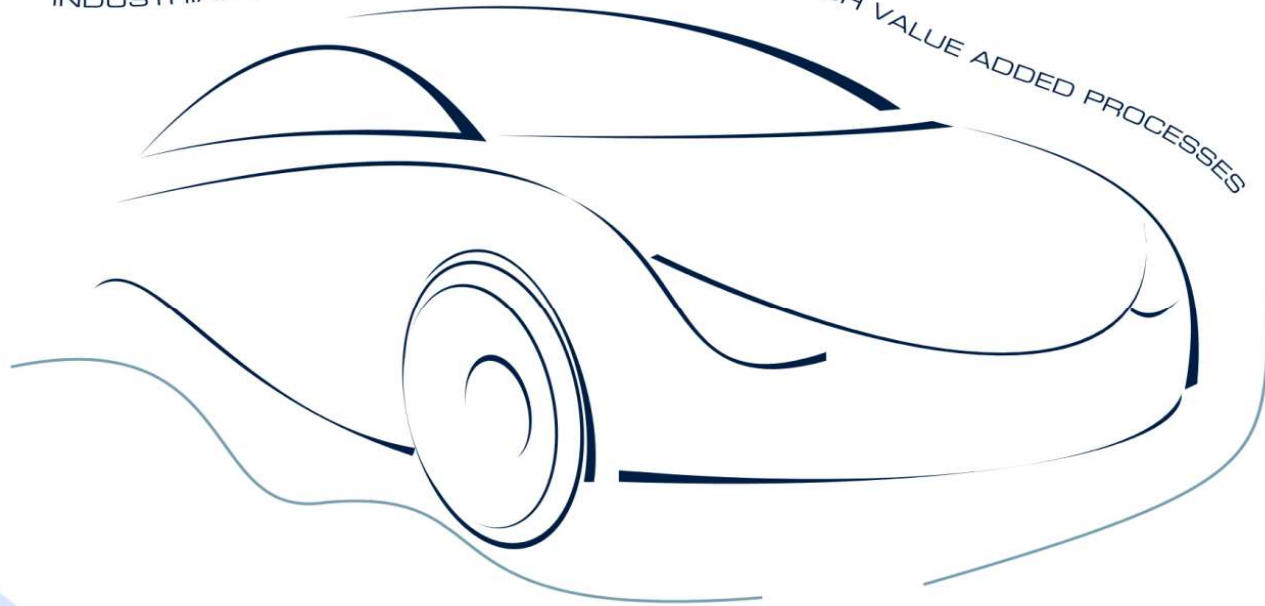




CIE *Automotive*

INDUSTRIAL GROUP SPECIALIZED IN MANAGING HIGH VALUE ADDED PROCESSES

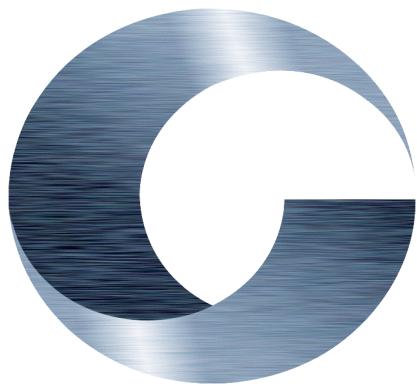


MID TERM FINANCIAL REPORT
30th SEPTEMBER 2014

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CIE Automotive – Results 30th September 2014



CIE Automotive Group Results 30th September 2014

(million Euros)	30/09/13	30/09/14	
Turnover	1.243,5	1.612,2	
Adjusted Turnover *	1.194,5	1.571,9	31,6%
EBITDA	174,6	212,2	21,5%
% EBITDA on Adjusted Turnover	14,6%	13,5%	
EBIT	111,4	131,8	18,3%
% EBIT on Adjusted Turnover	9,3%	8,4%	
EBT	73,5	94,2	
Net Income	45,7	60,0	31,3%

(*) Proforma value calculated by deducting turnover of diesel oil used for blending

EBITDA: Net Operating Income+ Depreciation, EBIT: Net Operating Income; EBT: Profit before taxes from continuous activities; Net Income: Profit attributable to the company's shareholders

- ***Excellent results with turnover, EBITDA and Net Income historical record***
- ***Global margins affected in comparison due to incorporations in 4Q2013 with margins lower than average***
- ***Such Net Income is the recurrent of the Group given that in this period non recurrent positive and negative net effects have been compensated in profit and loss account***

CIE Automotive Group Results 3Q 2014

(million Euros)	3Q 2013	3Q 2014	
Turnover	393,7	553,8	
Adjusted Turnover *	377,0	542,2	43,8%
EBITDA	52,7	71,8	36,4%
% EBITDA on Adjusted Turnover	14,0%	13,3%	
EBIT	33,3	44,8	34,5%
% EBIT on Adjusted Turnover	8,8%	8,3%	
EBT	23,4	31,0	
Net Income	12,9	20,5	59%

(*) Proforma value calculated by deducting turnover of diesel oil used for blending

EBITDA: Net Operating Income+ Depreciation, EBIT: Net Operating Income; EBT: Profit before taxes from continuous activities; Net Income: Profit attributable to the company's shareholders

- **Quarterly results record, with a growth of 59% of Net Income.**
- **Incorporation of Mahindra Group in 2013 October, despite having positive and increasing results, mitigates the improvement of global margins. Comparable EBITDA and EBIT margins would be 14.0% and 9.3% respectively**
- **Maintaining good situation in each market and CIE plant, in relation to margins**
- **These competitiveness improvements allow to face future development from a solid business situation**

