2015	4,482	2,205	6,687
Interest income or expense	97	10	107
Pension cost charged to profit and loss at 2016	97	10	107
Payments from the plan except any settlements	-	(89)	(89)
Return on plans assets, excluding amounts included in interest	-	-	-
Actuarial gains and losses arising from changes in demographic assumptions	(63)	29	(34)
Actuarial gains and losses attributable to non-controlling interests	-	-	-
Remeasurements of the net defined benefit liability	(63)	29	(34) (*)
Contributions to the plan by the employer	-	-	-
Fair value of plan assets and reimbursement rights at December 31, 2016	4,516	2,155	6,671
Interest income or expense	72	32	104
Pension cost charged to profit and loss at 2017	72	32	104
Payments from the plan except any settlements	-	(285)	(285)
Return on plans assets, excluding amounts included in interest	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(13)	(9)	(22)
Actuarial gains and losses attributable to non-controlling interests	-	-	-
Remeasurements of the net defined benefit liability	(13)	(9)	(22) (**)
Fair value of plan assets and reimbursement rights at December 31, 2017	4,575	1,893	6,468

(*) The balance registered as actuarial gains and losses, booked as a decrease in the Consolidated Statement of Changes in Equity at December 31, 2016 amounted to 5,415 thousand euros (5,381 thousand euros corresponded to the change in value of the defined benefit liability and 34 thousand euros corresponded to the change in value of the plan assets).

(**) The balance registered as actuarial gains and losses, booked as an increase in the Consolidated Statement of Changes in Equity at December 31, 2017 amounted to 948 thousand euros (970 thousand euros corresponded to the change in value of the defined benefit liability and -22 thousand euros correspond to the change in value of the plan assets).

The breakdown of the expense recognized in the Consolidated Income Statement regarding these plans is as follows:

Item	Thousand of euros					
	Germany		France		Total	
	2017	2016	2017	2016	2016	2015
Current services cost	3,261	2,929	605	552	3,866	3,481
Gains and losses arising from settlements	-	-	6	44	6	44
Net interest on the net defined benefit liability (asset)	1,100	1,323	112	165	1,212	1,488
Total expense recognised in profit or loss	4,361	4,252	723	761	5,084	5,013

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

Item	Thousand of euros			
	Germany		France	
	2017	2016	2017	2016
Investments quoted in active markets				
Mixed investment funds in Europe	4,575	4,516	1,893	-
Not quoted investments				
Investment funds in insurances	-	-	-	2,155
	4,575	4,516	1,893	2,155

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

Item	Germany		France	
	2017	2016	2017	2016
Discount rate	1.6% - 2.0%	1.6% - 2.3%	1.3% - 1.81%	1.81%-1.9%
Expected rate of return on any plan assets	0% - 1.6%	0% - 1.6%	1.4%	1.9%
Future salary increases rate	2.0%-2.5%	2.0%-2.5%	1.5% - 2.0%	1.5% - 2.5%
Future pension increases rate	1.5% - 2%	1.5% - 2%	-	-
Inflation rate	2.0%	2.0%	1.0%-1.5%	1.0%-1.4%
Mortality table	RT 2005 G Dr. Klaus Heubeck modified	RT 2005 G	INSEE F 08-14	INSEE F 08-10
Rates of employee turnover, disability and early retirement	Aon Hewitt Standard tables, RT 2005 G, 0.5%	Aon Hewitt Standard tables, RT 2005 G, 0.5%	2.0%	3.0%
Proportion of plan members with dependants who will be eligible for benefits	100%	100%	-	-
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service	2.0%	2.0%	-	-
Retirement age	-	-	62-65 years	62-65 years

The sensitivity analysis of the value of post-retirement benefits obligations for the main hypotheses at December 31, 2017 and December 31, 2016 are as follows:

Assumptions	Sensitivity	2017			
		Germany		France	
		Increase	Decrease	Increase	Decrease
Discount rate					
Increase	1.00%	-	-	-	7,786
Decrease	1.00%	-	-	10,445	-
Increase	0.5%	-	5,364	-	-
Decrease	0.5%	5,959	-	-	-
Future pension increases rate					
Increase	0.5%	2,636	-	-	-
Decrease	0.5%	-	2,361	-	-
Future salary increases rate					
Increase	0.25%				
Decrease	0.25%				
Increase	0.5%	86	-	49	-
Decrease	0.5%	-	78	-	45
Mortality rate					
Decrease	1 year	1,374	-	-	-

Assumptions	Sensitivity	2016			
		Germany		France	
		Increase	Decrease	Increase	Decrease
Discount rate					
Increase	0.25%	-	-	-	301
Decrease	0.25%	-	-	317	-
Increase	0.5%	-	12,469	-	-
Decrease	0.5%	14,971	-	-	-
Future pension increases rate					
Increase	0.5%	11,660	-	-	-
Decrease	0.5%	-	10,105	-	-
Future salary increases rate					
Increase	0.5%	85	-	641	-
Decrease	0.5%	-	76	-	583
Mortality rate					
Increase	1 year	1,389	-	-	-

The expected future payments related to pension benefit at December 31, 2017 and December 31, 2016 are the following:

	Thousand of euros					
	2017			2016		
	Germany	France	Total	Germany	France	Total
Within the next 12 months	3,652	107	3,759	3,254	108	3,362
Between 2 and 5 years	11,500	2,070	13,570	11,167	1,882	13,049
Beyond 5 years	14,955	21,426	36,381	15,904	23,447	39,351
Total	30,107	23,603	53,710	30,325	25,437	55,762

22. Non-trade liabilities

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

Item		Thousands of euros					
		Non current		Current			
		2017	2016	2017	2016		
a)	Interest-bearing loans and borrowings and debt issues	a.1)	2,167,091	1,548,305	a.2)	543,789	419,294
b)	Derivative financial instruments	b.1)	66,201	87,983		-	-
c)	Other financial liabilities		<u>121,612</u>	<u>132,805</u>		<u>4,537</u>	<u>5,922</u>
	Financial leasing	c.1)	30,120	30,096	c.1)	2,552	3,478
	Borrowings from related parties	c.2)	57,309	67,718	c.2)	1,985	2,444
	Other liabilities	c.3)	34,183	34,991	c.3)	-	-
d)	Other non-trade liabilities	d)	9,593	10,358		129,953	290,820
Total			2,364,497	1,779,451		678,279	716,036

The changes in liabilities related to financing activities, as shown in a), b) and c) headings of the table above, are detailed as follows:

	Thousand of euros						
	2016	Cash flow	Variations in foreign currency	Changes in fair value	New lease contracts	Others	2017
Interest-bearing loans, borrowings and debt issues (Non-current)	1,548,305	736,987	(5,083)	-	-	(113,118)	2,167,091
Interest-bearing loans and borrowings (Current)	419,294	(26,419)	(8,498)	-	-	159,412	543,789
Financial leasing (Non-current)	30,096	-	(4,362)	-	5,711	(1,325)	30,120
Financial leasing (Current)	3,478	(1,630)	(621)	-	-	1,325	2,552
Borrowings from related parties (Non-current)	67,718	(7,010)	(2,357)	-	-	(1,042)	57,309
Borrowings from related parties (Current)	2,444	62	-	-	-	(521)	1,985
Other non-trade liabilities	34,991	(808)	-	-	-	-	34,183
Total (Note 4.5)	2,106,326	701,182	(20,921)	-	5,711	44,731	2,837,029
Derivative financial instruments	87,983	-	-	(21,782)	-	-	66,201
Total	2,194,309	701,182	(20,921)	(21,782)	5,711	44,731	2,903,230

Column "Others" mainly include the effect of the reclassification between current and non-current liabilities due to passage of time. It also include financial liabilities from business combinations (Note 3).

a) Interest-bearing loans, borrowings and debt issues

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

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

Description	Thousands of euros						2016
	2017						Total
	2019	2020	2021	2022	Beyond	Total	
In Euro	145,953	394,965	363,453	605,397	639,006	2,148,774	1,528,472
Western Europe	118,870	384,535	361,423	604,857	639,006	2,108,691	1,511,689
Eastern Europe	27,083	10,430	2,030	540	-	40,083	16,783
In foreign currency	5,757	3,614	1,971	4,379	2,596	18,317	19,833
Brazilian real							
Mercosur	3,368	3,057	1,925	2,111	2,596	13,057	14,198
Turkish lira							
Eastern Europe	1,100	550	46	-	-	1,696	-
Czech crown							
Europa oriental	1,262	-	-	-	-	1,262	2,510
Remimbi yuan							
Asia	-	-	-	-	-	-	2,726
Romanian leu							
Eastern Europe	-	-	-	2,268	-	2,268	-
Korean won							
Asia	27	7	-	-	-	34	399
Total	151,710	398,579	365,424	609,776	641,602	2,167,091	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 and were granted by a group of subsidiary companies (Annex III).

There are no real guarantees over loans at December 31, 2016 nor at December 31, 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 December 31, 2017 is as follows:

	<u>Interest rate</u>
• Loans denominated in euro	0.90% - 1.45%
• Loans denominated in Brazilian real*	4.50% - 8.50%
• Loans denominated in Korean won	3.60%
• Loans denominated in US dollar	3.00%

* 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 euro	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 December 31, 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 benefit</p>

(*) On July 25, 2017 the Parent Company signed an agreement to modify the original syndicated loan signed on April 2013. This agreement implies changes in interest rates and maturity dates. The maturity date for the contract was modified to July 15, 2022.

The outstanding amount of the syndicated loan, granted to the Parent Company, is registered as long-term in the amount of 852,473 thousand euros.

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

As at December 31, 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 refinance the May 2013 bond emission plus interest payments, and was considered as a refinancing operation due to the nonexistence of significant modifications of 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 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 December 31, 2017 amounts to 479 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

The non-fulfilment of these financial obligations implies the early maturity of the loan. It exists a 20 working days period of grace to remedy the breach of these financial obligations. As at December 31, 2017 and 2016 these ratios were within the limits mentioned above (“EBITDA / Financial expense” ratio was 9.59 at December 31, 2017 and 9.00 at December 31, 2016, and “Net Financial Debt / EBITDA” ratio was 2.13 at December 31, 2017 and 1.94 at December 31, 2016).

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

The outstanding amount of the syndicated loan, granted to the Parent Company, is registered as long-term in the amount of 160 million euros.

Parent Company ratios accomplished both covenants on December 31, 2017 and on 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.

IV) KfW IPEX Bank GmbH

On June 26, 2017 the Parent Company signed a financing agreement with KfW IPEX Bank GmbH for the amount of 45 million euros.

The loan term is five years with maturity on June 19, 2022.

The outstanding amount of the syndicated loan, granted to the Parent Company, is registered as long-term in the amount of 45 million euros.

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

The non-fulfilment of these financial obligations implies the early maturity of the loan. It exists a 20 working days period of grace to remedy the breach of these financial obligations. As at December 31, 2017 and 2016 these ratios were within the limits mentioned above (“EBITDA / Financial expense” ratio was 9.59 at December 31, 2017 and 9.00 at December 31, 2016, and “Net Financial Debt / EBITDA” ratio was 2.13 at December 31, 2017 and 1.94 at December 31, 2016).

Parent Company ratios accomplished both covenants on December 31, 2017 and on 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										(a)+(b)+(c)+(d)	
	Credit facilities				Loans (b)		Accrued interest (c)		Discounted bills (d)		TOTALS	TOTALS
	Drawn down (a)		Limit		2017	2016	2017	2016	2017	2016	2017	2016
In Euro	2,726	109,629	574,800	528,800	418,419	246,478	10,081	7,987	1,194	88	432,420	364,182
Western Europe	2,726	109,629	574,800	528,800	407,727	229,557	9,315	7,701	1,194	88	420,962	346,975
Eastern Europe	-	-	-	-	7,476	15,067	759	273	-	-	8,235	15,340
Asia	-	-	-	-	3,216	1,854	7	13	-	-	3,223	1,867
In foreign currency	31,292	8,484	102,180	46,600	79,561	46,313	516	315	-	-	111,369	55,112
US dollar												
Western Europe	-	-	-	-	37,485	-	129	-	-	-	37,614	-
North America	-	-	-	-	16,660	19,017	4	-	-	-	16,664	19,017
Turkish lira												
Eastern Europe	1,196	772	4,124	5,199	14,979	6,747	334	282	-	-	16,509	7,801
Argentine peso												
Mercosur	-	-	-	-	3,154	-	-	-	-	-	3,154	-
Brazilian real												
Mercosur	-	-	-	-	3,105	4,119	24	12	-	-	3,129	4,131
Indian rupee												
Asia	26,123	4,850	59,320	33,763	165	212	-	-	-	-	26,288	5,062
Remimbi yuan												
Asia	3,973	2,862	37,169	6,064	1,269	14,485	25	20	-	-	5,267	17,367
Czech crown												
Eastern Europe	-	-	-	-	1,262	1,255	-	-	-	-	1,262	1,255
Romanian leu												
Eastern Europe	-	-	-	-	1,118	-	-	-	-	-	1,118	-
Korean won												
Asia	-	-	1,567	1,574	364	478	-	1	-	-	364	479
Total	34,018	118,113	676,980	575,400	497,980	292,791	10,597	8,302	1,194	88	543,789	419,294

The Group had 567 million euros in with-recourse and non-recourse factoring and available discounting facilities at December 31, 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 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	
	2017	2016
Financial assets - derivatives (Note 12.a.3)	14,718	25,710
Others	14,718	25,710
Financial liabilities - derivatives	66,201	87,983
Derivatives held for trading	11,914	13,123
Cash flow hedges	39,569	49,150
Others	14,718	25,710

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

		Thousands of euros			
		2017		2016	
Contract	Item	Asset	Liability	Asset	Liability
1	Derivatives held for trading	-	4,025	-	4,277
2	Derivatives held for trading	-	4,726	-	5,484
5	Derivatives held for trading	-	3,163	-	3,362
Total derivatives held for trading		-	11,914	-	13,123
1	Cash flow	-	8,145	-	10,494
2	Cash flow	-	18,601	-	20,889
3	Cash flow	-	5,145	-	6,796
4	Cash flow	-	1,761	-	3,432
5	Cash flow	-	5,917	-	7,539
Total cash flow hedges		-	39,569	-	49,150

As at December 31, 2017 the Group arranges a strategy to hedge interest rate risk on notional of the Group's estimated bank debt for the period from 2018 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
2018	140,000	320,000	77,835	110,000	110,000
2019	140,000	320,000	77,835	-	110,000
2020	140,000	320,000	77,835	-	110,000

The interest rate swaps, arranged by the Group, in place at December 31, 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	December 30, 2014	January 4, 2021	1-month Euribor	0.25% (2015-2016-2017), 1.40% (2018), 1.98% (2019) and 2.15% (2020)
Contract 3	January 2, 2015	January 4, 2021	3-month Euribor	1.24% (2015), 1.48% (2016), 1.66% (2017), 1.99% (2018) and 2.09% beyond
Contract 4	April 2, 2014	January 2, 2019	3-month Euribor	1.26%
Contract 5	July 1, 2015	January 4, 2021	3-month Euribor	0.15% (2015), 0.40% (2016), 1.00% (2017), 1.25% (2018), 1.80% (2019) and 2.05% (2020)

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 Consolidated Income Statement.

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

Thousands of euros	
2017	
2018	(13,269)
2019	(13,643)
2020	(12,527)
2021	(130)
Total	(39,569)

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

As at December 31, 2017 the Group has transferred from Equity to the Consolidated Income Statement, the amount of 8,969 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 recognized a 1,209 thousand euros revenue in the Consolidated Income Statement relating to changes in value neither of derivatives held for trading, and a 877 thousand euros revenue relating to hedges inefficiency. In 2016 the Group recognized expense amounting to 13,099 thousand euros in the Consolidated Income Statement relating to changes in value of derivatives held for trading and expense amounting to 877 thousand euros relating to hedges inefficiency.

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 (Note 28)	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	6,267
Variation in deferred tax from financial instruments (note 28)	(2,437)
Variation in derivative financial instruments (liabilities)	9,581
Effect in profit due to hedge inefficiency	(877)
Fair value adjustment at December 31, 2017	(28,489)

“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 22.a.1.II, the bond issued by the subsidiary Gestamp Funding Luxembourg, S.A. amounting to 350 million US dollars, was classified on January 1, 2014 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, maturity date of this bond issued in US dollars, 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:

2017							
Thousands of euros							
Present value of lease obligations							
Segment	Short term			Long term		Future financial expenses	Financial lease installments
	Less than one year	Between one and five years	More than five years	Total			
North America	996	4,325	13,562	17,887		5,018	23,901
Eastern Europe	1,545	10,073	2,160	12,233		858	14,636
Western Europe	11	-	-	-		-	11
Total	2,552	14,398	15,722	30,120		5,876	38,548

2016							
Thousands of euros							
Present value of lease obligations							
Segment	Short term			Long term		Future financial expenses	Financial lease installments
	Less than one year	Between one and five years	More than five years	Total			
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 Consolidated Balance Sheet includes the following items with related parties:

Description	Thousands of euros			
	Long term		Short term	
	2017	2016	2017	2016
Loans (Note 31.1)	33,053	42,420	93	-
Fixed assets suppliers (Note 31.1)	24,256	25,298	-	-
Interest (Note 31.1)	-	-	1,892	2,413
Current accounts (Note 31.1)	-	-	-	31
Total	57,309	67,718	1,985	2,444

As at December 31, 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, Llc. from Eastern Europe segment, borrowed from its minor shareholder JSC Karelsky and with maturity on May 2019 was fully paid (Note 31.1).

The breakdown of expected maturities for borrowings with related parties is as follows (Note 31.1):

Description	Thousands of euros					Total 2017	Total 2016
	2019	2020	2021	2022	Beyond		
Loans	22,767	-	-	10,286	-	33,053	42,420
North America	18,197	-	-	-	-	18,197	20,771
Eastern Europe	4,570	-	-	10,286	-	14,856	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					
2016					
2018	2019	2020	2021	Beyond	Total
21,813	12,555	1,183	1,260	30,907	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 December 31, 2017 and December 31, 2016 is as follows:

Description	Thousands of euros					Total 2017	Total 2016
	2019	2020	2021	2022	Beyond		
Loans from Ministry of Science and Technology	9,715	5,811	5,375	4,863	8,419	34,183	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 September 30, 2017 and December 31, 2016 is as follows:

Description	Thousands of euros					Total 2017	Total 2016
	2019	2020	2021	2022	Beyond		
Guarantees received	6	-	-	-	392	398	392
Western Europe	6	-	-	-	391	397	390
Mercosur	-	-	-	-	1	1	2
Fixed assets suppliers	-	-	-	-	-	-	510
Western Europe	-	-	-	-	-	-	138
Mercosur	-	-	-	-	-	-	372
Other creditors	1,519	1,289	3,542	1,858	987	9,195	9,456
Western Europe	1,496	1,285	3,542	1,617	987	8,927	6,780
Eastern Europe	-	-	-	241	-	241	2,303
Mercosur	23	4	-	-	-	27	373
Total	1,525	1,289	3,542	1,858	1,379	9,593	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	
	2017	2016
Fixed assets suppliers	99,277	182,953
Other suppliers (Note 31.1)	1,311	1,050
Dividends (Note 31.1)	5	848
Short term debts	29,284	29,156
Put Option	-	76,900
Short term interests payable	66	16
Deposits and guarantees	294	140
Others	(284)	(243)
Total	129,953	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. This implied a debt withdrawal for 76,900 thousand euros, as specified in the previous paragraph, a restitution of its effect on non-

controlling interest for 80,947 thousand euros (Note 18), and the retrocession of the effect of this operation in reserves at fully consolidated companies for 4,047 thousand euros (Note 16).

