€400 million 4.75% Senior Secured Notes due 2021

€400 million 5.125% Senior Secured Notes due 2022

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

Financial Results for the second quarter of the year ending June 30, 2016

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USE OF TERMS AND CONVENTIONS

Unless otherwise specified or the context requires otherwise in this quarterly report:

- references to “2021 Notes” are to the €400.0 million 4.75% Senior Secured Notes due 2021, which were issued pursuant to an indenture dated March 21, 2014;
- references to “2022 Notes” are to the €400.0 million 5.125% Senior Secured Notes due 2022, which were issued pursuant to an indenture dated June 23, 2015;
- references to “ADE” are to the *Agencia de Innovación, Financiación e Internacionalización Empresarial de Castilla y León*, a public company wholly-owned by the regional government of *Castilla y León*;
- references to “ADE Facility” are to the facility dated October 22, 2012, between ADE and the Company, for an amount up to €70.0 million;
- references to “APAC” are to Australia, China, India, Indonesia, Japan, Korea, Malaysia, Philippines, Taiwan and Thailand, collectively;
- references to “Acquisition” are to the purchase by the Company of the Magna Subsidiaries, interests in the Magna JVs and other assets and properties of Magna that 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 “Company” are to Grupo Antolín-Irausa, S.A.;
- 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 “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 “Group”, “Grupo Antolín”, “we”, “us” and “our” are to the Company together with its consolidated subsidiaries;
- 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 “Magna” and “Magna Group” are to Magna International Inc. and its subsidiaries (excluding the Magna Interiors Business);
- references to the “Magna Interiors Business” are to the Magna Subsidiaries, interests in the Magna JVs and other assets and properties of Magna that 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. Under Grupo Antolin ownership, these assets have been renamed “Cockpits and Interior Trim” and represent a new, fifth Business Unit for the Company;
- references to “Mercosur” are to Argentina, Brazil, Colombia, Ecuador, Paraguay, Uruguay and Venezuela, collectively;
- references to “North America” are to the US, Canada and Mexico, collectively;
- references to “Notes” are to the 2021 Notes and the 2022 Notes;
- references to “R&D” are to research and development;
- references to “Senior Facilities” are to the senior term facility and the revolving credit facility made available under the Senior Facilities Agreement;

- references to “Senior Facilities Agreement” are to the senior term and revolving credit facilities agreement originally dated March 13, 2014 as amended from time to time and as further amended and restated pursuant to an amendment and restatement agreement dated June 4, 2015 entered into between, among others, the Company, as the original borrower, various subsidiaries of the Company, as original guarantors, the original lenders listed therein and Deutsche Bank AG, London Branch as agent and security agent;

- references to “Trustee” are to Deutsche Trustee Company Limited;

- references to “US” 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 “Western Europe” are to Austria, Belgium, France, Germany, Italy, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, collectively.

FORWARD LOOKING STATEMENTS

Except for historical information contained herein, statements contained in this quarterly report 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 quarterly report 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;
- risks associated with the Acquisition; and
- other factors related to the Notes as well as other factors discussed or referred to in this quarterly report.

For a more detailed discussion of these factors, see “Operating and Financial Review and Prospects” included elsewhere in this quarterly report. 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 quarterly report 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.

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial information and operational data

This quarterly report includes our unaudited condensed interim financial statements as of and for the three months ended June 30, 2016. Unless otherwise indicated, all financial information in this quarterly report has been prepared in accordance with IFRS 10, 11 and 12 applicable at the relevant date. IFRS differs in certain significant respects from generally accepted accounting principles in the US.

We have presented certain information in this quarterly report that are non-IFRS measures. As used in this quarterly report, this information includes "EBITDA" which represents our profit for the year from continuing operations after adding back depreciation and amortization expense. This quarterly report also contains other measures and ratios such as EBITDA margin and capital expenditures. We present these non-IFRS measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

In particular, we believe that EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA is used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions. To facilitate the analysis of our operations, this indicator excludes depreciation and amortization expense from our profit for the year from continuing operations in order to eliminate the impact of general long-term capital investment. Although we are presenting this measure to enhance the understanding of our historical operating performance, EBITDA should not be considered an alternative to our profit for the year from continuing operations as an indicator of our operating performance, or an alternative to cash flows from operating activities as a measure of our liquidity.

The information presented by EBITDA and other adjusted financial information presented in this quarterly report is unaudited and has not been prepared in accordance with IFRS or any other accounting standards.

You should not consider 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 is not a measure of financial performance under IFRS. Our computation of EBITDA and other non-IFRS financial measures may not be comparable to similarly titled measures of other companies.

Our financial information is presented in euro.

Rounding adjustments have been made in calculating some of the financial information included in this quarterly report. 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 quarterly report, 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 quarterly report.

Additionally, industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and in some instances such sources state that they do not assume liability for such information. Market studies and analyses are frequently based on information and assumptions that might not be accurate or technically correct, and their methodologies may be forward looking and speculative. We cannot assure you of the accuracy and completeness of such information as we have not independently verified such information.

In addition, in many cases, we have made statements in this quarterly report regarding our industry and our position in the industry based solely on our experience, our internal studies and estimates, and our own investigation of market conditions. While we assume that our own market observations are reliable, we give no warranty for the accuracy of our own estimates and the information derived from them. They may differ from estimates made by our competitors or from future studies conducted by market research institutes or other independent sources. While we are not aware of any misstatements regarding the industry or similar data presented herein, such data involves risks and uncertainties and are subject to change based on various factors. Additionally, all data in relation to our position in our industry as well as specific market share details are based on the number of units of automotive interior components sold.

We cannot assure you that any of these assumptions are accurate or correctly reflect our position in the industry, and none of our internal surveys or information has been verified by any independent sources. We do not make any representation or warranty as to the accuracy or completeness of this information. Some of the surveys or sources were compiled by our advisors and are not publicly available and accordingly may not be considered to be as independent as other third party sources.

RECENT DEVELOPMENTS

On 6 July 2016, the Company announced the appointment of Cristina Blanco (42) as interim Chief Financial Officer. Ms. Blanco joined the financial department of Grupo Antolin in 2001, where she has spent the majority of her professional career. She holds a degree in Business Administration from the Universities of Dundee, Scotland and Burgos, Spain and a degree in Economics and Business Administration from UNED. She has 16 years of experience with Grupo Antolin, having held several management positions within the economic and financial division, most recently as the head of financial planning and treasury. Ms. Blanco is a member of our executive and steering committees.

On July 19, 2016 the Company completed the sale of Antolin Burg Design GmbH ("Burg Design") to LEONHARD KURZ Stiftung & Co. KG., an international manufacturer of decorative and functional coatings for an Enterprise Value of €25.5m. The proceeds from the disposal will be reinvested in current projects. Burg Design is an Austrian automotive Tier 1 and Tier 2 supplier engaged in the design and manufacture of special plastic decorative parts. It was acquired by the Company in 2015 as part of the Acquisition.

