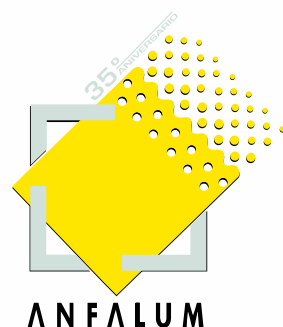




BEYOND  
LIGHTING

ANNUAL  
REPORT

2016



ANFALUM

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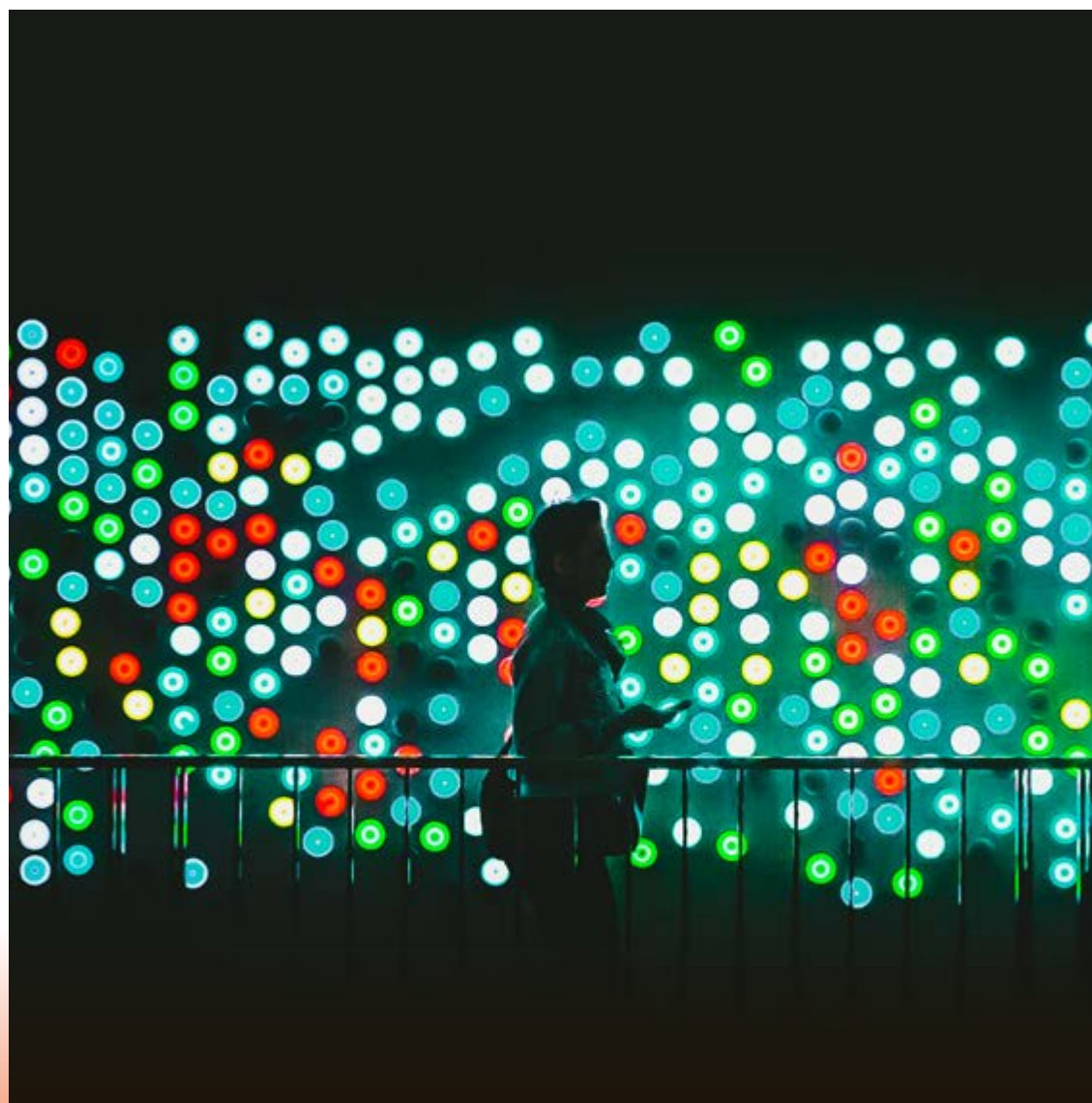
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"OUR INDUSTRY  
OFFERS **DIFFERENT  
TYPES OF LIGHT**  
FOR DIFFERENT  
MOMENTS, MAKING  
LIFE EASIER  
AND HEALTHIER "

Dña. Pilar Vázquez



Dear members,

I cannot help but say that a tortuous year has come to an end. When we were just beginning to see modest growth, the political situation over the year had us staggering from positive to negative results. Let us say that we ended up in a technical knockout, which from an objective standpoint is not so bad considering how we have started the new year.

Once again, tough years were a bit less tough thanks to strong exports, and an increasing number of members asked us for assistance in this connection. At ANFALUM we are happy to see small businesses grow by choosing internationalization.

We have embarked on a new year with renewed energy and to my mind, good growth prospects. LEDs have taken strong hold in the market. I believe this is a continued effort that goes beyond our Association, with ever clearer criteria on how we define the value of good luminaires. Rest assured that we will keep on working in order to protect well-manufactured products from unqualified actors entering the market.

Perhaps the most remarkable aspect of the goal we have set ourselves for 2017 is our focus on the future. Light, "our" light, plays an ever more predominant role in the world we live in. Light is no longer something that fills our living spaces alone, but a part of our lives. There is increasing interest in smart lighting, as a result of the impact of LEDs and electronics.

Our industry offers different types of light for different moments, making life easier and healthier. Studies and analyses are conducted to determine the right amount and shade of light required for every activity and time of day, and the concept of "light for life" is present in everything we do. Combined with greater efficiency and a much more rational consumption, this has enabled us to provide more comprehensive services.

And we go even further. The link between light and communications is undeniable: we need communications to manage our luminaires and we participate actively in different communication channels through LI-FI, as well as for sharing data.

Our TRANSFORMING LIGHTING project addresses these topics, on which we will base our line of work this year. To do that, we count on your participation and support because, when it comes to light, the contribution of our members is invaluable.

Thank you all for your continued commitment to a better lit world.



"IT'S CLEAR THAT COMPANIES ARE ALREADY **MAKING AN EFFORT** TO DEVELOP PRODUCTS WITH A DIFFERENT PROFILE..."

D. Alfredo Berges



Every time I am faced with the task of having to write a few lines about Anfalum's activity over the past year, in this case 2016, I must reflect about how to encapsulate a number of messages that clearly define not only what has been achieved, but also the challenges we face in the future.

I have often had to consider how to communicate concepts such as our representative nature: the capacity to promote our industry's policy in aspects as important as taking actions that favor our companies, and therefore the industry, but also society as a whole.

We are living at a time of genuine business disruption in the lighting industry, arising from the transformations taking place in our companies, and also as a result of the emergence of new agents that are changing patterns that have been in place for more than 5 or 7 years.

In general terms, 2016 was not positive in terms of revenue, although the trend and dynamics of lighting projects suggest that 2017 will clearly be one of growth.

The roadmap followed by Anfalum, in line with that established by LIGHTING EUROPE and defined in Madrid in 2015, deals with concepts that allowed us to move "beyond lighting", while maintaining the lines of energy efficiency, light quality and products that abide strictly by the law and regulations at both European and domestic level.

All this means bringing the reality of lighting to other industries. To do so we have to take actions that can allow our industry provide welfare, health and thus a better quality of life.

Creating prosperity and therefore increasing earnings and competitiveness is a goal that all our companies aim for. Contact with other companies in other activities and industries must therefore add value in terms that are not solely economic.

Anfalum is already promoting these contacts at industry level with sectors such as leisure, tourism, health, hotels, etc., where lighting is always had a place; but we now believe that we must add the factors of comfort, welfare and health.

It's clear that companies are already making an effort to develop products with a different profile, requiring investment, new technologies and even changes across all sections of the company.

In 2016 we launched the start of this initiative when we began planning for the event we will hold in 2017 called TRANSFORMING LIGHTING. It will include experts and speakers from other industries who will tell us about the key factors we need to integrate lighting within them. We know that there are difficulties such as the lack of investment, financial aspects necessary for growth and the environment, which will have to help consolidate this new technology.

