Financial Report
2010

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CIE Automotive – 2010 Full year results

CIE Automotive Group Results 2010

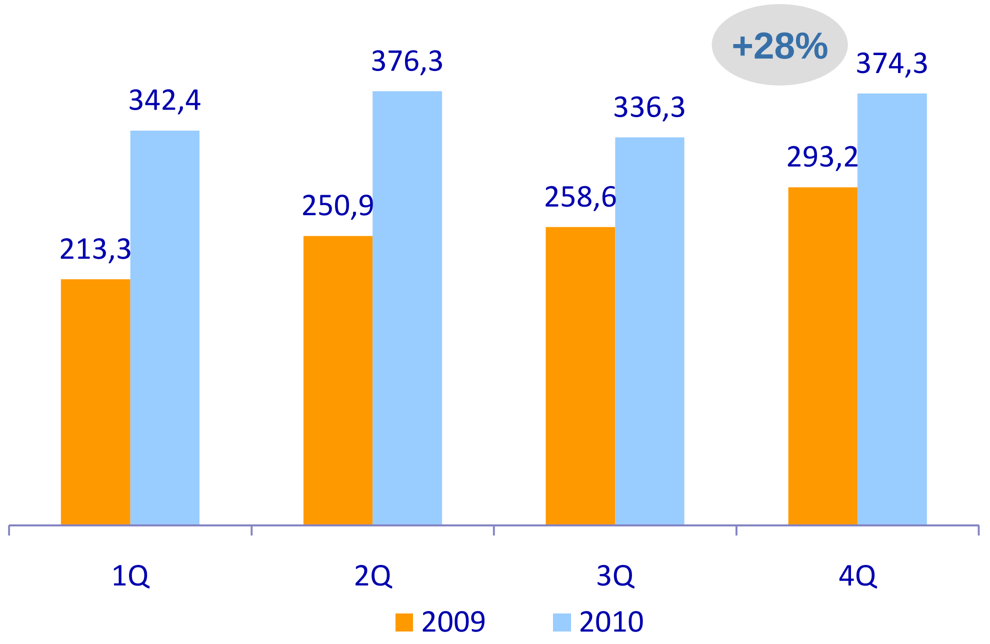
(million euros)	31/12/09	31/12/10	
Turnover	1.149,0	1.591,1	
Adjusted Turnover*	1.016,0	1.429,3	+41%
EBITDA	116,4	193,3	+66%
% EBITDA on Adjusted Turnover	11,5%	13,5%	+2pp
EBIT	52,7	112,1	x2
EBT	26,6	65,4	x2,5
Net Income	11,1	41,4	x4

Notes: (*) Proforma value calculated 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.

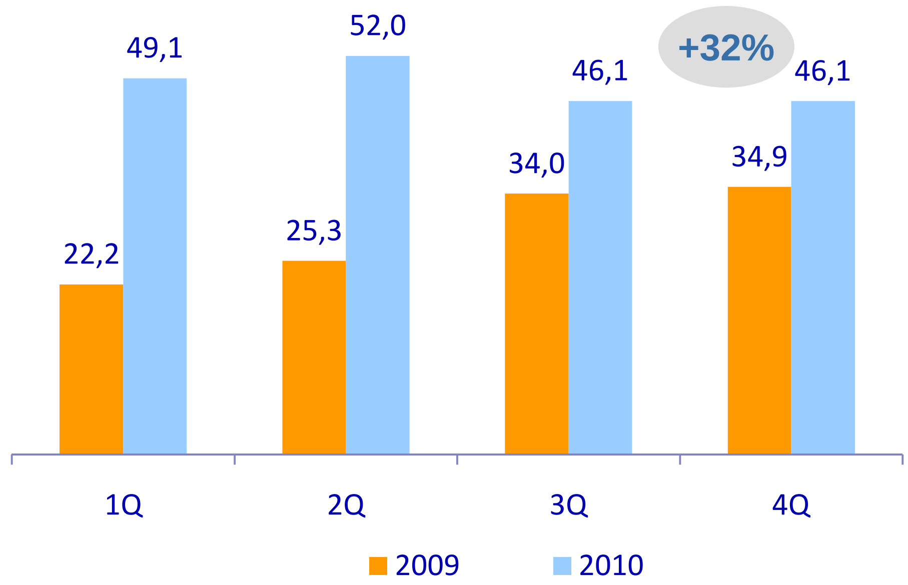
- ***Excellent results with historical record sales and EBITDA***
- ***In comparison with 2009, sales growth +41%, EBITDA increase +66% and EBITDA margin improvement 2 points aprox.***
- ***Results mainly supported in emerging markets and European recovery***
- ***This result includes a restructuring expense of 13 mill€ and a negative result of 5 mill€ for discontinued operations. Both effects have been partially offset with non-recurrent positive effects, mainly exchange rate differences***

