

# Earnings Results

**1<sup>st</sup> Quarter 2006 Grupo Prosegur**

Madrid, 16 May 2006



**PROSEGUR**

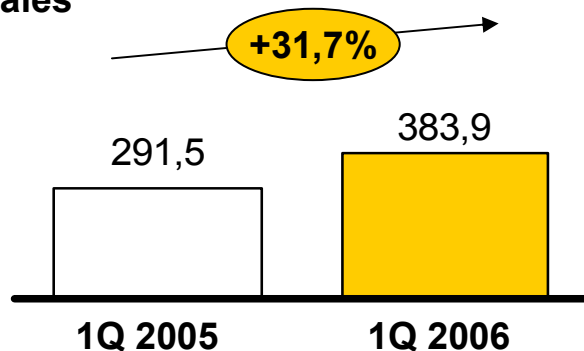
# Executive summary

Euro millions

 Total growth

## Growth

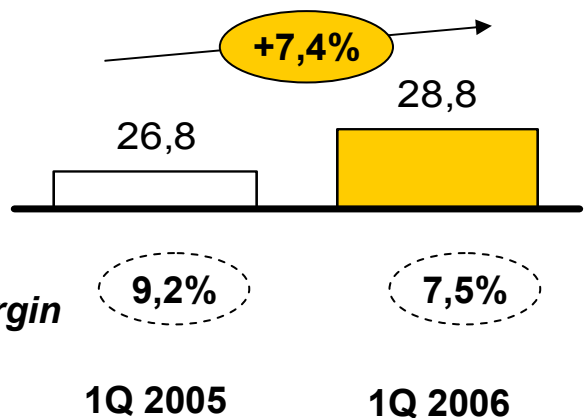
### Sales



- Consolidation of a strong organic growth trend (organic growth: +19,8%), reinforced with the positive impact of 2005 acquisitions

## Profitability

### EBITA



- Growth of operating results in absolute terms
- Lower margins due to:
  - Lower margins of the new companies acquired
  - Integration costs of Brazilian operations
  - Change in the business mix (i.e., high growth of the guarding business in LatAm)
  - Delay in the yearly prices review in both Guarding Spain and Guarding Portugal
- Margins improvement with reference to the last quarter of 2005 (1Q 2006 7,5% vs. 4Q 2005 7,2%)

# Overview of 1Q 2006 Results



Euro millions				Margins	
	1Q 2006	1Q 2005	Dif.	1Q 2006	1Q 2005
<b>Sales</b>	<b>383,9</b>	<b>291,5</b>	<b>31,7%</b>		
<b>EBITDA</b>	<b>39,4</b>	<b>35,4</b>	<b>11,3%</b>	<b>10,3%</b>	<b>12,2%</b>
Depreciation	-10,7	-8,7			
<b>EBITA</b>	<b>28,8</b>	<b>26,8</b>	<b>7,4%</b>	<b>7,5%</b>	<b>9,2%</b>
Financial costs	-2,9	-5,8			
<b>Profit before taxes</b>	<b>25,8</b>	<b>21,0</b>	<b>22,9%</b>	<b>6,7%</b>	<b>7,2%</b>
Taxes	-9,5	-5,7			
<b>Profit from continuing ops.</b>	<b>16,3</b>	<b>15,3</b>	<b>6,7%</b>	<b>4,3%</b>	<b>5,3%</b>
Results from discontinued ops.	0,0	-3,2			
<b>Net profit</b>	<b>16,3</b>	<b>12,1</b>	<b>34,8%</b>	<b>4,3%</b>	<b>4,2%</b>
Minority Interest	0,0	0,0			
<b>Net Consolidated Profit</b>	<b>16,3</b>	<b>12,1</b>	<b>35,2%</b>	<b>4,3%</b>	<b>4,1%</b>