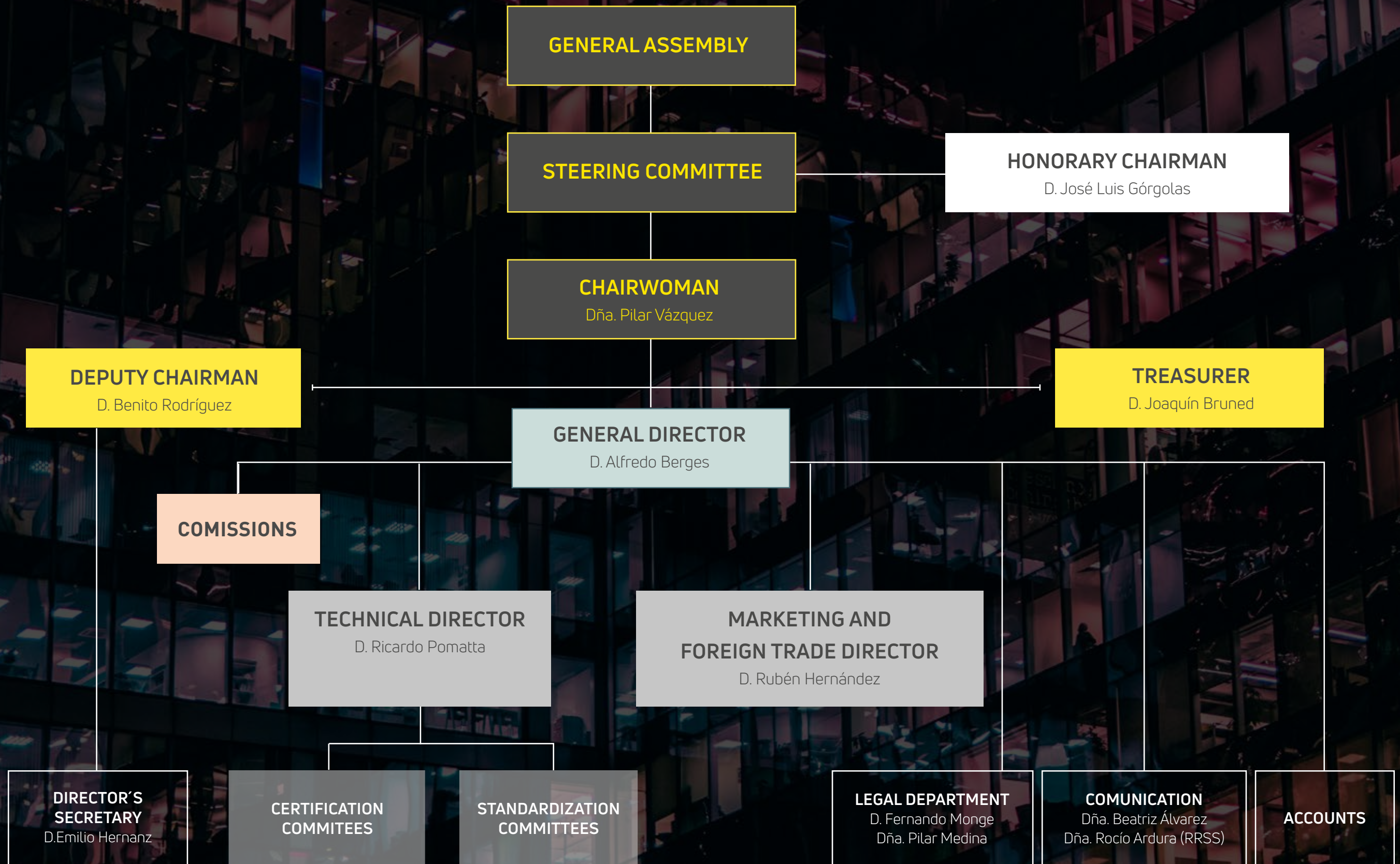
But this should offer a greater incentive to consolidate a future that with all the difficulties I have pointed to, will nevertheless consolidate the industry and thus our companies. At Anfalum we are continuing with the task of promoting and laying claim to all those aspects that can allow lighting to grow and foster increased business competitiveness, while at the same time seeking support and understanding from the government and society as we move towards this new age of lighting.

I'm not going to insist here about the representative status of Anfalum as representing lighting at Spanish, European Union and international level. Our representative status obliges us to carry out a task conditioned by this commitment to our companies, society and the public authorities.

The internal structure of Anfalum is increasingly more involved in achieving all this, but we need the boost from our member companies and from those that are emerging and want to join, complying with the requirements that make up Anfalum's key principles: free competition, quality and the welfare of society.



# ORGANIZATION CHART



STEERING COMMITTEE

CHAIRWOMAN

Dña. Pilar Vázquez

HONORARY CHAIRMAN

D. José Luis de Górgolas

DEPUTY CHAIRMAN

D. Benito Rodríguez

TREASURER

D. Joaquín Bruned

GENERAL DIRECTOR

D. Alfredo Berges

BOARD MEMBERS

LUMINARIAS DE EXTERIOR

SCHREDER SOCELEC S.A.- D. Francisco Pardeiro  
C&G CARANDINI- Dña. Pilar Vázquez

LUMINARIAS DE INTERIOR

MARSET ILUMINACIÓN S.A. - D. Jesús Marset  
GRUPO LUXIONA S.L. - D. Albert Milé  
ODEL LUX S.A. (GRUPO LLEDÓ) - D. Rafael Lledó  
LEC S.L. - Andrés Guerrero

LÁMPARAS

LEDVANCE S.A.U. - D. Benito Rodríguez  
PHILIPS IBÉRICA S.A. - D. Santiago Erice

COMPONENTES

RTR ENERGÍA S.L. – D. Cesar Nuñez-Barranco  
BJB PROCESA S.A. – D. Joaquín Bruned

LUMINARIAS DE EMERGENCIA

ELECTROZEMPER S.A. - D. Jesús María Espino-

MIEMBROS CORPORATIVOS

ASEFACOL – D. Santiago Sanz

sa

COMMISSIONS

INSTITUTIONAL RELATIONS

Dña. Pilar Vázquez

TRAINING AND LABOUR RISK

D. Alfredo Berges

MARKET INSPECTION

D. Ricardo Pomatta

MARKETING AND FOREIGN TRADE

D. Rubén Hernández

TECHNICAL COMMISSION

D. Alfredo Berges  
D. Ricardo Pomatta

ETHICS COMMISSION

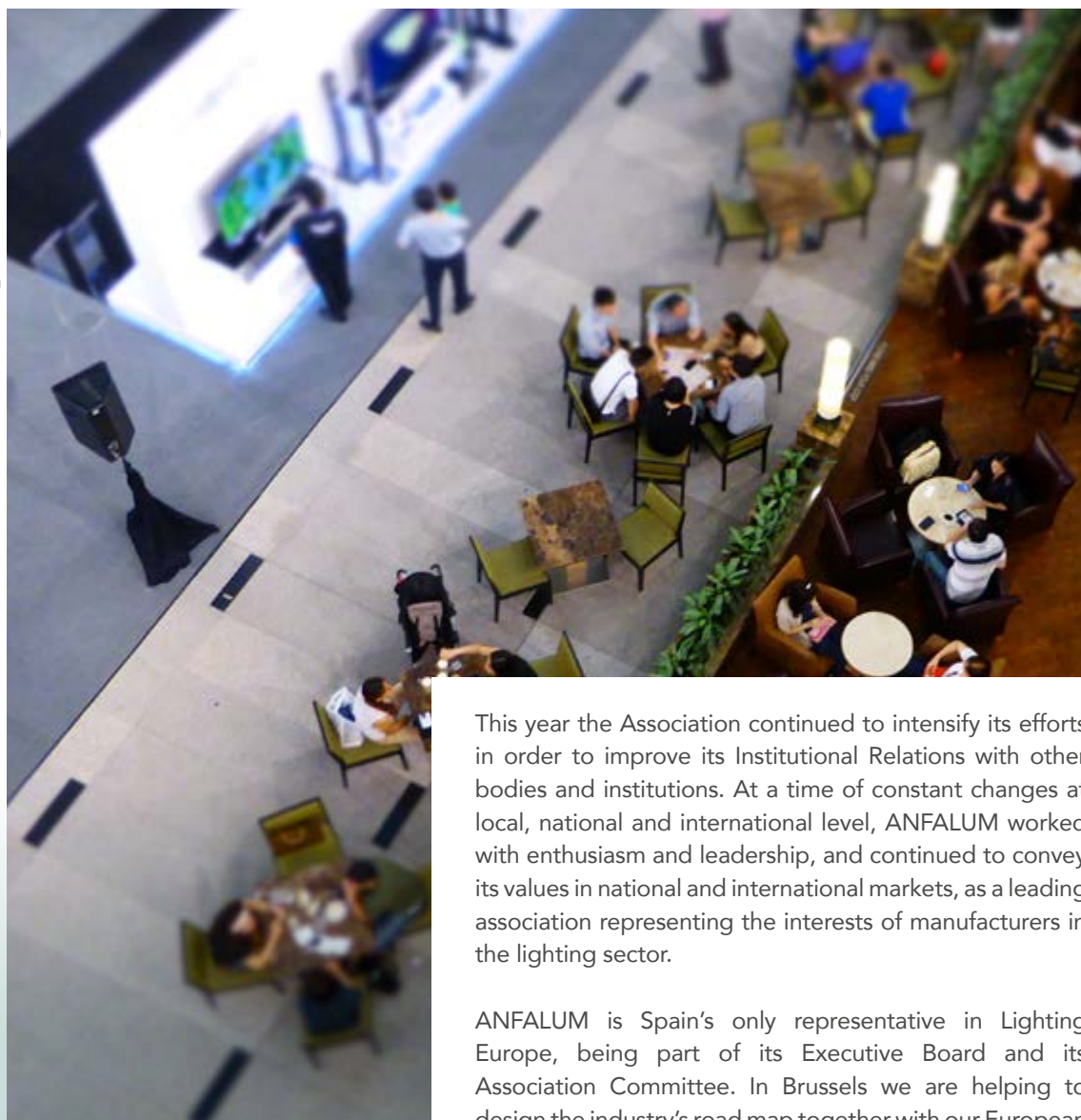
D. Alfredo Berges

ENVIRONMENT COMMISSION

D. Ricardo Pomatta



# INSTITUTIONAL RELATIONS



This year the Association continued to intensify its efforts in order to improve its Institutional Relations with other bodies and institutions. At a time of constant changes at local, national and international level, ANFALUM worked with enthusiasm and leadership, and continued to convey its values in national and international markets, as a leading association representing the interests of manufacturers in the lighting sector.

