



Mid Term Financial Report

30th June, 2015

*Managing high value
added processes*



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*CIE in
Stock Exchange*

A photograph of a business meeting with a warm, orange-toned lighting. In the foreground, a person's hands are visible, one holding a pen and the other pointing at a document. The document features a bar chart with several vertical bars of varying heights. To the left, a glass of water is partially visible. The background shows another person in a suit, slightly out of focus. The overall scene suggests a professional discussion or presentation.

1 0 Results 30th June 2015

HIGHLIGHTS 2015

	30/06/2014	%	30/06/2015
Adjusted Turnover (*) (€ Mio)	1,029.7	+30%	1,338.6
EBITDA (**) (€ Mio)	140.4	+33%	187.0
Net Income (**) (€ Mio)	39.5	+74%	68.8
Equity (€ Mio)	711.2	+33%	943.9
Net Income per share (€)	0.31	+71%	0.53
30.06 Share Price (€ per share)	10.50	+38%	14.53
Year end number of employees (n°)	19,008		23,839
Net Financial Debt (€ Mio)	507.5		790.4
NFD/EBITDA (***)	1.93x		2.31x

(*) Proforma value calculated by deducting turnover of diesel oil used for blending.

(**) EBITDA: Net Operating Income + Depreciation, Net Income: Profit attributable to the company's shareholders.

(***) EBITDA of last 12 months annualized in those companies incorporated to perimeter during the period.

1S 2015 CIE GROUP RESULTS

(€ Mio)	1S 2014	%	1S 2015
Turnover	1,058.4		1,338.6
Adjusted Turnover (*)	1,029.7	+30%	1,338.6
EBITDA (**)	140.4	+33%	187.0
% EBITDA on adjusted turnover	13.6%		14.0%
EBIT (**)	87.0	+43%	124.1
% EBIT on adjusted turnover	8.4%		9.3%
Profit for the year	49.8		82.8
Net Income (**)	39.5	+74%	68.8

(*) Proforma value calculated by deducting turnover of diesel oil used for blending.

(**) EBITDA: Net Operating Income + Depreciation, EBIT: Net Operating Income, Net Income: Profit attributable to the company's shareholders.

2Q 2015 CIE GROUP RESULTS

(€ Mio)	2Q 2014	%	2Q 2015
Turnover	527.8		676.1
Adjusted Turnover (*)	513.4	+32%	676.1
EBITDA (**)	70.2	+35%	95.0
% EBITDA on adjusted turnover	13.7%		14.1%
EBIT (**)	43.0	+48%	63.9
% EBIT on adjusted turnover	8.4%		9.4%
Profit for the year	24.5	+75%	42.9
Net Income (**)	20.1	+88%	37.7

(*) Proforma value calculated by deducting turnover of diesel oil used for blending.

(**) EBITDA: Net Operating Income + Depreciation, EBIT: Net Operating Income, Net Income: Profit attributable to the company's shareholders.

1S 2015 CIE GROUP RESULTS

- **First semester** with new consolidation perimeter of the Group
- Once again, **historical Record** in Turnover, EBITDA and Net Income. Turnover increases by 30% during semester, EBITDA by 33% and Net Income reaches €68.8Mio, 74% higher than 1S2014
- This growth is due partially to perimeter changes, in addition to an excellent evolution of margins in Europe and Nafta, where conversion exchange rate evolution has also been favorable
- **Dominion** results are consolidated **in the high end of the prevision range** reducing, even, the effect of the usual first semester seasonality
- The operative part of profit and loss account is recurrent. In the non operative part there are non recurrent effects that represent **an additional Net Income of €4Mio approximately**

02

Automotive



1S 2015 AUTOMOTIVE RESULTS

(€ Mio)	1S 2014	%	1S 2015
Turnover	979.6		1,104.4
Adjusted Turnover (*)	950.9	+16%	1,104.4
EBITDA (**)	134.3	+26%	169.6
% EBITDA on adjusted turnover	14.1%	+1.3pp	15.4%
EBIT (**)	84.0	+35%	113.1
% EBIT on adjusted turnover	8.8%	+1.4pp	10.2%

(*) Proforma value calculated by deducting turnover of diesel oil used for blending.

(**) EBITDA: Net Operating Income + Depreciation, EBIT: Net Operating Income.

- The behavior of NAFTA market and the excellent level of operative profitability of the Mexican plants and European plants, have contributed to easing the Brazilian bad market situation and the lower margins of Mahindra plants integrated in 2014
- Highlighting the recover of EBIT margin having reached, in this first semester, double digit level