Apart from the above, there have been no recent material developments after June 30, 2016.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion together with our unaudited condensed interim financial statements included elsewhere in this quarterly report. The financial data in this discussion of our results of operations and financial condition as of and for the three months ended June 30, 2016 and 2015 has been derived from the unaudited condensed interim financial statements of the Company and its subsidiaries as of and for the three months ended June 30, 2016 and 2015 prepared in accordance with new IFRS 10, 11 and 12. Certain monetary amounts, percentages and other figures included in this quarterly report 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.

You should read the following discussion together with the sections entitled "Forward Looking Statements" and "Presentation of Financial and Other Data".

Three months ended June 30, 2016 compared to three months ended June 30, 2015

Executive summary

- Sales of € 1,379.2 million, up 94.9% from Q2 2015 and compared to 2.0%[1] industry production growth.
    - Sales of Grupo Antolin excluding the Cockpits and Interior Trim Business Unit were € 774.1 million, up 9.4% from Q2 2015.
- EBITDA of € 157.3 million, up 57.3% from Q2 2015, margin of 11.4%
    - EBITDA of Grupo Antolin excluding the Cockpits and Interior Trim Business Unit was € 115.2 million, up 15.3% from Q2 2015, margin of 14.9%
- EBIT of € 113.0 million, up 48.2% from Q2 2015, margin of 8.2%
    - EBIT of Grupo Antolin excluding the Cockpits and Interior Trim Business Unit was € 84.7 million, up 11.1% from Q2 2015, margin of 10.9%
- Cash available of € 291.4 million
- Available revolving credit facilities of € 251.2 million
- Net debt to Adjusted EBITDA of 2.02x, including adjustments to reflect LTM EBITDA of the Cockpits and Interior Trim Business Unit.

[1] *Source: LMC Global Automotive Production. Quarter 2, 2016*

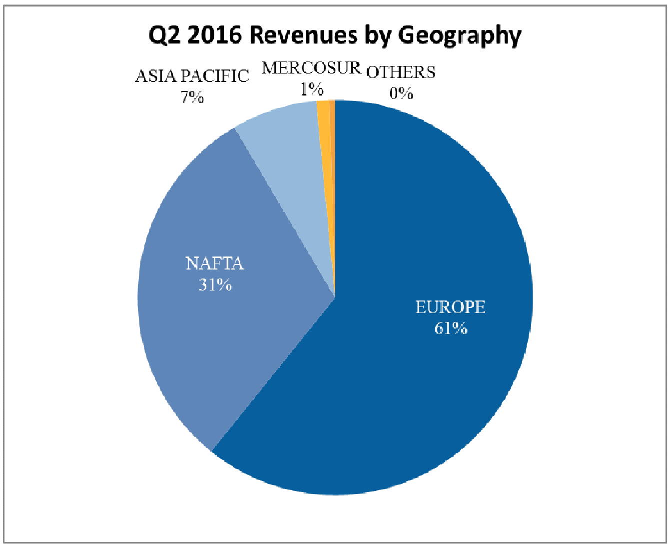
Group results of operations

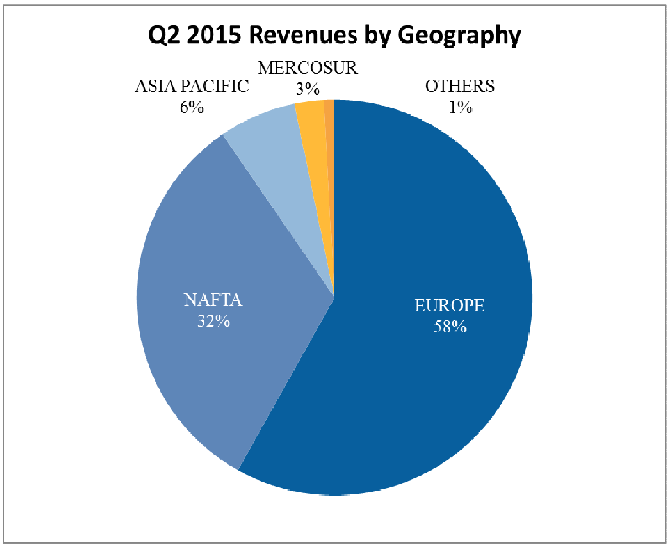
The table below sets out our results of operations for the three months ended June 30, 2016, compared to the three months ended June 30, 2015.

	Three months ended June 30,		
	2016	**2015**	**% change**
	(in millions of €)		
Consolidated Income Statement Data:			
Revenue and Other operating income	1,379.2	707.5	94.9
Total operating income	**1,379.2**	**707.5**	**94.9**
Supplies	(876.1)	(432.3)	102.7
Staff costs	(223.2)	(111.9)	99.5
Depreciation and amortization expense	(44.3)	(23.8)	86.5
Other operating expenses	(122.7)	(63.4)	93.4
Profit for the year from continuing operations	**113.0**	**76.2**	**48.2**
Finance income/(cost)	(16.7)	(9.2)	82.3
Exchange differences	6.1	(0.7)	(1,000.1)
Net finance income/(cost)	**(10.6)**	**(9.8)**	**7.9**
Net impairment losses on non-current assets	(10.4)	(1.9)	454.4
Profit of companies consolidated using the equity method	(0.9)	4.0	(121.4)
Profit before tax	**91.1**	**68.6**	**32.9**
Corporate income tax	(30.2)	(24.6)	22.6
Consolidated profit for the three month period	**61.0**	**44.0**	**38.7**
Attributable to non-controlling interests	(4.2)	(3.2)	32.2
Attributable to shareholders of the Company	**56.7**	**40.7**	**39.2**

Revenue

Revenue increased by €671.7 million, or 94.9%, to € 1,379.2 million in the three months ended June 30, 2016 from €707.5 million in the three months ended June 30, 2015. The increase in revenue was primarily attributable to the Acquisition (representing € 605.1 million in increased sales), the strong performance of our products in the European, NAFTA and APAC regions and the contribution of new production facilities, principally in Missouri, United States and Valencia, Spain (representing € 8.2 million in increased sales). These trends were slightly offset by declining revenues in Mercosur (down 11.0%) and the appreciation of the Euro (representing € 58.6 million in decreased sales). Our APAC operations continue to expand, with revenues up 115.7% compared to the three months ended June 30, 2015. Chinese demand continues to be supported the tax cuts on small-engine cars.





Supplies

Supplies increased by €443.8 million, or 102.7%, to €876.1 million in the three months ended June 30, 2016 from €432.3 million in the three months ended June 30, 2015. The increase in supplies was primarily attributable to the Acquisition (representing € 392.1 million in increased supplies) and the increase in revenues. Supplies increased 102.7% in comparison with revenue increase of 94.9% for the same period, hence supply cost as percentage of total sales has increased to 63.5% from 61.1% in June 2015 due to the introduction of the new Cockpits and Interior Trim Business Unit as well as increased sales from the Seating business unit.

Staff costs

Staff costs increased by €111.3 million, or 99.5%, to €223.2 million in the three months ended June 30, 2016 from €111.9 million in the three months ended June 30, 2015. The increase in staff costs was primarily attributable to the Acquisition (representing € 96.3 million in increased staff costs) and increased overall activity.

