



Gestamp Funding Luxembourg S.A.

a finance subsidiary of Gestamp Automoción, S.A.

€500,000,000 3.50% Senior Secured Notes due 2023

guaranteed by

**Gestamp Automoción, S.A.
and certain of its Subsidiaries**

Gestamp Funding Luxembourg S.A. (the "Issuer"), a direct wholly owned finance subsidiary of Gestamp Automoción, S.A. ("Gestamp Automoción"), has issued €500,000,000 aggregate principal amount of 3.50% Senior Secured Notes due 2023 (the "notes"), which have been issued pursuant to an indenture (the "Indenture") dated as of May 11, 2016 (the "Issue Date"). Interest on the notes will be paid semi-annually on May 15 and November 15 of each year, commencing on November 15, 2016. The notes will mature on May 15, 2023.

Prior to May 15, 2019, we may redeem the notes in whole or in part at any time by paying a "make whole" premium. We may redeem the notes in whole or in part at any time on or after May 15, 2019 at the redemption prices set forth in these listing particulars, plus accrued and unpaid interest to, but not including, the redemption date. In addition, prior to May 15, 2019, we may redeem at our option up to 40% of aggregate principal amount of notes with the net cash proceeds from certain equity offerings at the redemption price set forth in these listing particulars, if at least 60% of the aggregate principal amount of notes issued under the Indenture remain outstanding after the redemption. We may redeem all of the notes, at any time, at a price equal to their principal amount plus accrued and unpaid interest, if any, and additional amounts, if any, upon the occurrence of certain changes in applicable tax law. Upon the occurrence of certain events constituting a "change of control," the Issuer will be required to make an offer to repurchase the notes at 101% of the principal amount redeemed, plus accrued and unpaid interest, if any, and additional amounts, if any.

The notes are senior obligations of the Issuer secured by a charge over the shares of certain subsidiaries of Gestamp Automoción (the "Collateral"). See "Description of the Notes—Security." The notes will rank equally in right of payment with all of the Issuer's existing and future senior debt and senior to any of its existing or future subordinated debt. Gestamp Automoción and certain of its subsidiaries (with Gestamp Automoción, the "Guarantors") have guaranteed the notes (the "Guarantees"). Local laws may limit your rights to enforce certain guarantees, and, in addition, your rights with respect to the notes and the Guarantees are subject to the intercreditor agreement dated May 10, 2013 entered into with, among others, the lenders under the Senior Facilities Agreement, the trustee in respect of the 2020 dollar notes (as defined below) and creditors under the Bank of America loan (as defined below) (the "Intercreditor Agreement").

The proceeds from the offering of the notes will be used, together with cash on balance sheet, (i) to repurchase or redeem the Issuer's €500.0 million aggregate principal amount of 5.875% Senior Secured Notes due 2020 (the "2020 euro notes"), including by means of a tender offer (the "Tender Offer"), which is conditional upon the completion of the offering and (ii) to pay commissions, fees and expenses (including redemption premia) in connection with the offering of the notes and the transactions contemplated hereby. If the issuance of the notes is completed, to the extent that less than 100% of the outstanding 2020 euro notes were tendered and accepted for purchase pursuant to the Tender Offer, redeemed the remaining 2020 euro notes upon the terms and conditions set forth in the indenture of the 2020 notes. The Issuer is a direct wholly owned finance subsidiary of Gestamp Automoción, and the Issuer's only significant assets following the offering and the redemption or repayment of the 2020 euro notes are funding loans to Gestamp Automoción equal to the aggregate principal amount of the notes offered hereby and the Issuer's \$350.0 million 5.625% Senior Secured Notes due 2020. See "Use of Proceeds."

There is currently no public market for the notes. We have applied to have the notes admitted to the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market of the Luxembourg Stock Exchange ("Euro MTF"). These listing particulars include information on the terms of the notes, including redemption and repurchase prices, covenants and transfer restrictions.

These listing particulars constitute a prospectus for the purposes of the Luxembourg law dated July 10, 2005 (as amended). These listing particulars may only be used for the purpose for which they have been published.

Investing in the notes involves a high degree of risk. See "Risk Factors" beginning on page 26.

Issue price for the notes: 100.0%

plus accrued interest, if any, from the Issue Date.

These listing particulars do not constitute an offer to sell, or the solicitation of an offer to buy, securities in any jurisdiction where such offer or solicitation is unlawful. The notes have not been and will not be registered under the US federal or state securities laws or the securities laws of any other jurisdiction and may not be offered or sold within the US or to, or for the account or benefit of, US persons (as defined in Regulation S under the US Securities Act of 1933 ("Regulation S"), as amended (the "Securities Act")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Initial Purchasers named below are offering the notes only to "qualified institutional buyers" ("QIBs"), as defined in Rule 144A under the Securities Act ("Rule 144A"), in reliance on Rule 144A, and to persons outside the US in reliance on Regulation S. See "Notice to Investors" and "Transfer Restrictions" for further details about eligible offerees and resale restrictions.

The notes will be in registered form and will initially be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof and will only be transferable in minimum principal amounts of €100,000 and integral multiples of €1,000 in excess thereof. The notes are represented by one or more global notes, which have been delivered through Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream") on or about the Issue Date.

Joint Bookrunners

Deutsche Bank CaixaBank BBVA Bankia BNP PARIBAS BofA Merrill Lynch Santander Société Générale
Active Iberian
Bookrunner

Co-Managers

Banco Popular

Banco Sabadell

Commerzbank

The date of these listing particulars is July 14, 2016

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NOTICE TO INVESTORS

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED OR SOLD IN THE US OR TO US PERSONS. SEE “PLAN OF DISTRIBUTION” AND “TRANSFER RESTRICTIONS”. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF ANY SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in these listing particulars and, if given or made, any such information or representation must not be relied upon as having been authorized by the Issuer, any of its affiliates or the Initial Purchasers or their respective affiliates. These listing particulars do not constitute an offer of any securities other than those to which it relates or an offer to sell, or a solicitation of an offer to buy, to any person in any jurisdiction where such an offer or solicitation would be unlawful. Neither the delivery of these listing particulars nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or of Gestamp Automoción since the date of these listing particulars or that the information contained in these listing particulars is correct as of any time subsequent to that date.

By receiving these listing particulars, investors acknowledge that they have had an opportunity to request for review, and have received, all additional information they deem necessary to verify the accuracy and completeness of the information contained in these listing particulars. Investors also acknowledge that they have not relied on the Initial Purchasers in connection with their investigation of the accuracy of this information or their decision whether to invest in the notes.

The contents of these listing particulars are not to be considered legal, business, financial, investment, tax or other advice. Prospective investors should consult their own counsel, accountants and other advisors as to legal, business, financial, investment, tax and other aspects of a purchase of the notes. In making an investment decision, investors must rely on their own examination of the Issuer and its affiliates, the terms of the offering of the notes and the merits and risks involved.

The offering was made in reliance upon exemptions from registration under the Securities Act for an offer and sale of securities that does not involve a public offering. The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. If you purchase the notes, you will be deemed to have made certain acknowledgments, representations and warranties as detailed under “Transfer Restrictions”. The notes have not been and will not be registered with, recommended by or approved by the US Securities and Exchange Commission (the “SEC”) or any other US federal, state or foreign securities commission or regulatory authority, nor has the SEC or any such commission or regulatory authority reviewed or passed upon the accuracy or adequacy of these listing particulars. Any representation to the contrary is a criminal offense in the United States.

We have applied to have the notes admitted to the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF. In the course of any review by the competent authority, the Issuer may be requested to make changes to the financial and other information included in the offering memorandum dated May 4, 2016 to which these listing particulars relate. Comments by the competent authority may require significant modification or reformulation of information contained in the offering memorandum or may require the inclusion of additional information. The Issuer may also be required to update the information in the offering memorandum to reflect changes in our business, financial condition or results of operations and prospects. The application to have the notes admitted to the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF was not approved as of the Issue Date and we cannot guarantee that such application will be approved as of any date thereafter.

The Initial Purchasers and Deutsche Trustee Company Limited (the “Trustee”) make no representations or warranties, express or implied, as to the accuracy or completeness of the information contained in these listing particulars. Nothing contained in these listing particulars is, or shall be relied upon as, a promise or representation by the Initial Purchasers of the Trustee as to the past or future.

We have prepared these listing particulars solely for use in connection with the offer of the notes to QIBs under Rule 144A and to non-US persons (within the meaning of Regulation S) outside the United States under Regulation S.

The Issuer reserves the right to withdraw the offering of the notes at any time. The Issuer and the Initial Purchasers reserve the right to reject any offer to purchase the notes in whole or in part for any reason or for no reason and to allot to any prospective purchaser less than the full amount of the notes sought by such purchaser. The Initial Purchasers and certain related entities may acquire a portion of the notes for their own account.

The laws of certain jurisdictions may restrict the distribution of these listing particulars and the offer and sale of the notes. Persons into whose possession these listing particulars or any of the notes come must inform themselves about, and observe, any such restrictions. None of the Issuer, the Initial Purchasers, the Trustee or their respective representatives are making any representation to any offeree or any purchaser of the notes regarding the legality of any investment in the notes by such offeree or purchaser under applicable investment or similar laws or regulations. For a further description of certain restrictions on the offering and sale of the notes and the distribution of these listing particulars, see “Notice to Investors in the European Economic Area”, “Notice to Certain Other European Investors” and “Transfer Restrictions”.

To purchase the notes, investors must comply with all applicable laws and regulations in force in any jurisdiction in which investors purchase, offer or sell the notes or possess or distribute these listing particulars. Investors must also obtain any consent, approval or permission required by such jurisdiction for investors to purchase, offer or sell any of the notes under the laws and regulations in force in any jurisdiction to which investors are subject. None of the Issuer, its affiliates, the Trustee or the Initial Purchasers or their respective affiliates will have any responsibility therefor.

No action has been taken by the Initial Purchasers, the Issuer or any other person that would permit an offering of the notes or the circulation or distribution of these listing particulars or any offering material in relation to the Issuer or its affiliates or the notes in any country or jurisdiction where action for that purpose is required.

The notes will only be issued in fully registered form, in denominations of €100,000 and integral multiples of €1,000 in excess thereof. Notes sold to QIBs in reliance on Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the “Rule 144A Global Notes”). Notes sold to non-US persons outside the US in reliance on Regulation S will be represented by one or more global notes in registered form without interest coupons attached (the “Regulation S Global Notes” and, together with the Rule 144A Global Notes, the “Global Notes”). The Global Notes representing the notes will be deposited, on the Issue Date, with, or on behalf of, a common depository for the accounts of the Euroclear and Clearstream and registered in the name of the nominee of the common depository. Prior to the date that is 40 days after the later of the commencement of the offering or the Issue Date, beneficial interests in a Regulation S Global Note may not be able to be offered, sold or delivered to, or for the account or benefit of, US persons pursuant to restrictions under the US federal securities laws. See “Book-Entry, Delivery and Form”.

To the best of our knowledge and belief (having taken reasonable care to ensure that such is the case), the information contained in these listing particulars is in accordance with the facts in all material respects and does not omit anything likely to affect the import of such information in any material respect.

Prospective investors should rely only on the information contained in these listing particulars. None of the Issuer or the Initial Purchasers has authorized anyone to provide prospective investors with different information, and prospective investors should not rely on any such information. None of the Issuer, the Guarantors or the Initial Purchasers is making an offer of these notes in any jurisdiction where this offer is not permitted. Prospective investors should not assume that the information contained in these listing particulars is accurate as of any date other than the date on the front of these listing particulars. These listing particulars may only be used for the purposes for which they have been prepared.

IN CONNECTION WITH THIS ISSUE, DEUTSCHE BANK AG, LONDON BRANCH (THE “STABILIZING MANAGER”) (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION ON THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE

STABILIZING MANAGER) TO UNDERTAKE SUCH ACTION. SUCH STABILIZING ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES TAKES PLACE AND, IF BEGUN, MAY BE DISCONTINUED AT ANY TIME BUT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZING ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE “PLAN OF DISTRIBUTION”.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

These listing particulars have been prepared on the basis that all offers of the notes will be made pursuant to an exemption under Article 3 of Directive 2003/71/EC (the “Prospectus Directive”, as implemented in Member States of the European Economic Area (the “EEA”) and any amendments thereto, including Directive 2010/73/EV, from the requirement to produce and publish a prospectus for offers of the notes. Accordingly, any person making or intending to make any offer within the EEA of the notes should only do so in circumstances in which no obligations arise for us or any of the Initial Purchasers to produce a prospectus for such offer. Neither we nor the Initial Purchasers have authorized, nor do we or they authorize, the making of any offer of notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute a final placement of the notes contemplated in these listing particulars.

In relation to each Member State of the EEA that has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, an offer is not being made and will not be made to the public of any notes which are the subject of the offering contemplated by these listing particulars in that Relevant Member State, other than:

- (i) to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- (ii) to fewer than 150 natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive), subject to obtaining the prior consent of the Initial Purchasers nominated by the Issuer for any such offer; or
- (iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of the notes shall require us or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression “offer of the notes to the public” in relation to the notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

NOTICE TO CERTAIN OTHER EUROPEAN INVESTORS

Spain

This offering has not been registered with the *Comisión Nacional del Mercado de Valores* and therefore the notes may not be offered or sold or distributed to persons in Spain except in circumstances which do not qualify as a public offer of securities in Spain in accordance with article 35 of the Securities Market Act (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), as amended and restated, or pursuant to an exemption from registration in accordance with Royal Decree 1310/2005 as amended (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), and any regulations developing it which may be in force from time to time.

United Kingdom

These listing particulars are for distribution only to, and are directed solely at, persons who (i) are outside the United Kingdom, (ii) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”), (iii) are persons falling within Articles 49(2)(a) to (d) of the Financial Promotion Order or (iv) are persons to whom an invitation or inducement to engage in investment banking activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) in connection with the issue or sale of any notes may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). These listing particulars are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which these listing particulars relate is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on these listing particulars or any of their contents.

Grand Duchy of Luxembourg

These listing particulars have not been approved by and will not be submitted for approval to the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg (“Luxembourg”) for the purposes of a public offering or sale, in Luxembourg, of the notes or admission to the official list of the Luxembourg Stock Exchange (“LxSE”) and trading on the LxSE’s regulated market of the notes. Accordingly, the notes may not be offered or sold to the public in Luxembourg, directly or indirectly, or listed or traded on the LxSE’s regulated market, and neither these listing particulars nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except in circumstances which do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with the applicable Luxembourg law of July 10, 2005 on prospectuses for securities, as amended.

The Netherlands

For selling restrictions in respect of the Netherlands, see “—Notice to Investors in the European Economic Area” above and in addition:

Each Initial Purchaser has represented and agreed that it will not make an offer of the notes which are the subject of the offering contemplated by the offering memorandum to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless such offer is made exclusively to legal entities which are qualified investors (as defined in the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, the “NLFMSA”)) in the Netherlands.

For the purposes of this provision, the expressions (i) an “offer of the notes to the public” in relation to any notes in the Netherlands; and (ii) “Prospectus Directive”, have the meaning given to them above in the paragraph headed “—Notice to Investors in the European Economic Area.”

THESE LISTING PARTICULARS CONTAIN IMPORTANT INFORMATION WHICH YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.

USE OF TERMS AND CONVENTIONS

Unless otherwise specified or the context requires otherwise in these listing particulars:

- references to “2020 dollar notes” are to the \$350.0 million aggregate principal amount of 5.625% Senior Secured Notes due 2020 issued by the Issuer;
- references to “2020 euro notes” are to the €500.0 million aggregate principal amount of 5.875% Senior Secured Notes due 2020 issued by the Issuer;
- references to “2020 notes” are to the 2020 dollar notes and the 2020 euro notes, collectively;
- references to “Acek” are to our majority shareholder Acek, Desarrollo y Gestión Industrial, S.L. (formerly named Corporación Gestamp, S.L.);
- references to “Asia” are to China, India, South Korea, Japan, Thailand and Taiwan;

- references to “Bank of America loan” are to the facility agreement, dated March 21, 2012, entered into by, amongst others, the Company and Bank of America, N.A., Sucursal en España, for a maximum amount of €60.0 million;
- references to “CAGR” are to compound annual growth rate;
- references to “Collateral” are to share charges securing the notes (See “Summary—Summary corporate and financing structure” and “Description of the Notes—Security”);
- references to “Eastern Europe” are to Russia, Poland, Hungary, Slovakia, the Czech Republic and Turkey;
- references to “EU” are to the European Union;
- references to “EUR,” “euro(s),” “Euro(s),” and “€” are to the currency of those countries in the European Union that form part of the common currency of the euro;
- references to “Existing Debt Facilities” are to the Bank of America loan and our other interest bearing loans and borrowings that will remain in place after giving effect to the Refinancing Transactions (See “Description of Other Indebtedness—Existing Debt Facilities”);
- references to “GBP,” “pound(s)” and “£” are to the currency of the United Kingdom;
- references to “Gestamp,” “Gestamp Automoción,” “Parent Guarantor,” “we,” “us” and “our” are to Gestamp Automoción, S.A. together with its consolidated subsidiaries;
- references to “Gestamp Funding Luxembourg S.A.” and “Issuer” are to Gestamp Funding Luxembourg S.A., the issuer of the notes;
- references to “Grupo Acek” are to Acek together with its subsidiaries;
- references to “Guarantees” are to the unconditional guarantees of the notes to be granted by Gestamp Automoción and certain of its subsidiaries, more specifically set out in “Summary—Summary corporate and financing structure”;
- references to “Guarantors” are to the Parent Guarantor and its subsidiaries that will unconditionally guarantee the notes (See “Summary—The Offering—Guarantors”);
- references to “IFRS” are to the International Financial Reporting Standards promulgated by the International Accounting Standards Board and as adopted by the European Union;
- references to “Indenture” are to the indenture governing the notes and dated the Issue Date;
- references to “Initial Purchasers” are to Deutsche Bank AG, London Branch, CaixaBank, S.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco de Sabadell, S.A., Banco Popular Español, S.A., Banco Santander, S.A., Bankia, S.A., BNP Paribas, Commerzbank Aktiengesellschaft, Merrill Lynch International and Société Générale;
- references to “North America” are to the United States and Mexico;
- references to “notes” are to the €500.0 million 3.50% Senior Secured Notes due 2023 offered hereunder;
- references to “Refinancing Transactions” are to the issuance of the notes offered hereby and the application of proceeds as set out in “Use of Proceeds”;
- references to “Senior Facilities” are to the senior term facilities and the revolving credit facility made available under the Senior Facilities Agreement;
- references to “Senior Facilities Agreement” are to the senior facilities agreement dated April 19, 2013 as amended on May 8, 2013, May 2, 2014, December 10, 2014 and April 17, 2015, entered into between, among others, Gestamp Automoción as the company and an original borrower, the Issuer as an original borrower, various subsidiaries of Gestamp Automoción (including the Issuer) as original guarantors, the original lenders listed therein, Deutsche Bank AG, London Branch as agent and as security agent;
- references to “South America” are to Brazil and Argentina;
- references to “Tender Offer” are to the Issuer’s offer to purchase for cash any and all of the aggregate principal amount of the 2020 euro notes;

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

Please also refer to page 192 for a “Glossary of Technical Terms” used in these listing particulars.

FORWARD-LOOKING STATEMENTS

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

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

- economic downturns or continued or increased weakness in the global economy and restricted access to financing;
- continued uncertainties and challenging political conditions in Spain, the European economy and the euro;
- increased or more pronounced cyclicalities in the automobile industry;
- risks associated with foreign exchange fluctuations;
- the loss of customers and/or the inability to realize revenues;
- risks associated with investment in markets in which we expect growth;
- disruptions to the automotive supply chain;
- the inability for us or our customers or suppliers to obtain and maintain sufficient capital financing;
- risks related to a shift away from technologies in which we invest;
- volatility in raw material and energy prices;
- increased competition and/or shifts in demand for certain vehicles and products;
- our inability to offset price concessions or additional costs;
- the costs in relation to construction, maintenance and closing of plants, including mechanical failures, equipment shutdowns and interruptions to the supply of utilities;
- risks associated with the capital expenditure needs of our on-going operations;
- difficulties in connection with program launches and integration and consolidation;
- risks associated with acquisitions;
- risks associated with our joint ventures, certain of which we do not control;

- inaccuracies in our estimates of return on investment;
- risks associated with tax liability in the jurisdictions in which we operate;
- our international operations, including in relation to compliance with anti-corruption laws, regulations and economic sanctions programs;
- risks associated with the adequacy of our hedging arrangements;
- risks on the conduct of our business as a result of a failure to comply with restrictive covenants under our credit facilities;
- loss of key executives and availability of labor and workforce;
- changes in regulation;
- legal, regulatory, product liability and/or health and safety issues; and
- other risks and uncertainties inherent in our business and the world economy.

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

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

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial information and operational data

These listing particulars include our audited consolidated historical financial statements as of and for the years ended December 31, 2015, 2014 and 2013. In addition, we have presented certain summary historical financial information for the years ended December 31, 2012 and 2011, which have been derived from our audited consolidated financial statements as of and for the years ended December 31, 2012 and 2011. Our audited consolidated historical financial statements as of and for the years ended December 31, 2012 and December 31, 2011 are not included in these listing particulars. In order to enable investors to compare our financial results for the years ended December 31, 2014 and 2015 with our financial results for the year ended December 31, 2013, we have presented in these listing particulars, as required by IFRS, certain reclassified financial information as of and for the year ended December 31, 2013 after giving effect to IFRS 10 and IFRS 11 (as described in more detail below). All financial information presented as of and for years ended December 31, 2014 and 2015 has been presented giving effect to the adoption of IFRS 10 and IFRS 11.

Other financial data is included which is derived from our accounting records. We prepare our financial statements in euro. Unless otherwise indicated, all financial information in these listing particulars has been prepared in accordance with IFRS applicable at the relevant date. IFRS differs in certain significant respects from generally accepted accounting principles in the US.

See “Independent Auditors” for a description of the independent auditors’ report dated March 22, 2016 on our consolidated financial statements as of and for the years ended December 31, 2015, 2014 and 2013, which have been audited by Ernst & Young, S.L., independent auditors, as stated in their unqualified reports appearing herein on pages F-1 to F-129 of these listing particulars.

We have presented certain information in these listing particulars that are non-IFRS measures. As used in these listing particulars, this information includes “EBITDA”, which represents operating profit before amortization, impairment and depreciation. These listing particulars also contain other measures and ratios such as: EBITDA margin; capital expenditures, net payments on investments, cash, cash equivalents

and current financial assets; total financial debt; net financial debt; net financial expenses; and leverage and coverage ratios. See “Summary—Summary Consolidated Financial Data.”

We present these non-IFRS measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. In particular, we believe that EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA is used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions. To facilitate the analysis of our operations, this indicator excludes amortization, impairment and depreciation expenses from operating profit in order to eliminate the impact of general long-term capital investment. Although we are presenting this measure to enhance the understanding of our historical operating performance, EBITDA should not be considered an alternative to operating profit as an indicator of our operating performance, or an alternative to cash flows from operating activities as a measure of our liquidity. EBITDA as used in these listing particulars may not be calculated in the same manner as “Consolidated EBITDA”, which is calculated pursuant to the Indenture governing the notes as described under “Description of the Notes,” or for the purposes of any of our other indebtedness.

The information presented by EBITDA, other adjusted financial information and other pro forma financial data presented in these listing particulars is unaudited and has not been prepared in accordance with IFRS or any other accounting standards. We present these non-IFRS measures because we believe that they and similar measures are widely used by investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. In addition, the presentation of these measures is not intended to and does not comply with the reporting requirements of the SEC; compliance with its requirements would require us to make changes to the presentation of this information.

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

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

IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements

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

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

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

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

The Group decided to consider its interest in the companies Sungwoo Gestamp Hitech Pune Private, Ltd., Sungwoo Gestamp Hitech Chennai, Ltd., Gestamp Sungwoo Hitech (Chennai) Private, Ltd., GS Hot Stamping Co, Ltd., Jui Li Edscha Body Systems Co, Ltd., Jui Li Edscha Hainan Industry Enterprise Co. Ltd and Jui Li Edscha Holding Co, Ltd as joint-venture interests according to IFRS 11 and these companies came to be consolidated by the equity method.

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

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

Industry data

In these listing particulars, we rely on and refer to information regarding our business and the market in which we operate and compete. We have obtained this information from various third party sources, including providers of industry data, discussions with our customers and our own internal estimates. While we believe that industry publications, surveys and forecasts are reliable, they have not been independently verified, and neither we nor the Initial Purchasers make any representation or warranty as to the accuracy or completeness of such information set forth in these listing particulars.

In drafting these listing particulars, we used industry sources, including reports prepared by IHS, Inc. (“IHS”).

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Additionally, industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and in some instances state that they do not assume liability for such information. We cannot assure you of the accuracy and completeness of such information as we have not independently verified such information.

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

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

We cannot assure you that any of these assumptions are accurate or correctly reflect our position in the industry, and none of our internal surveys or information has been verified by any independent sources. Neither we nor the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this information. Some of the surveys or sources were compiled by our advisors and are not publicly available and accordingly may not be considered to be as independent as other third party sources.

EXCHANGE RATE AND CURRENCY INFORMATION

The following tables set forth, for the periods set forth below, the high, low, average and period end Bloomberg Composite Rate expressed as U.S. dollars per €1.00. The Bloomberg Composite Rate is a “best market” calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in these listing particulars. We make no representation that the U.S. dollar amounts referred to below could have been or could, in the future, be converted into euro at any particular rate, if at all.

The average rate for a year means the average of the Bloomberg Composite Rates on the last day of each month during a year. The average rate for a month or for any shorter period, means the average of the daily Bloomberg Composite Rates during that month, or shorter period, as the case may be.

The Bloomberg Composite Rate of the Euro on April 27, 2016 was \$1.1322 per €1.00.

	U.S. dollars per €1.00			
	High	Low	Average ⁽¹⁾	Period end
2013	1.3805	1.2544	1.3284	1.3789
2014	1.3925	1.2100	1.3285	1.2100
2015	1.2099	1.0496	1.1100	1.0866
	High	Low	Average ⁽²⁾	Period end
November 2015	1.1021	1.0560	1.0724	1.0560
December 2015	1.1015	1.0585	1.0894	1.0866
January 2016	1.0945	1.0746	1.0858	1.0831
February 2016	1.1330	1.0875	1.1101	1.0875
March 2016	1.1381	1.0853	1.1136	1.1381
April 2016 (through April 27, 2016)	1.1408	1.1222	1.1333	1.1322

(1) The average of the exchange rates on the last business day of each month during the relevant period.

(2) The average of the exchange rates on each business day during the relevant period.

SUMMARY

This summary highlights selected information contained in these listing particulars. In these listing particulars, we generally use “we,” “our” and other similar terms to refer to Gestamp Automoción and its consolidated subsidiaries. This summary should be read as an introduction to these listing particulars. It does not purport to be complete and is qualified in its entirety by, and should be read in conjunction with, the remainder of these listing particulars. Any decision by an investor to invest in the notes should be based on a thorough consideration of these listing particulars in their entirety, including “Risk Factors,” “Operating and Financial Review and Prospects” and our financial statements and related notes and information contained elsewhere in these listing particulars as well as the information referred to under “Where You Can Find More Information.”

Our Company

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

We offer our OEM customers a diverse product portfolio as a Tier 1 supplier of body-in-white (“Body-in-White”) and chassis (“Chassis”) structures and complex assemblies, opening systems and mechanisms (“Mechanisms”), as well as tooling and dies and other related services.

- *Body-in-White:* Our Body-in-White product portfolio includes large component parts and assemblies, such as hoods, roofs, doors, fenders and other high quality “Class A” surfaces and assemblies, which are used to create the visible exterior skin of an automobile. This product portfolio also includes structural and other crash-relevant products, such as floors, pillars, rails and wheel arches, which together with the exterior skin component parts and assemblies form the essential upper and under body (platform) structures of an automobile.
- *Chassis:* Our Chassis product portfolio consists of systems, frames and related parts, such as front and rear axles and links, control arms and integrated links, which link the body and the powertrain of an automobile and carry the load of the vehicle.
- *Mechanisms:* Our Mechanisms product portfolio consists of mechanical components such as hinges for doors, hoods, and trunk lids, door checks and door hinges that enable the user to open and shut the automobile’s hood, side and rear doors and lift-gates, as well as pedal systems and hand brakes. Mechanisms also include powered systems that allow automobile doors to open and close electrically and by remote activation.
- *Other products:* We design, engineer, manufacture, service and sell dies and tools in support of our customers. We also design, manufacture and sell presses.

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

We believe that we are one of the two leading suppliers of Body-in-White and Chassis products globally by combined revenue. In Body-in-White products, we believe that we are the clear market leader among individual suppliers in Western and Eastern Europe combined, and in South America. In Chassis products, we believe that we are number two in the market among individual suppliers in Western and Eastern Europe combined, and in South America. In Mechanisms products, we believe that we are the clear market leader in Western and Eastern Europe, and in South America, with estimated regional market shares between 40% and 50% in 2015.

Our expertise is in developing and producing light-weight components, which help our customers meet CO2 emissions targets while at the same time enhancing the safety features of their vehicles. We believe we are one of the very few truly global suppliers to OEMs in our product portfolio, with the capacity to meet the same high standards worldwide, either where the same vehicle model is produced in several regions, or where the same vehicle platform is used across different models globally. Our leading technologies, global

footprint and proven track record in executing complex projects set us apart from many of our competitors in the industry and have allowed us to secure strong relationships with almost all major global automakers, including Volkswagen AG (“Volkswagen”), Daimler AG (“Daimler”), the Renault-Nissan Alliance (“Renault Nissan”), Ford Motor Company (“Ford”), Peugeot Citroën (“PSA”), Bayerische Motoren Werke AG (“BMW”), General Motors Company (“General Motors”) and Fiat Chrysler Automobiles N.V. (“Fiat Chrysler”), each of which accounted for more than 5% of our component sales for the year ended December 31, 2015. In addition, our leading technologies have allowed us to rapidly grow our revenue with other OEMs, such as Jaguar Land Rover Limited (“Jaguar Land Rover”) and Honda Motor Company (“Honda”).

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

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

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

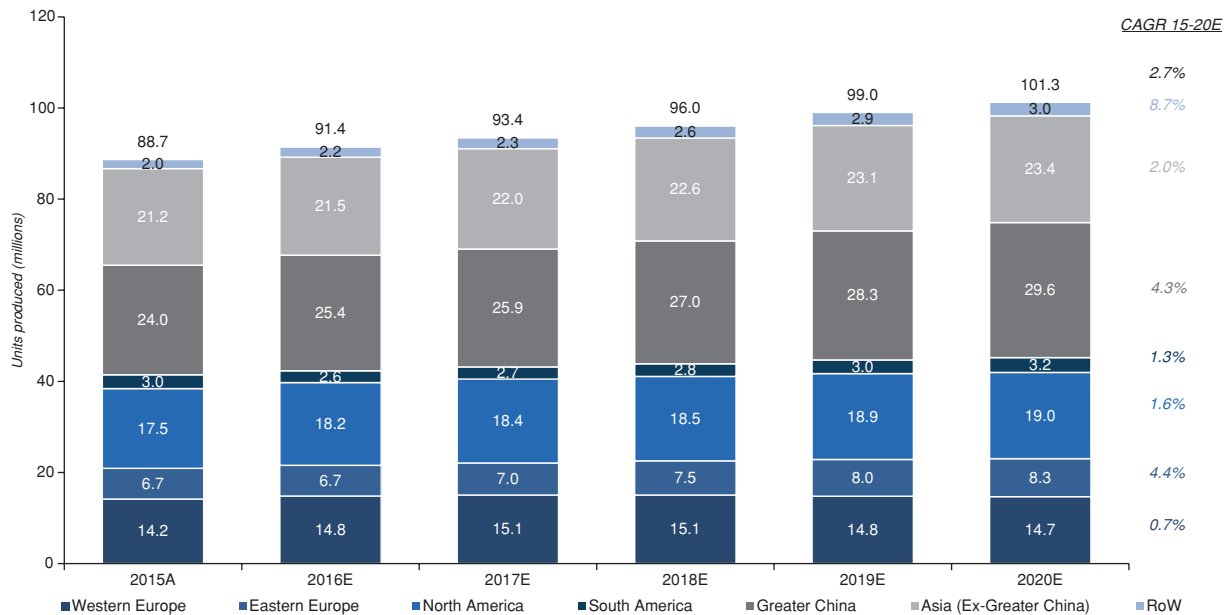
Our Market

Structure: The automotive industry designs, develops, manufactures, markets, sells and services motor vehicles which are classified into light vehicles and heavy commercial vehicles. The automotive production value chain is split between OEMs and automotive suppliers like us. The OEM market is concentrated with the 12 largest OEMs by production volume, accounting for more than 80% of global light vehicle production.

Automotive suppliers are generally less concentrated and are categorized into three different tiers. Tier 1 suppliers such as ourselves sell products directly to OEMs. Typically these products are large modules or systems which integrate components, sometimes sourced from Tier 2 automotive suppliers. Tier 2 suppliers in turn typically integrate products from a further layer of suppliers referred to as Tier 3 suppliers. Moreover, automotive suppliers may generally be characterized as (i) global or regional; (ii) focused on one OEM group or customer-diversified; or (iii) capable of product development or only able to “build-to-print”, i.e., active only in the production segment of the value chain. We are global, customer-diversified and capable of product development.

Growth: One of the factors influencing our revenue is the growth in vehicle sales and production. Although vehicle production growth rates tend to vary somewhat across geographical regions, global vehicle production as a whole has grown at a CAGR of over 3% over the past 10 years, registering only two year-over-year declines during that period, in 2008 and 2009. Even during the global financial crisis in 2008 and 2009, some regions proved more resilient than others, while some OEMs fared somewhat better than others. Global automotive suppliers with a diversified customer base, such as ourselves, may thereby experience less volatility in revenue and more stable growth than many of the OEMs.

The chart below shows the expected automotive production growth by key geographic region for the period between 2015 and 2020:



Source: IHS Automotive (April 2016).

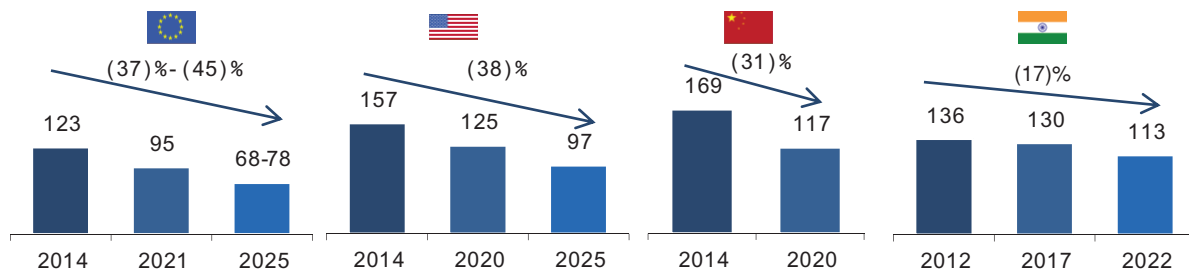
More recently, the automotive industry has recovered strongly from the decline in production and sales as a result of the financial crisis, albeit with regional variations. Global automotive unit production growth increased at a CAGR of 2.9% between 2012 and 2015. This increase has been primarily led by strong growth in Greater China, which increased at a CAGR of 9.1%, as well as a result of the steady momentum in North America and Western Europe, which increased at a CAGR of 4.3% and 4.0%, respectively. Going forward, global auto production growth is expected to sustain a steady increase, at an estimated CAGR of 2.7% in the period between 2015 and 2020. Growth during that period is expected to be led primarily by Greater China, the single-largest market globally, with an estimated increase of 4.3%, while other key geographies of Western Europe, North America and Eastern Europe are expected to grow at an estimated CAGR of 0.7%, 1.6% and 4.4%, respectively. South America and Asia (excluding Greater China), the two regions which recorded declines between 2012 and 2015, are also expected to return to growth, with an estimated CAGR of 1.3% and 2.0%, respectively, between 2015 and 2020.

Industry sources forecast that in the period between 2015 and 2020 there will be a higher CAGR with respect to sales in Brazil, Russia, India and China and in other emerging economies than the one experienced in more mature economies, such as those of Western Europe. Notwithstanding the recent declines in the Brazilian and Russian markets, Brazil, Russia, India and Greater China's combined automobile production is expected to increase at an estimated CAGR of 4.9% in the period between 2015 and 2020, compared to a CAGR of 2.7% in the global market during the same period. Primary drivers of this trend are expected to be rising disposable incomes, along with currently lower car ownership rates. In response to this, OEMs continue to develop their presence in these markets, resulting in an increased need for OEMs to establish supplier networks beyond their home markets. In certain of these markets, such as China, there is already significant demand for new, premium brand vehicle models. Nevertheless, vehicle demand in these emerging economies is predominantly for less advanced models with lower entry-level price points. The evolution of volume demand in these markets is taking place in parallel to an evolution of regulatory and industry standards modeled after those prevalent in mature economies. This trend not only offers automobile suppliers such as ourselves an opportunity to expand our business with our customers in these emerging markets, but it also is an indicator of the high predominance of steel over other more expensive materials, in the production of Body-in-White, Chassis and Mechanisms components in the industry for the foreseeable future.

Weight and emissions reduction; Technology; Safety: Automobile manufacturers, in order to meet evolving legal, regulatory and industry-standard requirements in the markets in which they operate, are increasingly focused on (i) weight and emissions reduction and (ii) the safety of passengers, other road users and pedestrians. The evolution of the regulatory environment has required automotive suppliers such as

ourselves to focus on the design and development of technologies to address the various regulations and to provide differentiated, cost-effective solutions. The focus on weight and emissions reduction has initially been more intense in Western Europe, where standards generally have been more stringent than in other markets, but is increasing in North America and other markets as regulatory and industry standards continue to evolve. The technological expertise in light-weighting and safety which we have developed in the European market is therefore increasingly in demand in other markets.

For example, in the EU, automakers face regulatory fines of €95 per every g/km if they do not achieve the CO₂ emission targets. The chart below shows the regulatory CO₂ fleet emission targets (in gallons per kilometer) by region for the period between 2014 and 2025:



This regulatory trend has also resulted in our OEM customers increasing their development focus on hybrid or EV as a potentially important means for them to reduce fleet emissions. We believe that EV will also benefit from light-weighting of the vehicle, extending the battery life by reducing power requirements, and that passenger safety will remain a priority among our OEM customers also for their EV.

Common platforms and global models: OEMs are increasingly designing vehicle models built on common but variable platforms which can be produced in high volumes. The use of common platforms allows OEMs to increase economies of scale across the value chain, differentiate their products from those of their competitors, expand the number of product segments in which they compete, extend the life of existing automobile platforms and remain responsive to changing lifestyle trends and customer tastes.

OEMs are also increasingly producing the same models, with minor variations, in different regions. For example, the Mercedes Benz Class C is manufactured in Europe, Asia and North America, while the BMW 3-Series is manufactured in Europe, Asia, Africa and South America.

This trend towards common platforms and global models provides automotive suppliers such as ourselves increased opportunities to supply larger volumes of products over longer time frames and to benefit from economies of scale. For example, the UKL (LU) platform, which is made for six different automobile models (with their different commercial variants), including BMW 1-Series, BMW 2-Series, BMW X1, Mini Clubman and Mini Countryman, was made by us in 11 different countries and is expected to reach peak annual production of 1.20 million vehicles in 2023. The MQB A0 platform is made for ten different automobile models (with their different commercial variants), including VW Polo, Seat Ibiza and Skoda Rapid and will be made in 13 different countries and is expected to reach peak annual production of 2.74 million vehicles in 2022. The CMP platform is made for ten different automobile models (with their different commercial variants), including Citroen C3 and Peugeot 2008 and 208 and will be made in 13 different countries and is expected to reach peak annual production of 1.20 million vehicles in 2023. The MFA platform is made for ten different automobile models (with their different commercial variants), including Mercedes-Benz Class A, Infiniti Q30 and Mercedes-Benz GLA and will be made in 11 different countries and is expected to reach peak annual production of 1.02 million vehicles in 2022.

Consolidation of suppliers: In order to take advantage of the operational economies of scale across the value chain, OEMs are increasingly relying on large, technically and financially strong global suppliers, capable of producing consistent and high-quality products across geographies, which in turn promote the consolidation of their supplier base. The OEMs we supply use a number of factors to select their suppliers including, among other things, quality, service (including location, service interruptions and on-time delivery), in-house R&D and technological capabilities, overall track record and quality of relationship with the OEM, production capacity, financial stability and price. In recent years, we have noticed that expertise in product development, an extensive geographical footprint, consistent and high quality production capability and diverse ancillary competencies tend to offset price-sensitivities among OEMs who appreciate the added-value inherent in these other factors. This has led to larger suppliers

growing their market share across various segments of the automotive industry which, in turn, increases their leverage with OEMs while also increasing profitability as a result of increased economies of scale.

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

Our Strengths

Technological leadership leveraged over a global footprint

One of the global trends in the automotive industry is the increased focus on innovative and technologically advanced products that seek to address the parallel concerns of improved safety for passengers and road users and weight and emissions reduction. Our R&D capabilities and technological leadership, combined with our global footprint, enable us to capitalize on the OEM customer needs evolving from these regulatory requirements.

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

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

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

Selected recent examples of our R&D success include the collaboration of our engineers with Honda in Japan, whereby we were able to provide Honda with key input in the design phase of a number of its vehicle components, demonstrating to its engineers the potential for our tailored material property press hardening technology to reduce weight and increase safety in a cost-effective manner. This co-development work significantly enhanced our relationship with Honda, generating combined product patents that are jointly shared among Gestamp and Honda, the eighth largest OEM by production volume in 2015. This led to new orders at our West Virginia plant in 2014 for components for the new Honda Civic, which launched

production in late 2015 and which also led to follow-on nominations in 2015 for components for the Honda CR-V (which is expected to launch by the end of 2016), as well as the Honda Accord (which is expected to launch in the second half of 2017). The Honda Civic, which won the 2016 North American Car of the Year Award, where safety is among the selection criteria, features our soft zone hot stamping technology. We also won the steel award in the area of US winners of the 2016 annual Great Designs in Steel (GDIS) Automotive Excellence Award for advanced high-strength steel innovations.

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

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

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

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

Supporting our innovative products and processes and in-house capabilities is the maintenance of rigorous quality management systems in all of our manufacturing plants and R&D facilities. Through regular internal audits we are able to ensure that our products and processes are monitored to the highest industry standards. We believe that these competencies and capabilities along the entire value chain, together with a high standardization of process equipment and process development, gives us a competitive advantage over many other suppliers. Full standardization, as shown by our own designed and manufactured press hardening equipment, is considered the basis for launching complex technologies with the highest quality requirement in the shortest time, offering as well technological back up strategies to reduce industrial risks.

Highly diversified revenue base across regions, customers and products

Diverse regional footprint

We have a geographically highly diversified global footprint with 95 production facilities in 20 countries over four continents as of December 31, 2015. Our customers often demand just-in-time and

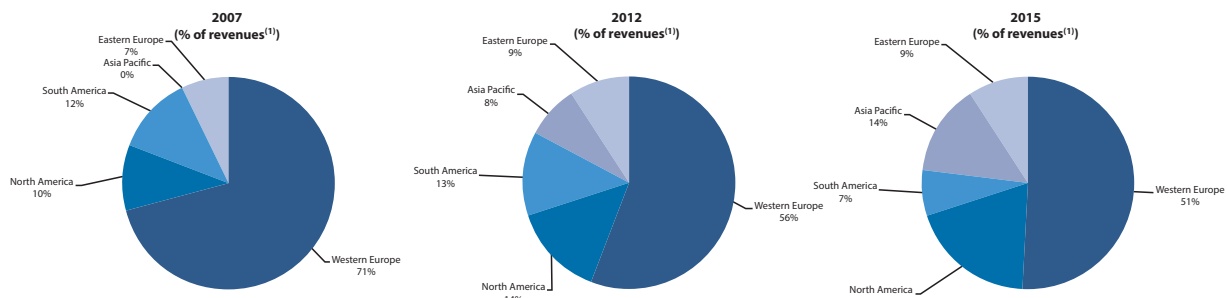
just-in-sequence component deliveries. Quality standards for many of the components we produce also require the distance travelled to the OEM to be minimized. These logistical and quality factors generally require that suppliers in our product segments be located close to OEMs' production facilities.

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

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

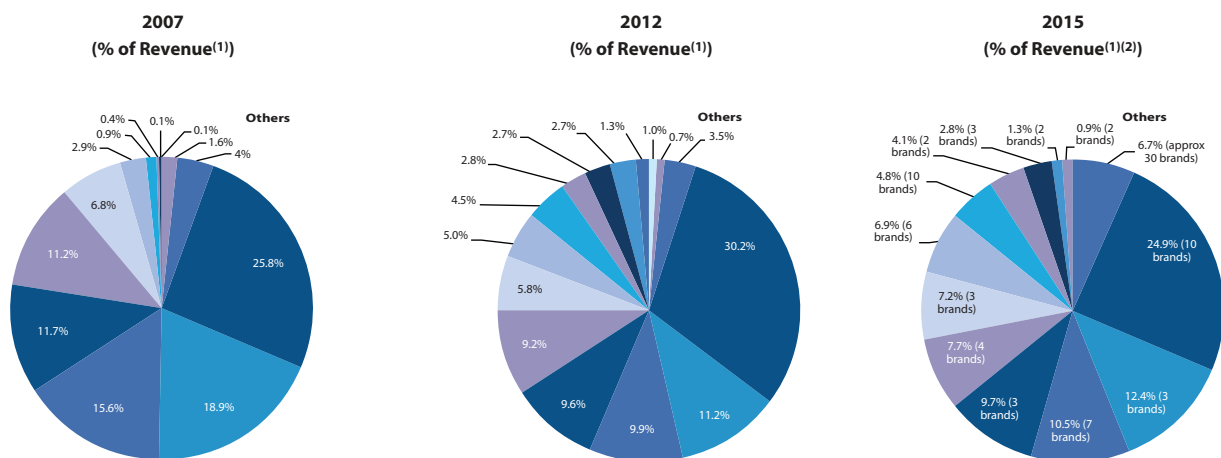
Our extensive geographic footprint also positions us to capitalize on growth in demand for our products from OEMs already established in a regional market (such as North American OEMs in North America or Western European OEMs in Europe), as well as from OEMs growing production outside their home markets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

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



(1) Based on manufacturing origin of sales.

Customer diversification



(1) Based on sales to OEMs (excluding tooling)

- (2) Our revenues derived from each of our three largest OEM customers in 2015 were spread across a number of brands within each OEM. Our revenues from our largest OEM customer were derived from ten unique brands, our revenues from our second largest OEM customer were derived from three unique brands and our revenues from our third largest OEM were derived from seven unique brands.

Source: Company

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

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

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

Diverse product portfolio

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

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

Leading market positions

We believe that we are one of the two leading suppliers of Body-in-White and Chassis products globally by combined revenue. In Body-in-White products, we believe that we are the clear market leader among individual suppliers in Western and Eastern Europe combined, and in South America. In Chassis products, we believe that we are number two in the market among individual suppliers in Western and Eastern Europe combined, and in South America. In Mechanisms products, we believe that we are the clear market leader in Western and Eastern Europe, and in South America, with estimated regional market shares between 40% and 50% in each region in 2015.

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

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

Our highly advanced technological capabilities, global manufacturing and managerial footprint, significant operational scale and track record of financial stability enable us to be one of the few suppliers in our product segment who can support an OEM during the early stages of product development. This ability to

support the development process of OEMs and act as an outsourcing partner to them globally is an important differentiator, especially on innovative product solutions, and would take significant investment and many years to attempt to replicate.

From operational, technical and logistical perspectives, OEMs often face substantial switching costs in replacing the supplier of a particular component or platform, particularly during the life cycle of a specific vehicle model, and the supplier of a particular car model is also often chosen for subsequent generations of that model. This is largely due to the long lead-time and significant investment required to set up the production and supply processes, and to the efficiencies and savings gained through experience with the manufacturing processes of particular products.

Our long-standing and collaborative relationships with OEMs, highly advanced technological capabilities, global manufacturing and managerial footprint, significant operational scale and track record of financial stability provide a competitive advantage over our competitors, entrench our strategic relationships with OEMs and encourage OEMs to entrust us with repeat and new business.

High revenue visibility, highly flexible cost-base and conservative risk profile

We have long-term and strategic relationships with our OEM customers. In our industry, once a project has been nominated to a preferred supplier, it is rare for an OEM to switch to another supplier, given the significant operational, technical and logistical costs of switching, particularly during the life cycle of a specific vehicle model. Given these factors, while the actual revenues which we derive from a project ultimately depend on our OEM customers' production volumes achieved for the respective car models, we have good visibility into mid-term revenues. Each year, most of our revenues are derived from projects that continue into following years, given that vehicle cycles last several years. Based on current expectations, we believe that approximately 85% of the revenues we expect in the period between December 31, 2015 and December 31, 2018 will be generated by orders already in hand by the end of 2015. In addition, we believe we have a strong track record of winning replacement business, including nominations for content on subsequent cycles of car models for which we already manufacture components.

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

We have a highly variable cost base, with limited exposure to raw material price volatility and limited maintenance capital expenditure once a project is ongoing. The primary raw material used in our business is steel, which in the last five years represented approximately 40% of our sales. While steel prices affect our revenue and costs, historically, our profit margins have not been significantly affected by changes in steel prices. Approximately 60% of our steel is typically purchased through OEM re-sale programs, under which an OEM customer negotiates directly with the steel suppliers the price of the steel that we use to manufacture components for that OEM. Such negotiated steel price is passed through to the OEM customer in the sale price of the automotive component. The remainder of our steel purchasing requirements are typically met through contracts with steel suppliers that we negotiate. Historically, we have negotiated with our OEM customers to pass through the increase or decrease in the steel price, eliminating significant volatility in our margins relating to volatility in steel prices. Due to our strong relationships with OEMs and the large steel volumes we acquire in the marketplace, we expect to be able to negotiate competitive steel contracts with suppliers and to pass through cost increases to our customers, thus stabilizing the effect on our results.

In addition to our limited exposure to raw material price volatility, we have a low operating leverage, with fixed costs accounting for less than 20% of our revenues in the year ended December 31, 2015. A significant part of our labor costs, which have represented between approximately 15% and 19% of our total annual sales in the last five years, are semi-variable in nature and can be adjusted to meet business needs.

Our conservative risk profile also derives from our areas of product focus. The automotive component segment in which we operate is highly independent of the type of motorization, irrespective of whether the vehicle is gasoline or diesel, internal combustion ("ICE") or EV, or hybrid. Therefore, we believe we are less exposed to the evolution of engine technology than other automotive suppliers. Moreover, our expertise in product development and manufacturing processes across a variety of materials reduces the risk of dependence on the success of any one type of material. Although the share of steel we use largely reflects the share of steel used by our OEM customers in the vehicles they produce, we use aluminum in

several of our plants to produce components for several of our OEM customers globally. We are a strategic partner for some important premium brands in aluminum chassis development, and we collaborate with them in light-weighting and aluminum technologies. We also use carbon fiber in numerous prototype development projects as part of our work on multi-material solutions for our customers. We are active in R&D with regard to new material applications and joining technologies and believe that we are well positioned as a multi-material solutions provider to employ the best combinations of steel, aluminum and all types of fiber components (or other materials such as carbon) for our OEM customers.

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

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

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

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

Our management team has a demonstrated track record of achieving long-term profitable growth through the economic cycle by maintaining double-digit EBITDA margins even during the global financial crisis in 2008 and 2009 and successfully integrating sizeable acquisitions in 2010 (Edscha) and in 2011 (ThyssenKrupp Metal Forming).

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

Our Strategies

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

Maintain and strengthen our technological leadership

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

Growth through continued enhancement of strategic relationships with our customers

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

Increase penetration of Asian OEMs

One of our key focus areas for future growth is in deepening supply relationships with Japanese OEMs outside of Japan. We see a trend of Japanese OEMs shifting more of their production base outside of Japan to be closer to the markets with growing demand for vehicles. In doing so, Japanese OEMs are more open to work with foreign suppliers. We also believe that our technological leadership, particularly with regard to press hardening structural components, offers alternatives to Japanese OEMs that are superior to what is available to them within their traditional supplier networks. Our recent content wins with Honda for our West Virginia plant on the Honda Civic, CR-V and Accord are an example of our successful penetration of Japanese OEMs, with Honda's contribution to our North American revenues expected to increase to 10% in the year ended December 31, 2016 from 2% in the year ended December 31, 2014.

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

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

Increase our share of the North American market

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

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

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

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

Focus on reliability and maintenance of a conservative risk profile

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

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

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

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

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

Optimize efficiency in the utilization of resources

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

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

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

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

Maintain and enhance our corporate social responsibility

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

Recent developments

Current Trading

We are in the process of finalizing our results for the three months ended March 31, 2016. Based on our management estimates and information currently available, we estimate that for the twelve months ended March 31, 2016 our revenue will be between approximately €7.0 billion and €7.2 billion and our EBITDA will be between approximately €770 million and €775 million. For the twelve months ended March 31, 2015 our revenue was €6.5 billion and our EBITDA was €684 million.

Our results for the twelve months ended March 31, 2016, compared to the twelve months ended March 31, 2015, benefited from increased sales to customers mainly in Germany, UK, North America and China and were partially offset by a decrease in sales in Brazil, Poland and Russia. The increase in sales is mainly due to the start of new projects related to tangible investments made in previous years.

Our EBITDA for the three months ended March 31, 2016 compared to the three months ended March 31, 2015, was benefited by our higher sales volume, which has not resulted in corresponding increases in our fixed costs structure, and hence has resulted in a better distribution of our fixed costs within our overall costs structure.

We anticipate that our revenues and EBITDA in the three months ended March 31, 2016 are in line with the amounts considered in our budgeting process.

This information is based solely on preliminary internal information used by management. Our actual and consolidated financial results for the three months ended March 31, 2016 may differ from our preliminary estimated results and remain subject to our normal end of period closing procedures and review process. Those procedures have not been completed. Accordingly, these results may change and those changes may be material. We caution that the foregoing information has not been audited or reviewed by our independent auditors and should not be regarded as an indication, forecast or representation by us or any

other person regarding our financial performance for the three months ended March 31, 2016, the six months ending June 30, 2016, the nine months ending September 30, 2016 or the full year ending December 31, 2016.

Refinancing Transactions

On the Issue Date, the Issuer will issue €500.0 million aggregate principal amount of notes.

In connection with the offering of the notes, we intend to make the Tender Offer for any and all of the 2020 euro notes. The Tender Offer is expected to expire on or about May 9, 2016 and the Tender Offer will settle on or about May 12, 2016. The Tender Offer will be conditional upon completion of the offering of the notes. If the issuance of the Notes is completed, to the extent that less than 100% of the outstanding 2020 euro notes are tendered and accepted for purchase pursuant to the Tender Offer, we intend to redeem or satisfy and discharge any remaining 2020 euro notes upon the terms and conditions set forth in the indenture of the 2020 notes.

We will apply the net proceeds of the offering of the notes, together with cash on balance sheet, (i) to repurchase or redeem the 2020 euro notes and (ii) to pay commissions, fees and expenses (including redemption premia) estimated at approximately €23.0 million in connection with the Refinancing Transactions. See “Use of Proceeds” and “Capitalization.”

In addition, we are in the process of negotiating an amendment of our Senior Facilities Agreement to provide, among other things, for an extension of the existing maturities, as well as an increase in commitments, for the purposes of refinancing the 2020 dollar notes currently outstanding and to further enhance the liquidity and maturity profile of our debt.

Shareholders and History

Our shareholders are the Riberas family, which hold, through Acek, Desarrollo y Gestión Industrial, S.L. (formerly Corporación Gestamp, S.L.) (“Acek”) and Risteel Corporation, B.V., 100% of the ordinary shares of Gestamp Automoción.

On February 1, 2016, Acek purchased ArcelorMittal’s 35% stake in Gestamp Automoción for a cash consideration of €875.0 million. The transaction is unconditional and payment has been deferred to the third quarter of 2016. ArcelorMittal will continue its supply relationship with Gestamp Automoción through its 35% stake in Gonvarri Corporación Financiera, S.L. (“Gonvarri”), a steel service center controlled by the Riberas family. Furthermore, ArcelorMittal will continue sit on the board of directors of Gestamp Automoción as an independent member and continue collaborating with us in automotive research and development. Acek intends to finance the payment of the purchase price for the acquisition of ArcelorMittal’s 35% stake in part through a new five year facility signed on April 27, 2016 with an average life of four years and with a margin in line with margins paid by Gestamp Automoción in its Senior Facility Agreement, which is subject to certain covenants (the “Acek Facility”). The Acek Facility is secured by a pledge over 35% of the shares of the Company, which shall decrease over time. The financing parties will have no recourse against the Company or its subsidiaries under the Acek Facility. See “Shareholders and Certain Transactions”.

Acek was incorporated as Corporación Gestamp, S.L. in 1989. Since its foundation, Acek has expanded its holdings to companies active in automotive components, through Gestamp Automoción and CIE Automotive, S.A., and renewable energy. Acek is wholly owned by the Riberas family who have been supportive of our vision, strategy and growth throughout our evolution. Our President is a member of the Riberas family. Acek operates in 30 countries and employs about 38,500 people worldwide. For the year ended December 31, 2015, Acek’s revenue was €9,094.0 million and its EBITDA was €1,270.1 million.

The Issuer and our Parent Company

Gestamp Funding Luxembourg S.A. is a wholly owned Luxembourg finance subsidiary of Gestamp Automoción incorporated in Luxembourg on April 11, 2013 under number B 176602 and with its registered office at 7A, rue Robert Stümper, L-2557 Luxembourg. The telephone number of the Issuer is +352 26 89 25 20.

Gestamp Automoción is a *sociedad anónima* registered in Spain under number A-48943864 and with its registered office in the industrial park of Lebario S/N 48220 in Abadiño, Spain. Gestamp Automoción is the parent company of the Issuer and our group. The telephone number of Gestamp Automoción

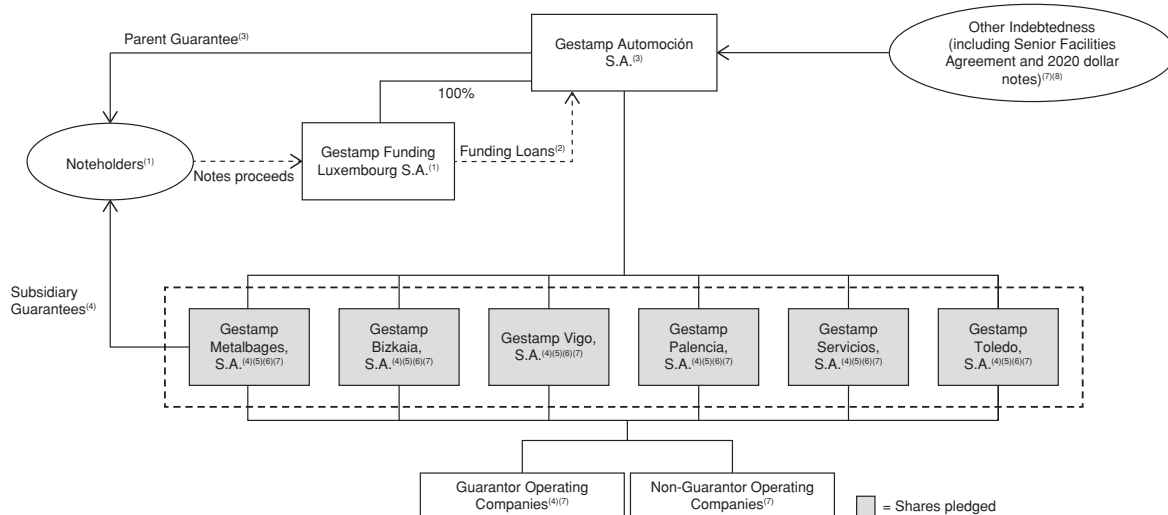
is +34 94 450 70 00. Gestamp Automoción was incorporated under the laws of Spain on December 22, 1997.

The Subsidiary Guarantors

Together with the Guarantee by Gestamp Automoción, the notes will be fully and unconditionally guaranteed on a senior basis by certain subsidiaries of Gestamp Automoción. For a list of Subsidiary Guarantors on the Issue Date, please see “—The Offering—Guarantors”.

Summary corporate and financing structure

The following diagram summarizes certain aspects of our corporate structure and financing after giving effect to the offering. For more information, see “Description of the Notes” and “Description of Other Indebtedness.”



- (1) The notes were issued by Gestamp Funding Luxembourg S.A. (the “Issuer”), a wholly owned Luxembourg finance subsidiary of Gestamp Automoción, S.A. (“Gestamp Automoción”). The Issuer has previously issued (i) €500.0 million aggregate principal amount of 5.875% Senior Secured Notes due 2020 (the “2020 euro notes”), all of which will be repurchased or redeemed in full and discharged in conjunction with the Refinancing Transactions, and (ii) \$350.0 million aggregate principal amount of 5.625% Senior Secured Notes due 2020 (the “2020 dollar notes” and, together with the 2020 euro notes, the “2020 notes”). We will apply the net proceeds of the offering of the notes, together with cash on balance sheet, (i) to repurchase or redeem the 2020 euro notes and (ii) to pay commissions, fees and expenses (including redemption premia) estimated at approximately €23.0 million in connection with the Refinancing Transactions. See “Use of Proceeds” and “Capitalization.” In connection with the offering of the notes, we made a Tender Offer for any and all of the 2020 euro notes. The Tender Offer expired on May 9, 2016 and the Tender Offer settled on May 12, 2016. See “—Refinancing Transactions.”
- (2) One or more funding loans in respect of the offered notes have been made by the Issuer to Gestamp Automoción. The funding loan has the same aggregate principal amount and repayment terms as the offered notes. The Issuer has previously made €500.0 million aggregate principal amount of funding loans in respect of the 2020 euro notes and \$350.0 million aggregate principal amount of funding loans in respect of the 2020 dollar notes to Gestamp Automoción. The 2020 euro notes funding loan has been repaid and cancelled in conjunction with the Refinancing Transactions. See “Use of Proceeds” and “Capitalization.”
- (3) The notes are unconditionally guaranteed by Gestamp Automoción.
- (4) Certain of Gestamp Automoción’s subsidiaries unconditionally guarantee the notes. For a list of these subsidiaries please see “Summary—The Offering—Guarantors.” The subsidiaries of Gestamp Automoción which guarantee the notes represent approximately 45.5% and 45.0% of our total consolidated assets and EBITDA, respectively, as of and for the year ended December 31, 2015. See “Risk Factors—Fraudulent conveyance laws may limit your rights as a holder of notes.”
- (5) The notes are secured by a charge over the shares of the entities identified. See “Description of the Notes—Security.”
- (6) The entities which are the subject of the share charges are all majority-owned by Gestamp Automoción. The remaining shares not owned by Gestamp Automoción are owned by Gestamp Servicios, S.A. and Gestamp Toledo, S.A. which has also pledged its holding in these entities in favor of the noteholders through share charges.
- (7) We have additional bank and other debt, which has been incurred and guaranteed by Gestamp Automoción and various of our subsidiaries, including subsidiaries guaranteeing the notes. As of December 31, 2015 after giving pro forma effect to the offering and the application of the proceeds therefrom we would have had €1,890.0 million of total financial debt, including the €500.0 million aggregate principal amount of the notes issued in the offering and the 2020 dollar notes. Subsidiaries of Gestamp

Automoción that will not guarantee the notes had €239.9 million of debt outstanding as of December 31, 2015 on a consolidated basis. See “Capitalization” and “Description of Other Indebtedness.”

- (8) The Senior Facilities Agreement provides for facilities of €850.0 million, split into term facilities of €570.0 million (of which €544 million remained outstanding as of December 31, 2015) and a revolving credit facility of €280.0 million. All liabilities owed under the Senior Facilities Agreement will rank *pari passu* with liabilities owed under the notes offered hereby. See “Description of Other Indebtedness—Senior Facilities Agreement.” The intercreditor relationships between the lenders under the Senior Facilities Agreement, the trustee on behalf of the holders of the notes, the trustee on behalf of the holders of the 2020 dollar notes and creditors under the Bank of America loan will be governed by the Intercreditor Agreement. See “Description of Other Indebtedness—Intercreditor Agreement.”

THE OFFERING

The summary below describes the principal terms of the notes. See “Description of the Notes” in these listing particulars for a more detailed description of the terms and conditions of the notes.

Issuer	Gestamp Funding Luxembourg S.A.
Notes Offered	€500.0 million aggregate principal amount of 3.50% senior secured notes due 2023 (the “notes”).
Maturity	The notes will mature on May 15, 2023.
Interest Rates and Payment Dates	We will pay interest on the notes semi-annually on May 15 and November 15 of each year, commencing November 15, 2016, at a rate of 3.50% per annum. Interest will accrue from the Issue Date.
Denominations	The notes were issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof.
Security	The notes are secured on a third-priority basis by a charge over the shares of certain subsidiaries of Gestamp Automoción. See “Description of the Notes—Security”. Notwithstanding the fact that the notes are secured by third-ranking pledges, pursuant to the Intercreditor Agreement, recoveries received upon enforcement of Collateral will be applied <i>pro rata</i> in repayment of liabilities in respect of the notes, the Senior Facilities Agreement and certain of the Existing Debt Facilities.
Guarantees	The notes are unconditionally guaranteed, jointly and severally, by the Guarantors. A Guarantee may be released in the event of certain sales or disposals of the relevant Guarantor, in the event of certain enforcement actions under the Intercreditor Agreement and under certain other circumstances. See “Description of the Notes—Release of the Note Guarantees.”
Guarantors	The Guarantors are Gestamp Automoción and the other operating and intermediate holding companies listed below. The subsidiaries of Gestamp Automoción guaranteeing the notes represent approximately 45.5% and 45.0% of our total consolidated assets and EBITDA, respectively, as of and for the year ended December 31, 2015.
	Edscha Automotive Hengersberg GmbH (Germany)
	Edscha Holding GmbH (Germany)
	Gestamp Griwe Westerborg GmbH (Germany)
	Gestamp Griwe Hot Stamping GmbH (Germany)
	Gestamp Griwe Haynrode GmbH (Germany)
	Edscha Automotive Hauzenberg GmbH (Germany)
	Gestamp Umformtechnik GmbH (Germany)
	Edscha Hengersberg Real Estate GmbH & Co. KG (Germany)
	Edscha Hauzenberg Real Estate GmbH & Co. KG (Germany)
	Edscha Engineering GmbH (Germany)
	Gestamp Servicios, S.A. (Spain)
	Gestamp Navarra, S.A. (Spain)
	Gestamp Bizkaia, S.A. (Spain)
	Gestamp Metalbages, S.A. (Spain)
	Edscha Santander, S.A. (Spain)
	Gestamp Esmar, S.A. (Spain)
	Gestamp Palencia, S.A. (Spain)
	Gestamp Abrera, S.A. (Spain)

Edscha Burgos, S.A.	(Spain)
Gestamp Solblank Barcelona, S.A.	(Spain)
Loire Sociedad Anónima Franco Española	(Spain)
Gestamp Aragón, S.A.	(Spain)
Gestamp Toledo, S.A.	(Spain)
Gestamp Linares, S.A.	(Spain)
Gestamp Vigo, S.A.	(Spain)
Gestamp Galvanizados, S.A.	(Spain)
Gestamp Levante, S.A.	(Spain)
Ingeniería Global Metalbages, S.A.U.	(Spain)
Gestamp Noury S.A.S.	(France)
Gestamp Ronchamp S.A.S.	(France)
Edscha Briey S.A.S.	(France)
Sofedit S.A.S.	(France)
S.C.I. de Tournan	(France)
Edscha Engineering France S.A.S.	(France)
Gestamp Prisma S.A.S.	(France)
Gestamp Hungaria KFT	(Hungary)
Gestamp Polska Sp z o o	(Poland)
Gestamp Wroclaw Sp z o o	(Poland)
Gestamp Aveiro-Indústria e Accesorios de Automóveis, S.A.	(Portugal)
Gestamp Cerveira, Lda.	(Portugal)
Gestamp Vendas Novas, Unipessoal, Lda.	(Portugal)
Edscha Automotive Kamenice s.r.o.	(Czech Republic)
Edscha Hradec s.r.o.	(Czech Republic)
Gestamp Louny s.r.o.	(Czech Republic)
Gestamp Tallent Limited	(England)
Gestamp Washington UK Limited	(England)
Edscha Velky Meder s.r.o.	(Slovakia)
Gestamp HardTech AB	(Sweden)
Gestamp Sweden AB	(Sweden)

Ranking of the Notes and Guarantees

The notes are the general senior obligations of the Issuer and rank equally in right of payment with all existing and future senior indebtedness of the Issuer. The notes rank senior in right of payment to any future obligations of the Issuer subordinated in right of payment to the notes. The notes are effectively subordinated to all obligations of the Issuer secured by property or assets that do not comprise part of the Collateral, to the extent of the value of the property or assets securing such obligations. The notes are structurally subordinated to any existing and future indebtedness of the subsidiaries of the Issuer that do not guarantee the notes.

The Guarantees of Gestamp Automoción, Gestamp Servicios, S.A. (“Gestamp Servicios”) and Gestamp Toledo, S.A. (“Gestamp Toledo”):

- rank equally in right of payment with any existing and future debt of Gestamp Automoción, Gestamp Servicios and Gestamp Toledo that is not subordinated in right of payment to its Guarantee;
- are effectively senior in right of payment to any existing and future unsecured debt of Gestamp Automoción, Gestamp Servicios and Gestamp Toledo to the extent of the value of the Collateral securing its Guarantee; and

- are structurally subordinated to all existing and future debt of any subsidiaries of Gestamp Automoción (other than the Issuer), Gestamp Servicios and Gestamp Toledo that do not guarantee the notes.

The Guarantee of each other Subsidiary Guarantor:

- ranks equally in right of payment with any existing and future unsecured debt of such Subsidiary Guarantor;
- ranks equally in right of payment with any existing and future debt of such Subsidiary Guarantor that is not subordinated in right of payment to its Guarantee; and
- is effectively subordinated to any secured debt of such Subsidiary Guarantor to the extent of the value of the assets securing such debt.

See “Description of Other Indebtedness—Intercreditor Agreement” for a description of certain terms affecting the notes and the Guarantees, including provisions relating to the release of Guarantees and turnover of proceeds following an enforcement event under the Intercreditor Agreement.

As of December 31, 2015, after giving pro forma effect to the Refinancing Transactions (i) we would have had outstanding €1,890.0 million of indebtedness, including the notes and the 2020 dollar notes and (ii) the subsidiaries of Gestamp Automoción that will not guarantee the notes would have had €239.9 million of debt. See “Description of Other Indebtedness”.

After giving pro forma effect to the Refinancing Transactions, the Issuer would have had no debt other than the notes and the 2020 dollar notes.

The Issuer is a special purpose finance subsidiary and has no assets or operations, other than in connection with the issuance of the 2020 notes and the notes offered hereby. Gestamp Automoción is a holding company conducting its operations primarily through its subsidiaries.

Intercreditor Agreement The notes are governed by the Intercreditor Agreement, dated May 10, 2013, entered into with, among others, the lenders under the Senior Facilities Agreement, the trustee of the 2020 dollar notes and the Bank of America loan. Pursuant to the terms of the Intercreditor Agreement, the holders of the notes and the secured Guarantees share on a *pro rata* basis recoveries received upon enforcement over any such share charges constituting Collateral, as well as any Guarantees, with the secured creditors under the Senior Facilities Agreement and the Bank of America loan.

Optional Redemption We may redeem all or part of the notes at any time on or after May 15, 2019 at the redemption prices described in “Description of the Notes—Optional Redemption”. At any time prior to May 15, 2019 we may also redeem all or part of the notes at a redemption price equal to 100% of the principal amount of the notes redeemed plus a “make whole” premium, plus accrued and unpaid interest and additional amounts, if any, to but excluding the date of redemption.

At any time prior to May 15, 2019 we may redeem up to 40% of the aggregate principal amount of the notes with the net cash proceeds from certain equity offerings at a redemption price equal to 103.50% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to but excluding the redemption date, provided that at least 60% of the aggregate principal amount of notes issued under the Indenture remain outstanding after the redemption.

Optional Tax Redemption The Issuer may redeem the notes in whole, but not in part, at any time, if changes in tax laws would require the Issuer to pay additional amounts on the notes. If the Issuer decides to redeem the notes following such a change in tax laws, the Issuer must redeem the notes at a price equal to the principal amount of the notes plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. See “Description of the Notes—Optional Tax Redemption”.

Additional Amounts All payments in respect of the notes or any Guarantee will be made without withholding or deduction on account of taxes unless required by law. If the Issuer or any Guarantor is required by law to withhold or deduct any amount for taxes imposed by a Relevant Taxing Jurisdiction (as defined herein) in respect of payments on the notes or any Guarantee, subject to certain exceptions, we will pay the additional amounts necessary so that the net amount received by the beneficial owners of notes after the withholding or deduction (including any withholding or deduction attributable to the additional amounts) will equal the amounts that would have been received had there been no deduction or withholding. See “Description of the Notes—Additional Amounts”.

Change of Control If we experience specific kinds of changes in control, we may be required to offer to repurchase the notes at a redemption price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest and additional amounts, if any. See “Description of the Notes—Repurchase at the Option of Holders—Change of Control”.

Certain Covenants The Indenture governing the notes, among other things, limits our ability to:

- incur or guarantee additional debt and issue preferred stock;
- make certain payments, including dividends or other distributions;
- make certain investments or acquisitions, including participating in joint ventures;
- prepay or redeem subordinated debt;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- enter into arrangements that restrict payments of dividends to us;
- sell assets, consolidate or merge with or into other companies;
- sell or transfer all or substantially all of our assets or those of our subsidiaries on a consolidated basis;

- issue or sell share capital of certain subsidiaries; and
- create or incur certain liens.

These covenants contain important exceptions, limitations and qualifications. See “Description of the Notes—Certain Covenants”.

Transfer Restrictions	The notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction and will not be so registered. The notes are subject to restrictions on transferability and resale. See “Transfer Restrictions”. Holders of the notes will not have the benefit of any exchange or registration rights.
Listing	We have applied for the notes to be admitted to the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF. There is no assurance that the notes will be listed and admitted for trading on the Euro MTF.
No Prior Market	Although application has been made to admit the notes to the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF in accordance with its rules, the notes will be new securities for which there will be no established market. Although the Initial Purchasers have informed us that they intend to make a market in the notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the notes will develop or be maintained.
Use of Proceeds	We will apply the net proceeds of the offering of the notes, together with cash on balance sheet, (i) to repurchase or redeem the 2020 euro notes and (ii) to pay commissions, fees and expenses (including redemption premia) estimated at approximately €23.0 million in connection with the Refinancing Transactions. See “Use of Proceeds” and “Capitalization.”
Trustee	Deutsche Trustee Company Limited.
Security Agent	Deutsche Bank AG, London Branch.
Paying Agent	Deutsche Bank AG, London Branch.
Registrar, Luxembourg Listing Agent and Transfer Agent	Deutsche Bank Luxembourg S.A.
Governing Law of the Indenture, the notes and the Guarantees	New York.
Governing Law for Security Documents relating to the Collateral	Spanish.
Governing Law of the Intercreditor Agreement	English.

SUMMARY CONSOLIDATED FINANCIAL DATA

Our summary consolidated historical financial data has been derived as follows: consolidated financial data as of and for each of the years ended December 31, 2015, 2014, 2013, 2012 and 2011, respectively, has been derived from our audited consolidated financial statements as of and for the years ended December 31, 2015, 2014, 2013, 2012 and 2011, respectively. Our audited consolidated financial statements as of and for the years ended December 31, 2015, 2014 and 2013 are included elsewhere in these listing particulars.

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

Also presented below is certain adjusted financial data and pro forma financial data which has been prepared to give pro forma effect to the Refinancing Transactions and the application of the proceeds therefrom as described under “Use of Proceeds”, in each case as if these events had occurred on December 31, 2015 with respect to balance sheet data, and on January 1, 2015 with respect to income statement data. The pro forma and adjusted financial data is for information purposes only, and does not purport to present what our results of operations and financial condition would have been had these transactions actually occurred on these dates, nor does it project our results of operations for any future period or our financial condition at any future date. While the adjusted financial data has been derived from historical financial information prepared in accordance with IFRS, such financial data contains financial measures other than those in accordance with IFRS and should not be considered in isolation from or as a substitute for our historical financial information.

Our summary consolidated financial data is presented in Euro and has been prepared in accordance with IFRS. You should read this summary consolidated financial data in conjunction with “Capitalization”, “Selected Consolidated Financial and Other Information”, “Operating and Financial Review and Prospects”, and the historical consolidated financial statements and the related notes included elsewhere in these listing particulars.

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

	Year ended December 31,					
	2011	2012	2013	2013 (restated)	2014	2015
	(€ millions)					
Consolidated Income						
Statement Data:						
Operating income	4,913.8	5,872.1	5,938.9	6,001.3	6,411.4	7,202.3
Revenue	4,774.6	5,757.3	5,788.7	5,853.3	6,255.8	7,034.5
Other operating income	36.6	91.8	133.2	133.3	126.6	156.9
Changes in inventories	102.6	23.0	17.0	14.7	29.0	10.9
Operating expenses	(4,607.0)	(5,532.0)	(5,647.5)	(5,699.3)	(6,073.9)	(6,802.1)
Raw materials and other consumables	(3,165.3)	(3,635.3)	(3,553.1)	(3,582.7)	(3,885.8)	(4,308.6)
Personnel expenses	(733.9)	(989.6)	(1,060.0)	(1,068.3)	(1,124.9)	(1,258.0)
Depreciation, amortization, and impairment losses . . .	(240.6)	(280.0)	(302.3)	(306.7)	(319.0)	(360.1)
Other operating expenses . . .	(467.3)	(627.2)	(732.1)	(741.6)	(744.2)	(875.4)
Operating profit	306.8	340.1	291.4	302.0	337.5	400.2
Finance income	10.0	7.3	19.3	18.5	9.6	13.3
Finance expenses	(72.5)	(87.5)	(137.3)	(138.9)	(138.6)	(121.8)
Exchange (losses)	(11.7)	(1.5)	(20.7)	(31.6)	(7.6)	(24.7)
Other ⁽¹⁾	(2.6)	4.1	(12.5)	(14.7)	(10.2)	(14.2)
Profit for the year from continuing operations	230.0	262.5	140.1	135.3	190.7	252.8
Income tax expense	(57.4)	(76.4)	(32.7)	(29.6)	(60.3)	(63.9)
Profit for the year	172.6	186.1	107.5	105.7	130.4	188.9
(Loss) from discontinued operations	—	—	—	—	(1.6)	—
(Loss) profit attributable to non-controlling interests . . .	(4.1)	(16.0)	5.6	8.3	(3.1)	(27.4)
Profit attributable to equity holders of the parent	168.5	170.1	113.1	114.0	125.7	161.5

	As of December 31,					
	2011	2012	2013	2013 (restated)	2014	2015
	(€ millions)					
Consolidated Balance Sheet Data:						
Intangible assets	197.4	215.1	276.4	275.9	311.6	359.4
Property, plant, and equipment	2,132.9	2,431.4	2,486.5	2,553.8	2,661.8	2,861.8
Non-current financial assets . .	52.0	60.8	100.7	114.8	76.8	57.7
Inventories	452.8	496.0	511.1	527.0	573.0	586.4
Cash and cash equivalents . . .	260.1	247.6	510.2	520.4	483.9	356.0
Trade and other receivables . .	1,016.3	1,003.8	1,094.7	1,127.8	1,057.5	1,194.7
Other ⁽²⁾	228.1	236.4	326.9	297.3	342.5	329.8
Total assets	4,339.6	4,691.1	5,306.5	5,417.0	5,507.1	5,745.7
Total equity	1,443.9	1,550.2	1,632.8	1,664.8	1,716.2	1,798.4
Non trade liabilities	862.2	1,119.1	1,705.5	1,785.9	1,725.3	1,674.2
Trade and other payables . . .	949.6	924.6	1,058.2	1,092.4	1,191.8	1,384.4
Other liabilities ⁽³⁾	1,083.9	1,097.2	910.0	873.9	873.8	888.7
Total liabilities	2,895.7	3,140.9	3,673.7	3,752.2	3,790.9	3,947.3
Year ended December 31,						
	2011	2012	2013	2013 (restated)	2014	2015
	(€ millions)					
Consolidated Cash Flow Information:						
Cash flows from operating activities	305.2	370.2	373.6	367.1	565.5	600.0
Cash flows from investing activities	(622.7)	(579.2)	(659.5)	(656.5)	(447.6)	(534.5)
Cash flows from financing activities	240.5	196.5	545.0	578.0	(178.9)	(199.1)
Effect of changes in exchange rates	(2.4)	(1.3)	3.5	(28.0)	24.5	5.7
Net (decrease) increase of cash or equivalent	(77.0)	(12.5)	262.6	260.6	(36.5)	(127.9)

	As of and for the year ended December 31,					
	2011	2012	2013	2013 (restated)	2014	2015
	(€ millions, except percentages and ratios)					
Other Financial Data:						
EBITDA ⁽⁴⁾	547.4	620.1	593.7	608.7	656.5	760.3
EBITDA margin	11.5%	10.8%	10.3%	10.4%	10.5%	10.8%
Capital expenditures ⁽⁵⁾	340.4	590.9	545.5	637.4	483.3	622.4
Changes in working capital . .	(129.6)	(84.4)	50.1	32.1	151.8	9.7
Net payments on investments ⁽⁶⁾	306.7	568.8	636.7	630.4	438.4	595.5
Dividends ⁽⁷⁾	(33.4)	(50.5)	(53.0)	(55.7)	(41.5)	(50.2)
Cash, cash equivalents and current financial assets	295.5	301.0	561.6	578.0	559.8	391.4
Total financial debt ⁽⁸⁾	1,329.7	1,598.8	2,022.0	2,110.2	1,969.5	1,884.5
Net financial debt ⁽⁸⁾	1,034.2	1,297.8	1,460.4	1,532.2	1,409.7	1,493.1
Net financial expenses ⁽⁹⁾	62.5	80.2	118.0	120.4	129.0	108.5
Ratio of net financial debt to EBITDA ⁽¹⁰⁾	1.9x	2.1x	2.5x	2.5x	2.1x	2.0x
Ratio of EBITDA to net financial expenses ⁽¹¹⁾	8.8x	7.7x	5.0x	5.1x	5.1x	7.0x

As of and for
the year
ended
December 31,
2015

(€ millions,
except ratios)

Pro Forma Financial Data:

EBITDA ⁽⁴⁾	760.3
Cash, cash equivalents and current financial assets ⁽¹²⁾	373.9
Pro forma net financial debt ⁽¹²⁾	1,516.1
Pro forma net financial expenses ⁽¹³⁾	97.0
Ratio of pro forma net financial debt to EBITDA ⁽¹⁴⁾	2.0x
Ratio of EBITDA to pro forma net financial expenses ⁽¹⁵⁾	7.8x

- (1) Consists of share of profits from associates, change in fair value of financial instruments and impairment of and gains (losses) on sale of financial instruments.
- (2) Consists of deferred tax assets, assets held for sale (which consist of assets and liabilities whose recovery is expected through sale and not through continued use, such as our stake in certain of our joint ventures), current financial assets and other current assets.
- (3) Consists of deferred income and tax liabilities, provisions and other current and non-current liabilities.
- (4) “EBITDA” represents operating profit before depreciation, amortization and impairment losses. Our management believes that EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA is used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions. EBITDA is also a measure commonly reported and widely used by analysts, investors and other interested parties in our industry. To facilitate the analysis of our operations, this indicator excludes amortization, impairment and depreciation expenses from operating profit in order to eliminate the impact of general long-term capital investment. Although we are presenting this measure to enhance the understanding of our historical operating performance, EBITDA should not be considered an alternative to operating profit as an indicator of our operating

performance, or an alternative to cash flows from operating activities as a measure of our liquidity. The following table presents the calculation of this measure:

	Year ended December 31,					
	2011	2012	2013	2013 (restated)	2014	2015
	(€ millions)					
Operating profit	306.8	340.1	291.4	302.0	337.5	400.2
<i>Adjusted for:</i>						
Depreciation, amortization and impairment losses	240.6	280.0	302.3	306.7	319.0	360.1
EBITDA	547.4	620.1	593.7	608.7	656.5	760.3

- (5) Capital expenditures mean expenditure on property, plant and equipment and on intangible assets.
- (6) We define net payments on investments as our actual net cash outlays for property, plant and equipment and intangible assets, taking into account increases and decreases in payables to our suppliers of property, plant and equipment and intangible assets, as well as proceeds from divestments of property, plant and equipment and intangible assets.
- (7) Dividends consist of the dividends paid by the Company to its shareholders. In 2016, a dividend of €49.0 million to the shareholders of the Company in lieu of 2015 net income is expected to be declared on or about June 30, 2016, and will be paid on or before July 31, 2016.
- (8) Total financial debt consists of interest-bearing loans and borrowings, financial leasing, borrowings from associated companies, loans from the Ministry of Science and Technology and other interest bearing loans but does not include derivative financial instruments, non-interest bearing loans, other current non-trade liabilities, deferred income, provisions, deferred tax liabilities, trade and other payables and other liabilities. Net financial debt consists of total financial debt less cash and cash equivalents and current financial assets. The following table presents a calculation of these measures:

	As of December 31,					
	2011	2012	2013	2013 (restated)	2014	2015
	(€ millions)					
Interest bearing loans and borrowings	1,232.2	1,378.1	1,717.6	1,746.6	1,764.8	1,730.9
Financial leasing	0.2	25.1	23.7	28.8	28.6	35.2
Borrowings from associated companies	74.6	121.5	192.1	246.2	99.4	79.0
Other interest bearing loans . .	—	39.5	30.3	88.6	76.7	39.4
Total financial debt	1,329.7	1,598.8	2,022.0	2,110.2	1,969.5	1,884.5
Cash and cash equivalents and current financial assets	295.5	301.0	561.6	578.0	559.8	391.4
Net financial debt	1,034.2	1,297.8	1,460.4	1,532.2	1,409.7	1,493.1

- (9) Net financial expenses consist of finance expenses less finance income.
- (10) Calculated by dividing net financial debt by EBITDA.
- (11) Calculated by dividing EBITDA by net financial expenses.
- (12) Pro forma cash, cash equivalents and current financial assets and pro forma net financial debt give pro forma effect to the Refinancing Transactions, as if they had occurred on December 31, 2015. See “Use of Proceeds,” and “Capitalization.”
- (13) Pro forma net financial expenses give pro forma effect to the Refinancing Transactions as described under “Use of Proceeds” as if they had occurred on January 1, 2015. Pro forma net financial expenses have been calculated (i) by adding to net financial expenses for the period the estimated financial expenses associated with the notes, and (ii) by deducting from financial expenses the financial expenses associated with the 2020 euro notes. See “Use of Proceeds,” and “Capitalization”. See also footnote (9) above.
- (14) Calculated by dividing pro forma net financial debt by EBITDA.
- (15) Calculated by dividing EBITDA by pro forma net financial expenses.