23. Deferred Taxes

The changes in deferred tax assets and liabilities were as follows:

Deferred tax assets	Thousands of euros						Total
	Tax credits	Reversal of start-up expenses	Non-deductible provisions	Accelerated depreciation	Unrealized, non-deductible exchange gains (losses)	Other	
At December 31, 2015	150,277	79	48,275	5,438	4,349	62,359	270,777
Inclusion in scope	-	-	-	-	-	-	-
Increases	19,248	-	7,081	1,565	1,566	19,689	49,149
Decreases	(38,691)	(72)	(12,743)	(123)	(6,061)	(15,842)	(73,532)
Translation differences	2,836	(6)	677	(228)	623	(2,332)	1,570
Other	22,150	-	(9,320)	558	6,917	5,170	25,475
At December 31, 2016	155,820	1	33,970	7,210	7,394	69,044	273,439
Inclusion in scope	6,190	-	4	-	2	1,445	7,641
Increases	33,583	-	6,461	1,202	3,741	26,534	71,521
Decreases	(21,677)	-	(6,170)	(449)	(2,868)	(15,616)	(46,780)
Translation differences	(4,808)	-	(1,231)	(239)	(871)	(2,211)	(9,360)
Other	(27,316)	(1)	3,108	(246)	(56)	(6,151)	(30,662)
At December 31, 2017	141,792	-	36,142	7,478	7,342	73,045	265,799

Other regarding Tax credits: The 22,150 thousand euros amount in 2016 mainly corresponded to the recognition of tax credits due to negative tax bases and incentives from previous years. In 2017 the (27,316) thousand euros amount under this heading mainly correspond to the effect of the recalculation of deferred tax from Gestamp North America and subsidiaries fiscal group as result of the change in tax rate from 35% to 21% for 2018 and onward, being considered an estimated application period of 5 years regarding those tax credits for USA based companies.

Increases in Other amounting to 19,689 thousand euros in 2016 mainly corresponded to the tax effect of hedges from the Parent Company as well as to non-deductible expenses from invoices to be received by Gestamp Polska SP. z.o.o. The amount of 26,534 thousand euros in 2017 mainly correspond to the tax effect of non-deductible expenses from invoices to be received by Gestamp Polska SP. z.o.o.

Decreases in Other amounting to 15,842 thousand euros in 2016 and 15,616 thousand euros in 2017, mainly correspond to the reversal of non-deductible expenses from invoices to be received by Gestamp Polska SP. z.o.o. from previous years. Additionally, in 2017 this figure also includes the tax effect of hedges from the Parent Company.

Deferred tax liabilities	Thousands of euros						
	Tax deduction - goodwill individual companies	Capitalization of expenses	Allocation to goodwill	Revaluation of land and buildings	Depreciation/ amortization	Other	Total
At December 31, 2015	8,130	49,452	28,841	50,739	76,604	11,778	225,544
Inclusion in scope							-
Increases	716	11,625	-	286	1,437	20,433	34,497
Decreases	(633)	(5,755)	(3,645)	(1,576)	(4,677)	-	(16,286)
Translation differences		(634)	446	142	1,909	(902)	961
Other	133	(103)		1,246	(3,195)	(18)	(6,262)
At December 31, 2016	8,346	54,585	25,642	50,837	72,078	31,291	238,454
Inclusion in scope						134	134
Increases	1,389	19,019		286	5,811	7,353	33,858
Decreases		(11,753)	(1,507)	(1,476)	(826)	(3,141)	(18,703)
Translation differences		(45)	-	(167)	(7,582)	(969)	(8,763)
Other	-	(3,753)		-	(19,192)	(4,591)	(27,536)
At December 31, 2017	9,735	58,053	24,135	49,480	50,289	30,077	217,444

Other regarding Depreciation/Amortization: The amount of (19,192) thousand euros in 2017 mainly correspond to the effect of the recalculation of deferred tax from Gestamp North America and subsidiaries fiscal group as result of the change in tax rate from 35% to 21% for 2018 and onward.

Increases in Other: The amount of 20,433 thousand euros in 2016 mainly corresponded to the tax effect of the retrocession in consolidation process of the hedges registered as inefficient by the Parent Company and considered efficient at Group level.

Translation differences generated in 2017 and 2016 amounting to (597) thousand euros and 609 thousand euros respectively mainly corresponded to the application of different exchange rates each year (Note 28).

24. Trade and other payables

a) Trade payables

	Thousands of euros	
	2017	2016
Trade accounts payable	1,057,690	978,617
Trade bills payable	138,259	147,166
Suppliers from related parties (Note 31.1)	317,054	226,348
Trade creditors, related parties (Note 31.1)	80	4,013
Total	1,513,083	1,356,144

b) Other payables

	Thousands of euros	
	2017	2016
VAT payable	81,225	60,682
Tax withholdings payable	15,312	12,910
Other items payable to the tax authorities	17,242	18,101
Payable to social security	31,661	28,124
Other payables	8,712	14,918
Outstanding remuneration	120,933	109,819
Total	275,085	244,554

25. Operating revenue

a) Revenue

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

	Thousands of euros	
	2017	2016
Parts, prototypes and components	7,166,134	6,767,411
Tools	746,366	579,167
Byproducts and containers	272,589	194,163
Services rendered	16,482	8,197
Total	8,201,571	7,548,938

The geographical breakdown of revenue was as follows:

	Thousands of euros		
	2017	2016	% variat.
Western Europe	4,011,171	3,704,114	8.3%
Spain	1,448,269	1,320,922	9.6%
Germany	1,158,328	1,044,527	10.9%
United Kingdom	636,405	670,805	-5.1%
France	501,413	434,989	15.3%
Portugal	198,359	159,911	24.0%
Sweden	68,397	72,960	-6.3%
Eastern Europe	1,043,441	859,489	21.4%
Turkey	322,297	272,037	18.5%
Czech Republic	185,295	167,687	10.5%
Russia	113,752	107,623	5.7%
Poland	307,889	256,290	20.1%
Hungary	66,973	50,584	32.4%
Slovakia	11,523	5,268	118.7%
Romania	35,712	-	
Mercosur	562,316	401,365	40.1%
Brazil	346,256	245,709	40.9%
Argentina	216,060	155,656	38.8%
North America	1,482,798	1,546,104	-4.1%
USA	1,012,337	1,153,802	-12.3%
Mexico	470,461	392,302	19.9%
Asia	1,101,845	1,037,866	6.2%
China	736,292	719,602	2.3%
India	218,602	168,187	30.0%
South Korea	133,406	137,844	-3.2%
Japan	7,765	7,259	7.0%
Thailand	5,505	4,974	10.7%
Taiwan	275	-	
	8,201,571	7,548,938	8.6%

b) Other operating income

	Thousands of euros	
	2017	2016
Other operating income	40,841	23,221
Grants related to income	5,245	3,494
Grants related to assets released to income for the year (Note 19)	4,918	6,218
Surplus provision for environmental matters and other commitments	4,462	4,261
Own work capitalized	128,094	93,383
Others	13,632	994
Profit (loss) from PP&E disposals	5,981	-
Adjustments from prior years	(1,688)	-
Other	9,339	994
Total	197,192	131,571

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

26. Operating expenses

a) Raw materials and other consumables

	Thousands of euros	
	2017	2016
Purchases of goods for resale and tools	605,254	860,423
Discounts for prompt payment	(1,825)	(1,769)
Purchase returns and similar transactions	2,865	(663)
Volume discounts	(11,804)	(8,240)
Change in inventories (**)	(55,744)	(32,136)
Purchases of raw materials	3,221,954	2,666,535
Consumption of other supplies	743,511	668,011
Work performed by third parties	362,974	354,606
Impairment of goods for resale and raw materials (**)	19,248	5,054
Reversal of impairment of goods for resale and raw materials (**)	(4,307)	(2,079)
Total	4,882,126	4,509,742

**The total of these line items amounts to a net consumption of raw materials of 40,803 thousand euros (Note 13).

b) Personnel expenses

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

	Thousands of euros	
	2017	2016
Salaries	1,142,532	1,043,824
Social security	247,461	225,570
Other benefits expenses	102,853	97,490
Total	1,492,846	1,366,884

Other benefit expenses include the contributions to defined contribution plans amounting to 5.5 million euros in 2017 (2016: 6.1 million euros) (Note 6.16).

The breakdown of average headcount by professional level in 2017 and 2016 is as follows:

Professional level	2017	2016
Production workers	20,135	18,399
Maintenance	5,087	5,009
Logistic	3,935	3,665
Engineering	2,814	2,646
Quality	2,857	2,765
Administration, finance and IT	3,984	3,733
Total	38,812	36,217

The breakdown of headcount by professional level at year end at December 31, 2017 and December 31, 2016 is as follows:

Professional level	2017		2016	
	Males	Females	Males	Females
Production workers	17,699	3,429	16,856	2,012
Maintenance	5,423	93	4,792	63
Logistic	3,711	487	3,265	309
Engineering	2,567	347	2,437	235
Quality	2,593	518	2,301	424
Administration, finance and IT	2,406	1,775	2,364	1,337
Total	34,399	6,649	32,015	4,380

c) Other operating expenses

	Thousands of euros	
	2017	2016
Maintenance and upkeep	649,319	576,494
Other external services	438,619	334,783
Taxes and levies	35,830	34,302
Impairment of accounts receivable (Note 14.a)	805	4,080
Others	1,110	6,504
Provision for risks and expenses	1,110	5,217
Increase/ Application of provisions (Note 20)	-	(2,090)
Adjustments prior years	-	5,567
Other	-	(2,190)
Total	1,125,683	956,163

27. Financial income and financial expenses

a) Financial income

	Thousands of euros	
	2017	2016
From equity investments	1	1
From current loans to third parties	-	3
Other financial income	8,519	4,839
From current loans to related parties (Note 31.1)	102	432
From non-current loans to third parties	378	-
Total	9,000	5,275

b) Financial expenses

	Thousands of euros	
	2017	2016
On bank borrowings	73,339	78,701
On trade bills with credit institutions	5,153	3,444
Other financial expenses	18,714	10,635
On update provisions	102	45
On borrowings from related parties (Note 31.1)	4,445	5,933
Total	101,753	98,758

28. Income tax

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

- From January 1, 2014 on, the Parent Company chooses to apply the special fiscal consolidation regime, regulated under Basque Regional Law 11/2013. The subsidiaries included in this fiscal group are Gestamp Bizkaia, S.A; Gestamp Tooling Erandio, S.L.; Gestamp North Europe Services, S.L., Loire S.A.F.E., Gestamp Global Tooling S.L., Matricería Deusto S.L., Adral Matricería y Puesta a Punto S.L., Gestamp Tool Hardening S.L., Gestamp Try Out Services S.L., Gestamp Technology Institute S.L. and Diede Die Development S.L.
- The subsidiaries Gestamp North America, Inc., Gestamp Alabama, Llc., Gestamp Mason, Llc., Gestamp Chattanooga, Llc., Gestamp Chattanooga II Llc., Gestamp South Carolina, Llc., Gestamp West Virginia, Llc. and Gestamp Washtenaw Llc. file a tax return according to fiscal transparency system.
- The subsidiaries 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	
	2017	2016
Current tax expense	89,974	78,900
Deferred tax	(7,872)	9,940
Other income tax adjustments	-	100
Total	82,102	88,940

The reconciliation between the deferred tax expense in 2017 (income in 2016) and the net variation of deferred tax assets and liabilities is as follows:

	Thousands of euros			
	Deferred tax assets		Deferred tax liabilities	
	2017	2016	2017	2016
Balance (Note 23)	265,799	273,439	217,444	238,454
Variation current year	(7,640)	2,662	(21,010)	12,910
Net variation (Increase / decrease in net deferred asset)	13,370	(10,248)		
Translation differences (Note 23)	597	(609)		
Tax effect of hedges registered in Equity (Note 22.b.1))	2,437	(1,023)		
Other variations	(1,025)	1,940		
Increase / decrease in net deferred asset against profit for the year	15,379	(9,940)		
Income /expense for deferred tax current year	(7,872)	9,940		

Tax expense was calculated based on accounting profit before taxes, as shown below:

	Thousands of euros	
	2017	2016
Accounting profit (before taxes)	370,179	348,081
Theoretical tax expense	103,650	97,463
Differences in prevailing rates	(15,125)	(4,792)
Permanent differences	2,394	4,649
Deductions and tax credits previously not recognized	(27,126)	(27,579)
Statute-barred tax credits	18,733	13,474
Adjustments to income tax of prior years	(3,576)	5,765
Adjustments to tax rate	3,152	(40)
Tax expense (tax income)	82,102	88,940

The theoretical tax rate applied was 28% in 2017 and 2016.

In 2017, the total amount booked under the headings “Theoretical tax expense”, “Differences in prevailing rates” and “Adjustments to tax rate” amounted to 91.7 million euros that resulted in a tax effective rate of 24.8% (2016: 26.6%).

“Differences in prevailing rates” in 2017 and 2016 reflected the differences between prevailing rates in certain operating markets and the theoretical applicable rate, mainly relating to operations taxed in the United States (35%) and Spain (Common territory 25%).

The Permanent differences in 2017 and 2016 reflected mainly inflation adjustments, exemption of income from brand billing, nondeductible differences in exchange rates, nondeductible expenses, and those differences permanent differences generated in the consolidation process.

Adjustments to tax rate in 2017 mainly include the effect of the recalculation of deferred tax from Gestamp North America and subsidiaries fiscal group as result of the change in tax rate from 35% to 21% for 2018 and onward.

The balances converted to euros of tax bases pending to be offset and unused tax incentives in other currencies, calculated at the exchange rates prevailing on that date, at December 31, 2017 and 2016 are the following:

	Millions of euros					
	2017			2016		
	With tax credit registered	Without tax credit registered	Total	With tax credit registered	Without tax credit registered	Total
Negative tax bases pending to be offset	307	721	1,028	309	605	914
<i>Tax credit</i>	94	192	286	97	159	256
Unused tax incentives	48	115	163	59	101	160
<i>Tax credit</i>	48	115	163	59	101	160
Total Tax credit registered (Note 23)	142			156		

At year end 2017 and 2016, the Group had capitalized unused negative bases and tax incentives that it expects to be able to utilize in future periods based on earnings projections and the deadlines and limits for their utilization.

The analysis on recoverability of tax credits is based on estimated future profits for each company. Such recoverability ultimately depends on the capacity of each company to generate taxable profits along the period where deferred tax assets are deductible.

The analysis on recoverability is elaborated according to the life-time of tax credits with a maximum of 10 years and to the current application conditions for such tax credits, especially the limits of application for negative tax bases.

The unused tax losses and unused tax incentives at December 31, 2017 and 2016 whose corresponding tax credit has been registered have the following breakdown by prescription date:

2017		
Millions of euros		
Range of maturity	Negative Tax Bases	Tax incentives
2018-2023	25	3
2024-2029	62	22
2030-2036	60	22
Without limit	160	1
Total	307	48

2016		
Millions of euros		
Range of maturity	Negative Tax Bases	Tax incentives
2017-2022	59	1
2023-2028	62	31
2029-2035	46	26
Without limit	142	1
Total	309	59

The unused tax losses and unused tax incentives at December 31, 2017 and 2016 whose corresponding tax credit has not been registered have the following breakdown by prescription date:

2017		
Millions of euros		
Range of maturity	Negative Tax Bases	Tax incentives
2018-2023	116	9
2024-2029	100	97
2030-2036	44	9
Without limit	461	-
Total	721	115

2016		
Millions of euros		
Range of maturity	Negative Tax Bases	Tax incentives
2017-2022	107	7
2023-2028	71	63
2029-2035	40	30
Without limit	387	1
Total	605	101

The majority of Group companies are open to inspection of all taxes to which they are liable and for the full statute of limitations period (4 years from filing date for all Spanish companies except for those with registered offices in the Basque Country for which the period is three years, and five years, as a rule, for companies based abroad), or since the date of incorporation, if more recent.

Management of the Parent Company and its subsidiaries calculated income tax for 2017 and the years open for inspection according to the legislation prevailing in each year. Given that the prevailing tax regulations related to the above mentioned matters are subject to varying interpretations, certain tax liabilities and contingencies may exist for 2017 and previous years that cannot be objectively quantified. However, the Group's directors and their legal and tax advisors consider that any potential tax liability which might arise would not significantly affect the accompanying Consolidated Financial Statements.

29. Earnings per share

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

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

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

	2017	2016 (*)
Profit attributable to equity holders of the parent company (Thousands of euros)	239,692	221,354
Weighted average number of ordinary shares outstanding (Thousands of shares)	575,514	575,514
Basic earnings per share from continuing operations (Euros per share)	0.42	0.38
Basic earnings per share from continuing operations (Euros per share)	0.42	0.38

(*) 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 make both exercises comparable, 2016 figures assumption is that operation also occurred in 2016.

30. Commitments

The Group is lessee of buildings, warehouses, machinery and vehicles. The lease expenses charged as at December 31, 2017 in the Consolidated Income Statement amount to 116,511 thousand euros (December 31, 2016: 99,643 thousand euros) and the breakdown by segment is as follows:

	Thousands of euros	
	2017	2016
Western Europe	63,123	59,421
Eastern Europe	11,613	10,147
Mercosur	3,518	2,998
North America	29,598	18,920
Asia	8,659	8,157
Total	116,511	99,643

Total future minimum payments for non-cancellable operating lease contracts as at December 31, 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	46,327	84,777	90,588
Eastern Europe	2,756	11,378	1,662
Mercosur	3,384	1,185	-
North America	32,045	113,573	98,510
Asia	5,349	4,438	1,159
At June 30, 2017	89,861	215,351	191,919

	Thousands of euros		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Total 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 1,021 million euros at December 31, 2017. Of those, 16% referred to orders from 2015, 43% from 2016 and 41% from 2017. It is likely that the execution of these orders will be from 2018 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 December 31, 2017 amounted to 126 million euros (2016: 305 million euros).

