

# *Mid Term Financial Report*

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*31<sup>st</sup> March 2015*

*Managing high value  
added processes*



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*CIE in the Stock  
Exchange*

A photograph of a business meeting. Two people in suits are seated at a table. One person is pointing at a laptop screen while the other looks on. There are papers, a glass of water, and a pen on the table. The scene is lit with a warm, orange glow.

# 1Q Results 1Q 2015

# 1Q 2015 CIE GROUP RESULTS

(€Mio)	1Q 2014	%	1Q 2015
Turnover	530.7		662.5
Adjusted Turnover (*)	516.3	<b>+28%</b>	662.5
EBITDA (**)	70.2	<b>+31%</b>	92.0
% EBITDA on adjusted turnover	13.6%		13.9%
EBIT (**)	44.0	<b>+37%</b>	60.3
% EBIT on adjusted turnover	8.5%		9.1%
EBT (**)	31.3		48.3
Net Income (**)	19.4	<b>+60%</b>	31.1

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

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

# 1Q 2015 CIE GROUP RESULTS



- **First full quarter** with new consolidation perimeter of the group
- **Historical records in** Turnover, EBITDA and Net Income. Turnover increases by 28% during quarter, EBITDA by 31% and Net Income reaches 31.1€mio, 60% higher than 1Q 2014
- Both Nafta and Europe maintain an **excellent situation** in relation to margins
- **Dominion** results are consolidated in the **high end of the prevision range** reducing, also, the effect of the usual first quarter seasonality
- **Exchange rate affects positively** in this period comparison approximately by 2 €mio at Net Income level

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Automotive



# 1Q 2015 AUTOMOTIVE RESULTS

(€Mio)	1Q 2014	%	1Q 2015
Turnover	491.5		548.2
Adjusted Turnover (*)	477.2	+15%	548.2
EBITDA (**)	66.7	+26%	84.1
% EBITDA on adjusted turnover	14.0%		15.3%
EBIT (**)	41.9	+33%	55.5
% EBIT on adjusted turnover	8.8%		10.1%

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

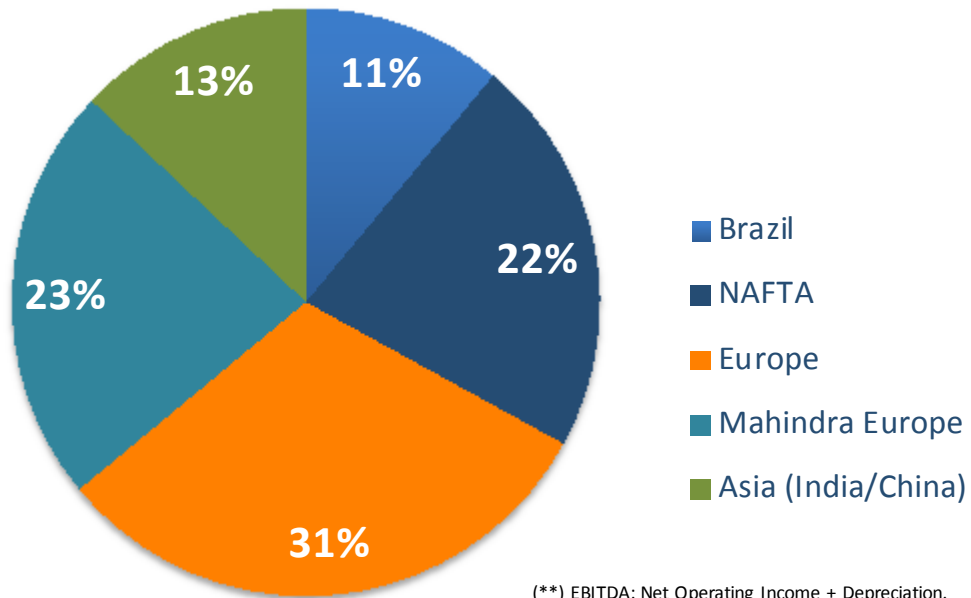
(\*\*) EBITDA: Net Operating Income + Depreciation, EBIT: Net Operating Income.

- The behavior of NAFTA market and the excellent level of operative profitability of the Mexican and European plants, have contributed to easing the Brazilian bad market situation and the lower margins of Mahindra plants integrated in 2014.
- To be highlighted the recovery of EBIT margin having reached, in this first quarter, a double digit level.