EBITDA

EBITDA increased by €57.3 million, or 57.3%, to €157.3 million in the three months ended June 30, 2016 from €100.0 million in the three months ended June 30, 2015. The increase in EBITDA was primarily attributable to the Acquisition (representing € 42.1 million in increased EBITDA) increased sales, maintenance of fixed costs and a slight reduction of variable costs. The negative effect of exchange rates has represented approximately € 7.4 million of lower EBITDA.

EBITDA margin decreased by 2.7 percentage points to 11.4% in the three months ended June 30, 2016 from 14.1% in the three months ended June 30, 2015. The decrease in EBITDA margin was primarily attributable to the Acquisition.

Depreciation and amortization expense

Depreciation and amortization expense increased by €20.6 million, or 86.5%, to €44.3 million in the three months ended June 30, 2016 from €23.8 million in the three months ended June 30, 2015. The increase in depreciation and amortization expense was primarily attributable to the Acquisition (representing € 13.8 million in increased D&A) and new programs coming online.

Other operating expenses

Other operating expenses increased by €59.2 million, or 93.4%, to €122.7 million in the three months ended June 30, 2016 from €63.4 million in the three months ended June 30, 2015. The increase in other operating expenses was primarily attributable to the Acquisition (representing € 74.6 million in increased operating expenses) and increased sales and to overall increased activity with the ramp up of production facilities in Missouri, United States, Chakan, India and Valencia, Spain.

Profit for the year from continuing operations

Profit for the year from continuing operations increased by €36.8 million, or 48.2%, to €113.0 million in the three months ended June 30, 2016 from €76.2 million in the three months ended June 30, 2015. The increase in profit for the year from continuing operations was primarily attributable to the Acquisition (representing € 28.3 million in increased EBIT) and the increase in EBITDA.

Net finance income/(cost)

Net finance cost increased by €7.5 million, or 82.3%, to €16.7 million in the three months ended June 30, 2016 from €9.2 million in the three months ended June 30, 2015. The increase in net finance cost was primarily attributable to the recognition of the expenses associated to the 2022 Notes and the amended and restated Senior Facilities Agreement.

Net impairment losses on non-current assets

Net impairment losses on non-current assets increased by €8.5 million, or 454.4%, to €10.4 million in the three months ended June 30, 2016 from €1.9 million in the three months ended June 30, 2015. This increase was primarily attributable to the sale of the Company's 50% shareholdings in Ningbo Antolin Huaxiang Auto Parts Co. and Yangzhou Antolin Huaxiang Auto Parts Co. for a total consideration of € 29.0 million. The transaction is expected to close in the second half of 2016. The entities divested were accounted under the equity method given the Company did not have control or joint control.

Corporate income tax

Corporate income tax increased by €5.6 million, or 22.6%, to €30.2 million in the three months ended June 30, 2016 from €24.6 million in the three months ended June 30, 2015. The increase in corporate income tax was primarily attributable to increased profit due to increased activity.

Consolidated profit for the three month period

Consolidated profit for the three month period increased by €17.0 million, or 38.7%, to €61.0 million in the three months ended June 30, 2016 from €44.0 million in the three months ended June 30, 2015. The increase was primarily attributable to increased revenues, contained costs and the Acquisition (representing € 36.0 million in increased consolidated profit).

Foreign exchange translation

Our international expansion and our increasing volume of business outside of the euro-zone, exposes us to exchange rate risks in 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 the three months ended June 30, 2016, we were impacted by other currencies' weakness against the Euro. If we were to maintain the 30 June 2015 exchange rates stable, sales and EBITDA as at June 2016 would have been approximately € 58.6 million and € 7.4 million higher respectively.

Six months ended June 30, 2016 compared to six months ended June 30, 2015

Executive summary

- Sales of € 2,682.9 million, up 95.0% from H1 2015
- EBITDA of € 300.4 million, up 50.3% from H1 2015, margin of 11.2%
- EBIT of € 211.9 million, up 39.0% from H1 2015, margin of 7.9%

Group results of operations

The table below sets out our results of operations for the six months ended June 30, 2016, compared to the six months ended June 30, 2015.

	Six months ended June 30,		
	2016	**2015**	**% change**
	(in millions of €)		
Consolidated Income Statement Data:			
Revenue and Other operating income	2,682.9	1,375.9	95.0
Total operating income	**2,682.9**	**1,375.9**	**95.0**
Supplies	(1,691.4)	(838.8)	101.6
Staff costs	(440.1)	(218.1)	101.8
Depreciation and amortization expense	(88.5)	(47.4)	86.7
Other operating expenses	(251.0)	(119.1)	110.7
Profit for the year from continuing operations	**211.9**	**152.4**	**39.0**
Finance income/(cost)	(32.5)	(18.2)	78.6
Exchange differences	2.0	(0.7)	(386.0)
Net finance income/(cost)	**(30.5)**	**(18.9)**	**61.4**
Net impairment losses on non-current assets	(10.6)	(1.8)	477.5
Profit of companies consolidated using the equity method	2.3	8.1	(72.0)
Profit before tax	**173.0**	**139.7**	**23.8**
Corporate income tax	(57.2)	(48.9)	17.1
Consolidated profit for the three month period	**115.7**	**90.8**	**27.4**
Attributable to non-controlling interests	(8.5)	(10.5)	(19.6)
Attributable to shareholders of the Company	**107.2**	**80.3**	**33.5**

Revenue

Revenue increased by €1,307.0 million, or 95.0%, to € 2,682.9 million in the six months ended June 30, 2016 from €1,375.9 million in the six months ended June 30, 2015. The increase in revenue was primarily attributable to the Acquisition (representing € 1,172.4 million in increased sales), the strong performance of our products in the European, NAFTA and APAC regions and the contribution of new production facilities, principally in Missouri, United States and Valencia, Spain (representing € 27.4 million in increased sales). These trends were slightly offset by declining revenues in Mercosur (down 19.4%) and the appreciation of the Euro (representing € 85.6 million in decreased sales). Our APAC operations continue to expand, with revenues up 123.2% compared to the six months ended June 30, 2015. Additionally, revenue increase can be explained by the volume increase in some 2015 projects such as Daimler VS20, Ford V363, Ford Smax, Galaxy and Mondeo and new programs launched at the end of 2015 such as Renault Kadjar and Megane, Land Rover Discovery.

Supplies

Supplies increased by €852.6 million, or 101.6%, to €1,691.4 million in the six months ended June 30, 2016 from €838.8 million in the six months ended June 30, 2015. The increase in supplies was primarily attributable to the Acquisition (representing € 753.6 million in increased supplies) and the increase in revenues. Supplies increased 101.6% in comparison with revenue increase of 95.0% for the same period, hence supply cost as percentage of total sales has increased to 63.0% from 61.0% in June 2015 due to the introduction of the new Cockpits and Interior Trim Business Unit as well as increased sales from the Seating business unit.

Staff costs

Staff costs increased by €222.0 million, or 101.8%, to €440.1 million in the six months ended June 30, 2016 from €218.1 million in the six months ended June 30, 2015. The increase in staff costs was primarily attributable to the Acquisition (representing € 190.7 million in increased staff costs) and increased overall activity.