RISK FACTORS

An investment in the notes involves a high degree of risk. You should carefully consider the following risks, together with the other information provided to you in these listing particulars, in deciding whether to invest in the notes. The occurrence of any of the events discussed below could be detrimental to our financial performance. If these events occur, the trading price of the notes could decline, the Issuer may not be able to pay all or part of the interest or principal on the notes, and you may lose all or part of your investment. Additional risks not currently known to us or the Issuer or which are presently deemed immaterial may also harm us or the Issuer and affect your investment.

These listing particulars contain “forward-looking” statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in such forward-looking statements. Factors that might cause such differences include those discussed below. See “Forward-looking statements.”

In these “Risk factors,” the terms “Group,” “we,” “us” and “our” refer collectively to the Gestamp Automoción and its direct and indirect subsidiaries, unless otherwise indicated or the context so requires.

Risks related to our Business

Economic downturns or a worsening of global economic and political conditions could have a material adverse effect on our profitability.

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

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

If the global economy were to take another significant downturn, depending upon its length, duration and severity, our business, financial condition, results of operations and cash flow would again be materially adversely affected.

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

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

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

For example, following the Conservative party win in the U.K. General Election on May 7, 2015, the U.K. Government has promised to hold an in-or-out referendum on the U.K.’s membership within the EU. The referendum is expected to take place on June 23, 2016. If the referendum results in a U.K. exit from the EU, a process of negotiation would determine the future terms of the U.K.’s relationship with the EU, which could, in turn, undermine confidence in the overall stability of the European Economic Area. These

and other potential developments, or market perceptions concerning these and related issues, could have adverse consequences for us with respect to our outstanding debt obligations that are euro-denominated and, as we have a substantial amount of debt denominated in euro, our financial condition may be materially affected.

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

In addition, despite our global presence, Spain is still a significant market for our business, representing 22% of our EBITDA. While Spain's economy has been gradually improving since 2013, Spain experienced a significant economic downturn between 2008 and 2012. The unemployment rate, while improving in relative terms, was reported to be 20.90% in December 2015 and gross domestic product contracted in 2012 and 2013 before making a modest recovery in 2014 and 2015. In addition, in the recent general elections held on December 20, 2015 no party obtained an outright majority sufficient to form a stable government, and new elections have been called. This political uncertainty may impact the Spanish economic recovery and affect Spain's economic growth.

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

In these circumstances, many of the risks faced by the automotive industry and our business could intensify, which could have a material adverse effect on our business, financial condition, results of operations and cash flows as well as negatively impact our access to, and cost of, capital.

The automobile industry is highly cyclical and cyclical downturns in our business segments negatively impact our business, financial condition, results of operations and cash flows.

The volume of automotive production and the level of new vehicle purchases regionally and worldwide are cyclical and have fluctuated, sometimes significantly from year-to-year. These fluctuations are caused by such factors as general economic conditions, interest rates, consumer confidence, consumer preferences, patterns of consumer spending, fuel costs and the automobile replacement cycle, and such fluctuations give rise to changes in demand for our products and may have a significant adverse impact on our results of operations.

The highly cyclical and fluctuating nature of the automotive industry presents a risk that is outside our control and that cannot be accurately predicted. While we mitigate cyclicity by diversifying our businesses geographically there is no assurance that this will be sufficient. Moreover, a number of factors that we cannot predict can and have impacted cyclicity in the past. Decreases in demand for automobiles generally, or in the demand for our products in particular, could materially and adversely impact our business, financial condition, results of operations and cash flows.

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

Although our reporting currency is the Euro, a portion of our sales and operating costs are realized in other currencies, such as the U.S. Dollar, the pound sterling, the Chinese Yuan, the Russian Ruble, the Brazilian Real, the Argentinian Peso, the Turkish Lira, the Mexican Peso, the Indian Rupee, the Czech Corona, the Polish Zloty, Swedish Crown, Hungarian Forint, Korean Won, Japanese Yen and Thai Baht. In the year ended December 31, 2015, €4,181.8 million of our revenues (which represented approximately 59.4% of our revenue for that period), on a consolidated basis, were generated in currencies other than the Euro.

We are subject to risk if the foreign currency in which our costs are paid appreciates against the currency in which we generate revenues because the appreciation effectively increases our cost in that country. The financial condition, results of operations and cash flows of some of our operating entities are reported in foreign currencies and then translated into Euros at the applicable foreign exchange rate for inclusion in our consolidated financial statements. As a result, appreciation of the Euro against these foreign currencies generally will have a negative impact on our reported revenues and profits while depreciation of the Euro against these foreign currencies will generally have a positive effect on reported revenues and profits.

Significant long-term fluctuations in relative currency values, in particular a significant change in the relative values of the U.S. Dollar, the pound sterling, the Chinese Yuan, the Russian Ruble, the Brazilian Real, the Argentinian Peso, the Turkish Lira, the Swedish Crown and the Mexican Peso could have an adverse effect on our profitability and financial condition and any sustained change in such relative currency values could adversely impact our competitiveness in certain geographic regions.

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

In jurisdictions where the prevailing currency is subject to significant volatility, we seek to nominate an alternative functional currency in the contracts we enter into, typically either the Euro or U.S. Dollar, to seek to minimize the impact of any exchange rate fluctuations. In the year ended December 31, 2015, we had a negative impact on our balance sheet of €28.0 million as a result of foreign exchange rate translations to our reporting currency.

We are dependent on large customers for current and future revenues. The loss of any of these customers or the loss of market share by these customers could have a material adverse impact on us.

Although we supply our products to several of the leading automobile manufacturers, as is common in our industry we depend on certain large-value customers for a significant proportion of our revenues. For example, during 2015, our top three customers, represented an aggregate of approximately 47.9% of our revenues. The loss of all or a substantial portion of our sales to any of our large-volume customers could have a material adverse effect on our business, financial condition, results of operations and cash flows by reducing cash flows and by limiting our ability to spread our fixed costs over a larger revenue base. We may make fewer sales to these customers for a variety of reasons, including, but not limited to:

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

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

Additionally, financial difficulties experienced by any major customer could have a material adverse impact on us if such customer were unable to pay for the products we provide, materially reduced its capital expenditure on, and resulting demand for, new product lines, or we otherwise experienced a loss of, or material reduction in, business from such customer.

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

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

Our inability to realize revenues represented by our awarded business or termination or non-renewal of production purchase orders by our customers could materially and adversely impact our business, financial condition, results of operations and cash flows.

The realization of future revenues from awarded business is inherently subject to a number of important risks and uncertainties, including the number of vehicles that our customers will actually produce and the timing of that production.

Typically the terms and conditions of the agreements with our customers do not include a commitment regarding minimum volumes of purchases from us. In addition, such contracts typically provide that customers have the contractual right to unilaterally terminate our contracts with them with no notice or limited notice. If such contracts are terminated by our customers, our ability to obtain compensation from our customers for such termination is generally limited to the direct out-of-pocket costs that we incurred for raw materials and work-in-progress and in certain instances undepreciated capital expenditures. Further, there is no guarantee that our customers will renew their purchase orders with us. We cannot assure you that our results of operations will not be materially adversely impacted in the future if we are unable to realize revenues from our awarded business, if our customers cancel awarded business or if our customers fail to renew their contracts with us.

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

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

Disruptions in the automotive supply chain could have a material adverse impact on our business, financial condition, results of operations and cash flows.

The automotive supply chain is subject to disruptions because we, along with our customers and suppliers, attempt to maintain low inventory levels. In addition, our plants are typically located in close proximity to our customers.

Disruptions could be caused by a multitude of potential problems, such as closures of one of our or our suppliers' plants or critical manufacturing lines due to strikes, mechanical breakdowns, electrical outages, fires, explosions or political upheaval, as well as logistical complications due to weather, earthquakes, or other natural or nuclear disasters, mechanical failures, delayed customs processing and more.

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

The inability for us, our customers or our suppliers to obtain and maintain sufficient capital financing, including working capital lines, and credit insurance may adversely affect our, our customers' and our suppliers' liquidity and financial condition.

Our working capital requirements can vary significantly, depending in part on the level, variability and timing of our customers' worldwide vehicle production and the payment terms with our customers and suppliers. Our liquidity could also be adversely impacted if our suppliers were to suspend normal trade credit terms and require payment in advance or payment on delivery. If our available cash flows from operations are not sufficient to fund our ongoing cash needs, we would be required to look to our cash balances and availability for borrowings under our credit facilities to satisfy those needs, as well as potential sources of additional capital, which may not be available on satisfactory terms and in adequate amounts, if at all.

There can be no assurance that we, our customers and our suppliers will continue to have such ability. This may increase the risk that we cannot produce our products or will have to pay higher prices for our inputs. These higher prices may not be recovered in our selling prices.

Our suppliers often seek to obtain credit insurance based on the strength of the financial condition of our subsidiary with the payment obligation, which may be less robust than our consolidated financial condition. If we were to experience liquidity issues, our suppliers may not be able to obtain credit insurance and in turn would likely not be able to offer us payment terms that we have historically received. Our failure to receive such terms from our suppliers could have a material adverse effect on our liquidity.

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

Our business requires a high level of technical expertise for the development and manufacture of our products. We invest in technology and innovation which we believe will be critical to our long-term growth and we need to continually adapt our expertise in response to technological innovations, industry standards, product instructions and customer requirements. Our ability to anticipate changes in technology and to successfully develop and introduce new and enhanced products or manufacturing processes on a timely basis will be a significant factor in our ability to remain competitive. New technologies or changes in industry and customer requirements may render one or more of our current offerings obsolete, excessively costly or otherwise unmarketable. If there is a shift away from the use of technologies in which we are investing, our costs may not be fully recovered. We may be placed at a competitive disadvantage if other technologies emerge as industry-leading technologies, which could have a material adverse effect on our prospects for growth, profitability and financial condition.

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

The primary raw material used in our business is steel, which in the last five years has represented approximately 40% of our sales. Approximately 60% of our steel is typically purchased through OEM re-sale programs, with the remainder of our steel purchasing requirements are typically met through contracts with steel suppliers that we negotiate.

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

We typically sell scrap steel in secondary markets in which, typically, the price of scrap steel fluctuates in line with fluctuations in steel prices. We generally share our recoveries from sales of scrap steel with our OEM customers either through scrap sharing agreements, in cases where we are on resale programs, or in the product pricing that we negotiate with OEMs regarding increases and decreases in the steel price in cases where we purchase steel directly from the mills. We may be impacted by the fluctuation in scrap steel prices, either positive or negative, in relation to our various customer agreements. While the cost of energy and raw materials has recently been subject to a significant decline since early 2015, if costs of raw materials and energy rise, and if we are not able to undertake cost saving measures elsewhere in our

operations or increase the selling prices of our products, we will not be able to compensate such cost increases, which could have a material adverse effect on our business, financial condition and results of operations.

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

The automotive parts industry is highly competitive. Although the overall number of competitors has decreased due to ongoing industry consolidation, we face significant competition within each of our major product areas, including from new competitors entering the markets that we serve and OEMs that may seek to integrate vertically. The principal competitive factors include product quality, ability to manage complex projects, R&D competences, geographical footprint, process technology competences, tooling competences, price, financial stability and partnership in the consolidation and rationalization of the global automotive supply base. We cannot assure you that competition will not have a material adverse effect on our business by reducing our ability to increase or maintain sales and profit margins.

We principally compete for new business projects at the beginning of the development of new models and upon the redesign of existing models by major OEM customers. In some cases, a number of our major OEM customers manufacture products that we currently produce, thereby eliminating an opportunity for us to bid for the production. New model development generally begins three to five years prior to the marketing of such models to the public. Redesign of existing models begins during the life cycle of a platform, usually at least two to three years before the end of the platform's life cycle. The failure to obtain new business projects on new models or to retain or increase business projects on redesigned existing models, could adversely affect our business, financial condition, results of operations, and cash flows. In addition, as a result of the relatively long lead times required for many of our structural components, it may be difficult in the short-term for us to obtain new revenues to replace any unexpected decline in the sale of existing products.

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

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

Our inability to offset price concessions or additional costs from our customers could have an adverse effect on our profitability.

We face ongoing pricing pressure, as well as pressure to absorb costs related to product design, engineering and tooling, as well as other items previously paid for directly by OEMs. Typically, in line with industry practice, our customers benefit from price reductions during the life cycle of a contract. We expect to offset these price concessions by achieving production efficiencies, however, we cannot guarantee that we will do so. If we fail to achieve production efficiencies to fully offset price concessions or do not otherwise offset such price concessions, our profitability and results of operations would be adversely affected.

We may incur material costs related to plant closings, which could have a material adverse impact on our business, financial condition, results of operations and cash flows.

If we are forced to close manufacturing locations because of loss of business or consolidation of manufacturing facilities, the employee severance, asset retirement and other costs, including reimbursement costs relating to public subsidies, to close these facilities may be significant. In certain locations that are subject to leases, we may continue to incur material costs consistent with the initial lease terms. We continually attempt to align production capacity with demand; therefore, we cannot assure you that additional plants will not have to be closed.

The construction and maintenance of our facilities entails certain risks.

The construction and maintenance of our facilities entails certain difficulties, both from a technical perspective as well as in terms of the timing of the various construction phases. A number of problems may arise in relation to our facilities, such as interruptions or delays due to failed deliveries by suppliers or

manufacturers, problems with connecting to the utilities networks, construction faults, problems linked to the operation of equipment, adverse weather conditions, unexpected delays in obtaining or sourcing permits and authorizations, or longer-than-expected periods for technical adjustments. The additional costs that may arise in the maintenance of facilities may adversely affect our business operations, financial position and operational results.

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

We are subject to mechanical failure and equipment shutdowns which may be beyond our control. If a section of one of our facilities is damaged or shuts down, it could cause a mechanical failure or equipment shutdown in other components of such facility. If such events occur, our production capacity may be materially and adversely impacted. In the event that we are forced to shut down any of our sites for a significant period of time, it would have a material adverse effect on our business operations, financial position and operational results.

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

We are reliant upon a continuous and uninterrupted supply of electricity, gas and water to our facilities to ensure the continued operation of our production lines and supply chain. An interruption to the supply of any of these utilities, even in the short term, including but not limited to a trip in the electricity grid, a gas leak or issues with local water mains, could cause equipment shutdowns, mechanical failures and/or damage to our facilities and equipment which could materially and adversely impact our business operations, financial position and operational results.

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

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

Our profitability may be adversely affected by program launch difficulties.

From time to time we are awarded new or takeover business by our customers. The launch of new business is a complex process, the success of which depends on a wide range of factors, including the production readiness of our and our suppliers' manufacturing facilities and manufacturing processes, as well as factors related to tooling, equipment, employees, initial product quality and other factors. Our failure to successfully launch material new or takeover business could have an adverse effect on our profitability.

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

We have a history of making strategic acquisitions and divestitures and in the future we may consider and make further strategic acquisitions of suitable acquisition candidates in markets where we currently operate as well as in markets in which we have not previously operated. We may also consider and make strategic divestitures where this is in line with our strategy.

However, we may not be able to identify suitable acquisition candidates in the future, or may not be able to finance such acquisitions on favorable terms. We may lack sufficient management, financial and other resources to successfully integrate future acquisitions or to ensure that such future acquisitions will perform as planned or prove to be beneficial to our operations. Acquisitions and divestitures involve numerous other risks, including the diversion of our management's attention from other business concerns, undisclosed risks impacting the target and potential adverse effects on existing business relationships with current customers and suppliers. In addition, any acquisitions or divestitures could impact our financial position, cash flow or create dilution for our stockholders. In certain transactions, our acquisition analysis includes assumptions regarding the consolidation of operations and improved operating cost structures for the combined operations. Such synergies or benefits may not be achieved on the assumed time schedule or

in the assumed amount, if at all. Any future acquisitions may result in significant transaction expenses, unexpected liabilities and risks associated with entering new markets in addition to the integration and consolidation risks.

As a result of our acquisitions or divestments, we may assume continuing obligations, deferred payments and liabilities. Any past or future acquisitions may result in exposure to third parties for liabilities, such as liability for faulty work done by the acquired business and liability of the acquired business or assets that may or may not be adequately covered by insurance or by indemnification, if any, from the former owners of the acquired business or assets. The occurrence of any of these liabilities could have a material adverse effect on our business and results of operations.

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

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

Further, we do not control or have a majority interest in certain other of our joint ventures. For example, we are part of a Turkish joint venture in Beyçelik in which we have a 50% interest. We also hold 50% interests in several entities in India and China. There can be no assurance that the arrangements will be successful and/or achieve their planned objectives. The performance of all such operations in which we do not have a controlling interest will depend on the financial and strategic support of the other shareholders. Such other shareholders may make ill-informed or inadequate management decisions, or may fail to supply or be unwilling to supply the required operational, strategic and financial resources, which could materially adversely affect these operations. If any of our strategic partners were to encounter financial difficulties, change their business strategies or no longer be willing to participate in these strategic partnerships, joint ventures and alliances, our business, financial condition and results of operations could be materially adversely affected.

Moreover, in some of these businesses, we may not have the power to control the payment of dividends or other distributions, so even if the business is performing well, we may not be able to receive payment of our share of any profits. Finally, there could be circumstances in which we may wish or be required to acquire the ownership interests of our partners, and there can be no assurance that we will have access to the funds necessary to do so, on commercially reasonable terms or at all.

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

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

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

As of December 31, 2015, we had approximately €270.78 million in net deferred income tax assets. These deferred tax assets include net operating loss carry forwards that can be used to offset taxable income in future periods and reduce income taxes payable in those future periods. We periodically determine the probability of the realization of deferred tax assets, using significant judgments and estimates with respect to, among other things, historical operating results, expectations of future earnings and tax planning strategies. If we determine in the future that there is not sufficient positive evidence to support the valuation of these assets, due to the factors described above or other factors, we may be required to adjust the valuation allowance to reduce our deferred tax assets. Such a reduction could result in material non-cash expenses in the period in which the valuation allowance is adjusted and could have a material adverse effect on our results of operations. Our ability to utilize our net operating loss carry forwards may be limited and delayed. In addition, adverse changes in the underlying profitability and financial outlook of

our operations in several foreign jurisdictions could lead to changes in our valuation allowances against deferred tax assets and other tax accruals that could adversely affect our financial results.

We are subject to risks related to our international operations.

Our international operations include manufacturing facilities in, among other locations, Argentina, Brazil, China, India, Mexico and Russia, and we sell our products in each of these areas. For the year ended December 31, 2015, 26.3% of our revenues derived from operations in these economies. International operations are subject to various risks that could have a material adverse effect on those operations and our business as a whole, including but not limited to:

- exposure to local economic and social conditions, including logistical and communication challenges;
- exposure to local political conditions, including political disputes, coups, the risk of seizure of assets by a foreign government, increased risk of fraud and political corruption, terrorism, acts of war or similar events;
- exposure to local public health issues and the resultant impact on economic and political conditions;
- exposure to potentially undeveloped legal systems which make it difficult to enforce contractual rights and to potentially adverse changes in laws and regulatory practices;
- exposure to local tax requirements and obligations;
- foreign currency exchange rate fluctuations and currency controls;
- greater risk of uncontrollable accounts and longer collection cycles;
- the risk of government-sponsored competition;
- difficulty in staffing and managing widespread operations and in attracting and retaining qualified management and employees, especially management personnel in China, while continuing to further rationalize our work force;
- controls on the repatriation of cash, including the imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries; and
- export and import restrictions.

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

Our international operations require us to comply with the laws and regulations of various jurisdictions. In particular, our international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act of 2010, and economic sanction programs, including those administered by the UN, EU and Office of Foreign Asset Control in the United States. These laws prohibit improper business conduct and restrict us from dealing with certain sanctioned countries.

As a result of our international operations, we are exposed to the risk of violating anti-corruption laws and sanctions regulations applicable in those countries where we operate. Some of the countries in which we operate lack as developed a legal system as other locations and are perceived to have high levels of corruption. Our continued geographical diversification, including in some emerging markets, development of joint venture relationships and our employment of local agents in the countries in which we operate increases the risk of violations of anti-corruption laws, sanctions or similar laws. Violations of anti-corruption laws and sanctions regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on our reputation and consequently on our ability to win future business.

We have policies and procedures designed to assist our compliance with applicable laws and regulations including training of our employees to comply with such laws and regulations. While we have a strong culture of compliance and have adequate systems of control, we seek to continuously improve our systems of internal controls, to remedy any weaknesses that are identified through appropriate corrective action depending on the circumstances, including additional training, improvement of internal controls and

oversight, and deployment of additional resources and to take appropriate action in case of any breach of our rules and procedures which might include disciplinary measures, suspensions of employees and ultimately termination of such employees. There can be no assurance, however, that our policies and procedures will be followed at all times or will effectively detect and prevent violations of the applicable laws by one or more of our employees, consultants, agents or partners and, as a result, we could be subject to penalties and material adverse consequences on our business, financial condition or results of operations if we failed to prevent any such violations.

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

We may use a combination of natural hedging techniques and financial derivatives to protect against certain foreign currency exchange rate risks. Such hedging activities may be ineffective or may not offset more than a portion of the adverse financial impact resulting from foreign currency variations. Gains or losses associated with hedging activities also may negatively impact operating results.

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

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

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

Changes in our mix of earnings between jurisdictions with lower tax rates and those with higher tax rates could have a material adverse effect on our profitability.

Our effective tax rate varies in each country in which we conduct business. Changes in our mix of earnings between jurisdictions with lower tax rates and those with higher tax rates could have a material adverse effect on our profitability.

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

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. IFRS requires that goodwill be periodically evaluated for impairment based on the fair value of the reporting unit. Declines in our profitability or the value of comparable companies may impact the fair value of our reporting units, which could result in a write-down of goodwill and a reduction in net income.

As of December 31, 2015, we had approximately €110.0 million of goodwill on our consolidated balance sheet that could be subject to impairment. In addition, if we acquire new businesses in the future, we may recognize additional goodwill, which could be significant. We could also be required to recognize additional impairments in the future and such an impairment charge could have a material adverse effect on our financial position and results of operations in the period of recognition.

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

We have incurred losses in some countries which we may not be able to fully or partially offset against income we have earned in those countries. In some cases, we may not be able to utilize these losses at all if we cannot generate profits in those countries or if we have ceased conducting business in those countries

altogether. Our inability to utilize material tax losses could materially adversely affect our profitability. At any given time, we may face other tax exposures arising out of changes in tax laws, tax reassessments or otherwise. To the extent we cannot implement measures to offset these exposures, they may have a material adverse effect on our profitability.

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

We have a management team with a substantial amount of expertise in the automotive industry. Loss of key members of management could result in the loss of valuable customer relationships and/or less or unsuccessful implementation of strategies.

Availability of labor in some of the areas in which we operate could negatively impact our operations.

When establishing and operating facilities in some emerging markets, we may encounter difficulties with the availability of labor. In some instances we may compete with our customers for qualified employees in a limited labor pool of adequately trained workers. Performing work in these areas and under these circumstances can slow our progress, potentially causing us to incur contractual liabilities to our customers. These circumstances may also cause us to incur additional, unanticipated costs that we might not be able to pass on to our customers.

Our profitability could be negatively impacted if we are not able to maintain appropriate utilization of our workforce.

The extent to which we utilize our workforce affects our profitability. If we under-utilize our workforce, our project profits and overall profitability suffer in the short-term. If we over-utilize our workforce, we may negatively impact safety, employee satisfaction and project execution, which could result in a decline of future project awards. The utilization of our workforce is impacted by numerous factors including:

- our estimate of the headcount requirements for various manufacturing units based upon our forecast of the demand for our products;
- our ability to maintain our talent base and manage attrition;
- our ability to schedule our portfolio of projects to efficiently utilize our employees and minimize production downtime;
- our need to invest time and resources into functions such as training, business development, employee recruiting and sales that are not chargeable to customer projects; and
- the degree of structural flexibility of labor laws in countries where our employees are located.

The workforce in the automotive industry is highly unionized and if we fail to extend or renegotiate our collective bargaining agreements with our labor unions as they expire from time to time, or if our employees, or our customers' employees, engage in work stoppages and other labor problems, this could have a material adverse effect on our business.

As of December 31, 2015, we had 33,192 employees, the majority of whom were covered under collective bargaining agreements on a plant-by-plant basis and that expire at various times. In addition, we have specific exposure to labor strikes in our international operations related primarily to the economic instability in several countries in the European Union. If major work disruptions involving our employees were to occur, our business could be adversely affected by a variety of factors, including a loss of revenues, increased costs and reduced profitability. We cannot assure you that we will not experience a material labor disruption at one or more of our facilities in the future in the course of renegotiating of our labor arrangements or otherwise. We cannot guarantee that we will be able to successfully extend or renegotiate our collective bargaining agreements as they expire from time to time. If we fail to extend or renegotiate any of our collective bargaining agreements or are only able to renegotiate them on terms that are less favorable to us, we may need to incur additional costs, which could have a material adverse effect on our business, financial condition and results of operations.

Further, many of the manufacturing facilities of our customers and suppliers are unionized and are subject to the risk of labor disruptions from time to time. A significant labor disruption could lead to a lengthy shutdown of our customers' or our suppliers' production lines, which could have a material adverse effect on our operations and profitability.

Legal or regulatory claims or investigations against us could have a material adverse effect on our financial position.

From time to time, we may become involved in legal or regulatory proceedings, claims or investigations, including by governmental bodies, customers, suppliers, former employees, class action plaintiffs and others. On an ongoing basis, we attempt to assess the likelihood of any adverse judgments or outcomes to these proceedings or claims, although it is difficult to predict final outcomes with any degree of certainty.

Except as disclosed in our consolidated financial statements, we do not believe that any of the proceedings or claims to which we are party will result in costs, charges or liabilities that will have a material adverse effect on our financial position. However, we cannot assure you that the costs, charges and liabilities associated with these matters will not be material, or that those costs, charges and liabilities will not exceed any amounts reserved for them in our consolidated financial statements. In future periods, we could be subject to cash costs or non-cash charges to earnings if any of these matters are resolved unfavorably to us.

Product liability claims and warranty and recall costs could cause us to incur losses and damage our reputation.

Many of our products are critical to the structural integrity of a vehicle. As such, we face an inherent business risk of exposure to product liability claims in the event of the failure of our products to perform to specifications, or if our products are alleged to result in property damage, bodily injury or death. We are generally required under our customer contracts to indemnify our customers for product liability claims in respect of our products. Accordingly, we may be materially and adversely impacted by product liability claims.

If any of our products are, or are alleged to be, defective, we may be required to participate in a recall involving those products. In addition, our customers demand that we bear the cost of the repair and replacement of defective products which are either covered under their warranty or are the subject of a recall by them. Warranty provisions are established based on our best estimate of the amounts necessary to settle existing or probable claims on product defect issues. Recall costs are costs incurred when government regulators or our customers decide to recall a product due to a known or suspected performance issue and we are required to participate either voluntarily or involuntarily. Currently, under most customer agreements, we only account for existing or probable warranty claims. Under certain complete vehicle engineering and assembly contracts, we record an estimate of future warranty-related costs based on the terms of the specific customer agreements and the specific customer's warranty experience. Because we have never been the cause of a vehicle recall nor suffered any product recalls or liability damages, we have no warranty and recall data which allows us to establish accurate estimates of, or provisions for, future warranty or recall costs relating to new products, assembly programs or technologies being brought into production. In addition, we do not have insurance covering product recalls. The obligation to repair or replace such products could have a material adverse effect on our profitability and financial condition.

A decrease in actual and perceived quality of our products could damage our image and reputation and also the image and reputation of one or more of our brands. Defective products could result in loss of sales, loss of customers and loss of market acceptance. In turn, any major defect in one of our products could also have a material adverse effect on our reputation and market perception, which in turn could have an adverse effect on our sales and results of operations.

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

The nature of our operations subjects us to various statutory compliance and litigation risks under health, safety and employment laws. We cannot guarantee that there will be no accidents or incidents suffered by our employees, our contractors or other third parties on our sites. If any of these incidents occur, we could be subject to prosecutions and litigation, which may lead to fines, penalties and other damages being imposed on us and cause damage to our reputation. Such events could have a material adverse effect on our business operations, financial position and operational results.

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

We are subject to a variety of environmental and pollution control laws, regulations and permits that govern, among other things, soil, surface water and groundwater contamination; the generation, storage, handling, use, disposal and transportation of hazardous materials; the emission and discharge of materials,

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

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

Terrorist attacks and other acts of violence or war or political changes in geographical areas where we operate may affect our business and results of operations.

Terrorist attacks and other acts of violence or war may negatively affect our business and results of operations. There can be no assurance that there will not be terrorist attacks or violent acts that may directly impact us, our customers or partners. In addition, political changes in certain geographical areas where we operate may affect our business and results of operations. Any of these occurrences could cause a significant disruption in our business and could adversely affect our business operations, financial position and operational results.

We may not be adequately insured.

We currently have insurance arrangements in place for products and public liability, property damage, business interruption (including for sudden and unexpected environmental damage). However, these insurance policies may not cover any losses or damages resulting from the materialization of any of the risks we are subject to. Further, significant increases in insurance premiums could reduce our cash flow. It is also possible in the future that insurance providers may no longer wish to insure businesses in our industry against certain environmental occurrences.

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

The legal, regulatory and industry-standard environment in our principal markets is complex and dynamic, and future changes to the laws, regulations and market practice as regards, for example, CO₂ emissions and safety tests and protocols, could have an adverse effect on the products we produce and our profitability. Additionally, we could be adversely affected by changes in tax or other laws which impose additional costs on automobile manufacturers or consumers, or more stringent fuel economy and emissions requirements on manufacturers, of sport-utility vehicles, light trucks and other vehicles from which we derive some of our sales. For example, changes to emissions testing protocols as a result of the ongoing investigations by environmental authorities worldwide (including, *inter alia*, Australia, Brazil, Canada, China, France, Germany, India, the European Union and the United States) in relation to the potential manipulation of emission control systems which had been installed by certain OEMs for the purposes of manipulating laboratory emissions testing could have an adverse effect on the sales of the products we produce and our profitability.

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

GHG emissions have increasingly become the subject of substantial international, national, regional, state and local attention. GHG emission regulations have been promulgated in certain of the jurisdictions in which we operate, and additional GHG requirements are in various stages of development. For example, the United States Congress has considered legislation that would establish a nationwide limit on GHGs. In addition, the EPA has issued regulations limiting GHG emissions from mobile and stationary sources pursuant to the federal Clean Air Act. When effective, such measures could require us to modify existing or obtain new permits, implement additional pollution control technology, curtail operations or increase our operating costs. In addition, our OEM customers may seek price reductions from us to account for their increased costs resulting from GHG regulations. Further, growing pressure to reduce GHG emissions from mobile sources could reduce automobile sales, thereby reducing demand for our products and ultimately our revenues. Thus, any additional regulation of GHG emissions, including through a cap-and-trade system, technology mandate, emissions tax, reporting requirement or other program, could

adversely affect our business, results of operations, financial condition, reputation, product demand and liquidity.

Natural disasters could disrupt our supply of products to our customers which could have a material adverse effect on our operations and profitability.

Our manufacturing facilities are subject to risks associated with natural disasters, including fires, floods, hurricanes and earthquakes. The occurrence of any of these disasters could cause the total or partial destruction of a manufacturing facility, thus preventing us from supplying products to our customers and disrupting production at their facilities for an indeterminate period of time. The inability to promptly resume the supply of products following a natural disaster at a manufacturing facility could have a material adverse effect on our operations and profitability.

Risks related to the notes

The Collateral is limited to the pledge of shares in certain of the Guarantors and the notes are secured only to the extent of the value of the Collateral; such security may not be sufficient to satisfy the obligations under the notes and the Guarantees.

The holders of the notes are secured by the Collateral which consists only of a pledge of the shares in certain of the Guarantors of the notes. The Collateral also secures, (i) on a first-ranking basis, the finance parties under the Senior Facilities Agreement and the 2020 dollar notes and (ii) on a second-ranking basis, the Bank of America loan. Notwithstanding the fact that the notes will be secured by third-ranking pledges, pursuant to the Intercreditor Agreement, recoveries received upon enforcement of Collateral will be applied *pro rata* in repayment of liabilities in respect of the notes, the Senior Facilities Agreement, the 2020 dollar notes and the Bank of America loan. Subject to certain limits, the Indenture permits additional debt to be secured by the Collateral, and such additional secured debt may be substantial. The rights of a holder of notes to the Collateral may be diluted by any increase in the debt secured by the Collateral or a reduction of the Collateral securing the notes. If there is an Event of Default (as defined in the Indenture) on the notes, there is no guarantee that the proceeds of any sale of the Collateral will be sufficient to satisfy, and may be substantially less than, amounts due under the notes as well as other debt benefiting from a security interest in the Collateral, including indebtedness under the Senior Facilities, the 2020 dollar notes and the Bank of America loan. The amount of proceeds realized upon the enforcement of the security interests over the Collateral or in the event of liquidation will depend upon many factors, including, among others, the availability of buyers. Furthermore, there may not be any buyer willing and able to purchase our business or pledged subsidiaries, either individually or collectively. The book value of the Collateral should not be relied on as a measure of realizable value for such assets.

The Parent Guarantor has control over the Collateral securing the notes, and the sale of particular assets could reduce the pool of assets securing the notes.

The Security Documents allow the Parent Guarantor to remain in possession of, retain exclusive control over, and collect and invest any dividends and other distributions from the Collateral. So long as no default or event of default under the Indenture would result therefrom, the Parent Guarantor may, subject to the terms of the Indenture, without any release or consent by the Security Agent, dispose of the Collateral (which shall remain subject to the pledges in respect thereto notwithstanding any such disposal).

It may be difficult to realize the value of the Collateral securing the notes.

By its nature, the Collateral does not have a readily ascertainable market value and may not be saleable or, if saleable, there may be substantial delays in its disposal. The terms of the Intercreditor Agreement provide that decisions regarding enforcement are made by the holders of the notes and lenders holding, collectively, a majority in aggregate principal amount of the obligations secured by the Collateral. As a result, holders of the notes will not solely control decisions in respect to the Collateral, including timing of enforcement and such other secured parties may have interests that are not the same as those of holders of the notes. To the extent that liens, security interests and other rights granted to other parties encumber assets owned by the Guarantors whose shares form part of the Collateral, those parties have or may exercise rights and remedies with respect to the property subject to their liens, security interests or other rights that could adversely affect the value of that Collateral and the ability of the Security Agent, acting on behalf of the Trustee or investors as holders of the notes to realize or enforce that Collateral. If the proceeds of any sale of Collateral are not sufficient to repay all amounts due on the notes and the

Guarantees, investors (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured claim against the Issuer's and the Guarantors' remaining assets. Each of these factors or any challenge to the validity of the Collateral or the Intercreditor Agreement could reduce the proceeds realized upon enforcement of the Collateral.

The Collateral securing the notes is subject to any and all encumbrances, liens and other imperfections permitted under the Indenture and/or the Intercreditor Agreement. The existence of any such encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the notes, as well as the ability of the Security Agent to realize or foreclose on such Collateral.

The security interests in the Collateral are not directly granted to the holders of the notes.

The security interests in the Collateral that secure, amongst other obligations, the obligations of the Parent Guarantor under the Guarantee are not granted directly to the holders of the notes but are granted only in favor of the Security Agent on behalf of the Trustee and the holders of the notes in accordance with the Indenture, the Intercreditor Agreement, the security documents related to the Collateral. Holders of the notes do not have direct security interests and are not entitled to take enforcement action in respect of the Collateral securing the notes, except through the Trustee, who will (subject to the provisions of the Indenture and the Intercreditor Agreement) provide instructions to the Security Agent in respect of the Collateral.

The granting of guarantees by Spanish companies is restricted by Spanish law.

Spanish law imposes a restriction on the granting of guarantees by Spanish guarantors under Spanish law-governed security documents such that guarantees in respect of obligations under such security documents shall not include nor extend to any obligations or amounts that would render such guarantees in contravention of sections 143.2, with respect to private limited companies (*sociedades limitadas*), 149 or 150, with respect to public limited companies (*sociedades anonimas*) of the Spanish Capital Companies Act (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*). In particular, no Spanish guarantee may secure any payment, prepayment, repayment or reimbursement obligations derived from any finance document used, or that may be used, for the purposes of payment of acquisition debt (for the purposes of Section 143.2, 149 or 150, as applicable, of the Spanish Capital Companies Act) or the payment of any costs or transaction expenses related to, or paying the purchase price for, such acquisition.

The enforcement of the Collateral may be restricted by Spanish law.

Spanish Insolvency Law imposes a moratorium on the enforcement of secured creditors' rights (in rem security) in the event of insolvency. Once the debtor is declared insolvent, the enforcement of security interests over assets owned by the debtor and used for its professional or business activities (presumably most of the debtor's assets) is stayed until the first of the following circumstances occurs: (a) approval of a creditors' composition agreement provided that such composition agreement does not affect such right; or (b) one year has elapsed since the declaration of insolvency without liquidation proceedings being initiated. Enforcement will be stayed even if at the time of declaration of insolvency the notices announcing the public auction have been published. The stay will only be lifted when the court hearing the insolvency proceedings determines that the asset is not considered necessary for the debtor's professional or business activities. When it comes to determining which assets of the debtor are necessary for its professional or business activities, courts have generally embraced a broad interpretation and will likely include most of the debtor's assets. Finally, enforcement of the Collateral will be subject to the provisions of Spanish Procedural Law and Spanish Insolvency Law (where applicable) and this may entail delays in the enforcement.

Applicable law requires that a security interest in certain assets can only be properly perfected (or registered or other foreign equivalent) and its priority retained through certain actions undertaken by the secured party. The liens on the Collateral securing the notes from time to time owned by us or the Guarantors may not be perfected (or registered or other foreign equivalent), which may result in the loss of the priority, or a defect in the perfection (or registration or other foreign equivalent), of the security interest for the benefit of the Trustee and holders of the notes to which they would have been otherwise entitled. Neither the Security Agent nor the Trustee will be obligated to create or perfect any of the security interests in the Collateral.

Spanish law does not contemplate the concept of “security agent”. Although this by itself does not prohibit this agent to be set in place, the fact that there is a lack of regulation on the matter provides uncertainty as to how a Spanish court would recognize the acting of the Security Agent in an enforcement situation. Since holders of the notes will not have any independent power to enforce the Collateral securing the notes, except through the Security Agent following the instructions of the Trustee, there is some uncertainty as to whether a Spanish court would recognize the authority of the Security Agent or whether lack of recognition would entail delays in the enforcement or even the consequence of the Collateral not being able to be enforced on the same terms as provided for in the Security Documents.

For more information, please see “Enforceability of Civil Liabilities.”

The Collateral may be released without the consent of the holders of the notes.

The Collateral may be released in certain circumstances, including in the event the Collateral is sold pursuant to an enforcement sale in accordance with the Intercreditor Agreement. Upon any such enforcement sale in accordance with the Intercreditor Agreement, such Guarantor’s Guarantee may also be released. Please see “Description of the Notes—Release of Note Guarantees” and “Description of the Notes—Security—Release of Security Interests”.

Additionally, the Indenture permits us to release and retake the security interest granted over the Collateral in order to issue additional notes pursuant to the Indenture. Upon the issuance of additional notes pursuant to the Indenture, there may be a time period imposed by applicable laws between the release and retaking of the security interest during which there is no security interest over the Collateral. In some circumstances, such as if we were to file for bankruptcy after the issuance of additional notes, a hardening period may apply and retroactively void the retaking of the security interest in favor of the holders of the notes. Accordingly, there is a risk that, should we issue additional notes pursuant to the Indenture, the Collateral could be released and its subsequent retaking voided. Please see “Description of the Notes—Certain Covenants—Impairment of Security Interest”.

Our level of indebtedness may make it difficult for us to service our debt, including the notes, and to operate our business.

We have a significant amount of indebtedness. As of December 31, 2015, as adjusted to give pro forma effect to the Refinancing Transactions, we would have had €1,890.0 million of indebtedness, of which €500.0 million would have been represented by the notes. We anticipate that our level of indebtedness will continue for the foreseeable future. Our level of indebtedness may have important negative consequences for you, including:

- making it more difficult for us and our subsidiaries to satisfy our obligations with respect to our debt, including the notes and other liabilities;
- requiring that a substantial portion of the cash flow from operations of our operating subsidiaries be dedicated to debt service obligations, reducing the availability of cash flow to fund internal growth through working capital and capital expenditures, and for other general corporate purposes;
- increasing our vulnerability to economic downturns in our industry;
- exposing us to interest rate increases;
- placing us at a competitive disadvantage compared to our competitors that have less debt in relation to cash flow;
- limiting our flexibility in planning for or reacting to changes in our business and our industry;
- restricting us from pursuing strategic acquisitions or exploiting certain business opportunities; and
- limiting, among other things, our and our subsidiaries’ ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

In the worst case, an actual or impending inability by us or our subsidiaries to pay debts as they become due and payable could result in our insolvency.

In addition, the Indenture and the Senior Facilities Agreement contain restrictions that substantially limit our financial and operational flexibility and that of our subsidiaries. In particular, these agreements place limits on our ability to incur additional indebtedness; grant security interests to third persons; dispose of

material assets; undertake organizational measures such as mergers, changes of corporate form, joint ventures or similar transactions; and enter into transactions with related parties.

Despite our current substantial indebtedness, we may be able to incur more debt in the future, including on a secured basis over the Collateral or otherwise, which could further exacerbate the risks of our indebtedness.

We may incur more debt in the future. The revolving portion of our Senior Facilities Agreement provides for total commitments of up to €280.0 million, and no cash drawings were outstanding on the date the notes are issued. The Indenture and the Senior Facilities limit our ability to incur additional debt but do not prohibit us from doing so. We may incur additional debt in the future, secured by the Collateral or otherwise, which could mature prior to the notes, and such debt could be secured on an equal, ratable and *pari passu* basis with the notes and the Guarantees. Subject to certain limitations, any non-Guarantor subsidiary could also incur additional debt, and the notes and Guarantees would be structurally subordinated to any such debt.

The Issuer is dependent on payments from the Parent Guarantor to make payments on the notes and, in turn, the Parent Guarantor is dependent on payments from its subsidiaries in order to be able to make payments to the Issuer, and the Parent Guarantor's subsidiaries may not be permitted or otherwise able to make payments to the Parent Guarantor.

Even if the Parent Guarantor's subsidiaries generate sufficient cash from their operations, their ability to provide funds to the Parent Guarantor and, therefore, the Parent Guarantor's ability to provide funds to the Issuer are subject to, among other things, local tax restrictions and local corporate law restrictions related to earnings, the level of legal or statutory reserves, losses from previous years and capitalization requirements for the Parent Guarantor's subsidiaries. As a result, although the Parent Guarantor may have sufficient resources, on a consolidated basis, to make the necessary payments to the Issuer in order for the Issuer to meet its obligations, the Parent Guarantor's subsidiaries may not be able to make the necessary transfers to it, and it to the Issuer, to permit the Issuer to satisfy its obligations under the notes or otherwise. In particular, the Parent Guarantor's subsidiaries may be restricted from providing funds to it under some circumstances. These circumstances include:

- restrictions under the corporate law of the jurisdictions in which the Parent Guarantor's subsidiaries are based. The relevant laws could require, among other things, that its subsidiaries retain a certain percentage of annual net income in a legal reserve, that its subsidiaries maintain the share capital of a limited liability company and that, after payment of any dividend, the relevant subsidiary's shareholders' equity exceed its share capital. For example, Spanish law limits certain of the Parent Guarantor's subsidiaries' ability to provide funds to the Parent Guarantor due to restrictions that require, among other things, each of its Spanish subsidiaries to retain at least 10% of their annual net profit (*beneficio neto*) income in a legal reserve until the reserve reaches at least 20% of such company's share capital and that, after payment of any dividend, shareholders' equity must exceed the company's share capital. In addition, in order for Spanish companies to distribute dividends available reserves must be equal to, or greater than, the R&D expenses appearing in the balance sheet of the company. Moreover, the by-laws of each of the Parent Guarantor's Spanish subsidiaries may provide for additional reserves that must be retained prior to providing funds to it;
- restrictions under foreign exchange laws and regulations that could limit or tax the remittance of dividends or transfer payments abroad; and
- existing and future contractual restrictions, including restrictions in credit facilities, cash pooling arrangements and other indebtedness that affect the ability of the Parent Guarantor's subsidiaries to pay dividends or make other payments to it in the future.

The Issuer may not be able to recover any amounts under its funding loan because its right to receive payments under such funding loan is subordinated to all third party liabilities of the Parent Guarantor.

Under Spanish Insolvency Law, the funding loan(s) between the Issuer of the notes and the Parent Guarantor will be classified as subordinated claims of the Parent Guarantor, meaning that in an insolvency proceeding they would be subordinated to the preferential and ordinary claims of the Parent Guarantor.

We require a significant amount of cash to service our debt and for other general corporate purposes. Our ability to generate sufficient cash depends on many factors beyond our control.

Our ability to make payments on our debt, and to fund working capital and capital expenditures, will depend on our future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control, as well as the other factors discussed in these “Risk Factors” and elsewhere in these listing particulars.

Our business may not generate sufficient cash flows from operations, and additional debt and equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, including the notes, or to fund our other liquidity needs. For a discussion of our cash flows and liquidity, please see “Operating and Financial Review and Prospects”.

If our future cash flows from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including the notes, on or before maturity.

We may not be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of our debt, including the Senior Facilities Agreement and the notes, and any future debt that we may incur, may limit our ability to pursue any of these alternatives.

The Guarantees are significantly limited by applicable laws and are subject to certain limitations or defenses.

The Guarantors will guarantee the payment of the notes as described in “Description of the Notes—The Note Guarantees.” The Guarantees provide the holders of the notes with a direct claim against the relevant Guarantor. However, the obligations of each Guarantor under its Guarantee are limited under the Indenture to an amount that has been determined so as to ensure that amounts payable will not result in violations of laws relating to corporate benefit, capitalization, capital preservation (under which, among others, the risks associated with a guarantee or grant of security on account of a parent company’s debt need to be reasonable and economically and operationally justified from the Guarantor’s or grantor’s perspective), thin capitalization, corporate purpose, financial assistance or transactions under value, or otherwise cause the Guarantor to be deemed insolvent under applicable law or such Guarantee to be deemed void, unenforceable or *ultra vires*, or cause the directors of such Guarantor to be held in breach of applicable corporate or commercial law for providing such Guarantee. If these limitations are not observed, the Guarantees and the grant of security interests by the Guarantors could be subject to legal challenge.

As a result, a Guarantor’s liability under its Guarantees could be materially reduced or eliminated depending upon the amounts of its other obligations and upon applicable laws. In particular, in certain jurisdictions, a guarantee issued by a company that is not in that company’s corporate interests or the burden of which exceeds the benefit to the company may not be valid and enforceable. It is possible that a Guarantor, a creditor of a Guarantor or the insolvency administrator, in the case of an insolvency of a Guarantor, may contest the validity and enforceability of the respective Guarantee and that the applicable court may determine that the Guarantee should be limited or voided. In the event that any Guarantee is deemed invalid or unenforceable, in whole or in part, or to the extent that agreed limitations on the Guarantee apply, the notes would not be guaranteed by such Guarantee.

For more information on the specific limitations under applicable law of the respective jurisdictions of incorporation of the Guarantors and certain contractual limitations to be confirmed in the Indenture, please see “Enforceability of Civil Liabilities”.

Fraudulent conveyance laws may limit your rights as a holder of notes.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance laws, a court could subordinate or void a Guarantee if it found that:

- the Guarantee was incurred with an actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor;
- the Guarantee was granted within two years prior to the insolvency declaration of the Guarantor and it is detrimental for the Guarantor's state; or
- the Guarantor did not receive fair consideration or reasonably equivalent value for the Guarantee and the Guarantor:
 - was insolvent or was rendered insolvent because of the Guarantee;
 - was undercapitalized or became undercapitalized because of the Guarantee; or
 - intended to incur, or believed that it would incur, debts beyond its ability to pay at maturity.

The measure of insolvency for purposes of fraudulent conveyance laws varies depending on the law applied. Generally, however, a Guarantor would be considered insolvent if it could not pay its debts as they become due. If a court decided that any Guarantee was a fraudulent conveyance and voided such Guarantee, or held it unenforceable for any other reason, you would cease to have any claim in respect of the Guarantor of such Guarantee and would be a creditor solely of the Issuer and the remaining Guarantors. Please see "Enforceability of Civil Liabilities".

In an insolvency proceeding, it is possible that creditors of the Guarantors or the appointed insolvency administrator may challenge the Guarantees, and intercompany obligations generally, as fraudulent transfers or conveyances or on other grounds. If so, such laws may permit a court, if it makes certain findings, to: (i) avoid or invalidate all or a portion of a Guarantor's obligations under its Guarantee; (ii) direct that holders of the notes return any amounts paid under a Guarantee to the relevant Guarantor or to a fund for the benefit of the Guarantor's creditors; and (iii) take other action that is detrimental to you.

Local insolvency laws may not be as favorable to you as the insolvency laws of another jurisdiction with which you may be more familiar.

The Issuer is incorporated in Luxembourg, and the Guarantors are organized under the laws of other jurisdictions, including Spain. See "Summary—The Offering—Guarantors". The insolvency laws of these other jurisdictions may not be as favorable to holders of the notes as the laws of some other jurisdictions with which you may be more familiar. Certain provisions of the insolvency laws in these jurisdictions could affect the ranking of the notes and the Guarantees or claims relating to the notes and the Guarantees on an insolvency of the Issuer or the Guarantors, as the case may be.

Not all of our subsidiaries have guaranteed the notes, and any claim by us or any of our creditors, including the holders of the notes, against such non-Guarantor subsidiaries will be structurally subordinated to all of the claims of creditors of those non-Guarantor subsidiaries.

Not all of our existing and future subsidiaries have guaranteed the notes. On a consolidated basis as of December 31, 2015, we had total assets of €5,745.7 million and total net financial debt of €1,493.1 million. As of and for the year ended December 31, 2015, the subsidiaries of the Parent Guarantor guaranteeing the notes represent approximately 45.5% and 45.0% of our total consolidated assets and EBITDA, respectively. In addition, the subsidiaries of the Parent Guarantor that have not guaranteed the notes had €239.9 million of debt outstanding as of December 31, 2015 on a consolidated basis. See "Description of Other Indebtedness". The Indenture does not limit the transfer of assets to, or the making of investments in, any of our restricted group members, including our non-guarantor subsidiaries. Please see "Description of the Notes—Certain Covenants." Accordingly, even though certain of our material subsidiaries are required to provide an additional Guarantee for the benefit of the notes pursuant to the Indenture, non-Guarantor subsidiaries could account for a higher portion of our assets, liabilities, revenues and net income in the future. See "Description of the Notes—Certain Covenants—Additional Note Guarantees".

In the event that any of our non-Guarantor subsidiaries becomes insolvent, liquidates, reorganizes, dissolves or otherwise winds up, the assets of such non-Guarantor subsidiary will not be subject to claims from the holders of the notes to satisfy their respective claims against us and will be used first to satisfy the

claims of the non-Guarantor subsidiary's creditors, including trade creditors, banks and other lenders. Consequently, any claim by you or our creditors against a non-Guarantor subsidiary will be structurally subordinated to all of the claims of the creditors of such non-Guarantor subsidiary.

We may not have the ability to raise the funds necessary to finance a change of control offer.

Upon the occurrence of certain change of control events as described in the Indenture, we will be required to offer to repurchase all of the notes in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to but excluding the date of repurchase. The requirement that we offer to repurchase the notes upon a change of control is limited only to the transactions specified in the definition of "Change of Control" within the Indenture. Please see "Description of the Notes—Repurchase at the Option of Holders—Change of Control." We may not have sufficient funds at the time of any such event to make the required repurchases. Additionally, certain change of control events would be prepayment events under the Senior Facilities Agreement. In the event this results in an event of default thereunder, the lenders under the Senior Facilities Agreement may accelerate such debt, which could also cause an event of default under the Indenture.

The source of funds for any repurchase required as a result of any such event will be available cash or cash generated from operating activities or other sources, including borrowings, sales of assets and sales of equity or funds provided by subsidiaries. Sufficient funds may not be available at the time of any such events to make any required repurchases of the notes tendered.

You may be unable to enforce judgments against us, the Guarantors or our respective directors and officers.

Neither the Issuer nor any of the Guarantors are incorporated in the United States. In addition, most of our assets are outside the United States and all of the Group's directors and officers live outside the United States, primarily in Spain. The Issuer's and the Guarantors' auditors are also organized outside the United States. As a result, it may be difficult or impossible to serve process against any of these persons in the United States. Furthermore, because all or substantially all of the assets of these persons are located outside of the United States, it may not be possible to enforce judgments obtained in courts in the United States predicated upon civil liability provisions of the federal securities laws of the United States against these persons. Additionally, there is doubt as to the enforceability in many foreign jurisdictions, including Spain, of civil liabilities based on the civil liability provisions of the federal or state securities laws of the United States against the Issuer, the Guarantors, the directors, controlling persons and management and any experts named in these listing particulars who are not residents of the United States. Please see "Enforceability of Civil Liabilities."

The interests of our ultimate controlling shareholders may be inconsistent with the interest of holders of the notes and/or our ultimate controlling shareholders may sell their stake in future.

Our ultimate controlling shareholders are members of the Riberas family, of which the legal representatives of our joint and several Managing Directors ("*Consejero Delegado solidario*"), Gestamp Bizkaia, S.A. and Holding Gonvarri, S.L., each are a member. See "Shareholders and Certain Transactions". As a result, our ultimate controlling shareholders have and will continue to have direct or indirect power, among other things, to influence our legal and capital structure and our day-to-day operations, as well as the ability to elect and change our management and to approve other changes to our operations. The interests of our ultimate controlling shareholders could conflict with your interests, particularly if we encounter financial difficulties or are unable to pay our debts when due. In addition, our controlling parties may, in the future, own businesses that directly compete with ours in certain respects or do business with us.

In addition, our controlling shareholders may suffer financial distress and may need to sell their stake in the Issuer. For more information concerning our controlling shareholders, see "Shareholders and Certain Transactions".

There is no existing public trading market for the notes and the ability to transfer them is limited, which may adversely affect the value of the notes.

The notes were a new issue. There is no existing trading market for the notes and there can be no assurance that a trading market for the notes will develop. We cannot predict the extent to which investor interest in our company will lead to the development of an active trading market or how liquid that trading market might become. Although the Initial Purchasers have advised us that they intend to make a market

in the notes, they are not obligated to do so and may stop at any time. The market price of our notes may be influenced by many factors, some of which are beyond our control, including:

- changes in demand, the supply or pricing of our products;
- general economic conditions, including raw material prices;
- the activities of competitors;
- our quarterly or annual earnings or those of our competitors;
- investors' perceptions of us and the automotive industry;
- the failure of securities analysts to cover our notes after this offering or changes in financial estimates by analysts;
- the public's reaction to our press releases or our other public announcements;
- future sales of notes; and
- other factors described under these "Risk Factors".

As a result of these factors, you may not be able to resell your notes at or above the initial offering price. In addition, securities trading markets experience extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of our notes, regardless of our operating performance. If an active trading market does not develop, you may have difficulty selling any notes that you buy.

The notes have not been and will not be registered under the Securities Act or any U.S. securities laws and we have not undertaken to effect any exchange offer for the notes in the future. You may not offer the notes for sale in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws, or pursuant to an effective registration statement. The notes and the Indenture contain provisions that restrict the notes from being offered, sold or otherwise transferred except pursuant to the exemptions available pursuant to Rule 144A and Regulation S, or other exceptions under the Securities Act. Furthermore, we have not registered the notes under any other country's securities laws. It is your obligation to ensure that your offers and sales of the notes within the United States and other countries comply with applicable securities laws. Please see "Notice to Investors". In addition, by its acceptance of delivery of any notes, the holder thereof agrees on its own behalf and on behalf of any investor accounts for which it has purchased the notes that it shall not transfer the notes in an amount less than €100,000 and integral multiples of €1,000 thereafter.

USE OF PROCEEDS

The gross proceeds of the offering were €500.0 million. We will use the net proceeds of the offering of the notes, together with cash on balance sheet, (i) to repurchase or redeem the 2020 euro notes and (ii) to pay commissions, fees and expenses (including redemption premia) estimated at approximately €23.0 million in connection with the Refinancing Transactions.

In connection with the offering of the notes, we made a Tender Offer. The Issuer tendered for any and all of the 2020 euro notes. The Tender Offer expired on May 9, 2016 and settled on May 12, 2016. The Tender Offer was conditional upon completion of the offering of the notes. To the extent that less than 100% of the outstanding 2020 euro notes were tendered and accepted for purchase pursuant to the Tender Offer, we redeemed the remaining 2020 euro notes upon the terms and conditions set forth in the indenture of the 2020 notes.

The estimated sources and uses of the funds in connection with the Refinancing Transactions and the Tender Offer are shown in the table below. Actual amounts are subject to adjustments and may vary from estimated amounts depending on several factors, including estimated costs, fees and expenses (including redemption premium).

<u>Sources</u>	<u>(€ millions)</u>	<u>Uses</u>	<u>(€ millions)</u>
Notes offered hereby ⁽¹⁾	500.0	Refinancing of 2020 euro notes ⁽²⁾ . . .	494.5
Cash on balance sheet	17.5	Estimated transaction costs ⁽³⁾	23.0
Total	517.5	Total	517.5

(1) The gross proceeds from the offering were €500.0 million, reflecting the issue at an issue price of 100.0%.

(2) Represents the nominal value of €494.5 million aggregate principal amount of 2020 euro notes, excluding amortized debt issuance costs. In October 2015, the Company repurchased and cancelled €5.5 million aggregate principal amount of 2020 euro notes.

(3) Reflects commissions, fees and expenses in connection with the Refinancing Transactions, including (i) fees to the Initial Purchasers, (ii) redemption premia amounting to €14.5 million associated to the 2020 euro notes, assuming that none of the 2020 euro notes are tendered as part of the Tender Offer and all of the 2020 euro notes are redeemed at a price of 102.938% and (iii) €2.4 million of accrued and unpaid interest as of December 31, 2015, but excluding accrued and unpaid from December 31, 2015 to the redemption date of the 2020 euro notes, which we estimate will amount to approximately €13.0 million, which we anticipate to pay from our cash on balance sheet.

CAPITALIZATION

The following table sets forth the consolidated cash and capitalization as of December 31, 2015 (i) on an actual basis derived from our consolidated balance sheet as of December 31, 2015 included elsewhere in these listing particulars and (ii) as adjusted to give effect to the Refinancing Transactions, the Tender Offer and the application of the proceeds therefrom, as described under “Use of Proceeds”.

The adjusted information below is illustrative only and does not purport to be indicative of our capitalization following the completion of the offering of the notes. This table should be read in conjunction with “Summary—Summary Consolidated Financial Data,” “Use of Proceeds,” “Selected Consolidated Financial and Other Information,” “Operating and Financial Review and Prospects,” “Description of Other Indebtedness” and the consolidated financial statements and the related notes included elsewhere in these listing particulars.

	As of December 31, 2015	
	Actual	As adjusted
	(€ millions)	
Cash, cash equivalents and current financial assets⁽¹⁾	391.4	373.9
Notes offered hereby ⁽²⁾	—	500.0
2020 notes ⁽³⁾	793.0	298.5
Term facilities ⁽⁴⁾	544.6	544.6
Long-term indebtedness ⁽⁵⁾	134.9	134.9
Short-term indebtedness ⁽⁶⁾	258.4	258.4
Other financial indebtedness ⁽⁷⁾	153.6	153.6
Total financial debt	1,884.5	1,890.0
Total equity	1,798.4	1,798.4
Total capitalization⁽⁸⁾	3,682.9	3,688.4

(1) Includes cash and cash equivalents as of December 31, 2015 of €356.0 million and current financial assets as of December 31, 2015 of €35.4 million (comprised of loans and receivables, securities portfolio and other current financial assets). Cash and cash equivalents and current financial assets does not take into account the operating cash inflows generated after December 31, 2015, nor any cash outflows that occurred after December 31, 2015, including the anticipated dividend of €49.0 million to the shareholders of the Company in lieu of 2015 net income, which is expected to be declared on or about June 30, 2016, and which will be paid on or before July 31, 2016. As adjusted reflects the use of cash on balance sheet to repurchase or redeem in full and discharge the outstanding 2020 euro notes, as well as the payment of commissions, fees and expenses (including redemption premia) in connection with the Refinancing Transactions. See “Use of Proceeds.”

(2) The gross proceeds from the offering of the notes were €500.0 million, reflecting the issue at an issue price of 100%.

(3) Represents €494.5 million principal amount of 2020 euro notes and US\$350.0 million principal amount of 2020 dollar notes, net of amortized debt issuance costs of €8.2 million, translated at an exchange rate of €1.0866 = US\$1.00, which represents the rate of exchange used in the preparation of our balance sheet as of December 31, 2015. In September 2015, the Company repurchased and cancelled €5.5 million aggregate principal amount of 2020 euro notes and \$16.7 million aggregate principal amount of 2020 dollar notes. As adjusted reflects the application of the net proceeds of the offering and cash on balance sheet to repurchase or redeem in full and discharge the outstanding 2020 euro notes. See “Use of Proceeds.”

(4) Represents indebtedness under the Senior Facilities Agreement. For a description of the Senior Facilities Agreement, see “Description of Other Indebtedness.”

(5) Following the repayment of certain of our long-term indebtedness as a result of the Refinancing Transactions, our other long-term indebtedness will primarily consist of the Bank of America loan and €74.9 million of aggregate principal amount in other local facilities. See “Description of Other Indebtedness.”

(6) The short-term indebtedness primarily consists of short-term credit lines and loans in Spain, as well as outstanding amounts on our short-term credit lines related to our subsidiaries in Brazil, the United Kingdom, China, Germany and Turkey. These credit lines are unsecured and are generally renewed each year and are subject to customary covenants.

(7) Other financial indebtedness refers to financial leasing of €35.3 million, borrowings from associated companies of €79.0 million and borrowings from the Spanish Science and Technology Ministry (*Ministerio de Ciencia y Tecnología*) amounting €39.9 million.

(8) Represents total financial debt and total equity.

SELECTED CONSOLIDATED FINANCIAL AND OTHER INFORMATION

Our selected consolidated historical financial data has been derived as follows: consolidated financial data as of and for each of the years ended December 31, 2015, 2014, 2013, 2012 and 2011, respectively, has been derived from our audited consolidated financial statements as of and for the years ended December 31, 2015, 2014, 2013, 2012 and 2011, respectively. Our audited consolidated financial statements as of and for the years ended December 31, 2015, 2014 and 2013 are included elsewhere in these listing particulars.

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

Our selected consolidated financial data is presented in € and has been prepared in accordance with IFRS. You should read this selected consolidated financial data in conjunction with “Capitalization”, “Summary Consolidated Financial and Other Information”, “Operating and Financial Review and Prospects”, and the historical consolidated financial statements and the related notes included elsewhere in these listing particulars.

	Year ended December 31,					
	2011	2012	2013	2013 (restated)	2014	2015
	(€ millions)					
Consolidated Income Statement Data:						
Operating income	4,913.8	5,872.1	5,938.9	6,001.3	6,411.4	7,202.3
<i>Revenue</i>	4,774.6	5,757.3	5,788.7	5,853.3	6,255.8	7,034.5
<i>Other operating income</i>	36.6	91.8	133.2	133.3	126.6	156.9
<i>Changes in inventories</i>	102.6	23.0	17.0	14.7	29.0	10.9
Operating expenses	(4,607.0)	(5,532.0)	(5,647.5)	(5,699.3)	(6,073.9)	(6,802.1)
<i>Raw materials and other consumables</i>	(3,165.3)	(3,635.3)	(3,553.1)	(3,582.7)	(3,885.8)	(4,308.6)
<i>Personnel expenses</i>	(733.9)	(989.6)	(1,060.0)	(1,068.3)	(1,124.9)	(1,258.0)
<i>Depreciation, amortization, and</i>						
<i>impairment losses</i>	(240.6)	(280.0)	(302.3)	(306.7)	(319.0)	(360.1)
<i>Other operating expenses</i>	(467.3)	(627.2)	(732.1)	(741.6)	(744.2)	(875.4)
Operating profit	306.8	340.1	291.4	302.0	337.5	400.2
Finance income	10.0	7.3	19.3	18.5	9.6	13.3
Finance expenses	(72.5)	(87.5)	(137.3)	(138.9)	(138.6)	(121.8)
Exchange (losses)	(11.7)	(1.5)	(20.7)	(31.6)	(7.6)	(24.7)
Other ⁽¹⁾	(2.6)	4.1	(12.5)	(14.7)	(10.2)	(14.2)
Profit for the year from continuing						
operations	230.0	262.5	140.1	135.3	190.7	252.8
Income tax expense	(57.4)	(76.4)	(32.7)	(29.6)	(60.3)	(63.9)
Profit for the year	172.6	186.1	107.5	105.7	130.4	188.9
(Loss) from discontinued operations . .	—	—	—	—	(1.6)	—
(Loss) profit attributable to						
non-controlling interests	(4.1)	(16.0)	5.6	8.3	(3.1)	(27.4)
Profit attributable to equity holders of						
the parent	168.5	170.1	113.1	114.0	125.7	161.5

	As of December 31,					
	2011	2012	2013	2013 (restated)	2014	2015
	(€ millions)					
Consolidated Balance Sheet Data:						
Intangible assets	197.4	215.1	276.4	275.9	311.6	359.4
Property, plant, and equipment	2,132.9	2,431.4	2,486.5	2,553.8	2,661.8	2,861.8
Non-current financial assets	52.0	60.8	100.7	114.8	76.8	57.7
Inventories	452.8	496.0	511.1	527.0	573.0	586.4
Trade and other receivables	1,016.3	1,003.8	1,094.7	1,127.8	1,057.5	1,194.7
Cash and cash equivalents	260.1	247.6	510.2	520.4	483.9	356.0
Other ⁽²⁾	228.1	236.4	326.9	297.3	342.5	329.8
Total assets	4,339.6	4,691.1	5,306.5	5,417.0	5,507.1	5,745.7
Total equity	1,443.9	1,550.2	1,632.8	1,664.8	1,716.2	1,798.4
Non trade liabilities	862.2	1,119.1	1,705.5	1,785.9	1,725.3	1,674.2
Trade and other payables	949.6	924.6	1,058.2	1,092.4	1,191.8	1,384.4
Other liabilities ⁽³⁾	1,083.9	1,097.2	910.0	873.9	873.8	888.7
Total liabilities	2,895.7	3,140.9	3,673.7	3,752.2	3,790.9	3,947.3

	Year ended December 31,					
	2011	2012	2013	2013 (restated)	2014	2015
	(€ millions)					
Consolidated Cash Flow Information:						
Cash flows from operating activities . . .	305.2	370.2	373.6	367.1	565.5	600.0
Cash flows from investing activities . . .	(622.7)	(579.2)	(659.5)	(656.5)	(447.6)	(534.5)
Cash flows from financing activities . . .	240.5	196.5	545.0	578.0	(178.9)	(199.1)
Effect of changes in exchange rates . . .	(2.4)	(1.3)	3.5	(28.0)	24.5	5.7
Net increase (decrease) of cash or equivalent	(77.0)	(12.5)	262.6	260.6	(36.5)	(127.9)

	As of and for the year ended December 31,					
	2011	2012	2013	2013 (restated)	2014	2015
	(€ millions, except percentages and ratios)					
Other Financial Data:						
EBITDA ⁽⁴⁾	547.4	620.1	593.7	608.7	656.5	760.3
EBITDA margin	11.5%	10.8%	10.3%	10.4%	10.5%	10.8%
Capital expenditures ⁽⁵⁾	340.4	590.9	545.5	637.4	483.3	622.4
Changes in working capital	(129.6)	(84.4)	50.1	32.1	151.8	9.7
Net payments on investments ⁽⁶⁾	306.7	568.8	636.7	630.4	438.4	595.5
Dividends ⁽⁷⁾	(33.4)	(50.5)	(53.0)	(55.7)	(41.5)	(50.2)
Cash, cash equivalents and current financial assets	295.5	301.0	561.6	578.0	559.8	391.4
Total financial debt ⁽⁸⁾	1,329.7	1,598.8	2,022.0	2,110.2	1,969.5	1,884.5
Net financial debt ⁽⁸⁾	1,034.2	1,297.8	1,460.4	1,532.2	1,409.7	1,493.1
Net financial expenses ⁽⁹⁾	62.5	80.2	118.0	120.4	129.0	108.5
Ratio of net financial debt to EBITDA ⁽¹⁰⁾	1.9x	2.1x	2.5x	2.5x	2.1x	2.0x
Ratio of EBITDA to net financial expenses ⁽¹¹⁾	8.8x	7.7x	5.0x	5.1x	5.1x	7.0x

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

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

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

- (4) “EBITDA” represents operating profit before depreciation, amortization and impairment losses. Our management believes that EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA is used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions. EBITDA is also a measure commonly reported and widely used by analysts, investors and other interested parties in our industry. To facilitate the analysis of our operations, this indicator excludes amortization, impairment and depreciation expenses from operating profit in order to eliminate the impact of general long-term capital investment. Although we are presenting this measure to enhance the understanding of our historical operating performance, EBITDA should not be considered an alternative to operating profit as an indicator of our operating performance, or an alternative to cash flows from operating activities as a measure of our liquidity. The following table presents the calculation of this measure:

	Year ended December 31,					
	2011	2012	2013	2013 (restated)	2014	2015
	(€ millions)					
Operating profit	306.8	340.1	291.4	302.0	337.5	400.2
<i>Adjusted for:</i>						
Depreciation, amortization and impairment losses	240.6	280.0	302.3	306.7	319.0	360.1
EBITDA	547.4	620.1	593.7	608.7	656.5	760.3

- (5) Capital expenditures mean expenditure on property, plant and equipment and on intangible assets.
- (6) We define net payments on investments as our actual net cash outlays for property, plant and equipment and intangible assets, taking into account increases and decreases in payables to our suppliers of property, plant and equipment and intangible assets, as well as proceeds from divestments of property, plant and equipment and intangible assets.
- (7) Dividends consist of the dividends paid by the Company to its shareholders. In 2016, a dividend of €49.0 million to the shareholders of the Company in lieu of 2015 net income is expected to be declared on or about June 30, 2016, and will be paid on or before July 31, 2016.
- (8) Total financial debt consists of interest-bearing loans and borrowings, financial leasing, borrowings from associated companies, loans from the Ministry of Science and Technology and other interest bearing loans but does not include derivative financial instruments, non-interest bearing loans, other current non-trade liabilities, deferred income, provisions, deferred tax liabilities, trade and other payables and other liabilities. Net financial debt consists of total financial debt less cash and cash equivalents and current financial assets. The following table presents a calculation of these measures:

	As of December 31,					
	2011	2012	2013	2013 (restated)	2014	2015
	(€ millions)					
Interest bearing loans and borrowings	1,232.2	1,378.1	1,717.6	1,746.6	1,764.8	1,730.9
Financial leasing	0.2	25.1	23.7	28.8	28.6	35.2
Borrowings from associated companies . . .	74.6	121.5	192.1	246.2	99.4	79.0
Other interest bearing loans	—	39.5	30.3	88.6	76.7	39.4
Total financial debt	1,329.7	1,598.8	2,022.0	2,110.2	1,969.5	1,884.5
Cash and cash equivalents and current financial assets	295.5	301.0	561.6	578.0	559.8	391.4
Net financial debt	1,034.2	1,297.8	1,460.4	1,532.2	1,409.7	1,493.1

- (9) Net financial expenses consist of finance expenses less finance income.
- (10) Calculated by dividing net financial debt by EBITDA.
- (11) Calculated by dividing EBITDA by net financial expenses.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion together with our consolidated financial statements included elsewhere in these listing particulars. The financial data in this discussion of our results of operations and financial condition as of and for the years ended December 31, 2015, 2014 and 2013 has been derived from the audited consolidated financial statements of Gestamp Automoción and its subsidiaries as of and for the years ended December 31, 2015, 2014 and 2013 prepared in accordance with IFRS as adopted by the European Union. Certain monetary amounts, percentages and other figures included in these listing particulars have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

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

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

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

The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in the “Risk Factors” and “Forward-looking statements” sections of these listing particulars. Our actual results may differ materially from those contained in, or implied by, any forward-looking statements.

Overview

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

We offer our OEM customers a diverse product portfolio as a Tier 1 supplier of Body-in-White and Chassis structures and complex assemblies, opening systems and mechanisms, as well as tooling and dies and other related services.

Key factors affecting our results of operations

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

- **Capital expenditure**

The growth of our business involves significant capital expenditure, to the extent that we build new manufacturing plants or increase capacity in existing plants. Increased success and penetration with our customers based on increased project awards translates into increased capital expenditure to accommodate the execution of those projects. Once a project is ongoing, maintenance capital expenditure is limited and somewhat predictable. When new programs or vehicle models are required, usually at the end of a vehicle cycle, “renewal” or “replacement” capital expenditure is required in order to adapt existing infrastructure to accommodate new assembly and process design, usually at levels significantly below the expenditure required to create the capacity in the first place.

The construction period for new manufacturing facilities (or expansions of existing facilities) typically ranges between 12 months and 15 months and the cash used in investments in property, plant and

equipment associated with the construction and equipment of these new manufacturing facilities typically ranges between €40 million and €70 million. Once the construction of a manufacturing facility is completed, the output of the manufacturing facility increases over time, reaching full production capacity typically during the following 18 to 24 months. The table below sets out 14 such new manufacturing facilities and capacity expansion, the cash used in or expected to be used in investments in property, plant and equipment, its construction start date, its construction end date and its expected first year of full production.

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

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

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

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

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

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

- **Global automotive market production**

The cycles of the global automotive industry, which is correlated with general global macroeconomic conditions, impacts our OEM's customers' production requirements and consequently impacts the volume of purchases of our products by our OEM customers. Global vehicle production levels have grown moderately between 2012 and 2015, with substantial growth being registered in North America and Asia, which was partially offset by negative vehicle production levels in South America and, to a lesser extent, Japan and Eastern Europe. While China has moderated its outlook, and Russia and

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

- ***Outsourcing***

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

- ***Diversification***

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

- ***Steel price***

A significant part of our cost base consists of purchases of raw materials, which are variable in nature. The primary raw material used in our business is steel, which in the last five years has represented approximately 40% of our sales. While steel prices affect our revenue and costs, historically, our profit margins have not been significantly affected by changes in steel prices. Approximately 60% of our steel is typically purchased through OEM re-sale programs, under which an OEM customer negotiates directly with the steel suppliers the price of the steel that we use to manufacture components for that OEM. Such negotiated steel price is passed through to the OEM customer in the sale price of the automotive component. The remainder of our steel purchasing requirements are typically met through contracts with steel suppliers that we negotiate. Historically, we have negotiated with our OEM customers to pass through the increase or decrease in the steel price, eliminating significant volatility in our margins relating to volatility in steel prices. Due to our strong relationships with OEMs and the large steel volumes we acquire in the marketplace, we expect to be able to negotiate competitive steel contracts from suppliers and to pass through cost increases to our customers, thus stabilizing the effect on our margins.

We also sell scrap steel, which is a byproduct of our production process. Typically, the price of scrap steel fluctuates in line with steel prices. We generally share our recoveries from sales of scrap steel with our OEM customers either through scrap sharing agreements, in cases where we are on resale programs, or in the product pricing that we negotiate with OEMs based on increases and decreases in the steel price in cases where we purchase steel directly from the mills. As with input steel prices, we may be impacted by the fluctuation in scrap steel prices, either positive or negative, but historically these fluctuations have had a limited impact on our margins.

- ***Labor costs***

Labor costs have represented in the last five years between approximately 15% and 19% of our total annual sales. A significant part of our labor costs are semi-variable in nature and can be adjusted to meet business needs. The variable nature of our cost-base has assisted our strategic planning and has allowed us to maintain consistent profit margins.

- ***Vehicle cycles***

In our industry, once a project has been nominated to a preferred supplier, it is rare for an OEM to switch to another supplier, given the significant operational, technical and logistical costs of switching, particularly during the life cycle of a specific vehicle model. Vehicle models typically have long, multi-year product life cycles. Given these factors, while the actual revenues which we derive from a project ultimately depend on our OEM customers' production volumes achieved for the respective car models, we have good visibility on mid-term revenues within a relatively small range of sensitivity.

- ***Product pricing***

During the life cycle of a contract, we are expected to achieve production efficiencies. Typically, in line with industry practice, we pass on a portion of these production efficiencies to our customers by way of price reductions during the term of the contract. When negotiated price reductions are expected to be retroactive, we accrue for such amounts as a reduction of revenues as products are shipped. To the extent we are not able to achieve the efficiencies necessary to offset the price reductions, such price reductions negatively impact our profit margins.

- ***Seasonality***

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

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

We seek to limit our foreign exchange transaction risk by purchasing and manufacturing products in the same country where we sell to our customer. However, the translation of foreign currencies back to the Euro may have a significant impact on our revenues and financial results. Foreign exchange has an unfavorable impact on revenues when the Euro is relatively strong as compared with foreign currencies and a favorable impact on revenues when the Euro is relatively weak as compared with foreign currencies. The functional currency of our foreign operations is the local currency. Assets and liabilities of our foreign operations are translated into Euro using the applicable period-end rates of exchange. Results of operations are translated at applicable average rates prevailing throughout the period. Translation gains or losses are reported as a separate component of accumulated other comprehensive income in our consolidated statements of stockholders' equity (deficit). Gains and losses resulting from foreign currency transactions are included in net income (loss).

Principal profit and loss account items

The following is a brief description of the revenue and expenses that are included in the line items of our consolidated profit and loss accounts.

Operating Income

Revenue

Revenue is recognized when products are delivered or services are provided, regardless of when actual payment or collection occurs. Revenue is recognized at fair value of the balancing entry, defining fair value as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, taking into account the amount of any discounts or rebates provided. Revenue includes:

- Sale of goods: Revenue from the sale of goods is recognized when the following conditions have been met:
 - we have transferred to the buyer the significant risks and rewards of ownership of the goods;
 - we retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
 - the amount of revenue can be measured reliably;
 - it is probable that the economic benefits associated with the transaction will flow to us; and
 - the costs incurred or to be incurred in respect of the transaction can be reliably measured.
- Manufacture of tools for third party sale and rendering of services: Revenue arising from the manufacture of tools for sale to third parties and the rendering of services is recognized by reference to the stage of completion of the transaction at the reporting date. This is referred to as the stage of completion method. See Note 2 to our consolidated financial statements for the years ended December 31, 2015 and 2014 included elsewhere in these listing particulars.
- Interest, royalties, and dividends: interest revenue is recognized as interest accrues taking into account the effective return of the asset (using the effective interest method, i.e., the rate that makes discounted future cash receipts through the expected life of the financial instrument equal to the initial carrying amount of the asset). Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement. Dividends are recognized when the shareholder's right to receive payment is established.

Other operating income

Other operating income is comprised principally of grants related to income and grants related to assets released to income for the year, surplus provision for taxes, surplus provision for other commitments, surplus provision for environmental matters, own work capitalized and net effect of certain business combinations and acquisitions during the year.

Operating Expenses

Our operating expenses are comprised primarily of expenses on raw materials and other consumables, personnel expenses and depreciation, amortization and impairment losses. Expenses are recognized when products are delivered or services are provided, regardless of when actual payment or collection occurs. Further, expenses are recognized when there is a decrease in an asset or an increase in a liability that can be measured reliably, and they are recognized during the period in which they are incurred.

Raw materials and other consumables

Our expenses on raw materials and other consumables include purchases of goods and tools for resale, discounts for prompt payment, purchase returns and similar transactions, volume discounts, changes to inventories, purchases of raw materials, consumption of other supplies, expenses on work performed by third parties, impairment and reversal of impairment of goods for resale and raw materials.

Personnel expenses

Our personnel expenses include salaries, social security and other benefits expenses. Personnel expenses are primarily costs driven by the size of our operations, our geographical reach and customer requirements.

Depreciation, amortization and impairment losses

Depreciation and amortization relates to the depreciation of our property, plant and equipment. Annual depreciation is calculated using the straight-line method based on the standard estimated useful lives of the various assets. The physical life of our forming assets is typically longer. Our maintenance and replacement/renewal capital expenditures for our equipment are less than the depreciation of our assets. Land is not depreciated and is presented net of any impairment charges.

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

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

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

Other operating expenses

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

Financial income (expenses)

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

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

Exchange gains (losses)

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

The 2020 dollar notes are considered a hedge of equity invested in companies in the United States, so exchange differences arising from the valuation at the year-end exchange rate in 2015 are considered "Translation differences", net of the tax effect.

Transactions in foreign currencies are translated to euros at the exchange rate prevailing at the date of the transaction. Exchange gains and losses arising on the settlement of these transactions or on translating foreign currency denominated monetary assets and liabilities at closing rates are recognized in the consolidated income statement.

Share of profits (losses) from associates carried under the Equity Method

Share of profits (losses) in companies carried under the equity method is composed of the results of companies included in our consolidated results, on which we have significant influence but not control or joint control. For the purposes of the preparation of our financial statements, significant influence is deemed to exist in investments in which we, directly or indirectly, hold over 20% of the voting power, and in certain instances where our holding is less than 20%, but significant influence can be clearly demonstrated. Companies in which our direct or indirect holding is between 20% and 50%, but in which we do not hold the majority of voting rights or in which we do not have effective control or joint control with another third party entity, are consolidated using the equity method.

Income tax

We file income tax returns in each of the jurisdictions in which our subsidiaries are located. Our tax expense (tax income) was calculated based on accounting profit, which is calculated based on a number of factors such as theoretical tax expense, difference in prevailing rates, permanent differences, application of tax credits carried forward, tax credits restructured by prescription, adjustments related to current tax (previous years) and other tax adjustments.

Our theoretical tax rate applied in 2015 was 28.0%, while in 2014 and 2013 it was 30.0%. The “differences in prevailing rates” in 2015 and 2014 reflects the differences between prevailing rates in certain operating markets and the theoretical applicable rate, mainly relating to operations taxed in the US, Brazil (34%), and Argentina (35%).

The permanent differences in 2014 and 2013 reflect mainly accelerated depreciation, inflation adjustments, nondeductible provisions, fiscal transparency, nondeductible differences in exchange rates, nondeductible expenses, and those differences generated in the consolidation process. Also, in 2015 “Other tax adjustments” includes adjustments to capitalized tax credits related to differences in tax rates.

Profit (loss) attributable to non-controlling interest

Our consolidated results include entities in which we have a non-controlling interest. See Note 16 to our consolidated financial statements for the years ended December 31, 2015, 2014 and 2013 included elsewhere in these listing particulars for a description of the entities in which we had a non-controlling interest during the period.

Non-GAAP measures

EBITDA

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

Results of operations

Year ended December 31, 2015 compared to year ended December 31, 2014

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

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

Revenue

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

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

	Year ended December 31,		% Change
	2014	2015	
	(€ million)		
Revenue:			
Body-in-White and Chassis	5,090.0	5,813.0	14.2%
Mechanisms	750.4	832.1	10.9%
Tooling and Other	415.4	389.4	(6.3)%
Total	6,255.8	7,034.5	12.4%

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

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

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

Operating expenses

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

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

Depreciation, amortization and impairment losses. Depreciation, amortization and impairment losses increased by €41.1 million, or 12.9%, to €360.1 million in 2015 from €319.0 million in 2014, largely as a

result of depreciation of new investments carried out in recent years, particularly in Western Europe, the Americas and Asia, as well as depreciation in the Mechanisms business unit in general.