ANFALUM is Spain's only representative in Lighting Europe, being part of its Executive Board and its Association Committee. In Brussels we are helping to design the industry's road map together with our European counterparts. A Strategic Plan was formally presented in March during Light & Building 2016, the industry's key trade show held in Frankfurt.

In its Institutional Relations ANFALUM seeks cooperation and transparency with authorities, business organizations and other market players in order to ensure the good operation of our market in general and our member manufacturers in particular.

Regarding our interactions with the authorities, despite this having been a complicated year as a result of the political void, we remained in constant contact with the Ministry of Industry, Tourism and Trade in relation to matters handled by the Secretariat for Industry and more particularly, the Directorate General for Industry and SMEs. ANFALUM has established an effective two-way communication with these entities in relation to its proposals.

Regarding energy, the support received from IDAE continued at a time when it is still necessary to promote investment in and grants for energy efficiency.

We would like to highlight our contacts with the Ministry of Economy and Competitiveness and particularly, the Directorate General of Foreign Trade. ANFALUM, which is a collaborating institution of the Directorate, has actively supported foreign trade. In this sense, it is crucial that we coordinate our actions with ICEX, including support in terms of funds and resources, as these are key to the activities developed by our member companies.

At regional level, our contacts with local and regional authorities are invaluable. The Association works with regional industry and trade agencies and different local offices because of their regulatory and market surveillance capabilities. An example of this is ANFALUM's engagement with the Autonomous Community of Madrid, where work is being done on market surveillance and the preparation of user guides and lighting seminars.

Regarding our interaction with business organizations, ANFALUM is a member of and actively participates in CONFEMETAL, the Confederation of Metal Associations. This makes it possible for ANFALUM to participate in CEOE commissions, including the Energy, Infrastructure and Economy commissions. These commissions lay down the main policy guidelines for the metal industry, which also covers lighting.

ANFALUM is part of the governing bodies of AENOR, particularly the Permanent Committee and the Management Board though the Association's CEO. ANFALUM also cooperates with the Technical Standardization and Certification committees, which are shaping the future compliance policies that will ensure quality standards are maintained in the lighting sector.

**"ANFALUM IS  
SPAIN'S ONLY  
REPRESENTATIVE  
IN LIGHTING EUROPE"**

As we have pointed out before, market surveillance is of strategic importance to ANFALUM, considering the need to promote a decisive policy that regulates compliance, as well as the market.

ANFALUM aspires to create a market of competitive businesses, where there is no place for unfair competitors that harm the interests of our members by just looking for one-time opportunities in the market, often failing to comply with the regulations.

In relation to market surveillance, we should mention our agreement with Fundación para el Fomento de la Innovación Industrial (F2I2) (the Foundation for the Promotion of Industrial Innovation), which has been in force for a number of years.

Our collaboration within SERCOBE as a member of its Board and Managing Committee also allows us to shape a collaborative policy in support of an industrial sector of greater value. Our interaction with AFME, FACEL, AGBEL, APIEM, FENIE and ADEMI, which make up the electrical sector, is also worth mentioning.

The "Plataforma Multisectorial Contra la Morosidad" (Multi-Sector Platform Against Late Payments) is an initiative created by ANFALUM and we remain actively involved in it, since our Chairwoman is also the Vice-Chair of the Platform.



This report seeks to provide an overview of the evolution of the lighting sector in Spain by analyzing the turnover of ANFALUM member companies, whose representativeness nears 90%. Therefore, the figures presented here were obtained by analyzing data supplied by ANFALUM members, and other sources.

ANFALUM experts were charged with consolidating the data and no bias was applied to favor one company over another.

2016 was an atypical year for the lighting industry. In fact, the industry decreased 1.6% in 2016 relative to 2015 because a number of sectors declined slightly. Therefore, it can be said that this was a year in which demand remained stable for most lighting equipment, with a turnover of 1,260 million euros.

Below are the most relevant facts and highlights in relation to previous years:

1. LED in all its variants consolidated with a market share over 58%.
2. Exports also consolidated their share at 35%.
3. The domestic market maintained its 2015 levels.

Continuing growth resulted from a very balanced mix of consolidated exports, increasing LED presence and stronger domestic demand.

The three facts above helped the lighting industry recover its turnover levels, after having been hardly hit by the crisis. While turnover remains low, it is now possible to lay the foundations for growth through internationalization, which is ever more consolidated among our members; and higher LED sales, which exceed even the most optimistic forecasts from previous years and together with rising domestic consumption, will help achieve sustained growth in the coming years.

The market mix is worthy of mention, as LEDs have exceeded traditional sources for the first time since 2015, with sales over 50% in all product sectors.

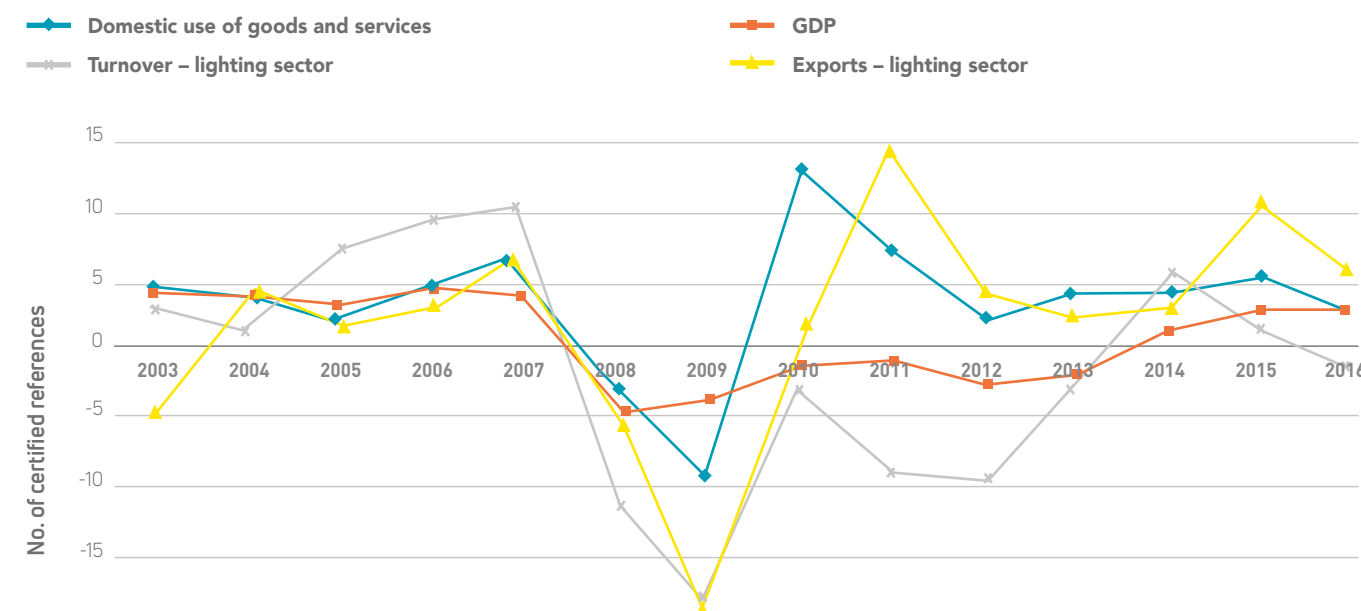
“THE DOMESTIC MARKET MAINTAINED ITS 2015 LEVELS”

## ANALYSIS OF THE DOMESTIC ECONOMIC SITUATION



This chart clearly shows how all the elements that contribute to demand within the sector decreased in 2016 compared to the previous year. Sources: SERCOBE, National Accounts, Seopan.

## COMPARATIVE ANALYSIS OF THE SECTOR



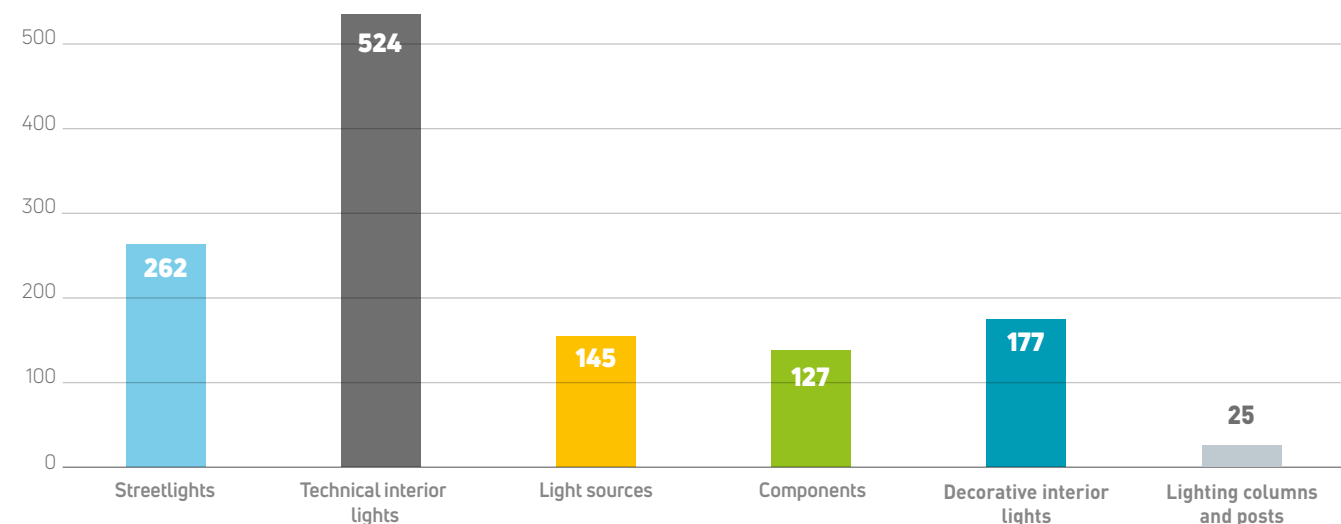
This chart clearly shows a decline in household consumption and the consolidation of exports of goods and services.