EBITDA

EBITDA increased by €100.6 million, or 50.3%, to €300.4 million in the six months ended June 30, 2016 from €199.9 million in the sixmonths ended June 30, 2015. The increase in EBITDA was primarily attributable to the Acquisition (representing € 76.5 million in increased EBITDA) increased sales, maintenance of fixed costs and a slight reduction of variable costs. The negative effect of exchange rates has represented approximately € 10.9 million of lower EBITDA.

EBITDA margin decreased by 3.3 percentage points to 11.2% in the six ended June 30, 2016 from 14.5% in the six months ended June 30, 2015. The decrease in EBITDA margin was primarily attributable to the Acquisition.

Depreciation and amortization expense

Depreciation and amortization expense increased by €41.1 million, or 86.7%, to €88.5 million in the six months ended June 30, 2016 from €47.4 million in the six months ended June 30, 2015. The increase in depreciation and amortization expense was primarily attributable to the Acquisition (representing € 27.0 million in increased D&A) and new programs coming online.

Other operating expenses

Other operating expenses increased by €131.9 million, or 110.7%, to €251.0 million in the six months ended June 30, 2016 from €119.1 million in the six months ended June 30, 2015. The increase in other operating expenses was primarily attributable to the Acquisition (representing € 151.6 million in increased operating expenses) and increased sales and to overall increased activity with the ramp up of production facilities in Missouri, United States, Chakan, India and Valencia, Spain.

Profit for the year from continuing operations

Profit for the year from continuing operations increased by €59.4 million, or 39.0%, to €211.9 million in the six months ended June 30, 2016 from €152.4 million in the six months ended June 30, 2015. The increase in profit for the year from continuing operations was primarily attributable to the Acquisition (representing € 49.6 million in increased EBIT) and the increase in EBITDA.

Net finance income/(cost)

Net finance cost increased by €14.3 million, or 78.6%, to €32.5 million in the six months ended June 30, 2016 from €18.2 million in the six months ended June 30, 2015. The increase in net finance cost was primarily attributable to the recognition of the expenses associated to the 2022 Notes and the amended and restated Senior Facilities Agreement.

Corporate income tax

Corporate income tax increased by €8.4 million, or 17.1%, to €57.2 million in the six months ended June 30, 2016 from €48.9 million in the six months ended June 30, 2015. The increase in corporate income tax was primarily attributable to increased profit due to increased activity.

Consolidated profit for the six month period

Consolidated profit for the six month period increased by €24.9 million, or 27.4%, to €115.7 million in the six months ended June 30, 2016 from €90.8 million in the six months ended June 30, 2015. The increase was primarily attributable to increased revenues, contained costs and the Acquisition (representing € 51.7 million in increased consolidated profit).

Foreign exchange translation

Our international expansion and our increasing volume of business outside of the euro-zone, exposes us to exchange rate risks in 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 the six months ended June 30, 2016, we were impacted by other currencies' weakness against the Euro. If we were to maintain the 30 June 2015 exchange rates stable, sales and EBITDA as at June 2016 would have been approximately € 85.6 million and € 10.9 million higher respectively. The main exchange rate impact has been linked to the Mexican peso (€37.4m sales impact) and the pound sterling (€23.9m sales impact)

Segment results of operations

Headliners

	Three months ended June 30,		
	2016	**2015**	**% change**
	(in million as of €)		
Description:			
Net turnover	414.6	392.5	5.6
Other operating (expenses)/income, net	(358.0)	(343.6)	4.2
EBITDA	**56.6**	**48.8**	**15.8**
Depreciation and amortization	(9.2)	(9.2)	0.4
Operating profit/(loss) (EBIT)	**47.3**	**39.6**	**19.4**

Net turnover. Net turnover increased by €22.1 million, or 5.6%, to €414.6 million in three months ended June 30, 2016 from €392.5 million in three months ended June 30, 2015. The increase in net turnover was primarily attributable to the strong performance of our projects in Europe and NAFTA, partially offset by the appreciation of the Euro against other currencies we operate in, mainly the Mexican peso. The overall currency effect has been estimated at approximately € 19.8 million in in decreased sales. Additionally, significant existing programs such as "Daimler VS20" and "Ford Transit" continue with a strong performance in 2016. Finally, the new facility in Missouri, United States has added € 4.4 million of sales in comparison to 2015.

Other operating (expenses)/income, net. Net operating expenses increased by €14.4 million, or 4.2%, to €358.0 million in three months ended June 30, 2016 from €343.6 million in three months ended June 30, 2015. The increase in net operating expenses was primarily attributable to the increase in revenues.

EBITDA. EBITDA increased by €7.7 million, or 15.8%, to €56.6 million in three months ended June 30, 2016 from €48.8 million in three months ended June 30, 2015. The increase in EBITDA was primarily attributable to increased revenues and contained fixed costs.

Depreciation and amortization. Depreciation and amortization growth was flat in three months ended June 30, 2016 remaining at €9.0 million from three months ended June 30, 2015.

Operating profit/(loss) (EBIT). Operating profit increased by €7.7 million, or 19.4%, to €47.3 million in three months ended June 30, 2016 from €39.6 million in three months ended June 30, 2015. The increase in operating profit was primarily attributable to increased EBITDA and flat Depreciation and amortization.

Doors

	Three months ended June 30,		
	2016	**2015**	**% change**
	(in millions of €)		
Description:			
Net turnover	224.9	207.1	8.6
Other operating (expenses)/income, net	(186.6)	(172.9)	7.9
EBITDA	**38.3**	**34.2**	**12.0**
Depreciation and amortization	(8.2)	(8.0)	1.9
Operating profit/(loss) (EBIT)	**30.1**	**26.2**	**15.0**

Net turnover. Net turnover increased by €17.8 million, or 8.6%, to €224.9 million in three months ended June 30, 2016 from €207.1 million in three months ended June 30, 2015. The increase in net turnover was primarily attributable to the favorable evolution of the market in Europe, linked to the numerous projects entered into production phase such as Ford models "S-Max", "Galaxy" and "Mondeo", and "Renault Kadjar". Additionally the new factories, in Valencia, Spain and in India have contributed to increase our turnover by approximately €3.8 million. The overall currency effect has been estimated at approximately € 25.0 million in in decreased sales.

Other operating (expenses)/income, net. Net operating expenses increased by €13.7 million, or 7.9%, to €186.6 million in three months ended June 30, 2016 from €172.9 million in three months ended June 30, 2015. The increase in net operating expenses was primarily attributable to the increase in revenues.

EBITDA. EBITDA increased by €4.1 million, or 12.0%, to €38.3 million in three months ended June 30, 2016 from the three months ended June 30, 2015. The increase in EBITDA was primarily attributable to increased revenues and contained fixed costs.

Depreciation and amortization. Depreciation and amortization increased by €0.2 million or 1.9%, to €8.2 million in three months ended June 30, 2016 from €8.0 million in three months ended June 30, 2015.

Operating profit/(loss) (EBIT). Operating profit increased by €3.9 million, or 15.0%, to €30.1 million in three months ended June 30, 2016 from €26.2 million in three months ended June 30, 2015. The increase in operating profit was primarily attributable to increased revenues and contained fixed costs.