2Q 2015 AUTOMOTIVE RESULTS

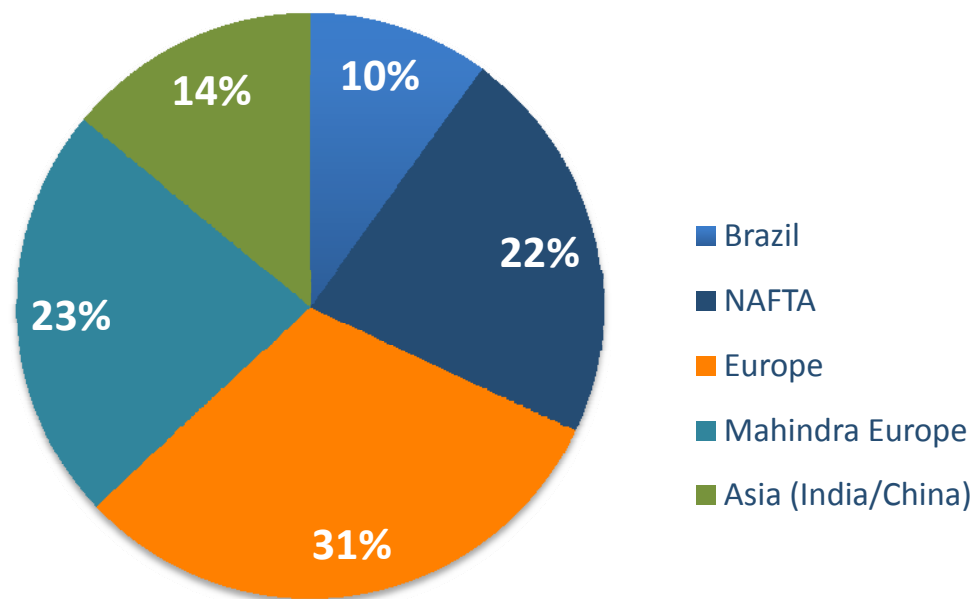
(€ Mio)	2Q 2014	%	2Q 2015
Turnover	488.1		556.2
Adjusted Turnover (*)	473.7	+17%	556.2
EBITDA (**)	67.6	+27%	85.5
% EBITDA on adjusted turnover	14.3%	+1.1pp	15.4%
EBIT (**)	42.2	+37%	57.6
% EBIT on adjusted turnover	8.9%	+1.5pp	10.4%

(*) Proforma value calculated by deducting turnover of diesel oil used for blending.

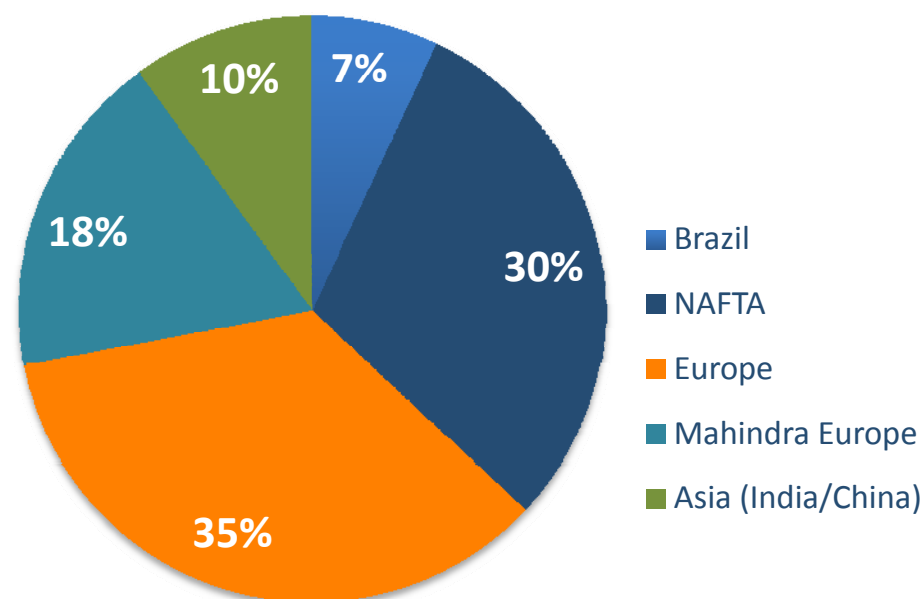
(**) EBITDA: Net Operating Income + Depreciation, EBIT: Net Operating Income.

1S 2015 AUTOMOTIVE GEOGRAPHICAL DISTRIBUTION

Turnover



EBITDA (*)