Quarterly results evolution 2009/2010

Sales(1)



EBITDA



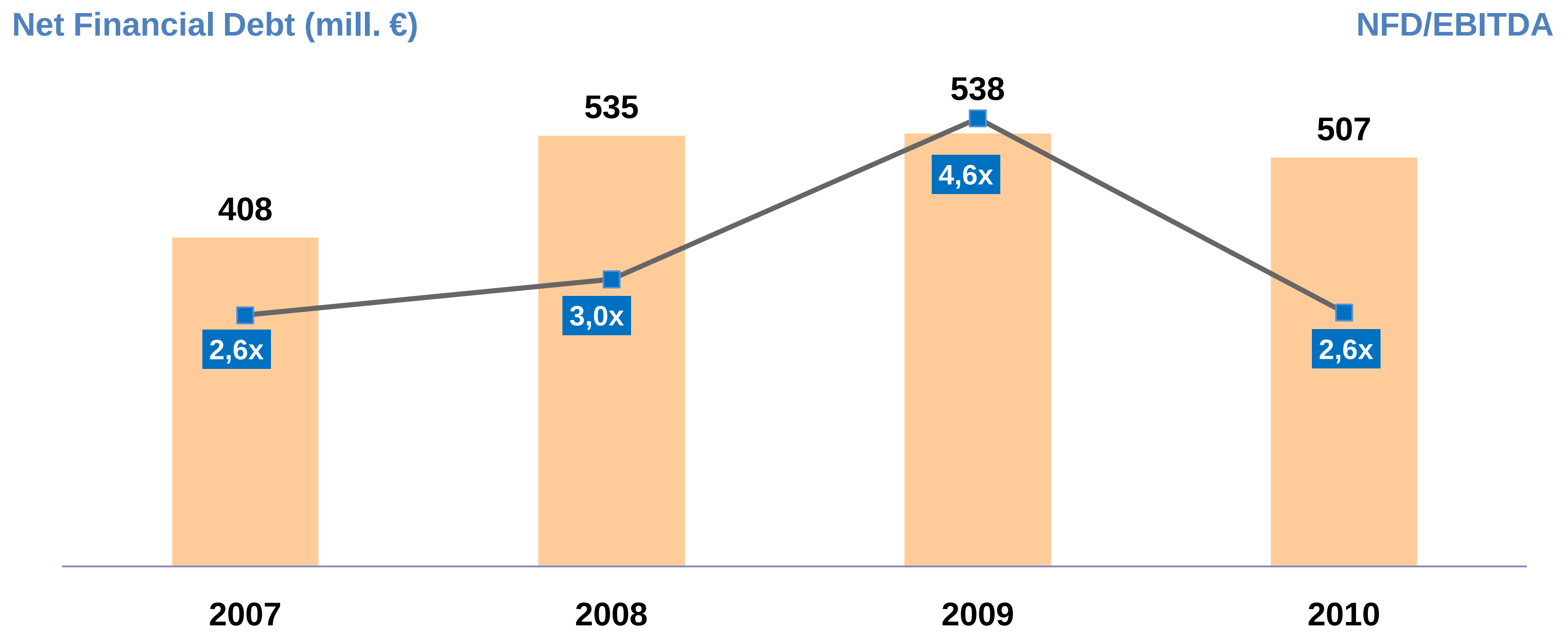
Million Euros

(1) Adjusted Turnover

- ***2010 was characterized by quarterly sales stability and generation in all the markets.***
- ***This starting point allows to face future development from a solid business position***

2010 results set CIE in a clearly reinforced financial position

Net Financial Debt evolution



NFD = Debt to banks and other financial institutions – cash and equivalents.

