

**Annual Report 2006**



***CIE Automotive***

**Multi-technology  
in a global market**

# [ MULTI-TECHNOLOGY IN A GLOBAL MARKET ]

The difference is in the way we do things



## Key figures

### Financial data

*(million euro)	2002 <sup>(1)</sup>	2003 <sup>(1)</sup>	2004 <sup>(2)</sup>	2005 <sup>(2)</sup>	2006 <sup>(2)</sup>	05 vs. 06
Revenues <sup>*</sup>	480.8	570.6	670.0	782.0	958.5	23%
EBITDA <sup>*</sup>	53.1	79.6	91.3	116.4	133.3	15%
EBIT <sup>*</sup>	16.4	34.0	42.0	59.0	73.7	25%
Net profit <sup>*</sup>	2.6	13.1	19.8	35.1	42.2	20%

Return on capital employed - ROCE (%)<sup>(3)</sup>

	4.2	8.2	9.8	13.0	14.2
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Earnings per share (euro)<sup>(4)</sup>

	0.03	0.12	0.17	0.31	0.37
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Equity (million euro)<sup>\*</sup>

	144.8	151.7	174.1	216.9	261.6
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Employees<sup>(5)</sup>

	4.940	5.381	5.804	6.525	8.762	34%
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### Share data

	(a 31-12-06)	(a 31-03-07)
Number of shares	114.000.000	114.000.000
Share price (euro per share)	7.25	8.45
Market Capitalisation (euro)	826.500.000	963.300.000
Dividend per share (euro) <sup>(6)</sup>	0.11	0.11

(1) Spanish GAAP

(2) IAS/IFRS

(3) Ratio calculated as: EBIT/(Equity + Net Financial Debt)

(4) Fully diluted after 5-for-1 split. May 2006.

(5) 2006 figure includes 100% of employees at joint ventures (1,696 on average in 2006)

but not GSB Acero (761 on average in 2006).

(6) Proposal submitted to the Shareholders' Meeting.

# Letter to the shareholders

*These good results enable us to look to the future with optimism.*

It was a very important year in CIE Automotive's history. The acquisition of Bionor and our resulting move into the biofuels business takes the company down a new road – one that is perfectly coherent with CIE Automotive's history, mission and aspirations. Since it was founded, CIE Automotive has defined itself as an industrial group focused on fast-growing businesses and specialised in managing high value-added processes, with a global presence, advanced technology and a permanent commitment to innovation and service.



*This year, once again, our results ratified the validity of that business approach: revenues increased by 23% and EBITDA by 15%.*



For years, we have placed these core values at the service of the automobile industry as a supplier of components and subassemblies. We have thus configured a line of business in which we are world leaders, with a presence in all the regions of influence worldwide and an unparalleled capability to provide a multi-technology response.

This model's effectiveness is evidenced by the sustained growth in sales and earnings year after year. This year, once again, our results ratified the validity of that business approach: revenues increased by 23% and EBITDA by 15%.

As a result, the Board of Directors will ask the Shareholders' Meeting to approve a dividend of 11 euro cent per share, in line with previous years.

Additionally, a number of strategic decisions will enhance CIE Automotive's position in the industry. Divesting the steel business and strengthening our presence in Mexico, Brazil, Czech Republic, Rumania and China, through acquisitions, alliances and strong organic growth, give us a high degree of flexibility and stability with which to face the challenges posed by an ever-changing market.

## **The biofuel challenge**

Our sound business model supported our decision to embark on a new venture. The move into the biofuel business is underpinned by our management capacity, which is perfectly equipped to handle the entire alternative fuel process, a market which is as yet incipient but has enormous future potential.

We take an integrated view of the biofuel business, from obtaining the raw material to processing, distribution and final sale, applying our skills and resources throughout the value chain.

CIE Automotive has placed itself at the head of this nascent industry through the acquisition of Bionor; which has production plants in Spain and Italy and a Europe-wide distribution network, and by establishing Naturoil in Brazil. Our competitive advantages are indisputable: our long-standing multitechnology approach gives us the utmost flexibility, which can be applied to a range of raw materials; we have agreements to obtain a sustained supply of raw materials; we have an efficient distribution network of our own, and we have an industrial culture with a proven track record in managing complex projects.

*We take a comprehensive view of the biofuel business, applying our skills and resources throughout the value chain.*

Biofuel contributed 6.8% of the Group's revenues in 2006, but we believe it can provide up to 40% on the basis of projected growth in the ecological fuel industry, with the determined support of the EU and its member states. Accordingly, CIE Automotive has adopted an optimal position vis-à-vis this opportunity.

We are pleased to observe that the market understands our strategy. CIE Automotive's share continues to perform superbly; its sustained appreciation ratifies that we are on the right track. Moreover, the share graduated from trading under the fixing trading system to the big board of Spain's electronic market. Our immediate goal is to increase the free float so as to admit more investors.

We cannot conclude this message without expressing our most sincere thanks to our over 10,000 employees. CIE Automotive is a major group with a presence in three continents. We are bound together by a common business culture, a vision, and a set of shared values, which we strive to cultivate day after day through continuous improvement and training.

We are also grateful to our shareholders for sharing with us the fascinating journey of building a top-rank industrial group.

Antón Pradera  
*Chairman*

Ignacio Martín  
*Chief Executive Officer*



# Our commitments

## Mission

- We are an industrial group specialised in managing high value-added processes.
  - We have applied this concept so as to become a supplier of components and subassemblies to the global automobile market, using complementary technologies and a range of associated processes.
  - We apply this concept to management in general, with an integrated vision of all phases of the value chain in fast-growing industries, such as biofuel.
- We are growing steadily and profitably with the aim of becoming a benchmark partner by meeting our customers' needs through innovative, competitive end-to-end, high value-added solutions.
- We seek excellence through the following commitments:
  - Continuous improvement of processes and efficient management.
  - Encouraging participation, involvement and teamwork in a pleasant, safe work environment.
  - Transparency and integrity in everything we do.
  - Respect for the environment.

## Vision

- We aim to be a benchmark industrial group specialised in managing high value-added processes.
- We aim to:
  - Be a benchmark for quality, technology, innovation, design and procurement.
  - Excellent in management.
  - Become the paradigm of a sustainable business.

## Values

- Orientation towards external and internal customers, and a service-based attitude.
- Respect for people, their initiative, creativity, innovativeness, participation and teamwork.
- Capacity to attain goals and create value.
- Positive attitude to change and continuous improvement.
- Responsibility and integrity, and a commitment to a job well done.





# Our presence worldwide

## AMERICA

### South America

#### Brazil

Forging: 1 plant  
 Stamping, tube forming and welding: 3 plants  
 Casting: 1 plant  
 Machining: 2 plants  
 Plastic: 4 plants  
 Biofuel: 1 plant in construction  
 Total: 11 plants

### NAFTA

#### Mexico

Aluminium: 1 plant  
 Stamping, tube forming and welding: 3 plants  
 Machining: 1 plant  
 Plastic: 4 plants  
 Total: 9 plants

## EUROPE

### Western Europe

#### Spain

Aluminium: 4 plants (1 JV)  
 Forging: 4 plants  
 Stamping, tube forming and welding: 3 plants  
 Machining: 3 plants  
 Plastic: 1 plant  
 Biofuel: 1 operating plant  
 3 plants in construction  
 1 distribution company

#### Portugal

Plastic: 1 plant

#### Italy

Biofuel: 1 operating plant  
 Total: 18 plants

### Central and Eastern Europe

#### Czech Republic

Stamping, tube forming and welding: 2 plants  
 Plastic: 1 plant  
 Machining: 1 plant

