

MOORE STEPHENS

Protocol No.: 088/1516

**INDEPENDENT AUDIT REPORT
OF THE CONSOLIDATED ANNUAL
ACCOUNTS OF**

**TEKNIA MANUFACTURING GROUP, S.L.
SINGLE-MEMBER COMPANY AND
SUBSIDIARIES**

AS AT 31 DECEMBER 2015

DOLORS SELIS MASNOU
Traductora-Intèrprete
Jurada d'ENGLÈS
N. 6928

REPORT OF INDEPENDENT AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

For the Sole Member of TEK Nia MANUFACTURING GROUP, S.L. SINGLE-MEMBER COMPANY AND ITS SUBSIDIARIES

Report on consolidated balance sheet

We have audited the attached consolidated financial statements of the company TEK Nia MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND ITS SUBSIDIARIES, which include the consolidated balance sheet as at December 31st 2015, the consolidated profit and loss account, the statement of changes in the consolidated net equity, the status of consolidated cash flow and the consolidated notes corresponding to the period ended on the said date.

Administrator's responsibility in relation to the consolidated financial statements

The Single Administrator of the controlling company is responsible for the preparation of the attached consolidated financial statements, in a way that reflects a true and faithful view of the consolidated equity, of the consolidation financial situation and of the consolidated results of TEK Nia MANUFACTURING GROUP, S.L. SINGLE MEMBER AND SUBSIDIARY COMPANIES, in accordance with the regulatory framework of financial reporting applicable to the Group in Spain, which is identified in note 2.1 of the accompanying Notes, and subject to the internal control deemed necessary to prepare the consolidated financial statements free from material inaccuracies due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the attached consolidated balance sheet based on our audit. We have performed our audit in conformance with the regulatory framework for account auditing which is valid in Spain. Said regulations oblige compliance with ethical requirements, and that we plan and perform the audit with the purpose of obtaining reasonable security that the consolidated balance sheet is free from material misstatements.

An audit requires the application of procedures in order to obtain audit evidence related to the amounts and the information revealed in the consolidated balance sheet. The procedures selected depend on the auditor's opinion, including the evaluation of the risk of material misstatement in the consolidated balance sheets due to fraud or error. When making said risk evaluations, the auditor takes into account the relevant internal control for formulation applied by the entity of the consolidated balance sheet, in order to design the audit procedures that are adequate depending on the circumstances, and not with the purpose of expressing an opinion on the effectiveness of the internal control of the entity. An audit also includes an evaluation of the adequacy of the accounting policies applied and the reasonableness of the accounting estimates made by management, as well as an evaluation of the presentation of the consolidated balance sheets all together.

We consider that the audit evidence that we have obtained provides a sufficient and adequate base for our audit opinion.

Opinion

In our opinion, the attached consolidated balance sheet expresses, in all significant aspects, the true image of the consolidated equity and of the consolidated financial situation of the company **TEKNIA MANUFACTURING GROUP, S.L. SINGLE-MEMBER COMPANY AND SUBSIDIARY COMPANIES** on December 31st 2015, as well as of the consolidated results and consolidated cash flows corresponding to the annual period ended on said date, in conformance with the regulatory framework of financial information applicable and, in particular, with the accounting principles and criteria contained in the same.

Report on other legal and regulatory requirements

The attached consolidated management report for the year 2015 contains the explanations that the Sole Administrator of the dominant company considers opportune in relation to the company **TEKNIA MANUFACTURING GROUP, S.L. SINGLE-MEMBER COMPANY AND SUBSIDIARY COMPANIES**, the evolution of its businesses and other issues and does not form an integral part of the consolidated balance sheet. We have verified that the accounting information contained in the mentioned management reports matches the consolidated balance sheet for the period of 2015. Our work as auditors is limited to the verification of the management report with the scope mentioned in this paragraph and does not include the revision of information other than that obtained from the accounting records of the company **TEKNIA MANUFACTURING GROUP, S.L. SINGLE-MEMBER COMPANY AND SUBSIDIARY COMPANIES**.

MOORE STEPHENS AMS, S.L.
ROAC No.: S0516

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Signed: Ignacio Barturen Fernández

Auditors
SPANISH INSTITUTE OF CHARTERED ACCOUNTANTS
MOORE STEPHENS AMS, S.L.
Year 2016 No. 03/16/01635
COMPANY SEAL: 96,00 eur
.....
Report subject to the regulations on accounts auditing in Spain
.....

Bilbao, 20 May 2016

Foru Seilua
Province Stamp



N 7239112 C

**TEKNIA MANUFACTURING GROUP, S.L., SOCIEDAD UNIPERSONAL
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31ST 2015**

DOLORS SELIS MASNOU
Traductora Intérprete
Jurada de INGLÉS
N.º 6928

**TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET FOR THE FINANCIAL YEAR ENDING DECEMBER 31ST, 2015**

ASSETS	NOTES TO THE FINANCIAL STATEMENTS	Thousands of Euros	
		2015	2014
A) NON-CURRENT ASSETS		73,629	75,984
I. Intangible assets			
1. Consolidated goodwill	4	2,495	3,185
2. Research	9	-	-
3. Other intangible assets	9	2,833	2,582
		5,328	5,767
II. Tangible fixed assets			
1. Land and buildings	8	21,664	20,707
2. Technical installations and other fixed material assets	8	31,517	27,152
3. Fixed assets under construction and advances	8	3,284	10,250
		56,465	58,109
III. Investment property	8	-	961
V. Long-term financial investments	11.1.1	501	416
VI. Deferred tax assets	14.3	11,203	10,540
VIII. Non-current trade receivables	11.1.1	132	191
B) CURRENT ASSETS		90,597	85,586
II. Inventories	12	33,641	31,965
III. Trade and other receivables			
1. Trade receivables for sales and services	11.1.1	44,299	39,378
2. Trade receivables from group companies and associates	11.1.1 and 18.1	16	99
3. Current tax assets	14.1	1,109	456
4. Other receivables	11.1.1 and 14.1	2,225	3,059
		47,649	42,992
IV. Current investments group companies and associates			
1. Loans to related parties	11.1.1 and 18.1	18	16
2. Other financial assets of group companies and associates		3,345	2
		3,363	18
V. Current investments	11.1.1	1	379
VI. Current accruals		1,082	613
VII. Cash and other cash equivalents		4,861	9,619
TOTAL ASSETS (A+B)		164,226	161,570

The notes 1 to 24 and the annex 1 to the accompanying Notes to the Financial Statements are an integral part of these consolidated financial statements

Elorrio, 31 March 2016

DOLORS SELIS MASHOU
Traductora-Intérprete
Jurada de INGLÉS
N.º 6928

Foru Seilua
Province Stamp



N 7239114 C

TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET FOR THE FINANCIAL YEAR ENDING DECEMBER 31ST, 2015

TOTAL EQUITY AND LIABILITIES	NOTES TO THE FINANCIAL STATEMENTS	Thousands of Euros	
		2015	2014
A) EQUITY		59,057	55,750
A-1) Capital and reserves without valuation adjustments			
I. Capital	13.1	20,000	20,000
III. Reserves	13.2	33,680	26,768
VI. Net income attributed to the parent company		9,659	10,418
		63,339	57,186
A-2) Valuation adjustments			
II. Translation differences from consolidated companies	13.3	(5,405)	(2,684)
		(5,405)	(2,684)
A-3) Grants, donations and bequests received			
I. In consolidated companies	15	858	982
		858	982
A-4) External shareholders	5	265	266
B) NON-CURRENT LIABILITIES		36,989	37,570
I. Non-current provisions	16	491	1,126
II. Non-current payables			
2. Debts with financial institutions	11.1.2	22,984	22,066
3. Finance lease payables	10.2 and 11.1.2	296	305
4. Other financial liabilities	11.1.2		
4.1 Fixed assets suppliers		179	189
4.2 Other financial liabilities		11,694	12,785
		35,153	35,345
IV. Deferred tax liabilities	14.3	1,313	1,091
V. Non-current accruals		32	8
C) CURRENT LIABILITIES		68,180	68,250
II. Current provisions	16	1,592	722
III. Current payables			
2. Debts with financial institutions	11.1.2	16,664	15,668
3. Finance lease payables	10.2 and 11.1.2	537	756
4. Other financial liabilities			
4.1 Fixed assets suppliers		1,065	958
4.2 Other financial liabilities	11.1.2	651	3,975
		18,917	21,357
IV. Current debt with group companies and associates			
2. Other payables	11.1.2 and 18.1		14
		-	14
V. Trade and other payables			
1. Suppliers	11.1.2	34,614	31,230
2. Suppliers, group companies and associates	11.2.1 and 18.1	7	-
3. Current tax liabilities	14.1	351	311
4. Other payables	11.1.2 and 14.1	12,418	13,922
		47,390	45,463
VI. Current accruals		281	694
TOTAL EQUITY AND LIABILITIES (A + B + C)		164,226	161,570

The notes 1 to 24 and the annex 1 to the accompanying Notes to the Financial Statements are an integral part of these consolidated financial statements

DOLORS SELIS MASNOU
Traductora e Intérprete
Jurada de INGLÉS
N.º 0828

Foru Seilua
Province Stamp

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Elorrio, 31 March 2016

TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED ON 31 December 2015

	NOTES TO THE REPORT	Thousands of Euros	
		2015	2014
A) CONTINUING OPERATIONS			
1. Revenue	17.1	246,279	220,628
a) Sales		245,031	219,662
b) Services rendered		1,248	966
2. Changes in inventories of finished goods and work in progress		1,048	1,549
3. Work carried out by the company for assets		572	556
4. Supplies		(138,749)	(123,540)
a) Merchandise used	17.2	(5,389)	(5,541)
b) Raw materials and other consumables used	17.2	(109,850)	(92,535)
c) Subcontracted work		(23,286)	(25,384)
d) Impairment of merchandise, raw materials and other supplies		(224)	(80)
5. Other operating income		1,141	914
a) Non-trading and other operating income		980	872
b) Operating grants taken to income	15	161	42
6. Personnel expenses		(52,949)	(50,723)
a) Salaries and wages		(40,877)	(38,096)
b) Employee benefits expense		(12,024)	(12,605)
c) Provisions		(48)	(22)
7. Other operating expenses		(36,925)	(30,550)
a) Losses, impairment and charges in trade provisions		(326)	(143)
b) Other operating expenses		(36,599)	(30,407)
8. Amortisation and depreciation	8 and 9	(7,705)	(6,742)
9. Non-financial and other capital grants	15	5	53
10. Provision surpluses		-	1
11. Impairment and gain/(losses) on disposal of fixed assets		1,965	108
a) Impairments and losses		(317)	-
b) Results due to divestment and others	8	2,282	108
12. Gain/(losses) from the loss of control of consolidated shares		-	-
14. Other results		141	(95)
A.1) RESULTS FROM OPERATING ACTIVITIES (1+2+3+4+5+6+7+8+9+10+11+12+13+14)		14,823	12,159
15. Finance income		320	607
a) Dividends		3	-
b) Marketable securities and other financial instruments		99	338
c) Allocation of grants, donations and bequests of a financial nature	15	218	269
16. Finance expenses		(1,688)	(1,965)
18. Exchange gains/(losses)		(1,989)	(414)
19. Impairment and profit/loss on divestment of financial instruments		(228)	-
a) Impairments and losses		(228)	-
A.2) NET FINANCE INCOME/(EXPENSE) (14+15+16+17+18)		(3,585)	(1,772)
A.3) PROFIT/(LOSS) BEFORE INCOME TAX (A.1 + A.2 +19+20+21)		11,238	10,387
24. Income tax expense	14.2	(1,629)	4
A.4) PROFIT/(LOSS) FROM CONTINUING OPERATIONS (A.3 + 22)		9,609	10,391
B) DISCONTINUED OPERATIONS		-	-
A.5) CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD (A.4 + 23)		9,609	10,391

Balance attributed to the parent company

Balance attributed to external shareholders

The notes 1 to 24 and the annex I to the accompanying Notes to the Financial Statements are an integral part of these consolidated financial statements

Elorrio, 31 March 2016

DOLORS SEILIS MASNOU
Traductora-Interprete
Jurada de INGLES
N.º 6928

Foru Seilua
Province Stamp



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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR
TO THE FINANCIAL YEAR ENDED 31 December 2015

A) CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES CORRESPONDING
TO THE FINANCIAL YEAR ENDED 31 December 2015

	NOTES IN THE REPORT	Thousands of Euros	
		2015	2014
A) Consolidated profit/(loss) for the period		9,609	10,391
Income and expenses recognised directly in equity			
III. Grants, donations and bequests received	15	40	20
VI. Exchange differences		(2,732)	(172)
VII. Tax effect	15	(2)	-
B) Total income and expense recognised directly in consolidated equity (I+II+III+IV+V+VI+VII)		(2,694)	(152)
Transfers to the consolidated profit and loss account			
X. Grants, donations and legacies received	15	(223)	(322)
XIII. Tax effect	15	61	95
C) Total amounts transferred to the consolidated income statement (VIII+IX+X+XI+XII+XIII)		(162)	(227)
TOTAL ACKNOWLEDGED CONSOLIDATED INCOME AND EXPENDITURE (A+B+C)		6,753	10,012
Total income and expense attributed to the parent company		6,814	10,039
Total income and expenses attributed to external shareholders		(61)	(27)

The notes 1 to 24 and the annex I to the accompanying Notes to the Financial Statements are an integral part of these consolidated financial statements

Elorrio, 31 March 2016

DOLORS SELIS MASNOU
Traductora-Intérprete
Jurada de INGLÉS
N.º 0028

Foru Seilua
Province Stamp

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Provincial Council of
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TEKINIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES
B) STATEMENT OF TOTAL CHANGES IN THE CONSOLIDATED EQUITY FOR

TO THE FINANCIAL YEAR ENDED 31 December 2015

Thousands of Euros

	Capital	Reserves and results previous financial years (*)	Result of the financial year attributed to parent company	Adjustments due to changes in value	Grants donations and legacies received	External shareholders	Total
A. Balance at the end of 2013	20,000	23,357	6,148	(2,325)	1,189	449	48,818
I. Adjustments for changes in criteria 2013 and previous years	-	-	-	-	-	-	-
II. Adjustments due to errors 2013 and previous years	-	(513)	-	-	-	-	(513)
B. Adjusted balance, at the beginning of 2014	20,000	22,844	6,148	(2,325)	1,189	449	48,305
I. Total recognised income and expense	-	-	10,418	(172)	(207)	(27)	10,012
II. Transactions with shareholders or owners	-	(1,800)	-	-	-	119	(1,681)
2. (-) Capital reductions	-	(1,800)	-	-	-	-	(1,800)
4. (+) Distribution of dividends	-	-	-	-	-	119	119
6. Increase (reduction) of net equity resulting from a business combination	-	5,724	(6,148)	(187)	-	(275)	(886)
III. Other changes in equity	-	6,148	(6,148)	(34)	-	210	273
1. Transfer to reserves	-	97	-	-	-	-	97
2. Other transactions	-	-	-	-	-	-	-
3. Increase of equity holdings in subsidiaries	-	(521)	-	(153)	-	(485)	(1,159)
C. Balance at the end of 2014	20,000	26,768	10,418	(2,684)	982	266	55,750
I. Adjustments due to criteria changes 2014	-	-	-	-	-	-	-
II. Adjustments due to errors 2014	-	-	-	-	-	-	-
D. Adjusted balance, at the beginning of 2015	20,000	26,768	10,418	(2,684)	982	266	55,750
I. Total recognised income and expense	-	-	9,659	(2,721)	(124)	(61)	6,753
II. Transactions with shareholders or owners	-	(3,525)	-	-	-	74	(3,451)
1. Share Capital increases	-	-	-	-	-	74	74
4. (-) Distribution of dividends	-	(3,525)	-	-	-	-	(3,525)
III. Other changes in equity	-	10,437	(10,418)	-	-	(14)	5
1. Transfer to reserves	-	10,418	(10,418)	-	-	-	-
2. Other transactions	-	4	-	-	-	1	5
3. Increase of equity holdings in subsidiaries	-	15	-	-	-	(15)	-
E. Balance at the end of 2015	20,000	33,680	9,659	(5,405)	858	265	59,057

The notes 1 to 24 and the annex I to the accompanying Notes to the Financial Statements are an integral part of these consolidated financial statements

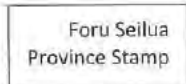
Elorri, 31 March 2016

DOLORS REYES MASNOU
Traductora-Intérprete
Jurada de INGLÉS
N.º 6828

TEKNIA MANUFACTURING GROUP, S.L. SINGLE-MEMBER COMPANY AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 December 2015

