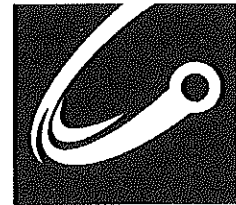




**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**

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

**Gestamp**



A handwritten signature in black ink, consisting of a vertical line with a small flourish at the bottom.

**Independent Audit Report**

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**  
**Consolidated Financial Statements and**  
**Consolidated Management Report**  
**for the year ended**  
**December 31, 2015**



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

## INDEPENDENT AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

### Report on the consolidated financial statements

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

### Directors' responsibility for the consolidated financial statements

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

### Auditor's responsibility

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

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

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

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

## Opinion

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

## Report on other legal and regulatory requirements

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

ERNST & YOUNG, S.L.

(Signed in the original in Spanish)

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Ramón Masip López

March 22, 2016

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**

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



**GESTAMP AUTOMOCIÓN AND SUBSIDIARIES****NOTE****CONTENTS**

	Consolidated balance sheet
	Consolidated income statement
	Consolidated statement of comprehensive income
	Consolidated statement of changes in equity
	Consolidated statement of cash flows
	Notes to the consolidated financial statements
<b>1</b>	Activity and companies included in consolidation scope
<b>2</b>	Changes in consolidation scope and business combinations
	2. a Changes in consolidation scope
	2. b Business combinations
<b>3</b>	Consolidation scope
<b>4</b>	Basis of presentation
	4. 1 True and fair view
	4. 2 Approval of the Financial Statements and proposal for the appropriation of profit
	4. 3 Comparison of information
	4. 4 Basis of consolidation
	4. 5 Changes in accounting policies
	4. 6 Going concern
<b>5</b>	Summary of significant accounting policies
	5. 1 Foreign currency transactions
	5. 2 Property, plant, and equipment
	5. 3 Business combinations and goodwill
	5. 4 Investment in associates and joint ventures
	5. 5 Other intangible assets
	5. 6 Financial assets
	5. 7 Impairment of assets
	5. 8 Assets and liabilities held for sale and discontinued operations
	5. 9 Trade and other receivables
	5. 10 Inventories
	5. 11 Tools made to customer order
	5. 12 Cash and cash equivalents
	5. 13 Government grants
	5. 14 Financial liabilities (trade and other payables and borrowings)
	5. 15 Provisions and contingent liabilities
	5. 16 Employee benefits
	5. 17 Leases
	5. 18 Revenue and expense recognition
	5. 19 Income tax
	5. 20 Derivative financial instruments and hedges
	5. 21 Related parties
	5. 22 Environmental expenses
<b>6</b>	Significant accounting judgments, estimates, and assumptions
<b>7</b>	Changes in significant accounting policies and estimates and restatement of errors
<b>8</b>	Intangible assets
<b>9</b>	Property, plant and equipment
<b>10</b>	Financial assets
<b>11</b>	Inventories
<b>12</b>	Trade and other receivables/ other current assets/ Cash and cash equivalents
<b>13</b>	Issued capital and share premium
<b>14</b>	Retained earnings
	14. 1 Legal reserve
	14. 2 Goodwill reserve
	14. 3 Unrestricted reserves
	14. 4 Availability of reserves at fully-consolidated companies
<b>15</b>	Translation differences
<b>16</b>	Non-controlling interest
<b>17</b>	Deferred income
<b>18</b>	Provisions
<b>19</b>	Pensions and other post-employment obligations
<b>20</b>	Non trade liabilities
<b>21</b>	Deferred taxes
<b>22</b>	Trade and other payables
<b>23</b>	Operating revenue
<b>24</b>	Operating expenses
<b>25</b>	Financial income and financial expenses
<b>26</b>	Profit from discontinued operations
<b>27</b>	Income tax
<b>28</b>	Contingent liabilities and commitments
<b>29</b>	Related party transactions
	29. 1 Balances and transactions with Related Parties
	29. 2 Board of Directors' remuneration
	29. 3 Senior management's remuneration
<b>30</b>	Subsidiaries with significant non-controlling interest
<b>31</b>	Investments in associates
<b>32</b>	Other disclosures
	32. 1 Audit fees
	32. 2 Environmental issues
<b>33</b>	Financial risk management
	33. 1 Financial risk factors
	33. 2 Hedge accounting
	33. 3 Fair value of financial instruments
	33. 4 Capital risk management
<b>34</b>	Information about postponement of payments to suppliers in commercial transactions
<b>35</b>	Subsequent events
<b>36</b>	Information about compliance with the Article 229 of the Spanish Corporate Enterprises Act
<b>37</b>	Additional note for English translation
<b>ANNEX I</b>	Indirect investments
<b>ANNEX II</b>	Guarantors

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET**

**AT DECEMBER 31, 2015 AND DECEMBER 31, 2014**

**(In thousands of euros)**

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

(In thousands of euros)

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



**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**

**CONSOLIDATED INCOME STATEMENT**

**AT DECEMBER 31, 2015 AND DECEMBER 31, 2014**

**(In thousands of euros)**

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

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**AT DECEMBER 31, 2015 AND DECEMBER 31, 2014**

**(In thousands of euros)**

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

**GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES**

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

(In thousand of euros)

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

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

AT DECEMBER 31, 2015 AND DECEMBER 31, 2014

(In thousands of euros)

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

# GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2015

### **1. Activity and companies included in consolidation scope**

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

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

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

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

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

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

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

### **2. Changes in consolidation scope and business combinations**

#### **2.a Changes in consolidation scope**

##### **During 2015**

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

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

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

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

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

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

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

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

#### **During 2014**

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

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

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

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

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

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

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

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

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

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

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

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

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

## **2.b Business combinations**

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

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

The company purpose is manufacturing automobile components for passenger cars.

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

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

	<b><u>Thousand euros</u></b>
Intangible assets (Note 8)	33
Property, plant and equipment (Note 9)	
Land and buildings	6,006
Plant and other PP&E	783
Inventories	40
Cash and cash equivalents	2,656
Other assets	1,597
	<b><u>11,115</u></b>
Other current liabilities	5
Trade accounts payable	51
Other liabilities	6,048
	<b><u>6,104</u></b>
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 23.b).

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

There were no significant costs associated to this transaction.

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

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

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

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

Other assets and liabilities: measured at nominal value.

There were no business combinations at December 31, 2014.



**3. Consolidation scope**

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

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

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

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

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

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

December 31, 2014

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

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

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

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

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

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

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

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

December 31, 2015							
Company	Address	Country	Direct shareholding	Indirect shareholding	% Direct shareholding Gestamp Automoción	Consolidation method	
Edscha Holding GmbH	Remscheid	Germany	Parent company				Full
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany	100.00%				Full
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany	100.00%				Full
Edscha Engineering GmbH	Remscheid	Germany	100.00%				Full
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	94.90%		5.10%		Full
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	94.90%		5.10%		Full
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic	100.00%				Full
Edscha Hradec S.R.O.	Hradec	Czech Republic	100.00%				Full
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia	100.00%				Full
Gestamp 2008, S.L.	Villalonquejar (Burgos)	Spain	60.00%				Full
Edscha Burgos, S.A.	Villalonquejar (Burgos)	Spain	0.01%	59.99%			Full
Edscha Santander, S.L.	E  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 Ltd.	Anhui	China	100.00%				Full
Edscha Automotive Michigan, Inc	Lapeer	USA	100.00%				Full
Edscha Togliatti, Uc.	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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

No significant subsidiaries have been excluded from the consolidation scope.

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

#### 4. Basis of presentation

##### 4.1 True and fair view

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



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

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

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

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

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

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

#### Restrictions on the distribution of dividends

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

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

#### 4.3. Comparison of information

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

#### 4.4 Basis of consolidation

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

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

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

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

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

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

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

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

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

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

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

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

#### Subsidiaries

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

- I. Companies in which the Company holds a direct or indirect interest of over 50%, which gives it more than half the voting rights on the entity's governing bodies.
- II. Companies where the Company have influence in returns, over which the Company has rights, by making decisions on their relevant activities.

#### Joint ventures

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

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

#### Joint operations

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

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

#### Associates

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

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

#### Translation of the Financial Statements of foreign operations

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

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

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

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

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

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

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

#### Transactions between companies included in the consolidation scope

The following transactions and balances were eliminated in consolidation:

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

#### Non-controlling interest

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

### 4.5 Changes in accounting policies

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

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

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

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

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

### IFRS 15 Revenue From Contracts With Customers

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

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

### IFRS 16 Leases

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

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

#### *Company as lessee*

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

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

#### Amendments to IAS 1 Disclosure Initiative

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

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

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

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

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

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

#### 4.6 Going concern

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

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

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

## 5. Summary of significant accounting policies

### 5.1 Foreign currency transactions

#### Functional and presentation currency

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

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

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

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

### 5.2 Property, plant and equipment

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

Acquisition cost includes:

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

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

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

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

Specific spare parts: certain major parts of some items of plant and equipment may require replacement at irregular intervals. The cost of these parts is capitalized when the part is replaced

and depreciated over their estimated useful lives. The net carrying amount of replaced parts is retired with a charge to income when the replacement occurs.

Ordinary repair or maintenance work is not capitalized.

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

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

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

The estimated useful lives of the various asset categories are:

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

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

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

### 5.3 Business combinations and goodwill

#### **Business combinations**

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

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

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic



circumstances and pertinent conditions as at the acquisition date, included the separation of implicit derivatives financial instruments of the main contracts of the acquired company.

### **Goodwill**

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

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

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

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

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

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

#### **5.4 Investment in associates and joint ventures**

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

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

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

According to this method, the investment in an associate or a joint venture is initially recorded at cost. From the acquisition date on, the carrying amount of the investment is adjusted to reflect the changes of the investor's share of the net assets of the associate and the joint venture. The

goodwill related to the associate or jointly controlled entity is included in the carrying amount of the investment and it is not amortised and no impairment test related is done.

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

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

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

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

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

## 5.5 Other intangible assets

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

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

### Research and development costs

Research costs are expensed as incurred.

Development expenditure is capitalized when the Group can demonstrate:

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

- the availability of adequate technical and financial resources to complete and to use or sell the resulting asset; and
- its ability to measure reliably the expenditure during development.

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

#### Concessions, patents, licenses, trademarks, et al.

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

#### Software

Software is measured at acquisition cost.

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

IT maintenance costs are expensed as incurred.

#### 5.6 Financial assets

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

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

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

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

#### Financial assets at fair value through profit and loss

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

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

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

#### Held-to-maturity investments

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

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

#### Loans and receivables

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

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

#### Available-for-sale financial assets

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

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

#### Investments in associates accounted for using the equity method

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

#### Derecognition of financial instruments

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

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

transferred asset and any expense incurred on the financial liability in the Consolidated Income Statement. Such income and expense are not offset.

## 5.7 Impairment of assets

### Impairment of non-financial assets

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

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

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

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

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

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

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

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

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

The following assets present specific characteristics when assessing their impairment:

### Consolidation goodwill

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

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

Goodwill impairment losses cannot be reversed in future periods.

### Intangible assets

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

### Impairment of financial assets

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

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

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

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

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

## 5.8 Assets and liabilities held for sale and discontinued operations

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

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

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

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

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

#### 5.9 Trade and other receivables

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

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

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

#### 5.10 Inventories

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

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

Inventories have been valued using the average weighted cost method.

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

#### 5.11 Tools made to customer order

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

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

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

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

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

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

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

#### 5.12 Cash and cash equivalents

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

#### 5.13 Government grants

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

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

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

#### 5.14 Financial liabilities (trade and other payables and borrowings)

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

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

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



### 5.15 Provisions and contingent liabilities

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

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

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

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

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

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

### 5.16 Employee benefits

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

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

The amounts to be recognized in profit and loss are:

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

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

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

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

The deficit or surplus is:

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

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

### Indemnities

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

### 5.17 Leases

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

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

assets are depreciated, impaired, and retired using the same criteria applied to assets of a similar nature.

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

#### 5.18 Revenue and expense recognition

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

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

Revenue includes:

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

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

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

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

#### 5.19 Income tax

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

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

##### Current tax

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

##### Tax credits

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

##### Temporary differences

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

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

#### 5.20 Derivative financial instruments and hedges

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

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

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

taken to the Consolidated Income Statement when the hedged item affects profit or loss or in the year of disposal of the item.

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

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

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

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

#### 5.21 Related parties

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

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

#### 5.22 Environmental issues

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

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

### **6. Significant accounting judgments, estimates, and assumptions**

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

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

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

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

- In relation to the assumptions used to estimate cash flows at the CGUs, management used the most conservative scenarios so that adjustments to carrying amounts in this regard are considered unlikely (Note 5.7 and 8.a).
- Cash-flow discount rates and growth rates (Note 8.a).
- The likelihood and quantification of indeterminate and contingent liabilities (Note 5.15 and 18).
- Calculation of discount rates, future salary increases, mortality rates and future pensions increases.
- Revision of useful 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.

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

### Changes in accounting estimates:

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

### Changes in significant accounting policies and restatement of errors:

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

## **8. Intangible assets**

### a) Goodwill

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

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

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

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

### **Impairment test of Goodwill**

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

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

CGU	<b><u>Pre-tax discount rate</u></b>	
	<b><u>2015</u></b>	<b><u>2014</u></b>
Gestamp HardTech, AB	10.65%	10,24%
Beyçelik, A.S.	18.00%	17.65%
Gestamp Metalbages, S.A.	10.58%	10.51%

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

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

#### Sensitivity analysis to changes in key assumptions

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

- ✓ Although a 50 basis points increase in the discount rate used would reduce value in use, in no case would this be reduced to below the carrying amount of goodwill.
- ✓ Assuming a rate of perpetual growth of 0.5% would similarly result in a decline in value in use, albeit in no instance to below the carrying amount of goodwill.

#### b) Other intangible assets

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

Cost	Thousands of euros					
	At December 31,		Currency translation		Other	At December 31,
	2013	Additions	Disposals	differences	movements	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
<b>Total cost</b>	<b>288,335</b>	<b>70,008</b>	<b>(4,041)</b>	<b>3,887</b>	<b>(8,085)</b>	<b>350,104</b>
<b>Amortization and impairment</b>						
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)
<b>Total accumulated amortization</b>	<b>(126,927)</b>	<b>(28,920)</b>	<b>2,955</b>	<b>(1,915)</b>	<b>3,226</b>	<b>(151,581)</b>
Impairment of Intangible assets	(1,467)	1	-	(27)	177	(1,316)
<b>Net carrying amount</b>	<b>159,941</b>	<b>41,089</b>	<b>(1,086)</b>	<b>1,945</b>	<b>(4,682)</b>	<b>197,207</b>

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

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



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

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
<b>Total cost</b>	<b>350,104</b>	<b>103</b>	<b>88,303</b>	<b>(1,558)</b>	<b>2,664</b>	<b>1,555</b>	<b>441,171</b>
<b>Amortization and impairment</b>							
R&D expenses	(76,648)		(26,558)	787	(903)	(300)	(103,622)
Concessions	(1,214)		(344)		(72)	(90)	(1,720)
Patents, licenses & trademark	(3,709)		(456)	73	(43)	152	(3,983)
Transfer fees	(32)		(265)		3		(294)
Software	(69,978)	(70)	(11,217)	(8)	108	759	(80,406)
Total accumulated amortization	(151,581)	(70)	(38,840)	852	(907)	521	(190,025)
Impairment of Intangible assets	(1,316)		(802)	132	(19)	297	(1,708)
<b>Net carrying amount</b>	<b>197,207</b>	<b>33</b>	<b>48,661</b>	<b>(574)</b>	<b>1,738</b>	<b>2,373</b>	<b>249,438</b>

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

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

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

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

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

## 9. Property, plant and equipment

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

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
<b>Total cost</b>	<b>5,208,474</b>	<b>413,311</b>	<b>(66,918)</b>	<b>37,790</b>	<b>4,733</b>	<b>5,597,390</b>
<b>Depreciation and impairment</b>						
Land and buildings	(301,557)	(36,303)	141	(1,244)	1,589	(337,374)
Plant and other PP&E	(2,340,080)	(254,245)	31,555	(20,809)	(5,889)	(2,589,468)
Accumulated depreciation	(2,641,637)	(290,548)	31,696	(22,053)	(4,300)	(2,926,842)
Impairment of PP&E	(13,055)	(79)	549	(342)	4,168	(8,759)
<b>Net book value</b>	<b>2,553,782</b>	<b>122,684</b>	<b>(34,673)</b>	<b>15,395</b>	<b>4,601</b>	<b>2,661,789</b>

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:

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

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

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

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

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

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

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
<b>Depreciation and impairment</b>							
Land and buildings	(337,374)	(1,017)	(32,393)	3,262	1,320	1,191	(365,011)
Plant and other PP&E	(2,589,468)	(1,056)	(285,110)	61,866	3,547	(1,115)	(2,811,336)
Accumulated depreciation	(2,926,842)	(2,073)	(317,503)	65,128	4,867	76	(3,176,347)
Impairment of PP&E	(8,759)	-	(2,933)	-	(309)	1	(12,000)
<b>Net book value</b>	<b>2,661,789</b>	<b>6,789</b>	<b>213,689</b>	<b>(18,333)</b>	<b>615</b>	<b>(2,742)</b>	<b>2,861,807</b>

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

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

	<b>2015</b>
	<b>Thousands of euros</b>
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
<b>TOTAL</b>	<b>534,125</b>

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

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

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

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

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

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

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

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

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

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

December 31, 2015

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

December 31, 2014

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

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

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

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

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

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

## **10. Financial assets**

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

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

### *a) Non-current financial assets*

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

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

#### a.1) Investments accounted for using the equity method

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

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

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

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

#### a.2) Non-current loans and receivables

Additions in 2014 mainly correspond to:

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

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

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

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

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

#### a.3) Derivatives financial instruments

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

#### a.4) Other non-current financial assets

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

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

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

Disposals in 2015 mainly correspond to:

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



b) *Current financial assets*

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

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

b.1) Current loans and receivables

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

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

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

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

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

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

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

b.2) Current securities portfolio

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

### b.3) Other current financial investments

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

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

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

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

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

## 11. Inventories

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

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

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

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

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

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

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

### a) Trade receivables

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

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

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

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

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

b) Other receivables

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

c) Current income tax assets

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

d) Public authorities

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

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

e) Other current assets

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

f) Cash and cash equivalents

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Cash	296,482	213,430
Cash equivalents	59,493	270,504
	<u>355,975</u>	<u>483,934</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 and December 31, 2014 is the following:

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

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

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

### 13. Issued capital and share premium

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

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

#### a) Share capital

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

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

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

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

b) Share premium

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

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

## 14. Retained earnings

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

	RETAINED EARNING AT DECEMBER 31, 2015 AND DECEMBER 31, 2014							
	(thousand of euros)							
	Legal reserve	Goodwill reserves	Unrestricted reserves	Reserves at fully consolidated entities	Reserves at associates	Profit for the year	Effective hedges	Total
<b>AT DECEMBER 31, 2013</b>	<b>38,751</b>	<b>2,742</b>	<b>185,838</b>	<b>704,771</b>	<b>3,219</b>	<b>113,987</b>	<b>(29,847)</b>	<b>1,019,461</b>
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)
<b>AT DECEMBER 31, 2014</b>	<b>45,251</b>	<b>3,313</b>	<b>234,573</b>	<b>721,523</b>	<b>(6,183)</b>	<b>125,702</b>	<b>(36,853)</b>	<b>1,087,326</b>
Profit for 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 (Gestamp Pune Aut. Pvt. Ltd.)				(5,839)	5,839			
Interest from participative loans			(10,516)	10,516				
Increase in shareholding in companies previously under control (adjustment for dividends paid to former shareholders of Anhui Edscha Automotive Parts Co. Ltda.)				(712)				(712)
Increase in shareholding in companies previously under control due to acquisition to non-controlling interest (Ekarpen Private Equity, S.A.)				(7,997)				(7,997)
Transfers from retained earnings to non-controlling interest due to non-proportional capital increase				(2,771)				(2,771)
Other movements and adjustments from prior years		571	(571)	(299)				(299)
<b>AT DECEMBER 31, 2015</b>	<b>45,251</b>	<b>3,884</b>	<b>219,687</b>	<b>815,120</b>	<b>(3,508)</b>	<b>161,480</b>	<b>(32,125)</b>	<b>1,209,789</b>

#### **14.1 Legal reserve of the Company**

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

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

#### **14.2 Goodwill reserve**

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

#### **14.3 Unrestricted Company reserves**

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

- Elimination of the difference between the carrying amount of Gestamp Brasil Industria de Autopeças, S.A., Gestamp Global Tooling, S.L. and Matricerías Deusto, S.A. and the consolidated value of the said companies amounting to 63,656 thousand euros.
- The remaining balance mainly corresponds to: elimination of the margins from intercompany purchase-sale transactions of financial participations; reversal of the goodwills arisen in the merger processes between Group companies; reversal of portfolio provisions and capitalization of differences derived from changes in exchange rates of functional currencies compared to Euro in Group financing considered permanent (Note 4.4).

