

Investments of financial institutions in Instalaza

Research brief for Setem

27 April 2011

Company profile

Instalaza S.A. ('Instalaza') was founded in 1943 and is based in Madrid, Spain. The privately-owned company designs, develops and manufactures equipment and other military material for infantry. The production centres of Instalaza are located in Zaragoza (Spain).¹

Until 2008, Instalaza was producing the MAT-120 cluster munition, which contains 21 submunitions. However, the company halted production after the Spanish government banned cluster munitions in July 2008.² In April 2011, it was announced by Human Rights Watch that government forces of the Libyan leader Muammar Gaddafi had fired cluster munitions into residential areas in the western city of Misrata. According to Human Rights Watch, these cluster munitions were produced in 2007 by Instalaza.³

To identify the financiers of Instalaza at the time of production and sale of these cluster munitions, the financing of the company in 2007 is analysed.

Revenues and profits

In 2007, Instalaza generated annual revenues of € 14.9 million, resulting in a net profit of € 0.2 million.⁴

Financial structure

At the end of December 2007, Instalaza owned total assets of € 31.8 million. These assets were financed by the following financial stakeholders:⁵

• Shareholders	€ 17.1 million	53.8%
• Banks	€ 12.0 million	37.7%
• Other	€ 2.7 million	8.5%

Banks financed 37.7% of Instalaza's assets and were therefore important financiers of the company.

Bank loans

Table 1 provides an overview of the bank loans of Instalaza outstanding at the end of December 2007.

Table 1 Bank loans of Instalaza, 2007

Financial institution	Country	Amount outstanding 31-12-2007 (€)
Deutsche Bank	Germany	3,068,951
Cajalón, part of Grupo Caja Rural	Spain	2,692,750
Caja España	Spain	2,153,297
Caja Mediterráneo	Spain	1,602,438
Bankinter	Spain	852,310
Barclays Bank	United Kingdom	593,978
Ibercaja	Spain	498,993
Banco Popular	Spain	299,308
Banco Sabadell	Spain	87,906
La Caixa	Spain	33,000
Others		117,856
Total		12,000,787

Source: Instalaza SA, "Depósitos De Cuentas: 2007", *Instalaza SA*, 2008.

Some of the bank loans mentioned in Table 1 have been repaid since 2007. The following banks still had loans outstanding to Instalaza at the end of December 2009:⁶

- Deutsche Bank
- Cajalón
- Caja España
- Bankinter
- Barclays Bank
- Banco Popular

More recent data on bank loans are not yet available.

- References

- 1 Instalaza, "The Company", *Website Instalaza* (www.instalaza.es), viewed April 2011.
- 2 Instalaza, "Sobre el MAT-120", *Website Instalaza* (www.instalaza.es), viewed April 2011.
- 3 Human Rights Watch, "Libya: Cluster Munitions Strike Misrata", *Human Rights Watch*, 15 April 2011, available at www.hrw.org/en/news/2011/04/15/libya-cluster-munitions-strike-misrata
- 4 Instalaza SA, "Depósitos De Cuentas: 2007", *Instalaza SA*, 2008.
- 5 Instalaza SA, "Depósitos De Cuentas: 2007", *Instalaza SA*, 2008.
- 6 Instalaza SA, "Depósitos De Cuentas: 2009", *Instalaza SA*, 2010.