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

Operating profit

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

EBITDA

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

Net financial income (expenses)

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

Exchange gains (losses)

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

Income tax

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

Profit attributable to non-controlling interest

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

Year ended December 31, 2014 compared to Year ended December 31, 2013 (restated)

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

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

Revenue

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

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

	Year ended December 31,		
	2013	2014	% Change
	(€ millions)		
Revenue:			
Body-in-White and Chassis	4,744.4	5,090.0	7.3%
Mechanisms	702.9	750.4	6.8%
Tooling and Other	406.0	415.4	2.3%
Total	5,853.3	6,255.8	6.9%

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

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

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

Operating expenses

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

Personnel Expenses. Personnel expenses increased by €56.6 million, or 5.3%, to €1,124.9 million in 2014 from €1,068.3 million in 2013. This increase was due to an increase in full-time employees due to the ramp up of our new plants in the US and China, and to the decline in activity in some geographies, not fully offset by reductions in labor.

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

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

Operating profit or loss

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

EBITDA

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

Net financial expenses

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

Exchange gains (losses)

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

Income tax

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

Profit attributable to non-controlling interest

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

Liquidity and capital resources

Historical cash flows

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

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

	Year ended December 31,		
	2013 (restated)	2014	2015
	(€ millions)		
Cash flows from financing activities:			
Proceeds and payments on equity instruments	171.0	(6.5)	(28.0)
<i>Change in non-controlling interests</i>	165.3	(11.3)	(32.2)
<i>Grants, donations and legacies received</i>	6.9	5.0	5.8
<i>Other equity movements</i>	(1.2)	(0.2)	(1.6)
Proceeds and payments on financial liabilities	462.7	(130.9)	(120.9)
Issue:	1,698.1	131.7	162.7
<i>Bonds and other securities to trade</i>	756.5	—	—
<i>Interest-bearing loans and borrowings</i>	809.1	100.1	154.5
<i>Borrowings from Group companies and associates</i>	111.3	21.8	—
<i>Other borrowings</i>	21.2	9.8	8.2
Repayment of:	(1,235.4)	(262.6)	(283.6)
<i>Bonds and other securities to trade</i>	—	—	(20.4)
<i>Interest-bearing loans and borrowings</i>	(1,179.0)	(116.5)	(198.9)
<i>Borrowings from Group companies and associates</i>	(40.0)	(131.2)	(22.0)
<i>Other borrowings</i>	(16.4)	(14.9)	(42.3)
Payments on dividends and other equity instruments	(55.7)	(41.5)	(50.2)
Dividends	(55.7)	(41.5)	(50.2)
Cash flows from financing activities	578.0	(178.9)	(199.1)
Effect of changes in exchange rates	(28.0)	24.5	5.7
NET INCREASE/DECREASE OF CASH OR EQUIVALENTS	260.6	(36.5)	(127.9)

Cash flows from operating activities

Our net cash flows from operating activities were €600.0 million in 2015, primarily attributable to (i) the profit for the year before taxes and after non-controlling interests of €225.4 million, as a result of increased activity and improvement of our operating margins; (ii) depreciation and amortization of €356.4 million; (iii) reduction of needs in working capital of €9.7 million; (iv) net cash payment of interest of €104.4 million; and (v) payment of income tax of €72.8 million. Our cash flow from operating activities were negatively impacted in 2015 by an increase in tooling in progress of €112.2 million, which was partially offset by an increase in non-recourse factoring of €73.3 million.

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

Our net cash flows from operating activities were €367.1 million in 2013, primarily attributable to (i) the profit for the year before taxes and after non-controlling interest of €143.6 million, as a result of increased activity; (ii) depreciation and amortization of €304.0 million; (iii) a reduction of needs of working capital of €32.1 million; (iv) net cash payments of interest of €137.0 million; and (v) payments of income tax of €68.1 million. Our cash flows from operating activities were negatively impacted in 2013 as a result of a reduction in non-recourse factoring of €33.8 million, as well as an estimated €35 million of one-off transaction-related expenses related to the offering of the 2020 notes, the implementation of the Senior Facilities and related refinancings undertaken during 2013, included in cash payments of interest.

Cash flows from (used in) investing activities

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

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

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

Cash flows from financing activities

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

- the net amortization of other interest bearing loans in the amount of €64.8 million (repayments of loans and borrowings of €198.9 million and repurchase of 2020 notes of €20.4 million and proceeds from loans and borrowings of €154.5 million);
- the payment of €22.0 million of borrowings from Group companies, and €42.3 million of other borrowings; and
- the payment of €37.7 million in dividends to our shareholders and €12.5 million to shareholders in our subsidiaries.

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

- the net amortization of other interest bearing loans in the amount of €16.4 million (which include repayments of loans and borrowings of €116.5 million and proceeds from loans and borrowings of €100.1 million);
- the net amortization of borrowings from Acek, in the amount of €131.2 million. In August 2014, we repaid €122.5 million of debt to Acek, the amount of the financing that it had outstanding with the European Investment Bank and the Spanish Official Credit Institute (*Instituto de Crédito Oficial*), and simultaneously Acek repaid and cancelled this financing.
- the payment of €33.9 million in dividends to our shareholders and €7.6 million to shareholders in our subsidiaries.

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

- the issuance of the 2020 notes in the amount of €756.5 million;
- the funding of the Senior Facilities of €570.0 million;
- the proceeds from the investments by Mitsui of €297 million through the acquisition of a 30% share in our Brazilian, Mexican, Argentinian and North American operations via several capital increases;
- the proceeds from the investments by COFIDES of €40.0 million through the acquisition of a 35% share in Gestamp Autocomponents (Shenyang), Co. Ltd and Gestamp Autocomponents (Dongguang), Co. Ltd.; and
- certain other bilateral facilities in Brazil, Turkey and Spain.

This increase was partially offset by:

- the net amortization of other interest bearing loans in the amount of €1,179.0 million;
- the execution of the purchase option to acquire the 49% minority interest shareholding in GMF Holding GmbH from Tocqueville Capital Company B.V. (which was owned by Liberty Hampshire Company, LLC group) for €104 million;
- the purchase of the 35% minority interest shareholding in our Mexican operations from COFIDES for €67.5 million; and
- the payment of €51.0 million in dividends to our shareholders and €4.7 million to shareholders in our subsidiaries.

Liquidity

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

Following the issuance of the notes, our long-term indebtedness will primarily consist of the notes, the Senior Facilities, the Bank of America loan and the 2020 dollar notes.

In addition, we have a revolving credit facility in an amount of €280.0 million which currently remains undrawn, as well as €309.6 million in credit lines of which €41.0 million were drawn as of December 31, 2015. These credit lines are generally renewed each year and do not have any security and have customary covenants.

Although we believe that our expected cash flows from operations, together with available borrowings and cash on hand, will be adequate to meet our anticipated liquidity and debt service needs, we cannot assure you that our business will generate sufficient cash flows from operations or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the notes, or to fund our other liquidity needs.

We believe that the potential risks to our liquidity include:

- a reduction in operating cash flows due to a lowering of operating profit from our operations, which could be caused by a downturn in our performance or in the industry as a whole;
- the failure or delay of our customers to make payments due to us;
- a failure to maintain low working capital requirements; and
- the need to fund expansion and other development capital expenditures.

If our future cash flows from operations and other capital resources (including borrowings under our current or any future credit facility) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell our assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including the notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of the notes and any future debt may limit our ability to pursue any of these alternatives.

In addition, historically we have paid dividends to our shareholders of €51.0 million in 2013 (plus €4.7 million to shareholders in our subsidiaries), €33.9 million in 2014 (plus €7.6 million to shareholders in our subsidiaries) and €37.7 million in 2015 (plus €12.5 million to shareholders in our subsidiaries).

We are leveraged and have debt service obligations. As of December 31, 2015 and as adjusted to give pro forma effect to the Refinancing Transactions, we would have had approximately €1810.6 million of total financial debt. We anticipate that our leverage will continue for the foreseeable future. Our level of debt may have important negative consequences for you. See “*Risk Factors—Risks related to the notes*”.

Working capital

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

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

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

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

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

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

Capital expenditures

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

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

Capital expenditures for the years ended December 31, 2013, 2014 and 2015 amounted to approximately €637.4 million, €483.3 million and €622.4 million, respectively. We define capital expenditures as consisting primarily of expenditure on property, plant and equipment. This includes expenditure on new manufacturing plants and expansion of existing plant capacity for new production lines, maintenance capital expenditure comprising expenditures on maintenance of machinery and buildings, improvements of existing plants driven by health and safety and noise reduction concerns and replacement capital expenditure incurred when we change the engineering of our production platforms in connection with new

models. Replacement capital expenditure is primarily incurred in connection with updating our welding and assembly cells and equipment, given that the most costly categories of our infrastructure, such as land, buildings and press equipment, have long lives and can be adapted with relatively low expenditure for replacement or renewal business. Our estimated capital expenditure budget for 2016 is similar to our capital expenditure in 2015. We expect that our capital expenditure (including both maintenance and replacement capital expenditures and growth capital expenditure) will remain stable as a percentage of sales in the near term.

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

Contractual obligations

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

Our consolidated contractual obligations as of December 31, 2015, after giving pro forma effect to the Refinancing Transactions, were as follows:

	<u>Total</u>	<u>Less than 1 year</u>	<u>1–5 years</u>	<u>More than 5 years</u>
		(€ millions)		
Contractual Obligations				
Interest bearing loans and borrowings	1,736.4	282.9	948.3	505.2
Financial leases	35.2	6.3	10.0	18.9
Borrowings from associated companies	79.0	10.5	53.0	15.5
Other financial debts	39.4	—	23.8	15.6
Total Financial Debt	1,890.0	299.7	1,035.1	555.2
Operating leases	439.8	75.6	227.8	136.4
Non interest bearing loans	16.6	—	14.0	2.6
Current non-trade liabilities	150.2	150.2	—	—
Current non-trade liabilities from associated companies	0.9	0.9	—	—
Total Contractual Obligations	2,497.5	526.4	1,276.9	694.2

Off-balance sheet arrangements

We generally do not utilize off-balance sheet arrangements.

Critical accounting policies

Our financial statements and the accompanying Notes contain information that is pertinent to this discussion and analysis of our financial position and results of operations. The preparation of financial statements in conformity with IFRS requires our management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and liabilities. Estimates are evaluated based on available information and experience. Actual results could differ from these estimates under different assumptions or conditions. For a detailed description of our critical accounting policies, see Note 5 to our consolidated financial statements for the years ended December 31, 2015, 2014 and 2013 included elsewhere in these listing particulars.

Market risks

Our treasury team is responsible for managing our exposure to financial risk and for minimizing the potential adverse effects on our financial returns. We are primarily exposed to market risk from changes in foreign currency exchange rates and interest rates and we are also exposed to liquidity risk and credit risk. We manage our exposure to these market risks through our regular operating and financing activities.

Foreign currency risks

In the year ended December 31, 2015, €4,181.8 million of our revenues (which represented approximately 59.4% of our revenue for that period), on a consolidated basis, were generated in currencies other than the Euro. Our strategy for managing currency risk relies primarily on conducting business and making investments in a foreign country in that country's currency. The effects on us of foreign currency fluctuations are mitigated by the fact that expenses are generally incurred in the same currency in which revenues are generated.

However, fluctuations in the exchange rate between the currency in which a transaction is denominated and our presentation currency, the euro, can have some negative or positive impact on our profit or loss.

We mainly operate in the following currencies: Argentine Peso, Brazilian Real, Chinese Yuan, Czech Crown, Euro, GB Pound, Hungarian Forint, Indian Rupee, Korean Won, Mexican Peso, Polish Zloty, Russian Ruble, Swedish Crown, Thai Baht, Turkish Lira, US Dollar and Japanese Yen.

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

- Foreign currency forward contracts: These arrangements lock in the price at which an entity can buy or sell a currency on a set date; the timing can be adjusted to align the transactions with the hedged cash flows.
- "Puttable instruments": Other derivatives are also used to hedge currency risk, including those designed to lock in a maximum or minimum exchange rate (collar or tunnel) at a set settlement date.

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

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

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

Interest rate risks

A substantial portion of our borrowings bear interest at floating rates, exposing us to risk from fluctuations in market interest rates, so that market fluctuations affect cash flows. We mitigate this risk by using interest rate derivatives/hedges, through entities that operate on organized markets. These instruments are used to

hedge exposure to fluctuations in floating interest rates on a portion of the bank loans granted to us and on a portion of expected future borrowings. We use mainly swaps, by which we convert the floating rate on a loan into a fixed rate. We may swap the rate on a portion of the loan or on the entire loan, and for its entire duration or a part thereof. Virtually all of our variable rate borrowings are at floating rates indexed to Euribor.

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

Liquidity risk

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

Credit risk

Credit risk is concentrated primarily in our accounts receivable. Our management considers that our counterparties are creditworthy, multinational companies. We manage our credit risk according to policies, procedures and controls determined by us regarding credit risk management of customers. At each closing date, we analyze on the basis of real historical data the balances of each major client individually in order to determine the need for provisions or impairment. We have no guarantee on debts and have concluded that the risk concentration is low given that our customers belong to distinct jurisdictions and operate in highly independent markets. Our credit risk with banks is managed by our treasury department according to our policies. The surplus cash investments are contracted only with authorized counterparties and always within the credit limit assigned for each counterparty. The limits are established in order to minimize risk concentration, thereby mitigating financial losses in the event of a default by the counterparty. Our maximum exposure to credit risk at December 31, 2013, 2014 and 2015 amounts to the carrying values, except for financial guarantees and derivative financial instruments.

Commodity risk

The primary raw material used in our business is steel. We are mostly neutral to changes in the price of steel as a result of our pass-through arrangements with OEMs, which provide us a natural hedge.

INDUSTRY

You should read the following discussion together with the sections entitled “Selected Financial Information”, “Risk Factors”, “Forward-Looking Statements” and “Presentation of Financial and Other Data—Industry Data”.

The market information presented in this section is taken or derived from the cited sources. Forecasts or market data are inherently forward-looking and all market data are subject to uncertainty and do not necessarily reflect actual market conditions. They are based on market research, which itself is based on sampling and subjective judgments by both the researchers and respondents, including judgments about what types of products and competitors should be included in the relevant market. In addition, certain statements below are based on internal information, insights, subjective opinions or internal estimates, and not on any third-party or independent source; these statements contain words such as “we estimate”, “we expect”, “we believe” or “in our view” and as such do not purport to cite or to summarize any third-party or independent source and should not be so read.

Introduction

The automotive industry designs, develops, manufactures, markets, sells and services motor vehicles which are classified into light vehicles and heavy commercial vehicles. The light vehicle segment is comprised of passenger cars, vans and light trucks (with gross vehicle weight of less than six tons), while the heavy commercial vehicle segment consists of vehicles with gross vehicle weight greater than six tons.

The automotive production value chain is split between OEMs such as Daimler, Ford, General Motors, Toyota and Volkswagen and automotive suppliers, such as Bosch, Continental, Denso and Magna International. Automotive suppliers are then typically further categorized into three different tiers. Tier 1 suppliers sell their products directly to OEMs. Typically these products are larger modules or systems which integrate components from Tier 2 automotive suppliers. Tier 2 suppliers in turn typically integrate products from a further layer of suppliers (Tier 3 suppliers). A clear delineation of the suppliers as Tier 1, Tier 2 or Tier 3 is not always possible because suppliers often manufacture and sell numerous products or product groups.

Automotive suppliers can also be categorized as captive or independent. Captive suppliers are fully or partially owned by OEMs or serve a single OEM (one example would be the Keiretsu system in Japan). Independent suppliers like Gestamp are not owned by OEMs and can serve multiple OEMs. In addition, some components are sold directly to the independent automotive aftermarket rather than to the OEMs and their captive aftermarket networks.

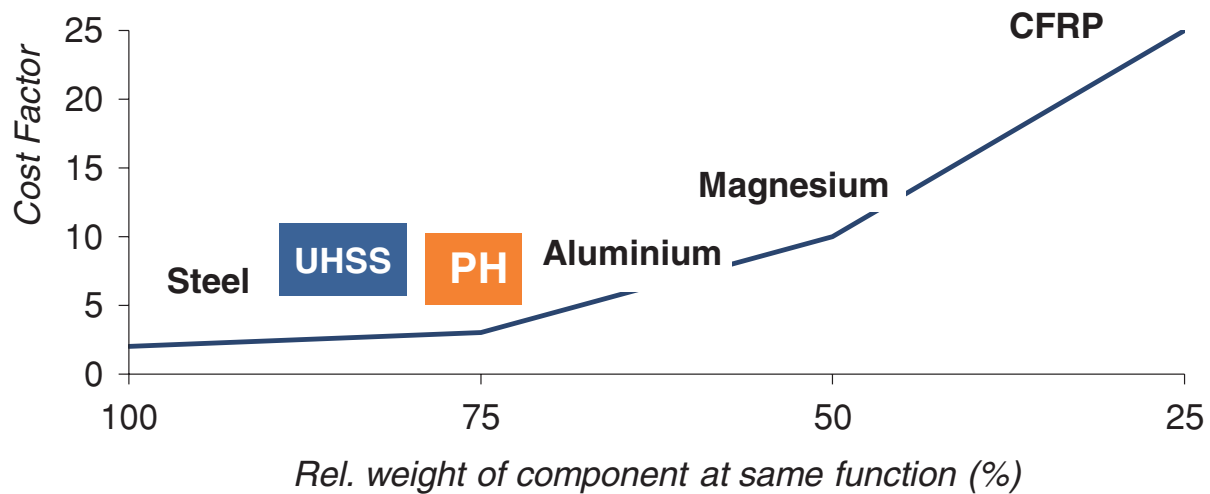
The group of automotive suppliers is typically further divided into sub-segments based on their components' function within the car. Each of these sub-segments is comprised of various product groups. A typical classification of automotive suppliers by vehicle function could include the following sub-segments: powertrain, body and structural, electronics, interior, transmission, suspension, climate control, wheels & tires, steering, fuel systems, passenger restraints, audio & telematics, exhaust and body glass. There are different market leaders in the respective market niches. Consequently, a consistent definition of these niche markets does not often exist, and it is very difficult to determine the market position of an individual supplier by using objective criteria.

Overview of body and structural market

We mainly act as a Tier 1 supplier to OEMs in the body and structural market. The body and structural market in the broader sense is comprised of all the products and components that form the structural elements of the car as well as its outerskin. Body and structural components typically represent a substantial part of the overall vehicle weight. Products that are typically included within this category include among others: bumpers (also including shocks), chassis, cross members, doors (also including frames and panels), fascias, fenders, floors, grilles, handles, hinges, hoods (also including liners, releases and support rods), latches, locking systems, pedal boxes, rails, reflectors, roll bars, roofs, side body panels, skid plates, splash guards, spoilers, subframes, wheel arches and window regulators.

Key trends in the body and structural market include the push towards further weight reduction aimed at lowering fuel consumption and, thereby, carbon dioxide emissions. This is being achieved through gradual weight optimization within established component technologies as well as through the development of new, lighter technologies and materials. Examples for new technologies and materials include the use of alternative materials for body components, such as replacing conventional steel components with parts

made of high strength steel, aluminum and all types of fiber components (or other materials such as carbon) reinforced plastics. Manufacturing components from lighter materials such as aluminum typically comes with substantial cost increases compared to conventional steel parts, with disproportionate increases in cost for the lightest materials such as carbon fiber, thus limiting the market demand for such parts currently particularly for the production of light vehicles. The chart below shows the weight/cost comparison by material:



The drive towards weight reduction in body and structural components is partially driven by governmental regulation concerning carbon dioxide and emission standards throughout the industrial world, including the European Union, the United States and Japan, as well as by increasing cost and environmental awareness among consumers.

The body and structural market is also driven by increasingly stringent safety standards led by both regulations and customer expectations. Together with dedicated passive safety parts such as airbags and seatbelts, body and structural components protect car occupants in the case of a crash and also directly influence the damage inflicted on other parties involved in a collision.

The body and structural market is additionally impacted by trends affecting the automotive sector in general described under “—Market and industry trends”.

Market development by region

As an automotive supplier, our revenue development is linked to the development of automotive production numbers and changes in the content per vehicle for the automotive components we produce. The following is a brief description of selected historical and forecast light vehicle production in key regions and selected countries in which we operate, as well as selected expected annualized growth rates in production. Both historical and forecast data is based on data published by an independent third party provider. There can be no assurance that any of the forecasts presented below will be accurate.

Western Europe

Western European light vehicle production suffered a weak phase in 2012, with a decline of 7.8%, and tepid growth of 0.2% in 2013, primarily on the back of uncertainties caused by the Eurozone crisis and resulting weak consumer confidence. Since then, the market has witnessed a sharp recovery in 2014 and 2015, with unit production rising 5.1% and 6.9%, respectively. In 2015, a significant portion of the growth was driven by Italy (growth of 46.2%) and Spain (growth of 13.1%) while Germany, the single largest market in the region, grew by 1.9%.

By 2020, light vehicle production in the region is expected to reach 14.7 million units (14.5% of global light vehicle production), implying an expected CAGR of 0.7% between 2015 and 2020, with steady growth in Spain (an expected growth of 3.2%) and France (an expected growth of 1.8%), more than offsetting slight declines in Germany (an expected decline of 0.3%) and in the UK (an expected decline of 0.6%).

In 2016, the market is expected to see unit production growth of 4.5% and pricing improvement on the back of an increase in volumes, lower expected unemployment rates, higher capacity utilization of plants and stable incentive levels.

Eastern Europe

Eastern European light vehicle production, which was relatively stable in 2012 (up 2.8%) and 2013 (up 2.6%), remained essentially flat in 2014 and declined in 2015, with unit production down 1.9%. This was primarily due to a market collapse in Russia, one of the region's largest markets (as of 2015), with production declines of 14.6% and 27.4% in 2014 and 2015, respectively. The weakness of the Russian market can be attributed to lower economic growth, decline in oil prices, decline of the rouble, geopolitical uncertainty over the Ukraine crisis, the impact of sanctions and the fact that some major players, such as General Motors, have decided to shut down production facilities in the country.

By 2020, light vehicle production in the region is expected to reach 8.3 million units (8.2% of global light vehicle production), implying an expected CAGR of 4.4% between 2015 and 2020, led by strong growth in Russia of 8.7%, albeit from a low starting point in 2015 given recent declines, and increases in other key markets, such as Turkey (an expected growth of 1.0%), slightly offset by declines in markets such as the Czech Republic (an expected decline of 1.0%).

In 2016, the market is expected to see a slight decline of 0.1% to remain at 6.7 million units, with a further decline in the Russian market (an expected decline of 10.1%). Key drivers of the market in the medium term are expected to be continued transfer in production capacity from Western to Eastern Europe for cost-effective manufacturing, increasing localization levels to counter foreign exchange volatility and expected demand growth in the region. Recent examples of this trend include major OEMs like PSA and Daimler considering building additional facilities in the region and Renault-Nissan's acquisition of a controlling stake in Russian manufacturer AvtoVAZ.

North America

North American light vehicle production grew strongly in 2012 (up 17.6%) and has shown a steady growth trajectory since growing 4.8% in 2013, 5.3% in 2014 and 2.7% in 2015. The industry's recovery in the region can be attributed to significant restructuring efforts following the global financial crisis, steady economic growth with higher disposable incomes and rising consumer confidence and lower interest rates leading to greater affordability. Lower oil prices provided an additional tailwind in 2015, lowering the total cost of ownership and boosting demand, especially for the pickup and light truck market segment.

By 2020, light vehicle production in the region is expected to reach 19.0 million units (18.7% of global light vehicle production), implying an expected CAGR of 1.6% between 2015 and 2020, with the U.S. stable (with expected growth of 1.0%) and a strong increase in Mexico (an expected growth of 7.5%) partially offset by a decline in Canada (an expected decline of 6.3%).

In 2016, the market is expected to see unit production growth of 3.9%, with principal growth drivers being resilience in the U.S. economy, lower oil prices driving growth in SUVs and pickup trucks and a strong model pipeline from major manufacturers.

South America

South American light vehicle production posted decent growth in 2013, with a 5.7% increase in production. However, the market has witnessed significant declines since then, with a 15.8% drop in 2014 followed by a 20.2% decline in 2015. This has been led by Brazil, the single largest market in the region, with declines of 14.1% in 2014 and 21.5% in 2015. The weakness in Brazil can be attributed to weakness in the broader economy, led by falling commodity prices, lower disposable incomes and curtailed state spending on subsidy programs such as Inovar-Auto.

By 2020, light vehicle production in the region is expected to reach 3.2 million units (3.2% of global light vehicle production), implying an expected CAGR of 1.3% between 2015 and 2020, with a steady recovery in Brazil (an expected growth of 1.3%), albeit from a low starting point given recent declines.

In 2016, the market is expected to see unit production decline of 15.0%, with declines in the key markets of Brazil (down 16.4%) and Argentina (down 10.8%). Most carmakers and suppliers expect the region to rebound only in 2017 and are adopting strategies such as increasing exports from the region, reducing or deferring greenfield investments, cutting jobs and the number of shifts in existing plants and initiating price increases to counter foreign exchange weakness.

China

Greater China light vehicle production has proven to be the strongest driver of global automotive production growth, especially since the financial crisis. The market witnessed strong growth in 2013 and 2014 of 14.5% and 8.1%, respectively. The growth rate slowed down significantly in 2015 with an increase of 4.5%. This sharp reduction in the growth rate was primarily driven by lower GDP growth, weakness in Chinese equity markets impacting consumer confidence and license plate restrictions being imposed in major cities to curb congestion and pollution levels. Additionally, 2015 saw domestic brands in China gaining market share at the expense of their international counterparts.

By 2020, light vehicle production in Greater China is expected to reach 29.6 million units (29.2% of global light vehicle production), leading to an expected CAGR of 4.3% between 2015 and 2020. This implies that China will continue to remain the single largest market globally for automotive production.

In 2016, the market is expected to see unit production growth of 5.6%, thus recovering from the low growth in 2015. Principal factors behind the growth are stimulus measures from the Chinese government (reduction in the sales tax rate from 10% to 5% on small cars with engine capacity of less than 1.6 litres), a lower base of comparison for growth given 2015 declines, a strong model launch pipeline and normalized inventory levels following the significant destocking witnessed in the third quarter of 2015.

Asia (excluding Greater China)

Asia (excluding Greater China) light vehicle production has witnessed declines in the 2013 to 2015 period, with vehicle production falling by 2.2%, 1.2% and 1.1% in 2013, 2014 and 2015, respectively. However, this overall decline masks significant differences at the country level, with growth in India, Indonesia and Thailand being offset by declines in larger, more mature markets in Japan and South Korea. Weakness in Japan and South Korea is mainly due to slower economic growth, saturation in car ownership levels, higher wage levels and an aging demographic relative to other markets. These factors have led carmakers and suppliers to shift their attention to more buoyant emerging markets such as India and Indonesia.

By 2020, light vehicle production in the region is expected to reach 23.4 million units (23.1% of global light vehicle production), implying an expected CAGR of 2.0% between 2015 and 2020, with strong growth in India (an expected growth of 9.0%), Thailand (an expected growth of 5.3%) and Indonesia (an expected growth of 5.4%), while Japan (an expected decline of 0.3%) and South Korea (an expected decline of 2.6%) are expected to continue to register declines.

In 2016, the market is expected to see unit production growth of 1.5% as Japan is expected to show a growth of 2.2% while India remains the fastest growing major market, up 7.8%, primarily aided by economic growth, new model launches and capacity ramp-up from OEMs based in the region such as Suzuki and Hyundai.

Market and industry trends

The global automotive supplier market is characterized by the following trends and growth factors:

The regional shift of the automotive industry will continue, intensified by continuous increase in demand for vehicles in growth markets

The automotive industry has become increasingly global with numerous production plants being established in certain emerging markets. OEMs are relocating production facilities to these regions in order to satisfy increasing local demand, most notably from China and India. Market penetration in emerging countries remains low. This trend is also expected to apply to automotive suppliers, whereby suppliers will follow their OEM customers and establish production facilities in close proximity to those of the vehicle manufacturers. The Chinese and Indian automotive markets have grown significantly over the last ten years, even during the global financial crisis, and their high growth rates are expected to be sustained going forward. In addition to building capacity in emerging markets, OEMs are also using these facilities as export hubs for addressing overseas demand given cost considerations.

The move to common platforms is resulting in increased consolidation and closer cooperation between suppliers and OEMs

The automotive supplier industry is currently in a transition phase. Consolidation is expected to continue driven by cooperation amongst OEMs, strengthened common platform strategies (utilization of the same

core car design platform for various distinct models) and the restructuring and insolvency of midsize suppliers. Consequently, a number of larger suppliers are evolving who are able to produce large volumes, are financially sound and have a broad product offering. This new generation of automotive suppliers is expected to have a closer relationship with OEMs and have stronger bargaining power than their midsize competitors. The increased specialization and “modularization” (production of components with standardized product features, which can be used for a wider range of vehicles) will enable suppliers to manufacture larger volumes of certain products. OEMs are developing a collaborative relationship with their suppliers, which has allowed them to optimize the value chain and better positions them for structural challenges in the automotive industry. For suppliers, this collaboration is important as it allows them to avoid redundant investments and reduce their product development costs. Such strategic partnerships hold potential for cost reduction and help boost supplier profitability by enabling them to leverage scale-related benefits.

The market share of the SUV and premium automotive segments is expected to increase at the expense of the volume segment

From a segment perspective, the SUV and premium segments are expected to witness above average growth. Primarily aided by lower oil prices in the U.S. and an increase in demand for budget SUVs in China, this trend is expected to continue going forward. In the U.S. in 2015, sales of pickup trucks and SUVs rose by approximately 15% year-on-year, while sales of small, midsize and large sedans fell by approximately 11%.

The premium segment is forecasted to grow above average, led by continued strong demand in China and consumer willingness to trade up given the advances in safety, connectivity and autonomous driving that premium vehicles offer.

Both these trends bode well for suppliers given higher potential for increases in content per car both from a size (in the case of SUVs, which are larger than conventional cars and hence have higher content in areas like seating and structural parts) and sophistication (in the case of premiums) perspective.

Stricter carbon dioxide emission regulations worldwide forcing OEMs to improve fuel efficiency and environmental friendliness of vehicles

The development and production of fuel-efficient vehicles is a key growth trend in the automotive sector. It is driven by consumers' preference to save money on fuel and regulatory factors. Furthermore, increasing social and environmental awareness among end consumers is expected to play a greater role in vehicle purchase decisions. Consequently, OEMs face on-going pressure to improve the fuel efficiency of their vehicles and thereby reduce carbon dioxide emissions. The regulatory obligation to improve the efficiency of existing technologies and to develop new environmentally-friendly technologies, aimed at reducing fuel consumption and a consequent reduction in carbon dioxide emissions, is becoming a key focus for OEMs given stringent carbon dioxide consumption and emission standards throughout the industrial world, including the European Union, the United States, China and Japan. For example, to avoid the imposition of penalty payments EU car manufacturers' fleet average for passenger cars must comply with carbon dioxide emission limits of 130 g/km by 2015, and this target is proposed to reduce to around 95g/km by 2020. Another key trend is the increasing discussion concerning a possible shift toward real-world testing measures and away from laboratory-based measurement of emission levels. (In the European scenario, this would entail a shift from the current New European Driving Cycle, or NEDC, towards the Worldwide Harmonized Light Vehicle Testing Procedure, or WLTP.)

Emission of pollutant substances (other than carbon dioxide) by vehicles will also be reduced, especially for vehicles with diesel engines

The development and production of innovative components and systems contributing to emission reduction is a key growth area in the automotive sector. Many countries have adopted emission regulations which set limits on the amount of pollutants that new vehicles can emit. These regulations limit, in particular, the emission of carbon monoxide, nitrogen oxides, hydrocarbons and particulate matter, all of which are considered harmful to human health. Within the next several years emission limits worldwide are expected to become increasingly restrictive given growing environmental awareness. Regulations have been adopted in both developed and emerging markets; Brazil, India and China, for example, tend to adopt similar regulations a few years after they have been approved in Europe. The emission limits for nitrogen oxides and particulate matters emitted by diesel vehicles are expected to face most substantial

reductions. The currently applicable emissions standard in Europe, called Euro 6, for example, limits NOx emissions at 0.08 g/km compared to 0.18 g/km under Euro 5. These emission levels are viewed as particularly challenging for diesel engines, which operate under “lean burning” conditions. Recent scandals involving emissions testing have further enhanced the focus on fuel efficiency norms and their implementation. This tightening of emission regulation worldwide is expected to drive demand for more eco-friendly products, forcing OEMs and suppliers to develop innovative components and systems which comply with the more restrictive emission legislation.

Increasing number of electric and hybrid cars and the emergence of hydrogen-powered vehicles

Consumers are becoming increasingly environmentally conscious and this is affecting their vehicle purchase choice. Additionally, regulators have set stringent regulation targets that require a certain degree of engine electrification. This is leading to an increase in demand for both hybrid and electric vehicles, with hybrids being considerably more in demand given the flexibility they afford in terms of switching seamlessly between electric and traditional diesel or gasoline technology. Given considerable headwinds to full electrification such as higher cost, short driving range and lack of charging infrastructure, hybrids are expected to gain a majority of the market share being ceded by traditional technologies. This shift is creating significant opportunities, primarily for suppliers focused on transmissions and powertrains with respect to areas like hybrid transmission systems, 48V “mild” hybrid technology as well as high-voltage systems along with modifications like engine downsizing and turbocharging being made to traditional systems. The impact on Chassis and Body-in-White automotive suppliers is likely to be relatively limited, with only amendments being made to existing technology.

Stable market dynamics

A majority of the markets in which we are active are increasingly consolidated in nature, typically with three to five global key competitors. We believe that there are a number of challenging requirements for global automotive suppliers that, in part, are linked to the global trends that have developed in the industry and that a new or less well established market player would have to satisfy in order to establish themselves in the market.

Established OEM relationships

We and our key competitors have long-standing relationships with automotive OEMs, developed through long-standing close collaboration. The systems and components provided to our OEM customers are critical in nature. Therefore, OEMs choose their suppliers carefully based on a number of criteria. In addition, OEMs outsource an increasing amount of content to suppliers that continue proving their capabilities over time, such that they are fully involved within the complete vehicle development value chain. We believe that when entering this market, potential competitors would need to spend many years developing a track record with these customers before shifting from being a “build-to-print” supplier to a full strategic partner.

Technological capabilities

We and our key competitors have made significant investments to develop state-of-the-art technologies across a broad range of processes, in order to be at the forefront of weight-reduction and certification of safety standards, as well as customer preferences on design and other factors. This has been carried out through extensive and sustained R&D activities over a number of years, increasingly in collaboration with OEMs. In addition, technological capabilities also extend to tooling competencies across the entire value chain, from design to manufacturing and testing. We believe that these advanced capabilities act as a challenging pre-requisite for potential new competitors in our markets.

Global manufacturing footprint

Automotive OEMs are increasingly shifting to common vehicle platforms on a global basis with the aim of maximizing the commonality of components and systems and to derive cost savings via economies of scale. Consequently, OEMs are increasingly looking for global suppliers that can provide standardized components with consistent quality standards globally, at a competitive cost and with close proximity to OEM production sites. We believe that it would be difficult for potential competitors to achieve such a broad geographical (human resources and physical plant) footprint within a short time-frame.

Scale

Entry into most of the markets in which we and our competitors are active requires substantial investments which we believe many potential competitors would not be able or would not be willing to make. As we manufacture most of our products in large volumes, we have been able to significantly reduce costs per unit. In our view, when entering the market most potential competitors would have to incur higher costs per unit if they were to seek to manufacture products with the same quality as ours.

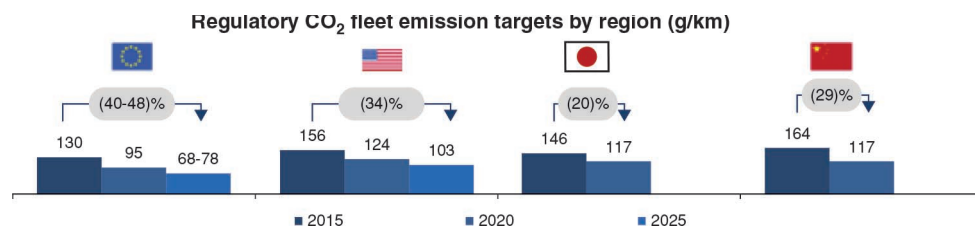
Track record of financial stability

A key success factor for automotive suppliers is financial stability, as this is an important factor considered by OEMs when making purchasing decisions. During the downturn in 2008 and 2009, many OEMs faced supply chain difficulties as a result of certain suppliers falling into financial distress and therefore being unable to fulfil their contractual obligations to supply automotive components. Therefore, there has been a structural shift in OEM preferences to work increasingly with larger and more financially stable suppliers. Consequently, this is making it more difficult for financially weaker or unproven competitors to enter into our addressable markets.

Regulatory environment

We are subject to the laws and regulations applicable to our business activities in the countries in which we operate. Moreover, the products we manufacture have to comply with various legal requirements. The general regulatory conditions applicable to our operations and products are subject to change, and are continuously being adapted at both national and international levels (especially by the European Union), following steady technological development, the increased need for safety and the environmental consciousness of the population. As far as future regulations are concerned, governments may decide to delay the introduction of such regulations, change the emission limits set by such regulations, introduce different testing mechanisms or not to introduce such regulations at all (in contrast to their current plan).

One area of particular focus for regulatory authorities concerns carbon dioxide emissions. Carbon dioxide emission or fuel economy standards are already in place in a number of the markets in which we operate, and these standards continue to be refined. The chart below illustrates future carbon dioxide emission targets (in gallons per kilometer) in certain markets in which we operate:



BUSINESS

Our company

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

We offer our OEM customers a diverse product portfolio as a Tier 1 supplier of Body-in-White and Chassis structures and complex assemblies, opening systems and Mechanisms, as well as tooling and dies and other related services.

- *Body-in-White:* Our Body-in-White product portfolio includes large component parts and assemblies, such as hoods, roofs, doors, fenders and other high quality "Class A" surfaces and assemblies, which are used to create the visible exterior skin of an automobile. This product portfolio also includes structural and other crash-relevant products, such as floors, pillars, rails and wheel arches, which together with the exterior skin component parts and assemblies form the essential upper and under body (platform) structures of an automobile.
- *Chassis:* Our Chassis product portfolio consists of systems, frames and related parts, such as front and rear axles and links, control arms and integrated links, which link the body and the powertrain of an automobile and carry the load of the vehicle.
- *Mechanisms:* Our Mechanisms product portfolio consists of mechanical components such as hinges for doors, hoods, and trunk lids, door checks and door hinges that enable the user to open and shut the automobile's hood, side and rear doors and lift-gates, as well as pedal systems and hand brakes. Mechanisms also include powered systems that allow automobile doors to open and close electrically and by remote activation.
- *Other products:* We design, engineer, manufacture, service and sell dies and tools in support of our customers. We also design, manufacture and sell presses.

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

We believe that we are one of the two leading suppliers of Body-in-White and Chassis products globally by combined revenue. In Body-in-White products, we believe that we are the clear market leader among individual suppliers in Western and Eastern Europe combined, and in South America. In Chassis products, we believe that we are number two in the market among individual suppliers in Western and Eastern Europe combined, and in South America. In Mechanisms products, we believe that we are the clear market leader in Western and Eastern Europe, and in South America, with estimated regional market shares between 40% and 50% in 2015.

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

We are committed to maintaining our technological leadership in the development of innovative and high quality products. We are involved in the full cycle of the component supply process, often co-developing parts jointly with our OEM customers and applying computer-aided design and crash test simulations in

order to optimize weight and safety features. We design and manufacture components adapted to each new car model or platform and conclude contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). We have been successful in obtaining a high rate of renewal of our programs.

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

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

Our strengths

Technological leadership leveraged over a global footprint

One of the global trends in the automotive industry is the increased focus on innovative and technologically advanced products that seek to address the parallel concerns of improved safety for passengers and road users and weight and emissions reduction. Our R&D capabilities and technological leadership, combined with our global footprint, enable us to capitalize on the OEM customer needs evolving from these regulatory requirements.

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

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

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

Selected recent examples of our R&D success include the collaboration of our engineers with Honda in Japan, whereby we were able to provide Honda with key input in the design phase of a number of its vehicle components, demonstrating to its engineers the potential for our tailored material property press hardening technology to reduce weight and increase safety in a cost-effective manner. This co-development

work significantly enhanced our relationship with Honda, generating combined product patents that are jointly shared among Gestamp and Honda, the eighth largest OEM by production volume in 2015. This led to new orders at our West Virginia plant in 2014 for components for the new Honda Civic, which launched production in late 2015 and which also led to follow-on nominations in 2015 for components for the Honda CR-V (which is expected to launch by the end of 2016), as well as the Honda Accord (which is expected to launch in the second half of 2017). The Honda Civic, which won the 2016 North American Car of the Year Award, where safety is among the selection criteria, features our soft zone hot stamping technology. We also won the steel award in the area of US winners of the 2016 annual Great Designs in Steel (GDIS) Automotive Excellence Award for advanced high-strength steel innovations.

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

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

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

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

Supporting our innovative products and processes and in-house capabilities is the maintenance of rigorous quality management systems in all of our manufacturing plants and R&D facilities. Through regular internal audits we are able to ensure that our products and processes are monitored to the highest industry standards. We believe that these competencies and capabilities along the entire value chain, together with a high standardization of process equipment and process development, gives us a competitive advantage over many other suppliers. Full standardization, as shown by our own designed and manufactured press hardening equipment, is considered the basis for launching complex technologies with the highest quality requirement in the shortest time, offering as well technological back up strategies to reduce industrial risks.

Highly diversified revenue base across regions, customers and products

Diverse regional footprint

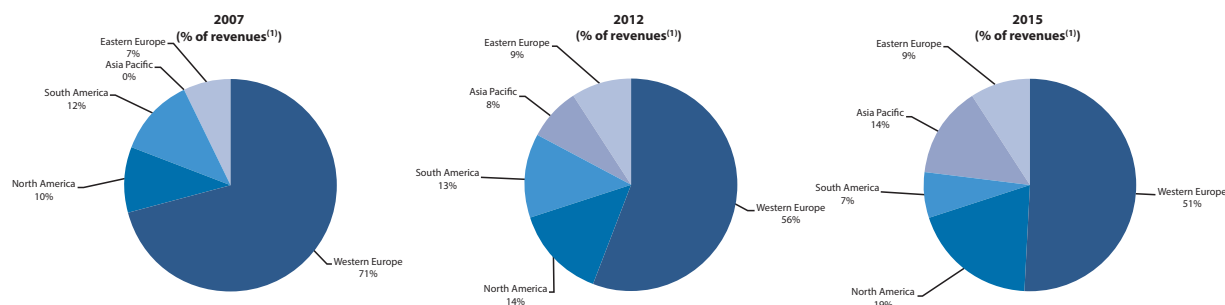
We have a geographically highly diversified global footprint with 95 production facilities in 20 countries over four continents as of December 31, 2015. Our customers often demand just-in-time and just-in-sequence component deliveries. Quality standards for many of the components we produce also require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

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

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

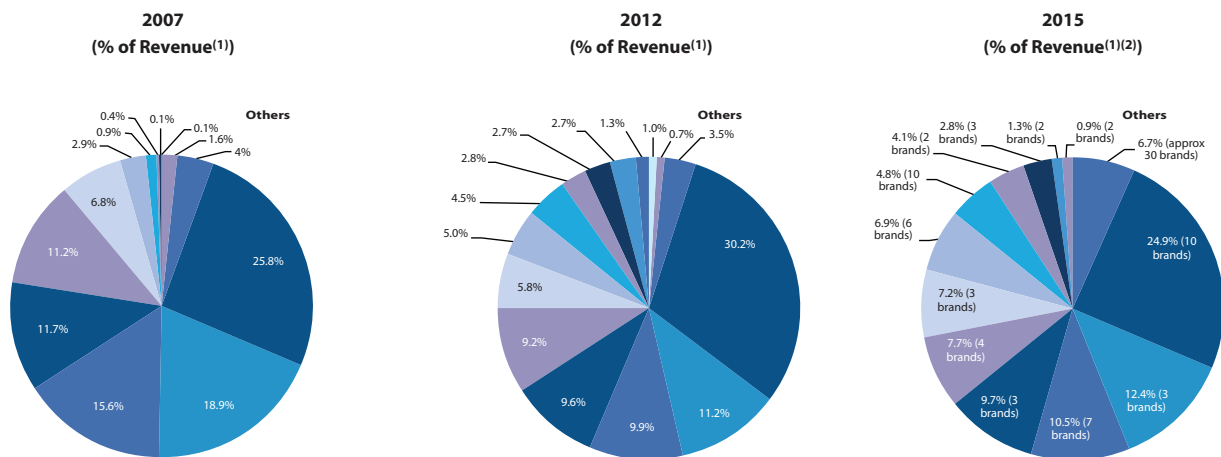
Our extensive geographic footprint also positions us to capitalize on growth in demand for our products from OEMs already established in a regional market (such as North American OEMs in North America or Western European OEMs in Europe), as well as from OEMs growing production outside their home markets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

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



(1) Based on manufacturing origin of sales.

Customer diversification



(1) Based on sales to OEMs (excluding tooling)

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

Source: Company

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

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

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

Diverse product portfolio

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

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

Leading market positions

We believe that we are one of the two leading suppliers of Body-in-White and Chassis products globally by combined revenue. In Body-in-White products, we believe that we are the clear market leader among individual suppliers in Western and Eastern Europe combined, and in South America. In Chassis products, we believe that we are number two in the market among individual suppliers in Western and Eastern Europe combined, and in South America. In Mechanisms products, we believe that we are the clear

market leader in Western and Eastern Europe, and in South America, with estimated regional market shares between 40% and 50% in each region in 2015.

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

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

Our highly advanced technological capabilities, global manufacturing and managerial footprint, significant operational scale and track record of financial stability enable us to be one of the few suppliers in our product segment who can support an OEM during the early stages of product development. This ability to support the development process of OEMs and act as an outsourcing partner to them globally is an important differentiator, especially on innovative product solutions, and would take significant investment and many years to attempt to replicate.

From operational, technical and logistical perspectives, OEMs often face substantial switching costs in replacing the supplier of a particular component or platform, particularly during the life cycle of a specific vehicle model, and the supplier of a particular car model is also often chosen for subsequent generations of that model. This is largely due to the long lead-time and significant investment required to set up the production and supply processes, and to the efficiencies and savings gained through experience with the manufacturing processes of particular products.

Our long-standing and collaborative relationships with OEMs, highly advanced technological capabilities, global manufacturing and managerial footprint, significant operational scale and track record of financial stability provide a competitive advantage over our competitors, entrench our strategic relationships with OEMs and encourage OEMs to entrust us with repeat and new business.

High revenue visibility, highly flexible cost-base and conservative risk profile

We have long-term and strategic relationships with our OEM customers. In our industry, once a project has been nominated to a preferred supplier, it is rare for an OEM to switch to another supplier, given the significant operational, technical and logistical costs of switching, particularly during the life cycle of a specific vehicle model. Given these factors, while the actual revenues which we derive from a project ultimately depend on our OEM customers' production volumes achieved for the respective car models, we have good visibility into mid-term revenues. Each year, most of our revenues are derived from projects that continue into following years, given that vehicle cycles last several years. Based on current expectations, we believe that approximately 85% of the revenues we expect in the period between December 31, 2015 and December 31, 2018 will be generated by orders already in hand by the end of 2015. In addition, we believe we have a strong track record of winning replacement business, including nominations for content on subsequent cycles of car models for which we already manufacture components.

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

We have a highly variable cost base, with limited exposure to raw material price volatility and limited maintenance capital expenditure once a project is ongoing. The primary raw material used in our business is steel, which in the last five years represented approximately 40% of our sales. While steel prices affect our revenue and costs, historically, our profit margins have not been significantly affected by changes in steel prices. Approximately 60% of our steel is typically purchased through OEM re-sale programs, under which an OEM customer negotiates directly with the steel suppliers the price of the steel that we use to manufacture components for that OEM. Such negotiated steel price is passed through to the OEM customer in the sale price of the automotive component. The remainder of our steel purchasing

requirements are typically met through contracts with steel suppliers that we negotiate. Historically, we have negotiated with our OEM customers to pass through the increase or decrease in the steel price, eliminating significant volatility in our margins relating to volatility in steel prices. Due to our strong relationships with OEMs and the large steel volumes we acquire in the marketplace, we expect to be able to negotiate competitive steel contracts with suppliers and to pass through cost increases to our customers, thus stabilizing the effect on our results.

In addition to our limited exposure to raw material price volatility, we have a low operating leverage, with fixed costs accounting for less than 20% of our revenues in the year ended December 31, 2015. A significant part of our labor costs, which have represented between approximately 15% and 19% of our total annual sales in the last five years, are semi-variable in nature and can be adjusted to meet business needs.

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

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

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

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

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

Our management team has a demonstrated track record of achieving long-term profitable growth through the economic cycle by maintaining double-digit EBITDA margins even during the global financial crisis in 2008 and 2009 and successfully integrating sizeable acquisitions in 2010 (Edscha) and in 2011 (ThyssenKrupp Metal Forming).

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

Our strategies

Our mission is to be an indispensable strategic partner for a diversified OEM customer base across our entire product portfolio. The strategies to achieve our mission, set out in more detail below, are founded upon the pillars of best-in-class processes and product technology innovation, customer-focused growth

and diversification of our global footprint, while maintaining operational excellence at all levels and in all regions.

Maintain and strengthen our technological leadership

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

Growth through continued enhancement of strategic relationships with our customers

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

Increase penetration of Asian OEMs

One of our key focus areas for future growth is in deepening supply relationships with Japanese OEMs outside of Japan. We see a trend of Japanese OEMs shifting more of their production base outside of Japan to be closer to the markets with growing demand for vehicles. In doing so, Japanese OEMs are more open to work with foreign suppliers. We also believe that our technological leadership, particularly with regard to press hardening structural components, offers alternatives to Japanese OEMs that are superior to what is available to them within their traditional supplier networks. Our recent content wins with Honda for our West Virginia plant on the Honda Civic, CR-V and Accord are an example of our successful penetration of Japanese OEMs, with Honda's contribution to our North American revenues expected to increase to 10% in the year ended December 31, 2016 from 2% in the year ended December 31, 2014.

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

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

Increase our share of the North American market

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

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

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

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

Focus on reliability and maintenance of a conservative risk profile

We aim to continue to win and maintain the trust and confidence of our customers by demonstrating constant reliability and a conservative risk profile. We believe that a combination of factors such as our diversified footprint and revenue base, our consistent track record of meeting our customers' strategic

needs in project execution, the maintenance of high quality standards globally, and our conservative financial policies, has demonstrated to our OEM customers that we are a reliable partner and has led to an increase in the content awarded to us by our OEM customers.

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

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

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

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

Optimize efficiency in the utilization of resources

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

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

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

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

Maintain and enhance our corporate social responsibility

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

Our Products

We produce a diverse range of products, many of which are critical to the structural integrity of a vehicle. Our product portfolio covers Body-in-White and Chassis structures and complex assemblies, opening systems and Mechanisms, as well as tooling and other services. We focus on innovation in the design of our products with the fundamental goals of promoting weight reduction, therefore reducing harmful emissions and environmental impact, and improving safety, thereby increasing the protection of passengers, other road users and pedestrians.

Body-in-White and Chassis

Body-in-White

Our Body-in-White product lines are comprised of component parts and assemblies, such as hoods, roofs, doors, fenders and other Class A surfaces and assemblies, which are used to create the “exterior skin” of the vehicle. Because these component parts and assemblies form the visible exterior of the vehicle and therefore its outward appearance, they require consistent and flawless surface finishes. This product line also consists of structural and other crash-relevant products, such as floors, pillars, rails and wheel arches, which together with the “exterior skin” component parts and assemblies, form the essential structure of the vehicle.

<u>Product Category</u>	<u>Typical Products</u>
Exterior	<ul style="list-style-type: none">• Hoods• Roofs• Fenders• Doors
Structural/Crash relevant	<ul style="list-style-type: none">• Floors• Pillars• Rails• Wheel arches• Front modules• Bumper• Crash boxes• Cross car beams



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

Chassis

Our Chassis product lines are comprised of systems, frames and related parts, such as front and rear axles and links, control arms and integrated links, which are used to create the “skeleton”, or essential lower body structure, of the vehicle and carry the load of the vehicle. These structures are critical to overall performance of the vehicle, particularly in the areas of noise, vibration and harshness, handling and crash management. Chassis structures include heavy gauge metal stampings that provide structural integrity in crash scenarios and are critical to the strength and safety of vehicles and also include a wide variety of stamped, formed and welded suspension components.

<u>Product Category</u>	<u>Typical Products</u>
Sub-frames/Cross member	<ul style="list-style-type: none">• Front sub-frames• Rear axles
Links/Control arms	<ul style="list-style-type: none">• Front/rear link• Control arms• integrated links



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

Mechanisms

Our Mechanisms product lines include mechanical components such as hinges for doors, hoods, and trunk lids, door checks and door hinges with integrated door checks that join the vehicle’s body with the moving parts and that enable the user to open and shut the vehicle’s doors, front and rear lids and lift-gates.

Mechanisms also include powered systems that allow vehicle lids to open and close electrically, driven at the touch of a button. This product category also includes driver control products such as parking brakes and clutch or brake pedals.

<u>Product Category</u>	<u>Typical Products</u>
Body components	• Door checks
Powered systems	• Hinge systems
Driver controls	• Powered systems
	• Parking brakes
	• Pedal boxes



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

Other products

We have extensive in-house capabilities in the design, engineering, manufacturing and servicing of dies and tools in support of our customers. We also have in-house press manufacturing services. Additionally, we provide engineering support services, independent of particular production programs. See “—Manufacturing processes”.

In addition, we typically sell the scrap steel that is generated by our manufacturing processes in secondary markets, the revenue from which is allocated between our Body-in-White, Chassis and Mechanisms products lines according to where the scrap was derived. We generally share our recoveries from sales of scrap steel with our customers either through scrap sharing agreements, in cases where we utilize resale programs, or in the product pricing that is negotiated regarding increases and decreases in the steel price, in cases where we purchase steel directly from the mills.

Manufacturing processes

Since our foundation in 1997 we, and the technologies employed in our manufacturing processes, have evolved significantly from a limited-technology company based only on cold stamping, to a multi-technology company with diversified technological capabilities. We now have a broad technology portfolio and capabilities across the value chain, including (i) in-house die/tool manufacturing capabilities; (ii) a wide range of forming technologies from press hardening to cold forming technologies such as roll-forming and hydro-forming, in addition to the full range of cold stamping processes; (iii) advanced assembly technologies such as remote laser welding; and (iv) finishing technologies such as powder coating and cataphoretic painting.

Die or tool manufacturing

Dies or tools are the common terms for the equipment used in the stamping and forming processes to cut or form raw material into a required shape using a press. Our in-house tooling capabilities cover the entire tooling value chain from the initial process of die design to the secondary phase of prototyping, patterning, casting, machining and setting the die through to try-out verification, quality checks and logistics. We are recognized as one of the few suppliers that have in-house tooling capabilities that can address the manufacture of parts that comprise the visible outer skin of the car (also called Class A parts) such as doors and hoods. Critical phases such as follow-ups and quality checks are carried out globally by dedicated teams. We have a supplier development program in place to assure the quality of any outsourced tooling. Our customers recognize us as one of the few suppliers that have the internal capacities for developing and manufacturing tooling for press hardening.

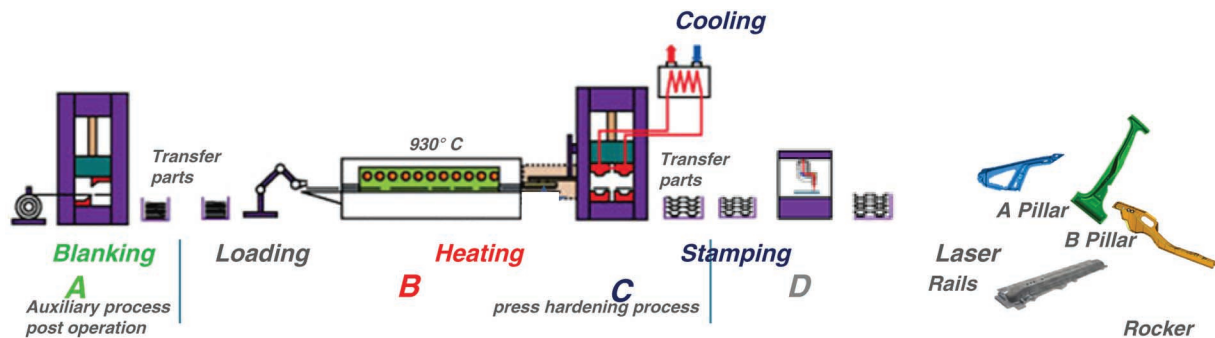
Forming

Press Hardening or Hot Stamping

Press hardening is an innovative process by which advanced ultra-high strength steel is formed into complex shapes more efficiently than with traditional cold stamping. The process involves the heating of the steel blanks until they are malleable, followed by formation and then rapid cooling in specially designed dies, creating in the process a transformed and hardened material. Because of this ability to efficiently combine strength and complexity, press hardened parts accomplish in one relatively light-weight

piece what would typically require thicker, heavier parts welded together in more than one process under cold stamping. Press hardening parts therefore currently represent one of the most advanced lightweight solutions for the car body structure that simultaneously allows us to improve crash performance and the fulfillment of passenger safety requirements.

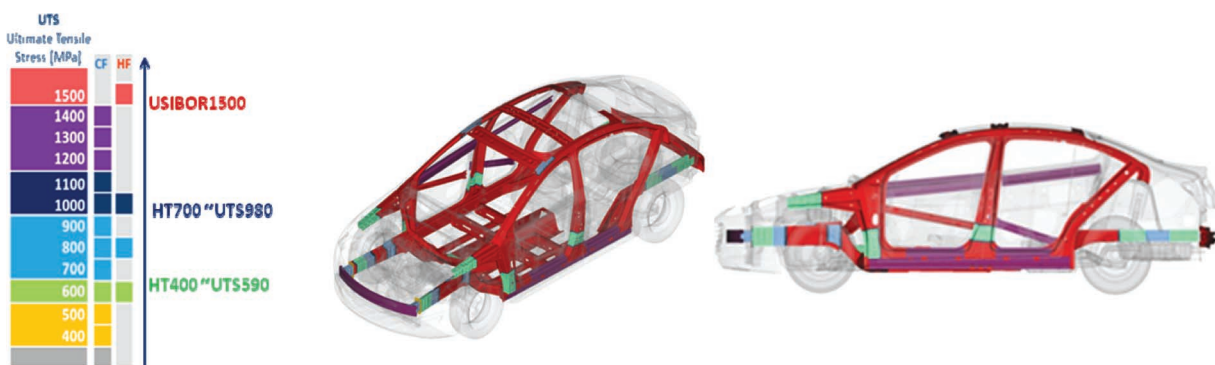
Set out below is a graphic description of the basic process of press hardening.



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

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

The close cooperation between our R&D and process know-how has resulted in the creation of a highly sophisticated and patented “Tailored Material Property” or “TMP” design. TMP is a specific press hardening process with which we can produce different strength levels in different areas of the same part, using the same equipment inside the dies but controlling the different hardening temperatures during the cooling process. Press hardening using the TMP design process is changing the car body architecture. TMP technology, creating deformable soft zones, allows us to provide new product offerings that provide better crash behavior and controlled car body deformation than other products. Using the TMP design process, we are also able to achieve up to 20% weight reduction when compared with other products made using traditional methods.



Cold Forming

Cold forming technologies include forming operations in different types of machines. Sub-categories of cold forming include roll forming and hydro-forming. Cold forming allows us to manufacture a range of parts from small reinforcement parts to a complete car body side.

Cold forming involves the transformation of a sheet of metal at room temperature inside a forming die under pressure. We operate various kinds of cold forming presses with different automation concepts with press forces ranging from 200 tons up to 2,500 tons. In order to achieve complex forms, parts must be

pressed or stamped and cut in several steps, under different press technologies. Depending on the size and shape of the part we can choose the press process operations used to stamp the parts. For instance:

- For large parts, we use tandem presses where the material is moved by robots from press to press in five or six operations.
- For medium size parts with cupped shapes, we use transfer presses, where the material is moved inside the die by transfer bars in up to six operations. During the transfer press stamping process steel coil sheet is fed into a press and a blank is created where the material is cut from the coil strip. The blank is then pushed or transferred to the next station where the rough cup is created. The cup is then transferred by mechanical fingers to one or more subsequent draw stations until the rough, final shape has been created. The part is then transferred into additional stations that are used to establish critical diameters and lengths, features, and forms.
- For small size parts, we use progressive presses, where the material is always connected with the stamped part in the material strip and the finished part is separated from the strip after several forming and cutting operations. Progressive presses are mainly used for some deep draw stamping where the length to diameter ratio is low and part side features are not required. In progressive presses, the steel coil sheet is not cut, but is fed through the press. After several forming and cutting operations, and only once finished, the stamped part is separated from the material strip.

We operate presses in the upper range of forces of greater than 1,000 tons and consequently we are able to stamp high strength materials, which have a typical strength up to 1,000 MPa. Ultra-high strength steels are an important part of weight reduction solutions for the car body structure and have a significant impact where material thickness and strengths are required.

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

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

Assembly

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

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

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

Finishing

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

Processes specifically used in our Mechanisms segment

Hinges are made of three different raw materials with different manufacturing processes. We may use sheet metal and use a stamping process in progressive dies. We may also use other raw materials such as profiles, which are first sawn and then finely milled and profiled by automated milling centers. The manufacture of hinges involves partial zinc coating and the final assembly on specific assembly-lines with screwing and riveting processes. The manufacture of door checks involves plastic injection molding. The manufacture of driver controls may additionally involve cathaphoretic painting. Powered systems production is mainly based on the assembly of purchased electrical and mechanical components on customized assembly lines.

Research and Development

We operate in a highly competitive and globalized industry and must constantly change and adapt to meet our customer's needs and expectations. We consider innovation and R&D to be key success factors for the differentiation of our products and services from those of our competitors. Among our global workforce of 33,192 people as at December 31, 2015, over 1,300 employees were focused on R&D. In 2014, we inaugurated a new R&D center in Bielefeld, Germany, one of our largest R&D centers, where about 40 employees develop innovative chassis components for our OEM customers. During 2016, we will inaugurate additional R&D centers in China (Anting) and Japan (Tokyo), as well as in the United States (Detroit).

Our Body-in-White and Chassis products are fundamental elements in the vehicles produced by our OEM customers. The design and manufacture of these products are driven by the requirements and expectations of the OEMs that we supply, and we collaborate and work closely with them, from the early stages of development through to final production, to ensure their requirements and expectations are met. We help our OEM customers in the achievement of their objective to design as light as possible, enable a crash strategy with a robust crash performance, reduce their fleet emissions as well as to save lives on the street.

When conceiving of, designing and producing our Body-in-White products, we collaborate with the OEMs to focus on improving the fundamental, strategic functions of the vehicle such as sustainability (including lightweight design; use of eco-friendly technologies), passive safety (EuroNCAP and IIHS), NVH, exterior styling (which is a non-technical but esthetic consideration) and architecture (involving support to all the functions and modules of the vehicle), durability and fatigue. We seek to create close collaborations with our clients in order to co-develop body-in-white concepts and technologies for the future. For example, thanks to the collaboration of our engineers with Honda on location in Japan, we were able to provide Honda with key input in the design phase of a number of its vehicle components, demonstrating to its engineers the potential for our press hardening technology to reduce weight and increase safety in a cost-effective manner. This co-development work significantly enhanced our relationship with Honda, generating combined product patents that are jointly shared among Gestamp and Honda, the eighth largest OEM by production volume in 2015, and led to new orders at our West Virginia plant in 2014 for components for the new Honda Civic, which launched production in late 2015 and which also led to follow-on nominations in 2015 for components for the Honda CR-V (to launch by the end of 2016) and the Honda Accord (to launch in the second half of 2017).

In Chassis, we are developing innovative solutions for components, focused on weight reduction, passenger safety and cost savings applying advancements in materials, technologies and processes. Our R&D teams in Chassis are developing hybrid solutions involving steel pressings combined with glass or carbon

compounds, and is active with premium OEMs in developing aluminum solutions. Our Chassis business unit is also working on solutions tailored for electric vehicles.

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

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

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

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

Our close working relationships with the OEMs results in a deep understanding of our customers’ requirements and constraints. This major advantage enables us to provide innovative, customized and cost effective products that address their needs and which consolidates our relationship with them as a core supplier and co-developer of strategic importance. For example, we routinely showcase our R&D capabilities to OEMs around the world. In 2015, we implemented several “Tech Shows” in China and Japan which have allowed us to increase the awareness of our brand, in particular with Toyota, Honda and Nissan, and have served as a basis for strengthening our long-standing business relations with our OEMs.

Intellectual Property

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

Customers

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

We have developed long-standing business relationships with our automotive customers around the world. We work together with our customers along the full value chain, including development, industrial engineering, tooling and manufacturing. Quality assurance programs matching the highest standards underlie our service offering. In certain emerging markets, our customers are focusing their own resources on vehicle assembly and seek to outsource to suppliers that are capable of providing an integrated supply service. We believe that our customers perceive us as a supplier that is capable on a global scale of providing: 1) high-quality products at competitive prices with standardized high-level quality; 2) innovative solutions for complex projects; and 3) on-time delivery and quality customer service. Our technical expertise and extensive global footprint have enabled us to win complex mandates on global projects with the top OEMs around the globe. For example, we were entrusted by Volkswagen to manufacture Class A surfaces, Body-in-White structural components and Chassis components in Chattanooga for the Cross-Blue, their first midsize SUV to be produced in the North American market, with start of production expected by the end of 2016. This project is our 15th hot stamping line in North America and our 58th throughout our global footprint. As one of the top three Chassis suppliers worldwide, we are introducing our Chassis activity to the U.S. market through this project.

Project awards in the automotive OEM business involve long-term production arrangements based on the lifecycle of the specific model or platform. As a result of our strategic and long term relationships with our OEM customers, and given the prohibitive operational, technical and logistical costs of switching, particularly during the life cycle of a specific vehicle model, we have strong visibility on our mid-term revenues. Furthermore, we believe we can leverage our strong customer relationships to obtain similar awards in the future.

Suppliers

We purchase various manufactured components and raw materials for use in our manufacturing processes. All of these components and raw materials are available from numerous sources. We employ just-in-time manufacturing and sourcing systems enabling us to meet customer requirements for faster deliveries while minimizing our need to carry significant inventory levels.

The primary raw material used in our business is steel, which in the last five years represented approximately 40% of our sales. Approximately 60% of our steel is typically purchased through OEM re-sale programs, under which an OEM customer negotiates directly with the steel suppliers the price of the steel that we use to manufacture components for such OEM. Such negotiated steel price is passed through to the OEM customer in the sale price of the automotive component. The remainder of our steel purchasing requirements is typically met through contracts with steel suppliers that we negotiate. Historically, we have negotiated with our OEM customers to pass through the increase or decrease in the steel price, eliminating significant volatility in our cost base relating to volatility in steel prices. Due to our strong relationships with OEMs and the large steel volumes we acquire in the market place, we expect to be able negotiate competitive steel contracts from suppliers and to pass through cost increases to our customers, thus stabilizing the effect on our results.

Competitive landscape

Overview

We develop, manufacture and market different components, modules and system solutions included in the vehicle's body and structural system. The body and structural market consists of various product groups and is therefore split into many sub-markets. Consequently, our competitive position differs among the various sub-markets. Broadly speaking, we are one of the few players in body and structural parts to offer OEMs a truly global manufacturing footprint. Our key competitors with a similar global offering are Magna International, Inc. (Cosma division) ("Magna"), Benteler and, to a somewhat lesser extent, Tower International LLC ("Tower").

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

Competitive landscape for Body-in-White

The competitive landscape for Body-in-White varies significantly by region. Western and Eastern Europe, North America and South America are relatively highly consolidated, while the Asian market is highly fragmented. We believe that we are the clear market leader among individual suppliers in Western and Eastern Europe combined. Our main competitors in Western and Eastern Europe are Benteler, Magna, Magnetto-Unipres and Kirchoff. In the North American market, we are within the top four individual

players, with Magna being the market leader, and Benteler, Tower and Martinrea being the other key competitors. In South America, we are the market leader with Aethra, Delga, Magnetto-Unipres and Tower International being our key competitors. In this region, the severe macro-economic downturn and resulting steep declines in vehicle production have weakened and diminished the competition. In Asia, it is difficult to estimate our regional market position with any accuracy, as competitive dynamics can vary significantly by country. In Japan and South Korea, a significant proportion of parts are outsourced to companies that traditionally have close links to domestic OEMs, with local OEMs sometimes being the only major customer of the respective suppliers. In China, domestic OEMs still mostly work with domestic suppliers in body and structural components; however, while our exposure to the Chinese market is primarily through supplying foreign OEMs, we are growing our business with local Chinese OEMs as their requirements for more highly value additive products evolve.

Competitive landscape for Chassis

Market concentration dynamics for Chassis are similar to Body-in-White, with Western and Eastern Europe, North America and South America being highly consolidated, while the Asian market remains fragmented. We believe that we are number two in the market by individual suppliers in Western and Eastern Europe combined, and in South America with Benteler being the market leader in Western and Eastern Europe and Magna being the market leader in South America. The North American market in particular exhibits very high concentration, with Benteler, Magna, Martinrea, Metalsa and Tower International holding substantial market shares. We do not have a significant presence in Chassis in North America. In the Asian market, domestic suppliers such as Hyundai Mobis and Yorozu have significant market shares, with Benteler and Magna being the leading international competitors. Our presence in the Asian market is still relatively small and is focused on working with foreign OEMs in the region. The local trends in Chassis are similar to those described for Body-in-White in Asia.

Competitive landscape for Mechanisms

We believe that we are the clear market leader by individual suppliers in Western and Eastern Europe combined and in South America. Our key competitors in Western and Eastern Europe are ISE Automotive Group and Multimatic Inc. (“Multimatic”). We do not have any individual significant competitors in South America, and compete against a range of players with substantially lower market shares in the region, including AISIN SEIKI Co. Ltd. (“AISIN”), Flex-N-Gate Plastics Group (“Flex”), Midway Products and Mitsui Kinzoku AC. We are relatively small players in North America and medium-sized players in Asia, where it is difficult to estimate our market position with any accuracy. In Mechanisms products, we believe that we are the clear market leader in Western and Eastern Europe, and in South America, with estimated regional market shares between 40% and 50% in 2015.

Key customer criteria for purchasing decisions

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

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

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

operations, degree of global and local presence, effectiveness of customer service and overall management capability.

We believe that we compete effectively with other leading suppliers in our market. The strength and breadth of our program management and engineering capabilities, as well as our geographic, customer and product diversification, provide the necessary scale to be cost and quality competitive. We follow manufacturing practices designed to improve efficiency and quality so that we can deliver quality components and systems to our customers in the quantities and at the times ordered.

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

Joint ventures

Mitsui Investment in our American Operations

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

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

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

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

Our other joint ventures include:

Severstal

In October 2008 our subsidiary Gestamp Levante, S.A. signed a shareholders’ agreement with the Russian steel manufacturer JSC Severstal and its subsidiary Severstal Trade GesmbH, pursuant to which Gestamp incorporated a joint venture company in Spain, Todlem, S.L., which is the holding company of two operative companies in Russia, Gestamp Severstal Vsevolozhsk LLC and Gestamp Severstal Kaluga LLC. The current shareholding structure of the joint venture company is as follows: Gestamp (through the company Gestamp Holding Rusia, S.L.): 74.98% of the share capital; Severstal (through Severstal Trade GesmbH): 25.02%. The governance structure reflects our majority holding, with certain reserved matters on which both we and Severstal must agree.

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

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

Shanghai Edscha Machinery Co. Ltd.

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

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

Property, Plant and Equipment

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

We have an extensive global footprint and our products are manufactured at 95 production facilities in 20 countries, including ten new production facilities opened since 2012 but not including production facilities associated with unwound joint ventures or production facilities that have been consolidated, closed or sold, and with six additional plants under construction as of December 31, 2015. Our plants are strategically positioned to serve our global customer base locally and to create logistical cost-efficiencies. The following table sets forth selected information regarding our top 20 production facilities by size:

Manufacturing Plant	Country	Land Surface (m ²)	Owned/ Leased	Date Opened	Date Acquired (if applicable)
Gestamp Mason	USA	254,952	Owned	1998	2004
Gestamp South Carolina	USA	250,000	Owned	2007	2009
Gestamp Bielefeld	Germany	205,500	Owned	1983	2011
Gestamp Santa Isabel	Brazil	204,998	Owned	2011	NA
Gestamp Alabama (McCalla)	USA	178,466	Leased	2004	2004
Gestamp Le Theil	France	172,000	Owned	1964	2011
Gestamp Llanelli	UK	153,000	Owned	1961	2011
Gestamp Severstal Vsevolozhsk . .	Russia	149,850	Owned	2009	NA
Gestamp Severstal Kaluga	Russia	149,250	Leased	2010	NA
Gestamp West Virginia	USA	137,598	Leased	2013	NA
Gestamp Paraná	Brazil	135,783	Owned	1999	NA
Gestamp Baires Escobar	Argentina	129,507	Owned	2006	NA
Edscha Hengersberg Real State . .	Germany	118,136	Owned	1963	2010
Gestamp Ludwigsfelde	Germany	113,000	Owned	1991	2011
Gestamp Automotive India	India	107,500	Leased	2009	NA
Gestamp Shenyang	China	103,669	Owned	2012	2013
Gestamp Griwe Haynrode	Germany	100,889	Owned	1991	2000
Gestamp Kunshan	China	100,800	Leased	2008	NA
Gestamp Hungary	Hungary	100,000	Owned	1999	2003
Gestamp Taubate	Brazil	93,000	Owned	1996	1999

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

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

(1) Includes one under construction.

(2) Includes two under construction.

Environmental

We have a strong commitment to environmental issues and the impact of our operations on the environment, including with respect to climate change. As of December 31, 2015, we had 106 employees dedicated to environmental issues.

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

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

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

At corporate level we also have an Environmental Indicator that enables us to monitor the main environmental aspects of all of our production centers. This document considers:

- Baseline consumption: Of energy, water and principle raw materials and stocked products;
- CO₂ emissions: We reduced our CO₂ emissions in 2015 by 3% relative to our CO₂ emissions in 2014. This was achieved through a variety of initiatives including, but not limited to, technical improvements in manufacturing plants, acquisition of new equipment and general organizational and systems optimizations; and
- Production and management of waste: Each one of the plants reports the tons produced of the main categories of waste separated by hazardous and non-hazardous, so that they are managed in the most appropriate way.

Health and Safety

In terms of health and safety we are aware of the risks in our business and have a policy that ensures that both our employees and those from other companies working on our premises have a safe and healthy working environment. At the end of the 2015, we had 168 employees dedicated to health and safety issues.

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

By means of our own indicator, which we call GHSI (Gestamp Health and Safety Indicator), we are able to evaluate the performance of our plants in terms of health and safety standards and to obtain information regarding their safety conditions and the degree to which those standards are implemented. Our plants may report on a quarterly basis the improvements that they have implemented in terms of health and safety to ensure that they comply with our standards.

According to (i) our Severity rate, which provides us with information regarding the number of accidents in our plants and their seriousness, as well as (ii) our Average Duration rate, with which we assess whether

the results are due to the number of accidents or the severity thereof, we are able to monitor the efficiency of our health and safety policies. These rates refer to our own workers and those that are outsourced or who work for temporary employment agencies who perform our tasks or tasks that are necessary for our business.

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

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

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

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

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

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

Proceedings

We are from time to time involved in legal proceedings, claims or investigations that are incidental to the conduct of our business. We vigorously defend ourselves against these claims. In future periods, we could be subject to cash costs or non-cash charges to earnings if any of these matters is resolved on unfavorable terms. However, although the ultimate outcome of any legal matter cannot be predicted with certainty, based on current information, including our assessment of the merits of the particular claims, we do not expect that our pending legal proceedings or claims will have a material adverse impact on our future consolidated financial condition, results of operations or cash flows. As of May 4, 2016, we have contingent liabilities in an amount of €21.8 million associated with tax audits in Brazil. We have not made any provisions with respect to these contingent tax liabilities in Brazil because we believe there is a low probability that we may be required to recognize any liability associated with these tax events.

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

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

Employees

Over the past decade, as our operations have grown, we have seen employee headcount grow commensurately. As of December 31, 2015, we had 33,192 employees globally, of which 46.1%, 14.8%, 12.0%, 12.3% and 14.8% were based in Western Europe, Eastern Europe, North America, South America and Asia, respectively.

Our strategy is to manage relations with our employees primarily on a plant level, with the “plant works council” being the forum for employee representation most favored by our employees. As a general rule, each plant has its own collective agreement. This policy allows us to benefit from a number of advantages:

- collective agreements are adapted to the specific circumstances and needs of each plant (for example different geographic areas within a country may have different average salary or cost of living allowances);
- collective agreements can be adapted to the economic performance and productivity of each plant; and
- workers identify themselves better with their own “plant works council” rather than with a country level one.

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

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

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

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

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

MANAGEMENT

Board of Directors

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

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

Name	Position
Francisco José Riberas Mera	President
Holding Gonvarri, S.L. (<i>represented by Juan María Riberas Mera</i>)	Secretary and Managing Director
Gestamp Bizkaia, S.A. (<i>represented by Francisco José Riberas Mera</i>)	Managing Director
Risteel Corporation, B.V. (<i>represented by Francisco López Peña</i>)	Director
Autotech Engineering, A.I.E. (<i>represented by Juan María Riberas Mera</i>)	Director
Gestamp Global Tooling, S.L. (<i>represented by Francisco José Riberas Mera</i>)	Director
Gestamp North Europe Services, S.L. (<i>represented by Juan María Riberas Mera</i>)	Director
Angel Gamboa Llona	Director
Geert Maurice Van Poelvoorde	Director

Francisco José Riberas Mera (51). President of Gestamp Automoción and its Managing Director, as legal representative of Gestamp Bizkaia, S.A., the entity appointed as managing director of Gestamp Automoción. He holds a “Licenciado en Derecho” (University Degree in Law) and “Licenciado en Ciencias Empresariales” (University Degree in Business), both from Comillas University—ICADE (Madrid). He promoted the setting up of Gestamp Automoción in 1997 and assumed the role of Chief Executive Officer. Mr. Francisco José Riberas was a member of the Board of Aceralia from 1998 to 2001. Prior to the establishment of Gestamp Automoción, he held various management positions in Gonvarri Group from 1989. He is a shareholder and director in other companies belonging to the Grupo Acek, through the Gonvarri, Gestamp Renewables and Inmobiliaria Acek groups. He also holds a directorship position in CIE Automotive, S.A.

Juan María Riberas Mera (47). Secretary and Managing Director of Gestamp Automoción, as legal representative of Holding Gonvarri S.L., the entity appointed as secretary and managing director of Gestamp Automoción. He holds a “Licenciado en Derecho” (University Degree in Law) and “Licenciado en Ciencias Empresariales” (University Degree in Business), both from Comillas University—ICADE (Madrid). He joined Gonvarri Steel Industries in 1992 and he is currently its Chairman and CEO. He promoted Gestamp Renewables where he has been Chairman and CEO since its incorporation in 2007. He holds a shareholding position in the Inmobiliaria Acek group. He also holds a directorship position in CIE Automotive, S.A.

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

Angel Gamboa Llona (70). Member of Gestamp Automoción’s Board of Directors since 1999. He holds a “Licenciado en Ciencias Empresariales” (University Degree in Business) from the Universidad País Vasco. He has been with the Gestamp group since its incorporation in 1997 when he joined as manager of the Bizkaia plant. In 2004, he became Director of the Gestamp North Europe Division. Prior to joining Gestamp Automoción, he held managing positions in other automotive stamping facilities.

Geert Maurice Van Poelvoorde (51). Executive Vice President of ArcelorMittal, Chief Executive Officer of ArcelorMittal Europe Flat Products and Europe Purchasing Platform. Mr. Van Poelvoorde started his career in 1989 as a project engineer at the Sidmar Gent hot strip mill, where he held several senior positions in the automation and process computer department. He moved to Stahlwerke Bremen in 1995

as senior project manager. Between 1998 and 2002 he headed a number of departments, and in 2003 he was appointed director of Stahlwerke Bremen, responsible for operations and engineering. In 2005 he returned to ArcelorMittal Gent to take up the position of chief operating officer. In 2008 he became chief executive officer (CEO) of ArcelorMittal Gent with direct responsibility for primary operations. He was appointed CEO of the Business Division North within Flat Carbon Europe in 2009 and since January 2014, chief executive officer, Flat Carbon Europe. Mr. Van Poelvoorde graduated from the University of Ghent, Belgium, with a degree in civil engineering and electronics.

Senior Management

Our senior management team is led by Francisco José Riberas Mera. The following table sets forth the name and title of each member of the senior management team who does not also serve on the Board of Directors, and is followed by a summary of biographical information of each such member including their respective ages.

Name	Position
Jeff Wilson	Senior Manager
David Vázquez Pascual	General Counsel
Felipe de Frutos	Corporate Finance and Administration Manager
Richard Egües	Director of Corporate Development and International Financing

Jeff Wilson (56). Mr. Wilson holds a Master in Business Administration and a Bachelor in Science degree. Prior to joining Gestamp Automoción, he held various management roles with international automotive business including Oxford Automotive Corporation (President and Chief Operating Officer), Tower Automotive (NAFTA Group Business Group Director), Lear Corporation (Plant Operations Manager, Interior Systems Group) and O’Sullivan Corporation (Director of Automotive Operations, Gulfstream Division).

David Vázquez Pascual (51). Mr. Vázquez Pascual joined Gestamp Automoción in 2000 as General Counsel. He holds a “Licenciado en Derecho” (University Degree in Law) and a “Licenciado en Ciencias Empresariales” (University Degree in Business), both from Comillas University—ICADE (Madrid), and a Master in Business Administration (MBA) from the Madrid Business School. Prior to Gestamp Automoción, he held different roles in banking in Madrid and New York. He became sub-director of the MBA in Madrid Business School in 1990, assuming the direction in 1992. He became Director of the Department of Economics and Business Sciences of the Universidad Nebrija in 1994.

Felipe de Frutos (55). Mr. de Frutos joined Gestamp in 2000 as Finance and Administration Director. He holds a “Licenciado en Ciencias Económicas” (University Degree in Economics) at Universidad Autónoma de Madrid. Prior to joining Gestamp, he was appointed Administration Director of Agroman/Ferrovial in 1988. Previously he worked in Arthur Andersen as senior auditor in the manufacturing area (automotive sector, chemical, metallurgy and electric).

Richard Egües (49). Mr. Egües holds a Master in Business Administration, M.I.T. Sloan School of Management and Bachelor of Arts, Yale University. Prior to joining Gestamp Automoción he was CFO of a renewable energy business in Spain. Before that he held corporate banking and corporate finance advisory positions with banking institutions in New York, Frankfurt and Madrid. Mr. Egües is currently our Director of Corporate Development and International Financing.

The Board of Directors of the Issuer is comprised of Felipe de Frutos, whose address is Calle de Ombú 3, 9th Floor, 28045 Madrid, Spain, and Marie Druinaud and Olivier Hamou, both of whose addresses are 19 rue de Bitbourg, L-1273 Luxembourg.

Compensation

In 2015, the members of our Board of Directors received no remuneration from us or any of our group companies, nor were they granted any loans, advances, pension or life insurance benefits. In 2015, our shareholder, Acek received a total remuneration of €0.7 million as compensation for membership of the board of certain of our group companies. Further, in 2015 the total remuneration for the members of our top-tier management amounted to €4.3 million. We made no contributions to pension plans on their behalf.

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

SHAREHOLDERS AND CERTAIN TRANSACTIONS

Our issued share capital consists of 4,795,953 ordinary shares with a par value of €60.10 each. Each ordinary share carries the right to receive dividends and to receive notice of and vote at any general meeting of shareholders.

Our shareholders are the Riberas family, which hold, through Acek, Desarrollo y Gestión Industrial, S.L. (formerly Corporación Gestamp, S.L.) (“Acek”) and Risteel Corporation, B.V., 100% of the ordinary shares of Gestamp Automoción. Acek was formerly named Corporación Gestamp, S.L. before the change of its legal name was adopted in the Extraordinary and Universal General Shareholders’ Meeting on February 5, 2015. Acek carries out commercial and financial transactions with the companies of Grupo Acek under the terms and conditions established among the parties on an arm’s length basis. Intra-Group transfer prices are duly documented as stipulated by the prevailing legislation.

Terms and conditions of transactions with related parties

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

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

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

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

The payment of the purchase price for the acquisition of ArcelorMittal’s 35% stake will be financed in part through the Acek Facility. See “Summary—Shareholders and History.” The financing parties will have no recourse against the Company or its subsidiaries under the Acek Facility.

Transactions in the ordinary course

We enter into a significant number of transactions on a regular basis and in the ordinary course of business with companies forming part of the Gonvarri group primarily related to the purchase of steel blanks and coils, for which we paid a consideration of €761.7 million in the year ended December 31, 2015. The majority of such sales are determined by direct agreements between Gonvarri and the different OEMs, in which case the actual customer of Gonvarri is the relevant OEM. The percentage of Gonvarri’s sales for the year ended December 31, 2015 that are subject to specific agreements with the Company is approximately 10%.

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

In addition to the above, and according to our business needs from time to time, we charter an airplane from Air Executive, which is a fully owned subsidiary of Acek. The total amount paid to Air Executive for the charter of the airplane was €0.6 million in 2015.

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

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

Sale of Trademark

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

Transactions with Directors

In 2015, Acek received a total remuneration of €0.7 million as compensation for membership of the board of certain of our group companies.

