



Annual Report // **2007**



PROSEGUR



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// A message from the CEO



Dear shareholders,

As Chief Executive Officer since the 1st of January this year, it is an honour for me to address you via this introductory letter to our Annual Report, a unique means to communicate with shareholders, customers, providers, employees and other stakeholders. With this report, we fulfil our commitment to inform you about the Company's management and our main milestones and achievements in 2007.

In 2005, we set the goal to transform and move forward our company, developing a strategy based on a new way of understanding private security, which was reflected in the reorganisation of our business around our customer, in a new corporate identity and an ambitious growth plan.

2007 Growth consolidation

In 2007, the security market grew about 9%. Prosegur has efficiently shown its commitment to growth. The Prosegur Group's turnover reached 1,841.8 million of euros, hence a 13.1% increase from the previous year. Profit before tax went up to 148 million of euros —a 61 % increase— and operating profit (EBIT) reached 162 million of euros. Shareholder return charged to 2007 results will go up to 44 million of euros.

The company's growth took place in an environment where we started noticing the effects of the economic slowdown in the second half of the financial year. World economy grew 4.9%, slightly slower than in 2006, due to a limited growth of only 2.2 % in the USA. In Europe, we grew at an aggregated level of 3.1%, and in Spain at 3.8 %. Latin America, one of our crucial development areas, enjoyed solid growth in 2007, at 5.6 %, with examples like Brazil, growing at 5.4% and Argentina, at 8.7%.

Strategy execution

In 2007, and based on our Values, we continued developing and executing our growth strategy. It has been a year in which we entered new markets and consolidated our leadership in countries where we already had presence, taking an important step towards the goal of the Plan 2000/200.

This growth is based and will continue to be based on our commitment to quality, innovation and customer satisfaction in all areas: Corporate Security; Surveillance, Assets Logistics and Cash Management and Technology (Electronic Systems and Fire Protection) as well as Residential Security.

Entering new markets

We started providing services in Colombia and consolidating our operations in Mexico, both of them large markets with great potential. We strengthened our presence in Brazil and Argentina with notable growth and where our cross-selling strategy is giving us wonderful results, and we strengthened our leadership in other countries of the region, Peru, Chile, Uruguay and Paraguay, where we continued to increase our customers' trust.

Spain has experienced an important growth year thanks to the constant approach of the quality and innovation team, meeting the increasing needs of our customers. France, Portugal and Romania grew at a profitable rate and we reorganised our activities in Italy, where we are now the main shareholder of the most important operator in the country.

Moreover, our commitment to Security Technology was strengthened with the acquisition of two leading companies in their respective markets and sectors: IASA, in Spain, a benchmark in fire protection, and Xiden, an electronic systems and security solutions integration company in Argentina. And this path continues opening new business lines in Brazil with promising prospects.

Being the strategic partner of our customers is much more than an ambition, it is a vocation that becomes real when we are capable of being ahead of the events and of advising our customers about new legislation and finan-

cial requirements, and changes in the market. The relationship established with banks for their adaptation to the new Euro Recycling Framework, or our ability to innovate in the field of Cash Management for non-financial customers, are indicators of the path we are following.

Bases for the future

We have properly laid the foundations of our future growth. These foundations are based on our vocation to become clear differentiated and diversified leaders in all the services we offer and the markets where we are present. Consolidating our business model, taking it closer to our customers and employees and making it grow at the same time. And, above all, developing our human team, which combines the ambition for being leaders with their ability to be humble and learn.

We are setting new and ambitious goals for the future, and the bases have been laid down so that Prosegur can be a successful company where more than 80,000 people work in order to deserve the trust of our shareholders and customers, and without their efforts, we could never achieve these objectives.

Christian Gut Revoredo

// Main figures

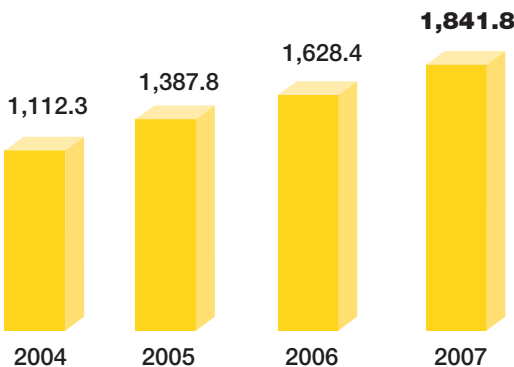
//01

The main figures of the Prosegur Group have shown a positive evolution in 2007: earnings before tax grew 61.2%, investment 33% and the workforce 6.8%.

Prosegur's business indicators and magnitudes help us understand the real situation of the Group and back the strategy initiated in 2004 and which was carried out efficiently in 2007. Here you can see the main variables in sets of four years. The compulsory application for publicly listed companies to adhere to IFRS (International Financial Reporting Standards) means that the information prior to that date is not comparable and is not consistent with the data provided afterwards. Hence, here we only publish the information corresponding to the years from 2004 to 2007, which is governed by the same accounting criteria and which is consequently fully comparable.

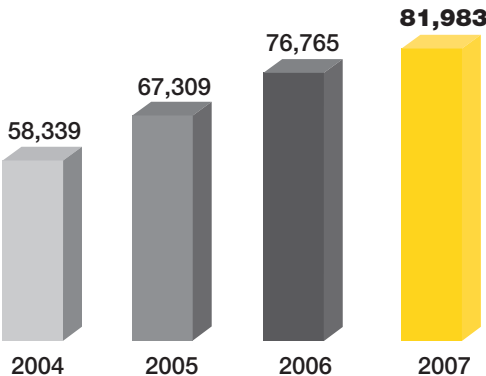
Revenues

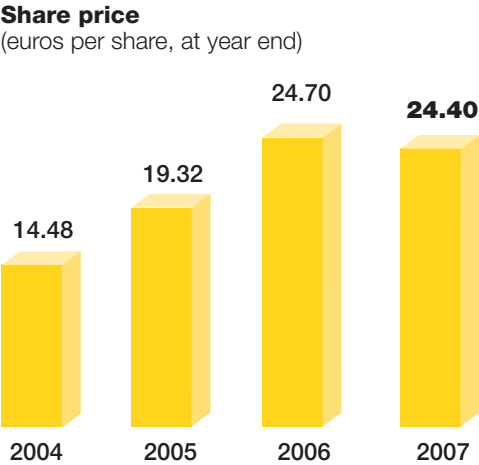
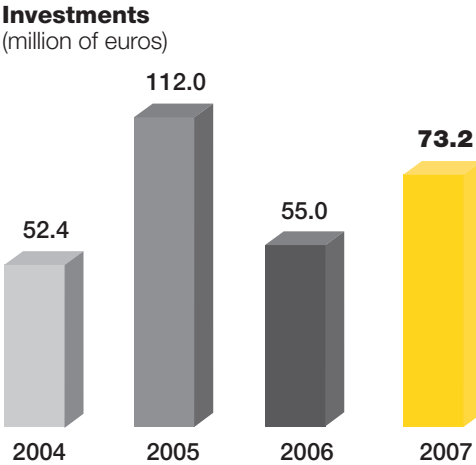
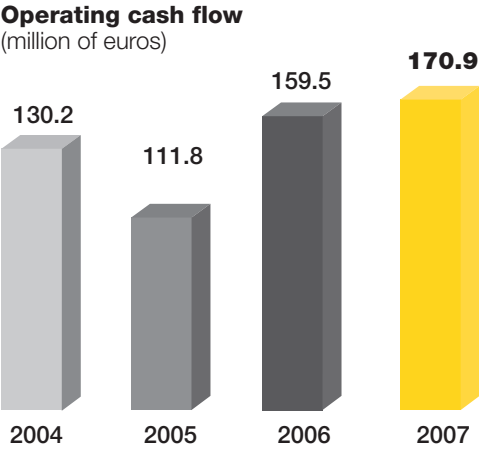
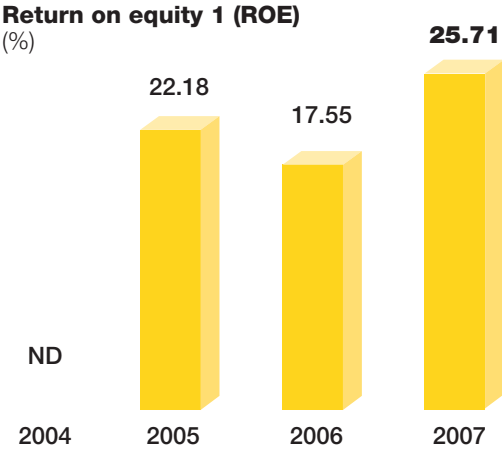
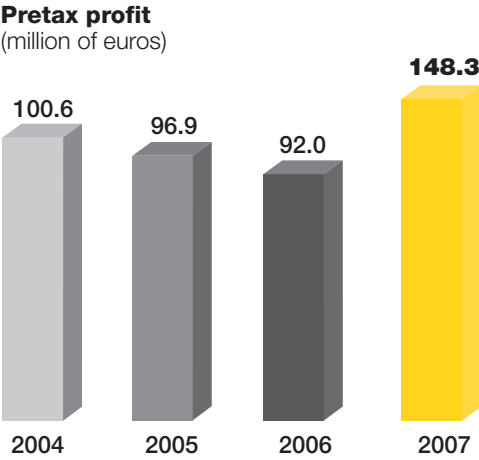
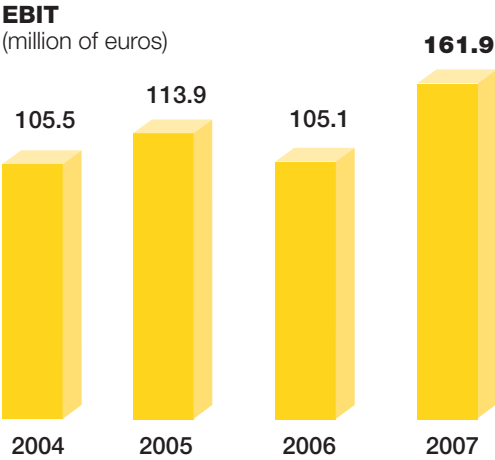
(million of euros)



Workforce

(number of people, on average)







// 2007 Milestones

//02

01

Opening new markets in Latin America

In May 2007, Prosegur initiated its activities in Colombia with the acquisition of 60% of the company Thomas Greg & Sons Transportadora de Valores, specialised in the fields of Assets Logistics and Cash Management. This operation took place within the Company's strategy to strengthen its leadership in Latin America and, especially, in those countries where its main customers already have a significant presence. Thomas Greg & Sons is the sector's second company in Colombia, with 17 offices. The Colombian security market is one of the most important in the region and is valued at over 800 million of euros.

02

Committed to the motivation and loyalty of our human capital

In order to reward the professionalism of our operations personnel (security guards and service assistants), we have driven and expanded to all the working centres in Spain the Program



Prosegur Plus of professional incentives, which started in 2006. Its aim is to reward operations personnel for staying with us, and for their availability and work flexibility, their attendance levels and for properly providing services. Its success is tangible: from 6,500 participants we've gone to over 10,000, we reduced the rate of burnout and absenteeism and we have increased the rate of personnel recruitment.

03 **Driving the area of Security Technology**

The Prosegur Group is committed to security technology and has acquired the fire protection systems company IASA Ingenieros, a benchmark in the Catalan market and a company which strengthens Prosegur's position in this field, as well as Xiden, an electronic systems and security solutions integration company in Argentina. Thus, we continue to develop a growth strategy with the aim of becoming a leader in this activity in the markets where the company has presence.

04

Innovation in Cash Management services for non-financial customers

In 2007, Prosegur worked together with non-banking customers in order to develop custom-made solutions aimed at reducing internal cash management and administration costs, improving security and providing a better service to the end customer. In order to achieve this, the Company has specially designed systems tailored for their needs.

05

Leader on expert advice on the new Euro Recycling Framework

Prosegur was leader in 2007 on all processes regarding the New Banknote Recycling Framework for the Euro passed by the European Central Bank. This regulatory framework establishes a control system for banknotes in circulation in the Euro Zone, in order to identify and separate damaged and defective banknotes. Prosegur has carried out a major technological and management effort to facilitate efficient compliance with the European regulation by Spanish banks and has received the official approval of the Bank of Spain for the first large cash management base in the Iberian



Peninsula. Its leadership in this field has made it possible for the company to advice banks and building societies, customers and non-customers.

06

**Acknowledged excellence
in Assets Logistics
and Cash Management**

Prosegur received in 2007 the Spanish Logistics Centre (CEL) award to the Development of Business Logistics Management as well as the award from the Catalan Institute for Logistics Innovation (ICIL) to Logistics Excellence. These awards support the new funds transport logistics process developed by Prosegur, which makes it possible to optimize resource management and have total real time control over them, adapting itself with flexibility to random demands of cash at pick up and delivery points.



1,400.00
21.50

07

Strengthening the leadership of Prosegur Activa

The area of Residential Security, which started operations in February 2007 as an independent unit and was called Prosegur Activa, has continued its strategy of opening new markets, starting to operate in Chile, and increasing its customer support centre network, now with over 50 centres worldwide. Its commitment to leading edge technology and innovation was acknowledged when it was included in the ranking of Empresas con Más Futuro (Companies with Best Outlook) 2007. Moreover, the company has given a major boost to its human capital, which led it to obtaining recognition as *TOP Company to work 2007*, by the international organization CRF.

08

The brand Prosegur, amongst the best

The leadership and soundness of the Prosegur brand was endorsed in 2007 by being included in the most prestigious rankings, such as the Corporate Reputation Business Monitor (Merco), which analyses the 100 Spanish companies with



the best reputation, and the Forum of Renowned Spanish Brands, which groups the best 50 companies. Moreover, Prosegur has been the only company in the security sector in the *Ranking of Best Brands 2007*, drafted by the consultancy company Interbrand, which especially valued the Group's commitment to creating a brand aimed at individuals and its significant growth in Latin America. In the international arena, Prosegur Portugal was chosen the third best Spanish company in the country.

09 **Commitment with Society**

Prosegur has included its commitment with Society in its general business management system. The Prosegur Foundation develops all the social action plans, which in 2007 focused on the areas of education and childhood, the integration of the disabled and access to decent housing by underprivileged populations, especially in the Latin American countries where the company operates. Moreover, the Foundation has continued supporting the arts, music and scientific research. Environmental responsibility is managed through an Integrated Quality and Environment Management System, aimed at reducing polluting emissions, increasing energy efficiency and recycling waste.





// 03

Mission and values

The Prosegur Group's mission is to be a leader and benchmark in security services in all the markets where it operates.

// Mission and values // 03

Prosegur has the goal to create differentiation through its operating excellence and through the quest for continuous improvement and innovation. All this based on eight values which define the company's culture: proactiveness, value creation, customer focus, transparency, excellence, leadership, teamwork and brand.

In order to fulfil its mission, the Prosegur Group conducts its activities according to these backbone values:

>> **proactiveness**

The search for security solutions which meet the needs of our customers is always present in Prosegur's management model. In 2007, we improved the relationship systems which enable carrying out an analysis of the security value chain in order to propose constant strategic solutions, such as the new model of Active Surveillance.

>> **value creation**

The Group's management focuses on creating value for its customers, employees and shareholders. The increasing income evolution (+13.1% in 2007), the pre-tax profit (+61.2%) and the Group's workforce (6.8%) confirm the strategy efficiency.

