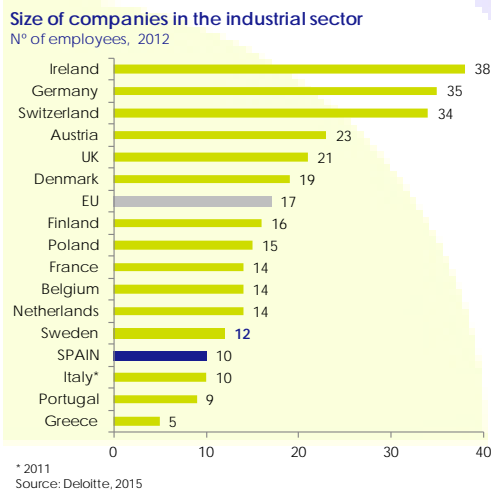




### Industry

#### Industrial fabric

The small size of companies is one of the principal structural problems of Spanish industry. Only 17% of the industrial companies have 10 or more workers, as against 44% in Switzerland or 38% in Germany (Deloitte). Our companies have an average size of 10 workers, whereas the average for Europe is 17.



#### Production, March 2015

The use of installed capacity in industry increased to 77.7%, the highest level since 2008, although it remains below the 85% during the period of economic expansion.

#### Creating companies, March 2015

The establishment of commercial companies increased 4% in March on an annual basis, with 9,903 new firms. Subscribed capital surpassed 619 million euros, or 30.1% more than in March of 2014, while the average per company increased 25.1%, to 62,544 euros.

#### Financing the SMEs

The Promotion of Corporate Financing Law regulates the sources of financing for the Small and Medium-sized Enterprises (SMEs) and, for the first time, for the participative financing platforms, including crowdfunding (except that part carried out

The minimum was reached in the IQ of 2013 (70%). By sectors, intermediate goods increased 0.5% (to 77%), consumer goods by 2.7% (to 74.5%), and capital goods by 0.2% (to 81%).

This recovery in production capacity is consistent with improved expectations. In April the Industrial Climate Indicator (ICI) was at -0.1 points (corrected for seasonal effects), a level similar to that of autumn 2007.

The most recent information published by the National Statistical Institute (INE) for industrial also shows clear improvement. The monthly variation in the Index of Industrial Production (IIP) between March and February, eliminating seasonal effects, was 1%, some three decimals more than in February. In annual terms, industrial production increased at a rhythm of 2.9% (+2 points). By sectors, production climbed especially in intermediate goods (4.3% year-on-year), durable consumer goods (2.5%) and non-durable consumer goods (2%).

The companies that increased their capital (3,099) grew 4.1% with respect to the previous year, for a total value of 2,067 million euros and an average capital of 667,094 euros.

The number of failed companies dropped by 10.1% year-on-year, with 1,781 firms disappearing.

through arranged sales or purchases and donations).

These participative financing platforms must register with the National Securities Market Commission (CNMV) and have minimum capital of 60,000 euros, a figure

which will increase depending on the size of the operations carried out.

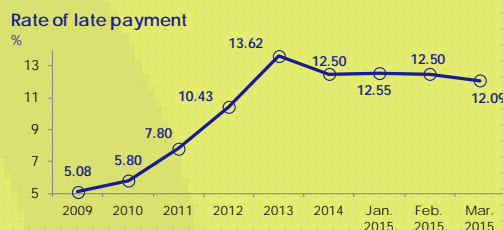
The law distinguishes between “non-accredited” investors (retail investors who are governed by the Securities Market Law) and “accredited” investors, with a wealth

greater than 100,000 euros or annual income of more than 50,000. The principal difference is in the limits of investment: non-accredited investors cannot go beyond 3,000 euros per project, or beyond 10,000 euros in a 12-month period, even though they are working from different platforms.

### Late payment

In March, the rate of late repayment on bank loans to companies and families dropped to 12.09% (166,219 million euros over total credit of 1,375,000 million euros), as against 12.5% in February, thus putting together seven straight months of drops and reaching levels of July 2013 (11.97%). Late payment declined 1.51 percentage points with regard to the historic maximum, 13.6%, of December 2013.

Total credit in the sector increased in March by 11,480 million, to 1,375,000 million. Year-on-year, credit dropped 4.5%, the lowest rhythm of decline since June of 2012.



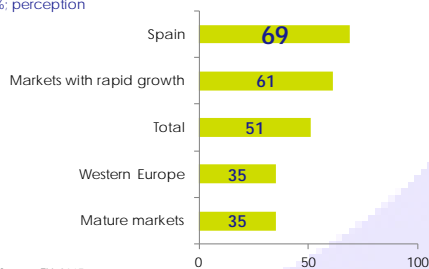
Source: Bank of Spain, 2015

### Fraud and corruption

The recent EY Global Fraud Survey shows that perception of fraud has increased by 4% in Spain over the last two years. In the EU, the country where it is perceived to be the highest is Portugal (82%), followed by Spain and Greece (69%). Denmark is the country with the lowest level.

In Spain, 56% of those surveyed recognize that there are companies that often “doctor” financial information. Some 36% justify retroactive discounts on services and products from suppliers; 11% the early calculation of discounts; and 14% delays in paying suppliers.

Level of bribery and corruption in the business world  
%: perception



Source EY, 2015

54% (42% globally) say that their companies do not have anti-fraud policies or that they are not aware of them, and 40% (37% globally) that they have received no anti-fraud training.

The survey also shows a high correlation between companies that have increased their earnings and are perceived by their employees as behaving ethically.

### The best business schools

IESE Business School and Esade are in the Top 10 of the Financial Times world ranking of ‘made-to-measure’ education for business executives.



#### Top 10 Business Schools

- |                                  |                                |
|----------------------------------|--------------------------------|
| 1 IESE Business School           | 6 Harvard Business School      |
| 2 HEC Paris                      | 7 Insead                       |
| 3 IMD                            | 8 Esade Business School        |
| 4 Center for Creative Leadership | 9 University of Chicago: Booth |
| 5 London Business School         | 10 University of Oxford: Said  |

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