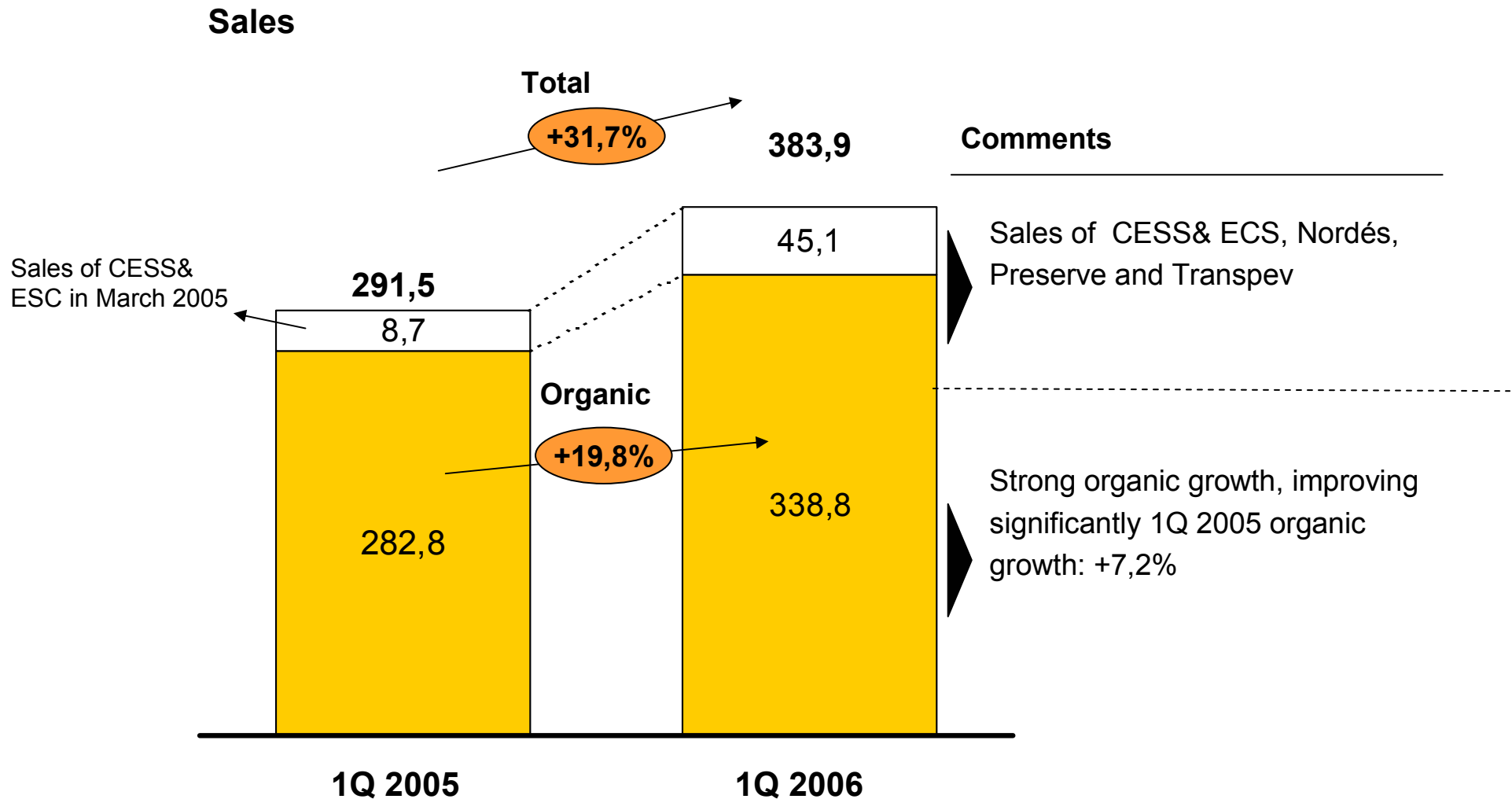
# The main keys of the period 1Q 2006: consolidation of strong growth and reverse of the decreasing margins trend



