€400 million 4.75% Senior Secured Notes due 2021

Issued by Grupo Antolin Dutch B.V., a subsidiary of Grupo Antolin—Irausa, S.A.

Company Financial and Other Information in Relation to the Acquisition of the Magna Interiors Group.

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USE OF TERMS AND CONVENTIONS

Unless otherwise specified or the context requires otherwise in this document:

- references to "APAC" are to Australia, China, India, Indonesia, Japan, South Korea, Malaysia, Philippines, Taiwan and Thailand, collectively;
- references to "Acquisition" are to the acquisition of the Target Business pursuant to a sale and purchase agreement dated April 16, 2015;
- references to "CHMSL" are to center high mounted stop lamps;
- references to "Company" or to "Grupo Antolín" are to Grupo Antolín-Irausa, S.A.;
- references to "Company Financial Statements" are defined in "Presentation of Financial and Other Data—Financial Information and Operational Data—Company Historical Financial Information";
- references to "DRL" are to daytime running lamps;
- references to "Eastern Europe" are to the following countries: Belarus, Bulgaria, Czech Republic, Hungary, Kazakhstan, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey, Ukraine and Uzbekistan;
- references to "EEA" are to the European Economic Area;
- references to "emerging markets" and "emerging economies" are to growth markets and growth economies, excluding the US;
- references to "EU" are to the European Union;
- references to "EUR", "euro(s)" and "€" are to the currency of those countries in the European Union that form part of the common currency of the euro;
- references to "Europe" are to Western Europe and Eastern Europe;
- references to "GHG" are to greenhouse gas;
- references to "GBP", "pound(s)", "pound sterling" and "£" are to the currency of the United Kingdom;
- references to "Group", "Grupo Antolín", "we", "us" and "our" are to the Company together with its consolidated subsidiaries;
- references to "growth markets" and "growth economies" are to economies where we are experiencing increasing demand for our products and which include the US, Mexico, Brazil, Turkey, Russia, China, India and Thailand;
- references to "IFRS" are to the International Financial Reporting Standards promulgated by the International Accounting Standards Board and as adopted by the European Union;
- references to "JIT" are to just in time;

- references to “LED” are to light-emitting diode;
- references to “LCV” are to light commercial vehicle;
- references to “Magna” and “Magna Group” are to Magna International Inc. and its subsidiaries (excluding the Target Business);
- references to “Magna JVs” are to Dae Yee Intier Co. Ltd., Plastimat Hungary Kft, Changshu Intier Automotive Interiors Co., Ltd. and Changchun Intier Automotive Interiors Co., Ltd.;
- references to “Magna Subsidiaries” are to Magna Interiors (Austria) GmbH, Magna Beteiligung (Austria) GmbH, Burg Design GmbH, Magna Interiors GmbH, Magna Interiors (Germany) GmbH, Magna Interiors (Massen) GmbH, Magna Interiors (Europe) GmbH, Magna Automotive (Hungary) Kft, Magna Interiors (UK) Limited, Magna Exteriors and Interiors USA, Inc. (including Interlink Automotive, LLC and its 100% interest in Magna Exteriors & Interiors (Suzhou) Co. Ltd., Administration de Toluca Interiors, S.A. de C.V., Intier Automotive Interiors de Mexico, S.A. de C.V., Intier Automotive Interiors de Saltillo S.A. de C.V.;
- references to “Mercosur” are to Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela, collectively;
- references to “MPV” are to multi-purpose vehicle;
- references to “North America” and “NAFTA” are to the US, Canada and Mexico, collectively;
- references to “OEM” are to original equipment manufacturer;
- references to “R$” are to the currency of Brazil;
- references to “R&D” are to research and development;
- references to “RMB” are to the currency of China;
- references to the “Target Business” are to the Magna Subsidiaries, interests in the Magna JVs and other assets and properties of Magna that are being purchased pursuant to the terms and conditions of the sale and purchase agreement dated as of April 16, 2015, by and among certain of Magna’s subsidiaries listed therein and the Company;
- references to “Target Business Financial Statements” are defined in “Presentation of Financial and Other Data—Financial Information and Operational Data—Target Business Financial Information”;
- references to “TCO” are to technical-commercial offices;
- references to “UK” are to the United Kingdom;
- references to “US”, “U.S.” and “United States” are to the United States of America;
- references to “US$”, “dollar(s)” and “$” are to the currency of the United States of America;
- references to “U.S. GAAP” are to the generally accepted accounting principles in the United States of America; and
- references to “Western Europe” are to Austria, Belgium, Finland, France, Germany, Italy, the Netherlands, Portugal, Spain, Sweden, Switzerland and the United Kingdom, collectively.

FORWARD LOOKING STATEMENTS

Except for historical information contained herein, statements contained in this document may constitute "forward looking statements" within the meaning of the US Private Securities Litigation Reform Act of 1995.

The words "believe", "anticipate", "expect", "predict", "continue", "intend", "estimate", "plan", "aim", "assume", "positioned", "will", "may", "should", "shall", "risk", "probable" and other similar expressions, which are predictions or indications of future events and future trends, which do not relate to historical matters, identify forward looking statements. This document includes forward looking statements relating to our potential exposure to various types of market risks, such as credit risk, interest rate risk, exchange rate risk and commodity price risk. You should not rely on forward looking statements because they involve known and unknown risks, uncertainties and other factors which are in some cases beyond our control and may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward looking statements (and from past results, performance or achievements). Certain factors that may cause such differences include but are not limited to:

- increased or more pronounced cyclicality in the automobile industry;
- our susceptibility to economic trends, and the impact of adverse economic conditions on our customers or suppliers;
- the loss of customers or loss of market share by our customers and/or the inability to realize revenues;
- our inability to realize revenues from our awarded business or the termination or non-renewal of purchase orders by our customers;
- disruptions in the automotive supply chain and fluctuations in the prices of materials;
- our and our customers' inability to obtain sufficient capital financing and credit insurance;
- increased competition and/or shifts in market share among, and demand for certain vehicles and products;
- our inability to offset price concessions or additional costs from our customers;
- our costs in relation to construction, maintenance and downsizing, closing or the sale of plants, including mechanical failures, equipment shutdowns, technological breakdowns and interruptions to the supply of utilities;
- our operations may require increased capital expenditure that will consume cash;
- integration and consolidation risks associated with acquisitions and difficulties in connection with program launches, including risks in relation to growth with APAC automotive customers;
- mechanical failures, equipment shutdowns and technological breakdowns;
- returns on investments, potential future acquisitions and divestitures and with our joint ventures, certain of which we do not control;
- impairment of deferred tax assets, goodwill and/or risks related to hedging and other derivative arrangements;

- our international operations, including in relation to compliance with anti-corruption laws, regulations and economic sanctions programs;
- foreign exchange rate fluctuations and hedging and other derivative arrangements as well as risks associated with tax liability in the jurisdictions in which we operate;
- loss of key executives, availability of labor and workforce utilization efficiency, including work stoppages and other labor problems;
- unrealized expectations on our investment strategies and a shift away from technologies in which we invest;
- interruptions in operations at our facilities, including explosions, fires or any other accidents or acts of God;
- legal, regulatory, environmental, insurance, product liability, taxation, intellectual property and/or health and safety issues and/or changes;
- climate change, natural disasters, terrorist attacks and/or other acts of violence, war or political changes;
- restrictions on the transfer of funds;
- other risks and uncertainties inherent in our business and the world economy; and
- risks associated with the Acquisition.

For a more detailed discussion of these factors, see "Risk Factors", "Operating and Financial Review and Prospects—Target Business", "Business" and "The Target Business" included elsewhere in this document. You are cautioned not to place undue reliance on these forward looking statements. These forward looking statements are made as of the date of this document and are not intended to give any assurance as to future results. We undertake no obligation to, and do not intend to, publicly update or revise any of these forward looking statements, whether to reflect new information or future events or circumstances or otherwise.

This document has been prepared for information and background purposes only. It does not constitute or form part of, and should not be construed as, an offer or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company or any member of its group nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company or any member of its group or with any other contract or commitment whatsoever.

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial Information and Operational Data

Company Historical Financial Information

This document includes (i) our audited consolidated historical financial information as of and for the years ended December 31, 2014, 2013 and 2012 and (ii) our unaudited condensed consolidated interim financial information as of and for the three months ended March 31, 2015. Other unaudited financial data is included which is derived from our accounting records.

In order to compare our financial results for periods from January 1, 2014 with prior periods, we present in this document, solely for informational purposes, certain reclassified financial information as of and for the year ended December 31, 2013 after giving effect to IFRS 11. All financial information presented as of and for year ended December 31, 2014 has been presented giving effect to the adoption of IFRS 11.

Please see our investor website for (i) our audited consolidated historical financial statements as of and for the years ended December 31, 2014, 2013 and 2012 and (ii) our unaudited condensed consolidated interim financial information as of and for the three months ended March 31, 2015.

Target Business Financial Information

This document includes (i) the audited combined financial information of the Target Business as of and for the years ended December 31, 2014 and 2013 and (ii) unaudited combined financial information of the Target Business as of and for the three months ended March 31, 2015 and for the three months ended March 31, 2014. Other unaudited financial data is included, which is derived from the accounting records of the Target Business.

Because the financial information of the Target Business presented in this document is derived from combined financial statements prepared and presented in accordance with U.S. GAAP, it is not directly comparable with the financial information presented with respect to the Company, which was prepared in accordance with IFRS. There could be significant differences between U.S. GAAP and IFRS, some of which may be material to the financial information of the Target Business and the Company included herein.

A reconciliation of the Target Business' combined financial statements from U.S. GAAP to IFRS as adopted by the European Union has not been prepared. Had such a reconciliation been prepared, potentially significant accounting and disclosure differences may have resulted. Please note that adjustments made in the Unaudited Pro Forma Condensed Financial Information are not a full reconciliation between U.S. GAAP and IFRS.

Pro Forma Financial Information

We also present in this document unaudited *pro forma* condensed financial information of the Company for the year ended December 31, 2014, as of and for the three months ended March 31, 2015 and for the twelve months ended March 31, 2015, giving *pro forma* effect to the Acquisition (the "Unaudited Pro Forma Condensed Financial Information").

The Unaudited Pro Forma Condensed Financial Information has been derived from, and should be read in conjunction with:

(i) the unaudited combined financial statements of the Target Business as of and for the three months ended March 31, 2015 and for the three months ended March 31, 2014 prepared in accordance with U.S. GAAP, included elsewhere in this document;

(ii) the audited combined financial statements of the Target Business as of and for the years ended December 31, 2014 and 2013, prepared in accordance with U.S. GAAP, included elsewhere in this document;

(iii) the unaudited condensed consolidated interim financial information of the Company as of and for the three months ended March 31, 2015, including comparative financial information as of and for the three months ended March 31, 2014, included elsewhere in this document; and

(iv) the audited consolidated historical financial information of the Company as of and for the years ended December 31, 2014, 2013 and 2012 prepared in accordance with IFRS as adopted by the EU, included elsewhere in this document.

We have included the Unaudited Pro Forma Condensed Financial Information to illustrate the following, on a pro forma basis: (a) the impact in our balance sheet as of March 31, 2015 of the Acquisition as if it had occurred on March 31, 2015 and (b) the impact in our income statements for the year ended December 31, 2014, for the last twelve-months ended March 31, 2015 and for the three-month period ended March 31, 2015, of the Acquisition as if it had occurred on January 1, 2014.

The *pro forma* and further adjustments and their underlying assumptions are described in the notes accompanying the Unaudited Pro Forma Condensed Financial Information.

The Unaudited Pro Forma Condensed Financial Information is presented for illustrative purposes only and reflects estimates and certain assumptions made by our management that are considered reasonable under the circumstances as of the date of this document and which are based on the information available at the time of the preparation of the Unaudited Pro Forma Condensed Financial Information. Actual adjustments may differ materially from the information presented herein. The Unaudited Pro Forma Condensed Financial Information does not purport to represent what our income statement and balance sheet would have been if the Acquisition had occurred on the dates indicated and is not intended to project our consolidated results of operations or consolidated financial position for any future period or date.

Non-GAAP Financial Information

We have included in this document certain financial measures that are not presented in accordance with, IFRS or U.S. GAAP. As used in this document, the following terms have the following meanings:

For the Company:

- "EBITDA" represents our profit for the period from continuing operations after adding back depreciation and amortization expense.

For the Target Business:

- "Target EBITDA" represents income(loss) for the period from operations before income taxes after adding back interest expense, net, depreciation and amortization and impairment of long-lived assets.
- "Target Adjusted EBITDA" represents Target EBITDA before certain one-time costs relating to tooling design issues, inventory and other issues, plant relocation and other issues and restructuring costs.

For the Company and the Target Business combined:

- "*Pro forma* EBITDA" represents net profit/(loss) for the period from continuing operations (EBIT) before depreciation and amortization expense. Amounts have been converted from US$ to euro applying an average exchange rate for the period of US$1.269 per €1.00.

- "*Pro forma* Adjusted EBITDA" represents *pro forma* EBITDA before certain one-time costs relating to tooling design issues, inventory and other issues, plant relocation and other issues and restructuring costs. Amounts have been converted from US$ to euro applying an average exchange rate for the period of US$1.269 per €1.00.

You should not consider EBITDA, Target EBITDA, Target Adjusted EBITDA, *pro forma* EBITDA, *pro forma* Adjusted EBITDA or any other non-IFRS or financial measures presented herein, as alternatives to measures of financial performance determined in accordance with generally accepted accounting principles, such as net income, as a measure of operating results or cash flow as a measure of liquidity. EBITDA, Target EBITDA, Target Adjusted EBITDA, *pro forma* EBITDA and *pro forma* Adjusted EBITDA are not measures of financial performance under IFRS. Our computation of the foregoing measures and other non-IFRS financial measures may not be comparable to similarly titled measures of other companies.

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

Industry data

In this document, we rely on and refer to information regarding our business and the market in which we operate and compete. We have obtained this information from various third party sources, including providers of industry data, discussions with our customers and our own internal estimates. While we believe that industry publications, surveys and forecasts are reliable, they have not been independently verified, and we do not make any representation or warranty as to the accuracy or completeness of such information set forth in this document.

In drafting this document, we used industry sources, including reports prepared by LMC Automotive.

Target Business Data

In this document, we refer to information regarding the Target Business. We have obtained this information from various third party sources, including our discussions with the Target Business. While we believe that such information is reliable, certain information has not been independently verified, we do not make any representation or warranty as to the accuracy or completeness of such information set forth in this document.

Additionally, Magna International Inc., its affiliates and their respective representatives (collectively, the "Magna Parties") make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this document and none of the Magna Parties shall have any responsibility for the content of this document.

SELECTED FINANCIAL AND OTHER INFORMATION

The following tables set forth the selected financial data and other data of the Company and the Target Business for the periods ended and as of the dates indicated below. The historical financial data presented in the following tables do not reflect changes as a result of the Acquisition. For a detailed discussion of the presentation of financial data, see "Presentation of Financial and Other Data".

Company Historical Financial Data

The following tables show selected financial data for the Company on a consolidated basis for the periods indicated.

	Year ended December 31,				Three months ended March 31,	
	2012	2013	2013 (Restated)[(1)]	2014	2014	2015
	(in millions of €)					
Consolidated Income Statement Data:						
Revenue	2,087.0	2,128.2	2,084.7	2,225.4	556.1	668.4
Changes in inventories of finished goods and work in progress	8.3	3.4	4.2	6.3	2.6	2.8
Capital grants and other grants taken to income	2.2	1.3	1.3	1.2	0.1	0.2
Other operating income	63.2	64.7	63.3	66.6	13.9	25.2
Total operating income	**2,160.7**	**2,197.6**	**2,153.5**	**2,299.5**	**572.7**	**696.6**
Supplies	(1,286.9)	(1,325.3)	(1,312.7)	(1,375.2)	(343.9)	(409.6)
Staff costs	(386.7)	(398.5)	(387.9)	(394.1)	(96.6)	(106.3)
Depreciation and amortization expense	(108.5)	(102.2)	(97.9)	(91.6)	(22.8)	(23.7)
Change in trade provisions	(1.1)	(0.2)	0.0	(0.3)	0.0	(0.0)
Other operating expenses	(298.0)	(286.5)	(279.2)	(317.1)	(75.5)	(91.6)
Less-own work capitalized	36.2	51.2	51.2	54.2	11.4	10.8
Profit for the period from continuing operations	**115.8**	**136.1**	**127.1**	**175.4**	**45.3**	**76.2**
Finance income	6.8	5.1	5.1	1.5	0.5	0.3
Finance costs	(39.0)	(36.3)	(35.7)	(43.5)	(11.2)	(10.2)
Net fair value gain/(loss) on financial instruments	(4.1)	(4.7)	(4.7)	1.4	(0.9)	0.8
Exchange differences	5.8	(3.5)	(3.4)	(2.4)	(1.4)	(0.0)
Impairment and gains/(losses) on disposal of financial instruments	0.6	13.3	13.3	—	—	—
Net finance income/(cost)	**(29.9)**	**(26.2)**	**(25.5)**	**(43.0)**	**(13.0)**	**(9.1)**
Net impairment losses on non-current assets	(10.0)	(7.1)	(7.3)	(7.3)	0.0	0.1
Gain/(loss) on disposals of non-current assets	(1.7)	(0.7)	(0.7)	(0.5)	(0.0)	(0.0)
Profit of companies accounted for using the equity method	2.7	1.5	5.7	9.6	2.1	4.0
Impairment and gains (losses) on the loss of significant influence over investees accounted for using equity method	—	—	—	(0.1)	—	—
Profit before tax	**76.9**	**103.5**	**99.2**	**134.1**	**34.5**	**71.2**
Corporate income tax	(27.6)	(37.0)	(35.7)	(44.5)	(11.4)	(24.3)
Consolidated profit for the period	**49.3**	**66.6**	**63.5**	**89.7**	**23.1**	**46.9**
Attributable to non-controlling interests	(7.7)	(10.7)	(7.6)	(8.2)	(1.6)	(7.3)
Attributable to shareholders of the Company	**41.6**	**55.9**	**55.9**	**81.5**	**21.4**	**39.6**

(1) In order to compare our financial results for periods from January 1, 2014 with prior periods, we have presented in this document, solely for informational purposes, certain reclassified financial information as of and for the year ended December 31, 2013 after giving effect to IFRS 11.

	As of December 31,				As of March 31, 2015
	2012	2013	2013 (Restated)[1]	2014	
	(in millions of €)				
Consolidated Statement of Financial Position:					
Non-current assets:					
Intangible assets	194.6	199.4	198.5	214.5	224.7
Property, plant and equipment	448.5	428.6	399.7	431.4	442.3
Other non-current assets[2]	135.3	108.8	126.0	132.4	141.2
Total non-current assets	**778.5**	**736.8**	**724.3**	**778.2**	**808.2**
Current assets:					
Inventories	242.9	262.8	266.5	368.3	412.1
Trade and other receivables	241.0	237.4	203.5	458.9	536.6
Cash and bank balances	210.4	170.5	163.6	154.2	177.0
Other current assets[3]	8.1	3.8	1.4	7.7	8.1
Total current assets	**702.4**	**674.5**	**635.0**	**989.1**	**1,133.8**
Total assets	**1,480.9**	**1,411.3**	**1,359.2**	**1,767.3**	**1,942.0**
Total net equity	**347.7**	**238.5**	**217.6**	**313.6**	**395.5**
Non-current liabilities:					
Bank borrowings and debentures or other marketable securities	386.6	487.5	485.1	655.9	646.7
Other non-current liabilities[4]	110.3	100.4	99.5	101.0	100.3
Total non-current liabilities	**497.0**	**587.9**	**584.5**	**756.9**	**747.0**
Current liabilities:					
Bank borrowings and debentures or other marketable securities	120.1	54.2	48.9	36.6	41.4
Trade and other payables	400.8	421.7	402.3	536.8	622.0
Other current liabilities[5]	115.4	109.0	105.9	123.4	136.2
Total current liabilities	**636.3**	**584.9**	**557.1**	**696.8**	**799.5**
Total equity and liabilities	**1,480.9**	**1,411.3**	**1,359.2**	**1,767.3**	**1,942.0**

(1) In order to compare our financial results for periods from January 1, 2014 with the period ended December 31, 2013, we have presented in this document, solely for informational purposes, certain reclassified financial information as of and for the year ended December 31, 2013 after giving effect to IFRS 11.

(2) Other non-current assets comprises investment property, investment in companies accounted for using the equity method, non-current financial assets and deferred tax assets (and goodwill as of March 31, 2015).

(3) Other current assets comprises non-current assets held for sale and other current financial assets.

(4) Other non-current liabilities comprises grants, non-current provisions, derivatives, other financial liabilities and deferred tax liabilities.

(5) Other current liabilities comprises short term debt owed to associated companies, other financial liabilities, taxes and social security contributions refundable, current tax liabilities, current provisions and other current liabilities.

	Year ended December 31,				Three months ended March 31,	
	2012	2013	2013 (Restated)[(1)]	2014	2014	2015
			(in millions of €)			
Consolidated Cash Flow Information:						
Consolidated profit for the period before tax	76.9	103.5	99.2	134.1	34.5	71.2
Corporate income tax paid	(25.9)	(33.7)	(32.5)	(34.1)	(7.8)	(6.3)
Depreciation and amortization expenses	108.3	102.2	97.9	91.6	22.8	23.7
Finance income and expense[(2)]	29.9	26.2	25.5	43.0	12.2	9.8
(Increase)/decrease in working capital[(3)]	15.4	(4.2)	(1.8)	(205.8)	(223.4)	(43.3)
Other cash generated by/(used in) operating activities[(4)]	2.3	2.0	(11.2)	0.1	0.5	13.2
Net cash generated by/(used in) operating activities	**206.9**	**196.0**	**177.2**	**28.9**	**(161.3)**	**68.3**
Property, plant and equipment	(82.6)	(76.8)	(72.3)	(85.9)	13.5	(17.4)
Intangible assets	(38.3)	(43.6)	(43.3)	(57.6)	15.6	(13.6)
Group and associated companies	(70.4)	(3.3)	(3.3)	(1.3)	—	—
Other cash generated by/(used in) investing activities[(5)]	10.5	29.6	44.2	1.5	4.3	0.1
Net cash generated by/(used in) investing activities	**(180.9)**	**(94.0)**	**(74.7)**	**(143.3)**	**(24.8)**	**(30.8)**
Net cash generated by/(used in) financing activities	(5.5)	(142.0)	(137.3)	105.0	153.4	(14.6)
Net increase/(decrease) in cash and bank balances	**20.5**	**(39.9)**	**(34.8)**	**(9.5)**	**(32.7)**	**22.8**

(1) In order to compare our financial results for periods from January 1, 2014 with the period ended December 31, 2013, we have presented in this document, solely for informational purposes, certain reclassified financial information as of and for the year ended December 31, 2013 after giving effect to IFRS 11.

(2) For the purposes of consistency with the figures shown in earlier periods, finance income and expense for the years ended December 31, 2013, 2013 (Restated) and 2014 includes €4.7 million and negative €1.4 million of net fair value gain on financial instruments, respectively, and for the three months ended March 31, 2014 and 2015 it includes €0.1 million and negative 0.1 million, respectively.

(3) (Increase)/decrease in working capital includes any increases or decreases in trade and other receivables, inventories, other current assets, trade and other payables and other current liabilities.

(4) Other cash generated by/(used in) operating activities include allocation to/(reversal of) current provisions, allocation to/(reversal of) non-current provisions, capital grants and other grants taken to income, net impairment loss on non-current assets, gain/(loss) on disposal of non-current assets, net fair value gain/(loss) on financial instruments (for 2012 only), profit of companies accounted for using the equity method, capital grants received/(repaid), payments of provisions and unrealized exchange differences and other items.

(5) Other cash generated by/(used in) investing activities includes non-current financial assets, dividends received from investments, group companies, joint ventures and associates, as well as cash generated by the disposal of property, plant and equipment, non-current financial assets, current financial assets and non-current assets held for sale.

Selected Segmental Information of the Company

The following table shows selected financial information on a segmental basis for the periods indicated.

	Year ended December 31,				Three months ended March 31,	
	2012	**2013**	**2013 (Restated)[1]**	**2014**	**2014**	**2015**
	(in millions of €, except for percentages)					
Revenue						
Headliners	1,052.3	1,084.5	1,170.3	1,210.4	302.4	366.0
Doors	735.1	727.1	597.7	644.1	156.2	202.2
Seating	181.3	185.6	185.6	205.0	57.4	53.0
Lighting	117.0	130.3	130.3	164.9	40.0	46.8
Other[2]	1.2	0.7	0.7	1.0	0.0	0.4
Total	**2,087.0**	**2,128.2**	**2,084.7**	**2,225.4**	**556.1**	**668.4**
EBITDA						
Headliners	93.0	103.8	108.4	116.2	29.0	51.4
Doors	86.2	94.7	76.9	92.1	21.6	31.2
Seating	22.4	19.6	19.6	27.7	8.1	7.7
Lighting	16.0	20.8	20.8	28.8	7.6	6.8
Other[2]	6.7	(0.6)	(0.6)	2.2	1.7	2.9
Total	**224.3**	**238.2**	**225.0**	**267.0**	**68.1**	**99.9**
EBITDA Margin						
Headliners	8.8%	9.6%	9.3%	9.6%	9.6%	14.0%
Doors	11.7%	13.0%	12.9%	14.3%	13.8%	15.4%
Seating	12.4%	10.6%	10.6%	13.5%	14.1%	14.5%
Lighting	13.7%	16.0%	16.0%	17.5%	19.0%	14.5%
Total	**10.7%**	**11.2%**	**10.8%**	**12.1%**	**11.9%**	**14.5%**
Operating Income						
Headliners	55.8	68.7	72.9	81.9	20.6	42.4
Doors	41.0	52.0	38.7	58.9	13.2	22.8
Seating	9.0	8.6	8.6	17.8	5.7	5.2
Lighting	11.6	15.0	15.0	21.4	5.6	4.5
Other[1]	(1.6)	(8.3)	(8.3)	(4.7)	0.2	1.3
Total	**115.8**	**136.1**	**127.1**	**175.4**	**45.3**	**76.2**

(1) In order to compare our financial results for periods from January 1, 2014 with the period ended December 31, 2013, we have presented in this document, solely for informational purposes, certain reclassified financial information as of and for the year ended December 31, 2013 after giving effect to IFRS 11.

(2) Other is not a primary business segment and its operations support our primary business segments, it is included here for the purposes of reconciliation and we do not consider it material. Other includes a wide range of results generated mainly in Grupo Antolín-Ingeniería, S.A.U, technical-commercial offices and consolidated pricing adjustments.

Target Business Historical Financial Data

	Year ended December 31,		Three months ended March 31,	
	2013	2014	2014	2015
	(in millions of US$)			
Combined Statements of Income (Loss):				
Sales	**2,467**	**2,406**	**553**	**586**
Cost of goods sold	(2,293)	(2,319)	(531)	(543)
Depreciation and amortization	(43)	(44)	(10)	(11)
Selling, general and administrative	(91)	(92)	(23)	(26)
Interest expense, net	(6)	(4)	(2)	(1)
Equity income	5	9	2	3
Impairment of long-lived assets	—	(18)	—	—
Income (loss) from operations before income taxes	39	(62)	(11)	8
Income taxes	(24)	(37)	(2)	(7)
Net income (loss) attributable to Magna Interiors Group	**15**	**(99)**	**(13)**	**1**
Other comprehensive income (loss), net of tax:				
Net unrealized gain (loss) on translation of net investment in foreign operations	9	(33)	1	(26)
Net unrealized loss on cash flow hedges	(1)	(2)	—	(2)
Pension and post-retirement benefits	—	—	—	(1)
Reclassification of net gain on cash flow hedges to net income (loss)	(3)	(2)	(1)	—
Other comprehensive income (loss)	**5**	**(37)**	**—**	**(29)**
Comprehensive income (loss)	**20**	**(136)**	**(13)**	**(28)**

The following table presents the calculation of Target EBITDA and Target Adjusted EBITDA:

	Year ended December 31,		Twelve months ended March 31,
	2013	2014	2015
	(in millions of US$)		
Income (loss) from operations before taxes	**39**	**(62)**	**(43)**
Adjusted for:			
Impairment of long-lived assets	—	18	18
Interest expense, net	6	4	3
Depreciation and amortization	43	44	45
Target EBITDA[(a)]	**88**	**4**	**23**
Adjusted for:			
Tooling design issues[(b)]	—	36	34
Inventory and other[(c)]	—	7	7
Plant relocation and other issues[(d)]	—	7	4
Restructuring costs[(e)]	2	—	—
Target Adjusted EBITDA[(f)]	**90**	**54**	**68**

(a) "Target EBITDA" does not adjust for equity income and does not reflect all ongoing central administrative and management costs related to operating the Target Business on a stand-alone basis. As indicated in Note 16 to the audited combined financial statements of the Target Business presented in this document, historically Magna has provided certain management and administrative services to the Target Business. Only a portion of these costs have been reflected in the Target Financial Statements. We estimate ongoing additional central costs related to our management of the Target Business after the Acquisition, will amount to an additional €25 million per year above what is currently reflected in those financial statements.

(b) “Tooling design issues” relate to a number of one-time costs incurred in the Target Business’ plants in the United Kingdom in 2014 related to tooling design and build errors. The one-time costs included (i) the purchase of new tools and tooling modifications, including additional design and development costs, and (ii) certain costs related to labor and logistics.

(c) “Inventory and other” relates to unusual charges in a plant in the United States. These unusual items consist primarily of a write-off for obsolete inventory, expedited freight charges, and increased engineering and other validation costs.

(d) “Plant relocation and other” relates to costs, which were incurred in Mexico, relate to (i) costs of moving production from one facility to another which resulted in a number of operational inefficiencies, and (ii) capacity and timing issues related to customer production requirements which led to increased labor costs.

(e) “Restructuring costs” relates to a restructuring plan carried out in the year ended December 31, 2013 in two plants in Europe.

(f) “Target Adjusted EBITDA” does not include $47 million and $40 million for the year ended December 31, 2014 and the twelve months ended March 31, 2015, respectively, which have not been added to Target Adjusted EBITDA and which represent certain launch cost adjustments in certain of the Target Business’ plants located in the United Kingdom, United States and Mexico and which we believe are non-recurring and exceptional in nature. The launch cost overruns primarily relate to material scrap and labor costs to repair tools that were not working properly, and the hiring of additional external consultants to assist in capacity issues in certain of the Target Business’ plants in the United States and the United Kingdom. We have estimated these launch costs by subtracting from the actual amounts incurred in connection with the launch of these projects, from the corresponding amounts originally budgeted by the Target Business. While we believe that these launch cost overruns are exceptional and non-recurring in nature, these amounts may include costs and expenses in excess of budgeted amounts which are related to the launch of projects and therefore may be recurring in nature. We caution that these amounts are based on our management’s estimations.

	As of December 31,		As of March 31,
	2013	2014	2015
	(in millions of US$)		
Combined Balance Sheets:			
Assets:			
Cash and cash equivalents	3	2	30
Accounts receivable	364	349	403
Inventories	185	243	229
Income tax receivables	—	1	—
Deferred tax assets	11	11	17
Prepaid expenses and other	13	10	11
Current assets	**576**	**616**	**690**
Investments	37	41	41
Fixed assets, net	254	263	251
Goodwill	13	12	12
Deferred tax assets	22	9	11
Other assets	41	26	23
Total Assets	**943**	**967**	**1,028**
Liabilities and Equity:			
Bank indebtedness	1	—	4
Accounts payable	354	375	390
Accrued salaries and wages	39	43	52
Other accrued liabilities	106	98	105
Income taxes payable	5	—	4
Deferred tax liabilities	2	1	1
Current liabilities	**507**	**517**	**556**
Long term employee benefit liabilities	20	20	19
Other long-term liabilities	13	10	11
Deferred tax liabilities	7	7	9
Total Liabilities	**547**	**554**	**595**
Magna's net investment	318	372	421
Accumulated other comprehensive income	78	41	12
Equity	**396**	**413**	**433**
Total Liabilities and Equity	**943**	**967**	**1,028**

	Year ended December 31,		Three months ended March 31,	
	2013	2014	2014	2015
	(in millions of US$)			
Combined Statements of Cash Flows:				
Operating activities				
Net income	15	(99)	(13)	1
Items not involving current cash flows	56	90	7	9
Changes in operating assets and liabilities	(13)	(37)	(16)	(8)
Cash provided from (used for) operating activities	**58**	**(46)**	**(22)**	**2**
Investment activities				
Fixed asset additions	(77)	(91)	(13)	(14)
Increase in investments and other assets	(15)	(10)	(1)	(1)
Proceeds from disposition	1	4	3	1
Cash used for investment activities	**(91)**	**(97)**	**(11)**	**(14)**
Financing activities				
(Decrease) increase in bank indebtedness	(2)	(1)	(1)	3
Change in Magna's net investment	36	140	32	39
Cash provided from financing activities	**34**	**139**	**31**	**42**
Effect of exchange rate changes on cash and cash equivalents	1	3	—	(2)
Net increase (decrease) in cash and cash equivalents during the period	**2**	**(1)**	**(2)**	**28**
Cash and cash equivalents, beginning of the period	1	3	3	2
Cash and cash equivalents, end of period	**3**	**2**	**1**	**30**

Unaudited Pro Forma Condensed Financial Information

In connection with the Acquisition, the Company has prepared unaudited *pro forma* condensed financial information which includes a *pro forma* condensed balance sheet as of March 31, 2015, as well as *pro forma* condensed income statements for the three months ended March 31, 2015, the twelve months ended March 31, 2015, and for the year ended December 31, 2014 (the "Unaudited Pro Forma Condensed Financial Information"). The Unaudited Pro Forma Condensed Financial Information has been prepared to give *pro forma* effect to the Transaction. The explanatory notes to the Unaudited Pro Forma Condensed Financial Information includes an explanation of the basis of preparation. See "Unaudited Pro Forma Condensed Financial Information" on page P-1 of this document and "Presentation of Financial and Other Data".

See “Unaudited Pro Forma Condensed Financial Information” on P-1 of this document for a description of the adjustments presented below.

	Twelve months ended March 31, 2015						
	Grupo Antolin[(1)]	**Target Business[(2)]**	**Full Consolidation of Certain Companies[(3)]**	**Capitalisation of Development Expenses[(4)]**	**Pro Forma Adjustments for the Transaction[(5)]**	**Adjustment of Elimination of Transaction Costs[(6)]**	**Pro Forma Income Statement[(7)]**
				(in millions of €)			
Unaudited Pro Forma Combined Income Statement:							
Continuing operations:						**—**	
Revenue	2,337.7	1,748.5	130.6	—	—	—	4,216.8
Other operating income (included Capital grants and other grants taken to income)	79.2	67.0	4.9	—	—	—	151.1
Supplies (included Changes in inventories of finished goods and work in progress)	(1,434.4)	(1,155.9)	(94.8)	—	—	—	(2,685.1)
Staff costs	(403.8)	(366.4)	(11.3)	—	—	—	(781.5)
Depreciation and amortization expense	(92.4)	(52.8)	(4.0)	(2.8)	—	—	(152.0)
Change in trade provisions	(0.4)	—	—	—	—	—	(0.4)
Other operating expenses	(333.1)	(267.1)	(12.9)	—	—	0.7	(612.5)
Less—Own work capitalised	53.6	—	—	5.4	—	—	59.0
Profit/(loss) for the period from continuing operations	**206.3**	**(26.8)**	**12.4**	**2.7**	**—**	**0.7**	**195.3**
Finance income	1.3	—	—	—	—	—	1.3
Finance costs	(42.5)	(2.4)	(1.1)	—	(23.2)	—	(69.2)
Net fair value gain/(loss) on financial instruments	3.1	—	—	—	—	—	3.1
Exchange differences	(1.0)	1.6	0.9	—	—	—	1.4
Net finance income	**(39.1)**	**(0.8)**	**(0.2)**	**—**	**(23.2)**	**—**	**(63.4)**
Net impairment loss on non-current assets	(7.4)	(14.2)	—	—	—	—	(21.6)
Gain/(loss) on disposal of non-current assets	(0.4)	—	—	—	—	—	(0.4)
Profit of companies accounted for using the equity method	11.5	7.9	(5.0)	—	—	—	14.4
Impairment and gains/(losses) on the loss of significant influence over investees accounted for using the equity method	(0.1)	—	—	—	—	—	(144)
Profit/(loss) before tax	**170.8**	**(33.9)**	**(7.1)**	**2.7**	**(23.2)**	**0.7**	**124.2**
Corporate income tax	(57.3)	(33.1)	(2.1)	(0.8)	7.0	(0.2)	(86.5)
Net profit/(loss) for the period from continuing operations	**113.5**	**(67.0)**	**5.1**	**1.9**	**(16.2)**	**0.5**	**37,7**
Profit after tax for the year from discontinued operations	—	—	—	—	—	—	—
Profit/(loss) for the year	**113.5**	**(67.0)**	**5.1**	**1.9**	**(16.2)**	**0.5**	**37.7**
(Profit) attributable to non-controlling interests	(13.8)		(5.1)	—	—	—	(18.9)
Profit/(Loss) attributable to the parent company	99.6	(67.0)	—	1.9	(16.2)	0.5	18.8

(1) This column is derived from adding the consolidated financial data of the Company for the year ended December 31, 2014 to the condensed consolidated financial data of the Company for the three months ended March 31, 2015 and subtracting the condensed

consolidated financial data of the Company for the three months ended March 31, 2014. The unaudited consolidated financial information for the twelve months ended March 31, 2015 has been prepared for illustrative purposes only.

(2) This column is derived from adding the combined financial data of the Target Business for the year ended December 31, 2014 to the combined financial data of the Target Business for the three months ended March 31, 2015 and subtracting the combined financial data of the Target Business for the three months ended March 31, 2014. The unaudited combined financial information for the twelve months ended March 31, 2015 has been prepared for illustrative purposes only. This data then reflects further adjustments and reclassifications to amend the presentation of the income statement to the presentation of the income statements of the Company. The income statement items have been translated to euros using the average rates for the period of 1.269 US Dollar per Euro. See note 4 to the Unaudited Pro Forma Condensed Financial Information.

(3) Historically certain of the Target Business' joint ventures have been accounted for using the equity method of accounting in accordance with U.S. GAAP. The column reflects adjustments necessary to reflect these entities as "fully consolidated companies" in conformity the presentation in the Company's Consolidated Financial Statements. See note 6.1 to the Unaudited Pro Forma Condensed Financial Information.

(4) Adjustment to reflect the capitalization of certain development expenses of projects incurred by the Target Business in conformity with the presentation of such expenses presentation in the Company's Consolidated Financial Statements. See note 6.2 to the Unaudited Pro Forma Condensed Financial Information.

(5) Adjustments reflect the net additional interest expense resulting from the Acquisition, together with the associated tax impact. See note 6.3 to the Unaudited Pro Forma Condensed Financial Information.

(6) No transaction costs related to the acquisition of the Target Business have been recognized in the Unaudited Pro Forma Condensed Financial Information and this adjustment reflects the elimination of transaction costs related to the acquisition of the Target Business incurred by the Company in the three-month period ended March 31, 2015.

	As of March 31, 2015				
	Grupo Antolin	**Target Business[(1)]**	**Full consolidation of certain companies[(2)]**	**Allocation of the Purchase Price and Financing[(3)]**	**Pro Forma Balance Sheet[(5)]**
			(in millions of €)		
Unaudited Condensed Balance Sheet:					
NON-CURRENT ASSETS:					
Intangible assets	224.7	27.9	—	171.1	423.8
Goodwill	53.4	11.2	—	147.2	211.7
Other intangible assets	171.4	16.7	—	23.9	212.1
Property, plant and equipment	442.3	237.0	31.4	—	710.7
Investment property	4.7	—	—	—	4.7
Investments in companies accounted for using the equity method	52.9	37.2	(31.1)	1.1	60.1
Non-current financial assets	4.9	1.9	—	—	6.7
Deferred tax assets	78.7	26.0	—	—	104.8
Non-current assets	**808.3**	**330.0**	**0.3**	**172.3**	**1,310.8**
CURRENT ASSETS:					
Non-current assets held for sale	6.9	—	—	—	6.9
Inventories	412.1	246.3	21.0	—	679.4
Trade and other receivables	536.6	384.8	32.2	—	953.6
Other current financial assets	1.1	—	—	—	1.1
Cash and bank balances	177.0	27.9	18.8	145.1	368.9
Total current assets	1,133.8	659.0	72.0	145.1	2,009.9
TOTAL ASSETS	**1,942.0**	**988.9**	**72.3**	**317.4**	**3,320.7**
EQUITY:					
Capital, reserves and P/L	362.6	391.3	—	(391.3)	362.6
Adjustments for changes in value	(1.7)	11.2	—	(11.2)	(1.7)
Net equity attributable to the parent company	360.9	402.5	—	(402.5)	360.9
NON-CONTROLLING INTERESTS	**34.6**	**—**	**15.6**	**—**	**50.2**
Total net equity	**395.5**	**402.5**	**15.6**	**(402.5)**	**411.1**
NON-CURRENT LIABILITIES:					
Grants	**5.7**	**—**	**—**	**—**	**5.7**
Non-current provisions	**29.7**	**17.7**	**—**	**—**	**47.3**
Non-current financial liabilities	**691.0**	**10.2**	**—**	**600.0**	**1,301.2**
Bank loans, debentures and other marketable securities	646.7	—	—	600.0	1,246.7
Derivatives	6.3	—	—	—	6.3
Other financial liabilities	38.0	10.2	—	—	48.2
Deferred tax liabilities	20.7	9.3	—	7.2	37.1
Total non-current liabilities	**747.0**	**37.2**	**—**	**607.2**	**1,391.4**
CURRENT LIABILITIES:					
Current provisions	**0.9**	**77.2**	**—**	**—**	**78.0**
Current financial liabilities	**51.7**	**3.7**	**15.0**	**112.7**	**183.0**
Bank loans, debentures and other marketable securities	41.4	3.7	—	—	45.1
Other financial liabilities	10.3	—	15.0	112.7	137.9
Trade and other payables	**700.4**	**439.6**	**41.8**	**—**	**1,181.8**
Other current liabilities	**46.5**	**28.8**	**—**	**—**	**75.3**
Total current liabilities	**799.5**	**549.3**	**56.7**	**112.7**	**1,518.2**
TOTAL EQUITY AND LIABILITIES	**1,942.0**	**988.9**	**72.3**	**317.4**	**3,320.7**

(1) This column is derived from the Target Financial Statements as of March 31, 2015. This data then reflects further adjustments and reclassifications to amend the presentation of the balance sheet to the presentation of the balance sheet of the Company. The balance sheet items have been translated to euros using the exchange rate on March 31, 2015 of 1.076 US Dollar per Euro. See note 4 to the Unaudited Pro Forma Condensed Financial Information.

(2) Historically certain of the Target Business' joint ventures have been accounted for using the equity method of accounting in accordance with U.S. GAAP. The column reflects adjustments necessary to reflect these entities as "fully consolidated companies" in conformity the presentation in the Company Financial Statements. See note 6.1 to the Unaudited Pro Forma Condensed Financial Information.