>> **customer focus**

Customers are the core of Prosegur's activities and everyone

— CUSTOMERS ARE THE CORE
OF PROSEGUR'S ACTIVITIES
AND ALL MANAGEMENT SYSTEMS
ARE DIRECTED AT THEM.

focuses on them, as well as the management systems and internal structure, with the creation of roles such as the single point of contact. The changes in the Commercial Department designed during 2006 were totally implemented in 2007. The decision to create a group of strategic and global customers is the materialisation of this new approach in corporate culture.

>> **transparency**

The Prosegur Group believes that transparency must be at the heart of its relationship with both customers and employees, in order to gain greater trust. So that the customer knows at all times which services are being provided and under which conditions, throughout 2007 we improved real time information exchange services, which enable a perfect interaction between both parties. Moreover, in order to encourage transparency amongst the workforce, we designed new mechanisms, such as those aimed at increasing the information on job vacancies and internal promotion opportunities so that we receive more applications.

>> excellence

Prosegur seeks excellence in the services it provides its customers. This objective involves the whole organisation and all services, and entails a vocation for continuous improvement for the benefit of the customer. In order to achieve this, it has a business system based on the model of the European Foundation for Quality Management (EFQM) which objectively compares with other companies and with different proven quality indicators, the company's relationship with the various target audiences. This process involves all the Group's employees and has the commitment and participation of top management. Moreover, Prosegur structures its organization as an inter-related processes system, which jointly contributes to increasing customer satisfaction.

>> leadership

Prosegur is the benchmark security services company in most countries where it operates, both in Europe and Latin America, and it aims to be so in all the markets where it is present and in all the activities it undertakes. This ambition materialised in 2007, with the growth of security activities, such as Active Surveillance and Security Technology in Latin America, a market where it has been, for the last few years, a leader in Assets Logistics and Cash Management business.

>> teamwork

Stimulating the feeling of belonging is something carried out daily by human resources, as the basis for defining the principles of teamwork which prevail in the Group, essential to give a good service to our customers and maximise the value of the activity. Its maximum practical example is the way we do things at Prosegur, which is the same in all countries and which can be seen in the Competence Centres, which structure and

CERTIFIED QUALITY

The Prosegur Group has the quality certification ISO 9001 for the activities of surveillance, people protection, consultancy, design, planning and advice. Moreover it is Spain's first private security company which obtained environmental certification according to ISO 14001 in the field of Surveillance.



— THE RENEWAL OF
THE PROSEGUR BRAND
ACHIEVED IN 2007 ITS GOALS
OF MAXIMUM VISUALISATION,
RECOGNITION AND ATTRIBUTES.

disseminate best practices at the heart of the Company. They are an essential piece of the teambuilding process.

>> **brand**

The renewal of the Prosegur brand implemented in 2006 achieved, in 2007, its maximum visualisation objectives, recognition and attributes differentiation: trust, leadership, proximity and technology. Brand valuation agencies, such as the Spanish Corporate Reputation Monitor and Interbrand, included it in their ranking of prominent brands in 2007.

AMONGST THE 50 MOST RENOWNED BRANDS

Prosegur was in 2007 amongst the 50 most renowned brands, according to the Forum of Spanish Renowned Brands. It is the best known brand in its category.



// 04

Corporate governance

Prosegur's corporate governance system guides the whole structure and operation of the social bodies in the interest of the Company and its shareholders.

// Corporate governance // 04

The application and development of Prosegur's corporate governance system is detailed in the Annual Report on Corporate Governance, drafted according to the Spanish Securities and Exchange Committee rules, and is available at our web site*.

>> ownership

Prosegur Compañía de Seguridad S.A.'s share capital is 37,027,478.40 euros, represented by 61,712,464 shares of 0.6 euros nominal value, belonging to a single class and to the same series. All the shares are entirely undersigned and paid out and listed in the stock exchanges of Madrid and Barcelona. Each share gives right to a vote and there are no legal or statutory restrictions to the exercise of voting rights. Moreover, there are no legal restrictions to the acquisition or change in ownership of equity in share capital.

■ **Main shareholders.** According to the information given to the Spanish Securities and Exchange Committee, the list of shareholders with a significant participation in the Company's share capital is the following:

- Ms. Helena Revoredo Delvecchio is owner of 30,924,033 shares, which account for 50.110% of the voting rights, via Gubel S.L. and Prorevosa, S.A.
- Ms. Mirta Giesso Cazenave is owner of 3,471,613 shares, accounting for 5.625% of the voting rights (of this percentage, 5.318% is through AS Inversiones, S.A).
- Corporación Financiera Alba, S.A. owns 6,175,000 shares,

* www.prosegur.es

— PROSEGUR SHAREHOLDERS
ARE CHARACTERISED FOR
BEING STABLE, THUS GRANTING
GREAT SOLIDITY TO THE GROUP.

accounting for 10.006% of the voting rights, via Alba Participaciones S.A.

■ **Board of Directors' members with voting rights.** The 31st of December 2007, 55.787% of the voting rights of the company's shares were under the control of the Board of Directors, broken down as follows:

- Ms. Helena Revoredo Delvecchio: 50.110%.
- Ms. Mirta Giesso Cazenave: 5.625%.
- Mr. Pedro Guerrero Guerrero: 0.052%.

■ **Treasury shares.** At the end of the financial year, the treasury shares of the company were 431,557 direct shares, which account for 0.699% of the total capital stock.

>> company's structure

The Company's representing power is carried out by the Board of Directors by joint and majority decision. It has wide powers to direct the Company's activities, except for those matters which are the responsibility of the General Shareholders Meeting or which are not included in the corporate purpose. The articles of association contemplate a maximum of 15 directors and a



minimum of five, appointed by the General Meeting. It doesn't establish a maximum age.

Board of Directors' Composition

On the 31st of December 2007, the Board of Directors' Composition was the following:

■ **Chairperson:** Ms. Helena Irene Revoredo Delvecchio (Executive Director). The Chairperson, as Executive Director, has been granted large administration and provision powers.

■ **Vice-chair:** Mr. Isidro Fernández Barreiro (Director representing substantial shareholder, representing Corporación Financiera Alba, S.A).

■ **CEO:** Mr. Eduardo Paraja Quirós (Executive Director). The CEO has been granted all the Board of Director's powers, except those that cannot be delegated by law, by the company's articles of association or by the Board of Director's rules.

■ **Members:** Mr. Christian Gut Revoredo (Executive Director), Ms. Mirta Giesso Cazenave (Director representing substantial shareholder, representing As Inversiones, S.A.), Ms. Chantal Gut Revoredo (Director representing substantial shareholder, representing Gubel, S.L.), Mr. Pedro Guerrero Guerrero (Independent Director) and Mr. Eugenio Ruiz - Gálvez Priego (Independent Director).

■ **Secretary (non-director):** Mr. Fernando Vives Ruiz.

In 2007, the director Mr. Ángel Vizcaíno Ocáriz, resigned for personal reasons, and Mr. José Luis Martínez Candial left due to the termination of his position. After the closing of 2007, we have to mention:

- Mr. Eduardo Paraja Quirós ceased being CEO and member of the Executive Committee as of the 1st of January 2008, no

DURATION OF THE POSITION OF DIRECTOR

The members of the Board of Directors carry out their duties for three years, having the possibility to be re-elected once or more times for same length periods. Nevertheless, independent directors cannot stay in the position for longer than 12 consecutive years, unless they become another type of director.

longer having either an executive role in the Prosegur Group and is now under the category "Other external directors".

- Mr. Christian Gut Revoredo was appointed CEO as of 1st January 2008.

Executive Committees of the Board of Directors

The executive committees of the Board of Directors are made up of the following directors:

■ **Executive Committee**

- **Chairperson:** Ms. Helena Revoredo Delvecchio.
- **Members:** Mr. Isidro Fernández Barreiro, Mr. Pedro Guerrero Guerrero, Ms. Chantal Gut Revoredo, Mr. Christian Gut Revoredo, Mr. Eduardo Paraja Quirós* and Mr. Eugenio Ruiz-Gálvez Priego.

■ **Audit Committee**

- **Chairperson:** Mr. Eugenio Ruiz-Gálvez Priego.
- **Members:** Ms. Chantal Gut Revoredo and Mr. Isidro Fernández Barreiro.

■ **Appointments and Compensation Committee**

- **Chairperson:** Mr. Pedro Guerrero Guerrero.
- **Members:** Mr. Isidro Fernández Barreiro, Ms. Chantal Gut Revoredo y Ms. Helena Revoredo Delvecchio.

The composition of Prosegur's board of directors meets universally accepted corporate governance best practices. It keeps an appropriate ratio between executive directors, directors representing substantial shareholders and independent directors. The latter have been chosen due to their solvency, competence and experience. In order to adopt agreements the personal attendance or attendance by proxy of half plus

**RELATED
OPERATIONS**

The Board of Directors' rules establish the mechanisms in order to detect and resolve potential conflicts of interests of directors.

Mr. Eduardo Paraja Quirós stopped being CEO and member of the Executive Committee as of 1st January 2008, no longer having either an executive role in the Prosegur Group.

one of the directors is needed. The total payment to the members of the Board of Directors, for the year 2007, was 7,218 thousands of euros, which accounts for 7.4% of the profit conferred to the parent Company.

Top management members

The Top Management members who are not executive directors are:

- Mr. Rodrigo Zulueta Galilea: President of Prosegur Latin America.
- Mr. José Manuel García Hermoso: Director of Prosegur Italy.
- Mr. José Julio Arrieta Gisbert: Director of Prosegur Alarms.
- Mr. José Antonio Lasanta Luri: Director of Nordés-Prosegur Technology.
- Mr. Daniel Lozano Lozano: Financial Director.
- Mr. Jaime Pla Velarde: Director of Global Customers.
- Mr. Juan José Calvo Sáez: Director of Risk Management.
- Mr. Ángel Javier Mirallas Sarabia: Director of Public Affairs.
- Mr. José Ignacio Echegaray del Campo: Director of Corporate Human Resources,
- Mr. Santiago García-Arenal López Doria: Director of Prosegur Latin America.
- Mr. Jorge Couto Leitao: Director of Prosegur Portugal.

>> risk control system

The main risks covered by the system have an operational, financial and reputational nature. The body in charge of establishing and monitoring control devices is the Audit Committee. In 2007, no risk affecting the company and/or group was materialised. The information of the Risk Control System can be seen in detail in the chapter dedicated to Risk Management in this Report.

— THE COMPOSITION OF THE
BOARD OF DIRECTORS
COMPLIES WITH UNIVERSALLY
ACCEPTED CORPORATE
GOVERNANCE BEST PRACTICES.

>> **general Meeting in 2007**

The meeting took place on the 28th of June 2007 with an attendance of 80.310%: 60.780% physically present and 19.530% by proxy. The Meeting regulations establish a series of measures to encourage shareholders' participation in the meeting, for instance, to make it possible for shareholders to access, with plenty of time, all the information on issues included in the Agenda.

>> **Degree of follow-up of the corporate governance's recommendations**

The company details the degree of compliance of the 58 recommendations in the Corporate Governance Annual Report.

// Board of Directors



Helena Revoredo Delvecchio



Christian Gut Revoredo



Eduardo Paraja Quirós



Isidro Fernández Barreiro



Chantal Gut Revoredo



Mirta María Gieso Cazenave



José Luis Martínez Candial



Pedro Guerrero Guerrero



Eugenio Ruiz-Gálvez Priego

BOARD OF **DIRECTORS**

Chairperson //

Ms. Helena Revoredo Delvecchio
(Executive Director)

CEO //

D. Eduardo Paraja Quirós (Executive Director)

Members //

- Mr. Christian Gut Revoredo (Executive Director)*
- Mr. Isidro Fernández Barreiro (Non-executive vice-president and director representing substantial shareholder, representing Corporación Financiera Alba, S.A)
- Ms. Mirta Giesso Cazenave (Director representing substantial shareholder, representing As Inversiones, S.A.)
- Ms. Chantal Gut Revoredo (Director representing substantial shareholder, representing Gubel S.L.)
- Mr. José Luis Martínez Candial (Independent Director representing Caja de Ahorros y Monte de Piedad de Zaragoza, Aragón y Rioja Ibercaja)**
- Mr. Ángel Vizcaíno Ocáriz (Independent Director)***
- Mr. Pedro Guerrero (Independent Director)
- Mr. Eugenio Ruiz-Gálvez Priego (Independent Director)

Secretary (non-director) //

- Mr. Fernando Vives Ruiz

EXECUTIVE COMMITTEE

Chairperson //

Ms. Helena Revoredo
Delvecchio

Members //

Mr. Isidro Fernández Barreiro
Mr. Christian Gut Revoredo
Ms. Chantal Gut Revoredo
Mr. Eduardo Paraja Quirós
Mr. Eugenio Ruiz-Gálvez
Priego
Mr. Pedro Guerrero Guerrero

Secretary (non-director) //

Mr. Fernando Vives Ruiz

*Mr. Christian Gut Revoredo was appointed CEO as of 1st January 2008.

** Mr. José Luis Martínez Candial left on 28th June 2007 due to termination of his position.

*** Mr. Ángel Vizcaino Ocáriz resigned as director of the company as of 1st January 2007.



// 05

Strategy and objectives

In 2007, Prosegur continued making progress towards achieving its ambitious Strategic Plan 2005-2008, whose objective is to double the Company's size.

// Strategy and objectives // 05

The challenge of the Strategic Plan 2005-2008 is, mainly, to double Prosegur's sales and operating results during this period. In the last year of this Plan, Prosegur is close to achieving its objective.

The most significant strategic leverages in order to achieve the goals set in the Strategic Plan 2005-2008 have been:

01 Restructuring operations in France

In 2005, Prosegur closed its operations in the north of France.

02 New organisational model by geographical areas

The Company created two business divisions, according to the type of customer and, within each division, it defined a geographic organisation per country.

■ **Corporate Security Division:** Present in 13 countries, this division encompasses Active Surveillance services, Assets Logistics, Cash Management, Electronic Security Systems and Fire-Protection.

■ **Residential Security Division (alarms):** In February 2007, Prosegur informed of the specialisation of its

— THE COMPANY HAS CREATED TWO BUSINESS DIVISIONS, ACCORDING TO THE TYPE OF CUSTOMER AND, WITHIN EACH DIVISION, A GEOGRAPHICAL ORGANISATION PER COUNTRY.

alarms division by creating an organisational and financially independent unit (Prosegur Activa), aimed at providing residential security services for households and small businesses. At the end of 2007, Activa was present in Spain, Portugal, Argentina, Uruguay and Chile.

03 Strengthening business in Brazil

With a clear commitment of the management team and the materialisation of investments, in companies (Transpev and Preserve in 2005) as well as in effective management bases, armoured vehicles, information technology and others.

04 Drive of the Electronic Security Systems Area

The launch and development of cross selling of Electronic Security Systems and Fire Protection has made possible sales of 120 million of euros in 2007, 30% more than the previous year, accounting for approximately 7% of total turnover.



05 Promotion of the Active Surveillance Area in Latin America

This policy brought about in 2007 sales in the region of 191 million of euros, 24% more than in 2006.