	NOTES TO THE FINANCIAL STATEMENTS	Thousands of Euros	
		2015	2014
A) CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit/(loss) for the period before tax		11,238	10,387
2. Adjustments for		7,610	8,898
a) Amortisation and depreciation (+)	8 and 9	7,705	6,743
b) Valuation allowances for impairment losses (+/-)		233	283
c) Changes in provisions (+/-)	16.1	430	377
d) Grants recognised in the income statement (-)	15	(5)	(53)
e) Proceeds from disposals of fixed assets (+/-)	8	(2,282)	(108)
g) Finance income (-)		(320)	(607)
h) Finance expenses (+)		1,688	1,965
k) Other income and expenses (-/+)		161	299
3. Changes in operating assets and liabilities		(3,940)	(1,891)
a) Inventories (+/-)	12	(1,493)	(2,640)
b) Trade and other receivables (+/-)		(3,345)	(3,759)
c) Other current assets (+/-)		(266)	114
d) Trade and other payables (+/-)		1,638	4,276
e) Other current liabilities (+/-)		(413)	42
f) Other non-current assets and liabilities (+/-)		(61)	76
4. Other cash flows from operating activities		(4,346)	(4,046)
a) Interest paid (-)		(1,319)	(1,696)
c) Interest received (+)		102	338
d) Income tax received (paid)		(3,129)	(2,688)
5. Cash flows from/used in operating activities (+/-1+/-2+/-3+/-4)		10,562	13,348
B) CASH FLOWS FROM INVESTING ACTIVITIES			
6. Payments for investments (-)		(19,921)	(23,834)
a) Group companies, net cash flows in consolidated companies		(3,473)	(3,168)
d) Intangible assets	9	(876)	(1,035)
e) Property, plant and equipment		(15,572)	(19,180)
f) Investment property		-	(55)
g) Other financial assets		-	(396)
7. Proceeds from sale of investment (+)		8,670	968
e) Property, plant and equipment		8,670	519
g) Other financial assets		-	449
8. Cash flows from/used in investing activities (6+7)		(11,251)	(22,866)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
9. Proceeds from and payments for equity instruments		82	(929)
a) Issue of equity instruments (+)		74	210
e) Acquisition of equity instrument from external shareholders (-)		-	(1,159)
g) Grants, donations and bequests received (+)	15	8	20
10. Proceeds from and payments for financial liability instruments		(626)	17,330
a) Issue			
2. Debt with financial institutions (+)		19,392	18,227
5. Other debts (+)		528	5,383
b) Redemption and repayment of			
1. Bonds and other marketable securities (-)		(18,616)	(4,593)
2. Debts with financial institutions (-)		-	(615)
3. Debts with group companies and associates (-)		(1,930)	(1,072)
5. Other payables (-)			
11. Dividends and interest on other equity instruments paid		(3,525)	(1,800)
a) Dividends (-)		(3,525)	(1,800)
12. Cash flows from/used in financing activities (+/-9+/-10-11)		(4,069)	14,601
D) EFFECT OF EXCHANGE RATE FLUCTUATIONS			
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (+/-5+/-8+/-12+/-D)			
Cash and cash equivalents at the beginning of the period		9,619	4,536
Cash and cash equivalents at the end of the period		4,861	9,619

The notes 1 to 24 and the annex I to the accompanying Notes to the Financial Statements are an integral part of these consolidated financial statements
Elorrio, 31 March 2016



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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

**CONSOLIDATED NOTES CORRESPONDING TO
FINANCIAL YEAR ENDING 31 December 2015**

I. GROUP COMPANIES

1.1 Parent company

The Parent Company TEK Nia MANUFACTURING GROUP, S.L., A SINGLE-MEMBER COMPANY, was consolidated in Bilbao on 30 July 1998, by the Notary Public Andrés M^a Urrutia Badiola, who is registered at Barrio San Agustín sin número, Elorrio (Vizcaya).

The activities of the parent company are described in article 5 of the Articles of Association. Currently, they include the promotion of companies, the acquisition, holding and use of all types of securities, and the provision of consultancy and advisory services to companies.

The activities of the different companies that make up the Group have been indicated in Appendix I to this Report.

The consolidated annual accounts of Teknia Manufacturing Group, S.L., Single-member company, and its subsidiaries for the financial year 2014 were drafted by the Administrators of Teknia Manufacturing Group, S.L., Single-member company, at the meeting of its Board of Directors held on 31 March 2015 and are deposited before the Government Trade Registry of Vizcaya (31 March 2014, corresponding to the financial year 2013).

The parent company of the Group does not prepare consolidated Financial Statements.

1.2 Consolidated subsidiaries

The companies that have been consolidated through a global integration method, of which none appear on the Stock Market, are indicated in Annex I which forms an integral part of this report.

Subsidiaries are deemed to be all the companies in which the total direct and indirect equity interest of Teknia Manufacturing Group, S.L. exceeds 50%.

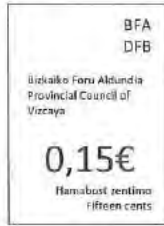
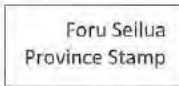
The closing date of the Financial Statements of all the companies used in the consolidation is 31.12.2015.

1.3. Variation in the composition of the Group

The most significant operations in the period 2015 have been the following:

- Increase of the holdings in the company Teknia Kg, Do, Kragujevac, formerly known as DRUSTVU ZA PROIZVODNJU I PROMET PROMOTOR-IRVA DOO KRAGUJEVAC (Promotor IRVA); from 70% to 89.73%.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

The most significant operations in the period 2014 were the following:

- Increased participation in Teknia Automotive Mexico, SA de C.V., passing from 85% to 90%
- Increased participation in Teknia Brasil Ltda., passing from 91.41% to 100%
- Acquisition of the company SAMCO, S.A. de C.V.
- Acquisition of 70% of the company DRUSTVU ZA PROIZVODNJU I PROMET PROMOTOR-IRVA DOO KRAGUJEVAC (Promotor IRVA).

The summary of the most significant changes in the Group due to the internal reorganisation in 2015 and 2014 is as follows:

	2015	2014
Teknia Automotive Mexico, SA de C.V.,	-	Increased participation
Teknia Brasil Ltda	-	Increased participation
SAMCO, S.A. de C.V	-	Acquisition of 100% of this company
Promotor IRVA	Increased participation	Acquisition of 70% of this company

2. BASIS OF PRESENTATION OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

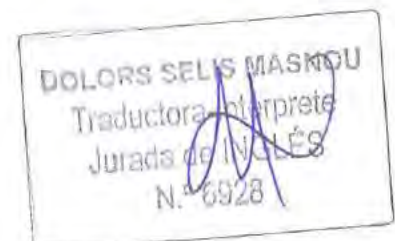
2.1. Legal framework of financial information and true and fair view

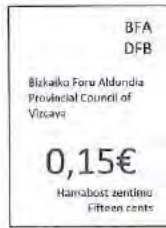
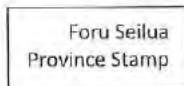
Both the Parent Company and all subsidiary companies have been consolidated with their Financial Statements on December 31st 2015 (To December 31st 2014 the previous year).

The Financial Statements of the companies that make up the consolidated group have been obtained from the accounting records of the companies and are presented according to R.D. 1514/2007 which approves the General Chart of Accounts, and its subsequent amendments, which is the legal framework for financial reporting applicable to the entity. The framework of the financial information is also indicated in Note 2.7.

The Consolidated Annual Financial Statements are submitted in accordance with R.D. 1159/2010 of 17 September, which approves the Standards for the Formulation of Consolidated Annual Accounts and modifies the General Chart of Accounts approved by R.D. 1514/2007, dated 16 November and the General Chart of Accounts for Small and Medium-sized Enterprises, approved by R.D. 1515/2007 dated 16 November, and show a true and fair view of the equity, financial situation and the results of the Group, and the veracity of the flows incorporated in the cash flow statement.

All the Companies have applied the generally accepted accounting principles when preparing the Financial Statements and the information regarding all the Companies is comparable between them.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

The attached Consolidated Financial Statements for the financial year 2015 have been formulated by the Administrator of the parent company and are those that shall be submitted for approval at the Shareholders' Meeting. It is expected that these will be approved with no amendments.

All the figures in these Financial Statements are presented in thousands of Euros, except when indicated otherwise in the notes.

2.2. Non-mandatory accounting principles applied

When preparing these consolidated Financial Statements, no non-mandatory accounting principles were applied.

2.3. Critical aspects of the evaluation and estimation of uncertainty

When preparing the attached consolidated Financial Statements, estimates were used made by the Administrator of the parent company to evaluate some of the assets, liabilities, income, expenses and commitments recorded therein. They basically refer to:

- Valuation of the fixed material and intangible assets and their useful life.
 - Application of interest rates to update balances payable or receivable in the long-term, where applicable.
- Valuation of financial instruments.
- Evaluation of the impairment of assets, including goodwill.
- Calculation of provisions

Despite the fact that these estimates have been made on the basis of the best information available at the end of the financial year 2015, it is possible that events that may occur in the future could oblige modification (upward or downward) in future financial years, which would be formed in a prospective manner where applicable.

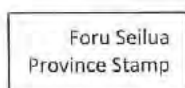
2.4. Comparison of information

The information related to 2014 contained in this report of the year 2015 is presented, for comparison purposes.

2.5. Grouping of items

Certain items in the consolidated balance sheet, the income statement, the status of changes in equity and the status of cash flow may be presented together in order to facilitate comprehension, although, in the case that the item is significant, the separated information has been presented in the corresponding report notes. In particular, the receipts and payments from financial assets, as well as those payments and receipts relating to high-turnover financial liabilities, are reflected as net figures in our consolidated statement of cash flows.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES**2.6. Correction of errors**

The comparative figures for 2014 have been modified due to the recognition of a provision made by a subsidiary company, with regards to a tax assessment signed on a contested basis of the Tax Agency (Note 16), detailed as follows in thousands of Euro:

Comparative figures Financial Year 2014			
	Before the correction	Corrections	Corrected
Non-current provisions	613	513	1,126
Reserves	27,281	(513)	26,768

Due to the corrections detailed in this section, the comparative figures for financial year 2014, included in these consolidated financial statements for financial years 2105, differ from the figures included in the Consolidated Financial statements for financial year 2014, approved as of 20 June 2015 by the Sole Member of the Parent Company.

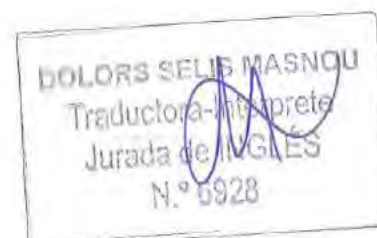
2.7. Principles of consolidation

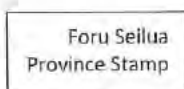
The Administrators of the Parent Company have formulated these consolidated financial statements following all of the mandatory accounting principles. To do so, the following have been applied:

- The Commercial Code.
- The General Chart of Accounts, considering the Group as the accounting entity to which the accounts refer.
- R.D. 1159/2010 dated 17 September, which approves the Standards for the Formulation of Consolidated Annual Accounts and modifies the General Chart of Accounts
- The Subsidiaries indicated in Appendix I have been consolidated using the full consolidation method, and the respective amount for each section of the Subsidiaries has been added to each section of the balance sheet and income statement of the parent company.
- The Financial Statements of the Foreign Companies have been converted to Euros applying the closing exchange rate.

Global integration

- All Financial Statements from the Companies comprise a whole financial year ending on December 31st 2015.
- All of the balances, transactions made, profits and losses due to operations between Group Companies that were not carried out outside of it have been removed.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

The item external shareholders is included in the equity of the consolidated balance sheet, except for the amount to be classified as a liability (if agreements have been reached to deliver cash or other assets, which shall be presented in the balance sheet as financial liabilities).

- Whenever applicable, the part of the “reserves”, “valuation adjustments” and “grants, donations and bequests received” that correspond to them shall be attributed to the external shareholders according to their equity holdings. Whenever applicable, the pending disbursements not required on the shares of external shareholders have been deducted.

3. VALUATION RULES

The main registration and valuation standards used by the Company when preparing these consolidated Financial Statements, in accordance with those established by the General Chart of Accounts, were the following:

3.1. Standardisation of items

Temporary standardisation:

All of the Group companies have been consolidated on December 31st, 2015.

When a company becomes a Group company or is no longer a Group company, the individual income statement included in the consolidation only refers to the part of the period when said company formed part of the Group.

This specific case refers to the companies SAMCO, S.A. de C.V. and Promotor IRVA that were acquired at the end of 2014 and only include for the month of December (a twelfth of the total of the balance for the year 2014) their profit and loss accounts in consolidation of the period of 2014. During the financial year 2015, none of the companies is in the situation described.

Valuation standardisation:

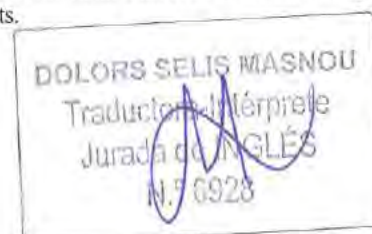
The elements of the consolidated financial statements have been evaluated following uniform methods, according to the Commerce Code, the General Chart of Accounts and other applicable laws and regulations, performing the necessary adjustments for standardisation in the cases that any consolidated company has evaluated an element according to methods that are not the same as those applied in the consolidation and provided that the effect of applying this method is significant.

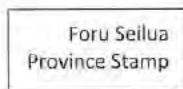
Standardisation due to internal operations:

When the amounts of the items derived from internal operations do not coincide, or if there is any operation pending registration, the Group has proceeded to perform the pertinent adjustments to later practice the corresponding eliminations.

Standardisation for aggregation:

The Group has performed the necessary reclassifications to adapt the structure of the financial statuses of the subsidiary companies that did not coincide with the structure of the consolidated balance sheets.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

3.2. Intangible assets, except for goodwill

The intangible assets were initially evaluated at acquisition price or production cost. They have subsequently been valued at cost reduced according to the respective amortisation reserve. These assets are amortised depending on their estimated useful life.

IT applications:

The Group registers in this account the costs incurred in the acquisition and development of computer programs. This amount is amortised, on a straight-line basis, considering a maximum deadline of five years. The maintenance costs of computer applications are registered in the profit and loss account of the financial period in which they are incurred.

Research and development expenses:

The Company follows the criteria of registering research expenses incurred during the period in the profit and loss account. Regarding development expenses, these are recognised in assets when the following conditions are met:

- They are specifically broken down by project and their cost can be established clearly
- There are sound reasons to believe in the technical success and economic and commercial profitability of the project

The assets generated in that way are amortised on a straight-line basis throughout their useful life (in a maximum of 5 years).

If there are any doubts about technical success or economic profitability of the project, then the amounts recorded in the asset are directly attributed to the profit and loss account for the period.

Industrial property:

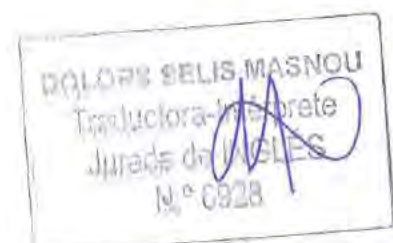
Under this account the amounts paid for the acquisition of ownership or the right to use the related items, or for the expenses incurred in registration of the rights developed by the Company are recognised.

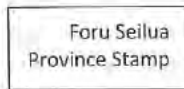
3.3. Tangible fixed assets and investment property

The fixed material assets and investment properties are initially valued at the acquisition price or production cost, and are later reduced by the corresponding accumulated depreciation and loss due to impairment, if applicable.

All maintenance and conservation expenses for the different elements that comprise the tangible fixed assets and investment property are recognised in the income statement of the financial year in which they are incurred. In contrast, the amounts invested in improvements that contribute to increase the capacity or efficiency or to extend the useful life of these goods are recorded as an increase of their cost.

The Group amortises tangible fixed assets on a straight-line basis, applying annual amortisation percentages calculated depending on the estimated years of useful life of the respective goods, according to the following breakdown:





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

	<u>Factors</u>
Construction	2.5% - 25%
Machinery	6% - 30%
Tools	6% - 35%
Other facilities and furniture	8% - 33%
Equipment for Information processing	5% - 35%
Elements of transport	5% - 25%

The calculation of property depreciation takes into account the work shifts of the different assets, as well as whether they are new or used, therefore in some facilities and machinery the percentage may reach 30%, although these are not material figures.

The Group will register the corrected evaluation for impairment of intangible assets and materials provided that there are signs of lost value that reduce the recoverable value of said assets to an amount inferior to its book value.

3.4. Leases

Operating leases

The expenses derived from the operative lease agreements will be attributed to the profit and loss account in the period in which they are accrued.

Financial Leases

In Financial Leasing operations in which the Group acts as the lessee, the cost of the assets hired is shown in the balance sheet according to the nature of the goods featured in the contract and, simultaneously, as a liability for the same amount. This amount shall be the lowest of the fair value of the goods leased and their current value upon starting the lease of the minimum quantities agreed, including the option to buy, when there is no reasonable doubt that the option will be executed. This calculation does not include any contingent lease payments, costs for services and taxes to be paid by and reimbursed to the lessor. The total financial burden of the contract is recognised in the income statement of the financial year in which it was accrued, applying the effective interest rate method. These contingent lease payments are acknowledged as expenditures for the financial year in which they were incurred.

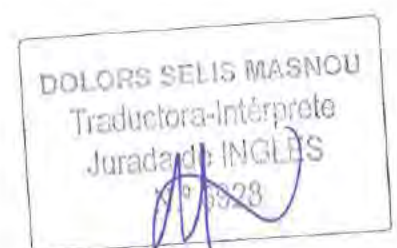
The assets recorded for this type of operations are amortised with criteria similar to those applied to tangible assets as a whole, in view of their nature.