(*) EBITDA: Net Operating Income + Depreciation

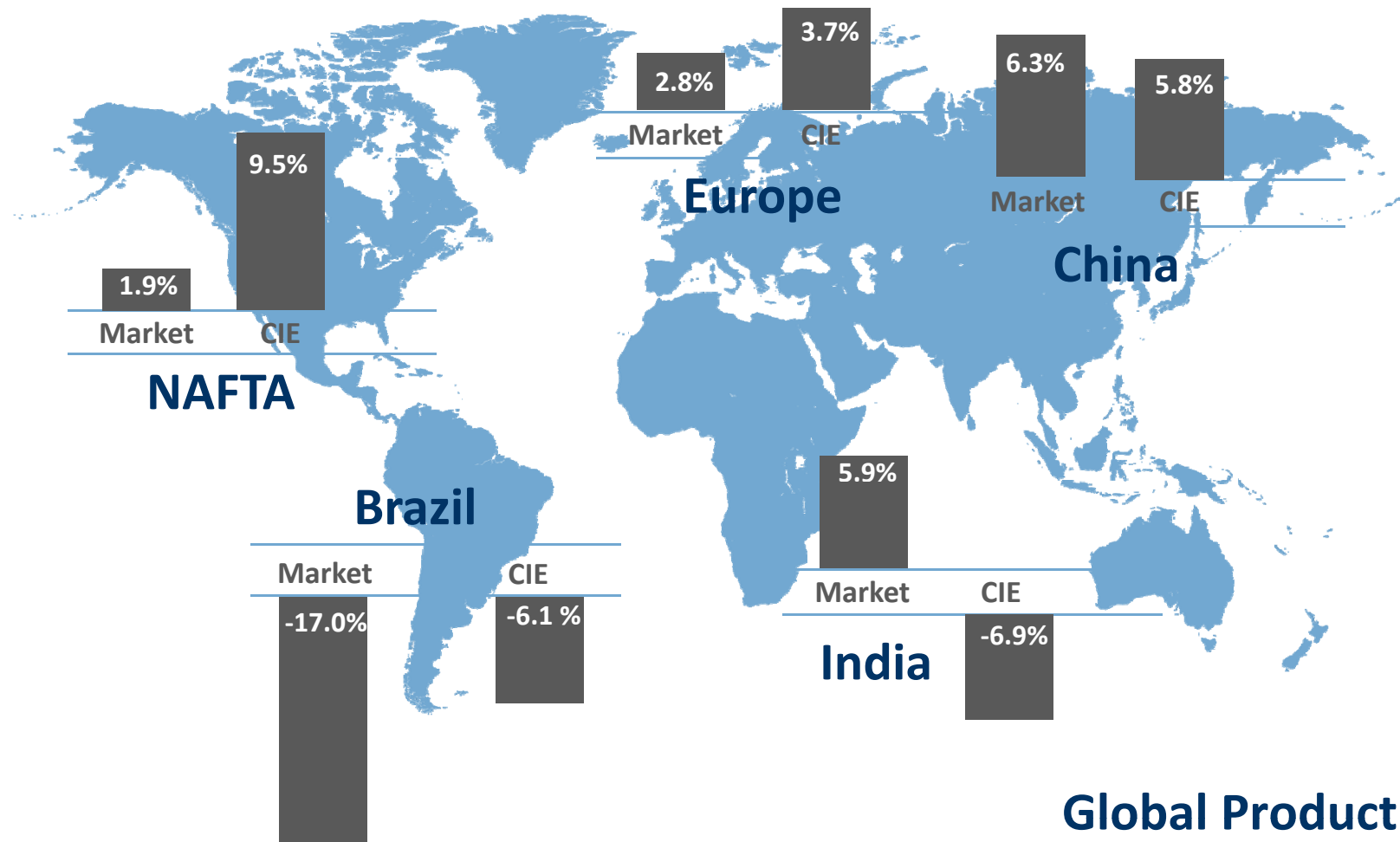
- Evolution towards market diversification
- Solid position in growing markets

1S 2015 AUTOMOTIVE PROFITABILITY BY REGION

	1S2014	1S2015	
Ex-Mahindra Europe	<i>EBITDA: 16,5%</i> <i>EBIT: 9,3%</i>	<i>EBITDA: 17,1%</i> <i>EBIT: 10,3%</i>	> Margins, far above the market average, continue growing. EBIT margin is in double digit level
Mahindra Europe	<i>EBITDA: 10,3%</i> <i>EBIT: 5,9%</i>	<i>EBITDA: 12,5%</i> <i>EBIT: 8,0%</i>	> Growing margins improvement supported by the evolution of Metalcastello, integrated in December 2014. In its way to achieving CIE Group standards
NAFTA	<i>EBITDA: 17,3%</i> <i>EBIT: 14,0%</i>	<i>EBITDA: 21,1%</i> <i>EBIT: 17,3%</i>	> Margins on sales significantly higher than CIE Group average, continue growing
Brazil	<i>EBITDA: 10,8%</i> <i>EBIT: 6,4%</i>	<i>EBITDA: 10,8%</i> <i>EBIT: 5,6%</i>	> Margins severely penalized by the market's bad situation
Asia (India/China)	<i>EBITDA: 12,9%</i> <i>EBIT: 7,7%</i>	<i>EBITDA: 10,4%</i> <i>EBIT: 6,1%</i>	> India: Waiting for the new launches of our clients. Margins affected by last integrations. Productive improvements in process, with a lower than expected rhythm China: Facing the challenge of new projects industrialization

GROWTH 2014-2015 (%)