06 Selective acquisitions and entry in new markets

The Prosegur Group has strengthened its leadership position in most markets where it operates, thanks to numerous acquisitions, showing its desire to be a multinational company and its commitment for the future. In 2007, the following acquisitions were carried out:

■ In February 2007, the Prosegur Group reached an agreement to buy 60% of the company Thomas Greg & Sons Transportadora de Valores (TG&S), specialised in the fields of Assets Logistics and Cash Management in Colombia. This operation marked the beginning of its activity in the Colombian security sector, a market with a volume of 800 million of euros and in line with Prosegur's strategy to strengthen its leadership in Latin America and, especially, in those countries where its main customers have a relevant presence.

■ In June 2007, the Prosegur Group acquired IASA Ingenieros S.A., a company specialising in fire protection systems, and a benchmark in the Catalan market.

■ In December 2007, Prosegur announced the integration of its Italian operations within the IVRI Group, leader in the Italian security sector, through an agreement with the Italian risk capital companies 21 Partners and Banca Leonardo.

■ At the end of 2007, the Group acquired 100% of the capital stock of Xiden, an Argentinean company specialising

— THE GROUP HAS
STRENGTHENED ITS POSITION
IN THE MARKETS WHERE IT
OPERATES THROUGH ACQUISITIONS,
CONFIRMING OUR COMMITMENT TO
BE A MULTINATIONAL COMPANY.

in the design and installation of professional and industrial access and intrusion control and video systems.

**07 Maintaining good progress
in all businesses and countries**

Finally, and maybe the most important strategic leverage for the period consolidated in 2007, is maintenance of the progress made in the most consolidated businesses and countries (Spain, Portugal, Argentina, Chile, Peru, etc), achieving high growth and good margin evolution.

A new Plan underway

The Company is working to define a new plan which will start in 2009 and which will continue to be based on Prosegur's strategic vision to be a leader in global security services in all the markets where it is present. The Group is setting, once again, ambitious objectives and planning its actions in markets such as Mexico, Brazil and Eastern Europe, and new countries which can be added and which will be of great importance to achieve these objectives.





// 06

Business evolution

The Prosegur Group closed financial year 2007 with positive results, due to the favourable evolution of all business areas and markets where it operates.

// Business evolution // 06

The robust organic growth registered by the Prosegur Group in 2007 had as a result a 13.1% increase in revenues and a rise in net profit of 70.7%, consolidating the Company's leadership position.

Prosegur Group's turnover reached 1,841.8 million of euros in 2007, that is an increase of 13.1% compared to the previous year. All the geographical areas where the Company is organised have experienced a considerable boost: In Spain, turnover was 912.39 million of euros (+8.27%), in the rest of Europe it earned 292.01 million of euros (+7.26%) and in Latin America, 637.38 million of euros (+24.12%). By business lines, the area of Corporate Security had a turnover of 1,743.2 million of euros, accounting for an increase of 13.2%, and the area of Residential Security registered revenues of 98.6 million of euros, 11.9% more than the previous year. The most important aspects of Prosegur Group's consolidated P&L account were:

■ **EBIT**, or earnings before interest and tax, was 161.9 million of euros. This figure includes the negative effect of a 19.8 million of euros provision to cover potential labour liabilities which have a high probability due to the ruling of the Supreme Court on the payment of overtime in Spain of 21st of February. With regard to EBIT margins,

— IN 2007, THE PROSEGUR GROUP HAD A TURNOVER OF 1,841.8 MILLION OF EUROS AND REGISTERED CONSIDERABLE IMPROVEMENT OF ITS OPERATING MARGINS.

the consolidated margin in 2007 was 8.8%, compared to 6.5% in the same period last year.

■ **Net profit** went up to 98.3 million of euros, representing an increase of 70.7% from 2006.

■ **Long-term gross financial debt** reached at the end of the financial year 213.2 million of euros, mainly backed by a loan taken out in Spain with a union of banks (183 million of euros) for financial and leasing operations in Brazil. Long term indebtedness was reduced by 17% compared to the previous year.

■ **Short-term gross financial debt** was about 167.4 million of euros, compared to the 30.7 million of euros of the previous year. This increase is due to specific and temporary situations and treasury management needs.

■ Prosegur Group's **investment** was 73.2 million of euros in Assets to improve the customer services and was mainly allocated to innovation, fleet renovation and the new cash management centres in Latin America.

>> market environment

In 2007 the world economy grew by 4.9%, slightly less than in 2006. This economic slowdown is mainly due to the slowing down of the most advanced economies, especially the United States' (+2.2%), where the real estate market's correction is still creating financial tension.

The Euro Zone's GDP grew 3.1% in 2007, and 3.8% in Spain, once again positioning itself as one of the developed countries with greatest growth. In Latin America, the economy still grew in 2007, with a solid 5.6%, mainly driven by Brazil (+5.4%), Argentina (+8.7%), Peru (+9%) and Colombia (+7%), which continue to show greater macroeconomic stability. On the other hand and due to its closeness and dependence on the US market, the Mexican economy grew 3.3%.

According to International Monetary Fund forecasts, there is greater uncertainty regarding the global growth in the future, due to the scope and duration of the financial turbulences felt by the economy since August 2007. According to the estimates, the growth will go down to 3.7% in 2008 and will be more or less the same in 2009.

Western Europe is also expected to undergo a slowdown of economic activity because of a decrease in demand, due to financial tensions and a negative cycle in the real estate market in some countries.

On the contrary, in emerging and developing markets, growth will be slightly curbed —due to the efforts of some economies to avoid overheating, trade and financial outbursts and a slight moderation of commodities prices— but will keep its dynamism in 2008 and 2009. In turn, the security sector has continued to grow thanks to the positive evolution of security services demand worldwide. We forecast that the sector will continue to grow at

— DESPITE THE LOSS OF
MOMENTUM IN THE WORLD
ECONOMY, 2007 WAS A POSITIVE
YEAR FOR THE SECURITY SECTOR.

a pace of about 9%, mainly boosted by an increase in the surveillance and assets transport businesses in emerging countries and due to the electronic system business and residential security in the most developed countries.

Trends and challenges

Taking into account the above mentioned scenario, we see important strategic challenges for the future for companies in the sector:

■ **Concentration.** Over the next few years a business consolidation process will take place, especially in Latin America, where the markets are very fragmented. This process will enable the general improvement of the sector’s image, by including best practices of large security groups worldwide in markets currently less mature.

■ **Quality.** Given the difficulty to find qualified personnel for the provision of security services, training is essential in order to guarantee quality. Over the last few years we have seen great quality demands by customers. Being

**THE VALUE OF
TECHNOLOGY**

The introduction of technology in this sector enables offering comprehensive security solutions with a greater control of staff costs. In future, the correct combination of human and technical resources will be a differential element in the market. In turn, the area of systems and monitoring of alarms offers interesting future prospects due to the increasing expansion and sophistication of the range of products and services offered.





capable of meeting this demand in the current economic environment will be essential in future.

■ **Subcontracting.** The subcontracting trend continues to a great extent in the security services of big companies and public administrations worldwide. This offers great and new business opportunities. The trend in this sense lies on the request of great involvement in the customers' businesses.

>> **corporate security**

Prosegur's international expansion increased in 2007, starting its operations in Colombia and deepening those carried out in other countries. The active presence of the Company in the security business is found, as well as in Colombia, in Argentina, Brazil, Chile, Spain, France, Italy, Mexico, Paraguay, Peru, Portugal, Romania and Uruguay.

The Prosegur Group has organised its activities around two business areas: Corporate Security, whose activities are carried out via Prosegur Compañía de Seguridad, and Residential Security via the Prosegur Activa program.

The global turnover for the area of Corporate Services went up in 2007 to 1,743.2 million of euros, accounting for a 13.2% increase versus the previous year. As a whole, this area accounts for 94.6% of the total revenues of the Prosegur Group.

By geographical areas, Europe has increased its sales by 7.8%, up to 1.12 billion of euros, boosted by organic growth in all countries. More specifically, turnover in Spain increased by 7.9%, to 844.9 million of euros. Latin America also experienced considerable progress, 24.4%,



up to 622.4 million of euros. This increase is mainly due to the good progress of the Assets Logistics and Cash Management business in Brazil and Argentina, and to the positive development of the surveillance sector in the Andean country. Brazil increased its turnover 22.1%, up to 321.7 million of euros. The Argentinean Area increased its sales 28.7%, up to 172.5 million of euros.

Geographic regions

Spain

The Spanish economy grew 3.8% in 2007, proving to be once again one of the most active economies in Europe and in the developed countries. This important growth rate, together with an increase in the standard of living of citizens and greater awareness about security needs, led to the sector growing 10% more in Spain than in the previous year. The Group's Corporate Security areas saw significant growth rates, thus the Company maintained its leadership position. The workforce went up to 25,379 people. In June 2007, the Prosegur Group closed the purchase of IASA Ingenieros S.A., a company specialising in fire protection systems, and a benchmark in the Catalan market.

France

Prosegur had at the end of this year, in this country, 2,234* employees. The Company's activity in this country during 2007 developed satisfactorily, gaining the trust of customers such as the Airbus Group, in order to provide Active Surveillance services in its headquarters in Toulouse. Moreover, we signed a contract with an emblematic customer such as La Poste, the French mail service, for three years in order to provide security services.

**BUSINESS VOLUME
IN EUROPE**

Spain
844.9 million of euros
France
107.8 million of euros
Italy
37.2 million of euros
Portugal
123.2 million of euros
Romania
7.6 million of euros

* Workforce at the end of the year

— TURNOVER IN EUROPE
INCREASED 7.8%, UP TO
1,120.9 MILLION OF EUROS,
BOOSTED BY GROWTH IN EVERY
COUNTRY.

Italy

Italian economic growth in 2007 was weaker than expected, at just 1.5%, below the Euro Zone average. At the end of 2007, the Prosegur Group reorganised its activities in the Italian market through the acquisition of a minority and indirect holding in IVRI Direzione S.P.A., a company leader in the Italian security sector, with activities in Surveillance, Assets Transport, Alarms Monitoring, Response Service and Electronic Systems. To obtain that holding, Prosegur became shareholders of the investor vehicle Capitolotre, S.P.A. via the subscription of an increase in the capital for a total amount of 31.5 million of euros. As part of this operation, Prosegur sold to IVRI Direzione, S.P.A. its subsidiary companies operating in the areas of Milan and Turin. Prosegur has 33% of economic rights of Capitolotre, S.P.A. and currently holds 19% of its political rights. This company, where the investor groups 21 Partners and Banca Leonardo participate, has a majority holding of 77% in IVRI Direzione, S.P.A.

Portugal

The security market in this country grew 5.95% in 2007. Prosegur has a workforce of 7,105 employees, making it

**BUSINESS VOLUME
IN LATINAMERICA**

**Argentinean Area
(Argentina, Paraguay
and Uruguay)**
172.5 million of euros

Brazil
321.7 million of euros

Chile
68.8 million of euros

Colombia
21.2 million of euros

Mexico
1.0 million of euros

Peru
37.1 million of euros





the fifth largest job creator in Portugal. Amongst the most important facts of 2007, we can highlight the *Best Service Company* award granted by the most important financial newspaper. To this, we must add the renewal of the airport security contract, with over 12 million people managed by the Company's services, as well as renewal of contracts with other large customers, such as Sonae and Ikea. Portugal was in 2007 the location of many public events that led to the mobilization of people and in which Prosegur provided security solutions: Rally of Portugal, Estoril Open, Lisboa Bike Tour, Porto Bike Tour, 7 Wonders of the World, Volta a Portugal, Moto GP and Lisboa Dakar.

Romania

In 2007, the Romanian economy grew by 6%. Even though the security market is very fragmented, Prosegur is the second global operator of Private Security and leader in

— PROSEGUR PORTUGAL WAS
PRESENTED IN 2007 WITH
THE BEST SERVICES COMPANY
AWARD, SUPPORTING ITS
EXCELLENCE IN THE DEVELOPMENT
OF ITS ACTIVITIES.

Active Surveillance services, present all over the country. It has 3,151* employees. The Company, which is significantly present in the main banks operating in the country —amongst them, BRD (Société Generale) and ING—, won the largest Active Surveillance contract with Bank BCR, one of the most important banks in Romania.

Argentinean Area

Argentina

The Argentinean economy continued to enjoy in 2007 the high growth rates of previous years, registering at the closing of the financial year a growth of 8.7%. The surplus generation in the fiscal and foreign accounts, the favourable interest rates, the restructuring of the public debt and the growing accumulation of international reserves created the favourable environment to reach those economic development levels. In this context, the incentives to the demand of consumption goods fostered greater productive dynamism. Nevertheless, the inflationist pressures currently present in the country cast significant uncertainties about the economy's midterm future. Prosegur has 10,835* employees in this country.

* Workforce at the end of the year

Financial year 2007 has been especially important due to the great incentive given to security technology activities. In January 2007, the company Fireless was acquired, a national company focusing on fire protection. It is a well-known brand in the market, which becomes Fireless Prosegur Tecnología, as a way of associating Prosegur with technology and fire protection services. In its first operational year within the Group, the company achieved its objectives, growing in turnover and doubling its staff. In 2007, great incentive was given to the synergic action between Assets Logistics and Active Surveillance, which has had as a result a significant growth in customers of the size of Renault, Telecom, HSBC, Cablevisión and Grupo Artear. The positioning in the market of Housing developments, Enclosed Neighbourhoods and Estates has also been promoted, managing to reach first level customers in the country such as Arelauquen Golf and Country Club in Bariloche, La Vacherie Club de Campo in Mendoza and Country Club Rumencó in Mar del Plata. Prosegur maintained throughout the year its leading position in security solutions for oil facilities, meat processing plants, tourism and the gambling industry.

Paraguay

Once again the economy registered positive figures in 2007. The inflation rate was 6%, compared to 12.5% the previous year. GDP grew 6%, compared to 4% in 2006. The security market is stable, mature, with a clear trend to increasingly prioritise costs. The Assets Logistics and Active Surveillance market (where the company operates) stayed at previous levels. Prosegur has a workforce of 388* employees. In 2007, the Paraguay banking system experienced highly satisfactory performance. The trans-

ACQUISITION OF XIDEN IN ARGENTINA

With the aim to continue growing, the Group acquired at the end of 2007 the company Xiden, specialising in the integration of technology through the development of solutions to applications of access control and professional and industrial video services (CCTV). Xiden is a benchmark company in the electronic security market. With this acquisition, Prosegur Technology positions itself as leader in this market.

* Workforce at the end of the year

— THE OPENING OF NEW
MARKETS IN LATIN AMERICA
AND THE BUSINESS DYNAMISM HAS
BOOSTED THE GROUP'S TURNOVER
IN THIS REGION UP TO 622.4
MILLION OF EUROS (+24.4%).

port and physical security market stayed at the same level as in previous years, even though banks are boosting the activity of ATMs, as well as the expansion of activities towards the inner parts of the country, showing an increase in the access to banking services. The greatest demand in the security service sectors continue to be the Financial, Banks and Foreign Exchange bureaus, and there is an increase in the participation at a credit level of cooperatives. Within this context, the Company's management has been directed at security services offered nationally which are differentiated because of operational excellence, continuous improvement and innovation, in search of efficiency and profitability.