In 2010 CIE has improved its solvency and its debt level reaching a NFD/EBITDA ratio of 2,6x, with a Net Debt reduction of 31mill€

Automotive: **More than a year of excellent results supported in emerging**

New opportunities

- **We find ourselves in a new scenario in the automotive sector in which only those companies that have taken advantage of their strengths and make the necessary sacrifices to be stronger will survive**
- **This is the case of CIE Automotive, whose business model has allowed it to emerge stronger from the crisis:**
  - **The Multitechnology model, flexibility and the global nature of CIE Automotive has allowed us to make fast changes in order to adapt to the current situation**
  - **CIE Automotive has suffered less the drop in production due to its presence in markets with growth above the industry average**
- **Opportunities exist for companies that have successfully adapted to market circumstances: CIE Automotive is positioned to be one of the key industry players in the future**

Automotive Results 2010

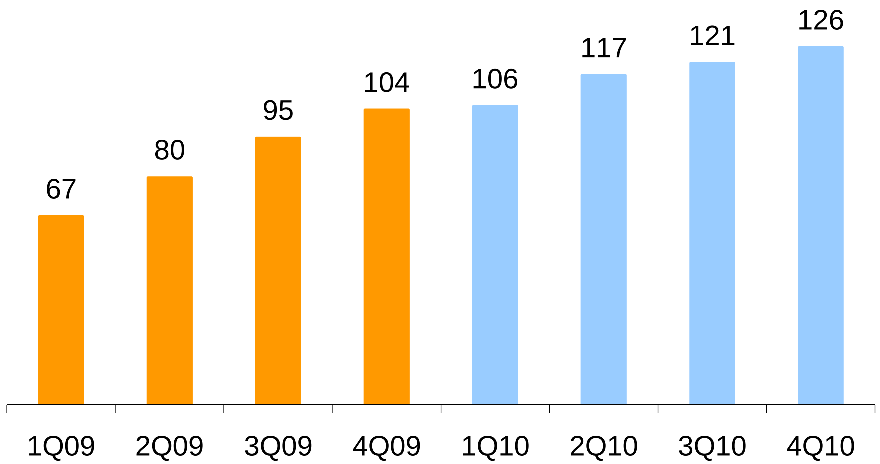
(million euros)	31/12/09	31/12/10	
Turnover	969,0	1.322,7	+37%
EBITDA	120,2	191,4	+59%
% EBITDA on Turnover	12,4%	14,5%	+2,1pp
EBIT	58,4	113,1	~ x2
% EBIT on Turnover	6,0%	8,6%	+2,6pp

Note: EBITDA: Net Operating Income + Depreciation; EBIT: Net Operating Income

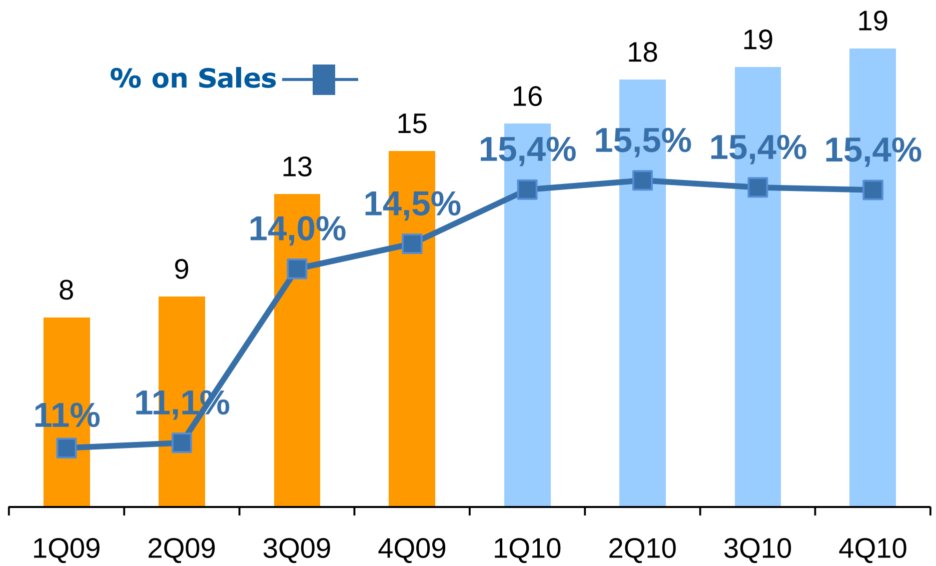
- ***Different performance by geographical area: emerging markets remain strong, particularly Brazil, Mexico and Eastern Europe. West Europe in recovery phase, though activity level still at 80%.***
- ***High fixed costs reduction activity during the year with 13 mill.€ non-recurrent negative effect in the period. Breakeven reduction target maintaining volume margin at 80%***
- ***EBITDA margin 2010: 15,5%, without non-recurrent effects.***