(3) Adjustments reflect the fair value of the assets and liabilities of the Target Business that will be acquired and assumed by the Company, including the related tax effect. See note 5 to the Unaudited Pro Forma Condensed Financial Information.

(4) "*Pro forma* EBITDA" represents net profit/(loss) for the period from continuing operations (*pro forma* EBIT) after adding back depreciation and amortization expense. For the purposes of calculating *pro forma* EBITDA, certain adjustments had to be made to the Target EBITDA and the EBITDA of the Group, including the elimination of the management fees that the Target Business paid to Magna prior to the Acquisition. Consequently, *pro form* EBITDA is not directly comparable to the Target EBITDA or the EBITDA of the Group. Our management believes that *pro forma* EBIT and *pro forma* EBITDA are meaningful for investors because they provide an analysis of our operating results, profitability and ability to service debt and because *pro forma* EBIT and *pro forma* EBITDA are used by our chief operating decision makers to establish operational and strategic targets and make important business decisions. EBIT and EBITDA are also measures commonly reported and widely used by analysts, investors and other interested parties in our industry. To facilitate the analysis of our operations following the Acquisition, *pro forma* EBITDA excludes depreciation and amortization expense from *pro forma* EBIT in order to eliminate the impact of general long-term capital investment. Although we are presenting *pro forma* EBITDA to enhance the understanding of our operating performance, *pro forma* EBITDA should not be considered an alternative to *pro forma* EBIT as an indicator of our operating performance, or an alternative to cash flows from operating activities as a measure of our liquidity. The following table presents the calculation of *pro forma* EBITDA:

	Twelve months ended March 31, 2015
	(in millions of €)
***Pro forma* profit/(Loss) for the period from continuing operations (EBIT)**	195.3
Adjusted for:	
Depreciation and amortization expense	152.0
***Pro forma* EBITDA**	**347.3**

(3) "*Pro forma* Adjusted EBITDA" represents *pro forma* EBITDA before certain one-time costs relating to tooling design issues, excess and obsolescence inventory and plant and other relocation issues. Our management believes that *pro forma* Adjusted EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because *pro forma* Adjusted EBITDA is used by our chief operating decision makers to establish operational and strategic targets and make important business decisions. Adjusted EBITDA is also a measure commonly reported and widely used by analysts, investors and other interested parties in our industry. Although we are presenting *pro forma* Adjusted EBITDA enhance the understanding of our operating performance following the Acquisition, *pro forma* Adjusted EBITDA should not be considered an alternative to *pro forma* EBIT as an indicator of our operating performance, or an alternative to cash flows from operating activities as a measure of our liquidity. The following table presents the calculation of *pro forma* Adjusted EBITDA:

	Twelve months ended March 31, 2015
	(in millions of €)
***Pro forma* EBITDA**	**347.3**
Adjusted for:	
Tooling design issues[a]	26.6
Inventory and other[b]	5.6
Plant relocation and other issues[c]	3.2
***Pro forma* Adjusted EBITDA[d][e]**	**382.7**

(a) "Tooling design issues" relate to a number of one-time costs incurred in theTarget Business' plants in the United Kingdom in 2014 related to tooling errors. The one-time costs included (i) the purchase of new tools and tooling modifications, including additional design and development costs, and (ii) certain costs related to labor and logistics.

(b) "Inventory and other" relates to unusual charges in a plant in the United States. These unusual items consist primarily of a write-off for obsolete inventory, expedited freight charges, and increased engineering and other validation costs.

(c) "Plant relocation and other issues" relates to costs, which were incurred in Mexico, relate to (i) costs of moving production from one facility to another which resulted in a number of operational inefficiencies, and (ii) capacity and timing issues related to customer production requirements which led to increased labor costs.

(d) "*Pro forma* Adjusted EBITDA" does not include €31.4 million for the twelve months ended March 31, 2015, which have not been added to *pro forma* Adjusted EBITDA and which represent certain launch cost adjustments in certain of the Target Business' plants located in the United Kingdom, United States and Mexico and which we believe are non-recurring and exceptional in nature. The launch cost overruns primarily relate to material scrap and labor costs to repair tools that were not working properly, and the hiring of additional external consultants to assist in capacity issues in certain of the Target Business' plants in the United States and the United Kingdom. We have estimated these launch costs by subtracting from the actual amounts incurred in connection with the launch of these projects, from the corresponding amounts originally budgeted by the Target Business. While we believe that these launch cost overruns are exceptional and non-recurring in nature, these amounts may include costs and expenses in excess of budgeted amounts which are related to the launch of projects and therefore may be recurring in nature. We caution that these amounts are based on our management's estimations.

(e) "*Pro forma* Adjusted EBITDA" does not include either additional ongoing central costs related to our management of the Target Business after the Acquisition or any cost savings we may achieve through synergies between the Company and the Target Business. Based on our detailed review of the Target Business we anticipate achieving significant cost savings including those relating to, inter alia, (i) the reduction in costs to supply certain OEMs in the United States due to our ability to produce plastics locally in our factories of Nashville and Spartanburg; (ii) cost savings related to the potential merger of certain of our factories and/or JIT facilities with factories of the Target Business; (iii) savings in logistic costs through the optimization of purchase processes at a regional level; and (iv) savings arising from consolidation of and increased purchasing power vis-à-vis suppliers. We currently estimate such potential cost savings will be at least €20 million per year when fully implemented which we currently anticipate to be in the 2018 calendar year. There can be no assurance that the combination of the Company and the Target Business will result in the realization of the expected synergies and we will be required to incur costs to achieve these synergies, which costs could be significant. See "Risk Factors—We may face unexpected difficulties and costs in integrating Target Business." As indicated in Note 16 to the audited combined financial statements of the Target Business, historically Magna has provided certain management and administrative services to the Target Business, only a portion of the costs of which have been reflected in the Target Financial Statements. We estimate ongoing additional central costs related to our management of the Target Business after the Acquisition, will amount to an additional €25 million per year above what is currently reflected in those financial statements.

RISK FACTORS

Risks related to our Business

The automobile industry is cyclical and cyclical downturns in our business segments negatively impact our business, financial condition, results of operations and cash flows.

The volume of automotive production and the level of new vehicle purchases regionally and worldwide are cyclical and have fluctuated, sometimes significantly from year-to-year. These fluctuations are caused by such factors as general economic conditions, interest rates, consumer confidence, consumer preferences, patterns of consumer spending, fuel costs and the automobile replacement cycle, and such fluctuations give rise to changes in demand for our products and may have a significant adverse impact on our results of operations. In addition, OEM customers generally do not commit to purchasing minimum quantities from their suppliers. As our business has certain fixed costs that must be met regardless of demand for our products, cyclical downturns can further affect our results of operations.

The highly cyclical and fluctuating nature of the automotive industry presents a risk that is outside our control and that cannot be accurately predicted. Moreover, a number of factors that we cannot predict can and have impacted cyclicality in the past. Decreases in demand for automobiles generally, or in the demand for automobiles incorporating our products in particular, could materially and adversely impact our business, financial condition, results of operations and cash flows.

We are susceptible to economic trends, and deterioration of economic conditions could adversely impact our business and exacerbate the difficulties experienced by our customers and suppliers in obtaining financing.

A significant economic downturn could have a material adverse effect on our business. Continued concerns about the systemic impact of a potential long-term and wide-spread recession, energy costs (including the recent volatility in oil prices), the availability and cost of credit, diminished business and consumer confidence and increased persistent unemployment in Europe as well as turmoil in Europe related to sovereign debt and the stability of the euro have contributed to increased market volatility and diminished expectations for western and emerging economies, including the jurisdictions in which we operate.

In addition, any increased financial instability may lead to longer-term disruptions in the credit markets, which could impact our customers' ability to obtain financing for their businesses at reasonable prices, as well as impact their customers when seeking financing for automobile purchases. Our OEM customers typically require significant financing for their respective businesses. In addition, our OEM customers typically have related finance companies that provide financing to their dealers and customers. These finance companies have historically been active participants in the securitization markets, which experienced severe disruptions during the global economic crisis of 2008 and may suffer disruptions should economic conditions deteriorate in the future. Our suppliers, as well as the other suppliers to our customers, may face similar difficulties in obtaining financing for their businesses. If capital is not available to our customers and suppliers, or if its cost is prohibitively high, their businesses would be negatively impacted, which could result in their restructuring or even reorganization/liquidation under applicable bankruptcy laws. Any such negative impact, in turn, could materially and negatively affect our company either through the loss of revenues to any of our customers so affected, or due to our inability to meet our commitments without excess expense resulting from disruptions in supply caused by the suppliers so affected. Financial difficulties experienced by any major customer could have a material adverse impact on us if such customer were unable to pay for the products we provide, materially reduced its capital expenditure on, and resulting demand for, new product lines, or we otherwise experienced a loss of, or material reduction in, business from such customer. As a result of such difficulties, we could experience lost revenues, significant write-offs of accounts receivable, significant impairment charges or additional restructurings beyond the steps we have taken to date.

Furthermore, increased financial instability in credit and other financial markets and deterioration of Spanish and/or global economic conditions could, among other things:

- make it more difficult or costly for us to obtain financing for our operations or investments or to refinance our debt in the future,

- cause our lenders to depart from prior credit industry practice and make more difficult or expensive the granting of any technical or other waivers under our debt facilities, to the extent we may seek them in the future, and

- negatively impact global demand for our products, which could result in a reduction of our sales, operating income and cash flows.

We are dependent on large customers for current and future revenues. The loss of any of these customers or the loss of market share by these customers could have a material adverse impact on us.

Although we supply our products to several of the leading automobile manufacturers, as is common in our industry we depend on certain large value customers for a significant proportion of our revenues. For example, for the year ended December 31, 2014, Ford, Volkswagen Group, Renault-Nissan, Fiat-Chrysler and PSA represented 18.9%, 18.3%, 15.2%, 11.8% and 11.1% of our revenue, respectively. The loss of all or a substantial portion of our sales to any of our large volume customers could have a material adverse effect on our business, financial condition, results of operations and cash flows by reducing cash flows and by limiting our ability to spread our fixed costs over a larger revenue base. We may make fewer sales to these customers for a variety of reasons, including, but not limited to:

- loss of awarded business;

- reduced or delayed customer requirements;

- OEMs' insourcing business they have traditionally outsourced to us;

- strikes or other work stoppages affecting production by our customers;

- bankruptcy or insolvency of a customer; or

- reduced demand for our customers' products.

See also "—We are susceptible to economic trends, and deterioration of economic conditions could adversely impact our business and exacerbate the difficulties experienced by our customers and suppliers in obtaining financing".

Our inability to realize revenues represented by our awarded business or termination or non-renewal of production purchase orders by our customers could materially and adversely impact our business, financial condition, results of operations and cash flows.

The realization of future revenues from awarded business is inherently subject to a number of important risks and uncertainties, including the number of vehicles that our customers will actually produce and the timing of that production.

Typically the terms and conditions of the agreements with our customers do not include a commitment regarding minimum volumes of purchases from us. In addition, such contracts typically provide that customers have the contractual right to unilaterally terminate our contracts with them with no notice or limited notice. If such contracts are terminated by our customers, our ability to obtain compensation from our customers for such

termination is generally limited to the direct out-of-pocket costs that we incurred for materials and work-in-progress and in certain instances undepreciated capital expenditures and tooling. Further, there is no guarantee that our customers will renew their purchase orders with us. We cannot assure you that our results of operations will not be materially adversely impacted in the future if we are unable to realize revenues from our awarded business, if our customers cancel awarded business or if our customers fail to renew their contracts with us.

Disruptions in the automotive supply chain could have a material adverse impact on our business, financial condition, results of operations and cash flows.

The automotive supply chain is subject to disruptions because we, along with our customers and suppliers, attempt to maintain low inventory levels. In addition, our plants are typically located in close proximity to our customers.

Disruptions could be caused by a multitude of potential problems, such as closures of one of our or our suppliers' plants or critical manufacturing lines due to strikes, mechanical breakdowns, electrical outages, fires, explosions or political upheaval, as well as logistical complications due to weather, earthquakes, or other natural or nuclear disasters, mechanical failures, delayed customs processing and more.

Additionally, if we are the cause for a customer being forced to halt production, the customer may seek to recoup all of its losses and expenses from us. Any disruptions affecting us or caused by us could have a material adverse impact on our business, financial condition, results of operations and cash flows.

The inability for us, our customers or our suppliers to obtain and maintain sufficient capital financing, including working capital lines, and credit insurance may adversely affect our, our customers' and our suppliers' liquidity and financial condition.

Our working capital requirements can vary significantly, depending in part on the level, variability and timing of our customers' worldwide vehicle production and the payment terms with our customers and suppliers. Our liquidity could also be adversely impacted if our suppliers were to suspend normal trade credit terms and require payment in advance or payment on delivery. If our available cash flows from operations are not sufficient to fund our ongoing cash needs, we would be required to look to our cash balances and availability for borrowings under our credit facilities to satisfy those needs, as well as potential sources of additional capital, which may not be available on satisfactory terms and in adequate amounts, if at all.

There can be no assurance that we, our customers and our suppliers will continue to have such ability. This may increase the risk that we cannot produce our products or will have to pay higher prices for our inputs. These higher prices may not be recovered in our selling prices.

Our suppliers often seek to obtain credit insurance based on the strength of the financial condition of our subsidiary with the payment obligation, which may be less robust than our consolidated financial condition. If we were to experience liquidity issues, our suppliers may not be able to obtain credit insurance and in turn would likely not be able to offer us payment terms that we have historically received. Our failure to receive such terms from our suppliers could have a material adverse effect on our liquidity.

We are subject to fluctuations in the prices of materials.

Our operating income and net income can be adversely affected by changes in the prices of the materials we use, notably textile fabrics, plastic injection grain, petroleum-based resins and certain metals. To the extent that our agreements with suppliers do not protect us from increases in the cost of materials or that we cannot pass through increases in the costs of our materials to our customers, we are exposed to risks related to unfavorable fluctuations in commodity prices. We do not use derivatives to hedge our purchases of materials or energy. If commodity prices were to rise steeply, we cannot guarantee that we would be able to pass on all such price

increases to our customers, which could have an unfavorable impact on our sales, results and overall financial position.

We may have difficulty competing favorably in the highly competitive automotive parts industry generally and in certain product or geographic areas specifically.

The automotive parts industry is highly competitive. We face significant competition within each of our major product areas, including from new competitors entering the markets that we serve, and OEMs that may seek to integrate vertically. The principal competitive factors include price, technology, quality, global presence, service, product performance, design and engineering capabilities, new product innovation and timely delivery. We cannot assure you that we will be able to continue to compete favorably in these competitive markets or that increased competition will not have a material adverse effect on our business by reducing our ability to increase or maintain sales and profit margins.

Furthermore, the failure to obtain new business projects on new models or to retain or increase business projects on redesigned existing models, could adversely affect our business, financial condition, results of operations and cash flows. In addition, it may be difficult in the short-term for us to obtain new revenues to replace any unexpected decline in the sale of existing products.

Shifts in market shares among vehicles or vehicle segments or shifts away from vehicles in which we have significant content could have a material adverse effect on our profitability.

While we supply internal components for a wide variety of vehicles produced globally, we do not supply components for all vehicles produced, nor is the number or value of components evenly distributed among the vehicles for which we do supply components. Shifts in market shares among vehicles or vehicle segments, particularly shifts away from vehicles on which we have significant content and shifts away from vehicle segments in which our sales may be more heavily concentrated, could have a material adverse effect on our profitability.

Our inability to offset price concessions or additional costs from our customers could have an adverse effect on our profitability.

We face ongoing pricing pressure, as well as pressure to absorb costs related to product design and engineering, as well as other items previously paid for directly by OEMs, such as tooling. Typically, in line with our industry practice, our customers benefit from price reductions during the life cycle of a contract. We expect to offset these price concessions by achieving production efficiencies; however, we cannot guarantee that we will do so. If we fail to achieve production efficiencies to fully offset price concessions or do not otherwise offset such price concessions, our profitability and results of operations would be adversely affected.

We may be forced to downsize, close or sell some of our operations which could have an adverse effect on our profitability.

The automotive industry in some of our markets (most notably Western Europe) continues to experience significant overcapacity, elevated levels of vehicle inventory, reduced consumer demand for vehicles and depressed production volumes and sales levels. In response to these conditions, we may be forced to restructure our operations, including through plant closures. If we are forced to close manufacturing locations because of loss of business or consolidation of manufacturing facilities, the employee severance, asset retirement and other costs, including reimbursement costs relating to public subsidies, to close these facilities may be significant. For example, in line with the business plan of the Target Business, we are planning to close one facility in the United States and another in Germany. We expect that the costs associated with such closures will together amount to approximately €3.5 million. In certain locations that are subject to leases, we may continue to incur material costs consistent with the initial lease terms. We continually attempt to align production capacity with demand; therefore, we cannot assure you that additional plants will not have to be closed.

The construction and maintenance of our facilities entails certain risks.

The construction and maintenance of our facilities entails certain difficulties, both from a technical perspective as well as in terms of the timing of the various construction phases. A number of problems may arise in relation to our facilities, such as interruptions or delays due to failed deliveries by suppliers or manufacturers, problems with connecting to the utilities networks, construction faults, problems linked to the operation of equipment, adverse weather conditions, unexpected delays in obtaining or sourcing permits and authorizations, or longer-than-expected periods for technical adjustments. The additional costs that may arise in the maintenance of facilities may adversely affect our business operations, financial position and operational results.

We may not be able to grow our business with APAC-based automotive customers, or grow our business enough with such customers to offset slower growth with our largest customers, which could have an adverse effect on our profitability.

In light of the amount of business we currently have with our largest customers in certain regions, our opportunities for incremental growth with these customers may be limited. While as a result of the Acquisition our presence in APAC will substantially increase (especially in China and South Korea), the amount of business we have with APAC-based OEMs, including Toyota, Hyundai Kia and Honda, generally lags that of our largest customers which are based in Europe (Ford, Volkswagen Group and Renault- Nissan) due in part to the existing relationships between such APAC-based OEMs and their preferred suppliers. There is no certainty that we can achieve growth with APAC-based OEMs, or that any such growth will offset slower growth we may experience with our largest customers.

Mechanical failure, equipment shutdowns and technological breakdown could adversely affect our business.

We are subject to mechanical failure and equipment shutdowns which may be beyond our control. The Target Business is also subject to similar mechanical failures, particularly the failure of the airbags it incorporates into its cockpit modules. If a section of one of our production sites is damaged or shuts down, it could cause a mechanical failure or equipment shutdown in other components of such production site. If such events occur, our production capacity may be materially and adversely impacted. In the event that we are forced to shut down any of our production sites for a significant period of time, it would have a material adverse effect on our business operations, financial position and operational results.

Interruptions in the supply of utilities to our facilities may negatively affect our operations.

We are reliant upon a continuous and uninterrupted supply of electricity, gas and water to our production facilities to ensure the continued operation of our production lines and supply chain. An interruption to the supply of any of these utilities, even in the short term, including but not limited to a trip in the electricity grid, a gas leak or issues with local water mains, could cause equipment shutdowns, mechanical failures and/or damage to our facilities and equipment which could materially and adversely impact our business operations, operational results and financial position.

Our ongoing operations may require increased capital expenditure at certain stages that will consume cash from our operations and borrowings.

In order to maintain our product lines for existing products, from time to time, we are required to make certain operational and maintenance related capital expenditure on our facilities. Our capital expenditures for the years ended 2012, 2013 and 2014 amounted to €120.9 million, €120.4 million and €143.5 million, respectively, while capital expenditures in the Target Business amounted to $77 million and $91 million, for the year ended December 31, 2013 and 2014, respectively. Our ability to undertake such operational and maintenance measures largely depends on our cash flow from our operations and access to capital. We intend to continue to fund our cash needs through cash flow from operations. However, there may be unforeseen capital expenditure needs for which we may not have adequate capital. The timing of capital expenditures also may cause fluctuations in our operational results.

Our profitability may be adversely affected by program launch difficulties.

From time to time we are awarded new business by our customers. The launch of new programs is a complex process, the success of which depends on a wide range of factors, including the production readiness of our and our suppliers' manufacturing facilities and manufacturing processes, as well as factors related to tooling, equipment, employees, initial product quality and other factors. Our failure to successfully launch material new programs could have an adverse effect on our profitability.

There are integration and consolidation risks associated with potential future acquisitions, in addition to the Acquisition, and divestitures. Future acquisitions and divestment may result in significant transaction expenses, unexpected liabilities and a negative impact on operations and/or cash flows. Future acquisitions may result in risks associated with entering new markets, and we may be unable to profitably operate the acquired businesses.

We, at Grupo Antolin, have made strategic acquisitions and divestitures and in the future we may consider and make further strategic acquisitions, in addition to the Acquisition, of suitable acquisition candidates in markets where we currently operate as well as in markets in which we have not previously operated. For example, in 2012 we acquired 100% of the shares of CML, which specializes in the manufacture of lighting systems for motor vehicles, for €74.4 million. We may also consider and make strategic divestitures where this is in line with our strategy.

However, we may not be able to identify suitable acquisition candidates in the future, or may not be able to finance such acquisitions on favorable terms. We may lack sufficient management, financial and other resources to successfully integrate future acquisitions or to ensure that such future acquisitions will perform as planned or prove to be beneficial to our operations. We may not be offered suitable terms, including price, for divestitures we wish to make. Acquisitions and divestitures involve numerous other risks, including the diversion of our management's attention from other business concerns, undisclosed risks impacting the target and potential adverse effects on existing business relationships with current customers and suppliers. In addition, any acquisitions or divestitures could impact our financial position, cash flow or create dilution for our stockholders. In certain transactions, our acquisition analysis includes assumptions regarding the consolidation of operations and improved operating cost structures for the combined operations. Such synergies or benefits may not be achieved on the assumed time schedule or in the assumed amount, if at all. Any future acquisitions may result in significant transaction expenses, unexpected liabilities and risks associated with entering new markets in addition to the integration and consolidation risks.

As a result of our acquisitions or divestments, we may assume continuing obligations, deferred payments and liabilities. Any past or future acquisitions may result in exposure to third parties for liabilities, such as liability for faulty work done by the acquired business and liability of the acquired business or assets that may or may not be adequately covered by insurance or by indemnification, if any, from the former owners of the acquired business or assets. In connection with divestitures, we may remain exposed to the buyer for tax, environmental or other liabilities of the divested business. The occurrence of any of these liabilities could have a material adverse effect on our business and results of operations.

We do not control certain of our joint ventures.

We have a number of strategic partnerships and joint ventures and alliances. See "Business—Joint Ventures". There can be no assurance that the arrangements will be successful and/or achieve their planned objectives. The performance of all such operations in which we do not have a controlling interest will depend on the financial and strategic support of the other shareholders. Such other shareholders may make ill-informed or inadequate management decisions, or may fail to supply or be unwilling to supply the required operational, strategic and financial resources, which could materially adversely affect these operations. If any of our strategic partners were to encounter financial difficulties, change their business strategies or no longer be willing to participate in these strategic partnerships, joint ventures and alliances, our business, financial condition and results of operations could be materially adversely affected.

Moreover, in some of these businesses, we may not have the power to control the payment of dividends or other distributions, so even if the business is performing well, we may not be able to receive payment of our share of any profits. Finally, there could be circumstances in which we may wish or be required to acquire the ownership interests of our partners, and there can be no assurance that we will have access to the funds necessary to do so, on commercially reasonably terms or at all.

The value of our deferred tax assets could become impaired, which could materially and adversely affect our operating results.

As of March 31, 2015, we had approximately €78.7 million in deferred tax assets. These deferred tax assets include net operating loss carry forwards that can be used to offset taxable income in future periods and reduce income taxes payable in those future periods. Our ability to utilize our net operating loss carry forwards may be limited and delayed. We periodically determine the probability of the realization of deferred tax assets, using significant judgments and estimates with respect to, among other things, historical operating results, expectations of future earnings and tax planning strategies. If we determine in the future that there is not sufficient evidence to support the valuation of these assets, due to the factors described above or other factors, we may be required to adjust the valuation allowance to reduce our deferred tax assets. Such a reduction could result in material non-cash expenses in the period in which the valuation allowance is adjusted and could have a material adverse effect on our results of operations. In addition, adverse changes in the underlying profitability and financial outlook of our operations in several foreign jurisdictions could lead to changes in our valuation allowances against deferred tax assets and other tax accruals that could adversely affect our financial results. Finally, the Company and some of its Spanish subsidiaries and holding companies form a tax group subject to the special tax consolidation regime for corporate income tax purposes. If, for whatever reason, the consolidated tax regime were forfeited or the tax group extinguished, the right to offset the tax loss carry forwards and use the tax credits of the tax group would be assigned to the companies that generated them. This could limit the ability of the companies to effectively make use of these deferred tax assets and that could adversely affect our financial results.

We have a material amount of goodwill, which, if it becomes impaired, would result in a reduction in our net income and equity.

Goodwill, primarily derived from our acquisition of CML, represents the excess of the cost of an acquisition over the fair value of the net assets acquired. IFRS requires that goodwill be periodically evaluated for impairment based on the fair value of the reporting unit. Declines in our profitability or the value of comparable companies may impact the fair value of our reporting units, which could result in a write-down of goodwill and a reduction in net income.

As of March 31, 2015, we had approximately €53.4 million of goodwill on our consolidated balance sheet that could be subject to impairment. In addition, as a result of the Acquisition, we may recognize additional goodwill, which could be significant. We could also be required to recognize additional impairments in the future and such an impairment charge could have a material adverse effect on our financial position and results of operations in the period of recognition.

We are subject to risks related to our international operations.

Our international operations include manufacturing facilities in, among other locations, Brazil, China, India, Mexico, Russia and Thailand, and we sell our products in each of these areas. In addition, the Target Business has manufacturing facilities in, among other locations, Austria, Czech Republic, Hungary, South Korea and Slovakia. For the year ended December 31, 2014 approximately 19.3% of our revenues were derived from operations in growth economies outside of Europe and the United States. For the year ended December 31, 2014 54%, 39% and 7% of the Target Business' sales were derived from Europe, NAFTA and APAC, respectively.

International operations are subject to various risks that could have a material adverse effect on those operations and our business as a whole, including but not limited to:

- exposure to local economic and social conditions, including logistical and communication challenges;
- exposure to local political conditions, including political disputes, coups, the risk of seizure of assets by a foreign government, increased risk of fraud and political corruption, terrorism, acts of war or similar events;
- exposure to local public health issues and the resultant impact on economic and political conditions;
- exposure to potentially undeveloped legal systems which make it difficult to enforce contractual rights and to potentially adverse changes in laws and regulatory practices;
- exposure to local tax requirements and obligations;
- foreign currency exchange rate fluctuations and currency controls;
- greater risk of uncontrollable accounts and longer collection cycles;
- the risk of government sponsored competition;
- controls on the repatriation of cash, including the imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries; and
- export and import restrictions.

We are exposed to risks in relation to compliance with anti-corruption laws and regulations and economic sanction programs.

Our international operations require us to comply with the laws and regulations of various jurisdictions. In particular, our international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act of 2010, and economic sanction programs, including those administered by the UN, EU and Office of Foreign Asset Control in the United States. These laws prohibit improper business conduct and restrict us from dealing with certain sanctioned countries.

As a result of our international operations, and once the Acquisition is completed, the international operations of the Target Business, we are exposed to the risk of violating anti-corruption laws and sanctions regulations applicable in those countries where we operate. Some of the countries in which we operate lack as developed a legal system as other locations and are perceived to have high levels of corruption. Our continued geographical diversification, including in emerging economies, development of joint venture relationships worldwide and our employment of local agents in the countries in which we operate increases the risk of violations of anti-corruption laws, sanctions or similar laws. Violations of anti-corruption laws and sanctions regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on our reputation and consequently on our ability to win future business.

We have policies and procedures designed to assist our compliance with applicable laws and regulations including training of our employees to comply with such laws and regulations. Our Code of Conduct, approved in 2010 and which is translated in all languages in which our Group operates, aims at educating our employees in such policies and principles. While we have a strong culture of compliance and we believe we have adequate systems of control, we seek to continuously improve our system of internal controls, to remedy any weaknesses that

are identified through appropriate corrective action depending on the circumstances, including additional training, improvement of internal controls and oversight, and deployment of additional resources and to take appropriate action in case of any breach of our rules and procedures which might include disciplinary measures, suspensions of employees and ultimately termination of such employees. There can be no assurance, however, that our policies and procedures will be followed at all times or will effectively detect and prevent violations of the applicable laws by one or more of our employees, consultants, agents or partners and, as a result, we could be subject to penalties and material adverse consequences on our business, financial condition or results of operations if they failed to prevent any such violations.

Foreign exchange rate fluctuations could cause a decline in our financial condition, results of operations and cash flows.

Although our reporting currency is the euro, a portion of our sales and operating costs are realized in other currencies, such as the US dollar, the Brazilian real, the Chinese yuan, the Indian rupee, the Mexican peso, the Czech crown, the Russian ruble or the Turkish lira. In addition, a portion of the sales and operating costs of the Target Business, whose reporting currency is the US dollar, are also realized in other currencies, such as the Hungarian forint. Such non-euro currencies are considered to be denominated in foreign currency and are recorded at the exchange rates prevailing on the dates of the operations. Gains or losses on transactions denominated in foreign currencies are taken to the consolidated income statement as and when they occur.

We are subject to risk if the foreign currency in which our costs are paid appreciates against the currency in which we generate revenues because the appreciation effectively increases our cost in that country. The financial condition, results of operations and cash flows of some of our operating entities are reported in foreign currencies and then translated into euro at the applicable foreign exchange rate for inclusion in our consolidated financial statements. As a result, appreciation of the euro against these foreign currencies generally will have a negative impact on our reported sales and profits while depreciation of the euro against these foreign currencies will generally have a positive effect on reported revenues and profits.

Significant long-term fluctuations in relative currency values, in particular a significant change in the relative values of the non-euro currencies in which we operate could have an adverse effect on our profitability and financial condition and any sustained change in such relative currency values could adversely impact our competitiveness in certain geographic regions.

Economic instability in the countries in which we operate where the euro is not the local currency and the related decline in the value of the relevant local currency in these countries could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We, at Grupo Antolin, seek a variety of mechanisms, such as using local suppliers and negotiating with customers and suppliers to hedge against major movements in currencies. Other than in connection with the purchase price for the Acquisition under the sale and purchase agreement, we generally do not enter into any foreign-currency hedge rate agreements or forward contracts. For the three months ended March 31, 2015, a 5% rise in the euro against currencies such as the Czech crown, the Brazilian real, the US dollar and the Mexican peso, would have reduced our revenues by approximately €12.9 million or approximately 3.6%, and EBITDA would have decreased by approximately €2.3 million.

Our hedging and other derivative arrangements may not effectively or sufficiently offset the negative impact of foreign exchange rate fluctuations.

We may use a combination of natural hedging techniques and financial derivatives to protect against certain foreign currency exchange rate risks. Such hedging activities may be ineffective or may not offset more than a portion of the adverse financial impact resulting from foreign currency variations. Gains or losses associated with hedging activities also may negatively impact operating results.

We have invested substantial resources in markets where we expect growth and we may be unable to timely alter our strategies should such expectations not be realized.

Our future growth is dependent on our making the right investments at the right time to support product development and manufacturing capacity in areas where we can support our customer base. We have identified certain markets including North America, Mercosur and APAC as key markets where we are likely to experience substantial growth, and accordingly have made and expect to continue to make substantial investments, both directly and through participation in various partnerships and joint ventures to support anticipated growth in those regions. If we are unable to deepen existing and develop additional customer demand in these regions, we may not only fail to realize expected rates of return on our existing investments, but we may incur losses on such investments and be unable to timely redeploy the invested capital to take advantage of other markets, potentially resulting in lost market share to our competitors. Our results will also suffer if these regions do not grow as quickly as we anticipate.

Changes in our mix of earnings between jurisdictions with lower tax rates and those with higher tax rates could have a material adverse effect on our profitability.

Our effective tax rate varies in each country in which we conduct business. Changes in our mix of earnings between jurisdictions with lower tax rates and those with higher tax rates could have a material adverse effect on our profitability.

Our profitability may be materially adversely affected by our inability to utilize tax losses or because of tax exposures we face.

We have incurred losses in some countries which we may not be able to fully or partially offset against income we have earned in those countries. In some cases, we may not be able to utilize these losses at all if we cannot generate profits in those countries or if we have ceased conducting business in those countries altogether. Our inability to utilize material tax losses could materially adversely affect our profitability. At any given time, we may face other tax exposures arising out of changes in tax laws, tax reassessments or otherwise. To the extent we cannot implement measures to offset these exposures, they may have a material adverse effect on our profitability. The Company and some of its Spanish subsidiaries form a tax group subject to the special tax consolidation regime for corporate income tax purposes. If for whatever reason the consolidated tax regime were forfeited or the tax group extinguished, the right to offset the tax loss carry forwards and use the tax credits of the tax group would be assigned to the companies that generated them. This could limit the ability of the companies to effectively make use of these deferred tax assets and that could adversely affect our financial results.

Loss of key executives and failure to attract qualified management could limit our growth and negatively impact our operations.

We have a management team with a substantial amount of expertise in the automotive industry. Loss of key members of management could result in the loss of valuable customer relationships and/or less or unsuccessful implementation of strategies.

Availability of labor in some of the areas in which we operate could negatively impact our operations.

When establishing and operating facilities in some emerging economies, we may encounter difficulties with the availability of labor. In some instances we may compete with our customers for qualified employees in a limited labor pool of adequately trained workers. Performing work in these areas and under these circumstances can slow our progress, potentially causing us to incur contractual liabilities to our customers. These circumstances may also cause us to incur additional, unanticipated costs that we might not be able to pass on to our customers.

Our profitability could be negatively impacted if we are not able to maintain appropriate utilization of our workforce.

The extent to which we utilize our workforce affects our profitability. If we under utilize our workforce, our project profits and overall profitability suffer in the short-term. If we over utilize our workforce, we may negatively impact safety, employee satisfaction and project execution, which could result in a decline of future project awards. The utilization of our workforce is impacted by numerous factors including:

- our estimate of the headcount requirements for various manufacturing units based upon our forecast of the demand for our products;
- our ability to maintain our talent base and manage attrition;
- our ability to schedule our portfolio of projects to efficiently utilize our employees and minimize production downtime;
- our need to invest time and resources into functions such as training, business development, employee recruiting, and sales that are not chargeable to customer projects; and
- the degree of structural flexibility of labor laws in countries where our employees are located.

The workforce in the automotive industry is highly unionized and if we fail to extend or renegotiate our collective bargaining agreements with our labor unions as they expire from time to time, or if our employees, or our customers' employees, engage in work stoppages and other labor problems, this could result in a material adverse effect.

As of December 31, 2014, we had 45 collective bargaining agreements, 20 of which are expiring in the next 12 months and four of which are currently under negotiation for their renewal. In addition, we have specific exposure to labor strikes in our international operations. For example, in 2014, we had a strike in our plant in Hermosillo, Mexico. If major work disruptions involving our employees were to occur, our business could be adversely affected by a variety of factors, including a loss of revenues, increased costs and reduced profitability. We cannot assure you that we will not experience a material labor disruption at one or more of our facilities in the future whether in the course of renegotiation of our labor arrangements or otherwise. We cannot guarantee that we will be able to successfully extend or renegotiate our collective bargaining agreements as they expire from time to time. If we fail to extend or renegotiate any of our collective bargaining agreements or are only able to renegotiate them on terms that are less favorable to us, we may need to incur additional costs, which could have a material adverse effect on our business, financial condition and results of operations.

Further, many of the manufacturing facilities of our customers and suppliers are unionized and are subject to the risk of labor disruptions from time to time. A significant labor disruption could lead to a lengthy shutdown of our customers' or our suppliers' production lines, which could have a material adverse effect on our operations and profitability.

A shift away from technologies in which we invest could have a material adverse effect on our profitability and financial condition.

Our business requires a high level of technical expertise for the development and manufacture of our products. We invest in technology and innovation which we believe will be critical to our long-term growth and we need to continually adapt our expertise in response to technological innovations, industry standards, product instructions and customer requirements. Our ability to anticipate changes in technology and to successfully develop and introduce new and enhanced products or manufacturing processes on a timely basis will be a significant factor in our ability to remain competitive. New technologies or changes in industry and customer requirements may render one or more of our current offerings obsolete, excessively costly or otherwise unmarketable. If there is a shift away from the use of technologies in which we are investing, our costs may not be fully recovered. We may be

placed at a competitive disadvantage if other technologies emerge as industry leading technologies, which could have a material adverse effect on our prospects for growth, profitability and financial condition.

Legal or regulatory claims or investigations against us could have a material adverse effect on our financial position.

From time to time, we may become involved in legal or regulatory proceedings, claims or investigations, including by governmental bodies, customers, suppliers, former employees, class action plaintiffs and others. Similarly, the Target Business is occasionally involved in legal proceedings, claims or investigations that are incidental to the conduct of its business. For example, in Germany, six automotive suppliers (including the Target Business) are subject to an ongoing investigation with the German Federal Cartel Office (''FCO''). On an ongoing basis, we attempt to assess the likelihood of any adverse judgments or outcomes to these proceedings or claims, although it is difficult to predict final outcomes with any degree of certainty. See ''Business—Proceedings'' and ''Target Business—Proceedings''. We are also subject to tax audits from time to time. Among other tax audits, the Spanish tax authorities conducted several inspections for income tax, corporate tax and value added tax from 2002 to 2010 and are conducting further inspections for 2011 and 2012.

Except as disclosed herein we do not believe that any of the proceedings or claims to which we are currently a party will result in costs, charges or liabilities that will have a material adverse effect on our financial position. However, we cannot assure you that the costs, charges and liabilities associated with these matters will not be material, or that those costs, charges and liabilities will not exceed any amounts reserved for them in our consolidated financial statements. In future periods, we could be subject to cash costs or non-cash charges to earnings if any of these matters are resolved unfavorably to us.

We face risks related to the intellectual and industrial property we use.

We believe that we either own or may validly use all the intellectual and industrial property rights required for our business operations and that we have taken all reasonable measures to protect our rights or obtain warranties from the owners of third party rights. However, we cannot rule out the risk that our intellectual and industrial property rights may be disputed by a third party on the grounds of pre-existing rights or for any other reason. Furthermore, for countries outside Europe and North America we cannot be sure of holding or obtaining intellectual and industrial property rights offering the same level of protection as those in Europe and North America.

Product liability claims, warranty and recall costs could cause us to incur losses and damage our reputation.

We face an inherent business risk of exposure to product liability claims in the event of the failure of our products to perform to specifications, or if our products are alleged to result in property damage, bodily injury or death. We are generally required under our customer contracts to indemnify our customers for product liability claims in respect of our products. Accordingly, we may be materially and adversely impacted by product liability claims.

If any of our products are, or are alleged to be, defective, we may be required to participate in a recall involving those products. In addition, our customers demand that we bear the cost of the repair and replacement of defective products which are either covered under their warranty or are the subject of a recall by them. Warranty provisions are established based on our best estimate of the amounts necessary to settle existing or probable claims on product defect issues. Recall costs are costs incurred when government regulators or our customers decide to recall a product due to a known or suspected performance issue and we are required to participate either voluntarily or involuntarily. Currently, under most customer agreements, we only account for existing or probable warranty claims. We have no warranty and recall data which allows us to establish accurate estimates of, or provisions for, future warranty or recall costs relating to new products, assembly programs or technologies being brought into production. In addition, our insurance covering product recalls is limited in amount and coverage and in some jurisdictions non-existent. The obligation to repair or replace such products could have a material adverse effect on our profitability and financial condition.

For example, in 2005, we had to recall a window component in a vehicle for Renault due to a defect in one of the fixtures, which resulted in over €6.0 million in repair expenses. In 2010, we had a defect in a seating belt fixture for a Renault-Nissan vehicle which resulted in additional expenses of €0.3 million in relation to our recall of this product. While the Target Business has not had any recalls in recent years, it may face warranty claims from time to time.

A decrease in actual and perceived quality of our products could damage our image and reputation and also the image and reputation of one or more of our brands. Defective products could result in loss of sales, loss of customers and loss of market acceptance. In turn, any major defect in one of our products could also have a material adverse effect on our reputation and market perception, which in turn could have an adverse effect on our sales and results of operations.

Our operations expose us to the risk of material health and safety liabilities.

The nature of our operations subjects us to various statutory compliance and litigation risks under health, safety and employment laws. We cannot guarantee that there will be no accidents or incidents suffered by our employees, our contractors or other third parties on our sites. If any of these incidents occur, we could be subject to prosecutions and litigation, which may lead to fines, penalties and other damages being imposed on us and cause damage to our reputation. Such events could have a material adverse effect on our business operations, financial position and operational results.

We are subject to environmental requirements and risks as a result of which we may incur significant costs, liabilities and obligations.

We are subject to a variety of environmental and pollution control laws, regulations and permits that govern, among other things, soil, surface water and groundwater contamination; the generation, storage, handling, use, disposal and transportation of hazardous materials; the emission and discharge of materials, including greenhouse gases ("GHGs"), into the environment; and health and safety. If we fail to comply with these laws, regulations or permits, we could be fined or otherwise sanctioned by regulators or become subject to litigation. Environmental and pollution control laws, regulations and permits, and the enforcement thereof, change frequently, have tended to become more stringent over time and may necessitate substantial capital expenditures or operating costs.

We are also subject to environmental laws requiring investigation and clean-up of environmental contamination. Estimating environmental clean-up liabilities is complex and heavily dependent on the nature and extent of historical information and physical data relating to the contaminated sites, the complexity of the contamination, the uncertainty of which remedy to apply and the outcome of discussions with regulatory authorities relating to the contamination. In addition, these environmental laws and regulations are complex, change frequently and have tended to become more stringent and expensive over time. Therefore, in the future we may not be, in complete compliance with all such laws and regulations and we may incur material costs or liabilities as a result of such laws and regulations. In addition to potentially significant investigation and cleanup costs, contamination can give rise to third party claims for fines or penalties, natural resource damages, personal injury or property damage.

For example, Trimtec Ltda. ("Trimtec"), our subsidiary in Brazil, is subject, together with 25 other companies, to three environmental claims derived from the environmental damages created by *Companhia Brasileira de Bauxita* ("CBB"), who provided services of incineration and industrial waste disposal for Trimtec and other companies. CBB did not perform such services and was abandoning waste in the state of Para, which ended up causing severe environmental damage. We estimate that the aggregate potential liability of Trimtec will not exceed €1.0 million in damages. See "Business—Proceedings".

We cannot assure you that our costs, liabilities and obligations relating to environmental matters will not have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may not be adequately insured.

We currently have insurance arrangements in place for products and public liability, property damage, business interruption (including for sudden and unexpected environmental damage). However, these insurance policies may not cover any losses or damages resulting from the materialization of any of the risks we are subject to. Further, significant increases in insurance premiums could reduce our cash flow. It is also possible in the future that insurance providers may no longer wish to insure businesses in our industry against certain environmental occurrences.