31. Related party transactions

31.1 Balances and transactions with Related Parties

At December 31, 2017 and December 31, 2016 the amounts payable to and receivable from Related Parties and transactions carried out with Related Parties were as follows:

	Thousands of euros	
	2017	2016
Receivables / Payables	(323,591)	(259,477)
Revenue		
Sales of goods	(248,965)	(165,665)
Services rendered	(4,330)	(5,377)
Financial income	(102)	(432)
Expenses		
Purchases	1,227,416	986,803
Services received	53,354	11,046
Financial expenses	4,445	5,933

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.

The sale operations included in the following Related Parties transactions tables mainly correspond to sales of subproducts, and the most significant acquisition transactions correspond to steel supply and die cutting and steel cutting services.

There are no acquisition commitments with related parties no related to the usual productive activity of the Group.

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

Balance at December 31, 2017			
Company	Thousands of euros	Company	Thousands of euros
Shareholders			
Mitsui & Co., Ltd	(18,197)	Acek, Desarrollo y Gestión Industrial, S.L	(1,244)
JSC Karelsky Okatysh	(14,856)	JSC Karelsky Okatysh	(518)
Total non-current loans (Note 22.c.2)	(33,053)	Mitsui & Co., Ltd	(94)
Associates			
Esymo Metal, S.L.	320	Related parties	
Gestión Global de Matriceria, S.L	21,400	Gonvarri I. Centro Servicios, S.L.	(36)
Total Current Loans	21,720	Total interest payable (Note 22.c.2)	(1,892)
Associates			
Esymo Metal, S.L.	1	Associates	
Gestión Global de Matriceria, S.L	4	Esymo Metal, S.L.	480
Total interest receivable	5	Total Non-current Loans	480
Related parties			
Gescrap Centro, S.L	1,416	Others shareholders	(5)
Gescrap France S.A.R.L.	953	Total Dividends payable (Note 22.d)	(5)
Gescrap Navarra, S.L.	345	Shareholders	
Gescrap Polska, SP, ZOO	2,289	Acek, Desarrollo y Gestión Industrial, S.L	(945)
Gescrap Desarrollo S.L.U.	1,236	Related parties	
Gescrap Bilbao, S.L.	4,697	Gonvarri Argentina S.A.	(8,169)
Gescrap Aragón, S.L.	62	Gonvarri Galicia, SA	(38,595)
Gescrap Autometal Mexico S.A. de C.V.	913	Gonvarri I. Centro Servicios, S.L.	(92,445)
Gescrap Czech S.R.O.	66	Severstal Gonvarri Kaluga, LLC	(5,300)
Gescrap Rusia, Ltd.	285	Gonvarri Polska, SP, ZOO.	(13,715)
Gescrap Autometal Comercio de Sucatas S.A.	843	Gonvarri Ptos. Siderúrgicos, SA	(20,668)
Gestamp Solar Steel, S.L.	46	Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	(9,093)
Gescrap GmbH	4,143	Gonvauto Asturias S.L.	(2,928)
Gescrap Noroeste, S.L.U.	661	Dongguan Gonvarri Center, LTD.	(6,749)
GES Recycling USA Llc.	2,290	Gonvauto Navarra, SA	(3,949)
Gonvarri Galicia, SA	1,936	Gonvauto Puebla S.A. de C.V.	(28,165)
Gonvarri I. Centro Servicios, S.L.	1,198	Gonvauto Thuringen, GMBH	(11,074)
Gonvarri Industrial, S.A.	(79)	Gonvauto, SA	(27,410)
Gonvauto Navarra, SA	584	Gonvauto South Carolina LLC	(8,314)
Gonvauto Puebla S.A. de C.V.	117	Ind. Ferrodistribuidora, S.L.	(1,786)
Gonvauto Thuringen, GMBH	1,244	Láser Automotive Barcelona S.L.	(1,267)
Gonvauto, SA	958	Bursa Celik Sigorta Aracilik Hizma. A.S.	(37)
Steel & Alloy Ltd	612	Gonvarri Czech S.R.O.	(323)
Others	154	Steel & Alloy Ltd	(21,380)
Associates			
Gestamp Tooling Manufacturing Kunshan Co Ltd	395	Inmobiliaria Acek,S.L.	(132)
Esymo Metal, S.L.	26	Arcelor Group	(4,162)
GGM Puebla, S.A. de C.V.	3,183	Others	(71)
Gestión Global de Matriceria, S.L	4	Associates	
Global Laser Araba, S.L.	53	Gestamp Tooling Manufacturing Kunshan Co Ltd	(2,566)
Gonvama, Ltd.	278	Esymo Metal, S.L.	(1,690)
Hierros y Aplanaciones, S.A.	66	GGM Puebla, S.A. de C.V.	(3,939)
Ingeniería y Construcción Matrices, S.A.	871	Gestión Global de Matriceria, S.L	(330)
IxCxT, S.A.	103	Global Laser Araba, S.L.	(662)
Total Trade receivables from related parties (Note 14.a)	31,948	Ingeniería y Construcción Matrices, S.A.	(955)
Related parties			
Gescrap Bilbao, S.L.	(93)	IxCxT, S.A.	(235)
Total current loans (Note 22.c.2)	(93)	Total Suppliers from related parties (Note 24.a)	(317,054)
Shareholders			
Acek, Desarrollo y Gestión Industrial, S.L	(1,042)	Related parties	
Associates			
GGM Puebla, S.A. de C.V.	(269)	Gestamp Solar Steel, S.L.	(80)
Total Other current suppliers (Note 22.d)	(1,311)	Total Trade creditors, related parties (Note 24.a)	(80)
Shareholders			
Acek, Desarrollo y Gestión Industrial, S.L			(24,256)
Total non-current Fixed assets suppliers (Note 22.c.2)			(24,256)
Total balances receivable / payable			(323,591)

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

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 22.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 22.c.2)	(2,413)
Total non-current loans (Note 22.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 22.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 Veguilla, 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, SP, ZOO	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 24.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 24.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 22.c.2)	(25,298)
		Shareholders	
		Acek, Desarrollo y Gestión Industrial, S.L	(978)
		Associates	
		Esymo Metal, S.L.	(72)
		Total Other current suppliers (Note 22.d)	(1,050)
Total balances receivable / payable			(259,477)

The breakdown of transactions carried out with Related Parties as at December 31, 2017 has been as follows:

December 31, 2017			
Company	Thousands of euros	Company	Thousands of euros
Related parties		Related parties	
Gescrap Autometal Comercio de Sucata S.A.	(11,206)	Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	47,287
Gescrap Autometal México, S.A. de C.V.	(19,624)	Gonvauto Asturias	14,685
Gescrap Centro, S.L	(3,851)	Gonvarri Argentina S.A.	59,862
Gescrap France S.A.R.L.	(18,074)	Gonvarri Galicia, SA	93,151
Gescrap Navarra, S.L.	(5,507)	Gonvarri I. Centro Servicios, S.L.	294,165
Gescrap Polska SP, ZOO.	(14,038)	Gonvarri Polska, SP, ZOO.	103,279
Gescrap Czech S.R.O.	(806)	Gonvarri Ptos. Siderúrgicos, SA	43,061
GES Recycling Ltd.	(16,460)	Gonvauto Navarra, SA	10,372
Gescrap RUS LLC.	(3,045)	Gonvauto Puebla S.A. de C.V.	106,017
Gescrap GmbH	(33,453)	Gonvauto Thuringen, GMBH	55,393
Gescrap Hungaria	(2,419)	Gonvauto, SA	91,688
Gescrap Noroeste, S.L.U.	(3,958)	Ind. Ferrodistribuidora, S.L.	4,801
Gescrap Bilbao, S.L.	(32,079)	Severstal Gonvarri Kaluga, LLC	46,679
Gescrap Aragón, S.L.	(576)	Steel & Alloy	95,681
GES Recycling USA LLC.	(24,173)	Gonvauto South Carolina LLC.	24,566
Gonvarri Galicia, S.A.	(7,639)	Laser Automotive Barcelona, S.L.	54
Gonvarri I. Centro Servicios, S.L.	(1,518)	Gonvarri Corporación Financiera, S.L.	34
Gonvauto Navarra, SA	(2,852)	Dongguan Gonvarri Center Ltd.	37,069
Gonvauto Puebla S.A. de C.V.	(232)	Arcelor Group	94,091
Hierros y Aplanaciones, S.A.	(54)	Others	3
Ind. Ferrodistribuidora, S.L.	(300)	Associates	
Gonvauto, SA	(23,342)	Gestamp Tooling Manufacturing Kunshan Co Ltd	629
Gonvauto Thuringen, GMBH	(7,093)	GGM Puebla, S.A de C.V	4,061
Gonvarri Polska, SP, ZOO.	(10)	Global Laser Araba, S.L.	25
Gonvarri Ptos. Siderúrgicos, SA	(4)	Esymo Metal, S.L.	763
Severstal Gonvarri Kaluga, LLC	(53)	Total Purchases	1,227,416
Arcelor Group	(109)	Shareholders	
Others	(6)	Acek, Desarrollo y Gestión Industrial, S.L	4,890
Associates		Related parties	
Ingeniería y Construcción Matrices, S.A.	(927)	Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	3,203
Gestamp Tooling Manufacturing Kunshan Co Ltd	(11,990)	Gescrap GmbH	298
GGM Puebla, S.A de C.V	(46)	Gescrap Polska SP, ZOO.	366
Gestion Global de Matriceria, S.L	(10)	Gonvarri Polska, SP, ZOO.	299
Global Laser Araba, S.L.	(3,511)	Gonvarri Ptos. Siderúrgicos, SA	263
Total Sales	(248,965)	Gonvarri I. Centro Servicios, S.L.	156
Shareholders		Gonvauto Puebla S.A. de C.V.	358
Acek, Desarrollo y Gestión Industrial, S.L	(793)	Gonvauto, SA	51
Related parties		Gonvauto Navarra, SA	129
Gonvarri Polska, SP, ZOO.	(97)	Gonvauto South Carolina LLC.	7,182
Gonvauto Thuringen, GMBH	(62)	Laser Automotive Barcelona, S.L.	2,976
Gescrap Polska SP, ZOO.	(57)	Gonvarri Czech	2,754
Gescrap RUS LLC.	(7)	Dongguan Gonvarri Center Ltd.	27
Gescrap Hungary, Kft.	(52)	Inmobiliaria Acek, S.L.	2,043
Arcelor Group	(20)	Others	105
Others	(33)	Associates	
Associates		Air Executive, S.L.	1,275
Ingeniería y Construcción Matrices, S.A.	(728)	Ingeniería y Construcción Matrices, S.A.	6,338
IxCxT, S.A	(237)	IxCxT, S.A	1,848
IxCxT, S.A	(131)	Gestamp Tooling Manufacturing Kunshan Co Ltd	3,872
GGM Puebla, S.A de C.V	(1,223)	Esymo Metal, S.L.	2,879
Gestamp Tooling Manufacturing Kunshan Co Ltd	(393)	Gestión Global de Matriceria, S.L.	2,409
Global Laser Araba, S.L.	(228)	Global Laser Araba, S.L.	2,787
Gonvvama, Ltd.	(269)	GGM Puebla, S.A de C.V	6,846
Total Services rendered	(4,330)	Total Services received	53,354
Shareholders		Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(2)	Acek, Desarrollo y Gestión Industrial, S.L	1,677
Associates		Mitsui & Co	498
Esymo Metal, S.L.	(12)	JSC Karelsky Okatysh	1,673
Gestion Global de Matriceria, S.L	(88)	Related parties	
Total Financial income (Note 27.a)	(102)	Gonvarri Galicia, SA	46
		Gonvarri I. Centro Servicios, S.L.	164
		Gonvarri Ptos. Siderúrgicos, SA	8
		Gonvauto Navarra, SA	8
		Gonvauto, SA	180
		Gonvauto Puebla S.A. de C.V.	185
		Others	6
		Total Financial expenses (Note 27.b)	4,445

The breakdown of transactions carried out with Related Parties as at December 31, 2016 has been as follows:

December 31, 2016			
Company	Thousands of euros	Company	Thousands of euros
Related parties		Related parties	
Gescrap Autometal Comercio de Sucata S.A.	(7,625)	Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	19,296
Gescrap S.L.	(29,419)	Gonvauto Asturias S.L.	10,234
Gescrap Centro, S.L.	(2,522)	Gonvarri Argentina S.A.	45,414
Gescrap France S.A.R.L.	(12,412)	Gonvarri Galicia, SA	75,030
Gescrap Navarra, S.L.	(3,987)	Gonvarri I. Centro Servicios, S.L.	198,962
Gescrap Polska SPZOO	(6,947)	Gonvarri Polska, SP, ZOO.	78,044
Gescrap Czech S.R.O.	(482)	Gonvarri Ptos. Siderúrgicos, SA	32,505
Gescrap Hungría KFT	(1,372)	Gonvauto Navarra, SA	11,348
GES Recycling Ltd.	(1,291)	Gonvauto Puebla S.A. de C.V.	64,761
Gescrap GmbH	(6,701)	Gonvauto Thuringen, GMBH	81,689
Gescrap Noroeste S.L.U.	(2,411)	Gonvauto, SA	88,158
Gescrap Kaluga Llc.	(2,234)	Hierros y Aplanaciones S.A.	(55)
Gescrap Autometal México, S.A. de C.V.	(11,621)	Ind. Ferrodistribuidora, S.L.	1,824
GES Recycling USA Llc.	(8,486)	Severstal Gonvarri Kaluga, LLC	46,888
Gonvarri Galicia, SA	(6,194)	Steel & Alloy Ltd.	74,521
Gonvarri I. Centro Servicios, S.L.	(1,385)	Gonvauto South Carolina Llc.	8,485
Gonvauto Navarra, SA	(3,079)	Laser Automotive Barcelona S.L.	2,414
Gonvauto Puebla S.A. de C.V.	(356)	Gonvarri Czech S.R.O.	2,524
Gonvauto, SA	(36,678)	Laser Automotive Thuringen GmbH	815
Gonvauto Thuringen, GMBH	(9,729)	Gonvarri Corporación Financiera, S.L.	82
Severstal Gonvarri Kaluga, LLC	(84)	Grupo Acerlor	57,675
Ind. Ferrodistribuidora, S.L.	(46)	Associates	
Associates		Esymo Metal, S.L.	3,358
Ingeniería y Construcción Matrices, S.A.	(830)	Jui Li Edscha Body Systems Co. Ltd.	7
Jui Li Edscha Hainan Co. Ltd.	(70)	Ingeniería y Construcción Matrices, S.A.	7,831
Essa Palau, S.A.	(6,455)	IxCxT, S.A	580
GGM Puebla, S.A de C.V	(2,599)	GGM Puebla, S.A de C.V	12,374
Gestión Global de Matricería, S.L.	(650)	Essa Palau, S.A.	62,039
Total Sales	(165,665)	Total Purchases	986,803
Shareholders		Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L	(1,976)	Acek, Desarrollo y Gestión Industrial, S.L	3,341
Related parties		Related parties	
Gonvarri Polska, SP, ZOO.	(4)	Air Executive, S.L.	1,417
Gonvarri Ptos. Siderúrgicos, SA	(1)	Agrícola La Veguilla, S.A.	161
Gonvauto Thuringen, GMBH	(75)	Gescrap S.L.	202
Gonvarri Corporación Financiera, S.L.	(5)	Gescrap Navarra, S.L.	13
Inmobiliaria Acek, S.L	(12)	Gescrap Polska SPZOO	39
Gestamp Energías Renovables S.L.	(414)	Gonvarri I. Centro Servicios, S.L.	80
Gescrap S.L.	(1)	Gonvarri Polska, SP, ZOO.	10
Gescrap Autometal México, S.A. de C.V.	(41)	Gonvarri Ptos. Siderúrgicos, SA	305
Gescrap Autometal México Servicios, S.A. de C.V.	(3)	Gonvauto Puebla S.A. de C.V.	114
Gescrap France S.A.R.L.	(37)	Gonvauto, SA	11
Gescrap Polska SPZOO	(65)	Gonvarri Corporación Financiera, S.L.	2
Associates		Laser Automotive Barcelona S.L.	5
Gestamp Tooling Manufacturing Kunshan Co Ltd	(126)	Ind. Ferrodistribuidora, S.L.	2
Esymo Metal, S.L.	(126)	Gonvauto Asturias S.L.	(1)
Ingeniería y Construcción Matrices, S.A.	(745)	Gonvauto South Carolina Llc.	(6)
IxCxT, S.A	(242)	Gonvarri Galicia, SA	90
Jui Li Edscha Body Systems Co. Ltd.	(1)	Gonvarri Czech S.R.O.	13
Jui Li Edscha Hainan Co. Ltd.	(10)	Inmobiliaria Acek, S.L	2,095
Essa Palau, S.A.	(303)	Associates	
GGM Puebla, S.A de C.V	(1,170)	Esymo Metal, S.L.	397
Gestión Global de Matricería, S.L.	(20)	Ingeniería y Construcción Matrices, S.A.	184
Total Services rendered	(5,377)	IxCxT, S.A	83
Shareholders		Essa Palau, S.A.	(142)
Acek, Desarrollo y Gestión Industrial, S.L	(11)	Gestión Global de Matricería, S.L.	2,443
Associates		GGM Puebla, S.A de C.V	188
Esymo Metal, S.L.	(17)	Total Services received	11,046
Essa Palau, S.A.	(302)	Shareholders	
Gestión Global de Matricería, S.L.	(102)	Acek, Desarrollo y Gestión Industrial, S.L	1,851
Total Financial income (Note 27.a)	(432)	Mitsui & Co	933
		JSC Karelsky Okatysh	2,138
		Related parties	
		Gonvarri Corporación Financiera, S.L.	77
		Gonvarri Galicia, SA	247
		Gonvarri I. Centro Servicios, S.L.	64
		Gonvarri Ptos. Siderúrgicos, SA	83
		Gonvauto Navarra, SA	10
		Gonvauto, SA	188
		Gonvauto Puebla S.A. de C.V.	342
		Total Financial expenses (Note 27.b)	5,933

31.2 Board of Directors' remuneration

In 2017 Acek, Desarrollo y Gestión Industrial, S.L. had been member of the Board of Directors of certain Group companies from January 1, 2017 to March 23, 2017, receiving a total remuneration of 79 thousand euros (2016: 345 thousand euros) as compensation for membership of the Board. From March 24, 2017 and onward Acek Desarrollo y Gestión Industrial, S.L. was substituted by Gestamp Automoción, S.A. as member of the board of directors in these subsidiaries.