Automotive sales and EBITDA evolution

Monthly sales



Monthly EBITDA



Million Euros

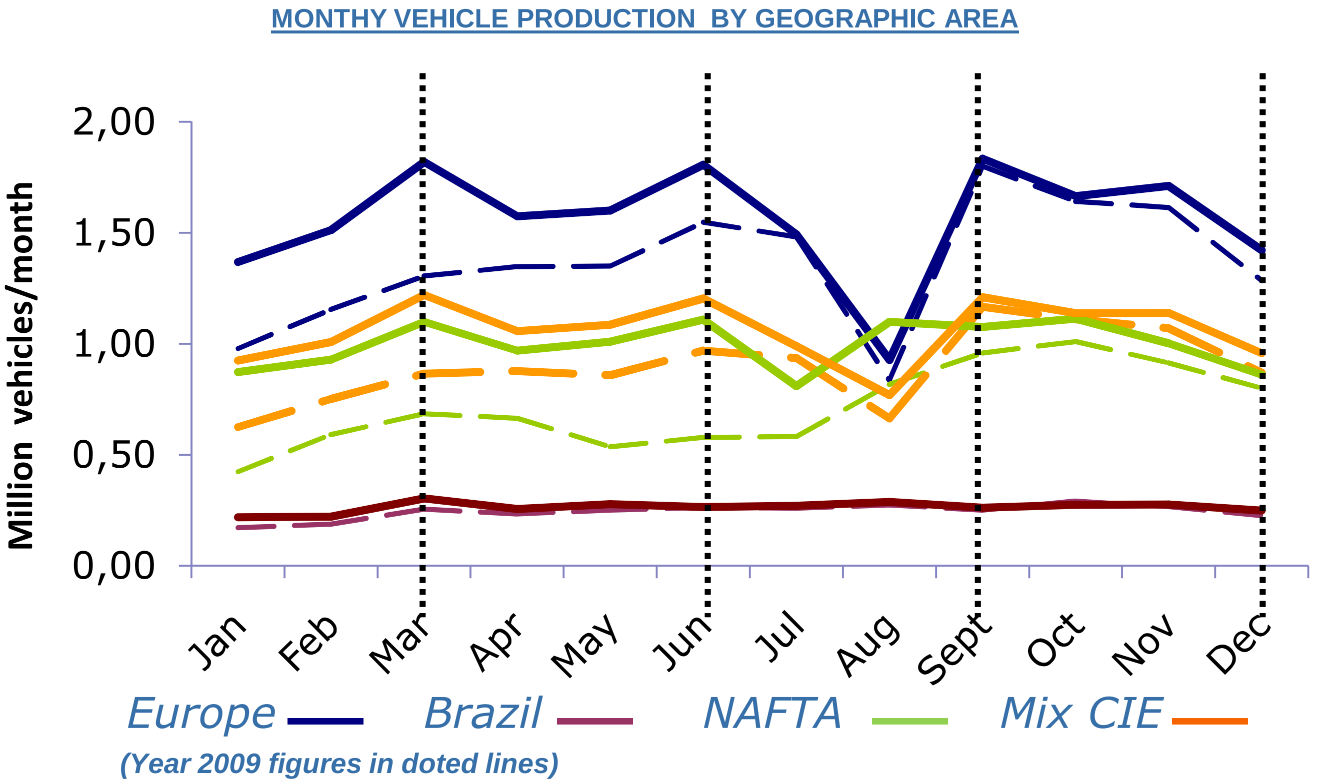
Notes: - Monthly averages by quarter. Proforma values 3Q and 4Q equal to 2,6 and 2,7 months respectively, instead of 3 months as 1Q and 2Q.

- 4Q2009, 2Q2010, 3Q2010 and 4Q2010 values deducting non-recurrent negative effects.