#### Rumania

Aluminium: 1 plant  
 Total: 5 plants

## ASIA

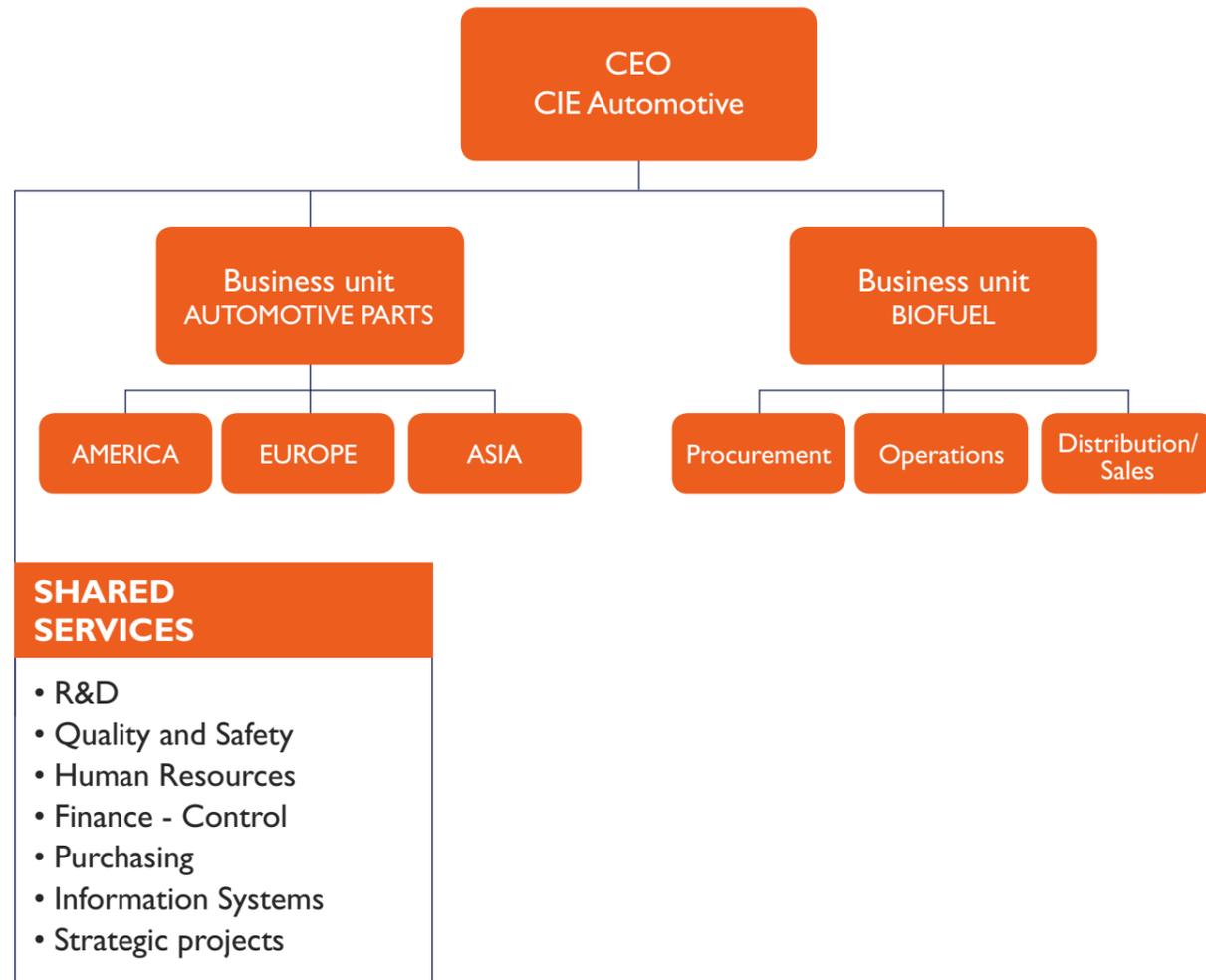
### China

Stamping, tube forming and welding: 1 plant  
 Total: 1 plant

	AMERICA			EUROPE			ASIA		
	2005	2006	Change	2005	2006 <sup>(1)</sup>	Change	2005	2006	Change
Sales <sub>(million €)</sub>	131.8	250.4	+ 89,9%	650.19	706.9	+ 8,7%	-	1.1	-
EBITDA <sub>(million €)</sub>	23.8	42.1	+ 76,7%	92.52	90.9	- 1,6%	-	0.1	-
Employees <sub>(2)</sub>	2.229	4.881	+ 118,9%	4.276	3.840	- 10,1%	20	41	+ 105%

(1) Includes biofuel in the second half of the year: revenues 66.2 million euro, EBITDA 1.7 million €.

(2) 2006 figure includes 100% of employees at joint ventures (1,696 on average in 2006) but not GSB Acero (761 on average in 2006).



**Ignacio Martín San Vicente:**

CEO of CIE Automotive.  
Born in 1955, he is an Industrial Engineer.  
He joined CIE Automotive in 2001.



**Ignacio Artázcoz Barrena:**

Corporate Director and CFO.  
Born in 1966, he holds a degree in Economics and Business Administration.  
He joined CIE Automotive in 2001.



**Alfonso Ausín Maeso:**

CEO of Bionor.  
Born in 1945, he is an Industrial Engineer and holds an MBA. He joined CIE Automotive in 1997.



**Jesús Esmorís Esmorís:**

Managing Director Europe.  
Born in 1964, he is an Industrial Engineer. He joined CIE Automotive in 1997.



**Jesús María Herrera Barandiarán:**

Managing Director America.  
Born in 1967, he holds a degree in Economics and Business Administration, and a Master in Internationalisation. He joined CIE Automotive in 1991.



**Iñigo Unzaga Irazábal:**

Director of Strategic Corporate Projects.  
Born in 1965, he is an Industrial Engineer.  
He joined CIE Automotive in 1996.



**Hipólito Zabaleta Sarasúa:**

Sales Director. Born in 1949, he holds a degree in Economics. He joined CIE Automotive in 2001.

## 2006: A group with the will to lead



*In 2006, CIE Automotive increased its presence in emerging countries and opened its first plant in Asia.*

### **2006: A year of new horizons**

CIE Automotive increased revenues by 23% in 2006, to 958 million euro, and attained a similar increase in earnings after taxes, which amounted to 43.3 million euro, exceeding the projections announced at the beginning of the year.

Automotive components are still CIE Automotive's main business, accounting for 93.2% of consolidated sales. Last year, however, the Group added a new business unit – biofuel – which provided 6.8% of total revenues.

Through the acquisition of the Bionor group in July, CIE Automotive is betting on a growing industry and is now the leader in this market in Spain. This position was strengthened by the creation of Naturoil in Brazil in October, through an agreement with Enercom, and the formation of a joint venture with the La Seda group to establish Bioseda, which will build and operate biodiesel plants.

These good results came at a time when the Group repositioned itself, divesting activities designated as non-priorities for its core business, such as its steel division (GSB Acero), and expanding substantially in automobile parts while also moving into biofuels.

### **Globalisation, the key to expansion for CIE Automotive**

The Group's good 2006 results were due primarily to strong performance by the companies in Brazil, Mexico, Czech Republic, Portugal, Rumania and China, which continue to be the growth engines, supported by the solid business foundation in Western Europe.

In 2006, CIE Automotive entered the burgeoning biofuels market

2006 was the first year after the sweeping transformation of the auto parts business into two regional blocks — Europe and America — to which was added Asia when the company established itself in China. This new structure, which has clearly-defined responsibilities for results and returns in each region, was created in order to address the challenges posed by the Strategic Plan and to attain faster growth based on multi-technology.

In 2006, CIE Automotive laid the foundations for growth in NAFTA, specifically in Mexico, through a joint venture with Mexican company Desc Automotive, which was joined by CIE Celaya, Pensa and Stamping & Wheels. Growth in Brazil came from the acquisition of Sada Forjas and the joint venture with Durametal.

The group continued to expand in Europe, starting up CIE Metal, the new multi-technology plant in the Czech Republic, and buying Matricon in Rumania.

CIE Automotive has an industrial base in China after opening CIE Automotive Parts in Shanghai, giving a foothold in Asia, one of the markets with greatest growth potential in the coming years.



## 2006, MONTH BY MONTH

### January / February

- CIE Automotive established a joint venture with Desc Automotive to manufacture and market multitechnology components and sub-assemblies in NAFTA.

### February

- CIE Automotive presented its 2005 results. Revenues totalled 878 million euro, 19% more than in the previous year, and net profit amounted to 35.1 million euro.

### March

- Foundation of the Automotive Intelligence Center (AIC) in Amorebieta and Ermua (Bizkaia), the first centre in Europe focused on generating value in the automotive industry; CIE Automotive is a founding partner.
- CIE Automotive joined Euskalit, the Basque foundation for quality.

### April

- CIE Automotive acquired Brazilian forging and machining company Sada Forjas (renamed Autoforjas).
- CIE Legazpi plant obtained OHSAS 18001 workplace safety certification.

### May

- Internationalisation 2005 award for CIE Automotive from the Guipúzkoa Chamber of Commerce.
- CIE Automotive joined the automotive quality committee of AEC (Spanish Association for Quality).

### June

- Figueira Da Foz obtained development office certification under ISO 9001.

### July

- The Group entered the biofuel business by acquiring a majority stake in Bionor, which has 2 plants (Spain and Italy) and its own distribution network.

### September

- CIE Automotive reached an agreement with Brazilian iron foundry Durametal to establish a joint venture.
- Through a takeover bid, CIE Automotive acquired Rumanian company Matricon, which engages in aluminium injection, machining and die manufacture.
- CIE Autometal Bahía plant obtained the highest quality recognition, Q1, from Ford, its main customer.

### October

- CIE Automotive founded Naturoil to produce biodiesel in Brazil.
- Euskalit granted CIE Gameko and CIE Legazpi recognition of excellence in management under the EFQM (European Foundation for Quality Management) model.

### November

- CIE Inyectametal plant obtained ISO 14000 environmental certification.
- CIE Galfor obtained the prestigious Applus+ Excellence award.
- The first stone was laid for the Derramadero plant, which will paint and assemble beds for pick-up trucks. Mexico.