#### **14.4 Availability of reserves at fully consolidated companies**

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

The restrictions regarding the reserves mentioned above are the following:

a) Revaluation reserve. Regional Law 6/1996

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



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

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

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

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

c) Legal reserves at subsidiaries

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

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

d) Fair value of property, plant and equipment

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

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

e) Restrictions related to capitalized development expenses

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

## **15. Translation differences**

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

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

## 16. Non-controlling interest

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

Company	Thousands of euros							At December 31, 2014	
	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)
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 Indústria Autopeças, S.A.	48,188	271					389	2,205	51,053
Gestamp Holding Argentina, S.L. and Argentine companies	14,153	283					297	(2,305)	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
Beycelik, 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)
	425,450	4,803	1,722	(7,590)	(1,439)	(8,439)	1,210	3,108	418,825

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

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

Company	Thousands of euros							At December 31, 2015
	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)	
Gestamp Finance Luxemburgo, S.A.	51							51
Todtem, S.L./ Gestamp Seversta Vsevolozhsk Uo./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 Holdino 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
Matricenas 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)	37,526
Beyçelik, A.S.	29,787	(1,996)	(3,443)				(169)	28,214
Gestamp Automotive India Private Ltd.	10,190	559					6,184	16,933
GMF Otomotiv Pargalari Sanayi ve Ticaret Ltd. Sirketi	(7,269)	113					(1,670)	(8,826)
	418,825	(6,342)	(12,485)	2,771	(24,219)	663	27,372	406,585

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

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

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

## 17. Deferred income

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

The breakdown of this heading at December 31, 2014 and December 31, 2015 including the movements during the year is as follows:

Thousands of euros						
Company	At December 31, 2013	Additions	Released income	Translation differences	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 Hungría KFT	232		(11)	(14)		207
Griwe Subgroup	2,249		(439)		2	1,812
Gestamp Cataforesis Vigo, S.A.						-
Gestamp Kartek Co, Ltd.	21		(9)	2		14
Gestamp Manufacturing Autochasis, S.L.	156		(20)			136
Adral, matriceria y pta. a punto, S.L.	135				(37)	98
Gestamp Esmar, S.A.	6		(3)			3
Beyçelik, A.S.	343	104		14		461
Edscha Subgroup	4,187	1,793	(841)	(5)	(546)	4,588
Gestamp Metal Forming Subgroup	6,031	151	(812)	384		5,754
Loire Sociedad Anónima Franco Española	325	16	(69)			272
Diede Die Developments, S.L.	491		(72)		(39)	380
Gestamp Puebla II, S.A. de C.V.		628				628
<b>Total</b>	<b>31,283</b>	<b>5,619</b>	<b>(5,388)</b>	<b>395</b>	<b>(629)</b>	<b>31,280</b>

Thousands of euros						
Company	At December 31, 2014	Additions	Released income	Translation differences	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, Lda.			(17)		17	
Gestamp Toledo, S.L.	2,108	29	(251)			1,886
Gestamp Palencia, S.A.	2,756	3,468	(420)			5,804
Gestamp Linares, S.A.	914		(57)			857
Gestamp Galvanizados, S.A.	73		(13)			60
Gestamp Puebla, S.A. de C.V.	169		(33)	(6)		130
Gestamp Aveiro, S.A.	169		(114)		181	236
Gestamp Navarra, S.A.	1,555		(164)			1,391
Gestamp Solblank Navarra, S.L.	47		(8)			39
Gestamp Aragón, S.A.	591		(100)			491
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 Hungría 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
<b>Total</b>	<b>31,280</b>	<b>5,663</b>	<b>(6,589)</b>	<b>257</b>	<b>109</b>	<b>30,720</b>

The additions recognized in 2014 and 2015 correspond to grants received from public authorities for investments in plant and equipment and job creation.

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

## 18. Provisions

The breakdown of non-current and current provisions in 2015 and 2014 is as follows:

	Non-current		Current	
	2015	2014	2015	2014
Provisions for retributions to employees (Note 19)	74,840	79,517	4,228	7,014
Provisions for taxes	6,898	6,440	-	-
Other provisions	75,049	45,269	12,090	12,077
	<b>156,787</b>	<b>131,226</b>	<b>16,318</b>	<b>19,091</b>

The changes in Provisions during 2014 and 2015 are as follows:

	Thousands of euros	
	Non-current	Current
Balance at December 31, 2013	135,020	13,648
Increase in allowance	36,260	6,314
Decrease	(32,303)	(14,858)
Translation differences	(223)	283
Other movements	(7,528)	13,704
Balance at December 31, 2014	131,226	19,091
Increase in allowance	69,487	4,290
Decrease	(43,588)	(7,124)
Translation differences	(1,916)	(732)
Other movements	1,578	793
Balance at December 31, 2015	156,787	16,318

This line item primarily reflects employee compensations and provisions recognized by certain Group companies to cover specific risks arising from their day-to-day businesses and potential liabilities relating to employee compensations and tax assessments which are currently being appealed, among other items.

#### 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 correspond mainly to post-retirement benefits, liabilities relating to differences in the interpretation of tax matters, and long term employee compensation.

Decreases of non-current provisions in 2015 and 2014 mainly reflect:

- Application of provisions relating to tax assessments.
- Reversal of provisions from onerous contracts of the Edscha Subgroup and Gestamp Vendas Novas Lda.
- Application of long term employee compensation provisions among others.
- Reversal in 2015 of the provision for personnel restructuring in Edscha Briey SAS amounting to 5,077 thousand euros, whereof 4,227 thousand euros correspond to application and 850 thousand euros correspond to provision surplus.

Changes of non-current provisions directly registered in the Consolidated Income Statement in 2015 mainly correspond to:

- Reversal of provisions mainly related to onerous contracts mentioned above registered under the heading "Other operating income" amounting to 18,540 thousand euros (2014: 12,479 thousand euros (Note 23.b)).

- Balance registered in consumables and operating expenses amounting to 50,406 thousand euros (2014: 19,317 thousand euros).

### Current provisions

Increases in current provisions in 2015 mainly correspond to provisions from Edscha Automotive Kamenice S.R.O., Sofedit SAS and Gestamp Umformtechnik GmbH for short-term employee compensation and for covering specific risks arising from day to day businesses.

Increases in current provisions in 2014 mainly correspond to provisions from Gestamp Metal Forming (Wuhan), Ltd., Gestamp Umformtechnik GmbH, Sofedit S.A.S., Edscha Automotive Kamenice S.R.O., Edscha do Brasil Ltda. and Shanghai Edscha Machinery Co. Ltd. for short-term employee compensation and for covering specific risks arising from day to day businesses.

Decreases in current provisions in 2015 and 2014 mainly correspond to employee restructuring installments, regularization of provisions related to resolved litigations and short term employee compensation.

Other movements in current and non-current provisions in 2015 and 2014 are mainly related to prior year's adjustments and reclassifications and transfers from non-current to current provisions since application is expected in less than 12 months.

## **19. Pensions and other post-employment obligations**

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

Item		Non-current		Current		Total	
		2015	2014	2015	2014	2015	2014
Employee benefits	a)	6,137	11,060	4,228	7,014	10,365	18,074
Post-employment benefits							
Defined benefit plans	b)	68,703	68,457	-	-	68,703	68,457
Total (Note 18)		74,840	79,517	4,228	7,014	79,068	86,531

### a) Employee benefits

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

### b) Defined benefit plans

The Group has a number of defined benefit plans. The main defined benefit plans are located in Germany and France and correspond to companies belonging to Gestamp Metal Forming Subgroup and Edscha Subgroup as well as Autotech Engineering Deutschland, GmbH. Among these pension plans, there are partially supported plans by an investment fund and not supported plans by an investment fund.

The risks of the different defined benefit plans are those associated to pensions not supported by an external fund. Other risks of the defined benefit plans common to partially supported plans as well as to not supported plans are those related to demographic issues, such as mortality and longevity of

employees, and those related to financial issues such as pension increase rate depending on inflation.

Assets and liabilities recognized in these Consolidated Financial Statements and corresponding to the said plan, by countries, are the following:

Item	Thousand of euros		
	Germany	France	Total
Present value of the defined benefit obligation	66,573	8,845	75,418
Fair value of plan assets and reimbursement rights	(4,482)	(2,233)	(6,715)
<b>Value of defined benefit obligation at December 31, 2015</b>	<b>62,091</b>	<b>6,612</b>	<b>68,703</b>

Item	Thousand of euros		
	Germany	France	Total
Present value of the defined benefit obligation	67,303	7,937	75,240
Fair value of plan assets and reimbursement rights	(4,410)	(2,373)	(6,783)
<b>Value of defined benefit obligation at December 31, 2014</b>	<b>62,893</b>	<b>5,564</b>	<b>68,457</b>

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

	Thousand of euros		
	Germany	France	Total
<b>Present value of the defined benefit obligation at December 31, 2013</b>	<b>52,017</b>	<b>7,333</b>	<b>59,350</b>
Current service cost year 2014	2,489	424	2,913
Interest income or expense	-	(143)	(143)
Interest income or expense	1,722	146	1,868
Pension cost charged to profit and loss at 2014	4,211	427	4,638
Payments from the plan except any settlements	(2,039)	(129)	(2,168)
Actuarial gains and losses arising from changes in demographic assumptions	12,785	470	13,255
Actuarial gains and losses arising from changes in financial assumptions	-	(164)	(164)
Tax effect	(253)	-	(253)
Remeasurements of the net defined benefit liability	12,532	306	12,838
Effect of disposals	14	-	14
Other effects	568	-	568
<b>Present value of the defined benefit obligation at December 31, 2014</b>	<b>67,303</b>	<b>7,937</b>	<b>75,240</b>
Current service cost year 2015	3,077	549	3,626
Gains and losses arising from settlements	(105)	(619)	(724)
Interest income or expense	5,043	169	5,212
Pension cost charged to profit and loss at 2015	8,015	99	8,114
Payments from the plan except any settlements	(2,319)	(156)	(2,475)
Payments from plan settlements	(350)	-	(350)
Actuarial gains and losses arising from changes in financial assumptions	(5,724)	(128)	(5,852)
Actuarial gains and losses attributable to non-controlling interests	-	45	45
Tax effect	-	-	-
Remeasurements of the net defined benefit liability	(5,724)	(83)	(5,807)
Effect of disposals	-	-	-
Other effects	(352)	1,048	696
<b>Present value of the defined benefit obligation at December 31, 2015</b>	<b>66,573</b>	<b>8,845</b>	<b>75,418</b>

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



	Thousand of euros		
	Germany	France	Total
<b>Fair value of plan assets and reimbursement rights at December 31, 2013</b>	<b>4,338</b>	<b>2,453</b>	<b>6,791</b>
Interest income or expense	148	74	222
Pension cost charged to profit and loss at 2014	148	74	222
Payments from the plan except any settlements	-	(129)	(129)
Return on plans assets, excluding amounts included in interest	-	(38)	(38)
Actuarial gains and losses arising from changes in demographic assumptions	(76)	-	(76)
Actuarial gains and losses attributable to non-controlling interests	-	13	13
Remeasurements of the net defined benefit liability	(76)	(25)	(101)
Contributions to the plan by the employer	-	-	-
<b>Fair value of plan assets and reimbursement rights at December 31, 2014</b>	<b>4,410</b>	<b>2,373</b>	<b>6,783</b>
Interest income or expense	79	42	121
Pension cost charged to profit and loss at 2015	79	42	121
Payments from the plan except any settlements	-	(156)	(156)
Return on plans assets, excluding amounts included in interest	-	(40)	(40)
Actuarial gains and losses arising from changes in financial assumptions	(7)	-	(7)
Actuarial gains and losses attributable to non-controlling interests	-	14	14
Remeasurements of the net defined benefit liability	(7)	(26)	(33)
<b>Fair value of plan assets and reimbursement rights at December 31, 2015</b>	<b>4,482</b>	<b>2,233</b>	<b>6,715</b>

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

Item	Thousand of euros					
	Germany		France		Total	
	2015	2014	2015	2014	2015	2014
Current service cost	3,077	2,489	549	424	3,626	2,913
Past service cost	-	-	-	-	-	-
Gains and losses arising from settlements	(105)	-	(619)	(143)	(724)	(143)
Net interest on the net defined benefit liability (asset)	4,964	1,574	127	73	5,091	1,647
<b>Total expense recognised in profit or loss</b>	<b>7,936</b>	<b>4,063</b>	<b>57</b>	<b>354</b>	<b>7,993</b>	<b>4,417</b>

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

Item	Thousand of euros			
	Germany		France	
	2015	2014	2015	2014
Investments quoted in active markets				
Mixed investment funds in Europe	4,482	4,410		
Not quoted investments				
Investment funds in insurances			2,205	2,373
	<b>4,482</b>	<b>4,410</b>	<b>2,205</b>	<b>2,373</b>

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

Item	Germany		France	
	2015	2014	2015	2014
Discount rate	2.0% - 2.3%	1.8% - 2.6%	1.8%-1.9%	1.80%
Expected rate of return on any plan assets	0%- 2.2%	0%- 1.8%	1.90%	-
Future salary increases rate	2.50%	2.50%	2.50%	2.50%
Future pension increases rate	1.5% - 2%	1.5% - 2%	-	-
Inflation rate	2.00%	2.00%	1%-1.5%	-
Mortality table	RT 2005 G	RT 2005 G	INSEE F 08-10	INSEE F 08-10
Rates of employee turnover, disability and early retirement	Aon Hewitt Standard tables, RT 2005 G, 0.5%	Aon Hewitt Standard tables, RT 2005 G, 0.5%	3.00%	-
Proportion of plan members with dependants who will be eligible for benefits	100.00%	100.00%	-	-
Percentage of taxes payable by the plan on contributions relating to service before the reporting date or on benefits resulting from that service	0% -2%	0% -2%	-	0.00%
Retirement age	-	-	62-65 years	62-65 years

The sensitivity analysis of the value of post-retirement benefits obligations for the main hypotheses at December 31, 2015 and December 31, 2014 are as follows:

Assumptions	Sensitivity	Thousand 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			

Assumptions	Sensitivity	Thousand of euros			
		2014			
		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			

The expected future payments related to pension benefit at December 31, 2015 and December 31, 2014 are the following:

	Thousand of euros					
	2015			2014		
	Germany	France	Total	Germany	France	Total
Within the next 12 months	3,049	87	3,136	2,864	24	2,888
Between 2 and 5 years	10,643	1,239	11,882	10,426	1,649	12,075
Beyond 5 years	13,905	23,768	37,673	13,159	22,475	35,634
<b>Total</b>	<b>27,597</b>	<b>25,094</b>	<b>52,691</b>	<b>26,449</b>	<b>24,148</b>	<b>50,597</b>

## 20. Non-trade liabilities

The breakdown of non-trade liabilities at December 31, 2015 and December 31, 2014 classified by concepts is as follows:

		Non current		Current	
		2015	2014	2015	2014
a) Interest-bearing loans and borrowings	a.1)	1,448,036	1,482,300	a.2) 282,900	282,480
b) Derivative financial instruments	b.1)	72,828	47,404	-	-
c) Other liabilities		<u>153,284</u>	<u>195,621</u>	<u>167,975</u>	<u>171,985</u>
Financial leasing	c.1)	28,869	25,076	6,292	3,516
Borrowings from Associated companies	c.2)	68,442	73,179	11,485	51,159
Other liabilities	c.3)	55,973	97,366	150,198	117,310
		<u>1,674,148</u>	<u>1,725,325</u>	<u>450,875</u>	<u>454,465</u>

### a) *Interest-bearing loans and borrowings*

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

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

	Thousands of euros						2014 Total
	2015					Total	
	2017	2018	2019	2020	Beyond		
<b>In Euros</b>	<b>130,892</b>	<b>87,194</b>	<b>158,127</b>	<b>736,489</b>	<b>1,354</b>	<b>1,114,056</b>	<b>1,133,513</b>
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
<b>In foreign currency</b>	<b>10,691</b>	<b>7,757</b>	<b>4,896</b>	<b>306,798</b>	<b>3,838</b>	<b>333,980</b>	<b>348,787</b>
<b>Brazilian reais</b>							
Gestamp Brasil Industria de Autopeças, S.A.	2,791	2,789	2,777	2,421	3,838	14,616	28,266
Edscha Subgroup							663
<b>Indian rupees</b>							
Gestamp Automotive Chennai Private Ltd.	3,351	3,351	837			7,539	20,424
<b>Remimbi Yuan</b>							
Gestamp Autocomponents (Shenyang), Co. Ltd.	2,820					2,820	6,561
Edscha Subgroup							1,508
<b>Czech Crowns</b>							
Edscha Subgroup	1,255	1,255	1,255			3,765	3,604
<b>Korean wons</b>							
Gestamp Kartek Co, Ltd	474	362	27	7		870	1,407
<b>US Dollars</b>							
Gestamp Funding Luxembourg, S.A. II)				304,370		304,370	286,354
	<u>141,583</u>	<u>94,951</u>	<u>163,023</u>	<u>1,043,287</u>	<u>5,192</u>	<u>1,448,036</u>	<u>1,482,300</u>

The breakdown of maturity dates for the balances at December 31, 2014 is as follows:

Thousands of euros					
2014					
2016	2017	2018	2019	Beyond	Total
133,451	260,983	272,665	17,611	797,590	1,482,300

The guarantees granted are personal guarantees of the borrower, except for the loans granted to the Griwe Subgroup which are additionally secured by the property, plant, and equipment financed by these loans (Note 9) and the guarantees mentioned in the description of individual operations included in this Note.