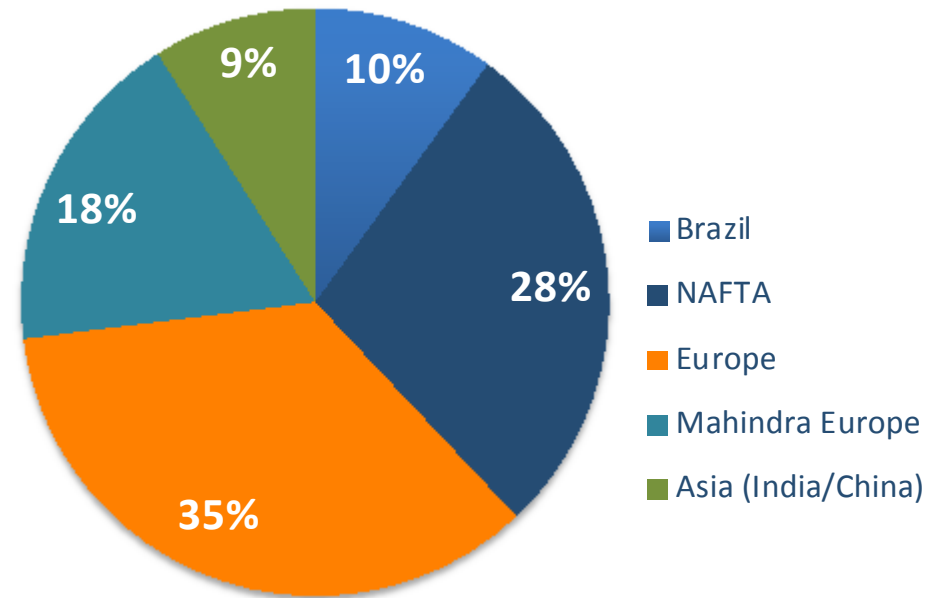


# 1Q 2015 AUTOMOTIVE GEOGRAPHICAL DISTRIBUTION

## Turnover



## EBITDA (\*)



(\*\*) EBITDA: Net Operating Income + Depreciation.

- Group evolution towards market diversification

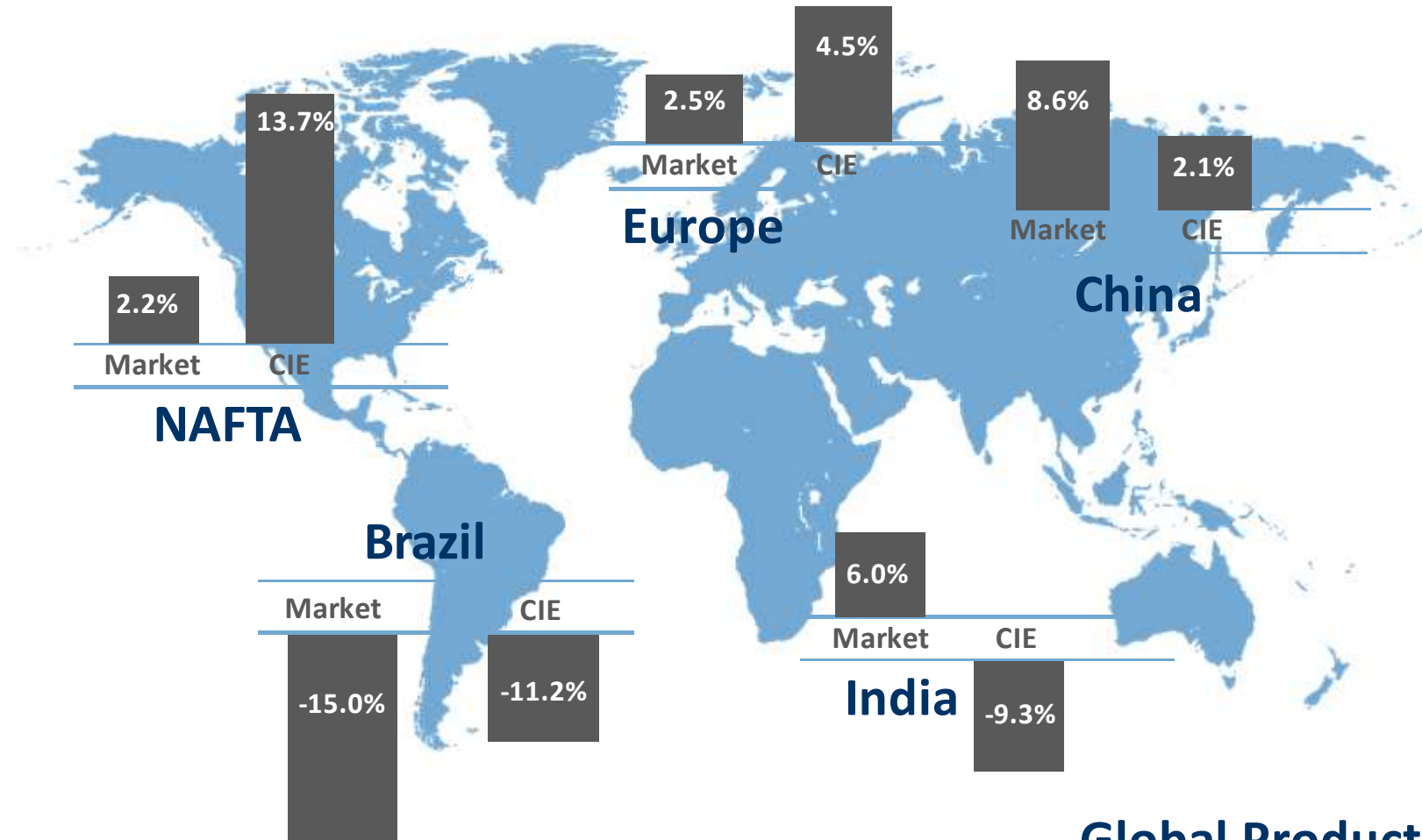
# 1Q 2015 AUTOMOTIVE PROFITABILITY BY REGION