### December

- CIE Automotive signed a joint venture agreement with Chinese company Sandun, which engages in plastic injection, flocking, and assembly of interior trim sub-assemblies.
- CIE Automotive established an alliance with Spanish company La Seda de Barcelona to develop biodiesel plants on that company's plant sites.
- CIE Plasty plant obtained OHSAS 18001 workplace safety certification.
- CIE Metal plant, in Czech Republic, obtained ISO/TS 16949 certification after its first year in operation.
- CIE Automotive sold its steel division (GSB Acero) to Sidenor, owned by the Brazilian group Gerdau.



## Biofuel: a bet for the future

In the second half of 2006, CIE Automotive made a determined move into a new fast-growing industry: biofuel. An investment of 26.6 million euro secured control of the Bionor group in July.

The biofuel market has considerable growth potential because of the environmental benefits of biodiesel and bioethanol (reduction of CO<sub>2</sub> emissions, a sustainable renewable energy source, reduction of dependence on oil, etc.) and of its potential as a driver of agricultural and social development.

Moreover, the ecological fuel business has brilliant future prospects in view of the European Union's fuel consumption goals, which will make it necessary to increase biofuel production capacity by 40% per year.

### **A leader joins CIE Automotive**

Bionor is currently Spain's leading producer of biodiesel, with two plants in operation, in Spain and Italy. At the end of 2006, CIE Automotive's biofuel business accounted for 6.8% of total revenues; sales amounted to 66 million euro, and it has capacity to produce 130,000 m<sup>3</sup> of fuel per year, with plans to reach 700,000 m<sup>3</sup> by 2009, focused on the European market through its own sales network.

Through Bionor,  
CIE Automotive is  
Spain's leading  
producer of biofuel

This new business line offers commercial opportunities which began to be developed in 2006 when the company moved into Brazil, the powerhouse of the world biofuel business. Bionor's first project in Brazil was an agreement with Enercom in October 2006 to create Naturoil, owned 80% by CIE Automotive. That company will produce 200,000 tonnes of biodiesel at its new plant in the State of Sao Paulo. The feedstock will be virgin oil; the plant is scheduled to become operational in 2008. In parallel, CIE Automotive continues work with local partners in Brazil to establish an integrated biofuel company.

In Spain, the October agreement between CIE Automotive and La Seda de Barcelona strengthened Bionor's leading position. The joint venture led to the creation of Bioseda, which will build biofuel production plants. It will initially have 3 million euro in equity; Bionor owns 40%. The first project will be in Tarragona, where it is expected to build its first plant in 2008. CIE Automotive will contribute its biofuel know-how, particularly in the area of technology, production and distribution, as well as feedstock procurement and its global presence, which will be an essential factor in optimising costs.

#### **Biofuel in CIE Automotive's business model**

The Group has an integrated vision of the entire biofuel process, from farming, harvesting and processing of feedstock to production and bringing the product to the end user (logistics, distribution and sales), providing effective management capabilities throughout the value chain.

*By creating Naturoil, the Group has established a foothold in Brazil, the world's leading biofuel market*



Last year, this business provided 66 million euro in revenues after joining the Group in July

CIE Automotive's move into biofuel is backed by its experience of managing complex processes in many countries and its proven track record of growth in its own business. The Group's strong technology background provides flexibility to undertake any type of project in terms of raw materials, whether recycled or virgin oils. There is also synergy within the Group due to its industrial culture of a sound group with shared services and its extensive project management experience. All these factors provide assurance of success.

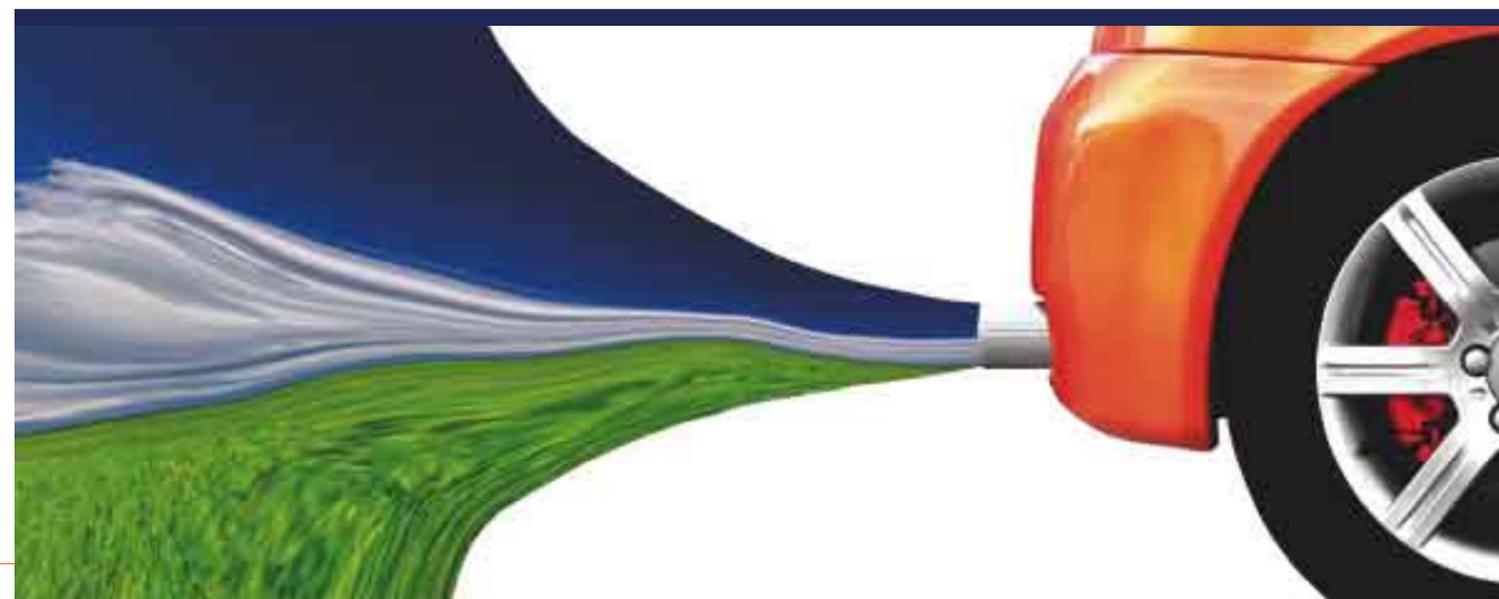
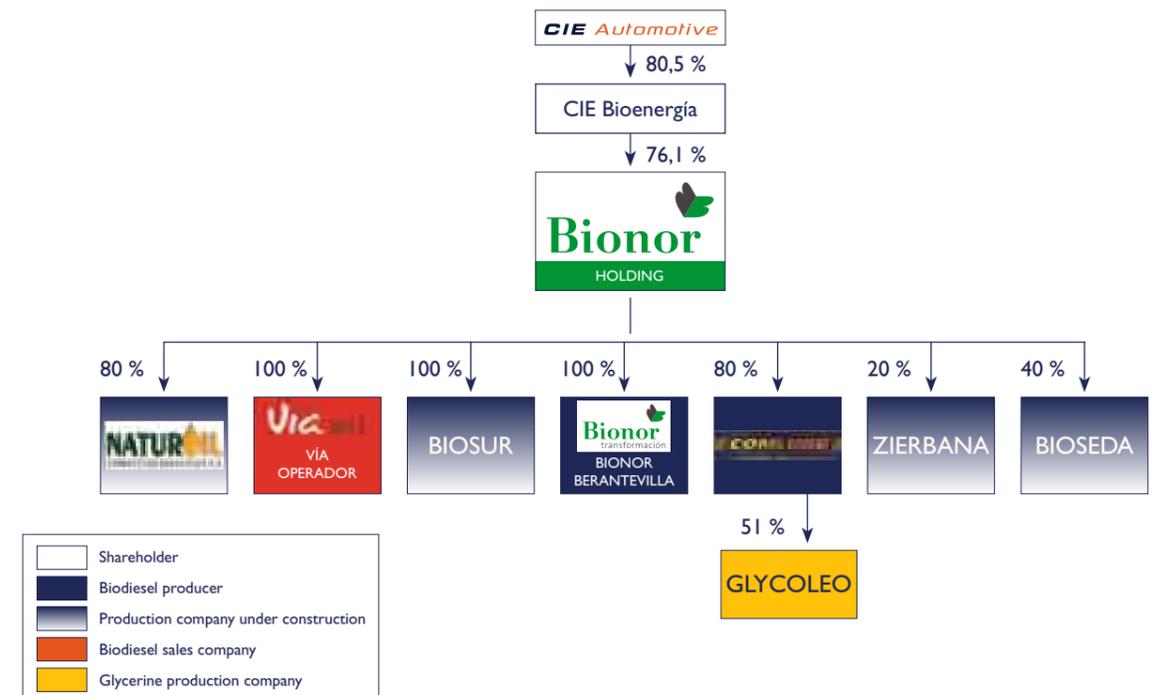
As regards recycled raw materials, CIE Automotive currently produces 30,000 tonnes/year of used oils, fats and oleins and expects to reach 130,000 tonnes/year within a few years. This production capacity offers a competitive advantage by helping to stabilise feedstock prices. Also, with regard to farmed feedstock, the Group is currently considering the possibility of managing its own energy crops and integrating milling with biofuel production. This approach would secure loyalty from farmers and suppliers while reducing logistics costs.

