CIE AUTOMOTIVE, S.A. AND SUBSIDIARIES

Abbreviated consolidated interim financial statements
for the six-month period
ended 30 June 2017

CIE AUTOMOTIVE, S.A. AND SUBSIDIARIES

Table of contents of the abbreviated consolidated interim financial statements of CIE Automotive, S.A. and subsidiaries for the six-month period ended 30 June 2017

CIE AUTOMOTIVE, S.A. AND SUBSIDIARIES

ABBREVIATED CONSOLIDATED INTERIM BALANCE SHEET AT 30 JUNE 2017
(Thousand euro)

	Note	30.06.2017	31.12.2016
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,232,663	1,166,742
Goodwill	5	1,281,824	1,240,169
Other intangible assets	5	52,788	56,837
Non-current financial assets	6	9,837	10,560
Investments in associates	6	9,883	11,799
Deferred tax assets	-	234,021	234,499
Other non-current assets	-	12,295	11,738
		2,833,311	2,732,344
Current assets			
Inventories	-	392,978	355,349
Trade and other receivables	-	620,628	477,886
Other current assets	-	12,443	11,901
Current tax assets	-	74,085	62,873
Other current financial assets	6	60,559	57,088
Cash and cash equivalents	7	295,034	372,550
		1,455,727	1,337,647
Disposal group assets classified as held-for-sale	8	6,728	6,746
Total assets		4,295,766	4,076,737

The accompanying notes on pages 7 to 51 are an integral part of these abbreviated consolidated interim financial statements.

CIE AUTOMOTIVE, S.A. AND SUBSIDIARIES

ABBREVIATED CONSOLIDATED INTERIM BALANCE SHEET AT 30 JUNE 2017
(Thousand euro)

	Note	30.06.2017	31.12.2016
EQUITY			
Equity attributable to the parent company's shareholders			
Share capital	9	32,250	32,250
Treasury shares	9	(4,526)	-
Share premium	9	152,171	152,171
Retained earnings	-	711,530	647,826
Interim dividend	-	-	(25,800)
Cumulative exchange differences	-	(103,179)	(44,470)
Non-controlling interests	-	507,317	501,329
Total equity		1,295,563	1,263,306
Deferred income	-	14,733	14,406
LIABILITIES			
Non-current liabilities			
Non-current provisions	11	153,226	147,108
Non-current borrowings	10	1,054,605	1,015,899
Deferred tax liabilities	-	88,980	87,207
Other non-current liabilities	-	104,753	104,616
		1,401,564	1,354,830
Current liabilities			
Current borrowings	10	176,406	215,084
Trade and other payables	-	1,138,022	957,004
Other current financial liabilities	6	11,843	14,898
Current tax liabilities	-	76,733	72,154
Current provisions	11	21,379	21,474
Other current liabilities	-	157,763	161,828
		1,582,146	1,442,442
Disposal group liabilities classified as held-for-sale	8	1,760	1,753
Total liabilities		2,985,470	2,799,025
Total equity and liabilities		4,295,766	4,076,737

The accompanying notes on pages 7 to 51 are an integral part of these abbreviated consolidated interim financial statements.

CIE AUTOMOTIVE, S.A. AND SUBSIDIARIES

ABBREVIATED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017
(Thousand euro)

	Note	Six-month period ended 30 June 2017	Six-month period ended 30 June 2016
OPERATING REVENUE		1,847,067	1,388,831
Revenue	-	1,794,026	1,349,483
Other operating income	-	33,446	39,058
Change in inventories of finished goods and work in progress	-	19,595	290
OPERATING EXPENSES		(1,653,331)	(1,250,070)
Consumption of raw materials and secondary materials	-	(1,014,315)	(743,031)
Employee benefit expenses	-	(377,659)	(304,382)
Depreciation and impairment	4/5	(78,057)	(62,063)
Other operating income/(expenses)	-	(183,300)	(140,594)
OPERATING PROFIT		193,736	138,761
Financial income	-	2,758	3,182
Financial costs	-	(26,300)	(21,796)
Net exchange differences	-	(3,780)	(89)
Gains/ losses of financial instruments at fair value	6	2,091	(454)
Change in fair value of assets and liabilities taken to income statement	2.4	-	993
Share of profit/(loss) of associates	6	3,435	415
PROFIT BEFORE TAX		171,940	121,012
Corporate income tax	12	(36,149)	(24,737)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS AFTER TAX		135,791	96,275
PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS AFTER TAX	8	(275)	182
PROFIT FOR THE PERIOD		135,516	96,457
ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	-	(20,451)	(13,893)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		115,065	82,564
Earnings per share from continuing and discontinued operations attributable to shareholders of the parent company(expressed in euro per share)			
- Basic	13	0.893	0.640
From continuing operations		0.895	0.639
From discontinued operations		(0.002)	0.001
- Diluted	13	0.893	0.640
From continuing operations		0.895	0.639
From discontinued operations		(0.002)	0.001

The accompanying notes on pages 7 to 51 are an integral part of these abbreviated consolidated interim financial statements.

CIE AUTOMOTIVE, S.A. AND SUBSIDIARIES

ABBREVIATED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017
(Thousand euro)

	Note	Six-month period ended 30 June 2017	2016
PROFIT FOR THE PERIOD		135,516	96,457
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
Entries that may be reclassified subsequently to profit or loss:			
- Cash flow hedges	6	2,737	(8,348)
- Net investment hedge	6	(172)	8,231
- Foreign currency translation differences	-	(64,903)	18,629
- Other comprehensive income for the period	-	(593)	645
- Tax effect	-	(677)	(1,027)
Total entries that may be reclassified subsequently to profit or loss		(63,608)	18,130
Entries that may not be reclassified subsequently to profit or loss:			
- Actuarial gains and losses	11	(97)	(221)
- Tax effect		(77)	37
Total entries that may not be reclassified subsequently to profit or loss:		(174)	(184)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD NET OF TAX		71,734	114,403
Attributable to:			
- Parent company owners		61,379	103,240
. Continuing operations		61,654	103,058
. Discontinued operations		(275)	182
- Non-controlling interests		10,355	11,163
		71,734	114,403

The accompanying notes on pages 7 to 51 are an integral part of these abbreviated consolidated interim financial statements.

CIE AUTOMOTIVE, S.A. AND SUBSIDIARIES

ABBREVIATED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2017
(Thousand euro)

	Share capital (Note 9)	Treasury shares (Note 9)	Share premium (Note 9)	First time application reserve and other restatement reserves	Exchange differences	Retained earnings	Interim dividend	Non-controlling interests	Total equity
Balance at 31 December 2015	32,250	-	152,171	(41,546)	(97,869)	552,723	(20,640)	307,901	884,990
TOTAL COMPREHENSIVE INCOME for 2016	-	-	-	(298)	20,974	82,564	-	11,163	114,403
Distribution 2015 profit	-	-	-	-	-	(42,570)	20,640	-	(21,930)
Changes in the scope of consolidation (Note 1)	-	-	-	-	4,743	8,531	-	99,448	112,722
Other movements (*)	-	-	-	-	235	(280)	-	(1,618)	(1,663)
Balance at 30 June 2016	32,250	-	152,171	(41,844)	(71,917)	600,968	-	416,894	1,088,522

(*) Basically relates to the distribution of dividends to non-controlling interests.

	Share capital (Note 9)	Treasury shares (Note 9)	Share premium (Note 9)	First time application reserve and other restatement reserves	Exchange differences	Retained earnings	Interim dividend	Non-controlling interests	Total equity
Balance at 31 December 2016	32,250	-	152,171	(47,128)	(44,470)	694,954	(25,800)	501,329	1,263,306
TOTAL COMPREHENSIVE INCOME for 2017	-	-	-	1,531	(55,217)	115,065	-	10,355	71,734
Distribution 2016 profit	-	-	-	-	-	(52,837)	25,800	-	(27,037)
Changes in the scope of consolidation (Note 1)	-	-	-	-	(2,831)	341	-	(3,327)	(5,817)
Acquisition of treasury shares	-	(4,526)	-	-	-	-	-	-	(4,526)
Other movements (*)	-	-	-	-	(661)	(396)	-	(1,040)	(2,097)
Balance at 30 June 2017	32,250	(4,526)	152,171	(45,597)	(103,179)	757,127	-	507,317	1,295,563

(*) Basically relates to the distribution of dividends to non-controlling interests.

The accompanying notes on pages 7 to 51 are an integral part of these abbreviated consolidated interim financial statements.

CIE AUTOMOTIVE, S.A. AND SUBSIDIARIES

ABBREVIATED CONSOLIDATED INTERIM CASH FLOW STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017
(Thousand euro)

	Notes	Period ended 30 June 2017	2016
Cash flows from operating activities			
Cash generated from continuing and discontinued operations	15	288,896	204,811
Interest paid	-	(20,671)	(15,799)
Interest collected	-	2,371	2,398
Taxes paid	-	(21,818)	(18,229)
Net cash generated from operating activities		248,778	173,181
Cash flows from investing activities			
Acquisition/disposal of subsidiaries, net of cash acquired	17	(101,569)	(2,775)
Acquisition of property, plant and equipment	4	(151,411)	(84,633)
Proceeds from the sale of property, plant and equipment and intangible assets	15	1,698	2,990
Acquisition of intangible assets	5	(5,416)	(4,522)
Acquisitions / disposals of other assets and liabilities	-	(6,294)	(8,080)
Payment of business combinations liabilities	-	(36,910)	(87,362)
Acquisition of minority interests	1	(5,817)	(45,558)
Proceeds from disposals in associates	6	2,700	-
Acquisition/disposal of financial assets	6	(712)	(2,005)
Net cash used in investing activities		(303,731)	(231,945)
Cash flows from financing activities			
Funds obtained from IPO	-	-	156,231
Sale/(Acquisition) of Treasury Shares	9	(4,526)	-
Proceeds from borrowings	10	145,603	129,173
Income (net of reimbursements) from high-rotation borrowings	10	16,649	(18,377)
Loan repayments	10	(152,966)	(89,402)
Grants received (net)	-	1,784	265
Dividends paid to shareholders of the parent company	14	(25,800)	(20,640)
Other payments/income to/from non-controlling interests	-	(939)	(1,145)
Net cash (used in)/from financing activities	-	(20,195)	156,105
Exchange gains/(losses) on cash and cash equivalents	-	**(2,368)**	**2,587**
Net (decrease)/increase in cash and cash equivalents		**(77,516)**	**99,928**
Cash and equivalents at beginning of the period	7	372,550	261,011
Cash and equivalents at end of the period	7	**295,034**	**360,939**

The accompanying notes on pages 7 to 51 are an integral part of these abbreviated consolidated interim financial statements.

CIE AUTOMOTIVE, S.A. AND SUBSIDIARIES

NOTES TO THE ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017
(Thousand euro)

1. General information and Regulatory Framework

1.1 CIE Automotive Group and activities

The CIE Automotive Group carries out its activities in two core business lines: the Automotive sector and the Solutions and Services sector (Smart Innovation) which are described below:

- Automotive

  The automotive business is carried out through an industrial group formed by several companies that are mainly engaged in the design, manufacture and sale of automotive components and sub-assemblies, as well as, biofuels on the world Automotive market, using complementary technologies – aluminium, forging, metals and plastics - and several associated processes: machining, welding, painting and assembly.

  Its main facilities are located in Europe: Spain (Alava, Barcelona, Cádiz, Guipúzcoa, Orense, Pontevedra, Madrid and Vizcaya), Germany, France, UK, Portugal, Czech Republic, Romania, Italy, Morocco, Lithuania, Slovakia, NAFTA (Mexico and the US), South America (Brazil), India, the People's Republic of China, Guatemala and Russia.

- Solutions and Services (Smart Innovation)

  The Group, through a group of companies, leading by the company Global Dominion Access, S.A. and with stable presence in 30 countries and more than 6,000 employees, supported on a business model, which combines knowledge and technology, develops its activities offering Solutions and Services that actively contribute to make more efficient the productive processes of its clients. With a global and multisectorial approach, this subgroup operates, among others, in the sectors of Industry, Energy, Bank, Health, Education and Technology, both in private and public fields.

  Its main facilities are located in Europe (Spain, Germany, France, Italy, the United Kingdom, Poland and Denmark), Latin America (Mexico, Brazil, Peru, Argentina, Chile, Ecuador, the Dominican Republic and Colombia), the United States and Canada, so on in Asia (Saudi Arabia, India, Oman, Qatar, UAE, Israel, Vietnam and the Phillippines), and Africa (South Africa and Angola).

The parent company's registered office is located at "Alameda Mazarredo 69, 8º piso", Bilbao.

Group structure

At present CIE Automotive, S.A. (publicly listed) has a 100% direct stake in: CIE Berriz, S.L.; Advanced Comfort Systems Ibérica, S.L.U., Advanced Comfort Systems France, S.A.S. and Autokomp Ingeniería, S.A.U. and, lastly, 50.01% stake in Global Dominion Access, S.A., holding companies to which the CIE Automotive Group's productive companies report.

The list of subsidiaries and associates at 30 June 2017, together with the information concerning them, is set out in the Appendix to these abbreviated consolidated interim financial statements.

All subsidiaries under the control of the CIE Automotive Group have been consolidated using the full consolidation method.

(Thousand euro)

The companies consolidated under the equity method are as follows:

	% interest	
	30.06.2017	31.12.2016
Belgium Forge, N.V. (1)	100%	100%
Galfor Eólica, S.L. (2)	26%	26%
Gescrap – Autometal Comercio de Sucatas, Ltd.	30%	30%
Antolin-CIE Czech Republic, s.r.o. (3)	-	30%
Gescrap Autometal de México, S.A. de C.V. and subsidiaries	30%	30%
Centro Near Servicios Financieros, S.L.	11.50%	11.50%
Advance Flight Systems, S.L.	10.00%	10.00%
Sociedad Concesionaria Chile Salud Siglo XXI, S.A.	15.00%	15.00%
Crest Geartech Ltd. (1)	51.38%	51.38%
Huerto Solar La Alcardeteña, S.A. (4)	-	18.50%
BAS Project Corporation, S.L.	12.50%	12.50%
Cobra Carbon Grinding, B.V. (5)	25.01%	-

(1) In liquidation/dormant
(2) Company being launched
(3) Sold in 2017 (Note 6)
(4) Disposed in 2017 (Note 1)
(5) New in 2017 (Note 1)

Public offering of subscription and sale of shares in Global Dominion Access, S.A.

The Group's subsidiary, Global Dominion Access, S.A. started trading its shares on the Spanish Stock Exchange on 27 April 2016. The offering, addressed to qualified investors and whose brochure was approved by the Spanish Securities Market Commission (CNMV) on 14 April 2016 was fully subscribed. The price was set at €2.74 per share in collaboration with the banks responsible for the operation.

After the capital increase and split, as a result of the IPO, €54,744,525 company shares were issued, representing 33.31% of share capital post IPO, involving share capital amounting to €6,843 thousand and a share premium amounting to €143,157 thousand. In addition, the stabilisation agent made use of the "greenshoe" option available to the financial entities involved in the operation (for a maximum of 15% of the shares issued), resulting in the issue of an additional 5,130,938 shares, representing additional capital of €641 thousand and a share premium of €13,417 thousand.

The funds obtained as a result of the offer have permitted financing the company's growth, identifying new business opportunities in accordance with its strategy. Also, they have contributed to improving the robustness of its balance sheet, helping to position the Company with a clear market advantage in connection with the tender of relevant new projects.

Also in April 2016 and prior to the IPO, CIE Automotive S.A. acquired from minority shareholders a total of 15,757,731 shares at a price equal to the one of the public offering, which amounts to €2.74 per share, and preferential subscription rights over a total of 21,040 shares in the subsidiary Global Dominion Access S.A. at a price of €2.4 million. After the operations, CIE Automotive's stake in the Dominion group dropped from 62.95% to 50.01%.

Changes in the scope of consolidation

Six-month period ended 30 June 2017

a) Automotive segment

In January 2017, the Group through its Brazilian subsidiary Autometal, S.A., has acquired an additional 34.9% of the share capital of the also Brazilian company, Durametal, S.A. for an amount of 20 million Brazilian Reaies (approximately €5.8 million). After this acquisition, the share hold percentage hold by the Group in Durametal, S.A. amounts to 84.9%. This operation has resulted in a net negative impact on the consolidated equity amounting to €5.8 million.

Also, in March 2017, the Group acquired the entire share capital of the US corporation Newcor, Inc. The transaction meant an investment by CIE Automotive of approximately USD108 million (approximately €102 million) fully disbursed in cash (Note 17).

In April 2017, the company Antolin-CIE Czech Republic, s.r.o. has been sold for an amount of €2.7 million. The net impact of this transaction has resulted in an income amounting to €1.5 million, taken to "Share of profit/(loss) of associates" in the consolidated income statement (Note 6).

On 1 June 2017, the reverse merger of the companies Metalcastello, S.p.a (absorbing company) and Mahindra Gears Global, Ltd. (absorbed company) took place, being an Italian and Mauritian company respectively. This reverse merger had no impact at a consolidated level.

Also in June 2017, the Brazilian company Bioauto Participaçoes, S.A. has been liquidated. The impact of the liquidation has not resulted significant to the consolidated financial statements.

On the same period, the merger of the brazilian companies Autometal, S.A. and Naturoil Combustíveis Renováveis, S.A. has taken place. This merger had no impact at a consolidated level.

b) Solutions and Services (Smart Innovation)

At the beginning of 2017, the German subsidiary Beroa Deutschland GmbH together with another external partner formed the Dutch joint venture, Cobra Carbon Grinding B.V., whose shareholding was distributed to 50% to each partner.

Also, in that same period, a reverse merger has taken place between the subsidiary Global Ampliffica, S.L.U. and its subsidiary Ampliffica, S.L.U., and also between the North American companies Karrena International LLC and its subsidiary Karrena International Chimneys LLC. None of these mergers had any impact on the consolidated financial statements.

In 2017, the Vietnamese subsidiary Chimneys and Refractories International Vietnam Co. Ltd., which was established at the end of 2016, has been incorporated to the consolidation perimeter, whose activity is focused on industrial solutions.