Results 3Q 2014 by Business Unit

(million Euros)	3Q 2014 AUTOMOTIVE ⁽¹⁾	3Q 2014 DOMINION
Turnover	457,0	96,8
Adjusted Turnover *	445,3	96,8
EBITDA	62,5	9,4
% EBITDA on Adjusted Turnover	14,0%	9,7%
EBIT	39,4	5,5
% EBIT on Adjusted Turnover	8,8%	5,7%
EBT	26,7	4,3
Net Income	20,0	0,5

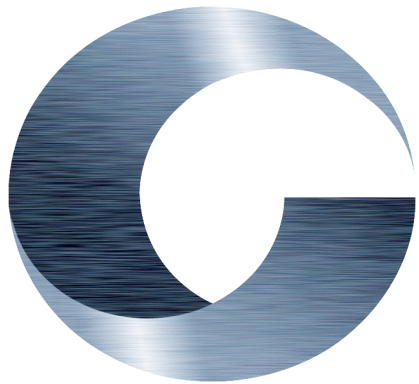
(*) Proforma value calculated by deducting turnover of diesel oil used for blending

(1) From 2014 on, Biofuels business unit, not being significant it is included in Automotive business unit.

EBITDA: Net Operating Income+ Depreciation, EBIT: Net Operating Income; EBT: Profit before taxes from continuous activities; Net Income: Profit attributable to the company's shareholders

- ***Automotive EBITDA margin by 14%, and Dominion near to 10% after incorporation in July 2014 of Beroa Group.***
- ***After first complete quarter of incorporation of Beroa, technological project of Solutions and Services Dominion as a global and multi-sectorial reality reaches its quarterly cruising speed, with sales near to euro 100 million diversified in more than 27 countries, and with minimum levels of EBITDA and EBIT recurrent by 8% and 6% respectively***

Automotive



Automotive Results 30th September 2014

(million Euros)	30/09/13	30/09/14	
Turnover	1.137,3	1.436,6	
Adjusted Turnover (*)	1.088,2	1.396,3	28,3%
EBITDA	168,2	196,7	17,0%
% EBITDA on Adjusted Turnover	15,5%	14,1%	
EBIT	108,0	123,4	14,3%
% EBIT on Adjusted Turnover	9,9%	8,8%	

(*) Proforma value calculated by deducting turnover of diesel oil used for blending

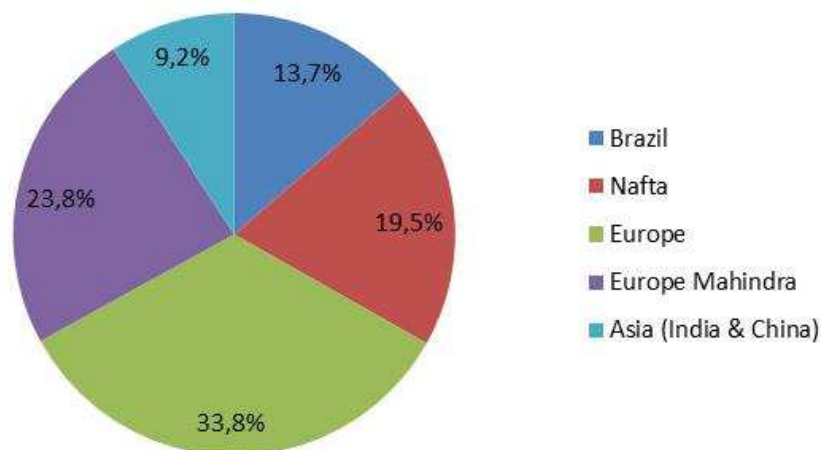
From 2014 on, Biofuels business unit, not being no significant it is included in Automotive business unit. Figures have been incorporated as comparative effects, in 2013 period.

EBITDA: Net Operating Income+ Depreciation, EBIT: Net Operating Income

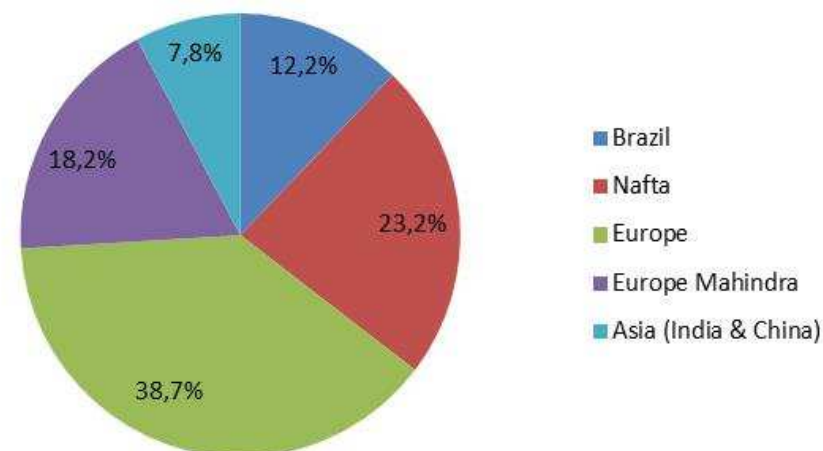
- **Excellent behavior of NAFTA market with an increase in both turnover and margins.**
- **European plants in an excellent level of operative profitability ready to face market recover, increasing sales by 13.7% comparing with same period and same perimeter of 2013, much higher than market**
- **Automotive, with and EBITDA margin by € 196.7 mill and EBITDA margin by 14.1%, represents 92.7% of EBITDA Group**