The breakdown of the total remuneration received by the members of the Board of Directors of the Parent Company as a compensation (in thousands of euros) is as follows:

	Thousands of euros
Non-Executive Members	2017
Mr. Alberto Rodríguez Fraile	78,75
Mr. Noboru Katsu	67,5
Mr. Gonzalo Urquijo Fernández de Araoz	67,5
Mr. Pedro Sainz de Baranda	67,5
Mr. Javier Rodríguez Pellitero	78,75
Ms. Ana García Fau	67,5
Mr. Juan María Riberas Mera	67,5
Mr. Tomofumi Osaki	56,25
Mr. Cesar Cernuda	56,25
Mr. Geert Maurice Van Poelvoorde	0,00
TOTAL	607,50
<i>(From March 24, 2017 to December 31, 2017 period)</i>	
Executive Members	
Mr. Francisco José Riberas Mera	751,15
Mr. Francisco López Peña	1.013,34
TOTAL	1.764,49
<i>(From March 24, 2017 to December 31, 2017 period)</i>	

The total amount of the loans granted to the members of the Board of Directors of the Parent Company for acquiring shares in the Parent Company from Acek Desarrollo y Gestión Industrial S.L. amounts to 3,000 thousand euros at December 31, 2017 (Note 12.a.2). These loans were granted in 2016.

In 2017 and 2016, no advances, pensions or life insurance benefits were granted to members of its Board.

31.3 Senior Management's Remuneration

In 2017 the total remuneration for the members of the Management Committee, Executive Directors excluded, amounted to 9,633 thousand euros (2016: 6,346 thousand euros), included in "Personnel expenses" in the accompanying consolidated income statement. The amount corresponding to life insurances in 2017 was 23 thousand euros.

In 2016 loans amounting to 11,500 thousand euros were granted to the members of the Management Committee, except those who are members of the Board of Directors and who are included in Note 31.2, for acquiring shares in the Parent Company from Acek Desarrollo y Gestión Industrial S.L. (Note 12.a.2).

32. Other disclosures

32.1 Audit fees

Audit fees related to the annual audit of consolidated and individual financial statements of the companies included in the consolidation scope for 2017 amounted to 4,276 thousand euros (2016: 3,950 thousand euros).

Of the audit fees mentioned above, the fees paid to the auditor of the Parent Company for all audit work performed for the Group in 2017 amounted to 4,235 thousand euros (2016: 3,892 thousand euros).

Fees paid to the auditor of the Parent Company and companies with their trade name for other services related to annual audit of the financial statements amounted to 361 thousand euros in 2017 (2016: 20 thousand euros)

Fees paid for other services rendered by the auditor of the Parent Company and companies with their trade name in 2017 amounted to 712 thousand euros (2016: 671 thousand euros). The nature of these services is mainly related to the collaboration in tax issues and in due diligence processes linked to new subsidiaries acquisition.

32.2 Environmental issues

The cost of PP&E items acquired for environmental protection and improvement purposes amounted to 4,973 thousand euros at year end 2017. Accumulated depreciation on these assets stood at 2,539 thousand euros (2016: 5,152 thousand euros and 3,182 thousand euros, respectively).

In 2017, the Group also recognized 1,396 thousand euros in environmental protection and improvement expenses (2016: 853 thousand euros).

The accompanying consolidated balance sheet does not include any provision for environmental issues given that the Parent Company's directors consider that at year end there are no liabilities to be settled in the future in connection with actions taken by the companies which comprise the consolidated Group to prevent, reduce or repair damages to the environment, and they believe that were such liabilities to exist, they would not be significant. At year end the Group had not received any subsidies for environmental issues.

33. Financial risk management

To manage its financial risk, the Group continually revises its business plans, analyses the relationship between the risks and the present value of cash flows associated with its investments in addition to taking an accounting approach that allows an assessment of changes in risk exposure.

33.1 Financial risk factors

In compliance with prevailing legislation, below is a description of the main financial risks to which the Group is exposed:

- 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.

At December 31, 2017 and December 31, 2016 these instruments were not arranged.

The tables below show the sensitivity of profit and equity, in thousands of euros, to changes in exchange rates relative to the euro.

The sensitivity of profit to exchange rate fluctuations, corresponding to years 2017 and 2016, is as follows:

2017		
Currency	IMPACT ON PROFIT	
	5% Fluctuation	5% Fluctuation
Swedish crown	(1,458)	1,458
US dollar	(1,480)	1,480
Hungarian forint	(738)	738
GB pound	816	(816)
Mexican peso	1,182	(1,182)
Brazilian real	(244)	244
Chinese yuan	1,158	(1,158)
Indian rupee	255	(255)
Turkish lira	775	(775)
Argentine peso	369	(369)
Russian ruble	109	(109)
Korean won	301	(301)
Polish zloty	889	(889)
Czech crown	202	(202)
Japanese yen	(25)	25
Thai baht	17	(17)
Romanian leu	43	(43)
Taiwanese dollar	3	(3)
IMPACT IN ABSOLUTE TERMS	2,174	(2,174)
TO EQUITY HOLDERS OF PARENT COMPANY	239,692	239,692
EFFECT IN RELATIVE TERMS	0.91%	-0.91%

2016		
Currency	IMPACT ON PROFIT	
	5% Fluctuation	5% Fluctuation
Swedish crown	(1,311)	1,311
US dollar	80	(80)
Hungarian forint	(740)	740
GB pound	631	(631)
Mexican peso	151	(151)
Brazilian real	(470)	470
Chinese yuan	1,961	(1,961)
Indian rupee	379	(379)
Turkish lira	357	(357)
Argentine peso	31	(31)
Russian ruble	6	(6)
Korean won	453	(453)
Polish zloty	1,096	(1,096)
Czech crown	265	(265)
Japanese yen	57	(57)
Thai baht	18	(18)
IMPACT IN ABSOLUTE TERMS	2,964	(2,964)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	221,354	221,354
EFFECT IN RELATIVE TERMS	1.34%	-1.34%

The sensitivity of equity to exchange rate fluctuations, corresponding to years 2017 and 2016, is as follows:

2017		
Currency	IMPACT ON EQUITY	
	5% Fluctuation	-5% fluctuation
Swedish crown	(4,133)	4,133
US dollar	3,121	(3,121)
Hungarian forint	(3,850)	3,850
GB pound	8,318	(8,318)
Mexican peso	303	(303)
Brazilian real	2,702	(2,702)
Chinese yuan	11,756	(11,756)
Indian rupee	2,006	(2,006)
Turkish lira	797	(797)
Argentine peso	(2,645)	2,645
Russian ruble	(4,389)	4,389
Korean won	2,166	(2,166)
Polish zloty	860	(860)
Czech crown	135	(135)
Japanese yen	(168)	168
Thai baht	116	(116)
Romanian leu	126	(126)
Taiwanese dollar	21	(21)
IMPACT IN ABSOLUTE TERMS	17,242	(17,242)
EQUITY	1,970,555	1,970,555
EFFECT IN RELATIVE TERMS	0.87%	-0.87%

2016		
Currency	IMPACT ON EQUITY	
	5% Fluctuation	-5% fluctuation
Swedish crown	(2,667)	2,667
US dollar	5,555	(5,555)
Hungarian forint	(3,090)	3,090
Sterling pound	7,875	(7,875)
Mexican peso	(520)	520
Brazilian real	3,400	(3,400)
Chinese yuan	11,183	(11,183)
Indian rupee	1,700	(1,700)
Turkish lira	243	(243)
Argentine peso	(2,571)	2,571
Russian ruble	(4,293)	4,293
Korean won	1,868	(1,868)
Polish zloty	1,988	(1,988)
Czech crown	(201)	201
Japanese yen	(67)	67
Thai baht	89	(89)
IMPACT IN ABSOLUTE TERMS	20,490	(20,490)
EQUITY	1,872,003	1,872,003
EFFECT IN RELATIVE TERMS	1.09%	-1.09%

The amounts above had been calculated increasing or decreasing a 5% the exchange rates used to translate to euros the income statements and the equity of the subsidiary companies.

In 2017, consolidated equity decreased in 199.8 million euros due to translation differences variation. This variation is mainly due to investment outside Eurozone.

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.

Had the average interest on euro denominated financial borrowings changed in 50 Bps in 2017, all other variables remaining constant, the finance result would have changed in 7,102 thousand euros.

Had the average interest on euro denominated financial borrowings changed in 50 Bps in 2016, all other variables remaining constant, the finance result would have changed in 3,764 thousand euros.

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 breakdown of liquidity and capital resources at December 31, 2017 and 2016 was as follows:

	Thousands of euros	
	2017	2016
Cash and cash equivalents	860,238	430,463
Current financial investments		
Debt securities	5,376	338
Revolving credit facilities (Note 22.a.1.I)	280,000	280,000
Undrawn credit lines	642,962	457,287
	1,788,576	1,168,088

The amount corresponding to undrawn credit lines correspond to committed operation with several banks with a maturity of less than 12 months, meanwhile the Revolving credit facilities will attain its maturity on July 15, 2022.

Liquidity reserves with maturity of more than 12 months, in absence of additional financing operations, will serve to cover debt maturities in 2018 for the amount of 544 million euros (Note 22.a.2); plus the cash flows from investment activities net of cash flow from operating activities (in 2017 this implied a cash need of 196 million euros as shown in the Consolidated Cash Flow Statement); and plus the payment of dividends that mounted to 73 million euros in 2017.

The working capital can be defined as the permanent financial resources needed to carry out the activity of the company, that is, the part of current assets financed with long-term funds.

The Group's working capital at December 31, 2017 and December 31, 2016 is as follows:

	Thousand euros	
	2017	2016
Current assets	3,067,222	2,507,717
Current liabilities	(2,507,069)	(2,359,043)
TOTAL WORKING CAPITAL	560,153	148,674

	Thousand euros	
	2017	2016
Equity	1,970,555	1,872,003
Non-current liabilities	2,747,300	2,198,602
Non-current assets	(4,157,702)	(3,921,931)
TOTAL WORKING CAPITAL	560,153	148,674

The working capital increase is mainly due to the increase in cash and equivalents as a result of the increase in the cash flow from financing activities with long-term maturity.

Credit risk

Credit risk is concentrated primarily in the Group's accounts receivable. Management considers that its counterparties are very creditworthy.

Each business unit manages its credit risk according to policies, procedures and controls determined by the Group regarding credit risk management of customers.

At each closing date, the Group companies analyze on the basis of real historical data the balances of each major client individually in order to determine the need for provisions or impairment.

The Group has no guarantee on debts and has concluded that the risk concentration is low given that its customers belong to distinct jurisdictions and operate in highly independent markets.

The credit risk with banks is managed by the treasury department of the Group according to the Group policies.

The surplus cash investments are contracted only with authorized counterparties and always within the credit limit assigned for each counterparty.

The limits are established in order to minimize risk concentration, thereby mitigating financial losses in the event of a default by the counterparty.

The maximum exposure of the Group to credit risk at December 31, 2017 and 2016 amounts to the carrying values (Note 14), except for financial guarantees and derivative financial instruments.

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

Raw Materials Price Risk

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

For 2017, 63% 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.

33.2 Hedge accounting

For the purpose of hedge accounting, the Group classifies its hedges as:

- Fair value hedges when hedging the exposure to changes in the market value of a recognized asset or liability, or of a firm commitment attributable to a specific risk.
- Cash flow hedges when hedging exposure to fluctuations in cash flows that are either attributable to a particular risk associated with a recognized asset or liability, or a highly probable forecast transaction.
- Hedges of a net investment in a foreign operation when hedging exposure to variability in exchange rates relative to a net investment in a foreign operation.

Such derivative financial instruments are initially recognized at acquisition cost and are subsequently valued at fair value. Changes in fair value are normally accounted for in keeping with specific hedge accounting criteria.

The accounting for these instruments is carried out as follows:

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

33.3 Fair value of financial instruments

The fair value of financial instruments is determined as follows:

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

Non-current financial assets

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

Equity investments are carried on the 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 Consolidated Income Statement. If fair value is lower than acquisition cost, the difference is recognized directly in equity, unless the asset is determined to be impaired, in which case it is recognized in the Consolidated Income Statement.

Trade receivables

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

Current financial assets

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

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

Interest-bearing loans and borrowings

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

Trade and other payables

The Group’s management considers the carrying amount of the items recorded in this Consolidated Balance Sheet line item to be a reasonable approximation of fair value.

Fair values of financial instruments

The fair values of current and non-current financial assets and liabilities do not differ significantly from their respective carrying amounts.

The Group uses the following sequence of three levels, based on the relevance of the variables used, to measure the fair value of its financial instruments:

- Level 1: Unadjusted quoted price for identical assets or liabilities in active markets.
- Level 2: Variables which are observably different from the prices quoted in Level 1, either directly (price), or indirectly (derived from the price).
- Level 3: Variables which are not based on observable market data (non-observable variables).

The classification of financial assets recognized in the Consolidated Financial Statements, by methodology of fair value measurement, is as follows:

	Thousands of euros					
	Level 1		Level 2		Level 3	
	2017	2016	2017	2016	2017	2016
Financial assets measured at fair value						
Financial derivative hedging instruments (Note 12.a.3)			14,718	25,710		
Total	-	-	14,718	25,710	-	-

The classification of financial liabilities at fair value in the Consolidated Financial Statements, according to their relevant valuation methodology, is as follows:

	Thousands of euros					
	Level 1		Level 2		Level 3	
	2017	2016	2017	2016	2017	2016
Financial derivative hedging instruments			54,287	74,860		
Financial derivative instruments held-for-trading			11,914	13,123		
Total Financial derivative instruments (Note 22.b.1))			66,201	87,983		
Other current liabilities - Put Option (Note 22.d))						76,900
Defined benefit plans (Note 21.b))	79,469	77,528				
Total	79,469	77,528	66,201	87,983		76,900

33.4 Capital risk management

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

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

The Group's leverage is set forth below:

Concept	Thousands of euros	
	2017	2016
Interest-bearing loans and borrowings and debt issues	2,710,880	1,967,599
Financial leasing	32,672	33,574
Borrowings from related parties	59,294	70,162
Other non-current financial liabilities	34,183	34,991
Short term financial investments	(78,896)	(43,228)
Cash and cash equivalents	(860,238)	(430,463)
TOTAL NET DEBT	1,897,895	1,632,635
Consolidated equity	1,970,555	1,872,003
Grants received (Note 19)	22,315	25,945
TOTAL EQUITY	1,992,870	1,897,948
LEVERAGE RATIO	95.2%	86.0%

During 2017 the Group maintained its average collection and payment periods, as well as its average inventory turnover rates, at levels comparable to 2016. In addition, during 2017 the Group continued to exercise strict control over investments.

34. Information about postponement of payments to suppliers in commercial transactions

The Spanish companies of the Group have adapted their internal processes and payment policy terms to the legal provision of the Law 15/2010, which establishes actions against late payment in commercial transactions. In this sense, the contractual conditions in the year 2017 with commercial suppliers for parts manufacturing in Spain have included periods of payment equal to or less than 60 days in 2017 and in 2016, according to the second transitory legal provision of the Law.

According to this Law, it is detailed below the information from Group companies operating in Spain:

2017

Average period for payment to suppliers 49 days

Total payments realized 4,233 million euros

Total outstanding payments 582 million euros

2016

Average period for payment to suppliers 57 days

Total payments realized 4,299 million euros

Total outstanding payments 465 million euros

Due to reasons of efficiency, and in line with the common practice of trading, the Spanish companies of the Group have, basically, a schedule of payments to suppliers by virtue of which payments are made on fixed days, which in the majority of companies are twice a month.

In general terms, in 2017 and 2016, payments made by Spanish companies to suppliers, for contracts concluded after the entry into force the Law 15/2010, did not exceeded the legal limits of payment terms. Payments to Spanish suppliers which exceeded the legal deadline for years 2017 and 2016 were, in quantitative terms, not significant and were derived from circumstances or incidents beyond the established payment policy, which included, primarily, the closing of agreements with suppliers in the delivery of the goods or provision of the service or handling specific processes.

In addition, at December 31, 2017 and 2016 there were no outstanding amounts of payment to suppliers located in Spain exceeding the maximum legal payment terms.

35. Subsequent events

There are no significant subsequent events as at December 31, 2017.

36. Information about compliance with the Article 229 of the Spanish Corporate Enterprises Act

According to the articles 229 and 231 of the Spanish Corporate Enterprises Act and with the aim of reinforcing the transparency of capital companies, the joint administrators of the Parent Company and their representative natural persons have reported they have no situations of conflict with the interest of the Parent Company nor the subsidiaries.

Additionally, Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera, members of the Board of Directors of the Parent Company, have reported that they are shareholders and board members of ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. and the subsidiaries of the ACEK Desarrollo y Gestión Industrial Group.

ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L is the parent company of an industrial group that developed, through the following subgroups, the activities mentioned below:

- **GESTAMP AUTOMOCIÓN GROUP:** engaged in manufacturing and sale of metal parts and components for the automotive industry.
- **HOLDING GONVARRI GROUP:** engaged in manufacturing, processing and sale of metal products, including structures for renewable energy such as wind turbines, photovoltaic plants and infrastructure elements of solar thermal power plants.
- **ACEK ENERGÍAS RENOVABLES GROUP:** dedicated to the development, construction and operation of plants generating renewable energy including solar, wind and biomass.
- **INMOBILIARIA ACEK GROUP:** engaged in real estate activities.

ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L holds a direct and indirect investment of 17.909% in the company Cie Automotive, S.A., of which Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera are also directors.

Additionally, Mr. Francisco López Peña is a member of the Board of CIE Automotive, S.A

Cie Automotive, S.A. is the parent company of an industrial group, which is engaged in, among other things, the design, manufacture and sale of automobile components and sub-units on the world automotive market.

Finally, ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. holds a direct investment of 50.00% in the company Sideacero, S.L., of which Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera are also directors.

Sideacero, S.L. is the parent company of an industrial group, which is engaged in, among other things, import, export, purchase and sale of ferrous, non-ferrous products, steel materials and recovery materials.

37. Additional note for English translation

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

ANNEX I

Consolidation scope

December 31, 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	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%		Investment promotion and subsidiaries linked service	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		100.00%	Die cutting production	Full	Ernst & Young
Gestamp Galvanizados, S.A.	Palencia	Spain		100.00%	Component galvanizing	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	Dormant	Full	N/A
Gestamp Brasil Indústria 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
Gestamp Noury, S.A.S	Tournan	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A.	Aveiro	Portugal		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Griwe Subgroup	Westerburg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aguascalientes, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		70.00%	Portfolio management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Industrial services	Full	Ernst & Young

December 31, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
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
Ingenieria 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%	Tooling and 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
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.