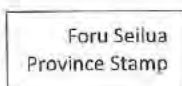
3.5. Financial instruments

Financial assets

Classification

The financial assets held by the Group are classified by the following categories:





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

- Loans and items to collect

Financial assets originating from the sale of goods or services rendered in the course of the company's business, or those that are not of commercial origin, are neither equity instruments nor derivatives and whose collection is a fixed or determined amount and are not negotiated in an active market.

- Available-for-sale financial assets

Includes the representative debt values and equity instruments of other companies that have not been classified in any of the previous categories, and are neither investments held until expiration nor investments held for negotiation, nor other financial assets at a fair value with changes in profit and loss.

Initial valuation

The financial assets are initially registered at the fair value of the cost paid plus the transaction costs that are directly attributable.

Subsequent valuation

- Loans and items to collect

They are subsequently valued for their amortised cost if the term exceeds one year.

- Available-for-sale financial assets

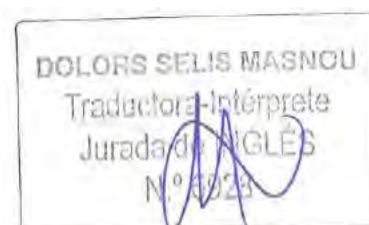
The available-for-sale financial assets are valued at their fair value, with the result of the variations to said fair value being recorded in the Net Equity, until the asset is sold or has suffered an impairment in value (of a stable or permanent value), at which time said accumulated results, previously recognised in the Net Equity, are recorded in the profit and loss account.

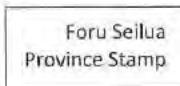
The equity instruments whose fair value cannot be determined reliably are valued at their cost minus any adjustments due to impairment.

Calculation of the impairment

At the end of the period, the Group performs an impairment test for the financial assets that are not valued at their fair value. It is deemed that there is objective evidence of impairment if the recoverable value of the financial asset is lower than its book value. When this occurs, this impairment is recorded in the profit and loss account.

In particular, with respect to the corrected evaluations related to the commercial debtors and other accounts receivable, the criteria used by the Group to calculate the corresponding corrected evaluations is estimated based on a personalised analysis of the age of the debt and the financial situation of the debtor.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

Disposal of financial assets

The Group derecognises financial assets when they expire or when the rights to the cash flow of the corresponding financial asset have been transferred and the risks and benefits inherent to the property have been substantially transferred, such as in the sale of assets, transfer of commercial credits in "factoring" operations where the company does not retain any credit or interest risk, sale of financial assets with a repurchase pact for its fair value or securitisation of financial assets where the transferring company does not retain subordinate financing or transfer any type of guarantee or assume any other type of risk.

On the contrary, the Group does not derecognise financial assets and recognises a financial liability equal amount to the amount of the consideration received, where the Group substantially retains all the risks and rewards of ownership of the transferred asset, as in the case of draft discounting facilities, recourse factoring, the sale of financial assets in relation to which a repurchase agreement is entered into at a fixed price or at the sale price plus interest, and the securitisation of financial assets in which the assignor retains subordinated financing or other kinds of guarantees substantially covering all of the projected losses.

Financial liabilities

Classification

The financial liabilities held by the Group are classified by the following category:

- Debts and payables

Financial liabilities from the purchase of goods and services in the normal course of the company's business, and also those with a non-commercial origin, that cannot be regarded as derivative financial instruments.

Initial valuation

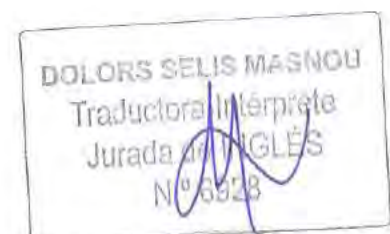
The initial valuation is performed for the fair cost of the payment received, adjusted by the transaction costs that are directly attributable.

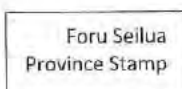
Subsequent valuation

It is subsequently valued at its amortised cost. Notwithstanding the debits for commercial actions with expiration of no more than one year, or payment required by third parties for participations, where the amounts are expected to be received in the short-term, will be valued for their nominal value when the effect of not updating the cash flows is not significant.

Derecognition of financial liabilities

The Group derecognises financial liabilities when the obligations generated are terminated.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

3.6. Transactions in foreign currency

The functional currency used by the Group is the Euro. In consequence, the operations in currencies other than the Euro are considered to be in foreign currency and are registered according to the exchange rates that are valid on the date of the operations.

Upon the closing of the financial year, the monetary assets and liabilities in foreign currency are converted by application of the exchange rate in force as at the date of the balance sheet. The profits or losses demonstrated are directly attributed to the profit and loss account of the financial year in which they occur.

3.7. Income tax expense

Expense or income due to profit tax includes the portion related to expense or income due to current tax and the portion corresponding to the expense or income due to deferred tax.

Current tax is the amount that the Group's companies pay in concept of profit taxes related to a financial year. Tax deductions and other benefits, excluding taxes withheld and prepayments, and tax losses that can be compensated from previous financial years and effectively applied during this year, lead to a lower amount for current taxes.

Deferred taxes income or expenses correspond to the recognition and cancellation of the deferred tax assets and liabilities. These include temporary differences that are identified as the amounts that are expected to be paid or recoverable derived from the differences between the book amounts of the assets and liabilities and their tax value, as well as the negative taxable base pending payment and the credits for tax deductions that have not been applied.

These amounts are recorded applying to the relevant temporary difference or credit the tax rates that are expected to apply when the asset is to be recovered or liquidated.

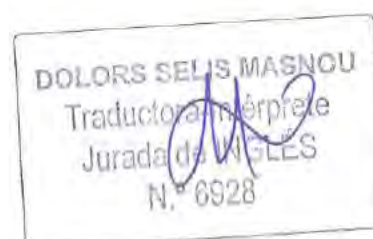
Deferred tax liabilities are recognised for all taxable temporary differences, except those resulting from an initial recognition of assets and liabilities in a transaction that does not affect either the taxes or the accounting results.

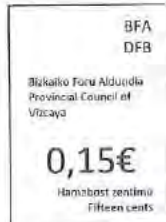
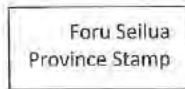
Deferred tax assets are only recognised if it is considered likely that each Group company shall have sufficient taxable profits in the future against which the deferred tax assets can be utilised.

3.8. Income and expense

Income and expenditure are recorded on an accruals basis, i.e. in the period in which the income or expense deriving from the goods or services in question is earned or incurred rather than when the resulting monetary or financial flow takes place. This income is valued at the fair value of the consideration received, after deduction of discounts and taxes.

Revenue associated with the rendering of services is recognised by reference to the stage of completion of the transaction on the date of the balance sheet, provided that the outcome of the transaction can be estimated reliably.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

3.9. Assets and liabilities of an environmental nature

Environmental assets are considered to be goods used on a lasting basis in the Company's operations, whose main purpose is to minimise the impact on the environment and to protect and improve the environment, including the reduction or eradication of future contamination.

3.10. Termination benefits

In accordance with the current legislation, the Group is compelled to pay compensation to its employees with whom, under certain conditions, its labour relations are to be terminated. Therefore, the termination benefits subject to reasonable quantification are recorded as an expense in the financial year in which the decision implement the dismissal is adopted.

3.11. Grants

For the accounting of Grants, donations and legacies received, the Group follows these criteria:

Non-refundable capital grants, donations and bequests:

These are valued according to the fair value of the amount or goods granted, depending on whether they are monetary in nature, and they are attributed to the results in proportion to the allocation for amortisation made in the period for the subsidised elements or, whenever applicable, at the time of their divestment or correction in value due to impairment, except for those received from shareholders or owners that are recorded directly in the shareholder's equity and do not constitute income.

Refundable grants:

As long as they are refundable they are recorded as liabilities.

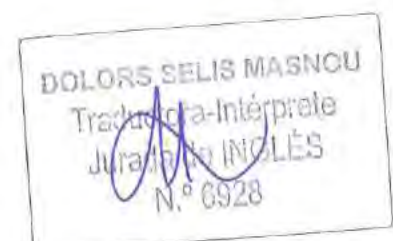
Operating grants:

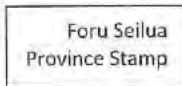
They are credited to results at the time they are granted except if they are used to fund operating deficits in future financial years, in which case they are to be recorded in these financial years. If they are granted to fund specific expenses, they shall be recorded as the financed expenses accrue.

3.12. Transactions with related parties

Group companies are understood to be companies that are linked by a direct or indirect relationship according to the provisions of article 42 of the Commercial Code for groups of companies, or when the companies are controlled in any way by one or more natural or legal persons that act jointly or are under the same management due to agreements or statutory clauses. Related parties are understood to be those defined in rule 15 for reporting Financial Statements of the General Chart of Accounts of 2007 and in article 83 of RD 1159/2010 dated 17 September, which approves consolidation regulations.

The Group performs all its transactions with related parties at market prices.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

3.13. Provisions and contingencies

Provisions are credit balances that cover current liabilities arising from past events, whose cancellation shall probably cause a loss of resources, but that shall be uncertain in terms of their amount and/or moment of cancellation. Contingent liabilities are possible liabilities that arise from past events and whose existence is conditioned to the occurrence or non-occurrence of one or more future events beyond the control of the each company.

The Financial Statements include all the provisions with respect to those for which it is considered that it is more likely than not that the liability shall have to be settled. Contingent liabilities are not recognised in the Financial Statements, but are mentioned in the report notes, up to the extent to which they are not considered to be remote.

Provisions are valued at their current value of the best possible estimate of the amount needed to cancel or transfer the liability, taking into account the information available on the event and its consequences, and registering the adjustments that may arise due to the update of these provisions as financial expenses as they are accrued.

3.14. Pension liabilities

Defined benefit plans

The Plans that are not defined as contribution schemes are considered to be defined as benefit plans. Generally, these defined benefit plans establish the amount employees shall receive when they retire, generally depending on one or more factors such as age, years of service and salary.

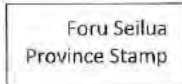
The Group recognises a provision in the balance sheet with respect to the defined benefit plans for the difference between the current value of the contracted remuneration and the fair value of the possible assets subject to the commitments with which the liabilities shall be settled, reduced, whenever applicable, by the amount of the costs due to past services not yet recognised.

If an asset arises from the above difference, its value cannot exceed the current value of the benefits that may be returned to the Group in the form of direct reimbursement or smaller future contributions, plus, whenever applicable, the part still to be attributed to the results of costs due to past services. Any adjustment that the Group has to make due to this limit in the valuation of the asset is directly attributed to net equity, and recognised as reserves.

The total current value of the obligation has been calculated using actuarial methods and actuarial and financial hypotheses.

Any variations in the calculation of the current value of the contracted remuneration or, whenever applicable, of the affected assets, arising from post-employment plans, at year-end, due to actuarial profits and losses are acknowledged in the financial year in which they arise, directly in the net equity as reserves. The variations produced in the long term employee benefit plans are recognised in the financial year in which they arise, directly in the income statement. To this end, the profits and losses are exclusively the variations that arise due to changes in the actuarial hypotheses or adjustments due to the practice.





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The costs due to past services are immediately recognised in the profit and loss account, except when the rights can be revoked, in which case they are recognised in the profit and loss account on a straight-line basis for the remainder of the period until they can no longer be revoked. Nevertheless, if an asset arises, the revocable rights are recognised in the profit and loss account immediately, except when a decrease may occur in the current value of the benefits that may be returned to the Group in the form of direct reimbursement or smaller future contributions, in which case the excess above this reduction is immediately attributed to the profit and loss account.

3.15. Goodwill and negative consolidation difference

In compliance with rule 2 of article 46 of the Code of Commerce, the difference between the book value of the equity interest in the subsidiary and the value attributable to this equity interest in the fair value of the assets acquired and liabilities assumed, according to Accounting and Measurement Rule 19, is recognised, if positive, as consolidated goodwill. In the unlikely event that it is negative, it is recorded as revenue of the financial year in the consolidated income statement.

The assets and liabilities of the companies acquired in the business combinations that were already in the Group are valued for the amount for which they appear in the consolidated Financial Statements and those acquired from third parties independent of the Group for their fair value, valuing the assets and liabilities acquired within a one year period as from their acquisition.

3.16. Information by sectors

Operating sectors are the sectors of the entity that perform activities from which income is obtained and where costs are incurred, whose result is the subject of regular revision, discussion and evaluation, by the maximum authority in the process of decision-making in the entity. To this purpose, the Sole Administrator of the parent company is considered to be the maximum authority.

The sectors designated as such are:

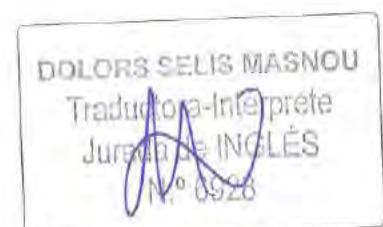
- The automotive sector in general (industrial area), TEKNIA AUTOMOTIVE
- Research and development, activities begun in the financial year 2010, TEKNIA R&D.

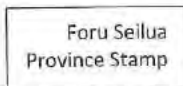
These sectors are the two sectors used by the Administrators of the parent company for studies, analyses and decision-making performed for the Group.

3.17. Discontinued operations

Discontinued operations are all sectors of the Group that have been divested or disposed of, or have been classified as held for sale, and, among other conditions, represent a business line or significant area that can be considered separate from the rest.

For this type of operation, in the profit and loss account and in a single item called "Profit/(loss) from discontinued operations, net of income tax", the Group includes both the results after taxes of the discontinued operations and the results after taxes recognised due to the valuation at their fair value minus the sale costs or to the divestment or other disposal of the elements that constitute the discontinued activity.





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In addition, when any operations are classified as discontinued in the aforementioned entry, the Group presents the amount of the preceding financial year corresponding to the activities that were discontinued at the closure of the financial year to which the Financial Statements correspond.

3.18. Inventories

Stocks are valued at their price of acquisition or production costs, which include materials, labour, sub-contracting costs and other direct and indirect manufacturing costs

4. CONSOLIDATED GOODWILL

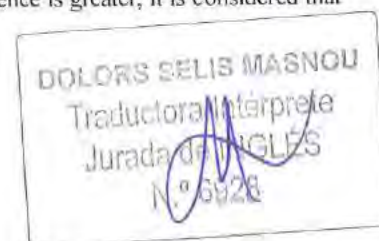
The composition of this section in the financial year is as follows, expressed in thousands of Euros:

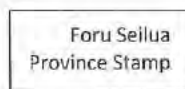
	<u>01.01.15</u>	<u>Additions</u>	<u>(Derecognitions)</u>	<u>31.12.15</u>
Teknia Bilbao XXI, S.L.U.	1,169	-	-	1,169
Teknia Brasil Ltda.	143	-	(143)	-
Teknia Polska Sp. z o.o. and	365	-	-	365
SAMCO, S.A. of C.V.	1,508	-	(547)	961
	<u>3,185</u>	<u>-</u>	<u>(690)</u>	<u>2,495</u>

The composition of this section in the financial year 2014 was the following, in Euros:

	<u>01.01.14</u>	<u>Additions</u>	<u>(Derecognitions)</u>	<u>31.12.14</u>
Teknia Bilbao XXI, S.L.U.	1,169	-	-	1,169
Teknia Brasil Ltda.	143	-	-	143
Teknia Polska Sp. z o.o. and	365	-	-	365
subsidiaries				
SAMCO, S.A. of C.V.	-	1,508	-	1,508
	<u>1,677</u>	<u>1,508</u>	<u>-</u>	<u>3,185</u>

The parent company performs an impairment test on the goodwill account, through the evaluation of the company that generated in, based on the annual EBITDA of the same, applying multiples that go from 4.5x to 7x depending on the country. This amount is compared to the net equity of the company and if the difference is greater, it is considered that the goodwill account is not depreciated.





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In financial year 2015, the group as totally recorded as impairment the Good Will corresponding to Brasil Ltda.

Further, according to the provisions set forth in paragraph 2.6 of the Accounting and Measurement Rule 19, Combinations of Business, of the General Chart of Accounting, in 2015 the provisional values pursuant to which the subsidiary Samco, S.A. de C.V. was registered in 2014 have been adjusted, which meant a decrease of the Good Will corresponding to the said company in the amount of 547 Euro thousand that have been included in fixed assets in the amount of 760 Euro thousands, and the corresponding deferred tax has been registered in the amount of 213 Euro thousands (Notes 8 and 14.3, respectively).

5. EXTERNAL SHAREHOLDERS

The transactions in this section in the financial year are as follows:

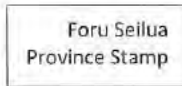
	2015	2014
Opening balance	266	449
Due to changes in percentage of holdings and exchange differences	48	(275)
Entry into the scope		119
Balance attributed to external shareholders	(49)	(27)
Closing balance	265	266

The composition according to each company is as follows, expressed in thousands of Euros:

Financial year 2015

	Capital, Reserves and Valuation Adjustments	Result	Total
Teknia Automotive Mexico, S.A. of C.V.	213	(7)	206
Promotor IRVA	101	(42)	59
	314	(49)	265





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

Financial year 2014

	Capital, Reserves and Valuation Adjustments	Result	Total
Teknia Automotive Mexico, S.A. de C.V.	174	(27)	147
Promotor IRVA	119	-	119
	293	(27)	266

6. BUSINESS COMBINATIONS

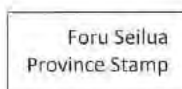
During the financial year 2015, the following operations have been made:

- 19.73% of the social capital has been acquired from the company Teknia Kg, doo, Kragujevac (Promotor IRVA).