Uruguay

The economy in Uruguay grew at a rate of 7% in 2007, completing a five year constant upwards cycle. Internal demand has been one of the main drivers of the economy in Uruguay during that year, backed by a strong increase in exports. The security market in this country showed, in this financial year, an increasing demand of services in



very specific niches, the industrial and commercial sector, even though it maintained the previous year dynamics of lack of specialised personnel. In this context, Prosegur has kept its leadership position throughout the year, thanks to a diversified service offer, with high quality components and added value for its customers. At the close of the year, the workforce was made up of 1.934* employees.

Brazil

Brazilian GDP grew 5.4% in 2007. During this year, the security sector registered considerable progress. In this scenario, Prosegur, which offers Assets Logistics, Cash and ATM Management, Electronic Security, and Personal Security and Surveillance services registered a sharp increase in its business volume, thanks to the expansion of its business portfolio, the updating of prices and the increase in operations volume.

In Brazil, the Group has 20,136* employees. In 2007, it mainly developed its image as a referent company, both in the Assets Logistics sector, where it has a strong presence, and in Surveillance.

■ The Assets Logistics market performance did not show significant changes compared to 2006. Banks, main customers in this activity, kept the number of offices and ATMs more or less stable. In retail trade, there was a distinct expansion in the large shop chains, creating an increase in services. Prosegur maintained the loyalty of its customers thanks to the offer of leading edge products and differentiated solutions, which boosted the business value chain. An important milestone in the

* Workforce at the end of the year



year was the appointment of Prosegur as the official haulage contractor for the Pan-American games that took place in Rio de Janeiro. Moreover, throughout 2007 there was an important investment effort to modernise the Cash Management operational bases in Rio de Janeiro and São Paulo.

■ In the area of Active Surveillance, the most significant results mainly took place in sporadic services, where the turnover doubled compared to the previous year, with Active Surveillance services, mainly due to customers

such as Dell Computers and the Central Bank in the city of São Paulo. In 2007, there has been a considerable effort to position the Prosegur brand in the sector of corporate security, with a higher degree of recognition by customers that previously only saw Prosegur as an Assets Logistics company.

Chile

In 2007, the Chilean economy experienced a growth of 5.1%. Nevertheless, the country's macroeconomic situation is stable, unemployment was reduced gradually and the fiscal position was kept solvent. In Chile, Prosegur works in Assets Logistics, Courier, Active Surveillance and Electronic Technology services. It employs 5,650* employees. All the areas have experience considerable progress.

■ Active surveillance has developed an intense commercial action which has fostered an increase in the number of contracts, adding new important customers and significantly reducing the contract terminations. These two effects have been achieved by applying growth strategies aimed at improving income, cleaning the portfolio, portfolio crossing and improvements in service quality by capacity building.

■ In Courier, service quality, linked to security and the Prosegur brand, has significantly promoted this activity.

Colombia

The Colombian economy showed a slight increase in the inflation rate (CPI) between the years 2006 (4.48%) and 2007 (5.69%), due to an increase in public and private spending and the constant apprecia-

* Workforce at the end of the year

— IN 2007 PROSEGUR STARTED
ITS OPERATIONS IN COLOMBIA,
WITH THE ACQUISITION OF THE
COMPANY THOMAS GREG & SONS,
SPECIALISED IN ASSETS LOGISTICS.

tion against the dollar (+10%). GDP growth stayed at around 6%, with a certain trend to market stagnation. Prosegur started its activities in Colombia in May 2007, with the acquisition of 60% of the company Thomas Greg & Sons Transportadora de Valores, specialised in Assets Logistics and Cash Management. At the end of the year, it had a workforce of 1,368* employees.

Mexico

Mexico's GDP in 2007 reached 860 billion dollars, 3% more than the previous year. This country placed itself then in the first position of Latin America, according to GDP, with the largest income per capita (8,120 dollars). For 2008, the economy growth is expected to be 2.7%, due to the slowdown in the United States. The inflation in 2007 was 3.76%; the forecast is that in 2008 it will go down to 3.2%. The Mexican security market is one of the largest of the continent. In the area of Surveillance, it is estimated at a total of 3.1 billion dollars, with over 500,000 security guards. The area of Assets Logistics



— IN PERU, SECURITY SERVICES OPERATIONS HAVE EXPANDED TO OTHER PROVINCES, BEYOND LIMA, AND SO THE COMPANY CONTINUES TO BE A LEADER IN THE SECTOR.

and Cash Management reaches 780 million dollars. Over 10,000 companies make up the range of competitors in Surveillance activities. Given the recent entry of Prosegur in the country, the business figures are very significant.

The forecasts for 2008 are optimistic, and the Company has set itself the objective of organic and inorganic growth.

■ In Active Surveillance, it started its activities in August 2006. Prosegur has established the basis to provide its services complying with the quality parameters that make it different and is obtaining the trust of important customers, such as Ford, Car Logistics (vehicle distributor) or Zimag (Colgate distributor). It has a workforce of 230* people.

■ In 2008, in the area of Cash Management, we reached an agreement with important financial institutions to start providing this service to customers.

Peru

GDP growth in 2007 reached 9%, thus achieving nine consecutive years of growth and the highest expansion rate since 1994. This increase is mainly due to the trade

* Workforce at the end of the year

sectors (10.5%), manufacturing (10.6%) and construction (16.1%). Inflation reached 3.93%, the highest in the two previous financial years (2005: 1.49%; 2006: 1.14%). The American dollar exchange rate went up 6.2%, with an average price of 2.99 soles. Prosegur is clearly the leader in the security market, after having been in Peru for 26 years and having a workforce of 4,140* employees. Prosegur started expanding its security services operations to other provinces beyond Lima in 2007, hence boosting its leadership in the sector. In Active Surveillance, it boosted the activity in seven important cities in the country, with a clear success when winning important customers, such as Scotiabank, Mibanco, Superintendencia de Banca y Seguros, Falabella and others.

Business areas

Active Surveillance

The area of Active Surveillance is present in 12 countries (Spain, Portugal, France, Italy, Romania, Argentina, Brazil, Mexico, Chile, Paraguay, Peru and Uruguay), that is, in all the countries where the Company is present, except for Colombia.

New service philosophy

2007 has been the year of redefining the concept of Active Surveillance, in order to differentiate it clearly and set out a totally new service for our customers. The key has been the implementation of a new service philosophy, which focuses on customers and on the team that looks after their needs, giving the latter all the decision making tools to optimise security services. The new Active Surveillance model focuses on the figure of the security guard, with the

SECURITY GUARD PARTICIPATION, A KEY ELEMENT

The new Active Surveillance model promotes the participation of the operations personnel in designing services and decision-making. Both team managers and security guards cooperate in this task.

— THE NEW ACTIVE SURVEILLANCE
MODEL FOCUSES FULLY ON
CUSTOMERS AND THE TEAM
MEETING THEIR NEEDS, WITH A
REINFORCED INFRASTRUCTURE.

belief that they are the ones that best know the characteristics of the place where they work, thus, no one better to identify and propose potential service improvements for customers, who trust their professionalism and good judgement. If security guards are proactive, service quality increases exponentially. The action lines taken in the area of Active Surveillance have been:

■ **Driving efficiency and transparency.** Prosegur has reinforced the infrastructure that supports the security teams assigned to each customer. The number of service managers and inspectors has been increased and their functions have been strengthened.

The Company considers that both service managers and inspectors are two key elements to implement the new concept of Active Surveillance, since they are the mechanisms necessary to communicate the new model ideas to team managers and guards.

Direct management of security services provided to customers is carried out by the team managers. Their work is essential for all planning and development of customer solutions and the Company makes every effort





to provide them with all the necessary tools. In 2007, 1,200 PDAs were given to team managers so they can have real time access to information on work plans and incident management, while coordination was improved between surveillance teams and operations centres.

In 2008 we plan to provide inspectors with these terminals, so they can have available all information from the work centres and conduct a more efficient inspection of the services. At the same time, they will prepare reports including the results of the quality control conducted; these reports will be posted in the private customer area of Prosegur's web site, thus enhancing communication and transparency.

— THE NEW ACTIVE SURVEILLANCE
MODEL FOCUSES FULLY ON
CUSTOMERS AND THE TEAM
MEETING THEIR NEEDS, WITH A
REINFORCED INFRASTRUCTURE.

■ **Operations support.** Involvement of the whole operations structure at Prosegur is another feature that defines the new Active Surveillance model: the aim is for guards to feel the direct support of this structure. Inspectors are essential for this function: this role acts as a liaison between the Company structure, the departments and the work centres. In their double function, they ensure guards and assistants have everything they need, while being in continuous contact with customers to resolve any possible incident. This way a horizontal structure has been implemented, comprised of service managers, team managers and inspectors, which allows anticipating customer needs, with greater motivation, flexibility and support.

■ **Enhancement of human capital.** The task of training, motivating and stimulating guards has been continuous throughout 2007. The Prosegur Plus loyalty program to reward the professionalism of guards and service assistants, initiated in 2006, was maximised in 2007. From 6,500 participants we have gone to over 10,000. This has helped

OPERATING
EXCELLENCE

Prosegur has set up the OPERA Project, with the aim of facilitating information to customers on the security services provided by the Company. Through an Internet connection, customers can view the composition of their security team, their work plan, specific training, security incidents and inspection reports prepared by Prosegur.

reduce the rate of employee turnover and absenteeism, increasing personnel attraction. Motivation leads to greater quality on the job and improved customer service.

Cash management and assets logistics

Cash management and assets logistics were confirmed in 2007 as fully developed businesses in markets such as Spain and in most Latin American countries, with ever higher customer quality and productivity demands. Some of the major achievements in 2007 were:

■ **Leadership in the application of the New Euro Recycling Framework.** At the end of 2004 the European Central Bank approved the New Euro Recycling Framework, known as Framework, which establishes a system to control the quality of the paper money circulating across the Euro Zone. The purpose is to ensure all notes coming out every day from bank and automated tellers have undergone a strict quality control. This new regulatory framework came into effect on 31st December 2007, with a moratorium until the end of 2010 for some countries, including Spain. Prosegur has made an enormous technological and management effort throughout 2007 to help Spanish banks adapt to the community regulation in the shortest time possible, and it has obtained certification from the Bank of Spain of the first major cash management base in the country. For this it had to undergo a verification process that analysed five essential items in Prosegur's operations: certification of bases and infrastructures, working procedures, machinery to process cash, security measures of facilities and transport and daily supply of detailed information on cash management.

VALUE ADDED IN CASH MANAGEMENT

Prosegur has focused its strategy in providing intelligence to the considerable muscle developed in the last few decades in this business and to innovating in products and services, such as My Branch and My Merchant, created in 2007 and which will be fully developed in 2008.

— IN CASH MANAGEMENT AND ASSETS LOGISTICS, PROSEGUR HAS FOCUSED ITS STRATEGY ON ADDING VALUE TO THE BUSINESS AND INNOVATING IN SERVICES.

■ **Driving Comprehensive ATM Management**

Service. With this service, Prosegur ensures availability of ATMs with an optimum arrangement. Prosegur plans when and how much must be loaded at an ATM to ensure cash availability with an optimum combination of logistics and financial costs. Furthermore, they continuously monitor the state of the ATMs to handle their repair in the event of a failure. Once the service efficiency has been verified in remote ATMs, we are also applying it to cash management at bank branches, freeing their personnel from administrative tasks and allowing them to spend more time on their business. Prosegur provides customers with online access to their ATM network.

■ **New Customised Cash Management Service.**

In 2007, Prosegur partnered with non-banking customers to develop customised solutions that reduce their internal cash management and administration costs, improve security and provide improve service to the end consumer. The approach followed entailed a joint analysis of the full value chain and its improvement by incorporating information, introducing technology and

changing procedures, both of customers and Prosegur.

■ **Greater productivity and quality.** Increasing the productivity of cash management bases and the whole assets logistics network has been a constant priority for Prosegur in 2007. This improvement in productivity has resulted in better customer service quality rates.

For this purpose, the following actions were carried out:

- Implementation of Unique Working Model at the Group's logistics bases worldwide, achieving significant time savings to load and unload armoured vehicles and lower management costs in fund transportation services.
- Automation of money counting system at the cash management bases.
- Modernisation of cash handling system, connecting counting operations to customer computer systems.
- Unification of computer money counting systems, to operate in the same way worldwide.
- Improved money counting operations at customer facilities.
- Online monitoring systems of armoured fleets, to optimise routes and improve adaptation of execution with times agreed with customers.
- Opening in Brazil of the largest cash management base.

■ **Award to excellence.** The innovative systems for Logistics and Fund Transportation developed by the Prosegur Group received recognition in 2007 through awards presented by the Spanish Logistics Centre (CEL) to the Development of Business Logistics Management and from the Catalan Institute for Logistics Innovation (ICIL) to Logistics Excellence.

— THE LOGISTICS AND FUND
TRANSPORT SYSTEMS
DEVELOPED BY PROSEGUR
RECEIVED IN 2007 THE CEL AND ICIL
AWARDS TO EXCELLENCE.

Looking towards 2008, the **challenges** faced by Prosegur in the cash management and assets logistics business are the following:

- Expand the information provided customers on cash counting.
- Individualise processes according to customer characteristics, so that the one that best suits their needs is always applied.
- Drive quality controls implementing indicators that can be viewed by customers.
- Universalise the concept of comprehensive logistics, by controlling, in real time, information on vehicles and goods and the ways to act upon them.

Prosegur Technology

Prosegur Technology was created in 2005 with the aim of being the benchmark company in security and fire protection systems thanks to its capacity for technology innovation and quality made available to its customers. This is a highly competitive business, in which Prosegur stands out, as mentioned above, for its innovation and the quality of the services it provides its customers.

Business Strategy

In 2007 the technology area was strengthened with the acquisition of companies such as Xiden in Argentina and IASA in Spain, to which Prosegur has incorporated its own technology developments. This whole group of specialised companies follows uniform corporate operations in accordance with the following business strategy:

■ **Extend geographical presence** in all countries and markets where the Group operates, with special emphasis on those where there is the greatest demand for security technology.

■ **Enhance the human team.** In 2007 over 200 professionals joined Prosegur Technology and training activities were intensified in all countries in which the Company operates and in a broad range of business sectors.

■ **Drive corporate culture.** Throughout 2007 corporate culture has been strongly driven to integrate the special features of each company joining the Group. This project has materialised in areas such as the design and implementation of a uniform image and an executive management system. We have also started to work on shared management and financial systems across all the countries in which we operate.

■ **Innovation a priority.** Prosegur Technology is continuously seeking new technologies and developments that allow increasing the number and the quality of its services. The results in 2007 have been very positive.

PROSEGUR TECHNOLOGY BUSINESS AREAS

Prosegur
Technology works
in:

■ **Electronic security systems:** image processing, access control, anti-intrusion systems, interphone and public address systems, maintenance.

■ **Fire protection systems:** detection, extinguishing and maintenance.

■ **Advanced security services:** alarm reception centres (security in mobile environments, video-surveillance, connection of fire alarms, connection of anti-intrusion systems, technical alarm centres) and system integration.

— PROSEGUR TECHNOLOGY
HAS REINFORCED ITS
OPERATIONS IN SPAIN WITH THE
ACQUISITION OF THE COMPANY
IASA INGENIEROS, SPECIALISING IN
FIRE PROTECTION SYSTEMS.

The other technology sector the Company has focused on is Security Systems for Mobile Environments, to apply security conditions to people, equipment or goods in motion; we have also advanced in learning more about access control and CCTVs.