December 31, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Severstal Vsevolozhsk LLC	Saint Petersburg	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matricería y pta. a punto, S.L.	Vizcaya	Spain		100.00%	Manufacturing and fine-tuning of molds	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	V C Venkatraman & Co.
Gestamp Chattanooga, LLC	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain	25.19%	52.34%	Portfolio management	Full	Ernst & Young
Gestamp South Carolina, LLC	South Carolina	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio management	Full	Ernst & Young
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%	0.01%	Die cutting production	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Die cutting production	Full	Ernst & Young
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, LLC.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive Chennai Private Ltd.	Chennai	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Palau, S.A.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
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
Gestamp Tooling Erandio, S.L.	Guipúzcoa	Spain		100.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain	100.00%		Die cutting production	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, LLC.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Sasi, L.S.	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	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 Matricería, S.L.	Vizcaya	Spain	30.00%		Dormant	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores

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

December 31, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
IxCXT, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio management	Full	Ernst & Young
Gestamp Puebla II, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering Deutschland GmbH	Bielefeld	Germany		100.00%	Research & Development	Full	Ernst & Young
Autotech Engineering R&D UK Limited	Durham	United Kingdom		100.00%	Research & Development	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, LLC	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Autotech Engineering R&D USA	Delaware	USA		100.00%	Research & Development and IT	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%	0.00%	Tooling and parts manufacturing	Full	N/A
Çelik Form Gestamp Otomotive, A.S.	Bursa	Turkey		50.00%	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.	Mexico City	Mexico		70.00%	Labor services	Full	N/A
Gestamp San Luis Potosí Servicios Laborales S.A.P.I. de C.V.	Mexico City	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.	Shanghai	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
MPO Providers Rezistent, S.R.L.	Darmanesti	Romania		35.00%	Tooling and parts manufacturing	Full	Toma Financial Consulting
Beyçelik Gestamp Teknoloji Kalip, A.S.	Bursa	Turkey		50.00%	Die cutting production	Full	Ernst & Young
Gestamp Nitra, S.R.O.	Bratislava	Slovakia	100.00%		Tooling and parts manufacturing	Full	N/A
Almussafes Mantenimiento de Troqueles, S.L.	Barcelona	Spain		100.00%	Tooling maintenance	Full	N/A
Gestamp (China) Holding, Co. Ltd	Shanghai	China		100.00%	Portfolio management	Full	N/A
Gestamp Autotech Japan K.K.	Tokio	Japan		100.00%	Research & Development	Full	N/A

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

December 31, 2017							
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.	Villalonguéjar (Burgos)	Spain		100.00%	Portfolio management	Full	Ernst & Young
Edscha Burgos, S.A.	Villalonguéjar (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		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		60.00%	Portfolio management	Full	N/A
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Technology Co., Ltd.	Shanghai	China		100.00%	Research & Development	Full	Shanghai Rui tong CPA
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China		55.00%	Tooling and parts manufacturing	Full	Ernst & Young
Anhui Edscha Automotive Parts Co Ltd.	Anhui	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Michigan, Inc	Lapeer	USA		100.00%	Tooling and parts manufacturing	Full	N/A
Edscha Togliatti, LLC.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	National Audit Corporation
Edscha Automotive Components Co., Ltda.	Kunshan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	25.00%	75.00%	Portfolio management	Full	N/A
Edscha Kunststofftechnik GmbH	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	JKG Treuhand
Edscha Pha, Ltd.	Seul	South Korea		50.00%	Research & Development and parts manufacturing	Full	N/A
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand		51.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive SLP, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	Dormant	Full	N/A
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	Dormant	Full	N/A
Edscha Automotive Components (Chongqing) Co. Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	N/A
GMF Holding GmbH	Remscheid	Germany		100.00%	Portfolio management	Full	Ernst & Young
Gestamp Metal Forming (Wuhan), Ltd	Wuhan	China		100.00%	Tooling and 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%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Prisma, S.A.S	Usine de Messempré	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Tallent, Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Tooling and 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%	Tooling and 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 Indústria de Autopeças, S.A.	Parana	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Esmar, S.A.	Barcelona	Spain	0.10%	99.90%	Tooling and parts manufacturing	Full	Ernst & Young
Metalbages P-51, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Noury, S.A.S	Tournan	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A.	Aveiro	Portugal		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Griwe Subgroup	Westerburg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aguascalientes, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		70.00%	Portfolio management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Portfolio management	Full	Ernst & Young

December 31, 2016							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Todtem, 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
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.

December 31, 2016							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Severstal Vsevolozhsk LLC	Saint Petersburg	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matricería y pta. a punto, S.L.	Vizcaya	Spain		100.00%	Adjustment	Full	Ernst & Young
Gestamp Severstal Kaluga, LLC	Kaluga	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Pune Automotive, Private Ltd.	Pune	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Chattanooga, LLC	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain	25.19%		52.34% Portfolio management	Full	Ernst & Young
Gestamp South Carolina, LLC	South Carolina	USA			70.00% Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden			68.95% Portfolio management	Full	Ernst & Young
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%		0.01% Engineering and mold design	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain			100.00% Engineering and mold design	Full	Ernst & Young
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, LLC	Togliatti	Russia			100.00% Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive Chennai Private Ltd.	Chennai	India			100.00% Tooling and parts manufacturing	Full	Ernst & Young
Essa Palau, S.A.	Barcelona	Spain			40.00% Tooling and parts manufacturing	Equity method	Deloitte
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%		0.03% Consultory services	Full	Ernst & Young
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		Manufacture and sale of machinery for cutting	Full	Ernst & Young
Bero Tools, S.L.	Guipúzcoa	Spain			100.00% Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain			100.00% Die cutting production	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic			100.00% Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China			65.00% Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, LLC	Michigan	USA			70.00% Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Sasi, L.S.	Kocaeli	Turkey			50.00% Tooling and parts manufacturing	Full	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 Matricería, S.L.	Vizcaya	Spain	30.00%		Dormant	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain			30.00% Die cutting production	Equity method (A)	IZE Auditores

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

December 31, 2016							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
IxCXT, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio management	Full	Ernst & Young
Gestamp Puebla II, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering Deutschland GmbH	Bielefeld	Germany		100.00%	Research & Development and IT	Full	Ernst & Young
Autotech Engineering R&D UK limited	Durhan	United Kingdom		100.00%	Research & Development and IT	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio management	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio management	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio management	Full	Ernst & Young
GGM Puebla, S.A. de C.V.	Puebla	Mexico		30.00%	Tooling and parts manufacturing	Equity method (A)	N/A
GGM Puebla de Servicios Laborales, S.A. de C.V.	Puebla	Mexico		30.00%	Labor services	Equity method (A)	N/A
Gestamp 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, LLC	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Autotech Engineering R&D USA	Delaware	USA		100.00%	Research & Development and IT	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%		Tooling and parts manufacturing	Full	N/A
Çelik Form Gestamp Otomotive, A.S.	Bursa	Turkey		25.80%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washtenaw, LLC.	Delaware	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Labor services	Full	N/A
Gestamp San Luis Potosí Servicios Laborales S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Auto Components (Tianjin) Co., LTD.	Tianjin	China		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp 2017, S.L.	Madrid	Spain	100.00%		Portfolio management	Full	N/A
Autotech Engineering (Shangai) Co. Ltd.	Shangai	China		100.00%	Research & Development	Full	N/A
Gestamp Hot Stamping Japan K.K.	Tokio	Japan		100.00%	Tooling and parts manufacturing	Full	N/A

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

December 31, 2016							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Global Laser Araba, S.L.	Álava	Spain	30.00%		Tooling and parts manufacturing	Equity method	N/A
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.	Villalonguéjar (Burgos)	Spain		100.00%	Portfolio management	Full	Ernst & Young
Edscha Burgos, S.A.	Villalonguéjar (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 Ltd.	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., Ltd.	Kunshan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	25.00%	75.00%	Portfolio management	Full	N/A
Edscha Kunststofftechnik GmbH	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	JKG Treuhand
Edscha Pha, Ltd.	Seul	South Korea		50.00%	Research & Development and parts manufacturing	Full	N/A
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand		51.00%	Parts manufacturing	Full	Ernst & Young
Edscha Scharwaether Mechanism S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	Dormant	Full	N/A
Edscha Scharwaether 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 Messempuré	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 accounted for in Gestamp Automoción Group using the equity method.

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

December 31, 2017				
Company	Address	Country	Shareholding	Consolidation method
Gestamp Griwe Westerburg GmbH	Westerburg	Germany	Parent company	Full
Gestamp Griwe Haynrode GmbH *	Haynrode	Germany	100.00%	Full

December 31, 2016				
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

(*) In 2017 took place the merge operation between Gestamp Griwe Hot Stamping GmbH (the acquiring company) and Gestamp Griwe Haynrode GmbH (the acquired company). Gestamp Griwe Hot Stamping GmbH changed its legal denomination to Gestamp Griwe Haynrode GmbH after the merge operation was held

ANNEX II

Indirect investments at December 31, 2017

December 31, 2017		
Company	Company holding the indirect investment	% investment
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.010%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.010%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.040%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.900%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	14.690%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.000%
Gestamp Services India Private, Ltd.	Gestamp Servicios, S.A.	1.010%
Beyçelik Gestamp Kalip, A.S.	Gestamp Servicios, S.A.	50.000%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.850%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.655%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.000%
Gestamp Cerveira, Lda.	Gestamp Vigo, S.A.	57.750%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	4.990%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.000%
Gestamp Louny S.R.O.	Gestamp Cerveira, Lda.	52.720%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.660%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Cerveira, Lda.	26.370%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.000%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.010%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.030%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.000%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.000%
Gestamp Technology Institute, S.L.	Gestamp Bizkaia, S.A.	0.010%
Gestamp Global Tooling, S.L.	Gestamp Bizkaia, S.A.	0.010%
Autotech Engineering R&D USA, Inc.	Gestamp Bizkaia, S.A.	55.000%
Loire S.A. Franco Española	Gestamp Bizkaia, S.A.	1.000%
Autotech Engineering (Shangai), Co. Ltd.	Gestamp Bizkaia, S.A.	55.000%
Gestamp Autotech Japan K.K.	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.	100.000%
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.	10.669%
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 Metal bages, S.A.	28.630%
Ingeniería Global MB, S.A.	Gestamp Metal bages, S.A.	100.000%
Gestamp Aragon, S.A.	Gestamp Metal bages, S.A.	94.990%
Gestamp Abrera, S.A.	Gestamp Metal bages, S.A.	94.990%
MB Aragon P21, S.L.	Gestamp Metal bages, S.A.	100.000%
Gestamp Polska SP. Z.O.O.	Gestamp Metal bages, S.A.	100.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metal bages, S.A.	99.960%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metal bages, S.A.	94.990%
Griwe Subgroup	Gestamp Metal bages, S.A.	100.000%
Edscha Holding GmbH	Gestamp Metal bages, S.A.	67.000%
Gestamp Palau, S.A.	Gestamp Metal bages, S.A.	60.000%
GMF Holding GmbH	Gestamp Metal bages, S.A.	100.000%
Gestamp Services India private. Ltd.	Gestamp Levante, S.A.	98.990%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.A.	7.810%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.535%

Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	Gestamp Solblank Navarra, S.L.	5.642%
Gestamp Severstal Vsevolozhsk LLC	Todlem, S.L.	100.000%
Gestamp Severstal Kaluga, LLC	Todlem, S.L.	100.000%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.900%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	4.272%
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%
Almussafes Mantenimiento Troqueles, S.L.	Gestamp Palau, S.A.	100.000%
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.	51.615%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.230%
Gestamp Córdoba, S.A.	Gestamp Baires, S.A.	33.443%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.000%
Autotec Engineering (Shanghai), Co. Ltd.	Autotech Engineering AIE	45.000%
Gestamp Autotech Japan K.K.	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	0.45
Gestamp Tooling Erandio, 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%
Gestamp Tooling Erandio, 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 Gestamp 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%

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 Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Edscha Holding GmbH	99.990%
Edscha Automotive Components (Chongqing) Co. Ltd.	Edscha Holding GmbH	100.000%
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 Automotive SLP, S.A.P.I. de C.V.	Edscha Engineering GmbH	0.010%
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	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 (China) Holding, 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 Vígo, S.A.	4.990%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.000%
Gestamp Louny S.R.O.	Gestamp Cerveira, Lda.	52.720%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.660%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Cerveira, Lda.	26.370%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.000%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.010%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.030%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.000%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.000%
Gestamp Technology Institute, S.L.	Gestamp Bizkaia, S.A.	0.010%
Gestamp Global Tooling, S.L.	Gestamp Bizkaia, S.A.	0.010%
Autotech Engineering R&D USA, Inc.	Gestamp Bizkaia, S.A.	55.000%
Loire S.A. Franco Española	Gestamp Bizkaia, S.A.	1.000%
Autotech Engineering (Shangai), Co. Ltd.	Gestamp Bizkaia, S.A.	55.000%
Gestamp Tooling AIE	Gestamp Bizkaia, S.A.	40.000%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.500%
Gestamp Hard Tech AB	Gestamp Sweden, AB	100.000%
Gestamp Holding China, AB	Gestamp HardTech, AB	68.940%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.100%
Gestamp Tooling AIE	Matricerías Deusto, S.L.	20.000%
SCI Tournan en Brie	Gestamp Noury, S.A.S	99.900%
Gestamp Linares, S.L.	Gestamp Toledo, S.A.	94.980%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.A.	43.530%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.340%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	94.990%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.670%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.040%
Gestamp Autocomponents (Tianjin) Co., Ltd.	Gestamp Palencia, S.A.	100.000%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.000%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	16.030%
Mursolar, 21, S.L.	Gestamp Aragón, S.A.	16.924%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.150%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.620%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.000%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	28.630%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.000%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.990%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.990%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.000%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.960%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	50.000%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.000%
Edscha Holding GmbH	Gestamp Metalbages, S.A.	67.000%
Metalbages P-51	Gestamp Metalbages, S.A.	100.000%
GMF Holding GmbH	Gestamp Metalbages, S.A.	100.000%
Gestamp Services India private. Ltd.	Gestamp Levante, S.A.	98.990%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.A.	7.810%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.535%

Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	Gestamp Solblank Navarra, S.L.	5.642%
Gestamp Severstal Vsevolozhsk LLC	Todlem, S.L.	100.000%
Gestamp Severstal Kaluga, LLC	Todlem, S.L.	100.000%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.900%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.420%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.770%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.000%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.990%
Gestamp Holding Rusia, S.L.	Gestamp Polska, SP. Z.O.O.	24.561%
Edscha 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.	MetaBages 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 Gestamp Otomotive, A.S.	Beyçelik Gestamp Kalip, A.S.	51.600%
Beyçelik Gestamp Sasi, L.S.	Beyçelik Gestamp Kalip, A.S.	100.000%

Company	Company holding the indirect investment	% investment
Edscha Automotive Hengersberg GmbH	Edscha Holding GmbH	100.000%
Edscha Automotive Hauzenberg GmbH	Edscha Holding GmbH	100.000%
Edscha Engineering GmbH	Edscha Holding GmbH	100.000%
Edscha Automotive Technology, Co. Ltd.	Edscha Holding GmbH	100.000%
Gestamp 2008, S.L.	Edscha Holding GmbH	100.000%
Anhui Edscha Automotive parts, Co. Ltd.	Edscha Holding GmbH	100.000%
Edscha Hradec, S.R.O.	Edscha Holding GmbH	100.000%
Gestamp edscha Japan, Co. Ltd.	Edscha Holding GmbH	100.000%
Edscha Burgos, S.A.	Edscha Holding GmbH	0.010%
Edscha Velky Meder, S.R.O.	Edscha Holding GmbH	100.000%
Edscha Automotiv Kamenice, S.R.O.	Edscha Holding GmbH	100.000%
Edscha Engineering France SAS	Edscha Holding GmbH	100.000%
Edscha Hengersberg Real Estate GmbH	Edscha Holding GmbH	94.900%
Edscha Hauzenberg Real Estate GmbH	Edscha Holding GmbH	94.900%
Shanghai Edscha Machinery, Co. Ltd.	Edscha Holding GmbH	55.000%
Edscha Automotive Michigan, Inc.	Edscha Holding GmbH	100.000%
Edscha Togliatti, U.C.	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 2012 (fully paid in 2017) Bank of America Loan and 2013 Syndicated Loan (modified in 2016 and 2017)

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 Engineering France , 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 Umformtechnik, 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.

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 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 Engineering France , 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 Umformtechnik, 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.

Guarantors for European Investment Bank Loan

Gestamp Navarra, S.A.	Gestamp Noury, SAS
Edscha Automotive Kamenice, S.R.O.	Gestamp Palencia, S.A.
Edscha Engineering, GmbH.	Gestamp Polska, Sp.Z.o.o.
Edscha Briey, S.A.S.	Gestamp Cerveira, Ltda
Edscha Engineering France, 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 Umformtechnik, GmbH
Edscha Hradec, S.r.o.	Griwe Subgroup
Edscha Velky Meder, S.r.o.	Ingeniería Global MB, S.A.
Gestamp Bizkaia, S.A.	Loire S.A. Franco Española
Gestamp Galvanizados, S.A.	Gestamp Abrera, S.A.
Gestamp Automoción, S.A.	Gestamp Aragón, S.A.
Gestamp Aveiro, S.A.	Gestamp Metalbages, S.A.
Gestamp HardTech, AB	Gestamp Prisma, S.A.S.
Gestamp Hungaria, KFT.	SCI de Tournan en Brie
Gestamp Linares, S.A.	Gestamp Solblank Barcelona, S.A.
Gestamp Louny, S.r.o.	Gestamp Tallent Limited
Gestamp Esmar, S.A.	Gestamp Sweden AB
Gestamp Wroclaw, Sp. Z.o.o	Gestamp Funding Luxemburgo, S.A.
Sofedit, S.A.S.	

Guarantors for Kfw IPEX Bank GmbH Loan

Gestamp Navarra, S.A.	Gestamp Noury, SAS
Edscha Automotive Kamenice, S.R.O.	Gestamp Palencia, S.A.
Edscha Engineering, GmbH.	Gestamp Polska, Sp.Z.o.o.
Edscha Briey, S.A.S.	Gestamp Cerveira, Ltda
Edscha Engineering France, 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 Umformtechnik, GmbH
Edscha Hradec, S.r.o.	Subgrupo Griwe
Edscha Velky Meder, S.r.o.	Ingeniería Global MB, S.A.
Gestamp Bizkaia, S.A.	Loire S.A. Franco Española
Gestamp Galvanizados, S.A.	Gestamp Abrera, S.A.
Gestamp Automoción, S.A.	Gestamp Aragón, S.A.
Gestamp Aveiro, S.A.	Gestamp Metalbages, S.A.
Gestamp HardTech, AB	Gestamp Prisma, S.A.S.
Gestamp Hungaria, KFT.	SCI de Tournan en Brie
Gestamp Linares, S.A.	Gestamp Solblank Barcelona, S.A.
Gestamp Louny, S.r.o.	Gestamp Tallent Limited
Gestamp Esmar, S.A.	Gestamp Sweden AB
Gestamp Wroclaw, Sp. Z.o.o	Gestamp Funding Luxemburgo, S.A.
Sofedit, S.A.S.	Gestamp Toledo, S.A.
Edscha Burgos, S.A.	Edscha Santander, S.A.
Gestamp Levante, S.A.	



**Management Report for the twelve months period ended
December 31st, 2017**

Gestamp Automoción, S.A.

