

Report on Limited Review

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
Interim Condensed Consolidated Financial Statements
and Interim Management Report
for the six-month month period ended
June 30, 2018

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

REPORT ON LIMITED REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of GESTAMP AUTOMOCIÓN, S.A. at the request of the Company's directors

Introduction

We have carried out a limited review of the accompanying interim condensed consolidated financial statements (hereinafter the interim financial statements) of GESTAMP AUTOMOCIÓN, S.A. (hereinafter the parent) and subsidiaries (hereinafter the Group), which comprise the balance sheet at June 30, 2018, the income statement, the statement of total changes in equity, the cash flow statement, the statement of recognized income and expense and the notes thereto, all of which have been condensed and consolidated, for the six-month period then ended. The parent's directors are responsible for the preparation of said interim financial statements in accordance with the requirements established by IAS 34, "Interim Financial Reporting," adopted by the European Union for the preparation of interim condensed financial reporting as per article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope

We have performed our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Reporting Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit carried out in accordance with regulations on the auditing of accounts in force in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

During the course of our limited review, which under no circumstances can be considered an audit of accounts, no matter came to our attention which would cause us to believe that the accompanying interim financial statements for the six-month period ended June 30, 2018 have not been prepared, in all material respects, in accordance with the requirements established in International Accounting Standard (IAS) 34, "Interim Financial Reporting," as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007 for the preparation of interim condensed financial statements.

Emphasis of matter paragraphs

We draw attention to the matter described in Note 4.1 of the accompanying explanatory notes, which indicates that the abovementioned accompanying interim financial statements do not include all the information that would be required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2017. This matter does not modify our conclusion.

Report on other legal and regulatory requirements

The accompanying interim consolidated management report for the six-month period ended June 30, 2018 contains such explanations as the parent's directors consider necessary regarding significant events which occurred during this period and their effect on these interim financial statements, of which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the abovementioned report agrees with the interim financial statements for the six-month period ended on June 30, 2018. Our work is limited to verifying the interim consolidated management report in accordance with the scope described 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.

Paragraph on other issues

This report has been prepared at the request of the management of the parent, GESTAMP AUTOMOCIÓN, S.A., with regard to the publication of the half yearly financial report required by article 119 of Royal Legislative Decree 4/2015, of October 23, approving the consolidated text of the Securities Market Law enacted by Royal Decree 1362/2007 of October 19.

ERNST & YOUNG, S.L.

(Signed on the original version in Spanish)

Ramón Masip López

July 26, 2018

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

**Interim Condensed Consolidated Financial Statements
for the six -month period ended June 30, 2018**



GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

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GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2018 AND DECEMBER 31, 2017
(In thousands of euros)

	Note	June 30, 2018	December 31, 2017
ASSETS			
Non-current assets			
Intangible assets	10	430,985	414,697
Goodwill		99,612	104,757
Other intangible assets		331,373	309,940
Property, plant and equipment	11	3,728,887	3,407,779
Land and buildings		1,098,378	1,040,863
Plant and other PP&E		1,806,811	1,728,297
PP&E under construction and prepayments		823,698	638,619
Financial assets	12	61,297	69,427
Investments in associates accounted for using the equity method		2,019	1,787
Loans and receivables		37,756	39,248
Derivatives in effective hedges		9,207	14,718
Other non-current financial assets		12,315	13,674
Deferred tax assets		275,660	265,799
Total non-current assets		4,496,829	4,157,702
Current assets			
Inventories	13	471,952	681,322
Commodities and other consumables		398,485	350,446
Work in progress		-	143,476
Finished products and by-products		-	123,791
By-products and scrap		1,162	696
Prepayments to suppliers		72,305	62,913
Assets from contracts with customers	14	704,488	-
Work in progress		164,824	-
Finished products and by-products		133,235	-
Trade receivables, tooling		406,429	-
Trade and other receivables	15	1,148,094	1,375,709
Trade receivables		916,891	1,174,714
Other receivables		31,610	31,627
Current income tax assets		10,093	26,795
Receivables from public authorities		189,500	142,573
Other current assets	15	99,256	71,057
Financial assets	12	93,026	78,896
Loans and receivables		34,425	34,598
Securities portfolio		3,688	5,376
Other current financial assets		54,913	38,922
Cash and cash equivalents	15	563,071	860,238
Total current assets		3,079,887	3,067,222
Total assets		7,576,716	7,224,924

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2018 AND DECEMBER 31, 2017

(In thousands of euros)

	Note	June 30, 2018	December 31, 2017
EQUITY AND LIABILITIES			
Equity			
Capital and reserves attributable to equity holders of the parent			
Issued capital	16	287,757	287,757
Share premium	16	61,591	61,591
Retained earnings	17	1,705,120	1,551,924
Translation differences	18	(377,745)	(366,516)
Equity attributable to equity holders of the parent		1,676,723	1,534,756
Equity attributable to non-controlling interest	19	411,946	435,799
Total equity		2,088,669	1,970,555
Liabilities			
Non-current liabilities			
Deferred income	20	21,065	22,315
Non-current provisions	21	142,435	143,044
Non trade liabilities	22	2,760,230	2,364,497
Interest-bearing loans and borrowings and debt issues		2,426,976	2,167,091
Derivative financial instruments		58,864	66,201
Other non-current financial liabilities		264,330	121,612
Other non-current liabilities		10,060	9,593
Deferred tax liabilities		255,463	217,444
Other non-current liabilities		18,252	-
Total non-current liabilities		3,197,445	2,747,300
Current liabilities			
Non trade liabilities	22	385,319	678,279
Interest-bearing loans and borrowings and debt issues		167,976	543,789
Other current financial liabilities		5,825	4,537
Other non-trade liabilities		211,518	129,953
Trade and other payables	23	1,891,542	1,814,073
Trade accounts payable		1,537,278	1,513,083
Current tax liabilities		67,192	25,905
Other accounts payable		287,072	275,085
Current provisions	21	11,037	11,723
Other current liabilities		2,704	2,994
Total current liabilities		2,290,602	2,507,069
Total liabilities		5,488,047	5,254,369
Total equity and liabilities		7,576,716	7,224,924

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018
(In thousands of euros)**

	Note	June 30, 2018	June 30, 2017
CONTINUING OPERATIONS			
OPERATING INCOME	24	4,399,607	4,185,886
Revenue		4,277,772	4,131,161
Other operating income		85,378	54,680
Changes in inventories		36,457	45
OPERATING EXPENSE	25	(4,121,590)	(3,943,649)
Raw materials and other consumables		(2,552,638)	(2,441,844)
Personnel expenses		(788,179)	(758,912)
Depreciation, amortization, and impairment losses		(209,919)	(210,094)
Other operating expenses		(570,854)	(532,799)
OPERATING PROFIT		278,017	242,237
Financial income	26	2,158	1,734
Financial expenses	26	(66,357)	(47,775)
Exchange gains (losses)		(8,189)	(1,100)
Share of profits from associates - equity method	12	144	(181)
Change in fair value of financial instruments		(1,913)	-
Impairment and gains (losses) on sale of financial instruments		(399)	-
PROFIT BEFORE TAXES FROM CONTINUING OPERATIONS		203,461	194,915
Income tax expense	27	(52,031)	(49,819)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		151,430	145,096
PROFIT FOR THE YEAR		151,430	145,096
Profit (loss) attributable to non-controlling interest	19	(15,832)	(28,654)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		135,598	116,442
Earnings per share			
-Basic	28	0.24	0.20
From continuing operations		0.24	0.20
-Diluted	28	0.24	0.20
From continuing operations		0.24	0.20

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018**
(In thousands of euros)

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
PROFIT FOR THE YEAR	151,430	145,096
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income not to be reclassified to income in next years:</i>		
Actuarial gains and losses	17	(32)
<i>Other comprehensive income to be reclassified to income in next years:</i>		
From cash flow hedges	22.b.1) 2,691	2,608
Translation differences	<u>(13,227)</u>	<u>(76,095)</u>
Attributable to Parent Company	18	(63,162)
Attributable to non-controlling interest	19	(12,933)
TOTAL COMPREHENSIVE INCOME NET OF TAXES	<u>140,862</u>	<u>71,570</u>
Attributable to:		
- Parent Company	127,044	55,880
- Non-controlling interest	13,818	15,690
	<u>140,862</u>	<u>71,570</u>

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR PERIOD ENDED JUNE 30, 2018
(In thousands of euros)

	Issued capital (Note 16)	Share premium (Note 16)	Retained earnings (Note 17)	Translation differences (Note 18)	Total capital and reserves	Non-controlling interest (Note 19)	Total equity
AT JANUARY 1, 2018	287,757	61,591	1,551,924	(366,516)	1,534,756	435,799	1,970,555
Profit for the period	-	-	135,598	-	135,598	15,832	151,430
Fair value adjustments (hedge) (Note 22.b.1))	-	-	2,691	-	2,691	-	2,691
Variation in translation differences (Note 18)	-	-	-	(11,229)	(11,229)	(1,998)	(13,227)
Actuarial gains and losses	-	-	(16)	-	(16)	(16)	(32)
Total comprehensive income	-	-	138,273	(11,229)	127,044	13,818	140,862
Dividends distributed by the Parent Company (Note 17.3)	-	-	(71,939)	-	(71,939)	-	(71,939)
Dividends distributed by subsidiaries (Note 19)	-	-	-	-	-	(6,119)	(6,119)
Aquisitions of non-controlling interest (control over the company previously) (Note 2.b))	-	-	(4,162)	-	(4,162)	(34,857)	(39,019)
Inclusion of companies (Note 2.b))	-	-	-	-	-	1,794	1,794
IFRS 15 adoption impact (Note 5)	-	-	11,194	-	11,194	1,263	12,457
IFRS 9 adoption impact (Note 5)	-	-	80,097	-	80,097	-	80,097
Other movements and adjustments from prior years	-	-	(267)	-	(267)	248	(19)
AT JUNE 30, 2018	287,757	61,591	1,705,120	(377,745)	1,676,723	411,946	2,088,669

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

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

(In thousands of euros)

	Issued capital (Note 16)	Share premium (Note 16)	Retained earnings (Note 17)	Translation differences (Note 18)	Total capital and reserves	Non-controlling interest (Note 19)	Total equity
AT JANUARY 1, 2017	288,237	61,591	1,378,145	(203,300)	1,524,673	347,330	1,872,003
Profit for the period	-	-	116,442	-	116,442	28,654	145,096
Fair value adjustments (hedge)	-	-	2,608	-	2,608	-	2,608
Variation in translation differences	-	-	-	(63,162)	(63,162)	(12,933)	(76,095)
Actuarial gains and losses	-	-	(8)	-	(8)	(31)	(39)
Total comprehensive income	-	-	119,042	(63,162)	55,880	15,690	71,570
Dividends distributed by the Parent Company	-	-	(66,356)	-	(66,356)	-	(66,356)
Business combination (Jui Li Eds. Body System., Co.Ltd. Group and Gestamp Palau, S.A)	-	-	(433)	-	(433)	2,164	1,731
Aumento de porcentaje de participación en sociedades con control previo	-	-	(1,143)	-	(1,143)	(3,307)	(4,450)
Decrease in shareholding	(480)	-	480	-	-	-	-
Recognition of the Put Option sold to non-controlling interest	-	-	(4,048)	-	(4,048)	80,947	76,899
Other movements and adjustments from prior years	-	-	-	-	-	2,357	2,357
AT JUNE 30, 2017	287,757	61,591	1,425,687	(266,462)	1,508,573	445,181	1,953,754

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018
(In thousands of euros)

	Note	June 30, 2018	June 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxes and after non-controlling interest		187,629	166,261
Adjustments to profit		296,584	259,146
Depreciation and amortization of intangible assets and PP&E	10-11	212,715	210,186
Impairment of intangible assets and PP&E	10-11	(2,796)	(92)
Impairment	13-14-15	(169)	3,488
Change in provisions	21	(192)	(8,182)
Grants released to income	20	(1,955)	(1,829)
Profit (loss) attributable to non-controlling interest	19	15,832	28,654
Profit from disposal of intangible assets and PP&E		(80)	162
Financial income	26	(2,158)	(1,734)
Financial expenses	26	66,357	47,775
Share of profits from associates - equity method	12	(144)	181
Unrealized exchange rate differences		7,329	(18,844)
Change of fair value of financial instruments		1,912	-
Other incomes and expenses		(67)	(619)
Changes in working capital		(230,065)	(257,503)
(Increase)/Decrease in Inventories	13-14	(59,685)	(57,400)
(Increase)/Decrease in Trade and other receivables	14-15	(162,251)	(315,071)
(Increase)/Decrease in Other current assets	15	(28,199)	(17,302)
Increase/(Decrease) in Trade and other payables	23	20,360	131,362
Increase/(Decrease) in Other current liabilities		(290)	908
Other cash-flows from operating activities		(76,415)	(65,886)
Interest paid		(53,450)	(47,517)
Interest received		2,641	1,691
Income tax paid		(25,606)	(20,060)
Cash flows from operating activities		177,733	102,018
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		(562,073)	(456,618)
Acquisition of companies and group investments		(14,252)	(10,405)
Other Intangible assets	10-22	(55,830)	(40,963)
Property, plant and equipment	11-22	(476,220)	(405,250)
Net change of financial assets		(15,771)	-
Proceeds from divestments		5,290	22,088
Other intangible assets	10	663	610
Property, plant and equipment	11	4,627	9,101
Net change of financial assets		-	12,377
Grants, donations and legacies received	20	736	788
Cash flows from investing activities		(556,047)	(433,742)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds and payments on equity instruments		(39,194)	1,731
Change in non-controlling interest	19	(37,254)	1,731
Translation differences in equity		(1,940)	-
Proceeds and payments on financial liabilities		132,127	416,793
Issue		770,020	702,886
Bonds and other securities to trade		393,313	-
Interest-bearing loans and borrowings		182,775	687,081
Net change in credit facilities, discounted bills and factoring		20,253	-
Borrowings from related parties		146,517	-
Other borrowings		27,162	15,805
Repayment of		(637,893)	(286,093)
Interest-bearing loans and borrowings		(612,654)	(265,303)
Net change in credit facilities, discounted bills and factoring		-	(7,763)
Borrowings from related parties		(5,606)	(7,418)
Other borrowings		(19,633)	(5,609)
Payments on dividends and other equity instruments		(5,496)	(67,199)
Dividends	17-19-22	(5,496)	(67,199)
Cash flows from financing activities		87,437	351,325
Effect of changes in exchange rates		(6,290)	(1,897)
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS		(297,167)	17,704

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

1. Background and General Information

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

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

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

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

The Group’s activities are centered around the design, development, and manufacturing of metal components for the automotive Industry via: stamping, tooling, assembly, welding, tailor welded blanks, die cutting and machinery. The Group also includes other which activities are centered around services of research and development of new technologies.

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

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

Admission to trading of the shares of the Parent Company

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

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

shares of the company in the amount of 0.10 euros per share, this also implied that the nominal value of every share changed to 60.00 euros per share. The restricted reserve mentioned above will be un-restricted only in case of reduction of the share capital.

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

The admission to trading of the shares of the Parent Company was conducted by means of an IPO (Initial Public Offering) for institutional investors, amounting to 155,388,877 shares representing 27% of the share capital of the company. The operation also included an additional acquisition option for up to 15% of the initial offer, which was materialized in the sale of 1,199,561 additional shares that represents an additional 0.21% of Gestamp Automoción, S.A. share capital. (Note 16.a))

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

On April 5, 2017 the subscription period ended and the offering price was fixed at 5.60 euros per share. Consequently, at the Interim Condensed Consolidated Balance Sheet date, Gestamp Automoción, S.A. shares are admitted to trading in the four Spanish Stock Exchanges (Madrid, Barcelona, Valencia and Bilbao).

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

2. Scope of Consolidation

2.a Breakdown of scope of consolidation

Appendix I lists the companies composing the Group, country (address), the Group's effective shareholding, their corporate purpose, their method of consolidation, and the auditors.

Appendix II lists the companies that hold the indirect investments corresponding to June 30, 2018 and December 31, 2017.

No significant subsidiaries have been left out of the scope of consolidation.

The closing of the financial year for the companies included in the scope of consolidation 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 and June 30 has been prepared for including these companies in the Interim Condensed Consolidated Financial Statements at June 30, 2018 and December 31, 2017.

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

2.b Changes in scope of consolidation

During 2018

The main changes in scope of consolidation during 2018 are the following:

- On February 5, 2018 Gestamp Brasil Industria de Autopeças, S.A, in which the Group holds a 70% stake, acquired the 100% of shares of NCSG Sorocaba Industria Metalúrgica Ltda (Brazil) (Note 3). As a result of assuming control over this company the impact in non-controlling interest amount to 29 thousands of euros.(Note 19).
- On April 26, 2018 Tuyauto Gestamp Morocco (Morocco) was created, in which the Group holds a 50% stake. As a result of assuming control over this company the impact in non-controlling interest amount to 1,765 thousands of euros (Note 19).
- On May 17, 2018 the subsidiary GMF Holding GmbH acquired to minority shareholder the 35% shareholding in subsidiary Sofedit S.A.S. As a result of this operation the Group holds a 100% of its share capital and and the 100% of its subsidiary company (Gesamp Wroclaw, sp. Z.o.o.) As a result of this agreement GMF has increased its shareholding in the subsidiaries retaining control over them, the difference between the adjustment of the non-controlling interest (34,857 thousands of euros) (Note 19) and the fair value of the consideration paid (39,019 thousands of euros) is directly recognized in equity (4,162 thousands of euros).

During 2017

In 2017, the companies MPO Providers Rezistent, S.R.L. (Romania), Gestamp Nitra, S.R.O. (Slovakia) and Almussafes Mantenimiento de Troqueles, S.L. (Spain) were acquired and included in scope of consolidation using the full consolidation method. Additionally, the companies Beyçelik Gestamp Teknoloji Kalip, A.S (Turkey), Gestamp (China) Holding, Co. Ltd. (China), Gestamp Autotech Japan K.K. (Japan) and Edscha Automotive Components (Chongqing), Co. Ltd. (China) were created and included in scope of consolidation using the full consolidation method (Note 3).

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

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

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

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

Since this transaction implied change in shareholding in the subsidiaries retaining control over them, the difference between the adjustment to the non-controlling interests (3,307 thousands of euros (Note 19) and the fair value of the consideration paid (4,450 thousands of euros) was directly recognized in equity (1,143 thousands of euros).

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

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

3. Business combination

During 2018

NCSG Sorocaba Industria Metalúrgica Ltda.

On February 5, 2018 Gestamp Brasil Industria de Autopeças, S.A acquired the 100% of shares of NCSG Sorocaba Industria Metalúrgica Ltda to third parties, for the amount of 80,000 thousands of Brazilian real (19,671 thousands of euros). Of this amount, 23,532 thousands of Brazilian real (5,419 thou euros) has not already disbursed at June 30 2018 and the outstanding payment is booked under the heading "Other payables" (Note 22.d)

The contract entered in to force on April 2, 2018.

The company main activity is the manufacturing of automobile components.

The fair value of the assets and liabilities from NCSG Sorocaba Industria Metalúrgica Ltda obtained from the inclusion balance sheet is as follows:

	Thousands of euros
Intangible assets (Note 10)	8
Land and buildings (Note 11)	6,592
Plant and other PP&E (Note 11)	9,514
Inventories	
Commodity and Other consumables (Note 13)	1,412
Finished and semifinished products	510
Trade receivables	4,864
	22,900
Other non current liabilities	389
Other current liabilities	1,331
Trade accounts payable	1,413
	3,133
Net assets	19,766
Direct shareholding acquired	100.00%
Attributable net assets	19,766
Total consideration	19,671
Net effect business combination	(95)
Indirect shareholding	70.00%
Final net effect business combination	(67)

The net effect of the business combination amounted to 67 thousand euros and was registered under the heading "Other operating income" in the Consolidated Income Statement as of June, 30 2018.

The revenue and the income attributable to this business combination since the incorporation date to June, 30 2018 amounted to 5,961 thousand euros and 400 thousand euros of profit respectively.

The headcount of this business unit incorporated to Group was 482 approximately.

There were no significant costs associated to this transaction.

During 2017

Gestamp Palau, S.A.

On November 24, 2016 Gestamp Metalbages, S.A. acquired 60% of shares of Gestamp Palau, S.A. (Essa Palau, S.A. changed its legal name on March 9, 2017) to third parties, for the amount of 5,491 thousand euros. This amount included the acquisition price (23,373 thousands of euros) less the debt and interests owed to the subsidiary by these third parties (17,882 thousands of euros). The previously mentioned debt was fully paid by Gestamp Metalbages, S.A. to Gestamp Palau, S.A. in the name of these third parties by means of bank transfer.

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

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

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

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

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

The revenue and the income attributable to this business combination since the incorporation date to December 31, 2017 amounted to 61,867 thousand euros and 1,743 thousand euros of profit respectively.

The headcount of this business unit incorporated to Group was 254 approximately.

There were no significant costs associated to this transaction.

Jui Li Edscha Body System Co., Ltd.

On January 1, 2017 Edscha Holding GmbH acquired 10% of shares of Jui Li Edscha Body System Co, Ltd, to minority shareholders for the amount of 18,000 thousand Taiwanese dollars (543 thousand euros). This transaction implied the gain of control over the company and its subsidiaries Jui Li Edscha Hainan Industry Enterprise Co., Ltd. and Jui Li Edscha Holding Co., Ltd. As at December 31, 2017, the transaction price was totally disbursed.

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

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

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

	Thousands of euros
Intangible assets (Note 10)	177
Property, plant and equipment (Note 11)	
Land and buildings	97
Plant and other PP&E	446
Inventories (Note 13)	2,173
Advances to suppliers	143
Trade receivables	2,743
Cash and cash equivalents	2,465
Other assets	44
Deferred tax assets	49
	<hr style="border-top: 1px solid black;"/>
	8,337
	<hr style="border-top: 1px solid black;"/>
Other non current liabilities	40
Non-current provisions (Note 21)	29
Trade accounts payable	2,825
	<hr style="border-top: 1px solid black;"/>
	2,894
	<hr style="border-top: 1px solid black;"/>
Net assets	5,443
Net attributable assets (60%)	3,266
Carrying amount of 50% (first acquisition)	2,713
Cost of 10% of consideration (control takeover)	543
Net effect business combination	10

The revenue and the income attributable to this business combination since the incorporation date to December 31, 2017 amounted to 9,095 thousand euros and 354 thousand euros of profit respectively.

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

There were no significant costs associated to this transaction.

MPO Providers Rezistent, S.R.L.

On February 16, 2017 the subsidiary Beyçelik Gestamp Kalip, A.S. acquired 70% of shares of MPO Providers Rezistent, S.R.L. to non-controlling interests for the amount of 4,900 thousand euros. As at December 31, 2017, the amount was totally disbursed.

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

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

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

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

	<u>Thousands of euros</u>
Intangible assets (Note 10)	35
Property, plant and equipment (Note 11)	
Land and buildings	1,461
Plant and other PP&E	3,814
Inventories (Note 13)	1,383
Trade receivables	3,435
Cash and cash equivalents	51
Other assets	6,103
	<u>16,282</u>
Other non current liabilities	2,198
Other current liabilities	178
Trade accounts payable	3,149
Other liabilities	6,560
	<u>12,085</u>
Net assets	4,197
Direct shareholding acquired	70,00%
Attributable net assets	2,938
Total consideration	4,900
Net effect business combination	1,962
Indirect shareholding	50,00%
Final net effect business combination	981

The revenue and the income attributable to this business combination since the incorporation date to December 31, 2017 amounted to 35,712 thousand euros and 850 thousand euros of profit respectively.

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

There were no significant costs associated to this transaction.

Gestamp Nitra, S.R.O.

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

There are no relevant effects related to this business combination.

Gestamp Nitra, S.R.O. main activity is the stamping and manufacturing of automobile components for passenger cars.

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

There were no significant costs associated to this transaction.

Almussafes Mantenimiento de Troqueles, S.L.

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

There are no relevant effects related to this business combination.

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

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

There were no significant costs associated to this transaction.

4. Basis of presentation

4.1 True and fair view

The Group's Interim Condensed Consolidated Financial Statements at June 30, 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, approved by the European Commission and in force at the aforementioned date. However, these Interim Condensed Consolidated Financial Statements do not include all the information that would be required for complete financial consolidated statements prepared in accordance with International Financial Reporting Standards, and therefore the Interim Condensed Consolidated Financial Statements should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2017.

The Interim Condensed Consolidated Financial Statements have been prepared on the basis of the accounting records of each Group company as at June 30, 2018 and December 31, 2017. Each company prepares its Financial Statements in accordance with the accounting principles and standards in force in the country in which it operates; the required adjustments and reclassifications were made in consolidation process in order to harmonize the policies and methods used and to adapt them to IFRS.

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

4.2 Comparison of information

In 2018, the following companies were incorporated under the scope of consolidation, NCSG Sorocaba Industria Metalúrgica Ltda. (Brazil) and Tuyauto Gestamp Morocco (Morocco). These company were included in the scope of consolidation using the consolidation method.

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

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

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

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

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

4.3 Basis of consolidation

The Interim Condensed Consolidated Financial Statements comprise the financial statements of the Parent Company and subsidiaries at June 30, 2018.

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

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

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

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

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

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

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

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

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

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

Subsidiaries

The full consolidation method is used for companies included in the scope of consolidation and controlled by the Parent Company. The Parent Company controls a subsidiary if and only if the Parent Company has all the following:

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

Joint ventures

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

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

Joint operations

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

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

Associates

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

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

Translation of the Financial Statements of foreign operations

The assets and liabilities and income statements of foreign companies included in the Interim Condensed Consolidated Financial Statements, whose functional currency is different from the presentation currency are translated to euro using the closing foreign exchange rates method as follows:

- The assets, rights, and liabilities of foreign operations are translated at the exchange rate prevailing at the Interim Condensed Consolidated Balance Sheet date.
- Income and expenses are translated using the average exchange rate, as long as that average is a reasonable approximation of the cumulative effect of the actual exchange rates prevailing at the transactions dates.

The differences between the net book value of equity of the foreign companies converted using historical exchange rates and including the net result from the Profit and Loss Account, reflecting the above mentioned treatment of income and expenses in foreign currencies, and the net book value of equity resulting from the conversion of goods, rights and liabilities using the exchange rate prevailing at the Interim Condensed Consolidated Balance Sheet date, are registered as "Translation differences", with the corresponding negative or positive sign, in the Equity in the Interim Condensed Consolidated Balance Sheet (Note 18).