- The Group has ended the first quarter of 2006 with a total revenues of 384 million of euros, what implies a total increase of 31,7%. This increase is due to both a solid organic growth (+19,8%) and a positive impact of the acquisitions
- By division, Corporate Security has seen strong sales growth of 26%, of which 20% is due to organic growth. Residential Business Security has grown by 13,3% (all organic)
- By geography, Europe has increased its sales by 21,2%, mainly due to acquisitions in Spain but also to the high organic growth of all the countries in the area (above 9%). Latin America has also experienced an strong sales growth of 61,5%, derived mainly from acquisitions in Brazil, the organic growth of all the countries and the positive impact of the exchange rates
- Both the EBITDA and the EBITA have shown a growth in absolute terms. Although the margins have been deteriorated with reference to the first quarter of 2005, the decreasing margins trend has been reversed. In this sense, the EBITA margin was 7,5% in 1Q 2006 vs. 7,2% in 4Q 2005
- The consolidated net profit of the group in 1Q 2006 has increased by 35,2% reaching a figure of €16,3 million. The Capex in the quarter was € 12,5 million and the net banking debt reached the level of €241 million

# Overview of growth in sales

Euro millions



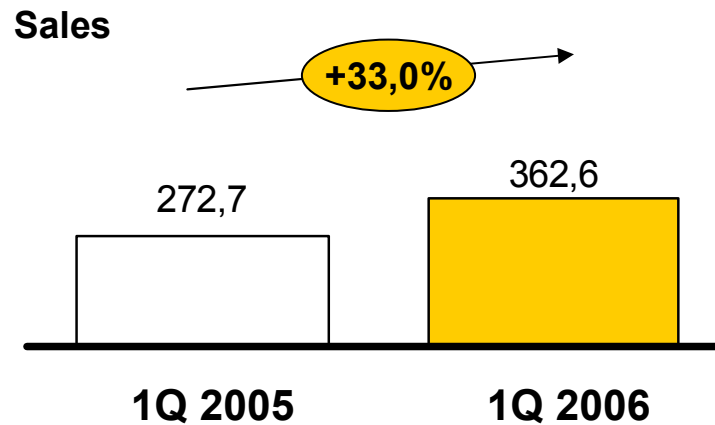
# Corporate security services and Residential security services



Euro millions

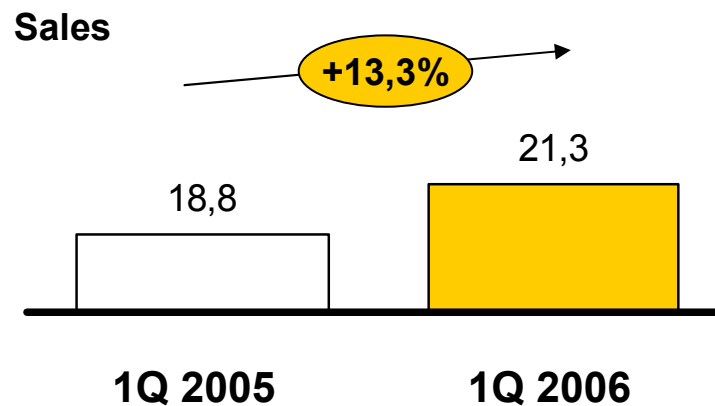
Total growth

Corporate security services



- High growth, due both to the acquisitions and the organic growth (+20,3%). In the same period of 2005, the organic growth was +7,3%