Significant changes in laws and governmental regulations could have an adverse effect on our profitability.

The legal, regulatory and industry standard environment in our principal markets is complex and dynamic, and future changes to the laws, regulations and market practice as regards, for example, CO2 emissions and safety tests and protocols, could have an adverse effect on the products we produce and our profitability. Additionally, we could be adversely affected by changes in tax or other laws and jurisprudence which impose additional costs on automobile manufacturers or consumers, or more stringent fuel economy and emissions requirements on manufacturers from which we derive some of our sales.

We may face risks relating to climate change that could have an adverse impact on our business.

GHG emissions have increasingly become the subject of substantial international, national, regional, state and local attention. GHG emission regulations have been promulgated in certain of the jurisdictions in which we operate, and additional GHG requirements are in various stages of development. For example, the United States Congress has considered legislation that would establish a nationwide limit on GHGs. In addition, the Environmental Protection Agency has issued regulations limiting GHG emissions from mobile and stationary sources pursuant to the federal Clean Air Act. When effective, such measures could require us to modify existing or obtain new permits, implement additional pollution control technology, curtail operations or increase our operating costs. In addition, our OEM customers may seek price reductions from us to account for their increased costs resulting from GHG regulations. Further, growing pressure to reduce GHG emissions from mobile sources could reduce automobile sales, thereby reducing demand for our products and ultimately our revenues. Thus, any additional regulation of GHG emissions, including through a cap-and-trade system, technology mandate, emissions tax, reporting requirement or other program, could adversely affect our business, results of operations, financial condition, reputation, product demand and liquidity.

Interruptions in operations at our facilities could have a material adverse effect on our business, financial condition and results of operations.

We operate more than 125 manufacturing plants and JIT assembly and sequencing facilities and 25 technical-commercial offices in 24 countries worldwide as of March 31, 2015. The Target Business operates a total of 36 facilities across 27 divisions, in 11 countries worldwide as of December 31, 2014.

Our results of operations are dependent on the continued operation of our production facilities and the ability to supply products to our customers. Our production processes are complex as they need to be adapted to variations in the properties of certain materials and use combustibles and other dangerous materials. Significant interruptions in operations at our production plants, such as due to theft, explosions, fires or any other accidents or acts of God, may significantly reduce the productivity and profitability of a particular production facility, or our business as a whole, during and after such interruptions. For example, in 2008 we had a theft of certain manufacturing materials in Vosges, France, and in 2010 we had a similar occurrence in Leamington, United Kingdom. Although we hold several types of insurance policies (including insurance against fire and business interruptions), our insurance coverage may be inadequate. Furthermore, our insurance coverage may not continue to be available on commercially reasonable terms and our insurance carriers may not have sufficient funds to cover all losses, damages, liabilities or potential claims. Additionally, natural disasters could disrupt our supply of products to our customers which could have a material adverse effect on our operations and profitability. Our

manufacturing facilities are subject to risks associated with natural disasters, including fires, floods, hurricanes and earthquakes. The occurrence of any of these disasters could cause the total or partial destruction of a manufacturing facility, thus preventing us from supplying products to our customers and disrupting production at their facilities for an indeterminate period of time. The inability to promptly resume the supply of products following a natural disaster at a manufacturing facility could have a material adverse effect on our operations and profitability. We had two fires in two of our plants in Henin Beaumont, France and Shenyang, China, with a total damage of €10.6 million in the former, and RMB10.6 million in the latter, both of which were covered by insurance. In 2013, we had a flooding of our plant in Ningbo, China due to a typhoon, the damages of which were valued at around RMB 9.6 million.

Terrorist attacks and other acts of violence or war or political changes in geographical areas where we operate may affect our business and results of operations.

Terrorist attacks and other acts of violence or war may negatively affect our business and results of operations. There can be no assurance that there will not be terrorist attacks or violent acts that may directly impact us, our customers or partners. In addition, political changes in certain geographical areas where we operate may affect our business and results of operations. Any of these occurrences could cause a significant disruption in our business and could adversely affect our business operations, financial position and operational results.

We are subject to taxation which is complex and often requires us to make subjective determinations.

We are subject to many different forms of taxation including but not limited to income tax, value added tax, social security and other payroll related taxes. Tax law and administration is complex and often requires us to make subjective determinations. The tax authorities may not agree with the determinations that are made by us with respect to the application of tax law. Such disagreements could result in lengthy legal disputes and, ultimately, in the payment of substantial amounts for tax, interest and penalties, which could have a material effect on our results of operations. For example, we are subject to several administrative and judicial proceedings in Brazil, of which four judicial proceedings are due to the dispute over certain VAT deductions that we had taken under the exemption for certain manufacturers that applied to us under Brazilian tax law. As of December 31, 2014, we estimate that the aggregate potential liability under these administrative and judicial proceedings in Brazil amounts to approximately €22.2 million. Additionally, we could be adversely affected by changes in tax laws, regulations or interpretations.

We may be subject to restrictions on transfer of funds.

Under the current foreign exchange regulations in certain countries in which we operate, there are restrictions on the transfer of funds into and outside of such countries, which may include restrictions on the disposition of funds deposited with banks and restrictions on transferring funds abroad, as well as require official approval to buy foreign currency. Additionally, we have trapped cash in certain jurisdictions in which we operate in relation to our joint ventures and local law. These restrictions could impact the payment of dividends to us by certain of our subsidiaries. If we were unable to repatriate funds from any such countries, we would not be able to use the cash flow from our businesses to finance our operating requirements elsewhere and satisfy our debt obligations.

Risks related to the Acquisition

The completion of the Acquisition is subject to significant uncertainties and risks.

On April 16, 2015, the Company entered into a sale and purchase agreement to acquire the Target Business. The consummation of the Acquisition is subject to certain conditions precedent being met including among others: (i) expiration or termination of any waiting period (and any extension thereof) under the Hart-Scott-Rodino Act Antitrust Improvements Act of 1976, as amended, and receipt of any consents or filings required by other relevant anti-trust authorities; (ii) performance of the obligations of the Magna Group under the

sale and purchase agreement between the execution of the sale and purchase agreement and the closing of the Acquisition such as certain interim operating covenants.

The satisfaction of all the required conditions could delay the completion of the Acquisition for a significant period of time. Any delay in completing the Acquisition could imply that we do not realize some or all the benefits that we expect to achieve if the Acquisition is successfully completed within its expected timeframe or may require us to spend additional amounts or incur additional fees. In addition, the antitrust authorities from which authorizations are required to complete the Acquisition have broad discretion in administering the governing regulations. As a condition of the authorizations to the Acquisition, the antitrust authorities may impose conditions, terms, obligations or restrictions on the conduct of the business or require divestitures after completion of the Acquisition. There can be no assurance that antitrust authorities will not impose conditions, terms, obligations or restrictions and that such conditions, terms, obligations or restrictions will not have the effect of delaying completion of the Acquisition or imposing additional material costs on or materially limiting our revenues following the Acquisition, or otherwise adversely affecting, including to a material extent, our business after completion of the Acquisition. In addition, there can be no assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the Acquisition according to the terms and conditions of the sale and purchase agreement. Accordingly, any such conditions, terms, obligations or restrictions could have a material adverse effect on our business, results of operations and financial condition.

Furthermore, the sale and purchase agreement provides that no asset, including contracts, will be transferred to the Group if all the relevant third party consents have not been obtained, provided however that all liabilities and obligations arising under or in respect of any such unassigned asset shall be assumed by the Group and that Magna and the Group will cooperate in any arrangement, commercially reasonable and lawful so that the Group would obtain substantially comparable economic benefits to those such as the Group would have enjoyed if such unsigned assets would be directly transferred to the Group by Magna. If any of those arrangements could not be implemented with respect to the unassigned assets that are a contract, the Group should bear any costs or lost revenue associated with terminating such contract.

We may face unexpected difficulties and costs in integrating the Target Business.

We will need to integrate the Target Business with the Group. The integration presents various challenges which may be difficult and costly to overcome and could prevent us from realizing the expected benefits of the Acquisition. We may experience difficulties and costs in integrating the assets of the Target Business in our operations. Furthermore, the transitional services agreement in connection with IT, legal, finance and tax will expire after 18 months from the closing date of the Acquisition, unless extended by mutual agreement. After the expiration of the arrangements contemplated in such transitional services agreement, we may not be able to replace the relevant services in a timely manner or on terms and conditions, including cost provisions, as favorable as those received from Magna. The expected benefits of the Acquisition, in particular, the anticipated synergies and growth opportunities, may not be realized in full (or not at all) or may take longer to realize than planned. Further, the integration of Target Business may require management capacity which is not available for the further development of our business. In addition, we may lose employees who are instrumental for the integration and further development of our combined business as well as customers, suppliers and agents. Finally, the integration of the business may cost materially more than we expect. Any of these risks could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

The Target Business may face unexpected burdens and operational challenges which could diminish the value of the Acquisition.

The quality of the Target Business may be below our expectations and may be subject to contingent or current liabilities that we are not aware of. Further, customer churn may be higher than expected and the maturity profile of important customer contracts or the content of additional material contracts different than represented.

The Acquisition will result in an increase in our financial indebtedness.

The Acquisition will result in a significant increase in our financial indebtedness. The increase in our indebtedness will increase our interest expense. The increased financial indebtedness and interest expenses could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS—TARGET BUSINESS

You should read the following discussion together with the financial statements of the Target Business included elsewhere in this document. The financial data in this discussion of the results of operations and financial condition of the Target Business is as of and for the years ended December 31, 2014 and 2013 and as of and for the three months ended March 31, 2015 and for the three months ended March 31, 2014. The financial data in this discussion of the results of operations and financial condition of the Target Business as of and for the years ended December 31, 2014 and 2013 has been derived from the audited combined financial statements of the Target Business as of and for the years ended December 31, 2014 and 2013 prepared in accordance with U.S. GAAP. The financial data in this discussion of the results of operations and financial condition of the Target Business as of and for the three months ended March 31, 2015 and for the three months ended March 31, 2014 has been derived from the unaudited combined interim financial statements of the Target Business as of and for the three months ended March 31, 2015 and for the three months ended March 31, 2014, which were prepared in accordance with U.S. GAAP. Certain monetary amounts, percentages and other figures included herein have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

The financial information in relation to the Target Business is presented in US dollars.

You should read the following discussion together with the sections entitled "Selected Financial and Other Information", "Unaudited Pro Forma Condensed Financial Information," "Risk Factors", "Forward Looking Statements" and "Presentation of Financial and Other Data".

Key factors affecting the results of operations of the Target Business

We believe that the following factors impact the results of operations of the Target Business:

Capital expenditure

The Target Business' capital expenditures are incurred primarily in connection with the acquisition or construction of new plants, including the purchase of tooling and other equipment for new or existing plants. Similar to Grupo Antolin, the Target Business involves significant capital expenditure on material fixed assets such as property, plant and equipment. For the year ended December 31, 2014, the Target Business had capital expenditures in fixed assets of $91 million. For the three months ended March 31, 2015, the Target Business had capital expenditures in fixed assets of $14 million.

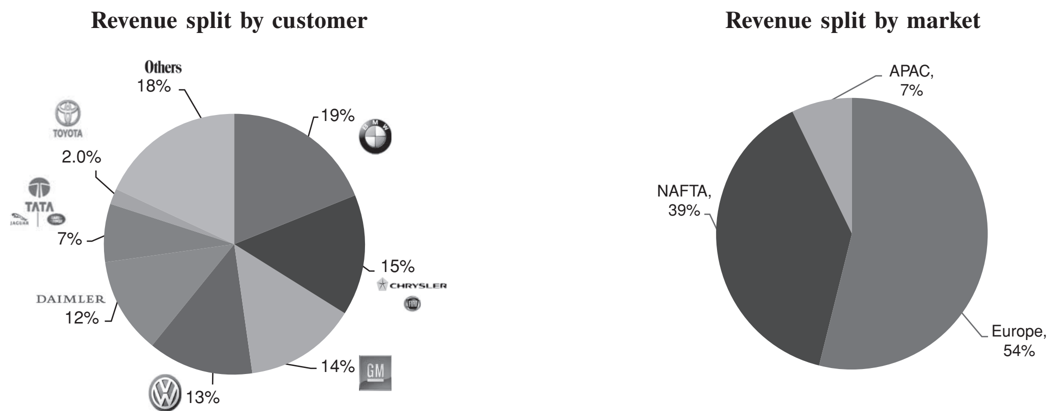
Global automotive market

The Target Business operates within the global automotive equipment sector and growth is entirely driven by trends in the global automobile market. The cycles of the global automotive industry, which are correlated with general global macroeconomic conditions, impact OEM customers' production requirements and consequently impact the volume of purchases of the Target Business' products by its OEM customers. With increased economic activity in growth markets and recovery in more traditional markets, the Target Business has experienced increased vehicle production levels, with a consequent increase in the demand for the Target Business' products and a positive impact on its revenues with slower economic growth having the opposite effect.

Diversification

The Target Business' strong geographic, customer and product diversification has had the effect of reducing revenue volatility during the economic downturn, as well as limiting its exposure to regional business

cycles. For example, the following charts show the customer split and regional diversification, each as a percentage at Target Business' sales:



Price of materials

A significant part of the Target Business' cost base consists of purchases of materials which are variable in nature. The primary materials used in the production facilities are textile fabrics, plastic injection grain and petroleum-based resins. The Target Business also purchases finished products and electronics from Tier II suppliers for assembly into its products. Materials and other supplies, packaging and containers, replacement parts, sundry materials, add-on parts and stocks for resale are valued at the lower of cost applying the weighted average price method and net realizable value.

It is estimated that approximately 34% of the materials purchased by the Target Business is from suppliers chosen by OEMs, which allows the Target Business to benefit from their enhanced negotiation power and to potentially be compensated by the applicable OEM for any increase of material costs. Increases in material costs in relation to electronic components are often passed through to OEMs, as generally the OEMs require the Target Business to purchase those from specific OEM-chosen suppliers, while increases of material costs in relation to plastics are generally borne by the Target Business. In addition, it is estimated that approximately 9% of the materials purchased by the Target Business are related to customer contracts which allow it to renegotiate terms with OEMs based on increases in the costs of materials, thus helping the Target Business to minimize the impact of material price fluctuations.

Operating costs

Total labor costs have represented on average approximately 16% and 19% of the Target Business' revenue in 2013 and 2014, respectively. Labor costs have been however historically lower, as in 2014 the Target Business had additional labor costs, which we view as non-recurring, associated with launch cost over-runs at a facility in the United Kingdom and other facilities. A significant part of staff costs are semi-variable in nature and can be adjusted to meet business needs.

Vehicle cycles

In our industry, once a project has been nominated to a preferred supplier, it is usual that the business with such OEM is kept during the life cycle of a specific vehicle model, given the significant operational, technical and logistical costs of switching suppliers. Vehicle models typically have long, multi-year product life cycles. Given these factors, while the actual revenues which are derived from a project ultimately depend on the OEM customers' production volumes achieved for the respective car models, there is good visibility on mid-term revenues within a relatively small range of sensitivity.

Product pricing

During the life cycle of a contract, the Target Business is expected to achieve production efficiencies. Typically, in line with industry practice, the Target Business passes on a portion of these production efficiencies to customers by way of price reductions during the term of the contract. When negotiated price reductions are expected to be retroactive, the Target Business accrues for such amounts as a reduction of revenues as products are shipped. To the extent the Target Business is not able to achieve the efficiencies necessary to offset the price reductions, such price reductions negatively impact the Target Business' margins and EBITDA. Some pricing agreements with customers are conditional upon achieving certain joint cost-saving targets.

Seasonality

Working capital requirements typically increase during the first and third quarters of the year and reduce towards the end of the year. This is because OEMs typically slow down vehicle production during certain portions of the year such as summer and Christmas holidays.

Principal income statement account items

The following is a brief description of the revenue and expenses that are included in the line items of the Target Business' combined income statement accounts. Please refer to the notes of the Target Business Financial Statements included herein for a complete description.

Sales

Sales are measured at the fair value of the consideration received and represents the amounts received or receivable for the goods and services provided in the normal course of business, net of discounts, value added tax and other recoverable sales-related taxes. Where it is doubtful as to whether the sales will be collected, recognition is deferred until they are effectively collected. Sales includes revenue on sales of products and ordinary sales from the provision of services.

Cost of goods sold

Cost of goods sold includes all variable and fixed operational costs used to create the Target Business' products. The most significant items accounted for are the purchase of materials and staff costs. Changes during the period in inventories of materials, goods for resale and other supplies are adjusted in the cost of goods sold account. Staff costs include wages, salaries and similar expenses, termination benefits, employer's social security contributions and other welfare expenses. Staff costs are primarily driven by the size of operations, geographical reach and customer requirements.

Depreciation and amortization

Depreciation and amortization expense relates mainly to the annual depreciation charges on fixed assets. The Target Business transfers plant and equipment under construction to property, plant and equipment used in operations when the assets in question become operational, from which time depreciation is charged. Fixed assets used in operations are depreciated on a straight-line basis, based on the acquisition or production cost of the assets or their restated value, less their residual value. The land on which buildings and other constructions are located is deemed to have an indefinite lifespan and is therefore not subject to depreciation. Annual depreciation charges on fixed assets are charged to "Depreciation and amortization" in the combined income statement over the average estimated useful life of the assets.

Selling, general and administrative

The Target Business' selling, general and administrative expenses relate to payroll and staff costs of administration personnel and other external services.

Interest expense, net

Interest expense, net primarily consists of interest expense and finance costs, net of interest income.

Equity income

Equity income results include entities in which the Target Business has a non-controlling interest. See note 4 to the Target Business Financial Statements.

Income tax

The income tax expense is calculated as the tax payable with respect to the taxable profit for the year, after considering any changes in the assets and liabilities recognized arising from benefitted temporary differences and from tax credit and tax loss carry forwards.

Other comprehensive income (loss), net of tax

The other comprehensive income (loss), represents the changes in equity that are excluded from net income such as foreign currency translation adjustments and net unrealized gains and losses on the translation of amounts deemed to be net investments in foreign operations.

Results of operations of the Target Business

Three months ended March 31, 2015 compared to the three months ended March 31, 2014

The table below sets out the unaudited results of operations of the Target Business for the three months ended March 31, 2015 compared to the three months ended March 31, 2014.

	Three months ended March 31,		
	2014	**2015**	**% change**
	(in millions of US$)		
Combined Statement of (Loss) Income:			
Sales	**553**	**586**	**5.9**
Cost of goods sold	(531)	(543)	2.3
Depreciation and amortization	(10)	(11)	10.0
Selling, general and administrative	(23)	(26)	13.0
Interest expense, net	(2)	(1)	50.0
Equity income	2	3	50.0
(Loss) income from operations before income taxes	(11)	8	NM
Income taxes	(2)	(7)	NM
Net (loss) income attributable to Magna Interiors Group	**(13)**	**1**	**NM**
Other comprehensive loss, net of tax	—	(29)	—
Comprehensive loss	**(13)**	**(28)**	**53.6**

Sales

Sales increased by $33 million, or 5.9%, to $586 million for the three months ended March 31, 2015 from $553 million for the three months ended March 31, 2014. The increase in sales was principally due to increased sales in Europe (primarily from Mercedes business and Skoda projects), as well as in North America. This increase was partially offset by recent exchange rate fluctuations between the euro and the pound sterling against the US dollar.

Cost of goods sold

The cost of goods sold increased by $12 million, or 2.3%, to $543 million for the three months ended March 31, 2015 from $531 million for the three months ended March 31, 2014. The increase in the cost of goods sold was principally due to the increased volume of sales in Europe and North America, partially offset by recent exchange rate fluctuations between the euro and the pound sterling against the US dollar, as well as unusual expenses incurred in 2014.

Depreciation and amortization expense

Depreciation and amortization expense increased by $1 million, or 10%, to $11 million for the three months ended March 31, 2015 from $10 million for the three months ended March 31, 2014. The increase in depreciation and amortization expense was principally due to increased capital investment, partially offset by recent exchange rate fluctuations between the euro and the pound sterling against the US dollar.

Selling, general and administrative

Selling, general and administrative expense increased by $3 million, or 13.0%, to $26 million for the three months ended March 31, 2015 from $23 million for the three months ended March 31, 2014. The increase in selling, general and administrative expense was principally due to foreign exchange.

Interest expense, net

Interest expense decreased by $1 million, to $1 million for the three months ended March 31, 2015 from $2 million for the three months ended March 31, 2014. The decrease in interest expense was principally due to the decrease in borrowings from Magna International Inc.

Equity income

Equity income increased by $1 million, to $3 million for the three months ended March 31, 2015 from $2 million for the three months ended March 31, 2014. The increase in equity income was principally due to the improved performance of the joint ventures in China.

Income taxes

Income tax expense increased by $5 million, to $7 million for the three months ended March 31, 2015 from $2 million for the three months ended March 31, 2014. The increase in income taxes was principally due to increased profitability.

Net (loss) income

Net income attributable to Magna Interiors Group increased by $14 million to income of $1 million for the three months ended March 31, 2015, from a loss of $13 million for the three months ended March 31, 2014. The increase in net income attributable to Magna Interiors Group was principally due to the reasons stated above.

Other comprehensive income (loss)

Other comprehensive income (loss) decreased by $29 million, to a loss of $29 million in the three months ended March 31, 2015 compared to $nil for the three months ended March 31, 2014. The loss was principally due to the currency translation impact of the Target Business' European operations from euro and pound sterling to dollar, as well as certain fair value changes in hedging and pension arrangements.

Comprehensive loss

Comprehensive loss increased by $15 million to a loss of $28 million for the three months ended March 31, 2015 from a loss of $13 million in the three months ended March 31, 2014. The increase was principally due to the reasons stated above.

Year ended December 31, 2014 compared to year ended December 31, 2013

The table below sets out the results of operations of the Target Business for the year ended December 31, 2014, compared to the year ended December 31, 2013.

	Year ended December 31,		
	2013	2014	% change
	(in millions of US$)		
Combined Statement of (Loss) Income:			
Sales	**2,467**	**2,406**	**(2.5)**
Cost of goods sold	(2,293)	(2,319)	1.1
Depreciation and amortization	(43)	(44)	2.3
Selling, general and administrative	(91)	(92)	1.1
Interest, expense, net	(6)	(4)	33.3
Equity income	5	9	80.0
Impairment of long-lived assets	—	(18)	—
Income (loss) from operations before income taxes	39	(62)	NM
Income taxes	(24)	(37)	54.2
Net income (loss) attributable to Magna Interiors Group	**15**	**(99)**	NM
Other comprehensive income (loss), net of tax	5	(37)	NM
Comprehensive income (loss)	**20**	**(136)**	NM

Sales

Sales decreased by $61 million, or 2.5%, to $2,406 million for the year ended December 31, 2014 from $2,467 million for the year ended December 31, 2013. The decrease in sales was principally due to a decline in sales in the UK and exchange rate fluctuations between the euro and the pound sterling against the dollar. This decline was partially offset by increased sales in North America of Door Panels and sales of Cockpit/JIT products in North America and Europe.

Cost of goods sold

The cost of goods sold increased by $26 million, or 1.1%, to $2,319 million for the year ended December 31, 2014 from $2,293 million for the year ended December 31, 2013. The increase in the cost of goods sold was principally due to an increase in the variable production costs, associated with new product launches in Europe and North America. This was partially offset by recent exchange rate fluctuations between the euro and the pound sterling against the dollar.

Depreciation and amortization expense

Depreciation and amortization expense increased by $1 million, or 2.3%, to $44 million for the year ended December 31, 2014 from $43 million for the year ended December 31, 2013. The increase in depreciation and amortization expense was principally due to an increased asset base, slightly offset by recent exchange rate fluctuations between the euro and the pound sterling against the dollar.

Selling, general and administrative

Selling, general and administrative expense increased by $1 million, or 1.1%, to $92 million for the year ended December 31, 2014 from $91 million for the year ended December 31, 2013. The increase in selling, general and administrative expense was principally due to increased launch costs in Europe and North America, slightly offset by recent exchange rate fluctuations between the euro and the pound sterling against the dollar.

Interest expense, net

Interest expense, net decreased by $2 million, or 33.3%, to $4 million for the year ended December 31, 2014 from $6 million for the year ended December 31, 2013. The decrease in interest expense, net was principally due to the decrease in the cash borrowed from Magna International Inc.

Equity income

Equity income increased by $4 million, or 80.0%, to $9 million for the year ended December 31, 2014 from $5 million for the year ended December 31, 2013. The increase in equity income was principally due to the improved performance of the joint ventures in China.

Income taxes

Income taxes increased by $13 million, or 54.2%, to $37 million for the year ended December 31, 2014, from $24 million for the year ended December 31, 2013. The increase in income taxes was principally due to a $27 million valuation allowance recorded against all deferred tax assets in the United Kingdom recorded during 2014.

Net (loss) income

Net income decreased by $114 million, to a loss of $99 million for the year ended December 31, 2014 from $15 million of net income for the year ended December 31, 2013. The decrease in net income was due to the reasons stated above.

Other comprehensive income (loss)

Other comprehensive income (loss) decreased by $42 million to a loss of $37 million for the year ended December 31, 2014, from income of $5 million for the year ended December 31, 2013. The decrease was primarily due to the impact of exchange rate fluctuations.

Comprehensive (loss) income

Comprehensive income declined by $156 million to a comprehensive loss of $136 million for the year ended December 31, 2014, compared to comprehensive income of $20 million for the year ended December 31, 2013. The decline was principally due to the reasons stated above.

Liquidity and capital resources

Historical cash flows

The following tables set forth the historical combined statement of cash flows for the Target Business for the periods indicated:

	Year ended December 31,		Three months ended March 31,	
	2013	**2014**	**2014**	**2015**
	(in millions of US$)			
Operating activities				
Net (loss) income	15	(99)	(13)	1
Items not involving current cash flows	56	90	7	9
Changes in operating assets and liabilities	(13)	(37)	(16)	(8)
Cash provided from (used for) operating activities	**58**	**(46)**	**(22)**	**2**
Investment activities				
Fixed asset additions	(77)	(91)	(13)	(14)
Increase in investments and other assets	(15)	(10)	(1)	(1)
Proceeds from disposition	1	4	3	1
Cash used for investment activities	**(91)**	**(97)**	**(11)**	**(14)**
Financing activities				
(Decrease) increase in bank indebtedness	(2)	(1)	(1)	3
Change in Magna's net investment	36	140	32	39
Cash provided from financing activities	**34**	**139**	**31**	**42**
Effect of exchange rate changes on cash and cash equivalents	1	3	—	(2)
Net increase (decrease) in cash and cash equivalents during the period	**2**	**(1)**	**(2)**	**28**
Cash and cash equivalents, beginning of the period	1	3	3	2
Cash and cash equivalents, end of period	**3**	**2**	**1**	**30**

Cash provided from (used for) operating activities

Cash provided from operating activities increased by $24 million to $2 million for the three months ended March 31, 2015 compared to cash used in operating activities of $22 million for three months ended March 31, 2014. This improvement was primarily related to an increase of $14 million in net income for the first three months of 2015 compared to the first three months of 2014 and a lower investment in working capital during the first three months of 2015 compared to the first three months of 2014.

Cash used for operating activities was $46 million for the year ended December 31, 2014 compared to cash provided from operating activities of $58 million for the year ended December 31, 2013. This $104 million increase in cash utilized is primarily the result of lower net income (2013 net income of $15 million compared to a 2014 net loss of $99 million) and a $24 million higher investment in working capital in 2014 compared to 2013, partially offset by $18 million of non-cash impairment charges.

Cash used for investment activities

Cash used for investment activities was $14 million for the three months ended March 31, 2015, which remained relatively consistent with the $11 million invested in the three months ended March 31, 2014.

Cash used for investing activities was $97 million for the year ended December 31, 2014 compared to $91 million for the year ended December 31, 2013. This increase was primarily attributable to higher investments made during 2014 to support new program launches.

Cash provided from financing activities

Cash provided from financing activities was $42 million for the three months ended March 31, 2015, primarily attributable to an increase in the balance of current bank indebtedness, as well as due to changes in Magna's net investment. The net cash provided from financing activities was $31 million in the three months ended March 31, 2014, primarily attributable to a decrease in the bank indebtedness in North America and changes in Magna's net investment.

The net cash provided from financing activities was $139 million for the year ended December 31, 2014 primarily attributable to changes in Magna's net investment. The net cash provided from investing activities was $34 million for the year ended December 31, 2013 primarily attributable to changes in Magna's net investment.

Liquidity

The Target Business' principal source of liquidity during the periods presented is funding from the subsidiaries Magna International Inc. and in 2013 from its operating cash flow, which is analyzed above. The ability to generate cash from operations depends on future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond the Target Business' control, as well as other factors discussed in the section entitled "Risk Factors". Following completion of the Acquisition, the principal source of liquidity for the Target Business will be operating cash flow and other sources of liquidity available to us. See "Operating and Financial Review and Prospects—Target Business—Liquidity".

Working capital

The following table sets forth certain cash flow details related to changes in the Target Business' working capital for the periods indicated.

	Year ended December 31,		Three months ended March 31,	
	2013	**2014**	**2014**	**2015**
	(in millions of US$)			
Accounts receivable	(56)	(2)	(30)	(68)
Inventories	16	(73)	(16)	2
Accounts payable	(3)	40	14	31
Total	**(37)**	**(35)**	**(32)**	**(35)**

Capital expenditures

The following table sets forth cash used in investing activities by the Target Business for the periods indicated:

	Year ended December 31,		Three months ended March 31,	
	2013	2014	2014	2015
	(in millions of US$)			
Fixed asset additions	(77)	(91)	(13)	(14)
Increase in investments and other assets	(15)	(10)	(1)	(1)
Proceeds from disposition	1	4	3	1
Cash used for investment activities	**(91)**	**(97)**	**(11)**	**(14)**

Additional investments in fixed assets (or capital expenditures) during 2013 and 2014 totalled $77 million and $91 million, respectively. Additional investments in fixed assets for the three months ended March 31, 2014 and 2015 totalled $13 million and $14 million, respectively. The Target Business' capital expenditure consists principally of expenditures on property, plant and equipment. The main capital investments in the three months ended March 31, 2015 were attributable to facilities in Europe for product launches related to BMW and Jaguar Land Rover, as well as capital investments for product launches in various North America facilities. The main capital investments in 2014 were attributable to facilities in Europe for product launches related to BMW and Jaguar Land Rover, as well as investments for launches in various facilities in North America and Czech Republic (Skoda). The main capital investments in 2013 were attributable to facilities in Europe for product launches related to BMW and Jaguar Land Rover, as well as capital investments for product launches in factories in North America and Europe for Volkswagen.

We expect that payments for investments in 2015 will be generally in line with those of previous years.

BUSINESS

Our Company

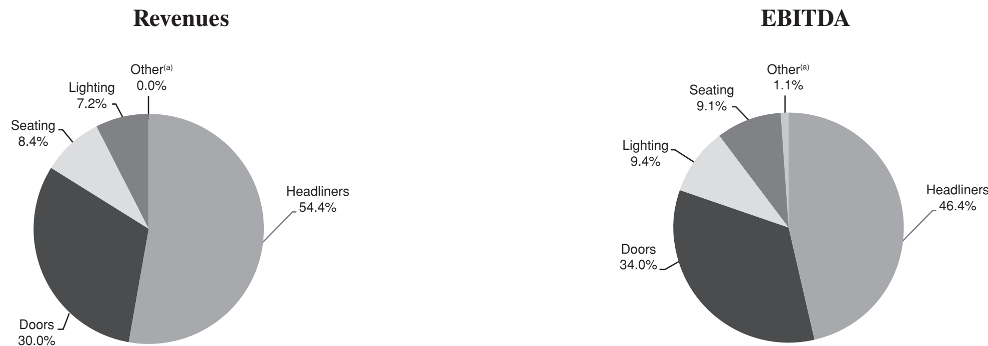
We are a leading Tier 1 player in the design, development, manufacturing and supply of automotive interior components, offering multi-technology solutions for overhead systems (or headliners), doors and interior plastics, seating and lighting systems for sale to OEMs. We have a geographically diversified platform of more than 125 manufacturing plants and JIT assembly and sequencing facilities, as well as 25 technical-commercial offices in 24 countries worldwide as of March 31, 2015. We supplied our products globally to the top 15 OEMs by production volume in 2014. We provided components for over 300 different models and we believe we supplied approximately 1 out of every 4 vehicles manufactured worldwide. Our product, geographical and customer diversification allows us to take advantage of global growth opportunities, in particular our presence in APAC, North America, Mercosur and Eastern Europe, which in the past has mitigated the impact of regional production fluctuations on our business during economic downturns. Our acquisition of certain subsidiaries and assets of the automotive interiors business of Magna will further strengthen our market share and footprint, expand our product offering and consolidate our position as a leading supplier of automotive interior components. We are headquartered in Burgos, Spain and as of March 31, 2015 had 13,909 employees working for us. Our *pro forma* revenue and *pro forma* Adjusted EBITDA for the twelve months ended March 31, 2015 after giving effect to the Acquisition amounted to €4,216.8 million and €387.2 million, respectively. We are wholly-owned by the Antolín family, who is committed to our business.

We organize our activities around our four business segments:

- ***Overhead systems ("Headliners"):*** We believe we are a leader in the manufacturing of headliner modular solutions, incorporating acoustic, safety, panoramic and lighting functionalities. We cover the entire product spectrum for overhead systems, from the headliner substrate to more complex modular systems, including panoramic systems incorporating glass roof modules and panoramic windshields and lighted headliners. Furthermore, the integration of sunvisors into the overhead system is an important aspect of this business segment. The revenue in our Headliners segment has increased from €765.0 million for the year ended December 31, 2010 to €1,210.4 million for the year ended December 31, 2014. The percentage of our revenue attributable to our Headliners segment amounted to 54.4% for the year ended December 31, 2014. We use key technologies for headliner substrates and benefit from full vertical integration, from the core polyurethane foam production to the final assembly of the overhead systems. In 2014, we believe we were a leader in overhead systems with 23% of the global market share.
- ***Doors and interior plastics ("Doors"):*** We have expertise in the manufacturing and supply of a wide range of door panels, pillars, trim inserts and trays for door systems. We produce a wide range of specialized plastic parts, some of them with weight reduction and environmentally-friendly properties. We produce an extensive range of door mechanisms, from window regulators to complex modules. We also produce metal structures and profiles with our own rolling and stamping technology. In 2014, we believe we were a leading producer in Europe with a market share of 8% in door panels and a market share of 14% in window regulators, and a leading producer of door panels and window regulators in the Mercosur region with a 4% market share in door panels and a 14% market share in window regulators.
- ***Seating:*** We develop and manufacture high added value light-weight seats for MPVs, LCVs and vans. Our seating product portfolio comprises our in-house developed automatic anchorage seats which we market under our Drop&Go brand, fold-into-floor seats and seats and benches with integrated 3-point belts. We produce seats using magnesium and high strength steel, allowing us to reduce weight while maintaining design and functionality. Being focused on the manufacture of light-weight and innovative seats for MPVs and LCVs, an attractive niche sector of the broader seating market, gives us an advantage over many of our competitors, who have difficulties in innovating and investing in this range of specialized products. The revenue in our Seating segment increased from €192.2 million for the year ended December 31, 2010 to €205.0 million for the year ended December 31, 2014.

- ***Lighting:*** We believe we were the leading manufacturer of interior automotive lighting components in Europe, with a 25% market share of overhead front consoles in 2014. Our lighting product portfolio comprises interior solutions based on LED including consoles, multi-purpose lamps, ambient lighting, electronics/smart lighting and exterior solutions such as DRL, direction, position and license plate indicators and CHMSL. We are one of the few suppliers which benefit from full vertical integration in the production of lighting components, from the manufacture of plastic parts, to the electronics and the light function. The potential integration of lighting elements with other interior automotive components increasingly offers synergies with our other business lines as lighting is incorporated in door paneling and overhead systems, allowing us to offer our customers an integrated and innovative range of customized interior solutions, which we believe gives us an additional competitive advantage over other players in our industry. The revenue in our Lighting segment increased from €117.0 million for the year ended December 31, 2012 (the first year in which we have segmental data for this segment) to €164.9 million for the year ended December 31, 2014.

We are a leading integrated provider of interior trim solutions, with a long-standing industrial tradition of over 60 years, present throughout each phase of the entire production cycle in each of our segments: product conception, design, validation, industrial process, assembly and sequenced delivery of the product. The percentage of revenues and EBITDA derived per business segment for the twelve months ended March 31, 2015 are as follows:



(a) Other is not a primary business segment and its operations support our primary business segments. We do not consider it material.

We believe that our financial and operational success and stability have been, and continue to be, driven by our strategic, customer focused geographical growth and diversified revenue streams, as well as our manufacturing, process, design and technological expertise. We believe that these factors have allowed us to achieve our position as a leading global supplier in the automotive industry, with high strategic importance to many of the largest OEMs.

Our Industry

The automotive industry designs, develops, manufactures, markets, sells and services motor vehicles which are usually classified into light vehicles (passenger cars and light commercial vehicles) and heavy commercial vehicles. The automotive production value chain is split between OEMs such as Ford, Volkswagen Group, Renault-Nissan and Fiat-Chrysler and automotive suppliers, such as Bosch, Continental, Magna International and us. Automotive suppliers are then generally further categorized into three different tiers. Tier 1 suppliers such as us sell their products directly to OEMs. Typically these products are larger modules or systems which integrate components, sometimes sourced from Tier 2 automotive suppliers. Tier 2 suppliers provide individual components or component groups which in turn typically integrate individual parts produced by a further layer of Tier 3 suppliers.

Automotive suppliers are typically further divided into sub-segments based on their components' function within the car. As an automotive supplier of interior components, our revenue development is linked to the development of automotive production numbers and changes in the content per vehicle for the components and systems we produce. The interior market in the broader sense is comprised by all the products and systems that form the cabin interior of the car and surround the driver and passengers. As such, interior components have a direct effect on driver and passenger comfort and safety and therefore allow OEMs to differentiate between car models.

As the automotive industry continues to evolve, global trends have developed across the industry that are being driven by a combination of maturing consumer preferences, financial, legal and regulatory requirements and the increasing importance of emerging economies relative to more traditional mature economies. The global automotive production industry is expected to grow by a CAGR of 4.5% between 2015 and 2018, with APAC expected to experience the strongest growth closely followed by Mercosur and Eastern Europe. Despite the strong growth of APAC, Western Europe is still our largest absolute market as of March 31, 2015.

Global trends which will drive future industry growth and the long-term growth potential of the interior component market include:

Higher consumer expectations of interior comfort: Increased comfort features in the car selection process by final customers is of growing importance, partially due to the increase in the average age of the population and greater time spent in the vehicle. The trend towards higher consumer expectations of interior comfort increases demand for qualities such as improved fit, finish and craftsmanship in interiors across all vehicle types. We believe OEMs are dedicating a larger portion of total cost per vehicle to interior components as they "upscale" vehicle interiors across their entire portfolio of platforms. Suppliers with advanced design, materials and manufacturing capabilities to deliver a broad suite of interior component products across a wide range of price points should benefit from this continued focus on interior comfort and craftsmanship by both consumers and OEMs. While increased consumer expectations of interior comfort play an important role in certain emerging markets in which we operate, like China and Thailand, other emerging markets, like India, are still lagging behind on this trend.

Increasing market share of low-cost and premium automotive segments: In the long term, the automotive market is expected to shift focus away from mid-market towards low-tech and low-cost vehicles on the one hand and function oriented, innovative vehicles for premium customers on the other hand. In recent years, the market share of low-cost passenger cars (*i.e.* cars costing less than $10,000 / €7,000) has been increasing, predominantly in China, India, Brazil and Eastern Europe, and sales of small passenger cars are expected to grow further. These cars are mainly manufactured and sold in high-growth countries in APAC, as well as in Brazil and Eastern Europe. Growth in the premium segment is also expected to be driven by emerging markets, including China, India, the Middle East and Africa. Vehicles in the premium segment tend to be more technologically advanced in each sub-segment of automotive components, including the interior components segment.

Sustainability and safety: The OEMs that we supply, and automobile manufacturers generally, are increasingly focused on weight and emissions reduction in order to meet increasing legal, regulatory and industry-standard requirements in the markets in which they operate, as well as on the safety of passengers, other road users and pedestrians. The development of the regulatory environment is complex and has required automotive suppliers such as ourselves to focus on the design and development of technologies to address the various regulations and to differentiate us from our competitors.

Globalization of platforms: OEMs are increasingly designing vehicle models built on common but variable platforms which can be produced in high volumes. The use of common platforms allows OEMs to increase economies of scale across the value chain, differentiate their products from those of their competitors, and expand the number of product segments in which they compete, extend the life of existing automobile platforms and remain responsive to changing lifestyle trends and customer tastes. This trend towards common platforms provides automotive suppliers such as us increased opportunities to supply larger volumes of products and also to benefit

from economies of scale. Furthermore, there is an increased dependency on suppliers such as us capable of managing complex projects, which in turn assures the quality standards across geographies globally.

Consolidation of supplier base: In order to take advantage of the operational economies of scale across the value chain, OEMs are encouraging consolidation of their supplier base with an increased focus on large, technically and financially strong global suppliers capable of producing consistent and high-quality products across geographies. The OEMs we supply use a number of factors to determine their choice of suppliers including, among other things, quality, service (including location, service interruptions and on-time delivery), in-house R&D and technological capabilities, overall track record and quality of relationship with the OEM, production capacity, financial stability and price. In recent years, we have noticed that development expertise, an extensive geographical footprint, consistent and high quality production capability and diverse ancillary competencies tend to offset price-sensitivities among OEMs who appreciate the added-value inherent in these other factors.

Outsourcing and technological partnership with OEMs: As OEMs increasingly focus their resources on automobile assembly, they are either maintaining or increasing the levels of production outsourcing to suppliers such as ourselves. As they grow outside of their home markets, they are more inclined to turn to external suppliers for content they might have previously supplied in-house. Suppliers such as us can benefit from economies of scale derived from serving various customers that our OEM customers find more difficult to achieve in our product segment when manufacturing in-house abroad. In addition, specialization has led to advances achieved by suppliers such as ourselves in certain technologies, which OEMs find difficult to match in-house in price and quality, thereby increasing outsourcing in these areas, even in mature economies. Furthermore, while know-how is still being developed by suppliers and the design is still controlled by OEMs, there is an increased importance in the collaboration with Tier 1 suppliers.

The regional shift of the automotive industry with continuing increase in demand for vehicles in emerging markets: While vehicle production demands have fluctuated across the global economy in recent years, particularly at the height of the global financial crisis in 2008 and 2009, on a normalized level the demand in emerging economies has generally continued to increase. Industry sources forecast between now and 2020 there will be a higher CAGR of sales in Brazil, Russia, India and China and in other emerging economies than that experienced in more mature economies, such as those of Western Europe. In response to this, OEMs continue to develop their presence in these markets, resulting in an increased need for OEMs to establish supplier networks beyond their home markets, including the migration of component and vehicle design, development and engineering activities to certain of these markets. In certain of these markets, such as China, there is already significant demand for new, premium brand vehicle models. Nevertheless, vehicle demand in these emerging economies is predominantly for less advanced models with lower entry-level price points. This increasing local demand in emerging markets has helped boost the local automotive industry in these countries and has attracted investments in manufacturing from North American-, European- and APAC-based automobile manufacturers, through stand-alone investments and joint ventures with local partners. The evolution of volume demand in these markets is in tandem with an evolution of regulatory and industry standards modelled after those set earlier by more mature economies. This trend offers automobile suppliers such as us an opportunity to expand our business with our customers in these emerging markets.