Geographical presence

Adjusted Turnover Geographical Distribution (*)



EBITDA Geographical Distribution



(*) Proforma value calculated by deducting turnover of diesel oil used for blending

EBITDA: Net Operating Income+ Depreciation

- ***Group evolution towards market diversification.***
- ***Nowadays Nafta and Europe represents more than half automotive sales and Ebitda.***

Profitability by regions

EBITDA Margin (1)	%
Brazil	12,6%
Nafta	16,7%
Europe	16,1%
Mahindra Europe	10,8%
Asia (India & China)	11,9%

EBIT Margin (2)	%
Brazil	8,0%
Nafta	13,4%
Europe	8,9%
Mahindra Europe	6,3%
Asia (India & China)	6,9%

(1) Ebitda Margin: Net Operating Income + Depreciation / Turnover deducting turnover of diesel oil used for blending

(2) Ebit Margin: Net Operating Income / Turnover deducting turnover of diesel oil used for blending

- **All business with excellent Ebitda margins.**
- **Europe and Nafta with Ebit margin higher than group's objectives**
- **Mahindra Europe increasing improvement, during 2014, of recurrent margins, having reached in 3Q2014 an Ebitda margin by 12%**
- **Mahindra Europe and Asia still in process of operative improvements, with already obtained improvements in 2014 much higher than expected**
- **Margins in Brazil penalized by market situation and non recurrent effects.**

GOING TOWARDS THE TARGET RONA⁽¹⁾ ≥ 20%...

- **Investment of maintenance⁽²⁾ represents 75%** of Group **depreciation**
 - In this way, we are on the way to achieving objective of depreciation decrease from 5% to 4%
-
- **Operative cash Generation⁽³⁾**, achieving **50% of Ebitda**, allows the Group to ensure an additional growth through greenfields and acquisitions, committed in our strategic plan.

(1) RONA: Ebit/ Net Asstes (Assets and Net working Capital)

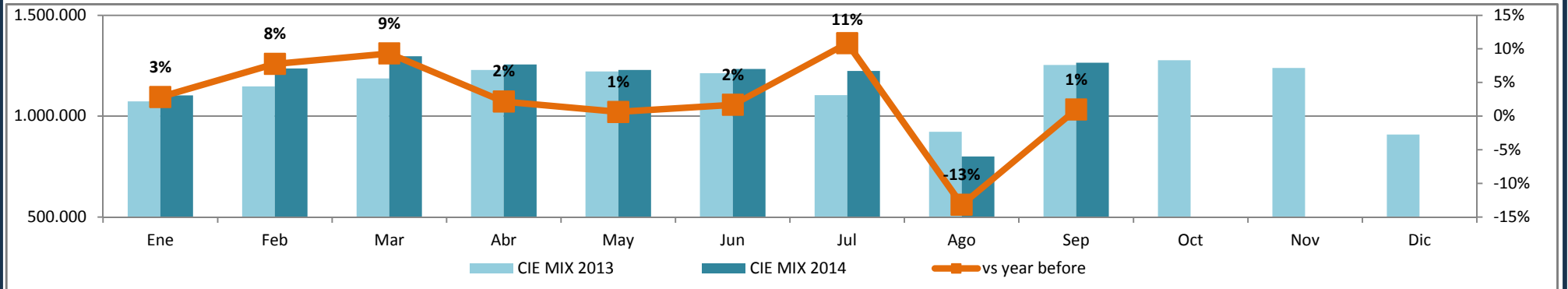
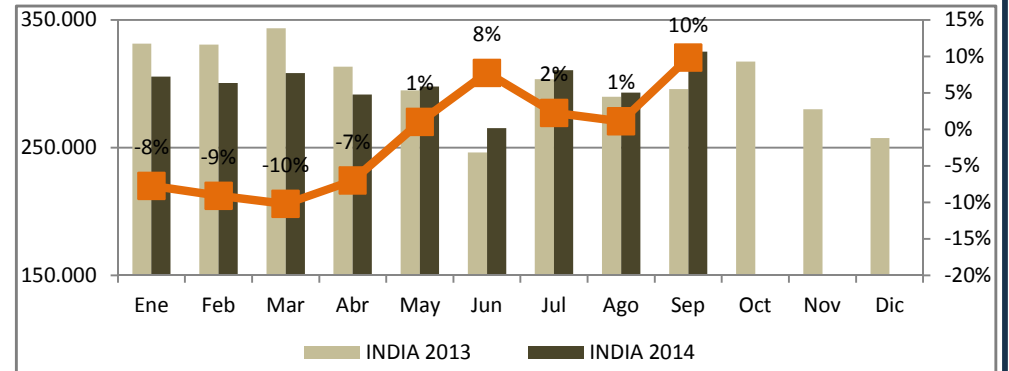
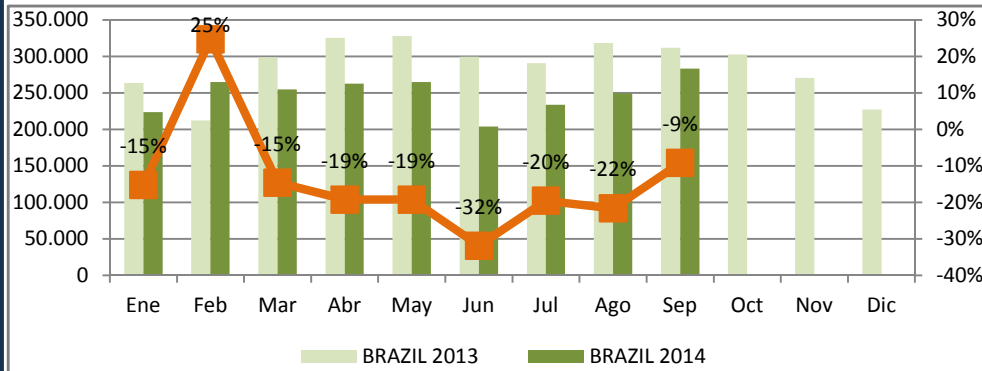
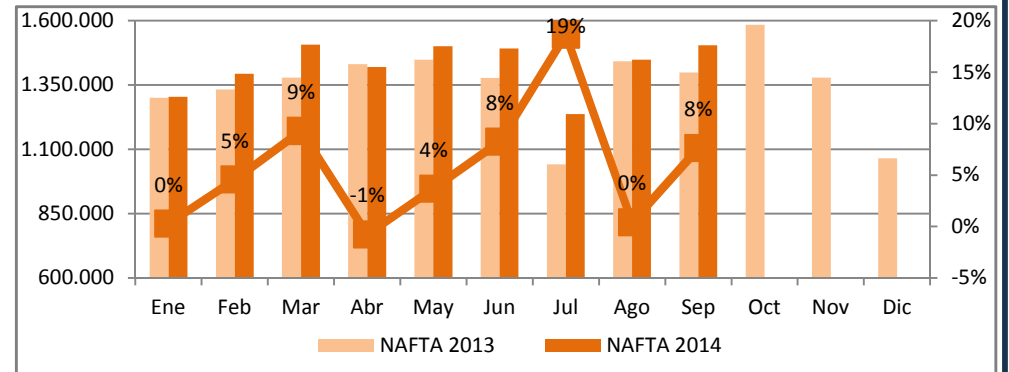
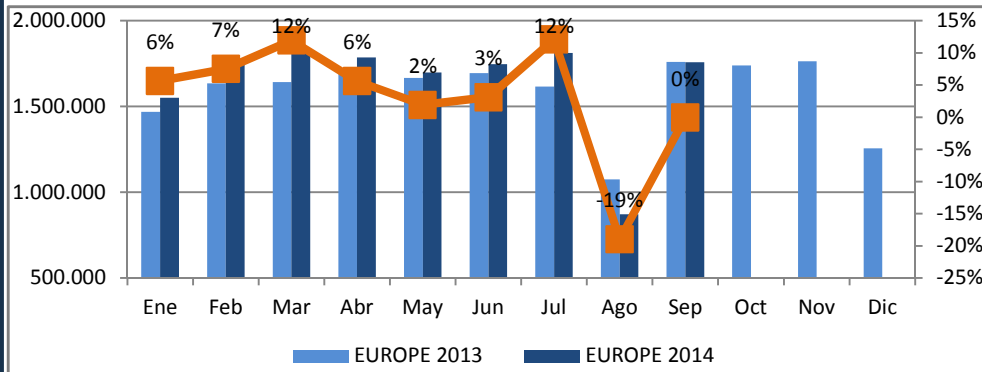
(2) Maintenance Investment: that one that involves a renovation of the installations revaluing them at "state of the art" from productivity point of view, quality and flexibility (robotic installation, automation, fast changes...) and that involves some improvements in productivity that allows productive capacity increases to face up the natural increase of markets