Also during the first semester of 2017, a non-commercial swap agreement was signed by Dominion Industry and Infrastructures, S.L., through which the 37% owned by the Group in Huerto Solar La Alcardeteña, S.A. was exchanged for an additional 50% of the subsidiary Solfuture Gestión, S.L. The impacts of this transaction have not been significant at a consolidated level.

Six-month period ended 30 June 2016

a) Automotive segment

On 2 January 2016, Autometal S.A. sold to Autokomp Ingeniería, S.A.U. 143,683,928 shares of the company Componentes Automotivos Taubaté Ltda, by the amount of €40,654 thousand, representing 100% of the company's capital. This operation had no effect on the consolidated Group.

In 2012 the Group acquired 65% of the US company Century Plastics, LLC and granted the selling shareholders a put option over the remaining 35% of the company's capital, exercisable in May 2016. At this date, through its US subsidiary, CIE Automotive USA Investments, the Group entered into a contract for the acquisition of the 35%, which until that date had been owned by that company's original shareholders. The operation has amounted to USD68.8 million (approximately €60.8 million) and was paid in cash. This operation has resulted in the reclassification of €6.6 million between controlling and non-controlling interests in the Group's equity.

b) Solutions and Services (Smart Innovation)

On 6 May 2016, the Dominion group, through its US subsidiary Beroa Corporation, LLC, acquired 100% of the shares of the US company Commonwealth Dynamics Inc (CDI). This transaction entailed the acquisition of 100% control over the following companies:

- Commonwealth Dynamics Inc (USA)
- Commonwealth Constructors Inc (USA)
- Commonwealth Landmark Inc (USA)
- Commonwealth Dynamics Limited (Canada)
- Commonwealth Power Chile, SPA (Chile)
- Commonwealth Power de Mexico S.A. de C.V. (Mexico)
- Commonwealth Power, S.A. (Peru)
- Commonwealth Power Private Limited (India)

This subgroup, based in New Hampshire (USA), is a niche company with over 35 years' experience in providing engineering solutions and executing high complexity projects for a wide range of industrial sectors.

Commonwealth Dynamics focuses its activity in countries with a significant industrial presence, such as USA, Chile, Mexico, Peru and India and its customers include most leading companies in those countries.

The transaction price amounted to USD10 million which broke down as follows: USD2 million were paid upon the formalisation of the acquisition and leaving a) USD6 million (estimated amount) payable in 2018, 2019 or 2020, depending on the payment option offered to the seller, for an amount equivalent to the subgroup's average aggregate EBITDA for the last three years, according to the payment date, multiplied by 6, to be reduced by the corresponding financial debt; b) USD2 million (estimated amount) relating to 2.5% of the order portfolio at the payment date indicated above.

At the beginning of the year 2016, the remaining 10% of the Argentinian subsidiary Dominion S.R.L. (formerly Beroa de Argentina, S.R.L.) was purchased for a total amount of €977 thousand to the former shareholder of Beroa Group (Servit Servicios Industriales Técnico, S.L.). This amount was met by the compensation of a credit held by the Group with this company. This transaction resulted in a decrease on equity equal to the compensated credit.

On 10 February 2016 Global Dominion Access submitted an offer as part of the bankruptcy proceedings requested by Abantia Empresarial, S.L. and subsidiaries (the Abantia Group), to acquire the Installation, Maintenance, Industrial and Renewable Energy Promotion production units, which represented most of the Abantia Group's business.

On 24 May 2016 the Group, through its subsidiary Dominion Industry & Infrastructures (incorporated in March 2016 by Global Dominion Access, S.A.), completed the acquisition which was approved by the Mercantile Court responsible for the bankruptcy proceedings of the Abantia Group and by the workers' representatives in legal terms.

The acquisition of the business entailed paying a price of €2 million plus the losses arising from the date of approval of the acquisition request to the date on which control was acquired that is during the months of March, April and May 2016, estimated at an additional €1.5 million.

The breakdown of the assets awarded and the labour and social security liabilities assumed is included in Note 17 on business combinations.

In April and May 2016 the remaining 10.75% of the subsidiary Global Near, S.L. was acquired together with an additional 8.741% of the subsidiary Wiseconversion, S.L. The overall price paid on both operations amounted to €157 thousand, which were paid in cash to the relevant minority shareholders. This acquisition resulted in a reclassification of the group's equity between controlling and non-controlling interests, generating an output in equity for the paid purchase price.

Additionally, in May 2016 a capital increase was carried out, in the associate Advanced Flight Systems S.L., resulting in the dilution of the Group's interest from 30% in December 2015 to 20%.

(Thousand euro)

On 16 June 2016, as part of Abengoa's Restructuring Plan (parent group), the purchase-sales agreement was executed through which Instalaciones Inabensa, S.A. sold to the Group company Dominion Networks, S.L., the assets, goods, contracts and rights attached to the so-called Protisa business– protisa thermal, sound and fire proofing, carrying out all activities associated with the conduct and exploitation of commercial, import, export and machine and material distribution operations connected with thermal, sound and fire proofing protection. These assets, goods, contracts and rights include certain property, plant and equipment, supplier and contractor contracts, qualified technical personnel, contracts under execution, classifications and references of work connected with this business and trade marks, patents and trials on fireproof mortars. These assets were not registered within the consolidated balance sheet as not been deemed significant for the Group's consolidated financial information.

The acquisition price of this line of business amounted to €300 thousand.

Shareholders of the Group's parent company

The companies holding a direct or indirect shareholding of more than 10% in CIE Automotive, S.A. at 30 June 2017 and 2016 are as follows (Note 9):

	% interest	
	30.06.2017	30.06.2016
Acek Desarrollo y Gestión Industrial, S.L. (***)	(*) 20.909%	(*) 20.909%
Mahindra & Mahindra, Ltd	(**) 12.435%	(**) 12.435%

(*) 7.808% directly and indirectly through Risteel Corporation, B.V., the remaining 13.101%.
(**) Indirectly through Mahindra Overseas Investment Company (Mauritius), Ltd.
(***) Formerly Corporación Gestamp, S.L.

Authorization of interim financial statements

These abbreviated consolidated interim financial statements were authorized for issue by the parent company's Board of Directors on 27 July 2017.

1.2 Regulatory Framework

Certain companies of the automotive segment develop their activity in the production and sale of biofuel, which is a specific sector with a particular regulatory framework (hydrocarbon sector). The obligations defined under these regulations include accreditation of the Spanish Securities & Exchange Commission (CNMV) regarding the ownership of the minimum quantity of certificates of biofuels.

On 5 May 2014 the Order connected with the assignment of production capacity to the Group's biofuel production plants was approved by the Secretary of State for Energy, with validity for two years. It therefore expired on 1 May 2016.

Up to the date of approval of these consolidated annual accounts, no renewal order of this assignation has been published.

2. Summary of significant accounting policies

Except as indicated in Notes 2.1 and 2.5 below, the accounting policies used to prepare these abbreviated consolidated interim financial statements for the six-month period ended 30 June 2017 are consistent with those used to prepare the 2016 consolidated annual accounts of CIE Automotive, S.A. and subsidiaries. These abbreviated consolidated interim financial statements for the six-month period ended 30 June 2017 have been prepared according to International Accounting Standards (IAS) 34, "Interim financial reporting" and should be read along with the consolidated annual accounts at 31 December 2016, which were prepared according to IFRS-EU for CIE Automotive, S.A. and subsidiaries.

2.1 Basis of presentation

The Group's abbreviated consolidated interim financial statements for the six-month period ended 30 June 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted for utilisation in the European Union (IFRS-EU) and approved under European Commission Regulations in force at 30 June 2017.

The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets held-for-sale and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of interim financial statements and the consolidated annual accounts in conformity with IFRS-EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The judgements and estimates made by management when preparing the abbreviated interim consolidated financial statements at 30 June 2017 are consistent with those used in the preparation of the consolidated annual accounts at 31 December 2016 of CIE Automotive and subsidiaries.

There are no extraordinary items in the first semester of 2017 and 2016 income statement that would require breakdown or reconciliation of figures.

2.2 Consolidation principles

The accompanying Appendix to these Notes sets out the subsidiaries included in the scope of consolidation.

The criteria used in the consolidation process, except for those mentioned in Note 2.5, have not varied with respect to those used in the year ended 31 December 2016 by CIE Automotive, S.A. and subsidiaries.

The consolidation methods used are described in Note 1. The financial statements used in the consolidation process are, in all cases, those relating to the six-month period ended 30 June 2017 and 2016.

2.3 Financial Segment information

Operating segments are reported consistently with the internal reporting provided to the chief operating decision-maker (Note 3). The highest decision-making body is responsible for allocating resources to and assessing the performance of the operating segments. The maximum decision-making body is the Executive Steering Committee.

These segments are described in Note 5 to the 2016 consolidated financial statements of CIE Automotive S.A. and subsidiaries.

2.4 Accounting estimates and judgements

The preparation of interim financial statements requires management to make judgments, estimates and assumptions affecting the application of accounting policies and the amounts presented under assets and liabilities, income and expenses. Actual results may differ from these estimates.

In the preparation of these condensed interim financial statements, the significant judgments made by management on applying the Group's accounting policies and the key sources of uncertainty in their estimation have been the same as those applied in the consolidated annual accounts for the year ended 31 December 2016.

a) Estimated impairment loss on goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units basically which were determined on the basis of calculations of value in use did not give rise to impairment risks on the Group's goodwill at 31 December 2016.

The assumptions used in the analysis, the effects of the sensitivity analysis and other information on these impairment analyses are included in Note 7 of the consolidated annual accounts of CIE Automotive, S.A. and subsidiaries at 31 December 2016.

The performance of the profit of the different business lines of the CIE Automotive Group has maintained positive levels in the first semester of 2017, without indication of a risk of impairment which would modify the conclusions of the analyses and estimates made at 31 December 2016.

b) Estimated fair value of assets, liabilities and contingent liabilities associated with a business combination

In business combinations, the Group classifies or designates, at the acquisition date, the identifiable assets acquired and liabilities assumed as necessary, based on contractual agreements, financial conditions, accounting policies and operating conditions or other pertinent circumstances that exist at the acquisition date in order to subsequently measure the identifiable assets acquired and liabilities assumed, including contingent liabilities, at their acquisition date fair values.

The measurement of the assets acquired and liabilities assumed at fair value requires the use of estimates that depend on the nature of those assets and liabilities in accordance with their prior classification and which, in general, are based on generally accepted measurement methods that take into consideration discounted cash flows associated with those assets and liabilities, comparable quoted prices on active markets and other procedures, as disclosed in the relevant notes to the annual financial statements, broken down by nature. In the case of the fair value of property, plant and equipment, fundamentally consisting of buildings used in operations, the Group uses appraisals prepared by independent experts.

In 2012, the Group acquired 65% of the US company Century Plastics, LLC and granted the selling shareholders a put option over the remaining 35% of the company's capital, exercised in May 2016. As a result, a liability was recognised in previous years to record the contingent consideration, which was expected to be paid to cancel the put option. This consideration would be calculated taking into account, among other variables, the company's real EBITDA in 2015. In 2015, and in view of the fact that the company's results have far exceeded forecasts, the Group re-estimated the present value of the contingent consideration, recognising an increase in the liability of USD38.9 million (€35.6 million) and reclassifying the entire amount to short term in an amount of USD70 million (€64.2 million). The effect of this re-estimation was registered in the income statement within "Change in fair value of assets and liabilities taken to the income statement" in 2015. In May 2016, the put option was exercised over the remaining 35% at an agreed final price of USD68.8 million (approximately €60.8 million at the put exercise date). This amount was paid in cash. The effect on the variation in the value of the contingent consideration of USD1.1 million (approximately €1 million) was recognised under Change in the fair value of assets and liabilities through the income statement for the six-month period ended 30 June 2016.

c) Percentage of completion of services contracts (Solutions and Services Segment)

Recognition of services contracts on the basis of the percentage of completion is based on estimates of the total costs incurred over the total estimated to complete the project. Changes in these estimates have an impact on the recognised results of the work in progress. Estimates are constantly monitored and adjusted, if necessary.

d) Income tax

Income tax expense for the six-month period ended 30 June 2017 and 2016 has been estimated based on profit before taxes, as adjusted for any permanent and/or temporary differences envisaged in tax legislation governing the corporate income tax base calculation. The tax is recognized in the income statement, except insofar as it relates to items recognized directly in equity, in which case, it is also recognized in equity.

Tax credits and deductions and the tax effect of applying tax-loss carryforwards that have not been capitalised are treated as a reduction in the corporate income tax expense for the year in which they are applied or offset.

The calculation of income tax expense did not require the use of significant estimates except in tax credits recognized in the year, which was at all times consistent with the annual financial statements. Bearing in mind the economic and time parameters used for the estimates, had the premises used been modified by 10%, it would not have had a significant positive or negative effect on the results for the six-month period ended 30 June 2017.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated annual accounts. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred taxes on temporary differences are recognized when arising on investments in subsidiaries, associates and joint ventures, except in those cases where the Group can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets deriving from the carryforward of unused tax credits and unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the tax assets can be utilised. In the case of investment tax credits the counterpart of the amounts recognized is the deferred income account. The tax credit is accrued as a decrease in expense over the period during which the items of property, plant and equipment that generated the tax credit are depreciated, recognizing the right with a credit to deferred income.

Deferred tax assets corresponding to utilised or recognised tax credits relating to R&D&I activities are recognised in profit or loss on a systematic basis over the periods during which the Group companies expense the costs associated with these activities, based on management's assessment that treatment as a grant best reflects the economic substance of the tax credit. Accordingly, in keeping with IAS 20, the Group treats the tax credit recognised or used as other operating income.

e) Fair value of derivatives and other financial instruments

The fair value of the financial instruments used by the Group, primarily interest rate swaps and foreign currency insurance is determined in the reports delivered by the Group's financial analysts and contrasted with those valuations received from the financial institutions with which the financial instruments were contracted.

Note 6.b) details the conditions, notional amounts and valuation of those instruments at the balance sheet date.

f) Pension benefits

The present value of the Group's pension obligations depends on a series of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for employee benefits are based in part on current market conditions. Note 24 to the consolidated annual accounts as of 31 December 2016 of CIE Automotive, S.A. and Subsidiaries includes further information and disclosures of sensitivity with respect to variations in the most significant estimates.

g) Product warranties

Product warranty risks are recognised when there is a firm claim not covered by the relevant insurance policy.

Due to the nature of its business, the Solutions and Services (Smart Innovation) segment does not offer product warranties other than those relating to due performance of the work for which it is contracted. Management estimates the provisions for existing one - off claims, taking into account the specifics of each claim based on technical studies and estimates drawing on experience in each service provided and in light of recent trends, which could suggest that past information on cost may differ from future claims. There is no record of claims making it necessary to establish a provision for warranties.

2.5 New IFRS and IFRIC interpretations

a) Mandatory standards, amendments and interpretations for all years starting 01 January 2017

There are three modifications set by IFRS-IASB which are mandatory starting 1 January 2017. – see section 2.3 thereon:

- IAS 7 (Amendment): "Disclosure initiatives";
- IAS 12 (Amendment): "Recognition of deferred tax assets for unrealised losses"
- Annual improvements of IFRS. Cycle 2014-2016, IFRS 12"Disclosure of interests in other entities".

As of today, all these amendments have not been adopted by the European Union.

b) Standards, amendments and interpretations of existing standards not yet in force but which may be early adopted

At the date of these abbreviated consolidated interim financial statements were prepared, the IASB and IFRS Interpretations Committee had published the following standards, amendments and interpretations that have not yet been adopted by the Group.

IFRS 9 "Financial instruments"

It approaches the classification, valuation and recognition of financial assets and financial liabilities. The complete version of the IFRS 9 published in July 2014 and replaces the guide of the IAS 39 about the classification and valuation of financial instruments. The IFRS 9 maintains but simplifies the mixed valuation model and establishes three main categories of valuation for the financial assets: amortized cost, fair value with changes in results and fair value with changes in another global result. The base of classification depends on the entity business model and the characteristics of the contractual flows of cash of the financial assets. In relation to financial liabilities there have been changes from the classification and valuation , except for the recognition of changes in own credit risk in other comprehensive income for liabilities designated at fair value through profit or loss. Under IFRS9, there is a new model of impairment losses, the model of expected credit losses, which replaces the model impairment losses incurred in IAS 39 and which will lead to recognition of losses before it has been done in IAS 39. The IFRS 9 relaxes the requirements for the coverage effectiveness. IFRS 9 replaces this line by stipulating an economic relationship between the hedged item and the hedging instrument. It also requires the hedged ratio is the same as the ratio used by the entity to manage risk. Lastly, extensive information is required, including reconciliation of the initial and final amounts of the provision for estimated credit losses, assumptions and data, and a reconciliation of the transition between the categories of initial classification under IAS 39 and the new classification categories under IFRS 9.

IFRS 9 is effective for years starting on or after 1 January 2018; early application is permitted. IFRS 9 will be applied retroactively but restatement of the comparative figures will not be required. If an entity elects to apply IFRS 9 early, it should apply all the requirements at the same time. Entities applying the standard before 1 February 2015 continue to have the option of applying it in phases.

The Group has not early-applied this standard, it has analysed the potential impact on the aspects liable to be affected the most (hedge accounting and impairment losses). The Group's management believes that the changes to hedge accounting will not have any effect on its accounting practices or records although they may make application and documentation of hedge accounting a little easier.

As for impairment losses, the Group does not expect application of the new standard to have a material impact.

Other considerations related to the application of this new standard related to the classification, disclosure and valuation of the main financial assets (basically those originated from the Group's traditional transactions) are not considered to have significant impact on the Group, at least, on the valuation of its assets.

IFRS 15 "Ordinary revenues from Contracts with Customers"

In May 2014, the IASB and FASB jointly issued a converging statement on the recognition of revenue from contracts with customers. Under this standard, revenue is recognised when a customer obtains control of an asset or service, i.e., when it has both the ability to direct the use and obtain the benefits of the asset or service. IFRS 15 includes new guidance in order to determine whether revenue should be recognised over time or at a point in time. It requires broad disclosure of both recognised revenues and revenues expected to be recognised in the future in relation to existing contracts. Similarly, quantitative and qualitative information should be provided on the significant judgements made by management in determining revenue recognised and any changes in such judgements.