Growth of cooperative agreements: In order to achieve economies of scale and delay developments costs, competing automobile component manufacturers are increasingly entering into cooperative alliances and arrangements relating to shared purchasing of components, joint engine, powertrain and/or platform development and sharing and other forms of cooperation. This cooperation among competing automobile component manufacturers is expected to continue. For example, we have entered into joint ventures in emerging markets to accelerate our international expansion with partners such as, Ningbo Huaxiang Electronics Co., Ltd in China, Krishna Maruti Limited (belonging to the Krishna Group) in India, NHK Spring (Thailand) Co., Ltd in Thailand and SKT Yedek Parca ve Makina Sanayi ve Ticaret A.S. in Turkey. In addition, as a result of the Acquisition, we will increase our joint ventures in key markets in APAC and Eastern Europe, including in China (through the Target Business' joint ventures Changchun Intier Automotive Interiors Co., Ltd. and Changshu Intier Automotive

Interiors Co., Ltd.), in South Korea (through the Target Business' joint venture Dae Yee Intier Co., Ltd) and in Hungary (through the Target Business' joint venture Plastimat Hungary Kft.).

Our key strengths

We believe we have the following competitive strengths:

Strong positions in core markets

We believe that we are a leader, and that we will continue to be a leader following the Acquisition, in the design, development, manufacturing and supply of automotive interior components with approximately 1 out of every 4 automobiles manufactured in the world containing interior parts manufactured by us. In 2014, we believe we were a leader in overhead systems with 23% of the global market share and we believe we achieved a leading position across most regions in overhead systems, with a 35% market share in Europe, 52% market share in the Mercosur area and a 30% market share in North America. Additionally, we believe that our lighting product portfolio was a market leader in Europe with a 25% market share in overhead front consoles. In Europe we also have a strong market position in doors and interior plastics and niche seating products and we believe we are among the top three producers of interior door components in the Mercosur region. In addition to our strong presence in our established markets, we have a leading position in many emerging economies. For example, we believe we were the leader in the manufacturing of overhead systems in India, with a market share of 67% in 2014.

Furthermore, we believe that the Acquisition will enable us to become the fourth largest supplier of automotive interior components, with a leading market share position across three product lines including: doors panels, cockpit systems and instrument panels and floor consoles. In addition, the Acquisition will help us consolidate our leading position in the market segments in which we operate and allow us to enter into complementary segments such as cockpit systems, carpets and acoustics and package trays and load floors, as well as expand our presence in countries such as South Korea.

Additionally, OEMs face substantial switching costs from operational, technical and logistical perspectives in replacing the supplier of a particular component or system during the life cycle of a specific vehicle model. The supplier of a component for a specific car model is often also chosen for the next generations of that model. This is mostly due to the long lead-time and large investment required to set up the production and supply processes, and to the scale operational efficiencies gained through experience with the lean manufacturing of certain products. We believe that such switching costs and our technological capacities strongly protect our leading market position.

Highly diversified business model

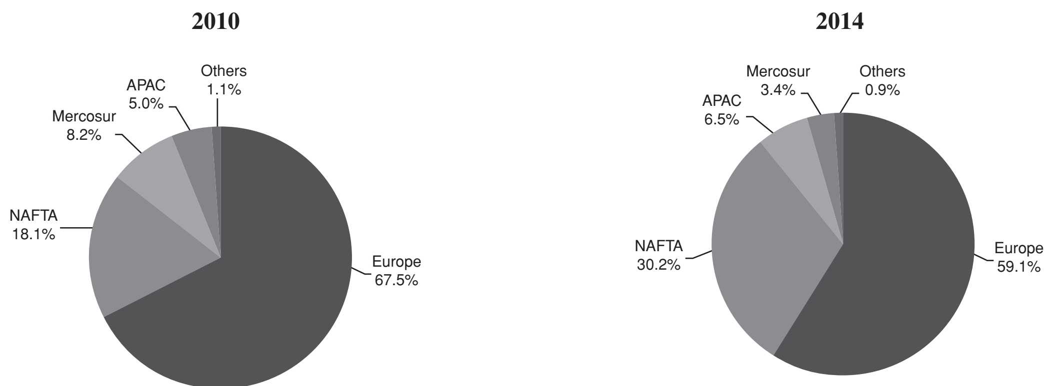
Regional diversification

We have a highly diversified geographical footprint with more than 125 manufacturing plants and JIT assembly and sequencing facilities and 25 technical-commercial offices in 24 countries worldwide as of March 31, 2015. The Target Business will add 36 manufacturing plants across Europe, North America and APAC. In the last few years we have focused our expansion outside our traditional markets in Western Europe and North America into Eastern Europe, APAC and the Mercosur region, where we have been able to capture the increasing demand for our products, in part driven by a significant increase in vehicle production. Our increased efforts in geographic diversification have resulted in a decrease in the percentage of total revenues in Europe from 67.5% in 2010 to 59.1% in 2014, with Spain accounting for only 15.6% of our 2014 revenues as compared to 21.9% in 2010. However, despite the recent sovereign debt and financial crisis, Spain has historically been and continues to be a main hub of the automotive industry worldwide and consequently we aim to continue to have a significant footprint in Spain, while increasing our presence in other markets.

We are one of very few truly global players with our product portfolio who have committed substantial investment to, and have a well-established presence in, these growth markets. We believe we are a market leader measured by units of production in many of these markets, which gives us a competitive advantage over other players. Furthermore, our revenues from our APAC operations have increased from €82.2 million in 2010 to €144.3 million in 2014, representing 6.5% of our revenues in 2014.

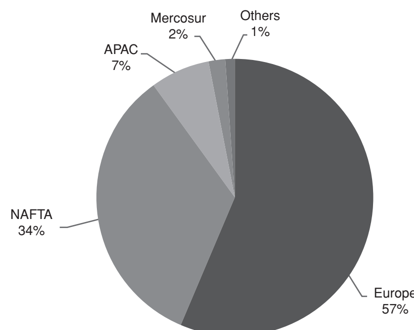
As part of our customer-focused approach to our expansion strategy, we have proactively coordinated our expansion plans into growth markets with those OEMs we supply. When our OEM customer expands into a new market or location, we determine whether it is in our strategic interest to also open a facility in such location. As of March 31, 2015, we had 5 production facilities under construction or development, including manufacturing facilities in Tlaxcala (Mexico) and Tangier (Morocco). Our strong geographical diversification allows us to take advantage of global growth opportunities and mitigates the impact of regional demand fluctuations on our business during economic downturns. The charts below show the evolution of our regional diversification as a percentage of our revenues.

Evolution of regional diversification



As of March 31, 2015, the Target Business had a global platform with 36 manufacturing plants across North America, Europe and APAC. After giving effect the Acquisition, we believe that we will be further diversified. The chart below shows what we believe the approximate regional diversification of the Group and the Target Business would have been in 2014 on a *pro forma* basis as a percentage of our *pro forma* revenue:

Approximate combined regional diversification[(1)]



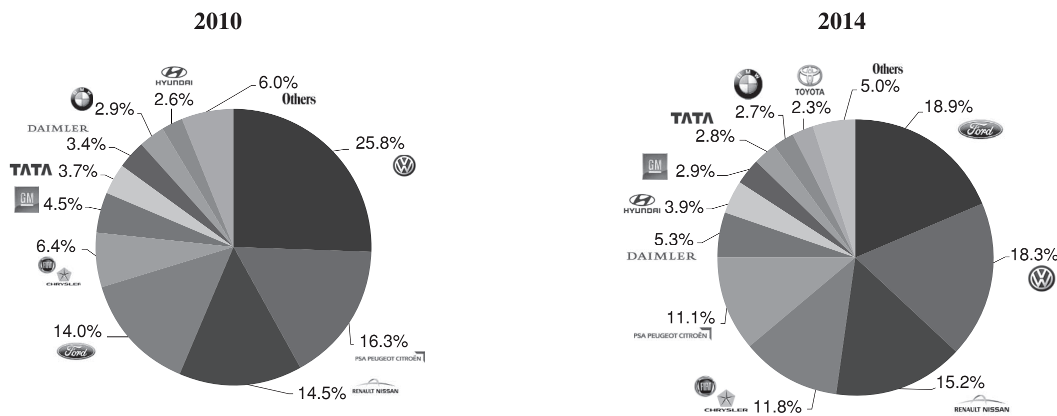
(1) The percentage of revenues per region for Grupo Antolin is determined by the location of the customer to which the relevant product is sold, whereas the percentage of revenues per region for the Target Business is determined by the

location of the legal entity making such sale. Therefore, following completion of the Acquisition, the actual regional split may vary significantly from this chart.

Customer diversification

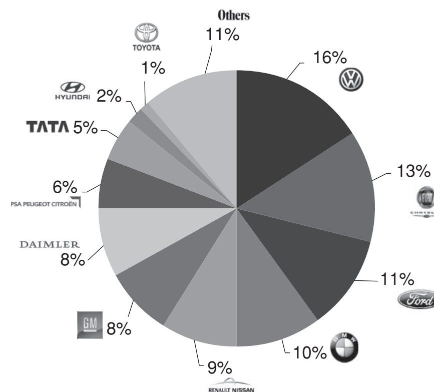
Relative to our competitors, we have a well-diversified customer base which, through a successful development strategy, has improved across models and now includes most of the largest OEMs by production volume in 2014. Our OEM customers include Ford, Volkswagen Group, Renault-Nissan and Fiat-Chrysler among others. In the year ended December 31, 2014, 10 of our OEM customers each represented more than 2.5% of our total revenues. We have pursued a strategy of customer diversification and continue to develop new global relationships with some of the world's largest OEMs. Additionally, we have a diverse set of customers for each of our products and no single OEM is the largest customer in every one of our business segments. The charts below show the evolution of our customer diversification as a percentage of our revenues.

Evolution of customer diversification



We believe that the Acquisition will allow us to further diversify our customer base. According to the most recent data available, the OEM customers of the Target Business include BMW, GM and Daimler. The Acquisition will help us expand our relationships with our current OEM customers such as Ford, Volkswagen Group, Renault-Nissan, Fiat-Chrysler and PSA, as well as foster deeper relationships with the most important Target Business OEM customers such as BMW, Daimler and Tata-JLR. The chart below shows what we believe the approximate customer diversification of the Group and the Target Business would have been in 2014 on a *pro forma* basis as a percentage of our *pro forma* revenue:

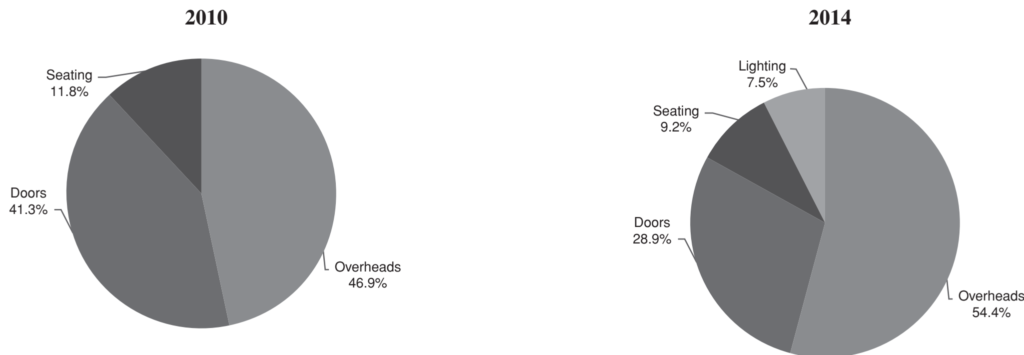
Approximate combined customer diversification



Product diversification

Our historic product portfolio has been comprised primarily of products in our headliners, doors and interior plastics and seating segments. In recent years, we have increased our product portfolio with our lighting segment, through the acquisition in 2012 of CML, a leading provider of interior automotive lighting components in Europe, for €74.4 million. We believe that our lighting segment has both a high growth potential and strong profitability and is highly complementary to our existing product portfolio. The charts below show the evolution of our product diversification as a percentage of revenues.

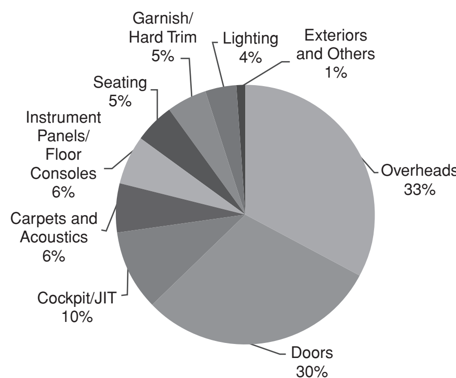
Evolution of product diversification



We believe that the Target Business has a leading market position across product lines such as door panels, cockpit systems and instrument panels and floor consoles. The Target Business focuses on innovation, offering a wide array of products, including sidewall and trim systems, cockpit systems, cargo management systems and overhead systems. We believe that the diversification of our product portfolio once the Acquisition has been effected will help to strengthen our strategic relationships with OEMs, who are able to turn to us for innovative and market-leading product solutions across the broad spectrum of automotive interior solutions.

The chart below shows what we believe the approximate product diversification of the Group and the Target Business would have been in 2014 on a *pro forma* basis as a percentage of our *pro forma* revenue:

Approximate combined product diversification



Long-standing contractual customer relationships

We have strategic and long-standing relationships with our OEM customers, which are based on many years of successful collaboration. Our scale and ability to develop differentiated solutions for our OEM customers on a global scale are critical to our success and differentiate us from local and regional suppliers of automotive components.

Our global presence enables us to manufacture, assemble and sequence our products in our plants and JIT facilities, which are located close to OEMs around the world. This allows for JIT delivery systems on a global scale and on a consistent and high quality basis, making us a clear choice for global OEMs.

Our well-developed technological capabilities, global manufacturing footprint and proximity to OEMs, operational scale and track record of financial performance enable us to supply products to support an OEM throughout the full product life cycle. Additionally, we often act as a development partner during the initial stages of product development which allow us to recommend and incorporate our products into potential designs well in advance of any formal orders from our OEM customers. Our ability to support the development process of OEMs and work as an outsourcing partner to them all over the world is a significant differentiator, in particular on new product solutions, and would take large investment and a long time to replicate, thereby making us a preferred partner to the leading OEMs in the industry.

Our ability to maintain our competitive advantages and technological leadership has resulted in strong customer relationships and translates into a consolidated customer base with our top 5 OEM customers representing 75.0% of revenues for the year ended December 31, 2014. The relationships with key customers are long-standing and the sales from our top 5 OEM customers have grown from €1,261.2 million in 2010 to €1,672.9 million in 2014.

The Target Business has strong relationships with premium OEMs, such as BMW, GM and Daimler, which will strengthen our position with respect to premium OEMs.

Strong innovation track record

The automotive industry has a growing focus on innovation, due to continuously increasing customer expectations and the need to meet environmental goals and regulatory requirements. Our commitment to developing innovative and high quality products has defined our approach to our OEM customers. Many of our products are manufactured using state-of-the-art technologies that provide superior safety, comfort and design while also focusing on weight reduction.

Over the last few years we have continuously invested in R&D, and in 2014 our total R&D spending amounted to €69.4 million or 3.1% of our revenues. This level of R&D spending allows us to respond to the growing demand and requirements of OEMs for products at the forefront of technical innovation. As of December 31, 2014, we had a dedicated team of 874 employees in engineering functions throughout R&D, product quality and graphic engineering, supporting our product innovation capabilities, as compared to 550 employees in these functions in 2010.

Among our most significant recent innovations are: (i) new edge-wrapping processes, environmentally focused foam technologies, new thermoplastic technology and innovative thermo-plastic materials for our headliners segment; (ii) chemical foaming for visible plastic parts, new compression processes, 3D fabrics and fully integrated door modules for our doors and interior plastics segment; (iii) light-weight seats made with magnesium and high strength steel and thermoplastic composite technologies for our seating segment and (iv) fully integrated illuminated headliners based on new flock fabrics, laser engraving of fabrics and capacitive sensors for our lighting segment. These products and techniques are only some of the innovation that furthers our competitive advantage and allows us to retain and expand our leading market positions.

As a result of our innovation activity, as of March 31, 2015, we have filed over 1,670 patent applications related to 455 technical processes, such as hard-trim manufacturing technologies, plastic window regulators and plastic multifunctional door parts, headliner manufacturing technologies, finishing and decorating methods, embedded electronics and light effects, and advanced carbon nanomaterials in a wide variety of presentations and applications. From January 31, 2014 to March 31, 2015, we have 41 new patents.

In addition, the Target Business has a strong innovation record, especially in products such as bio-and light-weight headliners, integrated panel modules as well as integrated LED ambient lighting.

Attractive market fundamentals

According to LMC Automotive, global automotive production is forecast to grow by a CAGR of 4.5% in the period between 2015 and 2018, based on the number of units produced globally. The interior components market in which we operate is expected to outperform other sectors in the automotive industry due to the increasing interior component content per vehicle. This trend is driven by increasing comfort requirements of consumers and rising technological demands from OEMs related to weight savings and noise and vibration insulation. These demands are driven by emissions reduction requirements and related engine downsizing measures by automotive OEMs with smaller, more technologically complex engines typically causing more noise and vibration.

We are in a strong position to continue to benefit from ongoing consolidation and supplier concentration in our market due to our competitive cost base and resulting strong profitability, global presence, leading technological capabilities and solid financial position. As OEMs continue to globalize production and introduce global platforms and modular toolkits as a basis for a large number of car models, they are more interested in working with global suppliers with strong development capabilities which can support them across their global operations.

Superior profitability and strong financial track record

We have consistently achieved strong revenue growth of 8% CAGR in the period from 2010 through 2014 and have maintained an EBITDA margin above 10.75% since 2010. Our strong financial performance is the result of our diversified client, product and geographic base as well as our long-standing customer relationships, operational excellence, leading market positions and internationalization strategy. We believe we are well-positioned to sustain our competitive advantages and maintain revenue growth and profitability in the future, while benefitting from favorable trends in our industry.

In addition, we have proven our ability to manage our business through economic downturns. During the financial crisis of 2008 and 2009, we sold non-core assets, streamlined production by closing a factory in Germany and restructuring facilities in the US, France, Spain and the Czech Republic and cut our fixed costs by approximately 9.4% via indirect labor reduction and total organizational restructuring. Our workforce was reduced by 5.9% globally between 2008 and 2009.

We have been able to generate cash in downturns due to high profitability and centralized working capital management policies. Our investment strategy has been oriented toward value added products and selected complementary acquisition opportunities. We have at all times retained a prudent approach to preserving cash and maintaining a strong liquidity profile.

Our financial profile has remained strong at all times and our objective is to maintain a cautious financial strategy. Our prudent approach to financial management is strongly supported by our family shareholders.

Experienced management and committed core shareholder

Our management team has extensive experience in the automotive industry and the majority of our executive committee has been with the Company for more than 20 years, demonstrating a high degree of continuity and commitment in our leadership. Our high operational performance is deeply rooted in our organizational structure and culture. Our current Chief Executive Officer, José Manuel Temiño, will step down on June 30, 2015. Our current Chief Operating Officer, Jesús Pascual, who has been with the Company for over 29 years, will replace Mr. Temiño as our Chief Executive Officer. This replacement has been carefully planned and Mr. Temiño will remain as our external advisor to ensure a smooth transition.

The management of our Company has always remained focused on building strategic long-term relationships with key customers, producing an innovative and broad range of products and leading our expansion internationally into key growth markets.

Our management team has a demonstrated track record of achieving resilient financial performance through the economic cycle and maintaining strong EBITDA margins even during the 2008-2009 economic crisis. Our successful acquisition of CML in 2012 was driven by our management's identification of the substantial value creation potential of this business.

Our family ownership plays a crucial role in supporting our vision and strategy. Mr. Ernesto Antolín, who has recently been appointed the representative of our Chairman with effect as of January 31, 2015 and has served as Vice-Chairman of Grupo Antolin since 1997, along with other members of the Antolín family, has been essential to driving our profitable growth strategy. After January 31, 2015, Mr. Jose Antolín who had been the Chairman during the last 10 years and is also one of our founders, will maintain a strong relationship with the Company as member of the Board of Directors of the Company and as external advisor of the Company.

Finally, the key managers associated with the Target Business whom we have chosen to retain after completion of the Acquisition will be incentivized by Magna during the initial transition period to work toward a smooth integration of the Target Business.

Our strategies

Our mission is to be a crucial strategic partner for our OEM customers around the world and across the entire spectrum of our product portfolio. The strategies to achieve our mission are based on innovation, flexibility, customer focused growth and further geographic, product and customer diversification, while maintaining the highest levels of customer satisfaction. We intend to achieve this by pursuing the following strategies:

Successfully integrate the Target Business and realize the synergistic opportunities

We will focus on successfully integrating the Target Business. Based on our detailed review of the Target Business, we anticipate achieving significant cost savings. We currently estimate such potential cost savings will be at least €20 million per year when fully implemented which we currently estimate will be in the calendar year 2018. These cost-savings include: (i) the reduction in costs to supply certain OEMs in the United States due to our ability to produce plastics locally in our factories of Nashville and Spartanburg; (ii) cost savings related to the potential merger of certain of our factories and/or JIT facilities with factories of the Target Business; (iii) savings in logistic costs through the optimization of purchase processes at a regional level; and (iv) savings arising from consolidation and increased purchasing power vis-à-vis suppliers. There can be no assurance that the combination of the Company and the Target Business will result in the realization of the expected synergies and we will be required to incur costs to achieve these synergies, which costs could be significant. See "Risk Factors—We may face unexpected difficulties and costs in integrating the Target Business". We also expect that the Acquisition will provide us with the opportunity to cross-sell new and existing products to our existing customer base in order to enhance our growth profile and to apply leading technologies to our product portfolio.

Continue to be an innovation leader through research and development

Our objective is to be a leading innovator in the automotive interior components industry. High consumer expectations, environmental goals and regulatory changes are three of the main drivers in the automotive market. We are involved in the design of highly innovative cars, as a result of our focus in three main areas:

- *materials and processes:* usage of environmentally-friendly and recyclable/recycled materials and weight reduction to minimize CO2 emissions;

- *industrial flexibility:* innovative manufacturing processes to produce various functions and adapting to meet evolving market demands with minimum investment; and

- *smart interiors:* supporting our customers' brand strategy and enhancing end user experience and perceived quality based on customization without specific investment.

As a result of our innovation activity, as of March 31, 2015, we have filed over 1,670 patent applications related to 455 technical processes. The number of persons that we employ in engineering functions throughout R&D, product quality and graphic engineering, supporting our product innovation capabilities, has grown from 550 in 2010 to 874 as of December 31, 2014.

Become a global full-service supplier to OEMs

We intend to strengthen our position as a Tier 1 supplier for automobile interiors with an extensive production and supply network that can flexibly service our customers on a global basis, providing major OEMs access to our global platform and product portfolio. In addition, we hope to increasingly take on additional responsibilities and activities of OEMs by managing Tier 2 and Tier 3 suppliers, thereby improving the manufacturing and product development efforts of our customers. Additionally, the Acquisition will allow us to improve our position in the premium segment of the automotive interior industry, as the Target Business has strong relationships with premium OEMs, including BMW, Daimler and JSA.

Our approach to project and production management is increasingly focused on integral execution by locating our technical and manufacturing facilities close to the decision-making and manufacturing centers of our customers. Additionally, we aim to ensure engineering benchmarking, continuous improvements in operational excellence and standardization of processes in every country in which we operate. We intend to develop new industrial processes able to produce different products with the same investment. The capacity to produce a broader product portfolio will allow us to provide a better service to the OEMs.

Develop design, engineering and production capacities across low cost countries

Our objective is to significantly increase our operations in low-cost countries in Eastern Europe, North America (particularly Mexico) as well as in APAC and Mercosur regions. Once the Acquisition has been consummated, we will directly operate 9 sites in Mexico. These markets present opportunities to capitalize on growing long-term demand relative to that of more mature economies. We intend to increase our internationalization by both selectively expanding our production capacities in new geographies and also expanding our product portfolio in such low-cost markets in which we already have successful operations.

Expand footprint in the APAC region

We intend to increase our presence in the APAC region consistently with the development trend of the automotive market in the region. We believe that we are well positioned to take advantage of growth opportunities in the APAC region as a result of our existing footprint of high quality production facilities in the region. We intend to capitalize on our current operations and reputation to increase our presence in the region through selective and disciplined investments and partnerships. For example in China, we have 2 technical-commercial

offices and we operate 11 sites directly and 8 sites together with local partners through our different joint ventures. Once the Acquisition has been consummated, we will directly operate 4 additional sites in China. We have 1 technical-commercial office and five operating sites in India, which serve customers including Tata Group, Mahindra, Ford, Fiat-Chrysler, Volkswagen Group, Hyundai, Toyota and General Motors. Furthermore, we have a joint venture with the Krishna Group which supplies Maruti-Suzuki and Honda. In South Korea, we have 1 technical-commercial office and we provide automotive parts to Renault-Samsung in a joint venture with Dongwon Tech. Once the Acquisition has been consummated, we will directly operate 1 additional site in South Korea and have an increased presence in China, through our majority position in two joint ventures: Changchun Intier Automotive Interiors Co., Ltd. and Changshu Intier Automotive Interiors Co., Ltd.

Our Products

Our product portfolio is primarily comprised of overhead systems, doors and interior plastics, seating and lighting. The diversification of our product portfolio has helped us to strengthen our strategic relationships with OEMs, who are able to turn to us for innovative and market leading product solutions across the value chain.

Overhead Systems

An overhead system comprises the headliner as well as all the components associated with it. Headliners conceal roof sheet metal, wiring and safety airbags and incorporate interior components, thus improving the perceived quality of the vehicle by the eventual vehicle owner. Our headliner product is a composite material that is affixed to the inside of the metal panel of a vehicle's roof. The headliner is a fundamental aspect of a vehicle's design and functionality and plays an important role in the aesthetics, comfort, safety and acoustics of the vehicle. Ever since our beginnings, our overhead systems have identified us on a global scale as a pioneer in the R&D of such technologies.

Overhead systems can be adapted to different configurations, from the simplest headliners through to the most complex modular integration. Our components include: substrate, sunvisors, consoles, lighting, grab handles, air conditioning vents and solar protection systems. We develop technological solutions to account for key factors such as head impact regulations and the integration of fabric and lighting elements. The extensive offer meets the requirements of all segments available in the market.

The development of sunvisors is a significant element when it comes to evaluating the quality perceived by the end user. The sunvisor product is an interior component located above the windshield, designed to protect the driver from the sun. All sunvisors are designed with a hinge that is adjustable to help shade the eyes of drivers and passengers from the glare of sunlight. Some luxury cars are equipped with doubled-shaded sunvisors, allowing the driver/passenger to turn one of the shades toward the side window and the other forwards to the windshield to improve sunlight protection performance.

We have integrated the management of the overhead system, including headliners and mechanical sun protection systems in the new panoramic roofs and windshields. Our Windshield Integrated System Headliner ("WISH") is our response to the current demand for panoramic windshields, which offer a new sense of space.

Manufacturing process

We begin the production process by analyzing our customer's requirements as well as the features and components that will be incorporated into the headliner. Our technical departments determine the ideal material construction and technology to produce the headliner at the most competitive cost and our engineering team then builds the detailed 3D specifications of the product. Once the part has been engineered, we begin the manufacturing process.

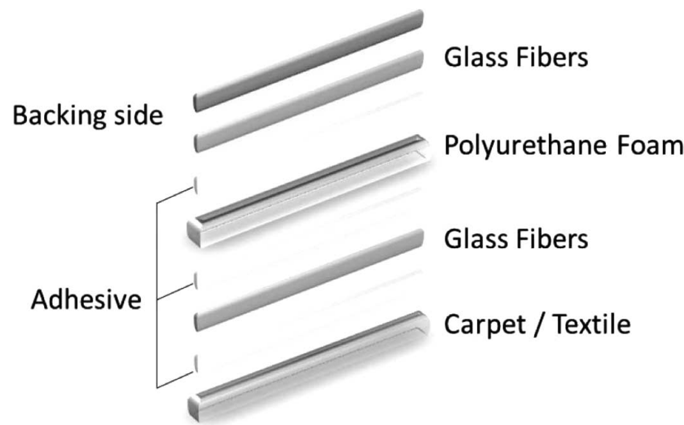
We manufacture our headliners using two production techniques: thermosetting technology and thermoplastic technology. Thermosetting technology uses a multi-layered composite structure (combining a core of

polyurethane foam and layers of adhesive, glass fiber and an aesthetical cover) which is converted into a rigid product using a heating process, while thermoplastic technology uses a board of a fibrous material which is heated in a specialized oven and then pressed into its final shape using a cooling process.

Thermosetting

The core material of the headliner is polyurethane foam. Manufacturing the foam is integrated in every production facility allowing us to customize the properties of the foam in accordance with customer specifications to achieve certain density, mechanical and acoustic requirements. The foam is created in large blocks which are then cut down in size to the required dimension and thickness.

Once the foam is cut into the appropriate dimensions, it is coated with adhesive, a catalyst is sprayed over the foam, then two layers of glass fiber are placed on and underneath the foam. Finally, a backing layer, either fleece or paper, is placed on the bottom side and an aesthetical layer, a textile or carpet, is placed on the upper side in order to create the final "sandwich" structure. The graphic below illustrates the final "sandwich" product.



The formed "sandwich" is then transferred into a heated tool to shape the headliner. After forming the headliner, it is trimmed using a pressurized water stream or with special die-cut tooling.

Thermoplastic

Our thermoplastic technology processes boards of fibrous materials which are blends of polyester or polyproylene fibers with glass fibers by heating the boards in an infra-red oven and then molding the boards in a cold press while, at the same time, feeding the interior textile finish into the mold. Finally, the part is trimmed by water jet. The thermoplastic lines are fully automatic, reducing labor costs and boosting the competitiveness of this technology.

Following customer and market demands, we have developed different technologies to assembly various components, such as sunroof frames, console frames, fixing or locator features on the back of the headliner. These components can be incorporated during the forming or covering steps or in a specific additional tooling.

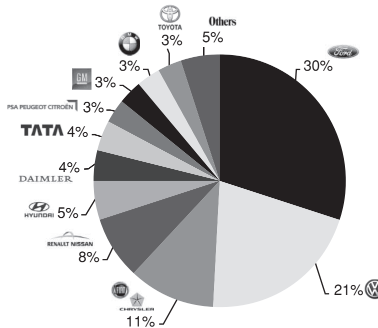
The production process is spread out across over 60 plants and JIT facilities worldwide.

Customers and competitors

We sell our overhead systems globally and our main clients are most of the top OEMs in the world, including Ford, Renault-Nissan, Volkswagen Group, Fiat-Chrysler, BMW, Daimler, Hyundai, Kia and PSA, amongst others. Our global footprint in design and industrial capacity is a key factor for obtaining and maintaining our

relationships with these OEMs. The chart below shows our customer split for our Overheads segment for the three months ended March 31, 2015.

Customer split for Overheads segment



The main competitors for our overhead system are Johnson Controls, Howa Tramico, IAC, Toyota Boshoku and Industrialesud, amongst others.

Door and interior plastics

Our door and interior plastics segment produces door panels, window regulators and related components and also assembles complete door modules including components such as door latches, harnesses, loud-speakers and sealing. A door panel is the component covering the internal side of a vehicle's door. The door panel hides the door's metal panel and the internal components of the door such as windows regulators, latches and certain wiring and also incorporates electric switches, pull handles and armrests. The door panel brings together numerous different mechanical features and also plays a key feature in the interior design of the vehicle.

A window regulator is the component that moves the window in the door. The main function of the regulator is to move the window through a mechanic actuator engaged by a handle or by an electric motor. We develop and produce window regulators of any morphology as another component of the door system we offer, all of which satisfy the quality, cost, weight and ease of assembly demands of each client's assembly line and are subject to a rigorous validation processes to offer the very highest standards of reliability. Additionally, we have extensive experience in designing, validating and implementing motors in our window regulator systems. These motors have changed significantly in recent years, from being considered a high-end product to becoming a mass-produced standard in most vehicles. Our motors incorporate an electronic anti-pinch system which enables them to be activated automatically and safely, as well as forming part of the vehicle's electronic communications network.

We developed and validated our first plastic window regulator and it is expected to be in production in 2015. It is a significant product improvement, as plastic window regulators are extremely light-weight and also very low cost.

We have pioneered the introduction of lightweight technologies for injected thermoplastic in the European market, as well as in the use of environmentally-friendly processes and materials. Our techniques for injected plastic trim include chemical foaming injection, which achieves weight reduction in comparison to conventional technology. Additionally, we have developed extrusion compression technology, which allows us to use recycled plastic material from end of life vehicles. We have registered this product under the commercial name Novaform with a first application anticipated in 2015. These new products and processes allow our doors and interior plastics segment to continue to grow in our markets.

Manufacturing process

We begin the production process by analyzing our customer's requirements as well as the features and components that will be incorporated into the door panel. Our technical departments determine the ideal material construction and technology to produce the door panel at the most competitive cost and our engineering team then builds the detailed 3D specifications of the product. Once the part has been engineered, we begin the manufacturing process.

Due to the cutting edge elements of these door panels, the traditional assembly chain is extremely complex. We provide OEMs with a final product which combines technical features with design while at the same time reducing the industrial complexity of the assembly chain.

A door panel is composed of several parts and each of them uses a different technology and production process. The first step of production is generally either injection molding or thermoplastic processing. Injection molding consists of plastic material being melted in order to fill a mold which is then cooled to solidify the panel. Door panels constructed using thermoplastic are produced with a thermoplastic shell, which is heated in an oven or a press machine and a mold.

Once the plastic component is finalized, a variety of covering technologies are utilized to cover the part with leather or fabric. The technologies used for the covering process include vacuum technology, edge wrapping and laser cutting which allows designs to be laser cut into the final product. Once all the individual parts are produced, they must be assembled together. The assembly process can be done in one of our production plants or can be done, totally or just partially, in a JIT facility close to the assembly plant of the customer to reduce logistic cost.

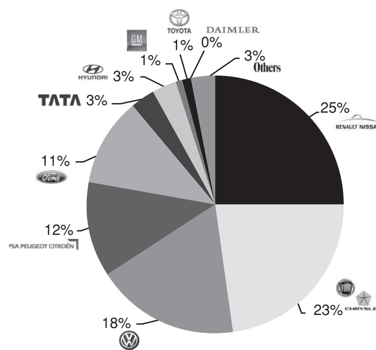
Window regulators are composed of several parts and each of them have a different technology and process of production. We use injection molding and stamping to make most of the individual parts which are then assembled using a variety of techniques including robotic and manual assembly lines.

The production process for our doors and interior plastics segment is spread out across over 30 plants and JIT facilities worldwide. Additionally, in recent years we have set up window regulator production lines in other product manufacturing sites. We now produce window regulators in the headliners plant in India and Slovakia and in multiproduct plants in Turkey and Russia.

Customers and competitors

We sell our doors and interior plastics products in Europe, North America, the Mercosur region and APAC, particularly in China. Our main clients are many of the top OEMs in the world, including Renault-Nissan, Volkswagen Group, Ford, Fiat-Chrysler, BMW, Daimler, Hyundai, Kia and PSA, amongst others. Our global footprint in design and industrial capacity is a key factor for obtaining and maintaining our relationships with these OEMs. The chart below shows our customer split for our Doors segment for the three months ended March 31, 2015.

Customer split for Doors segment



The main competitors for our doors segment are Visteon, Faurecia, Johnson Controls, IAC and Magna amongst others. We believe we offer lower engineering costs compared to our competitors. In relation to window regulators, our main competitors are Brose, Hilex, Inteva and Kwangjin amongst others. We are increasing our competitiveness by utilizing our wider manufacturing footprint. In the medium term we believe that our know-how in plastic window regulators and our longer experience in plastic injection will place us in a leading position among our competitors.

Seating

We develop and manufacture high added value light seats for MPVs, LCVs and vans. Our seats product portfolio comprises our automatic anchorage seats that we sell under our Drop&Go brand, fold-into-floor seats and seats and benches with integrated 3-point belts. As a result of an intensive program of innovation in the areas of lightweight materials, advanced mechanisms, safety and comfort, these seats, folded and retractable, feature the highest specifications that enhance the flexibility in the distribution of interior space. Furthermore, our integration in clients' supply chains, using sequencing plants close to their assembly lines, allows us further diversification in this segment. We produce seats using magnesium and high strength steel, allowing us to reduce weight while maintaining design and functionality.

Our automatic anchorage seats ("Drop&Go") are one example of our innovation in this segment. The seat can be fixed on floor rails by simply dropping it in any position. Simplifying seat anchoring and movement operations to greatly increases flexibility when distributing interior space. Drop&Go is designed with the end user in mind and represents a much higher level of comfort and functionality than alternative seating options.

We offer a unique capability to explore innovative and tailored made technical solutions for non-standard seats, facing complex functionalities and packaging constraints. Customers have identified these capabilities, and contact us in the earliest phases of the project, to start the feasibility analysis of the different interior ideas under study.

Manufacturing process

We concentrate our industrial activities in those processes that create the maximum added value to our customer. We begin the production process by analyzing our customer's requirements as well as the features and components that will be incorporated into the seats. Our technical departments determine the ideal material construction and technology to produce the seat at the most competitive cost and our engineering team then builds the detailed 3D specifications of the product. Once the part has been engineered, we begin the manufacturing process.

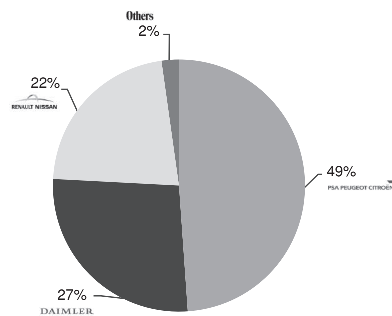
The first step in the manufacturing process is the cutting of sheet metal into the appropriate internal parts of the seat. This process is called stamping and its main advantage is that the final metal part is obtained without any heat treatment or other manufacturing process. We then use a magnesium injection process to create light-weight magnesium parts for the inside of the seat. The magnesium and metal parts and then welded, riveted and clinched together using a variety of different technologies that give the seat its final structural form. Finally, the seat is covered with the appropriate fabric and leather and painted as per the OEMs design specifications.

The production process is spread out across 8 plants and JIT facilities.

Customers and competitors

We sell our niche seating products primarily in Europe with the goal of expanding this business segment across our global footprint. We sell our seats to Daimler, PSA and Renault-Nissan. We believe that the manufacture of light- weight seats for MPVs and LCVs is currently a niche market, offering us an entrance into the profitable seating market. Our focus in this niche set of products gives us an advantage over many of our competitors, who have difficulties in innovating and investing in this range of products. The chart below shows the customer split for our Seating segment for the three months ended March 31, 2015.

Customer split for Seating segment



The main competitors for our seating segment are Faurecia and Johnson Controls amongst others. Notwithstanding the existing competition in this segment, we believe that we offer a unique capability to explore innovative and tailor-made technical solutions for non-standard seats, with complex functionalities. We believe customers have recognized these capabilities, and contact us for in the early stages of the development of any non-standard seats to determine whether any specific project is feasible.

Lighting

Our new business segment was created in January 2012 following our acquisition of CML, a leading manufacturer in Europe and Asia. As one of the key players in the market, we pay special attention to innovation in this segment, maintaining strong development capabilities, mainly in electronics and optical design. We offer complete interior solutions including, ambient lighting for the luxury and mid-range auto segment as well as floor lighting, overhead lighting and consoles for vehicles in all cost segments. Our lighting products also include sophisticated exterior lighting such as automotive exterior signaling, center high mount stop lights, turn signals and daytime running lights.

Increasingly, we are seeing an increasing innovation in the market for our products. We now see solid-state LED technology replacing the historic incandescent lighting technology as well as specialized electronics becoming increasingly present in even the simpler products. As the state-of-the-art evolves in each of these product ranges to include more functionality and elevated finish, we are evolving our production processes to match.

Manufacturing process

As with our other business segments, we begin the production process by analyzing our customer's requirements with regard to interior automotive lighting. Our production capabilities are vertically integrated, mastering the complete industrial process from R&D, conception and tooling to material processing, assembly, packaging and delivery.

The production processes for our lighting segment varies depending on the type of lighting required by our end customers. The manufacturing processes include plastic injection, aluminium coating, ultrasonic and vibration welding, electronics components processing, including: PIN insertion for press-fit pin replacement of classical connector technology, wire-to-PCB soldering in the form of hot bar soldering, 100% in-line LED measurements, laser marking, wire stripping, tinning and termination equipment. We also have a significant capability in stamping technology that gives us a strong competitive edge in producing parts that essentially combine the functionality of electrical circuits, connectors and part supports. Our toolmakers are renowned for their skills in creating complex tools that produce elegant and cost-effective mass production parts.

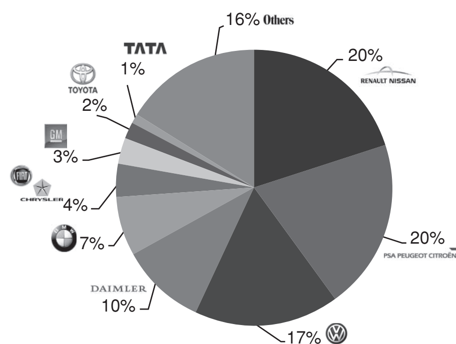
Furthermore, we are now equipped with an in-house with SMD assembly process equipment in two sites, with a third site planned to come on-line in 2015. This enables us not only to be competitive with our offers, but also to stay abreast of the rapid evolution of the customer requirements, and complements supply from our traditional subcontractor base.

The production process is spread out across the full range of our sites worldwide, with plants in Mexico, UK, France, Germany, Czech Republic, Romania and China.

Customers and competitors

We sell our interior automotive lighting products primarily in Europe, North America, the Mercosur region and APAC, particularly in China. Our main clients are among the top OEMs in the world, including Renault-Nissan, Volkswagen Group, Fiat-Chrysler, BMW, Daimler and PSA, amongst others. Our global footprint in design and industrial capacity is a key factor for obtaining and maintaining our relationships with these OEMs. The chart below shows the customer split for our Lighting segment for the three months ended March 31, 2015.

Customer split for Lighting segment



The main competitors for our lighting segment are Hella, Flextronics, Koito, Il Heung, FER-Trucklite, AGM, Daimay, Olsa, Wuhan Champion, CHML, Visteon, amongst others. Our competitive advantages lie in several factors, namely our global reach, innovation, design, our efficient cost structure and our ability to stay ahead of our competitors.