DESCRIPTION OF OTHER INDEBTEDNESS

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

Senior Facilities Agreement

The Company and the Issuer are parties to a senior term and revolving facilities agreement dated April 19, 2013, as amended on May 8, 2013, May 20, 2014, December 10, 2014 and April 17, 2015 (the “Senior Facilities Agreement”) entered into between, among others, the Company as the company and original borrower, various subsidiaries of the Company (including the Issuer) as original guarantors, the original lenders listed therein, Deutsche Bank AG, London Branch as agent (“Agent”) and security agent.

The Senior Facilities Agreement was amended on May 8, 2013, May 20, 2014, December 10, 2014 and April 17, 2015. The amendments of the Senior Facilities Agreement are summarized below:

- the initial margin for Facility A and the Revolving Credit Facility has been reduced twice and the margin ratchet also amended;
- the margin on Facility A and the Revolving Credit Facility has been modified to range from 1.20% to 1.55%, depending on applicable leverage ratios;
- the termination date for Facility A and the Revolving Credit Facility has been extended to March 11, 2020;
- the maintenance financial covenant ratio of EBITDA to financial expenses has been reduced to 4.00:1;
- the maintenance financial covenant ratio of net financial indebtedness to adjusted EBITDA has been increased to 3.50:1;
- the commitment fee has been reduced to 35% of the applicable margin in respect of the Revolving Credit Facility; and
- a new undertaking has been added with regards to sanctions and anti-corruption law in line with applicable market standards.

Senior facilities

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

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

Interest rates and fees

The interest rate on each loan under the Senior Facilities Agreement for each interest period is the rate per annum which is the aggregate of the applicable (a) margin (see below) and (b) LIBOR or, in relation to any loan in euro, EURIBOR.

The margin on Facility A and the Revolving Credit Facility ranges from 1.20% to 1.55%, depending on applicable leverage ratios. There is a margin adjustment mechanism in the Senior Facilities Agreement pursuant to which the margin applicable to the Facility A and the Revolving Credit Facility will be adjusted upwards or downwards based on the ratio of Net Financial Indebtedness to Adjusted EBITDA in respect of any relevant testing period, as demonstrated in the compliance certificate required to be delivered with our annual audited and quarterly unaudited financial statements. While an event of default is continuing under the Senior Facilities Agreement, the applicable margin will be the highest margin applicable to each Senior Facility.

Pursuant to the Senior Facilities Agreement, we are required to pay certain fees, including a commitment fee in respect of the available but undrawn Revolving Credit Facility commitments.

Guarantees

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

We are required to ensure that each of our subsidiaries in which we hold at least 90 per cent. of the ordinary shares, and which for the last financial year has (a) earnings before interest, tax, depreciation and amortization (i) calculated on the same basis as EBITDA, representing 2.50% or more of the Group’s EBITDA; and (ii) (calculated on the same basis as EBITDA but on an unconsolidated basis) greater than €10,000,000; or (b) which has net assets representing 2.5% or more of our consolidated net assets (calculated on a consolidated basis) (a company meeting these criteria being a “Material Company”), accedes to the Senior Facilities Agreement as an additional guarantor as soon as possible after becoming a Material Company. The obligation to require such a Material Company to accede as a guarantor is subject to certain limitations specified in the Senior Facilities Agreement and does not apply to a Spanish company established as an *Agrupación de Interés Económico* or any subsidiary incorporated in any country located in North America or South America or in Japan, China, South Korea, India or Taiwan.

Any of our subsidiaries that becomes a guarantor in respect of the notes is also required to accede to the Senior Facilities Agreement as a guarantor.

Security

Gestamp Automoción, Gestamp Servicios, S.A. (other than in relation to paragraph (e) below) and Gestamp Toledo (other than in relation to paragraph (f) below) granted Spanish law pledges (the “Initial Share Pledges”) over all of the shares held by them in the following subsidiaries:

- (a) Gestamp Metalbages, S.A.;
- (b) Gestamp Bizkaia, S.A.;
- (c) Gestamp Vigo, S.A.;
- (d) Gestamp Palencia, S.A.;
- (e) Gestamp Servicios, S.A.; and
- (f) Gestamp Toledo, S.A.

(The companies listed in (a) to (f) above being the “Share Security Subsidiaries”).

The Initial Share Pledges will continue to secure obligations owed under (i) the Senior Facilities Agreement and related finance documents, (ii) the 2020 dollar notes and (iii) the Bank of America loan, and will secure the obligations under the notes. The Senior Facilities Agreement also permits us and our subsidiaries to grant pledges (the “Future Creditor Share Pledges” and together with the Initial Share Pledges, the “Transaction Security”) over the shares we hold in the Share Security Subsidiaries as security for obligations that may in the future be owed by us to other creditors subject to satisfaction of certain conditions set out in the indenture, the indenture of the 2020 dollar notes, the Senior Facilities Agreement and the Intercreditor Agreement (any such indebtedness being “Additional Senior Financing”). The security created by the Transaction Security will rank in the order described in the section titled “—Intercreditor Agreement” below.

Undertakings

The Senior Facilities Agreement contains certain negative undertakings that, subject to certain customary and other agreed exceptions, limit the ability of each obligor (and in certain cases, members of the Group) to, among other things:

- incur or allow to remain outstanding financial indebtedness;
- be a creditor in respect of financial indebtedness;
- create or permit to subsist any security over any of its assets;

- sell, lease, transfer or otherwise dispose of its assets;
- issue or allow to remain outstanding any guarantee in respect of any liability or obligation owed to any person;
- declare or pay any dividend or other payment or distribution of any kind on or in respect of any of its shares; and
- make acquisitions of companies, businesses or undertakings.

In addition to the undertakings listed above, the Senior Facilities Agreement contains a number of other customary positive and negative undertakings.

Financial covenants

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

- the ratio of EBITDA to Financial Expenses is not lower 4.00:1.00 on each testing date; and
- the ratio of Net Financial Indebtedness to Adjusted EBITDA is not higher than 3.50:1.00 on each testing date.

Maturity

Loans drawn under Facility A are required to be repaid in semi-annual instalments, starting from April 19, 2014, in accordance with an amortization schedule set out in the Senior Facilities Agreement, with the final repayment instalment due on March 11, 2020. Each loan under the Revolving Credit Facility is required to be repaid on the last day of each interest period, provided however that Revolving Credit Facility loans may be redrawn subject to the terms and conditions set out in the Senior Facilities Agreement. All outstanding loans under the Revolving Credit Facility and any outstanding letters of credit are required to be repaid in full on March 11, 2020.

Prepayments

Subject to certain conditions, we may voluntarily cancel any available commitments under, or voluntarily prepay any outstanding utilizations of, the Senior Facilities by giving 3 business days' prior notice to the Agent. Any Facility A loans that are prepaid may not be reborrowed and the relevant commitments will be cancelled. Any Revolving Credit Facility utilizations that are prepaid may (subject to the terms of the Senior Facilities Agreement) be reborrowed.

Subject to certain exceptions and/or thresholds, mandatory prepayments of amounts outstanding under the Senior Facilities are required to be made upon the disposal of certain categories of assets, recovery of insurance claim proceeds or a flotation (which does not cause a change of control of Gestamp Automoción).

A change of control of the Company will trigger a 30 day consultation period with the lenders under the Senior Facilities Agreement. At the end of such consultation period, each lender who does not wish to continue being a lender under the Senior Facilities Agreement may request prepayment of all amounts owed to it. Any lender who makes such a request must be prepaid within five business days and all of such lender's commitments will be cancelled. The Senior Facilities will be automatically cancelled and be immediately repayable upon a sale of all or substantially all of our assets to a third party.

"change of control" for these purposes means Acek Group, Arcelor Mittal Group and their respective affiliates ceasing to directly or indirectly (a) have the power to (i) cast, or control the casting of, at least 50.01% of the votes that may be cast in the Company's general meeting; (ii) appoint or remove all, or the majority of the directors or equivalent officers of the Company; or (iii) give directions with respect to our operating and financial policies with which our directors or equivalent officers are obliged to comply; or (b) hold beneficially at least 50.01% of the issued share capital of the Company with voting rights.

Events of default

The Senior Facilities Agreement contains events of default customary for financings of this nature (with customary and agreed thresholds and carve-outs), the occurrence of any of which will allow the lenders under the Senior Facilities Agreement to cancel available commitments under the Senior Facilities, declare

all amounts owed under the Senior Facilities Agreement to be due upon demand and/or demand immediate repayment of all amounts owed under the Senior Facilities Agreement.

2020 Dollar Notes

On May 2, 2013, we issued \$350 million aggregate principal amount of 2020 dollar notes, which remain outstanding as of the date of this offering memorandum.

Intercreditor Agreement

The Company, the Issuer, the Subsidiary Guarantors, the Trustee, the Agent, the Security Agent, the lenders under the Senior Facilities Agreement and certain other parties entered into an Intercreditor Agreement dated May 10, 2013 to establish the relative rights of certain of the Group's creditors including creditors under the Senior Facilities Agreement, the indenture for the 2020 dollar notes, the Bank of America loan, the Indenture and any Additional Senior Financings. By accepting a note, holders of notes will be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement.

The Intercreditor Agreement has not been subject to any amendments since May 10, 2013. The Trustee will accede to the Intercreditor Agreement on or about the Issue Date.

The Intercreditor Agreement sets out:

- the ranking of the indebtedness under the Senior Facilities Agreement, the 2020 dollar notes, the Bank of America loan, the notes and any Additional Senior Financing (together the "Senior Secured Debt" and the creditors to whom the Senior Secured Debt is owed being the "Senior Secured Creditors");
- the ranking of the security created pursuant to the Transaction Security;
- the procedure for enforcement of the Transaction Security and any guarantee granted in favour of the Senior Secured Creditors and the allocation of proceeds resulting from such enforcement;
- the types of disposals permitted under distressed and non-distressed scenarios and the Security Agent's authority to release the Transaction Security and guarantees granted in favour of the Senior Secured Creditors in case of a distressed and non-distressed disposal;
- the terms pursuant to which intra-Group debt and certain debt owed to Acek and other equity investors ("Equity Investor Liabilities") will be subordinated; and
- turnover provisions.

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

Priority of debts

The Intercreditor Agreement provides that all liabilities owed under the Senior Facilities Agreement, the notes, the Designated Existing Indebtedness and the Additional Senior Financing (including in each case, any liabilities owed pursuant to any guarantees given in respect of such debt) will rank *pari passu* and without any preference between them and in priority to any intra-Group debt and Equity Investor Liabilities.

Ranking of security

The Intercreditor Agreement provides that the Transaction Security shall rank and secure the Senior Secured Debt as follows:

- (a) first, security created to secure the Senior Facilities and the 2020 dollar notes which pledge shall secure indebtedness under the Senior Facilities Agreement and indebtedness in respect of the 2020 dollar notes *pari passu* and without any preference between them;
- (b) second, security created to secure the Bank of America loan;
- (c) third, security created to secure the notes; and

- (d) thereafter, or *pari passu* with the notes (if applicable) security created pursuant to the Future Creditor Share Pledges and any security created pursuant to share pledges granted in favour of lenders of ancillary facilities entered into under the Senior Facilities Agreement after the date of the Initial Share Pledges (each such facility a “Subsequent Ancillary Facility”) in the order of priority in which they are entered into in respect of indebtedness under any Additional Senior Financing and Subsequent Ancillary Facility.

Notwithstanding the order of ranking set out above, the date of execution or order the Transaction Security documents are entered into, or the ranking under applicable law, it is agreed that the Transaction Security shall rank and secure the Senior Secured Debt *pari passu* without preference between the different categories of Senior Secured Debt.

Enforcement and application of proceeds

The Intercreditor Agreement sets forth procedures for enforcement of the Transaction Security. Subject to the Transaction Security having become enforceable, Senior Secured Creditors whose Senior Credit Participations aggregate more than 50% of the total Senior Credit Participations (the “Instructing Group”) are entitled to direct the Security Agent to enforce or refrain from enforcing the Transaction Security, as they see fit. The Security Agent may refrain from enforcing the Transaction Security unless otherwise instructed by Instructing Group. For these purposes, “Senior Credit Participations” means at any time in relation to a Senior Secured Creditor, the aggregate amount owed to such Senior Secured Creditor.

The proceeds of enforcement of the Transaction Security or any guarantees granted in respect of the Senior Secured Debt and all other amounts paid to the Security Agent under the Intercreditor Agreement shall be applied in the following order:

- first, in payment on a *pari passu* and *pro rata* basis any sums (including fees, costs, expenses and liabilities) owing to (i) the Security Agent or any receiver, delegate, attorney or agent appointed under the Transaction Security documents or the Intercreditor Agreement; (ii) the Agent or any creditor representative in its capacity as such (but not bilateral lenders) in respect of any Additional Senior Financing; and (iii) the Trustee;
- second, on a *pari passu* and *pro rata* basis to (i) the Agent on its own behalf and on behalf of the creditors under the Senior Facilities Agreement; (ii) the Trustee on its own behalf and on behalf of the noteholders; (iii) each creditor in respect of the Designated Existing Indebtedness; and (iv) any creditor representative in respect of an Additional Senior Financing on its own behalf and on behalf of the creditors under such Additional Senior Financing, for application towards the discharge of amounts owed under the Senior Facilities Agreement (in accordance with the terms thereof), the notes (in accordance with the Indenture), the Designated Existing Indebtedness (on a *pro rata* basis) and any Additional Senior Financing (on a *pro rata* basis);
- third, if none of the debtors is under any further actual or contingent liability under any of the Senior Secured Debt documents, in payment to any person the Security Agent is obliged to pay in priority to any debtor; and
- fourth, in payment or distribution to the relevant debtors.

Distressed and non-distressed disposals

The Security Agent is authorised (without the requirement to obtain any further consent or authorisation from any Senior Secured Creditor) to release from the Transaction Security any asset that is the subject of a disposal permitted by the Senior Secured Debt documents and the Transaction Security documents and which is not a Distressed Disposal. A Distressed Disposal means a disposal effected (i) by way of enforcement of the Transaction Security; (ii) at the request of the Instructing Group in circumstances where the Transaction Security has become enforceable; or (iii) by a debtor to a third party (not being a member of the Group) after any of the Senior Secured Debt has been accelerated.

If to the extent permitted by applicable law a Distressed Disposal is being effected or the shares of the Share Security Subsidiaries are being appropriated by the Security Agent, the Security Agent is authorised (without the requirement to obtain any further consent or authorisation from any Senior Secured Creditor or other relevant party): (i) to release the Transaction Security or any other claim over any asset subject to the Distressed Disposal or appropriation; and (ii) if the asset subject to the Distressed Disposal or appropriation is the shares of a Group company, to release such Group Company and/or its subsidiaries

from any liabilities under borrowings and/or guarantees under the Senior Secured Debt documents, Intra-Group debt documents or documents evidencing Equity Investor Liabilities.

Intra-Group debt

Pursuant to the Intercreditor Agreement, the Company and its subsidiaries party thereto that are creditors in respect of intra-Group debt have agreed to subordinate intra-Group debt to the Senior Secured Debt.

Neither we nor any of our subsidiaries that are creditors in respect of Intra-Group debt may accept the benefit of any security, guarantee, indemnity or other assurance against loss in respect of intra-Group debt unless such action is permitted under the Senior Secured Debt documents. Neither we nor any of our subsidiaries may make any payment, prepayment, repayment or otherwise acquire or discharge any intra-Group debt if acceleration action has been taken in respect of any of the Senior Secured Debt unless the Instructing Group consent or such action is undertaken to facilitate repayment or prepayment of the Senior Secured Debt.

Equity Investor Liabilities

Pursuant to the Intercreditor Agreement, Acek and future equity investors party thereto have agreed to subordinate the Equity Investor Liabilities to the Senior Secured Debt. Gestamp Automoción and other debtors may make payments in respect of the Equity Investor Liabilities provided that such payments are permitted under the terms of the Senior Secured Debt documents and the documents evidencing the Equity Investor Liabilities. No equity investor may accept the benefit of any security, guarantee, indemnity or other assurance against loss in respect of Equity Investor Liabilities prior to the first date on which all of the Senior Secured Debt has been discharged.

Turnover

If any creditor party to the Intercreditor Agreement (including the Agent, Security Agent, Trustee, Senior Secured Creditors, creditors in respect of intra-Group debt and creditors in respect of Equity Investor Liabilities) receives or recovers a payment (whether by way of direct payment, set-off or otherwise) except as permitted pursuant to the terms of the Intercreditor Agreement, such creditor shall hold such payment in trust for the Security Agent and promptly pay over such amounts to the Security Agent for application in accordance with the provision described above under “Enforcement and application of proceeds”.

Existing Debt Facilities

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

Bank of America loan

On March 21, 2012 we entered into a €60.0 million facility agreement with Bank of America Merrill Lynch Limited (formerly Banc of America Securities Limited) as arranger and as initial lender (“Bank of America loan”). The purpose of the Bank of America loan is financing general corporate purposes. This facility has a scheduled termination date of March 21, 2017. The lenders thereunder may, at their option, terminate this facility early. The Bank of America loan shares the Transaction Security with the Senior Facilities, the 2020 dollar notes and the notes offered hereby under the Intercreditor Agreement.

IKB loans

The four IKB loans (“IKB loans”) refer to (i) the following two facility agreements, each dated June 29, 2011 and in respect of each of which, on June 30, 2011, Gestamp Automoción, S.A. gave a guarantee, and each of which terminate on June 30, 2021: (a) the €12.5 million loan agreement between, among others, Gestamp Griwe Westerbürg GmbH (formerly named: GRIWE Innovative Umformtechnik GmbH) (with Gestamp Griwe Haynrode GmbH (formerly named: GRIWE System Produktions-GmbH) as well as Gestamp Griwe Hot Stamping GmbH (formerly named: GRIWE Werkzeug Produktions GmbH) as co-debtors) and IKB Deutsche Industriebank AG, (b) the €9.2 million loan agreement between, among others, Gestamp Griwe Hot Stamping GmbH (formerly named: GRIWE Werkzeug Produktions GmbH) (and Gestamp Griwe Haynrode GmbH (formerly named: GRIWE System Produktions-GmbH) as well as Gestamp Griwe Westerbürg GmbH (formerly named: GRIWE Innovative Umformtechnik GmbH) as co-debtors) and IKB Deutsche Industriebank AG, (ii) the €7.5 million loan agreement between, among

others, Gestamp Griwe Hot Stamping GmbH (formerly named: GRIWE Werkzeug Produktions GmbH) (and Gestamp Griwe Haynrode GmbH (formerly named: GRIWE System Produktions-GmbH) as well as Gestamp Griwe Westerburg GmbH (formerly named: GRIWE Innovative Umformtechnik GmbH) as co-debtors) and IKB Deutsche Industriebank AG and (iii) the up to €25 million loan agreement entered into between, among others, GMF Holding GmbH (and Gestamp Umformtechnik GmbH (formerly named: GMF Umformtechnik GmbH) as co-debtor) and IKB Deutsche Industriebank AG dated on July 16, 2012 maturing on September 30, 2020.

The 2007 loan is secured by amongst other things pledges of certain real estate assets of the borrowers. Under all loans, IKB has certain rights to be granted (additional) security (under certain circumstances) in particular by way of positive pledges (in the case of the 2011 loan) and/or negative pledges (in the case of the 2007 and 2012 loans). In addition, the 2011 loans contain cross default clauses. The three loans of 2012 and 2011 are subject to certain restrictive covenants such as restrictions on payments of dividends above 50% of distributable profits. The loan of 2012 contains furthermore restrictions such as on the sale, pledge or other disposal of shares held by the borrowers in companies held by them. The loan of 2007 contains certain financial covenants (i.e. equity capital rates and debt/equity ratio to be met). All loans contain certain termination rights. The IKB loans do not share any security with the Senior Facilities, the 2020 dollar notes, the Bank of America loan or the notes and are not subject to the Intercreditor Agreement.

Other

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

DESCRIPTION OF THE NOTES

You can find the definitions of certain terms used in this description under the subheading “—Certain Definitions.” In this description, the word “*Issuer*” refers only to Gestamp Funding Luxembourg S.A. and the word “*Company*” refers only to Gestamp Automoción, S.A. and not to any of its subsidiaries.

The Issuer has issued €500.0 million aggregate principal amount of senior secured notes due 2023 (the “*Notes*”) under an Indenture (the “*Indenture*”) dated the Issue Date among itself, the Company, the Subsidiary Guarantors (as defined below), Deutsche Trustee Company Limited, as the trustee (in such capacity, the “*Trustee*”), Deutsche Bank AG, London Branch, as Security Agent, Deutsche Bank AG, London Branch, as paying agent, and Deutsche Bank Luxembourg S.A., as transfer agent and registrar, in a private transaction that is not subject to the registration requirements of the Securities Act. The Indenture does not incorporate or include any of the provisions of the U.S. Trust Indenture Act of 1939, as amended. See “Notice to Investors.” The terms of the Notes are subject to the provisions of the Indenture.

The following description is a summary of the material provisions of the Indenture and certain provisions of the Intercreditor Agreement. It does not restate the Indenture or the Intercreditor Agreement in their entirety. We urge you to read the Intercreditor Agreement attached hereto because it, along with the Indenture, and not this description, defines your rights as a holder of the notes. Copies of the Indenture are available upon request as set forth under “Where You Can Find More Information.” Certain defined terms used in this description but not defined below under “—Certain Definitions” have the meanings assigned to them in the Indenture.

The registered holder of a note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

There is currently no public market for the Notes. Application will be made to list the Notes on the Official List of the Luxembourg Stock Exchange and to trade on the Euro MTF Market of that exchange. There are no assurances that the Notes will be admitted to the Official List of the Luxembourg Stock Exchange. The Issuer may also choose to list on another recognized stock exchange.

For purposes of any covenant summarized herein, any reference to an amount in “€” shall mean, in respect of any amount in any currency other than euro, the Euro Equivalent thereof.

Brief Description of the Notes, the Funding Loan, the Note Guarantees and the Intercreditor Agreement

On May 11, 2016, the Company entered into a loan agreement in order to finance its worldwide activities (the “*Funding Loan*”) under which it borrowed the proceeds of the Notes and agreed to repay an amount equal to the principal amount of the Notes issued under the Indenture pursuant to the Funding Loan. The Notes are initially guaranteed by the Company and the Subsidiary Guarantors as of the Issue Date and may, in the future, be guaranteed by further of the Company’s Restricted Subsidiaries (each such guarantee, a “*Note Guarantee*”). A Note Guarantee given by a Subsidiary Guarantor may be released in certain circumstances described herein.

The Notes and the Funding Loan

The Notes:

- are general unsecured senior obligations of the Issuer;
- rank *pari passu* in right of payment with all existing and future unsecured Indebtedness of the Issuer that is not subordinated to the Notes;
- rank senior in right of payment to any and all future obligations of the Issuer that are subordinated to the Notes;
- are structurally subordinated to all Indebtedness, other obligations and claims of holders of preferred stock of the Company’s subsidiaries (other than the Issuer) that are not Subsidiary Guarantors;
- are effectively subordinated to all of the Issuer’s existing and future obligations that are secured by property or assets of the Issuer to the extent of the value of the property or assets securing such obligations, unless such property or assets also secure the Notes on an equal and ratable or priority basis; and
- are fully and unconditionally guaranteed by the Guarantors, as described under “—The Note Guarantees.”

The Issuer's only material asset is the obligation of the Company to make payments on the Funding Loan in respect of the Notes and the funding loan in respect of the Existing Dollar Notes.

The Funding Loan is:

- a general unsecured senior obligation of the Company;
- rank *pari passu* in right of payment with the funding loan in respect of the Existing Dollar Notes;
- effectively subordinated to all existing and future secured Indebtedness of the Company to the extent of the value of the assets so secured; and
- effectively subordinated (in an insolvency proceeding) to any non-related third party Indebtedness of the Company except for such Indebtedness that has been set aside as fraudulent by a court.

As of December 31, 2015, after giving pro forma effect to the Refinancing Transactions, we would have had total Indebtedness, including the Notes, of €1,790.0 million.

The Funding Loan requires the Company to make appropriate payments under the Funding Loan to enable the Issuer to fulfill its obligations under the Indenture. Upon the issuance of any Additional Notes (as defined below), the proceeds thereof will be loaned to the Company pursuant to an additional loan on substantially the same terms as the Funding Loan.

The Funding Loan will bear interest at a rate at least equal to the interest rate of the Notes, and interest on the Funding Loan will be payable semi annually in arrears on or before the corresponding interest payment date under the Notes. The maturity date of the Funding Loan will be the same as the maturity date of the Notes.

The Note Guarantees

Each Note Guarantee:

- is a senior secured obligation in the case of the Company, Gestamp Servicios, S.A. and Gestamp Toledo, S.A. and a senior unsecured obligation in the case of each other Subsidiary Guarantor;
- ranks *pari passu* in right of payment with all existing and future Indebtedness of that Guarantor that is not subordinated to that Guarantor's Note Guarantee;
- ranks senior in right of payment to any future Indebtedness of that Guarantor that is subordinated in right of payment to that Guarantor's Note Guarantee;
- is effectively subordinated to that Guarantor's existing and future obligations that are secured by property or assets of such Guarantor to the extent of the value of the property or assets securing such obligations unless such property or assets also secure the Notes on an equal and ratable or priority basis; and
- is structurally subordinated to all existing and future obligations of any of that Guarantor's subsidiaries (other than, in the case of the Company, the Issuer) that do not guarantee the Notes.

As of the Issue Date, all of the Company's Subsidiaries were "Restricted Subsidiaries." However, under the circumstances described below under the subheading "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries," the Company will be permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." The Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the Indenture.

Not all of our Subsidiaries initially guaranteed the Notes. In the event of a bankruptcy, liquidation or reorganization of any non-guarantor Subsidiaries, these Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Company. The Company is a holding company dependent upon the cash flow of its operating company subsidiaries in order to satisfy its obligations under its Note Guarantee and the Funding Loan.

The Guarantors consist of the Company, which holds all of our Restricted Subsidiaries, and the Subsidiary Guarantors. The Subsidiary Guarantors, as at the Issue Date, consisted of certain of the Company's subsidiaries incorporated in Czech Republic, France, Germany, Hungary, Poland, Portugal, Slovakia, Spain, Sweden and the United Kingdom. The Subsidiary Guarantors include both operating companies and various intermediate holding companies. For the year ended December 31, 2015, the Subsidiary Guarantors represented approximately 45.5% of our total consolidated assets and approximately 45.0% of

our consolidated EBITDA. As of December 31, 2015, on a pro forma basis after giving effect to the offering and the application of the proceeds therefrom, the Company's subsidiaries (other than the Issuer) that do not guarantee the Notes would have had approximately €239.9 million of Indebtedness outstanding.

In addition, pursuant to the covenant entitled “—Additional Note Guarantees,” subject to certain exceptions, any Restricted Subsidiary (i) that after the Issue Date is or becomes a Material Subsidiary (except for Restricted Subsidiaries which are Material Subsidiaries at the Issue Date but not initial Subsidiary Guarantors and Restricted Subsidiaries that are not 90% or more owned by the Company) or (ii) that guarantees certain Indebtedness of other entities, will also be required to become a Guarantor.

The Note Guarantees are joint and several obligations of the Guarantors. The obligations of the Subsidiary Guarantors will be contractually limited under the applicable Note Guarantee to reflect limitations under applicable law with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal restrictions applicable to the Subsidiary Guarantors and their respective shareholders, directors and general partners. For a description of such limitations, see “Risk Factors—Risks related to the notes—The Guarantees are significantly limited by applicable laws and are subject to certain limitations or defenses” and “Risk Factors—Risks related to the notes—The granting of guarantees by Spanish companies is restricted by Spanish law.” See also “Risk Factors—Risks related to the notes—Fraudulent conveyance laws may limit your rights as a holder of notes.”

Release of Note Guarantees

The Note Guarantee of a Guarantor will be released:

- (1) in the case of a Note Guarantee by a Subsidiary Guarantor only, in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Company or any Restricted Subsidiary, if the sale or other disposition does not violate the “Asset Sale” provisions of the Indenture, and all obligations of the Guarantor with respect to Indebtedness under the Senior Credit Facilities are also released;
- (2) in the case of a Note Guarantee by a Subsidiary Guarantor only, in connection with any sale of all of the Capital Stock of that Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) the Company or any Restricted Subsidiary, if the sale complies with the “Asset Sale” provisions of the Indenture, and all obligations of the Guarantor with respect to Indebtedness under the Senior Credit Facilities are also released;
- (3) in the case of a Note Guarantee of a Subsidiary Guarantor only, if the Company designates any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;
- (4) upon legal defeasance or covenant defeasance or discharge of the Notes as described under the captions “—Legal Defeasance and Covenant Defeasance” and “—Satisfaction and Discharge;”
- (5) as described under the caption “—Amendment, Supplement and Waiver;”
- (6) in the case of a Note Guarantee granted pursuant to the covenant entitled “—Certain Covenants—Additional Note Guarantees,” upon the discharge of the Indebtedness or the release and discharge of the guarantee that gave rise to the obligation to guarantee the Notes; or
- (7) in accordance with an enforcement action pursuant to the Intercreditor Agreement and any Additional Intercreditor Agreement. See “—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries.”

Security

The Collateral

Pursuant to the Security Documents, the obligations of the Company, Gestamp Servicios, S.A. (only with respect to the pledges mentioned in clauses (i) to (iv) and clause (vi) below) and Gestamp Toledo, S.A. (only with respect to the pledge mentioned in clause (v) below) under their respective Note Guarantees will initially be secured by a third-ranking pledge over all of the shares of capital stock of (i) Gestamp Metalbages, S.A., (ii) Gestamp Bizkaia, S.A., (iii) Gestamp Vigo, S.A., (iv) Gestamp Palencia, S.A.,

(v) Gestamp Servicios, S.A. and (vi) Gestamp Toledo, S.A. (the “*Collateral*”). The Indenture will provide that the Collateral shall be granted by the Company, Gestamp Servicios, S.A. and Gestamp Toledo, S.A. to secure their respective Note Guarantees substantially concurrently with their grant of such Collateral to secure the obligations of the obligors under the Senior Facilities (as amended and restated from time to time) within 30 days from the Issue Date. Pursuant to the terms of the Intercreditor Agreement, recoveries received upon enforcement over Collateral will be applied (subject to certain claims of the Security Agent, the Facility Agent under the Senior Credit Facilities, the trustee under the indenture governing the Existing Dollar Notes and costs and expenses related to the enforcement of the Collateral) *pro rata* in repayment of liabilities in respect of (i) obligations under the Indenture and the Notes, (ii) obligations under the Senior Credit Facilities, (iii) obligations under the Existing Dollar Notes, (iv) obligations under the Designated Existing Indebtedness and (v) any other Indebtedness of the Company and the Restricted Subsidiaries permitted to be incurred and secured by the Collateral pursuant to the Indenture and the Intercreditor Agreement. The Company, Gestamp Servicios, S.A. (only with respect to the pledges mentioned in clauses (i) to (iv) and clause (vi) above) and Gestamp Toledo, S.A. (only with respect to the pledge mentioned in clause (v) above) have agreed to take all necessary actions to perfect and make effective the security interest in favor of the Security Agent (for the benefit of the holders of the Notes, among others) in the Collateral pursuant to the Security Documents and to the terms of the Intercreditor Agreement as soon as practicable.

Subject to certain conditions, including compliance with the covenant described under “—Certain Covenants—Liens,” the Company is permitted to pledge or cause its Subsidiaries to pledge the Collateral in connection with future incurrence of Indebtedness, including issuances of Additional Notes, permitted under the Indenture on a *pari passu* basis with the then outstanding Notes. The Collateral can also be released from the Liens of the Security Documents under certain circumstances. See “—Release of Security Interests” below.

Administration of Collateral and Enforcement of Liens

The Collateral will be administered by a Security Agent pursuant to the terms of the Security Documents and the Intercreditor Agreement for the benefit of all holders of the Notes and the finance parties under the Senior Credit Facilities, holders of the Existing Dollar Notes and creditors under the Designated Existing Indebtedness and certain other future secured creditors pursuant to the Intercreditor Agreement. For a description of the Intercreditor Agreement, see “Description of Other Indebtedness—Intercreditor Agreement.”

The ability of holders of the Notes to realize upon the Collateral will be subject to various bankruptcy law limitations in the event of the Company’s bankruptcy and various limitations on enforcement contained in the Intercreditor Agreement. See “Risk Factors—Risks related to the notes—The enforcement of the Collateral may be restricted by Spanish law,” “Risk Factors—Risks related to the notes—Fraudulent conveyance laws may limit your rights as a holder of notes” and “Risk Factors—Risks related to the notes—Local insolvency laws may not be as favorable to you as the insolvency laws of another jurisdiction with which you may be more familiar.”

The rights of the holders of the Notes with respect to the Collateral must be exercised by the Security Agent. Since the holders of the Notes are not a party to the Security Documents, holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The holders may only act through the Security Agent. The Security Agent will agree to any release of the security interest created by the Security Documents in accordance with terms of the Indenture and the Intercreditor Agreement without requiring any consent of the holders of the Notes. Subject to the terms of the Intercreditor Agreement, the holders of the Notes will, in certain circumstances, share in or have the ability to direct the Trustee to direct the Security Agent to commence enforcement action under the Security Documents. However, in enforcing the Liens provided for under the Security Documents, the Security Agent will take direction from the Trustee (subject to the terms of the Intercreditor Agreement). Please see “Description of Other Indebtedness—Intercreditor Agreement.”

Subject to the terms of the Security Documents, until the acceleration of amounts due under the Notes in accordance with the Indenture, the Company and other pledgors will be entitled to exercise any and all voting rights in a manner which does not materially adversely affect the validity or enforceability of the Liens created under the Security Documents or the value of the Collateral and to receive and retain any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares of stock resulting

from stock splits or reclassifications, rights issue, warrants, options and other distribution (whether similar or dissimilar to the foregoing) in respect of the shares that are part of the Collateral.

The value of the Collateral securing the Note Guarantees of the Company, Gestamp Servicios, S.A. and Gestamp Toledo, S.A. may not be sufficient to satisfy their obligations under their respective Note Guarantees, and the Collateral may be reduced or diluted under certain circumstances, including the issuance of Additional Notes or other future incurrences of Indebtedness and the disposition of assets comprising the Collateral, subject to the terms of the Indenture.

No appraisals of the Collateral have been prepared by or on behalf of the Issuer or the Guarantors in connection with this offering of the Notes. There can be no assurance that the proceeds of any sale of Collateral, in whole or in part, pursuant to the Intercreditor Agreement and the Security Documents following an Event of Default, would be sufficient to satisfy the amounts due on the Notes or the Note Guarantees. By its nature, all of the Collateral is likely to be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all.

The Security Documents will be governed by Spanish law and will be subject to the jurisdiction of the Spanish courts.

Release of Security Interests

All of the Liens granted under the Security Documents will be automatically and unconditionally released in accordance with the terms and conditions in the Indenture upon Legal Defeasance or Covenant Defeasance as described under “—Legal Defeasance and Covenant Defeasance,” if all obligations under the Indenture are discharged in accordance with the terms of the Indenture or as otherwise permitted in accordance with the Indenture, including but not limited to the covenant described under “—Certain Covenants—Impairment of Security Interest,” the Security Documents and the Intercreditor Agreement.

The Liens on the Collateral granted in the Security Documents will be released:

- (1) in connection with any sale or other disposition of Collateral, if the sale or other disposition does not violate the Indenture, and all liens on the Collateral securing Indebtedness under the Senior Credit Facilities are also released;
- (2) to the extent that such Collateral is sold or otherwise disposed of pursuant to an enforcement of the security over such Collateral under the applicable Security Document(s) in accordance with the Intercreditor Agreement;
- (3) as described under “—Amendment, Supplement and Waiver;” or
- (4) in connection with a transaction permitted by the covenant described under “—Certain Covenants—Merger, Consolidation or Sale of Assets.”

The Security Agent will take all reasonable action required to effectuate any release of Collateral securing the Notes and the Note Guarantees (if applicable), in accordance with the provisions of the Indenture and the Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the Security Agent without the consent of the holders of the Notes or any action on the part of the Trustee (unless action is required by it to effect such release).

Intercreditor Agreement

On or before the Issue Date, the Trustee shall accede to the Intercreditor Agreement as described under “Description of Other Indebtedness—Intercreditor Agreement”. The Security Documents and the Collateral will be administered by the Security Agent pursuant to the Intercreditor Agreement for the benefit of the Trustee and the holders of the Notes, the creditors under the Senior Credit Facilities, the Existing Dollar Notes, the Designated Existing Indebtedness and certain future Indebtedness of the Company and its Subsidiaries permitted to be incurred and secured pursuant to the Indenture and the Intercreditor Agreement. Pursuant to the terms of the Intercreditor Agreement, recoveries received upon enforcement over Collateral will be applied (subject to certain claims of the Trustee, the Security Agent, the Facility Agent under the Senior Credit Facilities, the trustee under the indenture governing the Existing Dollar Notes and costs and expenses related to the enforcement of the Collateral) *pro rata* in repayment of liabilities in respect of (i) obligations under the Indenture, the Notes and the Note Guarantees, (ii) obligations under the Senior Credit Facilities, (iii) obligations under the Existing Dollar

Notes, (iv) obligations under the Designated Existing Indebtedness and (v) any other Indebtedness of the Company and the Restricted Subsidiaries permitted to be incurred and secured by the Collateral pursuant to the Indenture and the Intercreditor Agreement.

The Trustee and the creditors under the Senior Credit Facilities, the Existing Dollar Notes and the Designated Existing Indebtedness and the other secured parties under the Intercreditor Agreement have, and by accepting a Note, each holder of a Note will be deemed to have, irrevocably appointed Deutsche Bank AG, London Branch as Security Agent to act as its security agent under the Intercreditor Agreement, the Notes, the Indenture, including the Note Guarantees, and the Security Documents (together, the “*Finance Documents*”). The Trustee and the creditors under the Senior Credit Facilities, the Existing Dollar Notes and the Designated Existing Indebtedness and the other secured parties under the Intercreditor Agreement will have, and by accepting a Note, each holder of a Note will be deemed to have, irrevocably authorized the Security Agent to perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement or other Finance Documents, together with any incidental rights, power and discretions.

Additional Notes

From time to time, subject to compliance with the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock” and “—Certain Covenants—Liens,” the Issuer is permitted to issue additional Notes, which shall have terms substantially identical to the Notes except in respect of any of the following terms which shall be set forth in an Officer’s Certificate delivered by the Issuer to the Trustee (“*Additional Notes*”):

- (1) the title of such Additional Notes;
- (2) the aggregate principal amount of such Additional Notes to be authenticated and delivered pursuant to the Indenture;
- (3) the date or dates on which such Additional Notes will be issued and will mature;
- (4) the rate or rates at which such Additional Notes shall bear interest and, with respect to Additional Notes with floating interest, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;
- (5) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;
- (6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;
- (7) in the case of Additional Notes with a floating interest date, the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;
- (8) if other than in denominations of €100,000 and in integral multiples of €1,000 in excess thereof, the denominations in which such Additional Notes shall be issued and redeemed; and
- (9) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes.

Such Additional Notes will be treated, along with all other Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series. Unless the context otherwise requires, for all purposes of the Indenture and this “Description of the Notes”, references to “Notes” shall be deemed to include references to the Notes initially issued on the Issue Date as well as any Additional Notes. Additional Notes may also be designated to be of the same series as the Notes initially issued on the Issue Date, but only if they have terms substantially identical in all material respects to such initial Notes. However, in order for any Additional Notes to have the same ISIN, CUSIP or common code, as applicable, as the Notes initially issued on the Issue Date, such Additional Notes must be fungible with the initial Notes for U.S. federal income tax purposes.

Principal, Maturity and Interest and Payment of Notes

The Issuer has issued Notes in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules of this exchange so require, the Issuer will publish a notice of any change in these denominations in accordance with the requirements of such rules. The Notes will mature on May 15, 2023.

Interest on the Notes will accrue at the rate of 3.50% per annum and will be payable semi-annually in arrears on May 15 and November 15, commencing on November 15, 2016. The Issuer will make each interest payment to the holders of record on the immediately preceding May 1 and November 1. The reimbursement price of the Notes at maturity will be 100% of the principal amount then outstanding.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

The rights of holders of beneficial interests in the Notes to receive the payments on such Notes are subject to applicable procedures of Euroclear and Clearstream. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the holders of such Notes will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Methods of Receiving Payments on the Notes

The Issuer will pay all principal, interest, premium, and Additional Amounts, if any, on the Global Notes (as defined below) at the corporate trust office or agency of the Paying Agent (as defined below), provided that all such payments with respect to Notes represented by one or more Global Notes (as defined below) registered in the name of or held by a nominee of the common depositary for accounts of Euroclear or Clearstream, as applicable, will be made by wire transfer of immediately available funds to Euroclear or Clearstream, which will credit the account specified by such holders of the Notes.

Payments of principal of and premium, if any, on each Note in definitive registered form (“*Definitive Registered Notes*”) will be made by transfer on the due date to an account maintained by the payee pursuant to details provided by the holder or, if requested by the holder, by check, in each case against presentation and surrender (or, in the case of partial payment only, endorsement) of the relevant Definitive Registered Note at the office of any Paying Agent. Payments of interest in respect of each Definitive Registered Note will be made by transfer on the due date to an account maintained by the payee (the holder and account details of which appear on the register of holders at the close of business on the relevant record date) or, if requested by the holder, by check mailed on the relevant due date (or if that is not a Business Day, the immediately succeeding Business Day) to the holder (or to the first named of joint holders) of the Definitive Registered Note appearing on the register of holders at the close of business at the address shown on the register of holders on such record date. Payments in respect of principal of, premium, if any, and interest on Definitive Registered Notes are subject in all cases to any tax or other laws and regulations applicable in the place of payment but without prejudice to the provisions under the headings “—Optional Tax Redemption” and “—Additional Amounts.” The Paying Agent may require payment of a sum sufficient to cover any transfer tax or similar governmental charge in connection with any payment transfer instructions received by the Paying Agent. Definitive Registered Notes, if issued, will only be issued in registered form.

Paying Agent and Registrar for the Notes

The Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct Tax pursuant to European Council Directive 2003/48/EC regarding the taxation of savings income (the “*Directive*”), as amended or supplemented from time to time, including through European Union Council Directive 2014/48/EC or any other directive implementing the conclusions of the European Council of Economics and Finance Ministers (“*ECOFIN*”) meeting of November 26–27, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer also will maintain one or more registrars (each a “*Registrar*”). The initial Registrar will be Deutsche Bank Luxembourg S.A. The Registrar will maintain a register reflecting ownership of

Definitive Registered Notes outstanding from time to time and will make payments on Definitive Registered Notes on behalf of the Issuer. The Issuer will also maintain a transfer agent (the “*Transfer Agent*”). The initial Transfer Agent will be Deutsche Bank Luxembourg S.A. The Transfer Agent is responsible for, among other things, facilitating any transfers or exchanges of beneficial interests in different Global Notes (as defined below) between holders.

The Issuer may change the Paying Agent, the Transfer Agent or the Registrar without prior notice to the holders. The Issuer, the Company or any of its subsidiaries may act as Paying Agent or Registrar in respect of the Notes. For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules of this exchange so require, the Issuer will publish a notice of any change of Paying Agent, Transfer Agent or Registrar in accordance with the requirements of such rules.

Form of Notes

The Notes will be issued in the form of global notes (the “*Global Notes*”) in registered form and will be issued in minimum denominations of €100,000 principal amount and integral multiples of €1,000. The Notes will be serially numbered. In no event will Definitive Registered Notes in bearer form be issued. See “Book-Entry, Delivery and Form.”

Additional Amounts

All payments made by the Issuer or any Guarantor (each a “*Payor*”) on the Notes or under or with respect to any Note Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, levies, imposts, assessments or similar governmental charges (including penalties, additions to tax, and interest related thereto) (“*Taxes*”) unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

- (1) Luxembourg, Spain or any political subdivision or governmental authority thereof or therein having power to tax;
- (2) any jurisdiction from or through which payment on the Notes or a Note Guarantee is made, or any political subdivision or governmental authority thereof or therein having the power to tax; or
- (3) any other jurisdiction in which a Payor is incorporated or organized or otherwise resident or doing business for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a “*Relevant Taxing Jurisdiction*”),

will at any time be required from any payments made with respect to the Notes or any Note Guarantee, including payments of principal, redemption price, interest or premium (if any), the Payor will pay (together with such payments) such additional amounts (the “*Additional Amounts*”) as may be necessary in order that the net amounts received in respect of such payments by each beneficial owner of the Notes or the Note Guarantee, as the case may be, after such withholding or deduction by any applicable withholding agent (including any such deduction or withholding from such Additional Amounts), equal the amounts which would have been received in respect of such payments in the absence of such withholding or deduction; *provided, however*, that no such Additional Amounts will be payable with respect to:

- (1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant holder or the beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant holder or beneficial owner, if the relevant holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including any Tax imposed as a result of a holder or beneficial owner being a citizen or resident or national or domiciliary of, or carrying on a business or maintaining a permanent establishment in, the Relevant Taxing Jurisdiction (such as, for the avoidance of doubt, any net income Tax imposed under the Personal Income Tax, the Corporate Income Tax or the Non-resident Income Tax by Spain as a result of such holder or beneficial owner being resident or doing business in Spain)), other than a connection resulting from the mere acquisition, ownership or disposition of such Note or enforcement of rights under or in respect of such Note or any Note Guarantee or the receipt of payments under or in respect of such Note or any Note Guarantee;

- (2) any Taxes that would not have been so imposed if the holder or the beneficial owner of a Note had made a declaration of non-residence or any other claim or filing for exemption to which it is entitled (*provided* that (x) such declaration of non-residence or other claim or filing for exemption is required by applicable law, regulation, administrative practice or treaty of the Relevant Taxing Jurisdiction as a precondition to exemption from the requirement to deduct or withhold all or a part of such Taxes and (y) at least 30 days prior to the first payment date with respect to which such declaration of non-residence or other claim or filing for exemption is required under the applicable law of the Relevant Taxing Jurisdiction, the relevant holder at that time has been notified (in accordance with the procedures set forth in “—Selection and Notice”) by the Payor or any other Person through whom payment may be made that a declaration of non-residence or other claim or filing for exemption is required to be made), but, in each case, only to the extent the holder or beneficial owner is legally eligible to make such declaration or other claim or filing;
- (3) any Note presented for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented during such 30 day period);
- (4) any Taxes that are payable otherwise than by withholding in respect of a payment of the principal of, premium, if any, interest or any other amounts under or with respect to the Notes or any Note Guarantee;
- (5) any estate, inheritance, gift, sale, transfer, property or similar Taxes;
- (6) any Taxes imposed under Sections 1471 through 1474 of the Code as of the Issue Date (or any amended or successor provisions that are substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code as of the Issue Date (or any amended or successor provisions described above) or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement implementing the foregoing;
- (7) any withholding or deduction imposed on a payment that is required to be made pursuant to the Directive or any other directive implementing the conclusions of the ECOFIN meeting of November 26–27, 2000, or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (8) any Taxes which could have been avoided by the presentation (where presentation is required) of the relevant Note to another Paying Agent in a member state of the European Union; or
- (9) any combination of (1) through (8) above.

In addition, no Additional Amounts shall be paid with respect to any payment to any holder of Notes who is a fiduciary or partnership or other than the beneficial owner of such Notes to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or the beneficial owner of such Notes would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Notes directly, but only if there is no material cost or commercial or legal restriction to transferring the Notes to such beneficiary, settlor, member or beneficial owner.

The applicable withholding agent will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes and will provide such certified copies to the Trustee (or a holder upon request). If certified copies of such tax receipts are not obtainable, the relevant Payor shall provide the Trustee (or a holder upon written request) other evidence of payment reasonably satisfactory to the Trustee (or such holder). The Payor will attach to each certified copy a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding Taxes paid per € 1,000 principal amount of the Notes. Copies of such documentation will be available for inspection during ordinary business hours at the office of the Trustee by the holders of the Notes upon request and will be made available at the offices of the Paying Agent located in Luxembourg if the Notes are then listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market.

At least 30 days prior to each date on which any payment under or with respect to the Notes or any Note Guarantee is due and payable (unless such obligation to pay Additional Amounts arises shortly before or after the 30th day prior to such date, in which case it shall be promptly thereafter), if the Payor will be obligated to pay Additional Amounts with respect to such payment, the Payor will deliver to the Trustee and the Paying Agent an Officer's Certificate stating the fact that such Additional Amounts will be payable, the amounts so payable and will set forth such other information necessary to enable the Paying Agent to pay such Additional Amounts to holders on the payment date. Each such Officer's Certificate shall be relied upon until receipt of a further Officer's Certificate addressing such matters.

Wherever in the Indenture, the Notes, any Note Guarantee or this "*Description of the Notes*" there are mentioned, in any context:

- (1) the payment of principal,
- (2) purchase prices in connection with a purchase of Notes,
- (3) interest, or
- (4) any other amount payable on or with respect to the Notes or any Note Guarantee,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, issue, registration, court or documentary Taxes, or any other excise, property or similar Taxes which arise in any Relevant Taxing Jurisdiction from the execution, issuance, delivery, registration or enforcement of any Notes, the Indenture, any Note Guarantee or any other document or instrument referred to therein or any payments under or with respect to the Notes or any Note Guarantee.

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture, and will apply *mutatis mutandis* to any successor to a Payor and to any jurisdiction in which such successor is incorporated, organized, doing business or otherwise considered to be a resident for tax purposes, or any jurisdiction from or through which such successor (or its paying agent) makes any payment under or with respect to the Notes or any Note Guarantee and, in each case, any political subdivision or governmental authority thereof or therein having the power to tax.

Optional Redemption

At any time prior to May 15, 2019, at the option of the Issuer or the Company, the Issuer may, upon giving not less than 10 nor more than 60 days' notice to the holders of the Notes, on any one or more occasions redeem up to 40% of the aggregate principal amount of Notes issued under the Indenture at a redemption price of 103.50% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date, with the Net Cash Proceeds of one or more Equity Offerings; *provided* that:

- (1) at least 60% of the aggregate principal amount of Notes issued under the Indenture remain outstanding immediately after the occurrence of such redemption (excluding Notes held by the Issuer or the Company and its Subsidiaries); and
- (2) the redemption occurs within 120 days of the date of the closing of such Equity Offering.

After May 15, 2019, at the option of the Issuer or the Company, the Issuer may redeem all or a part of the Notes upon not less than 10 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the Notes redeemed, to, but excluding, the applicable redemption date, if redeemed during the twelve month period beginning on May 15 of the years indicated below:

<u>Year</u>	<u>Percentage</u>
2019	101.750%
2020	100.875%
2021 and thereafter	100.000%

In addition, the Issuer may on or prior to May 15, 2019, upon giving not less than 10 nor more than 60 days' notice to the holders of the Notes, at its option on one or more occasions redeem all or a portion of the Notes (which includes Additional Notes, if any) at a redemption price equal to the sum of:

- (1) 100% of the principal amount thereof, *plus*
- (2) accrued and unpaid interest, if any, to, but excluding, the applicable redemption date, *plus*
- (3) the Applicable Premium at the redemption date, subject to the right of holders of record on the relevant record date to receive interest due on any interest payment date occurring on or prior to the redemption date.

Any redemption and notice of redemption may be, at the Issuer's discretion, subject to the satisfaction of one or more conditions precedent.

Mandatory Redemption

Neither the Issuer nor the Company is required to make mandatory redemption or sinking fund payments with respect to the Notes.

Optional Tax Redemption

The Issuer may redeem the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the holders of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date) and Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if the Issuer determines that, as a result of:

- (1) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined above) which change or amendment is publicly announced and becomes effective after the Issue Date (or, if a Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issue Date, after such later date);
- (2) any change in position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including by virtue of a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice) of a Relevant Taxing Jurisdiction, which change or amendment is publicly announced and becomes effective after the Issue Date (or, if a Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issue Date, after such later date) (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"); or
- (3) a determination by the Spanish tax authorities ("*acta de inspección*" in Spanish terminology) after the date hereof that interest payments by the Issuer are subject to Spanish withholding Tax as a result of the Issuer being a resident of Spain or having a permanent establishment in Spain to which the Notes are connected,

the Issuer is, or on the next interest payment date in respect of the Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to it (including, for the avoidance of doubt, the appointment of a new Paying Agent in accordance with the third paragraph under "—Paying Agent and Registrar for the Notes" or payment through a Guarantor).

Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—Selection and Notice." Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officer's Certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the Trustee to the effect that the circumstances referred to above exist. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of

the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the holders.

The foregoing provisions will apply *mutatis mutandis* to any successor to the Issuer.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each holder of Notes will have the right to require the Issuer to repurchase all or any part (equal to €100,000 or integral multiples of €1,000 in excess thereof) of that holder's Notes pursuant to an offer on the terms set forth in the Indenture (a "*Change of Control Offer*"). In the Change of Control Offer, the Issuer will offer a payment (the "*Change of Control Payment*") in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any, on the Notes repurchased, to the date of purchase. Within 30 days following any Change of Control, the Issuer will mail a notice to each holder of the Notes describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the date specified in the notice (the "*Change of Control Payment Date*"), which date will be no earlier than 10 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Indenture and described in such notice. The Issuer and the Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes and the related Note Guarantees as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Issuer and the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

On or prior to the Change of Control Payment Date, the Company will prepay the Funding Loan to the extent necessary to finance the repurchase by the Issuer of the Notes tendered pursuant to the Change of Control Offer.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the relevant Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
- (3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The relevant Paying Agent will promptly mail to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each new Note will be in a principal amount of €100,000 or, if greater, an integral multiple of €1,000.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the holders of the Notes to require the Issuer to repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer. The Issuer also will not be required to make a Change of Control Offer following a Change of Control if it has theretofore issued a redemption notice in respect of all of the Notes in the manner and in accordance with the provisions described under "*—Optional Redemption*" and thereafter purchases all of the Notes pursuant to such notice. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The definition of “Change of Control” includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of “all or substantially all” of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain. In addition, it should be noted that recent case law suggests that, in the event that incumbent directors are replaced as a result of a contested election, issuers may nevertheless avoid triggering a change of control under a clause similar to clause (4) of the definition of “Change of Control,” if the outgoing directors were to approve the new directors for the purpose of such change of control clause. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder of Notes may require the Issuer to make an offer to repurchase the Notes as described above.

Subject to the covenants described below, the Company could enter into certain transactions, including acquisitions, refinancings or other recapitalizations which, though not constituting a Change of Control under the Indenture, could increase the amount of outstanding debt or otherwise affect the Company’s capital structure or credit ratings. In addition, we may not be able to finance the payments required for a Change of Control Offer. See “Risk Factors—Risks related to the notes—We may not have the ability to raise the funds necessary to finance a change of control offer.”

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee or the Paying Agent will select Notes for redemption as follows:

- (1) if the Notes are listed on any national securities exchange, in compliance with the requirements, if any, of the principal national securities exchange on which the Notes are listed as certificated to the Trustee and/or the Paying Agent by the Issuer and in compliance with the requirements of Euroclear and Clearstream; or
- (2) if the Notes are not listed on any national securities exchange or such exchange prescribes no method of selection and the Notes are not held through Euroclear or Clearstream or Euroclear or Clearstream prescribe no method of selection, then on a *pro rata* basis, or by lot.

No Notes may be redeemed in part such that the remainder of the Note is less than €100,000 in aggregate principal amount and only Notes in integral multiples of €1,000 will be redeemed. Notices of redemption will be mailed by first class mail at least 10 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. For Notes represented by global certificates held on behalf of Euroclear and Clearstream, notices may be given by delivery to Euroclear and Clearstream for communication to entitled account holders in substitution for aforesaid mailing.

In addition, so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market and its rules so require, all notices to holders of the Notes will also be supplied to the Luxembourg Stock Exchange and are expected to be published at www.bourse.lu. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. In the case of Definitive Registered Notes, notices will be mailed to holders of the Notes by first class mail at their respective addresses as they appear on the records of the Registrar. If and so long as the Notes are listed on any other securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange. Notices given by publication will be deemed given on the first date on which publication is made. Notices given by first class mail, postage paid, will be deemed given five calendar days after mailing whether or not the addressee receives it.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancellation of the original Note and will be collectible at the offices of the Paying Agent. Notes called for redemption become due on the date fixed for redemption. In the case of Notes represented by global certificates, an appropriate notation will be made on such Note to decrease the principal amount thereof

to an amount equal to the unredeemed portion thereof. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Prescription

Claims against the Issuer, the Company or any other Guarantor for the payment of principal of, or interest, premium, or Additional Amounts, if any, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of seven years, in the case of principal, or five years, in the case of interest, premium or Additional Amounts, if any, from the applicable original payment date therefor.

Certain Covenants

Restricted Payments

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

- (1) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than (A) dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company or Subordinated Shareholder Debt, (B) dividends or distributions to the Company or any of its Restricted Subsidiaries and (C) *pro rata* dividends or distributions made by a Subsidiary that is not a Wholly Owned Subsidiary to minority stockholders (or owners of any equivalent interest in the case of a Subsidiary that is an entity other than a corporation));
- (2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any Parent Company;
- (3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value (x) any Indebtedness that is subordinated in right of payment to the Notes, the Note Guarantees, or the Funding Loan except a payment of interest or principal at the Stated Maturity thereof or (y) any Subordinated Shareholder Debt; or
- (4) make any Restricted Investment (all such payments and other actions set forth in these clauses (1) through (4) being collectively referred to as "*Restricted Payments*"),

unless, at the time of and after giving effect to such Restricted Payment:

- (1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment; and
- (2) the Company would, after giving pro forma effect to such Restricted Payment (including the application thereof) as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least €1.00 of additional Indebtedness (other than Permitted Debt) pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock;*" and
- (3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries after the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (6), (8), (9), (11), (13) and (14) of the next succeeding paragraph), is less than the sum, without duplication, of:
 - (a) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the first day of the first full fiscal quarter immediately prior to the Issue Date to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such aggregate Consolidated Net Income for such period is a deficit, less 100% of such deficit),
plus

- (b) 100% of the aggregate net cash proceeds and Fair Market Value of property, assets or marketable securities received by the Company since the Issue Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Company (other than Disqualified Stock or Excluded Contributions) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Company or from Subordinated Shareholder Debt or Excluded Contributions), *plus*
- (c) 100% of any dividends or distributions (including payments made in respect of loans or advances) received by the Company or a Restricted Subsidiary of the Company after the Issue Date from an Unrestricted Subsidiary of the Company or a Permitted Joint Venture, to the extent that such dividends or distributions were not otherwise included in Consolidated Net Income of the Company for such period (and *provided* that such dividends or distributions are not included in the calculation of that amount of Permitted Investments permitted under clause (10) of the definition thereof), *plus*
- (d) to the extent that any Unrestricted Subsidiary of the Company is redesignated as a Restricted Subsidiary after the Issue Date, the Fair Market Value of the Company's Investment in such Subsidiary as of the date of such redesignation, *plus*
- (e) to the extent that any Restricted Investment that was made after the Issue Date is sold for cash or otherwise liquidated or repaid for cash or Cash Equivalents (including, without limitation, any sale for cash or other Cash Equivalents of an Equity Interest in an Unrestricted Subsidiary), the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any), *plus*
- (f) 100% of the cash received by the Company since the Issue Date in connection with the incurrence of any Subordinated Shareholder Debt.

The preceding provisions will not prohibit:

- (1) the payment of any dividend within 60 days after the date of declaration of the dividend, if at the date of declaration the dividend payment would have complied with the provisions of the Indenture;
- (2) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of the Company or any Restricted Subsidiary or of any Equity Interests of the Company or any Parent Company by conversion into (in the case of subordinated Indebtedness) or in exchange for, or out of the Net Cash Proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock) or Subordinated Shareholder Debt or from the substantially concurrent contribution of equity capital to the Company; *provided* that the amount of any such Net Cash Proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition will be excluded from clause (3)(b) of the preceding paragraph;
- (3) the defeasance, redemption, repurchase or other acquisition or retirement of subordinated Indebtedness of the Company or any Guarantor with the Net Cash Proceeds from an incurrence of Permitted Refinancing Indebtedness in respect of such subordinated Indebtedness;
- (4) any Restricted Payment made by exchange for, or out of the proceeds of the substantially concurrent sale of, Equity Interests of the Company (other than Disqualified Stock) or a substantially concurrent cash capital contribution received by the Company from its shareholders; *provided, however*, that the Net Cash Proceeds from such sale or cash capital contribution shall be excluded from clause (3)(b) of the preceding paragraph;
- (5) the repurchase, redemption or other acquisition for value of Equity Interests of any non-Wholly Owned Restricted Subsidiary of the Company if, as a result of such purchase, redemption or other acquisition, the Company increases its percentage ownership, directly or indirectly through its Restricted Subsidiaries, of such non-Wholly Owned Restricted Subsidiary;
- (6) the repurchase, redemption or other acquisition for value of Equity Interests of the Company or its Restricted Subsidiaries representing fractional shares of such Equity Interests in connection

with a merger, consolidation, amalgamation or other combination of the Company or any such Restricted Subsidiary;

- (7) following the first Public Offering of the Company's ordinary shares or the ordinary shares of any Parent Company, the payment by the Company of, or loans or advances, dividends or distributions to any Parent Company to pay dividends on the ordinary shares of the Company or any Parent Company, in an amount not to exceed in any fiscal year the greater of (A) an amount equal to 3.0% of the Market Capitalization; *provided* that after giving pro forma effect to the payment of such amount the Leverage Ratio shall be no greater than 2.5 to 1.0 and (B) 6% per annum of the net cash proceeds received by the Company in any Public Offering or contributed in cash to the Company's ordinary shares with the net cash proceeds of any such Public Offerings by any Parent Company;
- (8) loans or advances made to employees, officers or directors (not including the Permitted Holders) in amounts not exceeding €10 million at any time outstanding;
- (9) the declaration and payment of dividends to, or the making of loans to, any Parent Company in amounts required for such Parent Company to pay (i) franchise and similar taxes, and other fees and expenses, required to maintain such Parent Company's corporate existence and (ii) consolidated, combined or similar foreign, federal, state and local income and similar Taxes, to the extent such income and similar Taxes are attributable to the income, revenue, receipts, capital or margin of the Company and the Restricted Subsidiaries and, to the extent of the amount actually received from the Company's Unrestricted Subsidiaries, in amounts required to pay such Taxes to the extent attributable to the income of such Unrestricted Subsidiaries; *provided* that in each case the amount of such payments in any fiscal year does not exceed the amount that the Company, the Restricted Subsidiaries and the Company's Unrestricted Subsidiaries (to the extent described above) would be required to pay in respect of such foreign, federal, state and local Taxes for such fiscal year had the Company, the Restricted Subsidiaries and the Company's Unrestricted Subsidiaries (to the extent described above) been a standalone taxpayer (separate from any such Parent Company) for all fiscal years ending after the Issue Date;
- (10) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Equity Interests of (a) the Company or any Restricted Subsidiary (including any options, warrants or other rights in respect thereof) held by any current or former employee, director, officer, member of management or consultant (or their respective Immediate Family Members) of the Company or any Restricted Subsidiaries or (b) the Company held by any Parent Company if the proceeds are to be used to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value of Equity Interests of such Parent Company (including any options, warrants or other rights in respect thereof) held by any current or former employee, director, officer, member of management or consultant (or their respective Immediate Family Members) of the Company or any Restricted Subsidiaries, in either case pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement; *provided* that the aggregate amount of all such purchased, repurchased, redeemed, defeased, acquired, cancelled or retired Equity Interests may not exceed €12 million;
- (11) Restricted Payments on account of the Company's consolidated net profit in the 2015 fiscal year in an amount (measured on the date each such Restricted Payment was made and without giving effect to subsequent changes in value) when taken together with all other Restricted Payments made pursuant to this clause (11) not to exceed €49 million; *provided* that they will be declared by the Company no later than June 30, 2016 and paid no later than July 31, 2016;
- (12) Restricted Payments provided that for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of such Restricted Payment, on a pro forma basis, the Company and its Restricted Subsidiaries on a consolidated basis would have had a Leverage Ratio of no more than 2.00 to 1.00;
- (13) Restricted Payments made with the proceeds of Excluded Contributions;
- (14) Restricted Payments pursuant to clause (i) of the second paragraph under "—Certain Covenants—Transactions with Affiliates"; and

- (15) other Restricted Payments made after the Issue Date in an amount (measured on the date each such Restricted Payment was made and without giving effect to subsequent changes in value) when taken together with all other Restricted Payments made pursuant to this clause (15) not to exceed the greater of (a) €100 million and (b) 1.8% of Total Assets at such time (*provided* that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person is subsequently designated a Restricted Subsidiary, such Investment shall thereafter be deemed to have been made pursuant to clause (3) of the definition of “Permitted Investments” and not this clause);

provided, however, that after giving effect to any Restricted Payment referred to in clauses (5), (7), (8), (12) or (15) of this paragraph, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the assets or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this covenant will be determined by the responsible financial or accounting officer of the Company. The determination of such responsible financial or accounting officer will be final and conclusive.

Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, “*incur*”) any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided, however*, that the Company and any Restricted Subsidiary may incur Indebtedness, the Company or any Restricted Subsidiary may incur Acquired Debt and the Company may issue Disqualified Stock and any Restricted Subsidiary may issue shares of preferred stock, if the Fixed Charge Coverage Ratio for the Company’s most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or preferred stock is issued would have been at least 2.5 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or preferred stock had been issued, as the case may be, at the beginning of such four-quarter period; *provided* that a Restricted Subsidiary of the Company that is not a Guarantor or the Issuer may incur Indebtedness or issue Disqualified Stock or preferred stock pursuant to this paragraph solely to the extent that the Non-Guarantor Leverage Ratio for the Company’s most recently ended four fiscal quarters for which internal financial statements are available immediately preceding the date on which such Indebtedness is incurred or such Disqualified Stock or preferred stock is issued, as the case may be, would have been no greater than 1.00 to 1.00, as determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if such Indebtedness had been incurred or the Disqualified Stock or preferred stock had been issued, as the case may be, at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the incurrence by the Company or its Restricted Subsidiaries of any of the following items of Indebtedness (collectively, “*Permitted Debt*”):

- (1) the incurrence by the Company and any Restricted Subsidiary of additional Indebtedness and letters of credit under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed €1,000 million;
- (2) the incurrence by the Company and its Restricted Subsidiaries of the Existing Indebtedness;
- (3) the incurrence (a) by the Issuer of Indebtedness represented by the Notes to be issued hereby (but not including any Additional Notes), (b) by the Company, the Subsidiary Guarantors and any future Guarantors of Indebtedness represented by a Note Guarantee (including Note Guarantees of Additional Notes incurred in compliance with the Indenture), and (c) by the Company of Indebtedness represented by the Funding Loan;
- (4) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings, sale and leaseback transactions or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in

the business of the Company or such Restricted Subsidiary, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (4), not to exceed €150 million at any time outstanding;

- (5) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness (other than intercompany Indebtedness) that was permitted by the Indenture to be incurred under the first paragraph of this covenant or clauses (2), (3) or (5) of this paragraph;
- (6) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries; *provided, however, that:*
 - (a) if the Company or any other Guarantor is the obligor on such Indebtedness and the creditor is not a Guarantor, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all Obligations with respect, in any bankruptcy, insolvency or winding up of such obligor, to its Note Guarantee and, in the case of the Company, its obligations under the Funding Loan, as applicable, and
 - (b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary of the Company will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);
- (7) the incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes, in the good faith determination of management) for the purposes of limiting interest rate risk with respect to any Indebtedness permitted to be incurred under the Indenture, exchange rate risk or commodity pricing risk;
- (8) the guarantee by the Company or any of the other Guarantors (subject to compliance with the covenant “—Certain Covenants—Additional Note Guarantees”) of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Note or a Note Guarantee, then the guarantee must be expressly subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness being guaranteed;
- (9) the incurrence by the Company or any Restricted Subsidiary of Indebtedness in connection with one or more standby letters of credit or performance bonds issued by the Company or a Restricted Subsidiary in the ordinary course of business or pursuant to self-insurance obligations and, in each case, not in connection with the borrowing of money or the obtaining of advances or credit;
- (10) the incurrence by the Company or any Restricted Subsidiary of Indebtedness arising from agreements providing for indemnification or adjustment of purchase price or from guarantees or letters of credit securing any Obligations of the Company or any Restricted Subsidiary pursuant to such agreements, incurred in connection with the sale or other disposition of any business, assets or Restricted Subsidiary of the Company, other than guarantees or similar credit support by the Company or any Restricted Subsidiary of Indebtedness incurred by any Person acquiring such business, assets or subsidiary; *provided* that the maximum Indebtedness permitted by this clause (10) in respect of any such sale or other disposition of any business, assets or subsidiary shall not exceed the Net Cash Proceeds from such sale or other disposition;
- (11) the incurrence by the Company or any Restricted Subsidiary of Indebtedness arising from guarantees to suppliers, lessors, licensees, contractors, franchisees or customers and incurred in the ordinary course of business;
- (12) the incurrence by the Company or any Restricted Subsidiary of Indebtedness in respect of any obligations under workers’ compensation laws and similar legislation;

- (13) Indebtedness incurred pursuant to the factoring of Receivables arising in the ordinary course of business pursuant to customary arrangements; *provided*, that either (a) no portion of such Indebtedness has, directly or indirectly, contingent or otherwise, recourse to any property or assets of the Company or any of its Restricted Subsidiaries (other than the Receivables that are the subject of the factoring), or (b) if such Indebtedness has recourse to any property or assets of the Company or any of its Restricted Subsidiaries, only the portion of such Indebtedness that is not recourse to any property or assets of the Company or any of its Restricted Subsidiaries (other than Receivables that are the subject of the factoring) may be considered as “Permitted Debt” under this clause (13);
- (14) the incurrence by the Company or any Restricted Subsidiary of guarantees of Indebtedness of Permitted Joint Ventures in an amount not to exceed €100 million;
- (15) Indebtedness, Disqualified Stock or preferred stock of Persons that are acquired by the Company or any Restricted Subsidiary of the Company or merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or a Restricted Subsidiary of the Company in accordance with the terms of the Indenture; *provided* that such Indebtedness, Disqualified Stock or preferred stock are not incurred or issued in connection with such acquisition, merger, consolidation, amalgamation or other combination, and, after giving effect to such acquisition, merger, consolidation, amalgamation or other combination, either:
- (a) the Company or such Restricted Subsidiary would be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first sentence of this covenant; or
 - (b) the Fixed Charge Coverage Ratio of the Company is no less than immediately prior to such acquisition, merger, consolidation, amalgamation or other combination; and
- (16) the incurrence by the Company or any Restricted Subsidiary of additional Indebtedness (including Acquired Debt) in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (16), not to exceed €200 million.

To the extent any Restricted Subsidiary that is not a Guarantor is a joint obligor with respect to any Indebtedness, the entire amount of such Indebtedness shall be considered Indebtedness of a Restricted Subsidiary that is not a Guarantor for purposes of this covenant.

The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant; *provided* that, in each such case, the amount thereof is included in Consolidated Interest Expense of the Company as accrued or paid in accordance with the definition of such term.

The incurrence by an Unrestricted Subsidiary of the Company of Non-Recourse Debt will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant; *provided, however*, that if any such Indebtedness ceases to be Non-Recourse Debt of such Unrestricted Subsidiary, such Indebtedness shall be deemed to constitute an incurrence of Indebtedness by a Restricted Subsidiary of the Company that was not permitted by this covenant.

For purposes of determining compliance with this covenant, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (16) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company will be permitted to classify such item of Indebtedness on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this covenant.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

For purposes of determining compliance with any euro-denominated restriction on the incurrence of Indebtedness, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency will be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of Indebtedness incurred under a revolving credit facility; *provided* that (1) if such Indebtedness is incurred to refinance other Indebtedness denominated in a currency other than euros, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction will be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (2) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date will be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (3) if and for so long as any such Indebtedness is subject to an agreement intended to protect against fluctuations in currency exchange rates with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated in euros, will be the amount of the principal payment required to be made under such currency agreement and, otherwise, the Euro Equivalent of such amount plus the Euro Equivalent of any premium which is at such time due and payable but is not covered by such currency agreement.

Liens

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind upon any of its assets or property (including Capital Stock of Restricted Subsidiaries), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the “*Initial Lien*”), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the Indenture (or a Note Guarantee in the case of Liens of a Guarantor) are directly secured equally and ratably with, or senior in right of payment to, in the case of Liens with respect to subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes pursuant to the preceding paragraph will be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien to which it relates.

Dividend and Other Payment Restrictions Affecting Subsidiaries

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to the Company or any of its Restricted Subsidiaries;
- (2) make loans or advances to the Company or any of its Restricted Subsidiaries; or
- (3) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

- (1) agreements governing Existing Indebtedness and Credit Facilities as in effect on the Issue Date and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of those agreements; *provided* that the amendments, modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date;
- (2) the Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement, the Security Documents and any notes and guarantees in connection with the subsequent issuance of debt securities in accordance with and on terms no less onerous than the Indenture;

- (3) applicable law or regulation or the terms of any license, authorization, concession or permit to engage in a Permitted Business;
- (4) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;
- (5) customary non-assignment provisions in leases entered into in the ordinary course of business and consistent with past practices;
- (6) purchase money obligations for property acquired in the ordinary course of business that impose restrictions on that property of the nature described in clause (4) of the second paragraph of the covenant entitled “—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock”;
- (7) any agreement for the sale or other disposition of Capital Stock of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;
- (8) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;
- (9) Liens securing Indebtedness otherwise permitted to be incurred under the provisions of the covenant entitled “—Liens” that limit the right of the debtor to dispose of the assets subject to such Liens;
- (10) customary provisions in joint venture agreements, asset sale agreements, stock sale agreements, sale-leaseback agreements and other similar agreements;
- (11) provisions that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or other contract entered into in the ordinary course of business;
- (12) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; and
- (13) any agreement or instrument (A) relating to any Indebtedness or preferred stock of a Restricted Subsidiary of the Company permitted to be incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under “—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock” (i) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders of the Notes than the encumbrances and restrictions contained in the Senior Credit Facilities as in effect on the Issue Date (as determined in good faith by the Company) or (ii) if the encumbrances and restrictions are not materially more disadvantageous to the holders of the Notes than is customary in comparable financings (as determined in good faith by the Company) and either (x) the Company determines that such encumbrance or restriction will not adversely affect the Company’s ability to make principal and interest payments on the Notes as and when they come due or (y) such encumbrances and restrictions apply only during the continuance of a default in respect of a payment or financial maintenance covenant relating to such Indebtedness, (B) constituting an intercreditor agreement on terms substantially equivalent to the Intercreditor Agreement or (C) relating to any loan or advance by the Company to a Restricted Subsidiary of the Company subsequent to the Issue Date; *provided* that with respect to this clause (13) the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders of the Notes than the encumbrances and restrictions contained in the Senior Credit Facilities, the Security Documents and the Intercreditor Agreement (as in effect on the Issue Date).

Merger, Consolidation or Sale of Assets

The Company may not, directly or indirectly: (1) consolidate or merge with or into another Person; or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of

the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person; unless:

- (1) either: (a) the Company is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made (the “*Surviving Entity*”) is a corporation organized or existing under the laws of (i) Spain, (ii) any other member of the European Union that has adopted the euro as its national currency, (iii) the United Kingdom or (iv) the United States, any state of the United States or the District of Columbia;
- (2) the Surviving Entity (if other than the Company) assumes all the obligations of the Company under its Note Guarantee and the Funding Loan and, in each case, the Indenture, the applicable Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement;
- (3) immediately after giving effect to such transaction no Default or Event of Default exists or would exist; and
- (4) the Company or the Surviving Entity, as the case may be, will:
 - (a) on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, either (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant entitled “—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock” or (ii) the Fixed Charge Coverage Ratio of the Company (or, if applicable, the Surviving Entity) would equal or exceed the Fixed Charge Coverage Ratio of the Company immediately prior to giving effect to such transaction; and
 - (b) deliver to the Trustee an Officer’s Certificate and an Opinion of Counsel, in each case, stating that such consolidation, merger or transfer and any supplemental indenture comply with this covenant and the Indenture, and, if the Company is not the surviving entity, that the accession agreement executed in connection therewith is the legally valid and binding obligation of the Successor Entity enforceable (subject to customary exceptions and exclusions) in accordance with their terms.

In addition, the Company may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person. This “—Merger, Consolidation or Sale of Assets” covenant will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among (a) the Company and any of the Guarantors, (b) any Restricted Subsidiary and another Restricted Subsidiary and (c) any Restricted Subsidiary to the Company. Notwithstanding clause (4)(a) of the foregoing, the Company or any Guarantor may merge with an Affiliate solely for the purpose of reincorporating the Company or such Guarantor in another jurisdiction to realize tax or other benefits.

A Subsidiary Guarantor or Restricted Subsidiary may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Subsidiary Guarantor or Restricted Subsidiary is the surviving Person) another Person, other than the Company, another Subsidiary Guarantor or another Restricted Subsidiary, unless:

- (1) immediately after giving effect to that transaction, no Default or Event of Default exists; and
- (2) either:
 - (a) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Subsidiary Guarantor under the Indenture and its Note Guarantee pursuant to a supplemental indenture satisfactory to the Trustee and the applicable Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement;
 - (b) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture; or
 - (c) in any transaction between (i) the Company or a Subsidiary Guarantor and (ii) a Restricted Subsidiary that is not a Subsidiary Guarantor, the Company or such Subsidiary Guarantor is the surviving Person or the Restricted Subsidiary is the surviving Person and assumes all of the obligations of the Company or such Subsidiary Guarantor under the Indenture and its Note Guarantee pursuant to a supplemental indenture satisfactory to the Trustee.

Transactions with Affiliates

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an “*Affiliate Transaction*”) involving aggregate payments or consideration in excess of €10 million, unless:

- (1) the Affiliate Transaction is on terms no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person; and
- (2) the Company delivers to the Trustee:
 - (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25 million, a resolution of the Board of Directors of the Company set forth in an Officer’s Certificate certifying that such Affiliate Transaction complies with clause (1) above; and
 - (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €50 million, an opinion that such transaction or series of transactions is fair to the holders from a financial point of view, or is not less favorable than could reasonably be expected to be obtained at the time in an arm’s length transaction with a Person who was not an Affiliate of the Company, which opinion shall be issued by an independent accounting, appraisal or investment banking firm of international or national standing.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

- (a) transactions between or among (i) the Company and/or (ii) its Restricted Subsidiaries;
- (b) transactions with a Person (including any joint venture or equity investee) that is an Affiliate of the Company or a Restricted Subsidiary solely because the Company or a Restricted Subsidiary owns an Equity Interest in such Person;
- (c) payment of reasonable director’s and other fees to, indemnities provided on behalf of, and expenses (including expense reimbursement, employee benefit and pension expenses) relating to, officers, directors, employees or consultants of the Company or its Parent Company or the Company’s Subsidiaries and payments of benefits and salaries to employees of the Company or its Subsidiaries in the ordinary course of business;
- (d) issuances or sales of Equity Interests of the Company (other than Disqualified Stock) or Subordinated Shareholder Debt to Affiliates of the Company;
- (e) purchases of steel blanks, coils and other raw materials by Affiliates of the Company or its Restricted Subsidiaries on terms reflecting current market conditions, that are no less favorable, when taken as a whole, to the Company or such Restricted Subsidiary, as applicable, than those available to the Company or such Restricted Subsidiary from third parties;
- (f) sales of scrap steel and other steel materials by the Company or its Restricted Subsidiaries to Affiliates on terms reflecting current market conditions, that are no less favorable, when taken as a whole, to the Company or such Restricted Subsidiary, as applicable, than those available from the Company or such Restricted Subsidiary to third parties;
- (g) payments pursuant to real estate leases and license agreements entered into in the ordinary course of business and on reasonable arm’s length terms, not exceeding €5 million per annum in the aggregate;
- (h) Permitted Investments or Restricted Payments that are permitted by the provisions of the Indenture described above under the caption “—Certain Covenants—Restricted Payments” (other than Permitted Investments described in clauses (3), (10), (11)(i), (13) and (15) of the definition of “Permitted Investments”); and
- (i) performance of any agreement of the Company or a Restricted Subsidiary as in effect on the Issue Date and disclosed in the Offering Memorandum under “Shareholders and Certain Transactions” and any amendment after the Issue Date (so long as such amendment is not

disadvantageous to the holders of the Notes in any material respect) to any such agreement (except as covered by clause (h) hereof).

Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

- (1) the Company (or the Restricted Subsidiary, as the case may be) receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Capital Stock issued or sold or otherwise disposed of; and
- (2) at least 75% of the consideration (excluding by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) received in the Asset Sale (except to the extent the Asset Sale is a Permitted Asset Swap) by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents.

For purposes of this provision, each of the following will be deemed to be cash:

- (a) any liabilities, as shown on the Company's or such Restricted Subsidiary's most recent balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability;
- (b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days of the receipt thereof, to the extent of the cash received in that conversion;
- (c) Indebtedness of any Restricted Subsidiary, in each case that is no longer a Restricted Subsidiary of the Company as a result of such Asset Sale, to the extent that the Company and such Restricted Subsidiary following such Asset Sale are released from any guarantee of such Indebtedness, as the case may be, in connection with such Asset Sale;
- (d) consideration consisting of Indebtedness of the Company or any Restricted Subsidiary (other than Indebtedness that by its terms is subordinated to the Notes); and
- (e) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Sales having an aggregate fair market value, as determined in good faith by an officer or the Board of Directors of the Company, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed €50 million (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

Within 365 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may apply those Net Cash Proceeds, if any, at its option:

- (1) (i) to repay, repurchase, prepay or redeem (a) to the extent such Net Cash Proceeds derive from an Asset Sale in respect of an asset which, immediately prior to such Asset Sale, did not constitute Collateral, Indebtedness of a Restricted Subsidiary that is not a Guarantor (other than Indebtedness owed to the Company or an Affiliate of the Company) or Indebtedness which is secured by a Lien on such asset or (b) Indebtedness of the Company or any other Restricted Subsidiary incurred under Credit Facilities pursuant to clause (1) of the second paragraph of the covenant entitled "—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock" that is secured by a Lien on the Collateral; *provided, however*, that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (i)(a), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased, or (ii) to prepay, repay or purchase *Pari Passu* Indebtedness; *provided* that the Company shall redeem, repay or repurchase *Pari Passu* Indebtedness pursuant to this clause (ii) only if the Company makes (at such time or

subsequently in compliance with this covenant) an offer to the holders of the Notes to purchase their Notes in accordance with the provision set forth below for an Asset Sale Offer for an aggregate principal amount of Notes at least equal to the proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the sum of the total aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness;

- (2) to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary;
- (3) to make a capital expenditure;
- (4) to acquire other long-term assets (other than Indebtedness or Capital Stock) that are used or useful in a Permitted Business;
- (5) to enter into a binding commitment to apply the Net Cash Proceeds pursuant to clause (2), (3) or (4) of this paragraph; *provided* that such binding commitment shall be treated as a permitted application of the Net Cash Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated and (y) the 180th day following the expiration of the aforementioned 365-day period; or
- (6) any combination of the foregoing.

In connection with any investment in Voting Stock pursuant to clause (2) if the assets sold constituted Collateral, the Company will also grant a pledge, or will cause a pledge to be granted, on a senior basis over any acquired Voting Stock in a Person incorporated in the same jurisdiction of the Person whose Voting Stock constituted Collateral as additional Collateral. Pending the final application of any Net Cash Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Cash Proceeds in any manner that is not prohibited by the Indenture. Notwithstanding the foregoing provisions of this covenant, the Company and the Restricted Subsidiaries will not be required to apply any Net Cash Proceeds in accordance with this covenant except to the extent that the aggregate Net Cash Proceeds from all Asset Sales which is not applied in accordance with this covenant exceeds €25 million.

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute “*Excess Proceeds*.” When the aggregate amount of Excess Proceeds exceeds €25 million, the Issuer will make an offer (the “*Asset Sale Offer*”) to all holders of Notes, and the Company will make any required offer to purchase Pari Passu Indebtedness containing similar asset sale provisions, to purchase the maximum principal amount of Notes and such Pari Passu Indebtedness that may be purchased out of the Excess Proceeds and the Company will prepay the Funding Loan to the extent necessary to finance the repurchase of the Notes by the Issuer. The offer price in any Asset Sale Offer will be equal to 100% of principal amount plus accrued and unpaid interest to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other Pari Passu Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee will select the Notes and such other Pari Passu Indebtedness to be purchased on a *pro rata* basis. Upon completion of each Asset Sale Offer the amount of Excess Proceeds will be reset at zero. For the purposes of calculating the principal amount of any Indebtedness not denominated in euros, the principal amount of such Indebtedness shall be calculated by converting any such principal amounts into their Euro Equivalent determined as of the Business Day immediately prior to the date on which the Asset Sale Offer is announced.

The Issuer and the Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes and the related Note Guarantees pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the Indenture, the Issuer and the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached their respective obligations under the Asset Sale provisions of the Indenture by virtue of such compliance.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Company or, if required by applicable law, the shareholders of the Company, may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary so designated will be deemed to be an Investment made as of the time of such designation and will either reduce the amount available for Restricted Payments under the first paragraph of the covenant entitled “—Restricted Payments” or reduce the amount available for future Investments under one or more clauses of the definition of Permitted Investments, as the Company shall determine. That designation will only be permitted if such Investment would be permitted at that time and if such Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company or, if required by applicable law, the shareholders of the Company may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if the redesignation would not cause a Default.