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 2018 is 9.9 million euros of negative translation differences (74.6 million euros of negative translation differences in 2017).

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

As at June 30, 2018 and December 31, 2017 neither the Parent Company nor the subsidiaries held equity units issued by the Parent Company.

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

Transactions between companies included in the scope of consolidation

The following transactions and balances were eliminated in consolidation:

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

Non-controlling interest

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

4.4 Going concern

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

The Group has sufficient financing in place to fund its operations. The Group’s net financial debt amounting to 2,856 million euros. The 93% of this financing as at June 30, 2018, maturing over periods longer than twelve months (December 31, 2017: 80%).

At June 30, 2018, total available liquidity hold by the Group raised the amount of 1,468.2 million euros (1,881.4 million euros at December 31, 2017), including 563 million euros corresponds to cash and cash equivalents (860.2 million euros at December 31, 2017) and 3.7 million euros to securities portfolio (5.4 million euros at December 31, 2017).

In addition, the Group had undrawn committed financial debt for an amount of 901.5 million euros. 621.5 million euros of which correspond to undrawn credit line at June 30, 2018 (735.8 million euros at December 31, 2017) and 280 million euros to an undrawn Revolving Credit Facility. The amounting 460.0 million euros with a maturity beyond 12 months including the Revolving Credit Facility with a maturity on July 15, 2022.

4.5 Alternative management indicators

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

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

EBITDA represents the operating profit before depreciation, amortization and impairment losses. It is calculated as a difference between to unadjusted financial defined under IFRS.

EBITDA at June 30, 2018 and June 30, 2017 was as follows:

	Thousands of euros	
	June 30, 2018	June 30, 2017
Operating Profit	278,017	242,237
Depreciation and amortization	209,919	210,094
	487,936	452,331

EBIT (Earnings Before Interest and Taxes)

EBIT is the Operating Profit. It is calculated before Tax and Non-controlling interest.

Net Financial Debt

Net Financial Debt at June 30, 2018 and December 31, 2017 was as follows (Note 22):

	Thousands of euros	
	June 30, 2018	December 31, 2017
Interest-bearing loans and borrowings and debt issues	2,594,952	2,710,880
Financial leasing	38,235	32,672
Borrowings from related parties	199,577	59,294
Other non-current financial liabilities	32,343	34,183
Total (Note 22)	2,865,107	2,837,029
Current financial assets	(93,026)	(78,896)
Cash and cash equivalents	(563,071)	(860,238)
Total	(656,097)	(939,134)
Net financial debt	2,209,010	1,897,895

CAPEX

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

CAPEX at June 30, 2018 and December 31, 2017 was as follows (Note 10.b) and Note 11):

	Thousands of euros	
	June 30, 2018	December 31, 2017
Additions to Other intangible assets	55,830	95,702
Additions to Property, plant and equipment	494,209	700,307
	550,039	796,009

5. Changes in accounting policies

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

IFRS 9 - *Financial Instruments*

The Group has adopted the IFRS 9 *Financial Instruments* for the first time during the six-month period. Although retrospective application is required, the Group has chosen to adopt the new standard without re-expressing the comparative information of the previous year.

Debt restructuring processes

Group financial debt with banks and credit institutions for the amount of 2,594,952 thousand euros (2,710,880 thousand euros at December 31, 2017) experienced some restructuring processes after the date on which it was granted, as is explained in Note 22. Taking into account these debt restructuring terms, the Group did not consider these modifications to be relevant under IAS 39 requirements. Thus, the debt amount booked in the Consolidated Balance Sheet was adjusted to include restructuring fees and to update the effective interest rate.

IFRS 9 guidelines for this kind of debt restructuring processes is different from the above criteria, since it requires adjusting the debt balance registered in the balance sheet by means of adjusted

cash flows discounted to the original effective interest rate. This rate, once adjusted using the possible restructuring fees, must be used for subsequent periods.

All things considered, the IFRS 9 adoption impact at January 1, 2018 is only linked to debt restructuring processes, and it is quantified as follows:

	Thousands of euros
Liabilities	
Interest-bearing loans and borrowings	(106,180)
Deferred tax liabilities	26,082
Total liabilities	(80,098)
Positive impact on equity	80,098

The amount to be booked for future periods under the heading “Financial expenses”, with its corresponding increase in in bank financial debt net of tax, is as follows:

Thousands of euros			
Year	Financial expense	Tax effect	Total effect in profit (loss)
2018	19,555	(4,974)	14,581
2019	22,831	(5,777)	17,054
2020	22,735	(5,705)	17,030
2021	20,644	(5,071)	15,573
2022	14,688	(3,352)	11,336
2023	5,727	(1,203)	4,524
Total	106,180	(26,082)	80,098

As at June 30, 2018, the amount booked under the heading “Financial expenses” as a result of applying this standard and the subsequent increase in debts with bank and credit institutions, amounted to 9,777 thousand euros. This amount implied a deferred tax liabilities reversal for 2,487 thousand euros.

IFRS 15 - Revenue from Contracts with Customers

The Group has opted to adopt the IFRS 15 Revenue from contracts with customers, applying the modified retrospective method, which implied not re-expressing the comparative information of 2017 and recognized the impact at January 1, 2018. The accounting principles and the judgments applied are detailed in Note 6.11.

In summary, the impact of adopting IFRS 15 is based on the concept of transfer of “control” that may differ from the currently applied notion of recognition of “risk and rewards” as required by IAS 18. Relating to this issue, most of the pieces brought to customers do not have an alternative use, and considering all related circumstances, the Group has the right to receive the cost plus a margin.

The Group has applied a different disclosure in the financial position, the inventories not invoiced have been included in the heading “Assets from contracts with customers”.

All things considered, the IFRS 15 implementation quantified effect as January 1, 2018 was as follows:

	Thousands of euros
Assets	
Work in progress	(143,799)
Finished products	(123,791)
Assets from contracts with customers	284,479
Total assets	16,889
Liabilities	
	2017
Deferred tax liabilities	4,432
Total liabilities	4,432
Impact in equity	
	12,457
Retained earnings	11,194
Non-controlling interest	1,263

On the assumption the previous IFRS (IAS18, IAS11, etc.) had been adopted in the six-month period of 2018 instead of IFRS 15, the impact on the Interim Condensed Consolidated Financial Statement of profit or loss and Interim condensed consolidated statement of financial position, assigned by item, would have been the following:

Item	Thousands of euros		
	Balance at June 30, 2018 informed in Interim Condensed Consolidated Financial Statements IFRS 15	Balance at June 30, 2018 not adopting IFRS 15	Difference
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS			
Operating Income	(36.457)	(33.665)	(2.792)
Deferred Taxes	8.743	8.196	547
Profit (loss) attributable to non-controlling interest	2.546	2.171	375
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Inventories			
Work in progress		155.775	(155.775)
Finished products		122.603	(122.603)
Assets from contracts with customers			
Work in progress	164.824		164.824
Finished products	133.235		133.235
Trade receivables, tools	406.429		406.429
Trade and Other receivables	1.148.094	1.554.523	(406.429)
Deferred tax liabilities	(253.452)	(248.472)	(4.980)
Equity			
Reserves at fully consolidated entities	(1.267.203)	(1.256.208)	(10.995)
Profit for the period	(135.598)	(133.728)	(1.870)
Non-Controlling Interest	(411.946)	(410.110)	(1.836)
Other Equity	(273.922)	(273.922)	-

Impairment

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group has applied the simplified approach and record lifetime expected losses on all trade receivables. The Group expects no significant impact due to the credit quality of its customers.

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

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

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

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

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

IFRS 16 - Leases

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

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

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

The Group will continue to evaluate the potential impact of IFRS 16 implementation on the Consolidated Financial Statements in 2018. This potential effect is expected to be significant taking into account the number of contracts detailed in Note 29.

IFRIC 23 – Uncertainty over Income Tax Treatments

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

- When an entity should consider uncertainty over tax separately.
- The hypothesis to be made about whether the tax treatment will be reviewed by the tax authorities.
- How an entity should determine income for tax purposes, tax bases, tax losses to be offset, tax deductions and tax rates.
- How an entity should consider changes in facts and circumstances.

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

The Group will apply this interpretation from its implementation date. Taking into account that the Group operates in an international complex tax environment, the application of this interpretation might affect the consolidated financial statements and its disclosures.

6. Summary of significant accounting policies

6.1 Foreign currency transactions

Functional and presentation currency

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

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

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

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

6.2 Property, plant and equipment

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

Acquisition cost includes:

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

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

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

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

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

Ordinary repair or maintenance work is not capitalized.

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

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

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

The estimated useful lives of the various asset categories are:

	Years of estimated useful life	
	2018	2017
Buildings	17 to 35	17 to 35
Plant and machinery	3 to 20	3 to 20
Other plant, tools and furniture	2 to 10	2 to 10
Other PP&E items	4 to 10	4 to 10

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

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

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

6.3 Business combinations and goodwill

Business combinations

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

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

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

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

Goodwill

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

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

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

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

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

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

6.4 [Investment in associates and joint ventures](#)

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

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

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

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

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

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

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

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

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

6.5 [Other intangible assets](#)

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

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

Research and development costs

Research costs are expensed as incurred.

Development expenditure is capitalized when the Group can demonstrate:

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

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

At June 30, 2018 and December 31, 2017, there are no intangible assets related to development costs capitalized more than one year prior (respect aforementioned dates) and whose amortization was not started in the aforementioned dates.

Concessions, patents, licenses, trademarks, et al.

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

Software

Software is measured at acquisition cost.

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

IT maintenance costs are expensed as incurred.

6.6 Financial assets

Following the IFRS 9's criteria, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Debt financial asset instruments are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The new classification and measurement of the IFRS 9 is as follows:

- instruments at amortized cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion.
- instruments at FVOCI, with gains or losses recycled to profit or loss on derecognition.

The Group financial assets included in the non-current financial assets, Trade and other receivables, Financial assets, Other current assets, are mainly accounted under the amortized cost taking into account the business model and SPPI assessment.

Investments in associates accounted for using the equity method

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

Derecognition of financial instruments

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

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

6.7 Impairment of assets

Impairment of non-financial assets

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

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

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

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

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

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

The calculation of impairment is based on detailed budgets and provisions individually prepared for each CGU to which the asset is allocated. Those budgets and provisions refer to a five-year and after that it applies a long-term growth rate using for estimating future cash-flows.

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

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

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

The following assets present specific characteristics when assessing their impairment:

Consolidation goodwill

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

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

Goodwill impairment losses cannot be reversed in future periods.

Intangible assets

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

Impairment of financial assets

The reduction in the fair value of available-for-sale financial assets that has been recognized directly in equity when there is objective evidence of impairment must be recognized in the Interim Condensed Consolidated Income Statement for the year. The cumulative loss recognized in the

Interim Condensed Consolidated Income Statement is measured as the difference between the acquisition cost and current fair value.

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

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

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

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

6.8 Assets and liabilities held for sale and discontinued operations

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

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

At June 30, 2018 and December 31, 2017 there are no assets nor liabilities in this category and no profit from discontinued operations.

6.9 Trade and other receivables

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

Discounted bills pending maturity at year end are included in the accompanying Interim Condensed Consolidated balance sheet under "Trade receivables," with a balancing entry in "Interest-bearing loans and borrowings". The balances transferred to banks as Non-Recourse Factoring are not included in "Trade receivables" since all risks related to them, including bad and past-due debt risks, have been transferred to the bank (Note 15.a).

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

6.10 Inventories

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

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

Inventories have been valued using the average weighted cost method.

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

6.11 Revenue recognition and assets from contracts with customers

Recognition of revenue from customer contracts

The Company earns its revenue primarily from the sale of welded and stamped parts, as well as the construction of toolings. These goods and services are delivered to customers over time and not necessarily together.

The Group's contracts are normally supply agreements for an unspecified number of orders and thus the term of each contract depends on the orders received.

Given that control of manufactured toolings is transferred to the customer, the toolings are considered contract's goods and services. Manufacturing of the toolings as well as the parts necessary to ensure their correct operation is a single performance obligation.

Once the toolings are manufactured, each part requested by a customer corresponds to a separate performance obligation and thus, for practical purposes, they are not considered a series, given the short duration of the orders and the little time needed to produce the parts. As the parts are made, goods are created that have no alternative use and the related orders generate rights and obligations wherein control of the parts is transferred to the customer.

Since the control of toolings and parts is transferred over time, progress is measured using the stage-of-completion method. The method that best represents the progress of the Group's activities is costs incurred as a percentage of total estimated costs. If the results of a contract cannot be reliably estimated, revenue is recognized only to the extent that the expenses recognized are recoverable.

Based on historical experience and the Group's estimates, except in extraordinary circumstances, no losses will be generated upon final settlement of the manufacturing contracts for toolings under construction that have not been recognized in the Interim Condensed Consolidated Financial Statements at June 30, 2018. Exceptionally, should it be deemed likely that costs will not be recovered, no revenue would be recognized and all expenses would be taken to the income statement when incurred.

The Group negotiates concessions or incentives that are discounted from expected future revenue despite the fact that the number of parts ordered with each contract is not known. In addition, the variable consideration resulting from price increases under negotiation are estimated based on the expected probability method and are limited to the amount that is not expected to reverse in the future.

There are no incremental direct costs for obtaining contracts.

Assets from contracts with customers

This heading of Assets from contracts with customers includes the assets relating the revenue for those contracts according to stage of completion not invoicing and deducting the Customer advance.

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

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.

6.12 Cash and cash equivalents

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

6.13 Government grants

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

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

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

6.14 Financial liabilities (trade and other payables and borrowings)

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

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

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

When non-controlling interests have an option to sell their shares or investments to the Group, it is assessed whether there is present access to the ownership of the shares by the Group due to the conditions inherent to the option. The Group has not non-controlling interests with option to sell their shares where the Group has present access to the ownership of the shares.

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

6.15 [Provisions and contingent liabilities](#)

Provisions are recognized when the Group has a present obligation (legal or implicit) as a result of past events, being probably 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 mentioned obligation.

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

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

Headcount restructuring provisions are only recognized when there is a formal plan identifying:

- the affected business
- the main locations affected
- the employees to receive redundancy payments
- the outlays to be incurred
- when it will be implemented,
- and being necessary when the entity has raised a valid expectation that it will carry out the restructuring and those affected have been informed.

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

Contingent liabilities are potential obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Group, as well as present obligations arising from past events, the amount

of which cannot be reliably estimated or whose settlement may not require an outflow of resources. These contingent liabilities are only subject to disclosure and are not accounted for.

6.16 Employee benefits

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

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

Defined contribution plans

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

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

The amount registered in the Interim Condensed Consolidated Income Statement at June 30, 2018 was 2.4 million euros (June 30, 2017: 2.5 million euros) (Note 25.b). This figure corresponds to contribution made in United Kingdom.

Defined benefit plans

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

The amounts to be recognized in profit and loss are:

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

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

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

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

The deficit or surplus is:

- The present value of the defined benefit obligation.
- Less the fair value of plan assets with which obligations are directly cancelled.

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

The Group have defined benefit plans in Germany and France.

Indemnities

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

6.17 Leases

Leases where the lessor transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as finance leases.

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

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

6.18 Income tax

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

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

Current tax

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

Tax credits

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

Temporary differences

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

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

6.19 Derivative financial instruments and hedges

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

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

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

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

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

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

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

After cancellation of the debt instrument issued and considered hedge of net investment, the balance considered translation differences will stay in this heading until derecognition of the

investment of the foreign operation. At the moment, the accumulated loss or gain in this heading is transferred to the Interim Condensed Consolidated Income Statement.

The Group has arranged foreign exchange options to protect the depreciation of the exchange rate out of the money at June 30, 2018. Changes in fair value is directly recognized in the Interim Condensed Consolidated Statement of profit or loss.

6.20 Related parties

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

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

6.21 Environmental expenses

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

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

7. Significant accounting judgments, estimates and assumptions

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

Impairment of non-financial assets

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

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

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

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

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

Revenue recognition and the stage of completion

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

Pension benefits

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

The most changing parameter is the discount rate. To calculate the proper discount rate the Management uses, as an essential reference, the interest rate of 10-year bonds and extrapolates them over the underlying curve corresponding to the expected maturity of the obligation for defined benefit plans, based on the bonds yield curves or swaps interest rate. In addition, the quality of the underlying bonds is reviewed. Those bonds with excessive credit spreads are excluded from the analysis as they are not considered to be of a high credit rating.

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

Further details on assumptions considered and a sensitivity analysis are included in Note 21.

Taxes

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

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

Revision of useful lives

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

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

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

Fair value of financial instruments

When fair value of financial assets and liabilities cannot be obtained from quoted prices in active markets it is calculated by valuation techniques which include the model of discounting cash flows. The required data are obtained from observable markets when possible and when not, some value judgments are made in order to establish reasonable values. Judgments refer to liquidity risk, credit risk and volatility. Changes in assumptions related to these factors may affect the reasonable value of financial instruments reported (Note 12 and Note 22.b.1)).

Assessment of gain of control in subsidiaries

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

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

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

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

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

3. In this sense, the subsidiary technologically depends on the Group. Research and Development activities are fully carried out by the Group and the technology is provided to

the subsidiary according to the agreement signed with the shareholders. Accordingly, Beyçelik Gestamp Kalip A.S. has right to use but no intellectual property. The design to apply the technology of hot stamping currently used by the subsidiary is exclusive property of the Group.

4. In order to prove this excellence, an OEM supplier needs to be accredited as a Tier 1 supplier (high quality supplier) by the car manufacturer. The subsidiary could not obtain this certification if they did not belong to the Group.

Additional to the circumstances mentioned below, regarding Gestamp Automotive India Private Ltd own most of the board member as the Group has designated 4 board members of this company out of a total of 6 members. Regarding this company the non-controlling interests corresponding to the remaining 50% shareholding are Group related parties since it is to a company controlled by shareholders of the Parent Company.

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

Changes in accounting estimates:

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

Changes in significant accounting policies and restatement of errors:

Changes in accounting policies and restatement of errors are recognized to the extent they are significant for the Group: the cumulative effect of the change at the beginning of the period is recognized by restating “Retained earnings” while the period-specific effect of the change is recognized in the Interim Condensed Consolidated Income Statement for the year. In these instances, the prior year’s balances are also restated to maintain comparability of information.

9. Segment reporting

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

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

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

- ✓ Eastern Europe

- Russia
- Poland
- Hungary
- Czech Republic
- Slovakia
- Turkey
- Romania
- Morocco
- ✓ Mercosur
 - Brazil
 - Argentina
- ✓ North America
 - USA
 - Mexico
- ✓ Asia
 - China
 - South Korea
 - India
 - Thailand
 - Japan
 - Taiwan

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

The Board of Directors of the Group managed the operating segments corresponding to continuing activities basically according to the evolution of the main financial indicators from each segment such as revenue, EBITDA, EBIT and fixture investments. Financial income and expenses, as well as income tax, and the allocation of profit to non-controlling interests are analyzed together at Group level since they are centrally managed.

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

Segment information for 2018 and 2017 is as follows:

Thousands of euros						
June 30, 2018						
ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
NON-CURRENT ASSETS						
Goodwill	71,552	16,931	8,228	2,890	11	99,612
Other intangible assets	259,067	10,441	3,781	23,890	34,194	331,373
Property, plant and equipment	1,302,335	578,188	261,802	1,037,120	549,442	3,728,887
Non-current financial investments	41,028	32	2,770	6,650	10,817	61,297
Deferred tax assets	150,999	22,477	24,906	66,930	10,348	275,660
Total non-current assets	1,824,981	628,069	301,487	1,137,480	604,812	4,496,829
WORKING CAPITAL						
Inventories	262,702	94,881	86,832	188,177	137,419	770,011
Trade and other receivables	824,235	202,776	49,514	191,265	286,733	1,554,523
Subtotal	1,086,937	297,657	136,346	379,442	424,152	2,324,534
Other current assets	18,023	14,704	9,855	45,932	10,742	99,256
Trade and other payables	(1,134,100)	(227,184)	(78,866)	(203,008)	(248,384)	(1,891,542)
Provisions	(6,727)	(2,573)	-	(12)	(1,725)	(11,037)
Other current liabilities	(1,352)	(847)	183	(685)	(3)	(2,704)
Other current debt	(108,314)	(9,606)	(24,301)	(41,932)	(27,365)	(211,518)
Total working capital	(145,533)	72,151	43,217	179,737	157,417	306,989

Thousands of euros						
June 30, 2018						
ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
Revenue	2,135,346	572,430	305,986	757,516	506,494	4,277,772
EBITDA	231,469	71,160	37,259	71,374	76,674	487,936

Thousands of euros						
December 31, 2017						
ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
NON-CURRENT ASSETS						
Goodwill	73,291	19,582	8,982	2,890	12	104,757
Other intangible assets	236,941	10,987	4,729	23,514	33,769	309,940
Property, plan and equipment	1,274,953	516,425	246,180	851,777	518,444	3,407,779
Non-current financial investments	41,766	30	2,737	8,512	16,382	69,427
Deferred tax assets	152,092	22,573	28,058	53,570	9,506	265,799
Total non-current assets	1,779,043	569,597	290,686	940,263	578,113	4,157,702
WORKING CAPITAL						
Inventories	254,841	78,917	59,285	168,605	119,674	681,322
Trade and other receivables	692,296	189,535	53,930	140,831	299,117	1,375,709
Other current assets	5,940	11,520	10,036	37,656	5,905	71,057
Trade and other payables	(1,030,507)	(195,960)	(72,260)	(231,014)	(284,332)	(1,814,073)
Provisions	(5,050)	(3,616)	(1,107)	(237)	(1,713)	(11,723)
Other current liabilities	(1,377)	(1,190)	-	(423)	(4)	(2,994)
Other current debt	(59,109)	(4,250)	(12,014)	(24,660)	(29,920)	(129,953)
Total working capital	(142,966)	74,956	37,870	90,758	108,727	169,345

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

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

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

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

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

Segment	Thousands of euros	
	June 30, 2018	December 31, 2017
Western Europe	47,222	66,670
Eastern Europe	1,488	3,830
Mercosur	161	2,227
North America	4,837	8,704
Asia	2,122	14,271
Total	55,830	95,702

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

Segment	Thousands of euros	
	June 30, 2018	December 31, 2017
Western Europe	108,617	195,741
Eastern Europe	102,873	105,819
Mercosur	30,807	25,386
North America	204,683	264,212
Asia	47,229	109,149
Total	494,209	700,307

In the first quarter of 2018, the three customers representing the highest contribution to sales (including the companies in their own groups) represent the 47.8% of revenue (2017: 43.8%) and each of them represents more than 10% of revenue for the same period (2017: 10%).

10. Intangible assets

a) Goodwill

The movement in this heading assigned to each Group Segment in 2018 and 2017 is as follows:

Segment / CGU	Thousands of euros		
	Balance at December 31, 2017	Translation differences	Balance at June 30, 2018
Western Europe			
Gestamp HardTech AB	38,898	(1,741)	37,157
Gestamp Metalbages S.A.	15,622		15,622
Gestamp Aveiro, S.A.	7,395		7,395
Gestamp Levante, S.A.	6,944		6,944
Griwe Subgroup	6,466		6,466
Adral, matricería y puesta a punto S.L.	857		857
Eastern Europe			
Beyçelik Gestamp Kalip, A.S.	15,774	(2,256)	13,518
Gestamp Severstal Vsevolozhsk, LLC	109	(5)	104
Çelik Form Gestamp Otomotive, A.S.	2,740	(392)	2,348
MPO Providers Rez. S.R.L.	959	2	961
Mercosur			
Gestamp Brasil Industria de Autopeças, S.A.	8,982	(753)	8,229
Asia			
Gestamp Services India Private, Ltd.	11		11
Total	104,757	(5,145)	99,612

Segment / CGU	Thousands of euros			
	Balance at December	Acquisitions	Translation differences	Balance at December
	31, 2016			31, 2017
Western Europe				
Gestamp HardTech AB	39,951		(1,053)	38,898
Gestamp Metalbages S.A.	15,622			15,622
Gestamp Aveiro, S.A.	7,395			7,395
Gestamp Levante, S.A.	6,944			6,944
Griwe Subgroup	6,466			6,466
Adral, matricería y pta a punto S.L.	857			857
Eastern Europe				
Beyçelik Gestamp Kalip, A.S.	19,356		(3,582)	15,774
Gestamp Severstal Vsevolozhsk, Llc	117		(8)	109
Çelik Form Gestamp Otomotive, A.S.	3,362		(622)	2,740
MPO Providers Rez. S.R.L.	-	981	(22)	959
Mercosur				
Gestamp Brasil Industria de Autopeças, S.A.	10,422		(1,440)	8,982
Asia				
Gestamp Services India Private, Ltd.	12		(1)	11
Total	110,504	981	(6,728)	104,757

Additions in 2017 relate to the acquisition of control by the Group of the company MPO Providers Resistente S.R.L., which was included in the scope of consolidation using the full consolidation method (Note 3).

Translation differences in 2018 and 2017 correspond to the adjustments to the goodwill of companies whose functional currency is different from the Euro, translated at the exchange rate prevailing at Interim Condensed Consolidated Balance Sheet date, according to IAS 21 (Note 6.3).

Impairment test of Goodwill

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

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

The CGU recoverable value at June 30, 2018 and 2017 has been determined by choosing the higher value between the fair value less necessary costs to sell the CGU or the calculation of value in use, using cash flow projections covering a five-year period and based on the future business evolution.

The hypotheses considered in the calculation on the discounting of cash flows mentioned are the hypotheses used at December 31, 2017 since there is not evidence of any modification.