During the financial year 2014, the following operations have been made:

- 1,699.40 shares have been acquired in the Company Teknia USA, INC at a value of 126,221.19 Euros upon exchange.
- 8.59% of the social capital has been acquired of the company Teknia Brasil, LTDA
- 250 shares have been sold (0.001% of the social capital) for the company Teknia Brasil, LTDA
- There has been a capital increase for Teknia Brasil, LTDA, for the amount of 5,000,000 Euros.
- There has been a capital increase for Teknia Automotive Mexico, S.A.de C.V. for the amount of 1,165,467.04 Euros.
- 25,000 shares have been acquired of Teknia Automotive Mexico, S.A.de C.V. for the amount of 155,000.82 Euros.
- 70% of the social capital of the company Pro-Motor IRVA has been acquired for the amount of 140,000 Euros. At the end of the period this is pending payment.





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- The Company SAMCO, S.A. de C.V. has been acquired for the amount of 2,464,646.46 Euros. At the end of the period there is a pending payment for the amount of 1,525,000 USD (1,232,323 Euros) which must be paid before December 9th 2015.

Although it does not imply a change within the Group related to the previous financial year, it must be pointed out that as of 20 July 2015, the merger of the companies Teknia Barcelona, S.L.U. and Segove Cataluña, S.L.U. being the later taken over by the former. The operation implied the extinction, by dissolution without winding-up, of the company that was taken over and the transmission of all the assets and liabilities included in the equity, as a whole, to Teknia Barcelona, S.L.U. The merger was registered in the Trade Registry in Barcelona, on 14 October 2015.

Throughout the last financial years, the Group has carried out several corporate operations aimed to the re-organisation of the Group. Since the financial year 2010, the following corporate operations have been made:

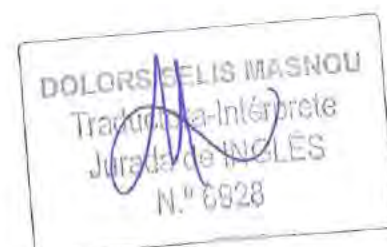
- Merger by take-over of the Company Industrial J. Gispert S.A.U. by Teknia Manresa, S.L.
- Merger by takeover of the company Construcciones Mecánicas Croli, S.A. by Teknia Barcelona, S.L.U.
- Merger by takeover of the company Teknia Dej, S.L.U. by Teknia Elorrio, S.L.U.
- Merger by takeover of the company Sociedad Acabados Plásticos, S.L. by Teknia Elorrio, S.L.U.
- Merger by takeover of the company Sociedad Fegomí, S.L. by Teknia Martos, S.L.U.

The most important information regarding these operations can be found in the consolidated Financial Statements of the financial years in which these operations took place.

7. CHANGES IN THE PERCENTAGE OF EQUITY HOLDINGS IN GROUP COMPANIES

Throughout financial year 2015, a 19.73% of the holdings in the company Drustvuza Proizvodnju i Promet Promotor-Irva Doo Kragujevac (Promotor IRVA) has been acquired, which means increasing the holding up to a 89.73% of the share capital (Note 1.3).

In the year 2014, 8.59% was acquired in shares in the Company Teknia Brasil Ltda, holding 100% of the social capital and 5% of shares in the company Teknia Automotive Mexico, SA de C.V, holding 90% of the capital of this company. Furthermore, 70% was acquired of the Company Drustvuza Proizvodnju i Promet Promotor-Irva Doo Kragujevac (Promotor IRVA) and 100% of the company Samco, S.A. de C.V. (Note 1.3).



TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

8. FIXED MATERIAL ASSETS AND INVESTMENT PROPERTY

The transactions in this section in the financial year 2015 are the following, in thousands of Euros:

	Land and buildings	Installations, machinery and other fixed assets	Fixed assets in process and advances made	TOTAL
GROSS OPENING BALANCE, FINANCIAL YEAR 2015	25,924	144,424	10,250	180,598
(+) Acquisitions	565	9,493	5,748	15,806
(-) Disposals, Derecognitions or Reductions	(8,658)	(1,483)	(306)	(10,447)
(-/+) Conversion differences	(850)	(2,400)	35	(3,215)
(-/+) Transfers to/from other items	10,212	2,225	(12,443)	(6)
(+) Other changes	-	1,393	-	1,393
GROSS CLOSING BALANCE, FINANCIAL YEAR 2015	27,193	153,652	3,284	184,129
ACCUMULATED AMORTISATION, OPENING BALANCE FINANCIAL YEAR 2015	5,217	117,272	-	122,489
(+) Allocations to amortisation in the financial year	807	6,383	-	7,190
(+) Disposals, Derecognitions or Reductions	(494)	(1,209)	-	(1,703)
(-/+) Conversion differences	(16)	(948)	-	(964)
(-/+) Transfers to/from other items	15	4	-	19
(+) Other changes	-	633	-	633
ACCUMULATED AMORTISATION, CLOSING BALANCE FINANCIAL YEAR 2015	5,529	122,135	-	127,664
NET 2015	21,664	31,517	3,284	56,465

Throughout financial year 2015, the section other changes in the cost of fixed assets includes the amount of 760 Euro thousands corresponding to the adjustments of the provisional values recorded relating the acquisition of the subsidiary company Samco, S.A. Of C.V. In 2014 (Note 4). Further, it includes an amount of 633 Euro thousands recorded by the same company as an adjustment from previous years to reflect the effect of inflation, the same amount as the amount recorded in the section of other changes in accumulated amortisation for the same reason.

The company Teknia Brasil, Ltda sold its land and buildings to a group-related company, with the benefits from the sale amounting to 1,336 Euro thousand. This amount is recorded in the section gain/(losses) on disposal of fixed assets.

The company Teknia Bilbao XXL S.L. sold in 2015 the industrial facilities where it carries out its business activity. During the same financial year it has entered a lease agreement with the purchaser company. The benefits from the sale amount to 935 Euro thousand.

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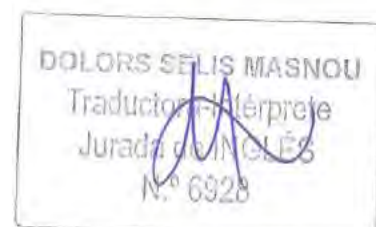
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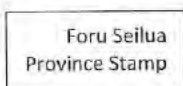
TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

The transactions in this section in the financial year 2014 were the following, in thousands of Euros:

	Land and buildings	Installations, machinery and other fixed assets	Fixed assets in process and advances made	TOTAL
GROSS OPENING BALANCE, FINANCIAL YEAR 2014	23,992	137,147	1,143	162,282
(+) Acquisitions	1,973	6,505	11,183	19,661
(-) Disposals, Derecognitions or Reductions	-	(3,088)	(104)	(3,192)
(-/+) Conversion differences	(112)	(369)	-	(481)
(- / +) Transfers to/from other items	71	1,901	(1,972)	-
(+) Additions due to entry in the consolidation scope	-	2,328	-	2,328
GROSS CLOSING BALANCE, FINANCIAL YEAR 2014	25,924	144,424	10,250	180,598
ACCUMULATED AMORTISATION, OPENING BALANCE FINANCIAL YEAR 2014	4,618	113,380	-	117,998
(+) Allocations to amortisation in the financial year	641	5,684	-	6,325
(+) Disposals, Derecognitions or Reductions	-	(2,781)	-	(2,781)
(-/+) Conversion differences	(42)	(291)	-	(333)
(+) Additions due to entry in the consolidation scope	-	1,280	-	1,280
ACCUMULATED AMORTISATION, CLOSING BALANCE FINANCIAL YEAR 2014	5,217	117,272	-	122,489
NET 2014	20,707	27,152	10,250	58,109

In the financial year 2014, the section for entry into the scope included entries due to the incorporation of the companies included in Note I.3.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIESProperties

All of the Spanish companies that make up the Group, except Teknia Epila, S.L.U. perform their activities in rented properties. The Polish company Teknia Polska Spolka, Z.o.o. Also carries out its business activity in leased premises (as in the previous year, except [sic])

The production companies located in Poland and the company Teknia Uhersky Brod, AS, perform their activities in their own property.

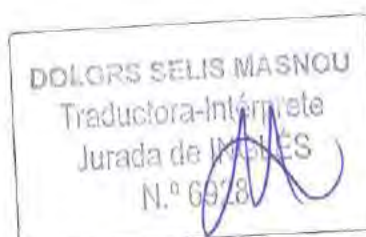
The company Teknia Brasil Ltda carries out its business activities in leased premises, since it has sold the ones it had as property during this financial year.

Guarantees made

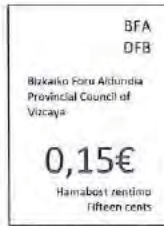
Various Group companies have provided mortgages and other guarantees that have been described in note 19.1 of this Report.

Other information regarding tangible fixed assets

	Thousands of Euros	
	2015	2014
<i>Amortised assets in Use (Cost)</i>	<u>97,933</u>	<u>94,364</u>
<i>Lands and buildings, separation of values</i>		
- Lands	2,756	5,575
- Buildings cost	13,496	20,279
- Buildings / Amortisation	3,472	(5,146)
Totals net	<u>19,724</u>	<u>20,708</u>
<i>Fixed Assets located out of Spain (net amount)</i>	<u>41,980</u>	<u>38,565</u>
<i>Gain/(losses) on disposal of fixed assets</i>	<u>2,282</u>	<u>108</u>



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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

9. RESEARCH EXPENDITURES AND OTHER FIXED INTANGIBLE ASSETS

The transactions in this section in the financial year 2015 are the following, expressed in thousands of Euros:

	<u>R&D costs</u>	<u>Patents, licenses, brands and similar</u>	<u>IT applications</u>	<u>Other fixed intangible assets</u>	<u>Advances and intangible assets in progress</u>	<u>TOTAL</u>
GROSS OPENING BALANCE, FINANCIAL YEAR 2015	<u>4,123</u>	<u>418</u>	<u>3,643</u>	<u>655</u>	<u>247</u>	<u>9,086</u>
(+) Purchases	-	-	717	159	-	876
(-) Disposals, Derecognitions or Reductions	-	-	(20)	(10)	-	(30)
(-) Exchange differences	-	-	(72)	1	-	(71)
GROSS CLOSING BALANCE, FINANCIAL YEAR 2015	<u>4,123</u>	<u>418</u>	<u>4,268</u>	<u>805</u>	<u>247</u>	<u>9,861</u>
ACCUMULATED AMORTISATION, OPENING BALANCE FINANCIAL YEAR 2015	<u>4,123</u>	<u>412</u>	<u>1,603</u>	<u>366</u>	<u>-</u>	<u>6,504</u>
(+) Allocations to amortisation in the financial year	-	-	374	(41)	-	515
(+) Disposals, Derecognitions or Reductions	-	-	(1)	(1)	-	(2)
(-) Exchange differences	-	1	10	-	-	11
ACCUMULATED AMORTISATION, CLOSING BALANCE FINANCIAL YEAR 2015	<u>4,123</u>	<u>413</u>	<u>1,986</u>	<u>506</u>	<u>-</u>	<u>7,028</u>
NET 2015	<u>-</u>	<u>5</u>	<u>2,282</u>	<u>299</u>	<u>247</u>	<u>2,833</u>

DOLORS SELIS MASNOU
Traductora Interpret
Jurada de INGLÉS
N.º 6928

Foru Seilua
Province Stamp



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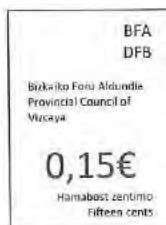
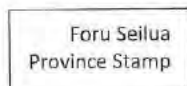
The transactions in this section in the financial year 2014 were the following, in thousands of Euros:

	<u>R&D costs</u>	<u>Patents, licenses, brands and similar</u>	<u>IT applications</u>	<u>Other fixed intangible assets</u>	<u>Advances and intangible assets in progress</u>	<u>TOTAL</u>
GROSS OPENING BALANCE, FINANCIAL YEAR 2014	<u>4,123</u>	<u>416</u>	<u>2,536</u>	<u>625</u>	<u>368</u>	<u>8,068</u>
(+) Purchases	-	9	800	36	190	1,035
(-) Disposals, Derecognitions or Reductions	-	-	(7)	(1)	-	(8)
(-) Exchange differences	-	(7)	(2)	(5)	(5)	(19)
(+) Entries into the scope	-	-	10	-	-	10
(+/-) Transfers	-	-	306	-	(306)	-
GROSS CLOSING BALANCE, FINANCIAL YEAR 2014	<u>4,123</u>	<u>418</u>	<u>3,643</u>	<u>655</u>	<u>247</u>	<u>9,086</u>
ACCUMULATED AMORTISATION, OPENING BALANCE FINANCIAL YEAR 2014	<u>3,998</u>	<u>416</u>	<u>1,442</u>	<u>253</u>	<u>-</u>	<u>6,109</u>
(+) Allocations to amortisation in the financial year	125	3	169	120	-	417
(+) Disposals, Derecognitions or Reductions	-	-	(7)	(1)	-	(8)
(-) Exchange differences	-	(7)	(3)	(6)	-	(16)
(+) Entries into the scope	-	-	2	-	-	2
(+/-) Transfers	-	-	-	-	-	-
ACCUMULATED AMORTISATION, CLOSING BALANCE FINANCIAL YEAR 2014	<u>4,123</u>	<u>412</u>	<u>1,603</u>	<u>366</u>	<u>-</u>	<u>6,504</u>
NET 2014	<u>-</u>	<u>6</u>	<u>2,040</u>	<u>289</u>	<u>247</u>	<u>2,582</u>

Fully amortised elements

The Group has fixed intangible assets that were fully amortised, including R+D expenditure, fully amortised on 31 December 2014 which are being used for the amount of 5,905 Euro thousands (5,542 Euro thousands in 2014).





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIESInvestments abroad

The fixed intangible assets that at the closure of the financial years 2015 and 2014 belonged to foreign companies are as follows:

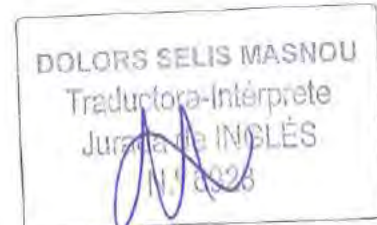
	2015	2014
Investments abroad, gross	2,977	1,659
Amortisation abroad	(1,972)	(874)
Total Net	<u>1,005</u>	<u>785</u>

10. LEASES**10.1. Operating leases**

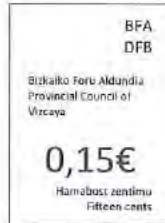
In the position of lessee, the consolidated profit and loss account records expenses due to the leasing of property and machinery, where the main contracts are the following:

Company	Lessor	Annual amount		Term	
		2015	2014	2015	2014
Teknia Manufacturing Group, S.L.U.	Third parties	60	61	2019	2019
Teknia Uhersky Brod	Third parties	91	85	2016	2016
Teknia Elorrio, S.L.U.	Clomi, S.L.	358	371	2022 (A)	2022
Teknia Pedrola, S.L.U.	Clomi, S.L.	143	145	2020	2015
Teknia Barcelona, S.L.U.	Third parties	274	285	2026	2016
Teknia Martos, S.L.U.	Third parties	240	249	Yearly, extendable	2015 y 2017
Teknia Azuqueca, S.L.U.	Third parties /Clomi	334	385	2018	2018
Teknia Brasil Ltda.	Third parties	329	386	2016	2015 y 2016
Teknia R&D, S.L.	Third parties	-	19	-	2015
Componentes de Automoción, S.A.R.L.	Third parties	78	72	2019	2019
Teknia Manresa, S.L.U.	Third parties	223	236	2026	2018
Teknia Automotive Mexico, S.A.	Third parties	164	86	2019	2019
Teknia Bilbao XXI, S.L.	Veradale, S.L.U	113	-	2025	-

(A): The contract on the property on lease in Eibar (Gipuzkoa) will be cancelled on 31-12-2016, and the activity will be moved to Elorrio (Bizkaia).



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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

Movements with companies related to the group administrator, ascend to

	2015 Operating expenses	2014 Operating expenses
Clomi, S.L.	825	843
Veradale, S.L.	113	-

The balances pending are:

	Payables and Providers	Guarantees and long-term credits
Clomi, S.L. 2014	(69)	53
Veradale, S.L. 2015	-	75
Clomi, S.L. 2015	(35)	198

It has been estimated that the future payments in 2016 and beyond, shall be similar to those of this financial year, with amendments based on the annual IPC and considering the whole financial year in the companies acquired in each financial year.