Subsequently, in April 2016 the IASB published amendments to this standard. Although they do not amend the basic principles, they provide clarification on the most complex aspects.

IFRS 15 will be effective for the years commencing on or after 1 January 2018 although early adoption is permitted.

The Group's management has finalized the initial phase of analysis of main contracts with its clients and has proceeded to identify those areas where the application of the new standard has impacts in the revenue recognition of the Group. More specifically, in the Automotive segment, after the performed analysis, it has been concluded that no accounting criteria is to be modified, and thus, impacts are not estimated significant in any case. In the Solutions and Services (Smart Innovation) segment, those clients or sectors in which it operates the Group with medium and long-term contracts, no operation where the recognition criterion should be modified has been identified, and although the detailed analysis of all contracts has not been finalized, the first conclusions allow to estimate that, if any, the possible impacts on revenue recognition are not going to be significant. This was due to the fact that in the significant contracts, basically initiated in 2016, the criteria applied by the Group are in line with the basic criteria underlying IFRS.

With regard to the technology and telephony product marketing operations carried out by the latter segment, the analysis and estimation of the impacts on those operations are being finalized, as a result of the analysis carried out, the Group's performance in these operations has been classified as agent. activities. Given that the impact on numbers requires a detailed analysis of complex contracts, the final quantification of the impacts has not been finalized although from the analysis so far the impact on the sales figure will not be significant.

c) Standards, amendments and interpretations of existing standards that cannot be early adopted or have not been adopted by the European Union:

At the date of these Consolidated Interim Financial Statements were prepared, the IASB and IFRS Interpretations Committee had published the following standards, amendments and interpretations that have not yet been adopted by the European Union.

IFRS 10 (Amendment) and IAS 28 (Amendment) "Sale or contribution of assets between an investor and its associates or joint ventures"

These amendments clarify the accounting treatment of the sale or contribution of assets between an investor and its associates and joint ventures. This will depend on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a business. The investor will recognise the total gain or loss when the non-monetary assets constitute a "business". If the assets do not meet the definition of a business, the investor should recognise the profit or loss to the extent of other investors' interests. The amendments would only apply if one investor sells or contributes with assets to its associate or joint arrangement.

The criteria used by the Group are already aligned with these amendments so that they are not expected to have a significant impact when adopted by the European Union.

IFRS 16 "Leases"

In January 2016, the IASB published this new standard, as a result of a joint project with the FASB, which repeals IAS 17, "Leases".

The IASB and FASB reached the same conclusions on several topics connected with accounting for leases, including the definition of a lease, the requirement, as a general rule, to recognise leases on the balance sheet and the measurement of lease liabilities. The IASB and FASB also agreed not to incorporate substantial changes to the accounting by the lessor, maintaining similar requirements to those previously in force.

There are still differences between IASB and FASB as regards the recognition and presentation of lease expenses in the income statement and cash flow statement.

This IFRS will apply to annual reporting periods beginning on or after 1 January 2019. It may be adopted early if IFRS 15 but only if the entity is at the same time applying IFRS 15 Revenue from contracts with customers.

The Group continues to analyze the impacts of this new standard, collecting all the information of those contracts that may be incorporate in the same level of scope. In the Group, although the number of contracts may be significant, the amounts involved in these contracts, given the initial estimate, are not estimated to be significant and, therefore, their impact is not expected to be significant either.

Nevertheless, the analysis continues to be developed not only to determine the possible impacts on figures of the main financial statements that, as indicated, are not estimated significant.

IAS 7 (Amendment) "Disclosure Initiatives"

An entity is required to disclose information, which enables users to understand changes in liabilities arising from financing activities. This includes changes arising from:

- Cash flows, such as use and repayment of loans; and
- Non-monetary changes, such as acquisitions, disposals and unrealised exchange differences.

Liabilities deriving from financing activities are liabilities for which cash flows were or will be classified in the cash flow statement as cash flows from financing activities. Additionally, the new disclosure requirement includes disclosing the changes in financial assets (e.g. assets covering liabilities arising from financing activities) if cash flows from those financial assets were included or future cash flows will be included in cash from financing activities.

The amendment suggests that including a reconciliation of opening and closing balances in the balance sheet for liabilities from financing activities would fulfil this requirement although no specific format is established.

This amendment will apply to annual reporting periods beginning on or after 1 January 2017.

The Group considers that it already meets the criteria stated in this amendment that has yet to be adopted by the European Union.

IAS 12 (Amendment) "Recognition of deferred tax assets for unrealised losses"

The amendments to IAS 12 clarify the requirements for the recognition of deferred tax assets for unrealised losses. The amendment clarifies the accounting treatment of deferred tax when an asset is measured at fair value and that fair value is less than the asset's tax base. It also clarifies other aspects of accounting for deferred tax assets.

This amendment will apply to annual reporting periods beginning on or after 1 January 2017.

Management does not expect adoption of this amendment by the European Union to have a significant impact on the Group.

IFRS 15 (Amendment) "Clarifications to IFRS 15 'Revenue from contracts with customers''

The IASB has amended IFRS 15 with the aim of:

- Clarifying the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation).
- Adding new and amended illustrative examples for each of these areas of guidance.
- Including additional practical expedients related to transition to the new revenue standard.

Although these amendments do not alter the underlying premise of IFRS 15, they do clarify some of the more complex aspects of applying this standard.

The amendments are effective for annual reporting periods beginning on or after 1 January 2018, subject to adoption by the European Union.

The potential consequences of these amendments are being evaluated along with the ongoing assessment by the Group of how it will be affected by first-time application of IFRS 15 on the Group reports.

IFRS 2 (Amendment): "Classification and measurement of share-based payment transactions"

The amendment to IFRS 2, which was developed through the IFRS Interpretations Committee, clarifies how to account for certain types of share-based payment transactions. In this respect, it provides the requirements for accounting for:

- The effects of the conditions for the irreversibility and non-determinant conditions for the irreversibility of the grant on the measurement of share-based payments settled in cash;
- Share-based payments, settled net of tax withholdings; and
- The amendment of the terms and conditions of a share-based payment, which changes the classification of the transaction from cash settled to equity settled.

IFRS 2 is effective for years starting on or after 1 January 2018; early application is permitted.

his amendment is not expected to have a significant impact when adopted by the European Union.

IFRS 4 (Amendment) 'Applying IFRS 9 'Financial instruments' with IFRS 4 'Insurance contracts''

This amendment affects insurance companies and will therefore not affect the Group.

Annual improvements to IFRS: 2014 - 2016 cycle

The improvements affect IFRS 1, IFRS 12 and IAS 28 and are applicable in annual reporting periods beginning on or after 1 January 2018 in the case of the changes made to IFRS 1 and IAS 28 and 1 January 2017 for those corresponding to IFRS 12, all of which subject to adoption by the European Union. The main amendments relate to:

- IFRS 1 - 'First-time adoption of the International Financial Reporting Standards'. Deletion of short-term exemptions for first-time adopters.
- IFRS 12 - 'Disclosures of interests in other entities': Clarification about the scope of the disclosure requirements.

- IAS 28 - 'Investments in associates and joint ventures' Measuring an associate or joint venture at fair value.

These improvements are not expected to affect the Group when adopted by the European Union.

IAS 40 (Amendment) 'Transfers of investment property'

This amendment clarifies that in order to transfer a property in or out of investment properties, there has to be an evident change of use. To conclude whether there has been a change of use, there has to be an assessment of whether the property complies with the definition of an investment property.

This amendment is effective for annual reporting periods beginning on or after 1 January 2018. Early adoption is permitted.

The Group does not have investment properties.

IFRIC 22, 'Foreign currency transactions and advanced consideration'

This Interpretation tackles how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts.

The date of the transaction determines the exchange rate to be used for the initial recognition of the corresponding asset, expense or income. The issue arises because IAS 21 requires the use of the "transaction date" exchange rate, which is defined as the date the transaction first qualifies for recognition. The question is therefore whether the date of the transaction is the date on which the asset, expense or income is initially recognized, or the earliest date on which the anticipated consideration is paid or charged, resulting in an advance payment or deferred income.

The interpretation provides guidance for when a single payment / collection is made, as well as for situations in which there are multiple payments / collections. The aim of the guide is to reduce diversity in practice.

The amendment is effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted.

In light of the Group's current situation, this Interpretation is not expected to have a significant impact on it when it is adopted by the European Union.

IFRS 17 "Insurance contracts"

In May 2017, the IASB finalized an accounting standard on insurance contracts and published IFRS 17, "Insurance contracts". IFRS 17 replaces IFRS 4 "Insurance contracts", which currently allows a wide variety of accounting practices. IFRS 17 will fundamentally change accounting by all entities issuing insurance contracts and investment contracts with discretionary participation components. The standard applies for annual periods beginning on or after January 1, 2021, allowing for early application if IFRS 15, "Ordinary Income from Customer Contracts" and IFRS 9, "Financial Instruments", are also applied.

Given the operations that this regulation regulates, it is not expected to have effect for the Group when adopted by the European Union.

IFRIC 23, "Uncertainty over the treatment of income tax"

The interpretation provides requirements in addition to those in IAS 12 "Income tax", specifying how to reflect the effects of uncertainty in accounting for tax on profits. earnings. This interpretation clarifies how the recognition and measurement requirements of IAS 12 apply when there is uncertainty in its accounting treatment.
The interpretation will be effective for annual periods beginning on or after 1 January 2019, although early application is permitted.

Current estimates suggest that it will not have a significant effect on the Group.

(Thousand euro)

2.6 Seasonal nature of business and business volume

The Automotive segment does not show any seasonal nature so its sales are distributed uniformly throughout the year.

The Solutions and Services segment (Smart Innovation), by reason of its activity of industrial maintenance services in summer and its activity of project delivery and EPCs for States and large corporations in the last quarter, there has traditionally been a higher statistical volume of their income in the second half of the year.

2.7 Liquidity management and working capital

The management of financial and market risks, liquidity, credit and commodity price risks that affect the Group's financial position remains unchanged with respect to the information contained in the annual accounts of CIE Automotive, S.A. and subsidiaries for the year ended 31 December 2016.

The prudent management of liquidity risk entails maintaining enough cash and available financing through sufficient credit facilities. In this respect, the CIE Automotive Group strategy, articulated by its Treasury Department, is to maintain the necessary financing flexibility through the availability of committed credit lines. Additionally, and on the basis of its liquidity needs, the Group uses liquidity facilities (non-recourse factoring and the sale of financial assets representing receivable debts, transferring the related risks and rewards), which as a matter of policy do not exceed roughly one-third of trade receivable balances and other receivables, in order to preserve the level of liquidity and working capital structure required under its business plans.

Management monitors the Group's forecast liquidity requirements together with the trend in net debt. The calculation of liquidity and net debt at 30 June 2017 and 31 December 2016 is calculated as follow:

	30.06.2017	31.12.2016
Cash and cash equivalents (Note 7)	295,034	372,550
Other current financial assets (Note 6)	60,559	57,088
Undrawn credit facilities and loans (Note 10)	362,590	268,268
Liquidity reserve	**718,183**	**697,906**
Amounts payable to credit institutions (Note 10)	1,231,011	1,230,983
Other current financial liabilities Note 6)	11,843	14,898
Cash and cash equivalents (Note 7)	(295,034)	(372,550)
Other current financial assets (Note 6)	(60,559)	(57,088)
Net financial debt	**887,261**	**816,243**

The Group's Finance Department believes that the on-going initiatives will prevent liquidity shortfalls. In this respect, management expects that the cash generated in the second half of 2017 and in 2018 will be sufficient to service payment obligations forecasted for the year without problem.

The Group's Finance Department monitors the Group's forecast liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining enough headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities.

In addition, the Group is strategically diversifying the financial markets and financing sources it taps as a tool for eliminating liquidity risk and retaining financing flexibility in light of the situation prevailing in the European financial markets. This has enabled to internationalize the pool of banks reducing the weight of Spanish and Brazilian banks.

Short-term bank borrowings include recurring credit facilities amounting to €20 million deriving from the recurring discounting of commercial paper from customers (€23 million at 31 December 2016) (Note 10).

Although this component of the bank debt is presented as a current liability for accounting purposes, it is stable as evidenced by the usual operation of the business, and therefore provides financing that is equivalent to long-term debt.

(Thousand euro)

Noteworthy is the existence at 30 June 2017 of €363 million in unused loans and credit lines (31 December 2016: €268 million).

The following table shows a breakdown of working capital in the Group's abbreviated consolidated interim balance sheet at 30 June 2017 as compared with 31 December 2016, stating the relative significance of each item:

	30.06.2017	31.12.2016
Inventories	392,978	355,349
Trade and other receivables	620,628	477,886
Other current assets	12,443	11,901
Current tax assets	74,085	62,873
Current operating assets	**1,100,134**	**908,009**
Other current financial assets	60,559	57,088
Cash and cash equivalent	295,034	372,550
CURRENT ASSETS	**1,455,727**	**1,337,647**
Trade and other payables	1,138,022	957,004
Current tax liabilities	76,733	72,154
Current provisions	21,379	21,474
Other current liabilities	157,763	161,828
Current operating liabilities	**1,393,897**	**1,212,460**
Short-term bank loans and overdrafts	176,406	215,084
Other financial liabilities	11,843	14,898
CURRENT LIABILITIES	**1,582,146**	**1,442,442**
TOTAL WORKING CAPITAL	**(126,419)**	**(104,795)**

Although the standalone figure for working capital is not a key parameter for the understanding of the financial statements, the Group actively manages working capital through net operating working capital and short-and long-term net borrowings, on the basis of the solidity, quality and stability of relations with customers and suppliers, and comprehensive monitoring of the situation with respect to financial institutions with whom in many cases automatically renews its credit lines.

One of the Group's strategies is to ensure the optimisation and maximum saturation of the resources assigned to the business. The Group therefore pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories through excellent logistic and industrial management, allowing JIT (just in time) supplies to our customers.

As a result of the above, it may be confirmed that there are no liquidity risks at the Group.

Fair value estimation

With respect to the changes in fair value of its assets and liabilities, the Group complies with the IFRS requirements.

On the basis of IFRS 13 and in accordance with IFRS 7 on financial instruments measured at fair value, the Group reports the estimation of fair value by level according to the following hierarchy:

- Quoted prices (unadjusted) in active markets for assets or liabilities (Level 1).
- Inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly (for example, reference prices) or indirectly (for example, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

As of 30 June 2017 and 31 December 2016, the Group has no Level 1 instrument.

a) Level 2 financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods such as estimated discounted cash flows and makes assumptions that are based on market conditions existing at each balance sheet date. If all the significant inputs required to calculate an instrument's fair value are observable, the instrument is included in Level 2.

Specific financial instrument valuation techniques include:

- Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.
- It is assumed that the carrying amount of trade receivables and payables is similar to their fair value.
- The fair value of financial liabilities for financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The instruments included in Level 2 relate to financial instruments derivatives (Note 6.b)).

b) Level 3 financial instruments

If one or more of the significant inputs are not based on data observable in the market, the financial instrument is included in Level 3.

Instruments included in Level 3 relate to the contingent estimation of the best valuation for the acquisition of Beroa in 2014 and CDI, ICC and the energetic assets from Grupo Eléctrico Scorpio in 2016, based on the application of the formula indicated in the purchase - sale agreement involving the financial parameters (EBITDA and net financial debt) to be estimated in the future.

Key assumptions in the measurement of these liabilities are based on the expected future return generated by the company. The assumptions used for these estimates agree with those detailed in the impairment testing of goodwill.

The Company has not agreements for the offset of financial assets and liabilities.

3. Financial segment reporting

The Executive Steering Committee, consisting of five members of the Board of Directors, is the Group's chief operating decision-making body. The Executive Steering Committee reviews the Group's internal financial information for the purposes of evaluating performance and assigning resources to segments.

Management has determined the operating segments based on the structure of the reports reviewed by the Executive Steering Committee.

The Executive Steering Committee analyses the business of the CIE Automotive Group from both a geographical perspective and from the viewpoint of the different lines of business (segments) in which it operates.

The Group operates in two distinct segments:

- Automotive
- Solutions and Services (Smart Innovation)

Automotive segment

This segment relates to the production of parts and components for the automotive industry, operating as a TIER 2 supplier in most cases. Although the Group supplies certain automobile manufacturers (OEMs) directly, on these occasions the Group usually acts as a TIER 2 supplier with the OEMs assuming the role of the TIER 1 supplier.

The Group's business model is based on two strategic focal points: multi-technology and the global market, implying the ability to supply technology worldwide.

- Multi-technology: command of different technologies and processes enables the Group to offer complex high value-added products. The Group has the capacity to design and manufacture products using alternative or complementary technologies.
- Global market: Worldwide industrialisation and supply capacity. The Group's customers are global and it has the ability to supply them from difference geographic areas.

Following the inclusion in the Group of the companies acquired from the Mahindra & Mahindra Group, and the creation of the Mahindra CIE Automotive, Ltd. Group, the CIE Automotive Group began to analyse the automotive operating segment on the basis of its management units, distinguishing basically the CIE Mahindra Group, the automotive businesses in Brazil and Mexico, and the other automotive companies, located mainly in Europe.

In fact, subsegments within the automotive segment, are as follows:

- NAFTA: includes, basically, the Group companies located in Mexico and US.
- Brazil: includes basically the group's Automotive companies located in Brazil.
- Mahindra CIE and Asia: includes the business of manufacturing forging components that existed in the group including the annual results of the companies CIE Galfor, S.A. U. and CIE Legazpi, S.A.U. (Spanish companies), and U.A.B. CIE LT Forge (Lithuanian company) and the companies deriving from the alliance with the Mahindra group were added to the Group on or after 4 October 2013 located in India and Europe and those added in December 2014 located in India and Italy, and the indian BillForge Group after its acquisition in 2016. Additionally, and while not significant as a distinct segment, the group companies operating in the Chinese market are included here.
- Europe – Rest of Automotive: includes all manufacturing businesses non-dependent of the Mahindra CIE subgroup basically located in Europe.