Additional Note Guarantees

The Company shall ensure that, within 60 days after the audited financial statements of the Company become available for each financial year of the Company beginning with the financial year ending December 31, 2016, the Company shall cause any Restricted Subsidiary that after the Issue Date is or becomes a Material Subsidiary (except for any Restricted Subsidiary which was a Material Subsidiary at the Issue Date but was not an initial Subsidiary Guarantor, any Restricted Subsidiary that is already a Guarantor, or any Restricted Subsidiary as to which the Company and its Restricted Subsidiaries do not own, directly or indirectly, greater than 90% of the Capital Stock) to execute and deliver a supplemental indenture providing for the Note Guarantee by such Restricted Subsidiary on the same terms as the Note Guarantees granted by the other Subsidiary Guarantors hereunder.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market, the Issuer will publish a notice of such additional guarantees in accordance with the requirements of such rules.

The Company will not permit any of its Restricted Subsidiaries, directly or indirectly, to guarantee the payment of any other Credit Facilities or other Public Debt of the Issuer or any Guarantor unless such incurrence is permitted by the covenant entitled “—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock,” and such Restricted Subsidiary (if not already a Subsidiary Guarantor) simultaneously executes and delivers a supplemental indenture and supplemental intercreditor agreement pursuant to which such Restricted Subsidiary will guarantee payment of the Notes on the same terms and conditions as those set forth in the Indenture, the Interc Creditor Agreement and any Additional Interc Creditor Agreement and which Note Guarantee will be senior to or *pari passu* with such Restricted Subsidiary’s guarantee of such other Credit Facilities or other Public Debt; *provided* that no such additional Note Guarantee need be provided in respect of Credit Facilities or other Public Debt of the Issuer or any Guarantor (i) that does not exceed €25 million, in the aggregate with all other Credit Facilities or other Public Debt described under this clause (i), (ii) if the guarantee of such Indebtedness is pursuant to a regulatory requirement and such Credit Facilities or other Public Debt is owed to a regulatory body, or (iii) if such Credit Facilities or other Public Debt is guaranteed by such Restricted Subsidiary on the Issue Date and such Restricted Subsidiary is not a Guarantor.

The Company shall not be obligated to cause such Restricted Subsidiary to guarantee the Notes to the extent that (A) such Note Guarantee could reasonably be expected to give rise to or result in: (1) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Company, the Issuer or a Restricted Subsidiary; (2) any liability for the officers, directors or shareholders of such Restricted Subsidiary; (3) any cost, expense, liability or obligation (including any Tax) other than reasonable out of pocket expenses and other than reasonable governmental or regulatory filing fees and (4) a requirement under applicable law, rule or regulation to obtain or prepare financial statements or financial information of such Person to be included in any required filing with a legal or regulatory authority that the Company is not able to obtain or prepare through measures reasonably available to the Company or (B) (i) such Restricted Subsidiary is incorporated in any jurisdiction located in North America or South America, (ii) such Restricted Subsidiary is a Subsidiary of any Person described under clause (i) above, or (iii) such Restricted Subsidiary is incorporated in Japan, China, South Korea, India or Taiwan.

Notwithstanding the preceding paragraphs of this covenant, any Note Guarantee by a Restricted Subsidiary will provide by its terms that it will be automatically and unconditionally released and discharged when (i) the Indebtedness that gave rise to the obligation to guarantee the Notes is discharged, (ii) in the case of any Note Guarantee granted as contemplated under the third paragraph of this covenant as a result of a Restricted Subsidiary guaranteeing other Credit Facilities or Public Debt, when such other Indebtedness is released and discharged, or (iii) otherwise under the circumstances described above under the caption “—Brief Description of the Notes, the Funding Loan, the Note Guarantees and the Intercreditor Agreement—The Note Guarantees.” The terms, provisions and limitations related to the Note Guarantees will be included in the Indenture.

Impairment of Security Interest

The Company shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the holders of the Notes, and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the holders of the Notes and the other beneficiaries described in the Security Documents, any interest whatsoever in any of the Collateral, except that the Company and its Restricted Subsidiaries may incur Permitted Collateral Liens and the Collateral may be discharged, transferred or released in accordance with the Indenture, the applicable Security Documents or the Intercreditor Agreement *provided, however*, that (a) nothing in this provision shall restrict the release or replacement of any security interests in compliance with the terms of the Indenture as described under “—Security—Release of Security Interests” and (b) any Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced, if contemporaneously with any such action, the Company delivers to the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee, from an independent financial advisor confirming the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, (2) a certificate from the Board of Directors of the relevant Person which confirms the solvency of the Person granting such security interest after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release and replacement, or (3) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens created under the security so amended, extended, renewed, restated, supplemented, modified or replaced are valid Liens, in each case, not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement. In the event that the Company complies with the requirements of this covenant, the Trustee and/or the Security Agent (as the case may be) shall (subject to customary protections and indemnifications) consent to any such amendment, extension, renewal, restatement, supplement, modification or replacement without the need for instructions from the holders of the Notes.

The Issuer

The Issuer will not engage in any business activity or undertake any other activity, except any activity (a) relating to the offering, sale or issuance of the Notes, Indebtedness under Credit Facilities, other Public Debt and Hedging Obligations or the incurrence of Indebtedness by the Issuer represented by the Notes, Indebtedness under Credit Facilities, other Public Debt and Hedging Obligations, (b) undertaken with the purpose of, and directly related to, fulfilling its obligations under the Notes or the Indenture, other Public Debt and Hedging Obligations (including the lending of the proceeds from the Notes, Indebtedness under Credit Facilities or other Public Debt to the Company or another Guarantor pursuant to a Funding Loan, the funding loan in respect of the Existing Dollar Notes, or similar loan or loans and granting Liens in respect of such loans to secure Indebtedness), or (c) directly related to the establishment and maintenance of the Issuer’s corporate existence or (d) reasonably related to the foregoing. The Issuer shall not (a) incur any Indebtedness (except to the Company or a Wholly Owned Restricted Subsidiary of the Company) other than the Notes, Indebtedness under Credit Facilities, other Public Debt and Hedging Obligations, or (b) issue any Capital Stock (other than to the Company or a Wholly Owned Restricted Subsidiary of the Company), or (c) undertake any transaction that will require the Issuer to register as an “investment

company” or an entity “controlled by an investment company” as defined in the U.S. Investment Company Act of 1940, as amended and the rules and regulations thereunder.

The Issuer and the Company will not, and will not permit any Restricted Subsidiary or any other Person that is an obligor under the Funding Loan, to (i) sell, dispose, encumber, prepay, repay, repurchase, redeem or otherwise acquire, reduce or retire any amounts outstanding under the Funding Loan except in connection with a redemption of outstanding Notes in a manner permitted by the Indenture, or (ii) amend, modify, supplement or waive any rights under the Funding Loan in a manner that would adversely affect the rights of the Issuer or its creditors with respect to the Funding Loan.

Suspension of Certain Covenants when Notes Rated Investment Grade

If on any date following the Issue Date, (1) two of the following three are satisfied: (i) the Notes are rated Baa3 or better by Moody’s, (ii) the Notes are rated BBB– or better by S&P or (iii) the Notes are rated BBB– or better by Fitch (or, if either Moody’s, S&P or Fitch ceases to rate the Notes for reasons outside of the control of the Issuer or the Company, the equivalent investment grade credit rating from any other “nationally recognized statistical rating organization” within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Issuer or the Company as a replacement agency so that the Notes are so rated by at least two such credit rating agencies); and (2) no Default or Event of Default shall have occurred and be continuing, then, beginning on that day and subject to the provisions of the following paragraph, the covenants specifically listed under the following captions in these listing particulars will be suspended and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries:

- (1) “—Restricted Payments;”
- (2) “—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock;”
- (3) “—Dividend and Other Payment Restrictions Affecting Subsidiaries;”
- (4) clause (4)(a) of the first paragraph of the covenant described under the caption “—Merger, Consolidation or Sale of Assets;”
- (5) “—Transactions with Affiliates;”
- (6) “—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries;” and
- (7) “—Additional Note Guarantees.”

During any period that the foregoing covenants have been suspended, the Company’s Board of Directors may not designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant described below under the caption “—Designation of Restricted and Unrestricted Subsidiaries” or the second paragraph of the definition of “Unrestricted Subsidiary.”

Notwithstanding the foregoing, if the rating assigned by any such rating agency should subsequently decline to below Baa3 or BBB–, as applicable, the foregoing covenants will be reinstituted as of and from the date of such rating decline. Such covenants will not, however, be of any effect with respect to actions properly taken during the period of suspension. Calculations under the reinstated “Restricted Payments” covenant will be made as if the “Restricted Payments” covenant had been in effect since the Issue Date except that no default will be deemed to have occurred by reason of a Restricted Payment made while that covenant was suspended. On the rating decline date, all Indebtedness incurred during the suspension period will be classified, at the Issuer’s option, as having been incurred pursuant to the first paragraph of the covenant described under the caption “—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock” or one or more of the clauses set forth in the second paragraph of such covenant (to the extent such Indebtedness would be permitted to be incurred thereunder as of the rating decline date and after giving effect to Indebtedness incurred prior to the suspension period and outstanding on the rating decline date). To the extent that such Indebtedness would be so permitted to be incurred under the first two paragraphs of the covenant described under “—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock,” such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified under clause (2) of the second paragraph of the covenant described under “—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock.”

The Issuer shall notify the Trustee that the conditions set forth in the first paragraph under this caption have been satisfied; *provided* that no such notification shall be a condition for the suspension of the covenants described under this caption to be effective; *provided, further*, that the Trustee shall be under no

obligation to inform holders of the Notes that the conditions set forth in the first paragraph under this caption have been satisfied.

Reports

The Company will post on its website and furnish to the Trustee and holders the following reports:

- (1) within 120 days after the end of the Company's fiscal year beginning with the fiscal year ending December 31, 2016, annual reports containing (in the case of sub-clauses (a) and (c)) a level of detail that is comparable in all material respects to the Offering Memorandum and the following information: (a) audited consolidated balance sheets of the Company as of the end of the two most recent fiscal years and audited consolidated income statements and cash flow of the Company for the three most recent fiscal years, including appropriate footnotes to such financial statements, and the report of the independent auditors on the financial statements; (b) pro forma income statement and balance sheet information, together with summary explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year; (c) to the extent relating to annual periods, an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (d) a summary description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and (e) a summary description of any material changes to risk factors and material recent developments;
- (2) within (i) 60 days following the end of the first and third fiscal quarters in each fiscal year of the Company and (ii) 75 days following the end of the second fiscal quarter in each fiscal year of the Company, all quarterly financial statements containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure; (b) pro forma income statement and balance sheet information, together with summary explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter as to which such quarterly report relates, in each case unless pro forma information has been provided in a previous report pursuant to clause (1) or (2) below (*provided* that a material acquisition, disposition or recapitalization that has occurred fewer than 30 days prior to the last day of the completed fiscal quarter as to which such quarterly report relates shall be reported in the next interim report provided pursuant to this covenant); (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; and (d) material recent developments and any material changes to the risk factors disclosed in the most recent annual report; and
- (3) promptly after the occurrence of a material acquisition, disposition, restructuring, senior management or board of directors changes or change in auditors, a report containing a description of such event.

All financial statement and pro forma financial information shall be prepared on a consistent basis for the periods presented and the financial statements required under clause (1) may be presented in the same format as in the Offering Memorandum; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in applicable International Financial Reporting Standards, present earlier periods on a basis that applied to such periods, subject to the provisions of the Indenture. No report need include separate financial statements or financial data for any Guarantors or non-guarantor Subsidiaries of the Company; *provided* that the annual report in clause (1) shall include a statement of the aggregate percentage of the consolidated EBITDA of the Company represented by the Subsidiary Guarantors.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly information required by

clauses (1) and (2) of the first paragraph of this covenant shall include either (i) a reasonable detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Company and its Subsidiaries, which reconciliation shall include the following items: revenues, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense.

In addition, so long as the Notes remain outstanding and during any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company will furnish to the holders, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Additional Intercreditor Agreements

At the request of the Issuer, in connection with the incurrence by the Company or its Restricted Subsidiaries of any Indebtedness permitted to be secured under the Indenture, the Company, the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized representatives) an intercreditor agreement (an “*Additional Intercreditor Agreement*”) on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the holders (*provided* that the Trustee and the Security Agent shall have received an Officer’s Certificate and an Opinion of Counsel to that effect)); *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or, in the opinion of the Trustee or the Security Agent, adversely affect the rights, duties, liabilities or immunities of the Trustee or the Security Agent, as the case may be, under the Indenture or the Intercreditor Agreement.

At the direction of the Issuer and without the consent of holders of the Notes, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be incurred by the Company or any Restricted Subsidiary that is subject to any such agreement (including, with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes), (3) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes or other Indebtedness permitted to be secured by the Indenture or (6) make any other change to any such agreement that does not adversely affect the holders in any material respect (*provided* that the Trustee and the Security Agent shall have received an Officer’s Certificate and an Opinion of Counsel to that effect). The Issuer may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or the Security Agent, in the opinion of the Trustee or the Security Agent, or adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture, any Intercreditor Agreement or Additional Intercreditor Agreement.

Each holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or an Additional Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein).

Events of Default and Remedies

Each of the following is an Event of Default:

- (1) default for 30 days in the payment when due of interest on, or Additional Amounts with respect to, the Notes;
- (2) default in payment when due at maturity, upon redemption, upon repurchase, upon declaration or otherwise, of the principal of, or premium, if any, on the Notes;
- (3) failure by the Issuer or the Company or any of its Subsidiaries to comply with the provisions described under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets”;

- (4) failure by the Issuer or the Company or any of its Subsidiaries for 30 days after written notice to comply with the provisions described under the captions “—Repurchase at the Option of Holders” and “—Certain Covenants” (in each case, other than a failure to purchase Notes which will constitute an Event of Default under clause (2) above and a failure to comply with the provisions described under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets” described in clause (3) above);
- (5) failure by the Issuer or the Company or any of its Subsidiaries for 60 days after written notice to comply with any of the other agreements in the Indenture;
- (6) default under any mortgage, Indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of its Restricted Subsidiaries) whether such Indebtedness or guarantee now exists, or is created after the Issue Date, if that default:
 - (a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a “*Payment Default*”); or
 - (b) results in the acceleration of such Indebtedness prior to its express maturity;
 and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €50 million or more;
- (7) failure by the Company or any of its Restricted Subsidiaries to pay final judgments (which are not covered by insurance as to which a claim has been submitted and the insurer has not disclaimed or indicated an intent to disclaim responsibility for the payment thereof) aggregating in excess of €50 million, which judgments are not paid, discharged or stayed for a period of 60 days;
- (8) except as permitted by the Indenture, any Note Guarantee of the Company or any Significant Subsidiary of the Notes shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor shall deny or disaffirm in writing its obligations under its Note Guarantee;
- (9) any security interest under the Security Documents shall, at any time, cease to be in full force and effect (other than in accordance with the relevant Security Documents, the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement) for any reason other than satisfaction in full of all obligations of the Company and its Subsidiaries under the Indenture or the release of any such security interest in accordance with the Security Documents, the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, or the Indenture or any security interest created pursuant to the Indenture and the Security Documents shall be declared invalid or unenforceable or the Company shall assent in writing that any such security interest is invalid or unenforceable or any pledgor disaffirms in writing its obligations under the Security Documents and any such Default continues for 10 days; *provided* that, in each case, such action or event occurs in relation to any Collateral having a market value of greater than €25.0 million;
- (10) default under any other Indebtedness that is secured by the Collateral if such default results in the creditors under such Indebtedness commencing an enforcement action of their security rights over the Collateral; and
- (11) certain events of bankruptcy or insolvency described in the Indenture with respect to the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary.

However, a default under clauses (4), (5), (6) or (7) of this paragraph will not constitute an Event of Default until the Trustee or the holders of 25% in aggregate principal amount of the outstanding Notes notify the Company of the default and, with respect to clauses (4), (5), (6) and (7), the Company does not cure such default within the time specified in clauses (4), (5), (6) or (7), as applicable, of this paragraph after receipt of such notice.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (6) under “—Events of Default and Remedies” has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (6) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Amounts, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest, or Additional Amounts.

The holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest or Additional Amounts on, or the principal of, the Notes.

The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default that would give either the Trustee or the holders of at least 25% or more in aggregate principal amount of Notes then outstanding the right to declare the Notes immediately due and payable, the Issuer is required to deliver to the Trustee a statement specifying such Default or Event of Default.

If a Default occurs for a failure to deliver a required certificate in connection with another default (an “*Initial Default*”) then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action. Any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled “—Certain Covenants—Reports” or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery within the 30 day period contemplated by clause (4) of the first paragraph under this caption “—Events of Default and Remedies” of any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer, the Company or any other Guarantor, as such, will have any liability for any obligations of the Issuer, the Company or the other Guarantors under the Notes, the Indenture or the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws of the United States.

Legal Defeasance and Covenant Defeasance

The Issuer may, at its option or the option of the Company, and at any time, elect to have all of its obligations discharged with respect to the outstanding Notes and all obligations of the Company and any other Guarantors discharged with respect to their Note Guarantees (“*Legal Defeasance*”) except for:

- (1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium, and Additional Amounts, if any, on such Notes when such payments are due from the trust referred to below;

- (2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's, the Company's and any other Guarantor's obligations in connection therewith; and
- (4) the Legal Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option or the option of the Company, and at any time, elect to have the obligations of the Issuer, the Company and any other Guarantors released with respect to certain covenants that are described in the Indenture ("*Covenant Defeasance*") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under "*—Events of Default and Remedies*" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Issuer must irrevocably deposit or cause to be deposited with the Trustee (or such other entity designated or appointed (as agent) by it for such purpose), in trust, for the benefit of the holders of the Notes, cash in euros, non-callable European Government Obligations, or a combination of cash in euros and non-callable European Government Obligations, in amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants, to pay the principal of, or interest and premium, and Additional Amounts, if any, on the outstanding Notes on the stated maturity or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes are being defeased to maturity or to a particular redemption date;
- (2) in the case of Legal Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel in form and substance reasonably acceptable to the Trustee confirming that (a) the Issuer has received from, or there has been published by, the United States Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable United States federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Legal Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;
- (3) in the case of Covenant Defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel in form and substance reasonably acceptable to the Trustee confirming that the holders of the outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Covenant Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;
- (4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit);
- (5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than the Indenture) to which the Issuer, the Company or any of its Restricted Subsidiaries is a party or by which the Issuer, the Company or any of its Restricted Subsidiaries is bound;
- (6) the Issuer must deliver to the Trustee an Officer's Certificate stating that the deposit was not made or caused to be made by the Issuer with the intent of preferring the holders over the other creditors of the Issuer or of the Company with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer or the Company or others; and
- (7) the Issuer must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents may be amended or supplemented with the consent of the holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing default or compliance with any provision of the Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents may be waived with the consent of the holders of a majority in principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes); *provided, however*, that if any amendment, waiver or other modification will only affect one series of the Notes, only the consent of a majority in principal amount of the then outstanding Notes of such series shall be required.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules of this exchange so require, the Issuer will inform the Luxembourg Stock Exchange and publish a notice of any such amendment, supplement or waiver in a newspaper having a general circulation in Luxembourg (currently expected to be the *Luxemburger Wort*) or the website of the Luxembourg Stock Exchange (www.bourse.lu).

Without the consent (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes) of holders of at least 90% of the aggregate principal amount of then outstanding Notes affected (provided that, if any amendment, waiver or other modification will only affect one series of the Notes, only the consent of at least 90% of the aggregate principal amount of the then outstanding Notes of such series shall be required), an amendment or waiver may not (with respect to any Notes held by a non-consenting holder):

- (1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (other than provisions relating to the covenants described above under the captions “—Repurchase at the Option of Holders” and “—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries”);
- (3) reduce the rate of or change the time for payment of interest on any Note;
- (4) impair the right of any holder of Notes to receive payment of principal of and interest on such holder’s Notes on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such holder’s Notes or any guarantee in respect thereof;
- (5) waive a Default or Event of Default in the payment of principal of, or interest, premium, or Additional Amounts, if any, on the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);
- (6) make any Note payable in currency other than that stated in the Notes;
- (7) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest, premium, or Additional Amounts, if any, on the Notes;
- (8) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the captions “—Repurchase at the Option of Holders” and “—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries”);
- (9) release the Company or any other Guarantor from any of its obligations under its Note Guarantee or the Indenture, except in accordance with the terms of the Indenture;
- (10) release the security interest granted for the benefit of the holders of the Notes in the Collateral other than in accordance with the terms of the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement or as otherwise permitted by the Indenture; or
- (11) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of Notes, the Issuer, the Company and the other Guarantors and the Trustee and the other parties thereto may amend or supplement the Indenture, the Notes or the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents:

- (1) to cure any ambiguity, omission, defect or inconsistency;
- (2) to provide for uncertificated Notes in addition to or in place of Definitive Registered Notes;
- (3) to provide for the assumption of the Issuer's or a Guarantor's obligations to holders in the case of a merger or consolidation or sale of all or substantially all of the Issuer's or such Guarantor's assets;
- (4) to make such changes as are necessary to provide for the issuance of Additional Notes in compliance with the covenants described herein (including for the issuance of Additional Notes denominated in a currency different from the currency of the initially issued Notes), or to add guarantees in favor of the Notes;
- (5) to mortgage, pledge, hypothecate or grant security interest in favor of the Security Agent to the extent necessary to grant a security interest for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Indenture and the covenant described under “—Certain Covenants—Impairment of Security Interest” is complied with;
- (6) to conform the text of the Indenture, the Note Guarantees, the Security Documents or the Notes to any provision of this “Description of the Notes” to the extent that such provision in this “Description of the Notes” was intended to be a verbatim recitation of a provision of the Indenture, the Security Documents, the Note Guarantees or the Notes;
- (7) to add additional assets or property as Collateral;
- (8) to evidence and provide the acceptance of the appointment of a successor Trustee or Security Agent under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (9) as provided under “—Additional Intercreditor Agreements”;
- (10) to allow any Guarantor to execute a supplemental indenture and/or a Guarantee with respect to the Notes;
- (11) to confirm and evidence the release, termination, discharge or retaking of any guarantee or Lien (including the Collateral and the Security Documents) with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement; or
- (12) to make any change that would provide any additional rights or benefits to the holders or that does not adversely affect the legal rights under the Indenture of any such holder in any material respect.

The consent of the holders of Notes is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

In formulating its opinion on such matters, the Trustee shall be entitled to rely absolutely on such evidence as it deems appropriate, including an Opinion of Counsel and an Officer's Certificate.

Notwithstanding anything to the contrary in the paragraph above, in order to effect an amendment authorized by clause (10) above, it shall only be necessary for the supplemental indenture to be duly authorized and executed by the Issuer, such additional Guarantor and the Trustee.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

- (1) either:
 - (a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or
 - (b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the delivering of a notice of redemption or otherwise or will become due and payable within one year and the Issuer, the Company or any other Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or such other entity designated or appointed (as agent) by it for such purpose) as trust funds in trust solely for the benefit of the holders, cash in euros, non-callable European Government Obligations, or a combination of cash in euros and non-callable European Government Obligations, in an aggregate amount as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium, Additional Amounts, if any, and accrued interest to the date of maturity or redemption;
- (2) no Default or Event of Default has occurred and is continuing on the date of such deposit or will occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer, the Company or any other Guarantor is a party or by which the Issuer, the Company or any other Guarantor is bound;
- (3) the Issuer, the Company or any other Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and
- (4) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Concerning the Trustee

If the Trustee becomes a creditor of the Issuer, the Company or any other Guarantor, the Indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign. If the Trustee becomes the owner or pledgee of the Notes it may deal with the Issuer with the same rights it would have if it were not the Trustee, Paying Agent, Registrar or such other agent.

The holders of a majority in principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. The Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenants or obligations can be read into the Indenture against the Trustee. The Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

Judgment Currency

Any payment on account of an amount that is payable in euros (the "*Required Currency*") which is made to or for the account of any holder of a Note in lawful currency of any other jurisdiction (the "*Other Currency*") whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of any of the Issuer, Company or any other Guarantor shall constitute a discharge of the Issuer's, Company's or such Guarantor's obligation under the Indenture, the Notes or the

Note Guarantees, as the case may be, only to the extent of the amount of the Required Currency which such holder could purchase in the New York foreign exchange markets with the amount of the Other Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first day (other than a Saturday or Sunday) on which banks in New York, are generally open for business following receipt of the payment first referred to above. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such holder, the Issuer, Company or such other Guarantor, as the case may be, shall indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture, the Notes or the Note Guarantees, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder of a Note from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Consent to Jurisdiction and Service of Process

The Indenture will provide that the Issuer and each Guarantor will appoint Gestamp Automoción, 2701 Troy Center Drive, Suite 150, Troy, MI 48084, USA as its agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Note Guarantees brought in any federal or state court located in the City of New York and will submit to such jurisdiction.

Additional Information

Anyone who receives these listing particulars may obtain a copy of the Indenture without charge at the registered office of the Issuer and at the offices of the Paying Agent and Deutsche Bank AG, London Branch, or by writing to Deutsche Bank Luxembourg S.A.

Governing Law

The Indenture, the Notes, the Note Guarantees, and the Funding Loan are governed by the laws of the State of New York.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

“*Acquired Debt*” means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and
- (2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

“*Additional Funding Loan*” means each loan on substantially the same terms as the Funding Loan, between the Issuer, as obligee, and the Company, as obligor, in the amount of the gross proceeds received by the Issuer from the issue of Additional Notes.

“*Affiliate*” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person and, in the case of any natural Person, any Immediate Family member of such Person. For purposes of this definition, “control,” as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided* that beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” shall have correlative meanings.

“*Applicable Premium*” means, with respect to a Note at any redemption date, the greater of (a) 1% of the principal amount of such Note at such time and (b) the excess of (A) the present value at such time of (i) the redemption price of such Note on May 15, 2019 (such redemption price being described in the table appearing in the second paragraph under the caption “—Optional Redemption” exclusive of any accrued

interest to such redemption date), plus (ii) any required interest payments due on such Note through and including May 15, 2019 (excluding accrued but unpaid interest to the date of redemption), computed using a discount rate equal to the Bund Rate plus 50 basis points, over (B) the principal amount of such Note, as calculated by the Company or other Person appointed by the Company for this purpose. For the avoidance of doubt, calculation of the Applicable Premium shall not be an obligation or duty of the Trustee, the Paying Agent, the Registrar or the Transfer Agent.

“*Asset Sale*” means:

- (1) the sale, lease, conveyance or other disposition of any assets, other than sales of (i) treasury stock of the Company and (ii) inventory in the ordinary course of business; *provided* that the sale, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption “—Repurchase at the Option of Holders—Change of Control” and/or the provisions described above under the caption “—Certain Covenants—Merger, Consolidation or Sale of Assets” and not by the provisions of “—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries”; and
- (2) the issuance of Capital Stock in any of the Company’s Restricted Subsidiaries or the sale by the Company or any of its Restricted Subsidiaries of Capital Stock in any of their respective Restricted Subsidiaries.

Notwithstanding the preceding, the following items will not be deemed to be Asset Sales:

- (1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than €25 million;
- (2) a transfer of assets between or among the Company and its Restricted Subsidiaries;
- (3) an issuance of Equity Interests by a Restricted Subsidiary of the Company to the Company or to another Restricted Subsidiary of the Company;
- (4) the sale, lease, assignment or sublease of equipment, inventory, accounts receivable or other assets in the ordinary course of business;
- (5) the sale or other disposition of cash or Cash Equivalents;
- (6) a Restricted Payment that is permitted by the covenant described above under the caption “—Certain Covenants—Restricted Payments”;
- (7) a Permitted Investment;
- (8) a disposition of surplus, obsolete or worn-out equipment or any assets or equipment that is no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries in the ordinary course of business;
- (9) the grant of licenses and sublicenses of intellectual property rights and software to third parties in the ordinary course of business and the transfer or disposal to third parties of any intangible assets derived from the research and development of products of the Company in the ordinary course of business;
- (10) the disposal or abandonment of intellectual property that is no longer economically practicable to maintain or which is no longer required for the business of the Company and its Restricted Subsidiaries;
- (11) sales or dispositions of Receivables in connection with any factoring transaction arising in the ordinary course of business pursuant to customary arrangements; *provided* that any Indebtedness incurred in relation thereto is permitted to be incurred by clause (13) of the second paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”;
- (12) a disposition by way of the granting of a Permitted Lien or foreclosures on assets;
- (13) the loss, disposal or abandonment of assets in connection with tooling in the ordinary course of business of the Company and its Restricted Subsidiaries;

- (14) a disposition by way of the granting of a Lien permitted by the covenant described above under the caption “—*Certain Covenants—Liens*,” including Permitted Liens;
- (15) the foreclosure, condemnation, abandonment or any similar action with respect to any property or other assets and any surrender or waiver of contract rights, or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;
- (16) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (17) sales or other dispositions of assets received by the Company or any Restricted Subsidiary upon the foreclosure on a Lien granted in favor of the Company or any Restricted Subsidiary; and
- (18) the disposition of assets to a Person providing services in relation to such assets, including in connection with any services which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person.

“Associate” means (i) any Person engaged in a Permitted Business of which the Company or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture engaged in a Permitted Business entered into by the Company or any Restricted Subsidiary of the Issuer.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

“Board of Directors” means:

- (1) with respect to a corporation, the board of directors of the corporation;
- (2) with respect to a partnership, the board of directors of the general partner of the partnership; and
- (3) with respect to any other Person, the board or committee of such Person serving a similar function.

“Bund Rate” means, with respect to any relevant date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

- (1) “Comparable German Bund Issue” means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to May 15, 2019, and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to May 15, 2019; *provided, however*, that, if the period from such redemption date to May 15, 2019 is less than one year, a fixed maturity of one year shall be used;
- (2) “Comparable German Bund Price” means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Company obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (3) “Reference German Bund Dealer” means any dealer of German Bundesanleihe securities appointed by the Company in good faith; and
- (4) “Reference German Bund Dealer Quotations” means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Company of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of

its principal amount) quoted in writing to the Company by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany, time on the third Business Day preceding the relevant date.

“*Business Day*” means a day (other than a Saturday or Sunday) on which banks and financial institutions are open in New York, London, Madrid and Luxembourg.

“*Capital Lease Obligation*” means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

“*Capital Stock*” means:

- (1) in the case of a corporation, ordinary shares, preferred stock, corporate stock, share capital, treasury stock or other participation in the share capital of such corporation (including in the form of *acciones* or *participaciones*);
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“*Cash Equivalents*” means:

- (1) (a) euros or U.S. dollars or, (b) in respect of any Restricted Subsidiary of the Company, its local currency;
- (2) securities or marketable direct obligations issued by or directly and fully guaranteed or insured by the government of a member of the European Union, the United States, Canada, Switzerland or Japan having maturities of not more than twelve months from the date of acquisition;
- (3) certificates of deposit and euro time deposits with maturities of twelve months or less from the date of acquisition, bankers’ acceptances with maturities not exceeding twelve months and overnight bank deposits, in each case, with any domestic commercial bank having capital and surplus in excess of €500 million;
- (4) repurchase obligations and reverse repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;
- (5) commercial paper having at the time of acquisition thereof at least P-1 by Moody’s or at least A-1 by S&P and in each case maturing within twelve months after the date of acquisition;
- (6) Indebtedness or preferred stock issued by Persons with a ranking of “A” or higher from S&P or “A2” or higher from Moody’s; and
- (7) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (6) of this definition.

“*Change of Control*” means the occurrence of any of the following:

- (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole to another “person” (as that term is used in Section 13(d)(3) of the Exchange Act) (other than a “person” that is controlled by one or more Permitted Holders);
- (2) the adoption of a plan relating to the liquidation or dissolution of the Issuer or the Company, except as part of a merger, a consolidation, or a sale, assignment, transfer conveyance or other disposition of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries permitted under “—Certain Covenants—Merger, Consolidation or Sale of Assets”;
- (3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any “person” (as defined in clause (1) above) or any “group” (as that term is used in Section 14(d) of the Exchange Act), other than the Permitted Holders, becomes

the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Company, measured, by voting power rather than number of shares;

- (4) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors; or
- (5) except as the result of a merger with and into the Company, the first day on which the Company (or any successor entity thereof) ceases to own, directly or indirectly, 100% of the outstanding Capital Stock of the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended.

“Consolidated EBITDA” means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus (without duplication to the extent reflected in the calculation of Consolidated Net Income):

- (1) provision for taxes or other similar payments based on income or profits, property taxes, annual fees or other duties or taxation on activities of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus
- (2) Consolidated Interest Expense of such Person and its Restricted Subsidiaries, changes in fair value in financial instruments and exchange gains and losses, for such period, to the extent that any such expense was deducted in computing such Consolidated Net Income; plus
- (3) depreciation, amortization (including, without limitation, amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period), impairments and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization impairments and other non-cash expenses were deducted in computing such Consolidated Net Income; plus
- (4) any fees, expenses or commissions relating to equity or debt financings (including the costs and expenses associated with the Refinancing Transactions), Investments, dispositions, asset improvements or acquisitions, whether or not successful, or the non-cash amortization thereof; plus
- (5) other non-cash charges, write-downs or items reducing such Consolidated Net Income for such period (other than the accrual of revenue in the ordinary course of business); minus
- (6) other non-cash items of income increasing Consolidated Net Income for such period.

“Consolidated Interest Expense” means, with respect to any Person for any period, the sum, without duplication, of (1) the consolidated interest expense (net of interest income) of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (including, without limitation, amortization of original issue discount, Additional Amounts, non-cash interest payments, the interest component of any deferred payment obligations (which shall be deemed to be equal to the principal of any such payment obligation less the amount of such principal discounted to net present value at an interest rate (equal to the interest rate on one-year EURIBOR at the date of determination) on an annualized basis), the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers’ acceptance financings, and net payments (if any) pursuant to Hedging Obligations), (2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period (but excluding such interest on Subordinated Shareholder Debt that was capitalized during such period), (3) any interest expense on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries (whether or not such guarantee or Lien is called upon) and (4) the product of (a) all dividend payments on any series of preferred stock of such Person or any of its Restricted Subsidiaries, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current applicable statutory tax rate of such Person (if positive), expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP.

“Consolidated Net Income” means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; *provided* that:

- (1) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person, or a Restricted Subsidiary of the Person;
- (2) for the purposes of the covenant described under “—Certain Covenants—Limitation on Restricted Payments,” the Net Income of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation (based, for purposes of Spanish legal reserve requirements, on the reserve status as of the determination thereof at the most recent meeting of stockholders of the applicable Restricted Subsidiary) applicable to that Restricted Subsidiary or its stockholders, unless, in each case, such restriction has (a) been legally waived, or (b) constitutes a restriction described in clauses (1), (2), (9), (10), (11) and (13) of the second paragraph of the covenant “—Certain Covenants—Dividend and Other Payment Restrictions Affecting Subsidiaries”;
- (3) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition will be excluded;
- (4) the cumulative effect of a change in accounting principles shall be excluded;
- (5) any net after tax gain or loss (a) realized in connection with any disposal of assets other than in the ordinary course, disposal of businesses and the disposal of any securities by the Company or any of its Restricted Subsidiaries or the extinguishment or forgiveness of any Indebtedness, or (b) arising from discontinued operations, shall be excluded;
- (6) any goodwill or other intangible asset amortization or impairment charge, shall be excluded;
- (7) any extraordinary, exceptional, unusual or non-recurring gain, loss, change or expense, or charges in reserves in respect of any restructuring, redundancy or severance, shall be excluded;
- (8) the impact of any capitalized interest (including accreting or pay-in-kind interest) on any Subordinated Shareholder Debt, shall be excluded;
- (9) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions shall be excluded;
- (10) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write off or forgiveness of Indebtedness shall be excluded;
- (11) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations shall be excluded;
- (12) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies shall be excluded; and
- (13) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness of the Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary shall be excluded.

For purposes of clause (2) above, the net income of a Restricted Subsidiary that could have or actually distributed such net income to the relevant Person shall be included in such net income.

“Consolidated Net Indebtedness” means, with respect to any Person, (1) the sum of the aggregate outstanding Indebtedness of that Person and its Restricted Subsidiaries as of the relevant date calculation less (2) the sum of (a) the amount of cash and Cash Equivalents plus (b) Financial Assets, plus (c) the aggregate amount of non-interest bearing Indebtedness and loans and grants from public authorities of that Person and its Restricted Subsidiaries, in each case that would be stated on the balance sheet of such Person and its Restricted Subsidiaries as of such date, in each case, on a consolidated basis in accordance with GAAP.

“Consolidated Net Non-Guarantor Indebtedness” means (1) the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries as of the relevant date of calculation less (2) the sum of (a) the aggregate outstanding Indebtedness incurred solely by the Issuer and/or a Guarantor as of the relevant date of calculation, plus (b) the amount of cash and Cash Equivalents to the extent held by the Restricted Subsidiaries of the Company who are neither Guarantors nor the Issuer. Consolidated Net Non-Guarantor Indebtedness will be determined on the basis of the balance sheet of the Company and its Restricted Subsidiaries as of such date on a consolidated basis in accordance with GAAP and without regard for any Indebtedness of the Company or a Restricted Subsidiary owed to the Company or a Restricted Subsidiary. For the avoidance of doubt, to the extent any Restricted Subsidiary that is not a Guarantor or the Issuer is a joint obligor with respect to any such Indebtedness, Consolidated Net Indebtedness shall not be reduced by the amount of such Indebtedness pursuant to this definition.

“Continuing Directors” means, as of any date of determination, any member of the Board of Directors of the Company who:

- (1) was a member of such Board of Directors on the Issue Date; or
- (2) was nominated for election or elected to such Board of Directors with the approval of either (a) a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election or (b) the Principals and their respective Related Parties for so long as they own more than 50% of the Voting Stock of the Company.

“Credit Facilities” means one or more debt facilities or commercial paper facilities, in each case with banks, other institutional lenders or governmental lending agencies providing for revolving credit loans, bonds, notes, debt securities, term loans, Receivables financing (including through the sale of Receivables to such lenders or to special purpose entities formed to borrow from such lenders against such Receivables) or letters of credit, including the Senior Credit Facilities, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time by such debt facilities or commercial paper facilities and, in each case, including all agreements, indentures, instruments, purchase agreements and documents executed and delivered pursuant to or in connection with the foregoing (including any letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term *“Credit Facilities”* shall include any agreement or instrument (i) changing the maturity of any Indebtedness incurred thereunder, (ii) adding Subsidiaries of the Company as additional borrowers, issuers or guarantors thereunder, (iii) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

“Default” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“Designated Existing Indebtedness” means Indebtedness incurred under a facility agreement, dated March 21, 2012, entered into by, amongst others, the Company and Bank of America, N.A., Sucursal en España for a maximum amount of €60.0 million.

“Designated Non-Cash Consideration” means the fair market value (as determined in good faith by an officer or the Board of Directors of the Company) of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under *“—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries.”*

“Disqualified Stock” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 365 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption *“—Certain Covenants—Restricted Payments.”*

“Equity Interests” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“Equity Offering” means any public or private sale of Equity Interests of the Company or a Parent Company (other than Disqualified Stock) whereby the Company or a Parent Company receives gross proceeds, together with the gross proceeds received by the Company or a Parent Company in any prior public or private sale of such Equity Interest, of not less than €100 million, other than public offerings with respect to common stock of the Company or a Parent Company registered on Form S-8 but, in the case of any such offering by a Parent Company, only to the extent the net cash proceeds thereof are contributed as Subordinated Shareholder Debt or to the equity (other than through the issuance of Disqualified Stock) of the Company.

“Euro Equivalent” means, with respect to any monetary amount in a currency other than the euro, at any time of determination thereof, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in the Financial Times in the *“Currency Rates”* section (or, if the Financial Times is no longer published, or if such information is no longer available in the Financial Times, such source as may be selected in good faith by the Company) on the date of such determination. Except as expressly provided otherwise, whenever it is necessary to determine whether the Company or any of its Restricted Subsidiaries has complied with any covenant or other provision in the Indenture or if there has occurred a Default or an Event of Default and an amount is expressed in a currency other than euro, such amount will be treated as the Euro Equivalent determined as of the date such amount is initially determined in such non euro currency. For purposes of determining whether any Indebtedness can be incurred (including Permitted Debt), any Investment can be made or any transaction described in the *“—Certain Covenants—Transactions with Affiliates”* covenant can be undertaken (a *“Tested Transaction”*), the Euro Equivalent of such Indebtedness, Investment or transaction described in the *“—Certain Covenants—Transactions with Affiliates”* covenant shall be determined on the date incurred, made or undertaken and, in each case, no subsequent change in the Euro Equivalent shall cause such Tested Transaction to have been incurred, made or undertaken in violation of the Indenture.

“European Government Obligations” means direct obligations (or certificates representing an ownership interest in such obligations) of a member state of the European Union (including any agency or instrumentality thereof) for the payment of which the full faith and credit of such government is pledged.

“Event of Default” has the meaning set forth under *“—Events of Default and Remedies.”*

“Exchange Act” means the U.S. Exchange Act of 1934, as amended.

“Excluded Contribution” means Net Cash Proceeds and/or the Fair Market Value of property other than cash, (a) contributed to the ordinary equity of the Company or any Restricted Subsidiary or (b) received by the Company from the sale (other than to a Restricted Subsidiary of the Company or pursuant to any management equity plan or share option plan or any other management or employee benefit plan or arrangement of the Company or its Restricted Subsidiaries, as the case may be) of Equity Interests (other than Disqualified Stock) of the Company, in each case, designated as Excluded Contributions pursuant to an Officer’s Certificate, executed at or prior to the date such capital contribution is made or the date such Equity Interests are sold, in each case which, for the avoidance of doubt, are excluded from the calculation set forth in clause (3) of the first paragraph under *“—Certain Covenants—Restricted Payments.”*

“Existing Dollar Notes” means the \$350.0 million aggregate principal amount of 5.625% senior secured notes issued by the Issuer pursuant to an Indenture dated as of May 10, 2013, among, *inter alios*, the Issuer,

the Company, the Subsidiary Guarantors, Deutsche Trustee Company Limited, as the trustee, and Deutsche Bank AG, London Branch, as Security Agent.

“Existing Indebtedness” means Indebtedness in existence on the Issue Date, including the Existing Dollar Notes and the Designated Existing Indebtedness, but excluding any Indebtedness under the Senior Credit Facilities; provided that Indebtedness that is intended to be repaid from the proceeds from the Notes as described in the Offering Memorandum under the heading *“Use of Proceeds,”* shall constitute Existing Indebtedness only until such Indebtedness is so repaid.

“Fair Market Value” means, with respect to any asset or property, the price which could be negotiated in an arm’s length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. For purposes of *“—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries”* and *“—Certain Covenants—Restricted Payments,”* the Fair Market Value of property or assets other than cash which involves an aggregate amount in excess of €25 million, shall be set forth in a resolution approved by at least a majority of the Board of Directors of the Company set forth in an offeror’s certificate delivered to the Trustee. Except as otherwise provided herein, and for the purposes of *“—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries”* and *“—Certain Covenants—Restricted Payments,”* Fair Market Value will be determined in good faith by the responsible accounting or financial officer of the Company, whose determination will be final and conclusive.

“Financial Assets” means consolidated financial assets (comprised of loans and receivables, securities portfolio and other current financial assets) of the Company and its Restricted Subsidiaries as set forth on the balance sheet of the Company prepared in accordance with GAAP.

“Fitch” means Fitch Ratings.

“Fixed Charge Coverage Ratio” means with respect to any specified Person for any period, the ratio of the Consolidated EBITDA of such Person for such period to the Consolidated Interest Expense of such Person for such period. In the event that the specified Person or any of its Subsidiaries incurs, assumes, guarantees, repays, repurchases or redeems any Indebtedness (other than ordinary working capital borrowings, unless such ordinary working capital borrowings have been permanently repaid and have not been replaced) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the *“Calculation Date”*), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of the applicable four-quarter reference period; *provided, however*, that the pro forma calculation of Consolidated Interest Expense shall not give effect to any Permitted Debt (as defined in *“—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock”*) incurred on the date of determination or to any discharge on the date of determination of any Indebtedness to the extent such discharge results from the proceeds of Permitted Debt.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

- (1) acquisitions that have been made by the specified Person or any of its Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date shall be given pro forma effect as if they had occurred on the first day of the four-quarter reference period and Consolidated EBITDA for such reference period shall be calculated on a pro forma basis, but without giving effect to clause (2) of the proviso set forth in the definition of Consolidated Net Income;
- (2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of or the operations of which are substantially terminated prior to the Calculation Date, shall be excluded;
- (3) the Consolidated Interest Expense attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded, but only to the extent that the obligations giving rise to such Consolidated Interest Expense will not be obligations of the specified Person or any of its Subsidiaries following the Calculation Date; and

- (4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four quarter period; and any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four quarter period.

For purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Interest Expense and Consolidated Net Income, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting officer of the Company and may include pro forma expenses and cost reductions and cost synergies that have occurred or are reasonably expected to occur in the good faith judgment of a responsible financial or accounting officer of the Company. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness). For purposes of this definition, whenever pro forma effect is to be given to any Indebtedness incurred pursuant to a revolving credit facility, the amount outstanding on the date of such calculation will be computed based on (1) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which the facility was outstanding or (2) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation. Interest on Indebtedness that may optionally be determined at an interest rate based on a prime or similar rate, a euro interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen or, if none, then based upon such optional rate chosen as the relevant Person may designate.

“*Funding Loan*” means the loan, dated the Issue Date, between the Issuer, as obligee, and the Company, as obligor, in the amount of the principal amount of the Notes issued pursuant to this offering, as well as any Additional Funding Loan; *provided* that such Funding Loan and Additional Funding Loan, if any, are at all times held by the Issuer.

“*GAAP*” means International Financial Reporting Standards promulgated by the International Accounting Standards Board and as adopted by the European Union or any variation thereof with which the Company or its Restricted Subsidiaries are, or may be, required to comply; *provided* that at any date after the Issue Date, other than for purposes of the reports required under “—Certain Covenants—Reports”, the Company may make an irrevocable election to establish that “GAAP” shall mean GAAP as in effect on a date that is on or prior to the date of such election.

“*guarantee*” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness.

“*Guarantors*” means each of the Company, the Subsidiary Guarantors and any other Restricted Subsidiary that guarantees the Notes from time to time; *provided*, in each case, that a Guarantor shall cease to be a Guarantor upon release of its Note Guarantee in accordance with the terms of the Indenture.

“*Hedging Obligations*” means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements; and
- (2) other agreements or arrangements designed to protect such Person against fluctuations in interest rates or foreign exchange rates.

“*Immediate Family*” has the meaning specified in Rule 16a-1(e) of the Exchange Act.

“*Indebtedness*” means, with respect to any specified Person, any indebtedness of such Person:

- (A) the principal and premium amount of any indebtedness of such Person, whether or not contingent:
 - (1) in respect of borrowed money;
 - (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or, without duplication, reimbursement agreements in respect thereof, except to the extent such

reimbursement obligation relates to a trade payable and such obligation is satisfied within 30 days of incurrence);

- (3) in respect of banker's acceptances;
- (4) representing Capital Lease Obligations;
- (5) representing the balance deferred and unpaid of the purchase price of any property which deferred purchase price is due more than twelve months after taking delivery and title thereof (but not including, for the purpose of calculating the Fixed Charge Coverage Ratio, any amount deemed to represent interest pursuant to the definition of Consolidated Interest Expense); or
- (6) representing any Hedging Obligations entered into in connection with currency exchange rate or interest rate hedging (the amount of any such indebtedness to be equal at any time to the net payments that would be payable by such Person at such time under the Hedging Obligation at its scheduled termination date),

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with GAAP.

- (B) In addition, the term "Indebtedness" shall include all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any indebtedness of any other Person (to the extent guaranteed by such Person).
- (C) Notwithstanding the foregoing, in no event shall the following constitute Indebtedness:
 - (i) advances paid by customers in the ordinary course of business for services or products to be provided or delivered in the future,
 - (ii) deferred taxes,
 - (iii) post-closing payment adjustments in connection with the purchase of any business to which a seller may be entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter,
 - (iv) any contingent obligation in respect of workers' compensation claims, early retirement obligations, obligations in respect of severance or retirement or pension fund contributions,
 - (v) contingent obligations in the ordinary course,
 - (vi) operating leases,
 - (vii) obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance, performance bond, advance payment bonds, surety bonds, completion or performance guarantees or similar transactions, to the extent that such letters, bonds, guarantees or similar credit transactions are not drawn upon,
 - (viii) obligations of any other Person except as provided by (B) above, and
 - (ix) Subordinated Shareholder Debt.

The amount of any Indebtedness outstanding as of any date shall be:

- (1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount; and
- (2) the principal amount of the Indebtedness in the case of any other Indebtedness.

"Intercreditor Agreement" means the Intercreditor Agreement, dated May 10, 2013, between, amongst others, the facility agent under the Senior Credit Facilities, the trustee under the indenture governing the Existing Dollar Notes, creditors of the Designated Existing Indebtedness, the Company, various subsidiaries of the Company and the Security Agent, as amended from time to time, and to which the Trustee will accede on or about the Issue Date.

"Investments" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of other extensions of credit, loans (including the maintenance of current accounts, cash accounts, and the extension of guarantees or other obligations), advances (other than advances to suppliers in the ordinary course of business or to customers in the ordinary course of business that are recorded as Receivables) or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet (excluding the footnotes) prepared in

accordance with GAAP. If the Company or any Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Equity Interests of such Subsidiary not sold or disposed of in an amount determined as provided in the last paragraph of the covenant described above under the caption “—Certain Covenants—Restricted Payments.” The acquisition by the Company or any Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investment held by the acquired Person in such third Person in an amount determined as provided in the last paragraph of the covenant described above under the caption “—Certain Covenants—Restricted Payments.”

“*Issue Date*” means May 11, 2016.

“*Leverage Ratio*” means for any Person as of any date of determination, the ratio of (x) Indebtedness as of such date to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which consolidated financial statements of that Person are available. In the event that the specified Person or any of its Subsidiaries incurs, assumes, guarantees, repays, repurchases or redeems any Indebtedness (other than ordinary working capital borrowings have been permanently repaid and have not been replaced) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Leverage Ratio is made (the “*Leverage Ratio Calculation Date*”), then the Leverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Leverage Ratio:

- (1) acquisitions that have been made by the specified Person or any of its Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Leverage Ratio Calculation Date shall be given pro forma effect as if they had occurred on the first day of the four-quarter reference period and Consolidated EBITDA for such reference period shall be calculated on a pro forma basis, but without giving effect to clause (3) of the proviso set forth in the definition of Consolidated Net Income;
- (2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of or the operations of which are substantially terminated prior to the Leverage Ratio Calculation Date, shall be excluded;
- (3) the Consolidated Interest Expense attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded, but only to the extent that the obligations giving rise to such Consolidated Interest Expense will not be obligations of the specified Person or any of its Subsidiaries following the Calculation Date; and
- (4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four quarter period; and any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four quarter period.

For purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Interest Expense and Consolidated Net Income, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting officer of the Company and may include pro forma expenses and cost reductions and cost synergies that have occurred or are reasonably expected to occur in the good faith judgment of a responsible financial or accounting officer of the Company. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to

such Indebtedness). For purposes of this definition, whenever pro forma effect is to be given to any Indebtedness incurred pursuant to a revolving credit facility, the amount outstanding on the date of such calculation will be computed based on (1) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which the facility was outstanding or (2) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation. Interest on Indebtedness that may optionally be determined at an interest rate based on a prime or similar rate, a euro interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen or, if none, then based upon such optional rate chosen as the relevant Person may designate.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“Market Capitalization” means an amount equal to (i) the total number of issued and outstanding ordinary shares of the entity conducting the Public Offering on the date of the declaration of the relevant dividend or repurchase, redemption or other acquisition or retirement for value of any ordinary shares multiplied by (ii) the arithmetic mean of the closing price per ordinary share for the 30 consecutive trading days immediately preceding the date of declaration of such dividend or repurchase, redemption or other acquisition or retirement for value of ordinary shares.

“Material Subsidiary” means any Restricted Subsidiary whose operating profit less depreciation, amortization and impairment losses calculated on a basis consistent with Consolidated EBITDA and excluding intra-group items is greater than the greater of (x) €10 million and (y) 2.5% of the Consolidated EBITDA of the Company and its Subsidiaries, determined by reference to the most recently available audited accounts delivered to the Trustee pursuant to the Indenture. A determination by a responsible accounting or financial officer of the Company that a Restricted Subsidiary is or is not a Material Subsidiary shall in the absence of manifest error be final and conclusive.

“Moody’s” means Moody’s Investors Service, Inc.

“Net Cash Proceeds” means (a) the aggregate proceeds in cash or Cash Equivalents received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash in cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, and amounts required to be applied to the repayment of Indebtedness, secured by a Lien on the asset or assets that were the subject of such Asset Sale and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP and (b) with respect to any issuance or sale of Capital Stock or Permitted Refinancing Indebtedness, the proceeds of such issuance or sale in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary), net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, discounts or commissions and brokerage, consultants’ and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

“Net Income” means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends.

“Net Leverage Ratio” means the Leverage Ratio of the Company and its Restricted Subsidiaries, but calculated by replacing in clause (x) of such definition with Consolidated Net Indebtedness of such Person and its Restricted Subsidiaries.

“Non-Guarantor Leverage Ratio” means the Leverage Ratio, but calculated by replacing Indebtedness in clause (x) of such definition with Consolidated Net Non-Guarantor Indebtedness.

“Non-Recourse Debt” means Indebtedness:

- (1) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender;
- (2) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Notes) of the Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity (except for any such right that would arise pursuant to Existing Indebtedness or Credit Facilities including any refinancing in respect thereof permitted by the Indenture); and
- (3) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

“Offering Memorandum” means the offering memorandum in relation to the Notes.

“Officer’s Certificate” means, with respect to any Person, a certificate signed by one authorized legal or financial officer of such Person.

“Opinion of Counsel” means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

“Parent Company” means any corporation, association or other business entity that beneficially owns greater than 50% of the Capital Stock of the Company and of which the Company is a Subsidiary.

“Pari Passu Indebtedness” means Indebtedness of the Company or any Subsidiary Guarantor or any guarantor if such guarantee ranks equally in the right of payment to the Note Guarantees which, in each case, is secured by Liens on assets of the Company or any Subsidiary Guarantor.

“Permitted Asset Swap” means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents between the Company or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under “—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries.”

“Permitted Business” means the automobile and other transportation vehicles parts and components manufacturing business and other businesses necessary for and incident to, connected with, ancillary or complementary to, arising out, or developed or operated to permit or facilitate the conduct of the automobile and other transportation vehicles parts and components manufacturing business, and the ownership and operation of real estate, hotels, restaurants and entertainment facilities that are either (A) directly related to the operation of an automobile and other transportation vehicles parts and components manufacturing business, or (B) unrelated to the operation of an automobile and other transportation vehicles parts and components manufacturing business but not in excess, on a pro forma basis, of 20% of the Fair Market Value of the Total Assets of the Company and its Subsidiaries, taken as a whole.

“Permitted Collateral Liens” means (1) Liens on the Collateral (a) arising by operation of law or that are described in one or more of clauses (5), (8), (9), (11), (14), (17) and (27) of the definition of “Permitted Liens” or (b) that are Liens granted to cash management banks securing cash management operations and that, in each case, would not materially interfere with the ability of the Security Agent to enforce the Liens on the Collateral; (2) Liens on the Collateral to secure Indebtedness of the Company or any of its Restricted Subsidiaries that is permitted to be incurred under clauses (1), (8) (to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and is specified in this definition of “Permitted Collateral Liens”) and (16) of the second paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”; (3) Liens on the Collateral to secure (a) Hedging Obligations incurred under clause (7) of the second paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness

and Issuance of Disqualified Stock and Preferred Stock” and (b) the Existing Dollar Notes and Designated Existing Indebtedness incurred under clause (2) (including any Permitted Refinancing Indebtedness in respect thereof), in each case of the second paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”; (4) Liens on the Collateral securing the Notes on the Issue Date and any Permitted Refinancing Indebtedness in respect thereof and the related Note Guarantees of the Notes or such Permitted Refinancing Indebtedness in respect thereof; and (5) Liens on the Collateral securing Indebtedness incurred under the first paragraph of the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”; *provided* that in the case of this clause (5), after giving pro forma effect to such incurrence on that date and the application of the proceeds thereof, the Secured Leverage Ratio of the Company and its Restricted Subsidiaries shall be no greater than 2.5 to 1.0.

“*Permitted Holders*” means, collectively, (a) the Principals and any Related Party thereof and (b) any one or more Persons whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture.

“*Permitted Investments*” means:

- (1) any Investment in the Company or a Restricted Subsidiary of the Company;
- (2) any Investment in cash or Cash Equivalents;
- (3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:
 - (a) such Person becomes a Restricted Subsidiary of the Company; or
 - (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;
- (4) any Investment made as a result of the receipt of non-cash consideration including Replacement Assets from an Asset Sale (or a transaction excepted from the definition of Asset Sale) that was made pursuant to and in compliance with the covenant described above under the caption “—Certain Covenants—Limitation on Sales of Assets and Equity Interests in Restricted Subsidiaries”;
- (5) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company or Subordinated Shareholder Debt;
- (6) Receivables owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided, however*, that such trade terms may include such concessionary terms as the Company or any such Restricted Subsidiary deems reasonable under the circumstances;
- (7) loans and advances to, and guarantees of loans or advances to, employees in the ordinary course of business and on terms consistent with past practice, including without limitation, travel, relocation and other like advances;
- (8) lease, utility and other similar deposits in the ordinary course of business;
- (9) Hedging Obligations, which transactions or obligations are incurred in compliance with “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock or Preferred Stock”;
- (10) Investments made after the Issue Date having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (10) that are at the time outstanding not to exceed (i) €150 million plus (ii) an amount equal to 100% of the dividends or distributions (including payments received in respect of loans and advances) received by the Company or a Restricted Subsidiary from a Permitted Joint Venture (which dividends or distributions are not included in the calculation in clauses (3)(a) through (3)(e) of the first paragraph of the covenant described under “—Certain Covenants—Restricted Payments” and dividends and distributions that reduce amounts outstanding under clause (i) hereof); *provided* that if an Investment is made pursuant to this clause in a Person that is not a

Restricted Subsidiary and such Person is subsequently designated a Restricted Subsidiary pursuant to the covenant described under “—Certain Covenants—Restricted Payments,” such Investment shall thereafter be deemed to have been made pursuant to clause (3) of the definition of “Permitted Investments” and not this clause;

- (11) (i) guarantees not prohibited by the covenant described under “Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock” and (ii) (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;
- (12) any Investment existing on the Issue Date or Investments in Permitted Joint Ventures pursuant to commitments or agreements in existence on the Issue Date and in each case disclosed in the Offering Memorandum;
- (13) any Investments in Permitted Joint Ventures made after the Issue Date, not exceeding, in aggregate, an amount equal to 5.0% of Total Assets of the Company and its Subsidiaries, taken as a whole;
- (14) any Investment in the Notes; and
- (15) Investments in Associates in an aggregate amount when taken together with all other Investments made pursuant to this clause (15) that are at the time outstanding not to exceed an amount equal to 5.0% of Total Assets of the Company and its Subsidiaries, taken as a whole.

“*Permitted Joint Venture*” means (a) any corporation, association or other business entity (other than a partnership) that is not a Restricted Subsidiary and that, in each case, is engaged primarily in a Permitted Business and of which at least 20% of the total equity and total Voting Stock is at the time of determination owned or controlled, directly or indirectly, by the Company or one or more Restricted Subsidiaries or a combination thereof and (b) any partnership, joint venture, limited liability company or similar entity that is not a Restricted Subsidiary and that, in each case, is engaged primarily in a Permitted Business and of which at least 20% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are at the time of determination, owned or controlled, directly or indirectly, by the Company or one or more Restricted Subsidiaries or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise.

“*Permitted Liens*” means:

- (1) Liens on assets of the Company and any Restricted Subsidiary securing Indebtedness and other Obligations under Credit Facilities incurred pursuant to clause (1) of the second paragraph under the covenant described under “—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock or Preferred Stock” in a principal amount not exceeding €50 million;
- (2) Liens in favor of the Company or a Restricted Subsidiary (but not, in the case of a Restricted Subsidiary that is not a Guarantor, Liens in favor of such Restricted Subsidiary over the assets of a Guarantor);
- (3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Restricted Subsidiary of the Company; *provided* that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Restricted Subsidiary;
- (4) Liens on property existing at the time of acquisition of the property by the Company or any Restricted Subsidiary of the Company; *provided* that such Liens were in existence prior to the contemplation of such acquisition;
- (5) Liens to secure the performance of statutory or regulatory requirements, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;
- (6) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by clause (4) of the second paragraph of the covenant entitled “—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock” covering only the assets acquired with such Indebtedness;

- (7) Liens securing Permitted Refinancing Indebtedness of secured Indebtedness incurred by the Company or a Restricted Subsidiary permitted to be incurred under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured the Indebtedness being refinanced;
- (8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided* that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;
- (9) Liens, pledges and deposits incurred in connection with workers' compensation, unemployment insurance and other types of statutory obligations;
- (10) any Lien that is a Permitted Collateral Lien, or a Lien favor of the Notes and the Note Guarantees, including the Liens created pursuant to the Security Documents;
- (11) Liens in favor of customs or revenue authorities to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;
- (12) Liens arising out of put/call agreements with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (13) Liens securing Indebtedness incurred under clause (7) of the second paragraph under the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";
- (14) easements, rights-of-way, municipal and zoning ordinances, utility agreements, reservations, encroachments, restrictions and similar charges, encumbrances, title defects or other irregularities that do not materially interfere with the ordinary course of business of the Company or any of its Restricted Subsidiaries;
- (15) Liens on cash or Cash Equivalents set aside at the time of the incurrence of any Indebtedness, to the extent such cash or Cash Equivalents refund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;
- (16) Liens on assets of Unrestricted Subsidiaries that secure Non-Recourse Debt of Unrestricted Subsidiaries;
- (17) Liens imposed by law, such as carriers', landlords', warehousemen's, suppliers', and mechanics' Liens and other similar Liens, on the property of the Company or any Restricted Subsidiary arising in the ordinary course of business;
- (18) Liens on property of the Company or any Restricted Subsidiary pursuant to conditional sale or title retention agreements;
- (19) Liens on property of the Company or any Restricted Subsidiary arising as a result of leases of such property to other Persons;
- (20) deposit arrangements entered into in connection with acquisitions or in the ordinary course of business excluding arrangements for borrowed money;
- (21) Liens of the Company or any Restricted Subsidiary of the Company with respect to Obligations that do not exceed 5.0% of the Total Assets of the Company and its Subsidiaries, taken as a whole, at any one time outstanding;
- (22) Liens existing on the Issue Date;
- (23) Liens on the Capital Stock and assets of a Permitted Joint Venture that secure the Indebtedness of such a Permitted Joint Ventures;
- (24) Liens in respect of factoring of Receivables arising in the ordinary course of business pursuant to customary arrangements; *provided* that any Indebtedness incurred in relation thereto is permitted to be incurred by clause (13) of the second paragraph of the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

- (25) Liens on any proceeds loan made by the Issuer in connection with any future incurrence of Indebtedness (other than Additional Notes) permitted under the Indenture (without any requirement to secure the Notes with a Lien on such proceeds loan);
- (26) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;
- (27) banker's Liens, rights of set off or similar rights and remedies as to deposit accounts, cash pooling arrangements, net balance or balance transfer agreements, Liens arising out of judgments or awards not constituting an Event of Default and notices and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;
- (28) Liens to secure Indebtedness incurred under the first paragraph of the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" by a Restricted Subsidiary of the Company that is not a Guarantor or the Issuer; *provided* that any such Lien shall only extend to the property or assets of such Restricted Subsidiary of the Company that is not a Guarantor or the Issuer;
- (29) Liens on escrowed proceeds from the issuance of Indebtedness for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest or premium or discount on such Indebtedness (or any costs related to the issuance of such Indebtedness) and are held in an escrow account or similar arrangement to be applied for such purpose; and
- (30) any extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (29); *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is the security for a Permitted Lien hereunder.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); *provided* that:

- (1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest on the Indebtedness and the amount of all expenses and premiums incurred in connection therewith);
- (2) such Permitted Refinancing Indebtedness has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;
- (3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes or any Note Guarantee, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes or the Note Guarantee (as applicable) on terms at least as favorable to the holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and
- (4) such Indebtedness is incurred either by the Company or by the Restricted Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; *provided* that the Company and any Guarantor may incur refinancing Indebtedness in respect of the Company, any Guarantor, or any Restricted Subsidiary.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company or government or other entity.

"Principals" means Francisco José Riberas Mera and Juan María Riberas Mera.

“Public Debt” means any bonds, debentures, notes (including the Existing Dollar Notes) or other indebtedness of a type that could be issued or traded in any market where capital funds (whether debt or equity) are traded, including private placement sources of debt and equity as well as organized markets and exchanges, whether such indebtedness is issued in a public offering or in a private placement to institutional investors or otherwise.

“Public Offering” means any Equity Offering; *provided* that such Equity Offering is an offering of ordinary shares of the Company or any Parent Company following which at least 20% of the total issued and outstanding shares of the Company or any Parent Company not owned by a Permitted Holder are listed on an exchange and/or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act, to professional market investors or similar Persons).

“Qualified Director” means any member of the Board of Directors of the Company who (a) is not an Affiliate or a Related Party of any Principal, (b) has no direct or indirect financial, business, employment, contractual or other relationship to any transaction for which such director’s status as a Qualified Director is being determined that would interfere with the exercise of such director’s independent judgment and (c) who is not an employee or officer of the Company or any of its Subsidiaries or an employee or officer of an Affiliate of the Company.

“Receivable” means a right to receive payment arising from a sale or lease of goods or services by a Person pursuant to an arrangement with another person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit, as determined in accordance with GAAP.

“Refinancing Transactions” means the issuance of the Notes and the application of proceeds as set out in “Summary—Refinancing Transactions” and “Use of Proceeds.”

“Related Party” means:

- (1) any Immediate Family member of any Principal; or
- (2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of which consist the Principals and/or such other Persons referred to in the immediately preceding clause (1).

“Replacement Assets” means, with respect to any Asset Sale by the Company or a Restricted Subsidiary, consideration received in the form of:

- (1) properties and assets (other than cash or any common stock or other security) that will be used in a Permitted Business by the Company or a Restricted Subsidiary; or
- (2) Capital Stock of any Person (i) that will become, be merged into, be liquidated into or otherwise combined or amalgamated with, on or within 90 days of the date of acquisition thereof, a Restricted Subsidiary, if such Person is engaged in a Permitted Business or (ii) that is or that will become a Restricted Subsidiary engaged in a Permitted Business upon the date of acquisition thereof.

“Restricted Investment” means an Investment other than a Permitted Investment.

“Restricted Subsidiary” of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

“S&P” means Standard and Poor’s Rating Group.

“Secured Leverage Ratio” means the Leverage Ratio of the Company and its Restricted Subsidiaries, but calculated by replacing Indebtedness in clause (x) of such definition with Consolidated Net Indebtedness of such Person and its Restricted Subsidiaries (reduced by an amount equal to all Indebtedness of such Person and its Restricted Subsidiaries that is not secured by a Lien on the Collateral).

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Security Agent” means any Person acting as security agent with respect to the Collateral pursuant to the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement or such successor security agent as may be appointed thereunder.

“*Security Documents*” means each security agreement, pledge agreement, assignment or other document under which a security interest is granted to secure the payment and performance when due of the Issuer and/or the Guarantors under the Notes, the Note Guarantees and the Indenture, as the case may be.

“*Senior Credit Facilities*” means the Senior Facilities Agreement dated April 19, 2013 entered into between, amongst others, the Company and certain of its Subsidiaries, as borrowers, certain Subsidiaries of the Company, as guarantors and Deutsche Bank AG, London Branch, as agent, comprising €570 million of term facilities and a €280 million revolving credit facility, as amended on May 8, 2013, May 2, 2014, December 10, 2014 and April 17, 2015, and as the same may be further amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part).

“*Significant Subsidiary*” means any Subsidiary that would be a “significant subsidiary” as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date hereof.

“*Similar Business*” means (a) any businesses, services or activities engaged in by the Company or any of its Subsidiaries on the Issue Date and (b) any businesses, services and activities engaged in by the Company or any of its Subsidiaries that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

“*Stated Maturity*” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“*Subordinated Shareholder Debt*” means, collectively, any debt of the Company issued to and held by any direct or indirect Parent Company or one or more shareholders of a Parent Company or any Permitted Holder or Affiliate thereof, that:

- (1) does not mature or require any cash amortization, redemption or other cash repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through the conversion or exchange of any such security or instrument into Capital Stock (other than Disqualified Stock) of the Company or for any indebtedness meeting the requirements of this definition);
- (2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;
- (3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;
- (4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Restricted Subsidiaries and is not guaranteed by any Restricted Subsidiary of the Company;
- (5) does not restrict the payment of amounts due in respect of the Company’s Note Guarantee or compliance by the Company with its obligations under its Note Guarantee and the Indenture;
- (6) does not contain any covenants (financial or otherwise), as applicable, other than a covenant to pay such Subordinated Shareholder Debt; and
- (7) is fully subordinated and junior in right of payment to the Notes pursuant to the Intercreditor Agreement or to subordination, payment blockage and enforcement limitation terms which taken as a whole are no less favorable in any material respect to the holders of the Notes than those contained in the Intercreditor Agreement as in effect on the Issue Date,

provided, however, that any event or circumstance that results in such funding ceasing to qualify as Subordinated Shareholder Debt, such funding shall constitute an incurrence of Indebtedness by the Company, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such funding since the date of the original issuance of such Subordinated Shareholder Debt shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Debt.

“*Subsidiary*” means, with respect to any specified Person:

- (1) any corporation, association or other business entity (a) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); or (b) where that Person or one or more of the Subsidiaries of that Person (or a combination thereof) have the right to appoint or remove a majority of its board of directors or equivalent administration, management or supervisory body; or (c) where such Person or one or more of the Subsidiaries of that Person (or a combination thereof) has the right to exercise a dominant influence (which must include the right to give directions with respect to operating and financial policies of that corporation, association or other business entity which its directors are obliged to comply with whether or not for its benefit) over such corporation association or other business entity, or by virtue of provisions contained in its articles (or equivalent) or a control contract which is in writing and is authorized by its articles (or equivalent) and is permitted by its law of incorporation; or (d) which is a member of such Person’s Group and such Person controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in such corporation, association or other business entity or the rights under its constitution to direct the overall policy of such corporation, association or other business entity or alter the terms of its constitution; and
- (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

For the purposes of this definition, a person shall be treated as a member of another person if any of that person’s Subsidiaries is a member of that other person or if any shares in that other person are held by a person acting on behalf of it or any of its Subsidiaries. A subsidiary shall include any person the shares or ownership interests in which are subject to a security interest and where the legal title to the shares or ownership interests so secured are registered in the name of the secured party or its nominee pursuant to such security interest.

“*Subsidiary Guarantors*” means Edscha Automotive Kamenice s.r.o., Edscha Hradec s.r.o., Gestamp Louny s.r.o., Gestamp Tallent Limited, Gestamp Washington UK Limited, Gestamp Noury S.A.S., Gestamp Ronchamp S.A.S., Edscha Briey S.A.S., Sofedit S.A.S., S.C.I. de Tournan, Edscha Engineering France S.A.S., Gestamp Prisma S.A.S., Edscha Automotive Hengersberg GmbH, Edscha Holding GmbH, Gestamp Griwe Westerburg GmbH, Gestamp Griwe Hot Stamping GmbH, Gestamp Griwe Haynrode GmbH, Edscha Automotive Hauenberg GmbH, Gestamp Umformtechnik GmbH, Edscha Hengersberg Real Estate GmbH & Co. KG, Edscha Hauenberg Real Estate GmbH & Co. KG, Edscha Engineering GmbH, Gestamp Hungaria KFT, Gestamp Polska, Sp z o o, Gestamp Wroclaw, Sp z o o, Gestamp Aveiro-Indústria e Acessórios de, Automóveis, S.A., Gestamp Cerveira, Lda., Gestamp Vendas Novas, Unipessoal, Lda., Edscha Velky Meder s.r.o., Gestamp Navarra, S.A., Gestamp Bizkaia, S.A., Gestamp Metalbages, S.A., Gestamp Esmar, S.A., Gestamp Palencia, S.A., Gestamp Servicios, S.A., Gestamp Abrera, S.A., Gestamp Solblank Barcelona, S.A., Loire Sociedad Anonima Franco Espanola, Gestamp Aragon, S.A., Gestamp Linares, S.A., Gestamp Vigo, S.A., Gestamp Galvanizados, S.A., Ingenieria Global Metalbages, S.A., Gestamp Levante, S.A., Gestamp Toledo, S.A., Edscha Burgos, S.A., Edscha Santander, S.A., Gestamp HardTech AB and Gestamp Sweden AB and any other Restricted Subsidiary that guarantees the Notes from time to time; *provided*, in each case, that a Subsidiary Guarantor shall cease to be a Subsidiary Guarantor upon release of its Note Guarantee in accordance with the terms of the Indenture.

“*Total Assets*” means, as of the date of determination, with respect to any Person, the consolidated total assets of such Person as shown on its most recent available balance sheet prepared in accordance with GAAP, after giving pro forma effect to take into account any assets acquired or disposed of since the date of the Person’s latest balance sheet and any anticipated acquisitions which have become subject to a definitive purchase agreement or contract.

“*Unrestricted Subsidiary*” means any Subsidiary of the Company (other than the Issuer or its successor) that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a board resolution, but only to the extent that such Subsidiary:

- (1) has no Indebtedness other than Non-Recourse Debt;

- (2) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;
- (3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and
- (4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary shall be evidenced to the Trustee by filing with the Trustee a certified copy of the board resolution giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption "—Certain Covenants—Restricted Payments." If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock," the Company will be in default of such covenant. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock and Disqualified Stock," calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and (2) no Default or Event of Default would be in existence following such designation.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding principal amount of such Indebtedness.

"*Wholly Owned Restricted Subsidiary*" of any specified Person means a Restricted Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) will at the time be owned by such Person or by one or more Wholly Owned Restricted Subsidiaries of such Person and one or more Wholly Owned Restricted Subsidiaries of such Person.

BOOK-ENTRY, DELIVERY AND FORM

General

The notes issued to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A (the “Rule 144A Global Notes”) will in each case initially be represented by one or more global notes in registered form without interest coupons attached and the notes issued to non-US persons outside the United States in reliance on Regulation S under the U.S. Securities Act (the “Regulation S Global Notes”) will in each case initially be represented by one or more global notes in registered form without interest coupons attached. The Rule 144A Global Notes together with the Regulation S Global Notes are collectively referred to as the “Global Notes”. The Global Notes will be deposited with a common depositary, and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Notes (the “Restricted Book-Entry Interests”) and ownership of interests in the Regulation S Global Notes (the “Unrestricted Book-Entry Interests” and, together with the Restricted Book-Entry Interests, the “Book-Entry Interests”) will be limited to persons that have accounts with Euroclear or Clearstream or persons that hold interests through such participants.

Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, notes will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. The laws of some jurisdictions, including some states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the notes are in global form, holders of Book-Entry Interests will not be considered the owners or “holders” of notes for any purpose.

So long as the notes are held in global form, Euroclear or Clearstream, as applicable, will be considered the sole holder(s) of the Global Notes for all purposes under the Indenture governing the notes. In addition, participants must rely on the procedures of Euroclear or Clearstream, as applicable, and indirect participants must rely on the procedures of the participants through which they own Book-Entry Interests to transfer their interests or to exercise any rights of holders under the Indenture governing the notes. Neither we nor the Trustee will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and Additional Amounts, if any) will be made by us to the common depositary or its nominee for Euroclear and Clearstream. The common depositary or its nominee will distribute such payments to participants in accordance with their procedures. Payments of all such amounts will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made by any applicable law or regulation of Luxembourg or otherwise as described under “Description of the Notes—Additional Amounts”, then, to the extent described under “Description of the Notes—Additional Amounts”, such Additional Amounts will be paid as may be necessary in order that the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that payments by participants to owners of Book-Entry Interests held through those participants will be governed by standing customer instructions and customary practices. Under the terms of the Indenture governing the notes, we and the Trustee will treat the registered holder of the Global Notes (e.g. Euroclear or Clearstream (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, neither we, the Trustee nor any of our or the Trustee’s agents have or will have any responsibility or liability for:

- (1) any aspect of the records of Euroclear or Clearstream or of any participant or indirect participant relating to or payments made on account of a Book-Entry Interest, or for maintaining,

supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest;

- (2) Euroclear or Clearstream or any participant or indirect participant; or
- (3) the records of the common depositary.

Currency of payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of the Global Notes will be paid to holders of interest in such notes through Euroclear or Clearstream in Euros.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the notes, Euroclear and Clearstream reserve the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to its participants.

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream rules and will be settled in immediately available funds. If a holder of notes requires physical delivery of Definitive Registered Notes for any reason, including to sell notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of notes must transfer its interest in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture governing the notes.

The Global Notes will bear a legend to the effect set forth in “Notice to Investors.” Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under “Notice to Investors”.

Transfer of Restricted Book-Entry Interests to persons wishing to take delivery of Restricted Book-Entry Interests will at all times be subject to such transfer restrictions.

Restricted Book-Entry Interests may be transferred to a person who takes delivery in the form of any Unrestricted Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture governing the notes) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 (if available) under the U.S. Securities Act.

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Definitive Registered Notes

Under the terms of the Indenture governing the notes, owners of the Book-Entry Interests will receive Definitive Registered Notes only:

- (1) if Euroclear or Clearstream notifies us that it is unwilling or unable to continue to act and a successor is not appointed by us within 90 days; or
- (2) if Euroclear or Clearstream so requests following an Event of Default under the Indenture governing the notes.

Information concerning Euroclear and Clearstream

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with Euroclear or Clearstream participants, either directly or indirectly.

Trustee's Powers

In considering the interests of the holders of the notes, while title to the notes is registered in the name of a nominee for a clearing system, the Trustee may have regard to any information provided to it by that clearing system as to the identity (either individually or by category) of its accountholders with entitlements to notes and may consider such interests as if such accountholders were the holders of the notes.

Enforcement

For the purposes of enforcement of the provisions of the Indenture governing the notes against the Trustee, the persons named in a certificate of the holder of the notes in respect of which a Global Note is issued shall be recognized as the beneficiaries of the trusts set out in the Indenture governing the notes to the extent of the principal amounts of their interests in notes set out in the certificate of the holder, as if they were themselves the holders of notes in such principal amounts.

TAXATION

If you are a prospective investor, you should consult your tax advisor on the possible tax consequences of buying, holding or selling any notes under the laws of your country of citizenship, residence or domicile, including the effect of any local taxes applicable to you. The discussions that follow do not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase, hold or sell notes. In particular, these discussions do not consider any specific facts or circumstances that may apply to you. The discussions that follow for each jurisdiction are based upon the applicable laws and interpretations thereof as in effect as of May 4, 2016. These tax laws and interpretations are subject to change, possibly with retroactive or retrospective effect.

Certain U.S. Federal Income Tax Consequences to U.S. Holders

The following is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of notes as of the date hereof. This summary deals only with notes that are held as capital assets by a U.S. holder (as defined below) who acquired our notes upon original issuance at their “issue price” (the first price at which a substantial amount of notes is sold to investors for cash, not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers).

For purposes of this summary, a “U.S. holder” means a beneficial owner of the notes that is for U.S. federal income tax purposes any of the following:

- an individual who is a citizen or resident of the U.S.;
- a corporation created or organized under the laws of the U.S., any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the U.S. and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

This summary is based upon provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable U.S. Treasury regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below. This summary does not address all aspects of U.S. federal income taxes, does not address any U.S. federal taxes other than U.S. federal income taxes (such as estate or gift taxes or the Medicare tax on certain investment income) and does not deal with any foreign, state, local or other tax considerations that may be relevant to U.S. holders in light of their particular circumstances. In addition, it does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws. For example, this summary does not address:

- tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, traders in securities that elect to use the mark-to-market method of accounting for their securities, persons that have ceased to be U.S. citizens or lawful permanent residents of the U.S., financial institutions, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities for U.S. federal income tax purposes (and investors therein), holders who hold their notes through a non-U.S. broker or other non-U.S. intermediary, individual retirement accounts and other tax-deferred accounts, tax-exempt entities or insurance companies;
- tax consequences to persons holding the notes as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;
- tax consequences to persons holding the notes in connection with a trade or business conducted outside of the U.S.;
- tax consequences to holders of the notes whose “functional currency” is not the U.S. dollar; or
- alternative minimum tax consequences, if any.

If an entity classified as a partnership for U.S. federal income tax purposes holds our notes, the tax treatment of a partner in such a partnership will generally depend upon the status of the partner and the

activities of the partnership. If you are a partner of a partnership considering an investment in our notes, you should consult your own tax advisors.

If you are considering the purchase of notes, you should consult your own tax advisors concerning the particular U.S. federal tax consequences to you of the purchase, ownership and disposition of the notes, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

Payments of Interest

Subject to the foreign currency rules discussed below, interest will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your regular method of accounting for U.S. federal income tax purposes. In addition to interest on the notes (without reduction for any tax withheld from the interest payments you receive), you will be required to include in income any Additional Amounts paid in respect of such tax withheld.

You may be entitled to deduct or credit any tax withheld, subject to certain limitations (including that the election to deduct or credit foreign taxes applies to all of your applicable foreign taxes for a particular tax year). Interest on a note (including any Additional Amounts) generally will be considered foreign source income and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income or, in the case of certain U.S. holders, general category income. You will generally be denied a foreign tax credit for foreign taxes imposed with respect to the notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

If you hold notes and you use the cash basis method of accounting for U.S. federal income tax purposes, you will be required to include in income (as ordinary income) the U.S. dollar value of any interest payment made in euros, determined by translating the euros received at the “spot rate” in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. You will not recognize foreign currency exchange gain or loss with respect to the receipt of such interest but you may have exchange gain or loss attributable to the actual disposition of the euros so received.

If you hold notes and you use the accrual method of accounting for U.S. federal income tax purposes, you may determine the amount of income recognized with respect to any interest payment made in euros in accordance with either of two methods. Under the first method, you will be required to include in income (as ordinary income) for each taxable year the U.S. dollar value of the euro-denominated interest that has accrued during such year, determined by translating such interest into U.S. dollars at the average spot rate of exchange for the period or periods (or portions thereof) in such taxable year during which such interest accrued. Under the second method, you may elect to translate interest income into U.S. dollars at the spot rate on (i) the last day of the interest accrual period, (ii) the last day of the taxable year for any portion of any accrual period ending on the last day of such taxable year, or (iii) the date the interest payment is received, if such date is within five business days of the end of the accrual period. This election will apply to all debt obligations you hold from year to year and cannot be changed without the consent of the Internal Revenue Service (the “IRS”).

Upon receipt of an interest payment made in euros (including amounts received upon the sale, exchange, retirement, redemption or other taxable disposition of a note attributable to accrued but unpaid interest), a U.S. holder using the accrual method will recognize foreign currency exchange gain or loss, generally treated as ordinary income or loss, in an amount equal to the difference, if any, between the U.S. dollar value of such payment (determined by translating the euros received at the spot rate in effect on the date of receipt) and the U.S. dollar value of the interest previously included in income with respect to such payment, regardless of whether the payment is in fact converted into U.S. dollars at such time. Any such foreign currency exchange gain or loss generally will be treated, for U.S. foreign tax credit purposes, as U.S. source ordinary income or loss, and generally will not be treated as an adjustment to interest income or expense.

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of Notes

Upon the sale, exchange, retirement, redemption or other taxable disposition of a note, you generally will recognize gain or loss equal to the difference, if any, between the amount realized upon such sale, exchange, retirement, redemption or other taxable disposition (less an amount equal to any accrued but

unpaid interest, which will be taxable as interest income to the extent not previously included in income) and your adjusted tax basis in the note.

Your adjusted tax basis in a note generally will be the U.S. dollar value of the euros paid for such note determined at the spot rate at the time of purchase. If your note is sold, exchanged, retired, redeemed or otherwise disposed of in a taxable transaction for euros, then your amount realized generally will be the U.S. dollar value of the euros received based on the spot rate in effect on the date of such sale, exchange, retirement, redemption or other taxable disposition. However, if you are a cash method taxpayer and the notes are traded on an established securities market for U.S. federal income tax purposes, euros paid or received will be translated into U.S. dollars at the spot rate on the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment with respect to the purchase or sale of notes traded on an established securities market, provided that the election is applied consistently to all debt instruments held by such U.S. holder. Such election cannot be changed without the consent of the IRS.

Subject to the foreign currency rules discussed below, any gain or loss recognized will generally be capital gain or loss and will be long-term capital gain or loss if at the time of the sale, exchange, retirement, redemption or other taxable disposition, you have held the note for more than one year. Long-term capital gains of non-corporate U.S. holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss realized by you on the sale, exchange, retirement, redemption or other taxable disposition of a note would generally be treated as U.S. source gain or loss.