- EBITDA: Net Operating Income + Depreciation

- ***Positive quarterly trend in 2010 in Sales and EBITDA at a global basis and in each of CIE markets: Brazil, Mexico and Europe***
- ***EBITDA margin in standard levels, around 15,5%.***

Vehicle production evolution 2009/2010



YTD 2010 vs 2009 Production

Europe	+15%
Brazil	+8%
NAFTA	+39%
Mix CIE	+18%

YTD 2010 vs 2009 Sales

Europe	-1%
Brazil	+11%
NAFTA	+10%
Mix CIE	+5%

- ***End of stock reduction effect worldwide and termination of aids in the sector***
- ***Brazil: Market in record situation***
- ***NAFTA: Market recovery in USA (without aids)***
- ***Europe: does not show weakness in production level after termination of aids, supported by the end of stock reduction effect and by the strength of exports to emerging markets, especially due to market increase in Russia and Asia.***

Biofuels

Biofuels Results 2010

(million euros)	31/12/09	31/12/10	
Turnover	180,0	268,4	+49%
Adjusted Turnover *	47,0	106,7	+127%
EBITDA	(3,8)	1,9	
EBIT	(5,8)	(1,0)	

Notes: (*) Proforma value calculated by deducting turnover of diesel oil used for blending
EBITDA: Net Operating Income + Depreciation; EBIT: Net Operating Income

- ***The contribution of the biofuels business will remain marginal, although operative breakeven has been achieved***
- ***The year has been characterized by a focus on Biodiesel production in Spain from recycled oils and other wastes. 5 mill€ non-recurrent negative effect due to production activity discontinuation out of Spain.***
- ***The expected reform on the Biofuels use and production rules could make the set strategy evolve.***
- ***Jatropha development in R&D stage. Mass application in a period of not less than 3 years***
- ***In this situation our strategy remains unchanged:***
  - ***Focus on recycled oils segment***
  - ***Investment containment in virgin oil factories***
  - ***Strict costs control and risk reduction with buying and selling operations coverage***
- ***We are firmly convinced in the future of the biofuels as part of the fight against climatic change and reduction of CO2 emissions***

Positioning towards the future

After a good 2010, the starting point in 2011 is characterized by 3 key factors

1) **Return to historical levels of profitable growth** ✓

+

2) **Autometal IPO** ✓

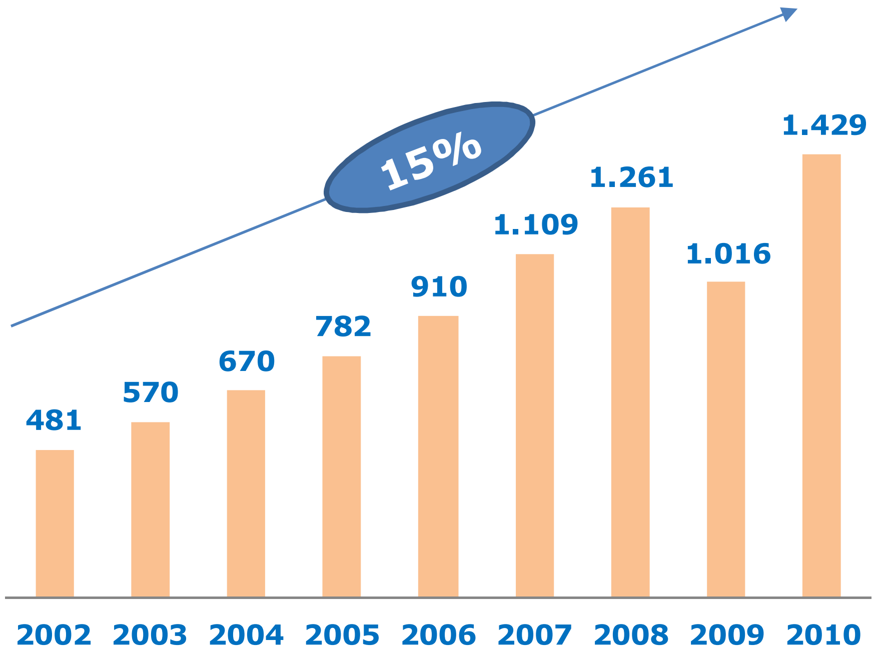
+

3) **Merger with INSSEC and Dominion´s ICT business integration** ✓

After this process, CIE Automotive Group comes out reinforced to face new challenges of international growth