Solutions and Services Segment (Smart Innovation)

The companies making up this segment offer a range of solutions and services the aim of which is to enhance the efficiency of customers' production processes, always under the common denominator of intelligent scoping and compilation of data on the environment and the active application of knowledge and technology (Smart Innovation).

The classification as a solution or service depends on the scope offered to the customer: Solution when the offer is to enhance the efficiency of a production process that the customer will continue to manage. Conversely, it is classified as a service when the customer outsources a complete process and it is managed in its entirety.

With respect to the above portfolio, the range of solutions and services delivered are aimed at customers in sectors ranging from Technology, Energy, Banking, Health, Education to Industry and include integrated projects connected with hospital equipment, communication and current optimisation, renewable energy construction, supply, weather sensors and forecasts, energy efficiency, design and solar tower construction, production furnaces and plants, banking business solutions, digital and communication strategies, pharmacy and dietetics, etc, and monitoring services, installation and maintenance of telecommunications networks, banking, education, government, industrial maintenance, distribution services and commercial processes.

(Thousand euro)

The Executive Steering Committee assesses the performance of the continuing operations of its operating segments based mainly on key financial metrics such as sales, EBITDA and EBIT (operating profit). The information received by the Executive Steering Committee also includes a breakdown of finance income and costs, tax issues, and profit/loss from discontinued operations. These items are analysed at the Group level since they are essentially managed in a centralised manner.

a) Information by segment

Results by segment are as follows:

	30.06.2017					
	Automotive					
	NAFTA	Brazil	Mahindra CIE and Asia	Europe - Other Automotive	Solutions and Services	Total
Revenue	361,179	152,659	494,488	462,732	322,968	1,794,026
Other operating expenses and income (excluding depreciation and amortisation)	(278,049)	(132,100)	(430,049)	(382,629)	(299,406)	(1,522,233)
Amortisation/depreciation and impairment	(14,693)	(5,302)	(21,605)	(27,925)	(8,532)	(78,057)
Operating profit	68,437	15,257	42,834	52,178	15,030	193,736
EBITDA	83,130	20,559	64,439	80,103	23,562	271,793

	30.06.2016					
	Automotive					
	NAFTA	Brazil	Mahindra CIE and Asia	Europe - Other Automotive	Solutions and Services	Total
Revenue	245,694	86,193	400,810	361,928	254,858	1,349,483
Other operating expenses and income (excluding depreciation and amortisation)	(187,213)	(78,719)	(351,218)	(297,000)	(234,509)	(1,148,659)
Amortisation/depreciation and impairment	(10,809)	(3,822)	(17,493)	(23,716)	(6,223)	(62,063)
Operating profit	47,672	3,652	32,099	41,212	14,126	138,761
EBITDA	58,481	7,474	49,592	64,928	20,349	200,824

Transfers or transactions between segments (which are not material) are carried out under market terms and conditions as usual commercial transactions with third parties.

Other segment items included in the income statement are as follows:

	30.06.2017					
	Automotive					
	NAFTA	Brazil	Mahindra CIE and Asia	Europe - Other Automotive	Solutions and Services	Total
Depreciation and amortisation:	(14,693)	(5,302)	(21,605)	(27,925)	(8,532)	(78,057)
Property, plant and equipment	(14,015)	(5,167)	(21,101)	(26,300)	(3,628)	(70,211)
Intangible assets	(678)	(135)	(504)	(1,625)	(4,904)	(7,846)
Impairment	-	-	-	-	-	-

	30.06.2016					
	Automotive					
	NAFTA	Brazil	Mahindra CIE and Asia	Europe - Other Automotive	Solutions and Services	Total
Depreciation and amortisation:	(10,809)	(3,822)	(17,493)	(23,716)	(6,223)	(62,063)
Property, plant and equipment	(9,893)	(3,726)	(16,884)	(21,609)	(3,108)	(55,220)
Intangible assets	(916)	(96)	(609)	(2,107)	(3,115)	(6,843)
Impairment	-	-	-	-	-	-

(Thousand euro)

The reconciliation of operating results and results attributable to the parent company is as follows:

	30.06.2017	30.06.2016
Operating results	193,736	138,761
Financial income (expense)	(27,322)	(18,703)
Share in profits of associates	3,435	415
Gains /(losses) on the fair value of derivative financial instruments (Note 6)	2,091	(454)
Change in fair value of assets and liabilities taken to income statement (Note 2.4)	-	993
Corporate income tax	(36,149)	(24,737)
Discontinued operations	(275)	182
Attributed to non-controlling interests	(20,451)	(13,893)
Profit attributed to the parent company	**115,065**	**82,564**

Segment assets and liabilities and investments made during the period:

	30.06.2017					
	Automotive					
	NAFTA	Brazil	Mahindra CIE and Asia	Europe - Other Automotive	Solutions and Services	Total
Investments in associates	1,496	768	231	30	7,358	9,883
Other assets	748,592	354,671	910,365	1,438,540	833,715	4,285,883
Total assets	750,088	355,439	910,596	1,438,570	841,073	4,295,766
Total liabilities	470,025	105,918	568,049	1,280,301	561,177	2,985,470
Fixed asset additions	66,416	18,502	23,266	41,062	7,581	156,827
Disposal of fixed assets net of depreciation and amortisation	-	(18)	(679)	(432)	(453)	(1,582)
Net investments for year [(1)]	66,416	18,484	22,587	40,630	7,128	155,245

	31.12.2016					
	Automotive					
	NAFTA	Brazil	Mahindra CIE and Asia	Europe - Other Automotive	Solutions and Services	Total
Investments in associates	1,623	646	-	1,154	8,376	11,799
Other assets	580,756	351,931	1,387,963	936,370	807,918	4,064,938
Total assets	582,379	352,577	1,387,963	937,524	816,294	4,076,737
Total liabilities	332,346	184,114	576,189	1,164,638	541,738	2,799,025
Fixed asset additions	66,754	13,075	36,477	65,754	11,281	193,341
Disposal of fixed assets net of depreciation and amortisation	(1,325)	(596)	(2,159)	(1,697)	(1,121)	(6,898)
Net investments for year [(1)]	65,429	12,479	34,318	64,057	10,160	186,443

(1) Excludes movements in goodwill.

Segment assets mainly include property, plant and equipment, intangible assets (including goodwill), deferred tax assets, inventories, accounts receivable and cash. Investments in investees included in the consolidation scope are reported separately.

Segment liabilities include operating liabilities and long-term financing, excluding intragroup liabilities eliminated on consolidation.

Investments in non-current assets include additions to property, plant and equipment (Note 4) and intangible assets (Note 5).

(Thousand euro)

Revenues and non current assets from the Company's ordinary operations can be analysed geographically as follows:

	Revenue		Non-current assets (*)	
	30.06.2017	30.06.2016	30.06.2017	31.12.2016
AUTOMOTIVE				
Spain (**)	132,244	116,229	237,214	236,895
Rest of Europe	582,927	483,418	615,177	608,737
Brazil	152,659	86,193	249,394	253,739
NAFTA	361,179	245,694	540,408	422,873
Asia (***)	242,049	163,091	622,466	635,201
Total Automotive	**1,471,058**	**1,094,625**	**2,264,659**	**2,157,445**
SOLUTIONS AND SERVICES (SMART INNOVATION)				
Spain	120,303	99,016	135,778	136,715
Rest of Europe	60,715	73,556	144,302	137,124
America	104,113	45,966	29,940	38,532
Asia & Oceania and other	37,837	36,320	4,891	5,670
Total Solutions and Services (Smart Innovation)	**322,968**	**254,858**	**314,911**	**318,041**
TOTAL	**1,794,026**	**1,349,483**	**2,579,570**	**2,475,486**

(*) Non-current assets, which are not financial instruments and deferred tax assets.
(**) Sales in Spain in the Automotive segment are primarily aimed at end customers located abroad.
(***) This line includes the Indian companies of the Mahindra Group (Notes 1 and 17), the European companies being recognised in a separate line, in addition to the Chinese group companies.

4. Property, plant and equipment

The details and movements in property, plant and equipment are as follows:

2017:

	Balance at 31.12.2016	Inclusions/ (variations) in consolidation scope (Note 17)	Additions	Disposals	(*) Transfers and other movements	Balance at 30.06.2017
Cost	2,739,765	77,803	151,411	(13,127)	(90,738)	2,865,114
Amortisation / depreciation	(1,562,707)	(42,463)	(70,211)	11,064	41,652	(1,622,665)
Provisions	(10,316)	-	-	491	39	(9,786)
Net value	**1,166,742**					**1,232,663**

(*) Basically includes the effect of exchange fluctuations of PPE currency of subsidiaries.

2016:

	Balance at 31.12.2015	Inclusions / (variations) in consolidation scope (Note 17)	Additions	Disposals	(*) Transfers and other movements	Balance at 30.06.2016
Cost	2,394,199	23,768	84,633	(26,843)	14,594	2,490,351
Amortisation / depreciation	(1,412,252)	(21,555)	(55,220)	24,676	(4,005)	(1,468,356)
Provisions	(10,426)	-	-	21	26	(10,379)
Net value	**971,521**					**1,011,616**

(*) Basically includes the effect of exchange fluctuations of PPE currency of foreign subsidiaries.

(Thousand euro)

a) Property, plant and equipment by geographical area

Set out below is a breakdown of Property, plant and equipment by geographical location at 30 June 2017 and 31 December 2016:

	Million euro					
	30.06.2017			31.12.2016		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
America	887	(396)	491	790	(368)	422
Europe	1,617	(1,077)	540	1,573	(1,046)	527
Asia	361	(159)	202	377	(159)	218
	2,865	**(1,632)**	**1,233**	**2,740**	**(1,573)**	**1,167**

b) Assets not used in operations

At 30 June 2017 and 31 December 2016 there are no significant fixed assets not used in operations.

c) Insurance

The Group has taken out a number of insurance policies to cover risks relating to property, plant and equipment. The coverage provided by these policies is considered to be sufficient.

d) Finance leases

Plant and equipment include the following amounts in respect of finance leases under which the Group is the lessee:

	30.06.2017	31.12.2016
Capitalised finance lease cost	26,968	26,450
Accumulated depreciation	(10,696)	(10,109)
Carrying amount	**16,272**	**16,341**

The amounts payable under finance leases are carried under Other Liabilities.

e) Capitalisation of interest

No interest has been capitalised during the six-month period ended 30 June 2017 and 2016 involving significant amounts.

(Thousand euro)

5. Goodwill and other intangible assets

The details and movements of the main classes of intangible assets are shown below:

2017:

	Balance at 31.12.2016	Inclusions / (variations) in consolidation scope (Note 17)	Additions	Disposals	(*) Transfer and Other movements	Balance at 30.06.2017
Cost						
Goodwill on consolidation	1,240,169	68,060	-	-	(26,405)	1,281,824
Other intangible assets	166,014	-	5,416	(392)	(1,197)	169,841
	1,406,183	68,060	5,416	(392)	(27,602)	1,451,665
Accumulated amortisation	(109,177)	-	(7,846)	382	(412)	(117,053)
Carrying amount	**1,297,006**					**1,334,612**

(*) Basically includes the effect of currency exchange fluctuations on the intangible assets of foreign subsidiaries.

2016:

	Balance at 31.12.2015	Inclusions / (variations) in consolidation scope (Note 17)	Additions	Disposals	(*) Transfer and Other movements	Balance at 30.06.2016
Cost						
Goodwill on consolidation	905,802	18,789	-	-	4,705	929,296
Other intangible assets	147,798	9,121	4,522	(1,991)	(104)	159,346
	1,053,600	27,910	4,522	(1,991)	4,601	1,088,642
Accumulated amortisation	(102,200)	-	(6,843)	1,913	234	(106,896)
Carrying amount	**951,400**					**981,746**

(*) Basically includes the effect of currency exchange fluctuations on the intangible assets of foreign subsidiaries.

The inclusion of goodwill resulting from changes in consolidation is as follows (Note 17):

Segment	30.06.2017	30.06.2016
Automotive	68,060	-
Solutions and Services (Smart Innovation)	-	18,789
	68,060	**18,789**

a) Impairment testing of goodwill

Goodwill is assigned to the Group's cash-generating units (CGUs) on the basis of the criterion of grouping together under each CGU all the Group's assets and liabilities that jointly and indivisibly generate cash flows in an area of the business from a technology and/or geographical and/or customer viewpoint, on the basis of the synergies and risks shared.

(Thousand euro)

The breakdown of goodwill at the resulting CGU level is set out below:

	Goodwill	
Cash-generating units	30.06.2017	31.12.2016
Automotive segment:		
Brazil	104,904	110,573
NAFTA	200,356	143,878
Mahindra-CIE	534,709	542,713
Rest of Automotive (Europe)	204,440	204,417
Solutions and Services Segment (Smart Innovation)		
Solutions	149,454	150,760
T&T Services	26,869	26,736
Industrial services	28,628	28,628
Commercial services	32,464	32,464
	1,281,824	1,240,169

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash- flow projections based on five year financial budgets approved by management. Cash flows beyond the five-year period are extrapolated on the basis of conservative estimated growth rates that are in all instances lower than the average long-run growth rate for the business in which each of the CGUs operates.

b) Key assumptions used in the calculation of value in use at 31 December 2016:

The discount rates applied to cash flow projections are:

	2016
Automotive	
Brazil	11.00%
NAFTA	5.57%-8.58%
Mahindra-CIE	5.34%-12,85%
Rest of Automotive (Europe)	5.35%-12.13%
Solutions and Services (Smart Innovation)	
Solutions	6%-12%
T&T Services	6.5%-15%
Industrial services	5.5%-10%
Commercial services	7%

The discount rate range applied is attributable to the cash flows generated in countries with different country-risk characteristics.

This discount rate is after taxes and reflects the specific risks associated with the relevant segments.

The main changes in the discount rates used with respect to the previous year derive from changes in risk-free rates.

Budgeted EBITDA (operating profit plus depreciation / amortisation and possible impairment) is determined by Group management in their strategic plans, taking into account operations with a similar structure to the current structure and based on prior year experience. These margins vary by type of business as follows:

	% of revenue
	2016
Automotive	3.5%-40.90%
Solutions and Services (Smart Innovation)	5.0%-10.7%

Other forecast net movements in cash and flows related to tax are projected to these EBITDA's in to obtain after-tax free cash flow for each year.

(Thousand euro)

The result of using before-tax cash flows and discount rates does not differ significantly from the outcome of using after-tax cash flows and discount rates.

Cash flows beyond the five-year period covered by the Group's forecasts are extrapolated applying prudent assumptions with respect to the forecast future growth rate (between 0% and 4%), based on GDP growth estimates and the inflation rate in each market, and evaluating the level of investment required to achieve such growth. In order to calculate the residual value, a normalised annual flow is discounted, taking into account the discount rate applied on the projections, less the growth rate taken into account.

c) Results of the analysis

The Group verified that in 2016 goodwill had not suffered any impairment. Additionally, if the revised estimated discount rate, which is applied to discounted cash flows, were 10% higher than management's estimates, the Group would still not need to reduce the carrying value of goodwill.

The recoverable amounts in cash generating units are determined based on calculations of the value in use, requiring the utilisation of certain estimates. To calculate the value in use at 31 December 2016, the future cash flow assumptions used were in accordance with the global situation of the markets where the Group operates and their forecast performance. The assumptions used in the calculations at 31 December 2016 for 2017 and subsequent years would be totally valid for calculating the value in use at 30 June 2017. Therefore, considering the positive development of business profitability in the first half of 2017, it is not believed that conditions have emerged in the CGUs that would pose a risk of impairment of goodwill.

6. Financial assets

Movements in the Group's financial assets are as follows:

2017

	Financial assets held to maturity/ Loans and receivables	Financial derivatives	Investments in associates	Total
At 31 December 2016	**58,406**	**(2) (5,656)**	**(3) 10,263**	**63,013**
Additions	9,357	555	-	9,912
Disposals	(9,200)	-	(4) (2,700)	(11,900)
Transfers and other movements (1)	60	203	(1,177)	(914)
Fair value adjustment				
- Profit or loss	-	2,091	-	2,091
- Equity	-	2,737	(1,416)	1,321
Results of associates	-	-	3,435	3,435
At 30 June 2017	**58,623**	**(2) (70)**	**(3) 8,405**	**66,958**
Non Current	9,837	-	-	9,837
Current	48,786	11,773	-	60,559
Investments in associates	-	-	9,883	9,883

(1) Basically includes the effect of exchange fluctuations in the currencies in which the financial assets of foreign subsidiaries are denominated and transfers.

(2) This total is presented net of €11,843 thousand (31 December 2016: €14,898 thousand) corresponding to derivatives recognised on the liability side of the consolidated balance sheet.

(3) Of this amount, €1,478 thousand (31 December 2016: €1,536 thousand) is recognised as a non-current provision on the liability side of the balance sheet in order to prevent a negative balance in respect of the cost of the investment in this company (Note 11).

(4) In the first half of this year the Group has sold the investment held in Antolín-CIE Czech Republic, s.r.o. for a total amount of €2,700 thousand, which has resulted in a net income of €1,543 thousand.

(Thousand euro)

2016

	Financial assets held to maturity/ Loans and receivables	Financial derivatives	Investments in associates	Total
At 31 December 2015	**91,913**	**(2) (10,304)**	**(3) 8,011**	**89,620**
Inclusion /(changes) consolidation scope	2,100	-	-	2,100
Additions	49,665	-	374	50,039
Disposals	(48,034)	-	-	(48,034)
Transfers and other movements (1)	106	(1,499)	87	(1,306)
Fair value adjustment				
- Profit or loss	270	(724)	-	(454)
- Equity	-	(7,523)	(1,009)	(8,532)
Results of associates	-	-	415	415
At 30 June 2016	**96,020**	**(2) (20,050)**	**(3) 7,878**	**83,848**
Non Current	14,908	-	-	14,908
Current	81,112	4,868	-	85,980
Investments in associates	-	-	9,642	9,642

(1) Basically includes the effect of exchange fluctuations in the currencies in which the financial assets of foreign subsidiaries are denominated and transfers.

(2) This total is presented net of €24,918 thousand (31 December 2015: €16,078 thousand) corresponding to derivatives recognised on the liability side of the consolidated balance sheet.