The nominal interest rate on the loans at December 31, 2015 is as follows:

	Interest rate
• Loans denominated in euros	1.45% - 2.50%
• Loans denominated in Indian rupees	10.30% - 12.30%
• Loans denominated in Brazilian reais*	4.50% - 16.21%

- Loans denominated in Korean wonnes 3.60% - 4.00%

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

The nominal interest rate on the loans at December 31, 2014 was as follows:

- |                                       | <u>Interest rate</u> |
|---------------------------------------|----------------------|
| Loans denominated in euros            | 1.45% - 3.50%        |
| Loans denominated in Indian rupees    | 10.30% - 12.30%      |
| Loans denominated in Brazilian reais* | 4.50% - 16.21%       |
| Loans denominated in Korean wonnes    | 3.60% - 4.00%        |

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

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

I) 2012 Bank of America Loan and 2013 Syndicated Loan

Most relevant information regarding interest-bearing loans and borrowings subject to covenants at December 31, 2015 and December 31, 2014 is as follows:

Entity	Initial date	Amount granted	Maturity date	Financial obligations	Restrictions
Bank of America Securities Limited	March 21, 2012	60 million euros	March 21, 2017	"Net debt/EBITDA" below 3.50x "EBITDA/Financial expense" above 4.00x	N/A
Group of banks	April 19, 2013	850 million euros *	March 11, 2020	"Net debt/EBITDA" below or equal 3.50x "EBITDA/Financial expense" above 4.00x	Limitation for the dividends distribution: - If "Net debt/EBITDA" is below 3.00x and above 2.00x dividends can be no more than 35% of the consolidated benefit - If "Net debt/EBITDA" is equal or below 2.00x dividends can be no more than 50% of the consolidated benefit

The 850 million euros loan is divided into Tranche A (loan) amounting to 570,000 thousand euros with a nominal outstanding balance at December 31, 2015 and December 31, 2014 amounting to 544,350 thousand euros and a Revolving Credit Facility Tranche amounting to 280,000 thousand euros that at December 31, 2015 and December 31, 2014 is not drawn down.

The Bank of America loan as well as the syndicated loan were granted to the Company and they are registered in long-term for 60,000 thousand euros and 519,840 thousand euros respectively, and the part of syndicated loan in short term for 24,510 thousand euros.

At December 31, 2015 and December 31, 2014 the Company was not in breach of any of these covenants.

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

II) May 2013 Bond

On May 2013, the Group completed an issuance of bonds through its subsidiary Gestamp Funding Luxembourg, S.A. This issuance has been carried out in two stages, in the first stage bonds were issued amounting to 500 million euros at an interest rate of 5.875%, and in the second stage bonds were issued amounting 350 million dollars with 5.625% interest rate.

Interests are payable every six months (November and May).

The maturity date of the bonds is May 31, 2020.

On September and October 2015 the Group acquired part of the issued bonds for 16,702 thousand dollars and 5,500 thousand euros. These bonds were later cancelled and fully paid.

The amortized cost at December 31, 2015 at exchange rate of the said date was 793 million euros (489 million euros and 304 million euros corresponding to the stages in euros and dollars respectively). The cost at December 31, 2014 was 779 million euros (493 million euros and 286 million euros corresponding to the stages in euros and dollars respectively).

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

#### a.2) Current interest-bearing loans and borrowings

The Group companies have been granted the following credit and discounting facilities:

Company	Thousands of euros											
	Credit facilities				Loans (b)		Accrued interest (c)		Discounted bills (d)		(a)+(b)+(c)+(d)	
	Drawn down (a)		Limit		2015	2014	2015	2014	2015	2014	TOTALS	TOTALS
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>In Euros</b>	<b>43,148</b>	<b>50,609</b>	<b>316,800</b>	<b>315,800</b>	<b>161,304</b>	<b>86,775</b>	<b>5,006</b>	<b>7,426</b>	<b>89</b>	<b>72,378</b>	<b>209,547</b>	<b>217,188</b>
Gestamp Automoción, S.A.	40,978	43,608	309,600	308,600	117,598	50,386	1,717	4,163		52,712	160,293	150,869
Gestamp Solblank Barcelona, S.A.							4	4			4	4
Gestamp Palencia, S.A.							4		28	2,291	32	2,291
Gestamp Servicios, S.A.							45	45	61	4,042	106	4,087
Gestamp Metalbages, S.A.	2,170	7,001	7,200	7,200			3	2			2,173	7,003
Gestamp Abrera, S.A.							8	4			8	4
Griwe Subgroup					3,521	4,273					3,521	4,273
Beyçelik, A.S.					22,275	4,445	328	130			22,603	4,575
Gestamp Aragón, S.A.							4	2			4	2
Edscha Subgroup										13,333		13,333
Gestamp Manufacturing Autochasis, S.L.												
MB Levante, S.L.							5	2			5	2
Gestamp Navarra, S.A.							8	18			8	18
Gestamp Vigo, S.A.							4	2			4	2
Gestamp Hungaria KFT												
Gestamp Auto Components (Kunshan) Co., Ltd					869	14,051	9	48			878	14,099
Gestamp Auto Components (Donguan) Co., Ltd						2,562	31	3			31	2,565
Gestamp Autocomponents (Shenyang), Co. Ltd.					2,519						2,519	
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi					2,251		173	229			2,424	229
Gestamp Metal Forming subgroup					4,167	4,167					4,167	4,167
Gestamp Funding Luxembourg, S.A.							2,663	2,774			2,663	2,774
Gestamp Polska, SP. Z.O.O.						1,473					1,473	1,473
Loire Sociedad Anónima Franco Española					8,104	5,404					8,104	5,404
Autotech Engineering R&D Uk limited						14					14	14
<b>In foreign currency</b>	<b>21,134</b>	<b>1,193</b>	<b>29,569</b>	<b>3,048</b>	<b>50,487</b>	<b>61,476</b>	<b>1,732</b>	<b>2,623</b>			<b>73,353</b>	<b>65,292</b>
<b>US dollars</b>												
Gestamp Funding Luxembourg, S.A.							1,534	1,530			1,534	1,530
<b>Turkish lira</b>												
Beyçelik, A.S.					7,885		80				7,965	
<b>Argentine pesos</b>												
Gestamp Córdoba, S.A.					922						922	
<b>Brazilian reais</b>												
Gestamp Brasil Industria de Autopeças, S.A.					8,570	16,555	11	417			8,581	16,972
Edscha Subgroup						4,348		597				4,945
<b>Indian rupees</b>												
Gestamp Services India Private, Ltd.					120	70					120	70
Sungwoo Gestamp Hitech Pune Private Ltd.	4,534		7,765								4,534	
Gestamp Automotive Chennai Private Ltd.	14,062		15,529		3,351		60				17,473	
<b>Remimbi Yuan</b>												
Gestamp AutoComponents (Shenyang) Co., Ltd					12,600	13,905	45	38			12,645	13,943
Edscha Subgroup	2,538	1,193	6,275	3,048		1,193					2,538	2,386
Gestamp Metal Forming Subgroup					11,140	21,208		39			11,140	21,247
<b>Czech Crowns</b>												
Edscha Subgroup					3,755	3,400					3,755	3,400
<b>Korean wons</b>												
Edscha Subgroup					1,558						1,558	
Gestamp Kartek Co, Ltd.					586	797	2	2			588	799
	<b>64,282</b>	<b>51,802</b>	<b>346,369</b>	<b>318,848</b>	<b>211,791</b>	<b>148,251</b>	<b>6,738</b>	<b>10,049</b>	<b>89</b>	<b>72,378</b>	<b>282,900</b>	<b>282,480</b>

Discounted bills of the Company at December 31, 2014 amounting to 52,712 thousand euros correspond to the assumed risk of the discount bills of several Spanish subsidiaries.

In all, the Group has approximately 431 million euros in with-recourse and non-recourse factoring and available discounting facilities at December 31, 2015 (December 31, 2014: 415 million euros).

Interest on the credit facilities is basically indexed to a floating rate of Euribor plus a spread between 0.65% and 1.75% in 2015 and a spread between 1.00% and 1.75% in 2014.

***b) Derivative financial instruments***

b.1) Interest rate derivatives and exchange rate derivatives

The fair value of interest rate and derivatives held for trading hedges contracted by the Group are recognized in the following headings of the Consolidated Balance Sheet:

Description	Thousands of euros	
	2015	2014
<b>Financial assets - derivatives (Note 10.a.3)</b>	<b>28,184</b>	<b>5,863</b>
Others	28,184	5,863
<b>Financial liabilities - derivatives</b>	<b>72,828</b>	<b>47,404</b>
Derivatives held for trading	25	1,187
Cash flow hedges	44,619	40,354
Others	28,184	5,863

The interest rate swaps arranged by the Group in place at December 31, 2015 and December 31, 2014 are the following:

Contract	Item	Thousands of euros			
		2015		2014	
		Asset	Liability	Asset	Liability
2	Derivatives held for trading	-	-	-	1,061
6	Derivatives held for trading	-	25	-	126
<b>Total derivatives held for trading</b>		<b>-</b>	<b>25</b>	<b>-</b>	<b>1,187</b>
1	Cash flow	-	9,263	-	7,661
3	Cash flow	-	16,242	-	13,649
4	Cash flow	-	8,073	-	9,147
5	Cash flow	-	-	-	32
7	Cash flow	-	4,524	-	4,910
8	Cash flow	-	6,517	-	4,955
<b>Total cash flow hedges</b>		<b>-</b>	<b>44,619</b>	<b>-</b>	<b>40,354</b>

At December 31, 2015 the Company arranged a strategy to hedge interest rate risk on notional amounts of the Group's estimated bank debt for the period from 2016 to 2024 via several interest rate swaps with the following notional amounts at December 31 of each year in thousand euros except contract 6, referenced to Sterling pounds:

Year	Contract 1	Contract 3	Contract 4	Contract 6	Contract 7	Contract 8
2016	140,000	320,000	77,835	10,000	110,000	110,000
2017	140,000	320,000	77,835		110,000	110,000
2018	140,000	320,000	77,835		110,000	110,000
2019	140,000	320,000	77,835			110,000
2020	140,000	320,000	77,835			110,000
2021	140,000					110,000
2022	140,000					110,000
2023	140,000					110,000
2024	140,000					110,000

The interest rate swaps arranged by the Group in place at December 31, 2015 have the following terms:

Contract	Effective date	Maturity date	Floating rate (to be received)	Fixed rate (to be paid)
Contract 1	July 1, 2015	January 1, 2025	3-month Euribor	0.25% (2015), 0.45% (2016), 1.2% (2017), 1.4% (2018), 1.98% (2019), 2.15% (2020) and 1.60% beyond
Contract 2	July 1, 2011	July 1, 2015	Closed	-
Contract 3	July 14, 2015	December 31, 2020	1-month Euribor	0.25% (2015-2016-2017), 1.40% (2018), 1.98% (2019) and 2.15% (2020)
Contract 4	January 2, 2015	January 4, 2021	3-month Euribor	1.24% (2015), 1.48% (2016), 1.66% (2017), 1.99% (2018) and 2.09% beyond
Contract 5	April 1, 2010	January 2, 2015	Closed	-
Contract 6	August 6, 2012	June 30, 2016	3-month Libor	0.975%
Contract 7	April 2, 2014	January 2, 2019	3-month Euribor	1.26%
Contract 8	July 1, 2015	January 1, 2025	3-month Euribor	0.15% (2015), 0.4% (2016), 1% (2017), 1.25% (2018) and 1.60% beyond

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

The cash flows underlying the hedges are expected to affect profit or loss in the following years:

<b>2014</b>	
<b>Thousands of euros</b>	
2015	(16,510)
2016	(12,362)
2017	(10,083)
2018	(2,586)
	<u>(41,541)</u>
<b>2015</b>	
<b>Thousands of euros</b>	
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
	<u>(44,644)</u>

At December 31, 2015 the Group has transferred from Equity to the Consolidated Income Statement the amount of approximately 9,633 thousand euros (expense) as a result of liquidations carried out



in 2015 corresponding to cash flow (interest rate) hedges. In 2014, expense recognized on the same basis amounted to 11,935 thousand euros.

In 2015 the Group has recognized income amounting to 3,500 thousand euros in the Consolidated Income Statement relating to derivatives held for trading, while during 2014 the income recognized amounted to 2,178 thousand euros.

“Others” includes the present value of implicit derivatives of exchange rates applicable to sales and purchases prices in certain customer and suppliers contracts (Note 10.a.3).

In addition, there is a purchase option of the 60% shareholding of Essa Palau, S.A. with initial amount of 3,000 thousand euros in 2011 which was fully impaired at December 31, 2015 and December 31, 2014.

## b.2) Net investment hedges

At December 31, 2015 the heading “Interest-bearing loans and borrowings” include the bond issued by the subsidiary Gestamp Funding Luxembourg, S.A. amounting to 333 million US dollar (350 million dollars less 17 million bought and cancelled in 2015 (Note 20.a.1.1)) 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 and December 31, 2014 there is no hedge inefficiency.

## c) Other liabilities

### c.1) Financial leasing

The finance lease commitments recognized under this heading correspond to the present value of the payment commitments on the finance leases outlined in Note 9. The payment schedule for these lease payments and the corresponding finance expenses are as follows:

<b>2015</b>					
<b>Thousands of euros</b>					
	Present value of lease obligations			Future finance expenses	Finance lease installments
	Less than one year	Between one and five years	More than five years		
Gestamp West Virginia, LLC	1,029	4,476	17,451	6,983	29,939
Beyçelik, A.S.	5,192	5,457	1,408	1,054	13,111
Gestamp Metal Forming Subgroup	61	75		8	144
Edscha Subgroup	10	2		1	13
Total	6,292	10,010	18,859	8,046	43,207

<b>2014</b>					
<b>Thousands of euros</b>					
	Present value of lease obligations			Future finance expenses	Finance lease installments
	Less than one year	Between one and five years	More than five years		
Gestamp West Virginia, LLC	46	3,890	16,725	6,676	27,337
Beyçelik, A.S.	3,345	4,314		479	8,138
Gestamp Metal Forming Subgroup	59	136		11	206
GMF Otomotive Parçaları Sanayi ve Ticaret L.S	32			3	35
Loire Sociedad Anónima Franco Española	25			1	26
Edscha Subgroup	9	11		2	22
<b>Total</b>	<b>3,516</b>	<b>8,351</b>	<b>16,725</b>	<b>7,172</b>	<b>35,764</b>

### c.2) Borrowings with Associated Companies

This heading in the Consolidated Balance Sheet includes the following items with associated companies:

<u>Description</u>	<b>Long term</b>		<b>Short term</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Current accounts (Note 29)	-	-	-	399
Loans (Note 29)	42,167	45,986	7,438	21,618
Interest (Note 29)	-	-	3,124	3,269
Fixed assets suppliers (Note 29)	26,275	27,193	923	25,873
	<b>68,442</b>	<b>73,179</b>	<b>11,485</b>	<b>51,159</b>

At December 31, 2015 and December 31, 2014 the balance of long term fixed assets suppliers with Acek, Desarrollo y Gestión Industrial, S.L. corresponds to the purchase of GESTAMP brand.

The balance of fixed assets suppliers amounting to 25,873 thousand euros in 2014 included the debt for purchases of PP&E to Inmobiliaria Acek S.L. amounting to 25,010 thousand euros (Note 29) paid out in the first quarter of 2015.