February 26th, 2018

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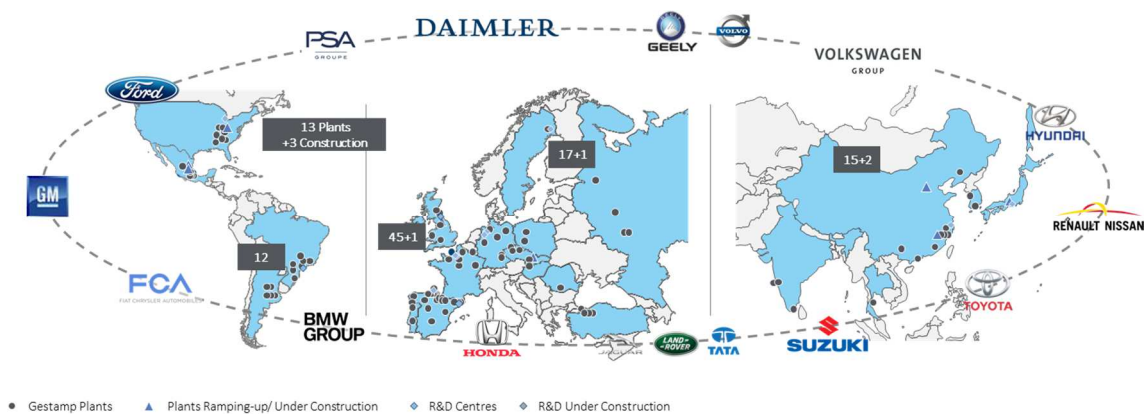
1. GESTAMP AUTOMOCIÓN GROUP SITUATION

1.1 Business Model

Gestamp Automoción S.A. (hereafter “Gestamp” and together with its consolidated subsidiaries “the Group”) is one of the world’s largest suppliers of automotive metal components and assemblies. We are an international group focused on the design, development and manufacture of components for the automotive industry with a client oriented business model. The Group focuses on innovation in the design of its products with the fundamental goals of promoting weight reduction, thereby reducing harmful CO2 emissions and overall environmental impact, and enhancing vehicle safety, thereby increasing the protection of passengers, drivers and pedestrians.

Since we were founded in 1997, we have had an ongoing commitment to incorporate new technologies into our manufacturing processes and continuous developing traditional technologies. As of December 31st 2017, more than 20 years since its foundation, Gestamp is present in 21 countries over four regions (Europe, North America, South America and Asia), has 102 manufacturing plants, 13 R&D centers and a workforce of over 41,000 employees worldwide. As of February 2018, Gestamp has 105 production facilities with 7 plants under construction, out of which the acquisition of two production facilities and one plant under construction are subject to the approval of the relevant competition authorities.

The diagram below shows Gestamp’s global footprint and its main customers as of December 31, 2017.



Gestamp produces a diverse range of products, many of which are critical to the structural integrity of a vehicle. The product portfolio covers body-in-white and chassis, mechanisms, as well as tooling and other products.

Gestamp has become one of the largest strategic suppliers of automotive components and assemblies thanks to the Group’s technological leadership, an extensive geographical and customer footprint and a proven track record in executing complex projects. Therefore, Gestamp is a worldwide reference for almost all major OEMs, including BMW, Daimler, Fiat Chrysler, Ford, Geely-Volvo, General Motors, Honda, PSA, Renault Nissan, Tata JLR, Toyota and Volkswagen, which represented its top 12 customers for the year ended December 31, 2017.

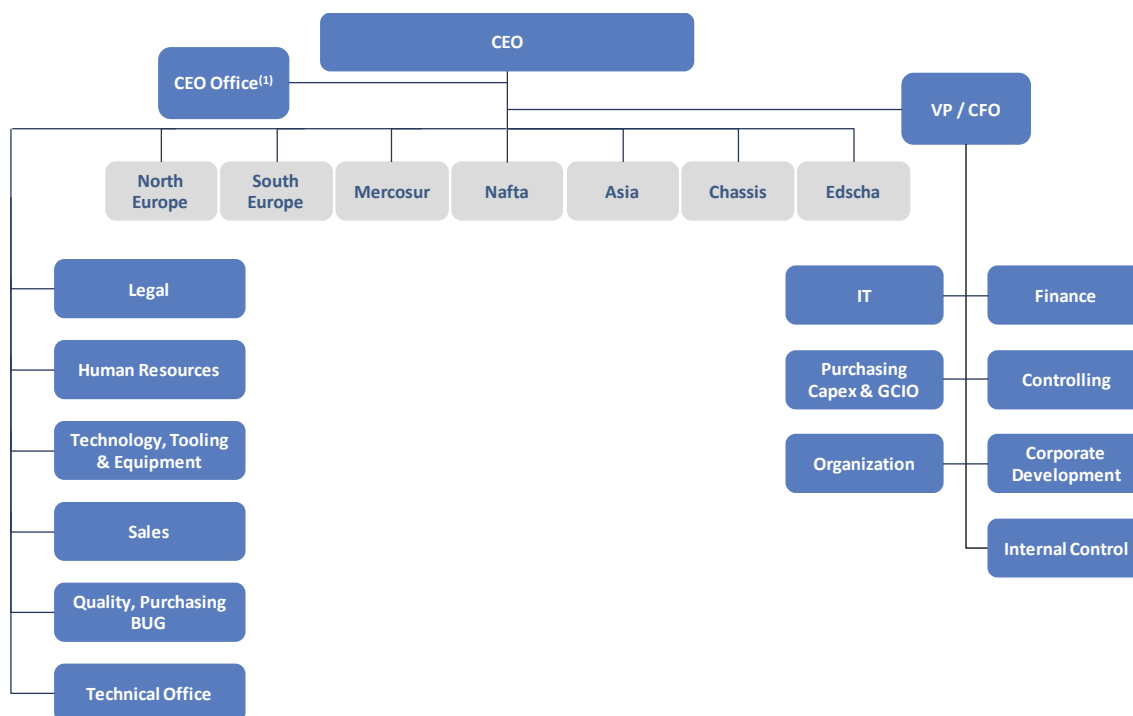
Our customer oriented approach to expansion has been key to maximizing the growth potential of our technological leadership and global footprint. Lastly, operational excellence is deeply rooted in our culture, driven by reliability and efficiency.



1.2 Organizational structure

The Board of Directors is the highest governing body of Gestamp Automoción Group and it is a decision-making center for the management of the Company. The composition of the Board of Directors brings together, as a whole, the necessary knowledge, skills and experience to guarantee an adequate governance of the Company, in accordance with its activities, including its main risks, and ensuring effective capacity for independent and autonomous decision-making for the benefit of the Society.

Additionally, the Management Committee is composed by the president and CEO, and the CFO, both of which are executive board members of the Group, as well as by the managers of the geographical Divisions, the managers of the Business Units, the Human Resources corporate director and the Legal corporate director. The organizational structure as of December 31st, 2017 is as follows:



(1) Strategic Planning, Investor Relations, Communication and Institutional Affairs, Sales Controlling and Marketing

On December 20th, 2017, the Group announced that the Board of Directors had approved the appointment of the Vice-President and CFO (Mr. Francisco López Peña) as the new CEO of the Company to become effective in 2018. As CEO he will assume the oversight of industrial operations within the Group, finance direction and other corporate duties.

Francisco J. Riberas will keep his functions as Executive Chairman. From this position he will focus on Strategy and Corporate Development, including key commercial relationships with Gestamp’s customers. He will also enhance Corporate Governance and institutional representation of the Group.

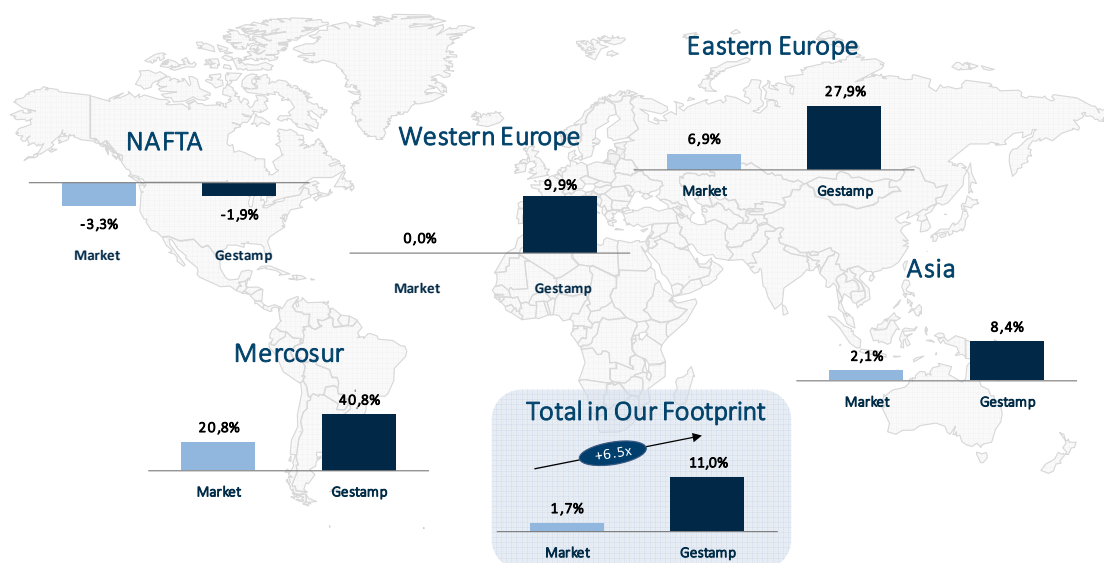
2. COMPANY PERFORMANCE AND RESULTS

2.1 Macroeconomic and sector evolution during 2017

Global economic growth during 2017 has been stronger than expected, with the second half of the year confirming the recovery path seen during the first half. Signs of recovery in the US have been confirmed during the second half of the year, adding to the solid performance of the Eurozone and Japan. Political developments in Europe and the ongoing negotiations on Brexit, have had a limited impact on growth during the year.

In this context, the evolution of the automotive sector has been positive. Global light vehicle production, according to IHS data as of January 2018, grew by 2.1% during 2017 compared to 2016. The growth in Gestamp’s footprint stood at 1.7%, with a strong market production in Mercosur (+20.8%) and Eastern Europe (+6.9%).

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 FY 2017 as of January 2018)

Global OEM's have continued to focus on "CASE" (*Connectivity, Autonomous driving, Shared mobility and Electrification*), which supports the outsourcing of the components of a vehicle to global strategic suppliers, such as Gestamp. OEM's are facing increasing capital needs to match new market requirements in relation to CASE, which generates more opportunities for key strategic suppliers. Whether a vehicle has an internal combustion engine or is electrically powered, Gestamp is well positioned to benefit from the current trends, as lightweight and safety will continue to be key for OEM's. During 2017, several OEM's have announced their strategy with regards to electric vehicles, including: (i) BMW's launch of 25 models by 2025 with an electrified drive system of which 12 are expected to be pure-electric, (ii) VW's strategy for electrification called 'Roadmap E', with 80 new electric vehicles by 2025. These model launches announced by OEM's are expected to lead to an increase in the levels of outsourcing to global suppliers, such as Gestamp.

In general, macroeconomic and auto sector conditions have been positive, driving growth globally. Mature and developing markets have each been influenced by their respective trends and dynamics. The aforementioned macro and auto trends provide a solid foundation and continue to reinforce Gestamp's vision, strategy and objectives.

In summary, Gestamp's results in 2017 were solid despite the operational project launch issues announced in September in North America, as well as the impact of foreign exchange rates, with the strengthening of the Euro during the year.

2.2 Financial Results Overview

Revenues grew by 8.6% in 2017 reaching €8,201.6 million (11.0% at constant FX), outperforming the market by more than five times (compared to market production volume growth in Gestamp production footprint as per IHS of 1.7%). In terms of profitability, EBITDA in 2017 reached 889.9 million euros with an implied growth rate of 5.8% when compared to 2016 (8.8% at constant FX). The profitability has been impacted by one-off costs in North America and higher tooling revenues. Net Income for the period grew by 8.3%, reaching €239.7 million.

In 2017 growth has been driven by the aforementioned sound macro and auto sector dynamics, as well as good volumes of existing programs and the ramp-up of new projects, especially in Europe and Mercosur.

In line with recent years, in 2017 the Group has continued to make significant investments to support high-quality projects which provide high revenue visibility and are expected to drive strong profitable growth. As of December 31st, 2017 Gestamp's order book (excluding intercompany, scrap and tooling sales) covers more than 90% of the targeted revenues for the period up to 2020.

The €796 million of capital expenditures invested in 2017 have been used to finance, among others, the seven new plants under construction across the world supporting Gestamp's clients' projects. Capital expenditures include mainly growth, recurrent and intangible capital expenditures. Growth capital expenditures include mainly capital expenditures in greenfield projects, major expansions of existing facilities and new processes/technologies in existing plants. Recurrent capital expenditures include investments to replace existing programs and expenditures on the maintenance of our production assets. Lastly, intangible capital expenditures includes capitalization of a part of the Group's R&D expenses, among other concepts.

Million Euros (€m)	2017	2016
Growth capital expenditures	434.4	389.6
Recurrent capital expenditures	265.9	251.5
Intangible capital expenditures	95.7	83.6
Capital expenditures	796.0	724.9

Gestamp's net financial debt amounted to €1,897.9 million for the year ended December 31st, 2017, resulting in a 2.1x leverage ratio (Net debt / EBITDA).

In summary, main figures in 2017 compared to 2016 are as follows:

Million Euros (€m)	2017	2016	% Change
Revenues	8,201.6	7,548.9	8.6%
EBITDA	889.9	841.1	5.8%
EBIT	484.7	462.6	4.8%
Profit Before Tax	370.2	348.1	6.3%
Profit attributable to shareholders	239.7	221.3	8.3%
Equity	1,970.6	1,872.0	
Net financial debt	1,897.9	1,632.6	
Capital expenditures	796.0	724.7	

Revenue by geographical segment

Revenues in Million Euros (€m)	2017	2016	% Change
Western Europe	4,011.2	3,704.1	8.3%
Eastern Europe	1,043.4	859.5	21.4%
Mercosur	562.3	401.3	40.1%
North America	1,482.8	1,546.1	-4.1%
Asia	1,101.8	1,037.9	6.2%
Total	8,201.6	7,548.9	8.6%

Western Europe: Revenues in 2017 grew by €307.1 million, or 8.3% (9.9% at constant FX), to €4,011.2 million from €3,704.1 million in 2016. The increase in revenues was mainly attributable to a solid growth across most countries and very strong tooling revenues, offset in part by a decline in the United Kingdom due to the depreciation of the British Pound.

Eastern Europe: During 2017, revenues grew by €183.9 million, or 21.4% (27.9% at constant FX), to €1,043.4 million from €859.5 million in the previous year. The increase in revenues was mainly due to continued growth in activity in almost all countries, especially in Poland as a result of the ramp up of the new VW Crafter, in Turkey with FCA and Ford, and in Hungary with Audi. A new subsidiary in Romania was acquired in January 2017, which has also contributed to the increase in revenues.

Mercosur: Revenues in 2017 grew by €161.0 million, or 40.1% (40.8% at constant FX), to €562.3 million from €401.4 million in 2016. Growth, which was above-market in both Argentina and Brazil, fueled by new program wins entering ramp-up phase, especially strong increase of market production volumes in both countries and higher tooling revenues.

North America: During 2017, revenues decreased by €63.3 million, or -4.1% (-1.9% at constant FX), to €1,482.8 million from €1,546.1 million during 2016. The evolution of revenues, in line with expectations, was largely affected by the change-over in large programs in the USA and Mexico resulting in lower volumes, the negative impact of the depreciation of the US Dollar and lower tooling revenues both in the fourth quarter.

Asia: Revenues in 2017 increased by €64.0 million, 6.2% (8.4% at constant FX) to €1,101.8 million from €1,037.9 million in 2016. The evolution of revenues was fueled by good performance in India in our Pune plants and a moderate growth in China negatively impacted by the depreciation of Chinese Yuan and lower volumes in Wuhan.

Revenue by product

Revenues in Million Euros (€m)	2017	2016	% Change
Body-in-White and Chassis	6,439.3	6,067.4	6.1%
Mechanisms	1,015.9	902.4	12.6%
Tooling and Other	746.4	579.1	28.9%
Total	8,201.6	7,548.9	8.6%

Body-in-White and Chassis: During 2017 revenues increased by €371.9 million, or 6.1%, to €6,439.3 million from €6,067.4 million in 2016. This increase was attributable primarily to an increase of sales in Eastern Europe, Western Europe and Mercosur.

Mechanisms: In 2017, revenues increased by €113.5 million, or 12.6%, to €1,015.9 million from €902.4 million in 2016. This increase was attributable primarily to an increase in sales in China, Germany, Brazil, Spain, Czech Republic, Russia and North America.

Tooling and Other: During the year of 2017 revenues increased by €167.2 million, or 28.9%, to €746.4 million from €579.1 million in 2016. This increase was attributable primarily to an increase in sales in Western Europe.

EBITDA by geographical segment

EBITDA in Million Euros (€m)	2017	2016	% Change
Western Europe	423.9	378.0	12.1%
Eastern Europe	122.8	95.6	28.5%
Mercosur	59.5	23.2	156.6%
North America	123.2	167.2	-26.3%
Asia	160.4	177.1	-9.4%
Total	889.9	841.1	5.8%

Western Europe: EBITDA in 2017 grew by 45.9 million, or 12.1% (13.8% at constant FX), to €423.9 million from €378.0 million in 2016, on the back of efficiency gains in the main markets, but partially offset by higher tooling sales and the depreciation of the British Pound.

Eastern Europe: EBITDA during the year of 2017 grew by €27.2 million, or 28.5% (39.7% at constant FX) to €122.8 million from €95.6 million in 2016, primarily due to the previously described revenue trends and efficiency gains in Turkey, Poland and Russia, despite launching expenses in Slovakia and the Czech Republic.

Mercosur: EBITDA in 2017 grew by €36.3 million, or 156.6% (159.3% at constant FX), to €59.5 million from €23.2 million in 2016. The increase in EBITDA was mainly due to the continued recovery of volumes, the positive impact from ramp-up of programs and performance improvement after the restructuring carried out in recent years.

North America: EBITDA during 2017 fell by €44.0 million, or -26.3% (-23.6% at constant FX), to €123.2 million from €167.2 million during the year of 2016. The EBITDA evolution reflects the impact of the one-off non-recurring costs announced in September 2017, in addition to the higher launch costs, due to more project launches than in 2016, as well as by the change-over in large programs in the USA and Mexico resulting in lower volumes as expected.

Asia: EBITDA during the year of 2017 fell by €16.7 million, or -9.4% (-7.5% increase at constant FX), to €160.4 million from €177.1 million in 2016. The evolution in EBITDA was impacted by higher project and launching expenses and a normalization of profitability levels after a high 2016 margin due to unusually high saturation rates in our plants.