Market growth vs CIE organic growth ⁽¹⁾



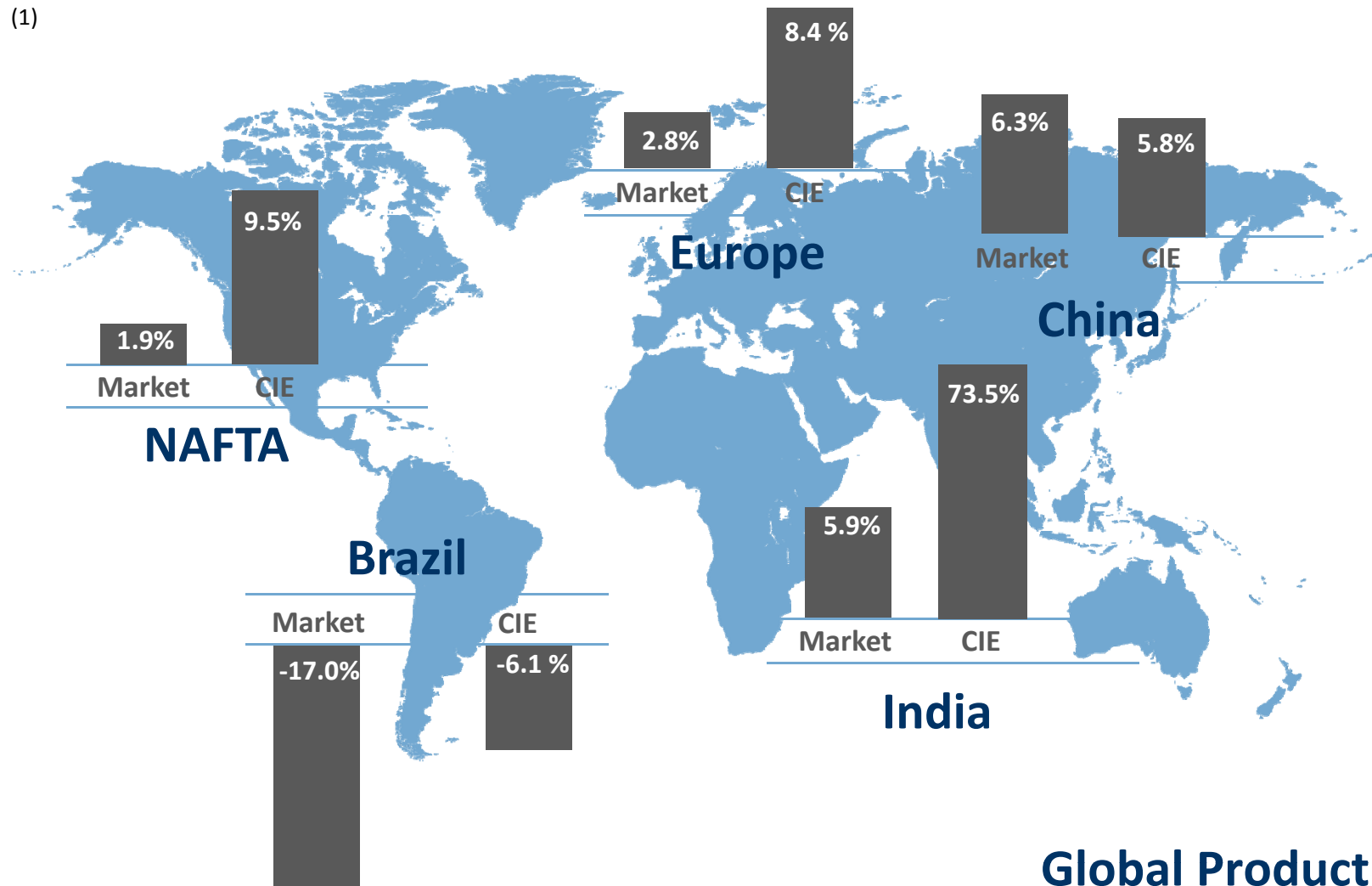
Global Production +1.3%
CIE +2.9%

Source: Motor vehicle production HIS June 2015 (growth % in units)

(1) Organic growth in turnover, including greenfields, same perimeter and exchange rate

GROWTH 2014-2015 (%)

Market growth vs CIE organic and perimeter growth (1)