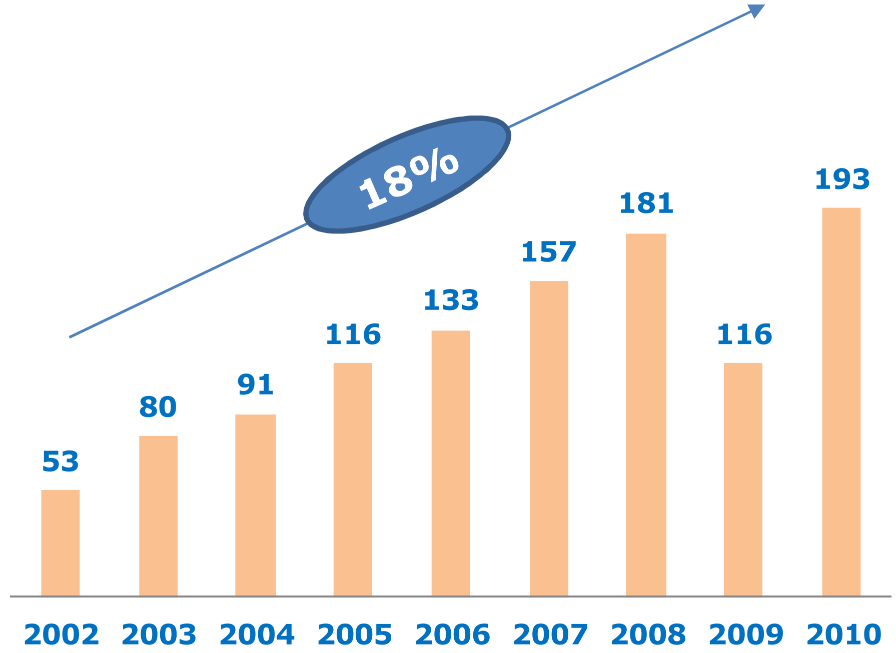
1) Return to historical levels of profitable growth: 2002 – 2010 results evolution

Sales evolution (mill. €)(1)



- **Growth ex-2009 of 16% and expected RoCE(2) >12% in 2010 (+7p.p. vs. 02)**

EBITDA evolution (mill. €)



- **Growth ex-2009 of 20% and EBITDA margin of 15% (+4p.p. vs. 02)**

(1) 2006, 2007, 2008, 2009 and 2010 data deducting turnover of diesel oil used for blending
(2) ROCE calculated as EBIT divided by average employed capital (equity + net financial debt)

After a "lost" year 2009 due to the crisis, CIE Automotive has retaken its growth and profitability traditional path

2) Autometal IPO: Improves financial structure and allows Group development acceleration

Key figures (31-12-2010 proforma post IPO)

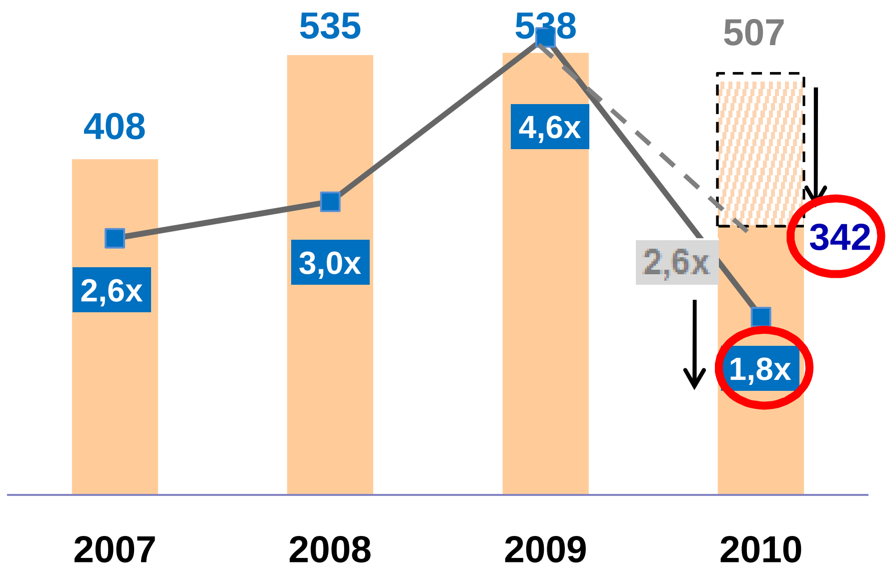
Capital increase 184 mill € (1)