Ex-Mahindra Europe	<ul style="list-style-type: none"><li>EBITDA: 17.1%</li><li>EBIT: 10.0%</li></ul>	>	EBITDA margin, far above the market average, improves 2.2 points comparing to 1Q 2014, reaching double digit level in EBIT margin
Mahindra Europe	<ul style="list-style-type: none"><li>EBITDA: 12.1%</li><li>EBIT: 7.6%</li></ul>	>	Margins growing improvement, in its way to achieving CIE Group standards
NAFTA	<ul style="list-style-type: none"><li>EBITDA: 20.3%</li><li>EBIT: 16.5%</li></ul>	>	EBITDA margin from 18.5% in 1Q 2014 to 20.3% and EBIT margin, significantly higher than CIE Group average, continue improving from 15% in 1Q 2014 to 16.5%
Brazil	<ul style="list-style-type: none"><li>EBITDA: 14.1%</li><li>EBIT: 8.9%</li></ul>	>	Margins still penalized by the market's bad situation, and helped by annual adjustments in prices usual in this first quarter
Asia (India/China)	<ul style="list-style-type: none"><li>EBITDA: 10.0%</li><li>EBIT: 5.5%</li></ul>	>	Drop of 3,5 points in EBIT margin, penalized by the delay in launching of new models of our Indian customers India: productive improvements in process, with a lower rhythm than expected; China: facing the challenge of new projects industrialization

# GROWTH 2014-2015(%)



Market growth vs CIE organic growth (\*)