Seating

	Three months ended June 30,		
	2016	**2015**	**% change**
	(in millions of €)		
Description:			
Net turnover	77.0	61.2	25.7
Other operating (expenses)/income, net	(64.2)	(51.1)	25.5
EBITDA	**12.8**	**10.1**	**26.8**
Depreciation and amortization	(2.2)	(2.4)	(8.7)
Operating profit/(loss) (EBIT)	**10.6**	**7.7**	**37.8**

Net turnover. Net turnover increased by €15.7 million, or 25.7%, to €77.0 million in three months ended June 30, 2016 from €61.2 million in three months ended June 30, 2015. The inecrease in net turnover was primarily attributable to increased sales to Daimler ("Vito / Viano").

Other operating (expenses)/income, net. Net operating expenses increased by €13.0 million, or 25.5%, to €64.2 million in three months ended June 30, 2016 from €51.1 million in three months ended June 30, 2015. The increase in net operating expenses was primarily attributable to increased turnover.

EBITDA. EBITDA increased by €2.7 million, or 26.8%, to €12.8 million in three months ended June 30, 2016 from €10.1 million in three months ended June 30, 2015. The increase in EBITDA was primarily attributable to increased sales and fixed costs reduction.

Depreciation and amortization. Depreciation and amortization decreased by €0.2 million.

Operating profit/(loss) (EBIT). Operating profit increased by €2.9 million, or 37.8%, to €10.6 million in three months ended June 30, 2016 from €7.7 million in three months ended June 30, 2015. The increase in operating profit was primarily attributable to increased sales, and reduced fixed costs and depreciation and amortization.

Lighting

	Three months ended June 30,		
	2016	**2015**	**% change**
	(in millions of €)		
Description:			
Net turnover	57.7	46.4	24.2
Other operating (expenses)/income, net	(47.8)	(38.6)	24.1
EBITDA	**9.8**	**7.9**	**24.7**
Depreciation and amortization	(2.7)	(2.3)	18.4
Operating profit/(loss) (EBIT)	**7.1**	**5.6**	**27.3**

Net turnover. Net turnover increased by €11.2 million, or 24.2%, to €57.7 million in three months ended June 30, 2016 from €46.4 million in three months ended June 30, 2015. The increase in net turnover was primarily attributable to increased sales in Europe.

Other operating (expenses)/income, net. Net operating expenses increased by €9.3 million, or 24.1%, to €47.8 million in three months ended June 30, 2016 from €38.6 million in three months ended June 30, 2015. The increase in net operating expenses was primarily attributable to higher purchased content.

EBITDA. EBITDA increased by €1.9 million, or 24.7%, to €9.8 million in three months ended June 30, 2016 from €7.9 million in three months ended June 30, 2015. The increase in EBITDA was primarily attributable to increased sales and a contained cost base.

Depreciation and amortization. Depreciation and amortization increased by €0.4 million, or 18.4%, to €2.7 million in three months ended June 30, 2016 from €2.3 million in three months ended June 30, 2015. The increase in depreciation and amortization was primarily attributable to the increasing amortization of capitalized development investments.

Operating profit/(loss) (EBIT). Operating profit increased by €1.5 million, or 27.3%, to €7.1 million in three months ended June 30, 2016 from €5.6 million in three months ended June 30, 2015. The increase in operating profit was primarily attributable to increased net turnover and contained operating expenses.

Cockpit and Interior Trim

	Three months ended June 30,		
	2016	2015	% change
	(in millions of €)		
Description:			
Net turnover	605.1	n.a.	n.a.
Other operating (expenses)/income, net	(577.6)	n.a.	n.a.
EBITDA	**42.1**	**n.a**	**n.a.**
Depreciation and amortization	(13.8)	n.a	n.a.
Operating profit/(loss) (EBIT)	**28.3**	**n.a**	**n.a.**

Liquidity and capital resources

Historical cash flows

The following tables set forth our historical cash flow items for the six months ended June 30, 2016 and June 30, 2015:

	Six months ended June 30,	
	2016	**2015**
	(in millions of €)	
Consolidated Cash Flow Information:		
Cash flows from operating activities:		
Consolidated profit for the six month period before taxes	**173.0**	**139.7**
Adjustments for:		
Depreciation, amortization and impairment	88.5	47.4
Finance income and expense	30.5	18.9
Net impairment loss on non-current assets	10.6	1.8
Profit of companies accounted for using the equity method	(2.3)	(8.1)
Operating profit before movements in working capital	**300.4**	**199.9**
(Increase)/decrease in trade and other receivables	(137.3)	(95.7)
(Increase)/decrease in inventories	(132.0)	(29.0)
Increase/(decrease) in trade and other payables	224.1	64.3
Increase/(decrease) in other current liabilities	(17.2)	(8.2)
Unrealized exchange differences and other items	2.0	17.3
Cash generated from operations	**240.1**	**148.6**
Corporate income tax paid	(35.4)	(22.8)
Net cash generated by/(used in) operating activities	**204.7**	**125.8**
Cash flows from investing activities:		
Dividends received	1.2	0.0
Proceeds from disposals of:		
Property, plant and equipment	0.0	0.1
Intangible assets	0.0	0.3
Non-current financial assets	0.0	0.0
Payments for investments in:		
Property, plant and equipment	(82.9)	(40.0)
Intangible assets	(46.8)	(28.9)
Non-current financial assets	(24.2)	(0.4)
Associates	(63.8)	(2.0)
Net cash generated by/(used in) investing activities	**(216.5)**	**(70.9)**
Cash flows from financing activities:		
Proceeds from/(payments for) financial liabilities:		
Proceeds from bank borrowings, net	(10.1)	387.4
Other cash flows from financing activities:		
Finance income and expense paid, net	(32.5)	(23.1)
Dividends paid	(16.0)	(6.0)
Other liabilities	0.0	0.0
Net cash generated by/(used in) financing activities	**(58.7)**	**358.3**
Net increase/(decrease) in cash and bank balances	(70.5)	413.2
Cash and bank balances at the beginning of the three month period	**361.9**	**154.2**
Cash and bank balances at the end of the three month period	**291.4**	**567.3**

Net cash generated by/(used in) operating activities

Our net cash generated by operating activities was €204.7 million in the six months ended June 30, 2016, primarily attributable to a consolidated profit for the six months ended June 30, 2016 before taxes of €173.0 million, depreciation and amortization expenses which totaled €88.5 million, finance income and expenses of €30.5 million, payments of corporate income tax of €35.4 million and an increase in working capital of €45.2 million.

Our net cash generated by operating activities was €125.8 million in the six months ended June 30, 2015, primarily attributable to a consolidated profit for the six months ended June 30, 2015 before taxes of €139.7 million, depreciation and amortization expenses which totaled €47.4 million, finance income and expenses of €18.9 million, payments of corporate income tax of €22.8 million and an increase in working capital of €60.4 million.