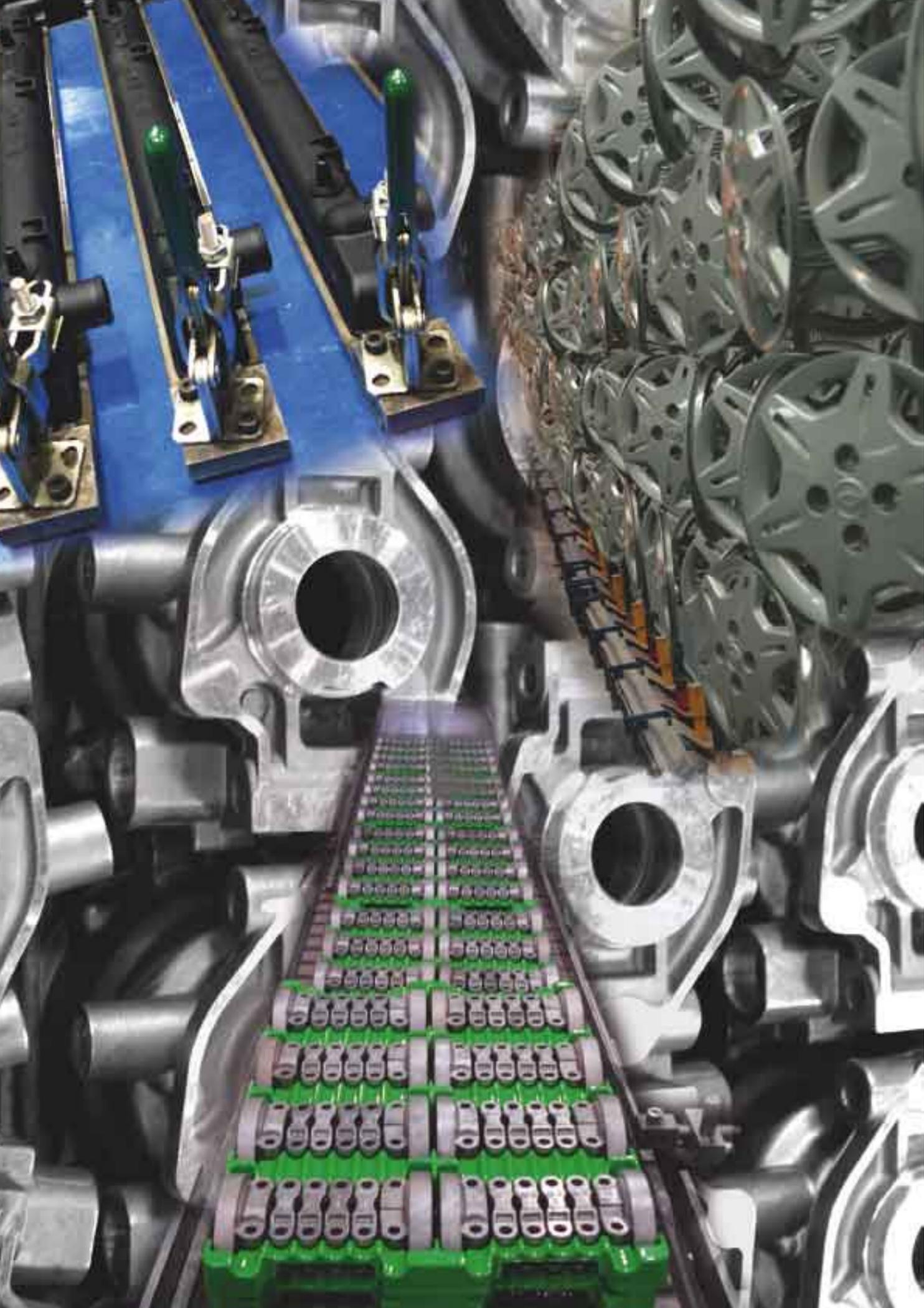
CIE Automotive currently has 2 production plants, in Álava (Spain) and Brescia (Italy), and 5 new plants will be added between 2007 and 2009, including Naturoil's plant in Brazil. The Group contributes its own technologies in treating recycled and virgin oil, as well as its engineering capabilities.

With regard to distribution, CIE Automotive will use its biodiesel production plants as its initial logistics bases for both storing feedstock and selling product; it is looking to the main European markets (Spain, Portugal, Germany, France, Italy, Austria and Slovenia). It will also invest heavily in tank storage capacity and distribution. The Group's distribution network is based on three channels: a presence at 180 service stations, contracts with operators in Spain and Europe, and sale to large Spanish fleets (B50 and B100).



### CIE Automotive's biofuel business





## Automotive:

CIE Automotive leading the industry

**By leveraging the possibilities afforded by multi-technology, CIE Automotive has continued with its strategy of worldwide expansion and innovation in value-added processes and technologies while divesting businesses that are not strategic for future development.**

The Automobile Components business unit is still the Group's mainstay, providing 93.2% of total revenues: 892 million euro, a 14% increase on 2005. In 2006, CIE Automotive showed that its business model based on multi-technology and globalisation is capable of distinguishing it from its rivals despite the industry's maturity. Plants' greater flexibility to adapt to changes, constant improvements in costs, higher value-added in products and processes, and speed in moving into emerging markets were the factors shaping the Group's strategy in 2006.

### **Consolidation in emerging markets and growth in strategic areas**

The year commenced with the joint venture between CIE Automotive and Mexican company Desc Automotriz to manufacture multi-technology automotive components in NAFTA and Central America. CIE Desc is owned 50% each by the two partners and specialises in stamping, aluminium injection and tube forming, as well as associated processes. This transaction represents major expansion of CIE Automotive's multi-technology model and, offers an opportunity to accompany customers in the process of off shoring production from the USA to Mexico, and to expand further. This joint venture, initially formed by CIE Celaya and Pensa, was joined in 2006 by Stamping & Wheels.

An example of expansion in NAFTA is the long-term contract obtained by CIE Desc to paint and outfit pickup truck beds for Daimler Chrysler. The contract will involve building a new plant at Derramadero (Mexico); the first stone was laid in November 2006. The project represents an investment of approximately 40 million euro and will generate around 200 direct jobs.

The Group strengthened its presence in Brazil by integrating Brazilian company Jardim Sistemas Automotives e Industriais (acquired in December 2005), acquiring forging and machining company Sada Forjas (renamed Autoforjas) and setting up a joint venture with iron-casting company Durametal.

Multi-technology and globalisation are the two supports for CIE's activity in this market

Jardim Sistemas is specialised in light stamping, welding, painting and assembly of subassemblies and assemblies for the automobile industry. Its annual revenues total approximately 23 million euro and its clients include Ford, General Motors and Volkswagen as well as Tier 1 suppliers.

The acquisition of Sada Forjas for 43 million euro gives CIE Automotive 24,000 tonnes of forging capacity and the capacity to produce 5 million machined parts per year.

The joint venture with Durametal (investment: 19 million euro), added another technology – casting – to the Group; the goal is for CIE Automotive to become one of the leading manufacturers of brake drums, brake disks and wheel bosses.

Central and Eastern Europe, specifically Czech Republic and Rumania, continues to be a strategic market for CIE Automotive.

The new CIE Metal multi-technology plant in Czech Republic represents a major leap forward for the group in that country, in quantitative and qualitative terms. The plant, which represents approximately 20 million euro in total investment, has the latest machining, welding, painting and axle assembly technology.

In September 2006, CIE Automotive completed the acquisition of Rumanian company Matricon for 4 million euro. Matricon, which engages in aluminium injection, machining and die production for the European market, strengthens CIE Automotive's position in Eastern Europe in a country with a highly-educated workforce and strong potential for growth and development in the automobile industry.

This year, CIE Automotive commenced operations in China, which opens the door to Asia, a market where the Group expects to expand considerably. CIE Automotive Parts, located in Shanghai, cost 3 million euro to build and was started up in August 2006; it is a foothold in the Asian market and is owned 100% by the Group. The company has also established a purchasing centre in China to procure raw materials and components for its production processes worldwide.