10.2. Financial Leases

The Group maintains certain financial lease contracts. The most important data in this regard is:

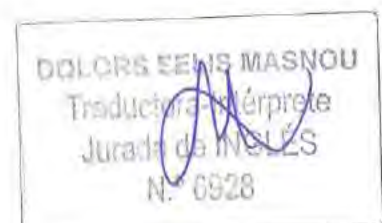
Concept	Cost value of the goods (net)	
	2015	2014
Installations, machinery and other fixed assets		
- Other companies	1,298	1,407

The schedule for the future payments of these contracts at the closure of the financial year 2015 is the following:

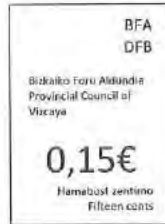
Years	Thousands of Euros
2016	537
2017 to 2019	296

The schedule for the future payments of these contracts at the closure of the financial year 2014 was the following:

Years	Thousands of Euros
2015	305
2016 to 2019	756



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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

II. FINANCIAL INSTRUMENTS

II.1. Offsetting of financial assets and liabilities

II.1.1. Financial assets

Details are provided below on the entries for financial assets. Their breakdown, in thousands of Euros, is the following:

	Long-term				Short-term	
	Equity instruments		Credits, derivatives and other		Credits, derivatives and other	
	2015	2014	2015	2014	2015	2014
Available-for-sale assets	-	1	-	-	-	-
Loans and items to collect	-	-	633	607	47,824	40,102
	-	1	633	607	47,824	40,102

Long-term financial assets

- Loans and items to collect

The main items recorded in this section, for the amount of 633 Euro thousands (607 Euro thousands in the previous financial year) are:

- Guarantees and deposits for the amount of 501 Euro thousands (415 Euro thousands in the previous financial year), of which 198 correspond to the company Clomi, S.L. (Note 10.1). (74 Euro thousands in 2014).

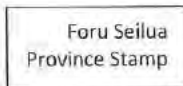
- Maturity of the most significant long-term financial assets.

The maturities by year are the following:

Financial year 2015

	2017	2018	2019 and the following	No fixed term	Total
Loans and items to collect	-	-	-	132	132
Guarantees	75	-	341	-	416
Deposits and others	-	-	-	85	85
					633

DOLORS BELIS MASNCU
Traductor e Intèrprete
Jurada de INGLÈS
N.º 6928



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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

Financial year 2014

	2016	2017	2018	2019 and beyond	No fixed term	Total
Loans and items to collect	-	-	-	-	191	191
Guarantees	187	1	2	149	-	339
Deposits and others	-	-	-	-	76	76
						<u>606</u>

Non-current financial assets

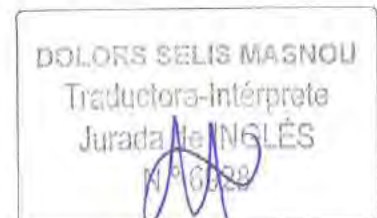
The composition of the non-current credits, derivatives and others is as follows:

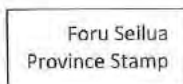
	Thousands of Euros	
	2015	2014
Trade receivables	44,299	39,379
Trade receivables, group companies (Note 18.1)	16	99
Personnel	37	38
Debts from shareholders (Note 18.1)	18	18
Accounts receivable, group and related companies	3,345	-
Other financial assets	1	379
Sundry debtors	108	189
	<u>47,824</u>	<u>40,102</u>

Within the chapter of other short-term financial assets, on December 31st 2014 an amount, among others, is included for 367 Euro thousands, corresponding to a credit of the company Promotor IRVA (currently Teknia KG Doo Kragujevac) with another company.

The transaction for the corrections due to value impairment caused by credit risks during the financial year was the following:

	Thousands of Euros
Impairment losses at the beginning of FY 2015	570
(+) Correction in value due to impairment	292
(-) Reversal due to impairment	(19)
(-) Exits and reductions	(280)
(+) Exchange differences	1
Impairment losses at the end of FY 2015	<u>564</u>





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIESFinancial year 2014

	2016	2017	2018	2019 and beyond	No fixed term	Total
Loans and items to collect	-	-	-	-	191	191
Guarantees	187	1	2	149	-	339
Deposits and others	-	-	-	-	76	76
						<u>606</u>

Non-current financial assets

The composition of the non-current credits, derivatives and others is as follows:

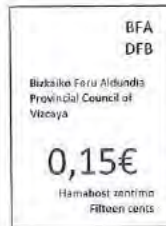
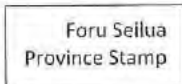
	Thousands of Euros	
	2015	2014
Trade receivables	44,299	39,379
Trade receivables, group companies (Note 18.1)	16	99
Personnel	37	38
Debts from shareholders (Note 18.1)	18	18
Accounts receivable, group and related companies	3,345	-
Other financial assets	1	379
Sundry debtors	108	189
	<u>47,824</u>	<u>40,102</u>

Within the chapter of other short-term financial assets, on December 31st 2014 an amount, among others, is included for 367 Euro thousands, corresponding to a credit of the company Promotor IRVA (currently Teknia KG Doo Kragujevac) with another company.

The transaction for the corrections due to value impairment caused by credit risks during the financial year was the following:

	Thousands of Euros
Impairment losses at the beginning of FY 2015	570
(+) Correction in value due to impairment	292
(-) Reversal due to impairment	(19)
(-) Exits and reductions	(280)
(+) Exchange differences	1
Impairment losses at the end of FY 2015	<u>564</u>

DOLORS SELIS MASNOU
Traductora-Intèrprete
Jurada de INGLÉS
Nº 8129



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The transactions for the corrections due to value impairments caused by credit risks during the financial year have been the following:

	Thousands of Euros
Impairment losses at the beginning of the financial year 2014	656
(+) Correction in value due to impairment	143
(-) Reversal due to impairment	-
(-) Exits and reductions	(230)
(+) Exchange differences	1
Impairment losses at the end of the financial year 2014	570

11.1.2. Financial liabilities

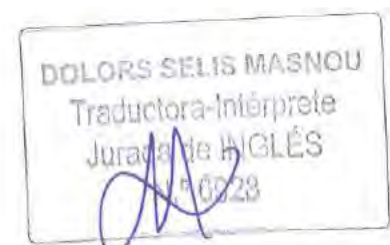
The composition of the financial liabilities by class and category is as follows:

Class Categories	Long-term financial liabilities				Short-term financial liabilities			
	Debts with financial institutions		Derivatives and others		Debt with credit entities		Derivatives and others	
	2015	2014	2015	2014	2015	2014	2015	2014
Debts and payables	22,984	22,066	12,169	13,279	16,664	15,668	46,618	48,026
TOTAL	22,984	22,066	12,169	13,279	16,664	15,668	46,618	48,026

Debt with credit entities

The term of the debt with credit entities at the close of the financial years 2015 and 2014 are broken down as follows, in thousands of Euros:

Term	2015
Short-term:	
2016	16,664
Long-term:	
2017	3,514
2018	3,565
2019	3,576
2020 and subsequent years	12,329
	22,984



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<u>Term</u>	<u>2014</u>
Short-term:	
2015	15,668
Long-term:	
2016	5,477
2017	3,915
2018	3,927
2019 and subsequent years	8,747
	<u>22,066</u>

Within the section of short-term credit institutions there are discounted bills that have not matured yet , for an amount equal to 6,809 Euro thousands (5,771 Euro thousands in the previous financial year). The limit of the credit accounts of the parent company in concurrence with the consolidated subsidiaries using the global consolidation method, amount to 16,242 Euro thousand and the draft discounting limit, advances for invoices and factoring entries amount to 15,300 Euro thousand (9,089 Euro thousand and 12,300 million Euro, respectively, in the previous financial year).

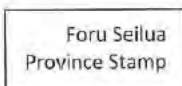
The subgroup Teknia Polska Sp. Z.o.o. has pledges on machinery and installations that are recorded in Note 19.1 of this Report.

Derivatives and others

The breakdown of this section is as follows, expressed in thousands of Euros:

Derivatives and other:	2015		2014	
	Long-term	Short-term	Long-term	Short-term
Finance lease payables (Note 10.2)	296	537	305	756
Advances and loans repayables	11,694	645	12,785	481
Fixed assets suppliers	179	1,065	189	958
Other debts	-	6	-	3,493
Trade and other payables:				
Suppliers		34,614		31,230
Suppliers, group companies and associates - (Note 18.1)		7		-
Other payables:				
Personnel		3,171		2,963
Advanced payments from customers		2,978		4,350
Others		3,595		3,781
Debts with group companies (Note 18.1)				14
Total	12,169	46,618	13,279	48,026

DOLORES DELIS MARINO
Traductora-Intérprete
Jurada de ENGLÉS
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- Finance lease payables

These correspond to the debt due to financial lease operations indicated in note 10.2.

- Suppliers of fixed assets

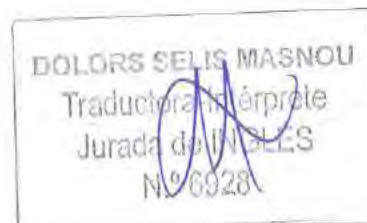
The terms of these debts at the closure of the financial year 2015 are the following:

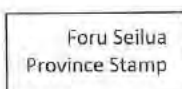
<u>Year</u>	<u>Thousands of Euros</u>
Short-term:	
2016	1065
Total	1065
Long-term:	
2017	11
2018	11
2019	11
2020	11
Rest	135
	179

The terms of these debts at the closure of the financial year 2014 were the following:

<u>Year</u>	<u>Thousands of Euros</u>
Short-term:	
2015	958
Total	958
Long-term:	
2016	11
2017	11
2018	11
2019	11
Rest	145
	189

- Advances and loans repayables (CDTI, Ministry of Education and Science, Ministry of Industry and Technology and Competitiveness Plan):





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

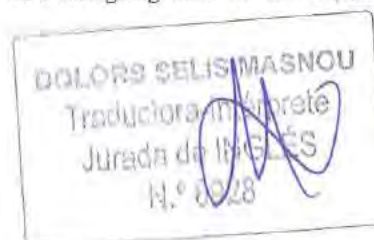
The loans nominal at 0% amounts to 9,751 miles Euro thousands (10,262 miles thousand in the previous financial year), the remaining loans are at interest rates of 3.04% and 3.95% (the same as in financial year 2014), with the maturity schedule of the updated amounts being as follows:

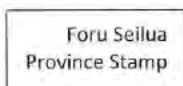
<u>Year</u>	<u>Total</u>
Short-term:	
2016	645
	<u>645</u>
Long-term:	
2017	874
2018	1631
2019	1,609
2020	1,537
Rest	6,043
	<u>11,694</u>
Total	<u>12,339</u>

The terms at the closure of the financial year 2014 were the following:

<u>Year</u>	<u>Total</u>
Short-term:	
2015	481
	<u>481</u>
Long-term:	
2016	788
2017	937
2018	1,695
2019	2,264
Rest	7,101
	<u>12,785</u>
Total	<u>13,266</u>

The balances of the "Competitiveness Plan" include the current value of the amounts received by Group companies as an aid for the Competitiveness Plan of the Automotive sector in the financial years 2009 to 2014 for a total amount of 13,225 Euro thousand (the same amount as in the previous financial year). The current value of this aid has been calculated based on a rate going from 3.6 to 4% (same as the period of 2014).





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES▪ Other debts

The composition of the stock is as follows:

	2015		2014	
	Long-term	Short-term	Long-term	Short-term
Debt on the purchase of shares in companies included in the scope of consolidation	-	-	-	3,473
Other debts	-	6	-	20
	<u>-</u>	<u>6</u>	<u>-</u>	<u>3,493</u>

The debt for financial year 2014, which has been cancelled during this financial year, corresponded with the amount pending payment from the acquisitions of group companies carried out during the said financial year and the previous ones.

11.2. Information on the nature and the level of risk due to financial instruments**11.2.1. Qualitative**

The management of the Group's financial risks is centralised in the Financial Management of the Group, which has established the mechanisms needed to control the exposure to interest rate and exchange rate variations, and to credit and liquidity risks. The main financial risks that affect the Group are indicated below:

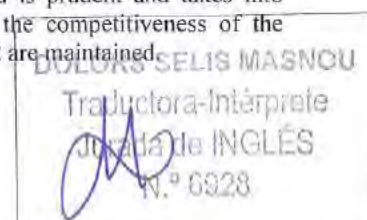
a) Credit risks:

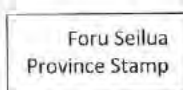
Overall, the Group maintains its cash and cash equivalents in financial entities with high levels of solvency.

The credit risk is determined by the sales of the Group's companies to their customers. At this time, given the current economic situation and some of the economic sectors in which the Group operates, each of the company's clients and the Group's companies have been studied individually in order to minimise the impact of this type of risks.

b) Liquidity risks:

In order to fulfil all of the payment commitments deriving from its activities, the Group has sufficient cash, cash equivalents and assets with significant liquidity, as set out in the balance sheet. The dividends policy followed is prudent and takes into account those investment needed in order to maintain the competitiveness of the Group. Similarly, the credit limits indicated in note 11.1.2 are maintained.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

c) Market risks (interest rate, exchange rate, etc.):

The Group is not significantly exposed to these risks, as the significant liabilities with interest rates are linked to the EURIBOR and large rises are not expected in the short-term or they were signed at a fixed rate in order to minimise the impact of any variations in the interest rate.

With respect to exchange rate risks, the Group does not consider the need for coverage in this respect, as has been demonstrated in the past that the automotive sector is a long-term business in which interest rate variations shall have both positive and negative effects, but this effect shall be practically neutral over time.

The company focuses on the automotive sector, so the risk of a drop in the market is the same as that of the sector in which it operates. The Group is present in various countries to minimise the possible impact the differing evolution in manufacturing costs and vehicle purchases has in each country.

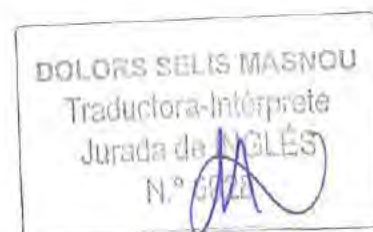
11.2.2. Quantitative information

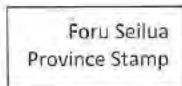
As previously indicated, the main risks correspond to exchange rate variations of the companies whose functional currency is not the Euro. The sales in currencies other than the Euro do not reach 24% of the Group's total sales (24% in the previous financial year). A natural coverage policy is applied for the companies that operate in more than one currency.

12. STOCK

The composition of this section is as follows, in thousands of Euros:

	<u>31.12.2015</u>	<u>31.12.2014</u>
Ancillary raw materials and other	11,103	9,954
Work in process	7,904	8,321
Finished goods	13,425	11,771
Sub-products and residues	103	45
Advanced payments to suppliers	1,858	2,809
Impairment	(752)	(935)
	<u><u>33,641</u></u>	<u><u>31,965</u></u>





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES**13. CAPITAL AND RESERVES****13.1. Share capital**

The share capital of the Company is represented by 332,779 shares (332,779 shares in the previous financial year) with a nominal value of 60.10 Euros each. The sole shareholder is the company SIULED, S.L.

The share capital of the Company has been fully subscribed and disbursed, through the following contributions, in thousands of Euros:

	<u>Thousands of Euros</u>
Non-monetary contribution of shares in companies	23,547
Monetary contribution upon constitution	1,030
Monetary contribution upon capital increase	5,053
Re-denomination in Euro	(1)
Capital reduction in 2013	(9,629)
	<u>20,000</u>

13.2. Reserves

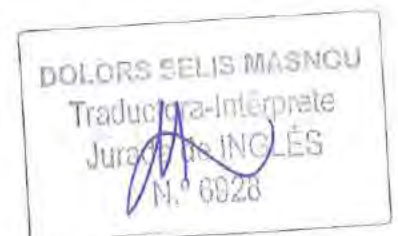
The composition of this section at the closure of the financial year is as follows:

	<u>Thousands of Euros</u>	
	<u>2015</u>	<u>2014</u>
Legal reserve of the Parent Company	4,000	4,000
Voluntary reserve and losses from previous financial years of the Parent Company	8,153	5,229
Consolidation reserve	21,527	18,052
	<u>33,680</u>	<u>27,281</u>

According to article 214 of the Capital Companies Act, in all cases, a figure equal to 10 per cent of the profit of the financial year shall be allocated to the legal reserve until it reaches at least 20 per cent of the share capital.

As long as this limit has not been reached, the legal reserve may only be used to compensate losses whenever there are no other reserves available to such purposes.

The movement of the reserves is included in the Statement of Changes in Equity.