## SECTOR NUMBERS

### TURNOVER – LIGHTING INDUSTRY (2016)

TOTAL: €1,259 million



#### Streetlights

After the strong growth experienced in 2014 and stable demand levels in 2015, this important sector fell 10.50%, to €262 million in turnover. Since this sector is very much linked to public investment, the decline was mostly due to political instability and the lack of a government in Spain in 2016. For its part, the LED mix reached 57% in streetlights.

#### Technical interior lights

Accounting for the largest share in turnover terms, the technical interior lights sector managed to consolidate a 4.38% growth vs. 2015 figures (over €524 million in 2016). To a large extent, this was mainly due to higher LED sales (60%) and the good performance of exports (over 35%).

Technical interior lights remain the sector's backbone and still account for over 30% of the total turnover, therefore reaching a fundamental critical mass for the development and dynamics of the industry.

#### Light sources

A strategic sector within the lighting industry, light sources suffered a slight decline in 2016 (8.23%) because of the presence of many low-quality brands offering products of very poor quality that fragmented demand. At the close of the year, €145 million had been turned over. LEDs already accounted for 66% of sales and the drop in demand in relation to gas-discharge lamps and fluorescent lamps was already noticeable. These two light sources had been showing a downward trend, but had remained stable up until 2013.

As in other sectors, the increase in domestic demand encouraged growth because light sources have limited export possibilities. Therefore, this sector rests on energy efficiency innovations and the evolution of the market, where the new LED sources are the basis for the development of this highly technological and dynamic sector.

#### Components and lighting technology

This sector suffered another major drop (5.9%) as a result of falling exports and the continued decline in the demand for traditional components, which, in this case, is not adequately compensated by LED solutions.

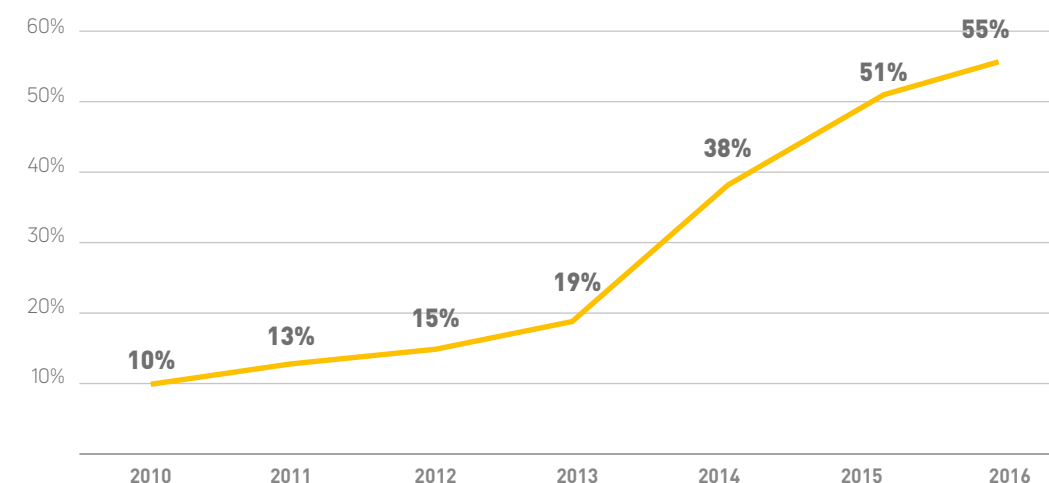
Just as for light sources, this sector is currently in the midst of a technological change and must adjust to the ongoing changes and improvements brought about by the continued development of LED technology. This has unquestionably led to tensions in the evolution of the market and has had negative effects in demand.

#### Decorative lights

This sector suffered the most in the past years, but it managed to grow 5.6% in 2016. It reached €177 million driven by domestic demand and exports.

Despite the obstacles posed by imports from the Far East, it was boosted by increased private consumption over the year. Its demand profile and product mix are ever more similar to those of technical indoor lights, largely as a result of the successful implementation of LEDs, which account for 68%.

### MARKET SHARE. LEDS



### FOREIGN TRADE

The following conclusions can be drawn from the surveys conducted in December 2016 among ANFALUM members.

Nearly all ANFALUM members are exporters. In 2016 there were 50 net exporters that turned over more than 35% in exports. Global exports amounted to €460 million, accounting for 35% of the Association's turnover.

#### Conclusions

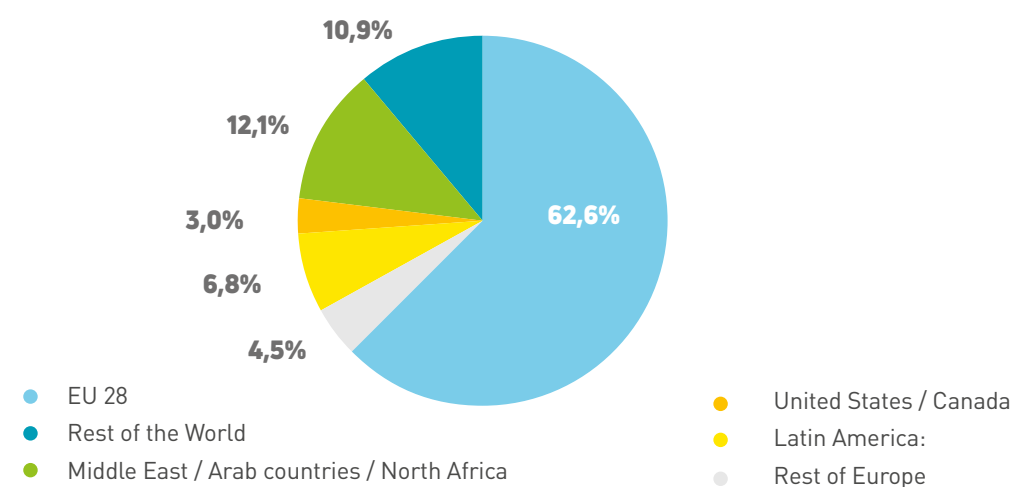
2013 marked the end of a so-called uncertain cycle, with 5.8% and 1.5% growth in 2014 and 2015, respectively. However, turnover decreased again in 2016 (1.6%), largely due to the uncertainty experienced by the

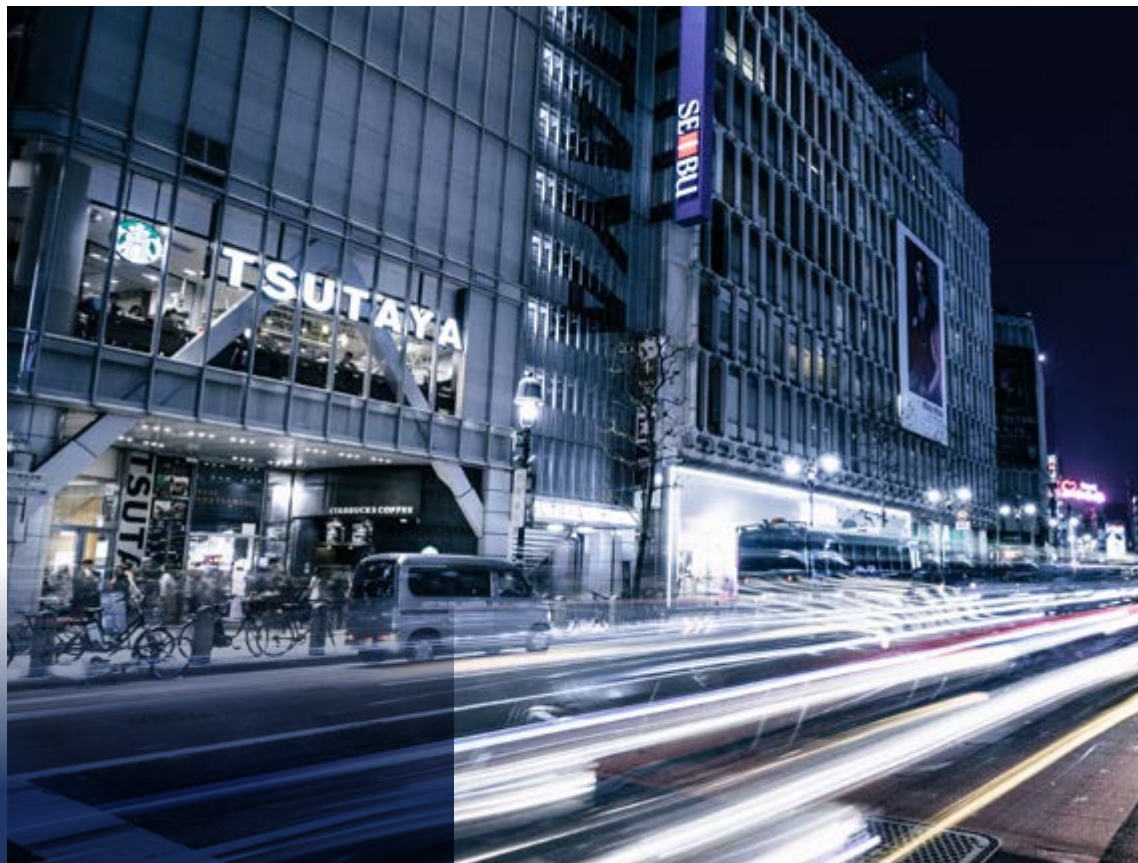
markets in one whole year without a government and with public investment at a minimum. This explains the decrease in street lighting, which is generally linked to public investment.