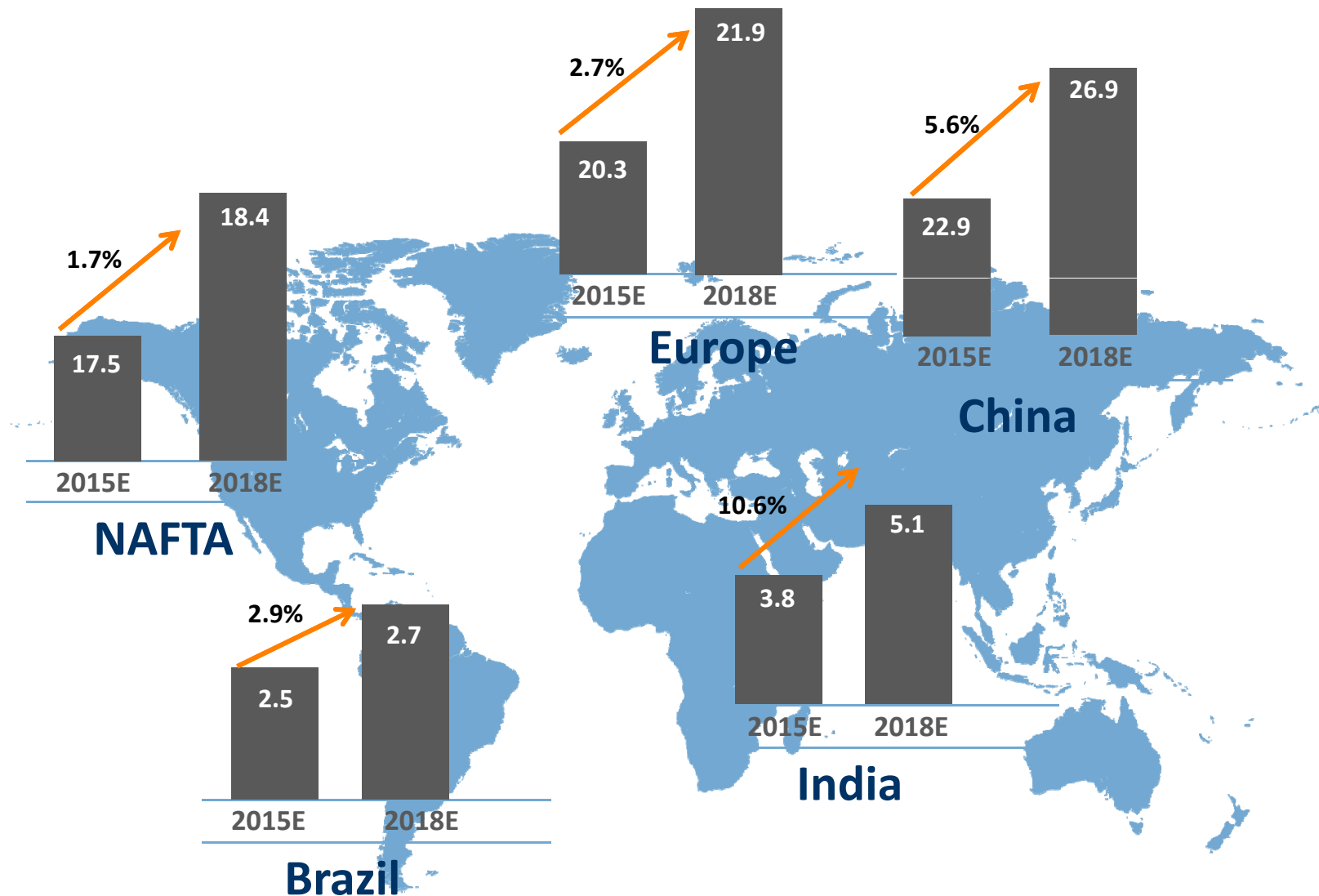


Global Production +1.3%
CIE +11.2%

Source: Motor vehicle production HIS June 2015 (growth % in units)

(1) Organic growth in turnover, of greenfields and of perimeter same exchange rate

GROWTH 2015-2018 (Mio Units)



Source: Motor vehicle production HIS June 2015
% Growth: CAGR (Compound Annual Growth Rate)

Global Production +3.3%



3 0 Dominion

1S 2015 DOMINION RESULTS

(€ Mio)	1S 2014	%	1S 2015
Turnover	78.8	+197%	234.2
EBITDA (*)	6.1	+184%	17.4
% EBITDA on turnover	7.8%		7.4%
EBIT (*)	3.0	+272%	11.0
% EBIT on turnover	3.8%		4.7%

(*) EBITDA: Net Operating Income + Depreciation, EBIT: Net Operating Income.

- Already incorporated all business acquired along the past year, Dominion semi-annual results are consolidated in the high end of the prevision range reducing, even, the effect of the usual first part of the year seasonality

2Q 2015 DOMINION RESULTS

(€ Mio)	2Q 2014	%	2Q 2015
Turnover	39.7	+202%	119.8
EBITDA (*)	2.7	+252%	9.5
% EBITDA on turnover	6.7%		7.9%
EBIT (*)	0.8	+687%	6.3
% EBIT on turnover	2.1%		5.2%

(*) EBITDA: Net Operating Income + Depreciation, EBIT: Net Operating Income

- Clear growth in sales, both organic and inorganic, accompanied by an increase more than proportional in EBITDA and EBIT profitability as consequence of a higher structural and operative profitability