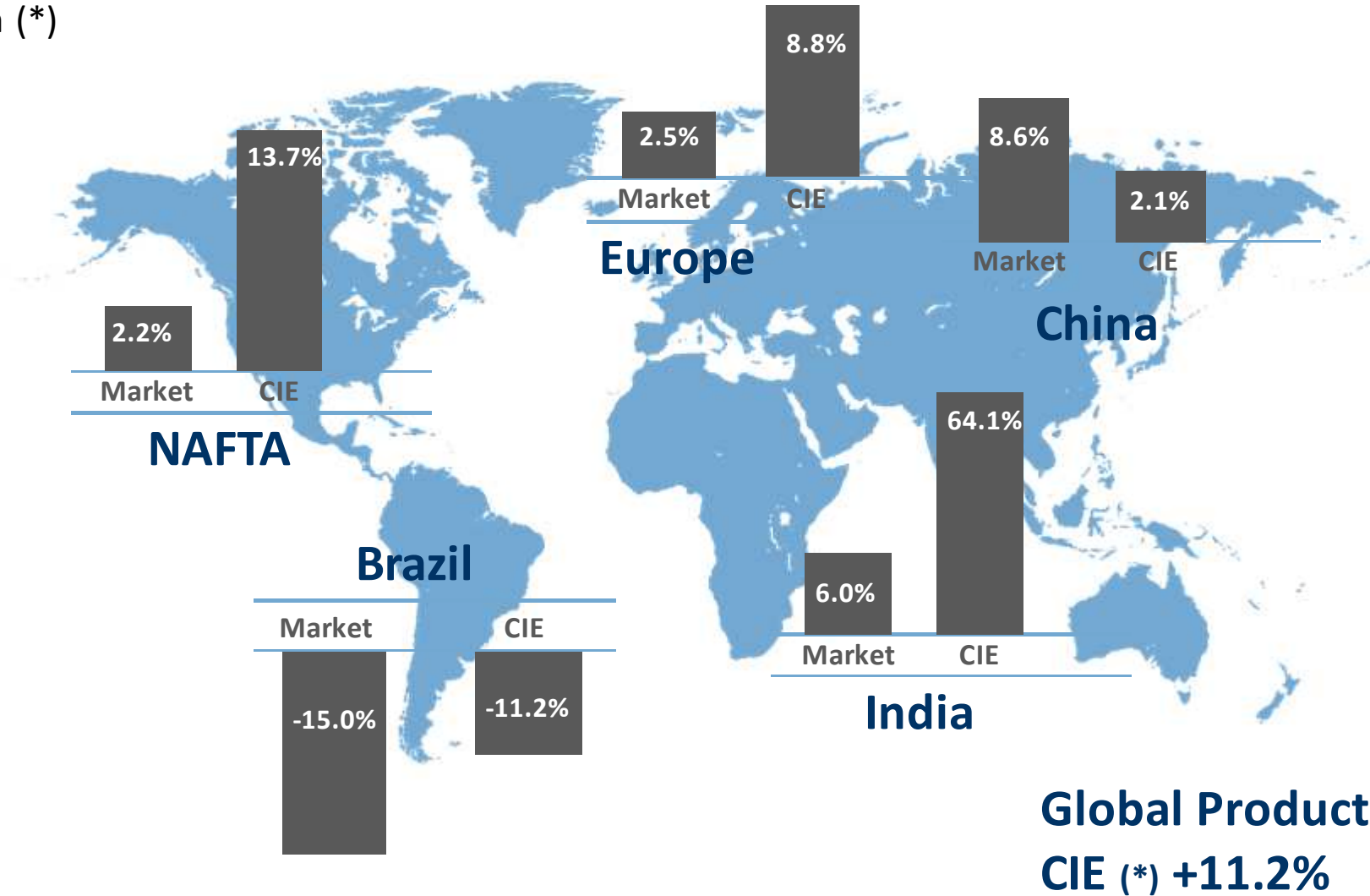
**Global Production +2.0%**  
**CIE (\*) +2.6%**