The new SOLID STATE LIGHTING technologies, the digitalization of lighting and greater focus on service rather than products led to a more fragmented market, where new brands looking for market opportunities enjoy market shares in different sectors with more traditional brands, but this time demand is on the rise.

Finally, the new LED technology is a major catalyst, which has opened up a new world of possibilities for manufacturers. This fact is supported by the LED market share previously analyzed, with a market mix of 58% 42% in favor of LEDs at the end of 2016. This is also true of lighting subsectors, where LED sales went up to 68% relative to traditional lights.

### EXPORTS IN 2016, BY GEOGRAPHICAL AREA





In 2016 ANFALUM took part in and organized three international trade fairs (Expo Lighting America in Mexico City; Light & Building in Frankfurt; and Light Middle East in Dubai) and a national event (E-Power & Building in Madrid).

## EXPO LIGHTING AMÉRICA 2016

We approached the Mexican market for the very first time in February 2015. In view of the good results we achieved then, we decided to attend the Mexican trade show again in 2016. As part of our Sectoral Plan with Spain's Foreign Trade Institute ICEX, six Spanish companies participated collectively as exhibitors; 7 other companies participated as indirect exhibitors; and at least 2 other companies attended as visitors. There were more visitors in 2016 than in the previous edition. They mostly came from Mexico, the United States and Central and South America. A growing number of Spanish firms are showing interest in this trade show.

Expo Lighting America tries to add value to its sessions and master classes. At a conference ANFALUM discussed new developments in the Spanish and European markets, focusing on the new technologies and models European organizations are adopting for 2025. The trade show generates much interest among businesses because of the high quality of its visitors. Importers, prescribers and virtually everyone involved in distribution come to the event, as well as institutions and public entities, including municipal authorities

and maintenance service providers. Regarding competitors, there was a larger number of North American businesses attending, and the usual presence of Italian and German firms.

The event continues to attract many visitors because of its excellent parallel lectures, seminars and workshops. The willingness shown by visitors to purchase and/or distribute Spanish solutions continues to increase.

In sum, ELA Mexico deserves closer attention and must be kept as an option for our members. The feedback received from our members was extremely positive: not only do they wish to attend future editions of the trade show, but they also wish to do so as a larger group.

## LIGHT & BUILDING 2016

The Spanish Association of Lighting Equipment Manufacturers (ANFALUM) traveled to Frankfurt (Germany) together with over 35 Spanish companies to participate in the main lighting trade show in Europe: Light & Building 2016. As we have been doing for over 10 years, ANFALUM and Spain's Foreign Trade Institute ICEX (Exports and Investment) arranged the collective participation of all Spanish firms specializing in technical lighting that are interested in entering international markets. Our corporate stand served as a meeting point for members, journalists and visitors to Light & Building 2016.

According to the latest figures provided by Messe Frankfurt 216,000 people attended the trade show-- a record-breaking figure since its first edition.

During the event ANFALUM promoted the work carried out by the European lighting industry association known as Lighting Europe, of which ANFALUM is the only member representing the Spanish market. This included a series of conferences offered by Lighting Europe during the event, the main and topical theme of which was "HUMAN CENTRIC LIGHTING", a concept that explains the impact of light on the life and behavior of human beings.

At 216,000 visitors, Light & Building 2016 was the most visited edition in the trade show's history, 2.3% up from the numbers registered in the previous edition of this biennial event in 2014. The show, which was held on March 13-18, had 2,589 exhibitors from 55 countries, that is, a 4% rise compared to the previous edition.

Products from all sectors related to lighting, electrical and electronic construction technologies and building and home automation systems were exhibited in an area covering 248,500 square meters with 22 pavilions.

The organizers stressed the significant increase in the number of visitors from Spain and Eastern Europe (including Poland, the Czech Republic, Hungary and Romania), as well as countries such as Turkey, India, Morocco and Iran. The marked international character of the trade show was also greater than in its past edition: 67% of exhibitors and 49% of visitors came from outside Germany. Italy, the Netherlands, France, the United Kingdom and China were among the countries with the largest number of delegates. The next edition of Light + Building will take place on March 18 – 23, 2018.

## LIGHT MIDDLE EAST 2016

The genuine interest shown by our members in attending this trade show was a decisive factor for us to return and participate in its 2016 edition.

The organizers managed to attract a large number of visitors, including prescribers. The Persian Gulf region is in constant growth, so the show gives businesses an opportunity to learn about the projects that are being carried out in the area and present their solutions. The Prolight & Sound fair was organized in parallel to the main show. This fair focuses on lighting solutions for the entertainment industry and looks for synergies with different technical lighting products. We would like to highlight the meeting we held with different actors from the Emirates, including one with a delegation from the Municipal Authorities of Dubai, to which we presented the services offered by our members

and our products. The quality of our technology, which is higher than that coming from Asia, is particularly valued. We also showcased a number of new solutions to the Trade Office in Dubai and held a meeting with its officials with a view to coordinating future joint actions.

This is unquestionably one of the most interesting markets for our sector, with enormous growth potential deriving from major investments in construction.

## E-POWER & BUILDING 2016

As part of ePower&Building, IFEMA organized E-POWER & BUILDING 2016 on October 25 – 28 to present the most comprehensive range of solutions for the building industry. The event meets the information needs of all professionals and showcases the most recent developments in the industry. The Association was present at LIGHTTEC, the Lighting and Illumination Solutions Show, at stand 6A03 in Pavilion 6, which served as a meeting point for its members and other actors within the lighting sector.

Together with its member companies, ANFALUM increased awareness of the Human Centric Lighting concept, that is, lighting centered around human beings. This concept seeks to explain the impact of light over an entire day and identify the most suitable types of light for each time of the day: from the moment we wake up to our commute to work, at the office, our time off and our way back home.

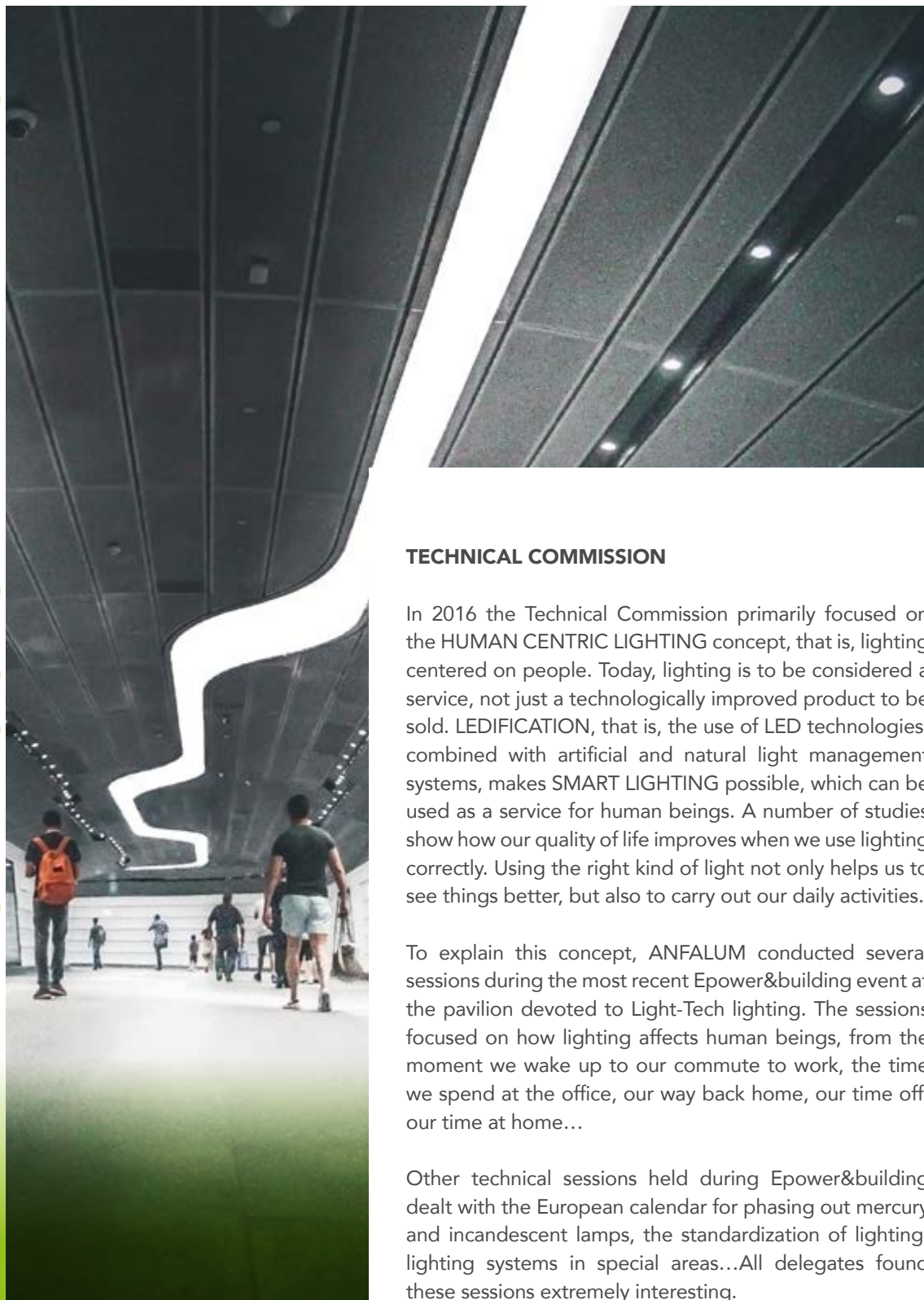
ANFALUM re-created different settings reflecting day-to-day situations, where a series of backlit images were exhibited describing everyday moments and objects. Different lighting techniques and effects were used for different elements, with a variety of materials, geometries and orientations fully integrated with the decorative objects on display.