1S 2015 DOMINION PROFITABILITY BY BUSINESS UNIT

SOLUTIONS

Turnover: 95.5 € Mio

Contribution Margin (*): 14.9%

SERVICES

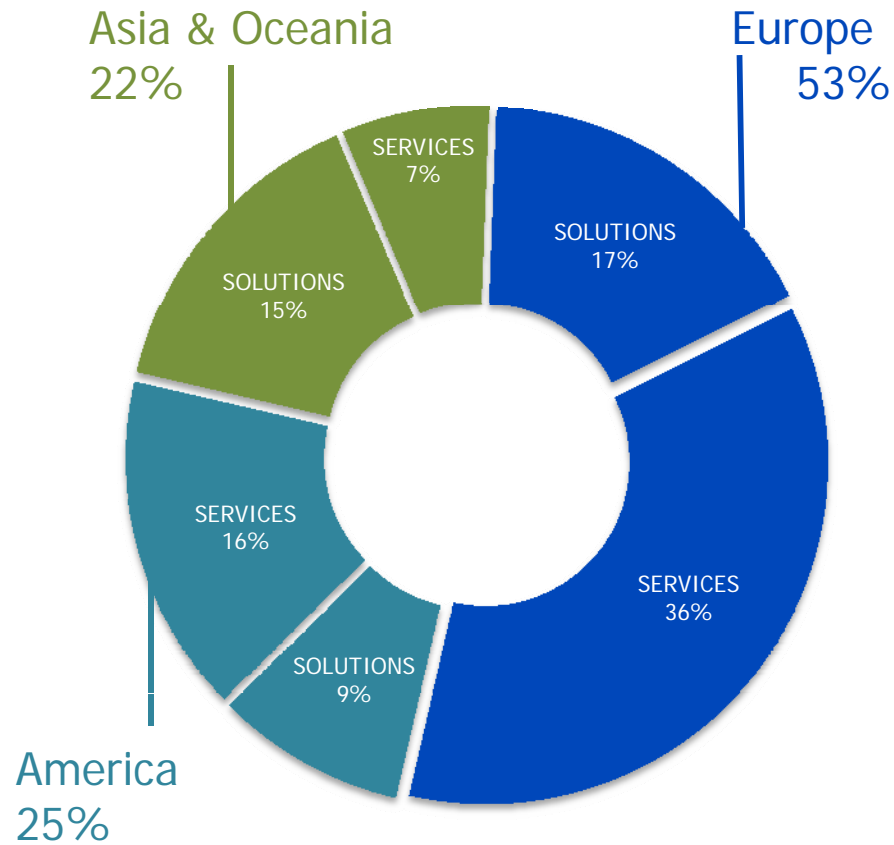
Turnover: 138.7 € Mio

Contribution Margin (*): 10.1%

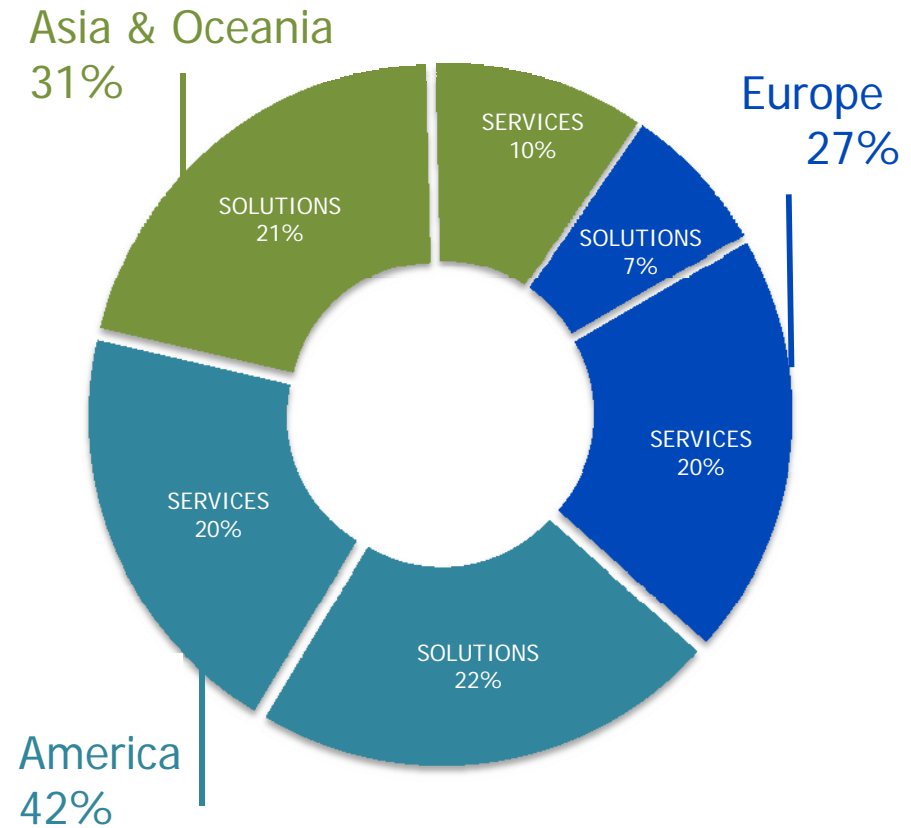
(*) Contribution Margin: EBITDA before structural and central administrative costs

1S 2015 DOMINION GEOGRAPHICAL AND BUSINESS UNITS DISTRIBUTION

2015
TURNOVER



2015 CONTRIBUTION
MARGIN*



(*): Contribution Margin: EBITDA before structural and central administrative costs, EBITDA: Net Operating Income + Depreciation.

CIE GROUP BALANCE SHEET

<i>Million Euros</i>	31/12/2014	30/06/2015
Fixed Assets	1,897.7	1,964.0
Net Working Capital	(154.1)	(97.4)
Total Net Assets	1,743.6	1,866.6
Equity	861.6	943.9
Net Financial Debt (*)	720.6	790.4
Others (Net)	161.4	132.3
Total Equity and Liabilities	1,743.6	1,866.6

(*) Net Financial Debt = Debt with banks and other financial institutions – Cash and equivalents.

- **Net Financial Debt / Equity ratio stands at 0.84x.**

NET FINANCIAL DEBT STRUCTURE

	Amount (in € Mio)	Maturity	Characteristics
Syndicated Loan	≈ 450	5 years bullet	- In Euros - Rates related to NFD/EBITDA ratio - Partially swapped to fixed rate
EIB	≈ 100	7 years, with 2 years grace	- In Euros - Partially swapped to fixed rate
Bancomext	≈ 100	7 years, with 1 year grace	- In Dollars - Partially swapped to fixed rate
Others	≈ 450	Miscellaneous	- Debt composed of bilateral terms (mainly local), credit lines, working capital financing, and so on.
	≈ 1,100	Gross Financial Debt	
Cash and Equivalents	≈ 300		
	≈ 800	Net Financial Debt (NFD)	