(\*) Growth considering same perimeter and same exchange rate

Source: Motor vehicle production IHS march 2015

# GROWTH 2014-2015 (%)

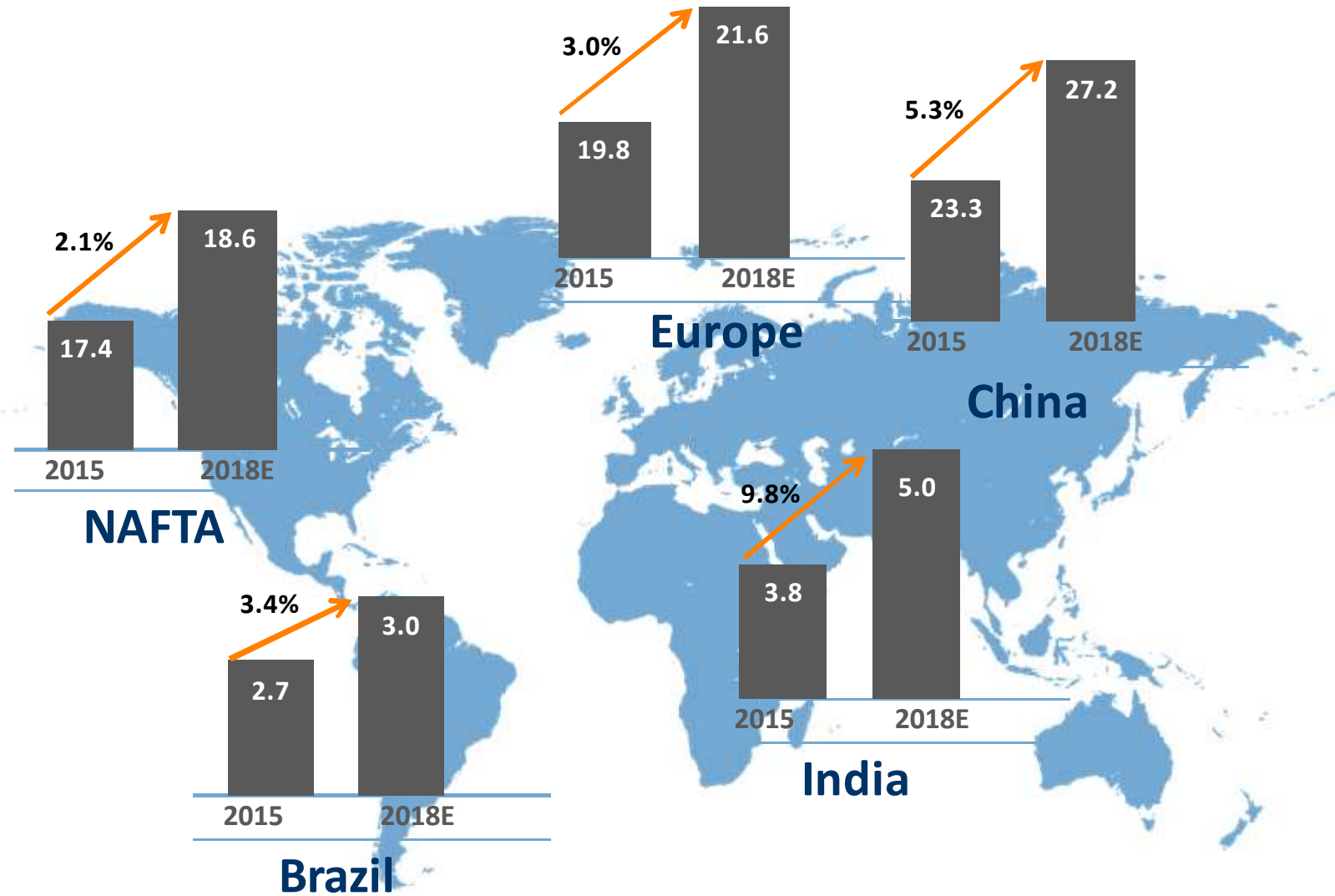
Market growth vs CIE organic and perimeter growth (\*)



Source: Motor vehicle production IHS march 2015

(\*) Growth considering same exchange rates

# GROWTH 2015-2018 (Mio Units)



Source: Motor vehicle production IHS march 2015  
% Growth: CAGR (Compound Annual Growth Rate)

**Global Production +3.2%**



# 3 0 Dominion

# 1Q 2015 DOMINION RESULTS

(€Mio)	1Q 2014	%	1Q 2015
Turnover	39.2	191%	114.3
EBITDA (*)	3.5	125%	7.9
% EBITDA on turnover	8.8%		6.9%
EBIT (*)	2.1	128%	4.8
% EBIT on turnover	5.5%		4.2%

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

- First full quarter of Dominion project, adding all its business of Solutions and Services over the Smart Innovation driver.
- Excellent results, obtained in a quarter traditionally affected by a strong seasonality, which lead us to reaffirm advanced commitments of result for the year.