## CONCLUSIONES

**At Anfalum we try to help our members attend the most important trade fairs in the industry, while providing them with an increasing number of services aimed at their internationalization efforts.**

We make our best efforts to help our members enter the main geographical areas for the industry. In 2016, the markets of Latin America, the Middle East and Southeast Asia were particularly prominent and an agreement was signed with Puerta de Asia that will allow ANFALUM members to access these markets more easily via Singapore. Trade fairs have always been, and will continue to be, a good platform for the internationalization efforts of companies. Participation does not require a large investment and its potential benefits are usually greater than the investment itself.





## TECHNICAL COMMISSION

In 2016 the Technical Commission primarily focused on the HUMAN CENTRIC LIGHTING concept, that is, lighting centered on people. Today, lighting is to be considered a service, not just a technologically improved product to be sold. LEDIFICATION, that is, the use of LED technologies, combined with artificial and natural light management systems, makes SMART LIGHTING possible, which can be used as a service for human beings. A number of studies show how our quality of life improves when we use lighting correctly. Using the right kind of light not only helps us to see things better, but also to carry out our daily activities.

To explain this concept, ANFALUM conducted several sessions during the most recent Epower&building event at the pavilion devoted to Light-Tech lighting. The sessions focused on how lighting affects human beings, from the moment we wake up to our commute to work, the time we spend at the office, our way back home, our time off, our time at home...

Other technical sessions held during Epower&building dealt with the European calendar for phasing out mercury and incandescent lamps, the standardization of lighting, lighting systems in special areas...All delegates found these sessions extremely interesting.

ANFALUM continued to work on its main action lines:

- Standardization and certification
- Regulation and working groups
- LIGHTING EUROPE
- Market surveillance

The Association manages and coordinates the participation of experts from our member companies in the CTN-205 Standardization Committee on "Luminaires, Lamps and Related Equipment", and the CTN-72 Standardization Committee on "Lighting and Color". As a result of AENOR's separation process, which will culminate in 2017 with AENOR INTERNACIONAL and UNE, UNE is now in charge of standardization issues. The activities carried out by these Committees are mainly focused on reviewing and preparing regulations on construction and safety, and lighting technology standards for luminaires, respectively.

ANFALUM is working on a text that might help regulate facilities, more specifically, a regulation governing energy efficiency and lighting technology standards. This will allow us to certify facilities and not just equipment. At present, there is the Regulation on Energy Efficiency in Exterior Lighting Installations, a groundbreaking regulation and the only one of its kind in Europe. We are working closely with LIGHTING EUROPE in preparing regulations for different types of installations.

Our involvement in other standardization committees within AENOR continued. These committees included the CTN-178 "Smart Cities" Committee and the Technical Coordination Group for Electrotechnical Standardization, which brings together the managers of committees charged with electricity and energy. As a result, we were able to provide our views on strategic issues.

By delegation of AENOR INTERNACIONAL, ANFALUM acts as secretary for two technical certification committees. The certification committees related to our sector are the CTC-007 Committee on "Luminaires, Lamps, Related Equipment and Capacitors" and the CTC-019 Committee on "Lighting Supports". They are responsible for granting the N, ENEC and ENEC+ certifications that guarantee product quality and compliance with all applicable standards, regulations and directives.

"LIGHTING IS TO  
BE CONSIDERED  
**A SERVICE**, NOT  
JUST A PRODUCT  
TO BE SOLD"

In 2016 it was necessary to make changes to the Commission for it to be compliant with the new ENAC requirements. As a result, a number of institutions joined the Commission, among them ECOLUM and AMBILAMP. The public authorities of the City of Madrid, the Autonomous Community of Castilla la Mancha and the Community of Madrid also continued to make contributions. It should also be noted that our Commission and one of our member companies, in particular, received the first ENEC+ certification ever given in Europe to a lighting product. The certification was awarded to SIMON LIGHTING in October.

Our participation in LIGHTING EUROPE's working groups meant a considerable increase in our workload. We invested more human and material resources and our experts had a greater presence, following the most recent changes to the Management's strategic plan, including the establishment of four large work groups, namely:

- LEDIFICATION
- CIRCULAR ECONOMY
- INTELLIGENT LIGHTING
- HUMAN CENTRIC LIGHTING

Although everything centered around those work groups, a number of smaller TASK FORCES were assigned to work on specific situations or applications considered to be of particular importance. ANFALUM's participation in these groups is increasingly relevant, as they help us understand how the sector is doing and what the technological future of our market will be. They also serve as a communications tool that helps us convey Spain's position on the industry to Management levels, so that they can later discuss matters with the European Commission.

As Spain's only representative in LIGHTING EUROPE, our work groups participated in the technical meetings of the following working groups:

- W.G. LEDIFICATION  
Mr. Ricardo Pomatta
- W.G HUMAN CÉNTRICA LIGTHING  
Mr. Rafael Lledo
- W.G INTELLIGENT LIGTHING  
Mr. Miguel Garcia (representante a partir del año 2017)
- W.G CIRCULAR ECONOMY  
Mr. Alfredo Berges

TASK FORCE participation included:

- TF EMERGENCY LIGTHING  
Mr. Jesús María Espinosa
- TF SMALL LIGTHING REGULATION  
Mr. Ricardo Pomatta
- TF MARKET SURVEILLANCE  
Mr. Ricardo Pomatta
- TF STADISTICS  
Mr. Rubén Hernández

The Technical Commission board is charged with coordinating participation in these working groups.

LIGHTING EUROPE and ANFALUM increased their activities on Human Centric Lighting (HCL), working on the standards and regulations that are to govern this type of lighting facilities and how they should be integrated in future urban designs by emphasizing "services" rather products.

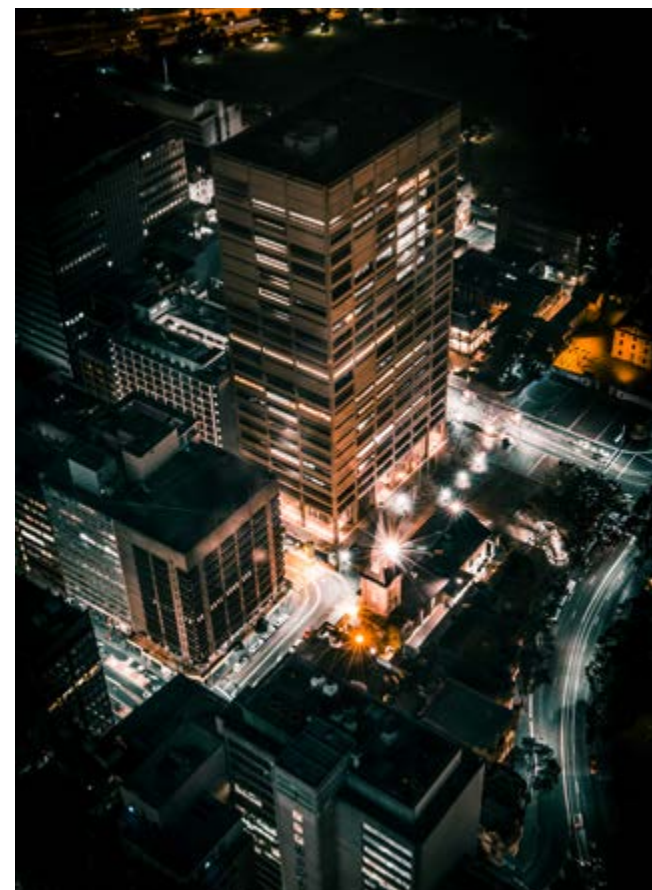
The Technical Commission played an important role in coordinating and organizing TRANSFORMING LIGHTING, an event that will take place in 2017.

In addition, the Technical Commission prepared the following important materials for the sector, among them:

- The stroboscopic effect
- Light and human life
- Amendments to specific regulations of the CTC-007 Technical Certification Committee

In addition to the aforementioned activities, the Technical Commission also took part in different sessions proposed by FOROVIAL, in which ANFALUM is an active participant, for FEMP (FEDERATION OF MUNICIPALITIES OF SPAIN). In these sessions, equipment and the quality of equipment in roads, including vertical and horizontal signs and road lighting, were discussed.

Market Surveillance activities continued. In addition to the actions directly carried out by the Association, our member companies proved to be of great help in reporting breaches of the law and other misconduct or unfair competition practices.