## CIE AUTOMOTIVE, AN INDUSTRIAL GROUP WITH 6 BASIC TECHNOLOGIES, 45 PLANTS AND 10,750 PROFESSIONALS\*

### Our technology

#### ALUMINIUM

Country	Plant
Spain (I J.V. GSB-TBK)	6
Mexico	1
Rumania	1

Employees.....1.203  
Prod. cap. ....38.000 tonnes/year

#### FORGING

Country	Plant
Spain	4
Brazil	1

Employees.....1.208  
Prod. cap. ....152.000 tonnes/year

#### STAMPING, TUBE FORMING AND WELDING

Country	Plant
Spain	3
Czech Republic	3
Brazil	3
Mexico	4
China	1

Employees.....4.265  
Prod. cap. ....216.000 tonnes/year

#### CASTING

Country	Plant
Brazil	1

Employees.....400  
Prod. cap. ....60.000 tonnes/year

#### MACHINING

Country	Plant
Spain	13
Czech Republic	3
Brazil	2
Mexico	2

Employees.....1.826  
Prod. cap. ....164 million/year

#### PLASTIC

Country	Plant
Spain	1
Portugal	1
Czech Republic	1
Brazil	4
China	1

Employees.....1.797  
Prod. cap. ....18.500 tonnes/year

(\* Figures for 31 March 2007. Includes acquisitions in the first quarter of 2007 (Recyde, Nakayone, Nugar)

### Our products

#### ENGINE AND POWERTRAIN

**ASSEMBLIES:**

- Fluid management: oil and water pumps

**COMPONENTS FOR:**

- Engine: crankshafts, crank-cases, engine-balancing shafts, cylinder head covers, supports, common rail systems
- Gearboxes and differential gearboxes: casings and shafts
- Transmission
- Cooling
- Soundproofing
- Anti-vibration

#### CHASSIS AND STEERING

**ASSEMBLIES:**

- Complete rear axles
- Control arms
- Crossbeams
- Front-end

**COMPONENTS FOR:**

- Brake
- Suspension
- Chassis
- Axles
- Front-end

#### EXTERIOR /INTERIOR TRIM

**ASSEMBLIES:**

- Central console
- Cupholders

**COMPONENTS FOR:**

- Exterior trim
- Interior trim
- Cockpit subassemblies
- Airbag
- Electric connections
- Seatbelts



*CIE Automotive continues to assume the principles of business excellence as a fundamental part of its strategy*

## Operational Excellence: Avanza programme

CIE Automotive continues to assume the principles of business excellence as a fundamental part of its strategy, putting quality in its products and systems above everything else.

The company's policy is based on four indispensable principles:

- Safety
- Training
- Systematic Reviews
- Continuous Improvement

### **5S in daily work**

After working for several years to implement the Avanza programme and the 5S methodology (Sorting out, Systematic arrangement, Spic and span, Standardising and Self-Discipline), in 2006 we began the first systematic audits at all plants.

This was done with the assistance of Euskalit's 5S Evaluators' Club. The audit report includes a common section for all areas, measuring involvement by the people in the specific area and by management, and a specific section for each auditable area (office, workshop or information system).

CIE Legazpi was the first company in the group to undergo a 5S audit with Euskalit. That plant began the Avanza programme in 2004 with a pilot implementation of the OOL methodology in one section. Once this was successful, the methodology was extended to the other stamping sections. The methodology was rolled out to the entire plant in 2006.



### Quality in biofuels

The addition of the biofuel business posed two fundamental challenges to CIE Automotive in terms of quality.

Firstly, the Group exported its management model, whose basic philosophy (training, safety, systematic reviews, and continuous improvement) ensures that it will also evolve in this new business.

And secondly, the challenge of attaining quality standards, which are vital in the market and required by ISO 14214, which defines biofuel characteristics and is the benchmark for automotive fuels and fatty acid methyl esters (FAME) for diesel engines, and also for the requirements and permitted assay methods; also the requirements for ISO 590 certification, which characterises biodiesel and gives the specifications and assay methods for automotive gasoil.

The fact that we are pioneers worldwide in obtaining a standards-compliant product from used vegetable oil puts CIE Automotive in a clear leading position.

It is notable that this process is environmentally innocuous. The only by-product is glycerine, which has numerous applications in the market.

The process comes close to the "zero pollution" ideal proposed by CIE Automotive in its management policy.

### Avanza Programme: CONCOR system - a success

Avanza is a management programme that seeks excellence in operations on the basis of continuous improvement at all the Group's businesses. Avanza seeks to provide maximum satisfaction to all parties involved by offering the utmost product quality, optimal services and economic efficiency, leading to competitiveness in terms of costs.

The CONCOR management system provides a daily scorecard of the main management indicators to facilitate analysis of the previous day's performance and enable decisions to be made as needed. This management tool is implemented in two stages:

- Oversight of production and identification of problems and solutions.
- Prevention of problems and continuous improvement.

*The CONCOR management system provides a daily scorecard of the main management indicators*



Avanza is a management programme that seeks excellence in operations on the basis of continuous improvement at all the Group's units.

The daily scorecard is divided into five groups, which are updated and monitored on a daily basis:

- External faults: no. of external complaints (ppm)
- Internal faults: internal complaints (ppm)
- Commitment: absenteeism and staff turnover.
- Participation and improvement: no. of suggestions for improvement
- Discipline: 5S

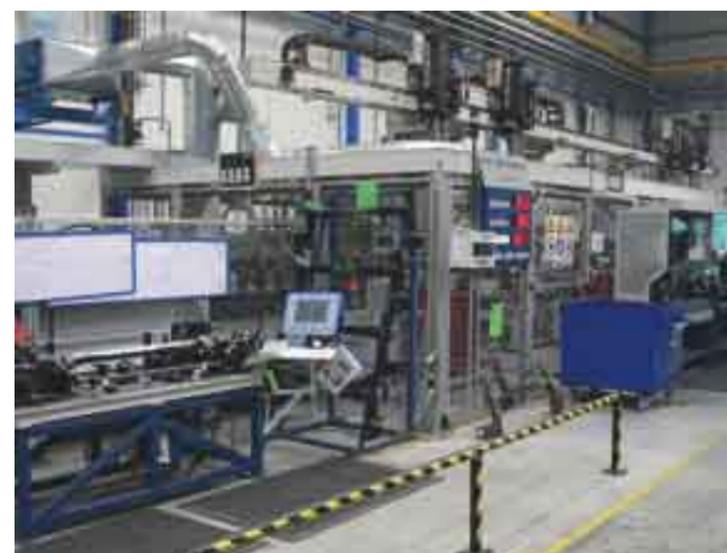
As a result, in 2006, Euskalit (Basque Foundation for Quality) granted CIE Gameko and CIE Legazpi recognition of excellence in management under the EFQM model; CIE Galfor was also granted the prestigious Applus+ Excellence Award.

### Quality and safety rules

CIE Automotive maintains its commitment to quality and safety, as evidenced by the certificates obtained by its plants in 2006.

During the year, in addition to auditing our model to ISO/TS 16949 and ISO 1400, we began standardisation to the OHSAS 18000 occupational health and safety benchmark. GSB Acero, CIE Legazpi and CIE Plasty were the first three plants to achieve this.

The CIE Autometal San Bernardo plant, in Brazil, was audited by Volkswagen in 2006 and obtained an A rating. That qualifies CIE Autometal San Bernardo to supply to any Volkswagen Group plant worldwide.



The Automotive Intelligence Center is the only institution in Europe for generating value in the automotive industry



## R&D&i: The challenge of daily innovation

The need to adapt continuously to customer's needs and requirements is a constant challenge for component suppliers in the area of technological innovation. CIE Automotive views innovation as a driver of its business and focuses constantly on developing new value-added products through the most modern techniques and processes.

As part of its bid for innovation, in 2006 CIE Automotive joined forces with the Bizkaia Provincial Government, ACICAE-Cluster de Automoción and four other partners (companies and public agencies) to establish the Automotive Intelligence Center (AIC), based in Amorebieta and Ermua; it is the first institution of its kind in Europe. AIC is a unique institution for generating value for the automotive industry; its purpose is to foster basic and applied research, boost training in the automotive industry at all levels, favour the endogenous creation of new value-added business ventures, and attract innovative projects. The Group also lent its support and participated actively in initiatives to foster Research, Development and Innovation (R&D&i) in the industry. Through them, CIE Automotive focused its research and development activities on projects in the Seventh Framework Programme (FP7) and on creating research consortia such as SerTEC, Manufuture España, Eumat, and the automotive, manufacturing, ICT and hydrogen BCPs.

The Group also entered the biofuel business, where its know-how in the field of high-performance production processes will favour large-scale industrial development.



### New products, new opportunities

CIE Automotive's R&D&i department completed development of number of products that leverage the Group's multitechnology to create new opportunities in markets under extreme cost pressure.

Work was done on a new high-pressure injected aluminium engine bracket and a stamped/welded assembly. This new solution offers a range of advantages: lower weight and costs, and greater ease of integrating functions such as clips, cable guides and clamps.