Without recourse factoring at 30.06.2015 amounts € 192 Mio

- Nowadays, approximately 90% of net debt is in Euros
- Debt volume associated to fixed interest rate has increased, reaching 60% of total structural debt (Syndicated loan, EIB and Bancomext)

DOMINION BALANCE SHEET

<i>Million Euros</i>	31/12/2014	30/06/2015
Fixed Assets	266.7	274.5
Net Working Capital	(64.2)	(46.3)
Total Net Assets	202.5	228.2
Equity	108.4	112.4
Net Financial Debt (*)	31.8	67.6
Others (Net)	62.3	48.2
Total Equity and Liabilities	202.5	228.2

(*) Net Financial Debt = Debt with parent company, banks and other financial institutions – Cash and equivalents

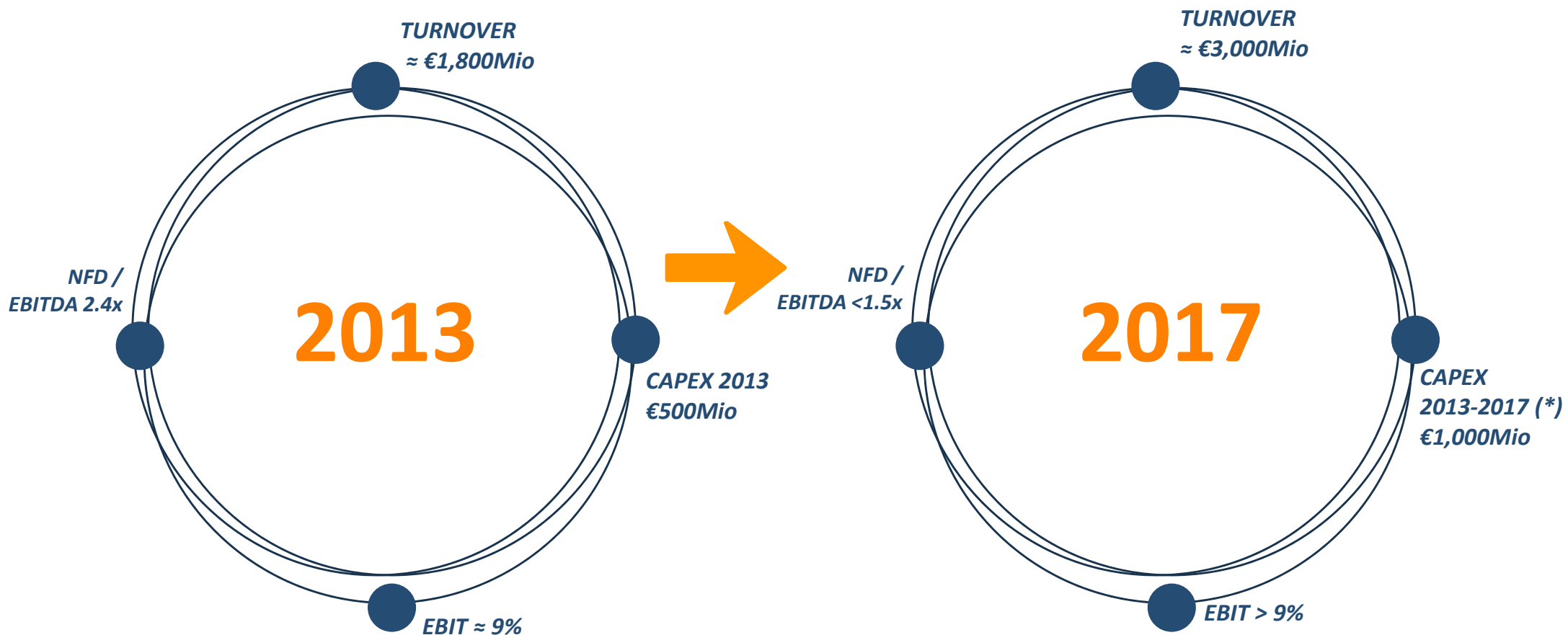
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Strategic Thinking 2013-2017



STRATEGIC THINKING 2013-2017:

REAFFIRMING OUR STRATEGY



(*) Maintenance investment ≈ € 500 Mio

Greenfields ≈ €250Mio

Inorganic Growth ≈ €250Mio (mainly Mahindra CIE)

Key factors of the project for 2015 are:

**Market share
increase additional
to European market
growth**

**CIE standards
achievement in
Mahindra Europe**

**Strategic products
launch in NAFTA
with higher
margins**

**Productivity
and market
share increase in
Brazil**

**Improvement
rhythm of our
operations in Asia**

**Smart Innovation
division
consolidation**

STRATEGIC COMMITMENT 2013-2017:

REAFFIRMING OUR STRATEGY

*In 2015 we expect to **anticipate**
the guidance for **Net Profit**
expected for 2017*