### c.3) Other liabilities

#### Other non-current liabilities

The breakdown of the amounts included under this heading, by company, nature, and maturity, at December 31, 2015 and December 31, 2014 is as follows:

Company	Thousands of euros						
	2017	2018	2019	2020	Beyond	Total 2015	Total 2014
<b>Guarantees received</b>					401	401	15
Gestamp Automoción, S.A.					291	291	-
Gestamp Abrera, S.A.					6	6	6
Gestamp Argentina, S.A.					2	2	-
Gestamp Kartek Co, Ltd					8	8	8
Gestamp Metalbages, S.A.					1	1	1
SCI de Touman en Brie					93	93	-
<b>Fixed assets suppliers</b>	327	60	71	83	290	831	-
Gestamp Bizkaia, S.A.	276					276	-
Gestamp Córdoba, S.A.	51	60	71	83	290	555	-
<b>Loans from Ministry of Science and Technology</b>	6,245	5,915	6,124	5,499	15,645	39,428	55,996
Gestamp Vigo, S.A.	513	513	513	513	1,325	3,377	3,678
Gestamp Toledo, S.L	474	474	474	474	900	2,796	5,098
Gestamp Palencia, S.A	262	262	262	262	585	1,633	2,794
Gestamp Linares, S.A	181	145	70			396	577
Gestamp Galvanizados, S.A	34	34	34	34	77	213	235
Gestamp Metalbages, S.A.	327	325	323	321	1,015	2,311	2,498
Gestamp Navarra, S.A	675	701	731	275	439	2,821	13,287
Gestamp Manufacturing Autochasis S.L	278	276	274	272	868	1,968	2,005
Autotech Engineering, A.I.E	247	167	167	167	418	1,166	1,416
Gestamp Aragón, S.A.	312	300	288	277	922	2,099	2,333
Gestamp Abrera, S.A.	477	456	439	423	1,559	3,354	3,645
Gestamp Levante, S.L.	303	292	281	271	1,035	2,182	2,217
Gestamp Ingeniería Europa Sur, S.L.							194
Gestamp Solblank Navarra, S.L.	40	36	33	28		137	151
Loire Sociedad Anónima Franco Española					351	351	337
Gestamp Solblank Barcelona, S.A	120	120	450	433	1,869	2,992	2,858
Diede Die Developments S.L	323	167	168	161	0	819	970
Gestamp Bizkaia, S.A.	1,679	1,647	1,617	1,588	4,282	10,813	11,703
<b>Other creditors</b>	8,770	3,739	391	527	1,886	15,313	41,355
Gestamp Aveiro, S.A	408	419				827	1,224
Gestamp Ceveira, Lda	1,268	1,056	364	527		3,215	3,348
Diede Die Developments S.L						-	-
Ocon Automated Systems S.L.						-	-
Edscha Subgroup	7,068	2,238			1,882	11,188	12,821
Gestamp Baires, S.A	26	26	27			79	147
Gestamp Sweden, AB					4	4	4
Gestamp West Virginia, LIC						-	2,066
Gestamp Servicios, S.A						-	20,738
Gestamp Córdoba, S.A						-	821
SCI de Touman en Brie						-	93
Gestamp Argentina, S.A						-	93
<b>Total</b>	<b>15,342</b>	<b>9,714</b>	<b>6,586</b>	<b>6,109</b>	<b>18,222</b>	<b>55,973</b>	<b>97,366</b>

On December 19, 2012 Gestamp Servicios, S.L. received a loan granted by International Business Machine, S.A. amounting to 48,760 thousand euros. This loan accrued a 5.10% market interest rate with quarterly maturity dates, being the last one on December 19, 2017. The outstanding balance at December 31, 2014 amounted to 20,738 thousand euros. Because of Group financial restructuring and with the aim of saving financial costs, this loan was early paid out in the first quarter of 2015.

The breakdown of maturity dates for the balances at December 31, 2014 is as follows:

Thousands of euros						
2014						
2016	2017	2018	2019	Beyond	Total	
24,109	24,047	13,025	9,295	26,890	97,366	

#### Other current liabilities

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

	Thousands of euros	
	2015	2014
Fixed assets suppliers	127,698	98,334
Short term debts	22,240	18,336
Short term interests payable	242	38
Deposits and guarantees	148	137
Other	(130)	465
	150,198	117,310

## 21. Deferred Taxes

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

Deferred tax assets	Thousands of euros							
	Tax credits	Reversal of start-up expenses	Fair value of property and buildings	Non-deductible provisions	Accelerated depreciation	Unrealized, non-deductible exchange gains (losses)	Other	Total
<b>At December 31, 2013</b>	<b>119,882</b>	<b>2,344</b>	<b>17,666</b>	<b>43,402</b>	<b>6,590</b>	<b>8,815</b>	<b>1,771</b>	<b>200,470</b>
Increases	21,212	90		6,581	623	2,766	16,131	47,403
Decreases	(27,532)			(8,691)	(113)	(2,484)	(16,268)	(55,088)
Translation differences	3,189	(120)	(2)	855	15	(61)	968	4,844
Other	47,568	(2,153)	(480)	(11,967)	(3,438)	(4,074)	25,255	50,711
<b>At December 31, 2014</b>	<b>164,319</b>	<b>161</b>	<b>17,184</b>	<b>30,180</b>	<b>3,677</b>	<b>4,962</b>	<b>27,857</b>	<b>248,340</b>
Inclusion in scope								
Increases	10,569			29,757	742	1,794	34,362	77,224
Decreases	(28,668)	(78)		(9,292)	(67)	(2,766)	(4,881)	(45,752)
Translation differences	2,936	(4)		(3,722)	(123)	(526)	(1,038)	(2,477)
Other	1,121		(17,661)	1,352	1,209	885	6,536	(6,558)
<b>At December 31, 2015</b>	<b>150,277</b>	<b>79</b>	<b>(477)</b>	<b>48,275</b>	<b>5,438</b>	<b>4,349</b>	<b>62,836</b>	<b>270,777</b>

Increases in Other in 2015 amounting to 34,362 thousand euros mainly correspond to the tax effect of hedges from the Company as well as to non-deductible expenses from invoices to be received by Gestamp Polska SP Z.o.o.

Deferred tax liabilities	Thousands of euros							
	Portfolio provisions - individual companies	Tax deduction - goodwill individual companies	Capitalization of expenses	Allocation to goodwill	Revaluation of land and buildings	Depreciation/ amortization	Other	Total
<b>At January 31, 2013</b>	<b>4,746</b>	<b>10,884</b>	<b>29,956</b>	<b>34,131</b>	<b>77,885</b>	<b>18,115</b>	<b>3,193</b>	<b>178,910</b>
Inclusion in scope								
Increases		994	17,662	84		11,457	3,728	33,925
Decreases	(529)		(2,878)	(5,731)	(1,490)	(2,348)	(1,378)	(14,354)
Translation differences			185	(56)		4,879	506	5,514
Other movements	(3,414)	-3,647	(692)	1,913	(7,972)	39,926	4,986	31,100
<b>At December 31, 2014</b>	<b>803</b>	<b>8,231</b>	<b>44,233</b>	<b>30,341</b>	<b>68,423</b>	<b>72,029</b>	<b>11,035</b>	<b>235,095</b>
Inclusion in scope								
Increases		852	10,364	3,003	1,643	11,644	2,725	30,231
Decreases	(1,203)		(4,790)	(3,645)	(1,666)	(3,106)	(885)	(15,295)
Translation differences			(86)	(858)		4,797	(797)	3,056
Other movements	(471)	(953)	(269)		(17,661)	(8,760)	571	(27,543)
<b>At December 31, 2015</b>	<b>(871)</b>	<b>8,130</b>	<b>49,452</b>	<b>28,841</b>	<b>50,739</b>	<b>76,604</b>	<b>12,649</b>	<b>225,544</b>

The net balance of Other movements in 2015 amounts to 20,985 thousand euros in liabilities and mainly includes adjustments from prior years as well as tax credits from Gestamp North America, INC regarding recognition of tax losses from previous years as a consequence of local regulations approved this year.

The net amount recognized in Other movements at December 31, 2014 amounting to 19,611 thousand euros (asset), correspond mainly to the tax rates updating and adjustments from previous years. The movements recognized under the headings tax credits and depreciation/amortization, correspond mainly to deferred tax reclassifications of assets and liabilities in 2014 by the subsidiary Gestamp North America, INC.

## 22. Trade and other payables

### a) Trade payables

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Trade accounts payable	812,718	689,604
Trade bills payable	133,890	89,055
Suppliers from Group companies (Note 29.1)	187,351	160,202
Suppliers from Associated companies (Note 29.1)	1,054	2,265
Trade creditors, Group companies (Note 29.1)	2,365	4,486
	<u>1,137,378</u>	<u>945,612</u>

### b) Other payables

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
VAT payable	50,589	48,127
Tax withholdings payable	13,616	18,539
Other items payable to the tax authorities	11,617	26,361
Payable to social security	26,857	23,490
Other payables	16,966	27,879
Outstanding remuneration	97,114	87,197
	<u>216,759</u>	<u>231,593</u>

## 23. Operating revenue

### a) Revenue

The breakdown of revenue by category in 2015 and 2014 is as follows:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Parts, prototypes, and components	6,408,731	5,565,547
Tools	389,373	415,432
Byproducts and containers	219,136	264,000
Services rendered	17,272	10,825
	<u>7,034,512</u>	<u>6,255,804</u>

The geographical breakdown of revenue was as follows:

	Thousands of euros		%	
	2015	2014	2015	2014
<b>European Union</b>	3,908,810	3,593,760	55%	57%
<b>Home market</b>	1,269,940	1,087,489	18%	17%
<b>Other European Union countries</b>	2,638,870	2,506,271	37%	40%
France	409,625	387,132		
Portugal	143,487	138,182		
Poland	111,810	118,005		
Hungary	50,434	49,917		
Slovakia	9,329	11,289		
Czech Republic	129,875	116,047		
United Kingdom	685,919	582,652		
Sweden	78,016	72,301		
Germany	1,020,375	1,030,746		
<b>Other markets</b>	3,125,702	2,662,044	45%	43%
<b>America</b>	1,789,858	1,556,419	26%	25%
Brazil	247,295	385,133		
Argentina	219,208	183,317		
Mexico	416,009	294,367		
USA	907,346	693,602		
<b>Asia</b>	976,628	739,821	14%	12%
India	157,791	121,934		
South Korea	118,541	87,283		
China	690,110	521,084		
Japan	5,956	6,088		
Thailand	4,230	3,432		
<b>Other</b>	359,216	365,804	5%	6%
Russia	117,723	149,898		
Turkey	241,493	215,906		
<b>TOTAL</b>	<b>7,034,512</b>	<b>6,255,804</b>	<b>100%</b>	<b>100%</b>

b) Other operating income

	Thousands of euros	
	2015	2014
Other operating income	24,926	27,692
Grants related to income	2,073	3,861
Grants related to assets released to income for the year (Note 17)	6,589	5,388
Surplus provision for environmental matters and other commitments	4,454	10,097
Surplus provision for restructuring	5,147	80
Own work capitalized	91,757	67,746
Other	21,925	11,691
Change in provisions (Note 18)	18,540	12,479
Adjustments from prior years	(4,595)	-
Other	7,980	(788)
	<b>156,871</b>	<b>126,555</b>

Other operating income includes the income from the business combination of Gestamp Pune Automotive Private Limited amounting to 1.371 thousand euros (Note 2.b).

The heading Other includes profits from tangible assets amounting to 1,832 thousand euros as well as extraordinary income and expenses mainly related to commercial agreements, litigations and state financial aids amounting to 6,148 thousand euros.

## 24. Operating expenses

### a) Raw materials and other consumables

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Purchases of goods and tools for resale	679,004	445,435
Discounts for prompt payment	(2,164)	(2,035)
Purchase returns and similar transactions	(5,269)	(3,483)
Volume discounts	(7,946)	(7,503)
Change in inventories (**)	(22,322)	(28,181)
Purchases of raw materials	2,764,168	2,740,494
Consumption of other supplies	644,581	491,781
Work performed by third parties	255,855	252,009
Impairment of goods for resale and raw materials (**)	4,067	2,538
Reversal of impairment of goods for resale and raw materials (**)	(1,377)	(5,283)
	<u>4,308,597</u>	<u>3,885,772</u>

\*\*The total of this line items make a net consumption of raw materials amounting to 19,632 thousand euros (Note 11).

### b) Personnel expenses

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

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Salaries	971,251	859,856
Social security	206,969	191,845
Other benefits expenses	79,790	73,233
	<u>1,258,010</u>	<u>1,124,934</u>

The breakdown of average headcount by professional level in 2015 and 2014 is as follows:

<u>Professional level</u>	<b>2015</b>	<b>2014</b>
Directors/ Managers	714	725
Clerical, financial and IT department	1,878	1,240
Quality control department	1,804	1,782
Logistics department	2,644	2,520
Supply department	864	827
Technical department	2,828	3,075
Production foreman	1,320	1,125
Production workers	16,764	16,167
Other	4,089	3,712
	<u>32,905</u>	<u>31,173</u>

The breakdown of headcount by professional level at year end at December 31, 2015 and December 31, 2014 is as follows:

Professional level	2015		2014	
	Males	Females	Males	Females
Directors/ Managers	666	94	645	99
Clerical, financial and IT department	1,382	881	619	671
Quality control department	1,557	249	1,559	254
Logistics department	2,274	319	2,197	327
Supply department	713	155	706	126
Technical department	2,874	232	3,059	265
Production foreman	1,261	57	1,087	55
Production workers	16,427	1,334	15,421	1,211
Other	2,268	449	2,872	573
	<b>29,422</b>	<b>3,770</b>	<b>28,165</b>	<b>3,581</b>

c) Other operating expenses

	Thousands of euros	
	2015	2014
Maintenance and upkeep	530,423	443,812
Other external services	310,387	271,898
Taxes and levies	30,761	24,408
Impairment of accounts receivable	(127)	(702)
Other	3,925	4,744
Losses and impairment of assets	-	1,379
Provision for risks and expenses	3,925	3,365
	<b>875,369</b>	<b>744,160</b>

Balance in "Other" in 2014 mainly corresponds to Edscha and Gestamp Metal Forming Subgroups related to provisions for litigations, employee contribution and others (Note 18), while in 2015 it fully corresponds to provision for risks and expenses.

**25. Financial income and financial expenses**

a) Financial income

	Thousands of euros	
	2015	2014
From equity investments, Group Companies	5	-
From equity investments	4	-
From current loans to third parties	27	395
Other financial income	12,913	8,023
Total from loans to Associated companies (Note 29.1)	360	1,179
From non-current loans to Associated companies	-	13
From current loans to Associates companies	360	1,166
	<b>13,309</b>	<b>9,597</b>

b) Financial expenses

	Thousands of euros	
	2015	2014
On bank borrowings	97,547	113,864
On trade bills with credit institutions	1,807	2,123
On factoring transactions with credit institutions	774	-
Other financial expenses	13,810	14,199
On update provisions	15	-
Total on borrowings from Group companies and associates (Note 29.1)	7,897	8,422
	<b>121,850</b>	<b>138,608</b>



## 26. Profit from discontinued operations

On December 26, 2013 the Group signed an agreement of intentions to sell the subsidiaries Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd, Sungwoo Gestamp Hitech Chennai, Ltd and GS Hot-Stamping Co. Ltd. so their assets and liabilities were classified as held for sale at December 31, 2013.

These companies were sold on April 11, 2014 (Note 2.a).

At December 31, 2014 the result of these companies (the result generated until the sale as well as the own result of the sale) has been classified as profit from discontinued operations according to the following breakdown:

	Thousands of euros			
	2014			
	Gestamp Sungwoo Hitech (Chennai) Pvt. Ltd	Sungwoo Gestamp Hitech Chennai, Ltd	GS Hot Stamping, Co. Ltd	Total
<b>Income from discontinued operations</b>				
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)
<b>Net profit (loss) from discontinued operations</b>	<b>1,530</b>	<b>(4,869)</b>	<b>1,766</b>	<b>(1,573)</b>

At December 31, 2014 the Group had no assets held for sale.

At December 31, 2015 the Group has no income from discontinued operations and no assets held for sale.

## 27. Income tax

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

- From January 1, 2014 on, the Company choose to apply the special fiscal consolidation regime, regulated under Basque Regional Law 3/1996. The subsidiaries include in this fiscal group are Gestamp Bizkaia, S.A; Bero Tools, S.L.; Gestamp North Europe Services, S.L. and Loire S.A.F.E.
- The subsidiaries Gestamp North America, Inc., Gestamp Alabama, Ll., Gestamp Mason, Ll., Gestamp Chattanooga, Ll., Gestamp Chattanooga II Ll.,Gestamp South Carolina, Ll. and Gestamp West Virginia, Ll. file a tax return according to fiscal transparency system.
- The subsidiaries Gestamp 2008, S.L., Edscha Santander, S.L. and Edscha Burgos, S.L. file a consolidated tax return.
- The subsidiaries Gestamp Global Tooling, S.L., Matricerías Deusto, S.L., Adral, Matricería y Puesta a punto, S.L, Gestamp Tool Hardening, S.L. and Gestamp Try Out Services, S.L. file a consolidated tax return.

- The subsidiaries Griwe Innovative Umforttechnik, GmbH. Griwe Werkzeug Produktions GmbH and Griwe System Produktions GmbH file a tax return according to a profit and loss transfer agreement.
- The subsidiaries Edscha Holding, GmbH, Edscha Automotive Hengersberg, GmbH, Edscha Automotive Hauzenberg, GmbH, Edscha Engineering, GmbH file a tax return according to a profit and loss transfer agreement.
- The subsidiaries GMF Holding, GmbH and Gestamp Umformtechnik, GmbH file a tax return according to a profit and loss transfer agreement.
- The subsidiaries Gestamp Sweden, AB and Gestamp HardTech AB file a tax return according to a profit and loss transfer agreement.

The detail of income taxes in 2015 and 2014, in thousands of euros, is as follows:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Current tax expense	84,053	57,805
Deferred tax	(23,458)	9,832
Other income tax adjustments	3,355	(7,347)
	<b>63,950</b>	<b>60,290</b>

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

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
<b>Accounting profit (before taxes)</b>	<b>252,802</b>	<b>190,673</b>
Theoretical tax expense	70,785	57,202
Differences in prevailing rates	(1,792)	3,409
Permanent differences	(215)	14,844
Deductions and tax credits previously not recognized	(10,124)	(12,293)
Statute-barred tax credits	21,602	23,232
Adjustments to income tax of prior years	(15,889)	(20,380)
Adjustments to tax rate	(417)	(5,724)
<b>Tax expense (tax income)</b>	<b>63,950</b>	<b>60,290</b>

The theoretical tax rate applied is 28% in 2015 and 30% in 2014.

“Differences in prevailing rates” in 2015 and 2014 reflects the differences between prevailing rates in certain operating markets and the theoretical applicable rate, mainly relating to operations taxed in the United States (35%), Brazil (34%), and Argentina (35%).

The Permanent differences in 2015 and 2014 reflect mainly inflation adjustments, exemption of income from brand billing, nondeductible differences in exchange rates, nondeductible expenses, and those differences generated in the consolidation process.

The Adjustments to tax rate in 2014 correspond to Spain and reflect the appliance of law 27/2014, approved on November 27, for Corporate Income Tax in Spain that has modified the general tax rate, from the present tax rate of 30%, to the 2015 tax rate of 28% and beyond of 2015 tax rate of 25%.

Previous deferred tax assets and liabilities have been adjusted according to the tax rate changes at the reversion date.

At December 31, 2015 the conversion to euros of tax loss carried forwards in other currencies, calculated at the exchange rates prevailing on that date, amounted to 872 million euros (2014: 813 million euros).