A portion of any gain or loss with respect to the principal amount of a note may be treated as exchange gain or loss. Any exchange gain or loss will be treated as ordinary income or loss and generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. For these purposes, the principal amount of the note is your purchase price for the note calculated in euros on the date of purchase, and the amount of exchange gain or loss recognized is equal to the difference, if any, between (i) the U.S. dollar value of the principal amount determined at the spot rate on the date of the sale, exchange, retirement, redemption or other taxable disposition of the note and (ii) the U.S. dollar value of the principal amount determined at the spot rate on the date you purchased the note (or, possibly, in the case of a cash basis or electing accrual basis taxpayer, the settlement dates of such purchase and taxable disposition, if the note is treated as traded on an established securities market for U.S. federal income tax purposes). The amount of any exchange gain or loss (with respect to both principal and accrued interest) will be limited to the amount of overall gain or loss realized on the disposition of the note.

Exchange Gain or Loss with Respect to Euros

Your tax basis in any euros received as interest on a note or on the sale, exchange, retirement, redemption or other taxable disposition of a note will be the U.S. dollar value thereof at the spot rate in effect on the date the euros are received. Any gain or loss recognized by you on a sale, exchange or other disposition of the euros will be ordinary income or loss and generally will be U.S. source gain or loss for U.S. foreign tax credit purposes.

Reportable Transactions

U.S. Treasury regulations issued under the Code meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the U.S. Treasury regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement, redemption or other taxable disposition of a note or euros received in respect of a note to the extent that such sale, exchange, retirement, redemption or other taxable disposition results in a tax loss in excess of a threshold amount. If you are considering the purchase of notes, you should consult your own tax advisors to determine the tax return obligations, if any, with respect to an investment in the notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement) as part of your U.S. federal income tax return.

Backup Withholding and Information Reporting

Generally, information reporting requirements will apply to all payments of interest on and the proceeds from a sale, exchange, retirement, redemption or other disposition of a note paid to you, unless you are an exempt recipient (such as a corporation). Additionally, if you fail to provide your taxpayer identification

number or to certify that you are not subject to backup withholding, you may be subject to backup withholding with respect to the foregoing amounts.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against your U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS.

Foreign Financial Asset Reporting

Certain U.S. holders are required to report information relating to an interest in the notes, subject to certain exceptions (including an exception for notes held in accounts maintained by U.S. financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold an interest in the notes. You are urged to consult your own tax advisors regarding information reporting requirements relating to your ownership of the notes, including the significant penalties for non-compliance.

Taxation in the Kingdom of Spain

The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Spain and does not purport to address the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

Prospective purchasers of the notes are advised to consult their own tax advisors as to the tax consequences, including those under the tax laws of the country of which they are resident, of purchasing, owning and disposing of notes.

This tax section is based on Spanish law as in effect on May 4, 2016 as well as on administrative interpretation thereof, and is subject to any change in such law that may take effect after such date.

This information has been prepared in accordance with the following Spanish tax legislation in force on May 4, 2016:

- (i) for individuals resident for tax purposes in Spain who beneficially own the notes which are subject to the Individual Income Tax ("IIT"), Law 35/2006 of November 28 on the IIT Law and on the partial amendment of the Corporate Income Tax Law, the Non-Resident Income Tax Law and the Net Wealth Tax Law, as amended, and Royal Decree 439/2007 of March 30, promulgating the IIT Regulations;
- (ii) for legal entities resident for tax purposes in Spain who beneficially own the notes which are subject to the Corporate Income Tax ("CIT"), Law 27/2014 of November 27 promulgating the CIT Law and Royal Decree 634/2015 of July 10 promulgating the CIT Regulations; and
- (iii) for non-Spanish tax residents investors acting through a permanent establishment in Spain who beneficially own the notes which are subject to the Non-Resident Income Tax ("NRIT"), Royal Legislative Decree 5/2004 of March 5 promulgating the Consolidated Text of the NRIT Law, as amended, and Royal Decree 1776/2004 of July 30 promulgating the NRIT Regulations.

Whatever the nature and residence of the noteholder, the acquisition and transfer of notes will be exempt from indirect taxes in Spain, *i.e.*, exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993 of September 24 and exempt from Value Added Tax, in accordance with Law 37/1992 of December 28 regulating such tax.

For the purposes of this section we have assumed that the Issuer is a company resident for tax purposes in Luxembourg, that it will be entitled to obtain the corresponding tax residence certificate and that it does not perform its activity through a permanent establishment located within the Spanish territory.

Individuals with Tax Residency in Spain

Individual Income Tax (Impuesto sobre la Renta de las Personas Físicas)

Both interest periodically received and income derived from the transfer, redemption or repayment of the notes constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25.2 of the IIT Law, and must be included in the investor's IIT savings taxable base and taxed, currently, at a flat rate of 19% on the first €6,000, 21% on the following €44,000 and 23% for any amount in excess of €50,000.

If the notes are deposited with or managed by a financial institution resident in Spain, or acting through a permanent establishment in Spain, in accordance with the Spanish tax laws in force, such financial institution, acting as depositary or manager of such notes, will be responsible for making the relevant Spanish withholding on account of tax on any payment to a Spanish holder deriving from the notes (currently at a rate of 19%). In this case, the Spanish holder may credit the withholding against his or her final IIT liability for the relevant tax year.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Reestablishment of the Net Wealth Tax (NWT), which was originally foreseen for years 2011 and 2012, has been also extended for years 2013, 2014, 2015 and 2016.

In general terms, for tax year 2016, Spanish resident tax individuals are subject to Spanish Net Wealth Tax (Spanish Law 19/1991), which imposes a tax on property and rights in excess of €700,000 held at December 31st for each year. Spanish tax resident individuals whose net worth is above €700,000 and who hold notes on the last day of any year would therefore be subject to Spanish Net Wealth Tax for such year at marginal rates varying between 0.2% and 2.5% of the average market value of the notes during the last quarter of such year.

Notwithstanding the above, Spanish regions are authorized to set their own tax rates and allowances and also to modify the minimum tax exemption. Therefore, an analysis must be made in each specific case to determine to what extent any regional legislation might be applicable, since there might be differences depending on the region in which an investor resides.

From 2017 onwards, in principle, a general 100% tax relief applies (set forth by article 62 of Law 48/2015 of October 29 approving the General State Budget for 2016), but it cannot be fully ruled out that the Spanish Net Wealth Tax was finally extended as in previous years.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals who are resident in Spain for tax purposes who acquire ownership or other rights over any notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax (IGT) in accordance with the applicable Spanish regional and state rules. The applicable tax rates range between 7.65% and 81.6% for 2016, depending on relevant factors, such as the amount of the gift or inheritance, the net wealth of the heir or beneficiary of the gift, and the kinship with the deceased or the donor.

It is necessary to take into account that the IGT is a tax, in some relevant aspects (including certain tax benefits), which has been transferred to the Spanish regions and, following this power, some territories have, in practice, eliminated the taxation.

Then, a particular analysis should be made in each specific case since there might be relevant differences *vis-a-vis* the tax treatment above summarized.

Legal Entities with Tax Residency in Spain

Corporate Income Tax (Impuesto sobre Sociedades)

Both interest periodically received and income derived from the transfer, redemption or repayment of the notes are subject to CIT (at the current general flat tax rate of 25% for 2016) in accordance with the rules for this tax.

Notwithstanding the above, to the extent that the notes were traded on an OECD country organized market, no withholding tax on account of Spanish taxes will be levied in Spain arising from the notes. However, the financial institution (if tax resident in Spain or acting through a permanent establishment in Spain) acting as a paying agent or intervening in the transfer, redemption or repayment of the notes will be obliged to provide some information to the Spanish Tax Authorities.

If the notes are not listed on an organized market in an OECD member state, the financial institution (if tax resident in Spain or acting through a permanent establishment in Spain) acting as a paying agent or intervening in the transfer, redemption or repayment can be obliged to withhold the income derived from the notes at the applicable tax rate (19% beginning in January 2016). In any event, a Spanish CIT taxpayer that is a beneficial owner of the notes may credit the withholding levied against its final CIT liability for the relevant CIT year.

Net Wealth (Impuesto sobre el Patrimonio)

Spanish resident legal entities are not subject to Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax but must include the market value of the notes in their taxable income for CIT purposes.

Non-Tax Residents in Spain acting through a permanent establishment in Spain

If the notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such notes are, generally, the same as those set out above for Spanish CIT taxpayers. See “—Legal Entities with Tax Residency in Spain—Corporate Income Tax (*Impuesto sobre Sociedades*).” Ownership of the notes by investors who are not resident in Spain for tax purposes will not in itself create the existence of a permanent establishment in Spain.

Luxembourg Taxation

The following is a summary of certain Luxembourg tax considerations applicable to certain holders of the notes. This information is of a general nature only and does not purport to be a comprehensive description of all tax implications that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the notes and may not include tax considerations that arise from rules of general application or that are generally assumed to be known by holders of the notes. This summary is based on the laws in force in Luxembourg on May 4, 2016 and is subject to any change in law that may take effect after such date. Holders of the notes who are in doubt as to their tax position should consult their professional advisers.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. In addition, any reference to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), personal income tax (*impôt sur le revenu*) as well as temporary equalization tax (*impôt d'équilibrage budgétaire temporaire*) generally. Holders of the notes may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, the solidarity surcharge and to the temporary equalization tax. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Withholding tax and self-applied tax

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption refund or exchange of the notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with applicable Luxembourg law, subject to the application, regarding Luxembourg resident individuals, of the Luxembourg law of December 23, 2005, which has introduced a 10% withholding tax (which is final when Luxembourg resident individuals are acting in the context of the management of their private wealth) on savings income (i.e., with certain exemptions, savings income within the meaning of the Luxembourg laws of June 21, 2005).

In addition, pursuant to the law of December 23, 2005 as amended by the law of July 17, 2008, Luxembourg resident individuals who are the beneficial owners of savings income paid by a paying agent established outside Luxembourg, in a Member State of either the European Union or the European Economic Area, or in certain dependent or associated territory of an EU Member State can opt to self

declare and pay a 10% tax on this savings income. This 10% tax is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

Taxes on Income and Capital Gains

Luxembourg resident holders of notes will not be liable for any Luxembourg income tax on repayment of principal.

Under the Luxembourg law dated December 23, 2005, as amended, interest received by an individual resident in Luxembourg is, in principle, subject to withholding tax or to the self-applied 10% tax (see above “Withholding tax and self-applied tax”). This withholding tax or self applied tax represents the final tax liability for Luxembourg individual resident taxpayers receiving the interest payment in the course of their private wealth. Individual Luxembourg resident holders of notes receiving the interest as business income must include this interest in their taxable basis. If applicable, the 10% Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident individual holders of notes are not subject to taxation on capital gains upon the disposal of the notes, unless the disposal of the notes precedes the acquisition of the notes or the notes are disposed of within six months of the date of acquisition of these notes. Upon the sale, redemption or exchange of the notes, accrued but unpaid interest will be subject to the 10% withholding tax, if applicable. Individual Luxembourg resident holders of notes receiving the interest as business income must also include the portion of the price corresponding to this interest in their taxable income. The 10% Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident corporate holders of notes, or holders of notes who have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the notes is connected, must for income tax purposes include in their taxable income any interest (including accrued but unpaid interest) as well as the difference between the sale or redemption price and the lower of the cost or book value of the notes sold or redeemed.

Luxembourg resident corporate holders of notes which are companies benefiting from a special tax regime (such as family wealth management companies subject to the amended law of May 11, 2007, undertakings for collective investment subject to the amended law of December 17, 2010 or specialized investment funds subject to the amended law of February 13, 2007) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the annual subscription tax calculated on their (paid up) share capital (and share premium) or net asset value.

Net Wealth Tax

Luxembourg net wealth tax will not be levied on a holder of a note unless:

- (1) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions, with the exception of the following entities that are net wealth tax exempt, being (i) undertakings for collective investment within the meaning of the amended laws of December 17, 2010 or of February 13, 2007, (ii) investment companies in risk capital (SICARs) within the meaning of the amended law dated June 15, 2004, (iii) securitization entities within the meaning of the amended law dated March 22, 2004, (iv) family wealth management companies within the meaning of the amended law of May 11, 2007 and (v) professional pension institution governed by the amended law dated July 13, 2005; provided however that (a) investment companies in risk capital (SICARs) within the meaning of the amended law dated June 15, 2004, (b) securitization entities within the meaning of the amended law of March 22, 2004 and (c) professional pension institution governed by the amended law dated July 13, 2005 remain subject to a minimum net wealth tax; or
- (2) such note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg.

As from January 1, 2016, a minimum net wealth tax (“MNWT”) is levied on companies having their statutory seat or central administration in Luxembourg. For entities for which the sum of fixed financial assets, transferable securities and cash at bank exceeds 90% of their total gross assets and €350,000, the

MNWT is set at €3,210. For all other companies having their statutory seat or central administration in Luxembourg which do not fall within the scope of the €3,210 MNWT, the MNWT ranges from €535 to €32,100, depending on the company's total gross assets.

Regarding individuals, the Luxembourg law of December 23, 2005 abolished the net wealth tax with effect from the year 2006.

Inheritance and Gift Tax

Where the notes are transferred for no consideration:

- (1) No Luxembourg inheritance tax is levied on the transfer of the notes upon death of a holder of a note in cases where the deceased holder was not a resident of Luxembourg for inheritance tax purposes;
- (2) Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary or is registered in Luxembourg.

Value Added Tax

There is no Luxembourg value added tax payable in respect of payments in consideration for the issue of the notes or in respect of the payment of interest or principal under the notes or the transfer of a note; *provided* that Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from value added tax does not apply with respect to such services.

Other Taxes and Duties

Under Luxembourg tax law and current administration practice, it is not compulsory that the notes be recorded or enrolled with any court or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty (other than court fees and contributions for the registration with the Chamber of Commerce) be paid in respect of or in connection with the execution, delivery or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the notes in accordance therewith, except that in case of court proceedings in a Luxembourg court (including but not limited to a Luxembourg Insolvency Proceeding), registration of the notes may be ordered by the court (and even in the absence of such order, registration could in principle be required in the event the notes are produced either directly or by way of reference before such Luxembourg court, including in any act introducing legal proceedings), in which case the notes will be subject to a fixed duty of €12 or an *ad valorem* duty. Registration would in principle further be ordered, and the same registration duties could be due, when the notes are produced, either directly or by way of reference, before an official authority (*autorité constituée*) in Luxembourg.

Residence

A holder of a note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such note or the execution, performance, delivery or enforcement of that or any other note.

ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the notes by employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) or provisions under any other federal, state, local, non U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, “Similar Laws”), and entities whose underlying assets are considered to include “plan assets” of such plans, accounts and arrangements pursuant to ERISA, applicable Similar Law, or otherwise (each, a “Plan”).

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an “ERISA Plan”) and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to the fiduciary’s duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, Section 4975 of the Code and any other applicable Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are “parties in interest”, within the meaning of Section 3(14) of ERISA, or “disqualified persons”, within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engages in such a non exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code.

The acquisition and/or holding of the notes by an ERISA Plan with respect to which the Issuer, an Initial Purchaser, a Guarantor or any of their respective affiliates are considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions (“PTCEs”) that may apply to the acquisition and holding of the notes. These class exemptions include, without limitation, PTCE 84 14 respecting transactions determined by independent qualified professional asset managers, PTCE 90 1 respecting insurance company pooled separate accounts, PTCE 91 38 respecting bank collective investment funds, PTCE 95 60 respecting life insurance company general accounts and PTCE 96 23 respecting transactions determined by in house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any ERISA Plan involved in the transaction and provided further that the ERISA Plan pays no more than adequate consideration in connection with the transaction. There can be no assurance that any class exemption or any other exemption will be available with respect to any particular transaction involving the notes, or that if an exemption is available, it will cover all aspects of any particular transaction.

Governmental plans, certain church plans and non United States plans, while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or Section 4975 of the Code, may nevertheless be subject to Similar Laws. Each person considering purchasing the notes on behalf of, or with the assets of, any such Plan should consult with their counsel before purchasing any notes.

Because of the foregoing, the notes should not be purchased or held by any person investing “plan assets” of any Plan, unless such purchase and holding will not constitute or result in a non exempt prohibited transaction under ERISA and the Code or a similar violation of any applicable Similar Laws.

Representation

Accordingly, by acceptance of a note or any interest therein, each purchaser and holder (including each transferee) will be deemed to have represented and warranted at the time of its purchase and throughout the period that it holds such note or interest therein, that (A) either (i) no portion of the assets used by such purchaser or holder of such note (or any interest therein) constitutes the assets of any Plan, or (ii) the purchase and holding of the notes (or any interest therein) will not constitute or result in a non exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws, and (B) it will not sell or otherwise transfer any such note or interest to any person without first obtaining these same foregoing deemed representations and warranties from that person.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any applicable Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of the notes.

The sale of notes to a Plan is in no respect a representation by the Issuer that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions contained in a purchase agreement dated May 4, 2016, we agreed to sell to the Initial Purchasers, for whom Deutsche Bank AG, London Branch was acting as representative, on a several and not joint basis, the following respective principal amount of notes:

Initial Purchasers	Principal amount of notes (€)
Deutsche Bank AG, London Branch	300,000,000
CaixaBank, S.A	23,531,000
Banco Bilbao Vizcaya Argentaria, S.A	23,529,000
Banco Santander, S.A.	23,529,000
Bankia, S.A	23,529,000
BNP Paribas	23,529,000
Merrill Lynch International	23,529,000
Société Générale	23,529,000
Banco de Sabadell, S.A	11,765,000
Banco Popular Español, S.A	11,765,000
Commerzbank Aktiengesellschaft	11,765,000
Total	<u>500,000,000</u>

The Initial Purchasers may make offers and sales through certain affiliates of the Initial Purchasers. One or more of the Initial Purchasers may sell through affiliates or other appropriately licensed entities for sales of the notes in jurisdictions in which they are not otherwise permitted.

Banco Bilbao Vizcaya Argentaria, S.A. is not a broker-dealer registered with the SEC participating in the offering exclusively in reliance on Regulation S of the Securities Act of 1933 and will not be offering or selling notes in the U.S. or to U.S. citizens or residents.

Banco Santander, S.A. is not a broker-dealer registered with the SEC and therefore may not make sales of any securities in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. Any offers and sales into the United States by Banco Santander, S.A. will only be made through Santander Investment Securities Inc. or one or more U.S. registered broker-dealers, or otherwise as permitted by applicable U.S. law.

CaixaBank, S.A. is not a broker-dealer registered with the SEC participating in the offering exclusively in reliance on Regulation S of the Securities Act of 1933 and will not be offering or selling notes to in the U.S. or to U.S. citizens or residents.

In the purchase agreement, subject to the conditions thereof, the Initial Purchasers have agreed to purchase the notes offered hereby at a discount from their respective prices indicated on the cover page of these listing particulars and to resell such notes to purchasers as described herein under “Transfer Restrictions”. The offering of the notes by the Initial Purchasers is subject to receipt and acceptance and subject to the Initial Purchasers’ right to reject any order in whole or in part. After the offering of the notes offered hereby, the offering prices and other selling terms may from time to time be varied by the Initial Purchasers. The purchase agreement provides that the obligation of the Initial Purchasers to pay for and accept delivery of the notes is subject to, among other conditions, the delivery of certain legal opinions by our counsel.

The purchase agreement provides that the Issuer and the Guarantors, on one hand, and the several Initial Purchasers, on the other hand, will indemnify each other against certain liabilities, including liabilities under the Securities Act, and will contribute to payments the other may be required to make in respect thereof. In order to facilitate the offering of the notes, the Initial Purchasers may engage in transactions that stabilize, maintain or otherwise affect the prices of the notes. Specifically, the Initial Purchasers may overallocate in connection with this offering, creating a short position in the notes for their own accounts. In addition, to cover overallocations or to stabilize the prices of the notes, the Initial Purchasers may bid for, and purchase, notes in the open market. Finally, the Initial Purchasers may reclaim selling concessions allowed to a trustee or dealer for distributing the notes in this offering if the Initial Purchasers repurchase previously distributed notes in transactions to cover short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the notes above independent market levels. The Initial Purchasers are not required to engage in these activities, and may

end any of these activities at any time. No assurance can be given that active public markets or other markets will develop for the notes or as to the liquidity of the trading market for the notes.

The Issuer and the Guarantors have agreed that it will not offer, sell, contract to sell or otherwise dispose of any of their debt securities or any debt securities of our subsidiaries similar to the notes during the period beginning on May 4, 2016 and ending on the date that is 90 days following the closing date of this offering without the prior written consent of Deutsche Bank AG, London Branch.

The notes and the related Guarantees have not been and will not be registered under the Securities Act. The Initial Purchasers have agreed that they will only offer or sell the notes (1) outside the United States in offshore transactions in reliance on Regulation S and (2) in the United States to QIBs in reliance on Rule 144A. The terms used above have the meanings given to them by Regulation S and Rule 144A.

In addition, until 40 days after the commencement of the offering of the notes, an offer or sale of such notes within the United States by a dealer that is not participating in the offering of the notes may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

The Issuer will deliver the notes against payment therefor on or about the date specified on the front cover of these listing particulars, which will be, the fifth business day following the date of pricing of the notes (such settlement cycle being referred to herein as “T+5”). Under Rule 15(c)6 1 under the U.S. Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days unless the parties to such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes on the date of pricing or the next successive business day are required, by virtue of the fact that the notes initially settle five business days following the date of pricing of the notes, to specify an alternative settlement cycle at the time of such trade to prevent a failed settlement. Purchasers of the notes who wished to trade the notes on the date of pricing or the next successive business day should consult their own advisors.

The notes will be new securities for which there is currently no market. An application will be made for the notes to be listed on the Official List of the Luxembourg Stock Exchange and to be traded on the Euro MTF. However, the Issuer cannot assure you that the initial prices at which the notes will sell in the market after this offering will not be lower than the initial offering prices or that active trading markets for the notes will develop and continue after completion of this offering. The Initial Purchasers have advised us that they currently intend to make a market for the notes. However, the Initial Purchasers are not obligated to do so, and may discontinue any market-making activities with respect to the notes at any time without notice. In addition, market-making activities will be subject to the limits imposed by the Exchange Act, and may be limited. Accordingly, the issuer cannot assure you as to the liquidity of, or trading markets for, the notes.

Each Initial Purchaser has represented and agreed that these listing particulars are directed solely at:

- (i) persons who are outside the United Kingdom;
- (ii) persons who are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”);
- (iii) persons falling within Articles 49(2)(a) to (d) of the Order; and
- (iv) persons to whom an invitation or inducement to engage in investment banking activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated,

(all such persons in (i), (ii), (iii) and (iv) above together being referred to as “relevant persons”).

Any investment or investment activity to which these listing particulars relate will only be available to and will only be engaged with, relevant persons. Any person who is not a relevant person should not act or rely on these listing particulars.

Certain of the Initial Purchasers or their respective affiliates that have a lending relationship with us and routinely hedge their credit exposure consistent with their customary risk management policies. Typically, such Initial Purchasers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions

in securities, including potentially the notes. Any such short positions could adversely affect future trading prices of the notes. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. In addition, the Initial Purchasers and their affiliates may acquire the notes for their own proprietary account.

The Initial Purchasers may also impose a penalty bid. This occurs when a particular Initial Purchaser repays to the Initial Purchasers a portion of the underwriting discount received by it because the representative has repurchased notes sold by or for the account of such purchaser in stabilizing or short covering transactions.

The Initial Purchasers or their respective affiliates have engaged in, and may in the future engage in, investment banking, financial advisory, consulting, commercial banking, and other commercial dealings, including as acting as hedge counterparties with us, our principal shareholders or our affiliates. In addition, the Initial Purchasers or their respective affiliates have lending relationships with us, our principal shareholders or our affiliates including pursuant to bilateral loan facilities, multilateral and/or syndicated loan facilities, guarantee, overdraft or cash management facilities and other forms of credit lines. They have received, and expect to receive, customary fees, commissions and expense reimbursements for these transactions. Each of the Initial Purchasers or their respective affiliates are lenders and/or agents under the Senior Facilities Agreement. In addition, certain of the Initial Purchasers or their affiliates may hold positions in the 2020 notes that will be repurchased or redeemed with the net proceeds from this offering. See “Use of Proceeds.” Deutsche Bank AG, London Branch will act as dealer manager in connection with the Tender Offer for which it will receive customary fees and reimbursement of expenses.

TRANSFER RESTRICTIONS

Each prospective purchaser of the notes is advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the notes offered hereby. The notes have not been, and will not be, registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the notes offered hereby are being sold only to qualified institutional buyers in reliance on Rule 144A under the Securities Act and offered and sold only to non-U.S. persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

In addition, until 40 days after the later of the commencement of the offering and the Issue Date, an offer or sale of the notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A.

Each purchaser of the notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

- (1) It understands and acknowledges that the notes have not been registered under the Securities Act or any applicable state securities law; are being offered for resale in transactions not requiring registration under the Securities Act or any state securities law, including sales pursuant to Rule 144A; and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any applicable state securities law, pursuant to an exemption therefrom or in any transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph (5) below.
- (2) It is not an “affiliate” (as defined in Rule 144 under the Securities Act) of the Issuer or acting on behalf of the Issuer and it is either:
 - (a) a qualified institutional buyer and is aware that any sale of the notes to it will be made in reliance on Rule 144A and the acquisition of the notes will be for its own account or for the account of another qualified institutional buyer; or
 - (b) a non-U.S. person purchasing the notes in an offshore transaction in accordance with Regulation S.
- (3) It acknowledges that neither the Issuer nor the Initial Purchasers nor any person representing the Issuer or the Initial Purchasers has made any representation to it with respect to the offering or sale of the notes, other than the information contained in these listing particulars, which listing particulars have been delivered to it and upon which it is relying in making its investment decision with respect to the notes. It acknowledges that neither the Initial Purchasers nor any person representing the Initial Purchasers makes any representation or warranty as to the accuracy or completeness of the information contained in these listing particulars. It also acknowledges that it has had access to such financial and other information concerning us and the notes as it has deemed necessary in connection with its decision to purchase any of the notes.
- (4) It is purchasing the notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities law, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to your or their ability to resell such notes pursuant to Rule 144A, Regulation S or any other available exemption from registration available under the Securities Act.
- (5) Each noteholder agrees on its own behalf and on behalf of any investor account for which it is purchasing the notes, and each subsequent noteholder by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such notes prior to the date (the “Resale Restriction Termination Date”) that is one year (in the case of Rule 144A notes) or 40 days (in the case of Regulation S notes) after the later of the date of the original issue of the notes and the last date on which the Issuer or any of its affiliates was the owner of such notes (or any predecessor thereto) only:
 - (a) to the Issuer;

- (b) pursuant to a registration statement that has been declared effective under the Securities Act;
- (c) for so long as the notes are eligible for resale pursuant to Rule 144A under the Securities Act, to a person it reasonably believes is a qualified institutional buyer that purchases for its own account or for the account of another qualified institutional buyer to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act;
- (d) pursuant to offers and sales to non-U.S. persons that occur outside the United States in compliance with Regulation S under the Securities Act; or
- (e) pursuant to any other available exemption from the registration requirements of the Securities Act,

subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and in compliance with any applicable state securities laws and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clause (d) or (e) above to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse side of the notes is completed and delivered by the transferor to the Trustee.

Each purchaser acknowledges that each note will contain a legend substantially to the following effect:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND ACCORDINGLY, NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE U.S. SECURITIES ACT, (2) AGREES THAT IT WILL NOT PRIOR TO THE DATE THAT IS [IN THE CASE OF NOTES ISSUED IN RELIANCE ON RULE 144A: ONE YEAR] [IN THE CASE OF NOTES ISSUED UNDER REGULATION S: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUANCE OF THIS SECURITY AND THE LAST DATE ON WHICH THE COMPANY OR ANY OF ITS AFFILIATES WAS THE OWNER OF THIS SECURITY, OFFER, RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY BUYER THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) TO NON-U.S. PERSONS OUTSIDE THE U.S. IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE COMPANY'S AND THE

TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE REVERSE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "U.S." AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE U.S. SECURITIES ACT".

- (6) It acknowledges that it and any subsequent transferee of any note (or any interest therein) will be deemed by their purchase or acquisition of any such note (or any interest therein) to have represented and warranted, either that (i) no portion of the assets used by such purchaser or transferee to acquire or hold the note (or any interest therein) constitutes the assets of any Plan, or (ii) its acquisition, holding and disposition of such note (or any interest therein) will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or a similar violation under any applicable Similar Law.
- (7) It agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of such notes.
- (8) It acknowledges that the transfer agent will not be required to accept for registration of transfer any notes except upon presentation of evidence satisfactory to the Issuer and the Trustee that the restrictions set forth therein have been complied with.
- (9) It acknowledges that the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the notes are no longer accurate, it will promptly notify the Initial Purchasers. If it is acquiring any notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

LEGAL MATTERS

Certain legal matters in connection with the offering of the notes will be passed upon for the Issuer by Simpson Thacher & Bartlett LLP, as to matters of US federal and New York State law, Cuatrecasas, Gonçalves Pereira S.L.P., as to matters of Spanish law and Arendt & Medernach SA, as to matters of Luxembourg law. Certain legal matters in connection with the offering of the notes will be passed upon for the Initial Purchasers by Cahill Gordon & Reindel (UK) LLP, as to matters of US federal and New York State law, and by Clifford Chance, S.L., as to matters of Spanish law.

INDEPENDENT AUDITORS

Our consolidated financial statements as of and for the years ended December 31, 2015, 2014 and 2013 included in these listing particulars, have been audited by Ernst & Young S.L., independent auditors, as stated in their unqualified reports appearing herein on pages F-1 to F-139 of these listing particulars.

WHERE YOU CAN FIND MORE INFORMATION

Each purchaser of the notes from the Initial Purchasers will be furnished with a copy of the offering memorandum and, to the extent provided to the Initial Purchasers by us for such purpose, any related amendments or supplements to the offering memorandum. Each person receiving the offering memorandum and any related amendments or supplements to the offering memorandum acknowledges that:

- (a) such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- (b) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- (c) except as provided pursuant to (a) above, no person has been authorized to give any information or to make any representation concerning the notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

We are not currently subject to the periodic reporting and other information requirements of the Exchange Act.

For so long as any of the notes remain outstanding and are “restricted securities” within the meaning of Rule 144A(a)(3) under the Securities Act, we will, during any period in which we are neither subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, as amended, nor exempt from the reporting requirements under Rule 12g3-2(b) of the Exchange Act, as amended, make available to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. Any such request should be directed to the Issuer.

ENFORCEABILITY OF CIVIL LIABILITIES

The Issuer is incorporated under the laws of Luxembourg and none of its directors are residents of the United States. Furthermore, a substantial portion of the Issuer's assets and a substantial portion of the assets of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons, or to enforce against them judgments of U.S. courts predicated upon the civil liability provisions of U.S. Federal or state securities laws.

We have been advised that the United States and Luxembourg are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters in the territory of the United States and in commercial matters in the territory of Luxembourg. According to such counsel, an enforceable judgment for the payment of monies rendered by any U.S. Federal or state court based on civil liability, whether or not predicated solely upon the U.S. securities laws, would not directly be enforceable in Luxembourg. However, a party who received such favorable judgment in a U.S. court may initiate enforcement proceedings in Luxembourg (*exequatur*) by requesting enforcement of the U.S. judgment by the District Court (*Tribunal d'Arrondissement*) pursuant to articles 678 et seq. of the Luxembourg *Nouveau Code de Procédure Civile*. The District Court will authorize the enforcement in Luxembourg of the U.S. judgment if it is satisfied that all of the following conditions are met:

- the U.S. judgment is enforceable (*executoire*) in the United States;
- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under applicable U.S. Federal or state jurisdiction rules, and that jurisdiction is recognized by Luxembourg private international and local law;
- the U.S. court has applied to the dispute the substantive law which would have been applied by the Luxembourg conflict of laws rules;
- the U.S. Court order or judgment must not have been rendered subsequent to an evasion of Luxembourg law ("*fraude à la loi*");
- the U.S. judgment does not contravene international public policy or order as understood under the laws of Luxembourg or has been given in proceedings of a criminal nature;
- the U.S. court has acted in accordance with its own procedural laws; and
- the judgment was granted following proceedings where the principles of natural justice have been complied with, and where the counterparty was granted the necessary time to prepare its case, had the opportunity to appear, and if it appeared, to present a defense.

In practice, Luxembourg courts now tend not to review the merits of a foreign judgment, although there is no clear statutory prohibition of such review.

If an original action is brought in Luxembourg, Luxembourg courts may refuse to apply the designated law if its application contravenes Luxembourg's international public policy. In an action brought in Luxembourg on the basis, for instance, of U.S. federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought.

Further, the following discussion with respect to the enforceability of certain U.S. court judgments in Spain is based upon advice provided to us by our Spanish legal advisers.

Any judgment obtained against Spanish companies outside of Spain (and, in particular, in the United States), but other than in a country bound by the provisions of EU Regulation 1215/2012 of the European Parliament and of the Council of December 12, 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, would be recognized and enforced in accordance with the Spanish Law of Civil Procedure 1/2000 of January 7, 2000 ("Spanish Civil Procedure Law") and with the Law on International Legal Cooperation in Civil Matters, 29/2015 of July 30, 2015 ("Law 29/2015"), by the courts of Spain (unless such judgment contravenes principles of Spanish public policy) in the following situations:

- according to the provisions of any applicable treaty, there being none currently in existence between Spain and the United States for these purposes;

- in the absence of any such treaty the judgment would be recognized and enforced in Spain if it satisfies all of the following requirements, in accordance with Law 29/2015:
 - (i) the judgment is final (*firme*) (i.e., not subject to further appeal) and is of an enforceable nature (*fuera ejecutiva*) in the foreign country;
 - (ii) the foreign court has not disregarded materially the rights of defense of any party; in particular, where the judgment was given in default of appearance, this requirement will not be met if the defendant was not duly served with the document which instituted the proceedings or with an equivalent document in sufficient time to enable him to arrange for his defense;
 - (iii) the jurisdiction of the foreign court does not infringe an exclusive jurisdiction of Spanish courts;
 - (iv) the jurisdiction of the foreign court is considered reasonable; the jurisdiction of the foreign court will be considered reasonable if in similar circumstances a Spanish court would also have jurisdiction according to Spanish rules;
 - (v) the judgment is not irreconcilable with a judgment given in Spain;
 - (vi) the judgment is not irreconcilable with an earlier judgment given in another State provided that the earlier judgment fulfils the conditions necessary for its recognition in Spain;
 - (vii) are no prior proceedings between the same parties and in relation to the same issues pending in Spain;
 - (viii) the judgment is not contrary to public policy (*orden público*); and
 - (ix) the company is not subject to an insolvency proceeding in Spain.

Additionally and according to article 47 of Law 29/2015, there is a special provision and a special rule concerning the recognition of foreign judgments rendered in proceedings resulting from collective action, which may be recognized and enforced in Spain insofar as they satisfy the conditions set forth therein.

Any party wishing to have a U.S. ruling enforced in Spain must file an application seeking declaration of enforceability of the U.S. resolution (*exequatur*) which must be filed with the relevant Spanish First Instance Court (*Juzgado de Primera Instancia*) or Commercial Court (*Juzgado de lo Mercantil*).

Once a judgment has been recognized under the *exequatur* procedure, it will be enforceable in Spain in accordance with the Spanish Civil Procedure Law.

The enforcement of any judgments in Spain involves, *inter alia*, the following principal actions and costs: (a) documents in a language other than Spanish must be accompanied by a sworn translation into Spanish (translator's fees will be payable); (b) foreign documents may be required to be legalized and apostilled; (c) certain court fees must be paid; and (d) the procedural acts of a party litigating in Spain must be directed by an attorney-at-law and the party must be represented by a court agent (*procurador*). In addition, Spanish civil proceedings rules cannot be amended by agreement of the parties and such rules will therefore prevail notwithstanding any provision to the contrary in the relevant agreement.

LISTING AND GENERAL INFORMATION

1. Application will be made for the notes to be listed on the Official List of the Luxembourg Stock Exchange and to be traded on the Euro MTF.
2. So long as the notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF and the rules of such exchange shall so require, copies of our Articles of Association and the Indenture governing the notes will be available free of charge at the specified office of the Transfer Agent in Luxembourg referred to in paragraph 6 below. So long as the notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF and the rules of such exchange shall so require, copies of all of our and the Issuer's annual financial statements and those for all subsequent fiscal years will be available free of charge during normal business hours on any weekday at the offices of such Transfer Agent in Luxembourg referred to in paragraph 6 below.
3. We accept responsibility for the information contained in these listing particulars. To the best of our knowledge, except as otherwise noted, the information contained in these listing particulars is in accordance with the facts and does not omit anything likely to affect the import of these listing particulars.
4. Save as disclosed herein, there has been no material adverse change in our consolidated financial position since December 31, 2015.
5. Neither we nor any of our subsidiaries is a party to any litigation that, in our judgment, is material in the context of the issue of the notes, except as disclosed herein.
6. We have appointed Deutsche Bank Luxembourg S.A. as our Transfer Agent in Luxembourg. We reserve the right to vary such appointment and shall publish notice of such change of appointment in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxembourg Wort*) or on the Luxembourg Stock Exchange's website, *www.bourse.lu*. The Transfer Agent in Luxembourg will act as intermediary between the holders of the notes and us and as long as the notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF and the rules of such exchange shall so require, we will maintain a transfer agent in Luxembourg. The office of the Transfer Agent in Luxembourg is at 2 Boulevard Konrad Adenauer, L-1115 Luxembourg.
7. The notes have been accepted for clearance through the facilities of Euroclear and Clearstream. The ISIN numbers for the notes sold pursuant to Rule 144A and the notes sold pursuant to Regulation S are XS1409500334 and XS1409497283, respectively. The Common Codes for the notes sold pursuant to Rule 144A and the notes sold pursuant to Regulation S are 140950033 and 140949728, respectively.
8. Gestamp Funding Luxembourg S.A. is a wholly owned Luxembourg finance subsidiary of Gestamp Automoción incorporated in Luxembourg on April 11, 2013, registered with the Luxembourg Trade and Companies Register under number B 176602 and with its registered office at 7A, rue Robert Stümper, L-2557 Luxembourg. The telephone number of the Issuer is +352 26 89 25 20. As of the date of these listing particulars, the Issuer's issued share capital consists of 2 million ordinary shares with a nominal value of EUR 1 each. Each issued ordinary share is held by Gestamp Automoción, S.A. Each ordinary share carries the right to receive dividends and to receive notice of and vote at any general meeting of our shareholders. Gestamp Automoción, S.A. is a *sociedad anónima* registered in Spain under number A-48943864 and with its registered office in the industrial park of Lebario S/N 48220 in Abadiño, Spain. Gestamp Automoción was incorporated under the laws of Spain on December 22, 1997.
9. The offering of the notes was approved pursuant to the resolutions of the board of directors of the Issuer dated April 29, 2016.

The financial results of all of the subsidiary guarantors and of the Issuer have been fully consolidated in the consolidated financial information of Gestamp Automoción included elsewhere in these listing particulars.

GLOSSARY OF TECHNICAL TERMS

Unless otherwise defined in these listing particulars, the following industry terms and abbreviations when used in these listing particulars have the meaning ascribed to them below.

Abbreviation	Definitions
“bins”	11 certification levels (8 permanent and 3 temporary, which expired in 2008) promulgated under the EPA’s Tier 2 emission standards.
“Body-in-White”	Component parts and assemblies, such as hoods, roofs, doors, fenders and other high quality and high efficiency or “Class A” surfaces and assemblies.
“CAFE”	Corporate average fuel economy set by the NHTSA.
“CARB”	California Air Resource Board in the United States.
“Chassis”	The internal framework of an automotive vehicle used in automobile manufacturing.
“China IV”	Engine emission standard introduced for heavy diesel vehicles in China, in force in the Beijing region in January 2008, which are expected to come into force nationwide by July 2013.
“Class A surfaces”	Freeform surfaces of high efficiency and quality with G2 (or even G3) curvature continuity to one another.
“CO”	Carbon monoxide.
“Crash box”	Automotive vehicle part for crash energy absorption.
“Die”	Equipment used in the stamping and forming processes to cut or form raw material into a required shape using a press.
“EMAS”	European Union Eco-Management and Audit Scheme.
“EPA”	Environmental Protection Agency in the United States.
“Euro 1”, “Euro 2”, “Euro 3”, “Euro 4”	European Union regulatory standards under Directive 70/220/EEC with respect to emission regulations for new light vehicles, as amended through 2004.
“Euro 5”	European Union regulatory standards under Regulation 715/2007/EC with respect to emissions from light passenger and commercial vehicles, which came into force in September 2009.
“Euro 6”	European Union regulatory standards under Regulation 715/2007/EC with respect to emissions from light passenger and commercial vehicles, which will come into force in September 2014.
“EuroNCAP”	European New Car Assessment Program, established in 1997, and composed of seven European governments and motoring and consumer organizations to encourage safety improvements to new car design.
“EV”	Electric vehicles.
“HC”	Hydrocarbons.
“ICE”	Internal combustion engine.
“IIHS”	Insurance Institute for Highway Safety in the United States an independent, nonprofit scientific and educational organization established to reduce the losses from crashes on the roads.

Abbreviation	Definitions
“ISO 14000”	Standard set by the International Organization for Standardization in relation to various aspects of environmental management.
“LEV”	Low emission vehicle.
“LEV II”, “LEV III”	Regulations issued by CARB in relation to LEVs.
“LPG”	Liquefied petroleum gas.
“M2”	European Union regulatory category under Regulation 510/2011/EC with respect to vehicles for the transportation of passengers, comprising more than eight seats in addition to the driver’s seat and having a maximum mass not exceeding 5 tons.
“Mechanisms”	The moving parts and systems used in an automotive vehicle.
“MEP”	Chinese Ministry of Environmental Protection.
“MPa”	Megapascal, a measure of force per unit area.
“MPVs”	Multi-purpose vans.
“N1”	European Union regulatory category under Regulation 510/2011/EC with respect to vehicles for the transportation of goods, having a maximum mass not exceeding 3.5 tons.
“N2”	European Union regulatory category under Regulation 510/2011/EC with respect to vehicles for the transportation of goods, having a maximum mass exceeding 3.5 tons but not exceeding 12 tons.
“NEDC”	New European Driving Cycle, a test procedure for vehicle efficiency that consists of different drive cycles simulating city and highway conditions and serves as a uniform standard for measuring carbon dioxide emissions.
“NG”	Natural gas.
“NHTSA”	National Highway Traffic Safety Administration in the United States that sets CAFE.
“NOx”	Nitrogen oxides.
“NVH”	Noise, vibration and harshness.
“OEMs”	Original equipment manufacturers, a manufacturer of products that are used as components in another company’s product.
“PM”	Particulate matters.
“PROCONVE L5”, “PROCONVE L6”	Engine emission standards introduced for new light vehicles in Brazil, which came into force in between 2013 and 2015.
“PROCONVE P5”	Engine emission standards in Brazil, which were in-force in between 2004 and 2006.
“PROCONVE P6”	Engine emission standard introduced for new light vehicles in Brazil, which came into force January 2009.
“PROCONVE P7”	Engine emission standard introduced for new light vehicles in Brazil, which came into force January 2012.
“SUVs”	Sport Utility Vehicles.

Abbreviation	Definitions
“TMP”	Tailored Material Property, a specific press hardening process, which can be used to produce different strength levels for monolithic parts.
“TWB”	Tailored welded blank sheets made from individual steel sheets of different thickness, strength and coating which are joined together by laser welding.



**GESTAMP AUTOMOCIÓN, S.A.
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2015, 2014, 2013**

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Independent Auditor's Report

**GESTAMP AUTOMOCIÓN, S.A.
AND SUBSIDIARIES
Consolidated Financial Statements
for the years ended
December 31, 2015, 2014 and 2013**

INDEPENDENT AUDITOR'S REPORT

To the Management of
Gestamp Automoción, S.A.

We have audited the accompanying consolidated financial statements of Gestamp Automoción, S.A. (the Parent Company) and its subsidiaries (the Group), which comprise the consolidated statements of financial position as of December 31, 2015, 2014 and 2013 and the consolidated income statements, the consolidated statements of comprehensive income, the consolidated statements of changes in equity, the consolidated statements of cash flow, and explanatory notes for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS—EU"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gestamp Automoción, S.A. and subsidiaries as of December 31, 2015, 2014 and 2013, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS—EU”).

ERNST & YOUNG S.L.



Ramón Masip López

March 22, 2016

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at December 31, 2015, 2014 and 2013
(In thousands of euros)

	Notes	2015	2014	2013
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	5	359,384	311,591	275,959
Goodwill		109,946	114,384	116,018
Other intangible assets		249,438	197,207	159,941
Property, plant and equipment	6	2,861,807	2,661,789	2,553,782
Land and buildings		958,215	962,088	847,540
Plant and other PP&E		1,524,984	1,448,898	1,222,631
PP&E under construction and prepayments		378,608	250,803	483,611
Investments in associates accounted for using equity method	7	8,272	9,455	11,302
Other non-current financial assets	8	49,410	67,330	103,529
Loans and receivables		8,918	43,556	22,850
Derivative financial instruments		28,184	5,863	63,756
Other non-current financial assets		12,308	17,911	16,923
Deferred tax assets	23.2	270,777	248,340	200,470
TOTAL NON-CURRENT ASSETS		3,549,650	3,298,505	3,145,042
CURRENT ASSETS				
Assets held for sale	27	—	—	27,381
Inventories	9	586,438	573,031	526,996
Raw materials and other consumables		277,870	258,238	227,312
Work in progress		158,676	149,071	126,487
Finished products and by-products		118,287	116,966	110,578
Prepayments to suppliers		31,605	48,756	62,619
Trade and other receivables		1,194,690	1,057,453	1,127,770
Trade receivables	10	992,938	852,106	920,792
Other receivables	10	25,058	26,749	22,339
Current income tax assets	23.3	32,906	32,143	39,410
Current tax receivables	23.4	143,788	146,455	145,229
Other current assets	11	23,533	18,343	11,767
Other current financial assets	8	35,455	75,877	57,587
Loans and receivables		1,638	18,319	16,017
Securities portfolio		2,535	—	—
Other current financial assets		31,282	57,558	41,570
Cash and cash equivalents	12	355,975	483,934	520,417
TOTAL CURRENT ASSETS		2,196,091	2,208,638	2,271,918
TOTAL ASSETS		5,745,741	5,507,143	5,416,960

The accompanying Notes 1 to 34 are an integral part of the consolidated statement of financial position

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at December 31, 2015, 2014 and 2013 (Continued)
(In thousands of euros)

	Notes	2015	2014	2013
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to equity holders of the parent .		1,391,808	1,297,414	1,239,394
Share capital	13	288,237	288,237	288,237
Share premium	13	61,591	61,591	61,591
Reserves and retained earnings	14	1,209,789	1,087,326	1,019,461
Translation differences	15	(167,809)	(139,740)	(129,895)
Equity attributable to non-controlling interests	16	406,585	418,825	425,450
TOTAL EQUITY		1,798,393	1,716,239	1,664,844
NON-CURRENT LIABILITIES				
Deferred income	18	30,720	31,280	31,283
Provisions	19	156,787	131,226	135,020
Non-trade liabilities	21	1,674,148	1,725,325	1,785,866
Interest—bearing loans and borrowings		1,448,036	1,482,300	1,479,024
Derivative financial instruments		72,828	47,404	96,960
Other non-trade liabilities		153,284	195,621	209,882
Deferred tax liabilities	23.2	225,544	235,095	178,910
Other non-current liabilities		619	17	462
TOTAL NON-CURRENT LIABILITIES		2,087,818	2,122,943	2,131,541
CURRENT LIABILITIES				
Non trade liabilities	21	450,875	454,465	512,092
Interest—bearing loans and borrowings		282,900	282,480	267,618
Other non-trade liabilities		167,975	171,985	244,474
Trade and other payables		1,384,406	1,191,765	1,092,362
Trade accounts payable	22	1,137,378	945,612	836,936
Current tax liabilities		30,269	14,560	9,860
Other accounts payable	22	216,759	231,593	245,566
Current provisions	19	16,318	19,091	13,648
Other current liabilities		7,931	2,640	2,473
TOTAL CURRENT LIABILITIES		1,859,530	1,667,961	1,620,575
TOTAL LIABILITIES		3,947,348	3,790,904	3,752,116
TOTAL EQUITY AND LIABILITIES		5,745,741	5,507,143	5,416,960

The accompanying Notes 1 to 34 are an integral part of the consolidated statement of financial position

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
at December 31, 2015, 2014 and 2013
(In thousands of euros)

	Notes	2015	2014	2013
Operating income		7,202,309	6,411,331	6,001,270
Revenue	24	7,034,512	6,255,804	5,853,274
Other operating income	24	156,871	126,555	133,343
Changes in inventories	9	10,926	28,972	14,653
Operating expenses		(6,802,113)	(6,073,861)	(5,699,271)
Raw materials and other consumables	25	(4,308,597)	(3,885,772)	(3,582,697)
Personnel expenses	25	(1,258,010)	(1,124,934)	(1,068,330)
Depreciation, amortization and impairment losses		(360,137)	(318,995)	(306,651)
Other operating expenses	25	(875,369)	(744,160)	(741,593)
OPERATING PROFIT		400,196	337,470	301,999
Finance income	26	13,309	9,597	18,498
Finance costs	26	(121,850)	(138,608)	(138,888)
Exchange (losses) / gains		(24,660)	(7,575)	(31,634)
Share of profits from associates—equity method		(364)	(3,164)	(2,280)
Changes in fair value of financial instruments		—	(7,047)	(130)
Impairment of and gains (losses) on sale of financial instruments		(13,829)	—	(12,310)
NET FINANCE EXPENSE		(147,394)	(146,797)	(166,744)
PROFIT BEFORE TAXES		252,802	190,673	135,255
Income tax	23	(63,950)	(60,290)	(29,601)
PROFIT FOR THE YEAR (from continuing operations)		188,852	130,383	105,654
Profit of the year from discontinued operations net of taxes		—	(1,573)	—
PROFIT FOR THE YEAR		188,852	128,810	105,654
Profit for the year attributable to non-controlling interests		(27,372)	(3,108)	8,333
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		161,480	125,702	113,987
EARNINGS PER SHARE				
Basic and diluted profit for the year attributable to ordinary equity holders of the parent	17	33.67	26.21	23.76

The accompanying Notes 1 to 34 are an integral part of the consolidated income statement

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the years ended December 31, 2015, 2014 and 2013
(In thousands of euros)

	Year ended December 31		
	2015	2014	2013
PROFIT FOR THE YEAR	188,852	128,810	105,654
OTHER COMPREHENSIVE INCOME			
From cash flow hedges	4,728	(7,006)	(6,370)
Translation differences	(34,411)	(5,042)	(129,029)
Actuarial gains and losses	5,745	(12,939)	2,492
Other adjustments	—	—	—
TOTAL CONSOLIDATED COMPREHENSIVE INCOME	164,914	103,823	(27,253)
Attributable to:			
Equity holders of the parent	143,884	95,912	20,710
Non-controlling interests	21,030	7,911	(47,963)
	164,914	103,823	(27,253)

The accompanying Notes 1 to 34 are an integral part of the consolidated income statement

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the years ended December 31, 2015, 2014 and 2013
(In thousands of euros)

	Share capital (Note 13)	Share premium (Note 13)	Reserves and retained earnings (Note 14)	Transla differen (Note 15)
Balance at December 31, 2012	288,237	61,591	945,355	(4,000)
Profit for the period	—	—	113,987	—
Fair value adjustments reserve (hedge)	—	—	(6,370)	—
Currency translation differences	—	—	—	(8,000)
Actuarial Gains and Losses	—	—	2,492	—
Total comprehensive income for 2013	—	—	110,109	(8,000)
Dividends distributed	—	—	(51,029)	—
Movements in consolidation scope	—	—	15,326	—
Adjustments from prior years	—	—	(300)	—
Balance at December 31, 2013	288,237	61,591	1,019,461	(12,000)
Profit for the period	—	—	125,702	—
Fair value adjustments reserve (hedge)	—	—	(7,006)	—
Currency translation differences	—	—	—	(8,000)
Actuarial Gains and Losses	—	—	(12,939)	—
Total comprehensive income for 2014	—	—	105,757	(8,000)
Dividends distributed	—	—	(33,922)	—
Movements in consolidation scope	—	—	(3,118)	—
Adjustments from prior years	—	—	(852)	—
Balance at December 31, 2014	288,237	61,591	1,087,326	(13,000)
Profit for the period	—	—	161,480	—
Fair value adjustments reserve (hedge)	—	—	4,728	—
Currency translation differences	—	—	—	(2,000)
Actuarial gains and losses	—	—	5,745	—
Total comprehensive income for 2015	—	—	171,953	(2,000)
Dividends distributed	—	—	(37,711)	—
Capital increases	—	—	—	—
Movements in consolidation scope	—	—	(11,480)	—
Adjustments from prior years	—	—	(299)	—
Balance at December 31, 2015	288,237	61,591	1,209,789	(16,000)

The accompanying Notes 1 to 34 are an integral part of the consolidated statement of financial position.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the years ended December 31, 2015, 2014 and 2013
(In thousands of euros)

	Notes	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the year before taxes and after non-controlling interests		225,430	185,992	143,588
Adjustments to profit		542,083	420,850	396,453
Depreciation and amortization of fixed assets . . .	5-6	356,402	318,917	303,995
Impairment of fixed assets	5-6	3,735	78	2,656
Impairment	9-10	5,570	(10,988)	(980)
Change in provisions	19	31,181	(9,862)	(30,453)
Grants released to income	18	(6,589)	(5,388)	(5,155)
Profit (loss) attributable to non-controlling interests	16	27,372	3,108	(8,333)
Profit from disposal of fixed assets		(1,832)	1,379	(364)
Profit from disposal of financial instruments		13,829	—	12,310
Finance income	26	(13,309)	(9,597)	(18,498)
Finance costs	26	121,850	138,608	138,888
Share of profits from associates—equity method .	7	364	3,164	2,280
Exchange rate differences		4,881	(12,054)	(23)
Other income and expenses		(1,371)	3,485	130
Changes in working capital		9,685	151,833	32,092
Decrease in inventories		(19,931)	(38,816)	(19,203)
Decrease (increase) in Trade and other receivables		(141,582)	84,503	(125,258)
Decrease in other current assets		(5,190)	(6,576)	(2,863)
(Increase) decrease in Trade and other payables .		171,097	120,195	183,615
Decrease (increase) in Other current liabilities . .		5,291	(7,473)	(4,199)
Other cash-flows from operating activities		(177,255)	(193,198)	(205,049)
Interest paid		(113,135)	(139,820)	(157,094)
Interest received		8,680	7,224	20,144
Payments of income tax		(72,800)	(60,602)	(68,099)
NET CASH FLOWS FROM OPERATING ACTIVITIES		599,943	565,477	367,084

The accompanying Notes 1 to 34 are an integral part of the consolidated cash flow statement

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the years ended December 31, 2015, 2014 and 2013 (Continued)
(In thousands of euros)

	Notes	2015	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments on investments		(626,649)	(548,424)	(715,489)
Group companies and associates		(2,050)	(28,811)	(11,802)
Intangible assets	5	(88,303)	(70,008)	(101,928)
Property, plant and equipment	6	(528,018)	(382,033)	(571,670)
Other financial assets		(8,278)	(67,572)	(30,089)
Proceeds from divestments		92,070	100,823	59,014
Group companies and associates		28,411	10,403	7,351
Intangible assets	5	574	1,086	25
Property, plant and equipment	6	20,165	12,481	43,154
Other financial assets		4,317	48,440	8,484
Net variation of other financial assets		38,603	—	—
Assets held for sale		—	28,413	—
NET CASH FLOWS USED IN INVESTMENTS				
ACTIVITIES		(534,579)	(447,601)	(656,475)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds and payments on equity instruments		(28,067)	(6,535)	171,024
Changes in non-controlling interests	16	(32,216)	(11,320)	165,320
Grant, donations and legacies received	18	5,772	4,990	6,928
Translation differences in equity		(911)	(205)	(1,224)
Other equity movements		(712)	—	—
Proceeds and payments on financial liabilities		(120,799)	(130,869)	462,727
Issue		162,734	131,676	1,698,123
Bonds and other securities to trade		—	—	756,517
Interest-bearing and borrowings		154,492	100,083	809,105
Borrowings from Group companies and associates		—	21,803	111,253
Other borrowings		8,242	9,790	21,248
Repayment of		(283,533)	(262,545)	(1,235,396)
Bonds and other securities to trade		(20,371)		
Interest-bearing and borrowings		(198,875)	(116,518)	(1,178,969)
Borrowings from Group companies and associates		(22,019)	(131,170)	(40,001)
Other borrowings		(42,268)	(14,857)	(16,426)
Payments on dividends and other equity instruments		(50,196)	(41,512)	(55,763)
Dividends	14	(50,196)	(41,512)	(55,763)
NET CASH FLOWS FROM FINANCING				
ACTIVITIES		(199,062)	(178,916)	577,988
Effect of foreign exchange rates		5,739	24,557	(27,996)
NET (DECREASE) INCREASE IN CASH OR CASH EQUIVALENTS DURING THE YEAR		(127,959)	(36,483)	260,601
CASH AND CASH EQUIVALENT AT 1 JANUARY . . .		483,934	520,417	259,816
CASH AND CASH EQUIVALENT AT 31 DECEMBER		355,975	483,934	520,417

The accompanying Notes 1 to 34 are an integral part of the consolidated cash flow statement

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013

1. Corporate information

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

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

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

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

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

Most of the Group’s business is conducted in the European Union; the Americas constitute the second most significant geographic market and Asia the third one (Note 24).

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

2. Basis of preparation of the financial statements

2.1 General information

These financial statements are required by the EU Prospectus Directive, Annex I, 20-1 and have been prepared, in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (the IASB) as adopted by the European Union (“IFRS—EU”), solely for the purpose of complying with the EU Prospectus Directive on historical information that should be included in the “Prospectus” and for no other purpose. These consolidated financial statements have been derived from the consolidated financial statements for each of the years ended December 31, 2015, 2014, and 2013, which were already reported under IFRS-EU.

2.2 True and fair view

The consolidated financial statements for the years ended December 31, 2015, 2014 and 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and enacted in European Commission legislation in effect on December 31, 2015.

The consolidated financial statements have been prepared on the basis of the accounting records of each group company as of December 31, 2015, 2014 and 2013. Each company prepares its Financial Statements in accordance with the accounting principles and standards in force in the country in which it operates; the required adjustments and reclassifications have been made in consolidation in order to harmonize the policies and methods used and to adapt them to IFRS.

On December 31, 2014 the Group has adopted IFRS 10 and IFRS 11. The application of both IFRS was retrospective, as the standards require, and the comparative information of the previous year (2013) was

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

2. Basis of preparation of the financial statements (Continued)

restated in the Consolidated Financial Statements. This led to modify the accounting and consolidation methods of the following companies:

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

Sungwoo Gestamp Hitech Chennai Ltd., Gestamp Sungwoo Hitech (Chennai) Private Ltd and GS Hot Stamping Co Ltd., were sold in the second quarter of 2014 (note 4.1).

The issue of the new IFRS 10, with appliance in year 2014, change and broad the definition of control defined in the old IAS 27. The main change due to IFRS 10 is the control definition based on the ability to take decisions that affect to the relevant activities, which are the ones with more significance on the business returns.

At the date of first application of IFRS 10 (January 1, 2014) the Group has assessed their control in the entities mentioned above according to factors explained in note 3 (Significant accounting judgments, estimates, and assumptions). After this assessment it has been concluded that there is control over Beyçelik, A.S., Gestamp Automotive India Private, Ltd., Gestamp Automotive Chennai Private, Ltd. (regardless of the acquisition in year 2014 of the remaining 50% shareholding) GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi and Edscha Pha, Ltd. so according to IFRS 10 these companies come to be consolidated by full consolidation method.

The Group has decided to consider their interest in the companies Sungwoo Gestamp Hitech Pune Private, Ltd., Jui Li Edscha Body Systems Co, Ltd., Jui Li Edscha Hainan Industry Enterprise Co. Ltd and Jui Li Edscha Holding Co, Ltd as joint-venture according to IFRS 11 and these companies come to be consolidated by equity method.

The application of both IFRS is retrospective, as the standards require, and the comparative information of the previous year (2013) has been restated in the Consolidated Financial Statements.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

2. Basis of preparation of the financial statements (Continued)

The effect of the application of IFRS 10 and 11 in the Consolidated Financial Statements is the following:

IMPACT ON PROFIT:

	<u>2013</u>	<u>2012</u>
CONTINUED OPERATIONS		
OPERATING INCOME	62,386	78,650
OPERATING EXPENSE	<u>(51,813)</u>	<u>(65,642)</u>
OPERATING PROFIT	<u>10,573</u>	<u>13,008</u>
Financial income	(755)	(938)
Financial expenses	(1,555)	(99)
Exchange gain (losses)	(10,957)	285
Share of profits from associates-equity method	<u>(2,195)</u>	<u>(617)</u>
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	<u>(4,889)</u>	<u>11,639</u>
Income tax expense	<u>3,062</u>	<u>(54)</u>
PROFIT FOR THE YEAR	<u>(1,827)</u>	<u>11,585</u>
Non-controlling interest	<u>2,745</u>	<u>(10,143)</u>
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	<u><u>918</u></u>	<u><u>1,442</u></u>

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

2. Basis of preparation of the financial statements (Continued)

IMPACT ON EQUITY:

	2013	2012
Non-current assets		
Intangible assets	(445)	(9,359)
Property, plant and equipment	67,306	46,661
Financial assets	14,143	25,066
Deferred tax assets	5,530	475
Total non-current assets	86,534	62,843
Current assets		
Non-current assets held for sale	(41,879)	—
Inventories	15,900	17,940
Trade and other receivables	33,099	10,748
Other current assets	425	191
Financial assets	6,224	(6,617)
Cash and cash equivalents	10,221	12,250
Total current assets	23,990	34,512
Total assets	110,524	97,355
Non-current liabilities		
Deferred income	171	143
Provisions	954	832
Non trade liabilities	80,386	37,384
Deferred tax liabilities	2,286	426
Other non-current liabilities	—	(65)
Total non-current liabilities	83,797	38,720
Current liabilities		
Liabilities associated with assets held for sale	(44,125)	—
Non trade liabilities	4,189	(4,700)
Trade and other payables	34,202	13,770
Provisions	454	522
Other current liabilities	1	1
Total current liabilities	(5,279)	9,593
Total liabilities	78,518	48,313
IMPACT ON EQUITY	32,006	49,042
Attributable to:		
Equity holders of the parent	5,748	3,606
Non-controlling interest	26,258	45,436

IMPACT ON CASH-FLOW:

	2013
Net cash-flow from operating activities	(6,494)
Net cash-flow from investing activities	3,000
Net cash-flow from financing activities	32,949
Effect on changes in exchange rates	(31,484)
Net increase in cash and cash equivalents	(2,029)

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

2. Basis of preparation of the financial statements (Continued)

2.3 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the parent company and subsidiaries as per December 31, 2015, 2014 and 2013.

The Group obtains control when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. In particular the Group controls a subsidiary if and only if it has:

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

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

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

The Group reassesses the existence of control over a subsidiary when facts and circumstances indicate changes in one or more elements determining control (Note 3).

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

The financial statements of the subsidiaries have the same closing date as the parent company, except for the companies mentioned in Annex I. 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 said subsidiary.
- Derecognizes carrying amount of non-controlling interests.
- Derecognizes the translation differences recognized in equity.
- Recognizes the fair value of the amount received for the transaction.
- Recognizes the fair value of any retained investment.
- Recognizes any excess or deficit in the consolidated income statement.
- Reclassifies the shareholding of the Company in the items previously recognized in "Other Comprehensive Income" to profit or to retained earnings, as appropriate.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

2. Basis of preparation of the financial statements (Continued)

Subsidiaries

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

- I. Companies in which the Company holds a direct or indirect interest of over 50%, which gives it more than half the voting rights on the entity's governing bodies.
- II. Companies over which the Company exercises effective management control, irrespective of the shareholding percentage, by virtue of holding the majority of voting rights on the entity's governing bodies.

Joint Ventures

Investments 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 proportionally consolidation method.

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 investee 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 an investee.

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

Translation of the financial statements of foreign operations

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

- The assets, rights, and liabilities of foreign operations are translated at the exchange rate prevailing at the consolidated balance sheet date.
- Income and expenses are translated using the average exchange rate, so long as that average is a reasonable approximation of the cumulative effect of the actual exchange rates prevailing at the transaction dates.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

2. Basis of preparation of the financial statements (Continued)

The differences between the value of equity of the foreign companies converted using historical exchange rates and including the net result from the income statement reflecting the above mentioned treatment of income and expenses in foreign currencies, and the net book value resulting from the conversion of assets, 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 Equity in the Consolidated Balance Sheet (Note 15).

Exchange gains and losses due to the impact of changes in the functional currency relative to the euro on foreign currency borrowings considered permanent are taken directly to equity under “Translation differences”, net of the tax effect. The net amount of negative translation differences at December 31, 2015 amounted to 16 million euros (2014: 20 million euros in negative translation differences; 2013: 13 million euros).

At December 31, 2015, 2014, and 2013 the subsidiaries held no shares issued by the Company.

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

Transactions between companies included in the consolidation scope

The following transactions and balances were eliminated in consolidation:

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

Shareholders/non-controlling interest

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

2.4 Summary of significant accounting policies

The principal accounting policies used in preparing the 2015, 2014, and 2013 consolidated financial statements were as follows:

a) 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 its functional currency at the exchange rate prevailing at the date of the transaction. Exchange gains and

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. Basis of preparation of the financial statements (Continued)

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.

b) Property, plant and equipment

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

Acquisition cost includes:

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

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

At the transition date to EU-IFRSs (January 1, 2007), property, plant and equipment was measured at fair value at the said date, based on the appraisals of an independent expert, which generated a revaluation of Group assets (Note 6).

The carrying value of property, plant, and equipment acquired by means of a business combination is measured by its fair value at the moment of its incorporation into the Group (Note 2.4c).

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

Ordinary repair or maintenance work is not capitalized.

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

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

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

The estimated useful lives of the various asset categories are:

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

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

2. Basis of preparation of the financial statements (Continued)

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

c) Business combinations and goodwill

Business combinations

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

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

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

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

Goodwill

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

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

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

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

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

Impairment is determined by assessing the recoverable amount of the cash-generating unit or groups of cash-generating units to which the goodwill relates. If the recoverable amount of the cash-generating unit or group of cash-generating units is less than the carrying amount, the Group recognizes an impairment loss (Note 2.4g).

d) Investment in associates and jointly controlled entities

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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2. Basis of preparation of the financial statements (Continued)

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

Participations in associates and jointly controlled entities are accounted for using the equity method.

According to this method, the investment in an associate or a jointly controlled entity 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 jointly controlled entity. The goodwill related to the associate or jointly controlled entity is included in the carrying amount of the investment and it is not amortised and no specific impairment test related is done.

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

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

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

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

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

e) 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.

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2. Basis of preparation of the financial statements (Continued)

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

Concessions, patents, licenses and trademarks.

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

Software

Software is measured at acquisition cost.

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

IT maintenance costs are expensed as incurred.

f) Financial assets

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

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

- Financial assets at fair value, with changes through the income statement (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 the income statement

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

They are classified as non-current assets and are carried on the balance sheet at fair value. Changes in value of these assets are recognized in the Consolidated Income Statement as Financial gains or losses.

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

Held-to-maturity investments

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. Basis of preparation of the financial statements (Continued)

Loans and receivables

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

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

Available-for-sale financial assets

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

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

Investments in associates accounted for using the equity method

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

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.

g) Impairment of assets

Impairment of non-financial assets

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

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

When the carrying amount of an asset or CGU exceeds its recoverable amount, an impairment loss is recognized.

Impairment losses with respect to CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs and, then, to reduce proportionally 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.

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2. Basis of preparation of the financial statements (Continued)

When assessing value in use, estimated future cash-flows are discounted to present value by using a pre-tax discount rate that reflects current market valuations of money and risks specific to 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 forecasts separately prepared for each CGU to which the asset is allocated. Those budgets and forecasts refer to a five-year period and for longer periods a long-term growing rate is calculated and used for estimating cash-flows after the fifth year.

The impairment losses from continued operations, including impairment of inventories, are recognized in the consolidated income statement in the expenses related to the function of the impaired asset.

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

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

The following assets present specific characteristics when assessing their impairment:

Consolidation Goodwill

At year end as well as when there is evidence that goodwill may be impaired, it is tested for impairment.

The impairment tests for the goodwill assess the recoverable value of each CGU which it has been allocated to. If the recoverable value of the CGU is lower than the goodwill's carrying amount, an impairment loss is registered.

Goodwill impairment losses cannot be reversed in future periods.

Intangible assets

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

Impairment of financial assets

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

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

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

The recoverable amount of held-to-maturity investments and loans and receivables carried at amortized cost is calculated as the present value of the expected future cash flows discounted at the original effective

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2. Basis of preparation of the financial statements (Continued)

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.

h) Assets and liabilities held for sale and discontinued operations

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

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.

In 2013 Gestamp Sungwoo Hitech (Chennai) Pvt., Ltd., Sungwoo Gestamp Hitech Chennai, Ltd. and GS Hot-Stamping Co. Ltd were expected to be sold so their assets and liabilities were classified as held for sale. Nevertheless, due to the entry into force of IFRS 10, 11 and 12, these entities were considered as associates maintaining the classification as held for sale. The amount corresponds to non-current assets held for sale of the estimated sale value of these entities at December 31, 2013 (Note 27). At December 31, 2014 these companies have already been sold (Note 4.1) and the result of the sale is registered as Profit for the year from discontinued operations net of taxes (under the heading Discontinued operations) for 526 thousand euros of losses (Note 27).

In addition, the profit from these associated entities until the sale, amounted to 1,047 thousand euros of losses (Note 27), also registered as Profit for the year from discontinued operations net of taxes (under the heading Discontinued operations).

i) Trade and other receivables

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

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

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

j) 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).

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2. Basis of preparation of the financial statements (Continued)

k) Tools made to customer order

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

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognized by reference to the stage of completion of the contract activity at the balance sheet date (Note 2.4r).

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

Based on its experience and Group estimates, with rare exceptions, management does not expect to incur losses, which have not been recognized on these Financial Statements, on the definitive settlement of the tool manufacture contracts in progress at December 31, 2015, 2014 and 2013.

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

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

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

l) 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.

m) 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.

Where the grant relates to an asset, it is recognized as deferred income in the consolidated balance sheet and released to income over the expected useful life of the related asset.

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

n) Financial liabilities (trade and other payables and borrowings)

Financial liabilities are initially recognized at fair value less attributable 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. Basis of preparation of the financial statements (Continued)

o) Provisions and contingent liabilities

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

Provisions are reviewed at each consolidated balance sheet date and adjusted to reflect the current best estimate of the liability.

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

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

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

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

p) Employee benefits

The Group has assumed pension commitments for some companies belonging to the Edscha and the Gestamp Metal Forming Subgroups located in Germany and France (Note 20).

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 accrual principle.

Defined benefit plans

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. Basis of preparation of the financial statements (Continued)

The amounts to be recognized in profit and loss are:

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

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

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

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

The deficit or surplus is:

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

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

Indemnities

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

q) 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.

r) 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.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

2. Basis of preparation of the financial statements (Continued)

Revenue is recognized at fair value of the balancing entry, defining fair value as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, taking into account the amount of any discounts or rebates provided.

Revenue includes:

- Sale of goods: Revenue from the sale of goods is recognized when the following conditions have been met:
 - the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
 - the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
 - the amount of revenue can be measured reliably;
 - it is probable that the economic benefits associated with the transaction will flow to the Group;
 - the costs incurred or to be incurred in respect of the transaction can be reliably measured.
- Manufacture of tools for third party sale and rendering of services: revenue arising from the manufacture of tools for sale to third parties and the rendering of services are recognized by reference to the stage of completion of the transaction at the reporting date—stage of completion method.
- 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.

s) Income tax

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

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

Current tax

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

Tax credits

The carry forward of unused tax credits and tax losses is recognized as a reduction in tax expense, 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.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

2. Basis of preparation of the financial statements (Continued)

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 tax 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 tax result.

t) Derivative financial instruments

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

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

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

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

In addition, the Group has debt instrument (US dollar bonds issuance), to cover the exposure to foreign currency risk of its subsidiaries investments which functional currency is US dollar (Note 21.b.5).

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

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

u) Related parties

The Group considers its direct and indirect shareholders, its associated companies, its directors and its officers as related parties.

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

v) Environmental issues

Expenses relating to decontamination and restoration work in polluted areas, as well as the elimination of waste and other expenses incurred to comply with the environmental protection legislation, are registered in the year they are incurred, unless they correspond to the acquisition cost of assets to be used over an extended period. In this case, they are recognized in the corresponding heading under "Property, plant, and equipment" and are depreciated using the same criteria described in Note 2.4b above.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. Basis of preparation of the financial statements (Continued)

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

2.5 Changes in accounting policies and disclosures

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

The accounting policies used in the preparation of these Consolidated Financial Statements are the same to those applied to the Consolidated Financial Statements for the year ended December 31, 2014 since none of the modifications to the standards or the interpretations which are first time applicable this year have impact in the Group. Regarding 2013 accounting policies as explained in note 2.2 IFRS 10/11 has been applied for the first time for the year ended December 31, 2014.

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

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

IFRS 15 Revenue From Contracts With Customers

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

This new standard is applicable to all entities and supersedes all prior standards on revenue recognition. IFRS 15 must be applied retroactively either totally or in part for the years beginning on January 01, 2017; early application is also permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt it by the abovementioned date.

IFRS 16 Leases

IFRS 16 was published in January 2016 and implies significant changes for lessees since, for most leases, they will have to account an asset for the right to use and a liability for the rentals to pay.

For lessors there are few changes compared to current IAS 17.

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

Company as lessee

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. Basis of preparation of the financial statements (Continued)

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

Amendments to LAS 1 Disclosure Initiative

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

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

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

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

These amendments require the Group to present information about the changes in financial liabilities for a better understanding of movements in Group debt. The amendments will enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from monetary and non-monetary operations (such as foreign exchange differences). The amendments include illustrative examples with the reconciliation between the opening and closing balances of items for which cash flows are classified as financing activities, excluding equity items and separating movements that imply cash-flows from those that do not. These amendments will become effective for annual periods beginning on or after January 1, 2017 although early application is permitted. Comparative information from previous year is not required. Consequently, the amendments will not have impact until 2017, when this disclosure is required.

3. Significant accounting judgments, estimates, and assumptions

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

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

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

- The valuation of assets and goodwill for the purposes of determining any impairment losses.
- In relation to the assumptions used to estimate CGU cash flows, management used the most conservative scenarios so that adjustments to carrying amounts in this regard are considered unlikely (Note 2.4g).
- Cash flow discount rates and growth rates (Note 5.a)
- The likelihood and quantification of indeterminate and contingent liabilities (Note 2.4n).
- Calculation of discount rates, future salary increases, mortality rates and future pension increases (see Note 20 b).

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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3. Significant accounting judgments, estimates, and assumptions (Continued)

- Revision of useful lives of operative assets.
- The Group checks all relevant facts and circumstances that may imply significant changes in control of subsidiaries.
- Calculation of income tax expense and recognition of deferred tax assets: the correct measurement of income tax expense depends on a number of factors, including timing estimates in relation to the application of deferred tax assets and the accrual of income tax payments. The actual timing of payments and collections could differ from these estimates as a result of changes in tax regulations or in planned/future transactions with an impact on the tax base of the Group's assets.

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

4. Changes in consolidation scope and business combinations

4.1 Changes in consolidation scope

During 2015

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

On December 1, 2015 has proceeded to the dissolution of the subsidiary Gestamp Mor KFT.

On November 4, 2015 the demerger of the company belonging to Subgroup Gestamp Metal Forming, GMF Wuhan, Ltd., as a result of which the company Gestamp Auto Components (Chongqing) Co., Ltd. is created.

During the year 2015 the business combination Gestamp Automotive Private Limited Pune occurs (Note 4.2).

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

On July 21, 2015, the Parent Company and the subsidiary Gestamp Bizkaia, S.A. acquire the minority partner Ekarpen Private Equity, S.A. (Ekarpen) 40% of the share capital of the subsidiary Gestamp Global Tooling, S.L., for a price of 32,216 thousand euros.

With this transaction, the Group increased the ownership in this company from 60% to 100% of the capital; because the previous control was already held, the result of the operation is recognized directly in equity, resulting in a decrease in Global Consolidation reserves amounting to 7,997 thousand euros (see Note 14).

Additionally, this operation has involved a reduction of minority interests amounting to 24,219 thousand euros (see Note 16).

During 2014

In 2014, the companies GGM Puebla, S.A. de C.V. y GGM Puebla de Servicios Laborales, S.A. de C.V., were incorporated into the Group consolidation scope. Both companies are consolidated by the full

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4. Changes in consolidation scope and business combinations (Continued)

consolidation method into Gestión Global de Matricería, S.L. Subgroup, which is included into the Group Consolidation scope by the equity method.

On April 11, 2014 the company Sungwoo Gestamp Hitech Chennai Ltd was sold by the group company Gestamp Toledo S.A. In addition, the Griwe Subgroup sold their investees Gestamp Sungwoo Hitech (Chennai) private Ltd and GS Hot Stamping Co. Ltd. The sold companies were being consolidated under equity method. The result of the operation was 526 thousand euros of losses, registered under the heading discontinued operations (note 27).

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

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

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

The total decrease in Retained earnings was due to the increase in shareholding in Gestamp Automotive Chennai Private, Ltd.; Anhui Edscha Automotive Parts Co Ltd and the purchase price adjustment amounted to 4,603 thousand euros (note 14).

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

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

As mentioned under the heading changes in the consolidation during 2013, on December 18, 2013 Mursolar 21, S.L. acquired shareholding in subsidiaries Gestamp Autocomponents (Shenyang) Co. Ltd. and Gestamp Autocomponents (Dongguan) Co. Ltd. to other Group companies. This agreement was subject to approval from Chinese competence authorities.

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

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

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

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

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4. Changes in consolidation scope and business combinations (Continued)

During 2013

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

On June 28, 2013 the new non-controlling shareholder Mitsui & Co., Ltd. directly or indirectly acquired 30% share of Brazilian, Mexican, Argentinian and North American subsidiaries. Previously, Gestamp Automoción Group acquired 35% share of Mexican subsidiaries to COFIDES, S.A., former non-controlling shareholder, according to agreement with Mitsui & Co. by which Gestamp Automoción Group must own 100% shareholding of subsidiaries where Mitsui & Co. will become non-controlling shareholder.

These changes in the consolidation scope could be summarized in the following steps:

1. On June 13, 2013 the subsidiary Gestamp Servicios, S.A. acquired 35% shareholding of the Mexican subsidiary Gestamp Cartera de México, S.A. de C.V. to COFIDES, S.A. The selling price was 67,500 thousand euros, fully paid on the spot.
2. On June 28, 2013 the subsidiary Gestamp 2016, S.L., not included in consolidation scope until now since considered not significant, carried out a capital increase of 83,997 thousand euros subscribed by the Company and some subsidiaries who contributed their shareholding in Argentinian subsidiaries.
On the same date it was agreed to increase capital of Gestamp 2016, S.L. for 36,000 thousand euros, fully subscribed by Mitsui & Co., Ltd. and paid in cash, by so acquiring 30% shareholding. It was also agreed to change the legal name to Gestamp Holding Argentina, S.L.
3. On June 28, 2013 the subsidiary Gestamp 2015, S.L., not included in consolidation scope until now since considered not significant, carried out a capital increase of 193,664 thousand euros subscribed by some subsidiaries who contributed all their shareholding in Gestamp Cartera de México, S.A. de C.V.
On the same date it was agreed to increase capital of Gestamp 2015, S.L. for 83,000 thousand euros, fully subscribed by Mitsui & Co., Ltd. and paid in cash, by so acquiring 30% shareholding. It was also agreed to change the legal name to Gestamp Holding México, S.L.
4. On June 28, 2013 the subsidiary Gestamp North America, Inc. carried out a capital increase with share premium of 205,016 thousand dollars, from which 205,015 thousand dollars corresponded to share premium. It was fully subscribed by the subsidiary Gestamp Aveiro, S.A. and paid in cash.
Next, the subsidiary Gestamp Alabama, LLc. carried out a capital increase of 205,016 thousand dollars fully subscribed by Gestamp North America, Inc. and paid in cash. Gestamp Alabama, LLc. assigned this payment received to partial cancellation of the loan received from Gestamp Aveiro, S.A.
On the same date Gestamp North America, Inc. carried out a second capital increase with share premium of 111,137 thousand dollars, from which 111,137 thousand dollars corresponded to share premium and was fully subscribed by Mitsui & Co., Ltd. and paid in cash, by so acquiring 30% shareholding.
5. On June 28, 2013 the subsidiary Gestamp Brasil Industria de Autopeças, S.A. carried out a capital increase with share premium of 269,988 thousand Brazilian reais, from which 228,832 thousand reais corresponded to share premium and was fully subscribed by Mitsui & Co Ltd. and paid in cash, by so acquiring 30% shareholding.

The exit of non-controlling shareholder COFIDES, S.A. and the addition of Mitsui & Co., Ltd. led to an increase of “Non-controlling interest” of 187,678 thousand euros at December 31, 2013 (the exit of COFIDES implied a decrease of 58,702 thousand euros and the addition of Mitsui & Co. Ltd. Implied an increase of 246,380 thousand euros). In addition, the Translation differences corresponding to this operation implied a 9,201 thousand euros decrease in “Non-controlling interest”.

In addition, the exit of non-controlling shareholder COFIDES, S.A. and the addition of Mitsui & Co., Ltd. led to an increase of “Reserves at fully consolidated entities” of 16,182 thousand euros at December 31,

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4. Changes in consolidation scope and business combinations (Continued)

2013 (decrease due to the exit of COFIDES of 8,798 thousand euros; increase due to the addition of Mitsui & Co. Ltd. of 24,980 thousand euros) (Note 14).

Exit of non-controlling shareholder Liberty Hampshire Company

On September 2013 the company Gestamp Metalbages, S.A. executed their purchase option to acquire 49.06% shareholding of the company GMF Holding, GmbH. to Tocqueville Capital Company B.V. (company belonging to Liberty Hampshire Company, LLC. group) for 104 million euros. This meant that Gestamp Metalbages, S.A. reached 100% shareholding in the mentioned company (Note 16).

The exit of non-controlling shareholder Liberty Hampshire Company led to a decrease of “Noncontrolling interest” and “Reserves at fully consolidated entities” of 101,554 and 2,446 thousand euros respectively at December 31, 2013.

Other changes in consolidation scope

- The subsidiaries Gestamp Vigo, S.A. and Gestamp Cataforesis Vigo, S.L. have merged, being Gestamp Vigo, S.A. the absorbing company with effect since January 1, 2013.
- In 2013 the following companies have been incorporated into consolidation scope:
 - Gestamp Try Out Services, S.L.
 - Gestamp Puebla II, S.A. de C.V.
 - Autotech Engineering Deutschland, GmbH.
 - Autotech Engineering R&D Uk, Ltd.
 - Edscha Aapico Automotive, Co. Ltd.
 - Gestamp Funding Luxembourg, S.A.
 - Edscha Pha, Ltd.
 - Mursolar 21, S.L.

These companies, except Mursolar 21, S.L., have been created in 2013 and have been included in consolidation scope by full consolidation method.

The incorporated company Gestamp Funding Luxembourg, S.A. has been responsible of the bonds issue carried out by the Group in May (Note 21.a.1.II).

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

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

The subsidiary Edscha Holding GmbH acquired 5% shareholding of the subsidiary Shanghai Edscha Machinery Co., Ltd. with effect since January 1, 2013.

The contribution to Consolidated Balance Sheet and Income Statement from the new companies included in the consolidation scope in 2013 was 37,869 thousand euros in assets, 16,390 thousand euros in profit and 6,742 thousand euros in revenue at December 31, 2013.

- On December 23, 2013 the company Sofedit S.A.S. (company belonging to Gestamp Metal Forming Subgroup) sold 100% of their shareholding in Sofedit España S.A. to subsidiary Gestamp

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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4. Changes in consolidation scope and business combinations (Continued)

Palencia, S.A. As a consequence, Sofedit España S.A. exit from Gestamp Metal Forming Subgroup and entered directly in Gestamp Automoción consolidation scope.

- On December 16, 2013 the subsidiary Araluce, S.A. was sold.
- On December 9, 2013 the subsidiary ALHC, Llc. was dissolved.

In addition the following companies have changed their legal name:

<u>Former legal name</u>	<u>New legal name</u>
Estampaciones Martínez, S.A.	Gestamp Esmar, S.A.
Galvanizaciones Castellana, S.A.	Gestamp Galvanizados, S.A.
Gestamp Ingeniería Europa II, S.L.	Gestamp Ingeniería Europa Sur, S.L.
Gestamp Portugal, Lda.	Gestamp Cerveira, Lda.
MB Abrera, S.A.	Gestamp Abrera, S.A.
MB Aragón, S.A.	Gestamp Aragón, S.A.
MB Levante, S.L.	Gestamp Levante, S.L.
Metalbages, S.A.	Gestamp Metalbages, S.A.
Solblank, S.A.	Gestamp Solblank Barcelona, S.A.
Estampaciones Metálicas Vizcaya, S.A.	Gestamp Bizkaia, S.A.
Gestamp UK Limited	Gestamp Washington, UK Limited
Griwe Innovative Umformtechnik GmbH**	Gestamp Griwe Westerburg GmbH
Griwe System Produktions GmbH**	Gestamp Griwe Haynrode GmbH
Griwe Werkzeug Produktions GmbH**	Gestamp Griwe Hot Stamping GmbH
Prisma, S.A.S.*	Gestamp Prisma, S.A.S.
Tallent Automotive, Ltd.*	Gestamp Tallent Limited
Gestamp México, S.A. de C.V.	Gestamp Aguascalientes, S.A. de C.V.