According to the estimations and economic projections realized by the Group, the recoverable value is higher than the net value for all the CGUs, so the Group can recover the value of all goodwill recognized at June 30, 2018.

b) Other intangible assets

The composition of and movements in net intangible assets in 2018 and 2017 are as follows:

	Thousands of euros						Balance at June 30, 2018
	Balance at December 31, 2017	Changes in Scope of consolidation	Additions	Disposals	Currency translation differences	Other movements	
Cost							
R&D expenses	361,198	-	44,468	(1,168)	1,419	540	406,457
Concessions	19,349	-	-	-	843	-	20,192
Patents, licenses & trademark	40,924	-	53	(329)	(174)	(3)	40,471
Goodwill	1,101	-	-	-	154	(215)	1,040
Transfer fees	7	-	-	-	-	(2)	5
Software	160,890	52	9,296	(394)	(484)	4,405	173,765
Prepayments	14,276	-	2,013	(10)	(23)	(5,844)	10,412
Total cost	597,745	52	55,830	(1,901)	1,735	(1,119)	652,342
Amortization and impairment							
R&D expenses	(171,535)	-	(22,089)	470	(817)	-	(193,971)
Concessions	(2,527)	-	(428)	-	(117)	-	(3,072)
Patents, licenses & trademark	(4,370)	-	(1,071)	70	72	4	(5,295)
Transfer fees	(838)	-	(148)	-	22	10	(954)
Software	(106,645)	(44)	(9,678)	394	237	28	(115,708)
Total accumulated amortization	(285,915)	(44)	(33,414)	934	(603)	42	(319,000)
Impairment of Intangible assets	(1,890)	-	(110)	-	(12)	43	(1,969)
Net carrying amount	309,940	8	22,306	(967)	1,120	(1,034)	331,373

Changes in consolidation scope at June 30, 2018 correspond to the incorporation of NCSG Sorocaba Industria Metalúrgica Ltda (Note 3).

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

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

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

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

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

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

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

Additions to concessions were mainly related to land usage rights.

Additions to Prepayments corresponded to costs from SAP implementation.

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

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

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

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

Development expenses corresponding to projects not fulfilling requirements to be capitalized were registered in the heading Other operating expenses from the Interim Condensed Consolidated Income Statement and they amount to 228 thousand euros at June 30, 2018 (June 30, 2017: 156 thousand euros).

Impairment test of assets with indefinite useful life

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

11. Property, plant and equipment

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

	Thousands of euros						At June 30, 2018
	At December 31, 2017	Changes in scope of consolidation	Additions	Disposals	Currency translation differences	Other movements	
Cost							
Land and buildings	1,459,572	7,799	11,169	(347)	(5,671)	58,491	1,531,013
Plant and other PP&E	4,871,777	13,759	67,775	(34,541)	(19,953)	172,146	5,070,963
PP&E under construction and prepayments	638,619		415,265	(337)	2,861	(232,710)	823,698
Total cost	6,969,968	21,558	494,209	(35,225)	(22,763)	(2,073)	7,425,674
Depreciation and impairment							
Land and buildings	(418,473)	(1,207)	(14,835)	177	1,964	(26)	(432,400)
Plant and other PP&E	(3,137,794)	(4,245)	(164,466)	30,805	11,359	5,896	(3,258,445)
Accumulated depreciation	(3,556,267)	(5,452)	(179,301)	30,982	13,323	5,870	(3,690,845)
Impairment of PP&E	(5,922)	-	2,906	-	7	(2,933)	(5,942)
Net book value	3,407,779	16,106	317,814	(4,243)	(9,433)	864	3,728,887

Changes in consolidation scope at June 30, 2018 correspond to the incorporation of NCSG Sorocaba Industria Metalúrgica Ltda (Note 3).

Cost value of the property, plant and equipment additions at June 30, 2018 mainly corresponds to investments in plants and production lines, with the aim of increasing the productive capacity of the Group, as well as to capital expenditure to maintain existing activities. They mainly correspond to companies located in USA, Spain, Turkey, Japan, Czech Republic, United Kingdom, Slovakia, China, Mexico, Germany and Brazil.

The net value of Disposals of PP&E mainly corresponds to the disposal of fully amortized items out of use.

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

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

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

Cost value of the property, plant and equipment additions at December 31, 2017 mainly corresponded to investments in plants and production lines, with the aim of increasing the productive capacity of the Group, as well as to capital expenditure to maintain existing activities. They mainly corresponded to companies located in USA, Mexico, Spain, China, Japan, Germany, United Kingdom, Czech Republic and Slovakia. Additions by segment are shown in Note 9.

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

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

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

	Thousands of euros	
	June 30, 2018	December 31, 2017
Initial cost	266,567	266,567
Fair value	509,428	509,428
Revaluation	242,861	242,861
Accumulated depreciation	(47,031)	(44,844)
Deferred tax liabilities	(49,436)	(50,026)
Total	146,394	147,991
Non-controlling interest	(24,757)	(24,878)
Reserves (Note 16.4.c)	(123,114)	(125,886)
Profit for the year	1,477	2,773
Total	(146,394)	(147,991)

The breakdown of assets acquired under finance lease agreements at June 30, 2018 and December 31, 2017 is as follows:

Segment	Asset cost (thousands of euros)	Lease term	Installments paid	Thousands of euros		
				Present value of lease obligations (Note 22.c.1)		
				Short term	Long term	Purchase option value
June 30, 2018						
Eastern Europe						
Machinery	117	2 years	86	31	-	-
Machinery	4,979	3 years	4	620	3,737	-
Machinery	96	4 years	54	24	18	-
Machinery	3,206	5 years	2,361	280	672	-
Machinery	19,457	7 years	5,050	2,012	11,922	4
Vehicle	20	3 years	17	3	-	-
North America						
Machinery	21,420	20 years	6,209	953	17,963	-
				3,923	34,312	

Segment	Asset cost (thousands of euros)	Lease term	Installments paid	Thousands of euros		
				Present value of lease obligations (Note 22.c.1)		
				Short term	Long term	Purchase option value
December 31, 2017						
Western Europe						
Other fixtures	297	5 years	285	11	-	-
Eastern Europe						
Machinery	2,837	5 years	2,272	345	153	-
Machinery	13,335	7 years	4,056	1,200	12,080	1
North America						
Machinery	20,825	20 years	5,287	996	17,887	-
				2,552	30,120	

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

Impairment test of Property, Plant and Equipment

Impairment tests calculate recoverable value and are carried out for those CGU's where signs of deterioration are found according to indicators mentioned in Note 6.7. The Group has not identified new CGU's with signs of deterioration.

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

The hypotheses considered in the calculation on the discounting of cash flows mentioned are the hypotheses used at December 31, 2017 since there is not evidence of any modification.

According to economic projections forecasted in previous years the recoverable value is higher than the net value for all the CGUs, so the Group can recover the value of the consolidated assets of each CGU at June 30, 2018.

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

As at June 30, 2018 and December 31, 2017 there are no items of property, plant, and equipment set aside to secure bank loans (Note 22.a.1).

12. Financial assets

The breakdown of this heading assigned to each category and maturity at June 30, 2018 and December 31, 2017 is as follows:

	Thousands of euros									
	Investments accounted for using the equity method		Loans and receivables		Derivative financial instruments		Securities portfolio		Other financial assets	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Non-current financial assets	2,019	1,787	37,756	39,248	9,207	14,718	-	-	12,315	13,674
Investments accounted for using the equity method	2,019	1,787	-	-	-	-	-	-	-	-
Held-to-maturity investments	-	-	-	-	-	-	-	-	898	898
Loans and receivables	-	-	37,756	39,248	-	-	-	-	11,417	12,776
Derivative financial instruments (Note 22.b.1)	-	-	-	-	9,207	14,718	-	-	-	-
Current financial assets	-	-	34,425	34,598	-	-	3,688	5,376	54,913	38,922
Held-to-maturity investments	-	-	-	-	-	-	3,688	5,376	-	-
Loans and receivables	-	-	34,425	34,598	-	-	-	-	54,913	38,922
Total financial assets	2,019	1,787	72,181	73,846	9,207	14,718	3,688	5,376	67,228	52,596

a) *Non-current financial assets*

The movement of non-current financial assets in 2018 and 2017 are the following:

	Thousands of euros			
	Investments accounted for using the equity method	Loans and receivables	Derivative financial instruments	Other financial assets
Balance at December 31, 2016	5,740	50,581	25,710	13,483
Changes in scope of consolidation	(2,722)	3,508		(3,061)
Additions		4,597		2,734
Disposals		(5,843)		1,762
Changes in valuations of financial derivatives			(10,992)	
Transfers		(12,463)		
Other movements		332		1
Share of profit	(997)			
Translation differences	(234)	(1,464)		(1,245)
Balance at December 31, 2017	1,787	39,248	14,718	13,674
Additions		18		1,228
Disposals		(2,543)		(2,551)
Changes in valuations of financial derivatives			(5,511)	
Other movements		1,124		
Share of profit	144			
Translation differences	88	(91)		(36)
Balance at June 30, 2018	2,019	37,756	9,207	12,315

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

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

“Share of profit” in 2018 and 2017 amounting to 144 thousand euros and 997 thousand euros of loss respectively, represented Group’s share of the profit recorded by each company.

No dividends have been received from companies accounted for using the equity method in 2018 and 2017.

The summarized financial information of the Group’s investment in 2018 and 2017 is as follows:

Summarised balance sheet:

	Thousands of euros		
	June 30, 2018		
	Global Laser Araba	GGM & subsidiaries	Industrias Tamer, S.A.
Total non-current assets	11,754	68,189	1,235
Total current assets	1,454	60,006	3,225
Total non-current liabilities	(11,450)	(47,531)	(340)
Total current liabilities	(411)	(76,374)	(3,027)
Equity	(1,347)	(4,353)	(1,093)
Translation differences	-	63	-
Shareholding	30%	30%	30%
Carrying amount of the investment	404	1,287	328

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

Summarised income statement:

	Thousands of euros		
	June 30, 2018		
	Global Laser Araba	GGM & subsidiaries	Industrias Tamer, S.A.
Operating income	3,313	12,715	1,471
Operating expense	(2,888)	(12,660)	(1,140)
OPERATING PROFIT/LOSS	425	55	331
Financial profit	(104)	(270)	(4)
Exchange gain (losses)	-	134	-
Impairment and other	-	-	-
PROFIT/LOSS BEFORE TAXES	321	(81)	327
Income tax expense	-	-	-
Adjustments from previous years	209	131	(430)
Profit for the year from discontinued operations net of taxes	-	-	-
PROFIT/LOSS FOR THE YEAR	530	50	(103)
Shareholding	30%	30%	30%
Participation of the Group in profit	159	15	(31)

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

a.2) Non-current loans and receivables

Disposals in 2018 mainly corresponded to partial payment from employees amounting to 2,020 thousand euros corresponding to loans granted to employees for Parent Company shares acquisition from Acek Desarrollo y Gestión Industrial S.L.

Other movements amounting to 1,124 thousand euros, correspond to the capitalization of interest on the long-term credit that the Parent Company maintains with the personnel.

Changes in scope of consolidation in 2017 corresponded to the incorporation of subsidiary Gestamp Palau, S.A. using the full consolidation method (Note 2.b). The subsidiary had loans granted to third

parties for the amount of 3,508 thousand of euros. This receivables were totally impaired due to uncertainty about its recoverability.

Additions in 2017 mainly corresponded to:

- Increase in receivables from public authorities in Gestamp Brasil Industria de Autopeças S.A. for 3,450 thousand euros, and in Gestamp Pune Automotive Pvt. Ltd. for 157 thousand euros.
- Loans to Group employees amounting to 650 thousand euros for the acquisition of shares in the Parent Company from Acek Desarrollo y Gestión Industrial S.L. (Note 16.a). A pledge on the shares was generated as a guarantee for the loans. The interest rate of the loans is the legal interest rate prevailing every calendar year and the duration is six years from the date of signature.

Disposals in 2017 mainly corresponded to:

- Payment made from third parties to Gestamp Palau, S.A. amounting to 3,119 thousand euros. The operation included the reversal of impairment losses linked to these loans (Note 12.a.4)).
- Partial payment from employees amounting to 1,450 thousand euros corresponding to loans granted to employees for Parent Company shares acquisition from Acek Desarrollo y Gestión Industrial S.L.
- Cancellation of withholding tax and interests with public administrations for the amount of 746 thousand euros.

Transfers in 2017 mainly corresponded to:

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

a.3) Derivative financial instruments

Changes in valuation of financial instruments at June 30, 2018 and December 31, 2017 correspond to the change in the present value of implicit derivatives mainly due to the decrease in notional hedged as well as to the evolution of the exchange rates applicable to sales and purchase prices in certain customer and supplier contracts (Note 22.b.1)).

a.4) Other non-current financial assets

Additions in 2018 mainly corresponded to deposits as guarantee for operating leases amounting to 825 thousand euros.

Disposals as at June 30, 2018 mainly correspond to the refund of security deposits linked to operational lease contracts for 670 thousand euros payment of compensations for accidents at work, amounting to 1,750 thousand euros.

Changes in scope of consolidation in 2017 corresponded to the incorporation of subsidiary Gestamp Palau, S.A. using the full consolidation method (Note 2.b). The incorporation included the impairment of loans granted to third parties for the amount of 3,508 thousand euros (Note 12.a.2)).

Additions in 2017 mainly corresponded to deposits as guarantee for operating leases amounting to 526 thousand euros, deposits for employees accident insurance amounting to 1,029 thousand euros and deposits for legal responsibilities for the amount of 1,036 thousand euros.

Disposals in 2017 mainly corresponded to:

- Impairment reversal in Gestamp Palau, S.A. due to payment received from third parties for the amount of 3,119 thousand euros.
- The refund of security deposits linked to operational lease contracts for 642 thousand euros and of deposits for legal responsibilities for 162 thousand euros.
- Payments for the amount of 284 thousand euros linked to compensations for accidents at work.

b) Current financial assets

Variation in current financial assets in 2018 and 2017 is as follows:

	Thousands of euros		
	Loans and receivables	Securities portfolio	Other financial assets
Balance at December 31, 2016	11,036	338	31,854
Changes in scope of consolidation	(1,745)		
Additions	13,452	5,092	53,687
Disposals	(466)	(9)	(42,965)
Transfers	12,315		
Other movements	6		(13)
Translation differences		(45)	(3,641)
Balance at December 31, 2017	34,598	5,376	38,922
Additions	1,536	6,470	40,265
Disposals	(40)	(8,181)	(21,379)
Transfers		(12)	12
Other movements	(662)		3
Translation differences	(1,007)	35	(2,910)
Balance at June 30, 2018	34,425	3,688	54,913

b.1) Current loans and receivables

Additions in 2018 mainly corresponded to increase in receivables from public authorities in Gestamp Brasil Industria de Autopeças S.A. for 1,125 thousand euros.

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

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

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

b.2) Current securities portfolio

Current securities portfolio at June 30, 2018 and December 31, 2017 mainly corresponded to:

- Short term deposits from the company Edscha do Brasil, for the amount of 756 thousand euros (December 31, 2017: 1,293 thousand euros), with an average profitability between 4% and 5.5%.
- Short term deposits from the subsidiary Gestamp Metal Forming (Wuhan), Ltd. for 725 thousand euros (December 31, 2017: 3,798 thousand euros), with an average profitability between 0.30% and 1.30%.

Additionally, at June 30, 2018 short term deposits from the company Gestamp Autocomponents (Shenyang), Co. Ltd., Gestamp Pune Automotive Ovt, Ltd y NCSG Sorocaba Industria Metalurgica, Ltd, have been booked, amounting of 2,207 thousand euros, with an interest rate between 1.35% and 6.25%.

b.3) Other current financial investments

Additions at June 30, 2018 and December 31, 2017 mainly corresponded to bank deposits from the companies Gestamp Córdoba, S.A., Gestamp Baires, S.A. and Gestamp Automotive India Private Ltd. amounting to 39,788 thousand euros (December 31, 2017: 52,047 thousand euros).

Disposals at June 30, 2018 mainly corresponded to the cancellation of bank deposits from the company Gestamp Baires, S.A.

Disposals in 2017 mainly corresponded to the cancellation of bank deposits from the companies Gestamp Córdoba, S.A., Gestamp Baires, S.A. y Gestamp Automotive Chennai Private Ltd. amounting to 41,801 thousand euros.

13. Inventories

The breakdown of inventories at June 30, 2018 and December 31, 2017 is as follows:

	Thousands of euros	
	June 30, 2018	December 31, 2017
Commercial inventories	32,322	42,571
Commodities	209,087	189,819
Parts and subassemblies	84,871	68,382
Spare parts	89,852	80,459
Packaging materials	2,255	1,979
Total cost of raw materials and other consumables (*)	418,387	383,210
Work in progress	-	149,416
Finished products	-	131,297
Byproducts, waste and recovered materials	1,162	696
Prepayments to suppliers	72,305	62,913
Total cost of inventories	491,854	727,532
Impairment of raw materials (*)	(11,190)	(23,569)
Impairment of other consumables (*)	(8,712)	(9,195)
Impairment of work in progress	-	(5,940)
Impairment of finished products	-	(7,506)
Total impairment	(19,902)	(46,210)
Total inventories	471,952	681,322

(*) The heading of the Commodities and other consumables of the Interim Condensed Consolidated Statement of Profit or Loss shows the movement of the materials and other consumables which is as follows:

	Thousands of euros						Balance at June 30, 2018	
	Balance at Dec 31, 2017	Change in inventories				Changes in scope of		
		Impairment	Reversal of impairment	Changes in inventories	Other	Total		
Commodities and other consumables	383,210	-	-	33,765	-	33,765	1,412	418,387
Impairment of raw materials and other consumables	(32,764)	(1,854)	1,674	-	13,042	12,862	-	(19,902)
Consumption (Note 25.a)	350,446	(1,854)	1,674	33,765	13,042	46,627	1,412	398,485

The June 30, 2018 The figures of work in progress and finished product figures, and the impairment heading are not provided as the IFRS 15 is applied and they are recognized in the heading of Assets from contracts with customers (Note 5 and 14).

The inventories were not encumbered at June 30, 2018 nor at December 31, 2017.

14. Assets from contracts with customers

The breakdown of this Interim Condensed Consolidated Financial Statement of financial position heading is the following:

	Thousands of euros
	June 30, 2018
Work in progress	71,286
Semi-manufactured products	99,984
Semi-manufactured products impairment loss	(6,446)
Finished products	140,515
Finished products impairment loss	(7,280)
Accounts receivable by stage of completion, tools	406,429
Total	704,488

The 2017 comparative figures are not provided as the IFRS 15 is applied for the first time during the period (Note 5).

Accounts receivable by stage of completion correspond to the income recognized not invoicing. There are no prepayments exceeding the stage of completion by customer. The amount of customer prepayments for tools under construction registered in the heading Accounts receivable by stage of completion, was 766 million euros at June 30, 2018 and 750 million euros at December 31, 2017 including in heading "Trade and other receivables" (Note 15).

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

a) Trade receivables

	Thousands of euros	
	June 30, 2018	December 31, 2017
Trade receivables	854,232	792,553
Trade bills receivable	14,841	19,465
Accounts receivable by stage of completion, tools (Note 14)	-	307,281
Accounts receivable by stage of completion, machinery	11,081	27,742
Doubtful debts	514	1,355
Impairment losses	(4,999)	(5,630)
Trade receivables from related parties (Note 30)	41,222	31,948
Total	916,891	1,174,714

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.

The variation of the impairment provision at June 30, 2018 consisted of an increase of 798 thousand euros (December 31, 2017: 805 thousand euros) (Note 25.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, Czech Republic and Sweden banks, that were eliminated in the Interim Condensed Consolidated Balance Sheet amounted to 524,981 thousand euros and to 380,293 thousand euros at June 30, 2018 and December 31, 2017 respectively.

The expense of transferring non-due receivables balances at June 30, 2018 according to non-recourse factoring contracts amounted to 4,151 thousand euros (June 30, 2017: 2,591 thousand euros).

b) Other receivables

	Thousands of euros	
	June 30, 2018	December 31, 2017
Debtors	24,460	27,691
Debtors, Group companies (Note 26)	73	-
Remuneration advances	6,933	3,064
Short-term loans to employees	144	872
Total	31,610	31,627

c) Current income tax assets

This line item amount to 10,093 thousand euros at June 30, 2018 (December 31, 2017: 26,795 thousand euros) and reflect the receivables balances related to corporate tax refunds of the Parent Company and group companies.

d) Public authorities

	Thousands of euros	
	June 30, 2018	December 31, 2017
Sundry receivables from Public Authorities	165,006	141,916
VAT refund	132,757	108,814
Receivable grants	432	1,420
Corporate tax refund (a)	26,754	22,679
Others	5,063	9,003
Receivables from Social Security	798	657
Withholdings and installment payments on income tax	23,696	-
Total	189,500	142,573

(a) The 2018 and 2017 balances reflect receivables from corporate income tax declarations from prior years.

e) Other current assets

This heading, amounting to 99,256 thousand euros, at June 30, 2018 (December 31, 2017: 71,057 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

	Thousands of euros	
	June 30, 2018	December 31, 2017
Cash	525,628	840,759
Cash equivalents	37,443	19,479
Total	563,071	860,238

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

The breakdown assigned to each currencies and interest rates at June 30, 2018 and December 31, 2017 is as follows:

Company	June 30, 2018		
	Thousands of euros	Source currency	Interest rate range
Gestamp Severstal Vsevolozhsk, LLC.	1,719	Russian ruble	5.35%
Gestamp Severstal Kaluga, LLC.	4,193	Russian ruble	4.53%-5.60%
Gestamp Brasil Industria de Autopeças, S.A.	31,531	Brazilian real	100%-101% CDI
Total	37,443		

Company	December 31, 2017		
	Thousands of euros	Source currency	Interest rate range
Gestamp Severstal Vsevolozhsk, LLC.	3,103	Russian ruble	6.50%
Gestamp Severstal Kaluga, LLC.	7,217	Russian ruble	6.62%
Gestamp Brasil Industria de Autopeças, S.A.	9,159	Brazilian real	100%-101% CDI
Total	19,479		

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

16. Issued capital and share premium

The “Issued capital” and “Share premium” at June 30, 2018 and December 31, 2017 are as follows:

ITEM	June 30, 2018	December 31, 2017
No. of shares	575,514,360	575,514,360
Par value	0.50	0.50
	Thousands of euros	
Issued capital:		
Issued capital (par value)	287,757	287,757
	287,757	287,757
Share premium	61,591	61,591
Total issued capital + share premium	349,348	349,348

a) Share capital

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

- Share capital reduction was registered reducing the company’s share capital by 479,595.30 euros by reducing the nominal value of each one of the shares by the amount of 0.10 euro, creating a non-distributable reserve.
- Split the number of stakes reducing the nominal value per share from 60 euros to 0.50 euro, in the proportion of 120 new stakes for every former one.

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

The shareholding structure at June 30, 2018, after the agreements mentioned above, and at December 31, 2017, is as follows:

Shareholders	shareholding	
	June 30, 2018	December 31, 2017
Acek Desarrollo y Gestión Industrial, S.L.	19.69%	21.17%
Gestamp 2020, S.L.	50.10%	50.10%
Free Float	30.21%	28.73%

On June 4, 2018, Acek Desarrollo y Gestión Industrial, S.L., major shareholder, sell 8,532,331 shares to minority shareholders, representing 1.48% of the share capital.

There are no bylaw restrictions on the transfer of the registered shares.

b) Share premium

The share premium of the Parent Company amounted to 61,591 thousand euros at June 30, 2018 and December 31, 2017.

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

17. Retained earnings

The movements in “Retained earnings” for 2018 and 2017 are as follows:

Thousands of euros	Legal reserve	Goodwill reserves	Unrestricted reserves	Reserves at fully consolidated entities	Reserves at associates	Profit for the year	Effective hedges	Total
AT JANUARY 1, 2018	47,109	4,455	272,199	1,019,304	(2,346)	239,692	(28,489)	1,551,924
Profit for the period	-	-	-	-	-	135,598	-	135,598
Fair value adjustments reserve (hedge) (Note 22.b.1)	-	-	-	-	-	-	2,691	2,691
Actuarial gains and losses	-	-	-	(16)	-	-	-	(16)
Appropriation of 2017 profits	10,441	-	20,103	210,146	(998)	(239,692)	-	-
Dividends distributed by the Parent Company (Note 17.3)	-	-	(71,939)	-	-	-	-	(71,939)
Acquisitions of non-controlling interest (control over the company previously) (Note 2.b)	-	-	-	(4,162)	-	-	-	(4,162)
Interest from participative loans	-	-	10,167	(10,167)	-	-	-	-
IFRS 15 adoption impact (Note 5)	-	-	-	11,194	-	-	-	11,194
IFRS 9 adoption impact (Note 5)	-	-	38,927	41,170	-	-	-	80,097
Other movements and adjustments from prior years	-	-	-	(267)	-	-	-	(267)
AT JUNE 30, 2018	57,550	4,455	269,457	1,267,202	(3,344)	135,598	(25,798)	1,705,120

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

17.1 Legal reserve

The Legal Reserve of the Parent Company amounted to 57,550 thousand euros at June 30, 2018 and to 46,129 thousand euros at June 30, 2017.

The Parent Company is obliged to transfer 10% of profit for the year to a legal reserve until this reserve is equivalent to at least 20% of issued capital (57.6 million euros at June 30, 2018). This reserve is not distributable to shareholders and may only be used to offset losses if no other reserves are available.

17.2 Goodwill reserve

The Parent Company is required to set aside a non-distributable reserve equal to the amount of goodwill on its balance sheet which was eliminated in the consolidation process and amounted to 2,219 thousand euros at June 30, 2018 (December 31, 2017: 3,805 thousand euros). The amount of profit designated for this purpose must represent at least 5% of goodwill. If no profits are available or profits should prove to be insufficient, freely distributable reserves must be used for this purpose. The amount of the goodwill reserve amounted to 4,455 thousand euros at June 30, 2018 (June 30, 2017; 4,455 thousand euros). In 2018 and 2017 no amount had been provisioned, being this reserve partially distributable in the amount exceeding the net book value of the goodwill at closing date.

17.3 Unrestricted reserves

The most significant movements in the Parent Company's unrestricted reserves as at June 30, 2018 and June 30, 2017, apart from 2017 profit distribution, amount to 20,103 thousand euros and 2016 profit distribution, amount to 13,107 thousand euros. These movements are included in the retained earnings detail shown above, and mainly correspond to:

June 2018

- Dividend distribution by the Parent Company from unrestricted reserves on May 7, 2018 amounting 71,939 thousand euros. The dividend was utterly paid at July 6, 2018. (Note 22.d))
- Reclassification of participative loan interests, from reserves at fully consolidated companies in the amount of 10,167 thousand euros.
- Impact of IFRS 9 implementation in the amount of 38,927 thousand euros (Note 5.a.)