At December 31, 2015 the conversion to euros of unused tax credits carried forward in other currencies calculated at the exchange rates prevailing on that date, amounted to 145 million euros (2014: 134 million euros).

At year end 2015 and 2014, the Group had capitalized unused tax losses and tax credits that it expects to be able to utilize in future periods based on earnings projections and the deadlines and limits for their utilization.

At December 31, 2015 the Group had capitalized tax credits for a total of 150 million euros of unused tax losses and unused tax credits (2014: 164 million euros) (Note 21).

The unused tax losses and unused tax credits at December 31, 2015 whose corresponding tax credit has not been registered amount to 665 million euros (2014: 474 million euros). From that amount, 392 million euros have limitation period for their utilization between 2016 and 2034 (2014: 314 million euros with limitation period between 2015 and 2033) and the rest have no limitation period.

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

Management of the Company and its subsidiaries calculated income tax for 2015 and the years open for inspection according to the legislation prevailing in each year. Given that the prevailing tax regulations related to the above mentioned matters are subject to varying interpretations, certain tax liabilities and contingencies may exist for 2015 and previous years that cannot be objectively quantified. However, the Group's directors and their legal and tax advisors consider that any potential tax liability which might arise would not significantly affect the accompanying Consolidated Financial Statements.

## **28. Contingent liabilities and commitments**

The Group companies have not provided liens to third parties for significant amounts other than the Griwe Subgroup PP&E items pledged to guarantee repayment of the loans they were granted (Note 9) or other non-current borrowings.

### Operating lease commitments

The Group is a lessee of buildings, warehouses, machinery and vehicles. The lease expenses charged to the December 31, 2015 Consolidated Income Statement amount to 88,038 thousand euros (December 31, 2014: 69,101 thousand euros) and the breakdown by country is as follows:

<b>Thousands of euros</b>		
	<b>2015</b>	<b>2014</b>
Spain	20,787	16,637
Germany	13,394	11,917
France	3,241	3,063
Portugal	2,060	1,828
Poland	1,433	1,081
Hungary	1,303	732
Slovakia	11	23
Czech Republic	524	473
United Kingdom	8,400	5,915
Sweden	2,661	1,747
Luxembourg	76	44
USA	10,578	7,190
Mexico	8,228	5,885
Brazil	2,184	2,940
Argentina	938	662
India	864	762
South Korea	387	564
China	6,275	3,227
Japan	221	161
Thailand	26	22
Russia	891	1,349
Turkey	3,556	2,879
	<b>88,038</b>	<b>69,101</b>

Total future minimum payments for operating leases at December 31, 2015 and December 31, 2014 are as follows:

<b>Thousands of euros</b>			
<b>Future minimum payments</b>			
	<b>Less than 1 year</b>	<b>Between 1 and 5 years</b>	<b>More than 5 years</b>
Spain	16,415	53,214	30,715
Germany	9,341	20,450	777
France	2,520	953	-
Portugal	1,410	3,454	-
Poland	1,541	-	-
Czech Republic	48	280	-
United Kingdom	9,634	29,641	53,279
Sweden	643	1,697	-
USA	8,474	31,857	40,129
Mexico	15,641	81,173	9,082
Brazil	2,412	-	-
Argentina	8	38	-
India	219	263	-
China	6,285	395	-
Japan	50	-	-
Thailand	25	129	-
Russia	394	1,834	-
Turkey	582	2,453	2,383
<b>Total 2015</b>	<b>75,642</b>	<b>227,831</b>	<b>136,365</b>

<b>Thousands of euros</b>			
<b>Future minimum payments</b>			
	<b>Less than 1 year</b>	<b>Between 1 and 5 years</b>	<b>More than 5 years</b>
<b>Total 2014</b>	<b>74,561</b>	<b>216,203</b>	<b>128,041</b>

The increase in long-term future minimum payments from 2014 to 2015 for 19 million euros corresponds to renegotiation of already existing agreements and to signing new agreements, mainly in companies in USA and Germany, as well as to changes in exchange rates.

The Group companies have not acquired additional significant commitments to those already existing corresponding to the planification of the ordinary business, acquisition of raw materials or fixed assets.

## 29. Related party transactions

### 29.1 Balances and transactions with Related Parties

At December 31, 2015 and December 31, 2014 the amounts payable to and receivable from Related Parties and transactions carried out with Related Parties were as follows:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Balances receivable	18,262	51,738
Balances payable	(270,697)	(291,291)
Revenue		
Sales of goods	155,059	175,050
Services rendered	5,407	3,048
Financial income	360	1,179
Expenses		
Purchases	922,718	941,653
Services received	11,595	8,926
Financial expenses	7,897	8,422
Impairment loss	9,324	-

The breakdown of receivables from and payables to Related Parties at December 31, 2015 is as follows:

Company	Item	Thousands of euros	
		Amounts receivable	Amounts payable
Acek, Desarrollo y Gestión Industrial, S.L.	Current account	26	-
<b>Total Current account</b>		<b>26</b>	<b>-</b>
Mitsui & Co., Ltd	Non-current loans	-	(20,104)
JSC Karelsky Okatysh	Non-current loans	-	(22,063)
<b>Total non-current loans (Note 20.c.2)</b>		<b>-</b>	<b>(42,167)</b>
Gonvarri Corporación Financiera, S.L.	Current loans	-	(7,438)
<b>Total current loans (Note 20.c.2)</b>		<b>-</b>	<b>(7,438)</b>
Acek, Desarrollo y Gestión Industrial, S.L.	Current interest payable	-	(1,337)
Gonvarri I. Centro Servicios, S.L.	Current interest payable	-	(36)
Gonvarri Corporación Financiera, S.L.	Current interest payable	-	(582)
JSC Karelsky Okatysh	Current interest payable	-	(1,169)
<b>Total interest payable (Note 20.c.2)</b>		<b>-</b>	<b>(3,124)</b>
Esymo Metal, S.L.	Non-current loans	1,120	-
Esymo Metal, S.L.	Current loans	320	-
<b>Total loans</b>		<b>1,440</b>	<b>-</b>
Esymo Metal, S.L.	Current interest receivable	1	-
Gestion Global de Matriceria, S.L	Current interest receivable	61	-
<b>Total interest receivable</b>		<b>62</b>	<b>-</b>
Essa Palau, S.A.	Trade receivables from Group companies	1,440	-
Esymo Metal, S.L.	Trade receivables from Group companies	9	-
Gescrap Centro, S.L	Trade receivables from Group companies	516	-
Gescrap France S.A.R.L.	Trade receivables from Group companies	1,010	-
Gescrap Navarra, S.L.	Trade receivables from Group companies	234	-
Gescrap Polska SPZ00	Trade receivables from Group companies	345	-
Gescrap, S.L.	Trade receivables from Group companies	3,501	-
Gescrap Hungría KFT	Trade receivables from Group companies	176	-
Gescrap Autometal Mexico S.A. de C.V.	Trade receivables from Group companies	606	-
Gescrap Czech S.R.O.	Trade receivables from Group companies	22	-
Gescrap Autometal Comercio de Sucatas S.A.	Trade receivables from Group companies	351	-
GES Recycling Ltd.	Trade receivables from Group companies	285	-
GGM Puebla, S.A. de C.V.	Trade receivables from Group companies	1,373	-
Gestion Global de Matriceria, S.L	Trade receivables from Group companies	740	-
Gonvarri Galicia, SA	Trade receivables from Group companies	148	-
Gonvarri I. Centro Servicios, S.L.	Trade receivables from Group companies	112	-
Gonvarri MS Corporate S.L.	Trade receivables from Group companies	46	-
Gonvauto Navarra, SA	Trade receivables from Group companies	694	-
Gonvauto Puebla S.A. de C.V.	Trade receivables from Group companies	389	-
Gonvauto Thuringen, GMBH	Trade receivables from Group companies	1,092	-
Gonvauto, SA	Trade receivables from Group companies	480	-
Gonvarri Corporación Financiera, S.L.	Trade receivables from Group companies	169	-
Gonvarri Polska	Trade receivables from Group companies	4	-
Ind. Ferrodistribuidora, S.L.	Trade receivables from Group companies	281	-
Severstal Gonvarri Kaluga, LLC	Trade receivables from Group companies	8	-
Steel & Alloy	Trade receivables from Group companies	29	-
Gonvarri Czech S.R.O.	Trade receivables from Group companies	37	-
GS Hot Stamping, Ltd.	Trade receivables from Group companies	5	-
Ingeniería y Construcción Matrices, S.A.	Trade receivables from Group companies	1,919	-
IxCxT, S.A.	Trade receivables from Group companies	3	-
Jui Li Edscha Body System	Trade receivables from Group companies	6	-
Jui Li Edscha Hainan	Trade receivables from Group companies	257	-
Gestamp Energías Renovables	Trade receivables from Group companies	426	-
Inmobiliaria Acek,S.L.	Trade receivables from Group companies	8	-
Acek, Desarrollo y Gestión Industrial, S.L	Trade receivables from Group companies	7	-
Recuperaciones Medioambientales Subgroup	Trade receivables from Group companies	6	-
<b>Total Trade receivables from Group companies (Note 12.a)</b>		<b>16,734</b>	<b>-</b>
Agricola La Veguilla, S.A.	Suppliers from Group companies	-	(18)
Acek, Desarrollo y Gestión Industrial, S.L	Suppliers from Group companies	-	(2,582)
Essa Palau, S.A.	Suppliers from Group companies	-	(13,777)
Esymo Metal, S.L.	Suppliers from Group companies	-	(1,766)
Gescrap Navarra, S.L.	Suppliers from Group companies	-	(2)
Gescrap Polska	Suppliers from Group companies	-	(3)
GGM Puebla, S.A. de C.V.	Suppliers from Group companies	-	(796)
Gestion Global de Matriceria, S.L	Suppliers from Group companies	-	(283)
Gonvarri Argentina S.A.	Suppliers from Group companies	-	(6,974)
Gonvarri Galicia, SA	Suppliers from Group companies	-	(23,753)
Gonvarri Corporación Financiera, S.L.	Suppliers from Group companies	-	41
Gonvarri I. Centro Servicios, S.L.	Suppliers from Group companies	-	(42,666)
Gonvarri Polska, SP, ZOO.	Suppliers from Group companies	-	(9,486)
Gonvarri Ptos. Siderúrgicos, SA	Suppliers from Group companies	-	(10,673)
Gonvauto Asturias	Suppliers from Group companies	-	(2,236)
Gonvauto Navarra, SA	Suppliers from Group companies	-	(4,976)
Gonvauto Puebla S.A. de C.V.	Suppliers from Group companies	-	(18,680)
Gonvauto Thuringen, GMBH	Suppliers from Group companies	-	(5,507)
Gonvauto, SA	Suppliers from Group companies	-	(22,812)
Gonvauto South Carolina LLC	Suppliers from Group companies	-	(673)
Severstal Gonvarri Kaluga, LLC	Suppliers from Group companies	-	(517)
Hierros y Aplanaciones, SA	Suppliers from Group companies	-	(70)
Ind. Ferrodistribuidora, S.L.	Suppliers from Group companies	-	70
Láser Automotive Barcelona	Suppliers from Group companies	-	(805)
Gonvarri Czech S.R.O.	Suppliers from Group companies	-	(621)
Steel & Alloy	Suppliers from Group companies	-	(15,092)
Inmobiliaria Acek,S.L.	Suppliers from Group companies	-	(208)
Arcelor Group	Suppliers from Group companies	-	(1,473)
Ingeniería y Construcción Matrices, S.A.	Suppliers from Group companies	-	(898)
Jui Li Edscha Body System	Suppliers from Group companies	-	(8)
Air Executive	Suppliers from Group companies	-	(107)
<b>Total Suppliers from Group companies (Note 22.a)</b>		<b>-</b>	<b>(187,351)</b>
Arcelor Group	Suppliers from Associated companies	-	(1,054)
<b>Total Suppliers from Associated companies (Note 22.a)</b>		<b>-</b>	<b>(1,054)</b>
Severstal Gonvarri Kaluga, LLC	Trade creditors, Group companies	-	(2,342)
Gestion Global de Matriceria, S.L	Trade creditors, Group companies	-	(23)
<b>Total Trade creditors, Group companies (Note 22.a)</b>		<b>-</b>	<b>(2,365)</b>
Acek, Desarrollo y Gestión Industrial, S.L	Long term fixed assets suppliers	-	(26,275)
Acek, Desarrollo y Gestión Industrial, S.L	Short term fixed assets suppliers	-	(918)
Gonvarri Galicia, SA	Short term fixed assets suppliers	-	(3)
Esymo Metal, S.L.	Short term fixed assets suppliers	-	(2)
<b>Total Fixed assets suppliers (Note 20.c.2)</b>		<b>-</b>	<b>(27,198)</b>
		<b>18,262</b>	<b>(270,697)</b>

The breakdown of receivables from and payables to Related Parties at December 31, 2014 were as follows:

Company	Item	Thousands of euros	
		Amounts receivable	Amounts payable
Acek, Desarrollo y Gestión Industrial, S.L.	Current account	-	(399)
<b>Total Current Account (Note 20.c.2)</b>			<b>(399)</b>
Mitsui & Co., Ltd	Non-current loans	-	(18,054)
Gonvarri Corporación Financiera, S.L.	Non-current loans	-	(7,438)
Severstal Trade GesmbH	Non-current loans	-	(10,834)
Melsonda Holdings Ltd.	Non-current loans	-	(9,660)
<b>Total non-current loans (Note 20.c.2)</b>			<b>(45,986)</b>
Gonvarri Argentina, S.A	Current loans	-	(354)
Gonvarri Corporación Financiera, S.L.	Current loans	-	(21,264)
<b>Total current loans (Note 20.c.2)</b>			<b>(21,618)</b>
Gonvarri I. Centro Servicios, S.L.	Current interest payable	-	(36)
Acek, Desarrollo y Gestión Industrial, S.L.	Current interest payable	-	(1,379)
Severstal Trade GmbH	Current interest payable	-	(1,064)
Melsonda Holdings Ltd.	Current interest payable	-	(9)
Gonvarri Corporación Financiera, S.L.	Current interest payable	-	(781)
<b>Total interest payable (Note 20.c.2)</b>			<b>(3,269)</b>
Esymo Metal, S.L.	Non-current loans	1,440	-
Essa Palau, S.A.	Non-current loans	4,000	-
Acek, Desarrollo y Gestión Industrial, S.L.	Non-current loans	24,628	-
Esymo Metal, S.L.	Current loans	978	-
Gonvarri Argentina S.A.	Current loans	673	-
Essa Palau, S.A.	Current loans	3,000	-
Essa Palau, S.A.	Current interest receivable	243	-
Acek, Desarrollo y Gestión Industrial, S.L.	Current interest receivable	3	-
Gestión Global de Matricería, S.L.	Current interest receivable	12	-
<b>Total loans and interest receivable</b>		<b>34,977</b>	
Gescrap Navarra, S.L.	Trade receivables from Group companies	676	-
Gescrap, S.L.	Trade receivables from Group companies	6,356	-
Gescrap Polska SPZ00	Trade receivables from Group companies	1,097	-
Gescrap Desarrollo, S.L.	Trade receivables from Group companies	1,174	-
Gescrap France S.A.R.L.	Trade receivables from Group companies	1,676	-
Gescrap Centro, S.L.	Trade receivables from Group companies	419	-
Gonvarri I. Centro Servicios, S.L.	Trade receivables from Group companies	496	-
Gonvarri Galicia, SA	Trade receivables from Group companies	645	-
Gonvauto Navarra, SA	Trade receivables from Group companies	199	-
Gonvauto Puebla S.A. de C.V.	Trade receivables from Group companies	28	-
Gonvauto Thuringen, GMBH	Trade receivables from Group companies	740	-
Gonvauto, SA	Trade receivables from Group companies	1,054	-
Hierros y Aplanaciones, SA	Trade receivables from Group companies	24	-
Gonvarri Corporación Financiera, S.L.	Trade receivables from Group companies	124	-
Severstal Gonvarri Kaluga, LLC	Trade receivables from Group companies	1	-
Jui Li Edscha Hainan Industry Enterprise Co. Ltd.	Trade receivables from Group companies	77	-
Sungwoo Gestamp Hitech Pune Private, Ltd.	Trade receivables from Group companies	56	-
Esymo Metal, S.L.	Trade receivables from Group companies	16	-
Essa Palau, S.A.	Trade receivables from Group companies	1,420	-
Ingeniería y Construcción Matrices, S.A.	Trade receivables from Group companies	121	-
IxCxT, S.A.	Trade receivables from Group companies	4	-
Gestión Global de Matricería, S.L.	Trade receivables from Group companies	235	-
GGM Puebla, S.A. de C.V.	Trade receivables from Group companies	115	-
Inmobiliaria Acek, S.L.	Trade receivables from Group companies	8	-
<b>Total Trade receivables from Group companies (Note 12.a)</b>		<b>16,761</b>	
Agrícola La Veguilla, S.A.	Suppliers from Group companies	-	(18)
Acek, Desarrollo y Gestión Industrial, S.L.	Suppliers from Group companies	-	(313)
Gonvarri I. Centro Servicios S.L.	Suppliers from Group companies	-	(33,043)
Arcelormittal Gonvarri Brasil Prod. Siderúrgicos	Suppliers from Group companies	-	(591)
Gonvarri Galicia, SA	Suppliers from Group companies	-	(9,807)
Hierros y Aplanaciones, SA	Suppliers from Group companies	-	(71)
Gonvarri Ptos. Siderúrgicos, SA	Suppliers from Group companies	-	(10,282)
Gonvauto Navarra, SA	Suppliers from Group companies	-	(4,790)
Gonvauto Puebla S.A. de C.V.	Suppliers from Group companies	-	(24,430)
Gonvauto Thuringen, GMBH	Suppliers from Group companies	-	(4,769)
Gonvauto, SA	Suppliers from Group companies	-	(20,084)
Gonvarri Argentina S.A.	Suppliers from Group companies	-	(8,374)
Gestión Global de Matricería, S.L.	Suppliers from Group companies	-	(124)
Ind. Ferrodistribuidora, S.L.	Suppliers from Group companies	-	787
Severstal Gonvarri Kaluga, LLC	Suppliers from Group companies	-	(14)
Gonvarri Polska, SP, ZOO.	Suppliers from Group companies	-	(8,501)
Steel & Alloy	Suppliers from Group companies	-	(12,349)
Gonvarri Tarragona, S.L.	Suppliers from Group companies	-	(1,026)
Gonvauto Asturias	Suppliers from Group companies	-	(183)
Air Executive, S.L.	Suppliers from Group companies	-	(144)
Inmobiliaria Acek, S.L.	Suppliers from Group companies	-	(270)
Gescrap Navarra, S.L.	Suppliers from Group companies	-	(4)
Gescrap, S.L.	Suppliers from Group companies	-	(18)
Gescrap Polska SPZ00	Suppliers from Group companies	-	(4)
Esymo Metal, S.L.	Suppliers from Group companies	-	(1,584)
Essa Palau, S.A.	Suppliers from Group companies	-	(16,969)
Ingeniería y Construcción Matrices, S.A.	Suppliers from Group companies	-	(592)
GGM Puebla, S.A. de C.V.	Suppliers from Group companies	-	(28)
Arcelor Group	Suppliers from Group companies	-	(2,607)
<b>Total Suppliers from Group companies (Note 22.a)</b>			<b>(160,202)</b>
Arcelor Group	Suppliers from Associated companies	-	(2,265)
<b>Total Suppliers from Associated companies (Note 22.a)</b>			<b>(2,265)</b>
Severstal Gonvarri Kaluga, LLC	Trade creditors, Group companies	-	(4,486)
<b>Total Trade creditors, Group companies (Note 22.a)</b>			<b>(4,486)</b>
Acek, Desarrollo y Gestión Industrial, S.L.	Long term fixed assets suppliers	-	(27,193)
Acek, Desarrollo y Gestión Industrial, S.L.	Short term fixed assets suppliers	-	(861)
Esymo Metal, S.L.	Short term fixed assets suppliers	-	(2)
Inmobiliaria Acek, S.L.	Short term fixed assets suppliers	-	(25,010)
<b>Total Fixed assets suppliers (Note 20.c.2)</b>			<b>(53,066)</b>
		<b>51,738</b>	<b>(291,291)</b>