Residential security services

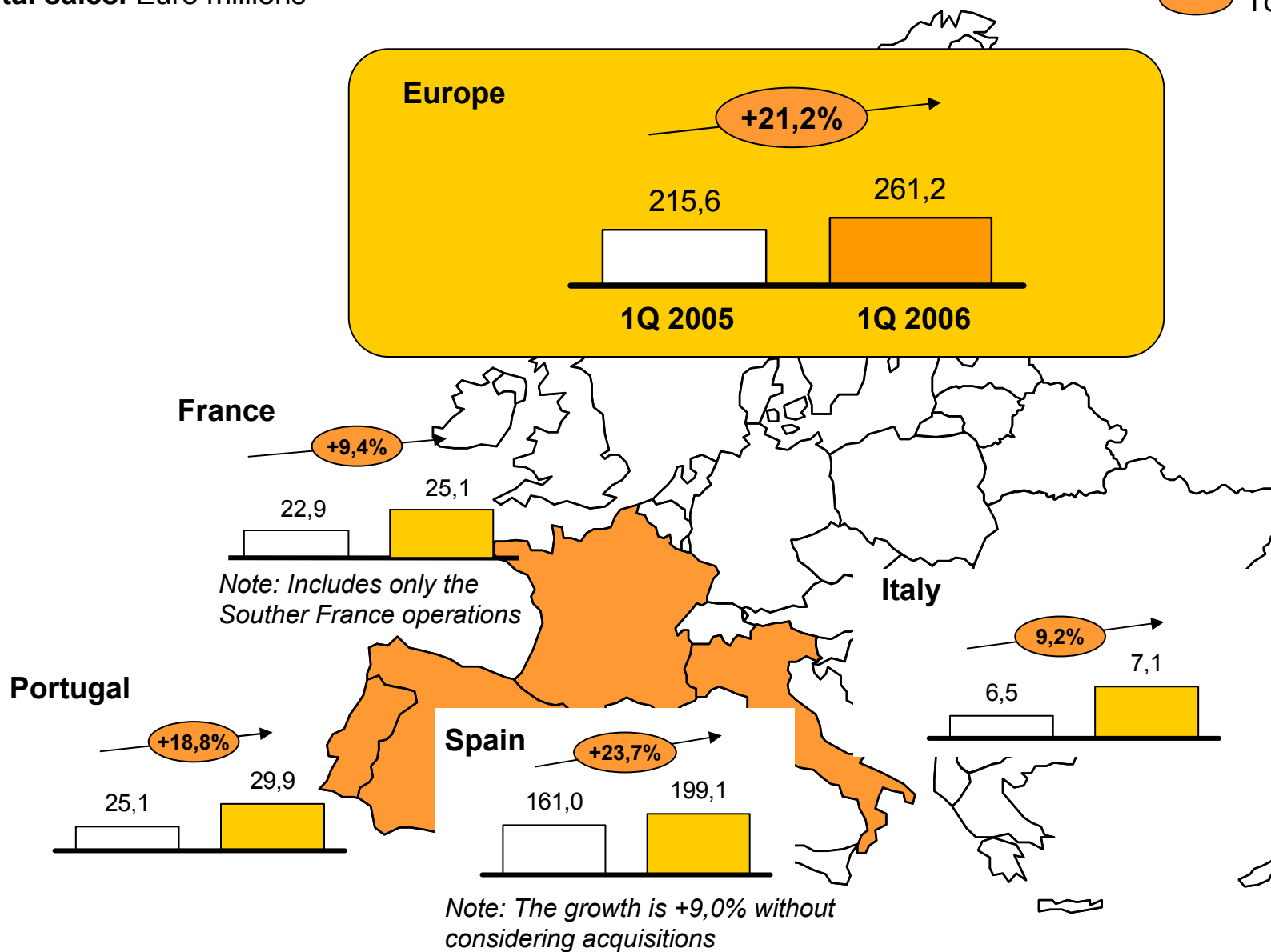


- High growth, all organic. In the same period of 2005, the organic growth was +5,6%