June 2017

- Dividend distribution by the Parent Company from unrestricted reserves on March 3, 2017, amounting 66,356 thousand euros. The dividend was utterly paid at December 31, 2017.
- On March 7, 2017 the Parent Company share capital is reduced in the nominal amount of 480 thousand euros by reducing the nominal value of each share in the amount of 0.10 euro. A non-distributable reserve was created for this purpose. This reserve is not distributable to shareholders and may only be used with the same requirements as a share capital reduction (Note 16.a).
- Reclassification of participative loan interests, from reserves at fully consolidated companies in the amount of 11,878 thousand euros.

17.4 Availability of reserves at fully consolidated companies

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

The restrictions regarding the reserves mentioned above are the following:

a) Revaluation reserve. Regional Law 6/1996 update

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

The balance at June 30, 2018 and June 30, 2017 amounts to 4,884 thousand euros.

b) Legal reserves at subsidiaries

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

The balance of these reserves at June 30, 2018 and June 30, 2017 amounts to 94,748 thousand euros and 76,560 thousand euros respectively.

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

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

The reserves deriving from these revaluations, net of tax, amounts to 123 million euros at June 30, 2018 and 126 million euros at June 30, 2017 (Note 11). This reserve is not distributable.

d) Restrictions related to capitalized development expenses

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

18. Translation differences

The breakdown of translation differences assigned to each Group Segment is as follows:

Segment / Country	Thousands of euros		
	June 30, 2018	December 31, 2017	Difference
Western Europe			
Germany	(10)	5	(15)
Spain	(46,027)	(49,710)	3,683
Luxembourg	(1)	(1)	-
United Kingdom	(10,688)	(13,014)	2,326
Sweden	(5,043)	(3,895)	(1,148)
Eastern Europe			
Hungary	(2,363)	(2,455)	92
Poland	(28,836)	(27,176)	(1,660)
Czech Republic	(3,428)	(2,263)	(1,165)
Romania	(70)	(77)	7
Russia	(56,356)	(52,773)	(3,583)
Slovakia	(324)	-	(324)
Turkey	(47,109)	(40,767)	(6,342)
Morocco	14	-	14
Mercosur			
Argentina	(90,178)	(83,972)	(6,206)
Brazil	(13,617)	(5,323)	(8,294)
North America			
USA	(27,163)	(35,125)	7,962
Mexico	(68,790)	(56,029)	(12,761)
Asia			
China	18,699	3,142	15,557
South Korea	5,129	4,110	1,019
India	(1,362)	29	(1,391)
Japan	(394)	(1,315)	921
Thailand	99	26	73
Taiwan	73	67	6
Total	(377,745)	(366,516)	(11,229)

Changes in translation differences for the first half of the year amount to a negative variation of 11,229 thousand euros (2017: 163,216 thousand euros), mainly corresponding to:

- Spain, mainly corresponding to the permanent financing in US dollar granted to subsidiaries;
- Asia regarding the fluctuation of the Chinese yuan renminbi;
- Eastern Europe regarding to Turkish lira;
- North America regarding the fluctuation of Mexican peso; and,
- Mercosur regarding the fluctuation of Brazilian real.

19. Non-controlling interest

The movements in this heading of the 2018 and 2017 consolidated financial positions are the follows:

Company	Balance at December 31, 2017	Changes in scope of consolidation	Translation differences	Dividends paid	Thousands of euros Acquisition of non-controlling interest (control over the company previously)	IFRS 15 application	Other movements	Profit (loss) for the year	Balance at June 30, 2018	
Gestamp Holding Rusia, S.L./Todlem, S.L./ Gestamp Severstal Vsevolozhsk Llc / Gestamp Severstal Kaluga, Llc.	19,380		(1,113)				61	239	485	19,052
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	37,435		1,656				104		1,498	40,693
Shanghai Edscha Machinery Co., Ltd.	10,102		464				113	(51)	668	11,296
Edscha Pha, Ltd.	6,409		184				16	178	1,083	7,870
Edscha Aapico Automotive Co. Ltd	1,456		50	(623)			2	4	233	1,122
Sofedit, SAS	39,251				(40,590)				1,340	1
Gestamp Wrocław, sp. Z.o.o.	(6,008)		275		5,733					
Gestamp Brasil Industria Autopeças, S.A.	35,130		(1,632)				111	1	(1,155)	32,455
Gestamp Holding Argentina, S.L. and Argentinian companies	1,949		(2,793)				44	(378)	210	(968)
Gestamp Holding México, S.L. and Mexican companies	96,657		513				90	226	4,514	102,000
Gestamp North America, INC and North American companies	91,178		2,364				354		(3,184)	90,712
Mursolar Z1, S.L./Gestamp A. Shenyang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	42,474		1,144				86		1,856	45,560
Beyçelik Gestamp Kalip, A.S. / Çelik Form Gestamp Otomotiv, A.S./ Beyçelik Gestamp Teknoloji Kalip, A.S./ MPO Providers rez. S.R.L./Beyçelik Gestamp Sasi, L.S.	29,793		(2,039)	(5,496)			199	(55)	4,832	27,234
Gestamp Automotive India Private Ltd.	28,310		(798)				43		3,176	30,731
Jui Li Edscha Body System Co. Ltd./Jui Li Edscha Hainan Industry Enterprise Co. Ltd./Jui Li Edscha Holding Co. Ltd.	2,283		98				40	68	133	2,622
NCSG Sorocaba Industria Metalúrgica Ltda.	-	29	(385)						143	(213)
Tuyauto Gestamp Morocco	-	1,765	14							1,779
Total	435,799	1,794	(1,998)	(6,119)	(34,857)	1,263	232	15,832	411,946	

The movements in “Non-controlling interest” at June 30, 2018 are mainly due to the following:

- Inclusion of the companies NCSG Sorocaba Industria Metalúrgica Ltda, and Tuyauto Gestamp Morocco (Note 2.b).
- Dividends paid by the subsidiaries Edscha Aapico Automotive Co. Ltd on May 25, 2018 and Beyçelik Gestamp Kalip, A.S. on march 22, 2018.
- Acquisition of non-controlling interest with control over the company previously is due to GMF Holding GmbH acquisition of 35% stake in the share capital of the subsidiary Sofedit S.A.S. (Note 2.b).

Company	Balance at December 31, 2016	Changes in scope of consolidation	Capital increase	Translation differences	Dividends paid	Thousands of euros Acquisition of non-controlling interest (control over the company previously)	Put Option	Other movements	Profit (loss) for the year	Balance at December 31, 2017
Gestamp Holding Rusia, S.L./Todlem, S.L./ Gestamp Severstal Vsevolozhsk Llc / Gestamp Severstal Kaluga, Llc.	21,225			(1,578)				(725)	458	19,380
Gestamp Auto Components (Kunshan) Co., Ltd/Gestamp Holding China, AB	36,971			(2,258)				342	2,380	37,435
Shanghai Edscha Machinery Co., Ltd.	11,166			(592)	(2,010)			(124)	1,662	10,102
Edscha Pha, Ltd.	4,700		1,199	(54)	(1,512)			28	2,048	6,409
Edscha Aapico Automotive Co. Ltd	1,183			(49)				(3)	325	1,456
Sofedit, SAS	30,245							162	8,844	39,251
Gestamp Wrocław, sp. Z.o.o.	(4,844)			(183)				(110)	(871)	(6,008)
Gestamp Brasil Industria Autopeças, S.A.	27,504			(3,999)			13,752	49	(2,176)	35,130
Gestamp Holding Argentina, S.L. and Argentinian companies	1,884			(3,480)			942		2,603	1,949
Gestamp Holding México, S.L. and Mexican companies	58,907			(4,042)	(2,409)		29,454	1,962	12,785	96,657
Gestamp North America, INC and North American companies	73,598			(13,397)			36,799	14	(5,836)	91,178
Mursolar Z1, S.L./Gestamp A. Shenyang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	39,114			(1,318)				75	4,603	42,474
Beyçelik Gestamp Kalip, A.S. / Çelik Form Gestamp Otomotiv, A.S./ Beyçelik Gestamp Teknoloji Kalip, A.S./ MPO Providers rez. S.R.L./Beyçelik Gestamp Sasi, L.S.	21,841	275		(4,051)		(3,307)		(73)	15,108	29,793
Gestamp Automotive India Private Ltd.	23,836			(1,759)					6,233	28,310
Jui Li Edscha Body System Co. Ltd./Jui Li Edscha Hainan Industry Enterprise Co. Ltd./Jui Li Edscha Holding Co. Ltd.		1,889		182				(7)	219	2,283
Total	347,330	2,164	1,199	(36,578)	(5,931)	(3,307)	80,947	1,590	48,385	435,799

The movements in “Non-controlling interest” at December 31, 2017 are mainly due to the following:

- Inclusion of the companies Beyçelik Gestamp Teknoloji Kalip, A.S., MPO Providers Rezistent, S.R.L., Gestamp Nitra S.R.O., Jui Li Edscha Body System Co, Ltd. and subsidiaries (Note 2.b).

- Increase in “Non-controlling interest” balance included in the Put Option column, corresponded to the reversal of a Put Option granted by the Parent Company to Mitsui & Co. Ltd., related to 10% of shares in subsidiaries companies in which Mitsui & Co. Ltd. was shareholder. The option was not exercised.
- Acquisition of non-controlling interest with control over the company previously is due to Beyçelik Gestamp Kalip, A.S. acquisition of 48.4% stake in the share capital of the subsidiary Çelik Form Gestamp Otomotive, A.S. (Note 2.b).
- “Other movements” in 2017 mainly corresponded to profit (loss) adjustments attributable to non-controlling interest in 2016.

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

20. Deferred income

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

The variation in this heading as at June 30, 2018 and December 31, 2017 is as follows:

	Thousands of euros
Balance at December 31, 2016	25,945
Grants received during the period	1,760
Grants disposals during the period	(227)
Released income during the period	(4,918)
Translation differences	(261)
Other movements	16
Balance at December 31, 2017	22,315
Grants received during the period	1,532
Grants disposals during the period	(421)
Released income during the period (Note 24.b))	(1,955)
Translation differences	(31)
Other movements	(375)
Balance at June 30, 2018	21,065

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

21. Provisions and contingent liabilities

Breakdown of provisions in 2018 and 2017 is as follows:

	Thousands of euros					
	Non-current		Current		Total	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Provision for employee compensation	104,745	100,984	405	625	105,150	101,609
Provision for tax proceedings	8,688	7,848	-	-	8,688	7,848
Provision for other responsibilities	29,002	34,212	10,632	11,098	39,634	45,310
	142,435	143,044	11,037	11,723	153,472	154,767

The changes in provisions during 2018 and 2017 are as follows:

	Thousands of euros			
	Provision for employee compensation	Provision for tax proceedings	Provision for other responsibilities	Total
Balance at December 31, 2016	93,546	7,252	71,427	172,225
Changes in scope of consolidation	29	-	-	29
Additions	16,979	1,753	7,808	26,540
Retirements/amount applied	(6,880)	(670)	(32,885)	(40,435)
Translation differences	(152)	(487)	(1,870)	(2,509)
Other movements	(1,913)	-	830	(1,083)
Balance at December 31, 2017	101,609	7,848	45,310	154,767
Additions	6,058	800	4,279	11,137
Retirements/amount applied	(2,522)	(285)	(12,392)	(15,199)
Translation differences	(53)	(343)	(722)	(1,118)
Other movements	58	668	3,159	3,885
Balance at June 30, 2018	105,150	8,688	39,634	153,472

Provision for employee compensation

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

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

Increases in 2018 and 2017 mainly correspond to:

- Provisions for employee compensation regarding seniority awards and other benefits for staying in the company.
- Provisions based on actuarial calculations.
- Provisions for employee compensation regarding a long-term incentive plan for 4,049 thousand euros at June 30, 2018 (9,491 thousand euros in 2017). This plan is aimed to certain employees considered as key by the Group management and the amount depends on the compliance with certain consolidated financial parameters in 2019 and 2020, established in the Group Strategic Plan elaborated in 2016. It will be paid in cash. The provision is based on the estimation of the compliance with those consolidated parameters which are linked to the fulfillment of the Group strategic plan. Such incentive plan is not related to the process for admission of the Group to official listing in the Madrid Stock Exchange.

Retirements in 2018 and 2017 mainly correspond to reversal of long term employee compensation provisions.

Provision for taxes

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

Retirements in 2018 and 2017 mainly correspond to the application of provisions relating to tax assessments.

Provision for other responsibilities

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

In 2017, with the integration of the company Gestamp Palau, S.A. in the scope of consolidation as fully consolidated (Note 2.b), a provision for the amount 5,309 thousand euros, that existed with the purpose of reestablishing the financial position of the company, was reversed.

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

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

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

As at June 30, 2018 and December 31, 2017 there are no significant contingent liabilities.

22. Non-trade liabilities

The breakdown of non-trade liabilities at June 30, 2018 and December 31, 2017 classified by concepts is as follows:

Item		Thousands of euros				
		Non current		Current		
		June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	
a) Interest-bearing loans and borrowings and debt issues	a.1)	2,426,976	2,167,091	a.2)	167,976	543,789
b) Derivative financial instruments	b.1)	58,864	66,201		-	-
c) Other financial liabilities		<u>264,330</u>	<u>121,612</u>		<u>5,825</u>	<u>4,537</u>
Financial leasing	c.1)	34,312	30,120	c.1)	3,923	2,552
Borrowings from related parties	c.2)	197,675	57,309	c.2)	1,902	1,985
Other liabilities	c.3)	32,343	34,183	c.3)	-	-
d) Other non-trade liabilities	d)	10,060	9,593		211,518	129,953
Total		2,760,230	2,364,497		385,319	678,279

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

	Thousand of euros						June 30, 2018
	December 31, 2017	Cash flow	Variations in foreign currency	Changes in fair value	New lease contracts	Others	
Interest-bearing loans, borrowings and debt issues (Non-current)	2,167,091	361,906	(1,775)	-	-	(100,246)	2,426,976
Interest-bearing loans and borrowings (Current)	543,789	(377,054)	(4,385)	-	-	5,626	167,976
Financial leasing (Non-current)	30,120	-	(747)	-	8,180	(3,241)	34,312
Financial leasing (Current)	2,552	(1,901)	31	-	-	3,241	3,923
Borrowings from related parties (Non-current)	57,309	140,911	565	-	-	(1,110)	197,675
Borrowings from related parties (Current)	1,985	(92)	-	-	-	9	1,902
Other non-trade liabilities	34,183	-	-	-	-	(1,840)	32,343
Total (Note 4.5)	2,837,029	123,770	(6,311)	-	8,180	(97,561)	2,865,107
Derivative financial instruments	66,201	-	-	(7,337)	-	-	58,864
Total	2,903,230	123,770	(6,311)	(7,337)	8,180	(97,561)	2,923,971

Column "Others" mainly include the effect of the reclassification between current and non-current liabilities. It also includes IFRS 9 adoption impact (Note 5).

a) Interest-bearing loans, borrowings and debt issues

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

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

Description	Thousands of euros						December 31, 2017 Total
	June 30, 2018						
	July 2019 to June 2020	July 2020 to June 2021	July 2021 to June 2022	July 2022 to June 2023	Beyond	Total	
In Euro	191,824	337,464	342,037	1,038,273	393,313	2,302,911	2,148,774
Western Europe	165,796	300,551	340,031	1,032,867	393,313	2,232,558	2,108,691
Eastern Europe	26,028	36,913	2,006	5,406	-	70,353	40,083
In foreign currency	13,594	27,068	55,694	14,454	13,255	124,065	18,317
Brazilian real							
Mercosur	8,555	14,498	5,091	1,231	1,156	30,531	13,057
Dollars							
Western Europe	-	-	38,465	-	-	38,465	-
Turkish lira							
Eastern Europe	4,252	471	39	-	-	4,762	1,696
Czech crown							
Eastern Europe	643	12,099	12,099	12,099	12,099	49,039	1,262
Romanian leu							
Eastern Europe	-	-	-	1,124	-	1,124	2,268
Korean won							
Asia	21	-	-	-	-	21	34
Russian ruble							
Eastern Europe	30	-	-	-	-	30	-
Indian rupees							
Asia	93	-	-	-	-	93	-
Total	205,418	364,532	397,731	1,052,727	406,568	2,426,976	2,167,091

The Group has bilateral credit lines available at June 30, 2018 amounting 180,000 thousands of euros with a maturity beyond one year, issued at an average interest rate of 0.65% and 1.10% in 2018.

The breakdown of maturity dates for the balances at December 31, 2017 is as follows:

	Thousands of euros					
	December 31, 2017					
	2019	2020	2021	2022	Beyond	Total
	151,710	398,579	365,424	609,776	641,602	2,167,091

The guarantees granted are personal guarantees of the borrower and were granted by a group of subsidiary companies (Appendix III).

There are no real guarantees over loans at June 30, 2018 nor at December 31, 2017 (Note 11).

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

The nominal interest rate on Interest-bearing loans at June 30, 2018 is as follows:

	<u>Interest rate</u>
• Loans denominated in euro	0.90% - 1.45%
• Loans denominated in Brazilian real*	3.50% - 8.70%
• Loans denominated in US dollar	4.13%

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

The nominal interest rate on the loans at December 31, 2017 is as follows:

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

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

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

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

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

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

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

The most relevant information regarding interest-bearing loans and borrowings subject to covenants during the six months of 2018 and the year 2017 is as follows:

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

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

On May 11, 2018 the Parent Company signed a new agreement to modify the original syndicated loan signed on April 2013. This agreement implies changes in clauses of the agreement, not changing economics terms, maturity and issuance, and allowing dividend distribution.

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

The Revolving Credit Facility granted, amounting to 280,000 thousand euros, was undrawn neither at June 30, 2018 nor at December 31, 2017.

As at June 30, 2018 and December 31, 2017, the Parent Company is not in breach of any of these covenants.

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

II) May 2013 and May 2016 Bonds and April 2018

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

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

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

On May 11, 2016, a second issuance of bond by the subsidiary Gestamp Funding Luxembourg, S.A. was made for the amount of 500 million euros with a spread rate of 3.5%. This new issue of bonds was used to refinance the May 2013 bond emission plus interest payments, and was considered as a refinancing operation due to the nonexistence of significant modifications of the debt.

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

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

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

The carrying value of the May 2016 bond emission at June 30, 2018 amounts to 479 million euros (December, 31 2017: 479 million euros). The carrying value of the May 2013 bonds at December 31, 2015 at the exchange rate of the said date amounted to 793 million euros (489 million euros and 304 million euros corresponding to the euro and dollar bond respectively).

On April 2018, the Group complete an issuance of bonds through the Parent Company amounting in 400 million euros at an annual coupon of 3.25%. and IRR of 3.375% (including placement price)

The maturity date of the bonds was April 30, 2026 an the interest will be paid every six months (April and October).

The carrying value of the bonds at June 30, 2018 was 393 million euros.

Certain Group companies, which together represent a significant portion of total consolidated assets,

revenue and EBITDA, act as joint guarantors of the bonds. The detail of these companies is provided in Appendix III.

III) European Investment Bank

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

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

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

The non-fulfilment of these financial obligations implies the early maturity of the loan. It exists a 20 working days period of grace to remedy the breach of these financial obligations. As at June 30, 2018 and December 31, 2017 these ratios were within the limits mentioned above (“EBITDA / Financial expense” ratio was 8.20 at June 30, 2018 and 9.59 at December 31, 2017 and “Net Financial Debt / EBITDA” ratio was 2.49 at June 30, 2018 and 2.13 at December 31, 2017).

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

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

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of this loan. The detail of these companies is provided in Appendix III.

IV) KfW IPEX Bank GmbH

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

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

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

The Parent Company must accomplish certain financial obligations related to Consolidated Financial Statements over the life of the loan. The mentioned obligations are as follows:

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

The non-fulfilment of these financial obligations implies the early maturity of the loan. It exists a 20 working days period of grace to remedy the breach of these financial obligations. As at June 30, 2018 and December 31, 2017 these ratios were within the limits mentioned above (“EBITDA / Financial expense” ratio was 9.59 at December 31, 2017 and 9.00 at December 31, 2016, and “Net Financial Debt / EBITDA” ratio was 2.13 at December 31, 2017 and 1.94 at December 31, 2016).

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint guarantors of this loan. The detail of these companies is provided in Appendix III.

a.2) Current interest-bearing loans and borrowings

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

Description	Thousands of euros											
	Credit facilities				Loans (b)		Accrued interest (c)		Discounted bills (d)		(a)+(b)+(c)+(d)	
	Drawn down (a)		Limit		June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
In Euro	-	2,726	304,800	574,800	17,955	418,419	10,904	10,081	28	1,194	28,887	432,420
Western Europe	-	2,726	304,800	574,800	10,323	407,727	10,483	9,315	28	1,194	20,834	420,962
Eastern Europe	-	-	-	-	5,989	7,476	419	759	-	-	6,408	8,235
Asia	-	-	-	-	1,643	3,216	2	7	-	-	1,645	3,223
In foreign currency	62,387	31,292	199,099	195,089	75,435	79,561	1,267	516	-	-	139,089	111,369
US dollar												
Western Europe	-	-	-	-	52,141	37,485	336	129	-	-	52,477	37,614
North America	-	-	-	-	-	16,660	-	4	-	-	-	16,664
Turkish lira												
Eastern Europe	26,350	1,196	101,110	97,033	4,571	14,979	803	334	-	-	31,724	16,509
Argentine peso												
Mercosur	-	-	-	-	3,053	3,154	-	-	-	-	3,053	3,154
Brazilian real												
Mercosur	-	-	-	-	5,881	3,105	81	24	-	-	5,962	3,129
Indian rupee												
Asia	30,997	26,123	57,594	59,320	417	165	-	-	-	-	31,414	26,288
Remimbi yuan												
Asia	5,040	3,973	38,804	37,169	7,757	1,269	46	25	-	-	12,843	5,267
Czech crown												
Eastern Europe	-	-	-	-	1,260	1,262	-	-	-	-	1,260	1,262
Romanian leu												
Eastern Europe	-	-	-	-	110	1,118	-	-	-	-	110	1,118
Korean won												
Asia	-	-	1,591	1,567	140	364	1	-	-	-	141	364
Russian ruble												
Eastern Europe	-	-	-	-	105	-	-	-	-	-	105	-
Total	62,387	34,018	503,899	769,889	93,390	497,980	12,171	10,597	28	1,194	167,976	543,789

The Group has 730 million euros in with-recourse and non-recourse factoring and available discounting facilities at June 30, 2018 (567 million euros at December 31, 2017).

Interest rate on the credit facilities is basically indexed to a floating rate of Euribor plus a spread between 0.50% and 0.75% in 2018 and 2017.

b) Derivative financial instruments

b.1) Interest rate derivatives and exchange rate derivatives

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

Description	Thousands of euros	
	June 30, 2018	December 31, 2017
Financial assets - derivatives (Note 12.a.3)	9,207	14,718
Others	9,207	14,718
Financial liabilities - derivatives	58,864	66,201
Derivatives held for trading	13,826	11,914
Cash flow hedges	35,831	39,569
Others	9,207	14,718

The interest rate swaps, arranged by the Group, in place at June 30, 2018 and December 31, 2017 are the following:

		Thousands of euros			
		June 30, 2018		December 31, 2017	
Contract	Item	Asset	Liability	Asset	Liability
1	Derivatives held for trading	-	4,499	-	4,025
2	Derivatives held for trading	-	3,535	-	4,726
5	Derivatives held for trading	-	5,792	-	3,163
Total derivatives held for trading		-	13,826	-	11,914
1	Cash flow	-	7,525	-	8,145
2	Cash flow	-	17,201	-	18,601
3	Cash flow	-	4,581	-	5,145
4	Cash flow	-	1,024	-	1,761
5	Cash flow	-	5,500	-	5,917
Total cash flow hedges		-	35,831	-	39,569

As at June 30, 2018 the Group arranges a strategy to hedge interest rate risk on notional of the Group's estimated bank debt for the period from 2018 to 2020, via several interest rate swaps with the following notional amounts at December 31 of each year in thousands of euros:

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

The interest rate swaps, arranged by the Group, in place at June 30, 2018 have the following terms:

Contract	Effective date	Maturity date	Floating rate (to be received)	Fixed rate (to be paid)
Contract 1	July 1, 2015	January 4, 2021	3-month Euribor	0.25% (2015), 0.45% (2016), 1.20% (2017), 1.40% (2018), 1.98% (2019) and 2.15% (2020)
Contract 2	December 30, 2014	January 4, 2021	3-month Euribor	0.25% (2015-2016-2017), 1.40% (2018), 1.98% (2019) and 2.15% (2020)
Contract 3	January 2, 2015	January 4, 2021	3-month Euribor	1.24% (2015), 1.48% (2016), 1.66% (2017), 1.99% (2018) and 2.09% beyond
Contract 4	April 2, 2014	January 2, 2019	3-month Euribor	1.26%
Contract 5	July 1, 2015	January 4, 2021	3-month Euribor	0.15% (2015), 0.40% (2016), 1.00% (2017), 1.25% (2018), 1.80% (2019) and 2.05% (2020)

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

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

Thousands of euros	
June 30, 2018	
2018	(7,709)
2019	(14,255)
2020	(13,724)
2021	(143)
Total	(35,831)

Thousands of euros	
December 31, 2017	
2018	(13,269)
2019	(13,643)
2020	(12,527)
2021	(130)
Total	(39,569)

As at June 30, 2018 the Group has transferred from Equity to the Interim Condensed Consolidated Income Statement, the amount of 5,589 thousand euros (expense) as a result of liquidations carried out in the corresponding year to cash flow (interest rate) hedges. In 2017, expense recognized on the same basis amounted to 8,969 thousand euros.

In 2018, the Group has recognized an expense for the amount of 1,912 thousand of euros in the Interim Condensed Consolidated Income Statement relating to changes in value of derivatives held for trading. In 2017, the Group recognized a revenue for the amount of 1,209 thousand of euros in the Interim Condensed Consolidated Income Statement relating to changes in value of derivatives held for trading, and a revenue for the amount of 877 thousand of euros relating to hedges inefficiency.