Suppliers

We purchase various manufactured components and materials for use in our manufacturing processes. All of these components and materials are available from numerous sources and we currently source materials from over 1,500 suppliers of which approximately 33% make up to 80% of total purchase volumes. We source our key materials from at least two main suppliers of international recognition which enables us to negotiate on more favorable terms and provides us with added price protection. We estimate that over 40% of the value of the materials we source come from suppliers chosen by OEMs, which allows us to benefit from their enhanced negotiation power and to be automatically compensated by the applicable OEM for any increase of material costs. In addition, we estimate that approximately 8% of the value of the materials we source come from suppliers who have price transfer agreements directly with our customers where costs of materials outside of certain ranges are passed onto the OEM and approximately 52% of the value of the materials we source are related to customer contracts which allow us to renegotiate terms with OEMs based on increases in the costs of materials, thus helping us to minimize the impact of material price fluctuations. Our main material suppliers in our overheads segment are BASF and Bayer and we mainly source fabrics for our overhead systems from Guilford, Shawmut and Copo Textil. We source the plastic resins for our door panels from LyondellBasell, Exxon and Sabic and we source steel from SSAB and Gonvarri for use in our seating segment.

We conduct permanent monitoring and collaboration with our supply chain, at an international level. Our implementation of the warehouse management system, guarantees accurate supply by suppliers. We work to promote medium and long-term relationships to achieve mutual growth.

Customers and Geography

Relative to our competitors, we have a well-diversified customer base which, through a successful development strategy, has expanded to include the twenty largest OEMs by production volume in 2014. In the year ended December 31, 2014, our top five OEM customers accounted for 75.0% of our revenue. The most significant increases since 2013 have come from Renault-Nissan, Daimler and Fiat- Chrysler, which accounted for 15.2%, 5.3% and 11.8% of our total revenue respectively, as a result of the strong performance of the European and APAC markets.

We have developed long-standing business relationships with our automotive customers around the world. We work together with our customers along the full value chain, including development, industrial engineering, tooling and manufacturing. Quality assurance programs matching the highest standards underlie our service offering. In emerging economies in particular, our customers are focusing their own resources on vehicle assembly and seek to outsource to suppliers that are capable of providing an integrated supply service. We believe that our customers perceive us as a supplier that is capable on a global scale of providing (i) high-quality products at competitive prices with standardized high-level quality, (ii) innovative solutions for complex projects and (iii) on-time delivery and quality customer service.

Mandates in the automotive OEM business involve long-term production arrangements based on the lifecycle of the specific model or platform. As a result of our strategic and long term relationships with our OEM customers, and given the prohibitive operational, technical and logistical costs of switching suppliers, particularly during the life cycle of a specific vehicle model, we have strong visibility on our mid-term revenues. Furthermore, we believe we can leverage our strong customer relationships to obtain similar awards in the future.

In addition to being diversified, our customer base is weighted towards financially stable OEMs, meaning that, subject to the stage of the automotive industry cycle and prevailing macroeconomic conditions, our revenue streams are relatively secure.

Our geographical diversification strategy is aligned with the ongoing expansion by OEMs into emerging economies and the consolidation of their existing presence in established markets. As OEMs have sought to establish presence in growth markets and to grow outside of their home markets, we have adapted our

geographical diversification strategy to focus less on our presence in Western Europe, which is well established, and more on these growing markets.

While we continue to pursue a measured strategy of geographical diversification, the basis of our technological expertise continues to be Western Europe.

Research, Development, Innovation and Intellectual Property

We operate in a highly competitive and globalized industry and must constantly change and adapt to meet our customer's needs and expectations. We consider innovation and R&D to be key success factors for the differentiation of our products and services from those of our competitors. As of December 31, 2014, we had a dedicated team of 874 employees in engineering functions throughout R&D, product quality and graphic engineering, supporting our product innovation capabilities, as compared to 550 employees in these functions in 2010.

One of the global trends in the automotive industry is the increased focus on innovative and technologically advanced products that seek to address the parallel concerns of improved safety for passengers and road users and the reduction of weight and emissions. Our commitment to developing innovative, high quality products has defined our approach to our customers. Investment in R&D is one of our main drivers. We pursue innovation in three main areas: (i) materials and processes where we are focused on weight reduction to minimize CO2 emissions and on the use of recyclable and recycled materials; (ii) industry flexibility whereby we are adapting to meet evolving market demands with minimum investment and (iii) smart interiors whereby we support our customer's brand strategy which is key to perceived quality by end clients.

In the year ended December 31, 2014 we invested €69.4 million, or 3.1% of our revenue in R&D. Our innovative products and market leading processes are developed through our targeted R&D platforms across 13 R&D centers throughout Europe, APAC, North America and the Mercosur region.

Underlying our innovative products and processes and in-house capabilities is the maintenance of rigorous quality management and testing systems in all of our manufacturing plants and R&D facilities. Through regular internal audits we are able to ensure that our products and processes are monitored to the highest industry standards. We believe that these competencies and capabilities along the entire value chain give us a competitive advantage over many of the other suppliers.

Although the processes we use in the manufacture of the products we produce are technical in nature, our business does not rely heavily on intellectual property. Among the most important intellectual property that we do own relate to the patented press hardening processes we utilise in our operations, as well as certain brands, including Drop&Go, Novaliner, Novaform, WISH and DTM Door Trim Module, as well as our brand name, Grupo Antolín.

Joint Ventures

Joint ventures constitute a key aspect of our business strategy and we operate in many countries by means of partnerships with local partners. Joint ventures have historically been a strategic way for us to enter new geographies. While in some joint ventures we are not the majority shareholder, we nonetheless often exercise operational control over these entities. Below we present a summary of our most significant joint ventures.

Brazil—INTERTRIM, Ltda.

On December 1, 1995, we formed INTERTRIM, Ltda. with Luiz Rodovil Rossi, a Brazilian lawyer with experience in the Brazilian automotive business community, to produce overhead systems, namely headliners and sunvisors. As of December 31, 2013, we held a majority of the capital stock of the Intertrim, Ltda. while Luiz Rodovil Rossi held the minority capital stock. The company is located in Brazil and produces headliners in

Caçapava, Brazil and sunvisors in Taubaté, Brazil. The company also has two logistic sites for sequencing and JIT delivery. The company produces parts for Volkswagen Group, PSA, Renault-Nissan, Toyota, Honda, Ford and Mitsubishi. As of December 31, 2014, the company employed 363 people.

Netherlands—International Door Company B.V.

On May 4, 2000, the Company and Küster Holding GmbH signed a framework agreement for the management of the manufacturing of window regulator mechanisms and related systems. Under this framework agreement, a Dutch vehicle was incorporated (International Door Company, B.V.) which would cover all of the worldwide business of the Company and Küster Holding GmbH for the manufacturing of window regulators and related systems (except in Spain, France, Germany and Portugal, where both companies would continue operating separately). Currently, International Door Company B.V. holds the following stake in these entities (i) 100% of Iramec Autopeças Ltda. (Brazil), (ii) 100% of Mexican Door Company S. de R.L. de C.V. (Mexico), (iii) 50% of International Door System S. de R.L de C.V. (Mexico), which has no activity since July 2012 and is currently in the process of liquidation, and (iv) 50% of Slovakian Door Company (Slovakia). Iramec Autopeças Ltda. was incorporated on July 24, 1995 and is mainly focused in the manufacturing of window regulator systems. Its main customers are Volkswagen Group, Ford and PSA. Mexican Door Company S. de R.L. de C.V. (Mexico) was incorporated on March 17, 2004 and is mainly focused in the manufacturing of window regulatory systems. Its customers include Grupo Antolín-Illinois, Inc., Volkswagen Group, Ford, DGS and Grupo Antolín-Saltillo S. de R.L. de C.V. Slovakian Door Company, which was incorporated on March 2, 2000, manufactures window regulator mechanisms for Audi, Porsche and Renault/Smart.

China—Ningbo Antolín Huaxiang Auto Parts

In May, 2007, we entered into an agreement with the Chinese company Ningbo Huaxiang Electronic Parts Co., Ltd. to establish the Ningbo Antolín Huaxiang Auto Parts Co., Ltd. ("NBHX") joint venture to produce automotive door panels and hard trim for the Chinese market. The joint venture is located in Ningbo, in the province of Zhejiang. It produces door panels, plastic hard trim for interiors as well as some other plastic exterior components. Its main customers are local subsidiaries and joint ventures of Volkswagen Group, PSA, Mercedes and Land Rover. As of December 31, 2014, the company employed 177 people. This joint venture enabled us to expand our product portfolio in China by introducing door panels and other plastic parts.

Additionally, in 2013, NBHX opened a subsidiary company in Dong Guan, in the province of Guandong. The new company is called Dong Guan Antolín Huaxiang Auto Parts Ltd. and manufactures hard trim plastic parts for the auto industry. It was opened to support and accompany the development of its main customer, a joint venture of PSA.

China—Yanghzou Antolín Huaxiang Auto Parts

In August 2011, Grupo Antolín and NBHX established a new joint venture named Yangzhou Antolín Huaxiang Auto Parts Co. Ltd. in the province of Jiangsu. The objective of the joint venture is to support the manufacturing and sales of door panels and hard trim for its main customer a Chinese subsidiary of Volkswagen Group. The company is located in Yangzhou and as of December 31, 2014 it employed 162 people. This new company has enabled us to strengthen our marketing position with Volkswagen Group and will allow us to develop new business opportunities with customers located in the area.

Thailand—NHK Antolín Thailand

On October 22, 2012, NHK Antolin (Thailand) Co., Ltd. ("NHKA") was incorporated as a joint venture between NHK Spring (Thailand) Co. Ltd. and the Company, under which each party would own a 50% interest (direct or indirect) in NHKA. NHKA manufactures headliners for the local Thai market and other countries in the APAC region. It is located in Bangpoo Industrial State, Province of Samutprakan, near Bangkok, and produces and delivers headliners for the main car manufacturers in the country including FTM Ford, AAT, Nissan, Honda,

General Motors, Isuzu and Mitsubishi. As of December 31, 2014, NHKA employed 127 people. Furthermore, in August 2013, NHKA created NHK Antolín Hemarak, a JIT facility in order to support the components assembly to complete the modules for NHKA, as well as for the in-sequence delivery of the final product to the customer. It is located in the Rayong province, and delivers headliners to Ford, AAT and General Motors. As of December 31, 2014, this entity employed 62 people.

Turkey—Ototrim Panel Sanayi ve Ticaret, A.S

On December 15, 1992 we entered into an agreement with SKT Yedek Parca ve Makina Sanayi ve Ticaret A.S., a producer of oil sealants and rubber components for motor vehicles, establishing a joint venture to produce components such as headliners, sunvisors, hard trim, door panels and mechanisms for the main car manufacturers in the country. The joint ventures' main customers are Ford, Renault-Nissan, Toyota, Fiat-Chrysler, Hyundai and PSA. As of December 31, 2014, Ototrim Panel Sanayi ve Ticaret A.S. employed 741 people and is a market leader in the production of headliners and sunvisors in Turkey. The Company grants a license to this joint venture for the manufacturing of headliners, door panels, sunvisors and window regulators and, in consideration, it receives an annual percentage of sales derived from this joint venture.

USA—Grupo Antolín Primera Automotive Systems LLC

On December 17, 1998, we entered an operating agreement with Crown Automotive Industries LLC, a Michigan based company, to assemble and deliver automotive overhead systems for certain plants of Ford. The joint venture is Grupo Antolín Primera Automotive Systems LLC and is located in Michigan, USA. As of December 31, 2014, the joint venture employed approximately 210 people.

China—Gongzhuling Antolin Huaxiang Auto Interior Trim Co. Ltd.

On September 19, 2009 NBHX officially agreed to buy 94% shares of Gongzhuling Antolin Huaxiang Auto Interior Trim Co. Ltd. from its previous shareholders. The company is located in Changchun, in the province of Jilin and produces headliners and DVDs for the main car manufacturers in the northern part of China. As of December 31, 2014, the company employed 325 people. Through this joint venture we were able to expand our presence in the northeast region of China and increase our market share in China.

On January 20, 2010 Chengdu Antolín Huaxiang Auto Interior Trim Co., Ltd. and in February 2013, Foshan Antolín Huaxiang Auto Interior Trim Co., Ltd were established as subsidiaries of Gongzhuling Antolin Huaxiang Auto Interior Trim Co. Ltd. to produce headliners, DVDs and components for OEMs including subsidiaries of Volkswagen Group. They are located in southwest and southern China in the province of Sichuan. As of December 31, 2014 they employed approximately 93 and 91 people, respectively.

China—Dongfeng Antolin (Wuhan) Overhead Systems Co., Ltd.

On December 9, 2014 we entered a joint venture agreement with Dongfeng Visteon Automotive Trim System Co., Ltd. to manufacture automotive overhead systems for certain plants of Dongfeng Renault, Dongfeng PSA, Dongfeng Nissan and Dongfeng Honda. The joint venture is Dongfeng Antolin (Wuhan) Overhead Systems Co., Ltd. and is located in Hubei, China. As of December 31, 2014, the joint venture employed approximately 11 people. Through this joint venture we were able to expand our presence in the eastern region of China and increase our market share in China.

India—Krishna Grupo Antolín Private Limited

On February 22, 2004 we entered into an agreement with an Indian company named Krishna Maruti Limited establishing a joint venture to produce automotive headliners and sunvisors within Northern India.

Krishna Maruti Ltd., is a part of the Krishna Group, a corporation supplying seating systems, interior systems as well as fuel and exhaust systems for the main OEMs in India.

The joint venture is called Krishna Grupo Antolín Private Ltd., and is located in Manesar-Gurgaon, New Delhi, India. It produces components for the main car manufacturers in the country such as Maruti-Suzuki, Honda and M&M. As of December 31, 2014, the Company employed 272 people. The Company has a license agreement with the joint venture for the manufacturing of headliners and sunvisors, in consideration for this it receives a percentage of the sales derived from this joint venture.

Poland—Silesia Plastic Sp z.o.o

On November 23, 2006 we entered into an agreement with Industrias Alegre Company, a producer of plastic interior parts for Ford in their plant located in Valencia, Spain, establishing a joint venture to produce interior plastic components. The joint venture is located in Strzelin, Poland and its main customers are Ford, PSA, Toyota and Volkswagen Group. As of December 31, 2014, Silesia Plastic Sp z.o.o employed 270 people and supplied components to Czech Republic, Slovakia and mainly to Germany. This joint venture allows us to supply interior plastic components to Eastern Europe complementing our facilities in the Czech Republic.

Property, Plant and Equipment as of December 31, 2014

Company	Type	Country	Owned/ Leased	Function
Grupo Antolín—Ingeniería, S.A.U/ Grupo Antolín-Irausa, S.A.	TCO	Spain	Owned	TCO
Grupo Antolín—Ardasa, S.A.U.	Plant	Spain	Owned	Seats
Grupo Antolín—Álava, S.A.U.	JIT	Spain	Leased	Seats
Grupo Antolín—Ara, S.A.U.	Plant	Spain	Owned	Seats
Grupo Antolín—Aragusa, S.A.U.	Plant	Spain	Leased	Plastics
Grupo Antolín—Aragusa, S.A.U. (Valladolid)	JIT	Spain	Leased	Plastics
Grupo Antolín—Aragusa, S.A.U. (Madrid)	JIT	Spain	Leased	Plastics
Grupo Antolín—Autotrim, S.A.U.	Plant	Spain	Owned	Headliners
Grupo Antolín—Autotrim, S.A.U. (Valencia)	JIT	Spain	Leased	Headliners
Grupo Antolín—Autotrim, S.A.U. (Barcelona)	JIT	Spain	Leased	Headliners
Grupo Antolín—Dapsa, S.A.U.	Plant	Spain	Owned	Mechanisms
Grupo Antolín—Eurotrim, S.A.U.	Plant	Spain	Owned	Headliners
Grupo Antolín—Eurotrim, S.A.U. (Vigo)	JIT	Spain	Leased	Headliners
Grupo Antolín—Eurotrim, S.A.U. (Vitoria)	JIT	Spain	Leased	Headliners
Grupo Antolín—Glass, S.A.U.	JIT	Spain	Leased	JIT
Grupo Antolín—Magnesio, S.A.U.	Plant	Spain	Owned	Magnesium injection, seats, mechanisms
Grupo Antolín—Martorell, S.A.U.	JIT	Spain	Leased	Headliners and doors
Grupo Antolín—Navarra, S.A.U.	Plant	Spain	Leased	Doors
Grupo Antolín—PGA, S.A.U.	Plant	Spain	Leased	Metals welding
Grupo Antolín—Plasbur, S.A.U.	Plant	Spain	Owned	Plastics
Grupo Antolín—RyA, S.A.U.	Plant	Spain	Owned	Plastics
Grupo Antolín—Valplas, S.A.U.	Plant	Spain	Owned	Plastics
Grupo Antolín—Vigo, S.A.U.	Plant	Spain	Owned	Seats
Cidut, S.L.	Plant	Spain	Owned	Die-cut and molding
Grupo Antolín Lusitânia-Componentes Automóvel, S.A.	Plant	Portugal	Owned	Mechanisms
Grupo Antolín Valença-Componentes Automóvel, S.L.U.	Plant	Portugal	Owned	Metallic profiles and welding
Grupo Antolín Valença-Componentes Automóvel, S. L. U. (Palmela)	JIT	Portugal	Leased	Headliners
Silesia Plastic Sp. z.o.o.	Plant	Poland	Owned	Plastics
Grupo Antolín—Saint Petersburg	Plant	Russia	Leased	Headliners, plastics and mechanisms
Grupo Antolín Avtotechnica Nizhny Novgorod LLC	Plant	Russia	Leased	Headliners and mechanisms
Grupo Antolín Nizhny Avtotechnica Novgorod LLC	JIT	Russia	Leased	Headliners and mechanisms
Grupo Antolín—Bratislava, s.r.o.	Plant/JIT	Slovakia	Leased	Headliners, sunvisors and other
Grupo Antolín—Bratislava, s.r.o.	JIT	Slovakia	Leased	Headliners and panels
Slovakian Door Company, s.r.o.	Plant	Slovakia	Leased	Window regulators
Grupo Antolín—France, S.A.S	TCO	France	Leased	TCO
Grupo Antolín—Ingénierie Sièges, S.A.S	TCO	France	Owned	TCO
Grupo Antolín—Cambrai, S.A.S	Plant/JIT	France	Owned	Plastics
Grupo Antolín—IGA, S.A.S.	Plant	France	Owned	Headliners
Grupo Antolín—IGA, S.A.S.	JIT	France	Leased	Headliners

Company	Type	Country	Owned/ Leased	Function
Grupo Antolín—Loire, S.A.S.	Plant	France	Owned	Seats
Grupo Antolín—Jarny, S.A.S.	Plant	France	Owned	Seats
Grupo Antolín—Vosges, S.A.S	Plant/TCO	France	Owned	Sunvisors
CML Innovative Technologies, S.A.S.	Plant/TCO	France	Owned/ Leased	TCO/Lighting
Grupo Antolín—Leamington, Ltd.	Plant/JIT/ TCO	UK	Leased	Headliners
Grupo Antolín—Leamington, Ltd.	JIT	UK	Leased	Headliners
Grupo Antolín—Leamington Ltd.	JIT	UK	Leased	Headliners
Grupo Antolín—Leamington Ltd.	JIT	UK	Leased	Headliners
Grupo Antolin Besancon, S.A.S. (formerly CML Innovative Technologies Ltd)	Plant/TCO	UK	Leased	TCO/Lighting
Grupo Antolín—Deutschland GmbH (Weyhausen)	TCO	Germany	Leased	TCO
Grupo Antolín—Deutschland GmbH (Köln)	TCO	Germany	Leased	TCO
Grupo Antolín—Deutschland GmbH (Stuttgart)	TCO	Germany	Leased	TCO
Grupo Antolín—Deutschland GmbH (Wolnzach)	TCO	Germany	Leased	TCO
Grupo Antolín—Logistik Deutschland GmbH (Emden)	JIT	Germany	Leased	Headliners
Grupo Antolín—Logistik Deutschland GmbH (Emden)	JIT	Germany	Leased	Doors
Grupo Antolín—Logistik Deutschland GmbH (Regensburg)	JIT	Germany	Leased	Headliners
Grupo Antolín—Logistik Deutschland GmbH (Saarlouis)	JIT	Germany	Leased	Headliners and pillars
Grupo Antolín—Logistik Deutschland GmbH (Saarlouis)	JIT	Germany	Leased	Plastics
Grupo Antolín—Logistik Deutschland GmbH (Sachsen)	JIT	Germany	Leased	Headliners, doors and trays
Grupo Antolín—Logistik Deutschland GmbH (Köln)	JIT	Germany	Leased	Headliners
Grupo Antolín—Logistik Deutschland GmbH (Wolfsburg-Hattorf)	JIT	Germany	Leased	Headliners
Grupo Antolín Bamberg GmbH	Plant/TCO	Germany	Owned	TCO/Lighting
CML Technologies GmbH (Bad Durkheim)	Plant/TCO	Germany	Leased	TCO/Lighting
Grupo Antolín Bohemia, a.s.	Plant/TCO	Czech Republic	Owned	TCO/ Headliners
Grupo Antolín Bohemia, a.s.	JIT	Czech Republic	Leased	Headliners
Grupo Antolín Bohemia, a.s.	Plant	Czech Republic	Leased	Headliners
Grupo Antolín Ostrava, s.r.o.	Plant	Czech Republic	Leased	Headliners
Grupo Antolín Turnov, s.r.o.	Plant	Czech Republic	Leased	Plastics
Grupo Antolín Turnov, s.r.o (Hnojnik).	JIT	Czech Republic	Leased	Doors
Grupo Antolín Turnov, s.r.o (Mlada).	JIT	Czech Republic	Leased	Doors
Grupo Antolín Turnov, s.r.o (Příšovice).	Plant	Czech Republic	Leased	Lighting, plastics and trays
Grupo Antolín Hranice, s.r.o	Plant	Czech Republic	Owned	Lighting
Antolín—Cie Czech Republic, s.r.o	Plant	Czech Republic	Leased	Seats
Ototrim Panel Sanayi Ve Ticaret s.a.	Plant/TCO	Turkey	Owned	Headliners, plastics and trays
Ototrim Panel Sanayi Ve Ticaret s.a. (Aygen)	JIT	Turkey	Leased	Headliners
Ototrim Panel Sanayi Ve Ticaret s.a. (Yenikoy)	JIT	Turkey	Leased	Headliners

Company	Type	Country	Owned/ Leased	Function
Ototrim Panel Sanayi Ve Ticaret s.a. (Kullar)	JIT	Turkey	Leased	Headliners
Grupo Antolín Sibiu, Ltd.	Plant	Romania	Owned	Lighting
Grupo Antolín—Italia, s.r.l.	Plant/TCO	Italy	Owned	Plastics
Grupo Antolín—Italia, s.r.l.	JIT	Italy	Leased	Doors
Iramec Autopecas, S.A.	Plant	Brazil	Owned	Mechanisms
Intertrim, Ltda.	Plant	Brazil	Owned	Headliners
Trimtec Ltda.	Plant	Brazil	Owned	Plastics and sunvisors
Intertrim (Bahía)	JIT	Brazil	Leased	Headliners
Intertrim (Taubaté)	JIT	Brazil	Leased	Headliners
Intertrim (Curitiba)	JIT	Brazil	Leased	Headliners
Irauto, S.A.	Plant	Argentina	Owned	Headliners
Oshawa	JIT	Canada	Leased	Headliners
Brampton	JIT	Canada	Leased	Doors
Grupo Antolín—North America Inc.	TCO	US	Leased	TCO
Grupo Antolín—Illinois, Inc	JIT	US	Leased	Doors
Grupo Antolín—Kentucky, Inc.	Plant	US	Owned	Headliners
Grupo Antolín—Kentucky, Inc. (Cottondale)	JIT	US	Leased	Headliners
Grupo Antolín—Kentucky, Inc. (Louisville)	JIT	US	Leased	Headliners
Grupo Antolín—Michigan, Inc.	Plant	US	Leased	Headliners
Grupo Antolín—Michigan, Inc. (Warren)	JIT	US	Leased	Headliners
Grupo Antolín—Wayne, LLC	JIT	US	Leased	Headliners
Grupo Antolín—Missouri, LLC	Plant	US	Leased	Headliners and trays
Grupo Antolín—Silao, S.A. de C.V.	Plant/TCO	Mexico	Owned	TCO and headliners
Grupo Antolín—Saltillo S.A. de C.V.	Plant	Mexico	Leased	Plastics, sunvisors, lighting
Grupo Antolín—Silao, S.A. de C.V. (Hermosillo)	Plant/JIT	Mexico	Leased	Headliners and doors
Mexican Door Company	Plant	Mexico	Leased	Mechanisms
Grupo Antolín—Silao, S.A. de C.V. (Puebla)	JIT	Mexico	Leased	Headliners
Grupo Antolín—Silao, S.A. de C.V. (Derramadero)	JIT	Mexico	Leased	Headliners
Grupo Antolín Tlaxcala S.L. de C.V.	Plant	Mexico	Leased	Doors and plastics
Antolín Tanger, S.a.r.l.	Plant/TCO	Morocco	Owned	Headliners and plastics
Antolín Tanger, S.a.r.l.	Plant	Morocco	Leased	Seats
Grupo Antolín—South Africa, (PTY) Ltd.	Plant/JIT/ TCO	South Africa	Leased	TCO, plastics and headliners
Grupo Antolín—South Africa, (PTY) Ltd.	Plant/JIT	South Africa	Leased	Headliners
Grupo Antolín—South Africa, (PTY) Ltd.	Plant	South Africa	Leased	Headliners
Grupo Antolín—India Private Ltd.	TCO	India	Owned	TCO
Grupo Antolín—India Private Ltd.	Plant	India	Owned	Headliners, plastics, mechanisms and trays
Grupo Antolín—India Private Ltd. (Chennai)	Plant/JIT	India	Owned	Headliners, trays and sunvisors
Grupo Antolín—India Private Ltd. (Sanand)	Plant	India	Leased	Headliners and plastics
Grupo Antolin Chakan Private Ltd.	Plant	India	Owned	Plastics
Krishna Grupo Antolín Private, Ltd.	Plant	India	Owned	Headliners
NHK Antolín Thailand Co. Ltd.	Plant	Thailand	Leased	Headliners
NHK Antolín Thailand Co. Ltd.	JIT	Thailand	Leased	Headliners
Grupo Antolín (Shanghai)	TCO	China	Leased	TCO
Antolín Shanghai Autoparts Co. Ltd. (Asa)	Plant/JIT	China	Leased	Headliners, sunvisors
Guangzhou Antolín Auto-Parts Co. Ltd (Aga)	Plant/JIT	China	Leased	Headliners
Antolín Shanghai Autoparts Co. Ltd. (Wuhu)	JIT	China	Leased	Headliners

Company	Type	Country	Owned/ Leased	Function
Antolín Shanghai Autoparts Co. Ltd. (Shenyang)	JIT	China	Leased	Headliners
Antolín Shanghai Autoparts Co. Ltd. (Wuhan)	Plant/JIT	China	Leased	Headliners
Antolín Shanghai Autoparts Co. Ltd. (Zhengzhou)	JIT	China	Leased	Headliners
Chengdu Antolín Huaxiang Auto Interior Trim Co. Ltd.	Plant	China	Leased	Headliners
Chongqing Antolín Tuopu Overhead System Co. Ltd.	Plant/JIT	China	Leased	Headliners
Gongzhuling Antolín Huaxiang Auto Interior Trim Co. Ltd.	Plant	China	Owned	Headliners
Ningbo Antolín Huaxiang Auto Parts Co. Ltd.	Plant	China	Leased	Plastics
Antolín Shanghai Auto Parts Nanjing Branch (Ana)	Plant/JIT	China	Leased	Headliners
Yangzhou Antolín Huaxiang Auto Parts Co. Ltd.	Plant/JIT	China	Owned	Plastics
Guangzhou Socop Lamps	Plant/TCO	China	Leased	Lighting
Foshan Gongzhouling Antolín Huaxiang Auto Interior Trim Co. Ltd.	Plant	China	Leased	Headliners
Dongguan Antolín Huaxiang Auto Parts Co. Ltd.	Plant	China	Leased	Plastics
Grupo Antolín Pukou	JIT	China	Leased	Headliners
Grupo Antolín Yi Zheng	JIT	China	Leased	Headliners
Grupo Antolín Korea	TCO	South Korea	Leased	TCO
Dongwon Technology Ltd.	Plant	South Korea	Owned	Plastics
Grupo Antolín—Japan, Corp.	TCO	Japan	Leased	TCO

The following table sets forth the total number of our production facilities and our technical-commercial offices, by region as of December 31, 2014:

Region	Production Facilities	TCO
Western Europe	50	15
Eastern Europe	22	2
North America	17	2
Mercosur	7	—
APAC	25	4
Other	5	2
Total	126	25

Environmental

We have a strong commitment to environmental issues and the impact of our operations on the environment, including with respect to climate change. We are also committed to maintaining high standards of health and safety, both environmental and general. The Company has approved a management model, aimed at covering any legal requirements, and which currently applies to each entity in our Group. As of March 31, 2015, we had 80 employees dedicated to environmental issues and health and safety issues.

As manufacturers of automotive components, the environmental impact generated by us have to be taken into account throughout the life cycle of the vehicle and not only during the manufacturing phase of our parts. For

this reason we are committed to adapting and using the best techniques available for our components, as well as including environmental aspects in the design and operation of them. For example, our innovation processes seek weight reduction and make use of biomaterials and natural fibers, our design processes seek new products and production processes centered around efficient use of resources and energy, and we seek out recycling options for the components at the end of their useful life.

Over the past six years, we have had no relevant material environmental issues, actions, claims or liabilities and are currently not aware of any such issues, actions, claims or liabilities, excluding the claim in Brazil against our subsidiary Trimtec. See "—Proceedings".

We have achieved environmental certification in accordance with the standard ISO 14001 for 58 companies. The chart below shows a breakdown of our ISO 14001 certifications by region:

Region	ISO 14001 Certifications
Europe	33
North America	11
Mercosur	4
Africa-APAC	10

Our environmental activities focus on two general areas: (i) environmental management system, based on manuals and procedures common to all the centers defining the measures to ensure strict compliance with current legislation, the rational use of resources and energy and minimizing the generation of waste; and (ii) environmentally sensitive design, where we focus our design of our products with a view to minimizing the environmental impact of the vehicle over its useful life.

As of March 31, 2015 we had no other environmental liabilities, provisions or contingencies that could have a significant impact on our equity, financial position or results.

Health and Safety

In terms of health and safety we are aware of the risks in our business and have a policy that ensures that both our employees and those from other companies working on our premises have a safe and healthy working environment.

In accordance with this policy, we use the same criteria when assessing the performance of any company in terms of health and safety and no difference is established between the companies operating in the countries in which we are present.

Our management plan, based on the OHSAS 18001 model, includes the identification and verification of any applicable regulations, as well as the performance of internal audit controls to verify any applicable preventive measures and the level of compliance.

There is also a system of audits which verifies that any measures in health and safety meet with the criteria established in our policies, thereby assuring reliability and comparability among the companies.

Proceedings

We are from time to time involved in legal proceedings, claims or investigations that are incidental to the conduct of our business. We vigorously defend ourselves against these claims. In future periods, we could be subject to cash costs or non-cash charges to earnings if any of these matters is resolved on unfavorable terms. However, although the ultimate outcome of any legal matter cannot be predicted with certainty, based on current information, including our assessment of the merits of the particular claims, we do not expect that our pending

legal proceedings or claims will have a material adverse impact on our future consolidated financial condition, results of operations or cash flows.

For example, in Trimtec, our subsidiary in Brazil, we are subject, together with 25 other companies, to three environmental claims derived from the environmental damages created by CBB, who provided services of incineration and industrial waste disposal for Trimtec and other companies. CBB did not perform such services and was abandoning waste in the state of Para, which ended up causing severe environmental damage. The first proceeding, initiated by popular action, seeks R$50.0 million in damages from CBB and each of the companies that had contracted the services of CBB. The second one was initiated by the *Prefeitura Municipal the Ulianópolis*, who is seeking R$53.2 million in damages. Furthermore, certain employees of CBB have sued the latter, as well as 59 other companies (including Trimtec), requesting damages derived from alleged health issues caused by the management of the waste. The amount sought in this third action was R$5,015.0 million, but the claim has been retired by the claimants and the judge accepted such retirement. We consider the risk derived from these proceedings to be remote. We expect the aggregate potential liability of Trimtec will not exceed an approximate amount of €1.0 million in damages.

Furthermore, we are subject to several administrative and judicial tax proceedings in Brazil, of which four proceedings are due to the dispute over certain VAT deductions that we had taken under the exemption for certain manufacturers that applied to us under Brazilian tax law. The total amount of outstanding claims (administrative and judicial) is approximately €22.2 million. On September 19, 2008 the Tax Court of Brazil (*Tribunal de Impuestos e Taxas*) upheld an appeal from Trimtec in a similar proceeding. As of December 31, 2014, we estimate that the aggregate potential liability under administrative and judicial proceedings in Brazil amount to approximately €22.2 million.

Employees

As of March 31, 2015 we had 13,909 employees, of which 12%, 58%, 6%, and 19% were based in APAC, Europe, the Mercosur region and North America, respectively.

Our strategy is to manage relations with our employees primarily on a plant level, with the "plant works council" being the forum for employee representation most favored by our employees. As a general rule, each plant has its own collective agreement. This policy allows us to benefit from a number of advantages:

- collective agreements are adapted to the specific circumstances and needs of each plant (for example different geographic areas within a country may have different average salary or cost of living allowances);
- collective agreements can be adapted to the economic performance and productivity of each plant; and
- workers identify themselves better with their own "plant works council" rather than with a country level one.

In addition to this strategy, we try to build open and trusting relations with union representatives at regional level or country level, in order to allow a bi-directional communication channel to provide them with relevant information, but also to understand their real worries and concerns.

During the global economic crisis, we proactively managed our employee requirements while endeavoring to find constructive measures to manage and retain experienced professionals. Given the global nature of our business and operations, the measures implemented required an in-depth analysis of the legal framework of each jurisdiction in which we operate. Our extensive global footprint has also given us a tool to fight the impact of the global economic crisis as it has allowed for increased geographical mobility and provided us with the ability to

temporarily balance our resources across different regions, supporting strategic projects with the most skilled and experienced workers.

Where the opportunities have arisen and it has been possible to do so, we have deployed underutilized staffing resources from one area of our business to other areas experiencing increased staffing requirements, for example between 2007 and 2009, we mobilized 54 workers from various Spanish group entities in order to avoid temporary layoffs. In addition, between 2009 and 2011, we used the transfer of employees between different companies of the Group for the purposes of reducing the negative impact of some reductions in the workforce and the closure of some facilities. Furthermore, in 2013, as part of a restructuring, we offered employees the possibility of voluntary transfers from Grupo Antolín-Dapsa, S.A.U. to Grupo Antolín-Plasbur, S.A.U. and the Company.

Where necessary and where the legal and regulatory labor and employment framework in a jurisdiction allows, we have implemented measures such as temporary reduction of the workforce, early retirement programs (as a way to achieve cost reduction in the short term and to reduce the average age of the staff in the medium to long term) and "Substitute Contracts" which has proven to be an efficient way to manage costs and rejuvenate the workforce, while accommodating the aging population.

THE TARGET BUSINESS

The company

The Target Business is a global automotive supplier of interior products and systems with a focus on instrument panels & consoles, door panels, soft trim, overhead systems and garnish & hard trim. Its capabilities include design and engineering, styling, tooling, manufacturing, assembly and sequencing and electrical/electronic system integration.

For the twelve months ended March 31, 2015, the Target Business generated combined sales and Target Adjusted EBITDA of $2,439 million and $68 million, respectively.

Products

The Target Business focuses on innovation, offering a wide array of products, including door panels, instrument panels, sidewall and trim systems, cockpit systems, cargo management systems and overhead systems. The Target Business designs, engineers and manufactures the following interior components and systems for the global automotive industry:

- Instrument panels & consoles: including cockpit modules, instrument panels, floor consoles, glove box assembly and knee bolster assembly;

- Door panels: including front, rear and sliding door panels and rear cargo and liftgate door panels;

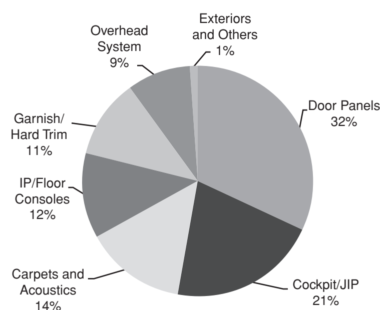
- Soft trim: including load floors, package trays and parcel shelves, trunk trim, accessible floor bins and floor carpets;

- Overhead systems: including complete overhead systems, headliner substrate, overhead consoles and sunvisors; and

- Garnish and hard trim: including pillar trim, quarter trim panels and liftgate trim.

The diversification of its product portfolio has helped to strengthen its strategic relationships with OEMs, who benefit from innovative and market leading product solutions across the broad spectrum of automotive interior solutions. For the year ended December 31, 2014, the Target Business' revenue by product was as follows:

Sales by product



The primary technologies and processes involved in the manufacturing of interior components and systems include: low pressure and injection molding, compression molding, vacuum forming, slush skins, spray urethane, as well as manual and automated assembly and sequencing.

Suppliers

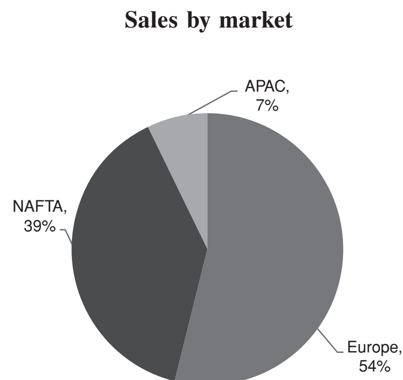
The Target Business purchases various manufactured components and materials from numerous sources for use in its manufacturing processes. The Target Business sources key materials such as textile fabrics, plastic injection grain or petroleum-based resins from suppliers of international recognition which enables it to negotiate on more favourable terms and provides it with added price protection.

It is estimated that approximately 34% of the materials purchased by the Target Business is from suppliers chosen by OEMs, which allows the Target Business to benefit from their enhanced negotiation power and to potentially be compensated by the applicable OEM for any increase of material costs. Increases in material costs in relation to electronic components are often passed through to OEMs, as generally the OEMs require the Target Business to purchase those from specific OEM-chosen suppliers, while increases of material costs in relation to plastics are generally borne by the Target Business. In addition, it is estimated that approximately 9% of the materials purchased by the Target Business are related to customer contracts which allow it to renegotiate terms with OEMs based on increases in the costs of materials, thus helping the Target Business to minimize the impact of material price fluctuations.

Customers and geography

As of March 31, 2015, the Target Business had a global platform with 36 manufacturing plants across North America, Europe and APAC. A strong geographical diversification allows it to take advantage of global growth opportunities. For the year ended December 31, 2014, the Target Business' sales by market were as follows:

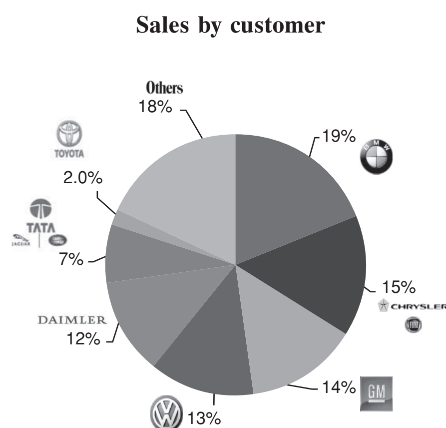
Sales by market



The Target Business has strategic and long standing relationships with its OEM customers, which are based on many years of successful collaboration. It works together with its customers along the full value chain, including development, industrial engineering, tooling and manufacturing. In addition to being diversified, the Target Business' customer base is weighted towards premium and financially stable OEMs, meaning that, subject to the stage of the automotive industry cycle and prevailing macroeconomic conditions, its revenue streams are relatively secure.

For the year ended December 31, 2014, the Target Business' sales split by customer was as follows:

Sales by customer



Facilities

The table below shows the location of the Target Business' production facilities, excluding offices and warehouses. For those which are joint ventures, the percentage of the Target Business' ownership is also set out below.

Region	Country	Facilities	Leased/Owned
Europe	Austria	Burg Design	Owned
Europe	Austria	Ebergassing and Weikersdorf Combined (2 facilities)	Leased
Europe	Germany	Massen	Owned
Europe	Germany	Straubing	Leased
Europe	Germany	Roitzsch	Leased
Europe	Germany	Rastatt	Leased
Europe	Germany	Wackersdorf (Regenstauf)	Leased
Europe	Hungary	Kecskemét	Owned
Europe	Hungary	Esztergom (74% JV)	Owned
Europe	Slovakia	Trnava	Leased
Europe	Czech Republic	Liban (2 facilities)	Owned (Liban)/Leased (Lipovka)
Europe	United Kingdom	Barton	Leased
Europe	United Kingdom	Hartlip (3 facilities)	Leased
Europe	United Kingdom	Redditch Combined (3 facilities)	Leased
North America	United States	Atreum Howell	Leased
North America	United States	Innertech-Nashville (2 facilities)	Leased
North America	United States	MITC Benzonia	Leased
North America	United States	MITC St. Clair	Leased
North America	United States	Spartanburg (2 facilities)	Leased
North America	Mexico	Saltillo	Leased
North America	Mexico	Toluca (2 facilities)	Leased
Asia Pacific	China	Changchun Beijing	Leased
Asia Pacific	China	Changchun (60% JV)	Leased
Asia Pacific	China	Changshu (60% JV)	Leased
Asia Pacific	China	Interlink China Interiors	Leased

Region	Country	Facilities	Leased/Owned
Asia Pacific	South Korea	Dae Yee Intier (50% JV)	Owned
Asia Pacific	India	Interiors India Pune	Leased

Joint Ventures

The Target Business operates in certain countries by means of partnerships with local partners. In Hungary, the Target Business holds 74% of the share capital of Plastimat Hungary Kft. In China, the Target Business holds 60% of the share capital of Changchun Intier Automotive Interiors Co., Ltd. and Chansgshu Intier Automotive Interiors Co., Ltd. In South Korea, the Target Business holds 50% of the share capital of Dae Yee Intier Co., Ltd.

Research, Development and Innovation

Like us, the Target Business operates in a highly competitive and globalized industry and must constantly change and adapt to meet its customer's needs and expectations.

The Target Business' research and development activities are conducted through a rigorous process referred to as "innovation development process" or "IDP". The IDP involves a multi-stage process aimed at turning ideas into innovations that can ultimately be commercialized. The initial stage of the process is designed to foster generation of ideas and includes, among other things: identification, understanding and analysis of social, digital, demographic, regulatory, industry and other trends which may create demand for and thus drive development of new automotive technologies, review of academic research and automotive customer input.

Concepts that progress past this initial stage are further evaluated, including with respect to commercialization opportunities; as well as potential risks and challenges to further development. Winning innovations progress through subsequent stages towards product or process realization, validation and, eventually, product launch.