### MARKET SURVEILLANCE

Market Surveillance activities focused on:

- Collaboration agreement with the Foundation for the Promotion of Industrial Innovation (F2I2)
- Reporting of violations observed in lighting equipment or installations
- Analysis of public and private tender specifications
- Reporting of unfair competition, counterfeits, or misleading advertisement
- Participation in the "MARKET SURVEILLANCE" working group of LIGHTING EUROPE
- Participation in the Pilot Market Surveillance Program on Luminaires of LIGHTING EUROPE

In 2016 we inspected a total of 50 products as part of our campaign with F2I2. Documentation was requested for all of these products, and 25 additional products of different characteristics were tested (downlight, built-in and desk screens, LED-based luminaires, LED projectors...). The campaign also included the performance of safety, photometric, electromagnetic compatibility and Eco-Design tests.

The ultimate goal is to draw the attention of the Ministry of Industry, Tourism and Trade, so that "safeguard clauses" can be established and products breaching existing EU regulations can be kept from the market.

Our inspection campaigns, which started several years ago, are proving to be an effective way of raising awareness amongst manufacturers, distributors, installers and generally, all stakeholders about the need to buy, sell and install products that meet the regulations and come from trustworthy companies, and the advantages all this entails.

In order to carry out its activities and encourage members to report unfair competition, counterfeits and other harmful practices, the Market Surveillance Commission has made a questionnaire available on ANFALUM's website.

The website explains how and why our members can report a breach.

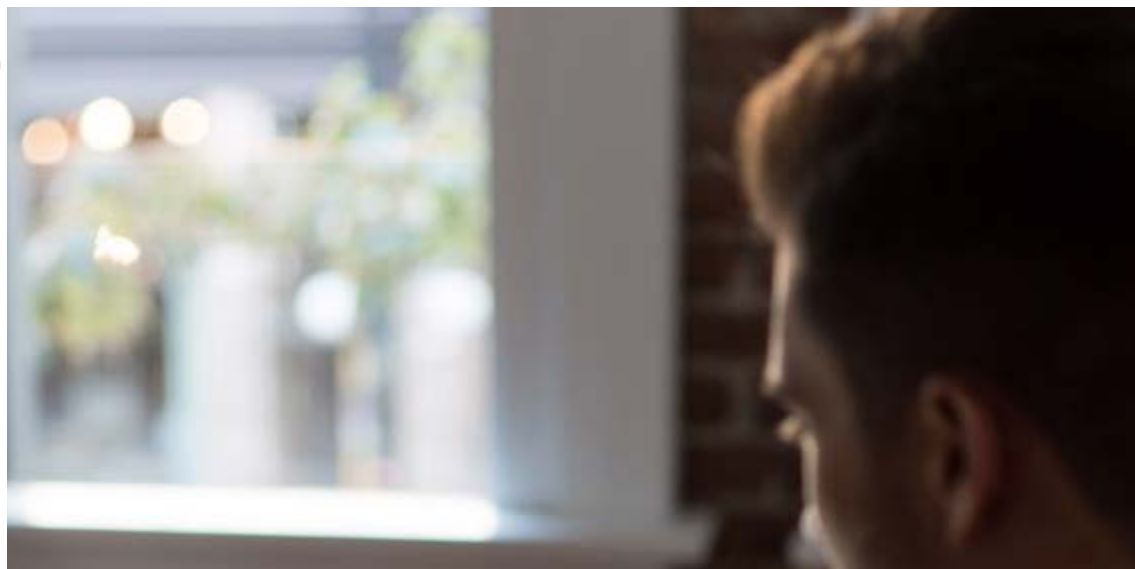
The PILOT MARKET SURVEILLANCE PROGRAM ON LUMINAIRES has already started. Under this program and thanks to ANFALUM's requests, Spain will be one of the countries in which products will be directly purchased for inspection, both in documentary terms and for the performance of tests, in order to determine the industry's situation within the Spanish market.

These campaigns are crucial, as they help us rid the market of products that do not meet minimum quality standards and opportunists who solely seek to obtain profit without applying minimal quality standards.

The Technical Commission is one of the most active platforms, its activities including market surveillance, standards definition, product certification, and the provision of technical support to companies at their request, this being a primary activity for our members.

"THESE CAMPAIGNS ARE CRUCIAL, AS THEY HELP US **RID THE MARKET** OF PRODUCTS THAT DO NOT MEET MINIMUM QUALITY STANDARDS"





This was an eventful year for the markets and particularly, our sector. We covered two trade shows, namely, Light & Building in Frankfurt and Matelec in Spain, now held under the umbrella of the E-Power & Building show; the European calendar for phasing out inefficient halogen lamps; the preparation of ANFALUM's major event under the title Transforming Lighting; and innovative plans around Human Centric Lighting and other highly relevant events inside and outside our borders, for which the media turned once again towards ANFALUM for its expertise.

## REGULAR EVENTS

Every two years our members take a keen interest in attending the most important trade shows for the lighting industry in Europe. As a result, in 2016 ANFALUM had an active participation in Light & Building, which was held in March at Messe Frankfurt (Germany), and Matelec, which was held in October at the Ifema convention center in Madrid.

The Communication Department made the most of the opportunities provided by these two trade shows and met with specialist media in the fields of lighting, architecture and electrical materials. Specifically, journalists attending Matelec were able to learn more about the Human Centric Lighting concept at our corporate stand. Led by our CEO, Alfredo Berges, they toured an exhibit set up by ANFALUM where, through a combination of text and images, the Association showed how important light and lighting are for our physical and mental well-being.



Gestiona Radio in Matelec, and Light & Building



In addition, various interviews and special feature reports were produced on this and other topics in connection with both trade shows. An example of these was the live participation of ANFALUM's speakers at a radio program recorded by Gestiona Radio about the lighting industry.

Other trade shows were held in other parts of the world, among them Mexico, in which ANFALUM participated together with several of our members. Over the year, in collaboration with the rest of the team, we prepared what was to become ANFALUM's major event in February 2017: Transforming Lighting. This was the first time 'good lighting' was presented as an innovative, technological whole that is interconnected with other sectors and considered to be a necessity for our well-being and our health. Lighting is no longer a product, but a service.

## LIGHTING AS A SERVICE

In early 2016 ANFALUM issued a new release on the Rus Case being prosecuted in Valencia. Despite this being a regional matter, the Association sought to re-emphasize how important it is that authorities as a whole act responsibly when light renovation plans are being implemented, by ensuring that minimum quality and energy efficiency standards are applied.

March 5 was World Energy Efficiency Day. To mark the occasion, the Communication Department published an interview with Diederick de Stopelaar, Secretary General of Lighting Europe, which had a significant impact.



Presence of Anfalum in media





An interview given by one of our members, Simon Lighting, on the occasion of its 100th anniversary was also covered by the specialist media.

ANFALUM took part in a survey prepared by Spain's Road Association on the state of the national roads. The survey, which was presented in May to the Madrid Press Association, contained significant data furnished by ANFALUM regarding the bad state of lighting in many national roads. The report was widely covered by the general media, including newspapers, as well as radio and television stations.

After the summer, the most talked about topic both locally and nationally was the entry into force on September 1 of the European regulation on the phasing out of certain types of halogen lamps and their replacement by LED technologies. In addition to press releases and other media statements, the Association prepared the technical document entitled ANFALUM COMUNICA No. 18, which further explained to the media and the professional community how these products were to be phased out. Over a hundred general publications covered the news, which prompted many journalists to interview ANFALUM experts on the subject.

#### ONLINE POSITIONING AND REPUTATION

A year of consolidation for the main social platforms around the world, 2016 witnessed an increase in users above and beyond the population of countries like Russia or China. Facebook remained at the top, with over 1,650 million profiles. Despite the criticism and the decreasing number of users compared to the previous year, Twitter remained at around 313 million active users. LinkedIn, the quintessential business network, already exceeds 400 million profiles.

In line with the trend registered in previous years, ANFALUM continued its efforts to better its positioning on the social media, being aware of their increasing role in business and the need to have a good corporate reputation on the Internet, where the main institutions and employer associations in Spain are gaining strength.

In 2016 ANFALUM was quite active on its social media platforms and its website, which received 2,000 visits per month on average by 15,650 users.

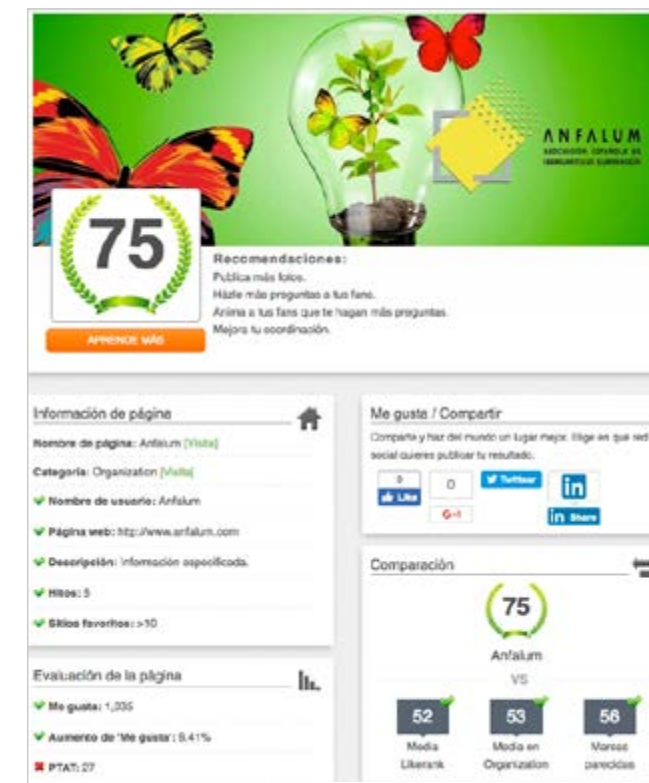
Images and contents were updated nearly every day on our webpage, as were member and industry news, our social media contents and highlights from Cepyme News.