(3) Operative Cash = Ebitda minus: Financial Expenses, Investments (excluding greenfields) and tax payments.

Vehicle Production Evolution 2013/2014

MONTHLY VEHICLE PRODUCTION BY GEOGRAPHICAL AREA

Million vehicles/month



MONTHLY VEHICLE PRODUCTION BY GEOGRAPHIC AREA

2014 vs. 2013 YTD Production



Europe	+4%
Brazil	-15%
NAFTA	+5%
India	-2%

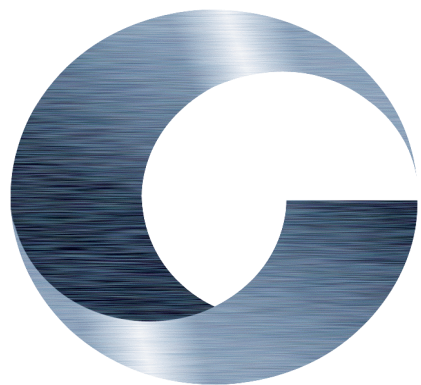
2014 vs. 2013 YTD Sales



Europe	+1%
Brazil	-9%
NAFTA	+5%
India	-2%

- **Brazil:** Total market recovery is not expected until 2016
- **NAFTA:** For 2014 growth expected from 6% to 7% vs. 2013
- **Europe:** In 2014 we are feeling European economy regeneration
- **India:** For 2014 it is expected a flat market

Dominion



Dominion Results 30th September 2014

(million Euros)	30/09/13	30/09/14	
Turnover	106,3	175,6	+65,3%
EBITDA	6,4	15,5	+141,1%
% EBITDA on Turnover	6,1%	8,8%	
EBIT	3,4	8,4	
% EBIT on Turnover	3,2%	4,8%	

EBITDA: Net Operating Income + Depreciation, EBIT: Net Operating Income

- ***Incorporation, in second semester 2014, of Beroa Group, the world leader in industrial solutions and services within the applied energy sector. Its integration in Dominion Group is one step more that will contribute to create a company with euro 500 million annual turnover.***
- ***Dominion, company focused on generating efficiency to its clients through Applied Innovation concept, strengthens with these acquisitions its strategy of leadership in the multi-sectorial contribution of Services and Solutions that, combining technology and knowledge, optimizes production model of its customers***