(3) Of this amount, €1,764 thousand (31 December 2015: €1,534 thousand) is recognised as a non-current provision on the liability side of the balance sheet in order to prevent a negative balance in respect of the cost of the investment in this company (Note 11).

At 30 June 2017 and 31 December 2016, all the Group's financial assets that did not mature or become impaired during the year are treated as high quality and show no signs of impairment.

a) Financial assets held to maturity/ Loans and receivables

	30.06.2017	31.12.2016
Term deposits	32,236	34,610
Short-term loans	26,372	23,783
Long-term loans	15	13
	58,623	**58,406**

Term deposits and loans accrue interest at a market interest rate of the country where the financial asset is held.

No financial asset held to maturity has been reclassified.

Financial assets held to maturity show an impairment loss of €11.3 million generated in 2012 and 2013 by a liquidity issue in one of the Brazilian financial institutions with which the Group operated.

The maximum exposure to credit risk at the reporting date is the carrying amount of the assets.

(Thousand euro)

b) Financial derivatives

	30.06.2017		31.12.2016	
	Assets	Liabilities	Assets	Liabilities
Swaps (interest rate and other)				
- cash flow hedges	-	(8,958)	-	(11,549)
- not hedge	-	(87)	-	(125)
Equity Swap	11,218	-	9,242	-
Foreign exchange swap	555	-	-	(39)
Hedge of a net investment in foreign operations	-	(2,798)	-	(3,185)
Total	**11,773**	**(11,843)**	**9,242**	**(14,898)**

- Swaps (interest rate and other)

  The notional principal on interest rate swaps outstanding at 30 June 2017 to €487.6 million, and USD25million (2016: €486 million, USD25 million and DKK10 million), classed as hedging instruments.

  Additionally, there are Interest rate swaps (variable to fixed) which principal notional outstanding at 31 June 2017 amounts to €10 million, which have been classified as non-hedging (2016: €7.9 million).

- Equity Swap

  On 6 August 2014 the parent arranged a derivative associated with the listed share price of CIE Automotive, S.A. The underlying of the operation amounts to 1.25 million shares with an initial value of 11.121 euro per share. This instrument does not qualify for classification as a hedge and at 30 June 2017 is valued at €11,218 thousand (31 December 2016: €9,242 thousand).

- Foreign exchange swap:

  As of 30 June 2017 two contracts of foreign exchange swaps have been arranged whose notional principal amount to USD11 million and €8 million euros respectively. On the same date, two purchase options for US dollars and euros have been arranged for the same amount that the contracts mentioned above. As of 31 December 2016 the notional principal of exchange rate swap contracts amounted to 8.5 million euros, which have been liquidated within the year 2017.

- Hedge of a net investment in a foreign operation

  At 30 June 2017 and 31 December 2016 part of the Group's borrowings, denominated in US dollars, some of them as signed Swaps, are designated as a hedge of the net investment in the Group’s subsidiaries in the NAFTA automotive segment amounting to €10.9 million (€11.8 million at 31 December 2016).

  The negative effect originated from the currency conversion of the borrowings above mentioned, for an amount of €0.2 million (positive €9.2 million at 31 December 2016) has been taken to the statement of Other Comprehensive Income in Equity.

(Thousand euro)

7. Cash and cash equivalent

Cash and other cash equivalents a 30 June 2017 and 31 December 2016 break down as follows:

	30.06.2017	31.12.2016
Cash and banks	253,242	304,314
Short -term deposits at credit institutions	41,792	68,236
	295,034	372,550

Short-term bank deposits relate to investments of cash surpluses maturing in less than three months or available immediately.

The interest rates on these deposits range between 0.95% to 10% (2016: 0.45% to 14%), depending on the currency.

The carrying amount of the Group's cash is denominated in the following currencies:

	30.06.2017	31.12.2016
Euros	143,981	135,584
US Dollars	75,833	100,073
Brazilian Reais	29,636	37,482
Indian Ruppees	1,857	2,027
Chinese Yuan	12,996	13,510
Russian ruble	1,899	24,744
Chilean Peso	1,280	20,125
Other	27,552	39,005
	295,034	372,550

8. Disposal group assets, classified as held-for-sale and discontinued operations

a) Automotive segment

In 2012 the Group decided to discontinue its virgin oil-based biodiesel production activities, including the related raw material plantation activity (jatropha) and to sell Biosur Transformación, S.L.U. At the year-end 2016 and 30 June 2017 the commitment to the sales plan which has not yet been completed is still in place as the offers received by the Group have not met its expectations. These activities can be clearly distinguished operationally and for financial reporting purposes. They represented a separate line of business.

b) Solutions and Services Segment (Smart Innovation)

At the end of 2013 the Beroa subgroup took the decision to discontinue the cement mixer production activities carried out by the German subsidiary Karrena Betonanlagen und Farmischer GmbH. This activity can be clearly distinguished operationally and for financial reporting purposes. It represents a separate line of business within the subgroup's business and corresponds to a separate legal entity. Its net assets were measured at fair value. Since the decision was taken to discontinue its operations, the company has carried out residual operating activities and is realising its net assets which basically comprise current assets.

The information concerning the assets and liabilities of the disposal group classified as held for sale connected with the situations described above are summarised below:

Disposal group assets classified as held-for-sale

	30.06.2017	31.12.2016
Property, plant and equipment	5,675	5,675
Other current assets	1,052	1,069
Other non-current assets	1	2
Total	**6,728**	**6,746**

Disposal group liabilities classified as held for sale

	30.06.2017	31.12.2016
Capital grants	1,057	1,057
Deferred tax liability	352	352
Payables	106	108
Other current liabilities	245	236
Total	**1,760**	**1,753**

These figures include the estimated impairment of the recoverable value of each asset.

In the specific case of the subsidiary Biosur Transformación, S.L.U., the Group's business valuation is based on the recoverable amount of the company's net assets. A reputable independent expert was commissioned to perform this study. Each of the assets included in the appraisal was classified based on its qualitative characteristics and sized based on its quantitative characteristics. After analysing these characteristics, the recoverable amount of the asset was determined, based on quoted prices on the most significant active markets in each case.

In 2016, every revaluation assumption was assessed, performing a new determination on the assets value, by considering new transaction in the market, understanding and analysing the similarities of those assets with the assets held by the Group, and resulting this analysis in the registration of an impairment amounting to €15,136 thousand.

During the first half of 2017 there were no changes in Management's estimate.

During the six-month period ended 30 June 2017 the companies were virtually dormant.

9. Share capital and premium

	No. shares (thousand)	Share capital	Share premium	Treasury Shares	Total
At 31 December 2015	129,000	32,250	152,171	-	184,421
At 30 June 2016	129,000	32,250	152,171	-	184,421
At 31 December 2016	129,000	32,250	152,171	-	184,421
Treasury shares acquisition	-	-	-	(4,526)	(4,526)
At 30 June 2017	129,000	32,250	152,171	(4,526)	179,895

a) Share capital

The share capital of CIE Automotive, S.A. at 30 June 2016 and 2017, and 31 December 2016 is represented by 129,000,000 fully paid ordinary bearer shares, represented through accounting entries, with a par value of €0.25 each, listed on the stock market of Madrid. The companies that hold a direct or indirect interest of more than 10% are as follows:

	% interest	
	30.06.2017	30.06.2016
Acek Desarrollo y Gestión Industrial, S.L. (***)	(*) 20.909%	(*) 20.909%
Mahindra & Mahindra, Ltd	(**) 12.435%	(**) 12.435%

(*) 7.808% directly and indirectly through Risteel Corporation, B.V., the remaining 13.101%.
(**) Indirectly through Mahindra Overseas Investment Company Mauritius, Ltd.
(***) Formerly Corporación Gestamp, S.L.

The stock price of the parent company CIE Automotive, S.A. listed in the Madrid Stock Exchange was €20.10 at 30 June 2017.

b) Share premium

This reserve is freely available for distribution.

c) Treasury shares

The movement of treasury shares for the six month period ended in 30 June 2017 and 2016 is disclosed as follows:

	30.06.2017		30.06.2016	
	Number of shares	Amount (Thousand euro)	Number of shares	Amount (Thousand euro)
Beginning balance	-	-	-	-
Acquisitions	252,587	4,526	-	-
End balance	**252,587**	**4,526**	**-**	**-**

No treasury shares were held by the Company as of 31 December 2016. During the first four months of 2017, the Parent Company has acquired 252,587 treasury shares directly (0.196% of the total voting rights of the Company), which considered as a whole with the indirect share resulting from the equity swap agreement signed with Banco Santander, S.A. in 2014 for the acquisition of 1,250,000 shares (equal to 0.969% of the voting rights), has exceeded the threshold of 1% of voting rights of the company as of 21 March 2017, as communicated to CNMV at 22 March 2017.

Similarly, the mandate conferred at the Annual General Meeting of 4 May 2017, whereby the parent company's Board of Directors is empowered to buy at any time and as often as it considers appropriate shares in CIE Automotive, S.A. through any legal means, including acquisitions with a charge to profit for the year and/or freely available reserves, and to subsequently dispose of or redeem such shares, in accordance with article 146 et seq. of the Spanish Companies Act 2010, is in effect until 4 May 2022.

(Thousand euro)

10. Borrowings

	30.06.2017	31.12.2016
Non-Current		
Bank loans and credit facilities (*)	1,054,605	1,015,899
	1,054,605	1,015,899
Current		
Bank loans and credit facilities (*)	156,241	192,124
Bills discounted pending maturity and export advances	20,165	22,960
	176,406	215,084
	1,231,011	1,230,983

The Group's policy is to diversify its financing sources. There is no concentration risk in respect of its bank borrowings as it works with multiple entities.

The exposure of the Group's bank borrowings (*) to interest rate changes is as follows:

	Current balance	At 1 year	At 5 years
At 30 June 2017			
Total borrowings (*)	1,210,846	1,054,605	137,785
Effect of interest rate swaps (Note 6)	(464,450)	(466,083)	(800)
Risk	746,396	588,522	136,985
At 31 December 2016			
Total borrowings (*)	1,208,023	1,015,899	145,750
Effect of interest rate swaps (Note 6)	(218,941)	(453,769)	(887)
Risk	989,082	562,130	144,863

Non-current borrowings have the following maturities:

	30.06.2017	31.12.2016
Between 1 and 2 years	144,234	53,557
Between 3 and 5 years	772,586	816,592
More than 5 years	137,785	145,750
	1,054,605	1,015,899

The effective interest rates at the balance sheet dates are the usual market rates (benchmark rate plus a market spread) and there are no significant differences with respect to other companies of a similar size and with similar risk and borrowing levels.

Bank borrowings carry interest at market rates, by currency, plus a spread that ranges between 50 and 990 basis points (2016: between 70 and 994 basis points).

The carrying amounts and fair values of current and non-current borrowings do not differ significantly since a significant portion thereof has been arranged recently and, in all cases, they accrue interest at market rates; note additionally the effect of the interest-rate hedges described in Note 6.

The carrying amount of the Group's borrowings is denominated in the following currencies:

	30.06.2017	31.12.2016
Euro	951,152	1,030,343
US dollar	256,379	159,829
Brazilian reais	11,689	12,810
Others	11,791	28,001
	1,231,011	1,230,983

At 30 June 2017, the Group had drawn down €173 million of the available credit lines with financial institutions (31 December 2016: €233 million). The total limit on such credit lines amounts €536 million (31 December 2016: €501 million). Therefore €363 million is available (2016: €268 million) in unused loans and credit facilities at variable rates.

On 28 July 2014 CIE Automotive, S.A. entered into a new financing arrangement with a syndicate of six financial institutions for €450 million. The amortisation period stood at 5 years, with an average term of 4.7 years. This improved the average term of the Company's financing and also improved the economic terms and conditions of the former syndicated financing.

On 13 April 2015 the syndicated loan was novated and a decrease in the initially negotiated spread was agreed. Similarly, it was agreed to extend the maturity periods, establishing the new final maturity date in April 2020.

On 14 July 2016, the parent Company signed a second novation with respect to the syndicated financing. According to this novation, the total amount was increased by €150 million, to €600 million, the maturity period was extended for another year, the last payment therefore being due in April 2021 and a change was agreed in the margin initially negotiated and novated in 2015.

On 6 June 2017, the parent Company signed a third novation with respect to the syndicated agreement. According to this novation, the maturity period was extended by one year for most of finance institutions, being the last payment due in April 2022.

The drawn amount on 30 June 2017 amounted to €467 million (31 December 2016: €550 million), and its interest rate was indexed to Euribor plus a variable margin based on the Net Finance Debt/EBITDA ratio.

On 14 July 2016, a new loan was arranged with several financial institutions amounting to €85 million and with final maturity in 10 years. Part of this finance agreement was contracted to a fixed interest rate, and the other part to a variable interest rate indexed to Euribor. The drawn amount of this loan on 30 June 2017 and 31 December 2016 amounted to €85 million.

At 23 June 2014 the Company entered into a financing contract with the European Investment Bank (EIB) for €70 million and with a repayment period of 7 years, in order to finance the Company and Group's R&D activities connected with automotive parts. At 30 June 2017 and 31 December 2016 the drawn down balance amounts to €70 million and bears a fixed interest.

In the second half of 2013, the Group obtained a bilateral loan of USD120 million from a Mexican financial institution, through the Mexican subsidiary CIE Autometal de México, S.A. de C.V., for a seven-year term and a one-year grace period, at a floating interest rate linked to the LIBOR, on conditions in line with current market price parameters. The balance at 30 June 2017 amounted to €56.7 million (at 31 December 2016: €71 million).

On 11 May 2016, the Group, through its US subsidiary CIE Automotive Investments, arranged two loans of USD35 million each, with final maturity at 3 and 5 years, respectively, at a variable interest rate, linked to LIBOR. The balance at 30 June 2017 amounted to €61.3 million (€66.5 million as of 31 December 2016).

On 11 November 2016, Group subsidiary Global Dominion Access, S.A. arranged a syndicated loan with five financial institutions for a total maximum amount of €60 million, divided in (i) tranche A, a long-term loan of €36 million is due on 11 November 2021 and (ii) tranche B, which consists of a revolving credit line up to €24 million due 11 November 2019 (maximum 11 November 2021). As of 30 June 2017 and 31 December 2016, only tranche A had been fully drawn.

In addition, on 18 November 2016, Global Dominion Access S.A. entered into a loan agreement with the European Investment Bank (EIB) for up to €25 million; this loan is fully drawn as of 30 June 2017 and 31 December 2016 and is due in the year 2025.

(Thousand euro)

In February 2017, the mexican companies Pintura, Estampado and Montaje, S.A.P.I. de C.V. and Pintura y Ensamblajes de México, S.A. de C.V. arranged three loans amounting to USD60 million, USD40 million and USD40 million, which are due in February 2020, February 2022 and February 2023 respectively, with a total balance amounting to €121.8 million as of 30 June 2017.

All such financing is subject to compliance with certain ratios that are customary in the market for these types of contracts. These ratios are fulfilled at 30 June 2017 and 31 December 2016.

Additionally, the Group, through its Brazilian subsidiaries, has several loans denominated in US dollars for an equivalent amount at 30 June 2017 of €10.9 million (31 December 2016: €11.8 million). The last instalment matures in the current year.

Other balances included in borrowings relate to bank loans or credit facilities in Group companies, arranged without specific additional guarantees and at the market interest rates in effect in the different countries.

In the first half of 2017, the Group repaid €153 million of bank borrowings (first half 2016: €131 million) and new loans and additional credit accounts have been arranged in addition to the above amounting to €146 million.

11. Provisions

The breakdown of the movements in Group provisions in the first half of 2017 and 2016 is as follows:

2017

	Non-Current	Current
At 31 December 2016	**147,108**	**21,474**
Additions to consolidation scope (Note 17)	7,683	2,966
- Additions/ (Reversals)	5,073	3,428
- Applications	(3,627)	(4,961)
- Charged/(credited) to equity	97	-
- Transfers and other movements (*)	(3,108)	(1,528)
At 30 June 2017	**153,226**	**21,379**

(*) Basically refers to the effects of exchange rates of subsidiaries.

2016

	Non-Current	Current
At 31 December 2015	**110,861**	**11,108**
Additions to consolidation scope (Note 17)	2,227	-
- Additions/ (Reversals)	9,292	792
- Applications	(4,246)	(6,296)
- Charged/(credited) to equity	221	-
- Transfers and other movements (*)	(3,428)	5,001
At 30 June 2016	**114,927**	**10,605**

(*) Basically refers to the effects of exchange rates of subsidiaries.

Non-current provisions at 30 June 2017 mainly include the following:

- A €8.9 million provision (31 December 2016: €10.5 million) corresponding almost entirely to tax contingencies in Brazil, of which €2 million are on court deposit pending court rulings (31 December 2016: €2 million).
- A €1.5 million provision established to guarantee the sale of assets and closure and winding up of companies as of 30 June 2017 and 31 December 2016.
- Provision for other liabilities of personnel of €89.9 million (31 December 2016: €86.6 millions), including €47.9 million corresponding to pension plans (31 December 2016: €48.4 millions).

(Thousand euro)

- Provision of €53 million (31 December 2016: €48.5 million) for coverage of operational business risks considered enforceable in the long term.

Current provisions at 30 June 2017 are basically for the adaptation of productive structures of companies in Spain (30 June 2017: €2.8 million; 31 December 2016: €3.9 million), and hedging the business' operating risk at various Group companies classified payable at short term (30 June 2017: €11.8 million; 31 December 2016: €9.6 million). They include tax contingency risk and customer complaints at certain subsidiaries (30 June 2017: €6.7million; 31 December 2016: €8 million).