* Companies belonging to Gestamp Metal Forming Subgroup

** Companies belonging to Griwe Subgroup

4.2 Business combinations

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

This investment was accounted for using the equity method until acquiring control in July 2015 and the carrying amount at the said date was 3,542 thousand euros. When assessing again the fair value of the investment before business combination, it was recognized loss amounting to 1,037 thousand euros. The company purpose is manufacturing automobile components for passenger cars. On July 22, 2015 the subsidiary Gestamp Automotive Chennai Private Limited acquired remaining 50% shareholding in Gestamp Pune Automotive Private Limited and by so acquired control. The cost of this acquisition amounted to 98 thousand euros.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. Changes in consolidation scope and business combinations (Continued)

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

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

The consideration was fully paid in cash.

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

The net effect of the business combination amounted to 1,371 thousand euros and was registered under the heading "Other operating income" in the Consolidated Income Statement as of December 31, 2015 (Note 24.b).

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

There were no significant costs associated to this transaction. With regard to this business combination, the principal assessment criteria for calculating the fair value of the different accounting line items are as follows:

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

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

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

Other assets and liabilities: measured at nominal value.

There were no business combinations at December 31, 2014 or 2013.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. Intangible assets

a) *Goodwill*

The breakdown, amount, and movement of goodwill in fully consolidated companies in 2015, 2014, and 2013 are as follows:

	Balance at December 31, 2012	Currency translation differences	Balance at December 31, 2013	Currency translation differences	Balance at December 31, 2014	Currency Translation differences	Balance at December 31, 2015
Metalbages, S.A. . . .	15,622	—	15,622	—	15,622	—	15,622
MB Levante, S.L. . .	6,944	—	6,944	—	6,944	—	6,944
Gestamp							
Aveiro, S.A.	7,395	—	7,395	—	7,395	—	7,395
Griwe Subgroup	6,466	—	6,466	—	6,466	—	6,466
Gestamp HardTech, AB	44,609	(1,368)	43,236	(2,709)	40,527	1,097	41,624
Gestamp Brasil							
Industria de							
Autopeças, S.A. . .	13,228	(2,221)	11,007	103	11,110	(2,801)	8,309
Beyçelik , A.S.	30,489	(6,177)	24,312	1,035	25,347	(2,727)	22,620
Gestamp Services							
India Private, Ltd. .	12	(1)	11	1	12	1	13
Gestamp Severstal							
Vsevolozhsk, Llc . .	188	(20)	168	(64)	104	(8)	96
Adral, matricería y pta. a punto, S.L. .	857	—	857	—	857	—	857
TOTAL	125,805	(9,787)	116,018	(1,634)	114,384	(4,438)	109,946

Currency translation differences correspond to adjustments to the goodwill of companies having a functional currency other than the euro, translated at the exchange rate prevailing at the Consolidated Balance Sheet date, in accordance with IAS 21 (Note 2.4c).

Impairment test of Goodwill

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

The CGU recoverable value at December 31, 2015, 2014 and 2013 has been determined by the assessment of value in use, using cash flow projections covering a five-year period and based on the future business evolution. The cash flows beyond the five-year period have been extrapolated using a growth rate of 1% for 2015, 2014 and 2013, except for the Brazilian CGU where the growth rate used in 2015 is 2%. These hypotheses can be considered cautious compared with the rest of the long term average growth rates of the automotive sector. Pre-tax discount rate for cash flow projections for the CGUs with the most significant goodwill in 2015, 2014 and 2013 are the followings:

	Pre-tax discount rate		
	2015	2014	2013
CGU			
Gestamp HardTech, AB	10.65%	10.24%	10.14%
Beyçelik, A.S.	18.00%	17.65%	16.07%
Gestamp Metalbages, S.A.	10.58%	10.51%	11.07%

The value in use is higher than the net value for all the CGUs. According to the estimates and projections available to management, the expected future cash flows attributable to the various CGUs or groups of CGUs to which goodwill is assigned indicate that the carrying amount of all the goodwill recognized at December 31, 2015, 2014 and 2013 is at least equal to the corresponding recoverable amounts.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

5. Intangible assets (Continued)

Sensitivity analysis to changes in key assumptions

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

- Although a 50 basis points increase in the discount rate used would reduce value in use, in no case would this be reduced to below the carrying amount of goodwill.
- Assuming a rate of perpetual growth of 0.5% would similarly result in a decline in value in use, albeit in no instance to below the carrying amount of goodwill.

b) *Other intangible assets*

The breakdown, amount and movement in intangible assets in the years ended December 31, 2015, 2014 and 2013 were as follows:

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

Additions to consolidation scope in 2015 correspond to assets contributed by Gestamp Pune Automotive Pvt Ltd (Note 4.2).

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

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

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

5. Intangible assets (Continued)

The net balance of Other movements mainly reflects reclassifications between intangible assets and PP&E.

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

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

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

5. Intangible assets (Continued)

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

Cost	Thousands of euros						At December 31, 2013
	At December 31, 2012	Changes to consolidation scope	Additions	Disposals	Currency translation differences	Other movements	
R&D expenses . . .	99,497	—	46,847	(1,077)	(1,115)	(442)	143,710
Concessions	1,298	—	8,422	—	(16)	6,574	16,278
Patents, licenses & trademark	5,031	—	32,328	(11)	(45)	(1,825)	35,478
Goodwill	2,202	—	—	—	(118)	(235)	1,849
Transfer fees	1,362	—	—	—	(13)	(1,097)	252
Software	74,164	(548)	9,722	(95)	(1,742)	2,874	84,375
Prepayments	1,576	—	5,417	(40)	(131)	(429)	6,393
Total cost	185,130	(548)	102,736	(1,223)	(3,180)	5,420	288,335
Amortization							
R&D expenses . . .	(46,596)	—	(16,819)	905	567	329	(61,614)
Concessions	(423)	—	(232)	—	9	(325)	(971)
Patents, licenses & trademark	(3,122)	—	(306)	11	27	102	(3,288)
Transfer fees	(1,156)	—	(89)	126	12	951	(156)
Software	(53,426)	491	(7,293)	160	882	(1,712)	(60,898)
Total accumulated amortization . . .	(104,723)	491	(24,739)	1,202	1,497	(656)	(126,927)
Impairment of R&D expenses . .	(455)	—	(1,258)	—	3	243	(1,467)
Net carrying amount	79,952	(57)	76,740	(21)	(1,680)	5,007	159,941

The net value of the changes in consolidation scope corresponds to the sale to third parties of the company Araluce, S.A. (57 thousand euros) (Note 4.1).

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

Additions in Concessions correspond mainly to the Company Gestamp Autocomponents (Shenyang), Co. Ltd. According to Chinese legislation, companies cannot have the ownership of the land where located, but only the right of use. This addition has been registered in the year 2013, when the contract was formalized with the corresponding institutions.

Additions in Patents, licenses and trademark correspond mainly to the acquisition of trademark Gestamp for automotive classes by the Company to Acek, Desarrollo y Gestión Industrial, S.L. in January 2013.

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

Other movements mainly reflect reclassifications between intangible assets and PP&E.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

6. Property, plant and equipment

The breakdown, amount and movement in “Property, plant and equipment” in the years ended December 31, 2015, 2014, and 2013 are as follows:

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

Additions to consolidation scope in 2015 correspond to assets contributed by Gestamp Pune Automotive Private Ltd (Note 4.1).

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

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

6. Property, plant and equipment (Continued)

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

The net value of Other movements mainly reflects reclassifications between PP&E and intangible assets.

The movement in Currency translation differences mainly corresponds to changes in the closing exchange rates of this year compared to those of the previous year used to translate the foreign currency balances into Euros. The most significant changes correspond to Brazilian reais, Turkish lira and Argentine peso in 2015 and to Russian ruble in 2014 and 2013.

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

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

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

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

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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6. Property, plant and equipment (Continued)

The net value of Other movements mainly reflects reclassifications from R&D expenses to Machinery for 4,277 thousand euros (note 5.b).

Cost	Thousands of euros						At December 31, 2013
	At December 31, 2012	Additions to consolidation scope	Additions	Disposals	Currency translation differences	Other movements	
Land and buildings	1,136,944	(14,527)	20,393	(11,025)	(36,949)	54,499	1,149,335
Plant and other							
PP&E	3,482,050	(23,096)	112,527	(125,200)	(125,471)	254,718	3,575,528
PP&E under construction and prepayments . . .	427,392	(10)	401,765	(7,616)	(32,031)	(305,889)	483,611
Total cost	5,046,386	(37,633)	534,685	(143,841)	(194,451)	3,328	5,208,474
Depreciation and impairment							
Land and buildings	(276,084)	3,392	(34,867)	748	7,793	(2,539)	(301,557)
Plant and other							
PP&E	(2,282,136)	22,514	(244,389)	93,907	65,032	4,992	(2,340,080)
Accumulated depreciation . . .	(2,558,220)	25,906	(279,256)	94,655	72,825	2,453	(2,641,637)
Impairment of plant and other							
PP&E	(10,093)	—	(1,398)	53	447	(2,064)	(13,055)
Net book value . . .	2,478,073	(11,727)	254,031	(49,133)	(121,179)	3,717	2,553,782

The net value of the Changes to consolidation scope corresponds to the sale to third parties of the company Araluce, S.A. (11,727 thousand euros) (Note 4.1).

Cost value of the property, plant and equipment additions at December 31, 2013 correspond, mainly, to investments in plants and production lines as well as to replacement of capital expenditure to maintain existing activities. The breakdown of investments by countries is as follows:

	Thousands of euros
Spain	95,929
China	88,320
USA	61,705
Brazil	50,285
United Kingdom	44,611
Russia	41,373
Germany	39,448
Mexico	28,347
France	21,872
Turkey	12,480
India	8,432
Czech Republic	8,016
Hungary	7,377
Other	26,490
TOTAL	534,685

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

6. Property, plant and equipment (Continued)

The net value of Disposals corresponds, mainly, to sales to third parties outside the Group carried out by the companies Gestamp Puebla, S.A. de C.V. (17,086 thousand euros), Gestamp Aguascalientes, S.A. de C.V. (7,188 thousand euros) and Gestamp Tallent Ltd (12,370 thousand euros), being the result of these sales not significant; as well as to the dismantlement of production lines and disposal of fully amortized items out of use.

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

The breakdown by country of translation differences arising in 2015, 2014 and 2013 is the following:

	Thousands of euros		
	2015	2014	2013
Brazil	(48,651)	3,000	(31,216)
India	4,371	6,365	(10,090)
Russia	(6,218)	(63,906)	(17,428)
Argentina	(10,243)	(7,152)	(20,231)
USA	38,585	37,752	(10,117)
Turkey	(7,377)	2,843	(16,105)
Czech Republic	1,407	(692)	(4,091)
United Kingdom	10,111	15,682	(3,154)
Mexico	(4,309)	424	(4,526)
China	20,870	23,329	(2,042)
Other countries	2,069	(2,250)	(2,179)
TOTAL	615	15,395	(121,179)

The asset revaluation effect that was carried out in 2007 as a result of the IFRS transition during 2015, 2014, and 2013 is as follows:

	Thousands of euros		
	2015	2014	2013
Initial cost	266,567	266,567	266,567
Fair value	563,300	563,300	563,300
Revaluation	296,733	296,733	296,733
Accumulated depreciation	(41,482)	(36,839)	(32,274)
Deferred tax liabilities	(68,276)	(69,599)	(77,335)

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

6. Property, plant and equipment (Continued)

The breakdown of PP&E located outside Spain, by country, for years ended 2015, 2014 and 2013 is as follows:

Country	Net carrying amount		
	2015	2014	2013
PORTUGAL	38,297	35,576	37,263
FRANCE	90,044	89,185	100,061
GERMANY	252,150	251,019	251,416
BRAZIL	162,447	212,901	200,758
ARGENTINA	34,921	48,342	54,975
MEXICO	168,063	117,051	94,398
UNITED KINGDOM	216,373	188,967	146,828
HUNGARY	30,248	24,403	23,182
POLAND	106,006	38,733	40,030
SWEDEN	32,264	31,456	33,510
USA	409,739	357,285	309,738
CHINA	362,172	316,010	250,382
INDIA	78,582	70,517	62,592
SOUTH KOREA	45,138	44,091	39,723
TURKEY	77,483	80,607	75,775
RUSSIA	93,262	111,975	183,198
CZECH REPUBLIC	70,888	67,978	60,034
JAPAN	96	93	100
SLOVAKIA	3,664	3,743	3,998
TAIWAN	305	357	752
	2,272,142	2,090,289	1,968,713

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

6. Property, plant and equipment (Continued)

The breakdown of assets acquired under finance lease agreements is as follows:

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

6. Property, plant and equipment (Continued)

	December 31, 2014					
			Thousands of euros			
				Present value of lease obligations		
	Asset cost	Lease term	Installments paid	Short-term	Long-term	Purchase option value
	(Thousands of euros)					
Edscha subgroup						
Software	34	4 years	14	9	11	—
Gestamp Metal Forming subgroup						
Other Fixtures	297	5 years	122	59	136	—
Loire Sociedad Anónima Franco Española						
Machinery	400	5 years	375	25	—	5
Beyçelik, A.S.						
Machinery	200	5 years	163	51	70	
Machinery	10,733	4.75 years	7,920	2,959	3,377	1
Machinery	1,004	5 years	452	215	508	
Machinery	623	5 years	80	120	359	
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi						
Machinery	110	3 years	79	32	—	—
Gestamp West Virginia Llc.						
Machinery (November 2012) . .	12,397	20 years	831	46	12,351	—
Machinery (December 2012) . .	8,264	20 years	522	—	8,264	—
				3,516	25,076	

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

6. Property, plant and equipment (Continued)

	December 31, 2013					
			Thousands of euros			
				Present value of lease obligations		Purchase option value
	Asset cost	Lease term	Installments paid	Short-term	Long-term	
	(Thousands of euros)					
Edscha subgroup						
Furniture	4	5 years	4	—	—	—
Furniture	24	4 years	27	—	—	—
Furniture	2	4 years	2	—	—	—
Furniture	2	4 years	2	—	—	—
Furniture	2	4 years	2	—	—	—
Furniture	3	4 years	3	—	—	—
Machinery	19	4 years	15	4	—	—
Software	34	4 years	6	8	20	—
Gestamp Metal Forming subgroup						
Other Fixtures	65	4.4 years	70	3	—	—
Other Fixtures	49	3.5 years	51	1	—	—
Other Fixtures	122	4 years	122	11	—	—
Other Fixtures	17	3.16 years	16	2	—	—
Other Fixtures	76	3.33 years	78	5	—	—
Other Fixtures	297	5 years	55	56	195	—
Loire Sociedad Anónima Franco Española						
Machinery	400	5 years	316	56	28	5
Beyçelik, A.S.						
Machinery	192	5.16 years	104	46	120	
Machinery	10,332	4.75 years	4,706	2,814	6,328	1
Machinery	956	5 years	202	204	722	
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi						
Machinery	106	3 years	40	22	45	—
Gestamp West Virginia Llc.						
Machinery (November 2012) . .	10,913	20 years	374	—	10,913	—
Machinery (December 2012) . .	7,275	20 years	221	—	7,275	—
				3,232	25,646	

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

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

At December 31, 2014 and December 31, 2013 the company Gestamp West Virginia, Llc. has no recorded lease obligations in the short term as principal amortization will start from year 2016 on the contract of December 2012.

At December 31, 2013 the company Gestamp West Virginia, Llc. has no recorded lease obligation in the short term as principal amortization will start from year 2015 on for both contracts.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

6. Property, plant and equipment (Continued)

The fees paid in 2013, 2014 and 2015 by the company Gestamp West Virginia, Llc. relate entirely to interest amortization.

The amounts contained in the table above are affected by the application of different exchange rates in the conversion process of the financial statements at the exchange rate prevailing at the date of the transaction for companies whose functional currency is different from the presentation currency.

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

At December 31, 2015 the Griwe Subgroup has pledged items of property, plant, and equipment to secure bank loans received in the outstanding amount of 808 thousand euros (December 31, 2014: 2,619 thousand euros and December 31, 2013: 3,938 thousand euros). The net carrying amount of these assets at December 31, 2015 was 6,914 thousand euros (December 31, 2014: 7,441 thousand euros and December 31, 2013: 7,970 thousand euros).

7. Investments in associates accounted for using equity method

The movements of the Group's investments in associates at December 31, 2015, 2014 and 2013, is as follows:

	Thousands of euros
	Investments accounted for using the equity method
Balance at January 1, 2013	39,708
Additions	4,615
Disposals	—
Changes in valuations of financial derivatives	—
Transfers	(27,381)
Other movements	—
Share of profit	(2,280)
Translation differences	(3,360)
Balance at December 31, 2013	11,302
Additions	875
Disposals	—
Changes in valuations of financial derivatives	—
Transfers	—
Other movements	—
Share of profit	(3,164)
Translation differences	442
Balance at December 31, 2014	9,455
Additions to consolidation scope	(3,542)
Additions	2,450
Disposals	—
Changes in valuations of financial derivatives	—
Transfers	—
Other movements	—
Share of profit	(364)
Translation differences	273
Balance at December 31, 2015	8,272

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

7. Investments in associates accounted for using equity method (Continued)

Additions to consolidation scope in 2015 correspond to the subsidiary Gestamp Pune Automotive Private Ltd which changes from equity method to full consolidation method since control is acquired (Note 4.2).

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

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

Additions in 2013 correspond to the capital increase in company Sungwoo Gestamp Hitech Pune Private, Ltd. which was 50% subscribed by the subsidiary Gestamp Cerveira, Lda.

Transfers in 2013 correspond to the reclassification of the assets and liabilities of subsidiaries Gestamp Sungwoo Hitech (Chennai) Pvt, Ltd., Sungwoo Gestamp Hitech Chennai, Ltd., and GS Hot-Stamping Co. Ltd. as held for sale (Note 27).

8. Financial assets

The breakdown of the Group's financial assets at December 31, 2015, 2014 and 2013 by category and maturity, expressed in thousands of euros, is as follows:

Item	Non-current								
	Loans and receivables			Derivative financial instruments			Other Financial Assets		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
Held-to-maturity investments . . .	—	—	—	—	—	—	914	3,125	3,095
Loans and receivables . . .	8,918	43,556	22,850	—	—	—	11,394	14,786	13,828
Derivative financial instruments . . .	—	—	—	28,184	5,863	63,756	—	—	—
	8,918	43,566	22,850	28,184	5,863	63,756	12,308	17,911	16,923
Item	Current								
	Loans and receivables			Derivative financial instruments			Other Financial Assets		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
Investments held-to-maturity	—	—	—	2,535	—	—	—	—	—
Loans and receivables . . .	1,638	18,319	16,017	—	—	—	31,282	57,558	41,570
	1,638	18,319	16,017	2,535	—	—	31,282	57,558	41,570

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

8. Financial assets (Continued)

a) Non-current financial assets

The breakdown and movements in this category at year end 2015, 2014 and 2013 are as follows:

	Thousands of euros		
	Loans and receivables	Derivative financial instruments	Other financial assets
Balance at December 31, 2012.....	19,108	21,771	5,285
Additions	6,506	—	12,018
Disposals	(1,419)	—	(285)
Changes in valuations of financial derivatives	—	41,985	—
Transfers	—	—	—
Other movements	—	—	(25)
Share of profit	—	—	—
Translation differences	(1,345)	—	(70)
Balance at December 31, 2013.....	22,850	63,756	16,923
Additions	28,312	—	2,429
Disposals	(6,657)	—	(1,534)
Changes in valuations of financial derivatives	—	(57,893)	—
Transfers	(1,298)	—	11
Other movements	23	—	(43)
Share of profit	—	—	—
Translation differences	326	—	125
Balance at December 31, 2014.....	43,556	5,863	17,911
Additions to consolidation scope	—	—	—
Additions	2,938	—	5,340
Disposals	(24,682)	—	(10,975)
Changes in valuations of financial derivatives	—	22,321	—
Transfers	(10,719)	—	64
Other movements	8	—	388
Share of profit	—	—	—
Translation differences	(2,183)	—	(420)
Balance at December 31, 2015.....	8,918	28,184	12,308

a.1) Non-current Loans and Receivables

Disposals in 2015 mainly correspond to the repayment of the loan granted to Gestión Global de Matricería, S.L. amounting to 24,682 thousand euros. Bank financing has been obtained and so the loan has been early paid out.

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

Additions in 2014 mainly correspond to:

- Loan granted to Gestión Global de Matricería, S.L. amounting to 24,628 thousand euros for financing the investment of tangible assets and working capital. The loan earns an interest of 3.25% with sole maturity date at December 2016.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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8. Financial assets (Continued)

- Increase of long term Federal Brazilian Tax receivables of the subsidiary Gestamp Brasil Industria de Autopeças, S.A., with maturity date between 2015 and 2017.
- Increase of credit position of the Argentinian public administrations with Gestamp Baires, S.A. due to the local tax Ganancia Mínima Presunta (GMP).

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

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

Additions in 2013 correspond mainly to the loan granted to Shrenik Industries Pvt Ltd. by the company Gestamp Automotive India Pvt Ltd., which amounted to 2,590 thousand euros and the increase due to Federal Brazilian Tax receivables of the group company Gestamp Brasil Industria de Autopeças, S.A., amounted 3,877 thousand euros.

a.2) Derivative financial instruments

Change in valuation of financial instruments at December 31, 2015, December 31, 2014 and December 31, 2013 correspond to the change of the present value of implicit derivatives, mainly, due to the evolution of the exchange rates applicable to sales and purchase prices in certain customer and suppliers contracts (Note 21.b.4).

a.3) Other non-current financial assets

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

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

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

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

Additions in 2013 correspond mainly to several deposits as guarantee for operating leases amounting to 7,401 thousand euros of the subsidiaries Gestamp Aguascalientes, S.A. de C.V., Gestamp Puebla, S.A. de C.V. and Gestamp Puebla II, S.A. de C.V., and the price adjustment due to Araluce, S.A. sale amounting to 4,500 thousand euros which depends on their revenue in 2015 and 2016.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

8. Financial assets (Continued)

b) Current financial assets

The breakdown and movements in this category at December 2015, 2014 and 2013 are as follows:

	Loans and receivables	Securities Portfolio	Other financial assets
Balance at December 31, 2012.....	16,118	—	11,229
Additions	4,857	—	22,906
Disposals	(4,497)	—	(6,610)
Transfers	—	—	18,663
Translation differences	(461)	—	(4,618)
Balance at December 31, 2013.....	16,017	—	41,570
Additions	4,254	—	53,847
Disposals	(3,928)	—	(1,610)
Transfers	978	—	(38,210)
Other movements	4	—	—
Translation differences	994	—	1,961
Balance at December 31, 2014.....	18,319	—	57,558
Additions to consolidation scope		—	225
Additions	2,247	2,535	21,373
Disposals	(16,361)	—	(46,022)
Transfers	5,385	—	(58)
Other movements	(9,324)	—	(2,022)
Share of profit	—	—	—
Translation differences	1,372	—	228
Balance at December 31, 2015.....	1,638	2,535	31,282

b.1) Current loans and receivables

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

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

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

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

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

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

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

8. Financial assets (Continued)

Additions in 2013 mainly include a loan granted by Gestamp Baires, S.A. to Gonvarri Argentina, S.A. on February 22, 2013 amounting to 4,441 thousand euros. The loan earns an interest of 17.5%. The maturity date is February 11, 2014.

Disposals in 2013 mainly include full repayment of the loan granted by Gestamp Automoción, S.A. to Risteel Corporation, B.V. amounting to 3,725 thousand euros.

b.2) Current securities portfolio

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

b.3) Other current financial investments

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

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

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

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

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

Additions in 2013 mainly include increases in fixed-income bank deposits available in current account, amounting to 20,546 thousand euros of the subsidiary Gestamp Brasil Industria de Autopeças, S.A. The return of these deposits is referenced to CDI interbank index.

Disposals in 2013 mainly include decreases in bank deposits which are due of the subsidiaries Gestamp Sungwoo Stampings and Assemblies Pvt. Ltd. and Gestamp Baires, S.A. amounting to 4,403 and 1,930 thousand euros respectively.

Transfers in 2013 mainly include bank deposits of the companies Gestamp Automotive India Pvt. Ltd. and Gestamp Brasil Industria de Autopeças, S.A. amounting to 13,828 thousand euros and 5,499 thousand euros respectively that were recorded as current securities portfolio in 2012.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

9. Inventories

The breakdown of inventories at December 31, 2015, 2014 and 2013 is as follows:

	Thousands of euros		
	2015	2014	2013
Commercial inventories	10,865	10,619	10,018
Raw materials	163,480	155,706	149,360
Parts and subassemblies	56,731	48,961	33,474
Spare parts	58,572	52,440	46,812
Packaging materials	3,020	2,620	2,501
Total cost of raw materials and other consumables	292,668	270,346	242,165
Work in progress	166,448	155,109	134,872
Finished products	126,239	124,776	120,526
Byproducts, waste, and recovered materials	554	31	20
Prepayments to suppliers	31,605	48,756	62,619
Total cost of inventories	617,514	599,018	560,202
Impairment of raw materials	(7,331)	(6,360)	(8,263)
Impairment of other consumables	(7,467)	(5,748)	(6,590)
Impairment of work in progress	(7,772)	(6,038)	(8,385)
Impairment of finished products	(8,506)	(7,841)	(9,968)
Total impairment	(31,076)	(25,987)	(33,206)
Total inventories	586,438	573,031	526,996

The accrued impairment losses of raw materials and finished products at December 31, 2015 amount to 7,945 thousand euros (December 31, 2014: 3,719 thousand euros; December 31, 2013: 12,618 thousand euros).

The impairment reversions of raw materials and finished products at December 31, 2015 amount to 2,856 thousand euros (December 31, 2014: 10,938 thousand euros; December 31, 2013: 10,576 thousand euros).

The inventories are not encumbered at year end 2015, 2014 and 2013.

10. Trade and other receivables

The breakdown of “Trade and other receivables” in 2015, 2014 and 2013 is as follows:

	Thousands of euros		
	Balance at December 31, 2015	Balance at December 31, 2014	Balance at December 31, 2013
Trade receivables	992,938	852,106	920,792
Other receivables	25,058	26,749	22,339

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

10. Trade and other receivables (Continued)

a) Trade receivables:

The amounts and breakdown of “Trade receivables” at December 31, 2015, 2014 and 2013, are as follows:

	Thousands of euros		
	2015	2014	2013
Trade receivables	750,592	684,845	704,399
Trade bills receivable	37,457	75,554	36,132
Accounts receivable, tools	192,024	79,803	167,414
Doubtful debts	1,837	368	1,512
Impairment losses	(5,706)	(5,225)	(8,994)
Trade receivables from Group companies	16,734	16,761	20,329
	<u>992,938</u>	<u>852,106</u>	<u>920,792</u>

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

See Note 32 regarding credit risk of accounts receivables where it is explained how the Group values and manages the quality of credit of accounts receivables.

Impairment provision reversal at December 31, 2015 amounts to 127 thousand euros (December 31, 2014: 702 thousand euros reversal; December 31, 2013: 1,562 thousand euros expense) (Note 25.c).

The receivable balances transferred by the Group as non-recourse factoring to Spanish, German, British, Brazilian, Argentinean and Polish banks, that have been eliminated in the Consolidated Financial Statements amounted to 224,039 thousand euros at December 31, 2015 (December 31, 2014: 150,701 and 85,896 thousand euros in 2013).

The expense of transferring receivable balances according to the non-recourse factoring contract, amounted to 2,822 thousand in 2015, 1,819 thousand euros in 2014 and 2,023 thousand euros in 2013.

b) Other receivables:

The amounts and breakdown of “Other receivables” at December 31, 2015, 2014 and 2013, are as follows:

	Thousands of euros		
	2015	2014	2013
Debtors	23,089	23,997	20,607
Remuneration advances	1,862	2,608	1,502
Short-term loans to employees	107	144	230
	<u>25,058</u>	<u>26,749</u>	<u>22,339</u>

11. Other current assets

This line item, which at December 31, 2015 amounted to 23,533 thousand euros (at December 31, 2014 amounted to 18,343 thousand euros and at December 31, 2013 amounted to 11,767 thousand euros), mainly reflects insurance premiums, maintenance contracts, and software licenses paid for during the year but for which the expense will accrue the following year.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

12. Cash and cash equivalents

	Thousands of euros		
	2015	2014	2013
Cash	296,482	213,430	342,105
Cash equivalents	59,493	270,504	178,312
	<u>355,975</u>	<u>483,934</u>	<u>520,417</u>

Cash equivalents correspond to surplus cash investments maturing in less than three months. The breakdown by currencies and interest rates at December 31, 2015, 2014 and 2013 is the following:

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

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

	2013		
Company	Thousands of euros	Source currency	Interest rate range
Gestamp Brasil Industria de Autopeças, S.A.	15	Brazilian reais	10.00%
Gestamp Baires, S.A.	6,277	Argentine pesos	11.38%-19.58%
Gestamp Severstal Kaluga, Llc	3,819	Russian rubles	5%-6.30%
Gestamp Automotive India Private, Ltd	7,888	Indian rupees	7.25%-9.10%
Gestamp Sungwoo Stamping & Assemblies Pvt Ltd .	236	Indian rupees	7.00%
Edscha subgroup	47	Euros	0.5%-1%
Edscha subgroup	1	Renmimbi yuan	2%-3%
Gestamp Automoción S.A.	80,000	Euros	0.30%-1.15%
Gestamp Servicios S.A.	80,029	US Dollar	1.00%
	<u>178,312</u>		

The amounts included in this heading of the attached consolidated balance sheet are not encumbered.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

13. Issued capital and share premium

The “Issued capital” and “Share premium” in 2015, 2014 and 2013 are as follows:

ITEM	December 31, 2015	December 31, 2014	December 31, 2013
No. of shares	4,795,953	4,795,953	4,795,953
Par value	60.10	60.10	60.10
Thousands of euros			
Issued capital:	—	—	—
Issued capital (par value)	288,237	288,237	288,237
	288,237	288,237	288,237
Share premium	61,591	61,591	61,591
Total issued capital+share premium	349,828	349,828	349,828

a) Share capital

At December 31, 2015, 2014 and 2013, the Company’s share capital is represented by 4,795,953 indivisible and cumulative equity units with a par value of 60.10 euros each, fully subscribed and paid in, and all carrying the same rights and obligations.

The shareholder structure at December 31, 2015, 2014 and 2013 is as follows:

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

There are no bylaw restrictions on the transfer of the non-voting equity units and they are not listed.

b) Share premium

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

The Group’s share premium movement is as follows:

Share Premium		
	Thousands of euros	Total accumulated
1998	17,048	17,048
2001	1,652	18,700
2003	6,583	25,283
2007	36,308	61,591

At December 31, 2015, 2014 and 2013 the Company’s share premium, as per its individual financial statements, amounted to 61,591 thousand euros.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

14. Reserves and retained earnings

The changes in “Retained earnings” in 2015, 2014 and 2013 are as follows:

(In thousands of euros)								
Reserves and retained earnings								
	Legal reserve	Goodwill reserves	Unrestricted reserves	Reserves at fully consolidated entities	Reserves at associates	Profit for the year	Effective hedges	Total
AT DECEMBER 31, 2012	33,131	2,171	213,700	544,676	3,571	171,583	(23,477)	945,355
Profit for 2013	—	—	—	—	—	113,987	—	113,987
Fair value adjustments reserve (hedge)	—	—	—	—	—	—	(6,370)	(6,370)
Actuarial gains and losses	—	—	—	2,492	—	—	—	2,492
Appropriation of 2012 profits	5,620	571	33,164	132,563	(335)	(171,583)	—	—
Dividends paid by subsidiaries	—	—	(51,029)	—	—	—	—	(51,029)
Dividends distributed	—	—	2,898	(2,898)	—	—	—	—
Exit of non-controlling interest Gestamp Metal Forming Subgroup (Liberty)	—	—	—	(2,446)	—	—	—	(2,446)
Entry of non-controlling interest MITSUI and exit of non-controlling interest COFIDES	—	—	—	16,182	—	—	—	16,182
Interest from participative loans	—	—	(12,895)	12,895	—	—	—	—
Transfers from retained earnings to non-controlling interests due to the change of shareholding in companies and others	—	—	—	1,625	(35)	—	—	1,590
Other movements and adjustments from prior years	—	—	—	(318)	18	—	—	(300)
AT DECEMBER 31, 2013	38,751	2,742	185,838	704,771	3,219	113,987	(29,847)	1,019,461
Profit for 2014	—	—	—	—	—	125,702	—	125,702
Fair value adjustments reserve (hedge)	—	—	—	—	—	—	(7,006)	(7,006)
Actuarial gains and losses	—	—	—	(12,939)	—	—	—	(12,939)
Appropriation of 2013 profits	6,500	571	52,574	56,622	(2,280)	(113,987)	—	—
Dividends distributed by the company	—	—	(33,922)	—	—	—	—	(33,922)
Dividends distributed by subsidiaries	—	—	556	(556)	—	—	—	—
Merge of subsidiaries including companies not previously in consolidation scope	—	—	—	46	—	—	—	46
Transfer from reserves under equity method to reserves under full consolidation method because of sale of companies	—	—	—	7,112	(7,112)	—	—	—
Interest from participative loans	—	—	29,527	(29,527)	—	—	—	—
Increase in shareholding in companies previously under control	—	—	—	(4,603)	—	—	—	(4,603)
Transfers from retained earnings to non-controlling interests due to the change of shareholding in companies and others	—	—	—	1,439	—	—	—	1,439
Other movements and adjustments from prior years	—	—	—	(842)	(10)	—	—	(852)
AT DECEMBER 31, 2014	45,251	3,313	234,573	721,523	(6,183)	125,702	(36,853)	1,087,326
Profit for December 2015	—	—	—	—	—	161,480	—	161,480
Fair value adjustments reserve (hedge)	—	—	—	—	—	—	4,728	4,728
Actuarial gains and losses	—	—	—	5,745	—	—	—	5,745
Appropriation of 2014 profits	—	—	31,765	97,101	(3,164)	(125,702)	—	—
Dividends distributed by the company	—	—	(37,711)	—	—	—	—	(37,711)
Dividends distributed by subsidiaries	—	—	2,147	(2,147)	—	—	—	—
Transfer from reserves under equity method to reserves under full consolidation method because of sale of companies	—	—	—	(5,839)	5,839	—	—	—
Movements in consolidation scope	—	—	—	—	—	—	—	—
Increase in shareholding in companies previously under control (ANHUI)	—	—	—	(712)	—	—	—	(712)
Increase in shareholding in companies previously under control (EKARPEN)	—	—	—	(7,997)	—	—	—	(7,997)
Interest from participative loans	—	—	(10,516)	10,516	—	—	—	—
Transfers from retained earnings to non-controlling interests due to the change of shareholding in companies and others	—	—	—	(2,771)	—	—	—	(2,771)
Other movements and adjustments from prior years	—	571	(571)	(299)	—	—	—	(299)
AT DECEMBER 31, 2015	45,251	3,884	219,687	815,120	(3,508)	161,480	(32,125)	1,209,789

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

14. Reserves and retained earnings (Continued)

14.1 Legal reserve of the Company

The Legal Reserve of the Company amounted to 45,251 thousand euros at December 31, 2015 (45,251 thousand euros at December 31, 2014 and 38,751 thousand euros at December 31, 2013).

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

14.2 Goodwill reserve

According to the Spanish Law, the Company is required to set aside a non-distributable reserve equal to the amount of goodwill on its balance sheet which amounts to 11,415 thousand euros at December 31, 2015 and December 31, 2014 and December 31, 2013. The amount of profit designated for this purpose must represent each year at least 5% of goodwill until the reserve equals the amount of goodwill. If no profits are available or profits should prove to be insufficient, freely distributable reserves must be used for this purpose. The amount of the goodwill reserve amounted to 3,884 thousand euros at December 31, 2015 (December 31, 2014: 3,313 thousand euros; December 31, 2013: 2,742 thousand euros) .The amount provisioned in 2015 as well as in 2014 and 2013 is 571 thousand euros.

14.3 Unrestricted Company reserves

The unrestricted reserves correspond to the Group companies individual financial statements plus its consolidation adjustments.

14.4 Availability of reserves at fully consolidated entities

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

The restrictions regarding the reserves mentioned above are the following:

a) *Revaluation reserve. Regional Law 6/1996*

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

The balance at December 31, 2015, December 31, 2014 and December 31 2013 amounted to 4,884 thousand euros.

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

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

The balance of this reserve at December 31, 2015, December 31, 2014 and December 31 2013 was 26,398 thousand euros.

c) *Legal reserves at subsidiaries*

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

The balance of these reserves at December 31, 2015, December 31, 2014 and December 31, 2013 was 69,139 thousand euros, 65,557 thousand euros and 61,931 thousand euros respectively.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

14. Reserves and retained earnings (Continued)

d) *Fair value of property, plant and equipment*

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

The after-tax increase in reserves deriving from these revaluations amounts to 129 million euros at December 31, 2015, 125 million euros at December 31, 2014 and 128 million euros at December 31, 2013. This increase of reserves is not distributable.

e) *Restrictions related to capitalized development expenses*

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

15. Translation differences

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

Company	Thousands of euros		
	2015	2014	2013
ARGENTINA			
Gestamp Córdoba, S.A.	(22,616)	(19,874)	(18,046)
Gestamp Argentina, S.A.	2,112	2,273	2,338
Gestamp Baires, S.A.	(49,902)	(38,985)	(30,327)
BRAZIL			
Gestamp Brasil Industria de Autopeças, S.A.	(18,586)	17,276	13,166
Edscha do Brasil Ltda.	2,791	(747)	(1,037)
UNITED KINGDOM			
Gestamp Washington UK Limited	2,791	2,864	2,797
Autotech R&D UK Limited	97	79	(17)
Automotive Chasis Products Plc.	4,128	2,772	1,155
Gestamp Tallent, Ltd	11,975	7,005	5,531
POLAND			
Gestamp Polska, S.P., Zoo	(9,870)	(9,623)	(12,177)
Gestamp Wroclaw Sp., z.o.o.	(187)	(227)	(89)
HUNGARY			
Gestamp Hungaria KFT	2,961	(2,240)	(6,231)
Gestamp Mor	—	(1)	(1)
USA			
Gestamp Alabama, LLC	25,994	5,891	(16,399)
Gestamp Mason, LLC	(18,474)	(12,445)	977
Gestamp North America, INC	(34,998)	(18,109)	(3,405)
Gestamp Chattanooga LLC	(805)	(602)	(395)
Gestamp South Carolina, LLC.	8,184	1,537	(1922)
Gestamp West Virginia, Llc	(2,814)	(1,118)	373
Gestamp Chattanooga II, Llc	(15)	—	—
Autotech Engineering R&D USA	(5)	—	—
Edscha Automotive Michigan, Inc.	2,819	1,544	62
SWEDEN			
Gestamp Sweden, AB	(1,895)	(2,203)	(405)
Gestamp HardTech AB	(413)	(1,031)	(1,523)
Gestamp Holding China AB	393	396	390

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

15. Translation differences (Continued)

Company	Thousands of euros		
	2015	2014	2013
MEXICO			
Gestamp Aguascalientes, S.A. de CV	(7,702)	(6,485)	(6,589)
Gestamp MSL, S.A. de CV	(69)	(43)	(50)
Gestamp Cartera de México, S.A. de CV	(2,903)	(2,044)	(1,573)
Gestamp Puebla, S.A. de CV	(14,463)	(11,200)	(12,403)
Mexicana Servicios Laborales, S.A. de CV	(15)	(12)	(24)
Gestamp Toluca, S.A. de CV	(4,852)	(3,571)	(3,550)
Gestamp Serv. Laborales de Toluca, S.A. de CV	8	23	10
Gestamp Puebla II, S.A. de CV	(18)	10	17
CHINA			
Gestamp Auto Components (Kunshan) Co., Ltd.	11,770	8,803	5,676
Gestamp Auto Components (Shenyang) Co., Ltd.	(1,469)	87	(517)
Gestamp Auto Components (Dongguan) Co., Ltd.	(182)	243	(387)
Gestamp Auto Components (Wuhan) Co. Ltd	38	—	—
GMF Wuhan, Ltd.	12,726	9,037	647
Gestamp Auto Components Chongqing	1,921		
Edscha Automotive Technology Co. Ltd.	46	34	18
Anhui Edscha Automotive Parts Co Ltda.	4,299	3,155	936
Shanghai Edscha Machinery Co., Ltda.	3,403	2,540	1,120
Edscha Automotive Components Co., Ltda.	1,972	950	(496)
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	—	281	100
INDIA			
Gestamp Services India Private, Ltd.	14	60	87
Gestamp Automotive India Private Ltd.	1,425	602	(4,441)
Gestamp Automotive Chennai Private Ltd.	760	(92)	(556)
Gestamp Pune Automotive Pvt. Ltd	111	—	—
SOUTH KOREA			
gEKartek	3,751	2,764	82
GS Hot Stamping Co., Ltd.	113	88	(46)
TURKEY			
Beyçelik, A.S.	(24,712)	(20,156)	(22,015)
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi	224	132	178
RUSSIA			
Gestamp Severstal Vsevolozhsk Llc	(9,769)	(9,587)	(256)
Gestamp Severstal Kaluga, SRL	(48,337)	(43,411)	(9,913)
Gestamp Togliatti, Llc.	(3,238)	(3,845)	(1,087)
Edscha Togliatti, Llc.	1,268	919	(81)
CZECH REPUBLIC			
Gestamp Louny, S.R.O.	(2,529)	(3,011)	(2,725)
Edscha Hradec S.R.O.	(22)	(27)	(25)
Edscha Automotive Kamenice S.R.O.	(2,192)	(2,991)	(2,596)
LUXEMBOURG			
Gestamp Funding Luxembourg, S.A.	(9,383)	(10,116)	(599)

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

15. Translation differences (Continued)

<u>Company</u>	<u>Thousands of euros</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
SPAIN			
Gestamp Automocion S.A.	2,888	3,139	1,141
Gestamp Bizkaia, S.A.	—	—	11
Gestamp Palencia, S.A.	—	—	292
Gestamp Toledo, S.L.	—	—	(3,859)
Gestamp Servicios, S.A.	6,364	9,161	(914)
Gestamp Global Tooling S.L.	296	—	55
Gestamp Tool Hardening S.L.	—	—	(56)
Loire SAFE	—	—	100
Gestamp Metalbages, S.A.	—	3	3
Gestamp Holding México, S.L.	118	(144)	—
3Mursolar 21, S.L.	5,541	—	—
OTHER			
Other	1,325	732	(422)
TOTAL	<u>(167.809)</u>	<u>(139,740)</u>	<u>(129,895)</u>

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

16. Non-controlling interest

The changes in “Equity attributable to non-controlling interest” by company in 2015, 2014 and 2013 were as follows:

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

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

- Translation differences generated at December 2015.
- Dividends distributed to non-controlling interest by the subsidiaries Shanghai Edscha Machinery Co Ltd, Gestamp Cartera de Mexico S.A. de C.V. and Beyçelik A.S.
- Non-proportional subscription of capital increase in Edscha do Brasil Ltda.
- Acquisition from non-controlling shareholders (EKARPEN Private Equity S.A.) of 40% shareholding in Gestamp Global Tooling S.L and indirectly also in their subsidiaries. By so, 100% shareholding in this company is reached, over which there was previous control (Note 4.1).
- “Other movements” in 2015 correspond to profit (loss) adjustments attributable to noncontrolling interests in 2014.
- Profit from 2015 attributable to non-controlling interest.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

16. Non-controlling interest (Continued)

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

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

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

- Translation differences generated in 2014.
- Capital increase in Todlem, S.L.
- Distribution of dividends by the subsidiaries Anhui Edscha Automotive Parts Co. Ltda, Gestamp 2008, S.L., Beyçelik A.S. and Gestamp Holding Mexico, S.L.
- The transfers of fully consolidated reserves correspond to:
 - the capital increases in Todlem, S.L. and Edscha do Brasil Ltda., not proportionately subscribed by its shareholders.
 - COFIDES, S.A., shareholding recognition in Gestamp Autocomponents (Shenyang) Co., Ltd. and Gestamp Autocomponents (Dongguan) Co. Ltd. as indirect non-controlling interest through the subsidiary Mursolar 21, S.L. (Note 4.1).
- Increase in shareholding in Anhui Edscha Automotive Parts Co. Ltda. and in Gestamp Automotive Chennai Private, Ltd., by acquisition of 30% and 50% shareholding respectively and by so acquiring 100% shareholding and consequently non-controlling interest are derecognized.
- “Other movements” in 2014 correspond to profit (loss) adjustments attributable to noncontrolling interests in 2013.
- Profit from 2014 attributable to non-controlling interest.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

16. Non-controlling interest (Continued)

The most significant non-controlling interests informed above have protection rights regarding significant decisions about desinvestments, corporate restructuring, dividends distribution and amending of bylaws.

	Thousands of euros										
	At December 31, 2012	Translation differences	Capital increase	Distribution of dividends	Transfer of fully consolidated reserves	Addition of MITSUI and exit of COFIDES	Exit of LIBERTY from GMF subgroup	Sale of company Araluce, S.A.	Other movements	Profit (loss)	At December 31, 2013
Company											
Griwe Subgroup	2,281										—
Autotech Engineering, A.I.E. .	2,718								(2,281) (2,718)		—
Gestamp Finance Luxemburgo, S.A.	50	(88)								88	50
Todlem, S.L./Gestamp Severstal Vsevolozhsk Llc./Gestamp Stadco Holding, S.L./ Gestamp Severstal											
Kaluga, Llc.	32,540	(7,061)	2,822		459				83	(1,636)	27,207
Gestamp Holding Rusia, S.L. .	24,470				1					1	24,472
Gestamp Auto Components (Kunshan) Co., Ltd/ Gestamp Holding China, AB	15,743	(258)			5				1,103	2,807	19,400
Edscha Subgroup	27,381	(530)		(1,933)	845				(1,336)	(1,373)	25,313
Araluce, S.A.	7,393				(443)			(8,646)	1,696		—
Matricerías Deusto S.L.	8,641				(1,299)				3,471	(1,623)	9,190
Adral Matriceria y Pta. a punto, S.L.	4,509								(374)	1,159	5,294
Gestamp Tooling Services, AIE	(219)								(7)	(79)	(305)
Gestamp Global Tooling, S.L.	458				(107)			11,936	56	(4,560)	7,783
Gestamp Tool Hardening, S.L.	245								(95)	1,164	1,314
Bero Tools, S.L.	(6)										(6)
Die Diede Development, S.L.	(191)								(46)	(26)	(263)
Gestamp Metal Forming Subgroup	133,580	(4,974)			(27)		(101,554)			(6,796)	20,229
Gestamp Louny, S.R.O.	(9)	7			3				(1)		—
Gestamp Autocomponents (Dongguan) Co. Ltd.	(90)	13							77		—
Gestamp Try Out Services, S.L.	—									373	373
Gestamp Brasil Industria Autopeças, S.A.	—	(3,274)				52,850			(1)	(1,387)	48,188
Gestamp Holding Argentina, S.L. and Argentinian companies	—	(12,421)			12	29,216				(2,654)	14,153
Gestamp Holding México, S.L. and Mexican companies . . .	50,831	(1,745)			(66)	34,363			(173)	6,718	89,928
Gestamp North America, INC and North American companies	—	(4,879)				71,249				2,032	68,402
Mursolar 21, S.L.	—									23	40,023
Beyçelik, A.S.	29,091	(3,534)		(2,801)					(22)	2,052	24,786
Gestamp Automotive India Private Ltd.	6,710	(689)								(247)	5,774
Gestamp sungwoo Stampings & Assemblies Private Ltd.	3,166	(236)							(11)	(1,751)	1,168
GMF Otomotiv Parçaları Sanayi ve Ticaret Ltd. Şirketi	(4,755)	39							311	(2,618)	(7,023)
	344,537	(39,630)	2,822	(4,734)	(617)	187,678	(101,554)	3,290	(268)	(8,333)	425,450

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

- The additions to consolidation scope mainly correspond to Edscha Aapico Automotive Co. Ltd and Edscha Pha, Ltd. from Edscha subgroup.
- It is also included the incorporation of COFIDES, S.A. as non-controlling partner of the company Mursolar 21, S.L. (holding company of Gestamp Autocomponent (Shenyang) Co. Ltd. and Gestamp Autocomponents (Dongguan) Co. Ltd) on December 20, 2013 through two capital increases where COFIDES, S.A. acquired 35% shareholding (Note 4.1).
- The acquisition to COFIDES, S.A. of its entire shareholding in the Mexican companies and the entry of Mitsui & Co, Ltd. as a new non-controlling partner in the Argentinian, Mexican, North American and Brazilian companies, through capital increases representing 30% shareholding (Note 4.1).

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

16. Non-controlling interest (Continued)

- The acquisition to Tocqueville Capital Company B.V. (company belonging to Liberty Hampshire Company Llc. Group), non-controlling partner of GMF Holding, GmbH, of their shareholding in this company; as consequence the Group reaches 100% shareholding in the mentioned company (Note 4.1) according to agreement between the Group and Liberty granting a purchase option to the Group exercisable in 2013.
- Sale of shareholding in Araluce, S.A. to third parties. This company was indirectly shareholded by non-controlling partner Ekarpen SPE, S.A.
- “Other movements” in 2013 include the exit of non-controlling partners of the company Autotech Engineering, A.I.E. and of Griwe subgroup. They are also included profit (loss) adjustments attributable to non-controlling interests in 2012.

17. Earnings per share

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

The Company did not carry out any transactions that would dilute earnings per share in 2015, 2014 and 2013. Therefore, basic and diluted earnings per share amounts are the same.

Basic earnings per share attributable to equity holders of the parent company are calculated as follows:

	Thousands of euros		
	2015	2014	2013
Profit from continuing operations attributable to equity holders of the parent	161,480	125,702	113,987
Profit for the year attributable to equity holders of the parent	161,480	125,702	113,987
Weighted average number of ordinary shares for basic earnings per share ('000s)	4,796	4,796	4,796
Basic and diluted earnings per share	34.67 €	26.20 €	23.77 €

18. Deferred income

Deferred income includes grants relating to assets obtained by Group subsidiaries pending release to the consolidated income statement.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

18. Deferred income (Continued)

The breakdown of this heading at December 31, 2015, 2014 and 2013 including the movements during the year, is as follows:

Company	Thousands of euros					
	At December 31, 2014	Additions	Released income	Translation differences taken to income statement	Other movements	At December 31, 2015
Gestamp Bizkaia, S.A.	1,713	—	(273)	—	—	1,440
Gestamp Vigo, S.A.	2,384	—	(870)	—	—	1,514
Gestamp Cerveira Ltda	—	—	(17)	—	17	—
Gestamp Toledo, S.L.	2,108	29	(251)	—	—	1,886
Gestamp Palencia, S.A.	2,756	3,468	(420)	—	—	5,804
Gestamp Linares, S.A.	914	—	(57)	—	—	857
Gestamp Galvanizados, S.A.	73	—	(13)	—	—	60
Gestamp Puebla, S.A. de C.V. . . .	169	—	(33)	(6)	—	130
Gestamp Aveiro, S.A.	169	—	(114)	—	181	236
Gestamp Navarra, S.A.	1,555	—	(164)	—	—	1,391
Gestamp Solblank Navarra, S.L. . .	47	—	(8)	—	—	39
Gestamp Aragón, S.A.	591	—	(100)	—	—	491
Gestamp Abrera, S.A.	1,001	—	(145)	—	—	856
Gestamp Metalbages, S.A.	103	—	(19)	—	—	84
Gestamp Solblank Barcelona, S.A.	87	81	(40)	—	—	128
Gestamp Washington UK, Ltd . .	161	—	(111)	10	—	60
Gestamp Levante, S.A.	3,096	—	(525)	—	(4)	2,567
Gestamp Hungaria KFT	207	—	(11)	—	—	196
Griwe Subgroup	1,812	—	(332)	—	(4)	1,476
Gestamp Kartek Co, Ltd.	14	—	(4)	1	—	11
Gestamp Manufacturing Autochasis, S.L.	136	—	(22)	—	—	114
Adral, matriceria y pta. a punto, S.L.	98	—	—	—	(31)	67
Gestamp Esmar, S.A.	3	—	(3)	—	—	—
Beyçelik, A.S.	461	93	—	(50)	—	504
Edscha Subgroup	4,588	205	(873)	8	(50)	3,878
Gestamp Metal Forming Subgroup	5,754	823	(1,992)	322	—	4,907
Loire Sociedad Anónima Franco Española	272	256	(80)	—	—	448
Diede Die Developments, S.L. . .	380	—	(88)	—	—	292
Gestamp Puebla II, S.A. de C.V. .	628	708	(24)	(28)	—	1,284
Total	31,280	5,663	(6,589)	257	109	30,720

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

18. Deferred income (Continued)

Thousands of euros						
Company	At December 31, 2013	Additions	Released income	Translation differences taken to income statement	Other movements	At December 31, 2014
Gestamp Bizkaia, S.A.	1,984	—	(271)	—	—	1,713
Gestamp Vigo, S.A.	3,265	—	(881)	—	—	2,384
Gestamp Toledo, S.L.	2,398	—	(290)	—	—	2,108
Gestamp Palencia, S.A.	3,114	—	(358)	—	—	2,756
Gestamp Linares, S.A.	972	—	(58)	—	—	914
Gestamp Galvanizados, S.A. . . .	86	—	(13)	—	—	73
Gestamp Puebla, S.A. de C.V. . .	200	—	(32)	1	—	169
Gestamp Aveiro, S.A.	237	—	(68)	—	—	169
Gestamp Navarra, S.A.	1,749	—	(194)	—	—	1,555
Gestamp Solblank Navarra, S.L.	56	—	(9)	—	—	47
Gestamp Aragón, S.A.	694	—	(94)	—	(9)	591
Gestamp Abrera, S.A.	1,256	—	(255)	—	—	1,001
Gestamp Metalbages, S.A.	122	—	(19)	—	—	103
Gestamp Solblank Barcelona, S.A.	106	—	(19)	—	—	87
Gestamp Washington UK, Ltd . .	248	—	(100)	13	—	161
Gestamp Levante, S.A.	620	2,927	(451)	—	—	3,096
Gestamp Hungaria KFT	232	—	(11)	(14)	—	207
Griwe Subgroup	2,249	—	(439)	—	2	1,812
Gestamp Kartek Co, Ltd.	21	—	(9)	2	—	14
Gestamp Manufacturing Autochasis, S.L.	156	—	(20)	—	—	136
Adral, matricería y pta. a punto, S.L.	135	—	—	—	(37)	98
Gestamp Esmar, S.A.	6	—	(3)	—	—	3
Beyçelik, A.S.	343	104	—	14	—	461
Edscha Subgroup	4,187	1,793	(841)	(5)	(546)	4,588
Gestamp Metal Forming Subgroup	6,031	151	(812)	384	—	5,754
Loire Sociedad Anónima Franco Española	325	16	(69)	—	—	272
Diede Die Developments, S.L. . .	491	—	(72)	—	(39)	380
Gestamp Puebla II, S.A. de C.V.	—	628	—	—	—	628
Total	31,283	5,619	5,388	395	(629)	31,280

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

18. Deferred income (Continued)

Company	Thousands of euros					
	At December 31, 2012	Additions	Released income	Translation differences taken to income statement	Other movements	At December 31, 2013
Gestamp Bizkaia, S.A.	2,242	—	(258)	—	—	1,984
Gestamp Vigo, S.A.	4,097	—	(1,178)	—	346	3,265
Gestamp Toledo, S.L.	2,783	—	(385)	—	—	2,398
Gestamp Palencia, S.A.	3,470	—	(356)	—	—	3,114
Gestamp Linares, S.A.	1,064	—	(92)	—	—	972
Gestamp Galvanizados, S.A. ...	99	—	(13)	—	—	86
Gestamp Puebla, S.A. de C.V. .	245	—	(34)	(11)	—	200
Gestamp Aveiro, S.A.	332	—	(95)	—	—	237
Gestamp Navarra, S.A.	1,995	—	(246)	—	—	1,749
Gestamp Solblank Navarra, S.L.	65	—	(9)	—	—	56
Gestamp Aragón, S.A.	803	—	(109)	—	—	694
Gestamp Abrera, S.A.	1,402	—	(146)	—	—	1,256
Gestamp Metalbages, S.A.	141	—	(19)	—	—	122
Gestamp Solblank Barcelona, S.A.	135	—	(29)	—	—	106
Gestamp Washington UK, Ltd .	—	341	(91)	(2)	—	248
Gestamp Levante, S.A.	724	—	(104)	—	—	620
Gestamp Hungaria KFT	248	—	(14)	(2)	—	232
Griwe Subgroup	3,224	—	(964)	—	(11)	2,249
Gestamp Cataforesis Vigo, S.A. .	346	—	—	—	(346)	—
Gestamp Kartek Co, Ltd.	29	—	(7)	(1)	—	21
Gestamp Manufacturing Autochasis, S.L.	175	—	(19)	—	—	156
Adral, matriceria y pta. a punto, S.L.	192	—	—	—	(57)	135
Gestamp Esmar, S.A.	9	—	(3)	—	—	6
Beyçelik, A.S.	306	122	—	(62)	(23)	343
Edscha Subgroup	4,602	198	(95)	(19)	(499)	4,187
Gestamp Metal Forming Subgroup	130	6,729	(812)	(16)	—	6,031
Loire Sociedad Anónima Franco Española	343	31	(49)	—	—	325
Diede Die Developments, S.L. .	422	34	(28)	—	63	491
Total	29,623	7,455	(5,155)	(113)	(527)	31,283

The additions recognized in 2015, 2014 and 2013 correspond to grants received from public authorities for investments in plant and equipment and job creation.

The Group companies have met all the requirements attaching to these grants to qualify as non-reimbursable grants.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

19. Provisions

The breakdown of non-current and current provisions in 2015, 2014 and 2013 is as follows:

	Non-current			Current		
	2015	2014	2013	2015	2014	2013
Provisions for retributions to employees (note 20)	74,840	79,517	60,449	4,228	7,014	5,265
Provisions for taxes	6,898	6,440	4,865	—	—	—
Provisions for dismantlement and retirement of tangible fixed assets	—	—	351	—	—	—
Other provisions	75,049	45,269	69,355	12,090	12,077	8,363
	<u>156,787</u>	<u>131,226</u>	<u>135,020</u>	<u>16,318</u>	<u>19,091</u>	<u>13,648</u>

The changes in “Provisions” during 2015, 2014 and 2013 are as follows:

	Thousands of euros	
	Non-current	Current
Balance at December 31, 2012	168,054	15,641
Additions to scope	(87)	—
Increase in allowance	15,625	7,892
Applications	(48,905)	(7,244)
Translation differences	(644)	(414)
Other movements	977	(2,227)
Balance at December 31, 2013	135,020	13,648
Increase in allowance	36,260	6,314
Decrease	(32,303)	(14,858)
Translation differences	(223)	283
Other movements	(7,528)	13,704
Balance at December 31, 2014	131,226	19,091
Additions to scope	69,487	4,290
Increase in allowance	(43,588)	(7,124)
Translation differences	(1,916)	(732)
Other movements	1,578	793
Balance at December 31, 2015	156,787	16,318

This line item primarily reflects employee compensation and provisions recognized by certain Group companies to cover specific risks arising from their day-to-day businesses and potential liabilities relating to tax assessments which are currently being appealed, among other items.

Non-current provisions

Increases of non-current provisions at December 31, 2015 mainly correspond to risks from commercial activity related to operating expenses and increases in post-retirement benefits.

Increases of non-current provisions in 2014 and 2013 correspond mainly to post-retirement benefits, liabilities relating to differences in the interpretation of tax matters, and long term employee compensation.

Decreases of non-current provisions in 2015, 2014 and 2013 mainly reflect:

- Application of provisions relating to tax assessments.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

19. Provisions (Continued)

- Application of provisions from onerous contracts of the Edscha Subgroup and Gestamp Vendas Novas Lda.
- Application of long term employee compensation provisions among others.
- Reversal in 2015 of the provision for personnel restructuring in Edscha Briey SAS amounting to 5,077 thousand euros, whereof 4,227 thousand euros correspond to application and 850 thousand euros correspond to provision surplus.

Changes of non-current provisions directly registered in the Consolidated Income Statement in 2015 mainly correspond to:

- Reversal of provisions mainly related to onerous contracts mentioned above registered under the heading “Other operating income” amounting to 18,540 thousand euros (2014: 12,479 thousand euros and 2013: 10,647 (Note 24.b)).
- Surplus provisions amounting in 2014 to 3,558 thousand euros (2013: 2,550 thousand euros).
- Balance registered in consumables and operating expenses amounting to 50,406 thousand euros (2014: 19,317 thousand euros 2013: 24,812 thousand euros).

Current provisions

Increases in current provisions in 2015 mainly correspond to provisions from Edscha Automotive Kamenice S.R.O., Sofedit SAS and Gestamp Umformtechnik GmbH for short-term employee compensation and for covering specific risks arising from day to day businesses.

Additions to current provisions in 2014 correspond mainly to provisions of Gestamp Metal Forming (Wuhan), Ltd., Gestamp Umformtechnik, GmbH., Sofedit, S.A.S, Edscha Automotive Kamenice S.R.O., Edscha do Brasil, Ltd. and Shanghai Edscha Machinery Co. Ltd. to short-term employee compensation and to cover specific risks arising from day to day businesses.

Additions to current provisions in 2013 correspond mainly to provisions for obtaining customer projects of Gestamp Metal Forming (Wuhan), Ltd., to short-term employee compensation and other issues with customers of Sofedit S.A.S. and to customer guarantees of Edscha Automotive Kamenice S.R.O.

Decreases of current provisions in 2015, 2014 and 2013 correspond mainly to employee restructuring installments, regularization of provisions related to resolved litigations and to short term employee compensation.

Other movements in current and non-current provisions in 2015, 2014 and 2013 are mainly related to prior year’s adjustments and reclassifications and transfers from non-current to current provisions since application is expected in less than 12 months.

20. Pensions and other post-employment obligations

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

Item	Non-current			Current			Total		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
Employee benefits a)	6,137	11,060	7,899	4,228	7,014	5,256	10,365	18,074	13,155
Post-employment benefits									
Defined benefit plans b)	68,703	68,457	52,550	—	—	9	68,703	68,457	52,559
Total	<u>74,840</u>	<u>79,517</u>	<u>60,449</u>	<u>4,228</u>	<u>7,014</u>	<u>5,265</u>	<u>79,068</u>	<u>86,531</u>	<u>65,714</u>

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

20. Pensions and other post-employment obligations (Continued)

a) Employee benefits

This line item includes provisions by some Group companies for seniority awards and other benefits for long term service (anniversary, retirement, awards, etc.).

b) Defined benefit plans

The Group has a number of defined benefit plans. The main defined benefit plans are located in Germany and France and correspond to companies belonging to Gestamp Metal Forming Subgroup and Edscha Subgroup as well as Autotech Engineering Deutschland, GmbH. Among these pension plans, there are partially supported plans by an investment fund and not supported plans by an investment fund.

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

Assets and liabilities recognized in these Consolidated Financial Statements and corresponding to the said plan, by countries, are the following:

<u>Item</u>	Thousands of euros		
	<u>Germany</u>	<u>France</u>	<u>Total</u>
Present value of the defined benefit obligation	66,573	8,845	75,418
Fair value of plan assets and reimbursement rights	(4,482)	(2,233)	(6,715)
Defined benefit obligation's value at December 31, 2015	62,091	6,612	68,703

<u>Item</u>	Thousands of euros		
	<u>Germany</u>	<u>France</u>	<u>Total</u>
Present value of the defined benefit obligation	67,303	7,937	75,240
Fair value of plan assets and reimbursement rights	(4,410)	(2,373)	(6,783)
Defined benefit obligation's value at December 31, 2014	62,893	5,564	68,457

<u>Item</u>	Thousands of euros		
	<u>Germany</u>	<u>France</u>	<u>Total</u>
Present value of the defined benefit obligation	52,017	7,333	59,350
Fair value of plan assets and reimbursement rights	(4,338)	(2,453)	(6,791)
Defined benefit obligation's value at December 31, 2013	47,679	4,880	52,559

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

20. Pensions and other post-employment obligations (Continued)

Changes in the defined benefit obligations' present value are the following:

	Thousands of euros		
	Germany	France	Total
Present value of the defined benefit obligation at January 1, 2013	54,248	6,992	61,240
Current service cost year 2013	2,386	417	2,803
Interest income or expense	1,555	209	1,764
Pension cost charged to profit and loss at 2013	3,941	626	4,567
Payments from the plan except any settlements	(2,040)	(267)	(2,307)
Actuarial gains and losses arising from changes in demographic assumptions	—	(24)	(24)
Actuarial gains and losses arising from changes in financial assumptions	(2,561)	6	(2,555)
Remeasurements of the net defined benefit liability	(2,561)	(18)	(2,579)
Effect of disposals	(611)	—	(611)
Other effects	(960)	—	(960)
Present value of the defined benefit obligation at December 31, 2013	52,017	7,333	59,350
Current service cost year 2014	2,489	424	2,913
Gains and losses arising from settlements	—	(143)	(143)
Interest income or expense	1,722	146	1,868
Pension cost charged to profit and loss at 2014	4,211	427	4,638
Payments from the plan except any settlements	(2,039)	(129)	(2,168)
Actuarial gains and losses arising from changes in financial assumptions	12,785	470	13,255
Actuarial gains and losses attributable to non-controlling interests	—	(164)	(164)
Tax effect	(253)	—	(253)
Remeasurement of the net defined benefit liability	12,532	306	12,838
Effect of disposals	14	—	14
Other effects	568	—	568
Present value of the defined benefit obligation at December 31, 2014	67,303	7,937	75,240
Current service cost year 2015	3,077	549	3,626
Gains and losses arising from settlements	(105)	(619)	(724)
Interest income or expense	5,043	169	5,212
Pension cost charged to profit and loss at 2014	8,015	99	8,114
Payments from the plan except any settlements	(2,319)	(156)	(2,475)
Payments from the plan settlements	(350)	—	(350)
Actuarial gains and losses arising from changes in financial assumptions	(5,724)	(128)	(5,852)
Actuarial gains and losses attributable to non-controlling interests	—	45	45
Tax effect	—	—	—
Remeasurement of the net defined benefit liability	(5,724)	(83)	(5,807)
Effect of disposals	—	—	—
Other effects	(352)	1,048	696
Present value of the defined benefit obligation at December 31, 2015	66,573	8,845	75,418

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

20. Pensions and other post-employment obligations (Continued)

Changes in the plan assets' fair value are the following:

	Thousands of euros		
	Germany	France	Total
Fair value of plan assets and reimbursement rights at			
January 1, 2013	4,279	2,504	6,783
Interest income or expense	128	75	203
Pension cost charged to profit and loss at 2013	128	75	203
Payments from the plan except any settlements	—	(267)	(267)
Return on plans assets, excluding amounts included in interest	—	(18)	(18)
Actuarial gains and losses arising from changes in demographic assumptions	(69)	—	(69)
Remeasurements of the net defined benefit liability	(69)	(18)	(87)
Contributions to the plan by the employer	—	159	159
Fair value of plan assets and reimbursement rights at			
December 31, 2013	4,338	2,453	6,791
Interest income or expense	148	74	222
Pension cost charged to profit and loss at 2014	148	74	222
Payments from the plan except any settlements	—	(129)	(129)
Contributions to the plan by the employer	—	(38)	(38)
Actuarial gains and losses arising from changes in financial assumptions	(76)	—	(76)
Actuarial gains and losses attributable to non-controlling interests	—	13	13
Remeasurements of the net defined benefit liability	(76)	(25)	(101)
Fair value of plan assets and reimbursement rights at			
December 31, 2014	4,410	2,453	6,783
Interest income or expense	79	42	121
Pension cost charged to profit and loss at 2014	79	42	121
Payments from the plan except any settlements	—	(156)	(156)
Contributions to the plan by the employer	—	(40)	(40)
Actuarial gains and losses arising from changes in financial assumptions	(7)	—	(7)
Actuarial gains and losses attributable to non-controlling interests	—	14	14
Remeasurements of the net defined benefit liability	(7)	(26)	(33)
Fair value of plan assets and reimbursement rights at			
December 31, 2015	4,482	2,233	6,715

The breakdown of the expense recognized in the income statement regarding this plan is as follows:

Concept	Thousands of euros					
	Germany			France		
	2015	2014	2013	2015	2014	2013
Current service cost	3,077	2,489	2,386	549	424	417
Past service cost	(105)	—	—	(619)	(143)	—
Net interest on the net defined benefit liability (asset)	4,964	1,574	1,427	127	73	134
Total expense recognized in profit or loss .	7,936	4,063	3,813	57	354	551

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20. Pensions and other post-employment obligations (Continued)

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

Concept	Germany			France		
	2015	2014	2013	2015	2014	2013
Discount rate	2.0%-2.3%	1.8%-2.6%	3.4%-3.5%	1.8% 1.9%	1.8%	3%
Expected rate of return on any plan assets	0%-2.2%	0%-1.8%	3.0%	1.9%	—	3%
Future salary increases rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Future pension increases rate	1.5%-2%	1.5%-2%	1.5%-2.5%	—	—	—
Inflation rate	2.0%	2.0%	2.0%	1%-1.5%	—	2%
Mortality table	RT 2005 G	RT 2005 G	RT 2005 G	INSEE F 08-10	INSEE F 08-10	INSEE F 07-09
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%	RT 2005G 0.8%-0.5%	3%	—	—
Proportion of plan members with dependents who will be eligible for benefits	100.0%	100.0%	100.0%	—	—	—
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service	0%-2%	0%-2%	—	—	—	45%
Retirement age	—	—	—	62-65 years	62-65 years	62-65 years

The sensitivity analysis of the value of post-retirement benefits obligations for the main hypotheses at December 31, 2015, December 31, 2014 and December 31, 2013 are as follows:

Assumptions	Sensitivity	Thousands of euros			
		2015			
		Germany		France	
		Increase	Decrease	Increase	Decrease
Discount rate					
Increase	0.25%	—	—	—	301
Decrease	0.25%	—	—	317	—
Increase	0.5%	—	4,291	—	—
Decrease	0.5%	3,862	—	—	—
Future pension increases rate					
Increase	0.5%	1,804	—	—	—
Decrease	0.5%	—	1,714	—	—
Future salary increases rate					
Increase	0.5%	—	—	641	—
Decrease	0.5%	—	—	—	583
Mortality rate					
Increase	1 year	1,245	—	—	—

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

20. Pensions and other post-employment obligations (Continued)

		Thousands of euros			
		2014			
Assumptions	Sensitivity	Germany		France	
		Increase	Decrease	Increase	Decrease
Discount rate					
Increase	0.25%	—	—	—	301
Decrease	0.25%	—	—	316	—
Increase	0.5%	—	4,226	—	—
Decrease	0.5%	4,696	—	—	—
Future pension increases rate					
Increase	0.5%	2,011	—	—	—
Decrease	0.5%	—	1,910	—	—
Future salary increases rate					
Increase	0.5%	—	—	641	—
Decrease	0.5%	—	—	—	583
Mortality rate					
Increase	1 year	1,368			
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service					

		Thousands of euros			
		2013			
Assumptions	Sensitivity	Germany		France	
		Increase	Decrease	Increase	Decrease
Discount rate					
Increase	0.5%	—	—	—	886
Decrease	0.5%	—	—	1,084	—
Increase	1.0%	—	2,884	—	—
Decrease	1.0%	3,208	—	—	—
Future pension increases rate					
Increase	0.5%	1,404	—	—	—
Decrease	0.5%	—	1,371	—	—
Future salary increases rate					
Increase	0.5%	—	—	514	—
Decrease	0.5%	—	—	—	469
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resultin from that service					
Increase	1.0%	—	—	51	—
Decrease	1.0%	—	—	—	51

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

21. Non-trade liabilities

The breakdown of non-trade liabilities at December 31, 2015, 2014 and 2013 classified by concepts is as follows:

		Long Term				Short Term		
		2015	2014	2013		2015	2014	2013
a) Interest-bearing loans and borrowings .	a.1)	1,448,036	1,482,300	1,479,024	a.2)	282,900	282,480	267,618
b) Derivative financial instruments	b.4)	72,828	47,404	96,960		—	—	—
c) Other non-trade liabilities		153,284	195,621	209,882		167,975	171,985	244,474
Financial leasing	b.1)	28,869	25,076	25,646	b.1)	6,292	3,516	3,232
Borrowings from Associated companies	b.2)	68,442	73,179	81,560	b.2)	11,485	51,159	128,898
Other non-trade liabilities	b.3)	55,973	97,366	102,676	b.3)	150,198	117,310	112,344
		<u>1,674,148</u>	<u>1,725,325</u>	<u>1,785,866</u>		<u>450,875</u>	<u>454,465</u>	<u>512,092</u>

a) Interest-bearing loans and borrowings

a.1) Non-current

The breakdown of non-current interest-bearing loans and borrowings at December 31, 2015, 2014 and 2013 is as follows:

	Thousands of euros						
	2015						2014
	2017	2018	2019	2020	Beyond	Total	Total
In Euros	130,892	87,194	158,127	736,489	1,354	1,114,056	1,133,513
Gestamp Automoción, S.A. I)	119,438	77,360	151,247	242,021	—	590,066	570,330
Griwe Subgroup	2,713	2,713	2,713	2,713	1,354	12,206	15,724
Beyçelik, A.S.	2,199	449	—	—	—	2,648	25,656
Gestamp Metal Forming Subgroup	4,167	4,167	4,167	3,124	—	15,625	19,793
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi	2,375	2,505	—	—	—	4,880	9,213
Gestamp Funding Luxembourg, S.A. II)	—	—	—	488,631	—	488,631	492,797
In foreign currency	10,691	7,757	4,896	306,798	3,838	333,980	348,787
Brazilian reais							
Gestamp Brasil Industria de Autopeças, S.A.	2,791	2,789	2,777	2,421	3,838	14,616	28,266
Edscha Subgroup	—	—	—	—	—	—	663
Indian rupees							
Gestamp Automotive Chennai Private Ltd	3,351	3,351	837	—	—	7,539	20,424
Remimbi Yuan							
Gestamp Autocomponents (Shenyang), Co. Ltd.	2,820	—	—	—	—	2,820	6,561
Edscha Subgroup	—	—	—	—	—	—	1,508
Czech Crowns							
Edscha Subgroup	1,255	1,255	1,255	—	—	3,765	3,604
Korean wons							
Gestamp Kartek Co, Ltd	474	362	27	7	—	870	1,407
US Dollars							
Gestamp Funding Luxembourg, S.A. II)	—	—	—	304,370	—	304,370	286,354
	141,583	94,951	163,023	1,043,287	5,192	1,448,036	1,482,300

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

21. Non-trade liabilities (Continued)

2014					
2016	2017	2018	2019	Beyond	Total
133,451	260,983	272,665	17,611	797,590	1,482,300

2013					
2015	2016	2017	2018	Beyond	Total
85,815	104,591	235,220	290,626	762,772	1,479,024

The guarantees granted are personal guarantees of the borrower, except for the loans granted to the Griwe Subgroup, which are additionally secured by the property, plant, and equipment financed by these loans (Note 6).

The nominal interest rate on the loans at December 31, 2015 is as follows:

	Interest rate
Loans denominated in euros	1.45%–2.50%
Loans denominated in Indian rupees	10.3%–12.3%
Loans denominated in Brazilian reais*	4.5%–16.21%
Loans denominated in Korean won	3.6%–4.0%

* The lower level of the band corresponds to loans received from BNDES, with a subsidised interest rate.

The nominal interest rate on the loans at December 31, 2014 is as follows:

	Interest rate
Loans denominated in euros	1.45%–3.50%
Loans denominated in Indian rupees	10.3%–12.3%
Loans denominated in Brazilian reais*	4.5%–16.21%
Loans denominated in Korean won	3.6%–4.0%

* The lower level of the band corresponds to loans received from BNDES, with a subsidised interest rate.

The average nominal interest rate on the loans at December 31, 2013, was as follows:

	Interest rate
Loans denominated in euros	2.5%–3.75%
Loans denominated in Indian rupees	10.3%–12.3%
Loans denominated in Brazilian reais	4.5%–13.0%
Loans denominated in Korean won	3.6%–4.0%

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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21. Non-trade liabilities (Continued)

I) 2012 Bank of America Loan and 2013 Syndicated Loan

Most relevant information regarding interest-bearing loans and borrowings subject to covenants at December 31, 2015 and December 31, 2014 is as follows:

Entity	Initial date	Amount granted	Maturity date	Financial obligations	Restrictions
Bank of America Securities Limited	March 21, 2012	60 million euros	March 21, 2017	“Net debt/EBITDA” below 3.50x “EBITDA/Financial expense” above 4.00x	N/A
Group of banks	April 19, 2013	850 million euros*	March 11, 2020	“Net debt/EBITDA” below or equal 3.50x “EBITDA/Financial expense” above 4.00x	Limitation for the dividends distribution: <ul style="list-style-type: none"> • If “Net debt/EBITDA” is below 3.00x and above 2.00x dividends can be no more than 35% of the consolidated benefit • If “Net debt/EBITDA” is equal or below 2.00x dividends can be no more than 50% of the consolidated benefit

* The 850 million euros loan is divided into Tranche A (loan) amounting to 570,000 thousand euros with a nominal outstanding balance at December 31, 2015 and December 31, 2014 amounting to 544,350 thousand euros and a Revolving Credit Facility Tranche amounting to 280,000 thousand euros that at December 31, 2015 and December 31, 2014 is not drawn down.

The Bank of America loan as well as the syndicated loan were granted to the Company and they are registered in long-term for 60,000 thousand euros and 519,840 thousand euros respectively and the part of syndicated loan in short term is 24,510 thousand euros.

At December 31, 2015, December 31, 2014 and December 31, 2013 the Company was not in breach of any of these covenants.

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

II) May 2013 Bond

On May 2013, the Group completed an issuance of bonds through its subsidiary Gestamp Funding Luxembourg, S.A. This issuance has been carried out in two stages, in the first stage bonds were issued amounting to 500 million euros at an interest rate of 5.875%, and in the second stage bonds were issued amounting 350 million dollars with 5.625% interest rate. The amortized cost at December 31, 2015 at exchange rate of the said date was 793 million euros (489 million euros and 304 million euros corresponding to the stages in euros and dollars respectively). The cost at December 31, 2014 was 779 million euros (493 million euros and 286 million euros corresponding to the stages in euros and dollars respectively).

Interests are payable every six months (November and May).

The maturity date of the bonds is May 31, 2020.

On September and October 2015 the Group acquired part of the issued bonds for 16,702 thousand dollars and 5,500 thousand euros. These bonds were later cancelled and fully paid.

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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21. Non-trade liabilities (Continued)

a.2) Current interest-bearing loans and borrowings

The Group companies have been granted the following credit and discounting facilities:

Company	Thousands of euros										
	Credit facilities						Loans (b)			Accrued interest	
	Drawn down (a)			Limit							
	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014
In Euros	43,148	50,609	94,258	316,800	315,800	290,800	161,304	86,775	51,322	5,006	7,426
Gestamp Automoción, S.A.	40,978	43,608	88,349	309,600	308,600	283,600	117,598	50,386	22,512	1,717	4,163
Gestamp Toledo S.L.	—	—	—	—	—	—	—	—	—	—	—
Gestamp Solblank Barcelona, S.A.	—	—	—	—	—	—	—	—	—	4	4
Gestamp Palencia, S.A.	—	—	—	—	—	—	—	—	—	4	—
Gestamp Servicios, S.A.	—	—	—	—	—	—	—	—	—	45	45
Gestamp Metalbages, S.A.	2,170	7,001	5,909	7,200	7,200	7,200	—	—	—	3	2
Gestamp Abrera, S.A.	—	—	—	—	—	—	—	—	—	8	4
Griwe Subgroup	—	—	—	—	—	—	3,521	4,273	4,282	—	—
Beyçelik, A.S.	—	—	—	—	—	—	22,275	4,445	—	328	130
Gestamp Aragón, S.A.	—	—	—	—	—	—	—	—	—	4	2
Edscha Subgroup	—	—	—	—	—	—	—	—	—	—	—
MB Levante, S.L.	—	—	—	—	—	—	—	—	—	5	2
Gestamp Navarra, S.A.	—	—	—	—	—	—	—	—	—	8	18
Gestamp Vigo, S.A.	—	—	—	—	—	—	—	—	—	4	2
Gestamp Hungaria KFT	—	—	—	—	—	—	—	—	4,682	—	—
Gestamp Severstal Vsevolozhsk Llc	—	—	—	—	—	—	—	—	4	—	—
Gestamp Auto Components (Kunshan) Co., Ltd	—	—	—	—	—	—	869	14,051	18,800	9	48
Gestamp Auto Components (Donguan) Co., Ltd	—	—	—	—	—	—	—	2,562	—	31	3
Gestamp Autocomponents (Shenyang), Co. Ltd.	—	—	—	—	—	—	2,519	—	—	—	—
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited	—	—	—	—	—	—	—	—	—	—	—
Sirketi	—	—	—	—	—	—	2,251	—	—	173	229
Gestamp Metal Forming subgroup	—	—	—	—	—	—	4,167	4,167	1,042	—	—
Gestamp Funding Luxembourg, S.A.	—	—	—	—	—	—	—	—	—	2,663	2,774
Gestamp Polska, SP. Z.O.O.	—	—	—	—	—	—	—	1,473	—	—	—
Loire Sociedad Anónima Franco Española	—	—	—	—	—	—	8,104	5,404	—	—	—
Autotech Engineering R&D Uk limited	—	—	—	—	—	—	—	14	—	—	—
In foreign currency	21,134	1,193		29,569	3,048		50,487	61,476	77,813	1,732	2,623

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

21. Non-trade liabilities (Continued)

Company	Thousands of euros									
	Credit facilities						Loans (b)			
	Drawn down (a)			Limit						Accrued interest
	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015 2014
US dollars										
Gestamp Baires, S.A.	—	—	—	—	—	—	—	—	3,112	—
Gestamp Córdoba, S.A.	—	—	—	—	—	—	—	—	3,389	—
Gestamp Funding Luxembourg, S.A.	—	—	—	—	—	—	—	—	—	1,534 1,530
Turkish lira										
Beyçelik, A.S.	—	—	—	—	—	—	7,885	—	3,381	80
Argentine pesos										
Gestamp Córdoba, S.A.	—	—	—	—	—	—	922	—	—	—
Brazilian reais										
Gestamp Brasil Industria de Autopeças, S.A.	—	—	—	—	—	—	8,570	16,555	47,564	11 417
Edscha Subgroup	—	—	—	—	—	—	—	4,348	7,948	— 597
Indian rupees										
Gestamp Services India Private, Ltd.	—	—	—	—	—	—	120	70	319	—
Sungwoo Gestamp Hitech Pune Private Ltd.	4,534	—	—	7,765	—	—	—	—	2,037	—
Gestamp Automotive Chennai Private Ltd.	14,062	—	—	15,529	—	—	3,351	—	—	60
Remimbi Yuan										
Gestamp Auto Components (Kunshan) Co., Ltd	—	—	—	—	—	—	—	—	761	—
Gestamp AutoComponents (Shenyang) Co., Ltd	—	—	—	—	—	—	12,600	13,905	—	45 38
Edscha Subgroup	2,538	1,193	—	6,275	3,048	—	—	1,193	—	—
Gestamp Metal Forming Subgroup	—	—	—	—	—	—	11,140	21,208	6,009	— 39
Czech Crowns										
Edscha Subgroup	—	—	—	—	—	—	3,755	3,400	2,500	—
Korean won										
Edscha Subgroup	—	—	—	—	—	—	1,558	—	—	—
Gestamp Kartek Co, Ltd.	—	—	—	—	—	—	586	797	793	2 2
	64,282	51,802	94,258	346,369	318,848	290,800	211,791	148,251	129,135	6,738 10,049

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

21. Non-trade liabilities (Continued)

In all, the Group has approximately 431 million, 415 million and 253 million euros in recourse factoring and available discounting facilities at December 31, 2015, 2014 and 2013 respectively.