The activities carried out by Prosegur Technology in the countries where it operates are as follows:

■ **Spain.** Nordés-Prosegur Technology saw its business strengthen significantly in Spain with the acquisition of the company IASA Engineers, specialising in fire protection systems, allowing a significant market presence in Catalonia. In 2007 we increased operations of the offices in Seville and Bilbao and new ones were opened in Granada, Las Palmas and Zaragoza. Nordés-Prosegur Technology has enhanced all its engineering areas and is currently the market leader in the development and execution of security technology projects. Quality has been a continuous requirement throughout the year, with the implementation of an internal quality department with excellence as its sole objective.

**ENHANCEMENT
OF LABORATORY
WORKSHOPS**

2007 was also characterised by the drive given to the Laboratory Workshops of Prosegur Technology, sites where the various electronic security systems installed for customers are tested. These were operative in La Coruña and Barcelona and during the year the ones in Madrid, Oporto and Buenos Aires were set up.



■ **Argentina.** In 2007 we closed the acquisition of the company Xiden, a leader in the Argentine market of closed circuit television which provides major synergies to the Company and also operates in other technology security areas.

■ **Brazil.** Prosegur Technology started operations in Brazil in October 2007, centralising operations of access control systems for one of the country's largest business groups.

■ **Mexico.** In 2007 the Company began operations in Mexico in the field of closed circuit television.

■ **Portugal.** 2007 saw the consolidation of the Portuguese firm Escol, with the incorporation of major customer

— PROSEGUR ACTIVA HAS
STARTED OPERATIONS IN CHILE
AND EXTENDED ITS NETWORK OF
CUSTOMER SERVICE CENTRES,
NOW ALREADY OVER FIFTY
WORLDWIDE.

accounts, investment for development of alarm reception centres and renewal of the Company's executive team.

>> **residential security**

The Residential Security area, which celebrated its 15th anniversary in 2007, has been operating since February 2007 as an independent financial and organisational unit under the name Prosegur Activa, grouping all residential, retail and small and medium company alarm businesses. In its first year of operation, Prosegur Activa has focused its efforts in advancing towards its Mission (to be the leading security company in service quality in its sector) and Vision (achieve its objective with a high level of internal engagement, focusing its actions on optimising resources to ensure value creation for its customers, colleagues and shareholders). Results have been very satisfactory: the company achieved a turnover of 98.6 million of euros in 2007, 11.9% more versus the previous year. The number of connections grew 4.7%, while new connections rose 12.4%. The markets which grew the most were Argentina and Uruguay, with an increase in connections of 10.5% and

10.8%, respectively. The workforce grew 15.9%, up to 1.773 employees, in order to fulfil the service improvements implemented and market expansion.

Innovation in products and services

Prosegur Activa developed new products and services in 2007 endowed with innovative elements that allow improved management of alarm systems, especially with regard to distinguishing justified alarms from false ones.

Prosegur Activa has undertaken an enormous technical and commercial effort to eliminate false alarms, one of the most sensitive points in this field.

We are the only company in the sector with a specific centre to detect false alarms and the one exerting the greatest effort to train customers in the management of alarm systems to avoid inadequate activation.

In Madrid and Lisbon we have installed new alarm reception centres and telephone customer services endowed with new computer systems to manage events, images and customer calls.

Opening of new markets

In 2007 Prosegur Activa began operations in Chile, a market where we already conducted other fields of business and which stood out in the alarm segment for the firm consolidation of national brands.

Prosegur Activa has achieved significant penetration in this market thanks to innovative solutions proposed to our customers. Thus, Prosegur Activa is already present in Spain, Portugal, Argentina, Uruguay and Chile.

PROSEGUR ACTIVA, COMPANY WITH BEST OUTLOOK 2007

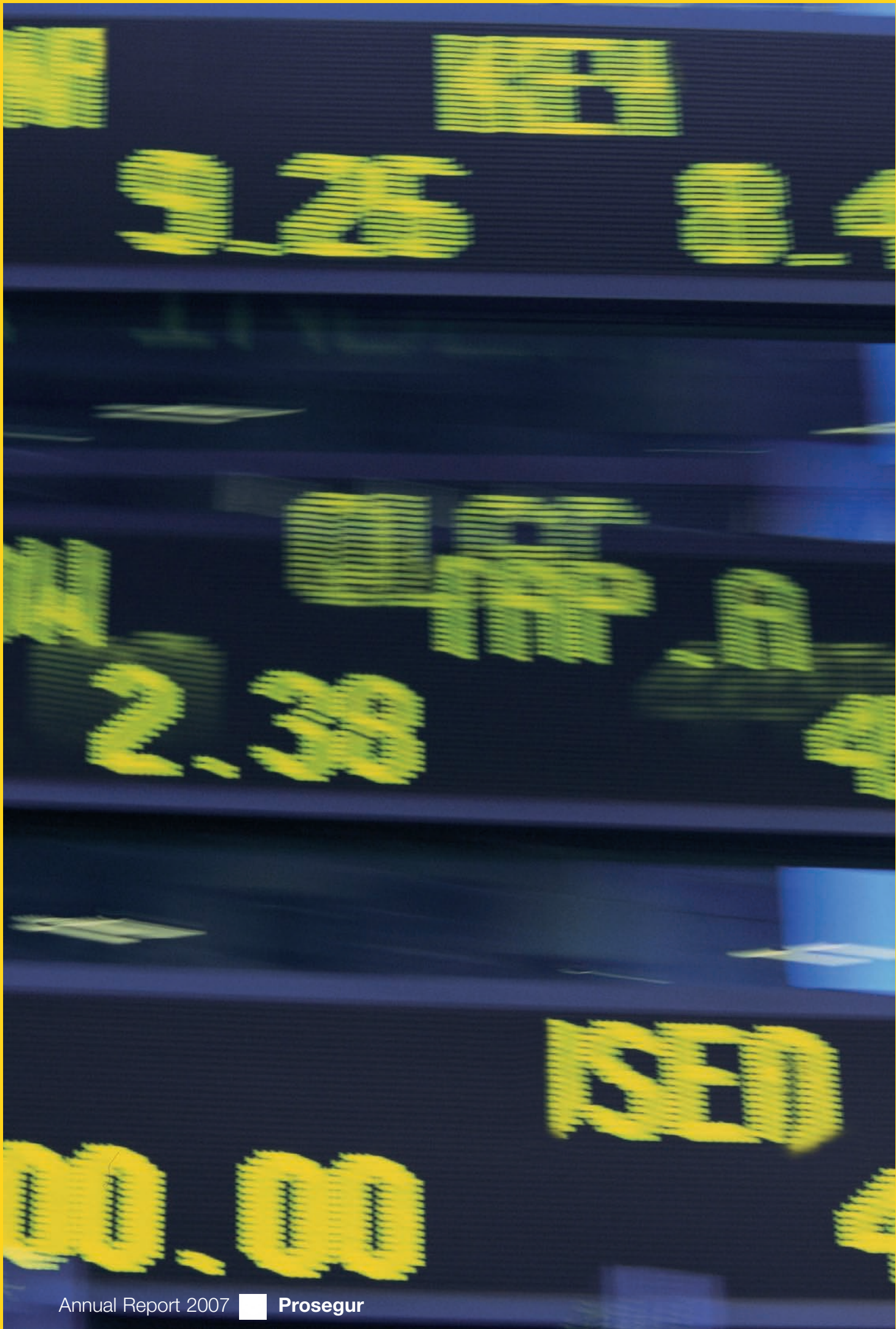
Prosegur Activa has continued striving throughout 2007 to integrate state-of-the-art technology. Their catalogue has extended to include Perimeter Security, IP Videosecurity, Smart Automation or Technical Alarms services. These services, together with the professionalism of their personnel, have allowed users to enjoy the most innovative security solutions in their homes and businesses. The company's innovative nature has been recognised with its inclusion in the list Company with Best Outlook 2007.



Greater customer outreach

Likewise, the business strategy initiated in 2006 to reach out to customers through street outlets was notably increased in 2007. During this year we opened customer service sites in Coruña, Vigo, Gijon, Tarragona, Estepona, Murcia, Almería and Cornellá, as well as Cascais (Portugal) and Belgrano and Pilar in the province of Buenos Aires. Prosegur Activa has one of the largest direct networks in Spain, with 35 points of sale and service across the country. In total we they have over 50 sites worldwide. Also, in 2007 the company significantly strengthened its human capital, aware that their training and customer commitment is essential. This strategy has allowed them to obtain the recognition as Top Company to work for in 2007 from the international organisation CRF, devoted to economy and company research.





// 07

Stock market report

One of the Prosegur Group's core objectives is to maximise value creation. To achieve this, their business focuses on pursuing growth opportunities.

// Stock market report //07

The Prosegur Group is characterised by a sound shareholding structure, its aim for profitability and the close relations it holds with investors and analysts that follow the Company.

>> dashboard and major ratios

Through the so-called dashboard (whose figures as of 31 December 2007 are shown below), the Prosegur Group's shareholders will find all relevant information on the Company.

Shares

Shares Capitalisation (€ million)	1,505.8
Shares (million)	61.7

Coverage Ratios

Net debt (€ million)	229
Net debt/EBITDA	1.09
EBITDA/Financial expenses	15.55

Ratios

Market value / Book value	3.9
Market value /Net profit	15.3
EV/Sales	0.94
EV/EBITDA	8.25
EV/EBIT	10.71
PER	15.32

Per share data (€)

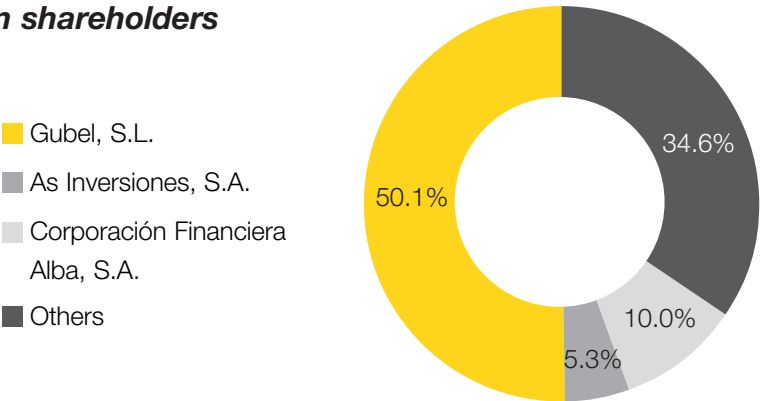
Book value	6.20
Net profit	1.59

PROSEGUR'S SHARES
CLOSED 2007 WITH A PRICE
OF 24.4 EUROS.

>> **main shareholders**

The shareholding structure of the Prosegur Group is a reflection of its soundness. 65.4% of its stock is in the hands of three main shareholders: Gubel, S.L., As Inversiones, S.A. and Corporación Financiera Alba, S.A.

Main shareholders



The strong presence of shareholders in the Board of Directors is remarkable: board members hold 56% of the Company's shares. This allows management bodies, and especially the Steering Committee, to communicate with transparency the main strategic lines to be followed and to make decisions in line with the interests of all shareholders.



Shareholding structure

Tranches	N° shareholders	%	N° shares	%
Over 100,000	37	1	57,144,618	93
Over 10,000	91	3	2,772,980	4
From 1 to 10,000	2,823	96	1,794,866	3
Total	2,951	100	61,712,464	100

The Prosegur Group has traditionally been highly accepted among international investors, since it has been perceived as a company with a growth potential that is difficult to find in other markets as stable as the Spanish one. This has resulted in the fact that its shareholding structure includes foreign investors representing a highly significant part of its free-float.

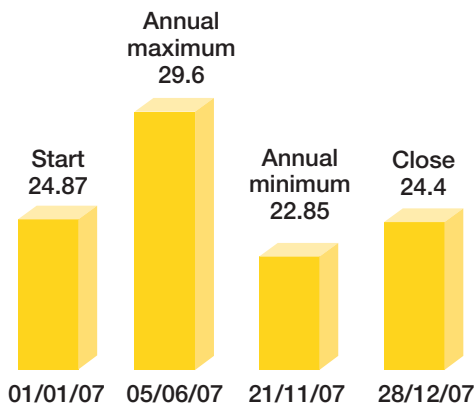
>> profitability

In 2007, European stock exchange indexes were marked by relative volatility, due to the subprime crisis that began at the start of the summer in the United States and which gradually spread to the rest of the markets. Among the factors that have also conditioned stock exchange evolution is the rise in price of commodities, oil and interest rates in the Euro Zone, as well as the appreciation of the euro versus the dollar.

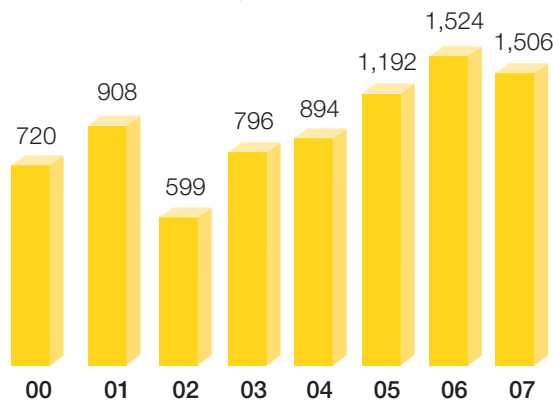
In this context, the Prosegur Group has continued with its strategy of achieving maximum share value for its shareholders. Share prices reached an annual peak of 29.6 euros per share on 5th June. At year end, trading was 24.4 euros per share.

THE DIVIDEND PROPOSED BY THE BOARD OF DIRECTORS AT THE ANNUAL GENERAL MEETING IN 2008 IS 0.71 EUROS PER SHARE.

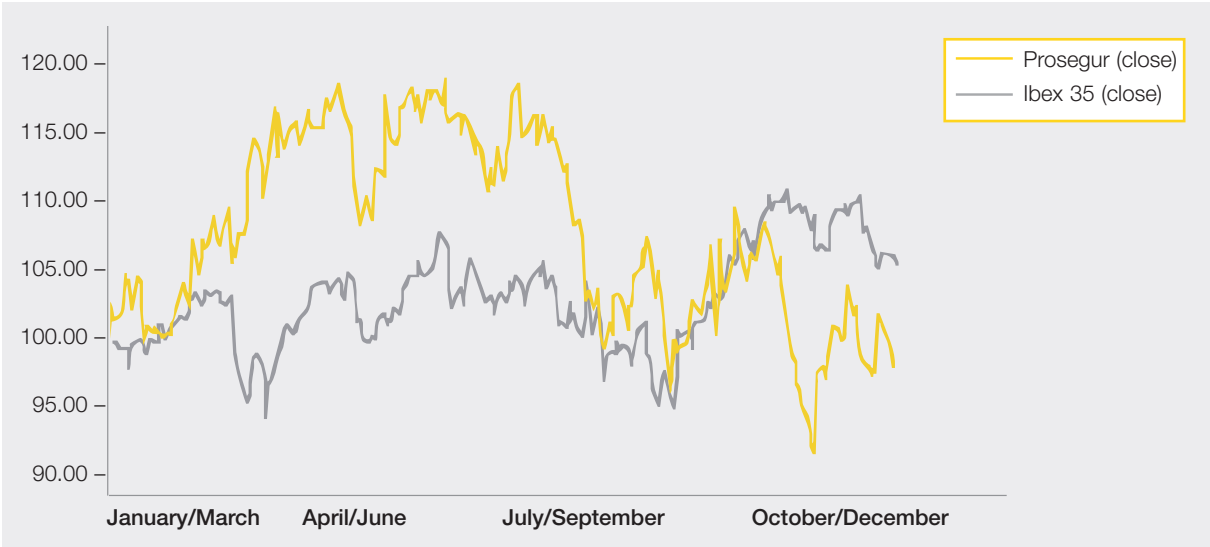
Share price 2007



Evolution of share capitalisation
(in million of euros)



Graph of the daily progress of Prosegur's share price v. IBEX 35 in 2007



Shareholder return

Continuous maximisation of the Company's value is reflected in the constant increase of shareholder return. At the Annual General Shareholders Meeting of 2006 a dividend of 33 million of euros was approved (0.53 euros per share), and in 2007 the amount approved was 40 million of euros (0.65 euros per share). For the Annual General Shareholders Meeting of 2008, the Board of Directors proposed distributing a gross dividend of 44 million of euros, which means a total of 0.71 euros per share. This dividend will be disbursed in four payments in July and October 2008, and January and April 2009.