Net cash generated by/(used in) investing activities

Our net cash used in investing activities was €216.5 million in the six months ended June 30, 2016, primarily attributable to investments in Doors (€ 42.9 million) and Cockpits (€ 36.1 million). These two segments represented approximately 60.9% of investments. Some of the main projects under development are "PSA K0", "Audi Q5", "Citroën K9", "PSA HAB02", "VW 416", "Tesla", "BMW G01". Our € 24.2 million investment in financial assets represents payments to Magna in relation to tooling payments received by Cockpits and Interior Trim from OEM customers. Additionally, € 53.8 million were invested in the Magna Interiors final acquisition price adjustment in May 2016 and € 10 million were invested in January 2016 for the purchase of the remaining 50% stake in Silesia Plastic Sp z.o.o, a company in Poland producing interior plastic components mainly for Ford, PSA and Toyota.

Our net cash used in investing activities was €70.9 million in the six months ended June 30, 2015, primarily attributable to investments in Doors and Headliners. These two segments represented approximately 75% of investments. Some of the main projects under development are "PSA K0", "Audi Q5" and "Ford Mondeo".

Net cash generated by/(used in) financing activities

Our net cash used in financing activities was €58.7 million in the six months ended June 30, 2016, primarily attributable to € 32.5 million of financial expenses.

Our net cash generated by financing activities was €358.3 million in the six months ended June 30, 2015, primarily attributable to the issuance of the 2022 Notes.

Liquidity

Our principal source of liquidity is our operating cash flow, which is analyzed above. Our ability to generate cash from our operations depends on our 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 our control, as well as other factors.

As of June 30, 2016, our long-term indebtedness primarily consists of (i) the 2021 and 2022 Notes, (ii) the senior term facility and the revolving credit facility (undrawn) made available under the Senior Facilities Agreement, (iii) the ADE Facility, (iv) certain loans granted to us by Spanish public bodies to finance R&D projects and improve competitiveness and (v) other loans and finance leases.

As of June 30, 2016, the cash and bank balances and other liquid assets amounted to €291.4 million. Additionally we had available revolving credit facilities totaling € 251.2 million, of which €200 million correspond to the revolving credit facility made available under the Senior Facilities Agreement and € 51.2 million to other credit lines.

Although we believe that our expected cash flows from operations, together with available borrowings and cash on hand, will be adequate to meet our anticipated liquidity and debt service needs, we cannot assure you that our business will generate sufficient cash flows from operations or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs.

We believe that the potential risks to our liquidity include:

- a reduction in operating cash flows due to a lowering of operating profit from our operations, which could be caused by a downturn in our performance or in the industry as a whole;
- the failure or delay of our customers to make payments due to us;
- a failure to maintain low working capital requirements; and
- the need to fund expansion and other development capital expenditures.

If our future cash flows from operations and other capital resources (including borrowings under our current or any future credit facility) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell our assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of the Notes and any future debt may limit our ability to pursue any of these alternatives.

We are leveraged and have debt service obligations. As of June 30, 2016 we have approximately €1.3 billion of financial debt, including €6.2 million in Soft loans with cost (loans granted to the Company principally by certain Spanish public bodies at below market interest rates). We anticipate that our leverage will continue for the foreseeable future.

Working capital

The following table sets forth changes to our working capital for the three months ended June 30, 2016 and June 30, 2015:

	Three months ended June 30, (in millions of €)	
	2016	2015
(Increase)/decrease in trade and other receivables	(51.6)	(11.0)
(Increase)/decrease in inventories	(70.8)	14.8
Increase/(decrease) in trade and other payables	140.3	(20.8)
Total (increase)/decrease in working capital	**17.9**	**(17.0)**

Our working capital requirements largely arise from our trade receivables, which are primarily composed of amounts owed to us by our customers, inventories primarily composed of materials (mainly textile fabric, plastic injection grain, petroleum-based resins and certain metals, including steel, aluminum and copper) and also tooling and other current assets which comprise receivables accounts with the public treasury by the advanced payments of taxes or refunds of taxes. Our trade payables primarily relate to trade payables to our suppliers for materials, services and fixed assets, other amounts to the public treasury for taxes and payments to our employees by way of salaries. We have historically funded our working capital requirements through funds generated from our operations, from borrowings under bank facilities and through funds from other finance sources.

Net working capital decreased by €17.9 million in the three months ended June 30, 2016. This decrease is principally due to the impact of the Acquisition and the recovery of tooling investments carried out in 2015.

Net working capital increased by €17.0 million in the three months ended June 30, 2015, principally due to increased activity in the quarter .

Capital expenditures

The following table sets forth our cash used in investing activities for the three months ended June 30, 2016 and June 30, 2015:

	Three months ended June 30, (in millions of €)	
	2016	2015
Property, plant and equipment	47.4	22.6
Intangible assets	26.1	15.3
Capital expenditures	73.5	37.9

Our capital expenditure consists principally in expenditure on development expenses, property, plant and equipment. The main investments in tangible assets in the three months ended June 30, 2016, correspond to Howell and St. Clair (USA), Liban and Turnov (Czech Republic), Tlaxcala and Toluca (México), Straubing (Germany), Aragusa (Spain), Besançon (France) and Ototrim (Turkey). The main investments in tangible assets in the three months ended June 30, 2015, correspond to our new plants in Kansas, United States and Valencia, Spain, as well as investments in the expansion of existing facilities such as Grupo Antolin-Loire (France), Grupo Antolin-Aragusa (Spain) and Grupo Antolin-Turnov (Czech Republic).

Investments in intangible assets in the three months ended June 30, 2016, related mainly to development expenses on certain new projects including "Ford U5XX Headliner", "VW 326 Panel", "Tesla Sunvisor", "Renault J87 Panel", "Mercedes BR167 Headliner", "BMW G05 Headliner", "Audi Q8 Headliner", "Mercedes MFA2 Trunk". Investments in intangible assets in the three months ended June 30, 2015, related mainly to development expenses on certain new projects including "Audi Q5 Panel", "Ford P552-F150 Pilar", "BMW F54 Headliner" and "Ford C04 Panel".

Contractual obligations

We have contractual commitments providing for payments primarily pursuant to our outstanding financial debt, including the financial obligations arising from the Notes but excluding financial derivatives.

Our consolidated contractual obligations as of June 30, 2016 were as follows:

	Total	**Less than 1 year**	**1-5 years**	**More than 5 years**
		(in millions of €)		
Contractual Obligations				
Loans and borrowings[(1)]	1,339.3	57.8	848.6	432.9
Financial leases	4.5	1.4	3.0	0.0
Total Financial Debt	**1,343.7**	**59.2**	**851.6**	**432.9**
Soft loans – interest bearing[(2)]	6.2	0.7	3.3	2.2
Soft loans – non-interest bearing[(2)]	33.1	4.4	17.1	11.6
Total Soft Loans	**39.3**	**5.1**	**20.4**	**13.8**

(1) Loans and borrowings consists of (i) €800.0 million incurred under the Notes, €395.5 million under the Senior Facilities Agreement and €65 million under the ADE Facility, (ii) € 17.2 million of other bank loans or obligations, (iii) €6.2 million in interest-bearing soft loans, (iv) €33.1 million in non-interest bearing loans, (v) € 16.6 million in drawn revolving credit facilities and €5.7 million in accrued interest, excluding financial remeasurement.