2.3 Non-Financial Results Overview

One of Gestamp's business principles is sustainability, understood as a long-term, business plan based on honesty, effort, the development of trusting relationships with its stakeholders and respect for the different environments in which it operates.

The company pursues economic, social and environmental objectives and publishes annually a Sustainability Report that follows *Global Reporting Initiative (GRI)* reporting standards.

Pursuant to Royal Decree Law 18/2017 on matters of non-financial information and diversity, Gestamp would like to highlight the following aspects for the 2017 financial year:

2.3.1 Ethic and Human Rights

Ethics: Code of Conduct

Gestamp has had a Code of Conduct since 2011. This code is the common reference framework for the ethical and respectful behavior of employees in all countries in which it operates. The Code includes a number of Rules of Conduct based on the Corporate Principles and on the ten principles of the United Nations Global Compact concerning human rights, labor and environmental standards as well as the fight against corruption.

This Code applies to 100% of the perimeter of Gestamp, including all the organizational areas and affecting all employees contractually linked with Group companies, or any of the subsidiaries in which Gestamp is a majority shareholder.

The Ethics Committee is the body responsible for the implementation and interpretation of the Code of Conduct. The Ethics Committee's Rules establish its functions and composition, the channels and the communication process for complaints, as well as the internal investigation process to assess whether breaches of the Code take place.

The Compliance Office reports to the Ethics Committee and is responsible for receiving, channeling, monitoring, properly informing and documenting the communications received through the various means established.

In order to respond to communications regarding the Code of Conduct, whether they are suggestions, enquiries, queries or breaches, Gestamp has an internal communications channel (corporatecompliance@gestamp.com) and an external one implemented towards the end of 2016 called SpeakUp Line, which employees and people who are connected to the Group can use.

During 2017, we continued with the rotating external audit plan, managed by independent experts to try to verify the degree of implementation and employees' knowledge of the Code, and to emphasize the message on its importance to Gestamp. Specifically, this year they were conducted at all workplaces in the United States and France, adding these to those done in Germany, Argentina, Brazil, China, Mexico and Russia in previous years.

Within the specific rules established to cover certain aspects of the Code, the "Rules on Gifts and Hospitality" is worthy of mention. This measure intends to prevent corruption and bribery between employees and third parties, in both directions.

Human Rights

Gestamp considers the respect for human rights to be fundamental. The company endorses "The Guiding Principles on Business and Human Rights" adopted by the United Nations which promote the concepts of: Protect, Respect and Remedy.

In 2017, Gestamp carried out a study aimed at analyzing the human rights situation at all its workplaces worldwide.

With this project, the company was able to successfully:

- Define the key human rights issues that affect the Group based on sector criteria relevant to the business and the countries in which it is present.
- Identify the relevance of the issues based on criticality and probability of breach
- Assess the capacity to manage these issues based on the existence of rules (corporate, divisional, regional, local), indicators, responsible parties and mechanisms for filing a complaint.
- Prioritize these key issues at the workplace, country and division levels, and therefore know which ones require an action plan, constant monitoring, follow-up and maintenance.

2.3.2 Employees

Gestamp's continuous process of growth and internationalization has posed major challenges in terms of culture, organization and the management of human resources: the ongoing adaptation of our organizational structure to our growing needs, adjustment of the size of the workforce, standardization of processes, training in new technologies and fostering a corporate culture.

Evolution of the workforce

The number of employees worldwide continued to grow in 2017, reaching 41,048 employees, 12.8% more than in 2016, and an accrued growth of 43% over the last five years.

With a view to adapting to market demands, the Group also has 5,436 people who provide their professional services through temporary employment agencies.

Workforce profile

With regard to the distribution of the workforce by geographic area, Gestamp maintains sustained growth in all places where it is present:

Own Employees Evolution

	Employees as of 31.12.2016	Employees as of 31.12.2017	Variación %
Western Europe	15.822	17.186	8,6%
Eastern Europe	5.688	7.287	28,1%
Mercosur	4.187	5.025	20,0%
North America	5.251	6.116	16,5%
Asia	5.447	5.434	-0,2%
	36.395	41.048	12,8%

In its ongoing commitment to stable and qualified employment, Gestamp has 86.2% of its employees on permanent contracts. In order to adapt to the needs of the business, the Group also has some flexibility thanks to its 5,436 employees who provide their services through temporary employment agencies.

Gestamp stands out for having a young employee profile; 47.3% of the employees were under 35 at the end of 2017.

With regards to gender, 16.2% of the total workforce are women and 16.6% of the members of the various plant and division steering committees are represented by women.

Equal opportunities and non-discrimination are part of the rules included in Gestamp's Code of Conduct and in addition, at the local level, each workplace has the freedom to develop specific equality plans.

Management of labor relations

At Gestamp, the management of labor relations is carried out in accordance with the labor and trade union legislation in effect in each geographical area.

All aspects related to the employees' trade union, workforce and contractual aspects are negotiated with each plant's trade union representatives.

In geographical areas which, due to history, culture or legal requirements, it is required, there are inter-workplace committees that complement the plant-based negotiations framework.

The company has a European Works Council that represents all the countries in its perimeter.

Gestamp places particular emphasis on issues that are essential for the Group: respect for trade union and labor legislation, anti-discrimination policies, compliance with the Code of Conduct, occupational health and safety and training and development in key areas to ensure the correct implementation of the business strategy, always following the framework of fundamental labor rights contained in the International Labor Organization (ILO) conventions.

Occupational Health and Safety

Gestamp is committed to offering its employees, and any company working at its facilities, a safe and healthy environment. To this end, it has an ambitious occupational risk prevention policy and a comprehensive management system called GHSS (*Gestamp Health and Safety System*).

Within the general system, Gestamp has developed a tool (GHSI) that allows it to analyze equally in all the Groups plants, 77 factors relating to:

- Traditional Indicators: Frequency Index, Serious Accidents and Severity Index.
- Working Conditions: internal traffic routes, safety conditions for different types of machinery, warehouse conditions, etc.
- Prevention Management: Management of external companies, specific training, work at heights, etc.

This is an in-house tool, designed and tailored to the characteristics of the Company's activity, and reaches more stringent levels than those required by international standards.

The analysis and evaluation of the factors encourages the adoption of measures for improvement. All plants must report quarterly on the improvements made and all plants are audited ever two years.

Despite the Group's growth, in both business and number of people, the Company has improved its accident rates as a reflection of its efforts in the field of prevention.

Training and Development

The need to have highly skilled professionals requires: development of talent, comprehensive training in Gestamp's technologies, and the international mobility of its expert teams.

- The launch of a common talent management plan for the Group based on the identification of the Company's critical positions makes it possible to carry out the actions required to retain, train and promote in-house talent, as well as ensure the existence of a pool of trained professionals to fill key positions within the organization.
- Managing global training in key competencies contributes to standardizing technological knowledge and processes of the Group, thus ensuring that the Group's clients receive the same response in an increasingly global setting. In this regard, Gestamp has developed a corporate university (*Gestamp Global Learning*) as an online tool with global scope and the *Gestamp Technology Institute*.
- The promotion of international mobility as key to the transmission of the Group's know-how.

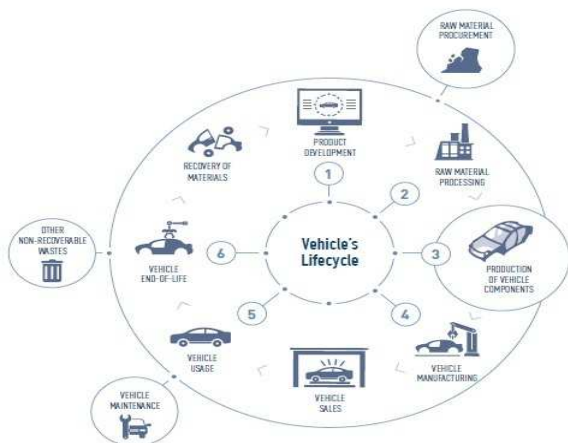
During 2017, 28.4 hours of average training per employee were taught and Gestamp invested more than 20 million euros in training actions, 17% more than in 2016

2.3.3 Environmental Issues

As an integral part of the automotive sector, Gestamp environmental performance must be analyzed from a perspective of the vehicle's life cycle, considering impacts and solutions in each of the stages on which the Company is able to act.

As can be seen in the following table, environment and climate change are integrated into Gestamp's business strategy.

GESTAMP IN THE VEHICLE LIFECYCLE



IMPACT OF GESTAMP

1	PRODUCT DEVELOPMENT	Through our R&D, our technological development and in collaboration with our suppliers, we offer solutions for weight reduction of the pieces we produce, one of the key factors to reduce emissions produced during the vehicle's use.
2	RAW MATERIAL PROCESSING	At Gestamp, we use environmental criteria when selecting suppliers of raw materials and components.
3	PRODUCTION OF VEHICLE COMPONENTS	As suppliers of automotive components, our activity focuses on: <ul style="list-style-type: none"> • Optimization of raw materials and natural resource consumption. • Optimization of manufacturing processes and logistics. • Energy efficiency. • Management and recyclability of waste produced during manufacture.
4	VEHICLE MANUFACTURING	In this phase, we abide by the requirements established by our clients, including those of weight, materials and recyclability.
5	VEHICLE USAGE	With reduced weight of our parts, we are helping vehicles to consume less fuel and thereby produce fewer greenhouse gas emissions.
6	VEHICLE END-OF-LIFE	All of our products are metallic and therefore 100% recyclable.

Environmental management

The Environmental Policy is based on the implementation of an Environmental Management System certified in accordance with international standards, and the implementation of an environmental management (Environmental Indicator) which makes it possible to monitor and control all manufacturing plants, as well as to identify improvements and the implementation of best practices.

82% of the plans are ISO 14001 or EMAS II certified. The remaining 18% has a deadline for the certification, based on the date it joined the group or the date the production center was built.

Gestamp’s environmental management is comprehensive; environmental criteria are applied from the selection of suppliers, includes optimization of the use of raw materials and the management of all the waste generated. The environmental impact of all production centers is measured using the above-mentioned Environmental Indicator on a quarterly basis.

- EEI. Energy Efficiency Index.
- CO₂EI. CO₂ Emissions Index.
- WPI. Waste Production Index.
- WMI. Waste Management Index.
- WCI. Water Consumption Index.

Monitoring of greenhouse gas emissions

Gestamp works actively to mitigate climate change from a two-fold perspective: On the one hand, it works on reducing greenhouse gas emissions in production processes through proper environmental management. On the other, as a supplier of components for the automobile industry, Gestamp’s added value lies in its technological and R&D capacity to develop new products and innovative solutions that make it possible to produce lighter parts which help clients to reduce their CO₂ emissions, since lower weight means less fuel consumption and the generation of fewer emissions during the vehicle use stage.

Gestamp uses the *Greenhouse Gas Protocol* (GHG) and the *Intergovernmental Panel on Climate Change* (IPCC) as guidelines for measuring the impact of the emissions associated with the production process. In addition, the Group reports voluntarily on an annual basis on its performance with regard to emissions through the international *Carbon Disclosure Project* initiative. In 2015, it was selected as an example of a company of Spanish origin in its publication entitled “*Supply Chain Report in 2015.*”

In recent years, despite the increase of manufacturing facilities and the introduction of hot stamping (a more energy-intensive technology), Gestamp has managed to reduce CO₂ emissions (in relative terms) thanks to improvements in environmental management and in the management of processes:

	2013	2014	2015	2016	2017
CO ₂ Emissions Index (Tons of CO ₂ emission per €100K of added value)	25	25	24	24	21*

* Verification on progress

In addition, Gestamp has implemented an energy efficiency project worldwide, through which the electricity and gas consumption of equipment and facilities is monitored instantly. The analysis of this information, together with the study of best practices in the Group and the exchange of the knowledge acquired, means new energy-saving measures can be adopted and, therefore, targets can be set and all levels of the organization are involved.

In 2017, the Group was able to reduce 54 GWh compared to 2016 in 23 plants where the project is implemented.

Waste production and management

Various types of waste are generated during our production process. In its desire to minimize waste generation and the use of natural resources, Gestamp has incorporated into its business activity all methodologies, processes, technologies and best practices related to the management, reuse and recycling of the materials it uses.

Gestamp has identified the main categories of hazardous and non-hazardous waste produced by the plants and the amounts generated are monitored quarterly using the Group's environmental indicator.

Of all waste, 98% is not hazardous; 98% of this is scrap metal. Scrap metal is 100 % recyclable and re-enters the steel production process, helping to close the life cycle of the product following a circular economy model. With regard to hazardous waste, these are most frequently polluted water, sludge, used oils and contaminated materials (mainly oil-stained rags and gloves).

As for the destination of the waste generated in our plants, it depends on the type of waste, the location of the plant and the legislation of the country and local authorized managers are used to handle it. Furthermore, waste reduction targets are set annually as part of the environmental plans.

Water

Water consumption is not a significant environmental aspect at Gestamp but, as it is an essential natural resource, its use and management is monitored.

In general, water consumption at Gestamp's production plants is for sanitary use. Only plants that have surface treatment processes or welding facilities and machines that require cooling consume water for industrial use. In all cases, these are closed-circuit systems and so the water is reused for long periods of time.

2.3.4 Society

Gestamp believes that its commitment to sustainability is not limited solely to its operations, but that it is part of a value chain completed with the activity and the performance of its suppliers, without which it could not meet the requirements of its clients. To the extent that Gestamp empowers them and supports them locally, the Company contributes to the development of communities, their industries and the overall economy because of its multiplying effect in terms of wealth and maintaining employment.

In addition, Gestamp contributes to the training and technical instruction of the local population as a result of its collaboration with universities, business schools and vocational training centers. In 2017, Gestamp gave opportunities to 649 youths, between internship and apprenticeship programs.

Another area in which the Group contributes to society is through its social activities. Since 2013, Gestamp has been using the LBG (London Benchmarking Group) methodology with the aim of identifying, classifying and assessing the not-for-profit contributions made by each of its work centers in the communities they operate in.

In addition, Gestamp's social activities are in line with the United Nations Sustainable Development Goals on which it is going to focus its social strategy in the coming years.

2.3.5 Corporate Governance

Rules

Gestamp's Corporate Governance is currently based on the following rules, all of which are available on our [website](#):

- Company Bylaws
- Regulations of the General Shareholders' Meeting
- Regulations of the Board of Directors, which include rules for the Audit Committee and the Nomination and Compensation Committee
- Code of Conduct
- Internal code of conduct in Securities Markets
- Certain corporate policies

The Corporate Governance rules were reviewed by the relevant authority upon the Initial Public Offering in April 2017 and since then are reviewed and updated from time to time. The contents are inspired and based on our commitment to the best practices in good corporate governance.

Governing bodies

Governing bodies that carry out differentiated strategy and oversight functions, and leadership and management functions:

- **The General Shareholders' Meeting:** this is the main way shareholders take part in Gestamp and its highest decision-making body. Through this body, its shareholders deliberate and decide through voting, subject to the majorities applicable by law or the by-laws, on the matters within their remit.
- **The Board of Directors:** this focuses its activity on the definition, oversight and follow-up of the policies, strategies and general guidelines that the Company and the companies of its consolidated group must follow. The Board of Directors comprises 12 members, of whom 5 are independent directors, 3 are proprietary, 2 are executive, and 2 are other external directors.
- **Committees of the Board of Directors:** to carry out its work, the Board of Directors has the support of specialized internal committees. In this regard, the Board of Directors has set up an Audit Committee and a Nomination and Compensation Committee, both comprising non-executive directors and chaired by an independent director.
- **The Management Committee:** this is responsible for the Group's organization and strategic coordination, by disseminating, implementing and monitoring the business strategy and guidelines.

Diversity in the Board of Directors

The composition and profiles of the members of Gestamp's Board of Directors are available on the Company's [website](#).

The selection and nomination of members is carried out according to Gestamp's Director Selection Policy as well as the Guidelines on the knowledge, skills and experiences of the Board of Directors. Both documents include criteria for promoting diversity in governance bodies. The Nomination and Compensation Committee is the body that, on an annual basis, shall conduct an assessment in which it explicitly takes into account the diversity of the representation of the members on the Board.

3. DEBT AND LIQUIDITY

Gestamp has maintained a solid financial position during 2017. As of December 31, 2017, net financial debt amounted to €1,898.9 million resulting in a 2.13x leverage ratio (Net Debt / EBITDA), compared to 1.94x as of December 31, 2016.

Thousand Euros	2017	2016
Interest bearing loans and borrowings	2,710,880	1,967,599
Financial leasing	32,672	33,574
Borrowings from group companies	59,294	70,162
Other financial debt	34,183	34,991
Gross debt	2,837,029	2,106,326
Net financial debt	1,897,895	1,632,635
EBITDA	889,877	841,150
Leverage ratio (Net debt / EBITDA)	2.13x	1.94x

Our long-term indebtedness primarily consists of €479.0 million 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), €160.0 million in long term debt with the European Investment Bank and €675.4 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. On July 25, 2017 we signed another amendment of the SFA, extending its maturity to July 15, 2022.

Thousand Euros	2017	2016
Cash and cash equivalents	860,238	430,463
Current debt securities	5,376	338
Revolving credit facilities	280,000	280,000
Undrawn credit facilities	642,962	457,287
Total Liquidity	1,788,576	1,168,088

Gestamp's main source of liquidity is its operating cash flow. Net cash flows from operating activities were €683.7 million in 2017. In addition, as part of its Senior Facilities, Gestamp has an undrawn revolving credit facility amounting to €280.0 million with maturity in 2021, as well as €676.9 million in credit lines, of which €34.0 million were drawn as of December 31, 2017. These credit lines are generally renewed each year, do not have any security and have customary covenants.

4. MAIN RISKS AND UNCERTAINTIES

Risk Management is an essential part of our corporate culture and principles. Gestamp has an Integral Risk Management System (IRMS) in place. It is defined as a process driven by the Board of Directors and Senior Management, which aim is to develop the organization's capacity to properly detect measure, control and mitigate the significant risks; but, as an integrated system, it is the responsibility of each and every member of the Group. It helps us to accomplish our general goals, enhance sustainability and increase the confidence of investors, consumers and society in general.

This IRMS, which Gestamp continued to develop and evolve in 2017, is based on the COSO ERM model (a detailed, systematic approach that allows us to identify events, assess, prioritize and respond to risks related to the accomplishment of our business goals), on the best practices defined in the Good Governance Code of Listed Companies and on the Technical Guide 3/2017 on Audit Committees at Public Interest Entities.

To facilitate and promote an effective, integrated and uniform management, the Group has established the Integrated Risk Management System Policy (henceforth, the "IRMS Policy"), which is applicable to all the companies belonging to the Group, and its scope includes all activities, processes, projects and lines of business, as well as all the geographic areas in which the Group operates.