The effect of financial instruments in retained earnings in 2018 and 2017 is as follows:

	Thousands of euros
Fair value adjustment at December 31, 2016	(34,756)
Variation in fair value adjustment	6,267
Variation in deferred tax from financial instruments	(2,437)
Variation in derivative financial instruments (liabilities)	9,581
Effect in profit due to hedge inefficiency	(877)
Fair value adjustment at December 31, 2017	(28,489)
Variation in fair value adjustment	2,691
Variation in deferred tax from financial instruments	(1,047)
Variation in derivative financial instruments (liabilities)	1,826
Effect in profit due to hedge inefficiency	1,912
Fair value adjustment at June 30, 2018	(25,798)

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

On May 2018 The Group has arranged foreign exchange options with maturity July 2018. The objective of this structures is protecting of depreciation in foreign currency relative to the dollar, with a notional amount of 65,177 thousand US dollar. This options are out-of-the-money at June 30, 2018.

In second quarter 2018, As consequence of the fair value reduction of the arranged foreign exchange options the Group has recognized a loss amounting 370 thousand of euros directly in Interim Condensed Consolidated Statement of Profit or loss.

b.2) Net investment hedges

According to Note 22.a.1.II, the bond issued by the subsidiary Gestamp Funding Luxembourg, S.A. amounting to 350 million US dollars, was classified on January 1, 2014 as hedge in net investment in

subsidiaries located in the United States. On June 17, 2016 this bond was purchased and fully cancelled (Note 22.a.1.II)).

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

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

c) Other liabilities

c.1) Financial leasing

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

Thousands of euros						
June 30, 2018						
Present value of lease obligations						
Segment	Short term			Total	Future financial expenses	Financial lease installments
	Less than one year	Between one and five years	More than five years			
North America	953	4,449	13,514	17,963	4,902	23,818
Eastern Europe	2,970	13,174	3,175	16,349	1,919	21,238
Total	3,923	17,623	16,689	34,312	6,821	45,056

Thousands of euros						
December 31, 2017						
Present value of lease obligations						
Segment	Short term			Total	Future financial expenses	Financial lease installments
	Less than one year	Between one and five years	More than five years			
North America	996	4,325	13,562	17,887	5,018	23,901
Eastern Europe	1,545	10,073	2,160	12,233	858	14,636
Western Europe	11	-	-	-	-	11
Total	2,552	14,398	15,722	30,120	5,876	38,548

c.2) Borrowings with related parties

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

Description	Thousands of euros			
	Long term		Short term	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Loans (Note 30)	174,529	33,053	-	93
Fixed assets suppliers (Note 30)	23,146	24,256	-	-
Interest (Note 30)	-	-	1,902	1,892
Total	197,675	57,309	1,902	1,985

As at June 30, 2018 and December 31, 2017 the balance of long-term fixed assets suppliers with Acek, Desarrollo y Gestión Industrial, S.L. corresponds to the purchase of the GESTAMP brand.

On January 1, 2018 a new loan amounting to 140 million euros (171 million dollars) and with maturity on December 2019, was granted to Gestamp North America, Inc. (company belonging to North America segment), by MITSUI & Co., Ltd. (Note 30).

On June 29, 2018 the loan that the subsidiary Gestamp Severstal Kaluga, Llc. from Eastern Europe segment, borrowed from its minor shareholder JSC Karelsky with maturity on November 2022 was partially paid (Note 30).

At the same way, on June 22, 2017 one of the loans that the subsidiary Gestamp Severstal Kaluga, Llc., borrowed from its minor shareholder JSC Karelsky and with maturity on May 2019 was fully paid (Note 30).

The breakdown of expected maturities for borrowings with related parties is as follows (Note 30):

Description	Thousands of euros					Total June 30, 2018	Total December, 31 2017
	July 2019 to June 2020	July 2020 to June 2021	July 2021 to June 2022	July 2022 to June 2023	Beyond		
Loans	169,818	-	-	4,711	-	174,529	33,053
North America	165,234	-	-	-	-	165,234	18,197
Eastern Europe	4,584	-	-	4,711	-	9,295	14,856
Fixed assets suppliers	1,183	1,260	1,343	1,431	17,929	23,146	24,256
Western Europe	1,183	1,260	1,343	1,431	17,929	23,146	24,256

The breakdown of maturity dates for the balances at December 31, 2017 is as follows:

	Thousands of euros					Total
	Total December, 31 2017					
	2019	2020	2021	2022	Beyond	
	23,877	1,183	1,260	11,629	19,360	57,309

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

c.3) Other liabilities

Other non-current liabilities

The breakdown of the amounts included under this heading, by nature and maturity, at June 30, 2018 and December 31, 2017 is as follows:

Description	Thousands of euros					Total June 30, 2018	Total December, 31 2017
	July 2019 to June 2020	July 2020 to June 2021	July 2021 to June 2022	July 2022 to June 2023	Beyond		
Loans from Ministry of Science and Technology	9,682	5,744	5,133	4,695	7,089	32,343	34,183

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

The breakdown of maturity dates for the balances at December 31, 2017 is as follows:

	Thousands of euros					Total
	December 31, 2017					
	2018	2019	2020	2021	Beyond	
	9,715	5,811	5,375	4,863	8,419	34,183

d) Other non-trade liabilities

The breakdown of the amounts included under this heading by maturity and segment at June 30, 2018 and December 31, 2017 is as follows:

Description	Thousands of euros					Total June 30, 2018	Total December 31, 2017
	July 2019 to June 2020	July 2020 to June 2021	July 2021 to June 2022	July 2022 to June 2023	Beyond		
Guarantees received	6	-	-	5	370	381	398
Western Europe	6	-	-	-	369	375	397
Mercosur	-	-	-	5	1	6	1
Other creditors	1,117	949	1,065	5,603	945	9,679	9,195
Western Europe	1,008	947	1,065	5,603	945	9,568	8,927
Eastern Europe	-	-	-	-	-	-	241
North America	61	-	-	-	-	61	-
Mercosur	48	2	-	-	-	50	27
Total	1,123	949	1,065	5,608	1,315	10,060	9,593

The breakdown of maturity dates for the balances at December 31, 2017 is as follows:

Thousands of euros					
December 31, 2017					
2019	2020	2021	2022	Beyond	Total
1,525	1,289	3,542	1,858	1,379	9,593

Other current liabilities

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

Item	Thousands of euros	
	June 30, 2018	December 31, 2017
Fixed assets suppliers	120,304	99,277
Other suppliers (Note 30)	1,147	1,311
Dividends (Note 30)	72,587	5
Short term debts	17,646	29,284
Short term interests payable	144	66
Deposits and guarantees	210	294
Others	(520)	(284)
Total	211,518	129,953

As at June 30, 2018 under the headline "Short term debts", outstanding payment for 5,419 thousand euros is booked under the headline "Short term debts" related to acquisition of the 100% of shares of NCSG Sorocaba Industria Metalúrgica Ltda (Note 3).

The dividends amounting 72,587 thousand of euros include the dividends to be paid by the Parent Company amounting 71.939 thousand of euros (Note 17.3))

23. Trade and other payables

a) Trade payables

	Thousands of euros	
	June 30, 2018	December 31, 2017
Trade accounts payable	1,026,231	1,057,690
Trade bills payable	139,057	138,259
Suppliers from related parties (Note 30)	371,990	317,054
Trade creditors, related parties (Note 30)	-	80
Total	1,537,278	1,513,085

b) Other payables

	Thousands of euros	
	June 30, 2018	December 31, 2017
VAT payable	76,995	81,225
Tax withholdings payable	8,967	15,312
Other items payable to the tax authorities	20,755	17,242
Payable to social security	35,014	31,661
Other payables	7,723	8,712
Outstanding remuneration	137,618	120,933
Total	287,072	275,085

24. Operating revenue

a) Revenue

The breakdown of revenue by category in 2018 and 2017 is as follows:

	Thousands of euros	
	For the six months ended June 30,	
	2018	2017
Parts, prototypes and components	3,946,141	3,713,284
Tools	153,673	276,848
Byproducts and containers	168,702	134,462
Services rendered	9,256	6,567
Total	4,277,772	4,131,161

The geographical breakdown of revenue was as follows:

	Thousands of euros	
	For the six months ended June 30,	
	2018	2017
Western Europe	2,135,346	2,144,204
Spain	813,845	831,378
Germany	577,444	576,102
United Kingdom	320,570	331,141
France	266,531	268,158
Portugal	121,501	96,728
Sweden	35,455	40,697
Eastern Europe	572,430	483,520
Turkey	181,531	162,547
Czech Republic	103,241	92,252
Russia	66,073	56,985
Poland	152,857	120,421
Hungary	38,720	34,144
Slovakia	4,967	3,736
Romania	25,041	13,435
Mercosur	305,986	255,547
Brazil	217,649	162,125
Argentina	88,337	93,422
North America	757,516	751,453
USA	492,261	535,937
Mexico	265,255	215,516
Asia	506,494	496,437
China	324,430	324,426
India	100,944	97,044
South Korea	73,437	69,420
Japan	4,432	2,698
Thailand	3,142	2,701
Taiwan	109	148
	4,277,772	4,131,161

b) Other operating income

	Thousands of euros	
	For the six months ended June 30,	
	2018	2017
Other operating income	14,096	15,504
Grants related to income	3,032	589
Grants related to assets released to income for the year (Note 20)	1,955	1,829
Surplus provision for taxes	3	-
Surplus provision for environmental matters and other commitments	1,087	561
Surplus provision for restructuring	-	-
Own work capitalized	60,782	33,334
Others	4,423	2,863
Profit (loss) from PP&E disposals	80	-
Adjustments from prior years	(3,171)	(1,790)
Other	7,514	4,653
Total	85,378	54,680

Other operating income in 2018 and 2017 mainly include third party billing for transactions different from the main activity of the companies.

25. Operating expenses

a) Commodities and other consumables used

	Thousands of euros	
	For the six months ended June 30,	
	2018	2017
Purchases of goods for resale and tools	183.896	291.357
Discounts for prompt payment	(838)	(773)
Purchase returns and similar transactions	(4.760)	754
Volume discounts	(2.900)	(3.637)
Change in inventories (**)	(46.807)	(39.553)
Purchases of raw materials	1.741.733	1.510.833
Consumption of other supplies	501.964	479.955
Work performed by third parties	180.170	202.069
Impairment of goods for resale and raw materials (**)	1.854	4.329
Reversal of impairment of goods for resale and raw materials (**)	(1.674)	(3.490)
Total	2.552.638	2.441.844

**The total of these line items amounts to a net consumption of commodities of -46,627 thousand euros (Note 13).

b) Personnel expenses

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

	Thousands of euros	
	For the six months ended June 30,	
	2018	2017
Salaries	623,192	605,472
Social security	108,760	102,850
Other benefits expenses	56,227	50,590
Total	788,179	758,912

Other benefit expenses include the contributions to defined contribution plans amounting to 2.4 million euros in 2018 (June 30, 2017: 2.5 million euros) (Note 6.16).

The breakdown of headcount by sex at June 30, 2018 and June 30, 2017 is as follows:

	June 30, 2018	June 30, 2017
Men	35,335	31,861
Women	6,981	6,075
Total	42,316	37,936

c) Other operating expenses

	Thousands of euros	
	For the six months ended June 30,	
	2018	2017
Maintenance and upkeep	349,322	324,803
Other external services	205,251	188,520
Taxes and levies	16,865	18,154
Impairment of accounts receivable (Note 15.a)	(798)	1,258
Others	214	64
Losses and impairment of assets		162
Provision for risks and expenses	214	(98)
Total	570,854	532,799

26. Financial income and financial expenses

a) Financial income

	Thousands of euros	
	For the six months ended June 30,	
	2018	2017
From equity investments	-	1
Other financial income	1,942	1,533
From current loans to related parties (Note 30)	98	43
From non-current loans to third parties	118	157
Total	2,158	1,734

b) Financial expenses

	Thousands of euros	
	For the six months ended June 30,	
	2018	2017
On bank borrowings	53,756	38,195
On trade bills with credit institutions	2,553	2,380
Other financial expenses	5,259	4,931
On borrowings from related parties (Note 30)	4,789	2,269
Total	66,357	47,775

27. Income tax

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

- From January 1, 2014 on, the Parent Company chooses to apply the special fiscal consolidation regime, regulated under Basque Regional Law 11/2013. The subsidiaries included in this fiscal group are Gestamp Bizkaia, S.A; Gestamp Tooling Erandio, S.L.; Gestamp North Europe Services, S.L., Loire S.A.F.E., Gestamp Global Tooling S.L., Matricería Deusto S.L., Adral Matricería y Puesta a punto S.L., Gestamp Tool Hardening S.L., Gestamp Try Out Services S.L., Gestamp Technology Institute S.L. and Diede Die Development S.L.
- The subsidiaries Gestamp North America, Inc., Gestamp Alabama, Ll.c., Gestamp Mason, Ll.c., Gestamp Chattanooga, Ll.c., Gestamp Chattanooga II Ll.c., Gestamp South Carolina, Ll.c., Gestamp West Virginia, Ll.c. and Gestamp Washtenaw Ll.c. file a tax return according to fiscal transparency system.

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

The detail of income taxes in 2018 and 2017, in thousands of euros, is as follows:

	Thousands of euros	
	For the six months ended June 30,	
	2018	2017
Current tax expense	54,836	55,165
Deferred tax	(3,315)	(5,346)
Other income tax adjustments	510	-
Total	52,031	49,819

28. Earnings per share

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

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

Basic and diluted earnings per share for 2018 and 2017 are as follows:

	For the six months ended June 30,	
	2018	2017
Profit attributable to equity holders of the parent company (Thousands of euros)	135,598	116,442
Weighted average number of ordinary shares outstanding (Thousands of shares)	575,514	575,514
Basic earnings per share from continuing operations (Euros per share)	0.24	0.20
Diluted earnings per share from continuing operations (Euros per share)	0.24	0.20

29. Commitments

The Group is lessee of buildings, warehouses, machinery and vehicles. The lease expenses charged as at June 30, 2018 in the Interim Condensed Consolidated Income Statement amount to 74,416 thousand euros (June 30, 2017: 62,311 thousand euros) and the breakdown by segment is as follows:

	Thousands of euros	
	For the six months ended June 30,	
	2018	2017
Western Europe	39,248	34,172
Eastern Europe	7,323	6,038
Mercosur	2,020	1,731
North America	21,399	15,844
Asia	4,426	4,526
Total	74,416	62,311

Total future minimum payments for non-cancellable operating lease contracts as at June 30, 2018 and December 31, 2017 by segment are as follows:

	Thousands of euros		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Western Europe	45,655	86,918	82,802
Eastern Europe	2,580	10,775	1,424
Mercosur	1,131	274	-
North America	40,571	139,037	110,760
Asia	6,085	2,929	855
At June 30, 2018	96,022	239,933	195,841

	Thousands of euros		
	Less than 1 year	Between 1 and 5 years	More than 5 years
At December 31, 2017	89,861	215,351	191,919

The increase in future minimum payments from 2017 to 2018 mainly corresponded to the renegotiation of already existing agreements and to the signature of new agreements (mainly related to buildings and machinery) in companies belonging fundamentally to the North America segment. This figure is also affected by the reclassification of payments as they approach to maturity date.

The commitments acquired by Group companies relating to the acquisition of fixed assets amounted to 602 million euros at June 30, 2018. It is likely that the execution of these orders will be from 2018 to 2021.

The Group has no guarantees granted to third parties. Guarantees received from financial entities by the Group and presented to third parties at June 30, 2018 amounted to 174 million euros (December 31, 2017: 126 million euros).

30. Related Party transactions

The main transactions with Related Parties are the following:

Balances and transactions with Related Parties

At June 30, 2018 and December 31, 2017 the amounts payable to and receivable from Related Parties and transactions carried out with Related Parties were as follows:

Balance at June 30, 2018		Balance at June 30, 2018	
Company	Thousands of euros	Company	Thousands of euros
Shareholders		Shareholders	
Mitsui &Co., Ltd	(165,234)	Acek, Desarrollo y Gestión Industrial, S.L	(265)
JSC Karelsky Okatysh	(9,295)	JSC Karelsky Okatysh	(393)
Total non-current loans (Note 22.c.2)	(174,529)	Mitsui &Co., Ltd	(1,207)
Associates		Related parties	
Esymo Metal, S.L.	320	Gonvarri I. Centro Servicios, S.L	(37)
Gestión Global de Matriceria, S.L	21,400	Total interest payable (Note 22.c.2)	(1,902)
Total Current Loans	21,720	Associates	
Associates		Esymo Metal, S.L.	
Esymo Metal, S.L.	4	Total Non-current Loans	
Gestión Global de Matriceria, S.L	94	480	
Total interest receivable	98	Shareholders	
Related parties		Acek, Desarrollo y Gestión Industrial, S.L	
Gescrap Centro, S.L	1,830	Gestamp 2020, S.L	
Gescrap France S.A.R.L.	3,863	Free Float	
Gescrap Navarra, S.L	652	Others shareholders	
Gescrap Polska, SP, ZOO	2,956	Total Dividends payable (Note 22.d)	
Gescrap Bilbao, S.L	5,797	(72,587)	
Gescrap Aragón, S.L	173	Shareholders	
Gescrap Autometal Mexico S.A. de C.V.	1,759	Acek, Desarrollo y Gestión Industrial, S.L	
Gescrap Czech S.R.O.	161	Related parties	
Gescrap Hungary, Kft.	1,182	Gonvarri Argentina S.A.	
Gescrap Rusia, Ltd.	487	Gonvarri Galicia, SA	
Gescrap Autometal Comercio de Sucatas S.A.	1,234	Gonvarri I. Centro Servicios, S.L	
Gescrap GmbH	4,158	Severstal Gonvarri Kaluga, LLC	
Gescrap Noroeste, S.L.U.	930	Gonvarri Polska, SP, ZOO.	
GES Recycling USA LLC.	3,405	Gonvarri Ptos. Siderúrgicos, SA	
Gonvarri Galicia, SA	2,088	Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	
Gonvarri I. Centro Servicios, S.L.	149	Gonvauto Asturias S.L	
Gonvarri Industrial, S.A.	(370)	Dongguan Gonvarri Center, LTD.	
Gonvauto Navarra, SA	927	Gonvauto Navarra, SA	
Gonvauto South Carolina, LLC.	563	Gonvauto Puebla S.A. de C.V.	
Gonvauto Thuringen, GMBH	1,410	Gonvauto Thuringen, GMBH	
Gonvauto, SA	1,718	Gonvauto, SA	
Ind. Ferrodistribuidora, S.L	89	Gonvauto South Carolina LLC	
Gonvarri Czech s.r.o.	68	Ind. Ferrodistribuidora, S.L	
Others	123	Láser Automotive Barcelona S.L	
Associates		Bursa Celik Sigorta Aracilik Hizma. A.S.	
Gestamp Tooling Manufacturing Kunshan Co Ltd	891	Gonvarri Czech S.R.O.	
Esymo Metal, S.L.	16	Steel & Alloy Ltd	
GGM Puebla, S.A. de C.V.	3,684	Inmobiliaria Acek, S.L	
Gestión Global de Matriceria, S.L	1	Arcelor Group	
Global Laser Araba, S.L	5	Arcelor Group (rappel)	
Ingeniería y Construcción Matrices, S.A.	887	Others	
IxCxT, S.A.	89	Associates	
Gonvama, Ltd.	297	Gestamp Tooling Manufacturing Kunshan Co Ltd	
Total Trade receivables from related parties (Note 15.a)	41,222	Esymo Metal, S.L	
Related parties		GGM Puebla, S.A. de C.V.	
Gonvauto Thuringen, GMBH	73	Gestión Global de Matriceria, S.L	
Total Debtors from related parties (Note 15.b)	73	Global Laser Araba, S.L	
Shareholders		Ingeniería y Construcción Matrices, S.A.	
Acek, Desarrollo y Gestión Industrial, S.L	(1,110)	IxCxT, S.A.	
Associates		Gonvama, Ltd.	
GGM Puebla, S.A. de C.V.	(18)	Total Suppliers from related parties (Note 23.a)	
Esymo Metal, S.L.	(19)	(371,990)	
Total Other current suppliers (Note 22.d)	(1,147)	Shareholders	
		Acek, Desarrollo y Gestión Industrial, S.L	
		Total non-current Fixed assets suppliers (Note 22.c.2)	
		(23,146)	
		Total balances receivable / payable	
		(581,707)	

Balance at December 31, 2017			
Company	Thousands of euros	Company	Thousands of euros
Shareholders			
Mitsui &Co., Ltd	(18,197)	Acek, Desarrollo y Gestión Industrial, S.L	(1,244)
JSC Karelsky Okatysh	(14,856)	JSC Karelsky Okatysh	(518)
Total non-current loans (Note 22.c.2)	(33,053)	Mitsui &Co., Ltd	(94)
Associates			
Esymo Metal, S.L.	320	Related parties	
Gestión Global de Matriceria, S.L	21,400	Gonvarri I. Centro Servicios, S.L.	(36)
Total Current Loans	21,720	Total interest payable (Note 22.c.2)	(1,892)
Associates			
Esymo Metal, S.L.	1	Associates	
Gestión Global de Matriceria, S.L	4	Esymo Metal, S.L.	480
Total interest receivable	5	Total Non-current Loans	480
Related parties			
Gescrap Centro, S.L	1,416	Shareholders	
Gescrap France S.A.R.L.	953	Others shareholders	(5)
Gescrap Navarra, S.L.	345	Total Dividends payable (Note 22.d)	(5)
Gescrap Polska, SP, ZOO	2,289	Shareholders	
Gescrap Desarrollo S.L.U.	1,236	Acek, Desarrollo y Gestión Industrial, S.L	(945)
Gescrap Bilbao, S.L.	4,697	Related parties	
Gescrap Aragón, S.L.	62	Gonvarri Argentina S.A.	(8,169)
Gescrap Autometal Mexico S.A. de C.V.	913	Gonvarri Galicia, SA	(38,595)
Gescrap Czech S.R.O.	66	Gonvarri I. Centro Servicios, S.L.	(92,445)
Gescrap Rusia, Ltd.	285	Severstal Gonvarri Kaluga, LLC	(5,300)
Gescrap Autometal Comercio de Sucatas S.A.	843	Gonvarri Polska, SP, ZOO.	(13,715)
Gestamp Solar Steel, S.L.	46	Gonvarri Ptos. Siderúrgicos, SA	(20,668)
Gescrap GmbH	4,143	Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	(9,093)
Gescrap Noroeste, S.L.U.	661	Gonvauto Asturias S.L.	(2,928)
GES Recycling USA Llc.	2,290	Dongguan Gonvarri Center, LTD.	(6,749)
Gonvarri Galicia, SA	1,936	Gonvauto Navarra, SA	(3,949)
Gonvarri I. Centro Servicios, S.L.	1,198	Gonvauto Puebla S.A. de C.V.	(28,165)
Gonvarri Industrial, S.A.	(79)	Gonvauto Thuringen, GMBH	(11,074)
Gonvauto Navarra, SA	584	Gonvauto, SA	(27,410)
Gonvauto Puebla S.A. de C.V.	117	Gonvauto South Carolina LLC	(8,314)
Gonvauto Thuringen, GMBH	1,244	Ind. Ferrodistribuidora, S.L.	(1,786)
Gonvauto, SA	958	Láser Automotive Barcelona S.L.	(1,267)
Steel & Alloy Ltd	612	Bursa Celik Sigorta Aracılık Hizma. A.S.	(37)
Others	154	Gonvarri Czech S.R.O.	(323)
Associates		Steel & Alloy Ltd	(21,380)
Gestamp Tooling Manufacturing Kunshan Co Ltd	395	Inmobiliaria Acek,S.L.	(132)
Esymo Metal, S.L.	26	Arcelor Group	(4,162)
GGM Puebla, S.A. de C.V.	3,183	Others	(71)
Gestión Global de Matriceria, S.L	4	Associates	
Global Laser Araba, S.L.	53	Gestamp Tooling Manufacturing Kunshan Co Ltd	(2,566)
Gonvama, Ltd.	278	Esymo Metal, S.L.	(1,690)
Hierros y Aplanaciones, S.A.	66	GGM Puebla, S.A. de C.V.	(3,939)
Ingeniería y Construcción Matrices, S.A.	871	Gestión Global de Matriceria, S.L	(330)
IxCxT, S.A.	103	Global Laser Araba, S.L.	(662)
Total Trade receivables from related parties (Note 15.a)	31,948	Ingeniería y Construcción Matrices, S.A.	(955)
Related parties			
Gescrap Bilbao, S.L.	(93)	IxCxT, S.A.	(235)
Total current loans (Note 22.c.2)	(93)	Total Suppliers from related parties (Note 23.a)	(317,054)
Shareholders			
Acek, Desarrollo y Gestión Industrial, S.L	(1,042)	Related parties	
Associates		Gestamp Solar Steel, S.L.	(80)
GGM Puebla, S.A. de C.V.	(269)	Total Trade creditors, related parties (Note 23.a)	(80)
Total Other current suppliers (Note 22.d)	(1,311)	Shareholders	
Total balances receivable / payable			
			(323,591)

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

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

As at June 30, 2018 and June 30, 2017 the transactions carried out with Related Parties are as follows:

	Thousands of euros	
	For the six months ended June 30,	
	2018	2017
Revenue		
Sales of goods	(130,157)	(120,084)
Services rendered	(1,788)	(1,469)
Financial income	(98)	(43)
Expenses		
Purchases	766,795	585,308
Services received	32,381	7,911
Financial expenses	4,789	2,269

The breakdown of transactions carried out with Related Parties as at June 30, 2018 has been as follows:

For the six months ended June 30, 2018			
Company	Thousands of euros	Company	Thousands of euros
Related parties		Related parties	
Gescrap Autometal Comercio de Sucata S.A.	(7,622)	Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	42,384
Gescrap Autometal México, S.A. de C.V.	(9,959)	Gonvauto Asturias	8,922
Gescrap Centro, S.L	(2,758)	Gonvarri Argentina S.A.	23,999
Gescrap France S.A.R.L.	(13,124)	Gonvarri Galicia, SA	52,188
Gescrap Navarra, S.L.	(3,458)	Gonvarri I. Centro Servicios, S.L.	228,608
Gescrap Polska SPZOO	(9,758)	Gonvarri Polska, SP, ZOO.	70,040
Gescrap Czech S.R.O.	(642)	Gonvarri Ptos. Siderúrgicos, SA	25,044
GES Recycling Ltd.	(6,792)	Gonvauto Puebla S.A. de C.V.	57,193
Gescrap RUS LLC	(2,711)	Gonvauto Thuringen, GMBH	48,008
Gescrap GmbH	(10,512)	Gonvauto, SA	49,145
Gonvauto South Carolina Llc.	(648)	Severstal Gonvarri Kaluga, LLC	30,595
Gescrap Aragón, S.L.	(884)	Steel & Alloy	46,961
Gonvarri Galicia, SA	(4,516)	Gonvauto South Carolina Llc.	13,680
Gonvarri I. Centro Servicios, S.L.	(1,016)	Dongguan Gonvarri Center Ltd.	20,287
Gonvauto Navarra, SA	(2,822)	Arcelor Group	33,240
Gonvauto, SA	(9,664)	Gonvauto Navarra, SA	10,337
Gonvauto Thuringen, GMBH	(7,500)	Ind. Ferrodistribuidora, S.L.	3,791
Gescrap Noroeste, S.L.U.	(2,537)	Associates	
Arcelor Group (rappel)	8,362	Gestamp Tooling Manufacturing Kunshan Co Ltd	672
Gescrap Bilbao, S.L	(21,512)	Esymo Metal, S.L.	400
GES Recycling USA Llc.	(16,304)	GGM Puebla, S.A de C.V	1,301
Gescrap Hungary Kft	(3,118)	Total Purchases	766,795
Others	(188)	Shareholders	
Associates		Acek, Desarrollo y Gestión Industrial, S.L	4,745
Ingeniería y Construcción Matrices, S.A.	(286)	Related parties	
GGM Puebla, S.A de C.V	(191)	Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	923
Global Laser Araba, S.L.	3	Gescrap Polska SP, ZOO.	31
Total Sales	(130,157)	Gonvarri Polska, SP, ZOO.	557
Shareholders		Gonvarri I. Centro Servicios, S.L.	67
Acek, Desarrollo y Gestión Industrial, S.L	(16)	Gonvauto Puebla S.A. de C.V.	109
Related parties		Gonvauto, SA	38
Gescrap Autometal Comercio de Sucata S.A.	(1)	Gonvauto Navarra, SA	158
Gescrap France S.A.R.L.	(100)	Gonvauto South Carolina Llc.	3,156
Gescrap Polska SP, ZOO.	(31)	Láser Automotive Barcelona, S.L.	2,192
Gescrap RUS LLC	(2)	Gonvarri Czech	2,504
Gescrap Hungary Kft	(5)	Inmobiliaria Acek, S.L.	1,036
Gescrap Aragón, S.L.	(2)	Gonvauto Asturias	64
Gonvarri Czech, s.r.o.	(16)	Others	28
Gonvauto Thuringen, GMBH	(19)	Associates	
Gonvarri Polska, SP, ZOO.	(4)	Ingeniería y Construcción Matrices, S.A.	2,440
Others	(11)	IxCxT, S.A	1,061
Associates		Gestamp Tooling Manufacturing Kunshan Co Ltd	3,136
Ingeniería y Construcción Matrices, S.A.	(212)	Esymo Metal, S.L.	1,984
IxCxT, S.A	(58)	Gestión Global de Matricería, S.L.	1,246
Global Laser Araba, S.L.	(31)	Global Laser Araba, S.L.	3,853
Esymo Metal, S.L.	(62)	GGM Puebla, S.A de C.V	2,899
GGM Puebla, S.A de C.V	(566)	Gonvvama, Ltd.	154
Gestamp Tooling Manufacturing Kunshan Co Ltd	(322)	Total Services received	32,381
Gestión Global de Matricería, S.L.	(5)	Shareholders	
Gonvvama, Ltd.	(325)	Acek, Desarrollo y Gestión Industrial, S.L	680
Total Services rendered	(1,788)	Mitsui & Co	2,731
Associates		JSC Karelsky Okatysh	523
Esymo Metal, S.L.	(8)	Related parties	
Gestion Global de Matricería, S.L	(90)	Gonvarri Galicia, SA	175
Total Financial income (Note 26.a)	(98)	Gonvarri I. Centro Servicios, S.L.	81
		Gonvarri Ptos. Siderúrgicos, SA	53
		Gonvauto, SA	59
		Gonvauto Puebla S.A. de C.V.	477
		Others	10
		Total Financial expenses (Note 26.b)	4,789

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

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

Board of Directors' remuneration

The breakdown of the total remuneration received by the members of the Board of Directors of the Parent Company as a compensation (in thousands of euros) at June 30, 2018 is as follows:

	Thousands of euros
Non-Executive Members	
	June 30, 2018
D. Alberto Rodríguez Fraile	52.5
D. Javier Rodríguez Pellitero	52.5
D. Juan María Riberas Mera	45
D. Pedro Sainz de Baranda	45
D ^a . Ana García Fau	45
D. Gonzalo Urquijo Fernández de Araoz	45
D. Cesar Cernuda	37.5
D. Tomofumi Osaki	37.5
D. Noboru Katsu	23
D. Shinichi Hori	18.13
D. Geert Maurice Van Poelvoorde	0
TOTAL	401.13
Executive Members	
Mr. Francisco José Riberas Mera	500.00
Mr. Francisco López Peña	740.00
TOTAL	1,240.00

The total amount of the loans granted to the members of the Board of Directors of the Parent Company for acquiring shares in the Parent Company from Acek Desarrollo y Gestión Industrial S.L. amounts to 3,178 thousand euros at June 30, 2018 (3,000 thousand euros at December 31, 2017) (Note 12.a.2)). These loans were granted in 2016.

For the first six months of 2018 and 2017, no advances, pensions or life insurance benefits were granted to members of its Board.

Senior Management's Remuneration

In the first semester of 2018 the total remuneration for the members of the Management Committee, Executive Directors excluded, amounted to 4,001 thousand of euros and for full year 2017 9,633 thousand of euros, included in "Personnel expenses" in the accompanying consolidated income statement.

In 2018 loans amounting to 10,089 thousand euros (11,500 thousand euros at December 31, 2017) were granted to the members of the Management Committee, except those who are members of the Board of Directors and who are included in Note 31.2, for acquiring shares in the Parent Company from Acek Desarrollo y Gestión Industrial S.L. (Note 12.a.2)).

Financial risk management

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

31.1 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
- Commodity price risk

Exchange rate risk

Fluctuations on the quoted price 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 and equity.

The Group operates in the following currencies:

Euro	US dollar	Mexican peso
Argentine peso	Brazilian real	British pound
Swedish crown	Polish zloty	Hungarian forint
Turkish lira	Indian rupee	Korean won
Chinese yuan	Russian ruble	Czech crown
Japanese yen	Thai baht	Romanian Leu
Taiwanese dollar	Moroccan dirham	

To manage exchange rate risk, the Group uses (or evaluates the possibility of using) a series of financial instruments, basically:

- 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. Options: The objective is to seek to protect against the negative impact of any exchange rate exposure, or any price ranges, or fixing a maximum or minimum exchange rate (collar or tunnel) on the date of settlement, or structures with a minimum cost or even zero (by renouncing benefits in different scenarios by getting protection with other scenarios).

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 index fluctuations affect cash flows and how they are reflected in the Financial expenses. 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 accrue a floating rate indexed to the Euribor, Dollar Libor and other foreign exchange index. Conversely, the bonds issued by the Group on May 2016 and April 2018 accrue a fixed interest rate.

The Group's financial debt accrues both a floating and a fixed rate as a consequence of seeking a balance in the financial expenses, adapting them to the economic cycle, the interest rate (short and

long term) and their foreseeable development and the financing alternatives (especially the terms, costs and depreciation). It is also influenced by the debt evolution, which leads to using the facilities and performing amortizations dynamically, based on the agreement facilities.

Liquidity risk

Liquidity risk is evaluated as the risk that a company will not be able to service its payment commitments as a result of adverse condition-s in the debt and/or equity markets that prevent or hinder its capital raising efforts or cash liquidity needs which exceed that budgeted.

The Group manages liquidity risk in the process of finding sufficient cash balances to cover its cash needs and maturity beyond 12 months, thereby avoiding the need to raise funds on disadvantageous terms to cover short term needs. The available liquidity hold is integrated by cash equivalent and undrawn credit lines with a maturity beyond 12 months, according to the Interim Condensed Consolidated Financial Position, without adjusting them proportionally by the shareholdings, or by resources in subsidiaries subject to administrative authorization.

At June 30, 2018 the cash equivalent amounting to 563 million euros and the undrawn credit lines amounting to 460 million euros (including syndicated loans amounting to 280 million euros). The debt with a maturity under 12 months amounting to 168 million euros. In the six-month ended 2018, the net cash flow used in investing activities (not including intercompany purchases and revenue) have exceeded the net cash flow provided by operating activities in 364 million euros.

Liquidity risk management in the next 12 months is complemented with an analysis of debt maturity, seeking an appropriate average maturity and refinancing in advance the short term maturities, especially the first two years. At June 30, 2018 the average maturity of the Group's net financial debt was 5.5 years (estimated considering the use of cash and credit lines with a maturity date beyond 12 months to repay short term debt). The average maturity of the gross debt was 4.8 years.

Working capital can be defined as the permanent financial resources that finance the company's current activities, that is, the portion of current assets financed with long-term funds. At June 30, 2018 working capital amounted to 559 million euros. This is the difference between the long term financing debt (2,691 million euros) the equity (2,089 million euros) less net fixed assets (excluding deferred taxes) (4,221 million euros). This amount exceeded the working capital related to the EBITDA, amounting to 307 million euros at June 30, 2018.

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 June 30, 2018 and December 31, 2017 amounts to the carrying values (Note 15), except for financial guarantees and derivative financial instruments.

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

Commodity Price Risk

Steel, followed by aluminum, is the main commodity used in the business.

For the first six months of 2018, 63% of the steel has been purchased through "re-sale" programs with customers (63% in 2017), whereby the OEM periodically negotiates with the steel maker the price of the steel that Gestamp uses for the production of automotive components. The selling price of the final product is directly adjusted to any fluctuations in steel prices.

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

31.2 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 an asset or liability recognized in the Interim condensed consolidated statement of financial position, 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 an asset or liability recognized in the Interim condensed consolidated statement of financial position, 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 in the Interim condensed consolidated statement of financial position at acquisition cost and are subsequently valued at fair value. Changes in fair value are normally accounted for in keeping with specific hedge accounting criteria.

The accounting for these instruments is carried out as follows:

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

31.3 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. In relation to the options, fair value is determined using volatility prices available in the markets.

Non-current financial assets

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

Equity investments are carried on the Interim condensed consolidated statement of financial position at fair value when they can be valued reliably. Since it is usually not possible to measure the fair value of shareholdings in unlisted companies reliably, these investments are valued at acquisition cost or lower if there is evidence of impairment.

Changes in fair value, net of the related tax effect, are recognized with a charge or credit, as appropriate, to "Retained earnings" within Equity until these investments are sold, at which time the cumulative amount recognized in equity is recognized in full in the Interim Condensed Consolidated Income Statement. If fair value is lower than acquisition cost, the difference is recognized directly in equity, unless the asset is determined to be impaired, in which case it is recognized in the Interim Condensed Consolidated Income Statement.

Trade receivables

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

Current financial assets

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

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

Interest-bearing loans and borrowings

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

Trade and other payables

The Group's management considers the carrying amount of the items recorded in this Interim condensed consolidated statement of financial position 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).

31.4 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 looking for a high shareholder value for shareholdings.

The Group monitors its capital structure based on its leverage ratio. It defines leverage as net debt (financial borrowings, financial leasing, borrowing from related parties and other financial liabilities less short-term investments and cash and cash equivalents) divided by total equity (consolidated equity plus grants pending release to the income statement). At June 30, 2018 this ratio was 1.05.

Likewise, the ratio "Net Financial Debt / EBITDA" is used for the analysis of the solvency margin and amounted to 2.39 at June 30, 2018.

Gestamp Automoción, S.A.'s rating is BB from Standard & Poor's and Ba2 from Moody's, which makes it speculative grade.

32. Subsequent events

At the reporting date of these financial statement, the Group Management received notice that some Organizations and Regulators could qualify Argentina as a hyperinflationary economy.

The application of IAS 29 would mean, primarily, restating the value of non-monetary assets in Argentina, applying the corresponding inflation rates as of their acquisition date or from the date on

which the transition to IFRS took place (the latest date), as well as using an income statement that reflects the loss of purchasing power of the Argentinean peso.

At the current date, no reliable estimate has been made of the result of applying this standard, given the absence of reference benchmarks. However, the Company believes the main impact will be a reduction in negative consolidation differences and an increase in property, plant and equipment in Argentina. The Company considers that the impact will not be material.

33. 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.

APPENDIX I

Scope of consolidation

June 30, 2018							
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 Cerqueira, Lda.	Viana do Castelo	Portugal	42.25%	57.75%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.A.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering AIE	Vizcaya	Spain	10.00%	90.00%	Research & Development	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Real Estate	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailored blank welding	Full	Ernst & Young
Gestamp Palencia, S.A.	Palencia	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Argentina, S.A.	Buenos Aires	Argentina		70.00%	Portfolio management	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Linares, S.A.	Jaén	Spain	5.02%	94.98%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios, S.A.	Madrid	Spain	100.00%		Investment promotion and subsidiaries linked servid	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		100.00%	Die cutting production	Full	Ernst & Young
Gestamp Galvanizados, S.A.	Palencia	Spain		100.00%	Component galvanizing	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	Dormant	Full	N/A
Gestamp Brasil Indústria de Autopeças, S.A.	Parana	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Esmar, S.A.	Barcelona	Spain	0.10%	99.90%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Noury, S.A.S	Tournan	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A.	Aveiro	Portugal		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Griwe Subgroup	Westerburg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aguascalientes, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		70.00%	Portfolio management	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Labor services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Industrial services	Full	Ernst & Young

June 30, 2018								
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors	
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio management	Full	Ernst & Young	
Gestamp Navarra, S.A.	Navarra	Spain	71.37%	28.63%	Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young	
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%	Tooling and welding	Full	Ernst & Young	
MB Aragón P21, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A	
Gestamp Polska, SP. Z.O.O.	Wielkopolska	Poland		100.00%	Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Washington UK Limited	Newcastle	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Hungaria KFT	Akai	Hungary	100.00%		Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp North America, INC	Michigan	USA		70.00%	Administrative services	Full	Ernst & Young	
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio management	Full	Ernst & Young	
Gestamp HardTech, AB	Lulea	Sweden		100.00%	Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Mason, LLC.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Alabama, LLC.	Alabama	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young	
Industrias Tamer, S.A.	Barcelona	Spain		30.00%	Tooling and parts manufacturing	Equity method	Ernst & Young	
Gestamp Tooling Services, AIE	Vizcaya	Spain		100.00%	Engineering and mold design	Full	Ernst & Young	
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68.95%	Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Kartek Co, Ltd.	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	Full	Ernst & Young	
Beyçelik Gestamp Kalip, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Toluca SA de CV	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		69.93%	Labor services	Full	Ernst & Young	
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.	

June 30, 2018							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Severstal Vsevolozhsk ULC	Saint Petersburg	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		100.00%	Manufacturing and fine-tuning of molds	Full	Ernst & Young
Gestamp Severstal Kaluga, LLC	Kaluga	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Pune Automotive, Private Ltd.	Pune	India		100.00%	Tooling and parts manufacturing	Full	V C Venkatraman & Co.
Gestamp Chattanooga, LLC	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain	25.19%	52.34%	Portfolio management	Full	Ernst & Young
Gestamp South Carolina, LLC	South Carolina	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio management	Full	Ernst & Young
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%	0.01%	Die cutting production	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Die cutting production	Full	Ernst & Young
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, LLC.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive Chennai Private Ltd.	Chennai	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Palau, S.A.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultory services	Full	Ernst & Young
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		Manufacture and sale of machinery for cutting	Full	Ernst & Young
Gestamp Tooling Erandio, S.L.	Guipúzcoa	Spain		100.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain	100.00%		Die cutting production	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, LLC.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Sasi, L.S.	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Denetçiler Swon/KPMG
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Try Out Services, S.L.	Vizcaya	Spain		100.00%	Die cutting production	Full	Ernst & Young
Gestión Global de Matriceria, S.L.	Vizcaya	Spain	30.00%		Dormant	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores

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

June 30, 2018							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
IxCxT, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio management	Full	Ernst & Young
Gestamp Puebla II, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering Deutschland GmbH	Bielefeld	Germany		100.00%	Research & Development	Full	Ernst & Young
Autotech Engineering R&D Uk limited	Durham	United Kingdom		100.00%	Research & Development	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio management	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio management	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio management	Full	Ernst & Young
GGM Puebla, S.A. de C.V.	Puebla	Mexico		30.00%	Tooling and parts manufacturing	Equity method (A)	N/A
GGM Puebla de Servicios Laborales, S.A. de C.V.	Puebla	Mexico		30.00%	Labor services	Equity method (A)	N/A
Kunshan Gestool Tooling Manufacturing, Co., Ltd	Kunshan	China		30.00%	Die cutting production	Equity method (A)	N/A
Gestamp Technology Institute, S.L.	Vizcaya	Spain	99.99%	0.01%	Education	Full	N/A
Gestamp Tooling Engineering Deutschland, GmbH	Braunschweig.	Germany		100.00%	Die cutting production	Full	N/A
Gestamp Chattanooga II, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Autotech Engineering R&D USA	Delaware	USA		100.00%	Research & Development and IT	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%	0.00%	Tooling and parts manufacturing	Full	N/A
Çelik Form Gestamp Otomotive, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washtenaw, LLC.	Delaware	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Labor services	Full	N/A
Gestamp San Luis Potosí Servicios Laborales S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Auto Components (Tianjin) Co., LTD.	Tianjin	China		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp 2017, S.L.	Madrid	Spain	100.00%		Portfolio management	Full	N/A
Autotech Engineering (Shangai) Co. Ltd.	Shangai	China		100.00%	Research & Development	Full	N/A
Gestamp Hot Stamping Japan K.K.	Tokio	Japan		100.00%	Tooling and parts manufacturing	Full	N/A
Global Laser Araba, S.L.	Álava	Spain	30.00%		Tooling and parts manufacturing	Equity method	N/A
MPO Providers Rezistent, S.R.L.	Darmanesti	Romania		35.00%	Tooling and parts manufacturing	Full	Toma Financial Consulting
Beyçelik Gestamp Teknoloji Kalip, A.S.	Bursa	Turkey		50.00%	Die cutting production	Full	Ernst & Young
Gestamp Nitra, S.R.O.	Bratislava	Slovakia	100.00%		Tooling and parts manufacturing	Full	N/A
Al mussafes Mantenimiento de Troqueles, S.L.	Barcelona	Spain		100.00%	Tooling maintenance	Full	N/A
Gestamp (China) Holding, Co. Ltd	Shangai	China		100.00%	Portfolio management	Full	N/A
Gestamp Autotech Japan Co., Ltd.	Tokio	Japan		100.00%	Research & Development	Full	N/A
NCSG Sorocaba Industria Metalúrgica Ltda.	Sorocaba	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Tuyauto Gestamp Morocco	Kenitra	Morocco		50.00%	Tooling and parts manufacturing	Full	N/A

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

June 30, 2018							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Edscha Holding GmbH	Remscheid	Germany		100.00%	Portfolio management	Full	Ernst & Young
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering GmbH	Remscheid	Germany		100.00%	Research & Development	Full	Ernst & Young
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	5.10%	94.90%	Real Estate	Full	N/A
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	5.10%	94.90%	Real Estate	Full	N/A
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Hradec S.R.O.	Hradec	Czech Republic		100.00%	Die cutting production	Full	Ernst & Young
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 2008, S.L.	Villalonquejar (Burgos)	Spain		100.00%	Portfolio management	Full	Ernst & Young
Edscha Burgos, S.A.	Villalonquejar (Burgos)	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Briey S.A.S.	Briey Cedex	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering France S.A.S.	Les Ulis	France		100.00%	Research & Development	Full	Ernst & Young
Edscha do Brasil Ltda.	Sorocaba	Brazil		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan		100.00%	Sales office	Full	N/A
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		60.00%	Portfolio management	Full	N/A
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Technology Co., Ltd.	Shanghai	China		100.00%	Research & Development	Full	Shanghai Ruitong Cpa
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China		55.00%	Tooling and parts manufacturing	Full	Ernst & Young
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Michigan, Inc	Lapeer	USA		100.00%	Tooling and parts manufacturing	Full	N/A
Edscha Togliatti, Lc.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	National Audit Corporation
Edscha Automotive Components Co., Ltda.	Kunshan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	25.00%	75.00%	Portfolio management	Full	N/A
Edscha Kunststofftechnik GmbH	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	JKG Treuhand
Edscha Pha, Ltd.	Seul	South Korea		50.00%	Research & Development and parts manufacturing	Full	N/A
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand		51.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive SLP, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	Dormant	Full	N/A
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	Dormant	Full	N/A
Edscha Automotive Components (Chongqing) Co. Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	N/A
GMF Holding GmbH	Remscheid	Germany		100.00%	Portfolio management	Full	Ernst & Young
Gestamp Metal Forming (Wuhan), Ltd	Wuhan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom		100.00%	Portfolio management	Full	Ernst & Young
Sofedit, S.A.S	Le Theil sur Huisne	France		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Prisma, S.A.S	Usine de Messepré	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Tallent, Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Wroclaw Sp.zo.o.	Wroclaw	Poland		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Auto components (Chongqing) Co., Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young

December 31, 2017								
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors	
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio management	Full	Ernst & Young	
Gestamp Bizkaia, S.A.	Vizcaya	Spain	85.31%	14.69%	Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Vigo, S.A.	Pontevedra	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Cerveira, Lda.	Viana do Castelo	Portugal	42.25%	57.75%	Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Toledo, S.A.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young	
Autotech Engineering AIE	Vizcaya	Spain	10.00%		Research & Development	Full	Ernst & Young	
SCI de Tournan en Brie	Tournan	France	0.10%		99.90% Real Estate	Full	N/A	
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%		94.99% Tailored blank welding	Full	Ernst & Young	
Gestamp Palencia, S.A.	Palencia	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Argentina, S.A.	Buenos Aires	Argentina			70.00% Portfolio management	Full	Ernst & Young	
Gestamp Córdoba, S.A.	Córdoba	Argentina			70.00% Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Linares, S.A.	Jaén	Spain	5.02%		94.98% Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Servicios, S.A.	Madrid	Spain	100.00%		Investment promotion and subsidiaries linked services	Full	Ernst & Young	
Matricerías Deusto, S.L.	Vizcaya	Spain			100.00% Die cutting production	Full	Ernst & Young	
Gestamp Galvanizados, S.A.	Palencia	Spain			100.00% Component galvanizing	Full	Ernst & Young	
Gestamp Tech, S.L.	Palencia	Spain	0.33%		99.67% Dormant	Full	N/A	
Gestamp Brasil Indústria de Autopeças, S.A.	Parana	Brazil			70.00% Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Esmar, S.A.	Barcelona	Spain	0.10%		99.90% Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Noury, S.A.S	Tournan	France			100.00% Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Aveiro, S.A.	Aveiro	Portugal			100.00% Tooling and parts manufacturing	Full	Ernst & Young	
Griwe Subgroup	Westerburg	Germany			100.00% Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Aguascalientes, S.A.de C.V.	Aguas Calientes	Mexico			70.00% Tooling and parts manufacturing	Full	Ernst & Young	
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico			70.00% Labor services	Full	Ernst & Young	
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico			70.00% Tooling and parts manufacturing	Full	Ernst & Young	
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico			70.00% Portfolio management	Full	Ernst & Young	
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico			70.00% Labor services	Full	Ernst & Young	
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain			100.00% Industrial services	Full	Ernst & Young	

December 31, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio management	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	71.37%	28.63%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Die cutting, tooling, and parts manufacturing	Full	Ernst & Young
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%	Tooling and welding	Full	Ernst & Young
MB Aragón P21, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Polska, SP. Z.O.O.	Wielkopolska	Poland		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washington UK Limited	Newcastle	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Hungaria KFT	Akai	Hungary	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North America, INC	Michigan	USA		70.00%	Administrative services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio management	Full	Ernst & Young
Gestamp HardTech, AB	Lulea	Sweden		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mason, LLC.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Alabama, LLC.	Alabama	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Industrias Tamer, S.A.	Barcelona	Spain		30.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Tooling Services, AIE	Vizcaya	Spain		100.00%	Engineering and mold design	Full	Ernst & Young
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68.95%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Kartek Co, Ltd.	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Kalip, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		69.93%	Labor services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.