Commitments with employees

Post-employment benefit plans and other long-term employee benefits which several Group companies guarantee certain groups are as follows, classified by country:

1) Post-employment benefit plans and other long-term employee benefits in Germany which are fully covered through in-house provisions.
   - Long-term employee benefits: length-of-service awards and supplements under phased retirement arrangements.
   - Post-employment benefits: lifetime retirement pensions and pension plans guaranteed by Beroa's group to its employees are defined benefit retirement commitments. Beroa's Group guarantees a life annuity as from retirement for employees who joined before 1 January 2001 and who have been working for 10 years at their retirement date. The commitment is recorded under in-house provisions.
2) Post-employment benefit plans in India which are mostly under in-house provisions: lifetime retirement pensions, retirement awards financed externally under insurance contracts and retirement awards in the event of the termination of the employment contracts.
3) Post-employment benefit plans in Italy. The pension model is currently TFR. This was a defined benefit plan that was converted into a defined contribution plan as a result of the Pension Reform which took place in December 2005.
4) Post-employment benefit plans in France which are mostly under in-house provisions: Benefit plans guaranteed by the Beroa Group to its employees are defined benefit retirement commitments, derived from collective agreements and retirement benefits depend on the years of service in the company.

Post-employment benefits:

The movement in defined benefit obligations during the first half of 2017 and 2016 has been as follows:

	2017	2016
At 1 January	**47,076**	**45,790**
Cost of current services	130	107
Interest expense/(income)	352	520
Recalculations for valuations:		
- (Profit)/Loss due to changes in financial assumptions	97	261
- Losses/(gains) owing to experience	-	(40)
Benefit payments	(849)	(1,799)
Translation differences	(144)	(5)
At 30 June	**46,662**	**44,834**

The benefits balance is basically made up of €38,702 thousand (€38,712 thousand at 31 December 2016) relating to lifetime pensions in the German companies, €4,166 thousand (€4,192 thousand at 31 December 2016) relating to lifetime pensions, retirement awards funded externally through insurance contracts and retirement awards in the event of the termination of employment relationship in the Indian companies and €2,900 thousand (€2,979 thousand at 31 December 2016) relating to post-employment benefit plans in Italy.

(Thousand euro)

Long-term employee benefits:

The movement in defined benefit obligations and provision during the first half of 2017 and 2016 has been as follows:

	2017	2016
At 1 January	1,281	1,511
Cost of current services	-	-
Interest expense/(income)	6	9
Recalculation of valuations:		
- (Profit)/Loss due to changes in financial assumptions	-	-
Benefit payments	-	-
At 30 June	1,287	1,520

The amount registered as long-term employee benefits results from length-of-service awards and complements deriving from partial retirement agreements in the German companies.

Set out below is a breakdown of employee benefit provisions classified by country:

Breakdown by country	30.06.2017	31.12.2016
Germany	39,989	39,993
India	4,166	4,192
Italy	2,900	2,979
France	894	1,193
Total	47,949	48,357

There were no significant changes in the actuarial - financial assumptions compared with those described in Note 24 of the Group's annual accounts at the 2016 year end.

12. Corporate income tax

	30.06.2017	30.06.2016
Current income tax	35,085	24,877
Deferred taxes	1,064	(140)
Tax expense	36,149	24,737

Theoretical tax rates vary depending on the location. The main rates are as follows:

	Nominal rate
Basque Country and Navarre	28%
Rest of Spain	25%
Mexico	30%
Brazil	34%
Rest of Europe (average rate)	15% - 35%
China	25%
Rest of America	21%-35%
India	30%

Deferred tax assets and liabilities are only offset if and only if the Group has a legally enforceable right to compensate the recognised amounts and when they relate to income taxes levied by the same taxation authority on a single tax subject/entity, or in the event of different tax subjects/entities, when the Group intends to realise the asset and settle the liability on a net basis.

The parent company is taxed under the tax consolidation system in the regional territory of Bizkaia together with the subsidiaries listed below:

- CIE Berriz, S.L
- Autokomp Ingeniería, S.A.U.
- CIE Mecauto, S.A.U.
- CIE Udalbide, S.A.U.
- Egaña 2, S.L.
- Gameko Fabricación de Componentes, S.A.
- Inyectametal, S.A.
- Leaz Valorización, S.L.U.
- Orbelan Plásticos, S.A.
- Transformaciones Metalúrgicas Norma, S.A.
- Alfa Deco, S.A.U.
- Alurecy, S.A.U.
- Componentes de Automoción Recytec, S.L.U.
- Nova Recyd, S.A.U.
- Recyde, S.A.U.
- Alcasting Legutiano, S.L.U.
- Bionor Berantevilla, S.L.U.
- Gestión de Aceites Vegetales, S.L.
- Reciclado de Residuos Grasos, S.L.U.
- Reciclados Ecológicos de Residuos, S.L.U.
- Biodiesel Mediterráneo, S.L.U.
- Participaciones Internacionales Autometal Dos, S.L.U.
- PIA Forging Products, S.L.
- Industrias Amaya Tellería, S.A.U.
- Grupo Amaya Tellería, S.L.U.
- GAT Staff, S.L.U.

In addition, the following companies tax under the regulation of Spanish Territory Regime:

- Grupo Componentes Vilanova, S.L. (representative of the Tax Group).
- Biosur Transformación, S.L.U.
- Advanced Comfort Systems Ibérica, S.L.U.
- Mecanizaciones del Sur - Mecasur, S.A.
- Denat 2007, S.L.

Furthermore, by effect on 1 January 2015, it was obtained the consideration of group of companies by the tributary pertinent administration, being the dominant one: Global Dominion Access, S.A. and the other companies:

- ECI Telecom Ibérica, S.A.
- Dominion Instalaciones y Montajes, S.A.U.
- Dominion Investigación y Desarrollo, S.L.U.
- Beroa Thermal Energy, S.L.
- Beroa Ibéria, S.A.
- Global Near, S.L.
- Dominion Digital, S.L.U.
- Dominion West Africa, S.L.
- Ampliffica, S.L.U.
- Wiseconversión, S.L. (incorporated in 2017)
- Tapquo, S.L. (incorporated in 2017)
- Dominion Energy, S.L.U. (incorporated in 2017)

Furthermore, also by effect on 1 January 2015, it was constituted the fiscal group, being the dominant one: Bilcan Global Services, S.L. and the rest in 2016:

- Dominion Centro de Control, S.L.U.
- Dominion Networks S.L.U.
- Sur Conexión, S.L.
- Tiendas Conexión, S.L.U.
- Eurologística Directa Móvil 21, S.L.U.
- Dominion Industry & Infrastructures, S.L.

Outside Spain the following fiscal groups exist:

- In Germany: led by the company Mahindra Forgings Europe AG and in which also participate the followings: Gesenkschmiede Schneider GmbH, Jeco Jellinghaus GmbH and Falkenroth Umformtechnik GmbH.
- In Germany: led by the company Beroa Technology Group GmbH and in which also participate the followings: Beroa Deutschland GmbH, Burwitz Montageservice GmbH and Karrena Betonanlagen und Fahrmischer GmbH (without activity).
- In the United States: led by the company CIE Automotive USA Inc and in which also participate Century Plastics LLC, Newcor, Inc, Owosso Realty, LLC, Corunna Realty, Corp, Clifford Realty Corp, Machine, Tools and Gears, Inc, Deco Engineering, Inc, Rochester Gears, Inc and CIE Automotive USA Investments.
- In the United States: led by the subsidiary company Beroa Corporation LLC and in which also participate Beroa US LLC, and Karrena International Chimneys LLC. This subgroup also incorporated the American acquired companies in 2016 Commonwealth Dynamics Inc., Commonwealth Constructors Inc, International Chimney Corporation and Capital International Steel Works, Inc.

The other CIE Automotive Group companies file individual returns.

In general terms, the years that have not lapsed under applicable tax legislation in each Group company are open to inspection. These range from 4 to 6 years from the date the obligation falls due and the tax filing period ends.

The tax law applicable to the corporate income tax returns for 2017 and 2016 for the Parent Company is Regional Law 11/2013 of 5 December applicable in the Territory of Bizkaia.

The Company's Directors have calculated the amounts associated with this tax for the first half of 2017 and those years open to inspection in accordance with provincial legislation in force at each year end on the understanding that the final outcome of the legal proceedings in progress and the appeals filed will not have a significant impact on the consolidated interim financial statements as a whole.

13. Earnings per share

a) Basic

Basic earnings per share are calculated by dividing the profit attributable to the parent company's shareholders by the weighted average number of ordinary shares in the year, excluding treasury shares acquired by the parent company (Note 9).

	30.06.2017	30.06.2016
Profit attributable to the parent company's shareholders (thousand euro)	115,065	82,564
Weighted average number of ordinary shares outstanding (thousand)	128,869	129,000
Basic earnings:	**0.893**	**0.640**
- Basic earnings per share from continuing operations (euro per share)	0.895	0.639
- Basic earnings per share from discontinued operations (euro per share)	(0.002)	0.001

(Thousand euro)

b) Diluted

The year-on -year remuneration agreement based on the performance of the share price of CIE Automotive, S.A., in 2014 (Note 18) may have a potentially dilutive effect in accordance with IAS 33. Following the relevant calculations, the effects of these agreements are considered not to result in the dilution of basic earnings per share calculated above.

14. Dividend per share

On 4 May 2017, the shareholders of CIE Automotive, S.A. in general meeting approved the motion for the distribution of 2016 profit (individual) as well as the distribution of a final dividend of €0.21 (gross) per share carrying dividend rights, amounting to a total payment of €27,037 thousand. Payment was made on 5 July 2017.

On 14 December 2016, the Board of Directors approved the payment of an interim dividend from 2016 profit of €0.20 gross per share carrying dividend rights, implying a total payout of €25,800 thousand. Payment has been made on 5 January 2017.

On 26 April 2016, the shareholders of CIE Automotive, S.A. in general meeting approved the motion for the distribution of 2015 profit (individual) as well as the distribution of a final dividend of €0.17 (gross) per share carrying dividend rights, amounting to a total payment of €21,930 thousand. Payment was made on 5 July 2016.

15. Cash generated from operating activities

	30.06.2017	30.06.2016
Profit for the year	135,516	96,458
Adjustments:		
- Current taxes (Note 12)	35,085	24,877
- Deferred taxes (Note 12)	1,064	(140)
- Grants released to income	(956)	(1,420)
- Depreciation of property, plant and equipment (Note 4)	70,211	55,220
- Amortisation of intangible assets (Note 5)	7,846	6,843
- (Profit)/loss on the sale of property, plant and equipment (see below)	(116)	(766)
- Net movements in provisions (Note 11)	8,501	3,821
- (Profit)/loss from discontinued operations	275	(182)
- Net (Gains)/losses in fair value of financial derivatives (Note 6)	(2,091)	454
- Net (Gains)/losses in fair value,taken to income statement	-	(993)
- Exchange differences	3,780	89
- Interest income	(2,758)	(3,182)
- Interest expense	26,300	21,796
- Share in losses /(gains) in associates (Note 6)	(3,435)	(415)
Variations in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
- Inventories	(38,871)	(14,205)
- Trade and other accounts receivable	(144,056)	(46,062)
- Other assets	(15,687)	(21,999)
- Trade and other accounts payable	208,288	84,617
Cash generated from continuing and discontinued operations	288,896	204,811

(Thousand euro)

In the cash flow statement, revenues from the sale of property, plant and equipment and intangible assets include:

	30.06.2017	30.06.2016
Carrying amount (Notes 4 and 5)	1,582	2,224
Gain /(loss) on the sale of property, plant and equipment	116	766
Amount collected on the sale of property, plant and equipment	**1,698**	**2,990**

16. Commitments

a) Commitments for the purchase of fixed assets and leases

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	30.06.2017	31.12.2016
Property, plant and equipment	51,915	37,479
Obligations deriving from irrevocable lease contracts	52,399	56,867

These investments are financed primarily by the cash generated by the Group from its operations under payment agreements with suppliers of equipment and other assets and also by bank financing where necessary.

b) Operating lease commitments

The Group has been leasing various offices and warehouses under irrevocable operating lease agreements since 2008. The lease terms are between 5 and 10 years, and the majority of lease agreements are renewable at the end of the lease period at market rates. The Group also leases various plants and items of machinery under cancellable operating lease agreements. The Group is required to provide six-months' notice to terminate these agreements.

The total minimum future payments for irrevocable operating leases are as follows:

	30.06.2017	31.12.2016
Less than 1 year	11,022	15,139
Between one and five years	24,983	24,636
More than five years	16,394	17,092
	52,399	56,867

c) Other information

The Solutions and Services (Smart Innovation) segment has granted guarantees to secure work or services provided to customers and commercial guarantees amounting to approximately €124.1 million (31 December 2016: approximately €109.5 million).

Those guarantees issued by financial entities are presented to customers as a commitment of the properly executed contracts, prepayments received from clients, cover of the guarantee periods and the sustaining of offers and bids. Failure to fulfil the commitments made would mean forfeit these guarantees with the cash outflow. We estimate that the probability of occurrence is remote.

(Thousand euro)

17. Business combinations

2017

Consolidation scope changes have been described in Note 1.

In March 2017, CIE Automotive USA, Inc. has completed the acquisition of all of the share capital of Newcor Group for a purchase price of USD108 million (€102 million at acquisition date).

Newcor is a company specialized in the design and production of components and subassemblies mechanized of high precision, powertrain and transmissions for the sector of automotive. The Group has three manufacturing plants in the State of Michingan, which annual revenue approximately amount to USD150 million, and among its customers are the top vehicle builders and Tier 1 suppliers, with a significant presence in the USA.

The business combination for the takeover of Newcor Group for the 100% of its shares, is summarised as follows:

	Amount
Purchase price	102,245
Fair value of the net assets acquired	(34,185)
Goodwill (Note 5)	68,060

This goodwill embodied the future economic benefits expected to derive from the business acquired and the synergies expected to be generated by its acquisition by the Group.

The recognised amounts of identifiable assets acquired and liabilities assumed were as follows:

	Fair value of the net assets acquired
Fixed assets	35,340
Inventories	8,530
Accounts receivable	18,392
Deferred taxes	1,133
Other current assets	333
Cash and cash equivalents	676
Assets acquired	**64,404**
Provisions	10,649
Accounts payable	13,292
Deferred tax	5,300
Other liabilities	978
Liabilities assumed	**30,219**
Total net assets acquired	**34,185**

The fair value of the fixed assets acquired has been established on the basis of appraisals performed by independent experts familiar with the market whose estimates, which did not factor in additional limitations or risks, were based on market purchase or new build prices and considering the various assets' residual useful lives.

The cash flows deriving from the transaction were as follows:

	Amount
Consideration paid on operation	102,245
Cash and cash equivalents at the entity acquired	(676)
Outflow of cash on the acquisition	**101,569**

(Thousand euro)

The business analysis, as well as the process of assigning the price paid to the assets and liabilities acquired are still on going.

The revenue of the business of the business combination made in the six-month period ended 30 June 2017 amounts to €49.6 million. If business combinations had taken place on 1 January 2017, these amounts would have amounted to €73 million sales figure.

2016

Solutions and Services Segment (Smart Innovation)

Consolidation scope changes are described in Note 1.

On 6 May 2016 the Group acquired, through its US subsidiary Beroa Corporation LLC, a US corporate group parented by Commonwealth Dynamics, Inc. (CDI). This acquisition entailed the acquisition of 100% control over the following companies:

- Commonwealth Dynamics Inc. (USA)
- Commonwealth Constructors Inc. (USA)
- Commonwealth Landmark Inc. (USA)
- Commonwealth Dynamics Limited (Canada)
- Commonwealth Power Chile, SPA (Chile)
- Commonwealth Power de Mexico S.A. de C.V. (Mexico)
- Commonwealth Power, S.A. (Peru)
- Commonwealth Power Private Limited (India)

This subgroup, based in New Hampshire (USA), is a niche company with over 35 years' experience in providing engineering solutions and executing high complexity projects for a wide range of industrial sectors.

CDI focuses its activity in countries with a significant industrial presence, such as USA, Chile, Mexico, Peru and India and its customers include most leading companies in those countries.

The transaction price amounted to USD10 million which breaks down as follows: USD2 million have been paid upon the formalisation of the acquisition, leaving a) USD6 million (estimated amount) payable in 2018, 2019 or 2020, depending on the payment option offered to the seller, for an amount equivalent to the subgroup's average aggregate EBITDA for the last three years, according to the payment date, multiplied by 6, to be reduced by the corresponding financial debt; b) USD2 million (estimated amount) relating to 2.5% of the order portfolio at the payment date indicated above.

Summarised below is a breakdown of the net assets acquired and goodwill resulting on the transaction:

	Amount (*)
Acquisition price	9,085
Fair value of the net assets acquired	(366)
Goodwill (Note 5)	**8,719**

(*) Original amount in US dollars converted to euro at the exchange rate on the acquisition date.

This goodwill was initially attributed to future returns and synergies on the businesses acquired in the Group.

(Thousand euro)

The net assets acquired at fair value arising on the acquisition are detailed below:

	Fair value of the net assets acquired
Fixed assets	184
Deferred tax assets	1,122
Trade receivables	5,235
Other assets	253
Cash and cash equivalents	1,839
Assets acquired	**8,633**
Trade payables	5,826
Other liabilities	2,441
Liabilities acquired	**8,267**
Total net assets acquired	**366**

The movement in cash funds on the operation was as follows:

	Amount (*)
Consideration paid in the year	2,017
Cash and cash equivalents in the Group acquired	(1,839)
	178

(*) Original amount in US dollars converted to euro at the exchange rate on the acquisition date.

In February 2016, Global Dominion Access submitted an offer as part of the bankruptcy proceedings requested by Abantia Empresarial, S.L. and subsidiaries (the **Abantia Group**), to acquire the Installation, Maintenance, Industrial and Renewable Energy Promotion production units, which represented most of the Abantia Group's business.

On 24 May 2016, the Group, through its subsidiary Dominion Industry & Infrastructures (incorporated in March 2016 by Global Dominion Access, S.A.), completed the acquisition which was approved by the Mercantile Court responsible for the bankruptcy proceedings of the Abantia Group and by the workers' representatives in legal terms.

The acquisition of the business entailed paying a price of €2 million plus the losses arising from the date of approval of the acquisition request to the date on which control was acquired, i.e., during the months of March, April and May 2016, at an additional €1.5 million.

Summarised below is a breakdown of the net assets acquired and goodwill resulting on the operation:

	Amount
Acquisition price	3,500
Fair value of the negative net assets acquired	6,500
Goodwill (Note 5)	**10,000**

This goodwill was initially attributed to future returns and synergies on the businesses acquired in the Group.