The Target Business also rigorously maintains quality management and testing systems in all of its manufacturing plants and R&D facilities. Through regular internal reviews it is able to ensure that its products and processes are monitored to the highest industry standards.

Environmental, Health and Safety

The Target Business has a strong commitment to environmental issues and the impact of its operations on the environment, including with respect to climate change. It is committed to maintaining high standards of health and safety, both environmental and general.

As a manufacturer of automotive components, the environmental impact generated by the Target Business has to be taken into account throughout the life cycle of the vehicle and not only during the manufacturing phase of its parts. For this reason, the Target Business is committed to adapting and using the best techniques available for its components, as well as including environmental aspects in the design and operation of them. For example, its innovation processes seek weight reduction and make use of biomaterials and natural fibers, its design processes seek new products and production processes centered around efficient use of resources and energy, and it seeks out recycling options for the components at the end of their useful life.

Over the past three years, the Target Business has had no relevant material environmental issues, actions, claims or liabilities and is currently not aware of any such issues, actions, claims or liabilities.

For the three past years, the Target Business had no other material environmental liabilities, provisions or contingencies that could have a significant impact on its equity, financial position or results.

The Target Business values the health, safety and well-being of its employees. It has adopted policies to ensure the health and safety of its employees and monitors their results on a regular basis.

Proceedings

The Target Business is from time to time involved in legal proceedings, claims or investigations that are incidental to the conduct of its business. Additionally, in Germany, six automotive suppliers (including the Target Business) are subject to an ongoing investigation with the German Federal Cartel Office ("FCO"), although it has been over 2 years since the Target Business has received any information requests or other contact from the FCO. The fines imposed by the FCO could amount to up to 50% of the affected sales. There may also be subsequent cartel damages claims brought by customers of the Target Business. In the context of the Acquisition, we will be fully indemnified against any losses incurred or suffered in connection with the FCO investigation or the suspected activity under the purchase agreement for the Acquisition. In future periods, the Target Business could be subject to cash costs or non-cash charges to earnings if any legal proceedings, claims or investigations are resolved on unfavorable terms. However, although the ultimate outcome of any legal matter cannot be predicted with certainty, based on current information, including the contractual remedies contemplated in the context of the Acquisition, it is not expected that pending legal proceedings, claims or investigations will have a material adverse impact on our future consolidated financial condition, results of operations or cash flows.

Employees

As of March 31, 2015, the Target Business' workforce was 12,686, of which 56%, 37%, and 8%, were based in Europe, North America and Asia Pacific, respectively.

MANAGEMENT

Board of Directors

On 28 January 2015, the Board of Directors of Grupo Antolín-Irausa, S.A. unanimously approved the following changes to its composition:

- Mr. José Antolín (previous representative of Injat, S.L.) after 20 years representing Injat, S.L. as Chairman and a lifetime dedicated to developing the family business was appointed Honorary Chairman of the Company.

- Canea, S.L. (represented by Ernesto Antolín) was appointed Chairman of the Company. Ernesto Antolín has served as Vice-Chairman since 1995 and has 24 years of international experience with Grupo Antolín.

- Injat, S.L. (represented by María Helena Antolín) was appointed Vice Chairman of the Company. María Helena Antolín has served as Executive Director since 2009 and has over 22 years of international experience with Grupo Antolín.

The following table sets forth, as of March 31, 2015, the name and title of each member of the Board of Directors of the Company, together with their representatives (in the case of corporate directors) and is followed by a summary of biographical information of each director or representative (in the case of corporate directors), including their respective ages.

Name	Position
Canea, S.L. (represented by Ernesto Antolín)	Chairman
Injat, S.L. (represented by Maria Helena Antolín)	Vice-Chairman
José Manuel Temiño	Managing Director and Chief Executive Officer
Agrícola Cinegética San Quirce, S.L. (represented by Emma Antolín)	Director
Ampaber, S.L. (represented by Ana Berta Antolín)	Director
Emilio Ontiveros	Director

Ernesto Antolín (50). Representative of Canea, S.L. (Chairman of the Company). Ernesto Antolín served as Vice-Chairman of Grupo Antolín from 1997 to 2014. He holds a degree in law *(licenciatura en derecho)* from the University of Burgos, and has obtained several post-graduate degrees from Boston University. He has 26 years of international experience within the automotive industry in the areas of strategy, marketing, industry and business diversification, of which 24 years have been with Grupo Antolín. He also serves as the chairman, vice-chairman and member of the board of directors of several of Grupo Antolín's subsidiary companies.

María Helena Antolín (48). Representative of Injat, S.L. (Vice-Chairman of the Company). Former representative of Agrícola Cinegética San Quirce, S.L. (Executive Director of the Company) from 2009 to January 2015. María Helena Antolín was appointed as Marketing and Corporate Affairs Officer of Grupo Antolín in 2013. She holds a degree in international business and business administration from Eckerd College (Florida) and a Master in Business Administration from Anglia University (United Kingdom) and the Polytechnic University of Valencia. She has over 22 years of international experience with Grupo Antolín in the areas of product quality, industry, human resources and operations. She is a member of the steering committee of Grupo Antolín, member of the board of directors of Iberdrola, S.A., a Spanish utility company, and member of the board of directors of the Commission of Social Corporate Responsibility and the Permanent Commission of the "Management Excellence Club" (*Club Excelencia en Gestión*).

José Manuel Temiño (68). Managing Director of the Company and its Chief Executive Officer since 1985. José Manuel Temiño holds a degree in mining engineering (*ingeniería de minas*) from the Technical School of

Superior Mining Engineers of Madrid (*Escuela Técnica de Ingenieros Superiores de Minas*). Mr. Temiño has 36 years of experience with Grupo Antolín. He also serves as a member of the executive committee and the steering committee of Grupo Antolín, as well as on the board of directors of several of Grupo Antolín's subsidiary companies. Mr. Temiño is also a member of Renault's Suppliers Council. On June 30, 2015 Mr Temiño will step down as a Chief Executive Officer, although he will remain as a Director of the company.

Emma Antolín (35). Representative of Agrícola Cinegética San Quirce, S.L.U (Director of the Company) since January 2015. Emma Antolín was appointed as Head of Corporate Social Responsibility of Grupo Antolín in 2007. She holds a degree in Psychology from the Pontifical University of Salamanca, an MBA from IEDE Business School and a Master in Financial Management from IE Instituto de Empresa. She has over 8 years of experience with Grupo Antolín in the area of Corporate Social Responsibility. She is a member of the audit committee of Grupo Antolín.

Ana Berta Antolín (45). Director of Grupo Antolín since 2011, as representative of Ampaber, S.L.U. She has worked for several years in Grupo Antolín, as well as in other companies of the automotive sector.

Emilio Ontiveros (66). Director of Grupo Antolín since 2014. He is founder and Chairman of Afi, Analistas Financieros Internacionales, a leading Spanish financial consultancy. He holds a PhD in Economics and is Professor of Economics and Business Administration at the Universidad Autónoma de Madrid since 1985, where he was Vice Chancellor for four years. Mr. Ontiveros has also been visiting scholar in Wharton School—University of Pennsylvania. Author and coauthor of several books and numerous articles, he is a contributor in magazines specialized in international economy and finance.

Senior Management

Our senior management team is led by Mr. José Manuel Temiño. On 12 February 2015, Mr. Temiño announced his intention to step down on 30 June 2015, after more than 30 years as a senior manager of the Company. The Board of Directors announced he will be replaced by the current Chief Operations Officer, Mr. Jesús Pascual, who has spent his entire career at Grupo Antolín, having held numerous positions of responsibility.

The following table sets forth, as of March 31, 2015, the name and title of each member of the senior management team who does not also serve on the Board of Directors, and is followed by a summary of biographical information of each such member including their respective ages.

Name	Position
Jesús Pascual	Chief Operations Officer[(1)]
Miguel Ángel Vicente	Chief Commercial Officer
Luis Vega	Chief Financial Officer
Pablo Ruiz	General Counsel

(1) On June 30, 2015, Mr. Pascual will become the Group's Chief Executive Officer

Jesús Pascual (51). Chief Operations Officer of Grupo Antolín since 2013. Mr. Pascual holds a degree in industrial engineering from the Polytechnic University of Burgos, as well as a Master in Business Administration from the European Business School in Burgos. He has over 29 years of international experience in the automotive industry, in the areas of operations and industrial development. Within Grupo Antolín he has held the position of Plant Manager in several factories, as well as Territorial Director for the Iberian Peninsula and Head of the Headliners segment from 2005 until 2013. Mr. Pascual is also a member of our executive and steering committees.

Miguel Ángel Vicente (60). Chief Commercial Officer of Grupo Antolín since 2013. Mr. Vicente holds a degree in industrial engineering from the ENSAI University in Strasbourg (France), a Master in Business Administration from INSEAD in Fontainebleau (France) as well as a Master's degree in Engines from IFP School

in Paris (France). He has 34 years of international experience within the automotive industry, and has worked for companies like Renault, in the areas of research, engineering, quality, manufacturing and purchasing in France, Mexico and Spain. He has been working for Grupo Antolín for the last 22 years, where he first held the position of Industrial Operations Director. Subsequently, he also held the position of Operations Director in Europe-Mercosur and in North America, and Head of the Doors segment from 2009 to 2013. Mr. Vicente is a member of our executive and steering committees.

Luis Vega (51). Chief Financial Officer of Grupo Antolín since 2007. He holds a business administration degree from the University of Valladolid. He has 26 years of experience with Grupo Antolín, having held several management positions within the economic and financial division. In addition, Mr. Vega has been in the board of directors of several Spanish companies. Mr. Vega is a member of our executive and steering committees.

Pablo Ruiz (57). General Counsel of Grupo Antolín and Vice Secretary of the Board of Directors of the Company. Mr. Ruiz holds a degree in law (*licenciatura en derecho*) from the University of Valladolid. He has more than 23 years of experience within the automotive industry and is responsible of the legal department of Grupo Antolín. Mr. Ruiz is a member of our steering committee.

Committees

The Board of Directors may form committees from among its members and members of the management team and charge the committees with the performance of specific tasks. The committees' tasks, authorizations and processes are determined by the Board of Directors. Where permissible by law, important powers of the Board of Directors may also be transferred to the committees. As of March 31, 2015, the Board of Directors had established the following committees:

Executive Committee

The executive committee is responsible for all tasks delegated to it by the Board of Directors, and is composed of the Chief Executive Officer, the Chief Operations Officer, the Chief Commercial Officer and the Chief Financial Officer. The executive committee meets on a weekly basis.

Steering Committee

The steering committee is responsible for (i) the presentation of the budget for its approval by the Board of Directors, (ii) approval of projects and innovation plans, (iii) discussion and approval of organizational duties and (iv) human resources, institutional relations and external communication policies. The steering committee is formed, *inter alia*, by the Chief Executive Officer, the Chief Commercial Officer, the Chief Financial Officer and the General Counsel. The steering committee meets every month.

Target Business Financial Statements

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MAGNA INTERIORS GROUP

COMBINED STATEMENTS OF INCOME (LOSS)

[Unaudited]

[U.S. dollars in millions]

	Note	Three months ended March 31, 2015	Three months ended March 31, 2014
Sales	8	**$586**	$553
Costs and expenses			
Cost of goods sold	8	**543**	531
Depreciation and amortization		**11**	10
Selling, general and administrative	8	**26**	23
Interest expense, net		**1**	2
Equity income		**(3)**	(2)
Income (loss) from operations before income taxes		**8**	(11)
Income taxes	4	**7**	2
Net income (loss)		**$ 1**	$ (13)

See accompanying notes

COMBINED STATEMENTS OF COMPREHENSIVE LOSS

[Unaudited]

[U.S. dollars in millions]

	Note	Three months ended March 31, 2015	2014
Net income (loss)		**$ 1**	$(13)
Other comprehensive income (loss), net of tax:	6		
Net unrealized (loss) gain on translation of net investment in foreign operations		**(26)**	1
Net unrealized loss on cash flow hedges		**(2)**	—
Pension and post-retirement benefits		**(1)**	—
Reclassification of net gain on cash flow hedges to net income (loss)		**—**	(1)
Other comprehensive loss		**(29)**	—
Comprehensive loss		**$(28)**	$(13)

See accompanying notes

MAGNA INTERIORS GROUP

COMBINED STATEMENTS OF CHANGES IN EQUITY

[Unaudited]

[U.S. dollars in millions]

	Magna's Net Investment	AOCI[i]	Total Equity
Balance, December 31, 2014	$372	$ 41	$413
Net income	1		1
Other comprehensive loss	—	(29)	(29)
Change in Magna's net investment	48		48
Balance, March 31, 2015	**$421**	**$ 12**	**$433**

	Magna's Net Investment	AOCI[i]	Total Equity
Balance, December 31, 2013	$318	$78	$396
Net loss	(13)		(13)
Change in Magna's net investment	32		32
Balance, March 31, 2014	**$337**	**$78**	**$415**

[i] AOCI is Accumulated Other Comprehensive Income.

See accompanying notes

MAGNA INTERIORS GROUP

COMBINED STATEMENTS OF CASH FLOWS

[Unaudited]

[U.S. dollars in millions]

	Note	Three months ended March 31, 2015	2014
Cash provided from (used for):			
OPERATING ACTIVITIES			
Net income (loss)		**$ 1**	$(13)
Items not involving current cash flows	2	**9**	7
		10	(6)
Changes in operating assets and liabilities	2	**(8)**	(16)
Cash provided from (used for) operating activities		**2**	(22)
INVESTMENT ACTIVITIES			
Fixed asset additions		**(14)**	(13)
Increase in investments and other assets		**(1)**	(1)
Proceeds from disposition		**1**	3
Cash used for investing activities		**(14)**	(11)
FINANCING ACTIVITIES			
Increase (decrease) in bank indebtedness		**3**	(1)
Change in Magna's net investment		**39**	32
Cash provided from financing activities		**42**	31
Effect of exchange rate changes on cash and cash equivalents		**(2)**	—
Net increase (decrease) in cash and cash equivalents during the period		**28**	(2)
Cash and cash equivalents, beginning of period		**2**	3
Cash and cash equivalents, end of period		**$ 30**	$ 1

See accompanying notes

MAGNA INTERIORS GROUP

COMBINED BALANCE SHEETS

[Unaudited]

[U.S. dollars in millions]

	Note	As at March 31, 2015	As at December 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents		**$ 30**	$ 2
Accounts receivable	8	**403**	349
Inventories	3	**229**	243
Income taxes receivable		**—**	1
Deferred tax assets		**17**	11
Prepaid expenses and other		**11**	10
		690	616
Investments	7	**41**	41
Fixed assets, net		**251**	263
Goodwill		**12**	12
Deferred tax assets		**11**	9
Other assets	5	**23**	26
		$1,028	$967
LIABILITIES AND EQUITY			
Current liabilities			
Bank indebtedness		**$ 4**	$ —
Accounts payable	8	**390**	375
Accrued salaries and wages		**52**	43
Other accrued liabilities		**105**	98
Income taxes payable		**4**	—
Deferred tax liabilities		**1**	1
		556	517
Long-term employee benefit liabilities		**19**	20
Other long-term liabilities		**11**	10
Deferred tax liabilities		**9**	7
		595	554
Equity			
Magna's net investment		**421**	372
Accumulated other comprehensive income	6	**12**	41
		433	413
		$1,028	$967

See accompanying notes

MAGNA INTERIORS GROUP

NOTES TO INTERIM COMBINED FINANCIAL STATEMENTS

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

1. SIGNIFICANT ACCOUNTING POLICIES

[a] Basis of presentation

Magna Interiors Group ["Interiors" or the "Company"] is a global automotive supplier that engineers, develops and manufactures, and tests and validates an extensive range of interior products for the automotive industry including cockpit modules, instrument panels, consoles, door trim panels, cargo management systems, overhead systems, package trays, interior panels and other garnish trim.

The unaudited interim combined financial statements do not conform in all respects to the requirements of United States generally accepted accounting principles ["GAAP"] for annual financial statements. Accordingly, these unaudited interim combined financial statements should be read in conjunction with the Company's December 31, 2014 audited combined financial statements and notes.

The unaudited interim combined financial statements reflect all adjustments, necessary to present fairly the financial position at March 31, 2015 and the results of operations, cash flows and changes in equity for the three months ended March 31, 2015 and 2014.

[b] Principles of combination

These unaudited interim combined financial statements have been prepared in connection with the proposed sale of the Company, which represents the combination of certain operating divisions, controlled subsidiaries and joint ventures owned or jointly owned by Magna International Inc. ["Magna"] and present the historic combined financial position, results of operations, comprehensive income, changes in equity and cash flows of the Company on a carve-out basis from Magna. To give effect to the continuity of Magna's interest in the assets and liabilities of the Company, all assets and liabilities have been recorded in these unaudited interim combined financial statements at Magna's book values and have been included from the date they were acquired by Magna.

The assets and liabilities included in these unaudited interim combined financial statements are based on the Sale and Purchase Agreement ["SPA"] dated April 16, 2015 and include the following:

- 100% interest in the following automotive subsidiaries:
    - United States of America—Magna Exteriors & Interiors USA Inc., including Interlink Automotive, LLC, and its 100% interest in the Chinese entity Magna Exteriors & Interiors (Suzhou) Co. Ltd.
    - Mexico—Intier Automotive Interiors de Saltillo SA de CV; Intier Automotive Interiors de Mexico, SA de CV; and Administration de Toluca Interiors, SA de CV.
    - United Kingdom—Magna Interiors (UK) Limited
    - Germany—Magna Interiors GmbH; Magna Interiors (Germany) GmbH; Magna Interiors (Massen) GmbH; and Magna Interiors (Europe) GmbH

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

    - Austria—Magna Interiors (Austria) GmbH; Magna Beteiligung (Austria) GmbH; and Burg Design GmbH

    - Hungary—Magna Automotive (Hungary) Kft.

- 100% interest in certain interior automotive net assets. These net assets have been reflected as assets and liabilities of the Company from the date of acquisition by Magna. Division Roitzsch included in Näher Automotive GmbH, Division Liban included in Magna Exteriors & Interiors (Bohemia) s.r.o., Division Trnava included in Magna Slovteca s.r.o., and Division Pune included in Magna Closures Automotive Private Ltd.

- 100% of Magna's purchased equity interests in its Interior's Chinese joint ventures, Changchun Intier Automotive Interiors Co. Ltd., including its interest in Beijing Intier Automotive Interiors Co. Ltd; and Changshu Intier Automotive Interiors Co. Ltd., 100% of Magna's purchased equity interest in its Korean joint venture Dae Yee Intier Co. Ltd., and 100% of Magna's purchased equity interest in its Hungarian joint venture Plastimat Hungary Kft. All joint ventures have been accounted for using the equity method of accounting.

- 100% interest in certain automotive real estate assets and leasehold improvements. This real estate has been reflected as assets of the Company from the date of acquisition by Magna.

These unaudited interim combined financial statements present the combined financial position, results of operations, changes in comprehensive loss, changes in equity and cash flows of the Company as if it had operated as a stand-alone entity subject to Magna's control.

The combined statements of income (loss) do not contain intercompany allocations or certain management estimates of the cost of services provided by Magna. Management believes the assumptions and allocations underlying the unaudited interim combined financial statements are reasonable and appropriate under the circumstances. The expenses and cost allocations included have been determined on a reasonable basis to reflect the benefits received by the Company during the periods presented. All significant intercompany balances and transactions have been eliminated. Interest expense, as presented in the combined statements of income (loss) includes interest on external debt and amounts due to Magna [included in Magna's net investment]. Magna's net investment, which includes both debt and equity components, comprises the accumulated earnings of the Company, contributions by, less distributions to, Magna and the changes in accumulated other comprehensive income.

Income taxes for the Company have been recorded at statutory rates based on income before income taxes as reported in the combined statements of income as though each legal entity of the Company was a separate tax paying entity. Income taxes payable in respect of historically separate tax paying legal entities have been presented as a liability in the combined balance sheets. Income taxes payable and compensation for tax losses in respect of other components which were not historically separate tax paying legal entities have been included in Magna's net investment. Deferred income taxes have been presented in the combined balance sheets for temporary differences between the financial reporting and tax bases of the Company's assets and liabilities.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a result of the basis of presentation described above, the combined statements of income may not necessarily be indicative of the revenues and expenses that would have resulted had the Company operated as a stand-alone entity.

2. DETAILS OF CASH FROM OPERATING ACTIVITIES

[a] Items not involving current cash flows:

	Three months ended March 31,	
	2015	**2014**
Depreciation and amortization	**$11**	$10
Amortization of other assets included in cost of goods sold	**3**	1
Other non-cash charges	**1**	—
Deferred income taxes and non-cash portion of current taxes	**(6)**	(4)
	$ 9	$ 7

[b] Changes in operating assets and liabilities:

	Three months ended March 31,	
	2015	**2014**
Accounts receivable	**$(68)**	$(30)
Inventories	**2**	(16)
Prepaid expenses and other	**—**	(1)
Accounts payable	**31**	14
Accrued salaries and wages	**12**	11
Other accrued liabilities	**10**	7
Income taxes receivable/payable	**5**	(1)
	$ (8)	$(16)

3. INVENTORIES

Inventories consist of:

	March 31, 2015	December 31, 2014
Raw materials and supplies	**$ 66**	$ 68
Work-in-process	**9**	9
Finished goods	**27**	23
Tooling and engineering	**127**	143
	$229	$243

Tooling and engineering inventory represents costs incurred on tooling and engineering services contracts in excess of billed and unbilled amounts included in accounts receivable.

4. INCOME TAXES

For the three months ended March 31, 2015, the provision for income taxes differs from the expense that would be obtained by applying Magna's [Canadian] statutory rate, primarily as a result of losses not benefitted in the United Kingdom and the United States due to the lack of positive evidence regarding realizability.

5. OTHER ASSETS

Other assets consist of:

	March 31, 2015	December 31, 2014
Preproduction costs related to long-term supply agreements with contractual guarantee for reimbursement	**$14**	$16
Long-term receivables	**1**	1
Patents and licences, net	**4**	5
Other, net	**4**	4
	$23	$26

6. ACCUMULATED OTHER COMPREHENSIVE INCOME

The following is a continuity schedule of accumulated other comprehensive income:

	2015	2014
Accumulated net unrealized gain of net investment in foreign operations		
Balance, beginning of period	**$ 45**	$78
Net unrealized (loss) gain	**(26)**	1
Balance, March 31	**19**	79
Accumulated net unrealized (loss) gain on cash flow hedges[(i)]		
Balance, beginning of period	**$ (2)**	$ 2
Net unrealized loss	**(2)**	—
Reclassification of net gain to net income (loss)	**—**	(1)
Balance, March 31	**(4)**	1
Accumulated net unrealized loss on other long-term liabilities		
Balance, beginning of period	**$ (2)**	$ (2)
Reclassification of net gain to net income (loss)	**(1)**	—
Balance, March 31	**(3)**	(2)
Total accumulated other comprehensive income	**$ 12**	$78

(i) The amount of income tax benefit that has been netted in the accumulated net unrealized (loss) gain on cash flow hedges is as follows:

	2015	2014
Balance, beginning of period	***$1***	*$—*
Net unrealized loss	***—***	*—*
Balance, March 31	***$1***	*$—*

The amount of other comprehensive loss that is expected to be reclassified to net income over the next 12 months is $2 million [net of income taxes of $nil].

7. FINANCIAL INSTRUMENTS

[a] The Company's financial assets and financial liabilities consist of the following:

	March 31, 2015	December 31, 2014
Held-for-Trading		
Cash and cash equivalents	**$ 30**	$ 2
Held to maturity investments		
Severance investments	**$ 1**	$ 1
Loans and receivables		
Accounts receivable	**$403**	$349
Long-term receivables included in other assets	**1**	1
	$404	$350
Other financial liabilities		
Bank indebtedness	**$ 4**	$ —
Accounts payable	**390**	375
	$394	$375
Derivatives designated as effective hedges, measured at fair value		
Foreign currency contracts		
Prepaid expenses	**$ 2**	$ 1
Other accrued liabilities	**(4)**	(3)
Other long-term liabilities	**(2)**	(1)
	$ (4)	$ (3)

[b] Derivatives designated as effective hedges, measured at fair value

The Company presents derivatives that are designated as effective hedges at gross fair values in the combined balance sheets. However, master netting and other similar arrangements allow net settlements under certain conditions. The following table shows the Company's derivative foreign currency contracts at gross fair value as reflected in the combined balance sheets and the unrecognized impacts of master netting arrangements:

	Gross amounts presented in combined balance sheets	Gross amounts not offset in combined balance sheets	Net amounts
March 31, 2015			
Assets	**$ 2**	**$ 2**	**$—**
Liabilities	**$(6)**	**$(2)**	**$ (4)**
December 31, 2014			
Assets	$ 1	$ 1	$—
Liabilities	$(4)	$(1)	$ (3)

7. FINANCIAL INSTRUMENTS (Continued)

[c] Fair value

Cash and cash equivalents, accounts receivable, bank indebtedness and accounts payable.

Due to the short period to maturity of the instruments, the carrying values as presented in the combined balance sheets are reasonable estimates of fair values. These estimated fair values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair value amounts may be materially affected by the use of different assumptions or methodologies.

[d] Currency risk and foreign exchange contracts

At March 31, 2015, the Company had outstanding foreign exchange forward contracts representing commitments to buy and sell various foreign currencies. Significant commitments are as follows:

	Buys	Sells
For U.S. dollars		
Peso amount	246	—
For euros		
GBP amount	9	(27)

Forward contracts mature at various dates through 2017. Foreign currency exposures are reviewed quarterly.

8. TRANSACTIONS WITH RELATED PARTIES

[a] Amounts due from Magna

During the first quarters of 2015 and 2014, revenue included $33 million and $44 million, respectively, for the sale of manufactured parts, tooling and engineering services to Magna and its subsidiaries. At March 31, 2015, included in accounts receivable are amounts due from Magna in the amount of $25 million [December 31, 2014—$21 million].

[b] Amounts due to Magna

During the first quarters of 2015 and 2014, the Company purchased manufactured parts, tooling and engineering services from Magna and its subsidiaries for a total value of approximately $5 million and $3 million, respectively. At March 31, 2015, included in accounts payable are amounts due to Magna and its subsidiaries in the amount of $14 million [December 31, 2014—$15 million].

At March 31, 2015, included in accrued salaries and wages is a liability of $6 million [December 31, 2014—$6 million] for payments made by Magna to purchase shares for the Employee Equity and Profit Participation Program related to employees of the Magna Interiors Group.

8. TRANSACTIONS WITH RELATED PARTIES (Continued)

[c] Magna fee

Magna provides certain management and administrative services to the Company, including legal, environmental, administrative, tax, treasury, and information systems in return for a specific amount negotiated between the Company and Magna. The cost of management and administrative services included in the combined financial statements provided by Magna totaled $4 million and $1 million for the three months ended March 31, 2015 and 2014, respectively. As described in the basis of presentation, the Company's combined financial statements do not include charges for the Magna intangible license royalty ["IPL"] fee. The Magna IPL fee is charged to its divisions for using the Magna and certain other trademark and trade names, Magna's core operating principles, Magna's strategic relationships/networks and Magna's operating know how and strategic direction.

[d] Rent expense

Various land and buildings used in the Company's operations are leased from Magna and its affiliates under operating lease agreements. Total rent expense related to these facilities was $1 million for both the three months ended March 31, 2015 and 2014.

[e] Interest expense, net

The Company incurred $1 million and $2 million of interest expense, net during the three months ended March 31, 2015, and 2014, respectively, related to cash borrowed from Magna.

9. CONTINGENCIES

From time to time, the Company may become involved in regulatory proceedings, or become liable for legal, contractual and other claims by various parties, including customers, suppliers, former employees, class action plaintiffs and others. On an ongoing basis, the Company attempts to assess the likelihood of any adverse judgments or outcomes to these proceedings or claims, together with potential ranges of probable costs and losses. A determination of the provision required, if any, for these contingencies is made after analysis of each individual issue. The required provision may change in the future due to new developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters.

[a] In September 2013, representatives of the Bundeskartellamt, the German Federal Cartel Office, attended at one of the Company's operating divisions in Germany to obtain information in connection with an ongoing antitrust investigation relating to suppliers of automotive textile coverings and components, particularly trunk linings.

Proceedings of this nature can often continue for several years. Where wrongful conduct is found, the relevant antitrust authority can, depending on the jurisdiction, initiate administrative or criminal legal proceedings and impose administrative or criminal fines or penalties taking into account several mitigating and aggravating factors. In the case of the German Federal Cartel Office, administrative fines are tied to the level of affected sales and the consolidated sales of the group of companies to which the offending entity belongs. At this time, management is unable to predict the duration or outcome of the German

9. CONTINGENCIES (Continued)

investigation, including whether any operating divisions of the Company will be found liable for any violation of law or the extent or magnitude of any liability, if found to be liable.

If any antitrust violation is found as a result of the above-referenced investigation or otherwise, the Company could be subject to fines, penalties and civil, administrative or criminal legal proceedings that could have a material adverse effect on its profitability in the year in which any such fine or penalty is imposed or the outcome of any such proceeding is determined.

[b] In certain circumstances, the Company is at risk for warranty costs including product liability and recall costs. Due to the nature of the costs, the Company makes its best estimate of the expected future costs; however, the ultimate amount of such costs could be materially different. The Company continues to experience increased customer pressure to assume greater warranty responsibility. Currently, under most customer agreements, the Company only accounts for existing or probable claims.

Combined Financial Statements

Magna Interiors Group
December 31, 2014

INDEPENDENT AUDITOR'S REPORT

To Magna International Inc.
(owner of Magna Interiors Group)

We have audited the accompanying combined financial statements of the Magna Interiors Group, which comprise the combined balance sheet as at December 31, 2014 and the combined statement of (loss) income, combined statement of comprehensive (loss) income, combined statement of changes in equity, and combined statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

We were not retained to perform an audit of the Magna Interiors Group until after December 31, 2013 and thus did not observe counting of physical inventories as at December 31, 2013. We were unable to satisfy ourselves by alternative means concerning the opening inventory quantities held at December 31, 2013.

As a result of this matter, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories, and the elements making up the combined statement of (loss) income, combined statement of comprehensive (loss) income, combined statement of changes in equity and combined statement of cash flows for the year ended December 31, 2014.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the combined financial statements present fairly, in all material respects, the financial position of the

Magna Interiors Group as at December 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
May 20, 2015
Toronto, Ontario

INDEPENDENT AUDITOR'S REPORT

To Magna International Inc.
(owner of Magna Interiors Group)

We have audited the accompanying combined financial statements of Magna Interiors Group Combined Entity, which comprise the combined balance sheet as at December 31, 2013, and the combined statement of (loss) income, combined statement of comprehensive (loss) income, combined statement of changes in equity and combined statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the combined financial statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with U.S. generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

Because we were appointed auditors of the Magna Interiors Group Combined Entity during 2015, we were not able to observe counting of physical inventories as at December 31, 2012 and December 31, 2013 or satisfy ourselves concerning the inventory quantities by alternative means. Since inventories affect the financial position, results of operations and cash flows, we were unable to determine whether adjustments to the combined balance sheet, results of operations and cash flows might be necessary as at and for the year ended December 31, 2013. Our audit opinion on the combined financial statements for the year ended December 31, 2013 was modified accordingly.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the combined financial statements present fairly, in all material respects, the financial position of

Magna Interiors Group as at December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
May 20, 2015

MAGNA INTERIORS GROUP

COMBINED STATEMENTS OF (LOSS) INCOME

[U.S. dollars in millions]

Years ended December 31,

	Note	2014	2013
Sales	16	**$2,406**	$2,467
Costs and expenses			
Cost of goods sold	16	**2,319**	2,293
Depreciation and amortization		**44**	43
Selling, general and administrative	16	**92**	91
Interest expense, net		**4**	6
Equity income	6	**(9)**	(5)
Impairment of long-lived assets	3	**18**	—
(Loss) income from operations before income taxes		**(62)**	39
Income taxes	8	**37**	24
Net (loss) income		**$ (99)**	$ 15

See accompanying notes

COMBINED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

[U.S. dollars in millions]

Years ended December 31,

	Note	2014	2013
Net (loss) income		**$ (99)**	$15
Other comprehensive (loss) income, net of tax:	14		
Net unrealized (loss) gain on translation of net investment in foreign operations		**(33)**	9
Net unrealized loss on cash flow hedges		**(2)**	(1)
Reclassification of net gain on cash flow hedges to net (loss) income		**(2)**	(3)
Other comprehensive (loss) income		**(37)**	5
Comprehensive (loss) income		**$(136)**	$20

See accompanying notes

MAGNA INTERIORS GROUP

COMBINED STATEMENTS OF CHANGES IN EQUITY

[U.S. dollars in millions]

	Magna's Net Investment	AOCI[i]	Total Equity
Balance, December 31, 2012	$269	$ 73	$342
Net income	15		15
Other comprehensive income	—	5	5
Change in Magna's net investment	34		34
Balance, December 31, 2013	318	78	396
Net loss	(99)		(99)
Other comprehensive loss	—	(37)	(37)
Change in Magna's net investment	153		153
Balance, December 31, 2014	**$372**	**$ 41**	**$413**

[i] AOCI is Accumulated Other Comprehensive Income.

See accompanying notes

MAGNA INTERIORS GROUP

COMBINED STATEMENTS OF CASH FLOWS

[U.S. dollars in millions]

Years ended December 31,

	Note	2014	2013
OPERATING ACTIVITIES			
Net (loss) income		**$ (99)**	$ 15
Items not involving current cash flows	4	**90**	56
		(9)	71
Changes in operating assets and liabilities	4	**(37)**	(13)
Cash (used for) provided from operating activities		**(46)**	58
INVESTMENT ACTIVITIES			
Fixed asset additions		**(91)**	(77)
Increase in investments and other assets		**(10)**	(15)
Proceeds from disposition		**4**	1
Cash used for investment activities		**(97)**	(91)
FINANCING ACTIVITIES			
Decrease in bank indebtedness		**(1)**	(2)
Change in Magna's net investment		**140**	36
Cash provided from financing activities		**139**	34
Effect of exchange rate changes on cash and cash equivalents		**3**	1
Net (decrease) increase in cash and cash equivalents during the year		**(1)**	2
Cash and cash equivalents, beginning of year		**3**	1
Cash and cash equivalents, end of year		**$ 2**	$ 3

See accompanying notes

MAGNA INTERIORS GROUP

COMBINED BALANCE SHEETS

[U.S. dollars in millions]

As at December 31,

	Note	2014	2013
ASSETS			
Current assets			
Cash and cash equivalents		**$ 2**	$ 3
Accounts receivable	16	**349**	364
Inventories	5	**243**	185
Income taxes receivable		**1**	—
Deferred tax assets	8	**11**	11
Prepaid expenses and other		**10**	13
		616	576
Investments	6, 15	**41**	37
Fixed assets, net	3, 7	**263**	254
Goodwill		**12**	13
Deferred tax assets	8	**9**	22
Other assets	9	**26**	41
		$967	$943
LIABILITIES AND EQUITY			
Current liabilities			
Bank indebtedness		**$ —**	$ 1
Accounts payable	16	**375**	354
Accrued salaries and wages		**43**	39
Other accrued liabilities	10	**98**	106
Income taxes payable		**—**	5
Deferred tax liabilities	8	**1**	2
		517	507
Long-term employee benefit liabilities	12	**20**	20
Other long-term liabilities	13	**10**	13
Deferred tax liabilities	8	**7**	7
		554	547
Equity			
Magna's net investment		**372**	318
Accumulated other comprehensive income		**41**	78
		413	396
		$967	$943

Commitments and contingencies *[notes 11, 15 and 17]*

See accompanying notes

MAGNA INTERIORS GROUP

NOTES TO THE COMBINED FINANCIAL STATEMENTS

[All amounts in U.S. dollars and all tabular amounts in millions, unless otherwise noted]

1. BASIS OF PRESENTATION

Magna Interiors Group [“Interiors” or the “Company”] is a global automotive supplier that engineers, develops and manufactures, and tests and validates an extensive range of interior products for the automotive industry including cockpit modules, instrument panels, consoles, door trim panels, cargo management systems, overhead systems, package trays, interior panels and other garnish trim.

The combined financial statements have been prepared in U.S. dollars following United States generally accepted accounting principles [“GAAP”].

PRINCIPLES OF COMBINATION

These combined financial statements have been prepared in connection with the proposed sale of the Company, which represents the combination of certain operating divisions, controlled subsidiaries and joint ventures owned or jointly owned by Magna International Inc. [“Magna”] and present the historic combined financial position, statement of (loss) income, comprehensive (loss) income, changes in equity and cash flows of the Company on a carve-out basis from Magna. To give effect to the continuity of Magna’s interest in the assets and liabilities of the Company, all assets and liabilities have been recorded in these combined financial statements at Magna’s book values and have been included from the date they were acquired by Magna.

The assets and liabilities included in these combined financial statements are based on the Sale and Purchase Agreement [“SPA”] dated April 16, 2015 and include the following:

- 100% interest in the following automotive subsidiaries:
    - United States of America—Magna Exteriors & Interiors USA Inc., including Interlink Automotive, LLC, and its 100% interest in the Chinese entity Magna Exteriors & Interiors (Suzhou) Co. Ltd.
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    - Austria—Magna Interiors (Austria) GmbH; Magna Beteiligung (Austria) GmbH; and Burg Design GmbH
    - Hungary—Magna Automotive (Hungary) Kft.
- 100% interest in certain interior automotive net assets. These net assets have been reflected as assets and liabilities of the Company from the date of acquisition by Magna. Division Roitzsch included in Näher Automotive GmbH, Division Liban included in Magna Exteriors & Interiors (Bohemia) s.r.o., Division Trnava included in Magna Slovteca s.r.o., and Division Pune included in Magna Closures Automotive Private Ltd.

1. BASIS OF PRESENTATION (Continued)

- 100% of Magna's purchased equity interests in its Interior's Chinese joint ventures, Changchun Intier Automotive Interiors Co. Ltd., including its interest in Beijing Intier Automotive Interiors Co. Ltd; and Changshu Intier Automotive Interiors Co. Ltd., 100% of Magna's purchased equity interest in its Korean joint venture Dae Yee Intier Co. Ltd., and 100% of Magna's purchased equity interest in its Hungarian joint venture Plastimat Hungary Kft. All joint ventures have been accounted for using the equity method of accounting.

- 100% interest in certain automotive real estate assets and leasehold improvements. This real estate has been reflected as assets of the Company from the date of acquisition by Magna.

These combined financial statements present the combined financial position, results of operations, changes in comprehensive income, changes in equity and cash flows of the Company as if it had operated as a stand-alone entity subject to Magna's control.

The combined statements of (loss) income do not contain intercompany allocations or certain management estimates of the cost of services provided by Magna. Management believes the assumptions and allocations underlying the combined financial statements are reasonable and appropriate under the circumstances. The expenses and cost allocations included have been determined on a reasonable basis to reflect the benefits received by the Company during the periods presented. All significant intercompany balances and transactions have been eliminated. Interest expense, as presented in the combined statements of (loss) income includes interest on external debt and amounts due to Magna [included in Magna's net investment]. Magna's net investment, which includes both debt and equity components, comprises the accumulated earnings of the Company, contributions by, less distributions to, Magna and the changes in accumulated other comprehensive income.

Income taxes for the Company have been recorded at statutory rates based on (loss) income before income taxes as reported in the combined statements of (loss) income as though each legal entity of the Company was a separate tax paying entity. Income taxes payable in respect of historically separate tax paying legal entities have been presented as a liability in the combined balance sheets. Income taxes payable and compensation for tax losses in respect of other components which were not historically separate tax paying legal entities have been included in Magna's net investment. Deferred income taxes have been presented in the combined balance sheets for temporary differences between the financial reporting and tax bases of the Company's assets and liabilities.

As a result of the basis of presentation described above, the combined statements of (loss) income may not necessarily be indicative of the revenues and expenses that would have resulted had the Company operated as a stand-alone entity.

2. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

The Company classifies all of its financial assets and financial liabilities as held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets, or other financial liabilities. Held-for-trading financial instruments, which include cash and cash equivalents are measured at fair value and all gains and losses are included in net (loss) income in the period in which they arise. Held-to-maturity investments, which include long-term interest bearing government securities held to partially fund certain Austrian lump sum

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

termination and long service payment arrangements, are recorded at amortized cost using the effective interest method. Loans and receivables, which include accounts receivable and long-term receivables and other financial liabilities, which includes bank indebtedness and accounts payable, are recorded at amortized cost using the effective interest method. Available-for-sale financial assets are recorded at cost and are subsequently measured at fair value with all revaluation gains and losses included in other comprehensive (loss) income.

Foreign currency translation

The Company operates globally, which gives rise to a risk that its earnings and cash flows may be adversely impacted by fluctuations in foreign exchange rates.

Assets and liabilities of the Company's operations having a functional currency other than the U.S. dollar are translated into U.S. dollars using the exchange rate in effect at year end, and revenues and expenses are translated at the average rate during the year. Exchange gains or losses on transaction of the Company's net investments in these operations are included in comprehensive (loss) income and are deferred in accumulated other comprehensive income.

Foreign exchange gains and losses on transactions occurring in a currency other than an operation's functional currency are reflected in net (loss) income, except for gains and losses on foreign exchange contracts used to hedge specific future commitments in foreign currencies. In particular, the Company uses foreign exchange forward contracts for the sole purpose of hedging certain of the Company's future committed foreign currency based outflows and inflows. Most of the Company's foreign exchange contracts are subject to master netting arrangements that provide for the net settlement of contracts, by counterparty, in the event of default or termination. All derivative instruments, including foreign exchange contracts, are recorded on the combined balance sheet at fair value. The fair values of derivatives are recorded on a gross basis in prepaid expenses and other, other assets, other accrued liabilities or other long-term liabilities. To the extent that cash flow hedges are effective, the change in their fair value is recorded in other comprehensive (loss) income; any ineffective portion is recorded in net (loss) income. Amounts accumulated in other comprehensive (loss) income are reclassified to net (loss) income in the period in which the hedged item affects net (loss) income.

If the Company's foreign exchange forward contracts cease to be effective as hedges, for example, if projected foreign cash inflows or outflows declined significantly, gains or losses pertaining to the portion of the hedging transactions in excess of projected foreign currency denominated cash flows would be recognized in income at the time this condition was identified.

Cash and cash equivalents

Cash and cash equivalents include cash on account, demand deposits and short-term investments with remaining maturities of less than three months at acquisition.

Inventories

Production inventories and tooling inventories manufactured in-house are valued at the lower of cost and market, with cost being determined substantially on a first-in, first-out basis. Cost includes the cost of materials plus direct labour applied to the product and the applicable share of manufacturing overhead.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Outsourced tooling inventories are valued at the lower of subcontracted costs and market.

Investments

The Company accounts for its investments in which it has significant influence on the equity basis. Investments also include long-term interest bearing government securities held to partially fund certain Austrian lump sum termination and long service payment arrangements pursuant to local tax laws.

Long-lived assets

Fixed assets are recorded at historical cost. Depreciation is provided on a straight-line basis over the estimated useful lives of fixed assets at annual rates of 2½% to 5% for buildings, 7% to 10% for general purpose equipment and 10% to 33% for special purpose equipment.