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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

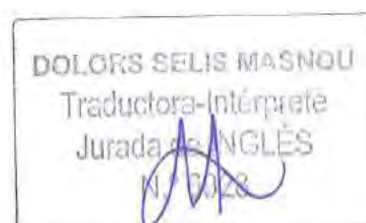
Exchange differences

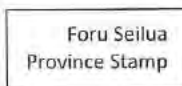
This amount is from certain Group companies, according to the following details, in thousands of Euros:

	<u>2015</u>	<u>2014</u>
Teknia Brasil, Ltda.	(4,483)	(1,718)
Teknia Polska Spolka z o.o and subsidiaries	(629)	(648)
Teknia Uhersky Ubrod, AS	(114)	(304)
Teknia USA	37	20
Componentes de Automoción Marroquies SARL	(23)	(36)
Teknia Automotive Mexico, S.A. of C.V.	(131)	2
Samco, S.A.	(54)	-
"Teknia KG" doo, Kragujeva	(8)	-
Total	<u>(5,405)</u>	<u>(2,684)</u>

The foreign exchange rates with respect to the Euro, applied in the conversion of the financial statements of the foreign companies were the following on 31 December 2015 and 2014:

	<u>2015</u>	<u>2014</u>	<u>% var. 2015/2014</u>	<u>% var. 2014/2013</u>
Brazilian Real	4.3117	3.2207	33.87%	(1,01)%
Polish Zloty	4.2639	4.2732	(0,22)%	2.94%
Czech Koruna	27.023	27.735	(2,57)%	1.01%
US Dollar	1.0887	1.2141	(10,33)%	(11,82)%
Mexican Peso	18.9145	17.8679	5.86%	(0,74)%
Moroccan Dirham	10.7845	11.025	(2,18)%	-
Serbian Dinar	121.6261	120.9583	0.55%	-





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

14. TAX SITUATION

14.1. Public administrations

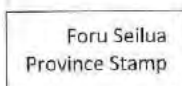
The composition of this section is as follows, in thousands of Euros:

	2015		2014	
	Debit	Credit	Debit	Credit
Current tax	1,109	351	456	312
Tax on Personal Income (I.R.P.F)	-	780	303	913
Value Added Tax (VAT)	1,914	421	2,435	544
Other	56	2	34	193
Social insurance	110	1,471	60	1,178
	2,080	2,674	2,832	2,828

14.2. Conciliation of the net income and expenses with the taxable base for corporate income tax purposes

	Income statement			Income and Expenses Directly Recognised as Equity		
	Amount for financial year 2015			Amount for financial year 2015		
	Increase	Reduction	Net effect	Increase	Reduction	Net effect
Balance of income and expenses of the financial year			9,609			(2,694)
Corporate income taxes	1,629	-	1,629	2	-	2
Permanent differences:						
-from consolidation adjustments	5,117	(7,510)	(2,393)	2,732	-	2,732
-from individual companies	1,358	(7,620)	(6,262)		(40)	(40)
Temporary differences from consolidation adjustments:	337	(50)	287			
Temporary differences from individual companies:	132	(180)	(48)			
Compensation of negative taxable bases from previous financial years			(1,723)			
Tax base (taxable income)			1,099			-



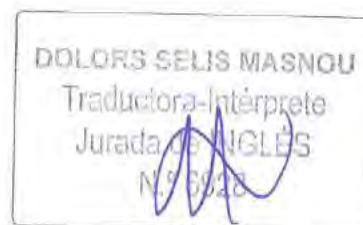


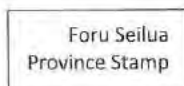
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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

The information corresponding to the financial year 2014 was the following:

	Income statement Amount for financial year 2014			Income and Expenses Directly Recognised as Equity Amount for financial year 2014		
	Increase	Reduction	Net effect	Increase	Reduction	Net effect
Balance of income and expenses of the financial year			10,391			(152)
Corporate income taxes	2,397	(2,401)	(4)			-
Permanent differences:						
-from consolidation adjustments	3,625	-	3,625	172	-	172
-from individual companies	121	(7,606)	(7,485)	-	(20)	(20)
Temporary differences from consolidation adjustments:						
Temporary differences from individual companies:	414	(267)	147			
Compensation of negative taxable bases from previous financial years	2,746	(97)	2,649			
Tax base (taxable income)			9,323			-





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES**14.3. Conciliation of assets and liabilities deferred taxes**

The conciliation of deferred taxes is as follows, in thousands of Euros:

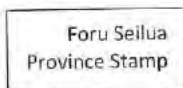
	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Opening balance	10,540	1,091	8,101	1,114
Increases				
* Negative taxable basis and deductions pending compensation	1,610		2,892	-
* Grants recognised directly inequity (Note 15)		2	-	-
* Consolidation adjustments	84	180	242	-
* Other	31	240	-	144
Decreases				
* Negative taxable basis and deductions	(493)		(517)	-
* Exits from scope, corrections, split-offs and other			-	-
* Grants transferred to P&L account (Note 15)		(61)	-	(95)
* Consolidation adjustments	(45)	-	-	-
* Other	(288)	(134)	(168)	(71)
* Exchange differences	(236)	(5)	(10)	(1)
Closing balance	11,203	1,313	10,540	1,091

The negative taxable bases applied in the financial year reached 1,723 Euro thousands (1,200 Euro thousands in the previous financial year).

Similarly, there are deductions from previous and current financial years due to investment, research expenses and others that are pending application for an amount of 10,235 Euro thousands (10,157 Euro thousands in the previous financial year) and the negative taxable bases from previous financial years that are pending compensation corresponding to the Spanish companies, reach a total amount of 8,422 Euro thousands (6,564 Euro thousands in the previous financial year) and those corresponding to the foreign companies amount to 10,980 Euro thousands. (9,844 Euro thousands in the previous financial year).

Regarding the Group companies with registered addresses in Vizcaya, the applicable legislation for the assessment of corporation taxes for the financial year 2015, as in the previous financial year, is Provincial Law 3/1996 dated June 26th, with its later amendments, (the same as for the settlement of taxes for the financial year 2014).





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

14.4. Years open to inspection

Under the current legislation, no tax returns may be deemed to be final until they have been inspected by the tax authorities or the statute of limitations period has elapsed.

The Group's companies have the financial years for which the statute of limitations period has not yet elapsed open to inspection for all taxes.

The administrators of the consolidated companies and the sole administrator of the parent company consider that these taxes were calculated correctly and, accordingly, that even if discrepancies arise in the interpretation of the current regulations applicable to the tax treatment of the transactions, the resulting liabilities, if any, would not significantly affect the attached consolidated Financial Statements.

14.5 Consolidated tax group

The last Parent Company of the Group, Siuled, S.L., in concurrence with other Group Companies, has been granted by the Tax Authorities of Vizcaya the possibility of making corporate income tax returns as a tax group, and therefore the companies that form this Group do not pay their taxes directly to the Tax Authorities. Instead, they pay them to the parent company, which then pays these taxes to the Tax Authorities of Bizkaia.

The companies that form the tax group are the following: Teknia Manufacturing Group, S.L.U., Teknia Elorrio, S.L.U. and Teknia Bilbao XXI, S.L.U.

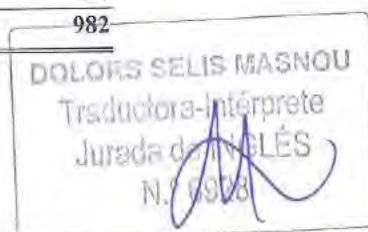
Throughout financial year 2014, the tax group was made up of the following companies: Siuled, S.L., Teknia Manufacturing Group, S.L.U., Teknia Elorrio, S.L.U. and Teknia Bilbao XXI, S.L.U., with the Siuled, S.L. as the parent company. Fiscal consolidation was granted in 2010.

15. GRANTS

Details are provided below regarding the transactions of the financial year in the section of grants:

Subvenciones, donaciones y legados recogidos en el balance, otorgados por terceros distintos a los socios:

	Thousands of Euros	
	2015	2014
Balance at the beginning of FY	982	1,189
Increase	8	
Adjustments due to changes in tax rate	32	21
Taxation effect (Note 14.3)	(2)	-
Allocation to results	(223)	(322)
Taxation effect (Note 14.3)	61	95
Cancellation	-	(1)
Balance at the end of FY	858	982



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The capital grants basically include those granted by the CDTI for investments made, and an update of the loan for the competitiveness plans granted to the Group companies.

All the Grants originate in the subsidiaries, and the Group and the Group considers that the conditions related thereto are complied with.

Grants allocated to the profit and loss account

The composition of this section is as follows, in thousands of Euros:

	<u>2015</u>	<u>2014</u>
Operating grants taken to income	161	42
Allocation of grants of non-financial fixed assets	5	53
Allocation of financial grants	218	269
	<u>384</u>	<u>364</u>

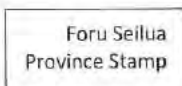
16. PROVISIONS

The composition of the stock is as follows:

	<u>2015</u>		<u>2014</u>	
	<u>Short-term</u>	<u>Long-term</u>	<u>Short-term</u>	<u>Long-term</u>
Employee benefits	727	491	444	477
Other provisions	865	-	278	649
	<u>1,592</u>	<u>491</u>	<u>722</u>	<u>1,126</u>

The section other short-term provisions (long-term in 2014) includes the amount of an tax inspection record of the Tax Agency related to a Spanish group company, being the final finding pending (Note 2.6).

DOLORS SELIS MASNOU
Traductora-Intèrprete
Jurada ENGLÈS
11/09/18



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16.1. Employee benefits

This corresponds, mostly, to the companies of the Polish subgroup, whose parent company is Teknia Polska sp. z o.o., in accordance with their legislation. The movement during the financial years 2015 and 2014 has been as follows:

	Thousands of Euros	
	2015	2014
Financial year opening balance	921	733
Provisions	680	674
Payments	(133)	(133)
Reversal of provisions	(250)	(332)
Exchange differences		(21)
Closing balance	1,218	921

The current value of commitments has been determined. To quantify it the updating interest rates and life tables, according to the legal regulations applicable to each country.

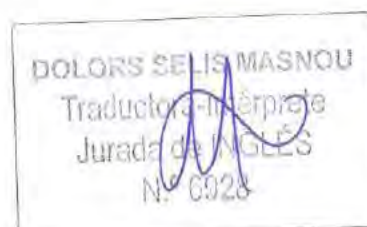
17. INCOME AND EXPENSES

17.1. Net turnover

The details of the net turnover, according to the destination in the geographical markets are the following:

	%	
	2015	2014
National	39	38
Rest of European Union	42	43
Rest of world	19	19
	100	100

Practically the entire turnover is addressed to the automotive market.



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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

17.2. Purchases

The details of the consumptions of goods and raw materials and other supplies according to their respective geographical market is the following:

	%	
	2015	2014
National	42	43
Rest of European Union	48	43
Rest of world	10	14
	100	100

17.3. Personnel

The breakdown of the average workforce in the Group by category, and the Group's Personnel at the closure of the financial year according to category and gender is as follows.

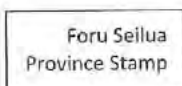
	Average workforce 2015	Staff as of 31 December 2015		
		Total	Men	Women
Directors	1	1	1	
Structure and indirect labor	840.2	830	658	172
Direct labor	1,368.59	1455	917	538
Totals	2,208.79	2,285	1,575	710

In the current period there are 30 people employed with disability of 33% or more (in the previous year there were no people with disability of 33% or more).

Breakdown of the average workforce in the Group by category, and the Group's personnel at the closure of the financial year according to category and gender, corresponding to the previous year:

	Average workforce 2014	Personnel on December 31st 2014		
		Total	Men	Women
Company Administrators	1	1	1	-
Structure and indirect labour	785.17	843	643	200
Direct labour	1,195.27	1,333	781	552
Totals	1,980.44	2,176	1,424	752

DOLORS SELIS MASNOU
Traductora-intérprete
Jurada de INGLÉS
N.º 4928



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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES**18. OPERATIONS AND BALANCES WITH RELATED PARTIES****18.1. Balance and transactions with related entities**

Apart from those indicated in note 10, the Group has maintained the following operations with related companies, in thousands of Euros:

Financial year 2014

	<u>Operating expenses</u>	<u>Financial income</u>	<u>Sales and services rendered</u>	<u>Sale of fixed assets</u>	<u>Purchase of fixed assets</u>
Siuled, S.L.	144	(16)	-	-	-

Financial year 2015

	<u>Operating expenses</u>	<u>Financial income</u>	<u>Sales and services rendered</u>	<u>Sale of fixed assets</u>	<u>Purchase of fixed assets</u>
Siuled, S.L.	120	(14)	-	-	-

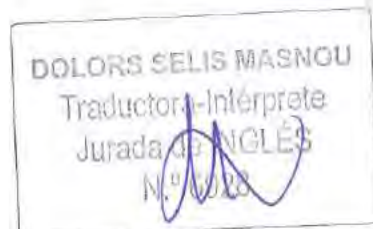
As a consequence of the previous operations, the following balances are maintained in the consolidated balance sheet:

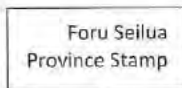
Financial year 2014

	<u>Customers</u>	<u>Suppliers</u>	<u>Guarantees and long-term credits</u>	<u>Short-term credits</u>	<u>Other short-term debts</u>
Siuled, S.L.	99	-	-	16	(14)

Financial year 2015

	<u>Customers</u>	<u>Suppliers</u>	<u>Guarantees and long-term credits</u>	<u>Short-term credits</u>	<u>Other short-term debts</u>
Siuled, S.L.	16	-	-	18	-





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

18.2 Remuneration for directors and key personnel

The total amount of the remuneration paid to the members of the Board of Directors in the financial year 2015 corresponds to the transactions with Siuled, S.L., included in note 18.1 of this Report, as the aforementioned company is the Sole Administrator of the Parent Company of the Group. The natural person representing the latter did not receive any remuneration (this information is the same as in the financial year 2014).

The salaries received in the financial year 2015 by the personnel considered to be of key importance by the Group amount to 779 Euro thousands (694 Euro thousands in 2014)

19. FINANCIAL STRUCTURE

The Financial Management of the Group is responsible for arbitrating the global financial policy, but grants the individual companies autonomy of management. All companies generate their own cash and cash equivalents and manage their schedules for collection and payments and their own budgets for cash and cash equivalents. They have their own funding means employing line discounts, credit lines and repayable loans or advances granted by banks or Public Entities.

All foreign companies manage their cash and cash equivalents independently based on the guidelines established by the Administration.

The future financial policy consists in cancelling any bank or other guarantees that the Parent Company has provided for its subsidiaries and to financially restructure those companies that have not achieved equity equilibrium.

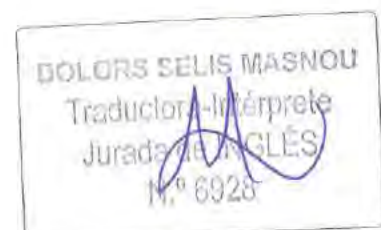
19.1. Sureties and other guarantees

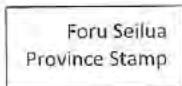
In this financial year, the parent company has not granted bank or other guarantees to other group companies. (In the previous financial year, it had bank guarantees and other guarantees, issued "comfort letters" and carried out other similar transactions for other group companies in an overall approximate amount of 9.4 Euro millions)

As the result of the sale of the buildings and lands held by the company Teknia Bilbao XXI, S.L.U. (Note 8) all the guarantees held throughout the previous financial year have been cancelled (mortgage on the lands it owned as the guarantee of a loan amounting to 2.8 Euros millions)

Furthermore, the company Teknia Montmeló, S.L.U., has pledged deposits of 74 Euro thousand for debt guarantee before the Ministry of Industry, Energy and Tourism.

The subgroup Teknia Polska Sp. z o.o. and its subsidiaries on 31 December 2015 had mortgages on property guaranteeing loans granted (note 11.1.2) for amounts pending payment at the closure of the financial 2014 of 23.24 million PLN (15.66 million PLN in 2014). This same subgroup has provided different guarantees for Machinery, clients and other accounts, for the loans and credits received for the amount of 2014 million PLN (19,23 million PLN in 2014).. This Polish group has signed guarantee contracts with financial entities to guarantee the payment of the loans, credits, lines of discount and other funding obtained, which amount to 2.9 million PLN. (2.6 million PLN on 31 December 2014)





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

As the result of the sale of the buildings and lands held by the Brazilian company Teknia Brasil Ltda (Note 8) all the guarantees held throughout the previous financial year have been cancelled. These were a mortgage on the manufacturing plant of JACAREI and other fixed assets and trade payables.

The Czech company, Teknia Uhersky Brod, a.s., was granted a mortgage guarantee in 2014 for an amount totalling 72.2 million Czech Koruna (84.4 million Czech Koruna (CZK) in 2014), and the balance of the customer account guaranteeing a credit account, for an amount of 9.4 million Czech Koruna (CZK) (16.2 million Czech Koruna (CZK) in 2014).

Moreover, financial entities have provided guarantees in behalf of Group Companies for an approximate total amount equal to 636 Euro thousands. (1,024 Euro thousands in 2014).

20. OTHER INFORMATION

20.1. **Information on the acquisition price of the shares provided**

The values at which the shares provided to the Company at the time of its constitution were recorded are included in the consolidated Financial Statements of the financial year 2007 and previous years.

In the event that these shares are sold, the capital gains to declare would be the difference between the sale price and the value of the tax cost mentioned above.

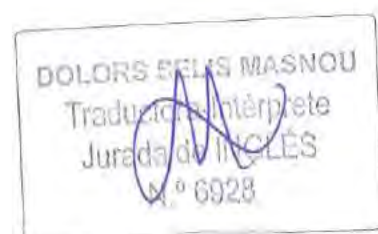
20.2. **Auditors' fees**

The fees accrued by the auditors of the parent company in concept of the audit of the consolidated Financial Statements and Financial Statements of Group companies reached an amount of 95 Euro thousands (98 Euro thousands in the previous financial year) and 21 Euro thousands for the performance of other work, (21 Euro thousands in the previous financial year).

Similarly, the fees for the audits of the foreign and Spanish companies, executed by other auditors reached an amount of 60 Euro thousands (57 Euro thousands in [sic] 203) and 9.