# 1Q 2015 DOMINION PROFITABILITY BY BUSINESS UNITS

## SOLUTIONS

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Turnover: 49.2 €mio

Contribution Margin (\*): 14.5%

## SERVICES

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Turnover: 65.1 €mio

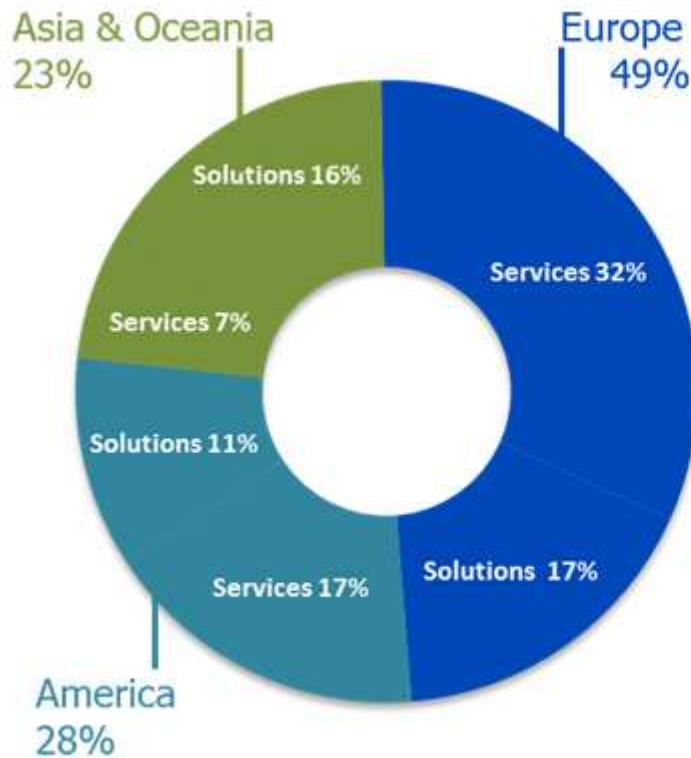
Contribution Margin (\*): 9.2%

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

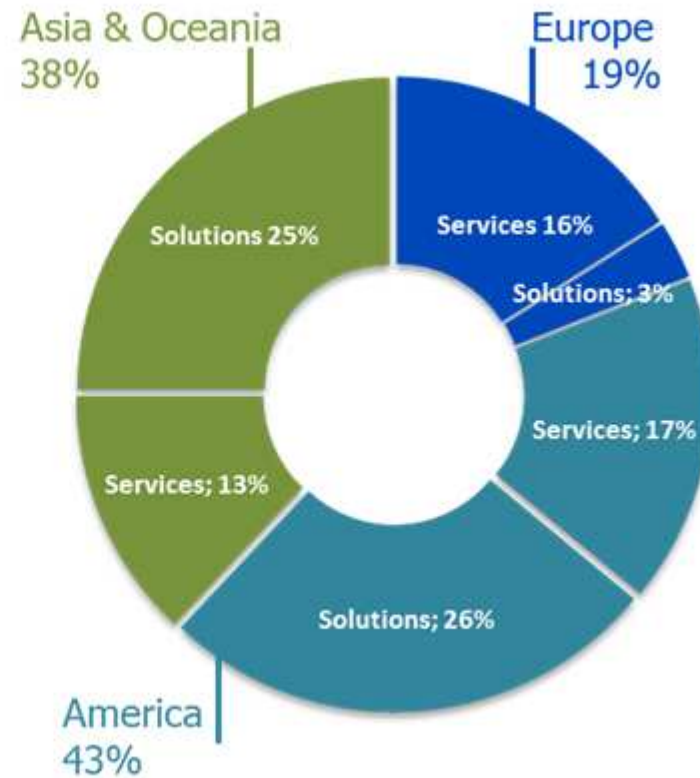


# 1Q2015 DOMINION GEOGRAPHICAL AND BUSINESS UNITS DISTRIBUTION

2015  