The IRMS Policy was approved by the Gestamp Board of Directors and establishes the main principles, guidelines and general framework for systematically and uniformly detecting financial and non-financial risks (including environmental, social, labor-related and human rights-related risks, as well as those related to the fight against corruption and bribery), preventing them and mitigating any existing or potential negative effects; thereof, keeping them within the risk levels (tolerance) accepted by Gestamp in line with the due diligence procedures set forth in Royal Decree-Law 18/2017.

While the IRMS is a process that affects and involves all the Group's employees, the parties that are in charge of ensuring that it functions smoothly and their main duties are as follows:

- The Specific Risk Owners, in charge of identifying, assessing and monitoring risks that pose a threat to achievement of their goals.

- The Risk Committees, which ensure that the risks are kept aligned with the accepted risk appetite and inform the Audit Committee.
- The Board of Directors and the Audit Committee, in their approval, monitoring and supervision of the IRMS.
- The Internal Audit and Risk Management Function, which provides support to the Audit Committee and coordinates the risk identification and assessment processes, in addition to coordinating the Risk Committees.

Gestamp is exposed to diverse risks inherent to the countries and markets in which it operates, which could jeopardize the accomplishment of its goals and the successful implementation of its strategies. Our Risk Map, which was updated in 2017, constitutes a management tool that enables us to identify and contextualize potential risks, fostering and facilitating decision-making on the mitigation actions to be taken. Senior managers representing all the Divisions, Business Units and Corporate Functions in the Group were involved in the identification and assessment process. In this process, the following risks were considered, for which the organization has defined measures, controls and supervision plans:

<input checked="" type="radio"/> O <input type="radio"/>	Personal safety and health risk, due to the characteristics of the activities performed at our plants
<input checked="" type="radio"/> S <input type="radio"/>	Business concentrated in few clients that each contribute a high percentage of the business
<input checked="" type="radio"/> O	Stoppage of our clients' activities due to diverse internal and external factors, such as: <ul style="list-style-type: none"> <input type="radio"/> Supply-chain issues due to incidents with suppliers <input checked="" type="radio"/> Internal problems: labor conflicts, prolonged breakdowns, serious accidents <input type="radio"/> Other unexpected factors (such as weather-related disasters, for example)
<input checked="" type="radio"/> S <input type="radio"/>	Deviations in the profitability of projects, which could potentially occur during the launch and in the subsequent production phase
<input checked="" type="radio"/> O <input type="radio"/>	Incidents related to the quality of our products, with potential both cost and reputational repercussions
<input checked="" type="radio"/> O <input type="radio"/>	Difficulty in hiring or replacing key staff members, in terms of both managers holding strategic positions and highly qualified employees
<input checked="" type="radio"/> S <input type="radio"/>	Complexity of decisions related to technological changes and adoption of the technology, materials and processes that are appropriate and necessary in order to maintain our competitive advantages
<input checked="" type="radio"/> F <input type="radio"/>	Risks related to fluctuations in financial markets, mainly exchange rates, interest rates and commodities
<input checked="" type="radio"/> C <input type="radio"/>	Risks related to the legislation and regulations to which the Group is subject and potential amendments that could be made to them
<input checked="" type="radio"/> O <input type="radio"/>	Environmental risks: as an integral part of the automotive industry, we believe our environmental impact must be analyzed from the perspective of the vehicle life cycle, moving beyond the direct impact created in the mere manufacturing process
<input checked="" type="radio"/> S <input type="radio"/>	Political and economic instability in the countries in which Gestamp operates

Operational Strategic Financial Compliance Internal External

In 2017, a number of risks inherent to the Group's activities have arisen: the IRMS, along with Gestamp's policies and risk control and management systems that develop it, have enabled us to respond adequately and proactively to them and establish, where needed, appropriate action plans. In this regard, there are two different levels of response to risks:

- General mechanisms for responding to risk: Specific Risk Owners, Risk Committees, the Board of Directors, the Audit Committee and the Internal Audit and Risk Management Division.
- Additionally, Gestamp has various units that perform analyses, continuous monitoring and provide response in specialized risk management fields, including internal control over financial reporting, compliance with regulations, corporate social responsibility, quality, operational control, corporate safety, information systems, occupational and environmental risk prevention, tax and insurance-related risks, to name a few. These units have been integrated into the Group's IRMS.
- Individual control, management and supervision mechanisms implemented at operational level, which function constantly on a daily basis, and are performed by each and every member of the Group; they are ingrained into the Group's systems and processes, and ensure that the operating activities are ultimately consistent with Gestamp's goals and targets.

5. SUBSEQUENT EVENTS

There have been no material subsequent events as of 31st December, 2017.

6. FORESEABLE EVOLUTION OF THE COMPANY

For 2018, global economic growth is expected to confirm the pace gathered in 2017, which according to International Monetary Fund's January 2018 World Economic Outlook will stand at approximately 3.9%. The higher growth is expected to bring inflationary pressure, as first signs of price and wage increases appear, particularly in the United States.

With an improvement in economic activity, Gestamp expects a good performance in the automotive sector globally. According to IHS January 2018 data, global light vehicle production is expected to increase by 1.9% in 2018.

In a favorable environment, and on the back of the strong investments made in recent years in projects that will ramp up this year, Gestamp expects a positive performance of its operations in 2018. In line with the last few years, the Group expects solid revenue and income growth, well above that of the market, at constant FX. Gestamp will continue to focus its efforts on improving the efficiency of its processes and adequate management of the large number of projects the Group is working on.

7. R&D ACTIVITIES

Through innovation, Gestamp seeks to improve fundamental characteristics of a vehicle such as weight, safety, strength, durability and stiffness, by monitoring complete crash performance, deformation and energy absorption, while providing additional comfort. As it continues to invest in R&D, Gestamp develops proprietary technology innovations while helping our OEM

customers to improve vehicle safety, meet emissions targets and optimize costs, which together ultimately allows us to be a key supplier for OEMs globally.

As a result of Gestamp's long standing and strategic relationship with OEM's, Gestamp has over 250 co-development programs in place with its clients in BIW, chassis and mechanisms. Working closely with our customers enables Gestamp to strengthen its reputation as a technological leader in the industry.

Furthermore, Gestamp is at the forefront of developing technological capabilities, manufacturing processes and new materials for use in our product portfolio. To this end, Gestamp seeks ways to apply new materials with a consistent quality, to establish manufacturing processes which are effective and flexible throughout the production chain, and all at a reasonable cost. The close work between Gestamp's R&D department and its customers in incorporating these new materials and processes in the design of the product has allowed the Group to achieve in 2017 important businesses awards both in BiW as well as in Chassis in the field of electric vehicles. Gestamp R&D has developed in 2017 an innovative concept of Battery Box, a new product within electric vehicles in which Gestamp has collaborated directly with the engineering departments of the OEM's.

Sensors in vehicles are increasingly becoming the technological standard and Gestamp has been able to develop solutions with strong competitive advantages in terms of safety and comfort for doors and hoods. These developments are in line with the new regulations on pedestrian security that are being implemented in more countries every year.

During 2017, Gestamp announced in November the opening of a new R&D center in Asia, located in Shanghai (China). The main objective of this new Gestamp facility is to strengthen its collaboration with both with international as well as with local OEMs in China. The aim is to co-develop on site together with them in order to improve manufacturing processes, products and costs.

Additionally, during 2017 in Gestamp's continuous effort to improve our R&D facilities, two other R&D centers were announced in Asia and NAFTA which replace already existing facilities. In this sense, a new R&D center was inaugurated in Auburn Hills, Michigan, in May. This facility houses robotic prototype assembly cells, a laser cell, a durability performance test lab and complementary metallurgical and metrology labs. Designed bearing its customers in mind, the Auburn Hills R&D center ensures faster response and access to technical information required to meet automotive customers' program needs. Furthermore, in June, a new R&D center was opened in Japan to improve the company's previous R&D capabilities in the country. Located in downtown Tokyo, the center is equipped with simulation resources, including virtual crash tests and advanced simulation of hot stamping processes. This offers Gestamp comprehensive vehicle development capabilities for Chassis and Body in White (bodywork) with top-notch standards within the global R&D network.

As of December 31, 2017, Gestamp had more than 1,500 R&D professionals, spread over its 13 R&D centers as well as at manufacturing sites. These R&D centers are located in 9 countries: Spain, Germany, France, UK, Sweden, USA, Brazil, China and Japan.

Hot stamping

Gestamp is one of the pioneers and leaders in the hot stamping manufacturing process, one of the most advanced technologies for reducing the weight of a vehicle's body structure and improving passenger safety in case of collision.

In 2017, Gestamp introduced an innovation in the hot stamping market with the new design of manufacturing lines for large pieces such as the "one piece door ring". Gestamp obtained important orders for this product for the SUVs market.

As of December 31, 2017, the Group had 84 hot stamping lines installed worldwide and, according to project contracts awarded, Gestamp expects a high growth in the number of new hot stamping lines in all the regions in the coming years.

8. OPERATIONS WITH OWN SHARES

As at December 31, 2017 the Company had no treasury shares, and during the course of the year did not trade in its own shares.

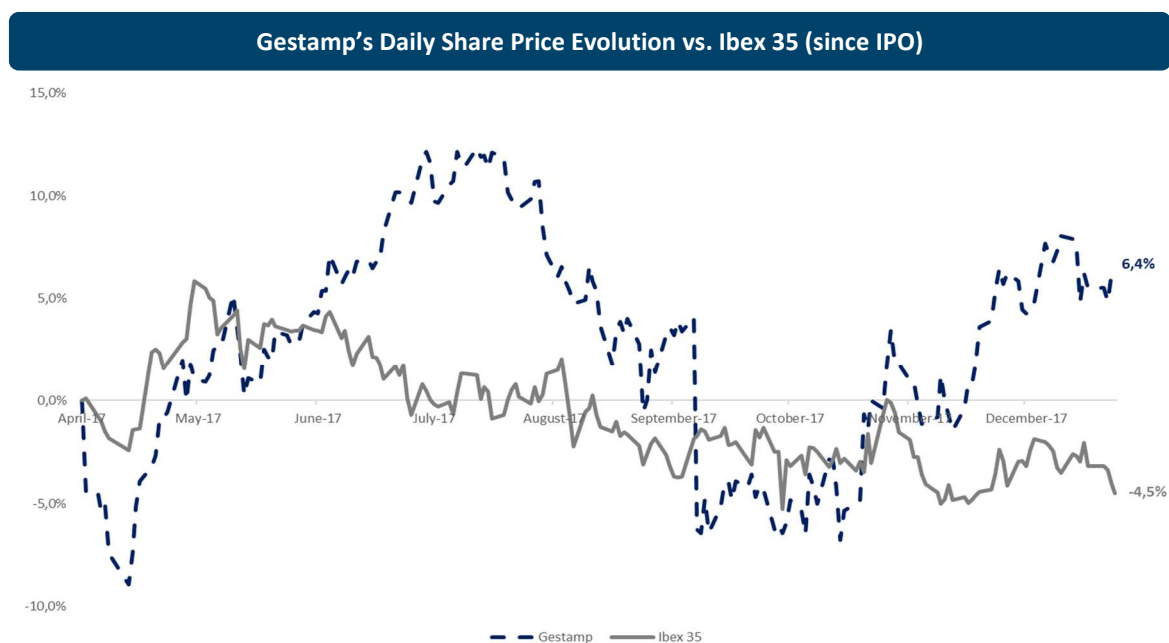
9. OTHER RELEVANT INFORMATION

9.1 Stock Exchange Evolution

On April 7th, 2017, Gestamp made its debut as a publicly listed company on the Spanish stock exchanges (Madrid, Barcelona, Bilbao, and Valencia) under the "GEST" ticker. The final offering consisted of 156,588,438 shares (initial offering of 155,388,877 plus final over-allotment option of 1,199,561 shares corresponding to Greenshow of 23,308,331 shares). The price was set at 5.60 euros per share, representing an initial market capitalization of €3,222 million.

As of December 31st of 2017, the Company's total Free Float amounted to 28.73%. The remaining shareholding of 71.27% is controlled (directly and indirectly) by Acek Desarrollo y Gestión Industrial S.L. (Acek, the Riberas Family industrial holding) being 58.745% owned by Acek and 12.525% by Mitsui.

Please see below for Gestamp's share price evolution since April 7th, 2017:



Source: Bloomberg

Gestamp's shares increased by +6.4% since IPO, implying a market capitalization of €3,428 million. Total volume traded during 2017 was 275m shares or €1,550.5m.

The shares hit a high for the year on July 17th 2017 (€6.29) and a low on April 18th 2017 (€5.10). Since IPO, our average share price has been €5.75.

The Company's shares were included in the IBEX Medium Cap index in December 2017.

The Group reported earnings per share of €0.42 in 2017. The most relevant information regarding the stock's evolution in 2017 is shown in the table below:

(€)	2017	2016*
Total Number of Shares	575.514.360	-
Share Price	5,96	-
Market Cap. (in Thousands)	3.428	-
Maximum Price in 2017	6,29	-
Date of Max. Price	17/07/2017	-
Minimum Price in 2017	5,10	-
Date of Min. Price	18/04/2017	-
Average Price in 2017	5,75	-
Total Volume (in Shares)	231.549.084	-
Average of Daily Volume Traded (in Shares)	1.244.888	-
Total Turnover (in Millions)	1.321,08	-
Average of Turnover Traded (in Thousands)	7.102,58	-

* The Company was listed on April 7th, 2017. There is no information regarding 2016. Data as of December 31st, 2017. Source: Bloomberg & BME (Bolsa y Mercados Españoles)

9.2 Dividend policy

In 2017 the Company maintained its policy to distribute dividends corresponding to 30% Consolidated Profit Attributable to Equity holders of the Company.

9.3 Credit Rating

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

On May 11th, 2016 the Group issued a new bond, through the subsidiary Gestamp Funding Luxembourg, S.A. for €500 million with an interest rate of 3.5%. The issuance was used to fully refinance the May 2013 Euro bond and accrued interest. The US dollar bonds issued in May 2013 were fully refinanced on June 17th, 2016 with the tranche A2 of the new syndicated loan granted on May 20th, 2016.

The maturity date of the new bonds is May 15th, 2023.

As of December 31st, 2017 Gestamp's corporate credit rating was "BB /stable outlook" by Standard & Poor's and "Ba2/ stable outlook" by Moody's. These ratings were confirmed on June 16th, 2017 by Standard & Poor's and on September 13th, 2017 by Moody's.

Corporate Credit Ratings	Current Rating	Outlook	Last Review
Standard & Poor's	BB	Stable	03/05/2016
Moody's	Ba2	Stable	28/04/2016

Senior Secured Notes	Current Rating	Outlook	Last Review
Standard & Poor's	BB+	Stable	29/01/2016
Moody's	Ba3	Stable	28/04/2016

9.4 Average period for payment to suppliers

The internal processes and payment policy terms of the Spanish companies of the Group comply with the legal provision of the Law 15/2010, which establishes actions against late payment in commercial transactions. As a result, the contractual conditions in the year 2017 with commercial suppliers for parts manufactured in Spain have included periods of payment equal to or less than 60 days in 2017 and in 2016, according to the second transitory legal provision of the Law. (Refer to Note 34).

For efficiency reasons and in line with common standards, the Spanish subsidiaries of the Group have in place a schedule for payments to suppliers, under which payments are made on fixed days, and twice a month in the case of the larger entities.

In general terms, during the fiscal periods 2017 and 2016, payments, for contracts agreed after the entry into force the Law 15/2010 made by Spanish entities to suppliers have not exceeded the legal limits of payment terms. Payments to Spanish suppliers which have exceeded the legal deadline for years 2017 and 2016 have been negligible in quantitative terms and are derived from circumstances or incidents beyond the established payment policy, which primarily include the closing of agreements with suppliers at the delivery of goods or provision of services or handling specific processes.

Additionally, as of December 31, 2017 and 2016 there were no outstanding amounts to suppliers located in Spanish territory that exceeded the legal term of payment.

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL INFORMATION 2017

The Directors of the Board of Directors of GESTAMP AUTOMOCIÓN, S.A. state that, to the best of their knowledge, the Individual Annual Financial Statements of GESTAMP AUTOMOCIÓN, S.A. and the Consolidated Annual Financial Statements of GESTAMP AUTOMOCIÓN, S.A. and its subsidiaries for Fiscal Year 2017, drawn up by the Board of Directors at its meeting of February 26, 2018 and prepared in accordance with applicable accounting standards, present a fair view of the assets, financial condition and results of operations of GESTAMP AUTOMOCIÓN, S.A. and of the companies included in its scope of consolidation, taken as a whole, and that the Individual and Consolidated Management Reports contain a true assessment of the corporate performance and results and the position of GESTAMP AUTOMOCIÓN, S.A. and of the companies included in its scope of consolidation taken as a whole, as well as a description of the principal risks and uncertainties facing them.

Madrid, February 26, 2018.

Mr. Francisco José Riberas Mera
(Executive Chairman)

Mr. Francisco López Peña
(CEO)

Mr. Juan María Riberas Mera
(Director)

Mr. Noboru Katsu
(Director)

Mr. Tomofumi Osaki
(Director)

Mr. Alberto Rodríguez-Fraile Díaz
(Director)

Mr. Javier Rodríguez Pellitero
(Director)

Mr. Pedro Sainz de Baranda Riva
(Director)

Mrs. Ana García Fau
(Director)

Mr. César Cernuda Rego
(Director)

Mr. Gonzalo Urquijo Fernández de Araoz
(Director)

Mr. Geert Maurice Van Poelvoorde
(Director)

The Secretary of the Board of Directors states for the record that the Director Mr. Geert Maurice van Poelvoorde does not set his signature on this document because he is absent due to unavoidable professional commitments and that he have given a proxy and delegated his voting powers to the Director Mr. D. Juan María Riberas Mera, in connection with the matters set forth in the Agenda for the meeting the Board of Directors of 26 February 2018 (which includes the approval of the individual and consolidated Annual Financial Statements and of the individual and consolidated Management Reports for Fiscal Year 2017).

Secretary

Mr. David Vázquez Pascual

GESTAMP AUTOMOCIÓN, S.A. Y SUBSIDIARIES

The previous Consolidated Annual Financial Statements for the fiscal year 2017 of GESTAMP AUTOMOCIÓN, S.A. and subsidiaries included in preceding pages 1 to 139 inclusive, and the Consolidated Management Report for the year 2017 included in the preceding pages 140 to 163, both inclusive of the accompanying Annual Corporate Governance Report included in the preceding pages 1 to 90, have been sign off by the members of the Board of Directors at their meeting on February 26, 2018.

Don Francisco José Riberas Mera
President

Don Juan María Riberas Mera
Vicepresident

Don Francisco López Peña
Vocal

Don Noboru Katsu
Vocal

Don Tomofumi Osaki
Vocal

Don Alberto Rodríguez Fraile Díaz
Vocal

Don Javier Rodríguez Pellitero
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Don Pedro Sainz de Baranda Riva
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GESTAMP AUTOMOCIÓN, S.A. Y SUBSIDIARIES

Doña Ana García Fau
Vocal

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