Interest on the credit facilities is basically indexed to a variable rate of Euribor plus a spread of between 0.65% and 1.75% in 2015 and between 1.00% and 1.75% and between 1.50% and 3.75% in 2014 and 2013 respectively.

b) Financial instruments and other non-trade liabilities

The composition of this line item at December 31, 2015, 2014 and 2013 is as follows:

Description	Thousands of euros					
	2015		2014		2013	
	Non-current	Current	Non-current	Current	Non-current	Current
Leases (b.1)	28,869	6,292	25,076	3,516	25,646	3,232
Borrowings from Group companies (b.2)	68,442	11,485	73,179	51,159	81,560	128,898
Other borrowings (b.3)	55,973	150,198	97,366	117,310	102,676	112,344
<i>Total</i>	<u>153,284</u>	<u>167,975</u>	<u>195,621</u>	<u>171,985</u>	<u>209,882</u>	<u>244,474</u>
Derivative financial instruments (b.4)	<u>72,828</u>	<u>—</u>	<u>47,404</u>	<u>—</u>	<u>96,960</u>	<u>—</u>

b.1) Leases

The finance lease commitments recognized under this heading correspond to the present value of the payment commitments on the finance leases outlined in Note 6. The payment schedule for these lease payments and the corresponding finance expenses are as follows:

	2015				
	Thousands of euros				
	Present value of lease obligations				
	Less than one year	Between one and five years	More than five years	Future finance expenses	Finance lease installments
Gestamp West Virginia, LLC	1,029	4,476	17,451	6,983	29,939
Beyçelik, A.S.	5,192	5,457	1,408	1,054	13,111
Gestamp Metal Forming Subgroup	61	75	—	8	144
Edscha Subgroup	10	2	—	1	13
<i>Total</i>	<u>6,292</u>	<u>10,010</u>	<u>18,859</u>	<u>8,046</u>	<u>43,207</u>

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

21. Non-trade liabilities (Continued)

2014					
Thousands of euros					
Present value of lease obligations					
	Less than one year	Between one and five years	More than five years	Future finance expenses	Finance lease installments
Gestamp West Virginia, LIC	46	3,890	16,725	6,676	27,337
Beyçelik, A.S.	3,345	4,314	—	479	8,138
Gestamp Metal Forming Subgroup	59	136	—	11	206
GMF Otomotive Parçaları Sanayi ve Ticaret L.S	32	—	—	3	35
Loire Sociedad Anónima Franco Española	25	—	—	1	26
Edscha Subgroup	9	11	—	2	22
Total	<u>3,516</u>	<u>8,351</u>	<u>16,725</u>	<u>7,172</u>	<u>35,764</u>

2013					
Thousands of euros					
Present value of lease obligations					
	Less than one year	Between one and five years	More than five years	Future finance expenses	Finance lease installments
Gestamp West Virginia, LIC	—	2,565	15,623	6,713	24,901
Beyçelik, A.S.	3,064	7,171	—	874	11,109
Gestamp Metal Forming Subgroup	78	195	—	26	299
GMF Otomotive Parçaları Sanayi ve Ticaret L.S	22	44	—	4	70
Loire Sociedad Anónima Franco Española	56	28	—	3	87
Edscha Subgroup	12	20	—	4	36
Total	<u>3,232</u>	<u>10,023</u>	<u>15,623</u>	<u>7,624</u>	<u>36,502</u>

b.2) Borrowings from Group companies

The breakdown of this heading in the consolidated balance sheet at December 31, 2015, 2014 and 2013 is as follows:

Description	Long term			Short term		
	2015	2014	2013	2015	2014	2013
Current accounts (Note 29) . . .	—	—	—	—	399	124,571
Loans (Note 29)	42,167	45,986	53,506	7,438	21,618	—
Interest (Note 29)	—	—	—	3,124	3,269	3,519
Fixed assets suppliers (Note 29)	26,275	27,193	28,054	923	25,873	808
	<u>68,442</u>	<u>73,179</u>	<u>81,560</u>	<u>11,485</u>	<u>51,159</u>	<u>128,898</u>

At December 31, 2015 and December 31, 2014 the balance of long term fixed assets suppliers with Acek, Desarrollo y Gestión Industrial, S.L. corresponds to the purchase of GESTAMP brand.

The balance of fixed assets suppliers amounting to 25,873 thousand euros in 2014 included the debt for purchases of PP&E to Inmobiliaria Acek S.L. amounting to 25,010 thousand euros paid out in the first quarter of 2015.

The balance of fixed assets suppliers with Acek, Desarrollo y Gestión Industrial, S.L. correspond to the purchase of GESTAMP brand at December 31, 2014 and December 31, 2013.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

21. Non-trade liabilities (Continued)

b.3) Other liabilities

Other non-current liabilities

The breakdown of the amounts included under this heading, by company, nature, and maturity, at December 31, 2015, 2014 and 2013 is as follows:

Company	Thousands of euros					Total 2015
	2017	2018	2019	2020	Beyond	
Guarantees received	—	—	—	—	401	401
Gestamp Automoción, S.A.	—	—	—	—	291	291
Gestamp Abrera, S.A.	—	—	—	—	6	6
Gestamp Argentina, S.A.	—	—	—	—	2	2
Gestamp Kartek Co, Ltd	—	—	—	—	8	8
Gestamp Metalbages, S.A.	—	—	—	—	1	1
SCI de Tournan en Brie	—	—	—	—	93	93
Fixed assets suppliers	327	60	71	83	290	831
	276					276
	51	60	71	83	290	555
Loans from Ministry of Science and Technology	6,245	5,915	6,124	5,499	15,645	39,428
Gestamp Vigo, S.A.	513	513	513	513	1,325	3,377
Gestamp Toledo, S.L	474	474	474	474	900	2,796
Gestamp Palencia, S.A.	262	262	262	262	585	1,633
Gestamp Linares, S.A.	181	145	70	—	—	396
Gestamp Galvanizados, S.A.	34	34	34	34	77	213
Gestamp Metalbages, S.A.	327	325	323	321	1,015	2,311
Gestamp Navarra, S.A.	675	701	731	275	439	2,821
Gestamp Manufacturing Autochasis S.L	278	276	274	272	868	1,968
Autotech Engineering, A.I.E	247	167	167	167	418	1,166
Gestamp Aragón, S.A.	312	300	288	277	922	2,099
Gestamp Abrera, S.A.	477	456	439	423	1,559	3,354
Gestamp Levante, S.L.	303	292	281	271	1,035	2,182
Gestamp Ingeniería Europa Sur, S.L.	—	—	—	—	—	—
Gestamp Solblank Navarra, S.L.	40	36	33	28	—	137
Loire Sociedad Anónima Franco Española	—	—	—	—	351	351
Gestamp Solblank Barcelona, S.A.	120	120	450	433	1,869	2,992
Diede Die Developments S.L	323	167	168	161	—	819
Gestamp Bizkaia, S.A.	1,679	1,647	1,617	1,588	4,282	10,813
Other creditors	8,770	3,739	391	527	1,886	15,513
Gestamp Servicios, S.A.	408	419	—	—	—	827
Gestamp Córdoba, S.A.	1,268	1,056	364	527	—	3,215
Gestamp Automoción, S.A.	7,068	2,238	—	—	1,882	11,188
SCI de Tournan en Brie	26	26	27	—	—	79
Gestamp Argentina, S.A.	—	—	—	—	4	4
Gestamp Sweden, AB	—	—	—	—	—	—
Gestamp Aveiro, S.A.	—	—	—	—	—	—
Gestamp Cerveira, Lda	—	—	—	—	—	—
Diede Die Developments S.L	—	—	—	—	—	—
Ocon Automated Systems S.L.	—	—	—	—	—	—
Edscha Subgroup	—	—	—	—	—	—
Gestamp Baires, S.A.	—	—	—	—	—	—
Gestamp West Virginia, LIC	—	—	—	—	—	—
Total	15,342	9,714	6,586	6,109	18,222	55,973

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

21. Non-trade liabilities (Continued)

<u>Company</u>	<u>Thousands of euros</u>					<u>Total 2014</u>
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Beyond</u>	
Total	<u>24,109</u>	<u>24,047</u>	<u>13,025</u>	<u>9,295</u>	<u>26,890</u>	<u>97,366</u>

<u>Company</u>	<u>Thousands of euros</u>					<u>Total 2013</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Beyond</u>	
Total	<u>18,205</u>	<u>18,556</u>	<u>20,562</u>	<u>10,420</u>	<u>34,933</u>	<u>102,676</u>

On December 19, 2012, Gestamp Servicios, S.L. received a loan granted by International Business Machine, S.A. amounting to 48,760 thousand euros. This loan accrues a market interest rate of 5.10% with quarterly due dates, being the last one on December 19, 2017. The outstanding balance at December 31, 2014 amounted to 20,738 thousand euros. Because of Group financial restructuring and with the aim of saving financial costs, this loan was early paid out on the first quarter of 2015.

Other current liabilities

The amounts included under this heading by nature at December 31, 2015, 2014 and 2013 are as follows:

	<u>Thousands of euros</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Fixed assets suppliers	127,698	98,334	95,306
Short term debts	22,240	18,336	16,562
Short term interests payable	242	38	547
Deposits and guarantees	148	137	118
Other	(130)	465	(189)
	<u>150,198</u>	<u>117,310</u>	<u>112,344</u>

b.4) Non-current derivatives

The fair value of interest rate and exchange rate hedges contracted by the Company at December 31, 2015, 2014 and 2013 are recognized in “Financial assets—derivatives” and “Financial liabilities—derivatives”:

<u>Description</u>	<u>Thousands of euros</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Financial assets—derivatives	<u>28,184</u>	<u>5,863</u>	<u>63,756</u>
Derivatives held for trading	—	—	—
Other	28,184	5,863	63,756
Financial liabilities—derivatives	<u>72,828</u>	<u>47,404</u>	<u>96,960</u>
Derivatives held for trading	25	1,187	15,635
Cash flow hedges	44,619	40,354	17,569
Other	28,184	5,863	63,756

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

21. Non-trade liabilities (Continued)

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

Thousands of euros							
Hedge	Item	2015		2014		2013	
		Asset	Liability	Asset	Liability	Asset	Liability
1	Cash flow	—	9,263	—	7,661	—	4,297
3	Cash flow	—	16,242	—	13,649	—	—
4	Cash flow	—	8,073	—	9,147	—	1,724
5	Cash flow	—	—	—	32	—	5,270
9	Cash flow	—	—	—	—	—	6,278
7	Cash flow	—	4,524	—	4,910	—	—
8	Cash flow	—	6,517	—	4,955	—	—
	Total cash flow hedges	—	44,619	—	40,354	—	17,569
2	Derivatives held for trading	—	—	—	1,061	—	3,224
10	Derivatives held for trading	—	—	—	—	—	12,279
6	Derivatives held for trading	—	25	—	126	—	132
	Total derivatives held for trading	—	25	—	1,187	—	15,635

At December 31, 2015 the Company arranged a strategy to hedge interest rate risk on notionals of the Group's estimated bank debt for the period from 2016 to 2024 via several interest rate swaps with the following notional amounts at December 31 of each year in thousand euros except contract 6, referenced to Sterling pounds:

Year	Contract 1	Contract 3	Contract 4	Contract 6	Contract 7	Contract 8
2016	140,000	320,000	77,835	10,000	110,000	110,000
2017	140,000	320,000	77,835	—	110,000	110,000
2018	140,000	320,000	77,835	—	110,000	110,000
2019	140,000	320,000	77,835	—	—	110,000
2020	140,000	320,000	77,835	—	—	110,000
2021	140,000	—	—	—	—	110,000
2022	140,000	—	—	—	—	110,000
2023	140,000	—	—	—	—	110,000
2024	140,000	—	—	—	—	110,000

The interest rate swaps arranged by the Group in place at December 31, 2015 have the following terms:

Contract	Effective date	Maturity date	Floating rate (to be received)	Fixed rate (to be paid)
Contract 1	July 1, 2015	January 1, 2025	3-month Euribor	0.25% (2015), 0.45% (2016), 1.2% (2017), 1.4% (2018), 1.98% (2019), 2.15% (2020) and 1.60% beyond
Contract 2	July 1, 2011	July 1, 2015	Closed	—
Contract 3	July 14, 2015	December 31, 2020	1-month Euribor	0.25% (2015–2016–2017), 1.40% (2018), 1.98% (2019) and 2.15% (2020)
Contract 4	January 2, 2015	January 4, 2021	3-month Euribor	1.24% (2015), 1.48% (2016), 1.66% (2017), 1.99% (2018) and 2.09% beyond
Contract 5	April 1, 2010	January 2, 2015	Closed	—
Contract 6	August 6, 2012	June 30, 2016	3-month Libor	0.975%
Contract 7	April 2, 2014	January 2, 2019	3-month Euribor	1.26%
Contract 8	July 1, 2015	January 1, 2025	3-month Euribor	0.15% (2015), 0.4% (2016), 1% (2017), 1.25% (2018) and 1.60% beyond

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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21. Non-trade liabilities (Continued)

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

The cash flows underlying the hedges are expected to affect profit or loss in the following years:

2015		
		Thousands of euros
2016	.....	(6,076)
2017	.....	(6,964)
2018	.....	(10,306)
2019	.....	(10,131)
2020	.....	(9,385)
2021	.....	(1,966)
2022	.....	(725)
2023	.....	(32)
2024	.....	452
2025	.....	489
		(44,644)
2014		
		Thousands of euros
2015	.....	(16,510)
2016	.....	(12,362)
2017	.....	(10,083)
2018	.....	(2,586)
		(41,541)
2013		
		Thousands of euros
2014	.....	(19,484)
2015	.....	(8,046)
2016	.....	(3,991)
2017	.....	(2,397)
2018	.....	714
		(33,204)

At December 31, 2015 the Group has transferred from Equity to the Consolidated Income Statement the amount of approximately 9,633 thousand euros (expense) as a result of liquidations carried out in 2015 corresponding to cash flow (interest rate) hedges. In 2014 and 2013, expenses recognized on the same basis amounted to 11,935 thousand euros and 22,015 thousand euros, respectively.

In 2015 the Group has recognized income amounting to 3,500 thousand euros in the Consolidated Income Statement relating to derivatives held for trading, while during 2014 and 2013 the income recognized amounted to 2,178 thousand euros and 3,032 thousand euros, respectively.

“Others” includes the present value of implicit derivatives of exchange rates applicable to sales and purchases prices in certain customer and suppliers contracts (Note 8.a.2).

In addition, there is a purchase option of the 60% shareholding of Essa Palau, S.A. with initial amount of 3,000 thousand euros in 2011 which was fully impaired at December 31, 2015 and December 31, 2014.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

21. Non-trade liabilities (Continued)

b.5) Net investment hedges

At December 31, 2015 the heading “Interest-bearing loans and borrowings” include the bond issued by the subsidiary Gestamp Funding Luxembourg, S.A. amounting to 333 million US dollar (350 million dollars less 17 million bought and cancelled in 2015 (Note 21.a.1.I)) classified as hedge in net investment in subsidiaries located in the United States.

This bond covers the Group exposure to the exchange rate risk of these investments. The gains and losses arising in the conversion of the debt are included in consolidated equity under the heading Translation differences to compensate the possible gains and losses due to the conversion of the net investment in the subsidiaries. The losses generated in the conversion of the debt (hedge instrument) included in consolidated equity and net of tax effect under the heading Translation differences of Gestamp North America INC (Note 15) amount to 30,585 thousand euros at December 31, 2015 (22,021 thousand euros net of taxes) and 27,988 thousand euros (20,151 thousand euros net of taxes) in 2014.

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

Although the bond in US dollar was issued by Gestamp Funding Luxembourg, S.A. on May, 2013, the hedging relationship was not established for accountancy purpose until January 1, 2014. At December 31, 2015, December 31, 2014 and December 31, 2013 there is no hedge inefficiency.

22. Trade and other payables

a) Trade payables

	Thousands of euros		
	2015	2014	2013
Trade accounts payable	812,718	689,604	608,401
Trade bills payable	133,890	89,055	56,084
Suppliers from Group companies	187,351	160,202	162,650
Suppliers from Associated companies	1,054	2,265	2,406
Trade creditors, Group companies	2,365	4,486	7,225
Trade creditors, Associated companies	—	—	170
	<u>1,137,378</u>	<u>945,612</u>	<u>836,936</u>

b) Other accounts payables

	Thousands of euros		
	2015	2014	2013
VAT payable	50,589	48,127	44,618
Tax withholdings payable	13,616	18,539	21,370
Other items payable to the tax authorities	11,617	26,361	19,246
Payable to social security	26,857	23,490	22,276
Other taxes (Note 23.3)	—	—	38,223
Other payables	16,966	27,879	79,037
Outstanding remuneration	97,114	87,197	20,796
	<u>216,759</u>	<u>231,593</u>	<u>245,566</u>

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

23. Tax

23.1 Income Tax

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

- From January 1, 2014 on, the Company chose to apply the special fiscal consolidation regime, regulated under Basque Regional Law 3/1996. The subsidiaries include in this fiscal group are Gestamp Bizkaia, S.A; Bero Tools, S.L.; Gestamp North Europe Services, S.L. and Loire S.A.F.E.
- The subsidiaries Gestamp North America, Inc., Gestamp Alabama, LLC., Gestamp Mason, LLC., Gestamp Chattanooga, LLC., ALHC, LLC., Gestamp South Carolina, LLC. and Gestamp West Virginia, LLC. file a tax return in accordance with the fiscal transparency system.
- The subsidiaries Gestamp 2008, S.L. Edscha Santander, S.L. and Edscha Burgos, S.L. file a consolidated tax return.
- The subsidiaries Gestamp Global Tooling, S.L., Matricerías Deusto, S.L., Adral, Matricería y Puesta a punto, S.L., and Gestamp Tool Hardening, S.L. file a consolidated tax return.
- The subsidiaries Griwe Innovative Umformtechnik, GmbH, Griwe Werkzeug Produktions GmbH and Griwe System Produktions GmbH file a tax return in conformity with a profit and loss transfer agreement.
- The subsidiaries Edscha Holding, GmbH, Edscha Automotive Hengersberg, GmbH, Edscha Automotive Hauzenberg, GmbH, and Edscha Engineering, GmbH file a tax return in conformity with a profit and loss transfer agreement.
- The subsidiaries GMF Holding, GmbH and Gestamp Umformtechnik, GmbH file a tax return in conformity with a profit and loss transfer agreement.
- The subsidiaries Gestamp Sweden, AB and Gestamp HardTech AB file a tax return in conformity with a profit and loss transfer agreement.

The detail of income taxes at December 31, 2015, 2014 and 2013 is as follows:

	Thousands of euros		
	2015	2014	2013
Current tax expense	84,053	57,805	48,385
Deferred tax	(23,458)	9,832	(16,832)
Other income tax adjustments	3,355	(7,347)	(1,952)
	63,950	60,290	29,601

Tax expense (tax income) is calculated based on accounting profit, as shown below:

	Thousands of euros		
	2015	2014	2013
Accounting profit (before taxes)	252,802	190,673	135,255
Theoretical tax expense	70,785	57,202	40,577
Differences in prevailing rates	(1,792)	3,409	2,791
Permanent differences	(215)	14,844	(46,139)
Deductions and tax credits previously not recognized	(10,124)	(12,293)	(19,264)
Statute-barred tax credits	21,602	23,232	39,360
Current income tax of prior years' adjustments	(15,889)	(20,380)	12,276
Other tax adjustments	(417)	(5,724)	—
Tax expense (tax income)	63,950	60,290	29,601

The theoretical tax rate applied in Spain is 28% for 2015 and 30% in 2014 and 2013.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

23. Tax (Continued)

“Differences in prevailing rates” in 2015, 2014 and 2013 reflects the differences between prevailing rates in certain operating markets and the theoretical applicable rate, mainly relating to operations taxed in the US (35%), Brazil (34%), and Argentina (35%).

The permanent differences in 2015, 2014 and 2013 reflect mainly accelerated depreciation, inflation adjustments, nondeductible provisions, fiscal transparency, nondeductible differences in exchange rates, nondeductible expenses, and those differences generated in the consolidation process.

The Other tax rate adjustments in Spain, reflect the appliance of law 27/2014, approved on November 27, for Corporate Income Tax in Spain, that has modified the general tax rate, from the present tax rate of 30%, to the 2015 tax rate of 28% and beyond of 2015 tax rate of 25%. Previous deferred tax assets and liabilities have been adjusted according to the tax rate changes at the reversion date.

At December 31, 2015 the conversion to euros of tax loss carried forwards in other currencies, calculated at the exchange rates prevailing on that date, amounted to 872 million euros in 2015, 813 million euros in 2014 and 912 million euros in 2013.

At December 31, 2015 the conversion to euros of unused tax credits carried forward in other currencies calculated at the exchange rates prevailing on that date, amounted to 145 million euros in 2015, 134 million euros in 2015 and 100 million euros in 2013.

At year-end 2015, 2014 and 2013, the Group had capitalized unused tax losses and tax credits that it expects to be able to utilize in future periods based on earnings projections and the deadlines and limits for their utilization.

The Group had capitalized tax credits for a total of 150 million euros of unused tax losses and unused tax credits (2014: 164 million euros 2013: 120 million euros) (Note 23.2).

The unused tax losses and unused tax credits at December 31, 2015 whose corresponding tax credit has not been registered amount to 665 million euros (2014: 474 million euros 2013: 745 million euros). From that amount, 392 million euros have limitation period for their utilization between 2016 and 2034 (2014: 314 million euros with limitation period between 2015 and 2033 2013: 381 million euros with limitation period between 2014 and 2032) and the rest have no limitation period.

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

Management of the Company and its subsidiaries calculated income tax for 2015 and the years open for inspection according to the legislation prevailing in each year. Given that the prevailing tax regulations related to the above mentioned matters are subject to varying interpretations, certain tax liabilities and contingencies may exist for 2015 and previous years that cannot be objectively quantified. However, the Group’s directors and their legal and tax advisors consider that any potential tax liability which might arise would not significantly affect the accompanying Consolidated Financial Statements.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

23. Tax (Continued)

23.2 Deferred taxes

The breakdown in these headings at December 31, 2012, 2011 and 2010 and the movements during the years then ended are as follows:

Thousands of euros								
Deferred tax assets	Tax credits	Reversal of start-up expenses	Fair value of property and buildings	Non-deductible provisions	Accelerated depreciation	Unrealized, non-deductible exchange gains (losses)	Other	Total
At December 31, 2012	91,752	1,889	17,849	46,541	6,957	9,240	547	174,775
Additions	46,527	475	—	5,831	733	7,319	9,514	70,399
Applications/Reversals	(7,905)	—	(1)	(5,758)	(213)	(7,269)	(9,703)	(30,849)
Translation differences	57	(964)	(5)	(1,240)	(42)	(193)	(2,988)	(5,375)
Other	(10,549)	944	(177)	(1,972)	(845)	(282)	4,401	(8,480)
At December 31, 2013	119,882	2,344	17,666	43,402	6,590	8,815	1,771	200,470
Additions	21,212	90	—	6,581	623	2,766	16,131	47,403
Applications/Reversals	(27,532)	—	—	(8,691)	(113)	(2,484)	(16,268)	(55,088)
Translation differences	3,189	(120)	(2)	855	15	(61)	968	4,844
Other	47,568	(2,153)	(480)	(11,967)	(3,438)	(4,074)	25,255	50,711
At December 31, 2014	164,319	161	17,184	30,180	3,677	4,962	27,857	248,340
Additions	10,569	—	—	29,757	742	1,794	34,362	77,224
Applications/Reversals	(28,668)	(78)	—	(9,292)	(67)	(2,766)	(4,881)	(45,752)
Translation differences	2,936	(4)	—	(3,722)	(123)	(526)	(1,038)	(2,477)
Other	1,121	—	(17,661)	1,352	1,209	885	6,536	(6,558)
At December 31, 2015	150,277	79	(477)	48,275	5,438	4,349	62,836	270,777

Thousands of euros								
Deferred tax liabilities	Portfolio provisions—individual companies	Tax deduction—goodwill individual companies	Capitalization of expenses	Allocation to goodwill	Revaluation of land and buildings	Depreciation/amortization	Other	Total
At December 31, 2012 .	4,419	7,342	19,654	34,261	81,257	13,511	16,174	176,618
Increases	327	1,048	13,535	—	183	6,162	5,132	26,387
Decreases	—	(311)	(1,789)	(1,417)	(3,649)	(1,683)	(3,188)	(12,037)
Translation differences	—	—	(545)	—	—	(146)	(2,218)	(2,909)
Other movements	—	2,805	(899)	1,287	94	271	(12,707)	(9,149)
At December 31, 2013 .	4,746	10,884	29,956	34,131	77,885	18,115	3,193	178,910
Increases	—	994	17,662	84	—	11,457	3,728	33,925
Decreases	(529)	—	(2,878)	(5,731)	(1,490)	(2,348)	(1,378)	(14,354)
Translation differences	—	—	185	(56)	—	4,879	506	5,514
Other movements	(3,414)	(3,647)	(692)	1,913	(7,972)	39,926	4,986	31,100
At December 31, 2014 .	803	8,231	44,233	30,341	68,423	72,029	11,035	235,095
Increases	—	852	10,364	3,003	1,643	11,644	2,725	30,231
Decreases	(1,203)	—	(4,790)	(3,645)	(1,666)	(3,106)	(885)	(15,295)
Translation differences	—	—	(86)	(858)	—	4,797	(797)	3,056
Other movements	(471)	(953)	(269)	—	(17,661)	(8,760)	571	(27,543)
At December 31, 2015 .	(871)	8,130	49,452	28,841	50,739	76,604	12,649	225,544

The net amount recognized in Other movements at December 31, 2015 amounting to 20,985 and 19,611 thousand euros in 2014 (asset), correspond mainly to the tax rates updating and adjustments from previous years. The movements recognized under the headings tax credits and depreciation/amortization, correspond mainly to deferred tax reclassifications of assets and liabilities in 2014 by the subsidiary Gestamp North America, INC.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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23. Tax (Continued)

23.3 Current income tax assets

This line item amounted to 32,906 thousand euros at December 31, 2015 (December 31, 2014:32,143 thousand euros and December 31, 2013: 39,410 thousand euros) and reflects the receivables balances related to corporate tax refund of the Company and group companies.

23.4 Other taxes

The breakdown of current tax receivables and payables at December 31, 2015, 2014 and 2013 is as follows:

	Thousands of euros		
	2015	2014	2013
Sundry receivables from Public Authorities	143,588	146,493	144,997
VAT refund	107,202	116,479	134,154
Receivable grants	3,887	5,334	2,362
Corporate tax refund	28,073	19,924	—
Other	4,426	4,756	8,481
Receivables from Social Security	200	(38)	232
	<u>143,788</u>	<u>146,455</u>	<u>145,229</u>

	Thousands of euros		
	2015	2014	2013
VAT payable	50,589	48,127	44,618
Tax withholdings payable	13,616	18,539	21,370
Other items payable to the tax authorities	11,617	26,361	19,246
Payable to social security	26,857	23,490	22,276
Other payables	16,966	27,879	38,223
Outstanding remuneration	97,114	87,197	79,037
Advances received from clients	—	—	20,796
	<u>216,759</u>	<u>231,593</u>	<u>245,566</u>

An entity discloses any tax-related contingent liabilities and contingent assets in accordance with IAS37. Contingent liabilities and contingent assets may arise, for example, from unresolved disputes with the taxation authorities. Similarly, where changes in tax rates or tax laws are enacted or announced after the reporting period, an entity discloses any significant effect of those changes on its current and deferred tax assets and liabilities.

24. Operating income

a) Revenue

The breakdown of “Revenue” in the years ended December 31, 2015, 2014 and 2013 is as follows:

	Thousands of euros		
	2015	2014	2013
Parts, prototypes, and components	6,408,731	5,565,547	5,186,659
Tools	389,373	415,432	406,021
Byproducts and containers	219,136	264,000	249,458
Services rendered	17,272	10,825	11,136
	<u>7,034,512</u>	<u>6,255,804</u>	<u>5,853,274</u>

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24. Operating income (Continued)

The geographical breakdown of revenue in 2015, 2014 and 2013 is as follows:

	Thousands of euros			%		
	2015	2014	2013	2015	2014	2013
European Union	3,908,810	3,593,760	3,434,516	55%	57%	59%
Home market (Spain)	1,269,940	1,087,489	1,030,044	18%	17%	18%
Other European Union countries	2,638,870	2,506,271	2,404,472	37%	40%	41%
France	409,625	387,132	384,805			
Portugal	143,487	138,182	129,750			
Poland	111,810	118,005	124,409			
Hungary	50,434	49,417	48,733			
Slovakia	9,329	11,289	12,380			
Czech Republic	129,875	116,047	111,908			
United Kingdom	685,919	582,652	534,191			
Sweden	78,016	72,301	72,141			
Germany	1,020,375	1,030,746	986,155			
Other markets	3,125,702	2,662,044	2,418,758	45%	43%	41%
America	1,789,858	1,556,419	1,474,744	26%	25%	25%
Brazil	247,295	385,133	430,459			
Argentina	219,208	183,317	222,657			
Mexico	416,009	294,367	262,141			
USA	907,346	693,602	559,487			
Asia	976,628	739,821	553,758	14%	12%	9%
India	157,791	121,934	97,708			
South Korea	118,541	87,283	54,458			
China	690,110	521,084	392,869			
Taiwan	—	—	1			
Japan	5,956	6,088	7,006			
Thailand	4,230	3,432	1,716			
Other	359,216	365,804	390,256	5%	6%	7%
Russia	117,723	149,898	211,140			
Turkey	241,493	215,906	179,116			
TOTAL	<u>7,034,512</u>	<u>6,255,804</u>	<u>5,853,274</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

b) Other operating income

The breakdown of “Other operating income” in the consolidated income statement for the years ended December 31, 2015, 2014 and 2013 is as follows:

	Thousands of euros		
	2015	2014	2013
Other operating income	24,926	27,692	27,389
Grants related to income	2,073	3,861	7,281
Grants related to assets released to income for the year (Note 18) . .	6,589	5,388	5,155
Surplus provision for taxes	—	—	353
Surplus provision for environmental matters and other commitments .	4,454	10,097	6,229
Surplus provision for restructuring	5,147	80	177
Own work capitalized	91,757	67,746	70,638
Other	21,925	11,691	16,121
Decrease for provisions	18,540	12,479	10,647
Previous years adjustments	(4,595)	—	—
Other	7,980	(788)	5,474
	<u>156,871</u>	<u>126,555</u>	<u>133,343</u>

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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24. Operating income (Continued)

Other operating income includes the income from the business combination of Gestamp Pune Automotive Private Limited amounting to 1,371 thousand euros (Note 4.2).

The heading Other includes profits from tangible assets amounting to 1,832 thousand euros as well as extraordinary income and expenses mainly related to commercial agreements, litigations and state financial aids amounting to 6,148 thousand euros.

25. Operating expenses

a) Raw materials and other consumables

	Thousands of euros		
	2015	2014	2013
Purchases of goods and tools for resale	679,004	445,435	434,597
Discounts for prompt payment	(2,164)	(2,035)	(2,207)
Purchase returns and similar transactions	(5,269)	(3,483)	(6,501)
Volume discounts	(7,946)	(7,503)	(4,449)
Change in inventories ^(**)	(22,322)	(28,181)	11,162
Purchases of raw materials	2,764,168	2,740,494	2,457,654
Consumption of other supplies	644,581	491,781	411,420
Work performed by third parties	255,855	252,009	281,983
Impairment of goods for resale and raw materials ^(**)	4,067	2,538	5,801
Reversal of impairment of goods for resale and raw materials ^(**)	(1,377)	(5,283)	(6,763)
	4,308,597	3,885,772	3,582,697

(**) The total of this line items make a net consumption of raw materiales amounting to 19,632 thousand euros (note 11)

b) Personnel expenses

The breakdown of this heading in the year ended December 31, 2015, 2014 and 2013 is as follows:

	Thousands of euros		
	2015	2014	2013
Salaries	971,251	859,856	828,586
Social security	206,969	191,845	189,977
Other benefits expenses	79,790	73,233	49,767
	1,258,010	1,124,934	1,068,330

The average headcount in 2015, 2014 and 2013 is 32,905; 31,174 and 31,236 respectively.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

25. Operating expenses (Continued)

c) Other operating expenses

The breakdown of this line in the consolidated income statement for the years ended December 31, 2015, 2014 and 2013 is as follows:

	Thousands of euros		
	2015	2014	2013
Maintenance and upkeep	530,423	443,812	420,104
Other external services	310,387	271,898	282,547
Taxes and levies	30,761	24,408	28,514
Impairment of accounts receivable (Note 10)	(127)	(702)	1,562
Other	3,925	4,744	8,866
Losses and impairment of assets	—	1,379	—
Provision for risks and expenses	3,925	3,365	8,866
	<u>875,369</u>	<u>744,160</u>	<u>741,593</u>

Balance in “Other” in 2014 mainly corresponds to Edscha and Gestamp Metal Forming Subgroups related to provisions for litigations, employee contribution and others (Note 19), while in 2015 it fully corresponds to provision for risks and expenses.

26. Financial income and financial expenses

a) Financial income

	Thousands of euros		
	2015	2014	2013
From equity investments, Group Companies	5	—	—
From equity investments	4	—	—
From current loans to third parties	27	395	283
Other financial income	12,913	8,023	16,640
Total from loans to Associated companies	<u>360</u>	<u>1,179</u>	<u>1,575</u>
From non-current loans to Associated companies	—	13	—
From current loans to Associated companies	<u>360</u>	<u>1,166</u>	<u>1,575</u>
	<u>13,309</u>	<u>9,597</u>	<u>18,498</u>

b) Financial expenses

	Thousands of euros		
	2015	2014	2013
On bank borrowings	97,547	113,864	106,408
On trade bills with credit institutions	1,807	2,123	2,307
On factoring transactions	774	—	—
Other financial expenses	13,810	14,199	21,987
On update provisions	15	—	—
Total on borrowings from Group companies and associates	<u>7,897</u>	<u>8,422</u>	<u>8,186</u>
	<u>121,850</u>	<u>138,608</u>	<u>138,888</u>

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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27. Profit from discontinued operations

On December 26, 2013 the Group signed an agreement of intentions to sell the subsidiaries Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd, Sungwoo Gestamp Hitech Chennai, Ltd and GS Hot-Stamping Co. Ltd. so their assets and liabilities were classified as held for sale at December 31, 2013.

These companies were sold on April 11, 2014 (Note 4.1).

At December 31, 2014 the result of these companies (the result generated until the sale as well as the own result of the sale) has been classified as profit from discontinued operations according to the following breakdown:

	Thousands of euros			
	2013			
	Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd	Sungwoo Gestamp Hitech Chennai, Ltd	GS Hot Stamping, Co. Ltd	Total
Assets held for sale				
Investments in associates accounted for using the equity method (Note 7)	3,205	22,033	2,143	27,381
	Thousands of euros			
	2014			
	Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd	Sungwoo Gestamp Hitech Chennai, Ltd	GS Hot Stamping, Co. Ltd	Total
Income from discontinued operations				
Profit (loss) from associates under equity method	(251)	(796)	—	(1,047)
Profit (loss) from the sale of discontinued operations	1,781	(4,073)	1,766	(526)
Net profit (loss) from discontinued operations . .	1,530	(4,869)	1,766	(1,573)

At December 31, 2014 the Group had no assets held for sale.

At December 31, 2015 the Group has no income from discontinued operations and no assets held for sale.

28. Contingent liabilities and commitments

The Group companies have not provided liens to third parties for significant amounts other than the Griwe Subgroup PP&E items pledged to guarantee repayment of the loans they were granted (Note 6) or other non-current borrowings.

Operating lease commitments

The Group is a lessee of buildings, warehouses, machinery and vehicles. The lease expenses charged to the December 31, 2015 Consolidated Income Statement amount to 88,038 thousand euros (at December 31, 2014 69,101 thousand euros and at December 31, 2013 55,414 thousand euros).

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

28. Contingent liabilities and commitments (Continued)

Total future minimum payments for operating leases at December 31, 2015, 2014 and 2013 are as follows:

	Thousands of euros		
	2015	2014	2013
Less than 1 year	75,642	74,561	56,800
Between 1 and 5 years	227,831	216,203	187,064
More than 5 years	136,365	128,041	132,880
	<u>439,838</u>	<u>418,805</u>	<u>376,744</u>

29. Related party transactions

29.1 Group companies and associates

The related party relationships breakdown as at 31 December 2015 is:

Company	Category
Acek Desarrollo y Gestión Industrial, S.L. Arcelor Mittal	Parent Entities
Gonvarri Subgroup Renewables Subgroup Inmobiliaria Acek Gescrap Subgroups	Associates from Parent Company
Companies disclosed in Annex I and other related parties	Associates

At December 31, 2015, 2014 and 2013, the amounts payable to and receivable from associates and transactions carried out with associates, are as follows:

		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Parent Entities					
	2015	(25)	88,554	33	(33,638)
	2014	(161)	158,016	24,628	(35,016)
	2013	(174)	162,163	175	(165,933)
Associates from Parent Company					
	2015	(147,344)	768,237	10,973	(175,366)
	2014	(164,306)	740,878	15,423	(197,383)
	2013	(141,388)	769,176	18,965	(190,947)
Associates					
	2015	(13,457)	94,744	7,255	(61,693)
	2014	(14,810)	60,107	11,687	(58,892)
	2013	(4,024)	23,227	18,353	(26,031)

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

29. Related party transactions (Continued)

The Company carries out commercial and financial transactions with the companies of Gestamp Automoción, S.A. and the subsidiaries under the terms and conditions established among the parties on an arm's length basis. Intra-Group transfer prices are duly documented as stipulated by the prevailing legislation.

29.2 Board of Directors' remuneration

In 2015, 2014 and 2013 the members of the Company's Board of Directors received no remuneration from any of the companies which compose the Group.

In 2014 and 2015 Acek, Desarrollo y Gestión Industrial, S.L. received total remuneration of 690 thousand euros as compensation for membership of the Board of Directors of certain Group companies (2013: 1,535 thousand euros).

The remuneration accrued during 2015, 2014 and 2013 by the representatives (natural persons) of the members of the Board of Directors (legal entity), is included in the remuneration accrued by the Management's Remuneration informed in Note 28.3

In 2015, 2014 and 2013, no loans or advances, pensions or life insurance benefits were granted to members of its Board of Directors or their representatives as natural persons.

29.3 Senior Management's Remuneration

In 2015 total remuneration for the members of the Management Committee, which fully correspond to salaries, amounted to 4,265 thousand euros (2014: 2,708 and 2013: 2,361 thousand euros), included in "Personnel expenses" in the accompanying consolidated income statement. The company made no contributions to pension plans on their behalf.

30. Subsidiaries with significant non-controlling interest

Financial information of subsidiaries that have significant non-controlling interests is provided below.

The summarised financial information of these subsidiaries, based on their individual financial statements adapted to Group criteria and before intercompany eliminations and consolidation adjustments, is provided below.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

30. Subsidiaries with significant non-controlling interest (Continued)

Summarised profit statement at December 31, 2015, December 31, 2014 and December 31, 2013

2015									
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating income	855,225	218,287	414,763	218,004	244,629	208,370	—	32,810	83,195
Operating expense	(818,075)	(213,582)	(362,029)	(212,771)	(225,669)	(185,275)	(171)	(30,320)	(73,519)
OPERATING PROFIT . .	37,150	4,705	52,734	5,233	18,960	23,095	(171)	2,490	9,676
Financial profit	(4,532)	(1,748)	1,517	(16,432)	(2,287)	(987)	3,058	(2,153)	(5,718)
Exchange gain (losses) . .	2,230	(4,669)	(1,185)	(20,714)	(5,785)	(1,510)	731	(4,877)	(11,411)
Impairment and other . .	—	—	—	—	—	—	—	—	—
PROFIT BEFORE									
TAXES	34,848	(1,712)	53,066	(31,913)	10,888	20,598	3,618	(4,540)	(7,453)
Income tax expense	(4,951)	(1,895)	(15,668)	10,603	(934)	(3,090)	—	443	—
Profit for the year from discontinued operations net of taxes	—	—	—	—	—	—	—	—	—
Non-controlling interest .	—	81	—	—	—	—	—	—	—
PROFIT									
ATTRIBUTABLE TO PARENT COMPANY .	29,897	(3,526)	37,398	(21,310)	9,954	17,508	3,618	(4,097)	(7,453)
Non-controlling interest .	30.00%	30.01%	30.00%	30.00%	50.00%	31.06%	35.00%	41.87%	41.87%
Attributable to non-controlling interest	8,969	(1,058)	11,219	(6,393)	4,977	5,438	1,266	(1,715)	(3,121)
Dividends paid to non-controlling interest	—	—	—	—	—	—	—	—	—
2014									
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating income	702,097	185,639	299,961	345,370	203,157	175,253	—	47,395	103,471
Operating expense	(664,807)	(178,944)	(281,962)	(312,735)	(188,519)	(160,208)	(235)	(48,124)	(97,008)
OPERATING PROFIT . .	37,290	6,695	17,999	32,635	14,638	15,045	(235)	(729)	6,463
Financial profit	(5,890)	(5,353)	3,878	(18,903)	(2,416)	(1,526)	3,132	(1,958)	(5,735)
Exchange gain (losses) . .	4,561	(12,175)	623	(45)	187	2,333	—	(15,280)	(32,986)
Impairment and other . .	—	—	(9)	(405)	—	—	—	—	—
PROFIT BEFORE									
TAXES	35,961	(10,833)	22,491	13,282	12,409	15,852	2,897	(17,967)	(32,258)
Income tax expense	190	5,418	(7,068)	(5,892)	(1,373)	(3,963)	—	520	—
Profit for the year from discontinued operations net of taxes	—	—	—	—	—	—	—	—	—
Non-controlling interest .	—	481	—	—	—	—	—	—	—
PROFIT									
ATTRIBUTABLE TO PARENT COMPANY .	36,151	(4,934)	15,423	7,390	11,036	11,889	2,897	(17,447)	(32,258)
Non-controlling interest .	30.00%	30.01%	30.00%	30.00%	50.00%	31.05%	35.00%	41.87%	41.87%
Attributable to non-controlling interest	10,845	(1,481)	4,627	2,217	5,518	3,692	1,014	(7,305)	(13,506)
Dividends paid to non-controlling interest	—	—	—	—	—	—	—	—	—

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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30. Subsidiaries with significant non-controlling interest (Continued)

	2013								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, LLc
Operating income	574,217	228,524	261,548	394,384	189,473	150,509	—	66,194	148,132
Operating expense	(549,069)	(218,691)	(235,627)	(364,112)	(172,773)	(136,615)	(1)	(59,393)	(142,041)
OPERATING PROFIT	25,148	9,833	25,921	30,272	16,700	13,894	(1)	6,801	6,091
Financial profit	(11,046)	(6,331)	1,990	(23,705)	(2,588)	(2,108)	112	(2,156)	(5,521)
Exchange gain (losses) . .	(2,252)	(24,955)	(1,477)	(6,086)	(9,550)	1,029	(17)	(3,024)	(8,854)
Impairment and other . .	—	—	(226)	(5,602)	—	—	—	—	—
PROFIT BEFORE TAXES	11,850	(21,453)	26,208	(5,121)	4,562	12,815	94	1,621	(8,284)
Income tax expense	(3,965)	5,417	(6,850)	(2,068)	(423)	(3,763)	—	(659)	—
Profit for the year from discontinued operations net of taxes	—	—	—	—	—	—	—	—	—
PROFIT FOR THE YEAR	7,885	(16,036)	19,358	(7,189)	4,139	9,052	94	962	(8,284)
Non-controlling interest . .	30.00%	30.01%	30.00%	30.00%	50.00%	31.06%	35.00%	42.68%	42.68%
Attributable to non-controlling interest	2,366	(4,812)	5,807	(2,157)	2,069	2,811	33	410	(3,536)
Dividends paid to non-controlling interest	—	—	—	—	—	—	—	—	—

Summarised statement of financial position at December 31, 2015 December 31, 2014 and December 31, 2013:

	2015								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, LLc
Total non-current assets .	441,226	47,049	192,058	189,840	73,556	81,965	78,061	15,864	71,574
Total current assets . . .	279,197	96,631	233,204	78,763	94,921	157,294	70,453	12,996	36,022
Total non-current liabilities	(197,037)	(7,498)	(17,654)	(32,233)	(18,887)	(38,459)	(23,068)	(18,501)	(60,947)
Total current liabilities . .	(155,274)	(103,888)	(151,910)	(136,124)	(97,471)	(91,760)	(5,420)	(8,313)	(16,652)
Equity	(317,644)	(85,495)	(292,530)	(114,287)	(68,007)	(92,084)	(120,026)	(9,346)	(69,338)
Translation differences . .	(50,468)	53,201	36,832	14,041	15,888	(16,956)	—	7,300	39,341
Equity attributable to:									
Equity holders of the parent	(222,351)	(59,838)	(204,771)	(80,001)	(34,004)	(63,483)	(78,017)	(5,433)	(40,306)
Non-controlling interest	(95,293)	(25,657)	(87,759)	(34,286)	(34,004)	(28,601)	(42,009)	(3,913)	(29,032)
Translation differences attributable to:									
Equity holders of the parent	(35,327)	37,235	25,782	9,829	7,944	(11,689)	—	4,243	22,869
Non-controlling interest	(15,140)	15,966	11,050	4,212	7,944	(5,267)	—	3,057	16,472

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30. Subsidiaries with significant non-controlling interest (Continued)

2014									
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Total non-current assets .	396,673	64,497	196,026	227,764	73,081	77,289	100,885	18,148	84,332
Total current assets . . .	230,643	105,799	170,801	145,755	77,169	128,702	16,363	17,652	31,427
Total non-current									
liabilities	(185,766)	(67,951)	(16,580)	(87,539)	(39,419)	(25,954)	—	(17,273)	(56,650)
Total current liabilities . .	(137,817)	(47,180)	(103,701)	(131,672)	(57,450)	(96,135)	28	(13,446)	(20,933)
Equity	(287,747)	(90,402)	(275,064)	(135,597)	(65,278)	(72,372)	(117,276)	(12,094)	(75,588)
Translation differences . .	(15,986)	35,237	28,518	(18,711)	11,897	(11,530)	—	7,013	37,412
Equity attributable to:									
Equity holders of the									
parent	(201,423)	(63,272)	(192,545)	(94,918)	(32,639)	(49,900)	(76,229)	(7,030)	(43,939)
Non-controlling									
interest	(86,324)	(27,130)	(82,519)	(40,679)	(32,639)	(22,472)	(41,047)	(5,064)	(31,649)
Translation differences									
attributable to:									
Equity holders of the									
parent	(11,190)	24,662	19,963	(13,098)	5,949	(7,950)	—	4,077	21,748
Non-controlling									
interest	(4,796)	10,575	8,555	(5,613)	5,949	(3,580)	—	2,936	15,664
2013									
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Total non-current assets .	307,649	70,369	115,845	221,498	71,556	63,852	57,476	32,024	141,208
Total current assets . . .	175,285	93,164	190,933	158,428	65,039	91,541	56,904	26,895	55,607
Total non-current									
liabilities	(98,097)	(59,042)	(16,027)	(70,372)	(45,894)	(23,447)	—	(18,486)	(56,301)
Total current liabilities . .	(149,005)	(44,922)	(56,552)	(163,792)	(45,508)	(69,368)	—	(12,205)	(42,267)
Equity	(251,596)	(84,607)	(263,378)	(139,573)	(60,006)	(58,664)	(114,380)	(29,851)	(107,845)
Translation differences . .	15,764	25,038	29,179	(6,189)	14,813	(3,914)	—	1,623	9,598
Equity attributable to:									
Equity holders of the									
parent	(176,117)	(59,216)	(184,365)	(97,700)	(30,003)	(40,443)	(74,347)	(17,111)	(61,817)
Non-controlling									
interest	(75,479)	(25,391)	(79,013)	(41,873)	(30,003)	(18,221)	(40,033)	(12,740)	(46,028)
Translation differences									
attributable to:									
Equity holders of the									
parent	11,035	17,524	20,425	(4,332)	7,407	(2,698)	—	930	5,502
Non-controlling									
interest	4,729	7,514	8,754	(1,857)	7,407	(1,216)	—	693	4,096

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30. Subsidiaries with significant non-controlling interest (Continued)

Summarised cash flow at December 31, 2015, December 31, 2014 and December 31, 2013:

2015									
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beycelik, A.S	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating activities . . .	63,406	24,471	13,432	13,851	24,729	52,938	(587)	6,459	12,839
Investing activities . . .	(75,547)	(2,769)	(22,092)	(24,811)	(15,584)	(16,164)	30,638	(350)	(3,346)
Financing activities . . .	(1,383)	(266)	17,224	(33,117)	(10,323)	1,549	23,390	(3,620)	(8,287)
Effect of changes in exchange rates	10,051	(10,822)	(5,352)	(988)	—	—	—	—	—
Net increase (decrease) of cash or cash equivalents	(3,473)	10,614	3,212	(45,065)	(1,177)	38,324	53,441	2,489	1,206
2014									
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beycelik, A.S	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating activities . . .	77,650	216	37,658	59,792	17,055	21,194	(3,151)	3,803	15,600
Investing activities . . .	(81,431)	(433)	(59,531)	(2,478)	(7,124)	(7,610)	(51,224)	(1,431)	(3,497)
Financing activities . . .	(14,518)	1,702	11,240	(20,073)	(8,752)	2,358	10,909	(13,457)	(15,640)
Effect of changes in exchange rates	2,456	(3,399)	151	(328)	—	—	—	—	—
Net increase (decrease) of cash or cash equivalents	(15,843)	(1,914)	(10,482)	36,913	1,179	15,942	(43,466)	(11,085)	(3,537)
2013									
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beycelik, A.S	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating activities . . .	29,470	17,134	23,115	21,047	27,187	9,867	(1)	15,750	2,097
Investing activities . . .	(59,735)	(42,831)	(99,767)	(69,150)	(10,300)	(1,022)	(57,476)	(3,579)	(31,726)
Financing activities . . .	49,960	24,092	87,440	54,431	(16,405)	(2,360)	114,378	(4,922)	31,215
Effect of changes in exchange rates	—	—	—	—	—	—	—	—	—
Net increase (decrease) of cash or cash equivalents	19,695	(1,605)	10,788	6,328	482	6,485	56,901	7,249	1,586

As indicated in Note 16, the most significant non-controlling interests have protection rights regarding significant decisions about desinvestments, corporate restructuring, dividend distribution and amending of bylaws.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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31. Investment in associates

The Group has interests in the following associates:

Company	Shareholding			Activity
	2015	2014	2013	
Industrias Tamer, S.A.	30.00%	30.00%	30.00%	Tooling and parts manufacturing
Sungwoo Gestamp Hitech Pune Private Ltd.	100.00%	50.00%	50.00%	Tooling and parts manufacturing
Essa Palau, S.A.	40.00%	40.00%	40.00%	Tooling and parts manufacturing
Gestión Global de Matricería, S.L. . .	30.00%	35.00%	35.00%	Dormant
GGM Puebla, S.A de C.V.	30.00%	35.00%	35.00%	Die cutting production
GGM Puebla de Servicios Laborales, S.A de C.V.	30.00%	35.00%	35.00%	Dormant
Ingeniería y Construcción Matrices, S.A.	30.00%	35.00%	35.00%	Die cutting production
IxCxT, S.A.	30.00%	35.00%	35.00%	Die cutting production
Jui Li Edscha Body Systems Co., Ltd.	50.00%	50.00%	50.00%	Parts manufacturing
Jui Li Edscha Holding Co., Ltd.	50.00%	50.00%	50.00%	Portfolio management
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	50.00%	50.00%	50.00%	Parts manufacturing

As explained in Note 4.2, on July 22, 2015 the subsidiary Gestamp Automotive Chennai Private Limited acquired remaining 50% shareholding in Gestamp Pune Automotive Private Limited and therefore acquired control.

The summarized financial information of the Group's investment in these companies at December 31, 2015, December 31, 2014 and December 31, 2013 is as follows:

Summarised statement of financial position:

	2015				
	GGM and subsidiaries	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Total non-current assets	49,050	41,994	358	814	1,375
Total current assets	604	26,796	1,415	5,587	1,962
Total non-current liabilities	(17,929)	(23,552)	(28)	—	(314)
Total current liabilities	(19,763)	(59,300)	(912)	(1,853)	(1,889)
Equity	(11,962)	14,061	(744)	(3,739)	(1,134)
Translation differences	—	—	(89)	(809)	1
Carrying amount of the investment	3,589	(5,624)	372	1,870	392

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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31. Investment in associates (Continued)

	2014				
	Sungwoo Gestamp Hitech Pune Private Ltd.	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Total non-current assets	5,959	42,396	327	702	45,421
Total current assets	3,940	27,318	1,696	4,438	9,024
Total non-current liabilities	—	(25,708)	(24)	—	(16,056)
Total current liabilities	(5,468)	(52,839)	(796)	(1,193)	(31,421)
Equity	(4,607)	8,833	(1,098)	(3,385)	(6,969)
Translation differences	176	—	(105)	(562)	1
Carrying amount of the investment	2,303	(3,533)	601	1,692	2,451
	2013				
	Sungwoo Gestamp Hitech Pune Private Ltd.	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Total non-current assets	7,801	42,755	315	633	10,491
Total current assets	4,236	32,155	1,521	3,635	3,895
Total non-current liabilities	—	(26,804)	(20)	—	(5,783)
Total current liabilities	(7,379)	(49,354)	(718)	(1,075)	(3,351)
Equity	(5,299)	1,248	(1,048)	(2,993)	(5,252)
Translation differences	641	—	(50)	(200)	—
Carrying amount of the investment	2,650	(499)	523	1,496	1,852
Summarised profit statement:					
	2015				
	GGM and subsidiaries	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Operating income	21,082	71,634	2,669	7,047	2,751
Operating expense	(22,963)	(76,853)	(2,521)	(6,560)	(2,650)
OPERATING PROFIT/LOSS	(1,881)	(5,219)	148	487	101
Financial profit	(575)	(1,355)	24	—	(39)
Exchange gain (losses)	(1,500)	—	(21)	(7)	—
Impairment and other	—	(18)	—	—	—
PROFIT/LOSS BEFORE TAXES . .	(3,956)	(6,592)	151	480	62
Income tax expense	—	—	(26)	(125)	—
Adjustments from previous years . .	221	—	—	—	—
PROFIT/LOSS FOR THE YEAR . .	(3,735)	(6,592)	125	355	62
Participation of the Group in profit	(1,120)	(2,637)	63	178	21

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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31. Investment in associates (Continued)

	2014				
	Sungwoo Gestamp Hitech Pune Private Ltd.	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Operating income	422	97,500	2,368	5,040	13,359
Operating expense	(1,227)	(103,062)	(2,298)	(4,514)	(13,848)
OPERATING PROFIT/LOSS	(805)	(5,562)	70	526	(489)
Financial profit	189	(1,074)	15	—	(105)
Exchange gain (losses)	(78)	(7)	22	—	(255)
Impairment and other	—	(8)	—	—	—
PROFIT/LOSS BEFORE TAXES . .	(694)	(6,651)	107	526	(849)
Income tax expense	—	—	(56)	(133)	—
Adjustments from previous years . .	1	(566)	—	—	421
PROFIT/LOSS FOR THE YEAR . .	(693)	(7,217)	51	393	(428)
Participation of the Group in profit	(347)	(2,887)	25	196	(151)
	2013				
	Sungwoo Gestamp Hitech Pune Private Ltd.	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Operating income	2,328	92,170	2,400	5,206	12,354
Operating expense	(2,492)	(91,215)	(2,353)	(4,669)	(12,236)
OPERATING PROFIT/LOSS	(164)	955	47	537	118
Financial profit	(132)	(1,177)	17	—	(89)
Exchange gain (losses)	(934)	2	50	11	—
Impairment and other	—	21	—	—	—
PROFIT/LOSS BEFORE TAXES . .	(1,230)	(199)	114	548	29
Income tax expense	—	—	(48)	(138)	—
Adjustments from previous years . .	—	—	—	—	(20)
PROFIT/LOSS FOR THE YEAR . .	(1,230)	(199)	66	410	9
Participation of the Group in profit	(615)	(80)	33	205	(5)

32. Financial risk management objectives and policies

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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32. Financial risk management objectives and policies (Continued)

32.1 Financial risk factors

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

- Market risk
 - Exposure to fluctuations in foreign exchange rates
 - Exposure to fluctuations in interest rates
- Liquidity risk
- Credit risk
- Raw material 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 mainly operates in the following currencies:

- Euro
- US dollar
- Mexican peso
- Argentine peso
- Brazilian real
- GB pound
- Swedish crown
- Polish zloty
- Hungarian forint
- Turkish lira
- Indian rupee
- Korean won
- Chinese yuan
- Russian ruble
- Czech crown
- Yen
- Taiwanese dollar
- Thai baht

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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32. Financial risk management objectives and policies (Continued)

To manage exchange rate risk, the Group uses a series of financial instruments that give it a degree of flexibility, basically comprised of the following:

- A. Foreign currency forward contracts: These arrangements lock in the price at which an entity can buy or sell a currency on a set date; the timing can be adjusted to align the transactions with the hedged cash flows.
- B. “Puttable instruments”: Other derivatives are also used to hedge currency risk, including those designed to lock in a maximum or minimum exchange rate (collar or tunnel) at a set settlement date.

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

The sensitivity of profit to exchange rate fluctuations, corresponding to years 2015, 2014 and 2013, is as follows:

Currency	2015	
	IMPACT ON PROFIT	
	5% Fluctuation	- 5% Fluctuation
Swedish crown	(1,021)	1,021
US dollar	817	(817)
Hungarian forint	(419)	419
Sterling pound	830	(830)
Mexican peso	1,200	(1,200)
Brazilian reais	(565)	565
Chinese renminbi	2,093	(2,093)
Indian rupee	349	(349)
Turkish lira	90	(90)
Argentine peso	(98)	98
Russian ruble	(296)	296
Korean won	249	(249)
Polish zloty	(89)	89
Czech crown	66	(66)
Japanese yen	60	(60)
Thai baht	10	(10)
IMPACT IN ABSOLUTE TERMS	3,276	(3,276)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	161,480	161,480
EFFECT IN RELATIVE TERMS	2.03%	- 2.03%

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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32. Financial risk management objectives and policies (Continued)

<u>Currency</u>	2014	
	IMPACT ON PROFIT	
	5% Fluctuation	- 5% Fluctuation
Swedish crown	(426)	426
US dollar	1,204	(1,204)
Hungarian florint	(452)	452
Sterling pound	985	(985)
Mexican peso	449	(449)
Brazilian reais	151	(151)
Chinese renminbi	864	(864)
Indian rupee	53	(53)
Turkish lira	290	(290)
Argentine peso	509	(509)
Russian ruble	(396)	396
Korean won	123	(123)
Polish zloty	91	(91)
Czech crown	135	(135)
Japanese yen	34	(34)
Thai baht	(9)	9
IMPACT IN ABSOLUTE TERMS	3,605	(3,605)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	125,702	125,702
EFFECT IN RELATIVE TERMS	2.87%	- 2.87%

<u>Currency</u>	2013	
	IMPACT ON PROFIT	
	5% Fluctuation	- 5% Fluctuation
Swedish crown	134	(134)
US dollar	333	(333)
Hungarian florint	(251)	251
Sterling pound	834	(834)
Mexican peso	624	(624)
Brazilian reais	313	(313)
Chinese renminbi	687	(687)
Indian rupee	4	(4)
Turkish lira	(42)	42
Argentine peso	229	(229)
Russian ruble	441	(441)
Korean won	18	(18)
Polish zloty	187	(187)
Czech crown	116	(116)
Japanese yen	(38)	38
Thai baht	(2)	2
IMPACT IN ABSOLUTE TERMS	3,587	(3,587)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	113,987	113,987
EFFECT IN RELATIVE TERMS	3.15%	- 3.15%

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

32. Financial risk management objectives and policies (Continued)

The sensitivity of equity to exchange rate fluctuations, corresponding to years 2015, 2014 and 2013, is as follows:

Currency	2015	
	IMPACT ON EQUITY	
	5% Fluctuation	- 5% fluctuation
Swedish crown	(1,838)	1,838
US dollar	753	(753)
Hungarian forint	(2,101)	2,101
Sterling pound	7,204	(7,204)
Mexican peso	695	(695)
Brazilian reais	1,200	(1,200)
Chinese renminbi	8,431	(8,431)
Indian rupee	65	(65)
Turkish lira	(865)	865
Argentine Peso	(579)	579
Russian ruble	(2,898)	2,898
Korean won	1,156	(1,156)
Polish zloty	2,562	(2,562)
Czech crown	488	(488)
Japanese yen	(113)	113
Thai baht	18	(18)
	—	—
IMPACT IN ABSOLUTE TERMS	14,177	(14,177)
EQUITY	1,798,393	1,798,393
EFFECT IN RELATIVE TERMS	0.79%	- 0.79%

Currency	2014	
	IMPACT ON EQUITY	
	5% Fluctuation	- 5% fluctuation
Swedish crown	(863)	863
US dollar	(124)	124
Hungarian forint	(1,952)	1,952
Sterling pound	5,828	(5,828)
Mexican Peso	498	(498)
Brazilian reais	3,759	(3,759)
Chinese renminbi	5,917	(5,917)
Indian rupee	(62)	62
Turkish lira	(560)	560
Argentinian peso	111	(111)
Russian ruble	(2,394)	2,394
Korean won	864	(864)
Polish zloty	2,424	(2,424)
Czech crown	826	(826)
Japanese yen	(159)	159
Thai baht	2	(2)
Thai baht	(4)	4
	—	—
IMPACT IN ABSOLUTE TERMS	14,111	(14,111)
EQUITY	1,716,239	1,716,239
EFFECT IN RELATIVE TERMS	0.82%	- 0.82%

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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32. Financial risk management objectives and policies (Continued)

Currency	2013	
	IMPACT ON EQUITY	
	5% Fluctuation	- 5% fluctuation
Swedish crown	(372)	372
US dollar	(1,199)	1,199
Hungarian forint	(1,690)	1,690
Sterling pound	4,466	(4,466)
Mexican Peso	154	(154)
Brazilian reais	3,846	(3,846)
Chinese renminbi	4,038	(4,038)
Indian rupee	(396)	396
Turkish lira	(803)	803
Argentinian peso	130	(130)
Russian ruble	237	(237)
Korean won	609	(609)
Polish zloty	2,206	(2,206)
Czech crown	1,145	(1,145)
Japanese yen	(192)	192
Thai baht	(3)	3
Thai baht	1	(1)
IMPACT IN ABSOLUTE TERMS	12,177	(12,177)
EQUITY	1,664,844	1,664,844
EFFECT IN RELATIVE TERMS	0.73%	- 0.73%

Interest rate risk

The Group's borrowings mainly bear interest at variable rates, exposing it to risk from fluctuations in market interest rates, so that market fluctuations affect cash flows. The Group mitigates this risk by using interest rate derivatives, mainly swaps, by which it converts the floating rate on a loan into a fixed rate. It may swap the rate on a portion of the loan or on the entire loan, and for its entire duration or a part thereof.

In general the Group's borrowings are at floating rates indexed to Euribor except the bonds issued by the Group in May, 2013 which bear a fixed interest rate.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2015, all other variables remaining constant, the finance cost would have been 0.09 million euros higher or lower.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2014, all other variables remaining constant, the finance cost would have been 0.1 million euros higher or lower.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2013, all other variables remaining constant, the finance cost would not have been significantly affected.

- **Liquidity risk**

Liquidity risk is defined as the risk that a company will not be able to service its commitments as a result of adverse conditions in the debt and/or equity markets that prevent or hinder its capital raising efforts.

The Group manages liquidity risk by maintaining sufficient cash balances to enable it to negotiate refinancing on the best possible terms and to cover its near- term cash outlays, thereby avoiding the need to raise funds on disadvantageous terms.

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32. Financial risk management objectives and policies (Continued)

The breakdown of liquidity and capital resources at December 31, 2015, 2014 and 2013, is as follows:

	Thousands of euros		
	2015	2014	2013
Cash and cash equivalents	355,975	483,934	520,417
Current financial investments			
Debt securities	2,535	—	—
Revolving credit facilities	280,000	280,000	280,000
Undrawn credit lines	344,480	267,046	196,542
	<u>982,990</u>	<u>1,030,980</u>	<u>996,959</u>

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

The Group's working capital at December 31, 2015 and December 31, 2014 is as follows:

	Thousand euros		
	2015	2014	2013
Current assets	2,196,091	2,208,638	2,271,918
Current liabilities	(1,859,530)	(1,667,961)	(1,620,575)
TOTAL WORKING CAPITAL	<u>336,561</u>	<u>540,677</u>	<u>651,343</u>

	Thousands euros		
	2015	2014	2013
Equity	1,798,393	1,716,239	1,664,844
Non-current liabilities	2,095,848	2,122,943	2,131,541
Non-current assets	(3,557,680)	(3,298,505)	(3,145,042)
TOTAL WORKING CAPITAL	<u>336,561</u>	<u>540,677</u>	<u>651,343</u>

- 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 default by the counterparty.

The maximum exposure of the Group to credit risk at December 31, 2015, 2014 and 2013 amounts to the carrying values (Note 10), except for financial guarantees and derivative financial instruments.

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32. Financial risk management objectives and policies (Continued)

Raw Materials Price Risk

The steel is the main raw material used in the business. In 2015 and 2014, 58% of the steel was purchased through programs of re-sale with clients, whereby the manufacturer negotiates the price of steel used by the Group in the production of automotive components. The negotiated price is directly included in the selling price customer.

The rest of the purchases of steel were performed through contracts negotiated with suppliers.

Historically, and in accordance with the standards of the automotive industry, the Group has been able to negotiate with clients, significantly, the transfer of the impact of variations in the price of steel.

32.2 Hedge accounting

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

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

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

The accounting for these instruments is carried out as follows:

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

32.3 Fair value of financial instruments

The fair value of financial instruments is determined as follows:

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

Non-current financial assets

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

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32. Financial risk management objectives and policies (Continued)

Equity investments are carried on the consolidated balance sheet at fair value when they can be valued reliably. Since it is usually not possible to measure the fair value of shareholdings in unlisted companies reliably, these investments are valued at acquisition cost or lower if there is evidence of impairment.

Changes in fair value, net of the related tax effect, are recognized with a charge or credit, as appropriate, to “Retained earnings” within “Equity” until these investments are sold, at which time the cumulative amount recognized in equity is recognized in full in the consolidated income statement. If fair value is lower than acquisition cost, the difference is recognized directly in equity, unless the asset is determined to be impaired, in which case it is recognized in the consolidated income statement.

Trade receivables

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

Current financial assets

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

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

Interest-bearing loans and borrowings

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

Trade and other payables

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

Fair values of financial instruments

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

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

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

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

Thousands of euros								
Level 1			Level 2			Level 3		
2015	2014	2013	2015	2014	2013	2015	2014	2013
Financial assets measured at fair value (Note 8)								
Financial derivative hedging instruments	—	—	—	28,184	5,863	63,756	—	—
Total	—	—	—	28,184	5,863	63,756	—	—

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32. Financial risk management objectives and policies (Continued)

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

	Thousands of euros								
	Level 1			Level 2			Level 3		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
Financial liabilities measured at fair value (Note 21.b4)									
Financial derivative hedging instruments	—	—	—	45,074	40,346	29,846	—	—	—
Financial derivative instruments held-for-trading . .	—	—	—	27,754	7,058	67,114	—	—	—
Total	—	—	—	72,828	47,404	96,960	—	—	—

During 2015, 2014 and 2013, no relevant transfers took place between the fair value levels.

32.4 Capital risk management

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

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

The Group's leverage for 2015, 2014 and 2013 is set forth below:

	2015	2014	2013
Non-current debt	1,448,036	1,482,300	1,479,024
Current debt	282,900	282,480	267,618
Short term financial investments	(35,455)	(75,877)	(57,587)
Cash and cash equivalents	(355,975)	(483,934)	(520,417)
TOTAL NET DEBT	1,339,506	1,204,969	1,168,638
Consolidated equity	1,798,393	1,716,239	1,664,844
Grants received	30,720	31,280	31,283
TOTAL EQUITY	1,829,113	1,747,519	1,696,127
LEVERAGE RATIO	73.2%	69.0%	68.9%

During 2014 the Group maintained its average collection and payment periods, as well as its average inventory turnover rates, at levels comparable to 2013. In addition, during 2014 the Group continued to exercise strict control over investments.

33. Environmental issues

The cost of PP&E items acquired for environmental protection and improvement purposes amounted to 4,628 thousand euros at year end 2015. Accumulated depreciation on these assets stood at 2,932 thousand euros (2014: 3,694 thousand euros and 2,629 thousand euros, respectively; 2013: 3,466 thousand euros and 2,399 thousand euros, respectively).

In 2015, the Group also recognized 668 thousand euros in environmental protection and improvement expenses (2014: 903 thousand euros; 2013: 1,436 thousand euros).

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

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33. Environmental issues (Continued)

they would not be significant. At year end the Group had not received any subsidies for environmental issues.

34. Subsequent events

On February 1, 2016 the shareholders ArcelorMittal Spain Holding, S.L. and ArcelorMittal Basque Holding, S.L. sold their entire 35% shareholding in the Company to Acek Desarrollo y Gestión Industrial, S.L. for 875 million euros.

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ANNEX I Consolidation scope

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

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

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						December 31, 2013
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	
Gestamp Finance Luxemburgo, S.A.	Luxembourg	Luxembourg		99.95%	Portfolio management	
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	
S.G.F. S.A.	Brussels	Belgium		99.95%	Portfolio management	
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	
Industrias Tamer, S.A.	Barcelona	Spain		30.00%	Tooling and parts manufacturing	
Gestamp Tooling Services, AIE	Vizcaya	Spain		76.00%	Engineering and mold design	
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68.95%	Tooling and parts manufacturing	
Gestamp Kartek Co, Ltd.	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	
Beyçelik, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	
Gestamp Toluca SA de CV	Puebla	Mexico		70.00%	Tooling and parts manufacturing	
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		70.00%	Labor services	
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	
Gestamp Severstal Vsevolozhsk Llc	Saint Petersburg	Russia		57.31%	Tooling and parts manufacturing	
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		60.00%	Adjustment	
Gestamp Severstal Kaluga, LLC	Kaluga	Russia		57.31%	Tooling and parts manufacturing	
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	
Sungwoo Gestamp Hitech Pune Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	
Sungwoo Gestamp Hitech Chennai Ltd.	Chennai	India		50.00%	Tooling and parts manufacturing	
Gestamp Chattanooga, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	
Gestamp Holding Rusia, S.L.	Madrid	Spain		76.45%	Portfolio management	
Gestamp Sungwoo Hitech (Chennai) Private, Ltd.	Tamil Nadu	India		50.00%	Tooling and parts manufacturing	
ALHC, Llc.	South Carolina	USA		70.00%	Portfolio management	
Gestamp South Carolina, Llc	South Carolina	USA		70.00%	Tooling and parts manufacturing	
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio management	
Edscha Subgroup (*)	Remscheid	Germany		100.00%	Tooling and parts manufacturing	
Gestamp Global Tooling, S.L.	Vizcaya	Spain	60.00%		Engineering and mold design	
GS Hot-Stamping Co. Ltd.	Busan	South Korea		47.49%	Tooling and parts manufacturing	
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		60.00%	Engineering and mold design	
Ocon Automated Systems S.L.	Barcelona	Spain		100.00%	Engineering and mold design	
Gestamp Vendas Novas Lda.	Evora	Portugal	100.00%		Tooling and parts manufacturing	
Gestamp Togliatti, Llc.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	
Gestamp Metal Forming Subgroup	Remscheid	Germany		100.00%	Tooling and parts manufacturing	
Gestamp Sungwoo Stampings & Assemblies Private Ltd.	Chennai	India		50.00%	Tooling and parts manufacturing	
Essa Palau, S.A.	Barcelona	Spain		40.00%	Tooling and parts manufacturing	
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultory services	
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain		100.00%	Manufacture and sale of machinery	
Bero Tools, S.L.	Guipúzcoa	Spain		92.00%	Portfolio management	
Diede Die Developments, S.L.	Vizcaya	Spain		79.84%	Die cutting production	
Gestamp Louny, S.R.O.	Prague	Czech Republic		100.00%	Tooling and parts manufacturing	
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China		100.00%	Tooling and parts manufacturing	
Gestamp West Virginia, Llc.	Michigan	USA		70.00%	Tooling and parts manufacturing	
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		100.00%	Tooling and parts manufacturing	
Gestamp Try Out Services, S.L.	Vizcaya	Spain		60.00%	Die cutting production	
Gestión Global de Matriceria, S.L.	Vizcaya	Spain	35.00%		Dormant	
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		35.00%	Die cutting production	
IxCt, S.A.	Vizcaya	Spain		35.00%	Die cutting production	
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio management	
Gestamp Puebla II, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	
Autotech Engineering Deutschland GmbH	Bielefeld	Germany		97.75%	Research & Development and production	
Autotech Engineering R&D Uk limited	Durham	United Kingdom		97.75%	Research & Development and production	
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio management	
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio management	
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio management	
Sofedit España, S.A.U.	Valladolid	Spain		100.00%	Portfolio management	

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The companies which compose the Griwe Subgroup at December 31, 2015, 2014 and 2013 are the following:

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

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

The companies which compose the Edscha Subgroup at December 31, 2015, 2014 and 2013, and the information about the consolidation method used, address and shareholding percentage (direct and indirect), are the following:

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

December 31, 2014						
<u>Company</u>	<u>Address</u>	<u>Country</u>	<u>Direct shareholding</u>	<u>Indirect shareholding</u>	<u>% Direct shareholding Gestamp Automoción</u>	<u>Consolidation method</u>
Edscha Holding GmbH	Remscheid	Germany	Parent company			Full
Edscha Automotive Hengersberg GmbH . .	Hengersberg	Germany	100.00%			Full
Edscha Automotive Hauzenberg GmbH . .	Hauzenberg	Germany	100.00%			Full
Edscha Engineering GmbH	Remscheid	Germany	100.00%			Full
Edscha Hengersberg Real Estate GmbH . .	Hengersberg	Germany	94.90%		5.10%	Full
Edscha Hauzenberg Real Estate GmbH . .	Hauzenberg	Germany	94.90%		5.10%	Full
Edscha Automotive Kamenice S.R.O. . . .	Kamenice	Czech Republic	100.00%			Full
Edscha Hradec S.R.O.	Hradec	Czech Republic	100.00%			Full
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia	100.00%			Full
Gestamp 2008, S.L.	Villalonguéjar (Burgos)	Spain	60.00%			Full
Edscha Burgos, S.A.	Villalonguéjar (Burgos)	Spain	0.01%	59.99%		Full
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain		56.99%	5.01%	Full
Edscha Briey S.A.S.	Briey Cedex	France		62.00%		Full
Edscha Engineering France SAS	Les Ulis	France	100.00%			Full
Edscha do Brasil Ltda.	Sorocaba	Brazil		77.72%		Full
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan	100.00%			Full
Jui Li Edscha Body Systems Co., Ltd. . . .	Kaohsiung	Taiwan	50.00%			Equity method
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		50.00%		Equity method (A)
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		50.00%		Equity method (A)
Edscha Automotive Technology Co., Ltd. .	Shanghai	China	100.00%			Full
Shanghai Edscha Machinery Co., Ltd. . .	Shanghai	China	55.00%			Full
Anhui Edscha Automotive Parts Co Ltda. .	Anhui	China	100.00%			Full
Edscha Automotive Michigan, Inc.	Lapeer	USA	100.00%			Full
Edscha Togliatti, Llc.	Togliatti	Russia	100.00%			Full
Edscha Automotive Components Co., Ltda.	Kunshan	China	100.00%			Full
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	75.00%		25.00%	Full
Edscha Kunststofftechnik GmbH	Remscheid	Germany	100.00%			Full
Edscha Pha, Ltd.	Seul	South Korea	50.00%			Full
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand	50.99%	0.01%		Full

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

December 31, 2013						
Company	Address	Country	Direct shareholding	Indirect shareholding	% Direct shareholding Gestamp Automoción	Consolidation method
Edscha Holding GmbH	Remscheid	Germany	Parent company			Full
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany	100.00%			Full
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany	100.00%			Full
Edscha Engineering GmbH	Remscheid	Germany	100.00%			Full
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	94.90%		5.10%	Full
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	94.90%		5.10%	Full
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic	100.00%			Full
Edscha Hradec S.R.O.	Hradec	Czech Republic	100.00%			Full
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia	100.00%			Full
Gestamp 2008, S.L.	Villalonquejar (Burgos)	Spain	60.00%			Full
Edscha Burgos, S.A.	Villalonquejar (Burgos)	Spain	0.01%	59.99%		Full
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain		56.98%	5.03%	Full
Edscha Briey S.A.S.	Briey Cedex	France		56.98%		Full
Edscha Engineering France SAS	Les Ulis	France	100.00%			Full
Edscha do Brasil Ltda.	Sorocaba	Brazil		56.99%		Full
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan	100.00%			Full
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan	50.00%			Equity method
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		50.00%		Equity method (A)
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		50.00%		Equity method (A)
Edscha Automotive Technology Co., Ltd.	Shanghai	China	100.00%			Full
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China	55.00%			Full
Anhui Edscha Automotive Parts Co Ltd.	Anhui	China	70.00%			Full
Edscha Automotive Michigan, Inc.	Lapeer	USA	100.00%			Full
Edscha Togliatti, Llc.	Togliatti	Russia	100.00%			Full
Edscha Automotive Components Co., Ltd.	Kunshan	China	100.00%			Full
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	75.00%		25.00%	Full
Edscha Kunststofftechnik GmbH	Remscheid	Germany	100.00%			Full
Edscha Pha, Ltd.	Seul	South Korea	50.00%			Full
Edscha Aapico Automotive Co. Ltd.	Pranakorn Sri Ayutthaya	Thailand	50.99%	0.01%		Full

The companies which hold the indirect shareholding indicated in the above table at December 31, 2015, 2014 and 2013 are the following:

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

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

Company	December 31, 2013	
	Company holding the indirect investment	% investment
Edscha Santander, S.L.	Gestamp 2008, S.L.	94.97%
Edscha Burgos, S.A.	Gestamp 2008, S.L.	99.99%
Edscha do Brasil, Ltda.	Edscha Santander, S.L.	99.99%
Edscha Briey, S.A.S	Edscha Santander, S.L.	100.00%
Jui Li Edscha Holding Co. Ltda.	Jui Li Edscha Body Systems Co Ltda.	100.00%
Jui Li Edscha Hainan Industry Enterprise Co Ltda.	Jui Li Edscha Holding Co. Ltda.	100.00%
Edscha Aapico Automotive, Co, Ltd.	Edscha Engineering GmbH	0.01%

These companies' primary activity is the manufacturing of automotive components.

The companies which compose the Gestamp Metal Forming Subgroup at December 31, 2015 and 2014 and 2013, and the information about the consolidation method used, address and shareholding percentage (direct and indirect), are the following:

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

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

December 31, 2013					
<u>Company</u>	<u>Address</u>	<u>Country</u>	<u>Direct shareholding</u>	<u>Indirect shareholding</u>	<u>Consolidation method</u>
GMF Holding GmbH	Remscheid	Germany	Parent company		Full
GMF Wuhan, Ltd	Wuhan	China	100.00%		Full
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany	100.00%		Full
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom	100.00%		Full
Sofedit, S.A.S	Le Theil sur Huisne	France	65.00%		Full
Gestamp Prisma, S.A.S	Usine de Messempré	France	100.00%		Full
Gestamp Tallent , Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Full
Sofedit Polska Sp.z.o.o.	Wroclaw	Poland		65.00%	Full

The companies which hold the indirect shareholding indicated in the above table at December 31, 2015 and 2014 and 2013 are the following:

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

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

December 31, 2013		
<u>Company</u>	<u>Company holding the indirect investment</u>	<u>% investment</u>
Gestamp Tallent, Ltd.	Automotive Chassis Products, Plc	100.00%
Gestamp Wroclaw Sp.z.o.o.	Sofedit, S.A.S	100.00%

These companies' primary activity is the manufacturing of automotive components.

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

No significant subsidiaries have been excluded from the consolidation scope.

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

ANNEX II

Guarantors for May 2, 2013 Bond

Gestamp Navarra, S.A. Gestamp Noury, SAS
 Edscha Engineering, GmbH. Gestamp Polska, Sp.Z.o.o.
 Edscha France Engineering , S.A.S. Gestamp
 Ronchamp, S.A.S.
 Edscha Hauzenberg Real Estate GmbH, & Co.
 Gestamp Washington UK Limited
 Edscha Automotive Hengersberg, GmbH. Gestamp
 Vigo, S.A.
 Edscha Hradec, S.r.o. Griwe Subgroup
 Gestamp Bizkaia, S.A. Loire S.A. Franco Española
 Gestamp Automoción,S.A. Gestamp Aragón, S.A.
 Gestamp HardTech, AB Gestamp Prisma, S.A.S.
 Gestamp Linares, S.A. SCI de Tournan en Brie
 Gestamp Esmar, S.A. Gestamp Tallent Limited
 Sofedit, S.A.S. Edscha Burgos, S.A.
 Edscha Santander, S.L.
 Edscha Automotive Kamenice, S.R.O. Gestamp
 Palencia, S.A.

Edscha Briey, S.A.S. Gestamp Cerveira, Ltda
 Edscha Automotive Hauzenberg, GmbH Gestamp
 Servicios, S.A.
 Edscha Hengersberg Real Estate GmbH, & Co.
 Gestamp Vendas Novas Unipessoal, Lda.
 Edscha Holding, GmbH. Gestamp
 Unformtechnik, GmbH
 Edscha Velky Meder, S.r.o. Ingeniería Global MB, S.A.
 Gestamp Galvanizados, S.A. Gestamp Abrera, S.A.
 Gestamp Aveiro, S.A. Gestamp Metalbages, S.A.
 Gestamp Hungaria, KFT. Sofedit España, S.A.
 Gestamp Louny, S.r.o. Gestamp Solblank
 Barcelona, S.A.
 Sofedit Polska, Sp. Z.o.o Gestamp Sweden AB
 Gestamp Toledo, S.A. Gestamp Levante, S.A.

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

Guarantors for April 19, 2013 Syndicated Loan

Gestamp Navarra, S.A. Gestamp Noury, SAS
 Edscha Engineering, GmbH. Gestamp Polska, Sp.Z.o.o.
 Edscha France Engineering , S.A.S. Gestamp
 Ronchamp, S.A.S.
 Edscha Hauzenberg Real Estate GmbH, & Co.
 Gestamp Washington UK Limited
 Edscha Automotive Hengersberg, GmbH. Gestamp
 Vigo, S.A.
 Edscha Hradec, S.r.o. Griwe Subgroup
 Gestamp Bizkaia, S.A. Loire S.A. Franco Española
 Gestamp Automoción,S.A. Gestamp Aragón, S.A.
 Gestamp HardTech, AB Gestamp Prisma, S.A.S.
 Gestamp Linares, S.A. SCI de Tournan en Brie
 Gestamp Esmar, S.A. Gestamp Tallent Limited
 Sofedit, S.A.S. Edscha Burgos, S.A.
 Edscha Santander, S.L.
 Edscha Automotive Kamenice, S.R.O. Gestamp
 Palencia, S.A.

Edscha Briey, S.A.S. Gestamp Cerveira, Ltda
 Edscha Automotive Hauzenberg, GmbH Gestamp
 Servicios, S.A.
 Edscha Hengersberg Real Estate GmbH, & Co.
 Gestamp Vendas Novas Unipessoal, Lda.
 Edscha Holding, GmbH. Gestamp
 Unformtechnik, GmbH
 Edscha Velky Meder, S.r.o. Ingeniería Global MB, S.A.
 Gestamp Galvanizados, S.A. Gestamp Abrera, S.A.
 Gestamp Aveiro, S.A. Gestamp Metalbages, S.A.
 Gestamp Hungaria, KFT. Sofedit España, S.A.
 Gestamp Louny, S.r.o. Gestamp Solblank
 Barcelona, S.A.
 Sofedit Polska, Sp. Z.o.o Gestamp Sweden AB
 Gestamp Toledo, S.A. Gestamp Levante, S.A.

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013 (Continued)

Guarantors for March 21, 2012 Loan

Gestamp Navarra, S.A. Gestamp Noury, SAS
Edscha Engineering, GmbH. Gestamp Polska, Sp.Z.o.o.
Edscha France Engineering , S.A.S. Gestamp
Ronchamp, S.A.S.
Edscha Hauzenberg Real Estate GmbH, & Co.
Gestamp Washington UK Limited
Edscha Automotive Hengersberg, GmbH. Gestamp
Vigo, S.A.
Edscha Hradec, S.r.o. Griwe subgroup
Gestamp Bizkaia, S.A. Loire S.A. Franco Española
Gestamp Automoción,S.A. Gestamp Aragón, S.A.
Gestamp HardTech, AB Gestamp Prisma, S.A.S.
Gestamp Linares, S.A. SCI de Tournan en Brie
Gestamp Esmar, S.A. Gestamp Tallent Limited
Sofedit, S.A.S. Edscha Burgos, S.A.
Edscha Santander, S.L.
Edscha Automotive Kamenice, S.R.O. Gestamp
Palencia, S.A.

Edscha Briey, S.A.S. Gestamp Cerveira, Ltda
Edscha Automotive Hauzenberg, GmbH Gestamp
Servicios, S.A.
Edscha Hengersberg Real Estate GmbH, & Co.
Gestamp Vendas Novas Unipessoal, Lda.
Edscha Holding, GmbH. Gestamp
Unformtechnik, GmbH
Edscha Velky Meder, S.r.o. Ingeniería Global MB, S.A.
Gestamp Galvanizados, S.A. Gestamp Abrera, S.A.
Gestamp Aveiro, S.A. Gestamp Metalbages, S.A.
Gestamp Hungaria, KFT. Sofedit España, S.A.
Gestamp Louny, S.r.o. Gestamp Solblank
Barcelona, S.A.
Sofedit Polska, Sp. Z.o.o Gestamp Sweden AB
Gestamp Toledo, S.A. Gestamp Levante, S.A.

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

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