TURNOVER



2015 CONTRIBUTION  
MARGIN (\*)



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

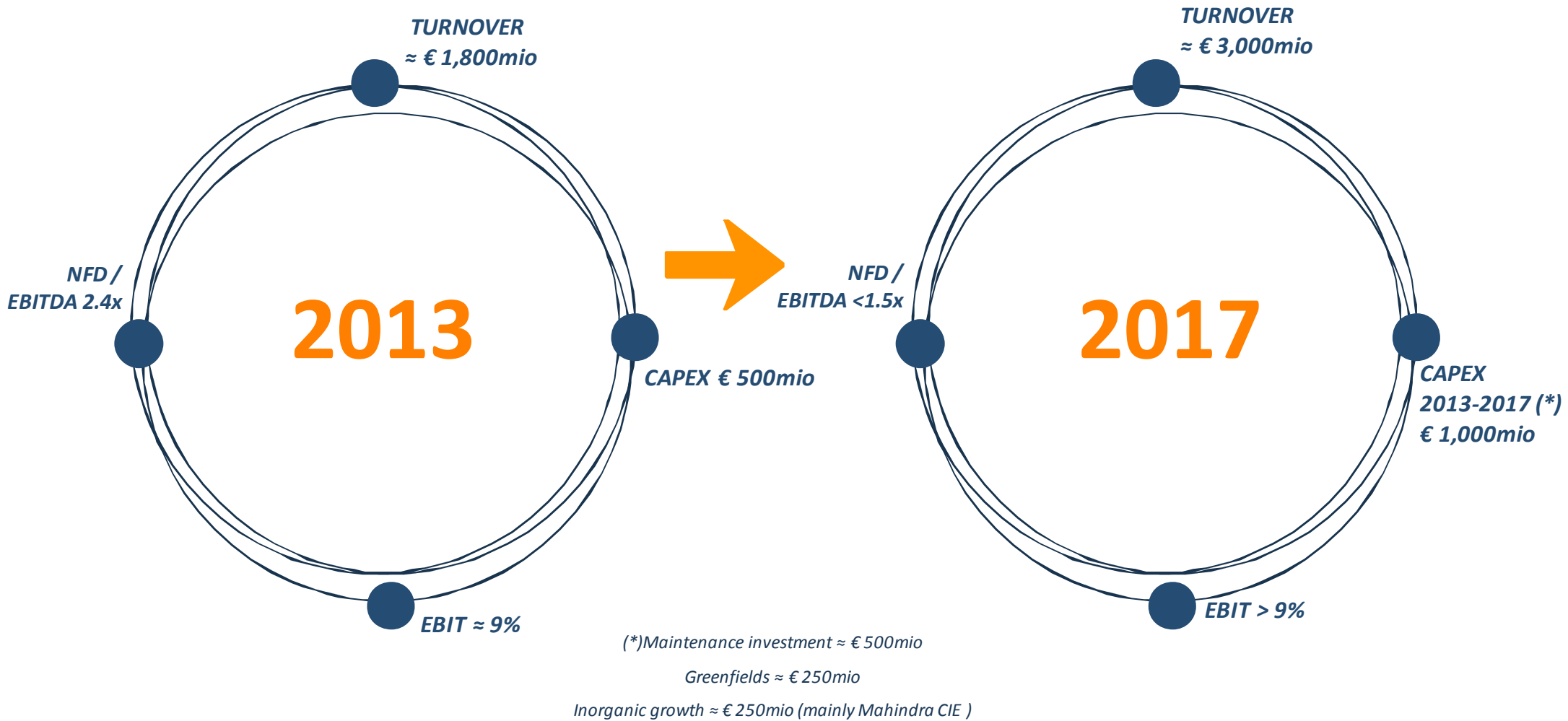
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# Strategic Thinking 2013-2017



# STRATEGIC COMMITMENT 2013-2017:

REAFFIRMING OUR STRATEGY



# 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 THINKING 2013-2017:

REAFFIRMING OUR STRATEGY

*In **2015**, we expect to **achieve**  
the guidance for **Net Profit**  
initially expected for 2017*