Definite-lived intangible assets, which have arisen principally through acquisitions and include patents and licences, are recorded in other assets and are amortized on a straight-line basis over their estimated useful lives, typically over periods not exceeding five years.

The Company assesses fixed and definite-lived intangible assets for recoverability whenever indicators of impairment exist. If the carrying value of the asset exceeds the estimated undiscounted cash flows from the use of the asset, then an impairment loss is recognized to write the asset down to fair value. The fair value of the fixed and definite-lived intangible assets is determined using estimated discounted future cash flows.

Goodwill

Goodwill represents the excess of the cost of an acquired enterprise over the fair value of the identifiable assets acquired and liabilities assumed less any subsequent writedowns for impairment. Goodwill is reviewed for impairment on December 31 of each year. Goodwill impairment is evaluated between annual tests upon the occurrence of certain events or circumstances. Goodwill impairment is assessed based on a comparison of the fair value of a reporting unit to the underlying carrying value of the reporting unit's net assets, including goodwill. When the carrying amount of the reporting unit exceeds its fair value, the fair value of the reporting unit's goodwill is compared with its carrying amount to measure the amount of impairment, if any. The fair value of a reporting unit is determined using the estimated discounted future cash flows of the reporting unit. For the years ended December 31, 2014 and 2013, the Company's goodwill balance was $12 million and $13 million, respectively. The change in the goodwill balance was due to foreign exchange.

Other assets

Other assets include the long-term portion of certain receivables, which represent the recognized sales value of tooling and design and engineering services provided to customers under certain long-term contracts. The receivables will be paid in full upon completion of the contracts or in instalments based on forecasted production volumes. In the event that actual production volumes are less than those forecasted, a reimbursement for any shortfall will be made.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Preproduction costs related to long-term supply agreements

Pre-operating costs incurred in establishing new facilities that require substantial time to reach commercial production capability are expensed as incurred.

Costs incurred [net of customer subsidies] related to design and engineering, which are paid for as part of subsequent production piece price amounts, are expensed as incurred unless a contractual guarantee for reimbursement exists.

Costs incurred [net of customer subsidies] related to design and development costs for moulds, dies and other tools that the Company does not own [and that will be used in, and paid for as part of the piece price amount for, subsequent production] are expensed as incurred unless the supply agreement provides a contractual guarantee for reimbursement or the non-cancelable right to use the moulds, dies and other tools during the supply agreement.

Where these preproduction costs are deemed to be a single unit of account combined with a subsequent parts production, the costs deferred in the above circumstances are included in other assets and amortized on a units-of-production basis to cost of goods sold over the anticipated term of the supply agreement.

Warranty

The Company records product warranty liabilities based on its individual customer agreements. Under most customer agreements, the Company only accounts for existing or probable claims on product default issues when amounts related to such issues are probable and reasonably estimable. Under certain supply contracts, the Company records an estimate of future warranty-related costs based on the terms of the specific customer agreements and the specific customer's warranty experience.

Product liability provisions are established based on the Company's best estimate of the amounts necessary to settle existing claims on product default issues. Recall costs are costs incurred when government regulators and/or the customer decides to recall a product due to a known or suspected performance issue, and the Company is required to participate, either voluntarily or involuntarily. Costs typically include the cost of the product being replaced, the customer's cost of the recall and labour to remove and replace the defective part. When a decision to recall a product has been made or is probable, the Company's portion of the estimated cost of the recall is recorded as a charge to (loss) income in that period. In making this estimate, judgment is required as to the number of units that may be returned as a result of the recall, the total cost of the recall campaign and the ultimate negotiated sharing of the cost between the Company, the customer and, in some cases, a supplier to the Company.

The Company monitors warranty activity on an ongoing basis and adjusts reserve estimates when it is probable that future warranty costs will be different than those estimates.

Employee future benefit plans

The cost of providing benefits through defined benefit pensions, lump sum termination and long service payment arrangements is actuarially determined and recognized in (loss) income using the projected benefit

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

method pro-rated on service and management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees and, with respect to medical benefits, expected health care costs. Differences arising from plan amendments, changes in assumptions and experience gains and losses that are greater than 10% of the greater of the accrued benefit obligation at the beginning of the year and the fair value, or market related value, of plan assets at the beginning of the year, are recognized in (loss) income over the expected average remaining service life of employees. Gains related to plan curtailments are recognized when the event giving rise to the curtailment has occurred. Plan assets are valued at fair value. The cost of providing benefits through defined contribution pension plans is charged to (loss) income in the period in respect of which contributions become payable.

The funded status of the plans is measured as the difference between the plan assets at fair value and the projected benefit obligation ["PBO"]. The aggregate of all overfunded plans is recorded in other assets, and the aggregate of all underfunded plans in long-term employee benefit liabilities. The portion of the amount by which the actuarial present value of benefits included in the PBO exceeds the fair value of plan assets, payable in the next twelve months, is reflected in other accrued liabilities. This is determined on a plan by plan basis.

Asset retirement obligation

The Company recognizes its obligation to restore leased premises at the end of the lease by recording at lease inception the estimated fair value of this obligation as other long-term liabilities with a corresponding amount recognized as fixed assets. The fixed asset amount is amortized over the period from lease inception to the time the Company expects to vacate the premises, resulting in both depreciation and interest charges. The estimated fair value of the obligation is assessed for changes in the expected timing and extent of expenditures with changes related to the time value of money recorded as interest expense.

Revenue recognition

Revenue from the sale of manufactured products is recognized when the price is fixed or determinable, collectability is reasonably assured and upon shipment to [or receipt by customers, depending on contractual terms], and acceptance by customers.

Revenue and cost of goods sold, including amounts from engineering and tooling contracts, are presented on a gross basis in the combined statements of (loss) income and comprehensive (loss) income when the Company is acting as principal and is subject to significant risks and rewards in connection with the process of bringing the product to its final state and in the post-sale dealings with its customers. Otherwise, components of revenues and related costs are presented on a net basis.

Government assistance

The Company makes periodic applications for financial assistance under available government assistance programs in the various jurisdictions that the Company operates. Grants relating to capital expenditures are reflected as a reduction of the cost of the related assets. Grants relating to current operating expenditures are generally recorded as a reduction of the related expense at the time the eligible expenses are incurred. The Company also receives tax credits and tax super allowances, the benefits of which are recorded as a reduction of

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

income tax expense. In addition, the Company receives loans which are recorded as liabilities in amounts equal to the cash received.

Income taxes

The Company uses the liability method of tax allocation to account for income taxes. Under the liability method of tax allocation, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

No deferred tax liability is recorded for taxes on undistributed earnings and translation adjustments of foreign subsidiaries if these items are either considered to be reinvested for the foreseeable future or if they are available for repatriation and are not subject to further tax on remittance. Taxes will be recorded on such foreign undistributed earnings and translation adjustments when it becomes apparent that such earnings will be distributed in the foreseeable future and the Company will incur further significant tax on remittance.

Recognition of uncertain tax positions is dependent on whether it is more-likely-than-not that a tax position taken or expected to be taken in a tax return will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. If a tax position meets the more-likely-than-not recognition threshold, it is measured to determine the amount of benefit or cost to recognize in the combined financial statements. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense.

Comprehensive (loss) income

Other comprehensive (loss) income includes unrealized gains and losses on translation of the Company's foreign operations that use the local currency as the functional currency, the change in fair value of available-for-sale investments, net of taxes, the change in unamortized actuarial amounts, net of taxes and to the extent that cash flow hedges are effective, the change in their fair value, net of income taxes.

Accumulated other comprehensive income is a separate component of equity which includes the accumulated balances of all components of other comprehensive (loss) income which are recognized in comprehensive (loss) income but excluded from net (loss) income.

Use of estimates

The preparation of the combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the combined financial statements and accompanying notes. Actual results could differ from those estimates.

3. IMPAIRMENT OF LONG-LIVED ASSETS

Upon completion of its annual business planning cycle, the Company identified a number of indicators of impairments of long-lived assets in one of its U.S. facilities. These indicators included the continuation of budgeted operating losses, and uncertain long-term production volumes for some of the Company's existing programs. As a

3. IMPAIRMENT OF LONG-LIVED ASSETS (Continued)

result, the Company recorded long-lived asset impairment charges of $18 million in North America, during the fourth quarter of 2014.

4. DETAILS OF COMBINED STATEMENTS OF CASH FLOWS

[a] Items not involving current cash flows:

	2014	2013
Depreciation and amortization	**$44**	$43
Amortization of other assets included in cost of goods sold	**20**	9
Impairment of long-lived assets [*note 3*]	**18**	—
Deferred income taxes [*note 8*]	**13**	7
Other non-cash charges	**2**	1
Equity income in excess of dividends received	**(7)**	(4)
	$90	$56

[b] Changes in operating assets and liabilities:

	2014	2013
Accounts receivable	**$ (2)**	$(56)
Inventories	**(73)**	16
Prepaid expenses and other	**—**	(1)
Accounts payable	**40**	3
Accrued salaries and wages	**8**	10
Other accrued liabilities	**(2)**	7
Income taxes payable	**(8)**	8
	$(37)	$(13)

5. INVENTORIES

Inventories consist of:

	2014	2013
Raw materials and supplies	**$ 68**	$ 65
Work-in-process	**9**	7
Finished goods	**23**	18
Tooling and engineering	**143**	95
	$243	$185

Tooling and engineering inventory represents costs incurred on tooling and engineering services contracts in excess of billed and unbilled amounts included in accounts receivable.

6. INVESTMENTS

The Company's net (loss) income includes the proportionate share of net income or loss of its equity method investees. When a proportionate share of net income is recorded, it increases equity income in the combined statements of (loss) income and the carrying value of those investments. Conversely, when a proportionate share of a net loss is recorded, it decreases equity income in the combined statements of (loss) income and the carrying value of those investments. The following is the Company's combined proportionate share of the major components of the financial statements of the entities in which the Company accounts for using the equity method:

	2014	2013
Balance Sheets		
Current assets	**$69**	$42
Long-term assets	**$28**	$30
Current liabilities	**$56**	$35
Long-term liabilities	**$—**	$ 1

	2014	2013
Statements of Income		
Sales	**$143**	$138
Cost of goods sold, expenses and income taxes	**134**	133
Net income	**$ 9**	$ 5

Sales to equity method investees were approximately $1 million and $nil in 2014 and 2013, respectively.

7. FIXED ASSETS

Fixed assets consist of:

	2014	2013
Cost		
Land	**$ 2**	$ 2
Buildings	**65**	73
Machinery and equipment	**640**	619
	707	694
Accumulated depreciation		
Buildings	**(28)**	(33)
Machinery and equipment	**(416)**	(407)
	$ 263	$ 254

Included in the cost of fixed assets are construction in progress expenditures of $50 million [2013 - $47 million] that have not been depreciated.

8. INCOME TAXES

[a] The provision for income taxes was recorded at statutory rates based on (loss) income before income taxes and calculated as though each legal entity or division of the Company was a separate tax paying entity. The provision for income taxes differs from the expense that would be obtained by applying Magna's [Canadian] statutory income tax rate as a result of the following:

	2014	2013
Income tax (benefit) expense at Magna's [Canadian] statutory income tax rate [26.5%]	**$(16)**	$10
Valuation allowance on deferred tax assets[i]	**27**	—
Losses not benefited	**26**	16
Accounting expenses disallowed for tax	**2**	—
Enacted rate change	**1**	1
Foreign rate differentials	**—**	(1)
Research and development tax credits	**(1)**	(1)
Earnings of equity accounted investees	**(2)**	(1)
Provision for income taxes	**$ 37**	$24

[i] GAAP requires that the Company assess whether valuation allowances should be established or maintained against its deferred tax assets, based on consideration of all available evidence, using a "more-likely-than-not" standard. The factors the Company uses to assess the likelihood of realization are its history of losses, forecasts of future pre-tax income and tax planning strategies that could be implemented to realize the deferred tax assets. Based on these criteria, in 2014 the Company established a $27 million valuation allowance against all of its deferred tax assets in the United Kingdom.

[b] The details of the income tax provision are as follows:

	2014	2013
Current	**$24**	$17
Deferred	**13**	7
	$37	$24

[c] Deferred income taxes have been provided on temporary differences, which consist of the following:

	2014	2013
Change in valuation allowance on deferred tax assets	**$ 27**	$—
Tax depreciation greater than book depreciation	**2**	2
Enacted rate change	**1**	1
Liabilities currently not deductible for tax	**—**	(2)
Net tax losses (benefited) utilized	**(17)**	6
	$ 13	$ 7

8. INCOME TAXES (Continued)

[d] Deferred tax assets and liabilities consist of the following temporary differences:

	2014	2013
Assets		
Tax benefit of loss carryforwards[i]	**$ 31**	$17
Liabilities currently not deductible for tax	**18**	15
Book depreciation in excess of tax depreciation	**—**	3
Unrealized loss on cash flow hedges and retirement liabilities	**1**	—
	50	35
Valuation allowance against tax benefit of loss carryforwards	**(31)**	(5)
Other valuation allowance	**(5)**	(6)
	14	24
Liabilities		
Tax depreciation in excess of book depreciation	**1**	—
Other assets book value in excess of tax value	**1**	—
	2	—
Net deferred tax assets	**$ 12**	$24

[i] As of December 31, 2014, the Company had operating loss carryforwards of $279 million. Of these losses, $114 million are not available for the Company as they were allocated to group parents in the United States and Germany under their respective tax sharing agreements. The deferred tax asset related to these losses has not been recorded in the above schedule. Of the remaining $165 million, which relate primarily to operations in the United Kingdom and Hungary, approximately $130 million can be carried forward indefinitely and the remaining expire between 2020 and 2021.

The net deferred tax assets are presented on the combined balance sheet in the following categories:

	2014	2013
Current deferred tax assets	**$11**	$11
Current deferred tax liabilities	**(1)**	(2)
Long-term deferred tax assets	**9**	22
Long-term deferred tax liabilities	**(7)**	(7)
	$12	$24

[e] Deferred income taxes have not been provided on approximately $5 million of undistributed earnings of certain foreign subsidiaries, as the Company has concluded that such earnings should not give rise to additional tax liabilities upon repatriation or are indefinitely reinvested. A tax liability of approximately $2 million has not been recognized relating to the remittance of such undistributed earnings.

[f] Income taxes paid in cash [net of refunds] were $17 million for the year ended December 31, 2014 [2013 - $10 million].

8. INCOME TAXES (Continued)

[g] As at December 31, 2014 and 2013, the Company's gross unrecognized tax benefits were $nil [excluding interest and penalties]. The Company recognizes interest and penalties with respect to unrecognized tax benefits as income tax expense. For the year ended December 31, 2014, interest and penalties recorded on the unrecognized tax benefits were less than $1 million [December 31, 2013—$nil].

[h] The Company operates in multiple jurisdictions throughout the world, and its tax returns are periodically audited or subject to review by both domestic and foreign tax authorities. The Company considers its significant tax jurisdictions to include the United States, Austria, Germany, United Kingdom and Mexico. With few exceptions, the Company remains subject to income tax examination in Germany for years after 2007, in Austria and Mexico for years after 2008, in the U.S. federal jurisdiction for years after 2010 and in the United Kingdom after 2013.

9. OTHER ASSETS

Other assets consist of:

	2014	2013
Preproduction costs related to long-term supply agreements with contractual guarantee for reimbursement	**$16**	$28
Patents and licenses, net	**5**	6
Long-term receivables	**1**	—
Unrealized gain on cash flow hedges *[note 15]*	**—**	1
Other, net	**4**	6
	$26	$41

10. WARRANTY

The following is a continuity of the Company's warranty accruals:

	2014	2013
Balance, beginning of year	**$10**	$12
Expense, net	**1**	2
Settlements	**(2)**	(4)
Foreign exchange and other	**(1)**	—
	$ 8	$10

11. COMMITMENTS

At December 31, 2014, the Company had commitments under operating leases requiring annual rental payments as follows:

	Third parties	Magna and its affiliates
2015	$ 22	$ 5
2016	18	3
2017	16	3
2018	15	2
2019	13	2
Thereafter	28	2
	$112	$17

For the year ended December 31, 2014, operating lease expense was $23 million [2013 - $23 million].

12. LONG-TERM EMPLOYEE BENEFIT LIABILITIES

Long-term employee benefit liabilities consist of:

	2014	2013
Defined benefit pension plans[a]	**$ 3**	$ 3
Termination and long service arrangements[b]	**17**	17
Long-term employee benefit obligations	**$20**	$20

[a] Defined benefit pension plans

The Company sponsors a number of defined benefit pension plans and similar arrangements for its employees in the U.S. and Europe. The U.S. plan is funded to at least the minimum legal funding requirements, while the European defined benefit plan is unfunded. The balance in defined benefit pension plans relates primarily to the Company's European defined benefit pension plan. The U.S. defined benefit pension plan was immaterial as at December 31, 2014 and 2013.

The weighted average significant actuarial assumptions adopted in measuring the Company's obligations and costs are as follows:

	2014	2013
Projected benefit obligation		
Discount rate	**2%**	4%
Net periodic benefit cost		
Discount rate	**4%**	4%

12. LONG-TERM EMPLOYEE BENEFIT LIABILITIES (Continued)

[b] Termination and long service arrangements

Pursuant to labour laws and national labour agreements in certain European countries and Mexico, the Company is obligated to provide lump sum termination payments to employees on retirement or involuntary termination, and long service payments contingent upon persons reaching a predefined number of years of service.

The weighted average significant actuarial assumptions adopted in measuring the Company's projected termination and long service benefit obligations and net periodic benefit cost are as follows:

	2014	**2013**
Discount rate	**3%**	4%
Rate of compensation increase	**3%**	4%

Information about the Company's termination and long service arrangements is as follows:

	2014	**2013**
Projected benefit obligation		
Beginning of year	**$17**	$15
Current service cost	**1**	1
Interest cost	**1**	—
Foreign exchange	**(2)**	1
Ending funded status	**$17**	$17
Amounts recorded in the combined balance sheet		
Non-current liability	**$17**	$17
Amounts recorded in accumulated other comprehensive income		
Unrecognized actuarial gains	**$(2)**	$(2)
Net periodic benefit cost		
Current service cost	**$ 1**	$ 1
Interest cost	**1**	—
Net periodic benefit cost	**$ 2**	$ 1

12. LONG-TERM EMPLOYEE BENEFIT LIABILITIES (Continued)

[c] Future benefit payments

	Defined benefit pension plans	Termination and long service arrangements	Total
Expected benefit payments:			
2015	$—	$—	$—
2016	—	1	1
2017	1	—	1
2018	—	1	1
2019	—	1	1
Thereafter	2	4	6
	$ 3	$ 7	$10

There are no expected employer contributions for 2015.

13. OTHER LONG-TERM LIABILITIES

Other long-term liabilities consist of:

	2014	2013
Asset retirement obligation[a]	**$ 9**	$12
Long-term portion of fair value of hedges [*note 15*]	**1**	1
	$10	$13

[a] The decrease in the asset retirement obligation balance relates primarily to a revised estimate of the cost required to restore one of the Company's European facilities.

14. ACCUMULATED OTHER COMPREHENSIVE INCOME

The following is a continuity schedule of accumulated other comprehensive income:

	2014	2013
Accumulated net unrealized gain on translation of net investment in foreign operations		
Balance, beginning of year	**$ 78**	$69
Net unrealized (loss) gain	**(33)**	9
Balance, end of year	**45**	78
Accumulated net unrealized (loss) gain on cash flow hedges[b]		
Balance, beginning of year	**2**	6
Net unrealized loss	**(2)**	(1)
Reclassification of net gain to net (loss) income[a]	**(2)**	(3)
Balance, end of year	**(2)**	2
Accumulated net unrealized loss on other long-term liabilities		
Balance, beginning of year	**(2)**	(2)
Reclassification of net gain to net (loss) income	**—**	—
Balance, end of year	**(2)**	(2)
Total accumulated other comprehensive income[c]	**$ 41**	$78

[a] The effects on net (loss) income of amounts reclassified from AOCI, with presentation location, were as follows:

	2014	2013
Cash flow hedges		
Sales	**$ 2**	$ 1
Cost of sales	**—**	3
Income tax	**—**	(1)
Net of tax	**$ 2**	$ 3

[b] The amount of income tax benefit that has been allocated to each component of other comprehensive (loss) income is as follows:

	2014	2013
Accumulated net unrealized loss (gain) on cash flow hedges		
Balance, beginning of year	**$—**	$ (1)
Net unrealized loss	**1**	—
Reclassification of net gain to net (loss) income	**—**	1
Total income tax benefit	**$ 1**	$—

[c] The amount of other comprehensive loss that is expected to be reclassified to net income during 2015 is $2 million [net of income tax of $nil].

15. FINANCIAL INSTRUMENTS

[a] Foreign exchange contracts

At December 31, 2014, the Company had outstanding foreign exchange forward contracts representing commitments to buy and sell various foreign currencies. Significant commitments are as follows:

	For euros		For U.S. dollars	
Buy (Sell)	GBP amount	Weighted average rate	Peso amount	Weighted average rate
2015	13	1.19170	215	0.07218
2015	(13)	0.86135	—	—
2016	(11)	0.80317	119	0.07058
2017	(7)	0.81489	—	—
	(18)		334	

Based on forward foreign exchange rates as at December 31, 2014 for contracts with similar remaining terms to maturity, the gains and losses relating to the Company's foreign exchange forward contracts recognized in other comprehensive (loss) income are approximately $1 million and $4 million, respectively *[note 14]*.

The Company does not enter into foreign exchange forward contracts for speculative purposes.

15. FINANCIAL INSTRUMENTS (Continued)

[b] Financial assets and liabilities

The Company's financial assets and liabilities consist of the following:

	2014	2013
Held-for-trading		
Cash and cash equivalents	**$ 2**	$ 3
Held-to-maturity investments		
Severance investments	**$ 1**	$ 1
Loans and receivables		
Accounts receivable	**$349**	$364
Long-term receivables included in other assets [*note 9*]	**1**	—
	$350	$364
Other financial liabilities		
Bank indebtedness	**$ —**	$ 1
Accounts payable	**375**	354
	$375	$355
Derivatives designated as effective hedges, measured at fair value		
Foreign currency contracts		
Prepaid expenses and other	**$ 1**	$ 4
Other assets	**—**	2
Other accrued liabilities	**(3)**	(2)
Other long-term liabilities	**(1)**	(1)
	$ (3)	$ 3

[c] Derivatives designated as effective hedges, measured at fair value

The Company presents derivatives that are designated as effective hedges at gross fair values in the combined balance sheets. However, master netting and other similar arrangements allow net settlements under certain conditions. The following table shows the Company's derivative foreign currency contracts at gross fair value as reflected in the combined balance sheets and the unrecognized impacts of master netting arrangements:

	Gross amounts presented in combined balance sheets	Gross amounts not offset in combined balance sheets	Net amounts
December 31, 2014			
Assets	**$ 1**	**$ 1**	**$—**
Liabilities	**$(4)**	**$(1)**	**$ (3)**
December 31, 2013			
Assets	$ 6	$ 2	$ 4
Liabilities	$(3)	$(2)	$ (1)

15. FINANCIAL INSTRUMENTS (Continued)

[d] Fair value

Cash and cash equivalents, accounts receivable, bank indebtedness and accounts payable.

Due to the short period to maturity of the instruments, the carrying values as presented in the combined balance sheets are reasonable estimates of fair values. These estimated fair values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair value amounts may be materially affected by the use of different assumptions or methodologies.

[e] Credit risk

The Company's financial assets that are exposed to credit risk consist primarily of cash and cash equivalents, accounts receivable, held-to-maturity investments and foreign exchange and commodity forward contracts with positive fair values.

Cash and cash equivalents, which consist of short-term investments, are only invested in governments, bank term deposits and bank commercial paper with an investment grade credit rating. Credit risk is further reduced by limiting the amount which is invested in certain governments or any major financial institution.

The Company is also exposed to credit risk from the potential default by any of its counterparties on its foreign exchange forward contracts. The Company mitigates this credit risk by dealing with counterparties who are major financial institutions that the Company anticipates will satisfy their obligations under the contracts.

In the normal course of business, the Company is exposed to credit risk from its customers, substantially all of which are in the automotive industry and are subject to credit risks associated with the automotive industry. For the year ended December 31, 2014, sales to the Company's six largest customers represented 82% of the Company's total sales; and substantially all of its sales are to customers in which the Company has ongoing contractual relationships.

[f] Currency risk

The Company is exposed to fluctuations in foreign exchange rates when manufacturing facilities have committed to the delivery of products for which the selling price has been quoted in currencies other than the facilities' functional currency, and when materials and equipment are purchased in currencies other than the facilities' functional currency. In an effort to manage this net foreign exchange exposure, the Company employs hedging programs, primarily through the use of foreign exchange forward contracts *[note 15[a]]*.

As at December 31, 2014, the net foreign exchange exposure, after considering the impact of foreign exchange contracts, was not significant.

[g] Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities. In particular, the amount of interest income earned on cash and cash equivalents is impacted more by investment decisions made and the demands to have available cash on hand,

15. FINANCIAL INSTRUMENTS (Continued)

than by movements in interest rates over a given period. The Company is exposed however, to fluctuations in the prime and London Interbank Offered Rate charged on the outstanding balance of its intercompany debt due to Magna which is included in Magna's net investment.

16. TRANSACTIONS WITH RELATED PARTIES

[a] Amounts due from Magna

Revenue includes $156 million [2013—$183 million] from the sale of manufactured parts, tooling and engineering services to Magna and its subsidiaries. Included in accounts receivable are amounts due from Magna in the amount of $21 million and $26 million for the years ended December 31, 2014 and 2013, respectively.

[b] Amounts due to Magna

For the year ended December 31, 2014, the Company purchased manufactured parts, tooling and engineering services from Magna and its subsidiaries for a total value of approximately $23 million [2013—$30 million]. Included in accounts payable are amounts due to Magna and its subsidiaries in the amount of $15 million and $18 million for the years ended December 31, 2014 and 2013, respectively.

Included in accrued salaries and wages is a liability of $6 million [2013—$4 million] for payments made by Magna to purchase shares for the Employee Equity and Profit Participation Program related to employees of the Magna Interiors Group.

[c] Magna fee

Magna provides certain management and administrative services to the Company, including legal, environmental, administrative, tax, treasury, and information systems in return for a specific amount negotiated between the Company and Magna. The cost of management and administrative services included in the combined financial statements provided by Magna totaled $7 million and $10 million for the years ended December 31, 2014 and 2013, respectively. As described in the basis of presentation, the Company's combined financial statements do not include charges for the Magna intangible license royalty ["IPL"] fee. The Magna IPL fee is charged to its divisions for using the Magna and certain other trademark and trade names, Magna's core operating principles, Magna's strategic relationships/networks and Magna's operating know how and strategic direction.

[d] Rent expense

Various land and buildings used in the Company's operations are leased from Magna and its affiliates under operating lease agreements *[note 11]*. Total rent expense related to these facilities was $3 million and $1 million for the years ended December 31, 2014 and 2013.

[e] Interest expense, net

The Company incurred $4 million and $6 million of interest expense, net during the years ended December 31, 2014 and 2013, respectively, related to cash borrowed from Magna.

17. CONTINGENCIES

From time to time, the Company may become involved in regulatory proceedings, or become liable for legal, contractual and other claims by various parties, including customers, suppliers, former employees, class action plaintiffs and others. On an ongoing basis, the Company attempts to assess the likelihood of any adverse judgments or outcomes to these proceedings or claims, together with potential ranges of probable costs and losses. A determination of the provision required, if any, for these contingencies is made after analysis of each individual issue. The required provision may change in the future due to new developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters.

[a] In September 2013, representatives of the Bundeskartellamt, the German Federal Cartel Office, attended at one of the Company's operating divisions in Germany to obtain information in connection with an ongoing antitrust investigation relating to suppliers of automotive textile coverings and components, particularly trunk linings.

Proceedings of this nature can often continue for several years. Where wrongful conduct is found, the relevant antitrust authority can, depending on the jurisdiction, initiate administrative or criminal legal proceedings and impose administrative or criminal fines or penalties taking into account several mitigating and aggravating factors. In the case of the German Federal Cartel Office, administrative fines are tied to the level of affected sales and the consolidated sales of the group of companies to which the offending entity belongs. At this time, management is unable to predict the duration or outcome of the German investigation, including whether any operating divisions of the Company will be found liable for any violation of law or the extent or magnitude of any liability, if found to be liable.

If any antitrust violation is found as a result of the above-referenced investigation or otherwise, the Company could be subject to fines, penalties and civil, administrative or criminal legal proceedings that could have a material adverse effect on its profitability in the year in which any such fine or penalty is imposed or the outcome of any such proceeding is determined.

[b] In certain circumstances, the Company is at risk for warranty costs including product liability and recall costs. Due to the nature of the costs, the Company makes its best estimate of the expected future costs *[note 10]*; however, the ultimate amount of such costs could be materially different. The Company continues to experience increased customer pressure to assume greater warranty responsibility. Currently, under most customer agreements, the Company only accounts for existing or probable claims.

UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION

The following unaudited pro forma condensed financial information sets forth the unaudited pro forma condensed balance sheet of Grupo Antolin-Irausa, S.A. and Subsidiaries *(the "Company" or "Grupo Antolin")* as of March 31, 2015, as well as the unaudited pro forma condensed income statements of the Company for the three-month period ended March 31, 2015, for the twelve-month period ended March 31, 2015, and for the year ended December 31, 2014, to give effect to the acquisition of "Magna Interiors Group" *(the "Target Business")* by the Company.

The unaudited pro forma condensed financial information has been derived from, and should be read in conjunction with:

i) the Interim Combined Financial Statements of Magna Interiors Group as of and for the three-month periods ended March 31, 2015 and March 31, 2014 prepared in accordance with US GAAP, included elsewhere herein.

ii) the Combined Financial Statements of Magna Interiors Group as of and for the year ended December 31, 2014 prepared in accordance with US GAAP, included elsewhere herein.

iii) the Unaudited Interim Condensed Consolidated Financial Statements of the Company as of and for the three-month period ended March 31, 2015, presented in accordance with IAS 34 on "Interim financial reporting", included elsewhere herein and

iv) the Annual Consolidated Financial Statements of the Company as of and for the year ended December 31, 2014 prepared in accordance with IFRS as adopted by the EU, included elsewhere herein.

We have included the unaudited condensed pro forma financial information to illustrate the following, on a pro forma basis:

(a) The impact in our balance sheet as of March 31, 2015 of the acquisition of Magna Interiors Group by the Company as if it had occurred at the end of the most recent period presented *(March 31, 2015)*.

(b) The impact in our income statements for the twelve-month periods ended December 31, 2014, for the last twelve-month period ended March 31, 2015 and for the three-month period ended March 31, 2015, of the acquisition of Magna Interiors Group by the Company assuming the transaction was completed at the beginning of the fiscal year 2014 *(January 1, 2014)*.

The event above is herein referred to as the "Transaction" and is described in more detail in Note 2 to this "Unaudited Pro Forma Condensed Financial Information".

The pro forma and further adjustments and their underlying assumptions are described in the accompanying Notes, which should be read in conjunction with the unaudited pro forma condensed financial information. The pro forma adjustments are based on the information available at the time of the preparation of this document. Because the tax rate used for the pro forma condensed financial information is the historical statutory tax rate of the Company, it will likely vary from the actual effective rate in periods subsequent to completion of the proposed transaction.

The Transaction will be accounted for using purchase accounting. The pro forma condensed information presented, including allocations of purchase price, is based on preliminary estimates of the fair values of the assets to be acquired and liabilities to be assumed, available information and assumptions and will be revised as additional information becomes available. The actual adjustments to our historical financial statements upon the

closing of the Transaction will depend on a number of factors, including additional information available and completion of the appraisal or our net assets on the closing date of the Transaction. Therefore, the actual adjustments will differ from the pro forma adjustments, and the differences may be material.

The final purchase price allocation is dependent on, among other things, the finalization of asset and liability valuations. As of this date, we have not completed the valuation studies necessary to determine the fair values of the assets we expect to acquire and the liabilities we expect to assume and the related allocations of purchase price. We have allocated the total estimated purchase price, calculated as described in Note 5 to this "Unaudited Pro Forma Condensed Financial Information", to the assets to be acquired and the liabilities to be assumed based on preliminary estimates of their fair values. A final determination of these fair values will reflect our consideration of a final valuation. In this sense, the assets we expect to acquire include land and buildings with a net book value as of March 31, 2015 amounting to €28 million. However, we consider the difference between the net book value and the fair value of those assets to be immaterial.

The unaudited condensed pro forma financial information is presented for illustrative purposes only and reflects estimates and certain assumptions made by our management that are considered reasonable under the circumstances as of this date and which are based on the information available at the time of the preparation of the unaudited pro forma condensed financial information. Actual adjustments may differ materially from the information presented herein. The unaudited pro forma condensed financial information does not purport to represent what our income statement and balance sheet would have been if the relevant Transaction had occurred on the dates indicated and is not intended to project our consolidated results of operations or consolidated financial position for any future period or date.

The unaudited pro forma condensed financial statements should be read in conjunction with the information included herein under the captions "Selected Consolidated Financial and Other Information" and "Operating and Financial Review and Prospects—Target Business", the historical consolidated financial statements of the Company and the related notes thereto and the historical Combined Financial Statements of the Group and the related notes thereto.

Unaudited Pro Forma Condensed Balance Sheet
as of March 31, 2015
(Thousands of Euros)—

	Grupo Antolin 31/03/2015 (Note 3)	Magna Interiors Group 31/03/2015 (Note 4)	Full Consolidation of Certain Companies (Note 6.1)	Allocation of the Purchase Price and Financing (Note 5)	Pro Forma Balance Sheet 31/03/2015
NON-CURRENT ASSETS:					
Intangible assets—	**224,745**	**27,883**	**—**	**171,142**	**423,770**
Goodwill	53,368	11,153	—	147,197	211,718
Other intangible assets	171,377	16,730	—	23,945	212,052
Property, plant and equipment	**442,329**	**237,011**	**31,380**	**—**	**710,720**
Investment property	**4,683**	**—**	**—**	**—**	**4,683**
Investments in companies accounted for using the equity method	**52,896**	**37,178**	**(31,086)**	**1,115**	**60,103**
Non-current financial assets	**4,872**	**1,859**	**—**	**—**	**6,731**
Deferred tax assets	**78,731**	**26,025**	**—**	**—**	**104,756**
Non-current assets	**808,256**	**329,956**	**294**	**172,257**	**1,310,763**
CURRENT ASSETS:					
Non-current assets held for sale	**6,933**	**—**	**—**	**—**	**6,933**
Inventories	**412,111**	**246,306**	**20,989**	**—**	**679,406**
Trade and other receivables	**536,581**	**384,794**	**32,212**	**—**	**953,587**
Other current financial assets	**1,124**	**—**	**—**	**—**	**1,124**
Cash and bank balances	**177,015**	**27,884**	**18,848**	**145,124**	**363,871**
Total current assets	**1,133,764**	**658,984**	**72,049**	**145,124**	**2,009,921**
TOTAL ASSETS	**1,942,020**	**988,940**	**72,343**	**317,381**	**3,320,684**
EQUITY:					
CAPITAL, RESERVES AND P/L	**362,569**	**391,300**	**—**	**(391,300)**	**362,569**
ADJUSTMENTS FOR CHANGES IN VALUE	**(1,686)**	**11,153**	**—**	**(11,153)**	**(1,686)**
Net equity attributable to the Parent Company	**360,883**	**402,453**	**—**	**(402,453)**	**360,883**
NON-CONTROLLING INTERESTS	**34,584**	**—**	**15,634**	**—**	**50,218**
Total net equity	**395,467**	**402,453**	**15,634**	**(402,453)**	**411,101**
NON-CURRENT LIABILITIES:					
Grants	**5,706**	**—**	**—**	**—**	**5,706**
Non-current provisions	**29,658**	**17,660**	**—**	**—**	**47,318**
Non-current financial liabilities—	**690,974**	**10,224**	**—**	**600,000**	**1,301,198**
Bank loans, debentures and other marketable securities	646,701	—	—	600,000	1,246,701
Derivatives	6,259	—	—	—	6,259
Other financial liabilities	38,014	10,224	—	—	48,238
Deferred tax liabilities	**20,670**	**9,295**	**—**	**7,184**	**37,149**
Total non-current liabilities	**747,008**	**37,179**	**—**	**462,060**	**1,391,371**
CURRENT LIABILITIES:					
Current provisions	**860**	**77,145**	**—**	**—**	**78,005**
Current financial liabilities—	**51,729**	**3,718**	**14,952**	**112,650**	**183,049**
Bank loans, debentures and other marketable securities	41,403	3,718	—	—	45,121
Other financial liabilities	10,326	—	14,952	112,650	137,928
Trade and other payables	**700,429**	**439,632**	**41,757**	**—**	**1,181,818**
Other current liabilities	**46,527**	**28,813**	**—**	**—**	**75,340**
Total current liabilities	**799,545**	**549,308**	**56,709**	**112,650**	**1,518,212**
TOTAL EQUITY AND LIABILITIES	**1,942,020**	**988,940**	**72,343**	**317,381**	**3,320,684**

Unaudited Pro Forma Condensed Income Statement

for the year ended December 31, 2014

(Thousands of Euros)—

	Grupo Antolin 2014 (Note 3)	Magna Interiors Group 2014 (Note 4)	Full Consolidation of Certain Companies (Note 6.1)	Capitalisation of Development Expenses (Note 6.2)	Pro Forma Adjustments for the Transaction (Note 6.3)	Adjustment of Elimination of Transaction Costs (Note 6.4)	Pro Forma Income Statement 2014
CONTINUING OPERATIONS:							
Revenue	2,225,407	1,648,608	120,326	—	—	—	3,994,341
Other operating income (included Capital grants and other grants taken to income)	67,828	63,205	3,564	—	—	—	134,597
Supplies (included Changes in inventories of finished goods and work in progress)	(1,368,898)	(1,103,837)	(87,320)	—	—	—	(2,560,055)
Staff costs	(394,095)	(347,630)	(10,313)	—	—	—	(752,038)
Depreciation and amortisation expense	(91,612)	(48,157)	(3,740)	(2,560)	—	—	(146,069)
Change in trade provisions	(344)	—	—	—	—	—	(344)
Other operating expenses	(317,091)	(250,564)	(12,230)	—	—	598	(579,287)
Less—Own work capitalised	54,192	—	—	5,920	—	—	60,112
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**175,387**	**(38,375)**	**10,287**	**3,360**	**—**	**598**	**151,257**
Finance income	1,475	—	—	—	—	—	1,475
Finance costs	(43,503)	(3,010)	(1,208)	—	(23,200)	—	(70,921)
Net fair value gain/(loss) on financial instruments	1,439	—	—	—	—	—	1,439
Exchange differences	(2,375)	1,505	90	—	—	—	(780)
NET FINANCE INCOME	**(42,964)**	**(1,505)**	**(1,118)**	**—**	**(23,200)**	**—**	**(68,787)**
Net impairment loss on non-current assets	(7,314)	(13,544)	(33)	—	—	—	(20,891)
Gain/(loss) on disposal of non-current assets	(456)	—	—	—	—	—	(456)
Profit of companies accounted for using the equity method	9,640	6,772	(4,544)	—	—	—	11,868
Impairment and gains/(losses) on the loss of significant influence over investees accounted for using the equity method	(144)	—	—	—	—	—	(144)
PROFIT/(LOSS) BEFORE TAX	**134,149**	**(46,652)**	**4,592**	**3,360**	**(23,200)**	**598**	**72,874**
Corporate income tax	(44,466)	(27,840)	(1,798)	(1,008)	6,960	(179)	(68,331)
NET PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**89,683**	**(74,492)**	**2,794**	**2,352**	**(16,240)**	**419**	**4,516**
Profit after tax for the year from discontinued operations	—	—	—	—	—	—	—
PROFIT/(LOSS) FOR THE YEAR	**89,683**	**(74,492)**	**2,794**	**2,352**	**(16,240)**	**419**	**4,516**
(Profit) attributable to non-controlling interests	**(8,154)**	**—**	**(2,794)**	**—**	**—**	**—**	**(10,948)**
Profit/(Loss) attributable to the Parent Company	**81,529**	**(74,492)**	**—**	**2,352**	**(16,240)**	**419**	**(6,432)**
Earnings per share (Euros)—							
From continuing operations:							
Basic	10.16						0.80
Diluted	10.16						0.80

Unaudited Pro Forma Condensed Income Statement (Continued)

for the year ended December 31, 2014

(Thousands of Euros)—

Earnings per share

Basic earnings per share are calculated by dividing the "Profit/(Loss) attributable to the Parent Company" of the period by the weighted average number of shares outstanding during the period, excluding the average number of treasury shares held during the period. The average number of shares outstanding in 2014 was 8,023,241.

Diluted earnings per share are calculated in much the same way as basic earnings per share, but the weighted average number of shares outstanding is adjusted to take into account the potential diluting effect of the share options, warrants and convertible debt current at the end of the reporting period. In 2014 diluted earnings per share was the same as basic earnings per share as the Group had no diluting instruments.

Unaudited Pro Forma Condensed Income Statement

for the three-month period ended March 31, 2015

(Thousands of Euros)

	Grupo Antolin 31/03/2015 (Note 3)	Magna Interiors Group 31/03/2015 (Note 4)	Full Consolidation of Certain Companies (Note 6.1)	Capitalisation of Development Expenses (Note 6.2)	Pro Forma Adjustments for the Transaction (Note 6.3)	Adjustment of Elimination of Transaction Costs (Note 6.4)	Pro Forma Income Statement 31/03/2015
CONTINUING OPERATIONS:							
Revenue	668,354	486,617	36,493	—	—	—	1,191,464
Other operating income (included Capital grants and other grants taken to income)	25,398	15,096	1,360	—	—	—	41,854
Supplies (included Changes in inventories of finished goods and work in progress)	(406,732)	(310,795)	(25,162)	—	—	—	(742,689)
Staff costs	(106,263)	(100,343)	(3,440)	—	—	—	(210,046)
Depreciation and amortisation expense	(23,673)	(12,432)	(1,082)	(774)	—	—	(37,961)
Change in trade provisions	(44)	—	—	—	—	—	(44)
Other operating expenses	(91,603)	(72,815)	(3,366)	—	—	95	(167,689)
Less—Own work capitalised	10,761	—	—	1,308	—	—	12,069
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**76,198**	**5,328**	**4,803**	**534**	**—**	**95**	**86,958**
Finance income	265	—	—	—	—	—	265
Finance costs	(10,165)	(888)	(278)	—	(5,800)	—	(17,131)
Net fair value gain/(loss) on financial instruments	835	—	—	—	—	—	835
Exchange differences	(24)	—	871	—	—	—	847
NET FINANCE INCOME	**(9,089)**	**(888)**	**593**	**—**	**(5,800)**	**—**	**(15,184)**
Net impairment loss on non-current assets	43	—	—	—	—	—	43
Gain/(loss) on disposal of non-current assets	(11)	—	—	—	—	—	(11)
Profit of companies accounted for using the equity method	4,030	2,664	(2,915)	—	—	—	3,779
PROFIT/(LOSS) BEFORE TAX	**71,171**	**7,104**	**2,481**	**534**	**(5,800)**	**95**	**75,585**
Corporate income tax	(24,280)	(6,216)	(619)	(160)	1,740	(27)	(29,756)
NET PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**46,891**	**888**	**1,862**	**374**	**(4,060)**	**68**	**46,023**
Profit after tax for the period from discontinued operations	—	—	—	—	—	—	—
PROFIT/(LOSS) FOR THE PERIOD	**46,891**	**888**	**1,862**	**374**	**(4,060)**	**68**	**46,023**
(Profit) attributable to non-controlling interests	**(7,334)**	**—**	**(1,862)**	**—**	**—**	**—**	**(9,196)**
Profit/(Loss) attributable to the Parent Company	**39,557**	**888**	**—**	**374**	**(4,060)**	**68**	**36,827**
Earnings per share (Euros)—							
From continuing operations:							
Basic	4.93						4.59
Diluted	4.93						4.59

Unaudited Pro Forma Condensed Income Statement (Continued)

for the three-month period ended March 31, 2015

(Thousands of Euros)

Earnings per share

Basic earnings per share are calculated by dividing the "Profit/(Loss) attributable to the Parent Company" of the period by the weighted average number of shares outstanding during the period, excluding the average number of treasury shares held during the period. The average number of shares outstanding in the three-month period ended March 31, 2015 was 8,023,241.