The breakdown of transactions carried out with Related Parties during 2015 was as follows:

<b>Company</b>	<b>Transaction</b>	<b>Thousands of euros</b>
Gescrap Autometal Comercio de Sucata S.A.	Sales	(7,088)
Gescrap Autometal México, S.A. de C.V.	Sales	(16,621)
Gescrap S.L.	Sales	(27,082)
Gescrap Centro, S.L	Sales	(2,976)
Gescrap France S.A.R.L.	Sales	(15,474)
Gescrap Navarra, S.L.	Sales	(4,391)
Gescrap Polska SPZOO	Sales	(5,412)
Gescrap Czech S.R.O.	Sales	(430)
Gescrap Hungría	Sales	(1,609)
GES Recycling Ltd.	Sales	(4,199)
Gescrap GmbH	Sales	(8,276)
Gonvarri Galicia, SA	Sales	(5,900)
Gonvarri I. Centro Servicios, S.L.	Sales	(1,994)
Gonvauto Navarra, SA	Sales	(9,377)
Gonvauto Puebla S.A. de C.V.	Sales	(296)
Gonvauto, SA	Sales	(34,670)
Ind. Ferrodistribuidora, S.L.	Sales	(301)
Gonvauto South Carolina Llc.	Sales	(3)
Gonvauto Thuringen, GMBH	Sales	(30)
Severstal Gonvarri Kaluga, LLC	Sales	(26)
Ingeniería y Construcción Matrices, S.A.	Sales	(391)
Jui Li Edscha Hainan Industry Enterprise	Sales	(173)
Essa Palau, S.A.	Sales	(7,280)
GGM Puebla, S.A de C.V	Sales	(102)
Gestión Global de Matricería, S.L.	Sales	(958)
<b>Total Sales</b>		<b>(155,059)</b>
Acek, Desarrollo y Gestión Industrial, S.L	Services rendered	(16)
Gonvarri Polska, SP, ZOO.	Services rendered	(22)
Gonvarri Ptos. Siderúrgicos, SA	Services rendered	(1)
Gonvarri Czech	Services rendered	(30)
Gonvarri Corporación Financiera, S.L.	Services rendered	(400)
Gonvarri I. Centro Servicios, S.L.	Services rendered	(21)
Gonvarri Aluminium GmbH	Services rendered	(1)
Gonvauto Thuringen, GMBH	Services rendered	(13)
Inmobiliaria Acek, S.L	Services rendered	(10)
Gestamp Energías Renovables	Services rendered	(588)
Gescrap Autometal México, S.A. de C.V.	Services rendered	(3)
Ingeniería y Construcción Matrices, S.A.	Services rendered	(1,794)
IxCxT, S.A	Services rendered	(8)
Jui Li Edscha Body Systems Co. Ltd.	Services rendered	(12)
Jui Li Edscha Hainan Industry Enterprise	Services rendered	(6)
Essa Palau, S.A.	Services rendered	(581)
Esymo Metal, S.L.	Services rendered	(112)
GGM Puebla, S.A de C.V	Services rendered	(1,291)
Gestión Global de Matricería, S.L.	Services rendered	(399)
Recuperaciones Mediambientales Subgroup	Services rendered	(99)
<b>Total Services rendered</b>		<b>(5,407)</b>
Acek, Desarrollo y Gestión Industrial, S.L	Financial income	(9)
Essa Palau, S.A.	Financial income	(197)
Esymo Metal, S.L.	Financial income	(29)
Gestion Global de Matriceria, S.L	Financial income	(125)
<b>Total Financial income (Note 25.a)</b>		<b>(360)</b>



<b>Company</b>	<b>Transaction</b>	<b>Thousands of euros</b>
Arcelomittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	Purchases	9,937
Gonvauto Asturias	Purchases	6,935
Gonvarri Argentina S.A.	Purchases	56,446
Gonvarri Galicia, SA	Purchases	60,484
Gonvarri I. Centro Servicios, S.L.	Purchases	184,532
Gonvarri Polska, SP, ZOO.	Purchases	67,152
Gonvarri Ptos. Siderúrgicos, SA	Purchases	31,687
Gonvauto Navarra, SA	Purchases	20,520
Gonvauto Puebla S.A. de C.V.	Purchases	68,892
Gonvauto Thuringen, GMBH	Purchases	77,437
Gonvauto, SA	Purchases	86,325
Ind. Ferrodistribuidora, S.L.	Purchases	201
Severstal Gonvarri Kaluga, LLC	Purchases	42,676
Steel & Alloy	Purchases	41,513
Gonvauto South Carolina Llc.	Purchases	6,355
Laser Automotive Barcelona	Purchases	812
Gonvarri Czech	Purchases	592
Gonvarri Aluminium GmbH	Purchases	66
Jui Li Edscha Body Systems Co. Ltd.	Purchases	53
Arcelor Group	Purchases	82,617
Ingeniería y Construcción Matrices, S.A.	Purchases	8,354
GGM Puebla, S.A de C.V	Purchases	4,976
Essa Palau, S.A.	Purchases	60,717
Esymo Metal, S.L.	Purchases	3,439
<b>Total Purchases</b>		<b>922,718</b>
Agricola La Veguilla, S.A	Services received	140
Air Executive, S.L.	Services received	587
Acek, Desarrollo y Gestión Industrial, S.L	Services received	3,593
Gescrap S.L.	Services received	194
Gescrap Navarra, S.L.	Services received	10
Gescrap Polska SPZOO	Services received	32
Gonvarri I. Centro Servicios, S.L.	Services received	124
Gonvarri Polska, SP, ZOO.	Services received	(1)
Gonvarri Ptos. Siderúrgicos, SA	Services received	237
Gonvauto Puebla S.A. de C.V.	Services received	737
Gonvauto, SA	Services received	23
Ind. Ferrodistribuidora, S.L.	Services received	4
Gonvauto Navarra, SA	Services received	(1)
Gonvarri Argentina S.A.	Services received	11
Gonvauto South Carolina Llc.	Services received	(92)
Inmobiliaria Acek, S.L	Services received	2,017
Ingeniería y Construcción Matrices, S.A.	Services received	176
Essa Palau, S.A.	Services received	(122)
Esymo Metal, S.L.	Services received	1,350
Gestión Global de Matricería, S.L.	Services received	2,418
GGM Puebla, S.A de C.V	Services received	158
<b>Total Services received</b>		<b>11,595</b>
Acek, Desarrollo y Gestión Industrial, S.L	Financial expenses	2,344
Gonvarri Corporación Financiera, S.L.	Financial expenses	1,320
Gonvarri Galicia, SA	Financial expenses	100
Gonvarri I. Centro Servicios, S.L.	Financial expenses	72
Gonvarri Ptos. Siderúrgicos, SA	Financial expenses	81
Gonvauto Navarra, SA	Financial expenses	18
Gonvauto, SA	Financial expenses	231
Gonvauto Puebla S.A. de C.V.	Financial expenses	642
Mitsui & Co	Financial expenses	809
JSC Karelsky Okatysh	Financial expenses	2,280
<b>Total Financial expenses (Note 25.b)</b>		<b>7,897</b>
Essa Palau, S.A.	Short term loans impairment loss	9,324
<b>Total Short term loans impairment loss</b>		<b>9,324</b>

The breakdown of transactions carried out with Related Parties during 2014 was as follows:

<b>Company</b>	<b>Transaction</b>	<b>Thousands of euros</b>
Acek, Desarrollo y Gestión Industrial, S.L.	Sales	(10)
Gescrap, S.L.	Sales	(61,749)
Gescrap Navarra, S.L.	Sales	(5,009)
Gescrap Polska SPZ00	Sales	(10,333)
Gescrap France S.A.R.L.	Sales	(5,109)
Gescrap Autometal Comercio de Sucata S.A.	Sales	(10,517)
Gescrap Autometal México, S.A. de C.V.	Sales	(17,178)
Gonvarri Galicia, SA	Sales	(5,935)
Gonvarri Polska, SP, ZOO.	Sales	(1,170)
Gonvarri I. Centro Servicios, S.L.	Sales	(2,459)
Gonvauto Navarra, SA	Sales	(7,709)
Gonvauto, SA	Sales	(30,316)
Gonvauto Asturias	Sales	(1)
Gonvarri Argentina S.A.	Sales	(2)
Gonvauto Thuringen, GMBH	Sales	(20)
Gonvarri MS Corporate, S.L	Sales	(34)
Gonvauto Puebla S.A. de C.V.	Sales	(193)
Gonvarri Ptos. Siderúrgicos, S.A	Sales	(19)
Gescrap Centro, S.L	Sales	(3,027)
Ingeniería y Construcción Matrices, S.A.	Sales	97
Gestamp Global Mexico	Sales	(2,110)
Severstal Gonvarri Kaluga, Llc	Sales	(28)
Essa Palau, S.A.	Sales	(3,742)
Gestión Global de Matricería, S.L.	Sales	(8,477)
<b>Total Sales</b>		<b>(175,050)</b>
Acek, Desarrollo y Gestión Industrial, S.L.	Services rendered	(11)
Gonvauto Puebla S.A. de C.V.	Services rendered	(55)
Gonvarri Polska, SP, ZOO.	Services rendered	(20)
Gonvarri Corporación Financiera, S.L.	Services rendered	(170)
Gonvarri Ptos. Siderúrgicos, S.A	Services rendered	1
Steel & Alloy	Services rendered	(21)
Inmobiliaria Acek S.L.	Services rendered	(51)
Esymo Metal, S.L.	Services rendered	(89)
Gescrap France S.A.R.L.	Services rendered	(48)
Gonvarri I. Centro Servicios, S.L.	Services rendered	(38)
Gestamp Global Mexico	Services rendered	(54)
Gestamp Polska SPZ00	Services rendered	(2)
Gestamp Energías Renovables	Services rendered	(70)
Gescrap Autometal México, S.A. de C.V.	Services rendered	(3)
Essa Palau, S.A.	Services rendered	(439)
Reimasa	Services rendered	(48)
Gestión Global de Matricería, S.L.	Services rendered	(43)
IxCxT, S.A	Services rendered	1
Jui Li Edscha Body System and subsidiaries	Services rendered	(26)
Ingeniería y Construcción Matrices, S.A.	Services rendered	(1,862)
<b>Total Services rendered</b>		<b>(3,048)</b>
Acek, Desarrollo y Gestión Industrial, S.L.	Financial income	(140)
Esymo Metal, S.L.	Financial income	(43)
Essa Palau, S.A.	Financial income	(169)
Jeff Wilson	Financial income	(16)
Gonvarri Argentina S.A.	Financial income	(705)
Shrenik Industries Private Ltd.	Financial income	(106)
<b>Total Financial income (Note 25.a)</b>		<b>(1,179)</b>

<b>Company</b>	<b>Transaction</b>	<b>Thousands of euros</b>
Acek, Desarrollo y Gestión Industrial, S.L.	Purchases	4
Gonvarri Galicia, SA	Purchases	59,069
Gonvarri I. Centro Servicios, S.L.	Purchases	173,283
Gonvarri Polska, SP, ZOO.	Purchases	57,717
Gonvarri Tarragona, S.L.	Purchases	4,799
Gonvarri Ptos. Siderúrgicos, SA	Purchases	30,594
Hierros y Aplanaciones, SA	Purchases	72
Ind. Ferrodistribuidora, S.L.	Purchases	1,786
Gonvauto Navarra, SA	Purchases	17,632
Gonvauto Puebla S.A. de C.V.	Purchases	54,823
Gestamp Global México	Purchases	23
Gonvauto Thuringen, GMBH	Purchases	70,967
Gonvarri Argentina S.A.	Purchases	49,715
Gonvauto, SA	Purchases	72,195
Severstal Gonvarri Kaluga, LLC	Purchases	61,303
Steel & Alloy	Purchases	68,732
Gonvauto Asturias S.L.	Purchases	172
Gescrap Navarra, S.L.	Purchases	769
Gescrap, S.L.	Purchases	231
Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	Purchases	7,517
Esymo Metal, S.L	Purchases	2,839
Essa Palau, S.A.	Purchases	48,193
Ingeniería y Construcción Matrices, S.A.	Purchases	7,610
Arcelor Group	Purchases	151,608
<b>Total Purchases</b>		<b>941,653</b>
Acek, Desarrollo y Gestión Industrial, S.L.	Services received	2,611
Gescrap Navarra, S.L.	Services received	11
Gescrap Polska SPZOO	Services received	17
Gonvauto, SA	Services received	39
Gonvauto Puebla S.A. de C.V.	Services received	83
Gonvarri I. Centro Servicios, S.L.	Services received	(31)
Gonvarri Corporación Financiera, S.L.	Services received	2
Gonvarri Galicia, SA	Services received	(1)
Gonvarri Ptos. Siderúrgicos, SA	Services received	260
Inmobiliaria Acek S.L.	Services received	3,849
Air Executive, S.L.	Services received	1,289
Agrícola La Veguilla, S.A	Services received	125
Gonvarri Polska, SP, ZOO.	Services received	(1)
Gestamp Eólica	Services received	1
Gestamp Solar	Services received	(207)
Essa Palau, S.A.	Services received	(69)
Gestamp Global México	Services received	101
Arcelor Group	Services received	(11)
Ingeniería y Construcción Matrices, S.A.	Services received	528
Esymo Metal, S.L	Services received	328
Ind. Ferrodistribuidora, S.L.	Services received	2
<b>Total Services received</b>		<b>8,926</b>
Acek, Desarrollo y Gestión Industrial, S.L.	Financial expenses	3,804
Gonvarri Galicia, SA	Financial expenses	60
Gonvarri Corporación Financiera, S.L.	Financial expenses	1,737
Gonvarri Argentina S.A.	Financial expenses	337
Gonvarri I. Centro Servicios, S.L.	Financial expenses	114
Gonvarri Ptos. Siderúrgicos, SA	Financial expenses	82
Gescrap Navarra, S.L.	Financial expenses	1
Gonvauto Navarra, SA	Financial expenses	22
Gonvauto, SA	Financial expenses	229
Ind. Ferrodistribuidora, S.L.	Financial expenses	1
Mitsui & Co, Ltd	Financial expenses	8
Severstal Trade GesmbH	Financial expenses	1,353
Melsonda Holdings Ltd.	Financial expenses	674
<b>Total Financial expenses (Note 25.b)</b>		<b>8,422</b>

## 29.2 Board of Directors' remuneration

In 2015 and 2014 the members of the Company's Board of Directors received no remuneration from any of the companies which compose the Group.

In 2015 and 2014 Acek, Desarrollo y Gestión Industrial, S.L. received total remuneration of 690 thousand euros as compensation for membership of the Board of Directors of certain Group companies.

The remuneration accrued during 2014 by the representatives (natural persons) of the members of the Board of Directors (legal entity), is included in the remuneration accrued by the Management's Remuneration informed in Note 29.3

In 2015 and 2014, no loans or advances, pensions or life insurance benefits were granted to members of its Board nor their representatives as natural persons.

## 29.3 Senior Management's Remuneration

In 2015 total remuneration for the members of the Management Committee, which fully correspond to salaries, amounted to 4,265 thousand euros (2014: 2,708 thousand euros), included in "Personnel expenses" in the accompanying consolidated income statement. The company made no contributions to pension plans on their behalf.