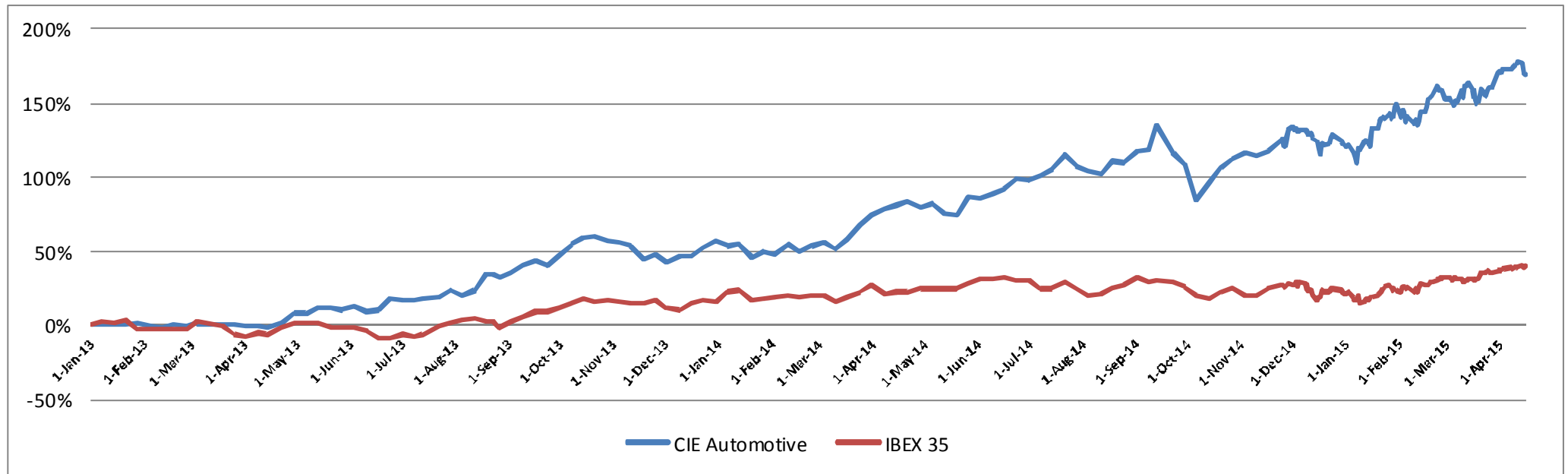
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# CIE in the Stock Exchange

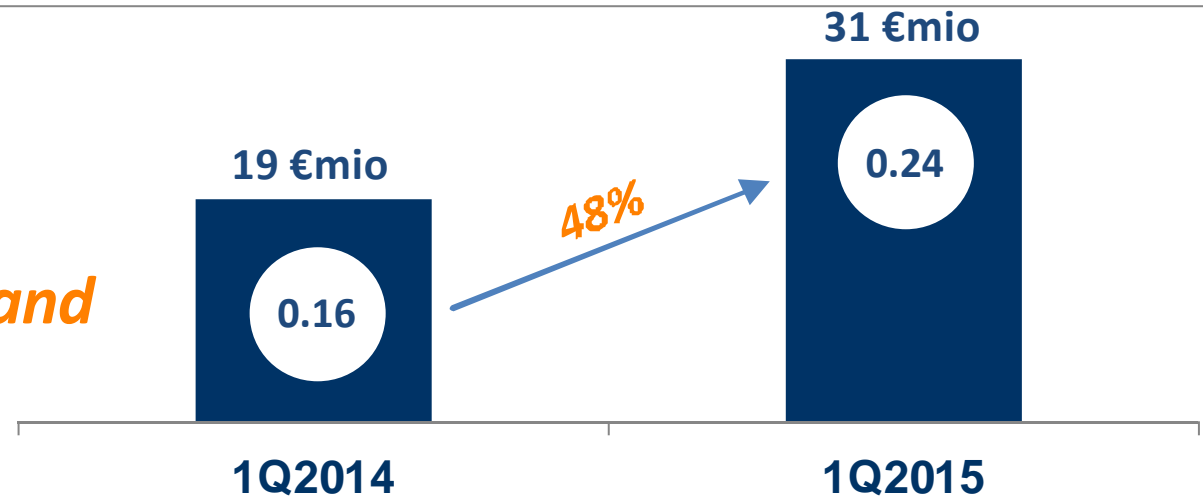


# CIE IN THE STOCK EXCHANGE

*CIE share price performance vs Ibex 35*



*Quarterly Net Income (€Mio) and Income Per Share (€)*



# CIE IN THE STOCK EXCHANGE



	2015 until 10 <sup>th</sup> May	2014	2013	2012
Market Cap* (€ Mio)	1,744	1,453	950	593
Number of shares (Mio)	129	129	119	114
Last Price of period (Euros)	13.52	11.26	8.00	5.20
Maximum Price of period (Euros)	14.25	12.29	8.35	5.86
Minimum Price of period (Euros)	10.65	7.21	5.00	5.06
Volume (thousand shares)	25,303	62,970	44,953	13,303
Effective (€ Mio)	319	600	277	72

Source: Madrid Stock Exchange



A scenic photograph of the Golden Gate Bridge in San Francisco at sunset. The bridge's iconic towers and suspension cables are silhouetted against a warm, orange and yellow sky. In the foreground, a rocky beach with dark, jagged rocks is visible, with waves crashing against them. The overall mood is peaceful and nostalgic.

*Thank You*

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 **CIE** *Automotive*