Diluted earnings per share are calculated in much the same way as basic earnings per share, but the weighted average number of shares outstanding is adjusted to take into account the potential diluting effect of the share options, warrants and convertible debt current at the end of the reporting period. In the three-month period ended March 31, 2015 diluted earnings per share was the same as basic earnings per share as the Group had no diluting instruments.

Unaudited Pro Forma Combined Income Statement

for the twelve-month period ended March 31, 2015

(Thousands of Euros)

	Grupo Antolin 31/03/2015 (Note 3)	Magna Interiors Group 31/03/2015 (Note 4)	Full Consolidation of Certain Companies (Note 6.1)	Capitalisation of Development Expenses (Note 6.2)	Pro Forma Adjustments for the Transaction (Note 6.3)	Adjustment of Elimination of Transaction Costs (Note 6.4)	Pro Forma Income Statement 31/03/2015
CONTINUING OPERATIONS:							
Revenue	2,337,707	1,748,483	130,563	—	—	—	4,216,753
Other operating income (included Capital grants and other grants taken to income)	79,210	66,977	4,933	—	—	—	151,120
Supplies (included Changes in inventories of finished goods and work in progress)	(1,434,356)	(1,155,937)	(94,834)	—	—	—	(2,685,127)
Staff costs	(403,796)	(366,401)	(11,329)	—	—	—	(781,526)
Depreciation and amortisation expense	(92,448)	(52,793)	(4,016)	(2,754)	—	—	(152,011)
Change in trade provisions	(446)	—	—	—	—	—	(446)
Other operating expenses	(333,148)	(267,118)	(12,927)	—	—	693	(612,500)
Less—Own work capitalised	53,589	—	—	5,428	—	—	59,017
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**206,312**	**(26,789)**	**12,390**	**2,674**	**—**	**693**	**195,280**
Finance income	1,268	—	—	—	—	—	1,268
Finance costs	(42,497)	(2,364)	(1,127)	—	(23,200)	—	(69,188)
Net fair value gain/(loss) on financial instruments	3,140	—	—	—	—	—	3,140
Exchange differences	(1,043)	1,576	893	—	—	—	1,426
NET FINANCE INCOME	**(39,132)**	**(788)**	**(234)**	**—**	**(23,200)**	**—**	**(63,354)**
Net impairment loss on non-current assets	(7,353)	(14,184)	(35)	—	—	—	(21,572)
Gain/(loss) on disposal of non-current assets	(434)	—	—	—	—	—	(434)
Profit of companies accounted for using the equity method	11,545	7,880	(4,989)	—	—	—	14,436
Impairment and gains/(losses) on the loss of significant influence over investees accounted for using the equity method	(144)	—	—	—	—	—	0.1
PROFIT/(LOSS) BEFORE TAX	**170,794**	**(33,881)**	**7,132**	**2,674**	**(23,200)**	**693**	**124,212**
Corporate income tax	(57,301)	(33,094)	(2,064)	(802)	6,960	(206)	(86,507)
NET PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**113,493**	**(66,975)**	**5,068**	**1,872**	**(16,240)**	**487**	**37,705**
Profit after tax for the year from discontinued operations	—	—	—	—	—	—	—
PROFIT/(LOSS) FOR THE YEAR	**113,493**	**(66,975)**	**5,068**	**1,872**	**(16,240)**	**487**	**37,705**
(Profit) attributable to non-controlling interests	**(13,847)**	**—**	**(5,068)**	**—**	**—**	**—**	**(18,915)**
Profit/(Loss) attributable to the Parent Company	**99,646**	**(66,975)**	**—**	**1,872**	**(16,240)**	**487**	**18,790**
Earnings per share (Euros)							
From continuing operations:							
Basic	12.42						2.34
Diluted	12.42						2.34

Unaudited Pro Forma Combined Income Statement (Continued)

for the twelve-month period ended March 31, 2015

(Thousands of Euros)

The financial information for the twelve-month period ended March 31, 2015 has been derived from the unaudited interim financial information of the business *(estimated as aggregation of the income statement of the three-month period ended March 31, 2015 and the income statement of the year ended December 31, 2014 minus the income statement of the three-month period ended December 31, 2014)*.

Earnings per share

Basic earnings per share are calculated by dividing the "Profit/(Loss) attributable to the Parent Company" of the period by the weighted average number of shares outstanding during the period, excluding the average number of treasury shares held during the period. The average number of shares outstanding in the twelve-month period ended March 31, 2015 was 8,023,241.

Diluted earnings per share are calculated in much the same way as basic earnings per share, but the weighted average number of shares outstanding is adjusted to take into account the potential diluting effect of the share options, warrants and convertible debt current at the end of the reporting period. In the twelve-month period ended March 31, 2015 diluted earnings per share was the same as basic earnings per share as the Group had no diluting instruments.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION

1. Basis of Preparation

In preparing the unaudited pro forma condensed financial information we have taken into consideration the accounting policies applied to prepare our historical financial statements, prepared in accordance with IFRS as adopted by the EU, included elsewhere herein.

The unaudited pro forma adjustments to the unaudited pro forma condensed financial information give effect to events directly attributable to the Transaction and are factually supportable. The adjustments to the unaudited pro forma condensed income statements are expected to have a continuing impact. The adjustments to the unaudited pro forma condensed balance sheet have been included regardless of whether they have a continuing impact or are non-recurring.

Material non-recurring income that results directly from the Transaction has not been included in the unaudited pro forma condensed income statements.

In preparing the unaudited pro forma condensed financial information we have assumed that the above Transaction was completed on:

- January 1, 2014 for the purpose of presenting the Unaudited Pro Forma Condensed Income Statement for the three-month period ended March 31, 2015 and the Unaudited Pro Forma Condensed Income Statements for the twelve-month periods ended December 31, 2014 and March 31, 2015.

- March 31, 2015 for the purpose of presenting the Unaudited Pro Forma Condensed Balance Sheet as of March 31, 2015.

2. Description of the Transaction

Acquisition of Magna Interiors Group

On 16 April 2015, the Company or the "Purchaser" entered into a "Sale and Purchase Agreement" (SPA) with Magna International Inc. *(the "Parent" of Magna Group)* and certain subsidiaries of Magna International Inc. *(together with the Parent, collectively the "Sellers" and each, a "Seller")* to acquire the interior components business unit of Magna Group for a total purchase price of $525 million *(€466 million, approximately—see Note 5) (excluding acquisition costs and expenses)*, pursuant to which the Purchaser or one or more of Purchaser's Subsidiaries shall purchase from the Sellers all rights, title and interest of such Sellers in and to:

- The 100% equity interest in the following automotive subsidiaries of Magna Interiors Group *(the "Equity Interests")*:

  - **United States of America**—Magna Exteriors & Interiors USA Inc., including Interlink Automotive, LLC, and its 100% interest in the Chinese entity Magna Exteriors & Interiors (Suzhou) Co. Ltd.

  - **Mexico**—Intier Automotive Interiors de Saltillo, S.A. de C.V., Intier Automotive Interiors de Mexico, S.A. de C.V. and Administration de Toluca Interiors, S.A. de C.V.

  - **United Kingdom**—Magna Interiors (UK) Limited.

2. Description of the Transaction (Continued)

    - **Germany**—Magna Interiors GmbH, Magna Interiors (Germany) GmbH, Magna Interiors (Massen) GmbH and Magna Interiors (Europe) GmbH.
    - **Austria**—Magna Interiors (Austria) GmbH, Magna Beteiligung (Austria) GmbH and Burg Design GmbH.
    - **Hungary**—Magna Automotive (Hungary) Kft.

- The interests of Magna Interiors Group in the following joint ventures *(the "Purchased JV Interests"):*
    - Interest in its **Chinese joint ventures**: Changchun Intier Automotive Interiors Co. Ltd. *(including its interests in Beijing Intier Automotive Interiors Co. Ltd., representing 100% of its share capital, and in CIAI Beijing, formed in 2015, representing 100% of its share capital)*, and Changshu Intier Automotive Interiors Co., Ltd., in both of which Magna Interiors Group holds 60% of the share capital.
    - Interest in its **Korean joint venture**: Dae Yee Intier Co. Ltd., in which Magna Interiors Group holds 50% of the share capital.
    - Interest in its **Hungarian joint venture:** Plastimat Hungary Kft., in which Magna Interiors Group holds 74% of the share capital.
- Other assets and properties of any of the Sellers in connection with the business *(the "Seller Business Assets")*:
    - 100% interest in certain interior automotive net assets. These net assets have been considered as assets and liabilities of the Magna Interiors Group:
        - **Germany:** Division Roitzsch included in Näher Automotive GmbH.
        - **Czech Republic:** Division Liban included in Magna Exteriors & Interiors (Bohemia), s.r.o.
        - **Slovakia:** Division Trnava included in Magna Slovteca, s.r.o.
        - **India:** Division Pune included in Magna Closures Automotive Private, Ltd.
    - 100% interest in certain automotive real estate assets and leasehold improvements. This real estate has been considered as assets of Magna Interiors Group.

The "Equity Interests", the "Purchased JV Interests" and the "Seller Business Assets", collectively, are hereinafter referred to as the "Acquired Business" or "Magna Interiors Group".

The closing of the Acquisition will take place when each of the conditions set forth in Article VI *(Conditions precedent)* of the "Sale and Purchase Agreement" (SPA) is satisfied or, to the extent permitted by law, waived by the party entitled to waive such condition. The main conditions included in the mentioned Article VI

2. Description of the Transaction (Continued)

are the granting of approval by the competition authorities in several jurisdictions, the absence of business material adverse effect and the compliance by the Sellers and the Purchaser in all material respects with other obligations and covenants required by the "Sale and Purchase Agreement" (SPA) on or before the closing date.

3. Grupo Antolin

This column is derived from the audited Annual Consolidated Financial Statements as of and for the twelve-month period ended December 31, 2014 and the Unaudited Interim Consolidated Financial Statements of Grupo Antolin-Irausa, S.A. and Subsidiaries as of and for the three-month period ended March 31, 2015, included elsewhere herein.

4. Magna Interiors Group

This column is derived from the audited combined financial statements as of and for the twelve-month period ended December 31, 2014 and the unaudited interim combined financial statements as of and for the three-month period ended March 31, 2015 and March 31, 2014 of Magna Interiors Group. This financial information includes:

i) Adjustments and reclassifications to the Combined Financial Statements of Magna Interiors Group to amend the presentation of the balance sheet and income statements to the presentation of the balance sheet and income statements of the Company and

ii) adjustments to the Combined Financial Statements of Magna Interiors Group to adapt the USD currency of the balance sheet and income statement accounts *(in Millions)* to the EUR currency of the balance sheet and income statements of the Company *(in Thousands)*.

The balance sheet items in Million Dollars of the combined financial statements of Magna Interiors Group have been translated to Thousands of Euros, rounding the Millions to 1,000 Thousands and using the exchange rate at March 31, 2015.

The income statement items in Million Dollars of the combined financial statements of Magna Interiors Group have been translated to Thousands of Euros, rounding the Millions to 1,000 Thousands and using the average exchange rates for the period of the respective income statements.

4. Magna Interiors Group (Continued)

The effects of this process on the different headings of the balance sheet and income statement are detailed below:

Combined balance sheet as of March 31, 2015 of Magna Interiors Group

	US Dollars in Millions						Thousands of Euros
	March 31, 2015 Combined Financial Statements	Reclassification of Deferred Tax Assets and Liabilities (a)	Reclassification of Other Assets (b)	Reclassification of Advances from Customers for Toolings (c)	Other Reclassifications (d)	March 31, 2015 Reclassified Financial Statements	March 31, 2015 Reclassified Financial Statements
NON-CURRENT ASSETS:							
Intangible assets—							
Goodwill	12	—	—	—	—	12	11,153
Other intangible assets	—	—	18	—	—	18	16,730
Property, plant and equipment	—	—	4	—	251(d.1)	255	237,011
Fixed assets, net	251	—	—	—	(251)(d.1)	—	—
Investment property	—	—	—	—	—	—	—
Investments in companies accounted for using the equity method	—	—	—	—	40(d.2)	40	37,178
Non-current financial assets	—	—	1	—	1(d.2)	2	1,859
Investments	41	—	—	—	(41)(d.2)	—	—
Other assets	23	—	(23)	—	—	—	—
Deferred tax assets	11	17	—	—	—	28	26,025
Non-current assets	338	17	—	—	—	355	329,956
CURRENT ASSETS:							
Inventories	229	—	—	36	—	265	246,306
Trade and other receivables	—	—	—	—	414(d.3)	414	384,794
Accounts receivable	403	—	—	—	(403)(d.3)	—	—
Other current financial assets	—	—	—	—	—	—	—
Cash and bank balances	—	—	—	—	30(d.4)	30	27,884
Cash and cash equivalents	30	—		—	(30)(d.4)	—	—
Deferred tax assets	17	(17)	—	—	—	—	—
Prepaid expenses and other	11	—	—	—	(11)(d.3)	—	—
Total current assets	690	(17)	—	36	—	709	658,984
TOTAL ASSETS	1,028	—	—	36	—	1,064	988,940
EQUITY:							
Capital, Reserves and P&L	—	—	—	—	421(d.5)	421	391,300
Magna's net investment	421	—	—	—	(421)(d.5)	—	—
Adjustments for changes in value	—	—	—	—	12(d.5)	12	11,153
Accumulated other comprehensive income	12	—	—	—	(12)(d.5)	—	—
Total net equity	433	—	—	—	—	433	402,453
NON-CURRENT LIABILITIES:							
Non-current provisions	—	—	—	—	19(d.6)	19	17,660
Long-term employee benefit liabilities	19	—	—	—	(19)(d.6)	—	—
Non-current financial liabilities—							
Other financial liabilities	—	—	—	—	11(d.6)	11	10,224
Other long-term liabilities	11	—	—	—	(11)(d.6)	—	—
Deferred tax liabilities	9	1	—	—	—	10	9,295
Total non-current liabilities	39	1	—	—	—	40	37,179
CURRENT LIABILITIES:							
Current provisions	—	—	—	—	83(d.7)(d.8)	83	77,145
Current financial liabilities—							
Bank indebtedness	4	—	—	—	—	4	3,718
Trade and other payables	—	—	—	36	437(d.7)(d.9)	473	439,632
Accounts payable	390	—	—	—	(390)(d.9)	—	—
Accrued salaries and wages	52	—	—	—	(52)(d.8)	—	—
Income taxes payable	4	—	—	—	(4)(d.9)	—	—
Other accrued liabilities	105	—	—	—	(105)(d.7)	—	—
Other current liabilities	—	—	—	—	31(d.8)	31	28,813
Deferred tax liabilities	1	(1)	—	—	—	—	—
Total current liabilities	556	(1)	—	36	—	591	549,308
TOTAL EQUITY AND LIABILITIES	1,028	—	—	36	—	1,064	988,940

4. Magna Interiors Group (Continued)

Combined income statement for the year ended December 31, 2014 of Magna Interiors Group

	US Dollars in Millions						Thousands of Euros
	2014 Combined Income Statement	**Reclassification of Staff Costs (f)**	**Reclassification of Costs and Revenues of Toolings (e)**	**Reclassification of Amortizations of Other Assets (b)**	**Other Reclassifications (g)**	**2014 Reclassified Combined Income Statement**	**2014 Reclassified Combined Income Statement**
CONTINUING OPERATIONS:							
Sales	2,406	—	(177)	—	(2,229)(g.1)	—	**—**
Revenue	—	—	—	—	2,191(g.1)	2,191	**1,648,608**
Other operating income *(included Capital grants and other grants taken to income)*	—	—	15	—	69(g.1)(g.2)	84	**63,205**
Cost of goods sold	(2,319)	413	162	20	1,724(g.2)	—	**—**
Supplies *(included Changes in inventories of finished goods and work in progress)*	—	—	—	—	(1,467)(g.2)	(1,467)	**(1,103,837)**
Staff costs	—	(462)	—	—	—	(462)	**(347,630)**
Depreciation and amortization expense	(44)	—	—	(20)	—	(64)	**(48,157)**
Selling, general and administrative	(92)	49	—	—	43(g.3)	—	**—**
Change in trade provisions	—	—	—	—	—	—	**—**
Other operating expenses	—	—	—	—	(333)(g.2)(g.3)	(333)	**(250,564)**
Less—Own work capitalised	—	—	—	—	—	—	**—**
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**(49)**	**—**	**—**	**—**	**(2)**	**(51)**	**(38,375)**
Finance income	—	—	—	—	—	—	**—**
Finance costs	—	—	—	—	(4)(g.4)	(4)	**(3,010)**
Interest expense, net	(4)	—	—	—	4(g.4)	—	**—**
Net fair value gain/(loss) on financial instruments	—	—	—	—	—	—	**—**
Exchange differences	—	—	—	—	2(g.3)	2	**1,505**
NET FINANCE INCOME	**(4)**	**—**	**—**	**—**	**2**	**(2)**	**(1,505)**
Net impairment loss on non-current assets	—	—	—	—	(18)(g.5)	(18)	**(13,544)**
Impairment of long-lived assets	(18)	—	—	—	18(g.5)	—	**—**
Gain/(loss) on disposal of non-current assets	—	—	—	—	—	—	**—**
Profit of companies accounted for using the equity method	—	—	—	—	9(g.6)	9	**6,772**
Equity income	9	—	—	—	(9)(g.6)	—	**—**
PROFIT/(LOSS) BEFORE TAX	**(62)**	**—**	**—**	**—**	**—**	**(62)**	**(46,652)**
Income taxes	(37)	—	—	—	—	(37)	**(27,840)**
(LOSS)/INCOME FOR THE YEAR	**(99)**	**—**	**—**	**—**	**—**	**(99)**	**(74,492)**

4. Magna Interiors Group (Continued)

Combined income statement for the three-month period ended March 31, 2015 of Magna Interiors Group

	US Dollars in Millions						Thousands of Euros
	March 31, 2015 Combined Income Statement	Reclassification of Staff Costs (f)	Reclassification of Costs and Revenues of Toolings (e)	Reclassification of Amortizations of Other Assets (b)	Other Reclassifications (g)	March 31, 2015 Reclassified Combined Income Statements	March 31, 2015 Reclassified Combined Income Statement
CONTINUING OPERATIONS:							
Sales	586	—	(34)	—	(552)(g.1)	—	**—**
Revenue	—	—	—	—	548(g.1)	548	**486,617**
Other operating income *(included Capital grants and other grants taken to income)*	—	—	6	—	11(g.1)(g.2)	17	**15,096**
Cost of goods sold	(543)	102	28	3	410(g.2)	—	**—**
Supplies *(included Changes in inventories of finished goods and work in progress)*	—	—	—	—	(350)(g.2)	(350)	**(310,795)**
Staff costs	—	(113)	—	—	—	(113)	**(100,343)**
Depreciation and amortization expense	(11)	—	—	(3)	—	(14)	**(12,432)**
Selling, general and administrative	(26)	11	—	—	15(g.3)	—	**—**
Change in trade provisions	—	—	—	—	—	—	**—**
Other operating expenses	—	—	—	—	(82)(g.2)(g.3)	(82)	**(72,815)**
Less—Own work capitalised	—	—	—	—	—	—	**—**
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**6**	**—**	**—**	**—**	**—**	**6**	**5,328**
Finance income	—	—	—	—	—	—	**—**
Finance costs	—	—	—	—	(1)(g.4)	(1)	**(888)**
Interest expense, net	(1)	—	—	—	1(g.4)	—	**—**
Exchange differences	—	—	—	—	—	—	**—**
NET FINANCE INCOME	**(1)**	**—**	**—**	**—**	**—**	**(1)**	**(888)**
Net impairment loss on non-current assets	—	—	—	—	—	—	**—**
Gain/(loss) on disposal of non-current assets	—	—	—	—	—	—	**—**
Profit of companies accounted for using the equity method	—	—	—	—	3(g.6)	3	**2,664**
Equity income	3	—	—	—	(3)(g.6)	—	**—**
PROFIT/(LOSS) BEFORE TAX	**8**	**—**	**—**	**—**	**—**	**8**	**7,104**
Income taxes	(7)	—	—	—	—	(7)	**(6,216)**
(LOSS)/INCOME FOR THE YEAR	**1**	**—**	**—**	**—**	**—**	**1**	**888**

4. Magna Interiors Group (Continued)

Combined income statement for the twelve-month period ended March 31, 2015 of Magna Interiors Group

	US Dollars in Millions						Thousands of Euros
	March 31, 2015 Combined Income Statement	Reclassification of Staff Costs (f)	Reclassification of Costs and Revenues of Toolings (e)	Reclassification of Amortizations of Other Assets (b)	Other Reclassifications (g)	March 31, 2015 Reclassified Combined Income Statements	March 31, 2015 Reclassified Combined Income Statement
CONTINUING OPERATIONS:							
Sales	2,439	—	(183)	—	(2,256)(g.1)	—	**—**
Revenue	—	—	—	—	2,219(g.1)	2,219	**1,748,483**
Other operating income *(included Capital grants and other grants taken to income)*	—	—	17	—	68(g.1)(g.2)	85	**66,977**
Cost of goods sold	(2,331)	417	166	22	1,726(g.2)	—	**—**
Supplies *(included Changes in inventories of finished goods and work in progress)*	—	—	—	—	(1,467)(g.2)	(1,467)	**(1,155,937)**
Staff costs	—	(465)	—	—	—	(465)	**(366,401)**
Depreciation and amortization expense	(45)	—	—	(22)	—	(67)	**(52,793)**
Selling, general and administrative	(95)	48	—	—	47(g.3)	—	**—**
Change in trade provisions	—	—	—	—	—	—	**—**
Other operating expenses	—	—	—	—	(339)(g.2)(g.3)	(339)	**(267,118)**
Less—Own work capitalised	—	—	—	—	—	—	**—**
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**(32)**	**—**	**—**	**—**	**(2)**	**(34)**	**(26,789)**
Finance income	—	—	—	—	—	—	**—**
Finance costs	—	—	—	—	(3)(g.4)	(3)	**(2,364)**
Interest expense, net	(3)	—	—	—	3(g.4)	—	**—**
Exchange differences	—	—	—	—	2(g.3)	2	**1,576**
NET FINANCE INCOME	**(3)**	**—**	**—**	**—**	**2**	**(1)**	**(788)**
Net impairment loss on non-current assets	—	—	—	—	(18)(g.5)	(18)	**(14,184)**
Impairment of long-lived assets	(18)	—	—	—	18(g.5)	—	**—**
Profit of companies accounted for using the equity method	—	—	—	—	10(g.6)	10	**7,880**
Equity income	10	—	—	—	(10)(g.6)	—	**—**
PROFIT/(LOSS) BEFORE TAX	**(43)**	**—**	**—**	**—**	**—**	**(43)**	**(33,881)**
Income taxes	(42)	—	—	—	—	(42)	**(33,094)**
(LOSS)/INCOME FOR THE YEAR	**(85)**	**—**	**—**	**—**	**—**	**(85)**	**(66,975)**

The financial information for the twelve-month period ended March 31, 2015 has been derived from the unaudited interim financial information of the business *(estimated as aggregation of the income statement of the three-month period ended March 31, 2015 and the income statement of the period of nine months from April 1, 2014 to December 31, 2014).*

(a) This reclassification is made to present all the Deferred Tax assets and Deferred Tax liabilities under the caption "Non-current assets" and Non-current liabilities", as set out in the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

(b) The balance under "Other assets" in the combined balance sheet of Magna Interiors Group as of March 31, 2015 is related to project development expenses, tooling investments, patents and other long-term financial assets. The corresponding balances have been reclassified to present them under the headings "Other intangible assets", "Property, plant and equipment" and "Non-current financial assets", according to their nature.

4. Magna Interiors Group (Continued)

Moreover, these assets' depreciation has been reclassified in the income statement from "Cost of goods sold" to "Depreciation and amortization expense".

(c) The amount of "Work in progress" project toolings recorded as "Inventories" in the combined balance sheet of Magna Interiors Group as of March 31, 2015, is presented net of the advances or prepayments received from customers. A reclassification has been made to present these advances as a non-current liability in the pro forma condensed balance sheet as of March 31, 2015, according to Grupo Antolin's standards.

(d) In order to adapt the presentation of other entries to the format followed by Grupo Antolin, the following changes have been made:

(d.1) reclassify the balance of "Fixed assets, net" *($251 million)* to "Property, plant and equipment" *($251 million)*,

(d.2) reclassify the balance of "Investments" *($41 million)* to "Investments in companies accounted for using the equity method" *($40 million)* and to "Non-current financial assets" *($1 million)*,

(d.3) reclassify the balances of "Prepaid expenses and other" *($11 million)* and "Accounts receivable" *($403 million)* to "Trade and other receivables" *($414 million)*,

(d.4) reclassify the balance of "Cash and cash equivalents" *($30 million)* to "Cash and bank balances" *($30 million)*,

(d.5) reclassify the balances of "Magna's net investment" *($421 million)* and "Accumulated Other Comprehensive Income" *($12 million)* to "Capital, Reserves and P&L" *($421 million)* and "Adjustments for changes in value" *($12 million)*, respectively,

(d.6) reclassify the balances of "Long-term employee benefit liabilities" *($19 million)* and "Other long-term liabilities" *($11 million)* to "Non-current provisions" *($19 million)* and "Other financial liabilities" *($11 million)*, respectively,

(d.7) reclassify the balance of "Other accrued liabilities" *($105 million)* to "Current provisions" *($62 million) (judgmental accruals for long term agreements, warranty, customer and supplier disputes, environmental, ...)* and to "Trade and Other payables" *($43 million)*,

(d.8) reclassify the balance of "Accrued salaries and wages" *($52 million)* to "Current provisions" *($21 million) (pension liabilities and benefits)* and to "Other current liabilities" *($31 million)*,

(d.9) reclassify the balances of "Accounts payable" *($390 million)* and "Income taxes payable" *($4 million)* to "Trade and other payables" *($394 million)*.

(e) Costs and revenues of toolings. Grupo Antolin records the income arising from the sale of the project tools *(toolings)* under "Other operating income" in the income statement *(revenues and related costs are presented on a net basis)*. Magna Interiors Group presents revenue and costs of tooling on a gross basis in the combined statement as "Sales" and "Cost of goods sold", respectively. In the pro forma process,

4. Magna Interiors Group (Continued)

reclassifications of these sales and supplies have been made so as to bring the policies used by Magna Interiors Group into line with those used by the Company.

(f) Staff costs. In the combined income statements of Magna Interiors Group, expenses and revenues have been presented by functions, while the criteria used by Grupo Antolin presents expenses and revenues by their nature. For this reason, those labour expenses under the items "Cost of goods sold" and "Selling, general and administrative" have been reclassified to the heading "Staff costs".

(g) Other reclassifications.

In the combined income statements of Magna Interiors Group, expenses and revenues have been presented by functions, while the criteria used by Grupo Antolin presents expenses and revenues by their nature. For this reason, and to unify the presentation with the criteria used by Grupo Antolin, the following reclassifications have been made:

(g.1) The revenues arising from the sale of developments or engineering services recorded under "Sales" have been reclassified to the heading "Other operating income". The rest of "Sales" has been reclassified to "Revenue".

	Million Dollars		
Heading	**Year Ended December 31, 2014**	**Three-Month Period Ended March 31, 2015**	**Twelve-Month Period Ended March 31, 2015**
Sales	(2,229)	(552)	(2,256)
Revenue	2,191	548	2,219
Other operating income	38	4	37
	—	—	—

(g.2) The other operating expenses and other revenues recorded under "Cost of goods sold" have been reclassified to the headings "Other operating expenses" and "Other operating income", respectively. The rest of "Cost of goods sold" has been reclassified to "Supplies".

	Million Dollars		
Heading	**Year Ended December 31, 2014**	**Three-Month Period Ended March 31, 2015**	**Twelve-Month Period Ended March 31, 2015**
Cost of goods sold	1,724	410	1,726
Supplies	(1,467)	(350)	(1,467)
Other operating expenses	(288)	(67)	(290)
Other operating income	31	7	31
	—	—	—

4. Magna Interiors Group (Continued)

(g.3) The other operating expenses and the exchange differences recorded under "Selling, general and administrative" have been reclassified to the headings "Other operating expenses" and "Exchange differences", respectively.

	Million Dollars		
Heading	Year Ended December 31, 2014	Three-Month Period Ended March 31, 2015	Twelve-Month Period Ended March 31, 2015
Selling, general and administrative	43	15	47
Other operating expenses	(45)	(15)	(49)
Exchange differences	2	—	2
	—	—	—

(g.4) "Interest expense, net" has been reclassified to the heading "Finance costs".

(g.5) The amount of "Impairment of long-lived assets" has been reclassified to the heading "Net impairment loss on non-current assets".

(g.6) The amount of "Equity method" has been presented as "Profit of companies accounted for using the equity method".

5. Allocation of the Purchase Price

This pro forma adjustment reflects the fair value of the assets and liabilities of Magna Interiors Group that will be acquired and assumed by the Company. The tax effect of the fair value valuation has also been considered as a part of this pro forma adjustment.

As of this date, we have not completed the valuation studies necessary to determine the fair value of the assets we expect to acquire and the liabilities we expect to assume and the related allocations of purchase price.

We have allocated the total estimated purchase price to the assets to be acquired and the liabilities to be assumed based on preliminary estimates of their fair values. A final determination of these fair values will reflect our consideration of a final valuation as of the closing date of the Transaction. Any final adjustment will change the allocations of purchase price, which could affect the fair value assigned to the assets and liabilities and could result in a material change to the unaudited pro forma condensed historical financial information, including a change to goodwill.

5. Allocation of the Purchase Price (Continued)

The following table sets forth the calculation of the impact at March 31, 2015 is shown below:

		Thousands of Euros
Purchase price *($525 Million)*[a]		467,082
Adjustment related to "Closing Working Capital" *(without tooling)*[b]		(37,139)
Adjustment related to "Closing net indebtedness"[b]		24,933
Adjusted Purchase Price		**454,876**
Net equity of Magna Interiors Group attributable to the Parent at March 31, 2015:		
In Million Dollars:	433	
Rate of Exchange US Dollars per Euro	1,076	
Net equity of Magna Interiors Group attributable to the Parent at March 31, 2015 in Thousands of Euros		**402,453**
Excess of purchase price over equity acquired		**52,423**

(a) The Company has contracted two foreign exchange forwards for the sole purpose of hedging the price of this transaction committed in US Dollars. The contracted exchange rate is 1.124 US Dollar per Euro *($525,000 thousand equivalent to €467,082 thousand)*.

(b) According the "Sale and Purchase Agreement" (SPA) dated April 16, 2015, the purchase price for the Acquired Business shall be $525 million subject to the following adjustments:

- Increased by the amount by which Closing Working Capital exceeds Target Working Capital or decreased by the amount by which Closing Working Capital is less than Target Working Capital.

- Decreased by the amount *(if Closing Net Indebtedness is positive)* or increased by an amount *(if Closing Net Indebtedness is negative)*, equal to the absolute value of the Closing Net Indebtedness.

We have estimated these adjustments assuming that the Transaction was consummated at March 31, 2015, and considering the amounts of the financial statements of the divisions of Magna Interiors Group as of March 31, 2015. These adjustments will be calculated in the Closing Date and consequently the actual adjustments will differ from the pro forma adjustments and the difference will modify the amount of the Goodwill.

Allocations required to reflect the fair value of net assets acquired and liabilities to be assumed:

	Thousands of Euros
Acquisition-related intangible assets adjustments:	
Development expenses	23,945
Deferred tax liabilities	(7,184)
	16,761
Allocation to investments in companies accounted for using the equity method ***(50% of Dae Yee Intier Co., Ltd.)***	**1,115**
Tooling Contingent Promissory Notes[c]	**(112,650)**
Goodwill[d]	**147,197**
Total allocations	**52,423**

5. Allocation of the Purchase Price (Continued)

(c) Reflects a liability created as part of the "Sale and Purchase Agreement" (SPA) whereby we have agreed to recognise an account payable to the Sellers in accordance with their respective estimated Closing Tooling Working Capital minus an established deduction.

We have estimated this liability assuming that the Transaction was consummated at March 31, 2015, and considering the amounts of the financial statements of the divisions of Magna Interiors Group as of March 31, 2015. This adjustment will be calculated in the Closing Date and consequently the actual adjustment will differ from the pro forma adjustment and the difference will modify the amount of the Goodwill.

(d) Reflects the increase resulting from the preliminary allocation of purchase price to goodwill. Goodwill is not amortized and will be evaluated for impairment on an annual basis.

6. Adjustments to unify the presentation with Grupo Antolin GAAP and other pro forma adjustments

6.1 Purchased JV interests accounted for under global consolidation method

In the combined financial statements of Magna Interiors Group, the following holdings of Magna Interiors Group in joint ventures, among others, have been accounted for using the equity method of accounting:

- Holding of 60% in the Chinese joint ventures Changchun Intier Automotive Interiors Co. Ltd. *(which, in turn, holds 100% of the share capital of Beijing Intier Automotive Interiors Co. Ltd. and of the share capital of CIAI Beijing)* and Changshu Intier Automotive Interiors Co. Ltd.

- Holding of 74% in the Hungarian company Plastimat Hungary Kft.

The holdings in these joint ventures have been included in the pro forma condensed financial statements as "fully consolidated companies". In contrast with US GAAP, IFRSs are not strictly a risk-and-rewards model or voting-control model but a combination of both. Under IFRS 10, control is the single basis for consolidation for all entities, regardless of the nature of the investee. Control consists of three elements:

(1) power over an investee,

(2) exposure or rights to variable returns of the investee, and

(3) the ability to use power over the investee to affect the investor's returns.

An investor would reassess whether it controls an investee if there is a change in facts and circumstances. In the case of the aforementioned joint ventures, the analysis of their governance and of the exposure to risk and rewards of their shareholders leads to consider both as "subsidiary companies".

6. Adjustments to unify the presentation with Grupo Antolin GAAP and other pro forma adjustments (Continued)

The effect of the full consolidation of these companies with respect to accounting them for using the equity method would be the following:

Income statement

	Year Ended December 31, 2014		Three-Month Period Ended March 31, 2015		Twelve-Month Period Ended March 31, 2015	
	Thousands of Dollars	**Thousands of Euros**	**Thousands of Dollars**	**Thousands of Euros**	**Thousands of Dollars**	**Thousands of Euros**
Increase of:						
Revenue	161,216	120,326	41,097	36,493	165,697	130,563
Other operating income	4,737	3,564	1,531	1,360	6,260	4,933
Supplies	(117,351)	(87,320)	(28,337)	(25,162)	(120,353)	(94,834)
Staff costs	(13,706)	(10,313)	(3,874)	(3,440)	(14,377)	(11,329)
Depreciation and amortisation expense	(4,970)	(3,740)	(1,218)	(1,082)	(5,097)	(4,016)
Other operating expenses	(16,254)	(12,230)	(3,791)	(3,366)	(16,406)	(12,927)
	13,672	**10,287**	**5,408**	**4,803**	**15,724**	**12,390**
Increase of:						
Finance costs	(1,606)	(1,208)	(314)	(278)	(1,430)	(1,127)
Exchange differences	119	90	981	871	1,133	893
Corporate income tax	(2,390)	(1,798)	(697)	(619)	(2,619)	(2,064)
Reduction of:						
Net impairment loss on non-current assets	(44)	(33)	—	—	(44)	(35)
Profit of companies accounted for using the equity method	(6,037)	(4,544)	(3,281)	(2,915)	(6,333)	(4,989)
	3,714	**2,794**	**2,097**	**1,862**	**6,431**	**5,068**
Profit attributable to non-controlling interests	**(3,714)**	**(2,794)**	**(2,097)**	**(1,862)**	**(6,431)**	**(5,068)**

The income statement items in thousands of dollars have been translated to thousands of euros using the average rates for the period of the respective income statements *(1.329 US Dollar per Euro in year 2014, 1.126 US Dollar per Euro in the three-month period ended March 31, 2015 and 1.269 US Dollar per Euro in the twelve-month period ended March 31, 2015).*

6. Adjustments to unify the presentation with Grupo Antolin GAAP and other pro forma adjustments (Continued)

Balance sheet

	March 31, 2015 Increase (Reduction)	
	Thousands of Dollars	Thousands of Euros
ASSETS:		
Property, plant and equipment	33,765	31,380
Investment in companies accounted for using the equity method	(33,448)	(31,086)
Inventories	22,584	20,989
Trade and other receivables	34,660	32,212
Cash and bank balances	20,280	18,848
	77,841	**72,343**
EQUITY AND LIABILITIES:		
Capital and reserves	—	—
Non-controlling interests	16,822	15,634
Current financial liabilities	16,089	14,952
Trade and other payables	44,930	41,757
	77,841	**72,343**

The balance sheet items in thousands of dollars have been translated to thousands of euros using the exchange rate at March 31, 2015 *(1.076 US Dollar per Euro)*.

6.2 Capitalisation of Development cost related to the projects

Adjustment to reflect the capitalisation of these Development expenses of projects incurred by Magna Interiors Group. Generally, under US GAAP, research and development costs shall be charged to expense when incurred *(except for certain computer software and Web site development costs)*. In contrast, IFRSs state that expenditures on research *(or on the research phase of an internal project)* are charged to expense as incurred, but an intangible asset arising from development *(or from the development phase of an internal project)* shall be recognised provided that certain conditions are met.

As a consequence, development costs that comply with the criteria stated under IFRSs have been recognised in the combined financial statements of Magna Interiors Group, adjusting the effect or depreciation and amortisation. Additionally, the associated effect in the income tax has been recognised in the combined income statement.

6. Adjustments to unify the presentation with Grupo Antolin GAAP and other pro forma adjustments (Continued)

Effect of the capitalisation of Development expenses:

	Thousands of Euros		
	Year Ended December 31, 2014	**Three-Month Period Ended March 31, 2015**	**Twelve-Month Period Ended March 31, 2015**
Income statement:			
Own work capitalised	5,920	1,308	5,428
Depreciation and amortisation expense[(a)]	(2,560)	(774)	(2,754)
Corporate income tax[(b)]	(1,008)	(160)	(802)
	2,352	**374**	**1,872**

(a) These amounts include the depreciation and amortisation of the fair value adjustment of Development expenses calculated in Note 5 "Allocation of the Purchase Price". The depreciation has been estimated considering the estimated useful life of the related projects.

(b) Because the tax rate used for the pro forma condensed financial information is the historical statutory tax rate of the Company, it will likely vary from the actual effective rate in periods subsequent to completion of the proposed transaction.

6.3 Interest expense of the financing of the Transaction

These adjustments reflect the pro forma interest expense resulting from the Transaction as follows:

	Thousands of Euros		
	Year Ended December 31, 2014	**Three-Month Period Ended March 31, 2015**	**Twelve-Month Period Ended March 31, 2015**
Interest expense of the new financing	(23,200)	(5,800)	(23,200)
Corporate Income tax[(a)]	6,960	1,740	6,960
	(16,240)	**(4,060)**	**(16,240)**

(a) Because the tax rate used for the pro forma condensed financial information is the historical statutory tax rate of the Company, it will likely vary from the actual effective rate in periods subsequent to completion of the proposed transaction.

The Group's objective is to obtain funding for an amount of €600 million, in order to finance the Purchase and the subsequent integration process *(with a senior bond offered hereby and new syndicated loan)*. For the purpose of this pro forma, we have assumed that we will draw down the whole amount, so at March 31, 2015, on a pro forma basis, after giving effect to the Transaction, we would have drawn down €600 million comprising €400 million related to the bond offering and €200 million under the new syndicated loan signed by the Company on June 5, 2015. For the calculation of the interest expense adjustment we have taken into account estimated interest rate for the bond offering as of the date of preparation of this pro forma financial information, amounting to 4.425%, and the contractual interest rate for the new syndicated loan, amounting to Euribor+2.75%. The effect of a 1/8 percent variance *(0.125%)* in the interest rates of the bond offering would be an increase or decrease in the interest expense of €750 thousand for the year ended December 31, 2014 and for the twelve-month period ended March 31, 2015 and an increase or decrease in the interest expense of €187 thousand for the three-month

6. Adjustments to unify the presentation with Grupo Antolin GAAP and other pro forma adjustments (Continued)

period ended March 31, 2015. A higher change in the actual interest rate of the bond offering would have an impact on the interest expense that would, however, not be significant.

6.4 Elimination of transaction costs and Other non-recurring charges related to the Transaction

The unaudited pro forma income statement data do not reflect any one-time or non-recurring charges that we have recorded or will record following the closing of the Transaction.

Elimination of transaction costs

No transaction costs have been recognised in the pro forma condensed income statements. In this sense, we have eliminated the incurred transaction costs recorded by Grupo Antolin in 2014 *(€598 thousand)* and in the three-month period ended March 31, 2015 *(€95 thousand)*. In the twelve-month period ended March 31, 2015 we have eliminated the sum of these two amounts *(€693 thousand)*. We have also eliminated the related tax effect.

These adjustments are as follows:

	Thousands of Euros		
	Year Ended December 31, 2014	**Three-Month Period Ended March 31, 2015**	**Twelve-Month Period Ended March 31, 2015**
Other operating expenses	598	95	693
Corporate Income tax[(a)]	(179)	(27)	(206)
	419	**68**	**487**

(a) Because the tax rate used for the pro forma condensed financial information is the historical statutory tax rate of the Company, it will likely vary from the actual effective rate in periods subsequent to completion of the proposed transaction.

Our estimate of total Transaction costs related to the acquisition of Magna Interiors Group *(including legal, accounting and consulting fees and other transaction costs and professional fees)* amounts to €5,510 thousand. The figure does not include costs related to this offering.