# Overview of Europe results

Total sales. Euro millions

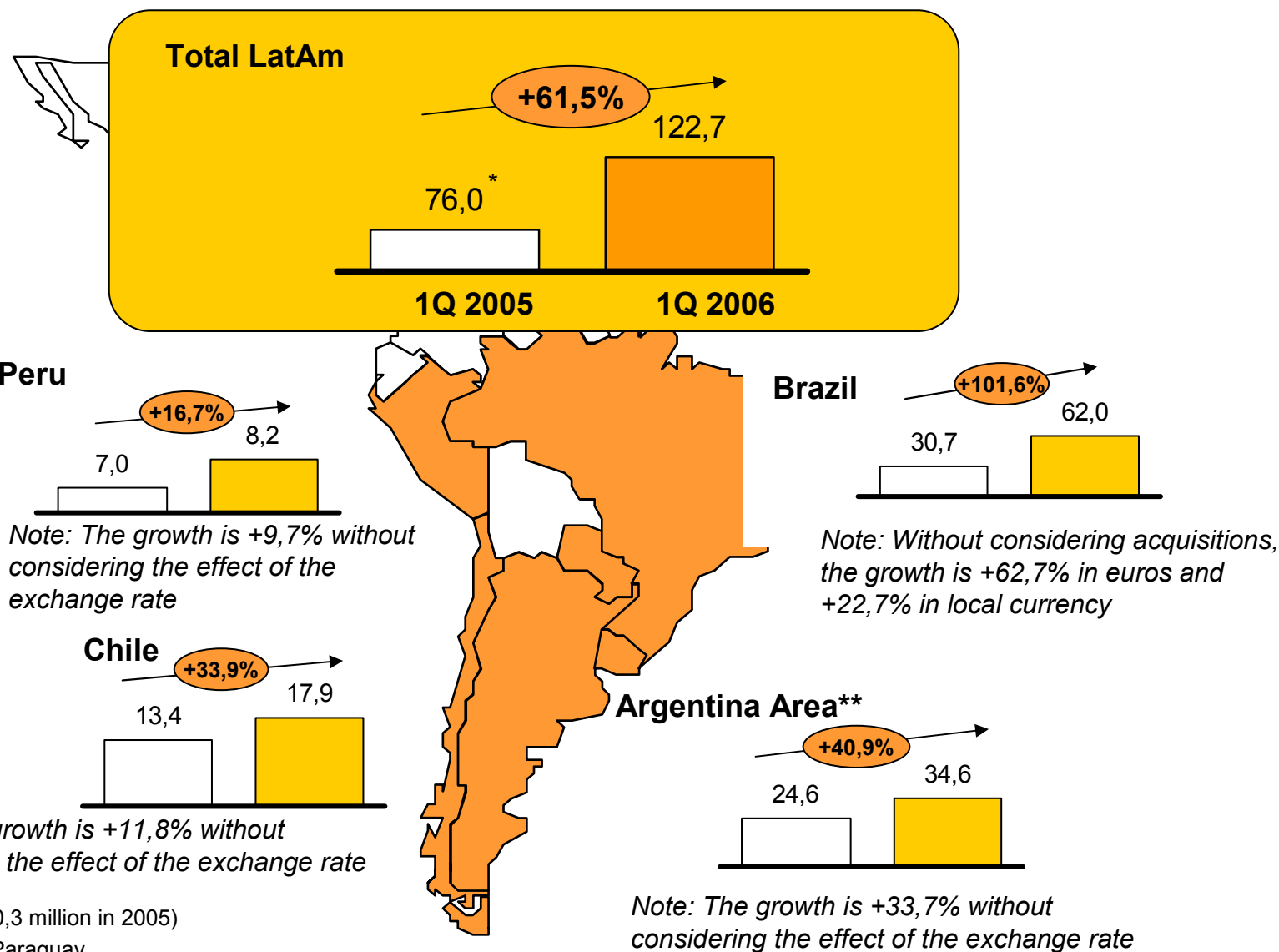
 Total Growth



# Overview of Latinoamerica results

Total sales. Euro millions

 Total Growth



\* Includes Bolivia sales (€0,3 million in 2005)