During 2006, work was done along the main lines established by the industry through Eucar and Ertrac.

In the area of environment, energy and resources, we developed projects to ensure the use of over 30% biodiesel in mixtures with diesel, and even reached 100% biodiesel in the quest for optimal engine efficiency. We also participated in the CENIT PIIBE project to promote innovation in biodiesel in Spain. And new light alloy components were developed to reduce weight and, therefore, fuel consumption and emissions.

In the field of safety, CIE Automotive developed new hybrid plastic-metal crash-proof reinforcements for doors and filed an international patent application for this invention and for a new system for A and B pillar covers. In addition, research continued into new processes associated with airbag components and the development of new multitechnology concepts for front-ends to improve performance in the area of pedestrian protection.

*CIE Automotive works unceasingly on new products that provided its customers with added value through the Group's multi-technology*

The new laboratory in Berriz has enhanced our design and production systems' innovation capabilities. Progress was made in designing suspension parts for a transition from the traditional approach to a semisolid design, and an international patent was filed for a cold tube sealing process. The new rear seat anchoring system was awarded an international patent in 2006.

As for mobility and new propulsion systems, the risks and opportunities of new systems and electric motors were studied, and hybrid fuel/electric systems were analysed.

### New test centre in Berriz

Construction of CIE Automotive's new laboratory in Berriz was completed in May 2006. This new 300 sq. metre facility for mechanical tests is equipped with an MTS triple-actuator test bench so as to configure any type of fatigue or static test, with the possibility of multi-axial testing. The laboratory also has a Servosis monoaxial machine for testing small components. It also has an MTS monoaxial machine for fatigue and static testing and characterisation of test pieces. The Berriz facility also includes a fully-equipped metallography lab.

The laboratory's first task was to validate the rear axle suspension of the Opel Astra and Opel Zafira.

The laboratory enhances the company's engineering development capabilities, since tests can be correlated with FEM calculations, adjusting the calculations and bringing computer simulations more into line with reality, thus saving time and costs in product development. The laboratory also seeks to increase knowledge of the materials used in the automotive industry and thereby offer a better service as a technology supplier.



# Our people:

CIE Automotive's professionals



- **Workforce:** 6.006 (2005)  
8.762 (2006)<sup>(1)</sup>
- **Men:** 86%
- **Women:** 14%
  
- **University graduates:** 10.4%
- **Average length of service:** 9 years.
- **Average age:** 35 years.
  
- **Breakdown by location:**
  - **Spain:** 2.908
  - **Rest of Europe:** 932
  - **America:** 4.881
  - **Asia:** 41

CIE Automotive's professionals are highly qualified for the specific demands of their job and are constantly being retrained to adapt to new techniques and processes so as to continue contributing to the Group's value-added processes.

CIE Automotive respects and promotes its employees' rights on the basis of international standards and the regulations in the countries where it operates. CIE Automotive's values, which underpin its business model, are based on full respect for people, their creativity and their participation in management.

The rapid process of internationalization being experienced by CIE Automotive requires it to post staff to other countries on a more or less permanent basis. This poses a complex challenge but is also appealing to many professionals because of the personal and professional development to be attained in an international project.



*CIE Automotive promotes training for its professionals so that they can continue to contribute to the Group's value-added processes*

<sup>(1)</sup> 2006 figure includes 100% of employees at joint ventures (1,696 on average in 2006) but not GSB Acero (761 on average in 2006).

There are many reasons for which CIE Automotive may post professionals overseas: the need for new management at a company's early stages, the provision of specific know-how for an industrial process, or the need to boost continuous improvement by exporting models that are successful at other Group companies. During 2006, the profiles most in demand for overseas postings were executives and technical specialists with a strong international outlook.

### **Training at CIE Automotive**

CIE Automotive attaches great importance to continuous training for all its employees; this is achieved through two initiatives which it is rolling out steadily throughout the Group. One is the Personal Development Programme (PDP), which is at the heart of the People Management model, the foundation for defining worker competency profiles, evaluating executive, manager and technician performance, identifying areas for improvement, and designing career paths and training plans for the entire workforce.

This programme establishes a model for personal development in the company and makes it possible to take professional decisions to align human resources policy with business priorities.

The other is the Management Learning Centre (MLC), which continues to work in order to enhance the skills and knowledge of the Group's professionals. Five modules continued to be taught in 2006 (Finance, Quality, Environment & Safety, Executive Development, Project Management, and the Ulises Programme), and the first class graduated from the Higher Course in Business Management, a post-graduate course taught in conjunction with Deusto University which is adapted to CIE Automotive's realities.

*The Group continues to promote and expand the internal communication channels such as the in-house magazine, employee satisfaction surveys and the intranet.*

These two pillars of training at CIE Automotive are complemented by recruitment and career development programmes aimed at young graduates interested in working in an international context. In particular, the latter are a means of hiring executives in the countries where the Group operates as well as relocating Spanish executives to those countries.

### **Strategic plan 2007-2010**

The company held its Annual Executive Meeting in January 2007 at the Palacio Kursaal in San Sebastián, where it set out the main lines of the 2006-2010 Strategic Plan; the meeting was attended by over 70 executives from Group's subsidiaries worldwide.

Chairman Antón Pradera, CEO Ignacio Martín and the General Directors presented the key points of the company's strategy for the next three years and the challenges the Group faces in this period.

The meeting concluded with a discussion of the importance of people as a key factor in the success of CIE Automotive.

### **Internal communication**

During the year, internal communications continued to play an essential role in generating cohesion within CIE Automotive. The pre-existing communication channels were maintained and enhanced:

- The quarterly in-house magazine, "CIE Automotive News", reports on the main developments in the group, focusing particularly on businesses, processes, technologies, and staff, and on international expansion.
- Employee satisfaction surveys continued, and the Group renewed its commitment to taking action on the basis of survey results.
- The CIE Automotive intranet is a basic tool for internal communications.





### Occupational safety

CIE Automotive reaffirms its unswerving commitment to workplace safety. Safety was one of the Group's top priorities in 2006. The Safety Departments worked towards the ultimate goal of attaining zero accidents and improving working conditions.

Specifically, risks at the plants were re-assessed using a methodology developed in-house on the basis of a project to identify risk factors and the associated risks and of a systematic analysis of all workplaces. The process of adapting the machinery to European safety standards continued.

Within a decentralised system of work with a considerable participation by the safety teams, CIE Automotive developed a Safety Management System based on the OHSAS 18001 standard. The project resulted in certification of several of our plants.

This effort was accompanied by an awareness-raising plan at all levels. Particular attention was devoted to training and information on safety as a means of enhancing workers' skills, risk knowledge and participation. The training programme focused basically on the safe handling of work equipment such as cranes, forklifts, platforms and machinery, chemicals, electric risks, etc., and on learning the emergency and fire drill and acquiring basic first aid skills.

*The Personal Development Programme and Management Learning Center are the foundations of the company's training programme at all levels*



# CIE Automotive



**M** Management  
**LC** Learning Center



## Sustainability:

### CIE Automotive's social and environmental commitment



*CIE Automotive is committed to mitigating its environmental impact and to social responsibility*

CIE Automotive has long been concerned about its corporate social responsibility. As a company that looks to the future, CIE Automotive is committed to respecting the environment in all its activities, in line with the principle of sustainable development. This commitment is also manifested in a clear policy of responsibility under which decisions must consider social and environmental factors in addition to purely economic factors.

To this end, we have implemented improvements in a number of areas related to the environment, safety and community outreach. Last year, for example, we spent 700,000 euro to minimise the impact of our activities on nature, participated actively in local initiatives (foundations, prizes, technology workshops, etc.) in the countries where we operate, which generated interaction with local society, and we have registered a 40% decline in workplace accidents in the last three years.

In addition, CIE Automotive entered the biofuel business, which will make a major contribution to the ecosystem by reducing emissions of pollutants and through recycling used oil, as well as providing a source of growth in the coming years.

### **Caring for the environment**

CIE Automotive's industrial processes need large amounts of energy and raw materials. In 2006, we used 525.5 GWh of electricity and 475.2 GWh of natural gas.

The Group recycles its waste by re-using it in the industrial process or through authorised waste managers. Specifically, over 42,000 tonnes of steel clippings and aluminium foam were reused in our own refinery. Additionally, the Group dries, compacts and recycles the aluminium swarf from its machining processes (3,500 tonnes in 2006). In 2006, the group used 13,000 tonnes of scrap in its smelters. And 30,000 tonnes of used oil were recycled at the biofuel plant in Álava (Spain).

Water is a primary resource at CIE Automotive, particularly in high-temperature processes. We have installations to recover and process water of various qualities so that discharges into public watercourses are minimal and conform to current legislation.

CIE Automotive's concern for reducing fuel consumption and pollutant gas emissions goes beyond those generated by the Group itself. The company has joined ongoing initiatives on in-engine fuel management, which is important for reducing fluid consumption and complying with new emission regulations. A number of projects are under way to develop engine parts, such as a cylinder head that includes a system for decanting blowby gases from combustion, thus helping to make cars more ecological.