GEOGRAPHIC PRESENCE

dominion

Permanent presence in 27 countries:

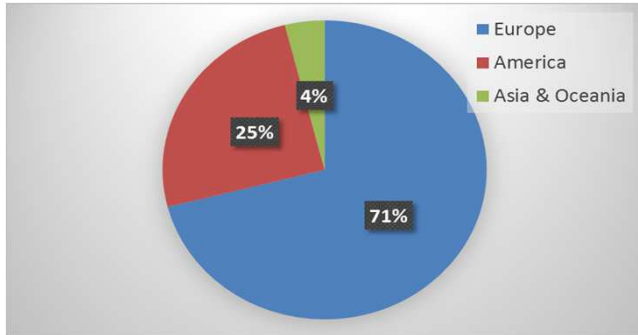
- ▶ Excellent positioning in the Technological Services field, with guaranteed recurrence.
- ▶ World leader in certain fields of Industrial Services.
- ▶ Leadership in projects and EPCs for hospitals, environmental contingencies management, industrial furnaces, solar towers, ...



With a vocation of being UNIVERSAL

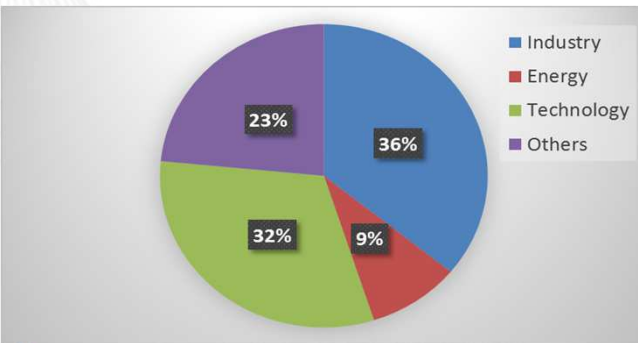
DIVERSIFICATION: A BASIC OBJECTIVE

dominion

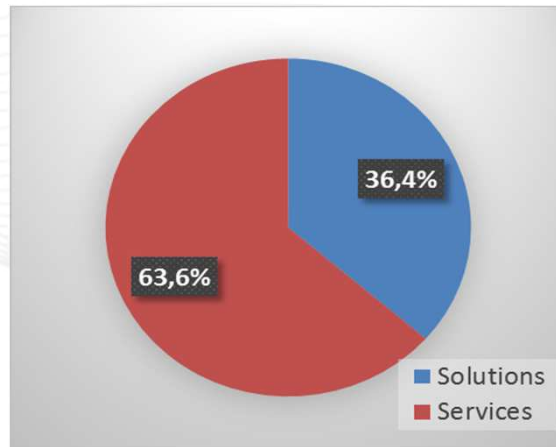


Services:

high recurrence and visibility with contracts that guarantee a average portfolio of 2,5 years

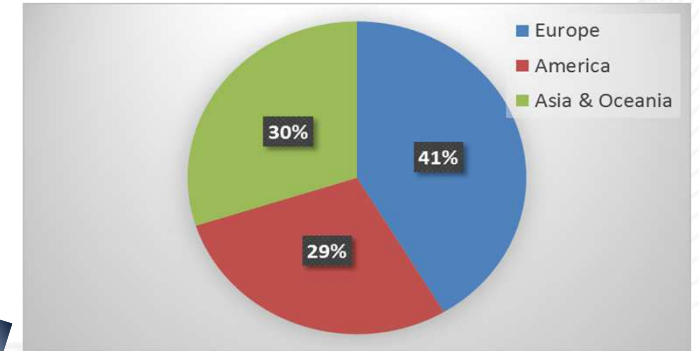


By geography



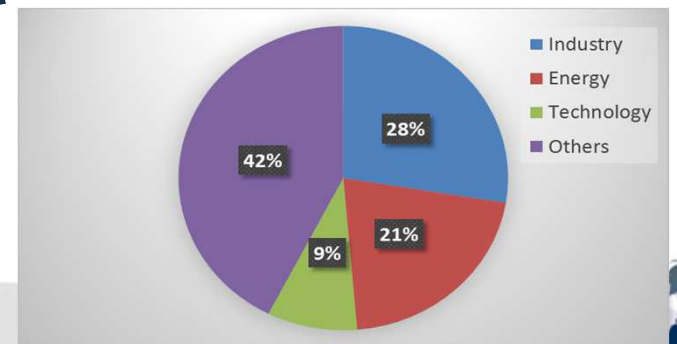
By sectors

Others: Healthcare, Banking, Public Administration.