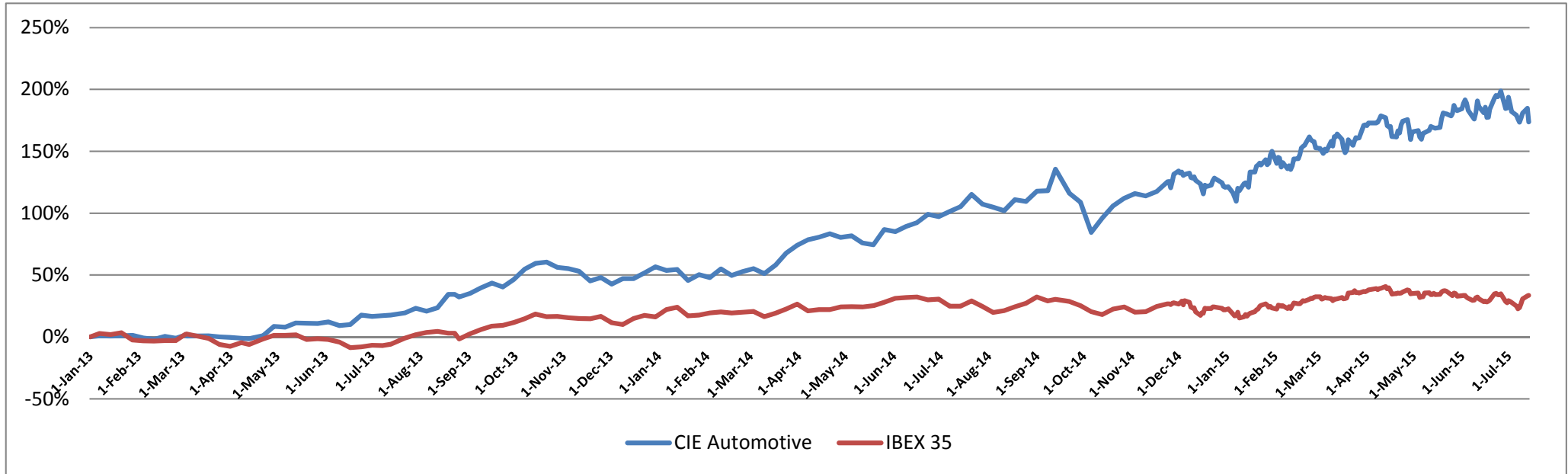
06

CIE in Stock Exchange

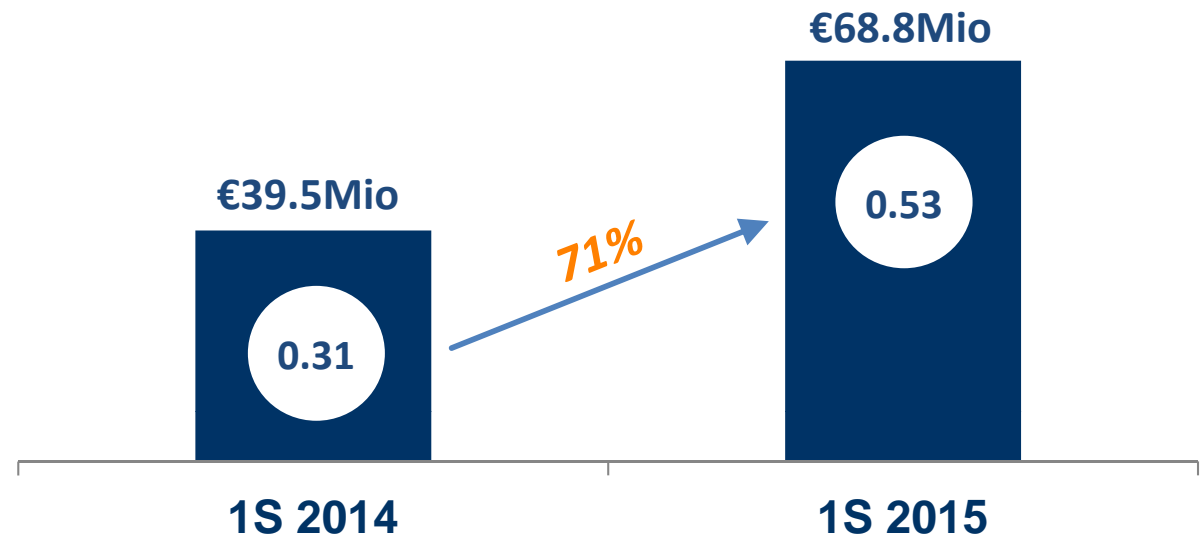


CIE IN STOCK EXCHANGE

*CIE share price
Performance vs Ibex 35*



*Net Income (€Mio) and
Income per share (€)*



CIE IN STOCK EXCHANGE



	2015 until July 22th	2014	2013	2012
Market Cap (€ Mio)	1,948	1,453	950	593
Number of shares (Mio)	129	129	119	114
Last Price of period (euros)	15.10	11.26	8.00	5.20
Maximum Price of period (euros)	15.33	12.29	8.35	5.86
Minimum Price of period (euros)	10.65	7.21	5.00	5.06
Volume (thousand shares)	37,728	62,970	44,953	13,303
Effective (€ Mio)	496	600	277	72

Source: Madrid Stock Exchange

A scenic view of the Golden Gate Bridge in San Francisco at sunset. The bridge's towers and suspension cables are silhouetted against a warm, orange and yellow sky. In the foreground, dark, jagged rocks line a beach with gentle waves washing onto the sand. A single bird is seen flying in the clear sky to the left of the bridge.

Thank You

 **CIE** *Automotive*