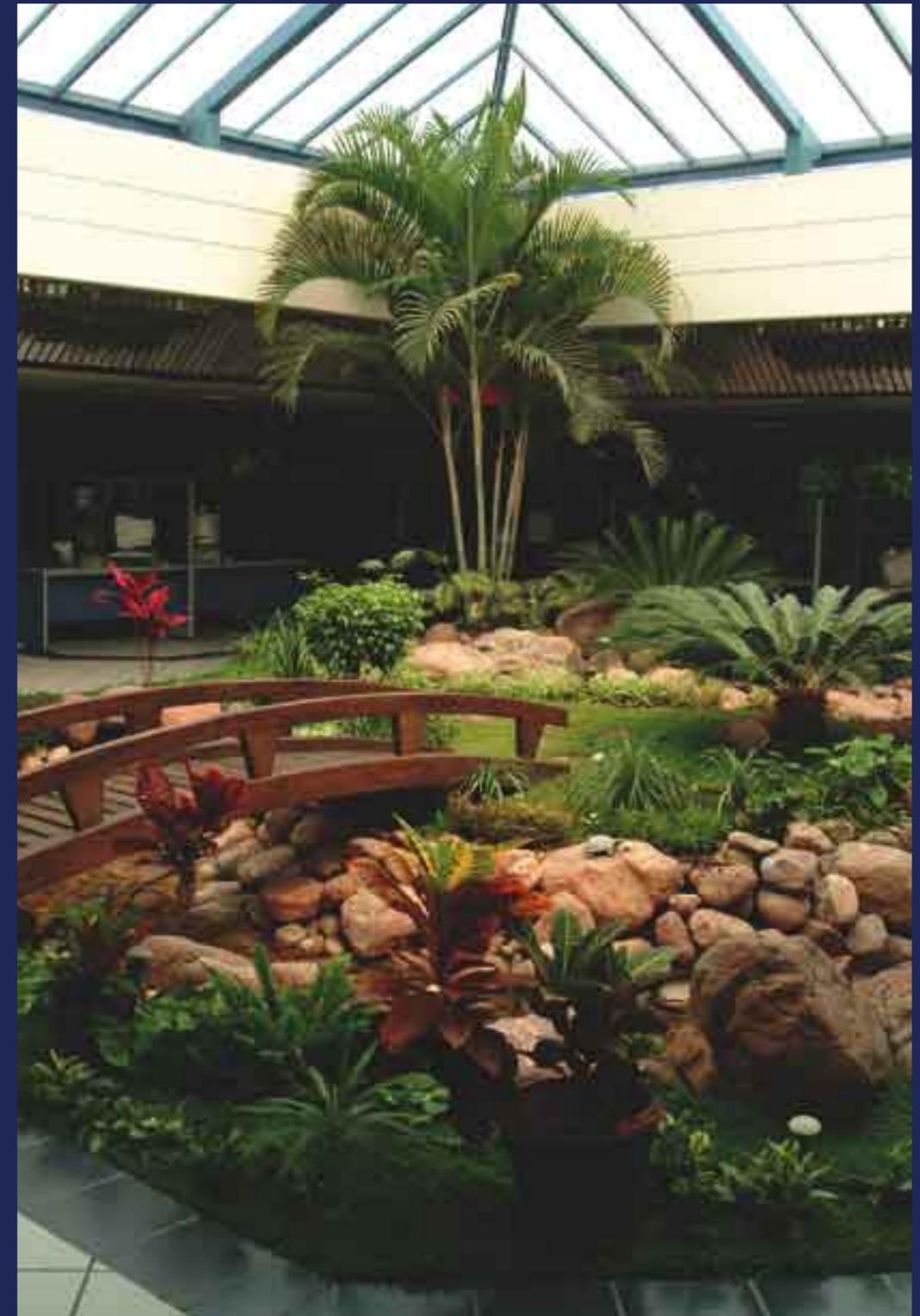
*CIE Gameko and CIE Norma received recommendations for ISO 14001: 2005 due to the good assessment and implementation of their environmental management systems.*

CIE Automotive's commitment extends to customers and suppliers. The Group is a pioneer in this area; for example, it has signed the agreement proposed by PSA Peugeot Citroën regarding social responsibility and environmental requirements on the part of its suppliers.

#### **Control of suppliers and raw materials**

CIE Automotive oversees environmental good practices at its suppliers and outsourcers. Incoming raw materials are rigorously screened (scrap metal is also subject to radiological tests), and the reliability and legality of their provenance is ascertained.

CIE Automotive exhaustively monitors the legislation in each country with which it has dealings, and it adapts rapidly and continuously to changes. During 2006, all applications for integrated environmental authorisation (AAI) for all of the CIE Automotive plants involved (CIE Vilanova, CIE Inyectametal, CIE Tarabusi, CIE Galfor and Bionor) were presented before the established deadline.



*The move into the biofuel business is coherent with the company's environmental concerns, since that business contributes to reducing gas emissions and recycling used oil.*



## Corporate governance: CIE Automotive continues to apply best practices

On 27 February 2007, the Board of Directors of CIE Automotive approved the Annual Corporate Governance Report in compliance with the requirements of article 116 of the Securities Market Law, as amended by Law 26/2003, of 17 July (the "Transparency Law"), implemented by Ministerial Order ECO/3722/2003, of 26 December 2003, and CNMV Circular 1/2004, of 17 March 2004. The full text of the report can be viewed on our web site ([www.cieautomotive.com](http://www.cieautomotive.com)), as can other corporate and financial documents that the company has filed with the competent regulatory authorities.

### **Shareholders and share capital**

The capital stock of CIE Automotive is represented by 114,000,000 shares of 25 euro cent par value each. During 2006, the Company performed a 5-for-1 stock split, which raised the number of shares from 22,800,000 to the current 114,000,000. As a result of the increase in capital resulting from the split, capital stock rose from 23,028,000 to 28,500,000.

In 2006, Addvalia Capital S.A. and Compañía Andaluza de Rentas e Inversiones S.A. each acquired 5% of the company.

At 31 December 2006, the free float was slightly below 15% and the market capitalisation was 826.5 million euro.

The shareholders directly or indirectly controlling over 5% of capital, based on filings with the CNMV up to 28 March 2007, are as follows:

#### Shareholder

	Stake
Instituto Sectorial de Promoción y Gestión de Empresas, S.A.	67.252%
QMC Development Capital Fund, plc	7.74%
Addvalia Capital, S.A.	5%
Compañía Andaluza de Rentas e Inversiones, S.A.	5%

At 31 December 2005, CIE Automotive, S.A. had 51,675 own shares. During 2006, the Company performed a 5-for-1 stock split, which raised the number of own shares to 258,375. The company did not transact with own shares in 2006. However, in 2006, part of the 2004 revenues that had been deferred under this heading were recognised in income, amounting to 471,840.31 euro. At 2006 year-end, CIE Automotive had 258,375 own shares, representing 0.227% of capital, which were carried at a total cost of 692,709.28 euro; their market value at 31 December 2006 was 1,873,218.75 euro.

#### Board of Directors

The members of the Board of Directors do not own shareholdings in companies engaging in activities that are the same as, or similar or complementary to, that which constitutes the object of the company or its group.

The Board of Directors of CIE Automotive comprises eleven directors, one of whom is an executive director (managing director), eight are external proprietary directors, one is an external director and one is an external independent director. The secretary and vice-secretary of the Board are not directors. Directors are appointed for a five-year term, which may be renewed. The Board is supported by three committees: the Delegate Committee, the Audit and Compliance Committee, and the Appointment and Remuneration Committee.

#### Board of Directors

- Antonio María Pradera Jáuregui - **Chairman**
- Elidoza Promoción de Empresas, S.L., represented by Goizalde Egaña Garitagoitia - **Vice-Chairman**
- Ignacio Martín San Vicente - **Chief Executive Officer**
- Saltec S.L., represented by Roberto José Alonso Ruiz - **Director**
- Instituto Sectorial de Promoción y Gestión de Empresas, S.A., represented by Francisco José Riberas Mera - **Director**
- Ibersuizas Participadas, S.A., represented by Juan Luis Ramírez Belaustegui - **Director**
- Poolback, S.A., represented by Miguel Ángel Planas Segurado - **Director**
- Saltec Participadas, S.L., represented by Bernardino Díaz-Andreu García - **Director**
- Global Dominion Access, S.A., represented by Pedro del Corro García Lomas - **Director**
- QMC Directorships, S.L., represented by Jacobo Llanza Figueroa - **Director**
- Fermín del Río Sanz de Acedo - **Director**
- Mario Fernández Pelaz - **Secretary of the Board**, not a director
- Roberto José Alonso Ruiz - **Vice-Secretary of the Board**, not a director

#### Delegate Committee

- Antonio María Pradera Jáuregui - **Chairman**
- Ignacio Martín San Vicente - **Member**
- Elidoza Promoción de Empresas, S.L. - **Member**

#### Audit and Compliance Committee

- Fermín del Río Sanz de Acedo - **Chairman**
- Ibersuizas Participadas, S.A. - **Member**
- Saltec Participadas, S.L. - **Member**

#### Appointments and Remuneration Committee

- Antonio María Pradera Jáuregui - **Chairman**
- Saltec, S.L. - **Member**
- Instituto Sectorial de Promoción y Gestión de Empresas, S.A. - **Member**

The Board of Directors operates in accordance with a number of basic rules and regulations, which are contained in the Bylaws and the Board Regulation. Its main guiding principle is to maximise enterprise value in the long term and respect ethical principles and values as required for responsible business management, while its main activity is to supervise and oversee, delegating day-to-day management to the executive bodies and the management team.