20.3. **Business sector contributions from Teknia Elorrio, S.L.U. to Teknia Pedrola, S.L.U.**

All of the information regarding this contribution can be found in the consolidated Financial Statements of 2004.



TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

20.4. Foreign currency

The global amount of the most important asset and liabilities in foreign currencies is the following:

ASSETS	TOTAL IN THOUSANDS OF EUROS		Thousands of Euros													
			Brazilian Reals		PLN		Dirham		Czech Koruna		Mexican Peso		USD		Serbian Dinar	
			2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Tangible fixed assets	40,759	37,950	4,376	9,543	20,855	15,675	1,096	265	10,405	9,429	3,446	2,585	84	34	497	419
Inventories	12,750	13,311	2,067	2,481	6,259	5,910	303	180	2,575	3,499	1,365	1,058	-	-	181	183
Trade and other accounts receivable	20,546	16,034	5,125	3,246	7,490	6,465	537	446	4,308	3,756	2,853	844	-	1,177	233	100
Cash and other equivalent liquid assets	1,521	1,442	96	30	122	473	54	147	759	409	313	161	171	195	6	27

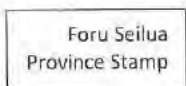
LIABILITIES	TOTAL IN THOUSANDS OF EUROS		Thousands of Euros														
			Brazilian Reals		PLN		Dirham		Czech Koruna		Mexican Peso		USD		Serbian Dinar		
			2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Non-current debt with financial institutions	3,062	5,132	793	789	-	-	-	-	2,269	2,710	-	-	-	-	1,633	-	-
Current debt with financial institutions	2,893	3,277	3	-	693	1,068	-	-	753	920	543	322	901	555	-	-	412
Trade creditors and other accounts payable	16,975	16,736	2,273	2,560	7,514	6,106	257	240	4,932	5,841	1,836	1,612	9	265	154	112	

PROFITS AND LOSSES	TOTAL THOUSAND EUR		Thousands of Euros															
			Brazilian Reals		PLN		Dirham		Czech Koruna		Mexican Peso		USD		CHF		Serbian Dinar	
			2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Purchases	(37,685)	(42,189)	(8,271)	(10,947)	(6,827)	(15,339)	(624)	(1,134)	(17,146)	(13,731)	(3,195)	(1,000)	(850)	-	(165)	-	(604)	(38)
Net turnover	59,288	53,112	13,538	19,930	10,727	9,187	1,978	1,618	23,935	19,539	4,089	2,767	4,080	883	-	-	960	70

20.5. Article 229 of the rewritten text of the Capital Companies Act

The Sole Administrator, the physical representative of the Sole Administrator, legal person and the people linked to the same, as defined in Art. 231 of the LSC, do not incur in any of the situations of conflicts of interest as listed in Art. 229 of the LSC.

DOLORS SELIS MASNOU
Traductora/Intèrpretatè
Jurada d'ENGLÈS
N.º 6928



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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

21. INFORMATION REGARDING ENVIRONMENTAL AND GREENHOUSE GAS EMISSION RIGHTS

21.1. Environmental Information

The Group has made no significant investments in tangible fixed assets and has not incurred any expenditures with the purpose of minimising its environmental impact and protecting and improving the environment.

There are no environmental disputes or claims in progress, thus no provision for this concept has been allocated.

The Group considers that it does not have any expected contingencies for this concept.

21.2. Information on greenhouse gas emission rights

The Group's companies do not practice any activities in installations that need trading greenhouse gas emission allowances and consequently, there are no entries of this nature.

22. INFORMATION ON THE AVERAGE PERIOD OF PAYMENT TO PROVIDERS THIRD ADDITIONAL PROVISION DUTY OF INFORMATION OF THE LAW 15/2010, OF JULY 5TH.

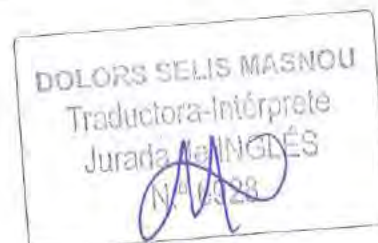
The information on the average period of payment to providers regarding financial year 2015 is as follows:

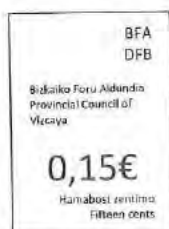
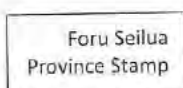
	Payments made and payments outstanding as of the balance sheet closing date
	2015 (A)
	Days
Average period of payment to suppliers	56.55
Ratio of paid transactions	58.97
Ratio of transactions pending payment	38.57
	Amount (Euros)
Total payments made (thousands of Euros)	121,353
Total payments pending (thousands of Euros)	20,058

(A). According to the Single Additional Provision, Information, to be included in the notes accompanying the financial statements for the first year where the Order of January 26th 2016, of the Institute of Accounts and Auditing, is applied regarding the information to include in the notes accompanying the financial statements with regards to the average period of payment, no comparative data is submitted for this new obligation, and the financial statements are classified as initial financial statements for the sole purposes of what is provided for the application of the uniformity principle and the requirement of comparability.

23. SUBSEQUENT EVENTS

There are no subsequent events worth mentioning that could have a significant effect on the attached Consolidated Financial Statements.





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TEKNA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES**24. SECTORED INFORMATION****24.1. Criteria of allowance and allocation used to determine and offer the information regarding each of the sectors**

As indicated previously (Note 3.16), the Company Administrator of the Parent Company has identified the sectors of its activities to be the following:

- Automotive
- Research and development.

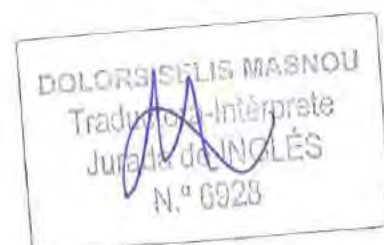
The data regarding these sectors is as follows:

Concepts	Sectors					
	Automotive		Research and Development		Total	
	2015	2014	2015	2014	2015	2014
Net turnover	244,988	220,300	315	328	245,303	220,628
- External customers	244,988	220,300	315	328	245,303	220,628
- Intersectoral (A)	30	4	656	1,037	686	
Supplies						
- External suppliers	(137,396)	(123,027)	(485)	(524)	(137,881)	(123,551)
- Intersectoral	(656)	(1,037)	(30)	(4)	(686)	(1,401)
Staff expenses	(52,337)	(50,048)	(612)	(675)	(52,949)	(50,723)
Amortisation of fixed assets	(7,921)	(6,737)	(9)	(5)	(7,930)	(6,742)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	15,038	12,145	(215)	14	14,823	12,159
PROFIT/(LOSS) BEFORE TAX	11,238	10,373	(221)	14	11,238	10,387
Sector assets	163,999	161,173	227	397	164,226	161,570
Sector liabilities	105,013	104,816	156	491	105,169	105,307
Net cash flows resulting from the following activities						
- Operations	10,933	13,080	(371)	(95)	10,562	12,985
- Investment	(11,254)	(20,754)	3	-	(11,251)	(20,754)
- Financing	(4,068)	12,851	(1)	1	(4,069)	12,852

(A): Transactions that have been removed upon the consolidation

As can be seen, practically all of the operating, financial and investment flows of the financial years 2015 and 2014 have originated in the automotive sector.

Elorrio, 31 March 2016



Foru Seilua
Province Stamp



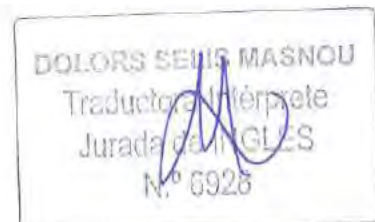
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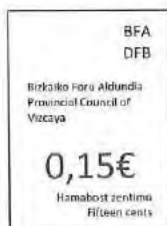
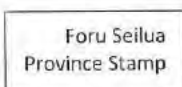
TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

APPENDIX I

SUBSIDIARIES

	Teknia Elorrio, S.L.U.		Teknia Bilbao XXI, S.L.U.		Teknia Montmeló, S.L.U.	
	2015	2014	2015	2014	2015	2014
Equity interest:						
- Direct	100%	100%	100%	100%	100%	100%
- Indirect	-	-	-	-	-	-
Holder of the equity interest:	Teknia Manufacturing Group, S.L.U.		Teknia Manufacturing Group, S.L.U.		Teknia Manufacturing Group, S.L.U.	
- Direct	-		-		-	
- Indirect	-		-		-	
Activity	Manufacture of pipe assemblies		Bar cutting		Manufacture of fasteners for industrial bar cutting	
Address	Barrio San Agustín nº11 Elorrio – (Bizkaia)		Abanto y Ciervena (Vizcaya)		Pol. Ind. El Pedregal. c/Industria, 3 – Montmeló Barcelona	
	2015	2014	2015	2014	2015	2014
Dividends received in the financial year by the parent company	-	140	3,100	278	-	-
Share Capital	60	60	174	174	103	103
Reserves	3,174	2,659	1,685	4,167	393	202
Other Net Equity items	22	26	80	92	-	-
Annual balance	583	364	1,728	777	(37)	191
Recorded value of the equity interest	3,838	3,260	3,667	5,051	434	434
Auditor of the company	Moore Stephens AMS, S. L.		Moore Stephens AMS, S. L.		Not audited	

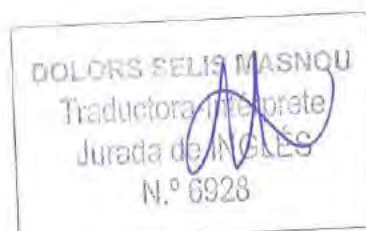


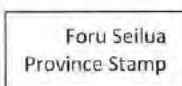


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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

	Teknia Martos, S.L.U.		Teknia Brasil, Ltda.		Teknia Epila, S.L.U.	
	2015	2014	2015	2014	2015	2014
Equity interest:						
- Direct	100%	100%	100%	100%	100%	100%
- Indirect	-	-	-	-	-	-
Holder of the equity interest:	Teknia Manufacturing Group, S.L.U.		Teknia Manufacturing Group, S.L.U.		Teknia Manufacturing Group, S.L.U.	
- Direct						
- Indirect						
Activity	Injection of plastic		Manufacture tubes, stamping, cutting and injection of plastic		Stamping of metal parts	
Address	Martos (Jaén)		Itaquera (São Paulo) BRASIL		Epila (Zaragoza)	
	2015	2014	2015	2014	2015	2014
Dividends received in the financial year by the parent company	417	201	-	-	-	-
Share Capital	139	139	9,464	7,660	1,200	1,200
Reserves	1,896	226	2,289	(2,908)	(495)	(508)
Other Net Equity items	-	-	-	-	-	-
Annual balance	1,243	2,086	(3,425)	(2,477)	143	13
Recorded value of the equity interest	3,278	2,452	8,328	7,286	848	705
Auditor of the company	Moore Stephens AMS, S. L.		Moore Stephens		Moore Stephens AMS, S. L.	



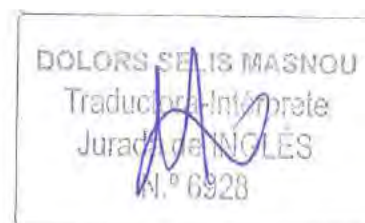


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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

	Teknia Barcelona, S.L.		Segove Cataluña, S.L.U.		Teknia Pedrola, S.L.U.	
	2015	2014	2015	2014	2015	2014
Equity interest:						
- Direct	100%	100%	100%	100%	100%	100%
- Indirect	-	-	-	-	-	-
Holder of the equity interest:						
- Direct	Teknia Manufacturing Group, S.L.U.		Teknia Manufacturing Group, S.L.U.		Teknia Manufacturing Group, S.L.U.	
- Indirect	-		-		-	
Activity	Bar cutting		Bar cutting, logistics and quality control		Manufacture of pipe assemblies	
Address	Parets del Vallés (Barcelona)		Parets del Vallés (Barcelona)		Pol. Ind. El Pradillo Pedrola - Zaragoza	
	2015	2014	2015	2014	2015	2014
Dividends received in the financial year by the parent company	-	1,010	(B)	-	-	-
Share Capital	240	240	(B)	3	500	500
Reserves	1,006	902	(B)	(26)	590	232
Other Net Equity items	92	104	(B)	-	180	200
Annual balance	494	614	(B)	33	181	358
Recorded value of the equity interest	1,841	1,860	(B)	3	26	26
Auditor of the company	Moore Stephens Addveris Auditores y Consultores, S.L.P		Not audited		Moore Stephens AMS, S.L.	

(B): Company wound-up in financial year 2015



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N 7239169 C

TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

	Teknia Polska Sp. z.o.o.		Teknia Kalisz Sp. z.o.o.		Teknia Rzeszów, S.A.	
	2015	2014	2015	2014	2015	2014
Equity interest:						
- Direct	100%	100%	-	-	-	-
- Indirect	-	-	100%	100%	100%	100%
Holder of the equity interest:	Teknia Manufacturing Group, S.L.U.		-		-	
- Direct	-		Teknia Polska Sp. z.o.o.		Teknia Polska Sp. z.o.o.	
- Indirect	-		-		-	
Activity	Holding company		Stamping and pipes		Injection of plastics	
Address	Nowogrodza, 12 (Warsaw)		Zlota, 20 (Kalisz)		Przemyslowa, 4 (Rzeszow)	
	2015	2014	2015	2014	2015	2014
Dividends received in the financial year by the parent company	-	-	-	-	-	-
Share Capital	2,322	2,317	316	316	137	137
Reserves	3,157	3,300	6,734	5,599	4,546	-
Other Net Equity items	-	-	-	-	-	-
Annual balance	(162)	(150)	(408)	1,119	1,054	821
Recorded value of the equity interest	2,396	2,396	(A)	(A)	(A)	(A)
Auditor of the company	Moore Stephens		Moore Stephens		Moore Stephens	

(A): Subsidiary company of Teknia Polska Sp. Z.o.o.

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Traductor e Interpret
Jurada de INGLÉS
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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

	Teknia Azuqueca, S.L.U.		Teknia Uhersky Brod a.s.		Teknia Automotive Mexico, SA de C.V.	
	2015	2014	2015	2014	2015	2014
Equity interest: - Direct - Indirect	100% -	100% -	100% -	100% -	90% -	90% -
Holder of the equity interest: - Direct - Indirect	Teknia Manufacturing Group, S.L.U.		Teknia Manufacturing Group, S.L.U.		Teknia Manufacturing Group, S.L.U.	
Activity	Manufacture of parts in plastics and other materials		Manufacture of parts in plastics and other materials		Manufacture of parts in plastics and other materials	
Address	Pol. Ind. Miralcampo de Arriba - Azuqueca de Henares (Guadalajara)		Rybářská 2330 Uherský Brod, PSC 688 01 (Czech Republic)		Ciudad de Santiago, Querétaro (México)	
	2015	2014	2015	2014	2015	2014
Dividends received in the financial year by the parent company	-	119	771	350	-	-
Share Capital	3,500	3,500	4,507	4,391	3,384	2,798
Reserves	628	547	2,899	2,154	(1,252)	(1,053)
Other Net Equity items	484	559	-	-	-	-
Annual balance	875	81	1,731	1,421	(75)	(272)
Recorded value of the equity interest	-	-	3,636	3,636	1,851	1,289
Auditor of the company	Moore Stephens AMS, S.L.		Moore Stephens, S.R.O.		Moore Stephens (Marcelo de los Santos y Cía., S.C.)	