(Thousand euro)

The net assets acquired at fair value arising on the acquisition are detailed below:

	Fair value of the net assets acquired
Fixed assets	10,623
Other financial assets	1,373
Trade receivables	17,410
Other assets	269
Cash and cash equivalents	4,305
Assets acquired	**33,980**
Non-current provisions	2,330
Trade payables	20,022
Staff payables	4,335
Other liabilities	13,793
Liabilities acquired	**40,480**
Total net assets acquired	**(6,500)**

As a part of this process, an intangible asset was identified relating to the customer portfolio, whose measurement at the date of these accounts amounted to €9,121 thousand. This measurement will be adjusted within the time period permitted under applicable legislation, following the application of the "MERM" measurement method, based on the excess of earnings over contributing assets required to exploit the intangible asset.

The movement in cash funds on the operation was as follows:

	Amount
Total consideration on operation	3,500
Cash and cash equivalents at the entity acquired	(4,305)
	(805)

On 16 June 2016, the purchase-sales agreement had been executed under which Instalaciones Inabensa, S.A., as part of the Restructuring Plan of Abengoa (parent group), sold to the Group company Dominion Networks, S.L., the assets, goods, contracts and rights attached to the so-called Protisa business– Protisa thermal, sound and fire proofing, carrying out all activities associated with the conduct and exploitation of commercial, import, export and machine and material distillation operations connected with thermal, sound and fire proofing protection.

These assets, goods, contracts and rights included certain property, plant and equipment elements, supplier contracts, qualified technical personnel, contracts under execution, classifications and references of work connected with this business and trade marks, patents and trials on fireproof mortars.

The acquisition price of this line of business amounted to €300 thousand. It was agreed that that price included the amounts payable to personnel for holidays and extra salary payments in 2016. Part of this price, €200 thousand, was paid when the agreement was signed, and the rest were settled within 90 days from the signing date.

(Thousand euro)

Summarised below is a breakdown of the net assets acquired and goodwill resulting on the operation:

	Amount
Acquisition price	300
Fair value of the net assets acquired	-
Goodwill (Note 5)	**300**

This goodwill was initially attributed to future returns and synergies on the businesses acquired in the Group.

The net assets acquired at fair value arising on the acquisition are detailed below:

	Fair value
Fixed assets	529
Assets acquired	**529**
Payables	433
Accrued wages and salaries	96
Liabilities acquired	**529**
Total net assets acquired	**-**

The movement in cash funds on the operation was as follows:

	Amount
Consideration paid on operation	200
Cash and cash equivalents at the entity acquired	-
	200

18. Related-party transactions

The direct shareholders of the Group (including non-controlling interests), the directors and key management personnel and these parties' close relatives and investees carried under the equity method are considered related parties.

The following transactions were carried out with related parties:

- Remuneration and loans to the Parent Company's Directors and Senior management personnel

Total remuneration paid in the six-month period ended 30 June 2017 to the members of the Board of Directors, consisting of salaries, per diems and other remuneration was €2,945 thousand (30 June 2016 €1,842 thousand). The members of the Board of Directors received no compensation in respect of per diems, bonuses or profit sharing arrangements. Nor did they receive shares, or sell or exercise stock options or other rights related to pension plans or insurance policies of which they are beneficiaries.

At 30 June 2017 there is a balance receivable (at present value) of €455 thousand arising from other transactions with these related parties (31 December 2016: €455 thousand), classified in current assets.

The total remuneration paid in the six-month period ended 30 June 2017 to senior management staff of the CIE Automotive Group, excluding the amounts included in the section on the remuneration paid to the 11 members of the Board of Directors (2016: 11 members) was €3,723 thousand (30 June 2016: €1,458 thousand).

The Company has entered into no obligations relating to pensions or other types of complementary retirement remunerations with senior management personnel.

(Thousand euro)

- Share-based remuneration

During the General Shareholders' Meeting of 30 April 2014, a long-term incentive was approved, based on the increase in value of the shares of CIE Automotive, S.A., in favour of the CEO and certain senior managers and other people owing to their special relationship with the Company.

The incentive consists of the payment of an extraordinary total remuneration proved of multiplying a maximum of 1,800,000 rights by the increase of the market price of shares of CIE Automotive in the period 2013-2017, being its contribution base €6 per share and the closing value will be the average of the market price of the last quarter of 2017, in the terms approved by the Shareholders' General Meeting.

The individual assignment of these rights was determined in 2014 by the parent company's Appointments and Remuneration Committee. Following the Group's decision, settlement will presumably take place in cash in a lump sum at 31 March 2018.

The incentive is subject to two conditions:

- Interrupted continuity of beneficiaries' services.
- The fulfilment of the objectives of Group's Strategic Plan for 2013- 2017, measured according to real audited EBITDA levels (operating profit plus amortisation and impairment) obtained in the period.

The incentive conditions contain situations of early liquidation due to certain supervening causes.

At 30 June 2017 the estimated amount of that extraordinary remuneration has resulted in an accrued expense of €4.8 million (30 June 2016: €3.1 million).

- Other related-party balances and transactions

	30.06.2017	31.12.2016
Balances:		
- Receivable from related parties	22,264	19,417
- Payable to related parties	(6,286)	(6,563)
- Balances payable with entities with significant influence	16,800	16,800
- Balances receivable with entities with significant influence (*)	(15,943)	(16,693)
- Dividend payable	(27,037)	(25,800)

	30.06.2017	30.06.2016
Operations performed:		
- Services received	3,369	3,620
- Services rendered	299	248
- Purchases (**)	13,718	12,127
- Sales (**)	105,578	78,577

(*) As mentioned in the consolidated annual accounts for 2016, as a result of the business combination carried out in 2014 involving the acquisition of the Beroa Group by Global Dominion Access, there are amounts payable to Instituto Sectorial de Promoción y Gestión de Empresas Dos, S.A. (INSSEC2), the parent company's shareholder, for an estimated amount of €15,943 thousand at 30 June 2017 (31 December 2016: €16,693 thousand). No guarantees have been delivered for these amounts outstanding.

(**) Both purchases and sales relate basically to sales - purchases of parts with the Mahindra & Mahindra group.

19. Joint arrangements

At 30 June 2017 and 2016 there are no joint venture agreements in the Group.

20. Events after the balance sheet date

In July 2017, Global Dominion Access, S.A. entered into a contract with the Dixons Carphone plc group for a contract for the acquisition of the entire share capital of The Phone House España (a subsidiary of The Phone House Spain S.L.U., Connected World Services Europe S.L.U. and Smarthouse S.A.U.)

The Phone House Spain has been valued for the purpose of the transaction at €55 million. The price will be paid in two installments, the first one on the closing date and the second in January 2018.

The closing of the transaction is subject to the authorization of the Spanish antitrust authorities and is expected to take place during the third quarter of this year.

CIE AUTOMOTIVE, S.A. AND SUBSIDIARIES

APPENDICES TO THE NOTES TO THE ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017 AND 2016

APPENDIX: LIST OF SUBSIDIARIES AND ASSOCIATES AT 30 JUNE 2017

				% effective shareholding of CIE Automotive	
Company	Parent Company	Activity	Registered office	Direct	Indirect
CIE Berriz, S.L. (*)	CIE Automotive, S.A.	Holding company	Vizcaya	100.00%	-
Belgium Forge, N.V. (in liquidation)	CIE Berriz, S.L.	Manufacture of automotive components	Belgium	-	100.00%
CIE Udalbide, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Vizcaya	-	100.00%
CIE Mecauto, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Alava	-	100.00%
Mecanizaciones del Sur-Mecasur, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Alava	-	100.00%
Gameko Fabricación de Componentes, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Alava	-	100.00%
Grupo Componentes Vilanova, S.L.	CIE Berriz, S.L.	Manufacture of automotive components	Barcelona	-	100.00%
Alfa Deco, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Guipuzcoa	-	100.00%
Alurecy, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Vizcaya	-	100.00%
Componentes de Automoción Recytec, S.L.U.	CIE Berriz, S.L.	Manufacture of automotive components	Alava	-	100.00%
Componentes de Dirección Recylan, S.L.U.	CIE Berriz, S.L.	Manufacture of automotive components	Navarre	-	100.00%
Nova Recyd, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Alava	-	100.00%
Recyde, S.A.U.	CIE Berriz, S.L.	Manufacture of automotive components	Guipuzcoa	-	100.00%
Recyde CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czech Republic	-	100.00%
CIE Zdánice, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czech Republic	-	100.00%
Alcasting Legutiano, S.L.U.	CIE Berriz, S.L.	Manufacture of automotive components	Alava	-	100.00%
Egaña 2, S.L.	CIE Berriz, S.L.	Manufacture of automotive components	Vizcaya	-	100.00%
Inyectametal, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Vizcaya	-	100.00%
Orbelan Plásticos, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Guipuzcoa	-	100.00%
Transformaciones Metalúrgicas Norma, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Guipuzcoa	-	100.00%
Plasfil Plásticos da Figueira, S.A. (*)	CIE Berriz, S.L.	Manufacture of automotive components	Portugal	-	100.00%
CIE Stratis-Tratamentos, Ltda	Plasfil Plásticos da Figueira, S.A.	Manufacture of automobile components	Portugal	-	100.00%
CIE Metal CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czech Republic	-	100.00%
CIE Plasty CZ, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czech Republic	-	100.00%
CIE Unitools Press CZ, a.s.	CIE Berriz, S.L.	Manufacture of automotive components	Czech Republic	-	100.00%
CIE Joamar, s.r.o.	CIE Berriz, S.L.	Manufacture of automotive components	Czech Republic	-	100.00%
CIE Automotive Maroc, s.a.r.l. d'au (2)	CIE Berriz, S.L.	Manufacture of automotive components	Morocco	-	100.00%
CIE Praga Louny, a.s. (*)	CIE Berriz, S.L.	Manufacture of automotive components	Czech Republic	-	100.00%
Praga Service, s.r.o.	CIE Praga Louny, a.s.	Facilities	Czech Republic	-	100.00%
CIE Deutschland, GmbH	CIE Berriz, S.L.	Services and installations	Germany	-	100.00%
Leaz Valorización, S.L.U. (dormant)	CIE Berriz, S.L.	Waste management and recovery	Vizcaya	-	100.00%
CIE Compiègne, S.A.S.	CIE Berriz, S.L.	Manufacture of automotive components	France	-	100.00%
Autometal, S.A. (*) (7)	CIE Berriz, S.L.	Manufacture of automotive components	Brazil	-	100.00%
Durametal, S.A.	Autometal, S.A.	Manufacture of automotive components	Brazil	-	84.88%
Autometal SBC Injeção, Pintura e Cromação de Plásticos, Ltda. (*)	Autometal, S.A.	Manufacture of automobile components	Brazil	-	100.00%
Autocromo Cromaçao de Plásticos Ltda	Autometal SBC Injeção, Pintura e Cromação de Plásticos, Ltda.	Manufacture of automotive components	Brazil	-	100.00%
Autometal Investimentos e Imóveis, Ltda (*)	Autometal, S.A.	Services and installations	Brazil	-	100.00%
Gescrap – Autometal Comercio de Sucatas Ltda	Autometal Investimentos e Imóveis, Ltda	Scrap business	Brazil	-	30.00%
Jardim Sistemas Automotivos e Industriais, S.A.	Autometal, S.A.	Manufacture of automotive components	Brazil	-	100.00%
Metalúrgica Nakayone, Ltda.	Autometal, S.A.	Manufacture of automotive components	Brazil	-	100.00%
CIE Autometal de México, S.A. de C.V. (*) (merged with Inmobiliaria El Puente, S.A. de C.V. during 2016)	CIE Berriz, S.L.	Holding company	Mexico	-	100.00%
Pintura y Ensambles de México, S.A. de C.V.	CIE Autometal de México, S.A. de C.V.	Manufacture of automotive components	Mexico	-	100.00%
CIE Celaya, S.A.P.I. de C.V.	CIE Autometal de México, S.A. de C.V.	Manufacture of automotive components	Mexico	-	100.00%
Gescrap Autometal de Mexico, S.A. de C.V. (*)	CIE Autometal de México, S.A. de C.V.	Scrap business	Mexico	-	30.00%
Gescrap Autometal Mexico Servicios, S.A. de C.V.	Gescrap Autometal de Mexico, S.A. de C.V.	Services and installations	Mexico	-	30.00%
Pintura, Estampado y Montaje, S.A.P.I. de C.V.	CIE Autometal de México, S.A. de C.V.	Manufacture of automotive components	Mexico	-	100.00%
Maquinados Automotrices y Talleres Industriales de Celaya, S.A. de C.V.	CIE Autometal de México, S.A. de C.V.	Manufacture of automotive components	Mexico	-	100.00%
CIE Berriz México Servicios Administrativos, S.A. de C.V.	CIE Autometal de México, S.A. de C.V.	Services and installations	Mexico	-	100.00%
Nugar, S.A .de C.V.	CIE Autometal de México, S.A. de C.V.	Manufacture of automotive components	Mexico	-	100.00%
Percaser de Mexico, S.A. de C.V.	CIE Autometal de México, S.A. de C.V.	Services and installations	Mexico	-	100.00%
Servicat S. Cont., Adm. Y Técnicos, S.A. de C.V.	CIE Autometal de México, S.A. de C.V.	Services and installations	Mexico	-	100.00%
CIE Automotive, USA Inc (*)	CIE Autometal de México, S.A. de C.V.	Services and installations	USA	-	100.00%
CIE Automotive USA Investments	CIE Automotive, USA Inc	Holding company	USA	-	100.00%
Century Plastics, Llc	CIE Automotive, USA Inc	Manufacture of automotive components	USA	-	100.00%
Newcor, Inc(*) (1)	CIE Automotive, USA Inc	Holding company	USA	-	100.00%
Owosso Realty, LLC (1)	Newcor, Inc	Real state company	USA	-	100.00%

APPENDIX: LIST OF SUBSIDIARIES AND ASSOCIATES AT 30 JUNE 2017

Company	Parent Company	Activity	Registered office	% effective shareholding of CIE Automotive	
				Direct	Indirect
Corunna Realty, Corp. (1)	Newcor, Inc	Real state company	USA	-	100.00%
Clifford Realty, Corp. (1)	Newcor, Inc	Real state company	USA	-	100.00%
Machine, Tools and Gear, Inc (1)	Newcor, Inc	Manufacture of automotive components	USA	-	100.00%
Deco Engineering, Inc (1)	Newcor, Inc	Manufacture of automotive components	USA	-	100.00%
Rochester Gear, Inc (1)	Newcor, Inc	Manufacture of automotive components	USA	-	100.00%
Participaciones Internacionales Autometal Dos S.L.U.(*)	CIE Berriz, S.L.	Holding company	Vizcaya	-	100.00%
PIA Forging Products, S.L.U.	Participaciones Internacionales Autometal Dos S.L.U.	Holding company	Vizcaya	-	100.00%
Mahindra CIE Automotive, Ltd. (*)	Participaciones Internacionales Autometal Dos S.L.U.	Manufacture of automotive components	India	-	51.38%
Stokes Group Limited (*)	Mahindra CIE Automotive, Ltd.	Manufacture of automotive components	UK	-	51.38%
Stokes Forgings Limited	Stokes Group Limited	Manufacture of automotive components	UK	-	51.38%
Stokes Forgings Dudley Limited	Stokes Group Limited	Manufacture of automotive components	UK	-	51.38%
Mahindra Forging Global	Mahindra CIE Automotive, Ltd.	Holding company	Republic of Mauritius	-	51.38%
Mahindra Forgings International Limited (*)	Mahindra CIE Automotive, Ltd.	Holding company	Republic of Mauritius	-	51.38%
Mahindra Forgings Europe AG (*)	Mahindra Forgings International Limited	Holding company	Germany	-	51.38%
Gesenkschmiede Schneider GmbH	Mahindra Forgings Europe AG	Manufacture of automotive components	Germany	-	51.38%
Jeco Jellinghaus GmbH	Mahindra Forgings Europe AG	Manufacture of automotive components	Germany	-	51.38%
Falkenroth Umformtechnik GmbH	Mahindra Forgings Europe AG	Manufacture of automotive components	Germany	-	51.38%
Schoneweiss & Co. GmbH	Mahindra Forgings Europe AG	Manufacture of automotive components	Germany	-	51.38%
CIE Galfor, S.A.U. (*)	Mahindra CIE Automotive, Ltd.	Manufacture of automotive components	Orense	-	51.38%
CIE Legazpi, S.A.U.	CIE Galfor, S.A.U.	Manufacture of automotive components	Guipuzcoa	-	51.38%
UAB CIE LT Forge	CIE Galfor, S.A.U.	Manufacture of automotive components	Lithuania	-	51.38%
Galfor Eólica, S.L.	CIE Galfor, S.A.U.	Electricity production and sale	Orense	-	25.69%
Mahindra Gears Global Ltd (*)	Mahindra CIE Automotive, Ltd.	Holding company	Republic of Mauritius	-	51.38%
Metalcastello S.p.A. (*)(6)	Mahindra Gears Global Ltd	Manufacture of automotive components	Italy	-	51.38%
Crest Geartech Ltd	Metalcastello S.p.A.	Manufacture of automotive components	India	-	51.38%
Mahindra Gears Transmission Private Ltd	Mahindra CIE Automotive, Ltd.	Manufacture of automotive components	India		51.38%
BillForge Pvt.Ltd (*)	Mahindra CIE Automotive, Ltd.	Manufacture of automotive components	India	-	51.38%
BillForge Global DMCC	BillForge Pvt.Ltd	Holding company	Dubai	-	51.38%
BillForge de Mexico S de RL de C.V.	BillForge Pvt.Ltd	Manufacture of automotive components	Mexico	-	51.38%
BF Precision Pvt. Ltd. (1)	BillForge Pvt.Ltd	Manufacture of automotive components	India	-	51.38%
Bionor Berantevilla, S.L.U.	CIE Berriz, S.L.	Biofuel production and sale	Alava	-	100.00%
Biosur Transformación, S.L.U.	CIE Berriz, S.L.	Biofuel production and sale	Huelva	-	100.00%
Comlube s.r.l. (*) (in liquidation)	CIE Berriz, S.L.	Biofuel production and sale	Italy	-	80.00%
Glycoleo s.r.l. (dormant)	Comlube s.r.l.	Production and marketing of glycerine	Italy	-	40.80%
Biocombustibles de Guatemala, S.A.	CIE Berriz, S.L.	Agro-biotechnology	Guatemala	-	51.00%
Gestión de Aceites Vegetales, S.L. (*)	CIE Berriz, S.L.	Marketing of fatty oils	Madrid	-	88.73%
Reciclado de Residuos Grasos, S.L.U.	Gestión de Aceites Vegetales, S.L.	Marketing of fatty oils	Madrid	-	88.73%
Reciclados Ecológicos de Residuos, S.L.U.	CIE Berriz, S.L.	Marketing of fatty oils	Alicante	-	100.00%
Recogida de Aceites y Grasas Maresme, S.L.	CIE Berriz, S.L.	Marketing of fatty oils	Barcelona	-	51.00%
Biodiesel Mediterráneo, S.L.U.	CIE Berriz, S.L.	Biofuel production and sale	Alicante	-	100.00%
Denat 2007, S.L.	CIE Berriz, S.L.	Manufacture of automotive components	Vigo	-	100,00%
Grupo Amaya Tellería, S.L.U.(*)	CIE Berriz, S.L.	Holding company	Vizcaya	-	100.00%
GAT Staff, S.L.U.	Grupo Amaya Tellería, S.L.U.	Manufacture of automotive components	Vizcaua	-	100.00%
Industrias Amaya Tellería, S.A.U.	Grupo Amaya Tellería, S.L.U.	Manufacture of automotive components	Vizcaya	-	100.00%
MAR SK, s.r.o.	Grupo Amaya Tellería, S.L.U.	Manufacture of automotive components	Slovakia	-	100.00%
Autocom Componentes Automotivos do Brasil LTDA.	Grupo Amaya Tellería, S.L.U.	Manufacture of automotive components	Brazil	-	100,00%
GAT México, S.A. de C.V.	Grupo Amaya Tellería, S.L.U.	Manufacture of automotive components	Mexico	-	100.00%
Advanced Comfort Systems Ibérica, S.L.U.	CIE Automotive, S.A.	Manufacture of automotive components	Orense	100.00%	-
Advanced Comfort Systems France, S.A.S. (*)	CIE Automotive, S.A.	Manufacture of automotive components	France	100.00%	-
Advanced Comfort Systems Romania, S.R.L.	Advanced Comfort Systems France, S.A.S.	Manufacture of automotive components	Romania	-	100.00%
Advanced Comfort Systems México, S.A. de C.V.	Advanced Comfort Systems France, S.A.S.	Manufacture of automotive components	Mexico	-	100.00%
Advanced Comfort Systems Shanghai Co. Ltd.	Advanced Comfort Systems France, S.A.S.	Manufacture of automotive components	China	-	100.00%
SC CIE Matricon, S.A.	CIE Berriz, S.L.	Manufacture of automotive components	Romania	-	100.00%
CIE Automotive Parts (Shanghai) Co., Ltd.	CIE Berriz, S.L.	Manufacture of automotive components	China	-	100.00%
CIE Automotive Rus, LLC.	CIE Berriz, S.L.	Manufacture of automotive components	Russia		100.00%