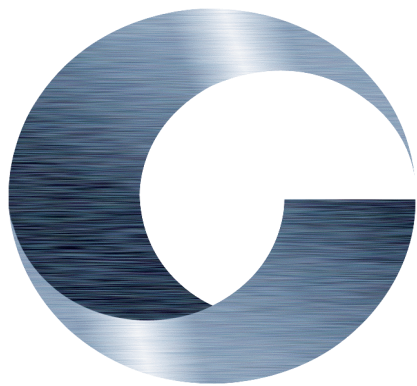


Solutions:

diversification and stability based on the existing portfolio and recurrence on present clients



Financial Resources management



Main Operations in 2014

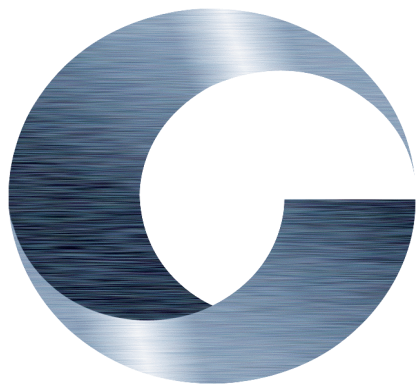
- New Syndicated Loan in 2014, amounting € 450 mill, with a repayment period of 5 years and an average life of 4.7 years
- Financial Loan with the European Investment Bank (EIB) amounting € 70 mill, with a repayment term of 7 years
- Prepayment of bonds (debentures) amounting 264 mill Brazilian real, approximately € 88 mill
- Capital increase by 7.89% of Share Capital. Amount of € 93 mill

- ***Financial resources obtaining process for next 5 years has finished successfully.***
- ***This debt improvement and cash position strengthens the financial position of the Group allowing access to new growth challenges***
- ***The short term fate of the new resources obtained (delisting and prepayment of the debentures), will lead to a significant improvement in Group's Net Income (financial and minority interest) allowing greater return to the shareholders***

2014 Restructuring Debt

- During 2014 a double objective has been achieved: improving cost of debt and lengthening significantly maturities.
- Structural Debt of Group, that currently amounts to € 700 Mill have next maturity dates:
 - Less than 1 year: 11,8%
 - Between 1 and 2 years: 9,3%
 - Between 2 y 4 years: 19,5%
 - More than 4 years: 59,4%
- Taking advantage of the good moment for interest rates, debt volume at fix interest has been increased, reaching at 34% of total structural debt
- On the subject of currency exposure of debt, Group works to achieve an optimum balance and minimization of risks. Nowadays, debt distribution by currency is:
 - Euros: 84%
 - Brazilian Reals y US Dollar: 14%

Main Corporative Operations in 2014



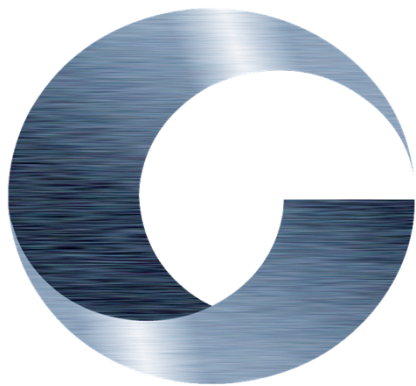
AUTOMETAL OFFER

- On September 2014 takeover bids on Autometal outstanding shares (25.24%) process is successfully closed with the objective of delisting from *Novo Mercado de BM&Fbovespa*, S.A. those shares
- 99% of acceptance
- After acceptance, CIE Automotive holds 99.75% of the shares of Autometal
- In October 2014 Autometal meeting of shareholders have agreed the resolution for the compulsory acquisition of the total shares that were not included in the Offer ("squeeze-out"), so CIE Automotive holds 100% of Autometal

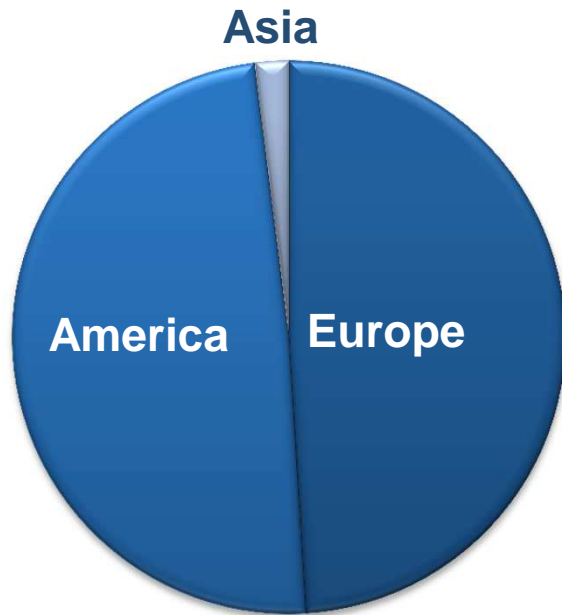
CLOSING OF MAHINDRA-CIE OPERATION

- Inclusion of a group of companies at a recurrent level of:
 - Sales: € 650 Mill
 - Ebitda: € 66 Mill
 - Net Financial Debt: € 170 Mill
- Technologies: Forging, Casting, Composites, Stamping and Gears, in Indian and European markets
- In October 2013 first stage of operation was carried out successfully.
- Closing of operation is expected to be in December 2014, with incorporation of 2 new plants in India and 1 in Italy.
- As a result of the operation CIE Automotive Group will hold approximately 53% and Mahindra will hold 20% of Mahindra CIE Group.
- With the closing of this transaction CIE reinforces its strategy of becoming one of the principle automotive components groups at global level.