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BFA
DFB
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Provincial Council of
Vizcaya
0,15€
Hamabost zentimo
Fifteen cents

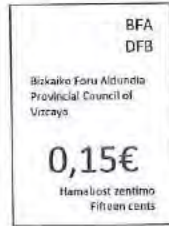
N 7239171 C

TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

	Teknia Germany GmbH		Teknia R&D, S.L.		Componentes de Automoción Marroquies, SARI	
	2015	2014	2015	2014	2015	2014
Equity interest:						
- Direct	100%	100%	100%	100%	99.9%	99.9%
- Indirect	-	-	-	-	-	-
Holder of the equity interest:	Teknia Manufacturing Group, S.L.U.		Teknia Manufacturing Group, S.L.U.		Teknia Manufacturing Group, S.L.U.	
- Direct						
- Indirect						
Activity	Design and engineering of individual automotive parts		Research, creation and development of research and development projects		Creation, manufacture and marketing of individual automotive parts	
Address	Stuttgart (Germany)		Plaza Marqués de Salamanca, 9, planta 7, puerta iz. 28006 Madrid		TFZ D'Exportation Ilot 30- Lot n02 Mod.1 - Tangier	
	2015	2014	2015	2014	2015	2014
Dividends received in the financial year by the parent company	-	-	-	-	-	-
Share Capital	25	25	100	100	1,485	1,453
Reserves	661	643	6	(8)	(890)	(763)
Other Net Equity items	-	-	-	-	-	-
Annual balance	12	18	(221)	14	(238)	(108)
Recorded value of the equity interest	620	620	-	100	357	582
Auditor of the company	Not audited		Not audited		Not audited	

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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

	Teknia Manresa, S.L.U.		Teknia USA Inc.	
	2015	2014	2015	2014
Equity interest:				
- Direct	100%	100%	100%	100%
- Indirect	-	-	-	-
Holder of the equity interest:	Teknia Manufacturing Group, S.L.U.		Teknia Manufacturing Group, S.L.U.	
- Direct	-		-	
- Indirect	-		-	
Activity	Stamping of metal parts			
Address	P.I. Bufalvent, c/Esteve Terradas, n º39. Manresa (Barcelona)		601 Abbot Road, East Lansing, Michigan 48823 (USA)	
	2015	2014	2015	2014
Dividends received in the financial year by the parent company	-	2,519	-	-
Share Capital	60	60	230	141
Reserves	3,709	874	(65)	64
Other Net Equity items	-	-	-	-
Annual balance	2,499	2,836	78	(56)
Recorded value of the equity interest	3,825	3,825	186	149
Auditor of the company	Moore Stephens AMS, S.L.		Not audited	

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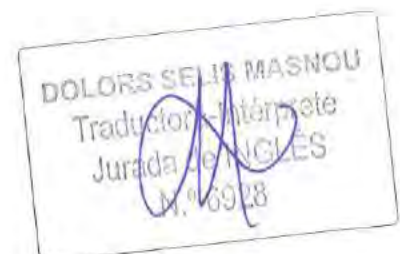


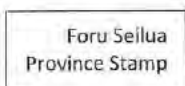
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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

	SAMCO, S.A.		"Teknia KG" doo, Kragujevac (formerly Promotor IRVA)	
	2015	2014	2015	2014
Equity interest:				
- Direct	100%	100%	89.73%	70%
- Indirect	-	-	-	-
Holder of the equity interest:				
- Direct	Teknia Manufacturing Group, S.L.U.		Teknia Manufacturing Group, S.L.U.	
- Indirect	-		-	
Activity	Purchases-sales, distribution and manufacture of dies or tourneys, among others.		The production of other parts and additional equipment for the vehicles	
Address	Calle Avena nº 218, Colonia Granjas Mexico. Distrito Federal		Kragujevac, 56 Dragoslav Srejevic street.	
	2015	2014	2015	2014
Dividends received in the financial year by the parent company	-	-	-	-
Share Capital	705	756	901	310
Reserves	212	83	88	81
Other Net Equity items	-	-	-	-
Annual balance	81	141	(413)	4
Recorded value of the equity interest	2,421	2,465	517	140
Auditor of the company	Moore Stephens (Marcelo de los Santos y Cía., S.C.)		Not audited	

None of these Companies are listed on the stock market.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES**MANAGEMENT REPORT 2015****BUSINESS PERFORMANCE, AND POSITION OF THE COMPANY. FORESEEABLE EVOLUTION****Positive evolution of sales**

Once more, we can see that financial year 2015 has an increase on sales (11,2% vs previous year), and this is the sixth consecutive year of growth in sales after the crisis 2008-09. Since 2010, the consolidated total sales increase of the group has been of 44,3% (CARG2010-15 = 7,6%)

We can highlight the following important events:

- 1) This increase has been achieved almost entirely in an **organic** manner. The inorganic part through acquisitions carried out in December 2014 only stands for 1.9 of the whole sales.
- 2) Impairment of the market in Brazil, where net sales have decrease 9,05% with respect to the previous year.

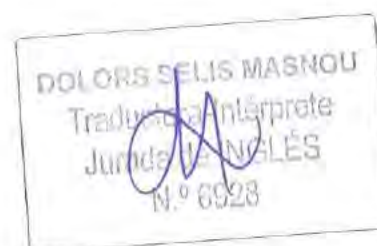
The fundamental reasons for this sales growth are:

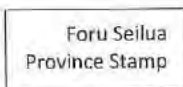
- Strengthening of recovery of the European market as a continued change in trend produced in the year 2013.
- Start of production of the acquisitions made the last three years, which have been Notable for their good results at commercial levels and also make us optimistic in relation to the year 2016.

	2015		2015 vs 2014		2014		2014 vs 2013		2013		2013 vs 2012	
	Euros '000	%			Euros '000	%			Euros '000	%		
Net turnover	246,279	100%	11,6%		220,628	100%	7,0%		206,260	100%	12,5%	
Operating margin	14,823	6,0%	21,9%		12,159	5,5%	33,8%		9,086	4,4%	15,1%	
EBITDA ⁽¹⁾	20,558	8,35%	9,71%		18,739	8,49%	24,8%		15,017	7,28%	44,3%	
Balance attributed to the parent company	9,659	3,9%	(7,3)%		10,418	4,7%	69,5%		6,148	3%	8,4%	

(1) The EBITDA is calculated as the operating result deducted in the allocation of amortisation, impairments and results due to divestment of fixed assets, the allocation of non-financial fixed asset grants, provision excess, the result due to loss of control of consolidated equity interest and the difference in business combinations.

'000	2015	2014	2013	2012
Purchases	86,621	70,254	64,000	77,721





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

Consolidation of the Ebitda levels

The increase of the Ebitda margin, of 8.3% with regards to financial year 2014, until reaching the amount of 20.6 Euros millions, consolidates the recovery of margins and confirms that some events occurred throughout 212 created a non-recurrent Ebitda.

Likewise, throughout financial year 2015, and for the four year, the group has been highly impacted by the bad results obtained in the Brazilian market, which have had a negative impact on (2.2) million Euro (-1.42%).

Equally, the progressive improvement provoked by the measures put into place with the objective of increasing the operative results is still demonstrated.

These measures clearly focussed on improving productivity by means of:

- centralisation of corporate purchasing at group level, carried out for commodities.
- adjustment of support services and operational rentals to current market prices, after the decreases in the real estate sector.
- management and negotiation of prices with sub-contracting companies.
- implementation of programs for the continuous improvement and "lessons learn".

Non-operating balance (financial)

Under the title Financial Expenses, we can see that the group is benefiting from a "soft" banking market context that allows it improving its financing costs, by means of:

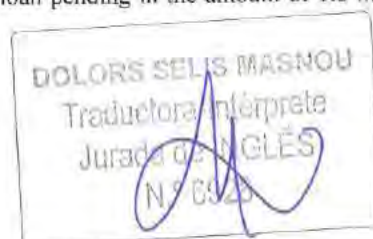
- renegotiation of financing facilities, both short-term and long-term
- The use of funding lines for tools via confirming, at no cost to Teknia
- favourable evolution of market interest rates

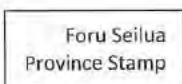
These measures and conditions of the debt market have led us to closure the financial year with a 3.2% debt cost/debt ratio compared to 3.5% in the financial year 2014.

	2015	2014	2013	2012
Debt Cost	1,688	1,965	1,859	2,634
Debt	52,826	55,555	37,648	41,495
Debt Cost/Debt	3.2%	3.5%	4.9%	6.3%

(The Debt Cost item includes all financial expenses and Debt calculated as the result of the sum of the long-term and short-term debt subtracting the fixed asset providers).

In contrast, the group has been negatively affected by the depreciation of the Brazilian Real with regards to the Euro and to the USD, which in the financial year means exchange differences in the amount of (1.6) million Euros. These are not considered recurrent losses. They are the result of an advanced cancellation of a loan pending in the amount of 1.8 million Euros and of another loan of 1.9 million USD.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

The following chart shows the annual variations of the most significant currencies with which the Group operates in the last three years.

	% var. 2015 vs 2014	2015	% var. 2014 vs 2013	2014	2013
Brazilian Real	33.87%	4.3117	-1.13%	3.2207	3.2576
Polish Zloty	-0.22%	4.2639	2.86%	4.2732	4.1543
Czech Koruna	-2.57%	27.023	1.12%	27.735	27.427
US Dollar	-10.33%	1.0887	-11.96%	1.2141	1.3791
Mexican Peso	5.86%	18.9145	-1.14%	17.8679	18.0731

Source: www.ecb.europa.eu, data on 31 December of each year.

STRATEGIC PLAN 2014-2017

At the end of the financial year 2013, the Management Committee of Teknia approved the strategic plan 2014-17, which has the main objective of reaching a turnover of 400 million Euros. This plan is based on the following strategic lines:

Organic growth

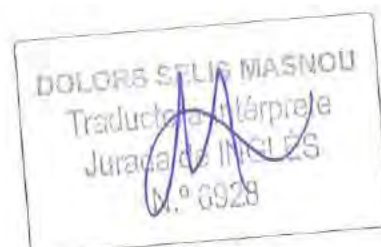
The organic growth forecast by Teknia for the next 3 financial years is a CAGR 10.15% which shall be achieved by:

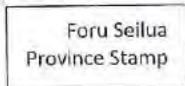
- the development of strategic and added value products.
- acquisition objectives for ambitious projects led by the offices in Germany and United States.
- investment in R+D aimed at improving the competitive position of the company.
- constant improvement in the professional development and adjustment of the Group's human resources to the requirements of the customers and the market.

Continued commitment to internationalisation

Teknia continues to seek expansion and growth of the company based on a corporate development plan lasting until 2017 that has been approved by the Management. The target countries in this plan are:

- Asia
- NAFTA





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

All of these regions share certain features that make them attractive, such as:

1. A growing and developing home market
2. The development of projects by Teknia's main customers
3. The minimum level of technology that enables both improvement and development

As a result of this corporate strategy, in the year 2014 there was increased presence in NAFTA with the purchase of 100% of the Samco company in Mexico, pertaining to the cutting department.

This objective market is complemented by the countries that are considered to be strategic by key clients in the group, in conformance with the policy of strategic vision of the future in Teknia. This event is demonstrated through the purchase of 70% of a company in Serbia at the end of the year.

Maintenance of debt levels and diversification of financing sources.

To achieve the current strategic plan 2014-17, it shall be necessary to invest in both CAPEX and acquisitions to the tune of 100 million Euros. To do so, it shall be necessary to secure sufficient, suitable funding, the aim of which shall be:

1. To maintain the debt level of the Group at reasonable levels with the aim of reaching by 2017 the net financial debt/EBITDA contained.

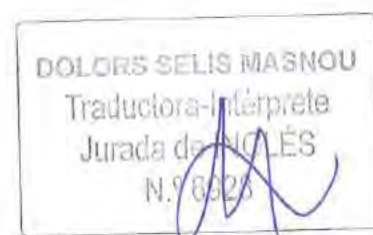
	2015	2014	2013	2012
NET FINANCIAL DEBT ⁽¹⁾	47,965	45,936	33,112	37,390
COMPANY PURCHASE DEBT (Note 1.3)	0	3,473	4,210	4,210
ADJUSTED NET FINANCIAL DEBT ⁽²⁾	47,965	42,463	28,902	33,180

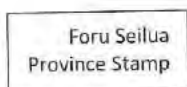
(1) Net Financial Debt = difference of the total long-term and short-term Debt with third parties subtracting the property providers, cash and other equivalent cash assets.

(2) Adjusted Net Financial Debt = Net Financial Debt minus the debt for deferred payment of purchase from third parties of shares in the companies that form part of the group.

We consider most representative the ADJUSTED NET FINANCIAL DEBT as said deferrals are either conditioned to compliance with certain operative results of the company, or guarantee possible future losses due to contingencies arising after the purchase of the company.

2. Diversification of finance sources. The Group is currently financed mostly by financial entities, although the strategic objective is to reduce this percentage by 2017 to obtain a finance structure that depends only on 60% of banks.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIESManagement of real estate assets

Since 2013 the Group has created a team to manage all of its real estate assets, both owned and rented, to improve the profitability on the one hand and greater liquidity for Teknia on the other, thus decreasing the Group's debt.

Thanks to this activity, in 2015 two sale transactions have been possible regarding the two buildings where T. Bilbao and T. Brasil (Jacarei) operate. The gains from both sales amount to 2.3 million Euros.

RATIOS

	2015	2014	2013	2012
DEBT AND CASH				
CURRENT ASSETS / CURRENT LIABILITIES	1.33	1.25	1.27	1.45
CURR + NON-CURR LIAB / EQUITY	1.78	1.87	1.70	1.60
NON-CURR LIABILITY / CURRENT LIABILITY	0.55	0.54	0.43	0.55
NET FIN. DEBT / EQUITY	0.81	0.82	0.70	0.73
NET FIN. DEBT / EBITDA	2.33	2.45	2.20	3.59
ADJUSTED NET FIN. DEBT / EQUITY	0.81	0.75	0.59	0.64
ADJUSTED NET FIN. DEBT / EBITDA	2.33	2.27	1.92	3.19
RETURN				
RETURN ON SALES (ROS)	3.90%	4.71%	2.85%	2.83%
RETURN ON ASSETS (ROA)	9.03%	7.53%	6.95%	5.90%
RETURN ON EQUITY (ROE)	16.3%	18.47%	12.05%	10.09%

IMPORTANT EVENTS FOR THE COMPANY OCCURRING AFTER THE CLOSE OF THE FINANCIAL YEAR

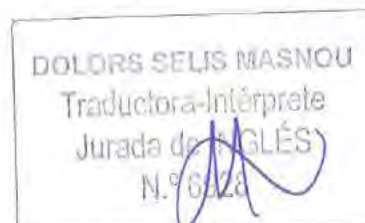
There are no significant events to be pointed out.

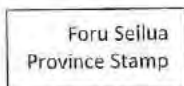
INSURANCE

i. Material Losses

The Group's policy is to contract insurance policies that cover all the companies in the Group against any potential risks to which their different fixed material assets are exposed.

The criterion for calculating the insured capital is the replacement as new at their market value, so we believe that with Teknia's current policies and future updates, the company's assets are 100% insured against potential and unforeseen losses.





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TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

At the same time, in collaboration with our insurance companies, loss rate studies have been carried out in the installations to obtain a detailed report of any possible needs in order to avoid the same.

ii. Civil Liability

The company insures the risks of its activities by means of a general civil liability insurance policy with the aim of providing maximum insurance for any losses that may arise due to the activities of the Group.

One of the most important sections to note refers to cover for operation and production, which has limits per loss that were updated in 2015 as follows:

TYPE OF LOSS	PER LOSS AND PER YEAR
OPERATING CIVIL LIABILITY	€4,000,000 (per loss)
PRODUCTION PL	€4,000,000 (per loss)
JOINTS AND MIXTURE	€2,000,000
WITHDRAWAL OF PRODUCTS	€600,000
ASSEMBLY AND DISASSEMBLY	€300,000

ACQUISITION OF TREASURY SHARES

During the financial year there have been no transactions for the acquisition of treasury shares by the Company.

R&D ACTIVITY

Since 2010, the Group has maintained a research and development institute called Teknia R&D, located within the facilities of the Andaltec Technological Centre (Jaén), as well as in situ location of the factory in Azuqueca and the commercial-technical office in Germany.

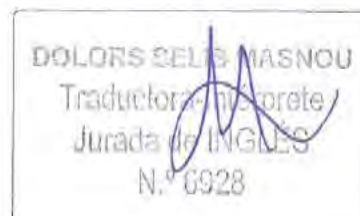
The base for deductions in the period was maintained at similar levels as last year, reaching 3.7 million Euros for the concept in the group total, i.e. 1.67% of the total sales in the group. The main mission of this company still is to concentrate all efforts in the area of R&D+i, to coordinate all the initiatives and lead the change and technological progress of Teknia.

The evolution of the deductions of the total Group sales in recent years can be seen below:

	2015	2014	2013	2012
% R&D deductions ⁽¹⁾	0.3%	1.67%	1.81%	1.65%

(1) Expense for deductions certified in the group through the report presented to the Tax Authority

Elorrio, 31 March 2016



Foru Seilua
Province Stamp

BFA
DFB
Bizkaia Foru Aldundia
Provincial Council of
Bizkaia
0,15€
Hamabost zentimo
Fifteen cents

N 7239180 C

TEKNIA MANUFACTURING GROUP, S.L., SINGLE-MEMBER COMPANY AND SUBSIDIARIES

These Financial Statements (consolidated Balance Sheet, consolidated Income Statement, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, and consolidated Notes to the Financial Statements), and the Management Report for the period 2015 of the Company Sociedad Teknia Manufacturing Group, S.L. Sociedad Unipersonal, are printed on the front side of the stamp-impressed papers of the Provincial Council of Bizkaia, numbers N 7239113 C through to N 7239179 C, . both included.

The Sole Administrator signs this page number N 7239180 C, in recognition of the preparation of the Consolidated Financial Statements and of the Company's Management Report:

	Signature
<p>Sole Administrator SIULED, S.L. (represented by Mr. JAVIER QUESADA SUBESCUN)</p>	<p>[Unreadable signature]</p>

Mrs Dolores Selis i Masnou, Certified Translator-Interpreter of English (no. 6928) appointed by the Ministry of Foreign Affairs and Cooperation, does hereby certify that the above is the true and faithful translation into English of a document written in Spanish.
Vilobi d'Onyar, 7 June 2016

DOLORS SELIS MASNOU
Traductora-Intérprete
Jurada de INGLÉS
N.º 6928

Doña Dolores Selis i Masnou, Traductora-Intérprete Jurada de inglés (n.º 6928) nombrada por el Ministerio de Asuntos Exteriores y de Cooperación, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en español.
En Vilobi d'Onyar, a 7 de junio de 2016

DOLORS SELIS MASNOU
Traductora-Intérprete
Jurada de INGLÉS
N.º 6928