CIE AUTOMOTIVE, S.A. AND SUBSIDIARIES

APPENDICES TO THE NOTES TO THE ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017 AND 2016

APPENDIX: LIST OF SUBSIDIARIES AND ASSOCIATES AT 30 JUNE 2017

				% effective shareholding of CIE Automotive	
Company	Parent Company	Activity	Registered office	Direct	Indirect
Global Dominion Access, S.A. (*)	CIE Automotive, S.A.	Holding company / Technological Solutions and Services	Vizcaya	50.01%	-
Dominion Industry & Infrastructures, S.L. (*)	Global Dominion Access, S.A.	Technological Solutions and Services	Barcelona	-	50.00%
Desolaba, S.A. de C.V.	Dominion Industry & Infrastructures, S.L.	Technological Solutions and Services	Mexico	-	49.00%
El Salvador Solar 1, S.A. de C.V.	Dominion Industry & Infrastructures, S.L.	Technological Solutions and Services	El Salvador	-	40.00%
El Salvador Solar 2, S.A. de C.V.	Dominion Industry & Infrastructures, S.L.	Technological Solutions and Services	El Salvador	-	40.00%
Montelux, S.R.L.	Dominion Industry & Infrastructures, S.L.	Technological Solutions and Services	Dominican Republic	-	35.00%
Abasol S.P.A.	Dominion Industry & Infrastructures, S.L.	Technological Solutions and Services	Chile	-	50.00%
Rovello S.P.A.	Dominion Industry & Infrastructures, S.L.	Technological Solutions and Services	Chile	-	50.00%
Pimentell S.P.A.	Dominion Industry & Infrastructures, S.L.	Technological Solutions and Services	Chile	-	50.00%
Rosinol S.P.A.	Dominion Industry & Infrastructures, S.L.	Technological Solutions and Services	Chile	-	50.00%
Dominion Energy, S.L.U. (*)	Global Dominion Access, S.A.	Technological Solutions and Services	Vizcaya	-	50.01%
Dominion Energy México, S.A. de C.V.	Dominion Energy, S.L.U.	Technological Solutions and Services	Mexico	-	50.00%
Dominion Centroamericana, S.A.	Dominion Energy, S.L.U.	Technological Solutions and Services	Panama	-	50.01%
Dominion Ecuador Niec, S.A.	Dominion Energy, S.L.U.	Technological Solutions and Services	Ecuador	-	49.95%
BAS Project Corporation, S.L.	Dominion Energy, S.L.U.	Technological Solutions and Services	Vizcaya	-	12.50%
Dominion Instalaciones y Montajes, S.A.U. (*)	Global Dominion Access, S.A.	Technological Solutions and Services	Vizcaya	-	50.01%
E.C.I. Telecom Ibérica, S.A.	Dominion Instalaciones y Montajes, S.A.U.	Technological Solutions and Services	Madrid	-	50.01%
Interbox Technology, S.L.	Dominion Instalaciones y Montajes, S.A.U.	Commercial services	Vizcaya	-	37.51%
Dominion West Africa, S.L.	Dominion Instalaciones y Montajes, S.A.U.	Commercial services	Vizcaya	-	50.01%
Dominion Honduras, SRL	Dominion Instalaciones y Montajes, S.A.U.	Technological Solutions and Services	Honduras	-	49.01%
Dominion Investigación y Desarrollo S.L.U.	Global Dominion Access, S.A.	Technological Solutions and Services	Vizcaya	-	50.01%
Dominion Tecnológica, Ltda. (former Halógica Tecnología, S.A.) (*)	Global Dominion Access, S.A.	Technological Solutions and Services	Brazil	-	50.00%
Dominion Instalaçoes e Montagnes do Brasil Ltda.	Dominion Tecnológica, Ltda.	Technological Solutions and Services	Brazil	-	50.00%
Mexicana de Electrónica Industrial, S.A. de C.V. (*)	Global Dominion Access, S.A.	Technological Solutions and Services	Mexico	-	50.00%
Dominion Tecnologías de la Información, S.A. de C.V.	Mexicana de Electrónica Industrial, S.A. de C.V.	Technological Solutions and Services	Mexico	-	50.00%
Dominion Baires, S.A.	Global Dominion Access, S.A.	Technological Solutions and Services	Argentina	-	47.51%
Dominion SPA	Global Dominion Access, S.A.	Technological Solutions and Services	Chile	-	50.01%
Dominion Perú Soluciones y Servicios S.A.C.	Global Dominion Access, S.A.	Technological Solutions and Services	Peru	-	49.51%
Visual Line, S.L.	Global Dominion Access, S.A.	Technological Solutions and Services	Vizcaya	-	27.51%
Sociedad Concesionaria Chile Salud Siglo XXI S.A.	Global Dominion Access, S.A.	Technological Solutions and Services	Chile	-	15.00%
Beroa Thermal Energy, S.L. (*)	Global Dominion Access, S.A.	Holding company	Vizcaya	-	50.01%
Dominion Global France, SAS (former Beroa France SAS)	Beroa Thermal Energy, S.L.	Industrial services	France	-	50.01%
Steelcon Chimneys Esbjerg A/S (*)	Beroa Thermal Energy, S.L.	Industrial solutions	Denmark	-	50.01%
Steelcon Slovakia s.r.o	Steelcon Chimney Esjberg A/S	Industrial solutions	Slovakia	-	50.01%
Dominion Global Pty.Ltd.	Beroa Thermal Energy, S.L.	Industrial solutions and services	Australia	-	50.01%
Beroa Corporation LLC (*)	Beroa Thermal Energy, S.L.	Holding company	USA	-	50.01%
Commonwealth Dynamics Inc (*)	Beroa Corporation LLC	Industrial solutions	USA	-	50.01%
Commonwealth Power (India), Private Limited	Commonwealth Dynamics Inc	Industrial solutions	India	-	50.01%
Commonwealth Dynamics Co. Ltd.	Commonwealth Dynamics Inc	Industrial solutions	Japan	-	50.01%
Commonwealth Constructors Inc	Beroa Corporation LLC	Industrial solutions	USA	-	50.01%
Commonwealth Dynamics Limited	Beroa Corporation LLC	Industrial solutions	Canada	-	50.01%
Commonwealth Power Chile, SPA (in liquidation)	Beroa Corporation LLC	Industrial solutions	Chile	-	50.01%
International Chimney Corporation (*)	Beroa Corporation LLC	Industrial solutions	USA	-	50.01%
Capital International Steel Works, Inc.	International Chimney Corporation	Industrial solutions	USA	-	50.01%
International Chimney Canada. Inc.	International Chimney Corporation	Industrial solutions	Canada	-	50.01%
Karrena International Chimneys LLC (8)	Beroa Corporation LLC	Industrial solutions	USA	-	50.01%
Beroa Ibéria S.A.(*)	Beroa Thermal Energy, S.L.	Industrial solutions and services	Vizcaya	-	50.01%
Dominion Industry México, S.A. de C.V.	Beroa Ibéria S.A.	Industrial services	Mexico	-	50.00%
Dominion SRL	Beroa Ibéria S.A.	Industrial services	Argentina	-	50.01%
Altac South Africa Propietary Limited	Beroa Ibéria S.A.	Industrial solutions	South Africa	-	50.01%
Chimneys and Refractories Intern. S.R.L. (*)	Beroa Thermal Energy, S.L.	Industrial solutions	Italy	-	45.01%
Chimneys and Refractories Intern. S.P.A.	Chimneys and Refractories Intern. S.R.L.	Industrial solutions (dormant)	Chile	-	45.01%
Chimneys and Refractories Intern. Vietnam Co. Ltd. (1)	Chimneys and Refractories Intern. S.R.L.	Industrial solutions	Vietnam	-	45.01%
Dominion-Uniseven Industrial Services Pvt, Ltd.	Beroa Thermal Energy, S.L.	Industrial services	India	-	25.51%
Refractories & Chimneys Construction Co. Ltda. (3)	Beroa Thermal Energy, S.L.	Industrial solutions	Saudi Arabia	-	49.16%
Beroa Technology Group GmbH (*)	Beroa Thermal Energy, S.L.	Holding company	Germany	-	50.01%
Karrena Betonanlagen und Fahrmischer GmbH (*)(in liquidation)	Beroa Technology Group GmbH	Construction and sale of cement mixers (dormant)	Germany	-	50.01%
HIT-Industrietechnik GmbH (for sale)	Karrena Betonanlagen und Fahrmischer GmbH	Metal welding	Germany	-	26.01%

CIE AUTOMOTIVE, S.A. AND SUBSIDIARIES

APPENDICES TO THE NOTES TO THE ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017 AND 2016

APPENDIX: LIST OF SUBSIDIARIES AND ASSOCIATES AT 30 JUNE 2017

Company	Parent Company	Activity	Registered office	% effective shareholding of CIE Automotive Direct	Indirect
Bierrum International Ltd.	Beroa Technology Group GmbH	Industrial solutions	UK	-	50.01%
Beroa NovoCOS GmbH	Beroa Technology Group GmbH	Industrial services	Germany	-	50.01%
Beroa International Co LLC	Beroa Technology Group GmbH	Industrial services	Oman	-	35.01%
Beroa Refractory & Insulation LLC	Beroa Technology Group GmbH	Industrial services	United Arab Emirates	-	24.50%
Beroa Nexus Company LLC	Beroa Technology Group GmbH	Industrial services	Qatar	-	24.50%
Beroa Deutschland GmbH (*)	Beroa Technology Group GmbH	Industrial solutions and services	Germany	-	50.01%
Cobra Carbon Grinding, B.V. (1)	Beroa Deutschland GmbH	Industrial services	Netherlands	-	25.01%
Karrena Construction Thérmique S.A.	Beroa Deutschland GmbH	Industrial services (dormant)	France	-	50.01%
Beroa Polska Sp. Z o.o.	Beroa Deutschland GmbH	Industrial solutions and services	Poland	-	50.01%
Karrena Arabia Co. Ltd.	Beroa Deutschland GmbH	Industrial solutions and services	Saudi Arabia	-	27.51%
Beroa Chile Limitada	Beroa Deutschland GmbH	Industrial services (dormant)	Chile	-	50.00%
Burwitz Montageservice GmbH	Beroa Deutschland GmbH	Industrial solutions and services	Germany	-	50.01%
F&S Feuerfestbau GmbH & Co KG	Beroa Deutschland GmbH	Industrial solutions and services	Germany	-	25.49%
F&S Beteiligungs GmbH	Beroa Deutschland GmbH	Holding company	Germany	-	25.51%
Beroa Abu Obaid Industrial Insulation Company Co. W.L.L.	Beroa Deutschland GmbH	Industrial services	Bahrain	-	22.50%
Global Near, S.L. (*)	Global Dominion Access, S.A.	Holding company	Vizcaya	-	50.01%
Dominion Digital, S.L.U. (*)(4)	Global Near, S.L.	Technological solutions	Vizcaya	-	50.01%
Tapquo, S.L.	Dominion Digital, S.L.U.	Technological solutions	Vizcaya	-	50.01%
Advanced Flight Systems, S.L.	Dominion Digital, S.L.U.	Technological solutions	Vizcaya	-	10.00%
Centro Near Servicios Financieros, S.L.	Global Near, S.L.	Technological solutions	Vizcaya	-	11.50%
DM Informática, S.A. de C.V.	Global Near, S.L.	Technological solutions	Mexico	-	50.00%
Dominion Smart Innovation, S.A. de C.V. (former Near Technologies Mexico, S.A. de C.V.)	Global Near, S.L.	Technological solutions	Mexico	-	49.93%
Bilcan Global Services, S.L. (*)	Global Dominion Access, S.A.	Holding company	Cantabria	-	50.01%
Eurologística Directa Móvil 21, S.L.U.	Bilcan Global Services, S.L.	Commercial services	Madrid	-	50.01%
Tiendas Conexión, S.L.U.	Bilcan Global Services, S.L.	Commercial services	Cantabria	-	50.01%
Sur Conexión, S.L.U	Bilcan Global Services, S.L.	Commercial services	Cantabria	-	50.01%
Ampliffica, S.L.U. (*)(5)	Bilcan Global Services, S.L.	Holding company and technological solutions	Vizcaya	-	50.01%
Ampliffica Mexico, S.A. de C.V.	Ampliffica, S.L.U.	Technological solutions	Mexico	-	50.00%
Global Ampliffica Perú, S.A. (1)	Ampliffica, S.L.U.	Technology services	Perú	-	49.51%
Wiseconversion, S.L.	Ampliffica, S.L.U.	Technological solutions	Vizcaya	-	50.01%
Dominion Networks, S.L.U.	Bilcan Global Services, S.L.	Technology services	Madrid	-	50.01%
Dominion Centro de Control, S.L.U.	Bilcan Global Services, S.L.	Technology services	Madrid	-	50.01%
Autokomp Ingeniería, S.A.U. (*)	CIE Automotive, S.A.	Services and installations	Vizcaya	100.00%	
Forjas de Celaya, S.A. de C.V.	Autokomp Ingeniería, S.A.U.	Manufacture of automotive components	Mexico	-	100.00%
Nanjing Automotive Forging Co., Ltd.	Autokomp Ingeniería, S.A.U.	Manufacture of automotive components	China	-	50.00%
Componentes Automotivos Taubaté, Ltda. (*)	Autokomp Ingeniería, S.A.U.	Holding company	Brazil	-	100.00%
Autoforjas, Ltda.	Componentes Automotivos Taubaté, Ltda.	Manufacture of automotive components	Brazil	-	100.00%

(1) Companies added to consolidation scope in 2017 together with their subsidiaries.

(2) Merged in 2016 with CIE Hispamoldes Plastiques, s.a.r.l. d'au

(3) The shares of Refractories & Chimneys Construction Co. Ltda. are 17% owned by Chimneys and Refractories Intern. S.R.L. and 83% by Beroa Technology Group GmbH, the group owning a total stake of 49.16%

(4) Previously Near Technologies, S.L.

(5) Merged in 2017 with Global Ampliffica, S.L. by reverse merger

(6) Merged in 2017 with Mahindra Gears Global, Ltd. by reverse merger

(7) Merged in 2017 with Naturoil Combustíveis Renováveis, S.A.

(8) Merged in 2017 with Karrena International LLC, Ltd. by reverse merger

(*) Parent company of all investees appearing subsequently in the table.

CIE AUTOMOTIVE, S.A. AND SUBSIDIARIES

NOTES TO THE ABBREVIATED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016
(In thousand euro)

Pursuant to current legislation, all the directors who, as of today's date, make up the Board of Directors of CIE Automotive, S.A. have drafted the abbreviated interim consolidated financial statements for the six-month period ended 30 June 2016 and have signed this document in witness thereof.

Similarly, the Directors declare that, to the best of their knowledge, the abbreviated interim consolidated financial statements prepared in accordance with applicable accounting principles present fairly the financial position and results of the issuer and companies included in the consolidation taken as a whole and include a fair analysis of the performance and results of the business and position of the issuer and companies included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties which they face.

In Bilbao, on 27 July 2017