December 31, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Severs tal Vsevolozhsk LLC	Saint Petersburg	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		100.00%	Manufacturing and fine-tuning of molds	Full	Ernst & Young
Gestamp Severs tal Kaluga, LLC	Kaluga	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Pune Automotive, Private Ltd.	Pune	India		100.00%	Tooling and parts manufacturing	Full	V C Venkatraman & Co.
Gestamp Chattanooga, LLC	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain	25.19%	52.34%	Portfolio management	Full	Ernst & Young
Gestamp South Carolina, LLC	South Carolina	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio management	Full	Ernst & Young
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%	0.01%	Die cutting production	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Die cutting production	Full	Ernst & Young
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, LLC.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive Chennai Private Ltd.	Chennai	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Palau, S.A.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultory services	Full	Ernst & Young
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		Manufacture and sale of machinery for cutting	Full	Ernst & Young
Gestamp Tooling Erandio, S.L.	Guipúzcoa	Spain		100.00%	Portfolio management	Full	N/A
Diede Die Developments, S.L.	Vizcaya	Spain	100.00%		Die cutting production	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, LLC.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Sasi, LS.	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Denetçiler Swon/KPMG
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Try Out Services, S.L.	Vizcaya	Spain		100.00%	Die cutting production	Full	Ernst & Young
Gestión Global de Matricería, S.L.	Vizcaya	Spain	30.00%		Dormant	Equity method	N/A
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores

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

December 31, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
IxCXT, S.A.	Vizcaya	Spain		30.00%	Die cutting production	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio management	Full	Ernst & Young
Gestamp Puebla II, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering Deutschland GmbH	Bielefeld	Germany		100.00%	Research & Development	Full	Ernst & Young
Autotech Engineering R&D Uk llimited	Durhan	United Kingdom		100.00%	Research & Development	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio management	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%		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
Kunshan Gestool Tooling Manufacturing, Co., Ltd	Kunshan	China		30.00%	Die cutting production	Equity method (A)	N/A
Gestamp Technology Institute, S.L.	Vizcaya	Spain	99.99%		0.01% Education	Full	N/A
Gestamp Tooling Engineering Deutschland, GmbH	Braunschweig.	Germany		100.00%	Die cutting production	Full	N/A
Gestamp Chattanooga II, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Autotech Engineering R&D USA	Delaware	USA		100.00%	Research & Development and IT	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%		0.00% Tooling and parts manufacturing	Full	N/A
Çelik Form Gestamp Otomotive, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washtenaw, LLC.	Delaware	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Labor services	Full	N/A
Gestamp San Luis Potosi Servicios Laborales S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Auto Components (Tianjin) Co., LTD.	Tianjin	China		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp 2017, S.L.	Madrid	Spain	100.00%		Portfolio management	Full	N/A
Autotech Engineering (Shangai) Co. Ltd.	Shangai	China		100.00%	Research & Development	Full	N/A
Gestamp Hot Stamping Japan K.K.	Tokio	Japan		100.00%	Tooling and parts manufacturing	Full	N/A
Global Laser Araba, S.L.	Álava	Spain	30.00%		Tooling and parts manufacturing	Equity method	N/A
MPO Providers Rezistent, S.R.L.	Darmanesti	Romania		35.00%	Tooling and parts manufacturing	Full	Toma Financial Consulting
Beyçelik Gestamp Teknoloji Kalip, A.S.	Bursa	Turkey		50.00%	Die cutting production	Full	Ernst & Young
Gestamp Nitra, S.R.O.	Bratislava	Slovakia	100.00%		Tooling and parts manufacturing	Full	N/A
Almussafes Mantenimiento de Troqueles, S.L.	Barcelona	Spain		100.00%	Tooling maintenance	Full	N/A
Gestamp (China) Holding, Co. Ltd	Shangai	China		100.00%	Portfolio management	Full	N/A
Gestamp Autotech Japan K.K.	Tokio	Japan		100.00%	Research & Development	Full	N/A

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

December 31, 2017							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Edscha Holding GmbH	Remscheid	Germany		100.00%	Portfolio management	Full	Ernst & Young
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering GmbH	Remscheid	Germany		100.00%	Research & Development	Full	Ernst & Young
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	5.10%	94.90%	Real Estate	Full	N/A
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	5.10%	94.90%	Real Estate	Full	N/A
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Hradec S.R.O.	Hradec	Czech Republic		100.00%	Die cutting production	Full	Ernst & Young
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 2008, S.L.	Villalonquejar (Burgos)	Spain		100.00%	Portfolio management	Full	Ernst & Young
Edscha Burgos, S.A.	Villalonquejar (Burgos)	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Briey S.A.S.	Briey Cedex	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering France S.A.S.	Les Ulis	France		100.00%	Research & Development	Full	Ernst & Young
Edscha do Brasil Ltda.	Sorocaba	Brazil		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan		100.00%	Sales office	Full	N/A
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		60.00%	Portfolio management	Full	N/A
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Technology Co., Ltd.	Shanghai	China		100.00%	Research & Development	Full	Shangai Ruitong Cpa
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China		55.00%	Tooling and parts manufacturing	Full	Ernst & Young
Anhui Edscha Automotive Parts Co Ltda.	Anhui	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Michigan, Inc	Lapeer	USA		100.00%	Tooling and parts manufacturing	Full	N/A
Edscha Togliatti, LLC.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	National Audit Corporation
Edscha Automotive Components Co., Ltda.	Kunshan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	25.00%	75.00%	Portfolio management	Full	N/A
Edscha Kunststofftechnik GmbH	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	JKG Treuhand
Edscha Pha, Ltd.	Seul	South Korea		50.00%	Research & Development and parts manufacturing	Full	N/A
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand		51.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive SLP, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	Dormant	Full	N/A
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	Dormant	Full	N/A
Edscha Automotive Components (Chongqing) Co. Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	N/A
GMF Holding GmbH	Remscheid	Germany		100.00%	Portfolio management	Full	Ernst & Young
Gestamp Metal Forming (Wuhan), Ltd	Wuhan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom		100.00%	Portfolio management	Full	Ernst & Young
Sofedit, S.A.S	Le Theil sur Huisne	France		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Prisma, S.A.S	Usine de Messempre	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Tallent, Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Wroclaw Sp.z.o.o.	Wroclaw	Poland		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Auto components (Chongqing) Co., Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young

The companies which compose the Griwe Subgroup at June 30, 2018 and December 31, 2017 are the following:

June 30, 2018				
Company	Address	Country	Shareholding	Consolidation method
Gestamp Griwe Westerburg GmbH	Westerburg	Germany	Parent company	Full
Gestamp Griwe Haynrode GmbH *	Haynrode	Germany	100.00%	Full

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

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

APPENDIX II

Indirect investments at June 30, 2018

June 30, 2018		
Company	Company holding the indirect investment	% investment
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.010%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.010%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.040%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.900%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	14.690%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.000%
Gestamp Services India Private, Ltd.	Gestamp Servicios, S.A.	1.010%
Beyçelik Gestamp Kalip, A.S.	Gestamp Servicios, S.A.	50.000%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.850%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.655%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.000%
Gestamp Cerveira, Lda.	Gestamp Vígo, S.A.	57.750%
Gestamp Washington Uk, Limited	Gestamp Vígo, S.A.	4.990%
Gestamp Noury, S.A.	Gestamp Vígo, S.A.	100.000%
Gestamp Louny S.R.O.	Gestamp Cerveira, Lda.	52.720%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.660%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Cerveira, Lda.	26.370%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.000%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.010%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.030%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.000%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.000%
Gestamp Technology Institute, S.L.	Gestamp Bizkaia, S.A.	0.010%
Gestamp Global Tooling, S.L.	Gestamp Bizkaia, S.A.	0.010%
Autotech Engineering R&D USA, Inc.	Gestamp Bizkaia, S.A.	55.000%
Loire S.A. Franco Española	Gestamp Bizkaia, S.A.	1.000%
Autotech Engineering (Shanghai), Co. Ltd.	Gestamp Bizkaia, S.A.	55.000%
Gestamp Autotech Japan K.K.	Gestamp Bizkaia, S.A.	55.000%
Gestamp Tooling AIE	Gestamp Bizkaia, S.A.	40.000%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.500%
Gestamp Hard Tech AB	Gestamp Sweden, AB	100.000%
Gestamp Holding China, AB	Gestamp HardTech, AB	68.940%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.100%
Gestamp Tooling AIE	Matricerías Deusto, S.L.	20.000%
SCI Tournan en Brie	Gestamp Noury, S.A.S	99.900%
Gestamp Linares, S.L.	Gestamp Toledo, S.A.	94.980%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.A.	43.530%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.340%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	100.000%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.670%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.040%
Tuyauto Gestamp Morocco	Gestamp Palencia, S.A.	50.000%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.000%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	10.669%
Mursolar, 21, S.L.	Gestamp Aragón, S.A.	16.924%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.150%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.620%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.000%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	28.630%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.000%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.990%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.990%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.000%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.960%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	94.990%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.000%
Edscha Holding GmbH	Gestamp Metalbages, S.A.	67.000%
ESSA PALAU, S.A.	Gestamp Metalbages, S.A.	60.000%
GMF Holding GmbH	Gestamp Metalbages, S.A.	100.000%
Gestamp Services India private. Ltd.	Gestamp Levante, S.A.	98.990%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.A.	7.810%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.535%

Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	Gestamp Solblank Navarra, S.L.	5,642%
Gestamp Severstal Vsevolozhsk LLC	Todlem, S.L.	100,000%
Gestamp Severstal Kaluga, LLC	Todlem, S.L.	100,000%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100,000%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100,000%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100,000%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100,000%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100,000%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100,000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99,990%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99,990%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99,900%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	4,272%
NCSG Sorocaba Industria Metalúrgica Ltda.	Gestamp Brasil Industria de Autopeças, S.A.	100,000%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6,770%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100,000%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94,990%
Edscha Holding GmbH	Gestamp Polska, SP. Z.O.O.	24,561%
Edscha Holding GmbH	Gestamp Polska, SP. Z.O.O.	33,000%
Gestamp Automotive India Private Ltd.	Gestamp Polska, SP. Z.O.O.	50,000%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona, S.A.	100,000%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona, S.A.	6,673%
Gestamp Chattanooga, LLC.	Gestamp North America, INC	100,000%
Gestamp Mason, LLC.	Gestamp North America, INC	100,000%
Gestamp Alabama, LLC	Gestamp North America, INC	100,000%
Gestamp West Virginia, LLC.	Gestamp North America, INC	100,000%
Gestamp South Carolina, LLC.	Gestamp North America, INC	100,000%
Gestamp Washtenaw, LLC.	Gestamp North America, INC	100,000%
Gestamp Chattanooga II, LLC.	Gestamp North America, INC	100,000%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74,980%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China, AB	100,000%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30,000%
Gestamp Pune Automotive, Pvt. Ltd.	Grive Subgroup	73,630%
Mursolar, 21, S.L.	Grive Subgroup	19,540%
Gestamp Louny S.R.O.	Subgrupo Grive	47,280%
Gestamp Palau, S.A.	Gestamp Manufacturing Autochasis, S.L.	40,000%
Almussafes Mantenimiento Troqueles, S.L.	Gestamp Palau, S.A.	100,000%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100,000%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100,000%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40,000%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100,000%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99,900%
Gestamp Tooling Engineering Deutschland GmbH	Gestamp Global Tooling, S.L.	100,000%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97,000%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	51,615%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93,230%
Gestamp Córdoba, S.A.	Gestamp Baires, S.A.	33,443%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45,000%
Autotec Engineering (Shanghai), Co. Ltd.	Autotech Engineering AIE	45,000%
Gestamp Autotech Japan K.K.	Autotech Engineering AIE	45,000%
Autotech Engineering R&D Uk limited	Autotech Engineering AIE	0,45
Autotech Engineering R&D USA limited	Autotech Engineering AIE	45,000%
Gestamp Tooling Erandio, S.L.	Gestamp Tool Hardening, S.L.	20,000%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding México, S.L.	100,000%
Gestamp Argentina, S.A.	Gestamp Holding México, S.L.	3,000%
Gestamp Tooling Erandio, S.L.	Loire Sociedad Anónima Franco Española	80,000%
Gestamp Autocomponents (Tianjin) Co., Ltd.	Gestamp (China) Holding, Co. Ltd	100,000%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100,000%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100,000%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	0,001%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	0,001%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99,990%
Kunshan Gestool Tooling Manufacturing, Co, Ltd.	Gestión Global de Matricería, S.L.	100,000%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99,990%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar 21, S.L.	100,000%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar 21, S.L.	100,000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0,010%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0,010%
Celik Form Gestamp Otomotive, A.S.	Beyçelik Gestamp Kalip, A.S.	100,000%
MPO Providers Rezistent, SRL	Beyçelik Gestamp Kalip, A.S.	70,000%
Beyçelik Gestamp Teknoloji Kalip, A.S.	Beyçelik Gestamp Kalip, A.S.	100,000%
Beyçelik Gestamp Sasi, L.S.	Beyçelik Gestamp Kalip, A.S.	100,000%

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

Indirect investments at December 31, 2017

December 31, 2017		
Company	Company holding the indirect investment	% investment
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.010%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.010%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.040%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.900%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	14.690%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.000%
Gestamp Services India Private, Ltd.	Gestamp Servicios, S.A.	1.010%
Beyçelik Gestamp Kalip, A.S.	Gestamp Servicios, S.A.	50.000%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.850%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.655%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.000%
Gestamp Ceveira, Lda.	Gestamp Vigo, S.A.	57.750%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	4.990%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.000%
Gestamp Louny S.R.O.	Gestamp Ceveira, Lda.	52.720%
Gestamp Aveiro, S.A.	Gestamp Ceveira, Lda.	45.660%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Ceveira, Lda.	26.370%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.000%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.010%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.030%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.000%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.000%
Gestamp Technology Institute, S.L.	Gestamp Bizkaia, S.A.	0.010%
Gestamp Global Tooling, S.L.	Gestamp Bizkaia, S.A.	0.010%
Autotech Engineering R&D USA, Inc.	Gestamp Bizkaia, S.A.	55.000%
Loire S.A. Franco Española	Gestamp Bizkaia, S.A.	1.000%
Autotech Engineering (Shangai), Co. Ltd.	Gestamp Bizkaia, S.A.	55.000%
Gestamp Autotech Japan K.K.	Gestamp Bizkaia, S.A.	55.000%
Gestamp Tooling AIE	Gestamp Bizkaia, S.A.	40.000%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.500%
Gestamp Hard Tech AB	Gestamp Sweden, AB	100.000%
Gestamp Holding China, AB	Gestamp HardTech, AB	68.940%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.100%
Gestamp Tooling AIE	Matricerías Deusto, S.L.	20.000%
SCI Tournan en Brie	Gestamp Noury, S.A.S	99.900%
Gestamp Linares, S.L.	Gestamp Toledo, S.A.	94.980%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.A.	43.530%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.340%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	100.000%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.670%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.040%
Gestamp Autocomponents (Tianjin) Co., Ltd.	Gestamp Palencia, S.A.	100.000%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.000%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	10.669%
Mursolar, 21, S.L.	Gestamp Aragón, S.A.	16.924%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.150%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.620%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.000%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	28.630%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.000%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.990%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.990%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.000%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.960%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	94.990%
Griwe Subgroup	Gestamp Metalbages, S.A.	100.000%
Edscha Holding GmbH	Gestamp Metalbages, S.A.	67.000%
ESSA PALAU, S.A.	Gestamp Metalbages, S.A.	60.000%
GMF Holding GmbH	Gestamp Metalbages, S.A.	100.000%
Gestamp Services India private. Ltd.	Gestamp Levante, S.A.	98.990%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.A.	7.810%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.535%

Company	Company holding the indirect investment	% investment
Gestamp Holding Rusia, S.L.	Gestamp Solblank Navarra, S.L.	5.642%
Gestamp Severstal Vsevolozhsk LLC	Todlem, S.L.	100.000%
Gestamp Severstal Kaluga, LLC	Todlem, S.L.	100.000%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.900%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	4.272%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.770%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.000%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.990%
Gestamp Holding Rusia, S.L.	Gestamp Polska, SP. Z.O.O.	24.561%
Edscha Holding GmbH	Gestamp Polska, SP. Z.O.O.	33.000%
Gestamp Automotive India Private Ltd.	Gestamp Polska, SP. Z.O.O.	50.000%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona, S.A.	100.000%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona, S.A.	6.673%
Gestamp Chattanooga, LLC.	Gestamp North America, INC	100.000%
Gestamp Mason, LLC.	Gestamp North America, INC	100.000%
Gestamp Alabama, LLC	Gestamp North America, INC	100.000%
Gestamp West Virginia, LLC.	Gestamp North America, INC	100.000%
Gestamp South Carolina, LLC.	Gestamp North America, INC	100.000%
Gestamp Washtenaw, LLC.	Gestamp North America, INC	100.000%
Gestamp Chattanooga II, LLC.	Gestamp North America, INC	100.000%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74.980%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China, AB	100.000%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.000%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Automotive Chennai Private Ltd.	73.630%
Mursolar, 21, S.L.	Griwe Subgroup	19.540%
Gestamp Louny S.R.O.	Griwe Subgroup	47.280%
Gestamp Palau, S.A.	Gestamp Manufacturing Autochasis, S.L.	40.000%
Almussafes Mantenimiento Troqueles, S.L.	Gestamp Palau, S.A.	100.000%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.000%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.900%
Gestamp Tooling Engineering Deutschland GmbH	Gestamp Global Tooling, S.L.	100.000%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.000%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	51.615%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.230%
Gestamp Córdoba, S.A.	Gestamp Baires, S.A.	33.443%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.000%
Autotec Engineering (Shanghai), Co. Ltd.	Autotech Engineering AIE	45.000%
Gestamp Autotech Japan K.K.	Autotech Engineering AIE	45.000%
Autotech Engineering R&D UK limited	Autotech Engineering AIE	45.000%
Autotech Engineering R&D USA limited	Autotech Engineering AIE	0.45
Gestamp Tooling Erandio, S.L.	Gestamp Tool Hardening, S.L.	20.000%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding México, S.L.	100.000%
Gestamp Argentina, S.A.	Gestamp Holding México, S.L.	3.000%
Gestamp Tooling Erandio, S.L.	Loire Sociedad Anónima Franco Española	80.000%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.000%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100.000%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	0.001%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	0.001%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
Kunshan Gestool Tooling Manufacturing, Co. Ltd.	Gestión Global de Matricería, S.L.	100.000%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar 21, S.L.	100.000%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar 21, S.L.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0.010%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0.010%
Celik Form Gestamp Otomotive, A.S.	Beyçelik Gestamp Kalip, A.S.	100.000%
MPO Providers Rezistent, SRL	Beyçelik Gestamp Kalip, A.S.	70.000%
Beyçelik Gestamp Teknoloji Kalip, A.S.	Beyçelik Gestamp Kalip, A.S.	100.000%
Beyçelik Gestamp Sasi, L.S.	Beyçelik Gestamp Kalip, A.S.	100.000%

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

APPENDIX III

Guarantors for 2012 (fully paid in 2017) Bank of America Loan and 2013 Syndicated Loan (modified in 2016 and 2017)

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

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

Guarantors for May, 2013 and May, 2016 Bonds

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

Guarantors for European Investment Bank Loan

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

Guarantors for Kfw IPEX Bank GmbH Loan

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

Guarantors for April, 2018

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



Management Discussion and Analysis of the Financial Condition and Results of Operations for the six months period ended June 30, 2018

Gestamp Automoción, S.A.

July 26, 2018

1. PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial information and operational data

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

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

In particular, we believe that EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA is used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions. To facilitate the analysis of our operations, this indicator excludes amortization, impairment and depreciation expenses from operating profit in order to eliminate the impact of general long-term capital investment. Although we are presenting this measure to enhance the understanding of our historical operating performance, EBITDA should not be considered an alternative to operating profit as an indicator of our operating performance, or an alternative to cash flows from operating activities as a measure of our liquidity. Growth at constant exchange rates is a numerical translation of our figures from local currencies to euros, and not a description of the situation if the currencies had not moved, as this could have had some other implications on the economy and our business situation and contracts. Capex split in categories is a management judgement, and should not be considered as a substitute for additions of tangible and intangible assets, nor depreciation and amortization. The presentation of these measures is not intended to and does not comply with the reporting requirements of the SEC; compliance with its requirements would require us to make changes to the presentation of this information.

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

Industry data

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

Forward looking statements and other qualifications

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

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

2. BUSINESS PERFORMANCE AND RESULT

The global macro and auto sector environment continue to be supportive with global growth projected to reach 3.9% in 2018 and 2019, according to IMF's July 2018 WEO and IHS forecasts an increase of 2.4% during 2018 in auto production volumes in Gestamp's geographies.

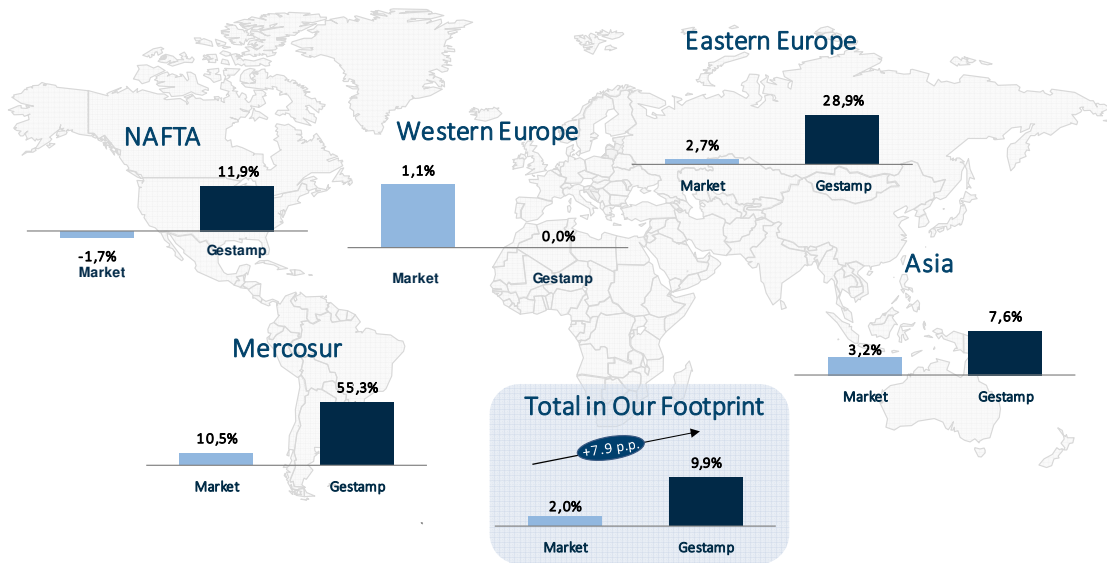
In this context, according to IHS data as of July 2018, the automotive sector has experienced a solid 3.9% growth during the second quarter of 2018 (vs. Q2 2017), underpinning a 1.7% increase during H1 2018 (vs. H1 2017), recovering from lower Q1 production levels impacted by the number of working days. Growth during the second quarter was mainly driven by South America (+10.2%), Asia (+6.2%) and Western Europe (+4.5%). The increase in Gestamp's footprint during the second quarter of 2018 stood at 4.8% (vs. Q2 2017). The positive momentum seen during the second quarter of 2018 sets the path for a solid 2.4% growth rate expected by IHS in Gestamp's geographies for the full year of 2018.

Current auto market newsflow around WLTP (Worldwide Harmonized Light Vehicle Test Procedure), diesel and trade tariff debate is creating uncertainties in the market but overall production volumes are currently expected to remain solid. The new WLTP certification could result in a potential shift of production volume within quarters. Ongoing considerations around diesel may result in a change in volume mix in which consumers shift from diesel to gasoline vehicles. Potential implications of the ongoing trade tariff discussions are still unclear. In this context, Gestamp continues to be well positioned given its highly diversified geographical footprint and customer base, as well as being favored by sector megatrends.

Gestamp has had a positive performance during the second quarter with a continued focus on efficiencies in its industrial activities, resulting in an increase in profitability. Growth in the second quarter has been driven by good volumes of existing programs and the ramp-up of new projects, especially in NAFTA, Europe and Mercosur but partially offset by deeper impact of FX headwinds. Revenues increased by 9.1% or 16.2% at constant FX and in terms of profitability, EBITDA grew by 11.4% or 19.6% at constant FX driving EBITDA margin to 11.6% (vs. 11.3% in Q2 2017). Net Income grew by 18.6% during Q2 2018. For the first half of the year Revenues increased by 3.5% or 9.9% at constant FX with EBITDA growing higher at 7.8% or 14.9% at constant FX. Gestamp has continued to make significant investments weighted towards H1 2018, as already anticipated during Q1 2018 results presentation, and the ongoing Electrification trend continues to gain momentum as a new growth vector.

The first half year results for 2018 are in line with our expectations and on the right path to achieve full year guidance targets.

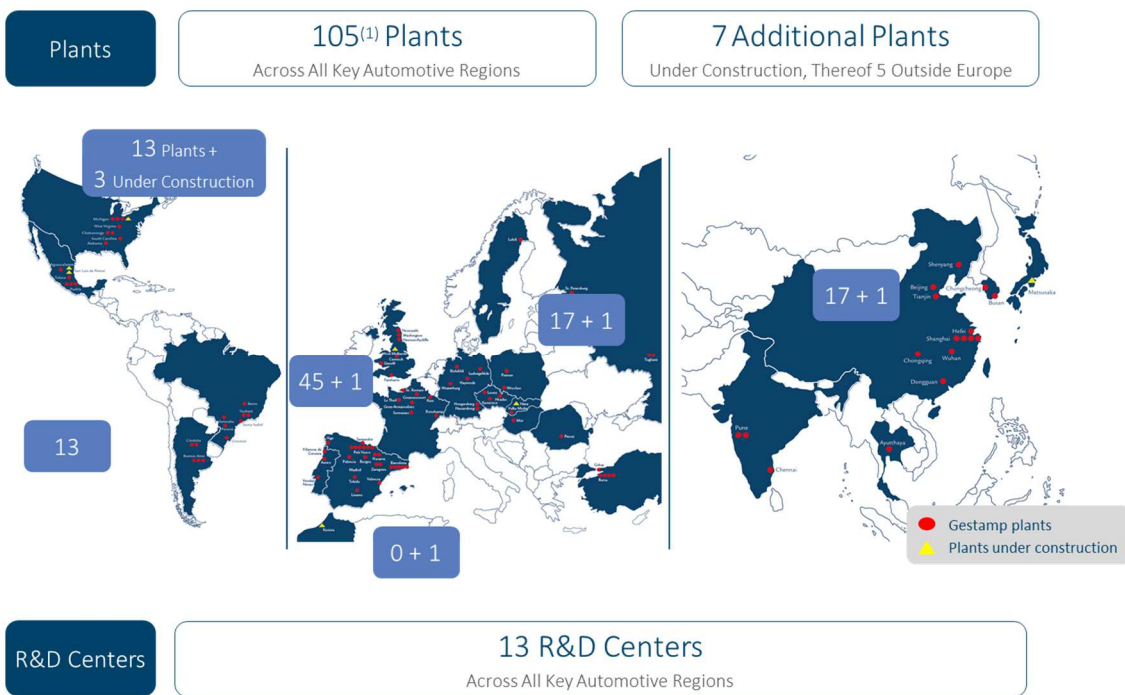
Gestamp Revenue Growth at Constant FX vs. Market Production Growth in Gestamp's Footprint



Note: Gestamp's growth at constant FX used for comparability with production volumes as this is a more accurate reflection of our underlying business activity. Market production volume growth is based on countries in Gestamp's production footprint (IHS data for H1 2018 as of July 2018)

During the first six months of 2018 Gestamp has outperformed market production volume growth on a constant currency basis (in its production footprint – IHS data as of July 2018) by 7.9 percentage points.