The Board of Directors Regulation, dated 28 April 2004, the Code of Conduct relating to Securities Markets and the Code of Professional Conduct, approved by the Board on 24 June 2003, were not amended in 2006. Those documents contain the mechanisms for detecting and regulating conflicts of interest between the Company and its Group and/or its core shareholders, directors, managers and other persons affected.

The 2006 annual report discloses any significant transactions between the consolidated companies and the balances with associated companies and subsidiaries. All the transactions formed part of CIE Automotive's normal activities in terms of both purpose and terms.

There is an Internal Control Plan which has been used to draw up a risk map for the Company and determine priority action areas in order to minimise or eliminate the detected risks, under the supervision of the Audit and Compliance Committee.

## **Shareholders' Meeting**

The notice, constitution and conduct of the Shareholders' Meeting and the adoption of resolutions are governed by CIE Automotive's Bylaws and the Shareholders' Meeting Regulations, approved on 28 April 2004 and amended by the Extraordinary Shareholders' Meeting on 27 July 2005 and the Ordinary Shareholders' Meeting on 15 May 2006.

The Shareholders' Meeting on 15 May 2006, the only General Meeting held in 2006, was attended by 93.16% of share capital (shareholders and proxies).

The principal resolutions unanimously adopted at that Shareholders' Meeting were:

1. Examination and, in the event, approval of CIE Automotive's 2005 financial statements and directors' report and those of the consolidated Group, and granting of discharge to the Board of Directors.
2. Approval of the proposed application of the 2005 results.
3. Authorisation to the Board of Directors to acquire own shares on the market, either directly or via Group companies, in line with the provisions of Article 75 of Spanish Corporation's Law, revoking the authorisation approved at the Shareholders' Meeting held on 12 May 2005; reduction of capital stock to amortise own shares, delegating the necessary powers for execution to the Board of Directors.
- 4.- Amendment of article 12 of the Bylaws ("Notice of Meeting"). Amendment of article 7 ("Notice of Meeting") of the Shareholders' Meeting Regulation.



5.- Increase capital stock by the amount of five million four hundred and seventy-two thousand euro (€5,472,000) up to the amount of twenty-eight million five hundred euro (€28,500,000) out of unrestricted reserves, by increasing the par value of the shares and simultaneously reducing the par value of the shares to 25 euro cent, thus multiplying five-fold the number of shares outstanding, and consequently amending article 4 of the Bylaws and applying for listing of the resulting shares in the Electronic Market (SIBE) and in the Bilbao and Madrid Stock Exchanges; and to delegate such powers as may be necessary to the Board of Directors.

6. Increase capital stock by five million seven hundred thousand euro (€5,700,000) by issuing twenty-two million eight hundred thousand (22,800,000) ordinary shares of the only class and series in the company, while at the same time overriding the pre-emptive subscription right so as to make a primary public offering of the shares so issued and establishing the procedure for determining the issue price, and consequently amending article 4 of the Bylaws.

To delegate in the Board of Directors of the Company, in accordance with article 153.l.a) of the current Corporations Law, with the power to delegate in turn, the power to set the date for the capital increase, to execute it in full or in part within the established figure, and to determine the conditions of the capital increase that are not envisaged in the Shareholders' Meeting resolution (the price of the new shares must, in any event, be greater than their net book value), and generally any powers that may be necessary to fully implement the resolution, including the power to amend the wording of article 4 of the Bylaws. Application for listing of the new shares.

7. Increase the capital stock by one million sixty-eight thousand seven hundred and fifty euro (€1,068,750) by issuing four million two hundred and seventy-five thousand (4,275,000) ordinary shares of the only class and series in the company, while at the same time overriding the pre-emptive subscription right so as to attend to the green shoe option, and establishing the procedure for determining the issue price, and consequently amending article 4 of the Bylaws.

To delegate in the Board of Directors of the Company, in accordance with article 153.1.a) of the current Corporations Law, with the power to delegate in turn, the power to set the date for the capital increase, to execute it in full or in part within the established figure, and to determine the conditions of the capital increase that are not envisaged in the Shareholders' Meeting resolution (the price of the new shares must, in any event, be greater than their net book value), and generally any powers that may be necessary to fully implement the resolution, including the power to amend the wording of article 4 of the Bylaws. Application for listing of the new shares.

8.- Reduce capital stock by at most five million seven hundred thousand euro (€5,700,000) by amortising the shares issued in accordance with the capital increase decided in item 6 of the agenda, and to determine the procedure, the period of execution, and any amount to be paid to the shareholders. To delegate to the Board of Directors the broadest powers to execute the foregoing decision. Amendment of article 4 of the Bylaws as needed.

9. Renewal or appointment of the auditors of the Company and its consolidated group.

10. Ratification and/or appointment of directors.

11. Delegation of powers to execute the preceding resolutions.

12. Approval of the minutes of the meeting.

### **Share offering**

On 10 April 2006, the Company announced plans to make a primary offering of shares among institutional investors, which would be combined with a secondary offering by the majority shareholder, Instituto Sectorial de Promoción y Gestión de Empresas, S.A.

To that end, the Shareholders' Meeting on 15 May 2006 adopted a number of resolutions to increase and reduce capital in the context of that offering.

On 27 June 2006, the company issued a regulatory disclosure in which it withdrew the offering because of the high volatility in the markets at that time, and the uncertain context.

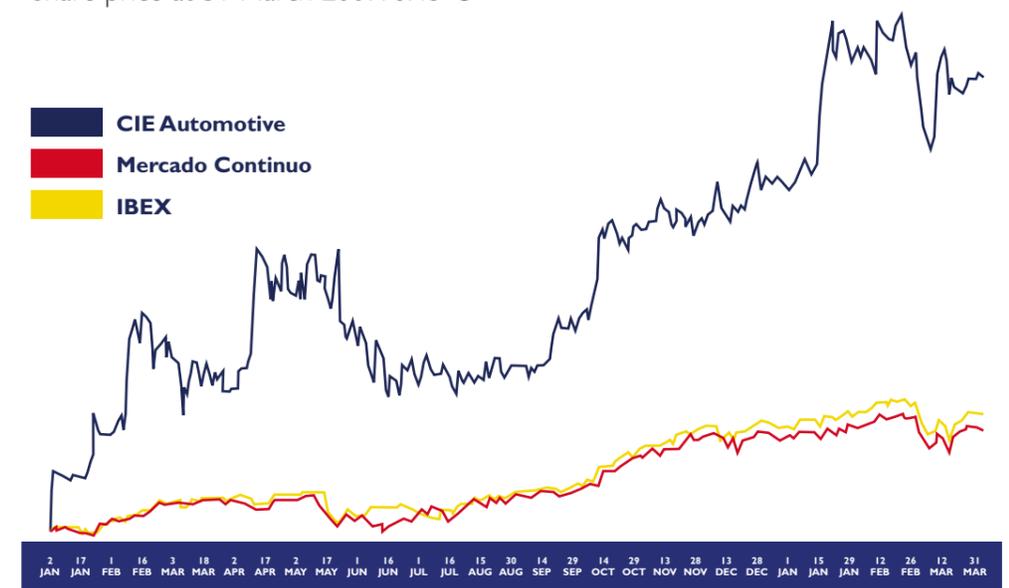


# The Share in 2006

In May, CIE Automotive's share transitioned to the "Mercado Continuo" following the increase in trading volume over the previous year.

This coincided with a capital increase out of reserves and a 5-for-1 split, effective 22 May. Therefore, to enable comparison and analysis of share performance, the figures prior to that date need to be adjusted.

Appreciation: 118%  
Share price at 31 December 2005: 3.32 €  
Share price at 31 December 2006: 7.25 €  
Share price at 31 March 2007: 8.45 €



Based on the good results in the year, the Board of Directors has proposed that the Shareholders' Meeting approve a dividend of 11 euro cent per share.



Auditors' Report,  
Consolidated Financial Statements  
and Group Director's Report

Facsimile