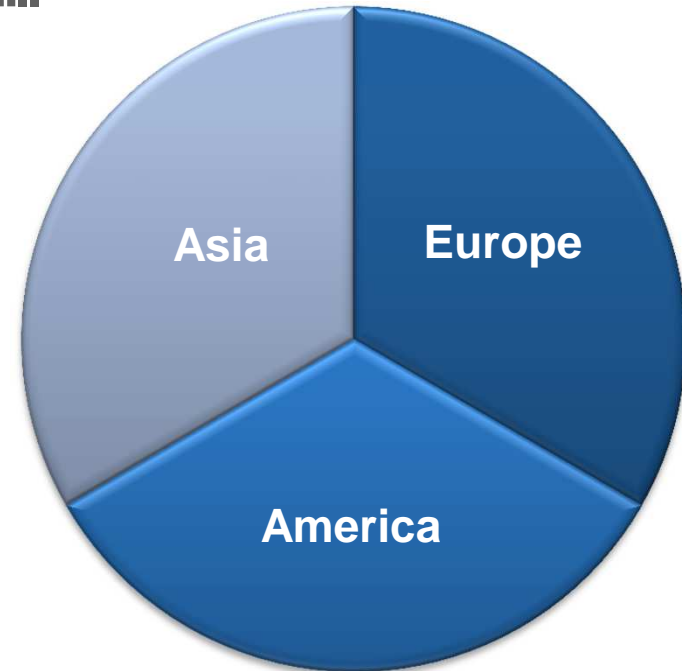
● Due to all of the foregoing: we confirm our commitment 2013-2017



Turnover over € 3.000 Mill
CAGR > 15%



Sales 2012

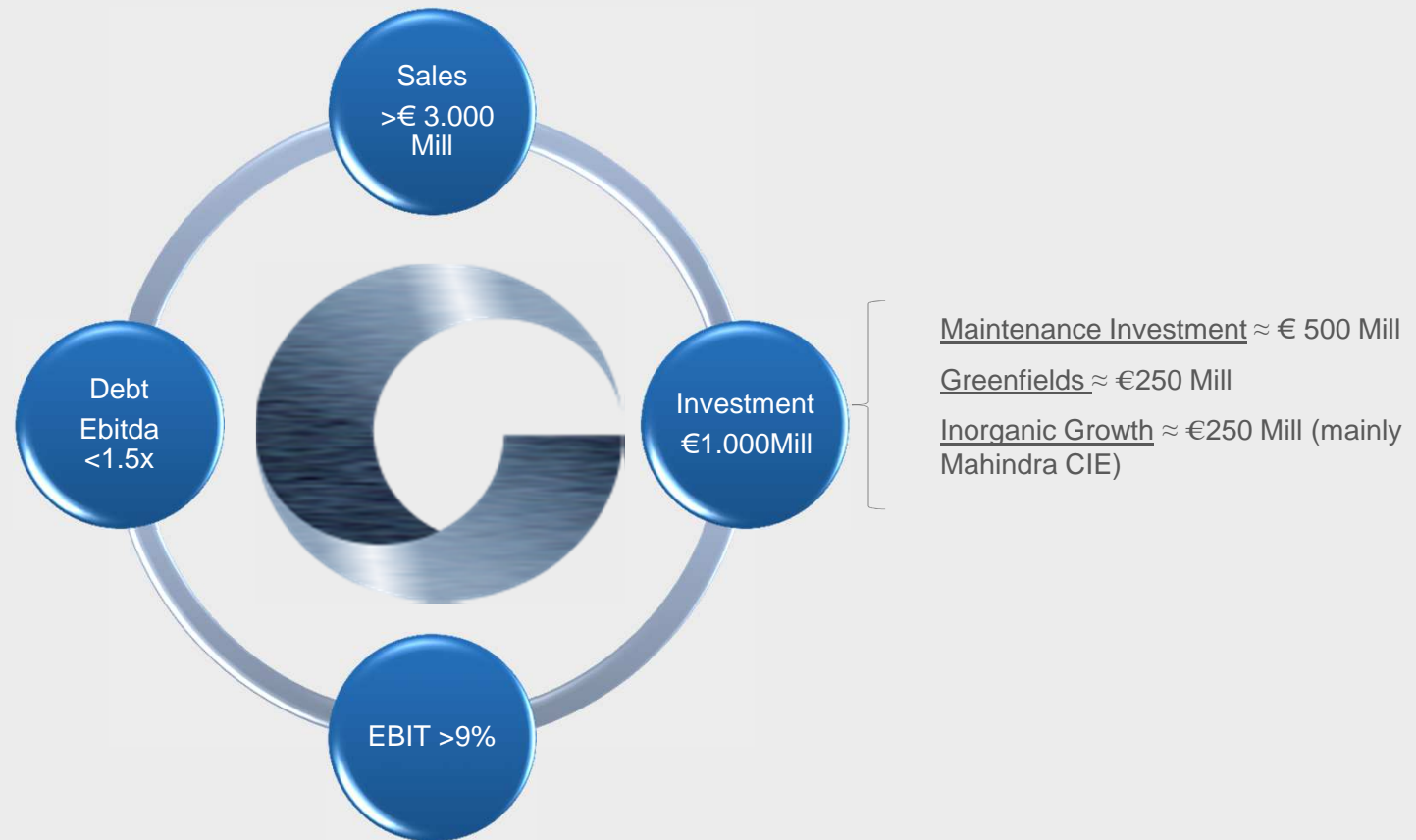


Sales 2017

Consolidating a significant market share in the Asian market, continuing with the strategy of emerging markets growth