During the first six months of 2018, 3 new plants have been added to our footprint with the opening of a new greenfield in China (Tianjin), the acquisition of a plant in Brazil (Sorocaba) and the Joint Venture signed with BHAP in China, which contributes one additional plant in Beijing and is subject to regulatory approval and expected to close in Q4 2018. In addition, during this period Gestamp established a Joint Venture agreement in Morocco with the local components manufacturer Tuyauto to build a greenfield plant in Kenitra. These additions demonstrate Gestamp's continued focus on delivering on its strategy and strengthening the relationship with its customers.



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

First half of 2018 compared to first half of 2017

	Second Quarter			YTD June 30,		
	2017	2018	% Change	2017	2018	% Change
Consolidated Income Statement Data	<i>(Millions of Euros)</i>			<i>(Millions of Euros)</i>		
Operating income	2,084.0	2,268.8	8.9%	4,185.9	4,399.6	5.1%
Revenue	2,035.2	2,219.7	9.1%	4,131.2	4,277.8	3.5%
Other operating income	32.2	51.5	59.9%	54.7	85.4	56.1%
Changes in inventories	16.6	-2.4	-114.5%	0.0	36.4	
Operating expenses	-1,961.2	-2,119.4	8.1%	-3,943.6	-4,121.6	4.5%
Raw materials and other consumables	-1,202.9	-1,325.0	10.2%	-2,441.8	-2,552.6	4.5%
Personnel expenses	-387.9	-403.8	4.1%	-758.9	-788.2	3.9%
Depreciation, amortization and impairment losses	-107.5	-107.2	-0.3%	-210.1	-209.9	-0.1%
Other operating expenses	-262.9	-283.4	7.8%	-532.8	-570.9	7.2%
Operating profit	122.8	149.4	21.7%	242.3	278.0	14.7%
Finance income	-1.4	1.9	-235.7%	1.7	2.2	29.4%
Finance expenses	-21.1	-34.6	64.0%	-47.8	-66.4	38.9%
Exchange gains (losses)	-2.2	-8.8	300.0%	-1.1	-8.2	645.5%
Other	-0.9	-2.2	144.4%	-0.2	-2.2	1000.0%
Profit from continuing operations	97.2	105.7	8.7%	194.9	203.4	4.4%
Income tax expense	-26.0	-26.6	2.3%	-49.8	-52.0	4.4%
Profit for the period	71.2	79.1	11.1%	145.1	151.4	4.3%
Profit (loss) attributable to non-controlling interests	-9.8	-6.3	-35.7%	-28.7	-15.8	-44.9%
Profit attributable to equity holders of the parent	61.4	72.8	18.6%	116.4	135.6	16.5%
EBITDA	230.3	256.6	11.4%	452.4	487.9	7.8%

Revenue

During the second quarter of 2018 revenues reached €2,219.7 million, implying a growth rate of 9.1%. Solid growth in all geographies with a significant currency depreciation. Body-in-White and Chassis represented €1,864.6 million, Mechanisms €264.8 million, and Tooling and Others €90.3 million.

During the first six months of 2018 revenues went up by 3.5% when compared to the first six months of 2017, reaching €4,277.8 million backed by lower tooling revenues vs. strong first half of 2017, especially in Europe, negative currency impact and a strong growth in Eastern Europe and Mercosur. Body-in-White and Chassis represented €3,603.8 million, Mechanisms €520.3 million, and Tooling and Others €153.7 million.

Operating expenses

Raw materials and other consumables. During the second quarter of 2018 expenses on raw materials and other consumables increased by €122.1 million, or 10.2%, to €1,325.0 million from €1,202.9 million during the second quarter of 2017. The increase was mainly due to higher sales volumes consistent with the increase in revenues.

Personnel Expenses. During the second quarter of 2018 personnel expenses increased by €15.9 million, or 4.1%, to €403.8 million from €387.9 million during the second quarter of 2017, mainly in Western Europe and Eastern Europe (consistent with the increases in sales by Body-in-White and Chassis).

Depreciation, amortization and impairment losses. During the second quarter of 2018 depreciation expense decreased by €0.3 million, or -0.3%, to €107.2 million from €107.5 million in the second quarter of 2017.

Other operating expenses. During the second quarter of 2018 other operating expenses increased by €20.5 million, or 7.8%, to €283.4 million from €262.9 million in the second quarter of 2017, mainly in Mexico and Western Europe due to higher sales volumes.

Operating profit or loss

Operating profit during the second quarter of 2018 increased by €26.6 million, or 21.7%, to €149.4 million from €122.8 million during the second quarter of 2017. This increase was primarily due to the increase in revenues in Body-in-White and Chassis and Mechanisms considering both sales to customers.

EBITDA

EBITDA during the second quarter of 2018 increased by €26.3 million or 11.4% when compared to the second quarter of 2017, reaching €256.6 million and moving margin up to 11.6%.

EBITDA during the first six months of 2018 grew 7.8%, moving margin up to 11.4%. EBITDA growth ahead of Revenue growth which is in line with full year guidance.

Net financial income (expenses)

Net financial expense increased by €10.2 million, or 45.3%, to €32.7 million during the second quarter of 2018 from €22.5 million during the second quarter of 2017. This increase was

primarily due to a higher average net financial debt for the period, the effect of the application of the change in IFRS 9 has involved an additional financial expense of €4.9 million in the second quarter of 2018 and the higher interest rate of the bond that Gestamp Automoción issued in April 2018.

Exchange gains (losses)

During the second quarter of 2018 exchange losses amounted to €8.8 million and €2.2 million during the second quarter of 2017. The exchange losses in the second quarter of 2018 were primarily due to the depreciation of Brazilian Real, Argentine Peso and Turkish Lira.

Income tax

Income tax expense during the second quarter of 2018 increased by €0.6 million, to €26.6 million from €26.0 million during the second quarter of 2017.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests during the second quarter of 2018 decreased by €3.5 million to €6.3 million from €9.8 million during the second quarter of 2017, mainly due to the non-attribution of results to the minority partners in France whose participation was repurchased in the second quarter of 2018.

Financial information by geographic segment

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

REVENUES

Revenues	Second Quarter			YTD June 30,		
	2017	2018	% Change	2017	2018	% Change
	<i>(Millions of Euros)</i>			<i>(Millions of Euros)</i>		
Geographic segments						
Western Europe	1,043.8	1,068.7	2.4%	2,144.2	2,135.3	-0.4%
Eastern Europe	259.9	287.9	10.8%	483.5	572.4	18.4%
Mercosur	139.1	175.2	26.0%	255.6	306.0	19.7%
North America	358.9	427.2	19.0%	751.5	757.6	0.8%
Asia	233.5	260.7	11.6%	496.4	506.5	2.0%
Total	2,035.2	2,219.7	9.1%	4,131.2	4,277.8	

Western Europe

Revenue growth of 2.4% during the second quarter of 2018, reaching €1,068.7 million which represented a €24.9 million increase versus the second quarter of 2017. The increase in revenues was backed by solid growth in Germany and Iberia which was partially offset by the decrease in the UK as a result of activity.

During the first six months of 2018 revenues slightly declined by €8.9 million, almost flat at €2,135.3 million when compared to the first six months of 2017. The evolution in revenues was impacted by significant lower tooling revenues.

Eastern Europe

During the second quarter of 2018 revenues reached €287.9 million resulting in 10.8% growth and represented a €28.0 million increase versus the second quarter of 2017. The increase in revenues was driven by a strong performance in all countries but impacted by FX headwinds, especially in Turkey. Underlying growth from project ramp-ups (Turkey, Poland, Romania, Czech Republic and Hungary) as well as market recovery in Russia.

During the first six months of 2018 revenues reached €572.4 million which implied a growth of 18.4% or an increase of €88.9 million when compared to the first six months of 2017. The revenue evolution was backed by the same revenue growth drivers as for the second quarter of 2018.

Mercosur

During the second quarter of 2018 revenues reached €175.2 million, an implied growth of 26.0% or €36.1 million increase versus the second quarter of 2017. Strong above-market at constant FX as new program wins are ramping up, partially offset by FX headwinds and the truck driver strike in Brazil during the month of May.

During the first six months of 2018 revenues reached €306.0 million, resulting in 19.7% growth or an increase of €50.4 million when compared to the first six months of 2017. Supportive market expected in H2 in Brazil although greater uncertainty for Argentina.

North America

Revenue growth of 19.0% during the second quarter of 2018, reaching €427.2 million which represented a €68.3 million increase versus the second quarter of 2017. Revenue growth was impacted by strong FX headwinds. Strong growth in Mexico as a result of projects ramp-ups and solid growth in the US despite change-over of some programs.

During the first six months of 2018 revenues grew by €6.1 million, or a 0.8% increase when compared to the first six months of 2017, reaching €757.6 million. The evolution in revenues was impacted by Q1 revenues moderation as a result of lower tooling sales, slow ramp-ups and change-over of models effect.

Asia

During the second quarter of 2018 revenues reached €260.7 million resulting in 11.6% growth and represented a €27.2 million increase versus the second quarter of 2017. The evolution in revenues was similar in all areas despite FX headwinds, mainly in India.

During the first six months of 2018 revenues increased by €10.1 million or 2.0%, reaching €506.5 million when compared to the first six months of 2017. The evolution of Q2 revenues more than offset those of Q1. The integration of BHAP's Beijing plant is expected by the fourth quarter of 2018.

EBITDA

EBITDA	Second Quarter			YTD June 30,		
	2017	2018	% Change	2017	2018	% Change
	<i>(Millions of Euros)</i>			<i>(Millions of Euros)</i>		
Geographic segments						
Western Europe	115.4	120.0	4.0%	225.1	231.5	2.8%
Eastern Europe	31.8	35.5	11.6%	60.5	71.1	17.5%
Mercosur	17.0	21.1	24.1%	24.8	37.2	50.0%
North America	29.6	40.6	37.2%	62.3	71.4	14.6%
Asia	36.5	39.4	7.9%	79.7	76.7	-3.8%
Total	230.3	256.6	11.4%	452.4	487.9	

Western Europe

EBITDA during the second quarter of 2018 reached €120.0 million, an implied growth of 4.0% or €4.6 million when compared to the second quarter of 2017. This increase in EBITDA was higher than the revenue growth.

During the first six months of 2018 EBITDA increased by €6.4 million or 2.8% growth, reaching €231.5 million when compared to the first six months of 2017. EBITDA margin improved to 10.8% driven by launch of new projects, efficiency gains and lower tooling revenues.

Eastern Europe

EBITDA during the second quarter of 2018 reached €35.5 million, resulting in 11.6% growth or an increase of €3.7 million when compared to the second quarter of 2017. The evolution in EBITDA was primarily supported by the aforementioned revenue growth.

During the first six months of 2018 EBITDA increased by €10.6 million or 17.5% growth to €71.1 million when compared to the first six months of 2017. EBITDA margin of 12.4% similar than in H1 2017 but still impacted by ramp-up costs.

Mercosur

During the second quarter of 2018 EBITDA reached €21.1 million resulting in 24.1% growth and represented a €4.1 million increase versus the second quarter of 2017. The evolution in EBITDA was due to the ongoing volume recovery and efficiency gains. EBITDA margin was negatively impacted by the unexpected truck strike.

During the first six months of 2018 EBITDA increased by €12.4 million or 50.0% growth when compared to the first six months of 2017, reaching €37.2 million.

North America

EBITDA during the second quarter of 2018 reached €40.6 million, an implied growth of 37.2% or €11.0 million when compared to the second quarter of 2017. The EBITDA evolution reflected a continued margin expansion as a result of project ramp-ups.

During the first six months of 2018 EBITDA increased by €9.1 million or 14.6% growth to €71.4 million when compared to the first six months of 2017. New launches and ramp-ups to continue

in H2 2018 and 2019 to result in Revenue, EBITDA and margin growth. The projects are under control with detailed tracking of the action plan defined in H2 2017.

Asia

EBITDA during the second quarter of 2018 reached €39.4 million, resulting in 7.9% growth or an increase of €2.9 million when compared to the second quarter of 2017. The evolution in EBITDA was impacted by launching expenses in new plant of Tianjin as well as Japan.

During the first six months of 2018 EBITDA decreased by €3.0 million or a -3.8% growth, reaching €76.7 million when compared to the first six months of 2017. The evolution in EBITDA during the first six months was impacted by lower volumes in Q1 and FX headwinds, mainly in India and China. EBITDA margin is in line with 2017 after the moderation vs. 2016, but higher than the group average.

Information on cash flows

	Second Quarter		YTD June 30,	
	2017	2018	2017	2018
	<i>(Millions of Euros)</i>		<i>(Millions of Euros)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the year before taxes and after non-controlling interest from continuing operations	87.4	99.4	166.2	187.6
Adjustments to profit	125.0	150.1	259.2	296.7
Depreciation and amortization of fixed assets	107.6	107.2	210.2	209.9
Impairment	6.0	-0.3	3.4	-0.1
Change in provisions	-0.9	-5.1	-8.2	-0.2
Grants released to income	-0.8	-0.9	-1.8	-1.9
Profit (loss) attributable to non-controlling interests	9.8	6.3	28.7	15.8
Profit from disposal of fixed assets	0.1	-0.4	0.1	-0.1
Profit from disposal of financial instruments	0.0	0.0	0.0	0.0
Financial income	1.4	-1.9	-1.7	-2.2
Financial expenses	21.1	34.6	47.8	66.4
Share of profits from associates - equity method	0.2	-0.2	0.2	-0.1
Exchange rate differences	-18.9	8.9	-18.9	7.3
Other income and expenses	-0.6	1.9	-0.6	1.9
Changes in working capital	-83.7	5.5	-257.5	-230.1
(Increase)/Decrease in Inventories	-21.4	20.1	-57.4	-59.7
(Increase)/Decrease in Trade and other receivables	-115.8	16.7	-315.1	-162.3
(Increase)/Decrease in Other current assets	14.2	-4.5	-17.3	-28.2
Increase/(Decrease) in Trade and other payables	44.0	-23.5	131.4	20.4
Increase/(Decrease) in Other current liabilities	-4.7	-3.3	0.9	-0.3
Other cash-flows from operating activities	-26.3	-44.4	-65.9	-76.5
Interest paid	-20.8	-32.0	-47.5	-53.5
Interest received	-1.4	1.4	1.7	2.6
Proceeds (payments) of income tax	-4.1	-13.8	-20.1	-25.6
Cash flows from operating activities	102.4	210.6	102.0	177.7

	Second Quarter		YTD June 30,	
	2017	2018	2017	2018
	<i>(Millions of Euros)</i>		<i>(Millions of Euros)</i>	
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments on investments	-197.3	-302.9	-456.6	-562.1
Group companies and associates	-0.5	-14.3	-10.4	-14.3
Intangible assets	-24.9	-32.6	-41.0	-55.8
Property, plant and equipment	-171.9	-240.2	-405.2	-476.2
Other financial assets	0.0	-15.8	0.0	-15.8
Other assets	0.0	0.0	0.0	0.0
Proceeds from divestments	-9.7	2.1	22.1	5.3
Group companies and associates	0.0	0.0	0.0	0.0
Intangible assets	-0.6	0.4	0.6	0.7
Property, plant and equipment	3.9	3.1	9.1	4.6
Other financial assets	0.0	0.0	0.0	0.0
Other assets	-13.0	-1.4	12.4	0.0
Cash flows from investing activities	-207.0	-300.8	-434.5	-556.8
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds and payments on equity instruments	-1.1	-38.5	2.5	-38.5
Change in non-controlling interests	-0.5	-37.3	1.7	-37.3
Grants, donations and legacies received	0.8	0.7	0.8	0.7
Other equity movements	-1.4	-1.9	0.0	-1.9
Proceeds and payments on financial liabilities	124.4	-94.5	416.8	132.3
Proceeds from	435.0	503.1	702.9	770.1
Bonds and other securities to trade	0.0	393.3	0.0	393.3
Interest-bearing loans and borrowings	427.1	59.4	687.1	182.8
Net increase of credit lines and commercial discount	0.0	17.9	0.0	20.3
Borrowings from Group companies and associates	0.0	6.4	0.0	146.5
Other borrowings	7.9	26.1	15.8	27.2
Repayment of	-310.6	-597.6	-286.1	-637.8
Bonds and other securities to trade	0.0	0.0	0.0	0.0
Interest-bearing loans and borrowings	-265.3	-578.6	-265.3	-612.6
Net decrease of credit lines and commercial discount	-41.2	0.0	-7.8	0.0
Borrowings from Group companies and associates	-6.4	-5.6	-7.4	-5.6
Other borrowings	2.3	-13.4	-5.6	-19.6
Payments on dividends and other equity instruments	-0.9	-5.5	-67.2	-5.5
Dividends	-0.9	-5.5	-67.2	-5.5
Cash flows from financing activities	122.4	-138.5	352.1	88.3
Effect of changes in exchange rates	-2.2	-5.8	-1.9	-6.3
Cash in assets held for sale	0.0	0.0	0.0	0.0
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS	15.6	-234.5	17.7	-297.1

Cash flow from operating activities

Cash flow from operating activities during the second quarter of 2018 increased by €108.2 million to a net amount of €210.6 million from a net amount €102.4 million in the second quarter of 2017, primarily due to an increase in the cash from working capital by €89.2 million and by the increase in EBITDA linked to operating activities.

Cash flow from (used in) investing activities

Cash flow used in investing activities during the second quarter of 2018 increased by €93.8 million to €300.8 million from €207.0 million during the second quarter of 2017. The cash flow used in the second quarter of 2018 was primarily for investments in projects in North America, Slovakia, Spain, China, United Kingdom, Czech Republic and Japan.

Cash flow from (used in) financing activities

Cash flow used in financing activities during the second quarter of 2018 amounted to €138.5 million primarily due to repayment of interest-bearing loans by €578.6 million partially offset with the funds from bond issued on April 2018 by €400 million.

Working capital

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

	Second Quarter		YTD June 30,	
	2017	2018	2017	2018
	<i>(Millions of Euros)</i>		<i>(Millions of Euros)</i>	
Changes in working capital	-83.7	5.5	-257.5	-230.1
(Increase)/Decrease in Inventories	-21.4	20.1	-57.4	-59.7
(Increase)/Decrease in Trade and other receivables	-115.8	16.7	-315.1	-162.3
(Increase)/Decrease in Other current assets	14.2	-4.5	-17.3	-28.2
Increase/(Decrease) in Trade and other payables	44.0	-23.5	131.4	20.4
Increase/(Decrease) in Other current liabilities	-4.7	-3.3	0.9	-0.3

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

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

Net working capital requirements decreased by €5.5 million during the second quarter of 2018 (increase by €83.7 million during the second quarter of 2017), primarily due to a decrease in the amount of receivables resulting mainly from a decrease in the average days for collections from customers and in the average periods of stock rotation during the second quarter of 2018 compared to the first quarter of 2018, offset in part by a decrease in the amount of payables resulting mainly from a decrease in the average days for payment to suppliers during the second quarter of 2018 with respect to the first quarter of 2018.

Investments in fixed assets

	Second Quarter		YTD June 30,	
	2017	2018	2017	2018
	<i>(Millions of Euros)</i>		<i>(Millions of Euros)</i>	
Capital expenditures				
Intangible assets	24.9	32.6	41.0	55.8
Tangible assets	172.0	239.1	380.4	494.2
- Growth Capex	111.1	155.1	228.0	334.1
- Recurrent Capex	60.9	84.0	152.4	160.1
Total	196.9	271.7	421.4	550.0

Investments in fixed assets during the first half of 2018 and 2017 amounted to approximately €550.0 million and €421.4 million, respectively. Investments in fixed assets primarily consists of expenditure on property, plant and equipment.

Capex effort is consistent with ongoing Revenue and EBITDA growth. Total capex reached €550.0 million during the first half of 2018, an implied 12.9% of Revenues for the period. Capital expenditure during the first half of 2018 was split into €334.1 million from growth capex, €160.1 million from recurrent capex and €55.8 million from intangible capex. More than 60% of our capital expenditures has been dedicated to growth capex, defined as capital expenditure on greenfield property, plant & equipment, major plant expansions and new customer products/technologies.

Contractual obligations

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

	As of June 30, 2018			
	Total	Less than 1 year	1 - 5 years	More than 5 years
	<i>(Millions of Euros)</i>			
Contractual obligations				
Interest bearing loans and borrowings	2,595.0	168.0	2,020.4	406.6
Financial leases	38.2	3.9	17.6	16.7
Borrowings from associated companies	199.6	1.9	179.8	17.9
Other financial debts	32.3	0.0	25.2	7.1
Total Financial Debts	2,865.1	173.8	2,243.0	448.3
Operating leases	531.7	96.0	239.9	195.8
Non interest bearing loans	10.1	0.0	8.8	1.3
Current non-trade liabilities	211.5	211.5		
Total Contractual Obligations	3,618.4	481.3	2,491.7	645.4

Other Financial Data

	YTD June 30,	
	2017	2018
	<i>(Millions of Euros)</i>	
Interest bearing loans and borrowings	2,443.0	2,595.0
Financial leasing	31.7	38.2
Borrowings from associated companies	60.1	199.6
Other financial debts	36.9	32.3
Total Financial Debt	2,571.7	2,865.1
Cash, cash equivalents and current financial assets	492.0	656.1
TOTAL NET FINANCIAL DEBT	2,079.7	2,209.0
	YTD June 30,	
	2017	2018
	<i>(Millions of Euros)</i>	
Operating profit	242.3	278.0
<i>Adjusted for:</i>		
Depreciation, amortization and impairment losses	210.1	209.9
EBITDA	452.4	487.9

Cash, cash equivalents and current financial assets includes cash and cash equivalents as of June 30, 2018 of €563.1 million and current financial assets of €93.0 million (including loans and receivables, securities and other current financial assets).

The following non-trade liabilities are not considered financial debt as of June 30, 2018: €58.8 million in derivative financial instruments, €138.9 million of non-interest bearing short-term liabilities (of which €120.3 million were to suppliers of fixed assets), €10.1 million of non-interest bearing long-term liabilities and €72.6 million by dividends pending payment.

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

	June 30, 2017	December 31, 2017	June 30, 2018
Consolidated Balance Sheet Data:		<i>(Millions of Euros)</i>	
Non-current assets	4,140.0	4,157.7	4,496.8
Intangible assets	402.0	414.7	431.0
Property, plant and equipment	3,356.9	3,407.8	3,728.9
Financial assets	88.2	69.4	61.3
Deferred tax assets	292.9	265.8	275.6
Current assets	2,931.2	3,067.2	3,079.9
Assets held for sale	0.0	0.0	0.0
Inventories	694.1	681.3	471.9
Assets from contract with customers	0.0		704.5
Trade and other receivables	1,695.4	1,375.7	1,148.1
Other current assets	49.7	71.1	99.3
Financial assets	43.8	78.9	93.0
Cash and cash equivalent	448.2	860.2	563.1
Total assets	7,071.2	7,224.9	7,576.7

	June 30, 2017	December 31, 2017	June 30, 2018
Consolidated Balance Sheet Data:		<i>(Millions of Euros)</i>	
Equity	1,953.8	1,970.6	2,088.6
Equity attributable to shareholders of the parent	1,508.6	1,534.8	1,676.7
Equity attributable to non-controlling interest	445.2	435.8	411.9
Non-current liabilities	2,811.9	2,747.2	3,197.5
Deferred income	24.9	22.3	21.1
Provisions	144.3	143.0	142.4
Non-trade liabilities	2,396.4	2,364.5	2,760.2
Deferred tax liabilities	245.7	217.4	255.5
Other non-current liabilities	0.6	0.0	18.3
Current liabilities	2,305.5	2,507.1	2,290.6
Non-trade liabilities	462.4	678.3	385.3
Trade and other payables	1,817.8	1,814.1	1,891.6
Provisions	19.0	11.7	11.0
Other current liabilities	6.3	3.0	2.7
Total equity and liabilities	7,071.2	7,224.9	7,576.7

Impacts from IFRS 9 and IFRS 15

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

IFRS 9 implementation has required to assess the value of our financial debt affected by restructuring deals, discounting new future cash flows at the original effective interest rates. This has led to a reduction of €106.2 million in our financial debt, as of 1st January 2018, that will flow over time into our P&L as higher financial expenses (€9.8 million in H1 2018). This debt decrease has led to higher reserves for €80.1 million and higher deferred tax liabilities for €26.1 million.

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

Liquidity

Liquidity risk is evaluated as the risk that a company will not be able to service its payment commitments as a result of adverse conditions in the debt and/or equity markets that prevent or hinder its capital raising efforts or cash liquidity needs which exceed that budgeted.

The Group manages liquidity risk looking for cash availability to cover its cash needs and debt maturity for a period of 12 months, thereby avoiding the need to raise funds on disadvantageous terms to cover short term needs. The available liquidity held is integrated by cash equivalent and undrawn credit lines with a maturity beyond 12 months, according to the Interim Condensed Consolidated Financial Position, without adjusting them proportionally by the shareholdings, or by resources in subsidiaries subject to administrative authorization.

At June 30, 2018 the cash equivalent amounting to 563 million euros and the undrawn credit lines amounting to 460 million euros (including syndicated loans amounting to 280 million euros). The debt with a maturity under 12 months amounted to 168 million euros. In the six-month ended 2018, the net cash flow used in investing activities (not including intercompany purchases and revenue) have exceeded the net cash flow provided by operating activities in 364 million euros.

Liquidity risk management in the next 12 months is complemented with an analysis of debt maturity, seeking an appropriate average maturity and refinancing in advance the short term maturities, especially the first two years. At June 30, 2018 the average maturity of the Group's net financial debt was 5.5 years (estimated considering the use of cash and credit lines with a maturity date beyond 12 months to repay short term debt). The average maturity of the gross debt was 4.8 years.

Our principal source of liquidity is our operating cash flow, which is analyzed above. Our ability to generate cash from our operations depends on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control.

We believe that the potential risks to our liquidity include: (i) a reduction in operating cash flows due to a lowering of operating profit from our operations, which could be caused by a downturn in our performance or in the industry as a whole; (ii) the failure or delay of our customers to make payments due to us; (iii) a failure to maintain low working capital requirements; and (iv) the need to fund expansion and other development capital expenditures.

In the case of lack of liquidity, we may be forced to reduce or delay our business activities and capital expenditures, sell our assets or obtain additional debt or equity financing.