Dividends

Dividend per share 2007 (€)	0.71*
Profitability/average share price 2007	2.7%
Pay-out 2007	44.8%

* Dividends proposed by the Board of Directors

>> analyst and investor relations

The Prosegur Group has close and permanent relations with shareholders and the analysts that follow the Company, through various communication channels:

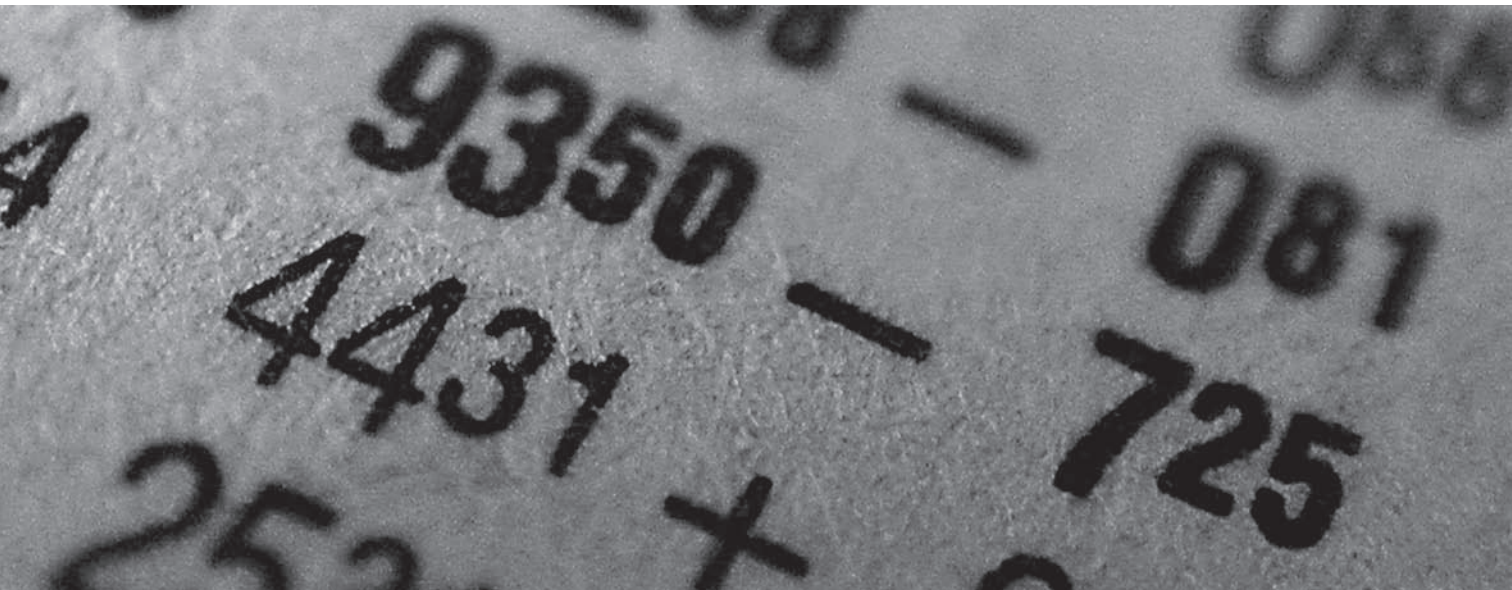
- Quarterly reports sent to the Stock Exchange and the National Securities Committee.
- Organisation of three Group road-shows: London (May 2007), Edinburgh (June 2007) and Frankfurt (February 2008).
- Over 280 direct meetings with analysts and investors.
- Seminars and conferences throughout the year.

CONTINUOUS COMMUNICATIONS

Prosegur maintains continuous communications with current and potential analysts and investors, through the e-mail address: accionistas@es.prosegur.com and the Group's web site: www.prosegur.com

Analysts covering the company

Company	Analyst	E-mail
Ahorro Corporación	Rafael Cavanillas Gil	rcavanillas@ahorro.com
Banesto Bolsa	Juan A. Tuesta	jatuesta@notes.banesto.es
BBVA	Luis de Toledo	luis.detoledo@grupobbva.com
BPI	Joaquín García Romanillos	joaquin.garcia.romanillos@bpi.pt
Cheuvreux	Isabel Carballo	icarballo@cheuvreux.com
Citigroup	Darío Vila	dario.vila@citigroup.com
Deutsche Bank	José Francisco Ruiz	jose-francisco.ruiz@db.com
Espíritu Santo Research	Jaime Escribano	jescribano@esinvestment.es
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UBS	Ignacio Carvajal	ignacio.carvajal@ubs.com
Caja Madrid	David Cabeza Jareño	dcabezaj@cajamadrid.es
Iberian Equities A.V.	Íñigo Vega	i.vega@ibequities.com
Fortis	Manuel Zayas Carvajal	manuel.zayas@fortis.com
La Caixa	Borja Pagoaga	bpagoaga@lacaixa.es
Venture Finanzas	Gonzalo Sanz Martín	gsanz@venture.es





// 08

Our employees

Human capital is one of Prosegur's major assets and a factor that has turned the Company into one of the leading multinationals in the sector.

The capacity and qualifications of our human team are to a great extent the basis for the quality of the services Prosegur provides its customers. Employee recruitment, training and engagement are therefore a strategic element for the Company, to which it devotes significant financial and management efforts.

Average workforce at the Prosegur Group in 2007 was 81,983 persons, an increase of 6.8% versus the previous year. Prosegur is a net creator of employment: in the last few years its average number of employees was increased 40.5% worldwide.

This growth is a result of the expansion process the Company has undergone, derived both from organic growth and its acquisition policy.

>> **rigorous recruitment**

Personnel recruitment procedures are some of the tools that have allowed Prosegur to consolidate in the international security services market and ensure that workforce growth is linked to the suitability and skills of all its employees. The specific nature of security services requires having a human team endowed with special personal and professional characteristics. Improved recruitment processes to identify with the greatest possible detail the suitability of each candidate for each job is a priority for the Group's Human Resources Division. A good example of this is the

— PROSEGUR PAYS SPECIAL ATTENTION TO RECRUITMENT PROCESSES, FOR MAXIMUM IDENTIFICATION OF EACH PROFESSIONAL'S SUITABILITY FOR EACH JOB.

intense activity conducted in Spain in the area of Corporate Security: in 2007, Prosegur received a total of 53,560 job applications, out of which we selected 14,825, or 27.68% of the total, which confirms the rigour of our personnel recruitment procedures. We delivered 191 entry courses.

>> **customised training**

For all the human resources strategies of the Group, training is a key element. Security services are subject to a continuous modernisation and characteristic redefinition process, which requires continuous training of the professionals providing these services. This is why the Company has undertaken several initiatives:

- **Continuous education for operations and structure personnel.** In 2007, in Spain we delivered 1,848 internal training courses of all types. In the rest of the countries where the Group operates training is also continuous and adapted to the specific needs of the services provided to customers.

ENHANCEMENT OF INTERNAL PROMOTION

One of Prosegur's objectives is to provide its employees with a career plan that enables professional growth and motivation on the job. To encourage internal promotion, several communication mechanisms have been designed to inform potential applicants on job vacancies and facilitate submission of internal candidacies.

■ **Prosegur University.** In 2007 the Prosegur University project, designed the previous year, has been fully consolidated. This is an online training platform to share all the specific knowledge that Prosegur has acquired throughout its history on security issues and business management, which is made available to all its employees worldwide. This is unique knowledge, which can not be obtained any other way: Prosegur University undertakes a specific training model for the Group's employees which allows standardising and unifying training contents for all affiliates, thus ensuring equal access to essential skills for each performance level. Throughout 2007 specific capacities have been structured as well as the groups of Prosegur professionals who have access to them. Initially, access to the Prosegur University focused on management personnel from the Operating and Structure departments. Gradually, these will be programmed to ensure they are accessible to other groups of Prosegur employees.

>> talent retention

A stable workforce of expert professionals is essential to ensure customer service, especially in a sector such as that of security, characterised by a strong job demand and a propensity to high turnover. For this reason, Prosegur pays special attention to measures to retain talent.

■ **Prosegur Values Meetings.** Spreading corporate culture is one of the main strategies to strengthen employee loyalty. The tool used for this purpose is the Corporate Values Meetings, which began in Spain in 2006 and in

— IN 2007, THE PROSEGUR UNIVERSITY PROJECT WAS CONSOLIDATED, A UNIQUE MODEL OF ONLINE TRAINING SPECIFICALLY DESIGNED FOR GROUP EMPLOYEES.

2007 extended to Peru, Brazil, Argentina and Chile. These are educational meetings aimed at communicating and reaffirming the Group's guiding principles and their application to the day-to-day.

■ **Prosegur Plus Programme.** This innovative professional incentive programme, which rewards operating staff professionalism by offering points that can be redeemed for gifts in accordance with performance, was strongly reinforced in 2007. If during the previous year the number of employees enrolled in the Programme was 6,500, at the end of 2007 the number was over 10,000. Its acceptance by employees has been extraordinary and the results achieved have been equally satisfactory. The workforce turnover rate and absenteeism has been reduced versus the previous year, and personnel attraction has increased.

■ **Variable compensation programmes.** In 2007 we enhanced variable compensation programmes for operating personnel, that allow linking a financial reward to performance or productivity, instead of time measure-

**INTERNATIONAL
RELOCATION
PROGRAMME**

As part of our professional development policy, the Company promotes the possibility of pursuing a career abroad. For this purpose, we provide incentives and specific information on the host country, as well as detailed relocation arrangements. The Group is a founding member of the Spanish Expatriation Forum (FEEX), an association which shares best practices in this area.



— THE RATES OF WORKFORCE
TURNOVER AND ABSENTEEISM
HAVE BEEN REDUCED, AND
PERSONNEL ATTRACTION HAS
INCREASED.

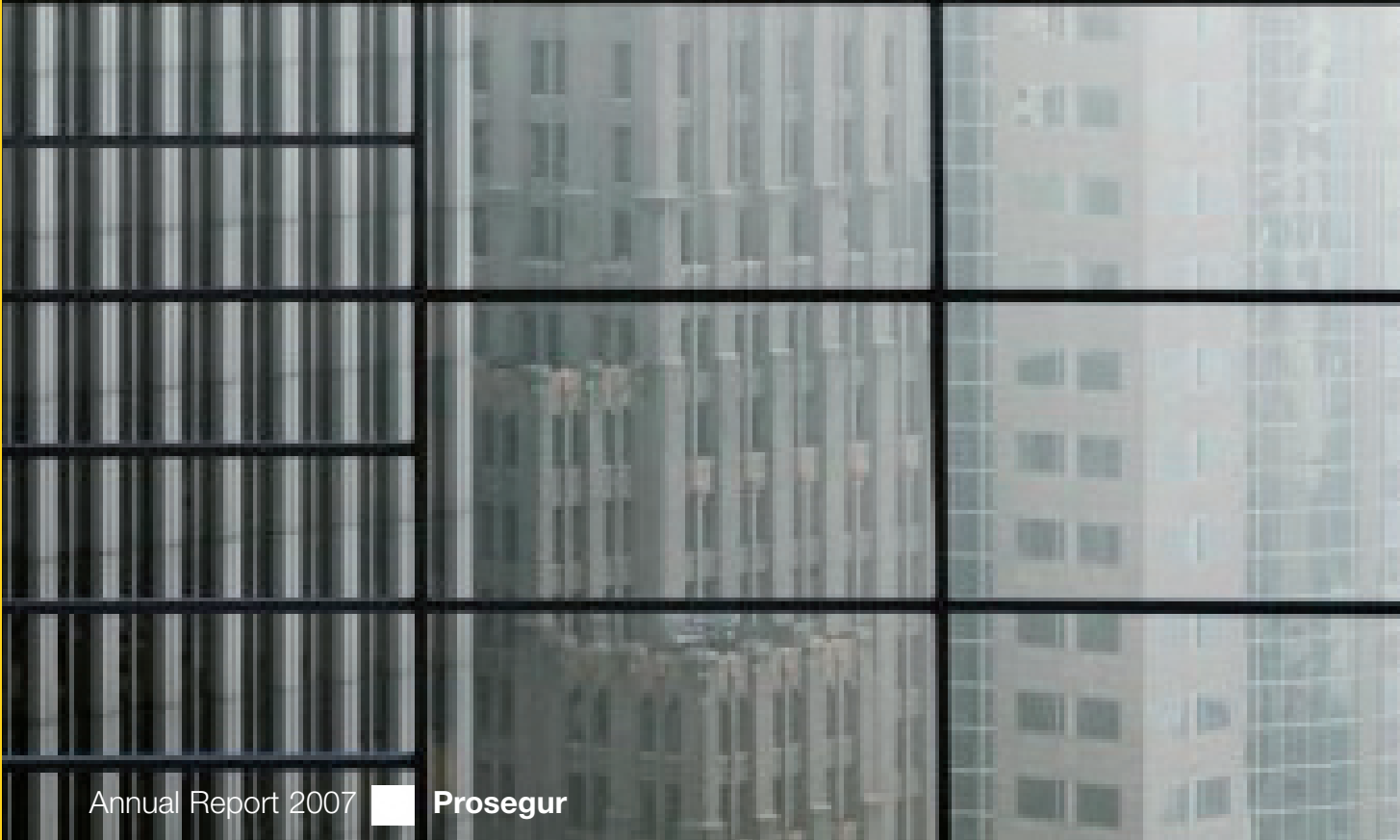
ments (the number of hours worked). In Spain all structure employees have compensation incentives based on achieving Company objectives; this type of bonus is also applied in most countries.

>> **improved quality of life**

Prosegur’s human resources management is complemented with the implementation of specific measures aimed at improving employees’ quality of life with several social benefits which go beyond legislation requirements of the various markets the Company operates in. These support actions are based on living and working conditions in the various countries. Their aim is to meet specific employee quality of life demands. Some highlights are:

- Grants for education at all levels, ranging from elementary education to university, for employees and their families.
- Medical insurance and specialised healthcare, such as pediatrics, gynecology or dental plans.
- Life, disability and accident insurance.
- Loans and financial aid to buy a home, furnishings or a vehicle.
- Savings plans.





// 09

Our customers

The Prosegur Group's full commitment with its customers, is an essential value of our relationship.