(2) Soft loans include several loans granted to the Company by certain Spanish public bodies.

INTERIM REPORT FOR THE THREE MONTHS ENDED JUNE 30, 2016

Grupo Antolín-Irausa, S.A. And Subsidiaries

Consolidated Balance Sheet at 30 June 2016 and 2015, 31 March 2016 and 2015, 31 December 2015 and 2014

(Millions of Euros)	**Dec 2014**	**Mar 15**	**June 15**	**Dec 2015**	**Mar 16**	**June 16**
Goodwill	53,4	53,4	53,8	180,2	180,2	165,2
Other Intangibles assets	161,1	171,4	175,2	320,9	326,9	340,6
Property , plant and equipment	431,4	442,3	440,4	739,6	745,3	740,6
Investments property	4,7	4,7	4,7	4,7	4,7	4,7
Investments in companies accounted for using the equity method	43,7	52,9	49,5	61,1	64,3	21,6
Other non current financial assets	83,9	83,6	82,8	95,4	95,4	88,4
Total non-current assets	**778,2**	**808,3**	**806,4**	**1.401,9**	**1.416,7**	**1.361,1**
Non- current assets held for sale	6,8	6,9	6,8	6,7	6,7	41,2
Inventories	368,3	412,1	397,3	674,5	735,7	806,5
Trade and other receivables	402,8	487,4	498,4	885,9	971,7	1.023,2
Other receivables	56,1	49,2	77,7	93,9	69,9	82,7
Other current financial assets	1,0	1,1	8,3	2,0	2,2	2,2
Cash and bank balances	154,2	177,0	567,3	361,9	303,2	291,4
Total current assets	**989,1**	**1.133,8**	**1.555,8**	**2.024,9**	**2.089,4**	**2.247,1**
TOTAL ASSETS	**1.767,3**	**1.942,0**	**2.362,2**	**3.426,8**	**3.506,0**	**3.608,2**
Share capital	37,5	37,5	37,5	37,5	37,5	37,5
Share Premium	72,6	72,6	72,6	72,6	72,6	72,6
Reserves	137,5	213,0	213,0	212,9	350,3	334,3
Profit attributable to the Parent	81,5	39,6	80,6	137,4	50,5	107,2
Remeasurements	(41,7)	(1,7)	(16,7)	(28,2)	(60,1)	(60,7)
Dividend and Other	0,0	0,0	0,0	0,0	0,0	0,0
Non-controlling interests	26,2	34,6	37,6	60,1	62,7	67,3
Total equity	**313,6**	**395,5**	**424,5**	**492,3**	**513,6**	**558,2**
Bank borrowings	255,9	246,7	243,3	433,8	422,6	431,5
Other financial liabilities	38,2	37,5	34,7	34,3	33,8	35,2
Bonds	400,0	400,0	800,0	800,0	800,0	800,0
Other non- current liabilities	62,8	62,8	54,0	162,6	172,5	160,5
Total non current liabilities	**756,9**	**747,0**	**1.132,1**	**1.430,6**	**1.428,9**	**1.427,1**
Bank borrowings	36,6	41,4	40,4	64,5	52,1	52,7
Other financial liabilities	4,0	10,3	5,3	158,6	125,8	56,1
Bonds	0,0	0,0	0,0	0,0	0,0	0,0
Trade and other payables	536,8	622,0	601,2	1.021,7	1.105,5	1.245,8
Other current liabilities	119,4	125,8	158,7	259,0	280,3	268,4
Total current liabilities	**696,8**	**799,5**	**805,6**	**1.503,8**	**1.563,6**	**1.622,9**
TOTAL EQUITY AND LIABILITIES	**1.767,3**	**1.942,0**	**2.362,2**	**3.426,8**	**3.506,0**	**3.608,2**

Consolidated Income Statement at 30 June 2016 and 2015

	SECOND QUARTER				YTD JUNE 30			
(Millions of Euros)	**2016**	**2015**	**Diff AV**	**Diff %**	**2016**	**2015**	**Diff AV**	**Diff %**
Revenues	1.379,2	707,5	671,7	94,9%	2.682,9	1.375,9	1.307,0	95,0%
Total operating income	**1.379,2**	**707,5**	**671,7**	**94,9%**	**2.682,9**	**1.375,9**	**1.307,0**	**95,0%**
Supplies	(876,1)	(432,3)	(443,8)	102,7%	(1.691,4)	(838,8)	(852,6)	101,6%
As % of revenues	*-63,5%*	*-61,1%*			*-63,0%*	*-61,0%*		
Staff costs	(223,2)	(111,9)	(111,3)	99,5%	(440,1)	(218,1)	(222,0)	101,8%
Depreciation and amortisation expense	(44,3)	(23,8)	(20,6)	86,5%	(88,5)	(47,4)	(41,1)	86,7%
Other operating expenses	(122,7)	(63,4)	(59,2)	93,4%	(251,0)	(119,1)	(131,9)	110,7%
EBIT	**113,0**	**76,2**	**36,8**	**48,2%**	**211,9**	**152,4**	**59,4**	**39,0%**
As % of revenues	*8,2%*	*10,8%*			*7,9%*	*11,1%*		
Net Financial results	(16,7)	(9,2)	(7,5)	82,3%	(32,5)	(18,2)	(14,3)	78,6%
Exchange differences	6,1	(0,7)	6,8	-1000,1%	2,0	(0,7)	2,7	-386,0%
Net Impairment loss on non-current assets /extraordinary results	(10,4)	(1,9)	(8,5)	454,4%	(10,6)	(1,8)	(8,8)	477,5%
Profit of companies accounted for using the equity method	(0,9)	4,0	(4,9)	-121,4%	2,3	8,1	(5,8)	-72,0%
PROFIT BEFORE TAX	**91,1**	**68,6**	**22,6**	**32,9%**	**173,0**	**139,7**	**33,2**	**23,8%**
Income tax	(30,2)	(24,6)	(5,6)	22,6%	(57,2)	(48,9)	(8,4)	17,1%
Consolidated profit for the three month period	**61,0**	**44,0**	**17,0**	**38,7%**	**115,7**	**90,8**	**24,9**	**27,4%**
Minority interest	(4,2)	(3,2)	(1,0)	32,2%	(8,5)	(10,5)	2,1	-19,6%
NET PROFIT	**56,7**	**40,7**	**16,0**	**39,2%**	**107,2**	**80,3**	**26,9**	**33,5%**
EBITDA	**157,3**	**100,0**	**57,3**	**57,3%**	**300,4**	**199,9**	**100,6**	**50,3%**
As % of revenues	*11,4%*	*14,1%*	*-2,7%*		*11,2%*	*14,5%*	*-3,3%*	

Other Financial Data at 30 June 2016 and 2015 and 31 December 2015

Millions of Euros	June 2015 - 2016	December 31/12/2015
Calculation of EBITDA (12 Months):		
Profit for the year from continuing operations	325,3	265,8
Adjusted for:		
Depreciation and amortization expense	163,5	122,3
LTM EBITDA	**488,7**	**388,2**
ADJUSTED LTM EBITDA	**500,2**	**446,3**
Net finance income cost	(66,1)	(53,5)
Ratio of net financial debt to Adj.EBITDA	2,0	2,2
Ratio of EBITDA to net finance income /cost	7,4	7,3

	30/06/2016	31/12/2015	30/06/2015
Bank Loans	1.284,2	1.298,4	1.083,8
Financial remeasurement	20,3	21,8	(16,7)
Other financial liabilities	91,3	195,2	192,9
Soft loans without cost	(33,1)	(36,1)	(37,2)
Other liabilities	(51,4)	(153,0)	(143,4)
Financial debt (12mo FX avrg)	**1.311,3**	**1.326,2**	**1.079,4**
Cash and bank balances (12mo FX avrg)	299,2	364,8	567,3
Net finacial debt	**1.012,1**	**961,5**	**512,1**

Bank loans includes both current and non-current payables under bridge loan, syndicated loans, other loans, credit lines, finance leases, invoice discount lines, interest payable and less financial remeasurement.