## 30. Subsidiaries with significant non-controlling interest

Financial information of subsidiaries that have significant non-controlling interests is provided below. The summarised financial information of these subsidiaries, based on their individual financial statements adapted to Group criteria and before intercompany eliminations and consolidation adjustments, is as follows:

Summarised profit statement at December 31, 2015 and December 31, 2014:

	2015								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beycelik, 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)
<b>OPERATING PROFIT</b>	<b>37,150</b>	<b>4,705</b>	<b>52,734</b>	<b>5,233</b>	<b>18,960</b>	<b>23,095</b>	<b>(171)</b>	<b>2,490</b>	<b>9,676</b>
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	-	-	-	-	-	-	-	-	-
<b>PROFIT BEFORE TAXES</b>	<b>34,848</b>	<b>(1,712)</b>	<b>53,066</b>	<b>(31,913)</b>	<b>10,888</b>	<b>20,598</b>	<b>3,618</b>	<b>(4,540)</b>	<b>(7,453)</b>
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	-	-	-	-	-	-	-
<b>PROFIT ATTRIBUTABLE TO PARENT COMPANY</b>	<b>29,897</b>	<b>(3,526)</b>	<b>37,398</b>	<b>(21,310)</b>	<b>9,954</b>	<b>17,508</b>	<b>3,618</b>	<b>(4,097)</b>	<b>(7,453)</b>
Non-controlling interest	30.00%	30.01%	30.00%	30.00%	50.00%	31.06%	35.00%	41.87%	41.87%
Attributable to non-controlling interest	8,969	(1,058)	11,219	(6,393)	4,977	5,438	1,266	(1,715)	(3,121)

	2014								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating income	702,097	185,639	299,961	345,370	203,157	175,253	-	47,395	103,471
Operating expense	(664,807)	(178,944)	(281,962)	(312,735)	(188,519)	(160,208)	(235)	(48,124)	(97,008)
<b>OPERATING PROFIT</b>	<b>37,290</b>	<b>6,695</b>	<b>17,999</b>	<b>32,635</b>	<b>14,638</b>	<b>15,045</b>	<b>(235)</b>	<b>(729)</b>	<b>6,463</b>
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)	-	-	-	-	-
<b>PROFIT BEFORE TAXES</b>	<b>35,961</b>	<b>(10,833)</b>	<b>22,491</b>	<b>13,282</b>	<b>12,409</b>	<b>15,852</b>	<b>2,897</b>	<b>(17,967)</b>	<b>(32,258)</b>
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	-	-	-	-	-	-	-
<b>PROFIT ATTRIBUTABLE TO PARENT COMPANY</b>	<b>36,151</b>	<b>(4,934)</b>	<b>15,423</b>	<b>7,390</b>	<b>11,036</b>	<b>11,889</b>	<b>2,897</b>	<b>(17,447)</b>	<b>(32,258)</b>
Non-controlling interest	30.00%	30.01%	30.00%	30.00%	50.00%	31.05%	35.00%	41.87%	41.87%
Attributable to non-controlling interest	10,845	(1,481)	4,627	2,217	5,518	3,692	1,014	(7,305)	(13,506)

(\* ) These figures correspond to Subconsolidated Financial Statements

## Summarised statement of financial position at December 31, 2015 and December 31, 2014:

	2015								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Total non-current assets	441,226	47,049	192,058	189,840	73,556	81,965	78,061	15,864	71,574
Total current assets	279,197	96,631	233,204	78,763	94,921	157,294	70,453	12,996	36,022
Total non-current liabilities	(197,037)	(7,498)	(17,654)	(32,233)	(18,887)	(38,459)	(23,068)	(18,501)	(60,947)
Total current liabilities	(155,274)	(103,888)	(151,910)	(136,124)	(97,471)	(91,760)	(5,420)	(8,313)	(16,652)
Equity	(317,644)	(85,495)	(292,530)	(114,287)	(68,007)	(92,084)	(120,026)	(9,346)	(69,338)
Translation differences	(50,468)	53,201	36,832	14,041	15,888	(16,956)	-	7,300	39,341
Equity attributable to:									
Equity holders of the parent	(222,351)	(59,838)	(204,771)	(80,001)	(34,004)	(63,483)	(78,017)	(5,433)	(40,306)
Non-controlling interest	(95,293)	(25,657)	(87,759)	(34,286)	(34,004)	(28,601)	(42,009)	(3,913)	(29,032)
Translation differences attributable to:									
Equity holders of the parent	(35,327)	37,235	25,782	9,829	7,944	(11,689)	-	4,243	22,869
Non-controlling interest	(15,140)	15,966	11,050	4,212	7,944	(5,267)	-	3,057	16,472
	2014								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S.	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Total non-current assets	396,673	64,497	196,026	227,764	73,081	77,289	100,885	18,148	84,332
Total current assets	230,643	105,799	170,801	145,755	77,169	128,702	16,363	17,652	31,427
Total non-current liabilities	(185,766)	(67,951)	(16,580)	(87,539)	(39,419)	(25,954)	-	(17,273)	(56,650)
Total current liabilities	(137,817)	(47,180)	(103,701)	(131,672)	(57,450)	(96,135)	28	(13,446)	(20,933)
Equity	(287,747)	(90,402)	(275,064)	(135,597)	(65,278)	(72,372)	(117,276)	(12,094)	(75,588)
Translation differences	(15,986)	35,237	28,518	(18,711)	11,897	(11,530)	-	7,013	37,412
Equity attributable to:									
Equity holders of the parent	(201,423)	(63,272)	(192,545)	(94,918)	(32,639)	(49,900)	(76,229)	(7,030)	(43,939)
Non-controlling interest	(86,324)	(27,130)	(82,519)	(40,679)	(32,639)	(22,472)	(41,047)	(5,064)	(31,649)
Translation differences attributable to:									
Equity holders of the parent	(11,190)	24,662	19,963	(13,098)	5,949	(7,950)	-	4,077	21,748
Non-controlling interest	(4,796)	10,575	8,555	(5,613)	5,949	(3,580)	-	2,936	15,664

(\* ) These figures correspond to Subconsolidated Financial Statements

## Summarized cash flow at December 31, 2015 and December 31, 2014:

	2015								
	Subconsolid. USA (*)	Subconsolid. Argentina (*)	Subconsolid. Mexico (*)	Subconsolid. Brazil (*)	Beyçelik, A.S	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating activities	63,406	24,471	13,432	13,851	24,729	52,938	(587)	6,459	12,839
Investing activities	(75,547)	(2,769)	(22,092)	(24,811)	(15,584)	(16,164)	30,638	(350)	(3,346)
Financing activities	(1,383)	(266)	17,224	(33,117)	(10,323)	1,549	23,390	(3,620)	(8,287)
Effect of changes in 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 (*)	Beyçelik, A.S	Getamp Auto Components (Kunshan) Co, Ltd	Mursolar 21, S.L	Gestamp Severstal Vsevolozhsk, LLc	Gestamp Severstal Kaluga, Llc
Operating activities	77,650	216	37,658	59,792	17,055	21,194	(3,151)	3,803	15,600
Investing activities	(81,431)	(433)	(59,531)	(2,478)	(7,124)	(7,610)	(51,224)	(1,431)	(3,497)
Financing activities	(14,518)	1,702	11,240	(20,073)	(8,752)	2,358	10,909	(13,457)	(15,640)
Effect of changes in 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)

(\* ) These figures correspond to Subconsolidated Financial Statements

As mentioned in Note 16, the most significant non-controlling interest mentioned has protecting rights mainly related to significant decisions on divestments, companies restructuring, distribution of dividends and changes in statutes.

### 31. Investment in associates

The Group has interests in the following associates:

Company	Shareholding		Activity
	2015	2014	
Industrias Tamer, S.A.	30.00%	30.00%	Tooling and parts manufacturing
Gestamp Pune Automotive Pvt, Ltd.	100.00%	50.00%	Tooling and parts manufacturing
Essa Palau, S.A.	40.00%	40.00%	Tooling and parts manufacturing
Gestión Global de Matricería, S.L.	30.00%	35.00%	Dormant
GGM Puebla, S.A de C.V	30.00%	35.00%	Die cutting production
GGM Puebla de Servicios Laborales, S.A de C.V	30.00%	35.00%	Labor services
Ingeniería y Construcción Matrices, S.A.	30.00%	35.00%	Die cutting production
IxCxT, S.A.	30.00%	35.00%	Die cutting production
Jui Li Edscha Body Systems Co., Ltd.	50.00%	50.00%	Parts manufacturing
Jui Li Edscha Holding Co., Ltd.	50.00%	50.00%	Portfolio management
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	50.00%	50.00%	Parts manufacturing

As explained in Note 2.b, on July 22, 2015 the subsidiary Gestamp Automotive Chennai Private Limited acquired remaining 50% shareholding in Gestamp Pune Automotive Private Limited and therefore acquired control.

The summarized financial information of the Group's investment in these companies at December 31, 2015 and December 31, 2014 is as follows:

Summarised statement of financial position:

	2015				
	GGM and subsidiaries	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Total non-current assets	49,050	41,994	358	814	1,375
Total current assets	604	26,796	1,415	5,587	1,962
Total non-current liabilities	(17,929)	(23,552)	(28)	-	(314)
Total current liabilities	(19,763)	(59,300)	(912)	(1,853)	(1,889)
Equity	(11,962)	14,061	(744)	(3,739)	(1,134)
Translation differences	-	-	(89)	(809)	1
Carrying amount of the investment	3,589	(5,624)	372	1,870	392

	2014				
	Sungwoo Gestamp Hitech Pune Private Ltd.	Essa Palau, S.A.	Jui Li Edscha Body Systems Co., Ltd.	Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Other
Total non-current assets	5,959	42,396	327	702	45,421
Total current assets	3,940	27,318	1,696	4,438	9,024
Total non-current liabilities	-	(25,708)	(24)	-	(16,056)
Total current liabilities	(5,468)	(52,839)	(796)	(1,193)	(31,421)
Equity	(4,607)	8,833	(1,098)	(3,385)	(6,969)
Translation differences	176	-	(105)	(562)	1
Carrying amount of the investment	2,303	(3,533)	601	1,692	2,451

Summarised profit statement:

<b>2015</b>					
	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)
<b>OPERATING PROFIT/LOSS</b>	<b>(1,881)</b>	<b>(5,219)</b>	<b>148</b>	<b>487</b>	<b>101</b>
Financial profit	(575)	(1,355)	24	-	(39)
Exchange gain (losses)	(1,500)	-	(21)	(7)	-
Impairment and other	-	(18)	-	-	-
<b>PROFIT/LOSS BEFORE TAXES</b>	<b>(3,956)</b>	<b>(6,592)</b>	<b>151</b>	<b>480</b>	<b>62</b>
Income tax expense	-	-	(26)	(125)	-
Adjustments from previous years	221	-	-	-	-
<b>PROFIT/LOSS FOR THE YEAR</b>	<b>(3,735)</b>	<b>(6,592)</b>	<b>125</b>	<b>355</b>	<b>62</b>
Participation of the Group in profit	(1,120)	(2,637)	63	178	21

<b>2014</b>					
	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)
<b>OPERATING PROFIT/LOSS</b>	<b>(805)</b>	<b>(5,562)</b>	<b>70</b>	<b>526</b>	<b>(489)</b>
Financial profit	189	(1,074)	15	-	(105)
Exchange gain (losses)	(78)	(7)	22	-	(255)
Impairment and other	-	(8)	-	-	-
<b>PROFIT/LOSS BEFORE TAXES</b>	<b>(694)</b>	<b>(6,651)</b>	<b>107</b>	<b>526</b>	<b>(849)</b>
Income tax expense	-	-	(56)	(133)	-
Adjustments from previous years	1	(566)	-	-	421
<b>PROFIT/LOSS FOR THE YEAR</b>	<b>(693)</b>	<b>(7,217)</b>	<b>51</b>	<b>393</b>	<b>(428)</b>
Participation of the Group in profit	(347)	(2,887)	25	196	(151)

## 32. Other disclosures

### 32.1 Audit fees

Audit fees related to the annual audit of consolidated and individual financial statements of the companies included in the consolidation scope for 2015 amounted to 3,735 thousand euros (2014: 3,468 thousand euros).

Of the audit fees mentioned above, the fees paid to the auditor of the Company for all audit work performed for the Group in 2015 amounted to 3,598 thousand euros (2014: 3,347 thousand euros).

Fees paid for other services rendered by the auditor of the Company in 2015 amounted to 434 thousand euros (2014: 650 thousand euros).

### 32.2 Environmental issues

The cost of PP&E items acquired for environmental protection and improvement purposes amounted to 4,628 thousand euros at year end 2015. Accumulated depreciation on these assets stood at 2,932 thousand euros (2014: 3,694 thousand euros and 2,629 thousand euros, respectively).

In 2015, the Group also recognized 668 thousand euros in environmental protection and improvement expenses (2014: 903 thousand euros).

The accompanying consolidated balance sheet does not include any provision for environmental issues given that the Company's directors consider that at year end there are no liabilities to be

settled in the future in connection with actions taken by the companies which comprise the consolidated Group to prevent, reduce or repair damages to the environment, and they believe that were such liabilities to exist, they would not be significant. At year end the Group had not received any subsidies for environmental issues.

### **33. Financial risk management**

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

#### **33.1 Financial risk factors**

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

- Market risk
  - Exposure to fluctuations in foreign exchange rates
  - Exposure to fluctuations in interest rates
- Liquidity risk
- Credit risk
- Raw material price risk

#### **Foreign currency risk**

Fluctuations in the exchange rate between the currency in which a transaction is denominated and the Group's presentation currency can have a negative or positive impact on its profit or loss, specifically affecting management of its financial debt.

The Group operates in the following currencies:

- Euro
- US dollar
- Mexican peso
- Argentine peso
- Brazilian reais
- GB pound
- Swedish crown
- Polish zloty
- Hungarian forint
- Turkish lira
- Indian rupee
- Korean won
- Chinese yuan
- Russian ruble
- Czech crown
- Yen
- Thai baht
- Taiwanese dollar



To manage exchange rate risk, the Group uses a series of financial instruments that give it a degree of flexibility, basically comprised of the following:

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

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

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

The sensitivity of profit to exchange rate fluctuations, corresponding to years 2015 and 2014, is as follows:

Currency	2015	
	IMPACT ON PROFIT	
	5% Fluctuation	-5% Fluctuation
Swedish crown	(1,021)	1,021
US dollar	817	(817)
Hungarian forint	(419)	419
GB pound	830	(830)
Mexican peso	1,200	(1,200)
Brazilian reais	(565)	565
Chinese yuan	2,093	(2,093)
Indian rupee	349	(349)
Turkish lira	90	(90)
Argentine peso	(98)	98
Russian ruble	(296)	296
Korean won	249	(249)
Polish zloty	(89)	89
Czech crown	66	(66)
Japanese yen	60	(60)
Thai baht	10	(10)
IMPACT IN ABSOLUTE TERMS	<b>3,276</b>	<b>(3,276)</b>
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	<b>161,480</b>	<b>161,480</b>
EFFECT IN RELATIVE TERMS	<b>2.03%</b>	<b>-2.03%</b>

<b>2014</b>		
Currency	IMPACT ON PROFIT	
	5% Fluctuation	-5% Fluctuation
Swedish crown	(426)	426
US dollar	1,204	(1,204)
Hungarian forint	(452)	452
GB pound	985	(985)
Mexican peso	449	(449)
Brazilian reais	151	(151)
Chinese yuan	864	(864)
Indian rupee	53	(53)
Turkish lira	290	(290)
Argentine peso	509	(509)
Russian ruble	(396)	396
Korean won	123	(123)
Polish zloty	91	(91)
Czech crown	135	(135)
Japanese yen	34	(34)
Thai baht	(9)	9
<b>IMPACT IN ABSOLUTE TERMS</b>	<b>3,605</b>	<b>(3,605)</b>
<b>PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY</b>	<b>125,702</b>	<b>125,702</b>
<b>EFFECT IN RELATIVE TERMS</b>	<b>2.87%</b>	<b>-2.87%</b>

The sensitivity of equity to exchange rate fluctuations, corresponding to years 2015 and 2014, is as follows:

<b>2015</b>		
Currency	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 yuan	8,431	(8,431)
Indian rupee	65	(65)
Turkish lira	(865)	865
Argentine peso	(579)	579
Russian ruble	(2,898)	2,898
Korean won	1,156	(1,156)
Polish zloty	2,562	(2,562)
Czech crown	488	(488)
Japanese yen	(113)	113
Thai baht	18	(18)
<b>IMPACT IN ABSOLUTE TERMS</b>	<b>14,177</b>	<b>(14,177)</b>
<b>EQUITY</b>	<b>1,798,393</b>	<b>1,798,393</b>
<b>EFFECT IN RELATIVE TERMS</b>	<b>0.79%</b>	<b>-0.79%</b>

<b>2014</b>		
Currency	IMPACT ON EQUITY	
	5% Fluctuation	-5% fluctuation
Swedish crown	(863)	863
US dollar	(124)	124
Hungarian forint	(1,952)	1,952
GB pound	5,828	(5,828)
Mexican peso	498	(498)
Brazilian reais	3,759	(3,759)
Chinese yuan	5,917	(5,917)
Indian rupee	(62)	62
Turkish lira	(560)	560
Argentine peso	111	(111)
Russian ruble	(2,394)	2,394
Korean won	864	(864)
Polish zloty	2,424	(2,424)
Czech crown	826	(826)
Japanese yen	(159)	159
Thai baht	2	(2)
Taiwan dollar	(4)	4
<b>IMPACT IN ABSOLUTE TERMS</b>	<b>14,111</b>	<b>(14,111)</b>
<b>EQUITY</b>	<b>1,716,239</b>	<b>1,716,239</b>
<b>EFFECT IN RELATIVE TERMS</b>	<b>0.82%</b>	<b>-0.82%</b>

### Interest rate risk

The Group's borrowings mainly bear interest at floating rates, exposing it to risk from fluctuations in market interest rates, so that market fluctuations affect cash flows. The Group mitigates this risk by using interest rate derivatives, mainly swaps, by which it converts the floating rate on a loan into a fixed rate. It may swap the rate on a portion of the loan or on the entire loan, and for its entire duration or a part thereof.

In general the Group's borrowings are at floating rates indexed to Euribor except the bonds issued by the Group in May, 2013 which bear a fixed interest rate.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2015, all other variables remaining constant, the finance result would have been 0.09 million euros lower or higher.

Had the average interest on euro denominated financial borrowings been 5% higher or lower in 2014, all other variables remaining constant, the finance result would have been 0.1 million euros lower or higher.

### Liquidity risk

Liquidity risk is defined as the risk that a company will not be able to service its commitments as a result of adverse conditions in the debt and/or equity markets that prevent or hinder its capital raising efforts.

The Group manages liquidity risk by maintaining sufficient cash balances to enable it to negotiate refinancing on the best possible terms and to cover its near term cash outlays, thereby avoiding the need to raise funds on disadvantageous terms.

The breakdown of liquidity and capital resources at December 31, 2015 and 2014 was as follows:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Cash and cash equivalents	355,975	483,934
Current financial investments		
Debt securities	2,535	-
Revolving credit facilities	280,000	280,000
Undrawn credit lines	344,480	267,046
	<b>982,990</b>	<b>1,030,980</b>

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:

	<b>Thousand euros</b>	
	<b>2015</b>	<b>2014</b>
Current assets	2,196,091	2,208,638
Current liabilities	(1,859,530)	(1,667,961)
<b>TOTAL WORKING CAPITAL</b>	<b>336,561</b>	<b>540,677</b>

	<b>Thousand euros</b>	
	<b>2015</b>	<b>2014</b>
Equity	1,798,393	1,716,239
Non-current liabilities	2,095,848	2,122,943
Non-current assets	(3,557,680)	(3,298,505)
<b>TOTAL WORKING CAPITAL</b>	<b>336,561</b>	<b>540,677</b>

### Credit risk

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

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

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

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

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

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

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

The maximum exposure of the Group to credit risk at December 31, 2015 and 2014 amounts to the carrying values (Note 12), except for financial guarantees and derivative financial instruments.