Prosegur's continuous commitment with its customers is an essential value of our relationship. With this aim, the Company's communications are regular, in order to provide maximum quality through innovation and the pursuit of excellence.

All business structures in the Company are focused on achieving maximum customer proximity. The objective is to learn about their needs in detail and thus provide the most suitable service, with comprehensive security advice. Transparency and collaboration are also priorities. In 2005 the Prosegur Group set up a new organisation for the Sales Department which became fully operative in 2006 and 2007, producing the expected results.

>> **strategic account programme**

In the last quarter of 2007 we created the Division of Strategic Accounts. Its objective is to provide full service to achieve mutual value creation. The two key elements in this relationship are:

- **A single contact** optimises direct relations with customers, as it eliminates failings generated by multiple contacts and unifies all Company services, essentially sales and operations. In 2007 Prosegur has incorporated technical specialists to support direct commercial tasks.

— IN 2007 THE STRATEGIC ACCOUNTS PROGRAMME WAS COMPLETELY IMPLEMENTED. IT PROVIDES FULL SERVICES TO THOSE CUSTOMERS PROVIDING MORE VALUE TO THE COMPANY.

■ **The value chain analysis** for customer security. Each one is different and requires specific solutions. Furthermore, these needs are, very often, instrumental: the viability of their business and profitability depend to a great extent on fully meeting these needs. Prosegur has implemented an account specialisation system which continuously analyses strategic security needs for each customer and how to meet them.

>> **global account programme**

The Global Accounts Division which Prosegur set up in 2005, has integrated in 2007 in the Strategic Accounts Division, maintaining its specific nature. This programme is addressed at the growing complexity of large corporations operations which given their internationalisation and the global environment they do business in (with supply and procurement chains located in various geographical areas, requiring customised solutions), providing:

■ **Capacity to cover all** security needs they may have in any market.

ENHANCING PROXIMITY

To further enhance customer proximity, in 2007 Prosegur implemented Company-Customer Joint Committees. These undertake detailed analyses of services provided, their quality and new objectives are proposed.



- **Diversity of products** that meet all their needs.
- **An organisation** that guarantees and simplifies full operating management of these products and services anywhere in the world.
- **Quality assurance.**

In 2007 the alliance strategy has been strengthened with other security multinational companies to meet the needs of major global customers wherever this coverage was not provided. Thus, the Company has increased its visibility in the international security services market. The success of Prosegur's Global Accounts Programme is reflected by the trust of the 150 customers managed within this framework.

>> **continuous dialogue**

The customer outreach strategy is complemented with a series of specific communication actions and channels that allow maximum interaction. Road shows on specific issues from the world of security or those related to particular businesses, have been a widely used tool in 2007. They have allowed increasing communication with customers, learning about their needs, anticipate them, identify their concerns and benefit from their contributions to improve the Company's services.

The following events were carried out in 2007:

- *Road show on Fire Protection for insurance companies.*
- Third Technology Conference on hotel innovation.
- Conference with the CEL Organisation.
- *Sector road shows* with Shopping Centres, Banks,

SATISFIED CUSTOMERS

Prosegur conducts regular surveys to assess customer satisfaction. In 2007, they revealed that the satisfaction perceived by those who value the Company most has increased by 10%.

— THE SUCCESS OF THE GLOBAL ACCOUNTS PROGRAMME IS REFLECTED IN THE TRUST OF THE 150 CUSTOMERS MANAGED UNDER THIS FRAMEWORK.

Industry and Energy, Retailers, Logistics and Transport companies.

■ *Road show Framework:* : implications in bank branches.

■ TIBCO-PSG Conference.

■ Mercamadrid Conference.

The customer publication Magazine Prosegur, with a circulation of 11,000 copies published quarterly; the corporate web site www.prosegur.com and participation in events, such as the Madrid Tennis Master Series, America Cup, Formula 1 or the Prosegur Golf Circuit, have continued reinforcing part of the customer outreach activities held by Prosegur in 2007.

Among our future challenges, Prosegur plans to make the most of the business opportunities that proper intelligence of its broad customer base can provide with a comprehensive CRM system.





// 10

Innovation and intangible assets

For Prosegur innovation is a strategic asset to ensure competitiveness and excellence and provide a distinct offer.

Prosegur maintains a constant leading-edge focus on its operations with the aim of developing improved services and products. For this, it applies state-of-the-art technology and continuously updates procedures.

Innovation activities at the Prosegur Group are carried out within the framework of the National Plan for Scientific Research, Development and Technology Innovation, whose core goals are to “place Spain at the forefront of knowledge and promote highly competitive corporations”. In 2007 the Company invested over two million euros in projects such as:

■ **Cash Management Process, Procounter.** A computer system for handling cash, that integrates information from counting machines and other information systems, providing functionalities that optimise operations and improve counting control and monitoring.

■ **Comprehensive telesurveillance system.** This solution allows customers to connect to the Alarm Reception Centre (C.R.A.) as many cameras as desired. In its turn, operators can, with full assurance, connect cameras when an alarm signal is received, regularly check proper functioning of customer videosurveillance installations and conduct remote rounds programmed from the C.R.A. When viewing the images whenever any anomaly

— IN 2007, SEVERAL PROJECTS DEVELOPED BY PROSEGUR HAVE BEEN ENDORSED BY THE SPANISH MINISTRY OF INDUSTRY, TOURISM AND TRADE.

is detected, the action protocol agreed with customers is activated. Furthermore, they too can view the camera images from an Internet access or mobile telephone, with a video over IP solution.

■ **Cezanne Talent Management Project.** Its aim is to identify and improve the Company’s talent in order to strengthen its competitive advantage.

>> **leading-edge services**

The innovative focus the Prosegur Group applies to its business strategy goes beyond the implementation of new technologies. The continuous redefinition and creation of new products and services is a key value that enables us to provide an offer that differentiates us from our market competitors. In this context, one of the Prosegur Group’s outstanding initiatives in 2007 was the whole technology and procedure development process to adapt to new cash management standards established by the European Central Bank in what known as New Euro Recycling Framework. Its aim is to establish a traceability and quality assurance system for paper money in 2010 all notes that daily come

73.2 MILLION OF EUROS IN INNOVATION AND TECHNOLOGY

The Company’s investment in innovation and technology is reflected by the 73.2 million of euros devoted to this in 2007. Some notable initiatives are the investment in fleet and cash management centres in Latin America, mainly in Brazil (Río de Janeiro) and Argentina.



out of bank tellers and automated tellers will have undergone a rigorous quality assurance process to ensure their authenticity, as well as their proper conservation.

Furthermore, throughout 2007 Prosegur Technology has remained especially active in the development of new technologies applied to electronic security systems.

Following, highlights of some of the projects that have been undertaken in 2007:

■ **Security Systems in Mobile Environments**, with the application of new solutions to location of moving fleets, goods or people. The fleet monitoring system incorporates a GPS/GPRS device with a GSM card connected to an Alarm Reception Centre where, thanks to the GIS

**AWARD FOR
LOGISTICS
MANAGEMENT**

Prosegur's innovation efforts in the area of Assets Logistics was recognised in 2007 with awards received from the Spanish Logistics Centre (Cel) and the Catalan Institute for Logistics Innovation (ICII).

— PROSEGUR HAS DEVELOPED
INNOVATIVE SECURITY
SOLUTIONS IN THE AREA
OF TECHNOLOGY, ACTIVE
SURVEILLANCE, ASSETS LOGISTICS
AND CASH MANAGEMENT.

geographical location system, it is possible to determine the location of a vehicle whenever there is an incident or an alarm is activated. The Company can also protect each one of the units inside the lorry, by integrating radiofrequency identification technologies. As for personal security, protection solutions have been developed through a PDA with a GPS antenna and a panic button connected to a C.R.A.

■ **Laboratory Workshops.** In 2007 these laboratories were greatly reinforced, to test and programme various security electronic systems before installing them for customers. To those already established in La Coruña and Barcelona we have added, throughout the year, those of Madrid, Porto and Buenos Aires.

In the area of Active Surveillance, two new innovative security solutions have been developed:

■ **A geolocation system** which allows customers to view their surveillance service through the Internet. This way they are able to see the location of guards in real

THE FIRST MAJOR
BASE CERTIFIED
BY THE BANK OF
SPAIN

Prosegur has received the certification from the Bank of Spain of the first major cash management base for the whole Peninsula according to the Framework, thanks to compliance with quality and security standards required: logistics infrastructures and bases, machinery to process cash, working procedures, facility and transport security and management of information on cash being processed.



time, the outcome of their security rounds, position of mobile patrols and other security parameters.

■ **Specific software to control access** to buildings and facilities improving the information generated by control systems. This application helps to determine not only how many people have gone through a site's access control and how many have gone out, but also more detailed data, such as how many people have entered a certain department, how long they remained there, what hours have the most traffic or visitor characteristics: whether they are professional or personal visitors, etc.

>> **brand and intangible assets**

One of the main assets of the Prosegur Group is its brand: its leadership and soundness provides a distinguishing value in the security sector. Its recognition is endorsed by having been included in 2007 in the most prestigious rankings.

■ Included in the top 100 Spanish companies with the best reputation, according to the Corporate Reputation Business Monitor (Merco).

■ The consulting firm Interbrand has also valued the Group's efforts to create a brand aimed at private businesses and their remarkable growth in Latin America. Thus, Prosegur is the only security company appearing in the List of Best Spanish Brands 2007 prepared by Interbrand, with an estimated brand value of 340 million of euros.

■ Prosegur is among the 50 best-known Spanish brands, according to a study conducted by the Forum of Spanish



— PROSEGUR IS ONE OF THE 50
BEST KNOWN SPANISH BRANDS
AND HAS BEEN INCLUDED IN THE
MOST PRESTIGIOUS LISTS.

Renowned Brands. Prosegur appears as the best known brand in its category, with an adjusted ratio of 71.6%.

■ Internationally, Prosegur Portugal has been recognised as the third best Spanish company in Portugal according to the Club of Spanish Entrepreneurs of Casa de España, which presents the Award for Excellence.





Risk management

The Prosegur Group has a comprehensive system to identify and control the risks it may face in its business operations.

// Risk management

// 11

The main risks of the Prosegur Group are related to financial, operations and reputation management. This is covered by a control system involving various areas of the Company.

>> financial risks

Three types of financial risks affect Prosegur's activities: market, credit and liquidity. This is managed by the Central Treasury Department, in accordance with Board of Directors guidelines. The financial risk management programme focuses on market uncertainties and strives to minimise potential adverse impacts on the Group's financial profitability.

■ **Market risk.** This affects above all exchange rates of the currencies the Company operates with, essentially the Argentine peso, the Brazilian real and, to a lesser extent, the Chilean peso, the Peruvian sol and the Colombian peso. Exchange rate risk arises from future business transactions, recognised assets and liabilities and net investments in transactions abroad. To control this, the Group's various companies use term contracts, agreed with the Treasury Department, who subsequently contracts them in the corresponding market. Exchange rate risks arise when future business transactions, recognised assets and liabilities are conducted in a currency which is not the Group's operating currency.

— THE FINANCIAL RISK
MANAGEMENT PROGRAMME
FOCUSES ON FINANCIAL MARKET
UNCERTAINTIES, STRIVING TO
MINIMISE POTENTIAL ADVERSE
EFFECTS.

The Group's Treasury Department is in charge of managing the net position for each foreign currency by using external term contracts in foreign or local currencies, according to their competitiveness and suitability.

■ **Credit risk.** The Group operates in a sector with a negligible percentage of unpaid items, therefore there is no significant volume of credit risk. Individual limits are established in each country where the Group operates according to internal and external gradings in line with the criteria established jointly between the business lines and the financial area. Usage of credit limits is regularly followed-up. In Spain, the Accounts Receivable Department manages approximately 4,000 customers, with an average individual turnover of 17,000 euros a month.

■ **Liquidity risk.** Prosegur carries out cautious liquidity risk management, which implies maintaining sufficient cash and negotiable securities, availability of financing with a sufficient amount of credit facilities committed and the capacity to

A SOUND
LIQUIDITY
POSITION

As of 31st of December 2007:
- Treasury amounted to 98.28 million of euros.
- The amount of non availed credit lines was 250.06 million of euros.
Cash flow generated by operations reached 170.98 million of euros (116.81 million of euros in 2006), which proves the Group's capacity to generate significant operations flow, recurrently.

settle market positions. There is a management procedure that monitors the Group's liquidity reserve forecasts, comprising credit and cash availability and cash equivalents, according to expected cash flow.

>> operating risks

The Risk Management area undertakes a continuous analysis, redesign and update of the Group's operating procedures to detect, evaluate and correct any that may affect business activities and customers, and adapt them to the needs of an increasingly dynamic and demanding market. This area is also responsible for managing quality policy, through regular certification efforts and maintenance and update of those certifications already achieved.

Currently, the Group has the ISO 9001:2000 quality certification for Assets Logistics and Surveillance activities. Furthermore, Prosegur is the first private security company in Spain to have achieved environmental management certification according to standard ISO 14001:2004 in the area of Surveillance. The control and assurance functions of the Risk Management Area are based on a Code of Ethical Behaviour and other standards approved by the Institute of Internal Auditors of which Prosegur is a member.

The Group also has an Insurance Management Department reporting to the Financial Division that handles transfer of operating risks in the insurance market. Prosegur bases its relations with this sector on transparent information and establishing long-term partnerships. The insurance portfolio of various multinational programmes and local policies, aiming to cover the following risk groups:

INTERNAL AUDITS

A team of Company analysts and inspectors conducts regular audits of all the Group's functional areas in the countries in which it operates. The objective is to maintain an updated map of operating risks, by supervising the reliability and integrity of operating information, efficacy and efficiency of operations, asset protection and compliance of legislation, internal and external regulations and contracts.

— THE AREA OF RISK
MANAGEMENT CONDUCTS
CONTINUOUS ANALYSIS, REDESIGN
AND UPDATE OF OPERATING
PROCEDURES TO EVALUATE AND
CORRECT THEM.

■ **Asset Protection.** Covers risks in facilities, industrial assets, vehicles, etcetera.

■ **Protection of employees.** Life and accident policies are subscribed, adjusted to the various collective agreements and internal social benefit policies.

■ **Protection of shareholders.** A worldwide third-party liability programme is available for board members and directors.

■ **Third-party and activities protection.** We use a variety of multinational third-party programmes, the guarantees and limits of which exceed the standards required by local law in different countries. In our Securities Logistics and Cash Management activities, the Group uses three programmes that cover our customers' securities we have been entrusted with.

>> reputational risks

Coverage is managed through strict compliance of internal codes of ethics and diligent application of the eight values that define Prosegur's corporate culture: proactiveness, value creation, customer focus, transparency, excellence, leadership, teamwork and brand.





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Corporate Social Responsibility

Corporate Social Responsibility for Prosegur is a core strategy of the company's vision and values and a way to demonstrate its ethical commitment.

// Corporate Social Responsibility

// 12

As a leading company in its sector, Prosegur understands it is not possible to conceive of a successful company that is not engaged with the issues of its environment, employees, customers, providers, shareholders and society as a whole.

Prosegur assumes this challenge and is determined to meet the needs of current society through sensibility, quality and service. To achieve this objective, the Prosegur Group has joined the United Nations World Pact, incorporating companies and organisations that share a common respect for ten principles of behaviour with regard to human rights, employment, the environment and the war on corruption.