(million euros)	Pre IPO	Post IPO
Equity	354	520
Net Financial Debt (NFD)	507	342

Ratios	Pre IPO	Post IPO
NFD/EBITDA	2,6x	1,8x
NFD/EQUITY	1,4x	0,6x
Capital gain made to reserves		60

- **Additionally, there is an unrealized capital gain of 300 mill€ (valuing the shareholding of CIE in Autometal at the IPO price)**

NFD evolution (31-12-2010 proforma post IPO)



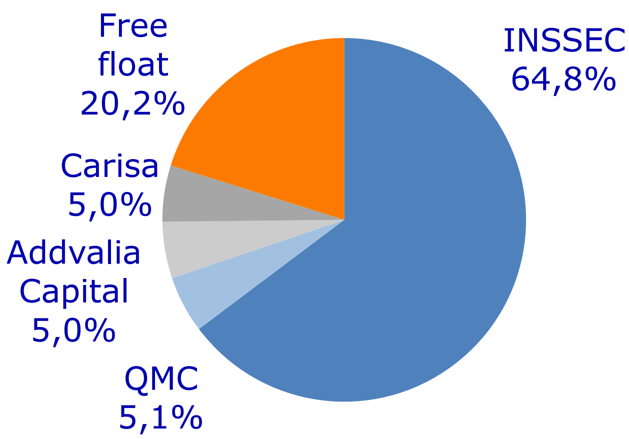
- **The lower indebtedness allows access to new international development challenges**

(1) Net capital increase corresponding to the sale of 31,5 million shares at 14 reals/share including capital increase costs

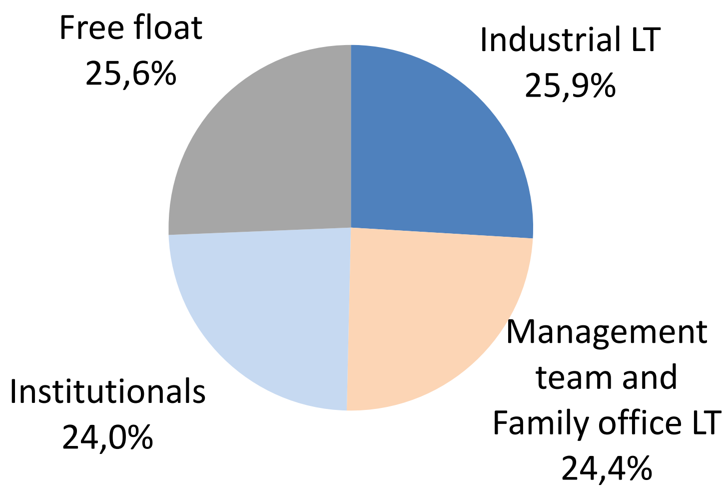
- ***After IPO, CIE Automotive´s shareholding in Autometal is 77,15%***
- ***70 funds and 1500 individuals have invested. The geographical distribution of the investment has been: Brazil 48%, USA 25%, Europe 23% and others 4%***

3) Merger with INSSEC and Dominion integration:
A new shareholder structure for a new growth period

Pre-merger Shareholding



Post-merger Shareholding



- **Stable LT Shareholders group**
- **Free float increase to ~26%**
- **As a result liquidity increase and lower volatility**

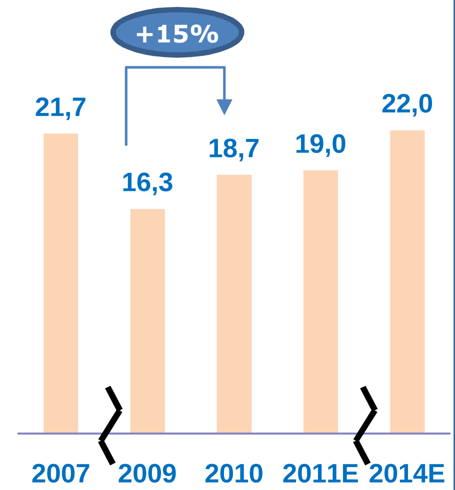
Dominion´s ICT Business integration

- **Dominion operates in two business areas:**
  - **<u>SOLUTIONS</u>: operates in specific niches of higher growth potential technological sectors as education, transports, health, environment and communications**
  - **<u>SERVICES</u>: provides services to telecommunications, vendors and finance sectors, with a deployment of physical networks (RNS) and management centers by country (CIS)**
- **Strong presence in Spain, Brazil, Mexico and presence in other Latin American countries.**
- **Emerging markets development strategy taking advantage of the synergies in these markets with CIE**