#### Raw Materials Price Risk

The steel is the main raw material used in the business. In 2015 and 2014, 58% of the steel was purchased through programs of re-sale with clients, whereby the manufacturer negotiates the price of steel used by the Group in the production of automotive components. The negotiated price is directly included in the selling price customer.

The rest of the purchases of steel were performed through contracts negotiated with suppliers.

Historically, and in accordance with the standards of the automotive industry, the Group has been able to negotiate with clients, significantly, the transfer of the impact of variations in the price of steel.

### **33.2 Hedge accounting**

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

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

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

The accounting for these instruments is carried out as follows:

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

### **33.3 Fair value of financial instruments**

The fair value of financial instruments is determined as follows:

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

#### Non-current financial assets

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

Equity investments are carried on the 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	2015	2014	2015	2014
Financial assets measured at fair value (Note 10)						
Financial derivative hedging instruments			28,184	5,863		
Total	-	-	28,184	5,863	-	-

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

	Thousands of euros					
	Level 1		Level 2		Level 3	
	2015	2014	2015	2014	2015	2014
Financial liabilities measured at fair value (Note 20.b.4)						
Financial derivative hedging instruments			45,074	40,346		
Financial derivative instruments held-for-trading			27,754	7,058		
Total	-	-	72,828	47,404	-	-

### **33.4 Capital risk management**

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

The Group monitors its capital structure based on its leverage ratio. It defines leverage as net debt (current and non-current financial borrowings less short-term investments and cash and cash

equivalents) divided by total equity (consolidated equity plus grants pending release to the income statement).

The Group's leverage is set forth below:

	<b>Thousands of euros</b>	
	<b>2015</b>	<b>2014</b>
Non-current debt	1,448,036	1,482,300
Current debt	282,900	282,480
Short term financial investments	(35,455)	(75,877)
Cash and cash equivalents	(355,975)	(483,934)
<b>TOTAL NET DEBT</b>	<b>1,339,506</b>	<b>1,204,969</b>
Consolidated equity	1,798,393	1,716,239
Grants received	30,720	31,280
<b>TOTAL EQUITY</b>	<b>1,829,113</b>	<b>1,747,519</b>
<b>LEVERAGE RATIO</b>	<b>73.2%</b>	<b>69.0%</b>

During 2015, the leverage ratio has maintained at level comparable to 2014.

During 2015 the Group maintained its average collection and payment periods, as well as its average inventory turnover rates, at levels comparable to 2014. In addition, during 2015 the Group continued to exercise strict control over investments

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

The Spanish companies of the Group have adapted their internal processes and payment policy terms to the legal provision of the Law 15/2010, which establishes actions against late payment in commercial transactions. In this sense, the contractual conditions in the year 2015 with commercial suppliers in Spain have included periods of payment equal to or less than 60 days in 2015 and in 2014, according to the second transitory legal provision of the Law.

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

In general terms, in 2015 and 2014, payments made by Spanish companies to suppliers, for contracts concluded after the entry into force the Law 15/2010, have not exceeded the legal limits of payment terms. Payments to Spanish suppliers which have exceeded the legal deadline for years 2015 and 2014 have been, in quantitative terms, no relevant and are derived from circumstances or incidents beyond the established payment policy, which include, primarily, the closing of agreements with suppliers in the delivery of the goods or provision of the service or handling specific processes.

In addition, at December 31, 2015 and 2014 there were no outstanding amounts of payment to suppliers located in Spain exceeding the maximum legal payment terms.

#### **35. Subsequent events**

On February 1, 2016 the shareholders ArcelorMittal Spain Holding, S.L. and ArcelorMittal Basque Holding, S.L. sold their entire 35% shareholding in the Company to Acek Desarrollo y Gestión Industrial, S.L. for 875 million euros.



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

According to the articles 229 and 231 of the Spanish Corporate Enterprises Act and with the aim of reinforcing the transparency of capital companies, the joint administrators of the Parent and their representative natural persons have reported they have no situations of conflict with the interest of the Parent or the Group.

Additionally, Mr. Francisco José Riberas Mera, as president and representative of GESTAMP BIZKAIA, S.A. and Mr. Juan María Riberas Mera as representative of HOLDING GONVARRI, S.L. and AUTOTECH ENGINEERING, A.I.E., board members of the Company, have reported that they are shareholders and board members of ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L. and several subsidiaries of the Company.

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

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

Additionally, ACEK, DESARROLLO Y GESTIÓN INDUSTRIAL, S.L holds a direct and indirect investment of 24.82% in the company Cie Automotive, S.A., of which Mr. Francisco José Riberas Mera and Mr. Juan María Riberas Mera are also directors.

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

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

### **37. Additional note for English Translation**

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

**ANNEX I****Indirect investments at December 31, 2015**

<b>Company</b>	<b>Company holding the indirect investment</b>	<b>% investment</b>
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.01%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.01%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.04%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.90%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	14.69%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Servicios, S.A.	1.01%
Beyçelik, A.S.	Gestamp Servicios, S.A.	50.00%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.85%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.66%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.00%
Gestamp Cerveira, Lda.	Gestamp Vigo, S.A.	60.63%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	100.00%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.00%
Gestamp Louny sro.	Gestamp Cerveira, Lda.	52.72%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.66%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Cerveira, Lda.	50.00%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.00%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.01%
Gestamp Finance Luxemburgo, S.A.	Gestamp Bizkaia, S.A.	49.95%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.03%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.00%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.00%
Gestamp Technology Institute, S.L.	Gestamp Bizkaia, S.A.	0.01%
Gestamp Global Tooling, S.L.	Gestamp Bizkaia, S.A.	0.01%
Autotech Engineering R&D USA, Inc.	Gestamp Bizkaia, S.A.	55.00%
Gestamp Tooling Services, AIE	Gestamp Bizkaia, S.A.	40.00%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.50%
S.G.F, S.A.	Gestamp Finance Luxemburgo, S.A.	100.00%
Gestamp Hard Tech AB	Gestamp Sweden AB	100.00%
Gestamp Holding China, AB	Gestamp Hard Tech AB	68.94%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.10%
Gestamp Tooling Services, AIE	Matricerías Deusto, S.L.	20.00%

<b>Company</b>	<b>Company holding the indirect investment</b>	<b>% investment</b>
SCI Tourman en Brie	Gestamp Noury, S.A.	99.90%
Gestamp Linares, S.L.	Gestamp Toledo, S.L.	94.98%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.L.	43.53%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.34%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	94.99%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.67%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.04%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.00%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	16.03%
Mursolar, 21, S.L.	MB Aragón, S.A.	16.92%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.15%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.62%
Tavol Internacional, S.A.	Gestamp Aveiro, S.A.	100.00%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.00%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	94.99%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.00%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.99%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.99%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.00%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.96%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	50.00%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.00%
Edscha Subgroup	Gestamp Metalbages, S.A.	67.00%
Metalbages P-51	Gestamp Metalbages, S.A.	100.00%
Gestamp Metal Forming Subgroup	Gestamp Metalbages, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Levante, S.L.	98.99%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.L.	7.81%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.54%

<b>Company</b>	<b>Company holding the indirect investment</b>	<b>% investment</b>
Gestamp Holding Rusia, S.L.	MB Solblank Navarra, S.L.	5.64%
Gestamp Severstal Vsevolozhsk Llc	Todlem, S.L.	100.00%
Gestamp Severstal Kaluga, Llc	Todlem, S.L.	100.00%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	99.90%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.42%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.77%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.00%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.99%
Gestamp Finance Luxemburgo, S.A.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Holding Rusia, S.L.	Gestamp Polonia SP. Z.O.O.	24.56%
Edscha subgroup	Gestamp Polonia SP. Z.O.O.	33.00%
Gestamp Automotive India Private Ltd.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona,S.A.	100.00%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona,S.A.	6.67%
Gestamp Chattanooga, LLC.	Gestamp North América, Inc.	100.00%
Gestamp Mason, Llc.	Gestamp North América, Inc.	100.00%
Gestamp Alabama, Llc	Gestamp North América, Inc.	100.00%
Gestamp West Virginia, Llc.	Gestamp North América, Inc.	100.00%
Gestamp South Carolina, LLC.	Gestamp North América, Inc.	100.00%
Gestamp Chattanooga II, LLC.	Gestamp North América, Inc.	100.00%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74.98%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China AB	100.00%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.00%

<b>Company</b>	<b>Company holding the indirect investment</b>	<b>% investment</b>
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Automotive Chennai Private, Ltd.	50.00%
Mursolar, 21, S.L.	Griwe Subgroup	19.54%
Gestamp Louny sro.	Griwe Subgroup	47.28%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51	44.99%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.00%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.90%
Gestamp Tooling Engineering Deutschland GmbH	Gestamp Global Tooling, S.L.	100.00%
ESSA PALAU,S.A.	Gestamp Manufacturing Autochasis, S.L.	40.00%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.00%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	77.55%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.23%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.00%
Autotech Engineering R&D Uk limited	Autotech Engineering AIE	45.00%
Autotech Engineering R&D USA limited	Autotech Engineering AIE	45.00%
Diede Die Development, S.L.	Gestamp Tool Hardening, S.L.	38.00%
Bero Tools, S.L.	Gestamp Tool Hardening, S.L.	20.00%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding Mexico, S.L.	100.00%
Gestamp Argentina, S.A.	Gestamp Holding Mexico, S.L.	3.00%
Bero Tools, S.L.	Loire S.A. Franco Española	80.00%
Diede Die Development, S.L.	Bero Tools, S.L.	62.00%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.00%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100.00%
GGM Puebla, S.A. de C.V.	IxCxT, S.A.	0.001%
GGM Puebla de Servicios Laborales, S.A. de C.V.	IxCxT, S.A.	0.001%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.99%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.99%
Gestamp Sweden, AB	GMF Subgroup	44.99%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar , 21, S.L.	100.00%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar , 21, S.L.	100.00%
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi	Beyçelik, A.S.	100.00%

## Indirect investments at December 31, 2014

<b>Company</b>	<b>Company holding the indirect investment</b>	<b>% investment</b>
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.01%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.01%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.04%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.90%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	25.00%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Servicios, S.A.	1.01%
Beyçelik, A.S.	Gestamp Servicios, S.A.	50.00%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.85%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.66%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.00%
Gestamp Cerveira, Lda.	Gestamp Vigo, S.A.	60.63%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	100.00%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.00%
Gestamp Louny sro.	Gestamp Cerveira, Lda.	52.72%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.66%
Sungwo Gestamp Hitech Pune, Ltd.	Gestamp Cerveira, Lda.	50.00%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.00%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.01%
Gestamp Finance Luxemburgo, S.A.	Gestamp Bizkaia, S.A.	49.95%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.03%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.00%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.00%
Gestamp Tooling Services, AIE	Gestamp Bizkaia, S.A.	40.00%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.50%
S.G.F, S.A.	Gestamp Finance Luxemburgo, S.A.	100.00%
Gestamp Hard Tech AB	Gestamp Sweden AB	100.00%
Gestamp Holding China, AB	Gestamp Hard Tech AB	68.94%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.10%
Gestamp Tooling Services, AIE	Matricerías Deusto, S.L.	20.00%

<b>Company</b>	<b>Company holding the indirect investment</b>	<b>% investment</b>
SCI Tournan en Brie	Gestamp Noury, S.A.	99.90%
Gestamp Linares, S.L.	Gestamp Toledo, S.L.	94.98%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.L.	43.53%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.34%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	94.99%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.67%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.04%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.00%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	16.03%
Mursolar, 21, S.L.	MB Aragón, S.A.	16.92%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.15%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.62%
Tavol Internacional, S.A.	Gestamp Aveiro, S.A.	100.00%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.00%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	94.99%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.00%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.99%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.99%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.00%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.00%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.96%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	50.00%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.00%
Edscha Subgroup	Gestamp Metalbages, S.A.	67.00%
Metalbages P-51	Gestamp Metalbages, S.A.	100.00%
Gestamp Metal Forming Subgroup	Gestamp Metalbages, S.A.	100.00%
Gestamp Services India pvt. Ltd.	Gestamp Levante, S.L.	98.99%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.L.	7.81%
Gestamp Hungaria KFT	Gestamp Navarra, S.A.	100.00%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.54%

<b>Company</b>	<b>Company holding the indirect investment</b>	<b>% investment</b>
Gestamp Holding Rusia, S.L.	MB Solblank Navarra, S.L.	5.64%
Gestamp Mor Kft	Gestamp Hungaria KFT	100.00%
Gestamp Severstal Vsevolozhsk Llc	Todlem, S.L.	100.00%
Gestamp Severstal Kaluga, Llc	Todlem, S.L.	100.00%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	100.00%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de Mexico, S.A. de CV	99.90%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.42%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.77%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.00%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.99%
Gestamp Finance Luxemburgo, S.A.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Holding Rusia, S.L.	Gestamp Polonia SP. Z.O.O.	24.56%
Edscha subgroup	Gestamp Polonia SP. Z.O.O.	33.00%
Gestamp Automotive India Private Ltd.	Gestamp Polonia SP. Z.O.O.	50.00%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona,S.A.	100.00%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona,S.A.	6.67%
Gestamp Chattanooga, LLC.	Gestamp North América, Inc.	100.00%
Gestamp Mason, Llc.	Gestamp North América, Inc.	100.00%
Gestamp Alabama, Llc	Gestamp North América, Inc.	100.00%
Gestamp West Virginia, Llc.	Gestamp North América, Inc.	100.00%
Gestamp South Carolina, LLC.	Gestamp North América, Inc.	100.00%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74.98%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China AB	100.00%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.00%



<b>Company</b>	<b>Company holding the indirect investment</b>	<b>% investment</b>
Mursolar, 21, S.L.	Griwe Subgroup	19.54%
Gestamp Louny sro.	Griwe Subgroup	47.28%
Gestamp Manufacturing Autochasis, S.L.	Metalbages P-51	44.99%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.00%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.00%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.90%
ESSA PALAU,S.A.	Gestamp Manufacturing Autochasis, S.L.	40.00%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.00%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	77.55%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.23%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.00%
Autotech Engineering R&D Uk limited	Autotech Engineering AIE	45.00%
Diede Die Development, S.L.	Gestamp Tool Hardening, S.L.	38.00%
Bero Tools, S.L.	Gestamp Tool Hardening, S.L.	20.00%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding Mexico, S.L.	100.00%
Gestamp Argentina, S.A.	Gestamp Holding Mexico, S.L.	3.00%
Bero Tools, S.L.	Loire S.A. Franco Española	80.00%
Diede Die Development, S.L.	Bero Tools, S.L.	62.00%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.00%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100.00%
GGM Puebla, S.A. de C.V.	IxCxT, S.A.	0.00%
GGM Puebla de Servicios Laborales, S.A. de C.V.	IxCxT, S.A.	0.00%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.99%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.99%
Gestamp Sweden, AB	Gestamp Metal Forming Subgroup	44.99%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar , 21, S.L.	100.00%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar , 21, S.L.	100.00%
GMF Otomotiv Parçaları Sanayi ve Ticaret Limited Sirketi	Beyçelik, A.S.	100.00%

## ANNEX II

### Guarantors for May 2, 2013 Bond

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

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

## Guarantors for April 19, 2013 Syndicated Loan

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

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

## Guarantors for March 21, 2012 Loan

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

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

## 2015 Management Report

-Worldwide economic growth in 2015 was very moderate, lower to the levels reached before the crisis started in 2008. This growth, very heterogeneous according to geographic areas, was accompanied by very moderate inflation levels. In fact, the fall in prices of several raw materials, specially oil, led to serious imbalances in economies of emerging countries.

Last year, the main central banks maintained a lax monetary policy according to the low levels of growth and inflation. However, in December the first expected interest rate rise in US in years took place, accordingly with the improvement in their economy and the appreciation of dollar against different foreign currencies including the euro.

Furthermore, the armed conflicts in Near East and the political instability in some European countries, partly due to the immigration flows from countries in conflict, increased the levels of uncertainty in financial markets.

-2015 was not a positive year for the Automotive sector since the global production of light vehicles grew less than 2%. Last year the market evolution in North America and Europe was positive whereas important emerging markets such as Brazil and Russia had negative evolution for many years. Chinese market, the real driving force in Automotive sector in the last years, remained flat although good results in the last quarter offset bad results obtained in summer.

-In this weak economic context and Automotive sector background, our Group had a favourable evolution with revenue growth over 12%, surpassing the 7,000 million euros milestone for the first time. As in 2014, the strong growth was based on the development of operations in Asia and North America and also the recovery in European countries such as Spain and UK. On the negative side, sales in Russia and Brazil decreased in line with difficulties in these markets.

The profitability of our operations in 2015 was also satisfactory. EBITDA grew more than 100 million euros more compared with 2014 (+16%) and represented 10.8% of revenue. Regarding operating income, the 400 million euros generated meant near 19% growth compared with the previous year.

In 2015 Group investments increased due to the expanding business opportunities. In addition to the projects already started in 2014, the Group started building five new greenfields that support the strong growth forecast for next years.

Although the net debt of the Group increased, the favourable evolution of EBITDA led to a new decrease in our financial leverage.

### **-2016**

In macroeconomic terms, we do not expect high growth in 2016 but evolution of main economic indicators similar to previous years. Low growth with regional differences and low inflation and interest rates will be the main economic characteristics of 2016.

We expect an increase in light vehicles production worldwide higher than previous year, exceeding the 90 million units.

The Group production will grow over the Sector in 2016 thanks to the favourable evolution of our projects and the start-up of new projects. Some important projects in North America and Poland will start up by the end of 2016 but they will not develop their full sales potential until 2017.

The continuous improvement in efficiency of operations and the start-up of some projects support a clear improvement in profitability levels of the Group that should lead to growth in EBITDA higher than in revenue.

In 2016 the Group will continue with its business strategy of last years. A greater focus on Asian and American markets and customers will lead to develop new R&D centers in US, China and Japan next year.