Strategic thinking of CIE have as objective

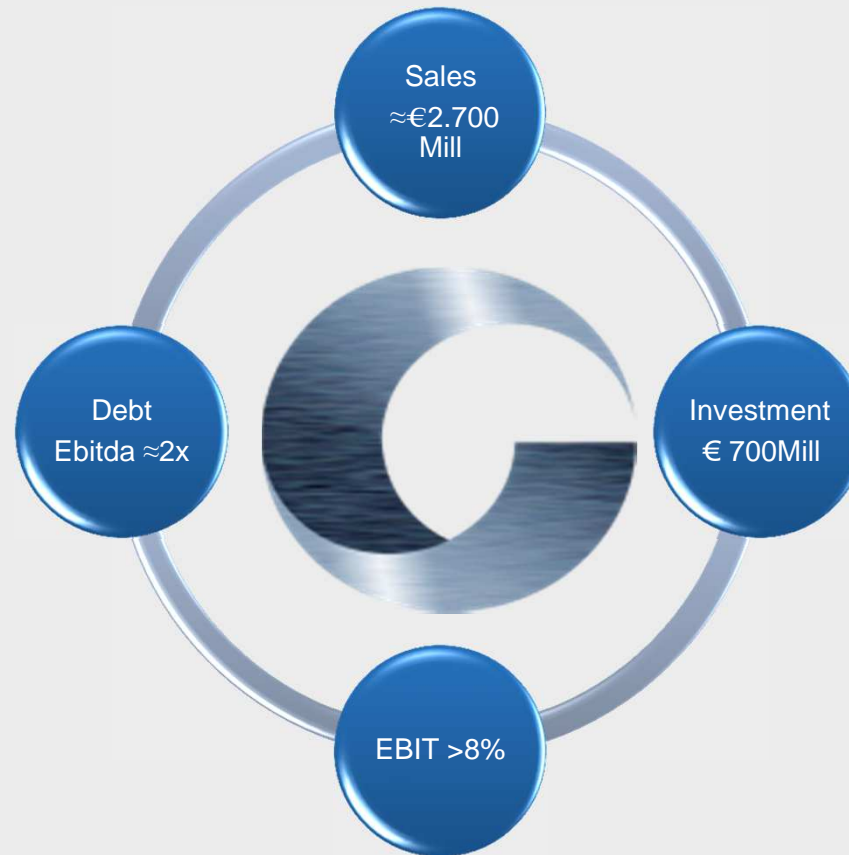
profitable growth of Group creating value for shareholder



As well, this situation allows forecast maintenance of current dividend policy.

...we will be very near to 2013-2017 commitment

In a shorter period, in 2015 year...



Maintenance Investment ≈ € 300 Mill
Greenfields ≈ €150 Mill
Inorganic Growth ≈ €250 Mill (mainly Mahindra CIE)

Key factors for 2015 objectives

1.- European market growth achieving operational excellence

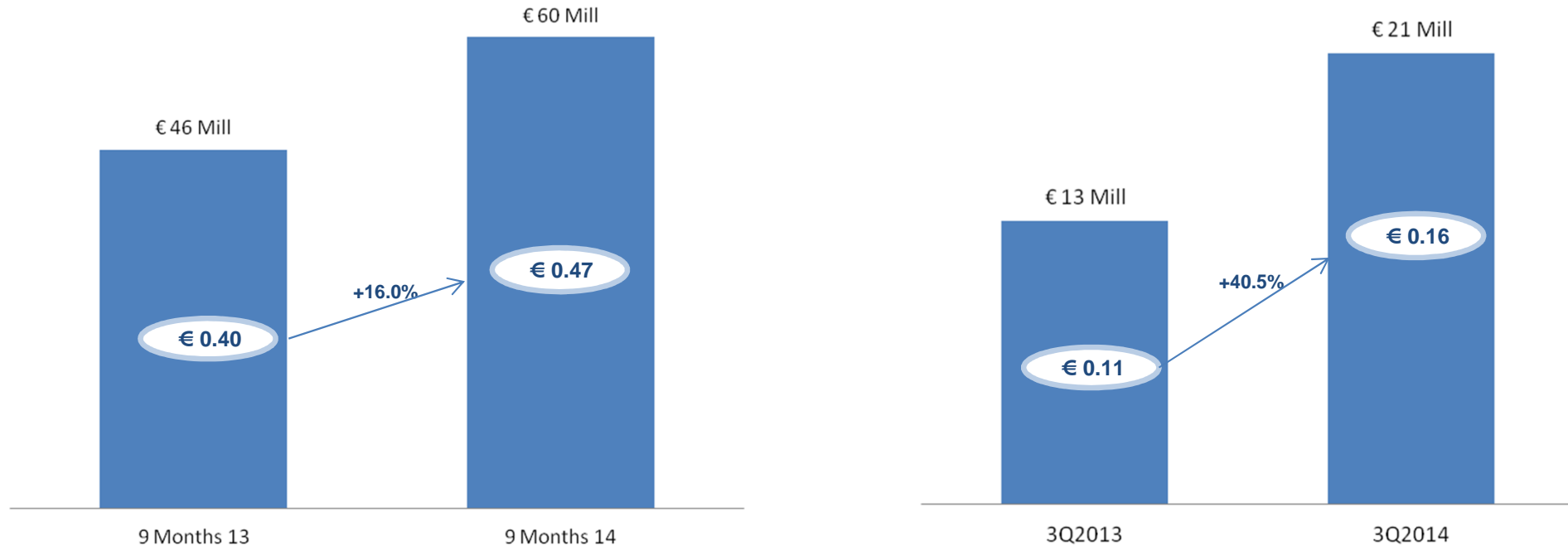
2.- Nafta Greenfields performance

3.- Results of the action plan in Germany and gradual improvement in India

4.- Productive means adaptation in Brazil

5.- Launch of Applied Innovation project

Net Income/ Net Income per share



Net Income per share (NIS) up to € 0.47, having growth more than 40% in 3Q2014 comparing same period 2013

Growing NIS is based on:

- **Market and perimeter growth**
- **Operative profitability improvement**
- **Efficient Capital management**



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