More than 30 new entries were posted over the year, with words and specifications that resulted in good SEO ratings, according to the current situation and Google's criteria. The website has a rating over 71%, according to an independent measuring tool analysis, and stands out for its SEO positioning, content and usability.

Regarding media profiles, ANFALUM closed the year with more than 1,500 Twitter followers and nearly 4,000 tweets posted, that is, 5 tweets per day on average. Our tweets were constantly linked to the main business organizations in the industry and registered over 141,000 impressions in 2016, that is, 11,800 per month on average.

Our social media activity for the month of February should be highlighted, as it coincided with the publication of articles on the risks for lighting and the Valencia Government court case, and the visit to the #ELA2016 trade show in Mexico, which generated 40,000 impressions.

ANFALUM doubled the number of its Facebook followers from 500 in 2015 to slightly over 1,000. According to Likealyzer, this gives it a rating of 75 over 100--very much above the industry's average. Regarding our LinkedIn profile, we already have more than 200 professional followers.



Website and Anfalum Twitter profile

"ANFALUM WEBSITE  
RECEIVED 2,000  
VISITS PER MONTH  
ON AVERAGE BY  
15,650 USERS."





The actions carried out by ANFALUM's Legal Department focused on providing strategic advice in relation to the future of the lighting sector and helping with the planning of the Association's activities. "What we do today brings us closer to where we want to be tomorrow" was our guiding principle in these efforts, which were all reflected in the "Strategic Plan 2016-2018" presented at the AGM.

This year ANFALUM's Legal Department continued to monitor compliance with domestic and European laws on the production, distribution and marketing of lighting devices (luminaires, lamps and related equipment) in Spain. Particular emphasis was placed on the fulfillment of safety and quality requirements, fair competition practices and industrial and intellectual property rights.

To this end, member companies and the Association itself were given advice on different areas, including unfair competition, illicit advertising, trademark, patent and design violations, correct labeling, internationalization and manufacturer's responsibility.

In July the Legal Department gave a presentation on "Corporate liability" to make members aware of compliance issues and the responsible management of organizations.

Also in relation to compliance, the Legal Department continued to advise the governing bodies of the Association to ensure that statutes and internal regulations are appropriately applied and interpreted; amend and create the documents required to cover the existing needs of the Association, aligning them with the current situation; prepare and review contracts and collaboration agreements with third parties; and participate in meetings and work groups with different public officials, institutions and other associations.

"FIND US AT  
**MBASOCIADOS**  
**@BUFETEMB.ES** OR  
**INSPECCIONDEMERCADO**  
**@ANFALUM.COM"**

Keeping abreast of and informing about domestic and European laws that are relevant to the lighting sector continued to be at the core of our activities this year. In this sense, it is worth noting that the European ban on halogen bulbs became effective on September 1.

We would like to remind all members that we are at their disposal to help them with any issues or concerns they may have, while respecting their confidentiality.

A final word to remind all members that they can find us at [mbasociados@bufetemb.es](mailto:mbasociados@bufetemb.es) or [inspecciondemercado@anfalum.com](mailto:inspecciondemercado@anfalum.com). We will be happy to answer any questions and consider any suggestions confidentially.



## FINANCIAL STATEMENT: BALANCE SHEET

ACCOUNTING YEAR 2016

FROM 01/01/16 TO 31/12/16

<b>ASSETS</b>	<b>301.177,45</b>
<b>NON CURRENT ASSETS</b>	<b>24.007,16</b>
<b>Intangible fixed assets</b>	<b>5.607,16</b>
Technical installations and other intangible fixed assets	5.607,16
<b>Long-term financial investments</b>	<b>18.400,00</b>
<b>CURRENT ASSETS</b>	<b>277.170,29</b>
<b>Trade debtors and other accounts receivable</b>	<b>186.027,07</b>
Clients	94.125,50
Bad debt	112.291,35
Credit value impairment for trade operations - associated companies	-112.291,35
Debtors	107.665,48
Other credit with Public Administrations	-15.763,91
<b>Cash and assimilated liquid assets</b>	<b>91.143,22</b>
Cash	91.143,22
<b>TOTAL ASSETS</b>	<b>301.177,45</b>
<b>NET EQUITY AND LIABILITIES</b>	<b>301.177,43</b>
<b>NET EQUITY</b>	<b>236.013,94</b>
Own funds	236.013,94
<b>Reserves</b>	<b>62.912,12</b>
Voluntary reserves	62.912,12
<b>Results previous FY</b>	<b>220.564,79</b>
<b>Results of FY</b>	<b>-47.462,97</b>
Surplus	-47.462,97
<b>CURRENT LIABILITIES</b>	<b>65.163,49</b>
Short-term provisions	0.00
<b>Trade creditors and accounts payable</b>	<b>65.163,49</b>
Suppliers	9.095,30
Other creditors	45.790,72
Personnel (compensation pending payment)	-2.730,27
Other debt with Public Administrations	13.007,74
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>301.177,43</b>



## FINANCIAL STATEMENT: PROFIT AND LOSS

AS AT DECEMBER 31, 2016

	December 2016
<b>ONGOING OPERATIONS</b>	
<b>Net turnover</b>	<b>600.072,12</b>
<b>a) Sales</b>	<b>365.860,23</b>
Member dues	318.496,16
Other income, advances	47.364,07
<b>b) Services</b>	<b>234.211,89</b>
Other income	234.211,89
<b>Supplies</b>	<b>-163.783,14</b>
Purchases and other supplies	-7.673,66
Work made by other entities	-156.109,48
<b>Other operating income</b>	<b>19.203,00</b>
Subsidies	19.203,00
Income from other services	0,00
<b>Personnel expenses</b>	<b>-179.678,89</b>
Wages and salaries	-144.545,11
Compensation	0,00
Social Security paid by the Association	-35.133,78
<b>Other operating expenses</b>	<b>-319.320,77</b>
<b>Fixed assets depreciation</b>	<b>-3.444,99</b>
Tangible fixed assets depreciation	-3.444,99
<b>Other results</b>	<b>0.00</b>
Extraordinary income	0.00
<b>OPERATING RESULT</b>	<b>-46.952,67</b>
<b>Financial income</b>	<b>13,13</b>
Other financial income	13,13
<b>Financial expenses and assimilated expenses</b>	<b>-523,43</b>
Financial expenses	-523,43
<b>FINANCIAL RESULT</b>	<b>-510,30</b>
<b>FY RESULT</b>	<b>-47.462,97</b>

## FINANCIAL STATEMENT: PROFIT AND LOSS

BUDGET 2017

	BUDGET 2017
<b>ONGOING OPERATIONS</b>	
<b>Net turnover</b>	<b>692.600,00</b>
<b>a) Sales</b>	<b>466.600,00</b>
Member dues	330.000,00
Other income, advances	136.600,00
<b>b) Services</b>	<b>226.000,00</b>
Other income	226.000,00
<b>Supplies</b>	<b>-185.100,00</b>
Purchases and other supplies	-8.500,00
Work made by other entities	-176.600,00
<b>Other operating income</b>	<b>39.000,00</b>
Subsidies	39.000,00
Income from other services	0,00
<b>Gastos de Personal</b>	<b>-188.000,00</b>
Wages and salaries	-148.000,00
Compensation	-40.000,00
<b>Other operating expenses</b>	<b>-394.254,00</b>
Rents and fees	-35.000,00
Repair and maintenance	-23.700,00
Independent professional services	-18.040,00
Transport	-48.200,00
Advertising, publicity and PR	-171.802,00
Other services	-12.220,00
Association fees	-50.292,00
Negative adjustments (VAT)	-20.000,00
Provision for unpaid fees	-15.000,00
<b>Fixed assets depreciation</b>	<b>-4.500,00</b>
Tangible fixed assets depreciation	-4.500,00
<b>Other results</b>	<b>0,00</b>
Extraordinary income	0,00
<b>OPERATING RESULT</b>	<b>-40.254,00</b>
<b>Financial income</b>	<b>1,000.00</b>
<b>Other financial income</b>	<b>1,000.00</b>
<b>Financial expenses and assimilated expenses</b>	<b>-750.00</b>
<b>Financial expenses</b>	<b>-750.00</b>
<b>FINANCIAL RESULT</b>	<b>250.00</b>
<b>FY RESULT</b>	<b>40.004,00</b>



**AFEREF**  
www.aferef.com



**AIRFAL INTERNACIONAL**  
www.airfal.com



**ANTARES ILUMINACIÓN, S.A.**  
www.flos.com



**ARTESOLAR ILUMINACIÓN, S.A.**  
www.artesolar.com



**ASEFACOL**  
www.anfalum.com/asefacol.asp



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www.benito.com



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www.bjb.com



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www.intelligentlumen.com





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**IREGUA ILUMINACIÓN, S.L.**  
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C/ Príncipe de Vergara, 12, 1ºB  
28001 Madrid (ESPAÑA)  
Tel: 91 435 32 23

info@anfalum.com  
**www.anfalum.com**

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BEYOND  
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