Most of the balances under "Other current and non-current financial liabilities" corresponded to loans granted to Grupo Antolin by certain Spanish public bodies to finance research and development projects and improve competitiveness.

Critical accounting policies

Our financial statements and the accompanying notes contain information that is pertinent to this discussion and analysis of our financial position and results of operations. The preparation of financial statements in conformity with IFRS requires our management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and liabilities. Estimates are evaluated based on available information and experience. Actual results could differ from these estimates under different assumptions or conditions.

We have adopted IFRS 10, 11 and 12 with effect from January 1, 2014. Among other things, these new standards eliminate the use of the proportional consolidation method for jointly controlled companies. Certain of our joint arrangements, the terms of which are renegotiated from time to time, may be reclassified as either joint ventures and accounted for using the equity method or be fully consolidated. Any change arising from the application of these new accounting standards would be presentational in nature and will not affect underlying cash flows. Under the indenture for the Notes, the financial ratios and financial definitions are generally determined in accordance with IFRS as in effect from time to time.

The directors of the Company have assessed the potential impacts of applying these new standards in the future and consider that it may be significant for presenting and analyzing certain items on our consolidated financial statements, although they will not affect the profit and loss attributable to the Company or the net equity attributable to its shareholders.

Principal income statement account items

The following is a brief description of the revenue and expenses that are included in the line items of our consolidated income statement accounts.

Revenue

Revenue is 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 revenues will be collected, recognition is deferred until they are effectively collected. Revenue includes revenue on sales of products and originary revenue from the provision of services.

Changes in inventories of finished goods and work in progress

We value our inventories as follows:

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.

Finished goods, semi-finished goods and work-in-process are stated at the lower of real average production cost (materials used, labor and direct and indirect manufacturing expenses) and net realizable value.

Tools for new projects, which are developed and manufactured by us to be sold later on to our customers, are stated at the lower of either the costs incurred to manufacture them, as and when they are incurred, and their estimated net realizable value.

Net realizable value corresponds to the estimated selling price less the estimated costs of completing the products and the costs to be incurred in the marketing, selling and distribution.

Obsolete, defective or slow-moving inventories are reduced to their realizable value. In addition, if the net realizable value of the inventories is lower than the acquisition or production cost, the appropriate write-downs are recognized as an expense in the consolidated income statement for the year.

Capital grants and other grants taken to income

Official grants related to property, plant and equipment are recognized in our consolidated statement of financial position as deferred income when we have met the relevant qualifying conditions and there are, therefore, no reasonable doubts about the grants being collected. These capital grants are taken to the consolidated income statement under "Capital grants and other grants taken to income" on a straight-line basis over the useful lives of the assets.

Grants to cover or finance our expenses are recognized once all the conditions attaching to them have been fulfilled and will be taken to income when the financed expenses are incurred.

Other operating income

Other operating income is comprised principally of revenues on the sale of project tools, income from miscellaneous services, operating grants, income from leases of investment property, revenues from the assignment of industrial property and other revenue.

Supplies

The amount of supplies that are used in the production process are reported in the consolidated income statement. The most significant item accounted as supply is the purchase of materials. Changes during the period in inventories of materials, goods for resale and other supplies are adjusted in the supplies account.

Staff costs

Our 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 our operations, our geographical reach and customer requirements.

Depreciation and amortization expense

Depreciation and amortization expense relates mainly to the annual depreciation charges on property, plant, equipment and capitalized development expenses. We transfer property, 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. Property, plant and equipment 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 property, plant and equipment are charged to "Depreciation and amortization expense" in the consolidated income statement over the average estimated useful life of the assets. Capitalized development expenses are generally amortized on a straight-line basis over the estimated useful lives of the projects as from the date the related projects are completed.

Other operating expenses

Our other operating expenses relate to the rental cost of leased buildings, maintenance and upkeep, other external services, taxes and levies, impairment of accounts receivable and application of non-current provisions.

Net finance income/(cost)

Net finance income/(cost) primarily consists of finance income, finance costs, net fair value gain/(loss) on financial instruments, exchange differences and impairment and gains/(losses) on disposal of financial instruments.

Profit before tax

Profit before tax primarily includes net impairment loss on non-current assets, profits or losses from disposal of assets, gain/(losses) on disposal of non-current assets, profits from business combinations and profit of companies accounted for using the equity method.

Corporate income tax

The Company and all of its consolidated Spanish subsidiaries domiciled in Spanish "common territory" in which it has holdings of 75% or more file consolidated corporation tax returns.

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 temporary differences and from tax credit and tax loss carry forwards.

We consider that a timing difference exists when there is a difference between the carrying amount of an asset or liability and its tax base. The tax base for assets and liabilities is treated as the amount attributed to it for tax purposes. A taxable timing difference is understood to be a difference that will generate a future obligation for us to pay taxes to the related tax authorities. A deductible timing difference is one that will generate a right for us to a refund or to make a lower payment to the related tax authorities in the future.

Tax credits and deductions and tax loss carry forwards are amounts that, after performance of the activity or obtainment of the profit or loss giving entitlement to them, are not used for tax purposes in the related tax return until the conditions for doing so established in tax regulations are met, provided that we consider it probable that they will be used in future periods.

Current tax assets and liabilities are the taxes that are expected to be recoverable from or payable to the related tax authorities within twelve months from the date they are recognized. Deferred tax assets and liabilities are the taxes that are expected to be recoverable from or payable to the related tax authorities in future years.

Deferred tax liabilities are recognized for all taxable temporary differences. In this regard, a deferred tax liability is recognized for the taxable timing differences resulting from investments in subsidiary companies and associate companies, and from holdings in joint ventures, except when we can control the reversal of the timing differences and they are not expected to be reversed in the foreseeable future.

The consolidated companies only recognize deferred tax assets arising from deductible temporary differences and from tax credit and tax loss carry forwards to the extent that it is probable that they will have sufficient future taxable profits against which these assets can be utilized.

Deferred tax assets and liabilities are not recognized if they arise from the initial recognition of an asset or liability (other than in a business combination) that at the time of recognition affects neither accounting profit nor taxable profit. The deferred tax assets and liabilities recognized are reassessed each year in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.