The Pact operates in Spain through the Spanish Association of the World Pact, which Prosegur is a member of. Similarly, Prosegur is a member of the Empresa y Sociedad Foundation, seeking to encourage companies to implement active social inclusion policies for deprived groups. Furthermore, Corporate Social Responsibility cannot be understood without an adequate application of corporate governance principles to the management of the Company. As detailed in the Annual Report on Corporate Governance, available at the web site www.prosegur.es,

THE PROSEGUR FOUNDATION, SOCIAL ACTION ENGINE

Through its Foundation, Prosegur undertakes several social action programmes aimed at meeting the basic needs of many deprived segments of society. Furthermore, we drive initiatives to foster culture, the arts and research.

— PROSEGUR IS DETERMINED TO MEET THE NEEDS OF CURRENT SOCIETY BASED ON SENSIBILITY, QUALITY AND SERVICE CRITERIA.

the composition of the Company's Board of Directors complies with universally accepted good governance best practices, maintaining an adequate ratio of executive, non-executive and shareholding directors.

Similarly, and in an attempt to display transparency, every year the Company publishes the joint salary of its Directors and the members of its Senior Management team. In this year's Annual Report, CSR content has been divided into three blocks (Financial, Social and Environmental Contributions), in accordance with the criteria laid down by the Global Reporting Initiative (GRI), the world's main CSR reporting standard.

>> **financial contribution**

The Prosegur Group is committed to creating wealth for the largest number of people in the communities where it operates. In this regard, Prosegur strictly fulfils the requirements of the various local legislations on salary and taxation,



following a strategy to enhance, provided quality is assured, procurement of local supplies. In 2007, financial contribution through the payment of employee salaries, taxes and shareholder return underwent a considerable rise, which allowed Prosegur to share with society part of the profits obtained through its business expansion and growth. On the other hand, Prosegur is established as a major job creator and core driver of economic development in the countries in which it operates, especially in those areas, such as Latin America, where the job market is less advanced. This capacity to create employment is evidenced by the growth of our workforce, which has gone from 76,765 employees in 2006 to the 81,983 professionals at the end of 2007 (average figures), a 6.8% increase.

>> contribution to society

Since 1995, Prosegur has had a Foundation, which was created to sponsor arts and scientific research. As a living institution, the Prosegur Foundation has developed and evolved with the Company, adapting its lines of action to new challenges. One of them —perhaps the most significant in recent years— has been internationalization, which led the company to multiply its presence abroad, as well as significantly increasing the workforce. This process has given rise to changes in the Foundation's objectives and a shift towards social action, since the Group is now present in countries with complex socioeconomic conditions, many of them in Latin America.

In this new stage, the Prosegur Foundation wishes to help improve society, enhancing employment integration of disabled persons and helping train new generations. Also, the Foundation's projects in 2007 have attempted to solve

— IN 2007, PROSEGUR RETURNED TO SOCIETY PART OF THE PROFITS OBTAINED FROM BUSINESS GROWTH, THROUGH PAYMENT OF SALARIES, TAXES AND DIVIDENDS.

urgent social problems in Latin American countries with primary needs, such as care of deprived children, healthcare or access to proper housing. This commitment with society was materialised in 2007 through the following initiatives:

Education and childhood

■ **Reconstruction and aid for schools in Latin America.** The Prosegur subsidiaries in Argentina, Paraguay and Peru carried out in 2007 a programme to renovate schools in particularly disadvantaged areas lacking basic infrastructures. These schools underwent full renovation and were provided with electricity and water, sanitation, educational supplies and a monthly provision of food.

■ **Education grants.** In the Latin American countries Prosegur operates, a grant system has been implemented in order for families of Company employees to be able to access various education and training levels. In each country, these grants are suited to the needs and profiles of the local workforce.





Thus, in Chile, Peru and Argentina grants enable accessing University, while in Uruguay they are focused on vocational training and in Paraguay they are aimed at entry to the primary education.

Integration of disabled persons

■ **Programme to integrate mentally disabled youths in the company.** The Prosegur Foundation supports the Programme for Employment Training of mentally disabled youths sponsored by the Prodis Foundation. This programme offers a new education model in the university setting, where disabled youths take training courses for employment integration at the Universidad Autónoma de Madrid. As well as providing support with grants, the Prosegur Foundation also collaborates in the final stage of the programme: their integration in a regular company. Thus, throughout 2007, a

— THE EDUCATION GRANTS FOR
FAMILIES OF EMPLOYEES
IMPLEMENTED BY PROSEGUR
ADAPT TO THE NEEDS AND
PROFILES OF EACH COUNTRY'S
WORKFORCE.

group of mentally disabled youths joined the head office of Prosegur in Madrid as administrative assistants.

■ **Sports and disability.** In collaboration with the *Deporte y Desafío* Foundation (Sports and Challenge), a programme was carried out in Spain throughout 2007 providing specific grants to enable the mentally, physically or sensory disabled to practice sports. With the support of the Prosegur Foundation, adapted sports courses have been conducted on water skiing, diving and ice hockey, with the objective of reinforcing the self-esteem of the participants and to help them overcome other limitations.

Proper housing

■ **A roof for my country.** The Prosegur Foundation has supported Uruguay to set up a plan of financial aid to allow low income employees whose homes had severe deficiencies to acquire the necessary materials for their renovation or maintenance.

■ **Loan programme for housing refurbishment.** The Prosegur Foundation has supported Uruguay to set up a

ON TRACK AT
THE SPECIAL
EMPLOYMENT
CENTRE

In 2007, the first Special Employment Centre opened, implemented by Prosegur in Madrid with the Aprocor Foundation. Its objective is to facilitate job integration of the mentally disabled. This site, devoted to laundry and dry cleaning, has taken in 14 people with varying degrees of disability, who have taken a training course to acquire the necessary knowledge and skills for their jobs.



plan of financial aid to allow low income employees whose homes had severe deficiencies to acquire the necessary materials for their renovation or maintenance.

Special Relief Action for the Earthquake in Peru

The high intensity earthquake that devastated an area of Peru in August 2007 affected a group of Prosegur employees in the town Ica, whose homes were rendered uninhabitable by the disaster. Through the company's management in Peru and the Prosegur Foundation, a series of measures were carried out in order to obtain aid and supplies to help the victims. The funds obtained in this campaign, together with the Foundation's contribution, were used to rebuild the homes destroyed in the towns of Ica, Pisco and Cañete. Also, Prosegur participated in the project *Un aula para colegios de Ica* (A classroom for Ica schools), to restore the school José Gregorio Huamán of that Peruvian location.

Other actions by country

Other social actions conducted by Prosegur subsidiaries in other countries:

■ **Chile.** A programme for Digital Literacy was developed, aimed at integration in the information society of the Group's employees and their families by learning how to use basic computer tools such as Word, Excel, Power Point and the Internet. Also, donations and gifts were presented to organisations devoted to helping deprived children, such as the Foundation *Nuestros Hijos* (Our Children) or the COANIL network.

CORPORATE VOLUNTEERS

The programme *Un techo para mi país*, aside from meeting urgent needs of families without a proper home, sponsors volunteer work among the Group's employees, who selflessly participate in the building tasks. Solidarity trips in 2007 benefitted from the participation of employees from Spain, France and Portugal.



■ **Brazil.** Three tons of clothes and housewares were delivered to institutions devoted to caring for homeless children, as well as donating food for old people’s homes.

■ **Peru.** Prosegur carried out in Peru the social project *Colectas Públicas* (Public Collections), consisting of collecting, processing and transporting for free all cash collected by several public Peruvian charity institutions.

■ **Paraguay.** The programme Healthy teeth at Prosegur was designed to provide dental check-ups and care for the children of Company employees with lower incomes and to encourage dental hygiene best practices.

■ **Argentina.** We have collaborated with organisations in Cordoba, Mar del Plata and Bahía Blanca to provide school materials and food to schools (Bernardo Monteagudo), children’s homes (Patronato de la Infancia



Bahía Blanca, Casa del Niño del Padre Aguilera) and the Regional Hospital Comodoro Rivadavia.

■ **Spain.** In collaboration with the Paideia Galiza Foundation, the Prosegur Foundation has participated in summer camps for Galician youths at risk of social exclusion social, essentially adolescents aged 13 to 18 with social problems, limited financial resources and users of social services. The camps encouraged alternative leisure activities, reinforcing learning of values.

■ **Portugal.** In collaboration with GRACE (Group de Reflexão e Apoio à Cidadania Empresarial), an association of the leading private companies in the country, Prosegur Portugal participated in the Volunteer Day, devoted to providing social support to the neediest local communities. Also in 2007, we held the first summer camps for children of employees, in order to help families out during the longest vacation period of the year.

Support of culture

The Prosegur Foundation continued undertaking cultural activities striving to sponsor arts and scientific research as well as young music talents. In 2007, the following were some of the highlights in this field:

■ **Awareness of artistic heritage.** Throughout the year, in collaboration with the Friends of the Prado Museum Foundation, we undertook a programme of guided visits to the museum for Prosegur employees and their families, which was enjoyed by nearly 350 people. The initiative, called *El Prado se llena de familias* (The Prado fills



up with families), included visits both to the museum's permanent collection and to temporary exhibitions.

■ **Promotion of music.** The Prosegur Foundation has been connected to the project of the Reina Sofía High School of Music since the school year 1995-1996, when it began collaborating with this advanced professional education centre as a patron of new music talents. The cooperation of the two institutions is carried out through several concerts and support of the musical career of young talents.

■ **Support of science research.** The Prosegur Foundation backs the research programme carried out at the Atapuerca (Burgos) archeological sites on the origin of man. As a result of this collaboration with the Atapuerca Foundation, the Prosegur Foundation set up in 2007 the first Atapuerca Science Camps, addressed at the children of Company employees, with the

**PROMOTION
OF MUSIC**

The Prosegur Foundation held the cycle of concerts **Música en la Casa de las Flores** at the Royal Palace in La Granja, Segovia. The initiative was born as a result of our collaboration with Patrimonio Nacional (National Heritage) and the Albéniz Foundation. Recitals were also arranged in emblematic settings such as the Chillida-Leku Museum in San Sebastián or Almudaina Palace in Palma de Mallorca.



objective of teaching young children about Prehistoric times. A full programme of games, visits to the sites, field work and educational talks, have enabled them to enhance their knowledge on the evolution of man.

>> contribution to the environment

The Integrated Quality and Environment Management System implemented by the Prosegur Group comprises all management procedures for the various operating areas to ensure the services provided to customers comply with the strictest quality standards and in the best environmental conditions.

These conditions refer essentially to the control of atmosphere emissions from the facilities and installations used in the security activities; reduction of energy consumption and recycling of waste generated by these activities. Our actions are guided by the Environmental Management Programme.



— THE GROUP'S INTEGRATED
QUALITY AND ENVIRONMENT
MANAGEMENT SYSTEM ENSURES
THE SERVICES PROVIDED COMPLY
WITH THE STRICTEST STANDARDS.

■ **System to Identify and Assess Environmental Issues.** To determine the level of pollution caused by the waste generated by the Group's activities and take the pertinent measures. This is how we establish procedures for hazardous and non-hazardous waste, which require separating, identifying and depositing them in the proper containers.

■ **Processing of disposable supplies.** The Company has entered into agreements with waste management companies to process disposable office supplies, plastic and uniforms. In 2007 we used 675,765 kilograms of plastic and seals and the objective is to reduce consumption by 14% in 2008. Furthermore, a company of the Prosegur Foundation is in charge of recovering and preparing of the Group's uniforms so they may be reused.

■ **Sharing of best practices.** Employee information campaigns have been reinforced in order to spread environmental best practices, geared essentially towards the reduction of consumption and reuse of supplies, especially

ISO 14001
ENVIRONMENTAL
CERTIFICATION

The Company has received the ISO 14001:2004 Environmental Certification for its surveillance services, and it was the first security company in Spain to obtain this accreditation. The Prosegur Group is currently working to extend this certification to other countries and activities.



paper, office consumables and water. We have ruled that paper bins are to be used only to discard paper and cardboard; special bins for cups and waste containers have been placed near coffee and soft-drink machines for plastic cups and empty cans; we have provided containers for all type of batteries and, especially button cell ones, as well as receptacles for toner and ink cartridges.

Others measures carried out in 2007 were:

- State-of-the-art technologies, specific software and GPS have been available to the operating workforce, thus achieving greater efficiency in resource management, with a positive impact on environmental management.
- In the provider selection processes, the Group's Procurement Department takes into account their Quality and Environmental certifications. Out of all of Prosegur's

ECO-EFFICIENT BUILDING MANAGEMENT

Eco-efficient building management, which was initiated in 2006 at the new headquarters in Madrid, was extended to other Company facilities and installations in order to enhance energy savings. This enabled us to reduce energy consumption at all Group facilities by 2% in 2007.

— THE GROUP'S PROCUREMENT DEPARTMENT APPLIES ENVIRONMENTAL CRITERIA TO SELECT PROVIDERS: IT IS ESTIMATED THAT 60% OF THEM HAVE A 'GREEN' SYSTEM.

vendors with environmental impact (cleaning, fumigation, maintenance, etcetera), it is estimated that 60% of them have an ISO 14000 environmental management system. For all others, the Company recommends to providers that they take on environmental impact commitments.

■ We have encouraged use of videoconferences to reduce the use of polluting fuels.

Also, Prosegur has implemented several local initiatives in the countries where it operates.

■ **Portugal.** As in the last three years, we conducted a campaign to plant 3,000 trees in the areas most affected by forest fires and we donated over 10,000 euros to improve fire fighting equipment, under the programme Green Portugal. Prosegur employees also helped plant the trees.

■ **Peru.** The project *No contaminación ambiental* (No environment pollution) has aimed to reduce the environment pollution caused by fuel consumption and discarded used tyres.

FEWER CO₂ ATMOSPHERE EMISSIONS

A plan of action was implemented in 2007 to reduce fuel consumption and CO₂ emissions from equipment and vehicles. This resulted in savings of 94,333 litres, which meant a reduction in emissions of 254 tons of CO₂.



■ **Argentina.** Assets Logistics stopped unit engines during daytime hours, which prevented noises and fume emissions, as well as estimated savings of 170,000 litres of fuel during the year.

■ **Brazil.** As an employee initiative, rubbish recycling and water reuse measures were implemented.

■ **Uruguay.** We continued efforts to gather used batteries and reuse paper for photocopiers and printers.

■ **Colombia.** A campaign was initiated to reduce printed materials in the Company, to be replaced by digital formats. Also, the standard related to technical-mechanical checks of vehicle fleets required by the Ministry of the Environment has been successfully complied with.

>> codes of ethics

As a publicly listed company, Prosegur pays special attention to ensuring its relations with securities markets meet all principles of legality and transparency. With this end, we have a specific Internal Code of Conduct to rule the operations of executives holding Company shares.

This regulation affects all members of the Board of Directors, general managers, subsidiary managers, Board Chair and Secretary, staff related to securities markets and any others the Company deems have access to relevant or inside information.

Regulations establish the confidentiality and information control standards on Company operations that may affect



its stock exchange listing and they specify the conditions under which the persons involved may acquire Company shares, both personally and through portfolio management.

A Regulation Compliance Division is in charge of ensuring all standards contemplated in the Regulations are met in order to ensure maximum transparency of the Company’s securities operations.



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