The automotive market is coming back to growth in 2010-14…

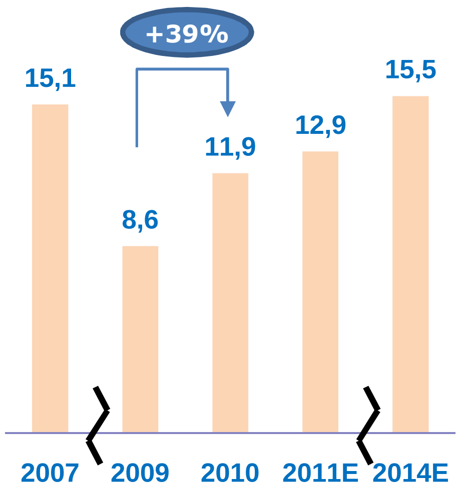
Annual vehicle production

Europe (Mill. Units.)



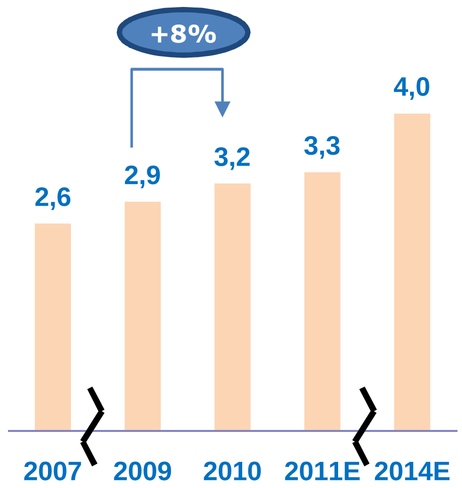
- 2010 better than initially expected
- Medium term recovery accelerated by East Europe and Russia

NAFTA (Mill. Units.)



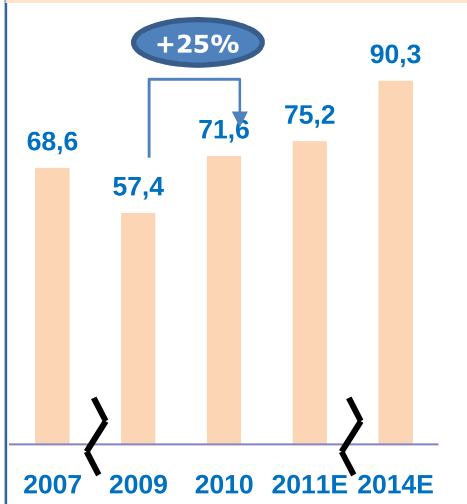
- Strong recovery in 2010
- Positive perspectives due to growth in México and recovery in the USA

Brazil (Mill. Units.)



- 2010 follows the historical growth path
- Maintaining the same levels towards the future

World (Mill. Units.)



- Recovery with record production in 2010 of aprox. 72 mill. units.
- Perspectives of reaching record levels every year

Source: Vehicle Production, CSM December 2010

- ***In general, in 2011, markets in which CIE has presence will remain at 2010 levels***
- ***In the following years: soft recovery growths are expected in mature markets. The actual growth rate continues in emerging markets.***

…period during which CIE intends to continue with its strategy of expansion and growth

CIE´s strategic objectives for the following years

Automotive components	■ Increase **presence in emerging markets** (Brazil, Mexico, East Europe, Asia)
	■ Seize **opportunities** of **acquiring companies** in the sector
	■ Continue with the historical growth of the company, **growing** business and **results at a double digit rate**
	■ **Consolidate** and **increase** the **15% EBITDA margin,** reached in 2010
	■ Maintain the **leverage target of NFD/EBITDA ~2x**
	■ Focus **R&D on reducing vehicles weight** and **lowering emissions**
Rest of Businesses	■ Development of both businesses in emerging markets by exploiting automotive **management synergies** with **not relevant committed investments**

- ***In this scenario of normality, CIE expects to double its 2009 EBITDA one year earlier (in 2012 instead of in 2013)***
- ***Additionally, CIE expects to double its 2010 net income over the next three years.***