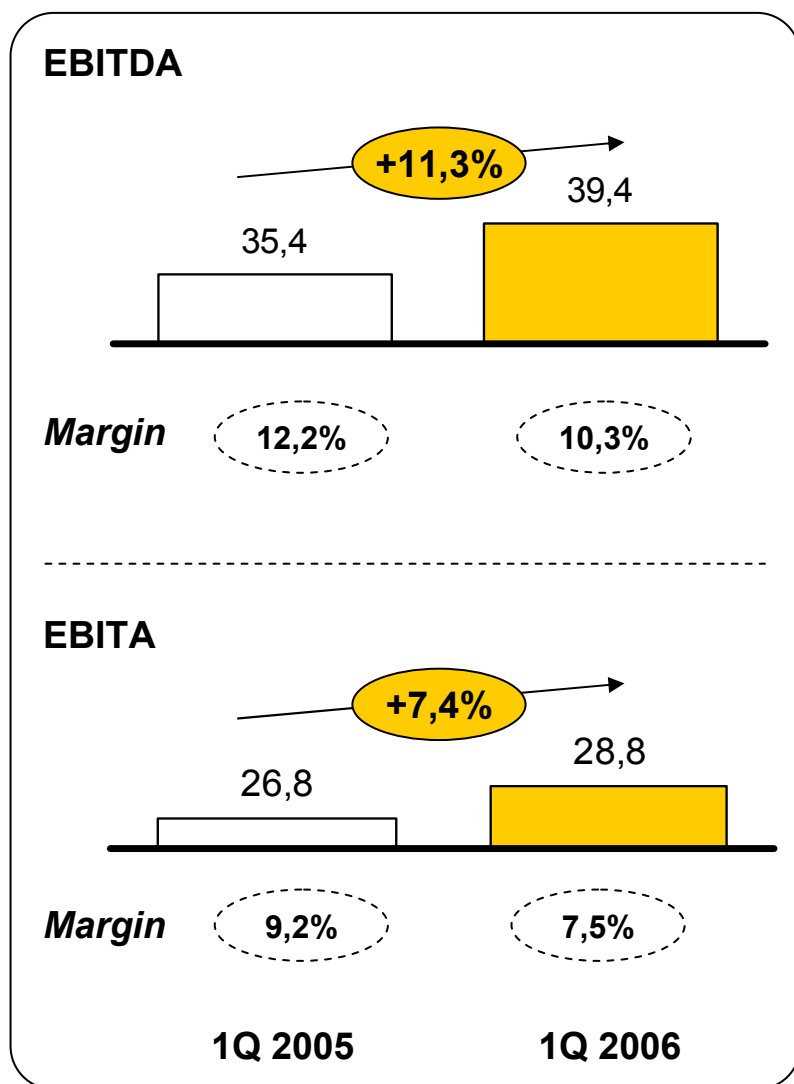
\*\* Argentina, Uruguay and Paraguay



# Overview of business margins

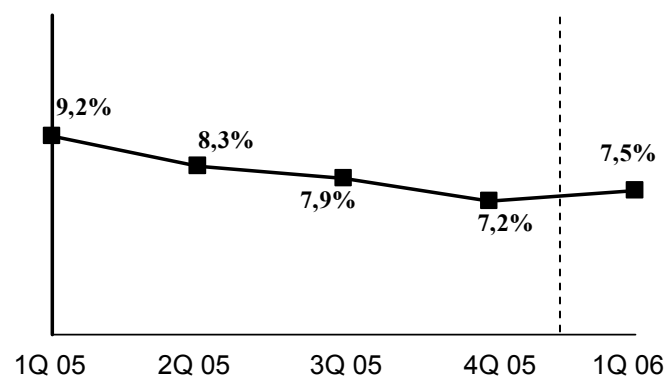
Euro millions

 Total growth



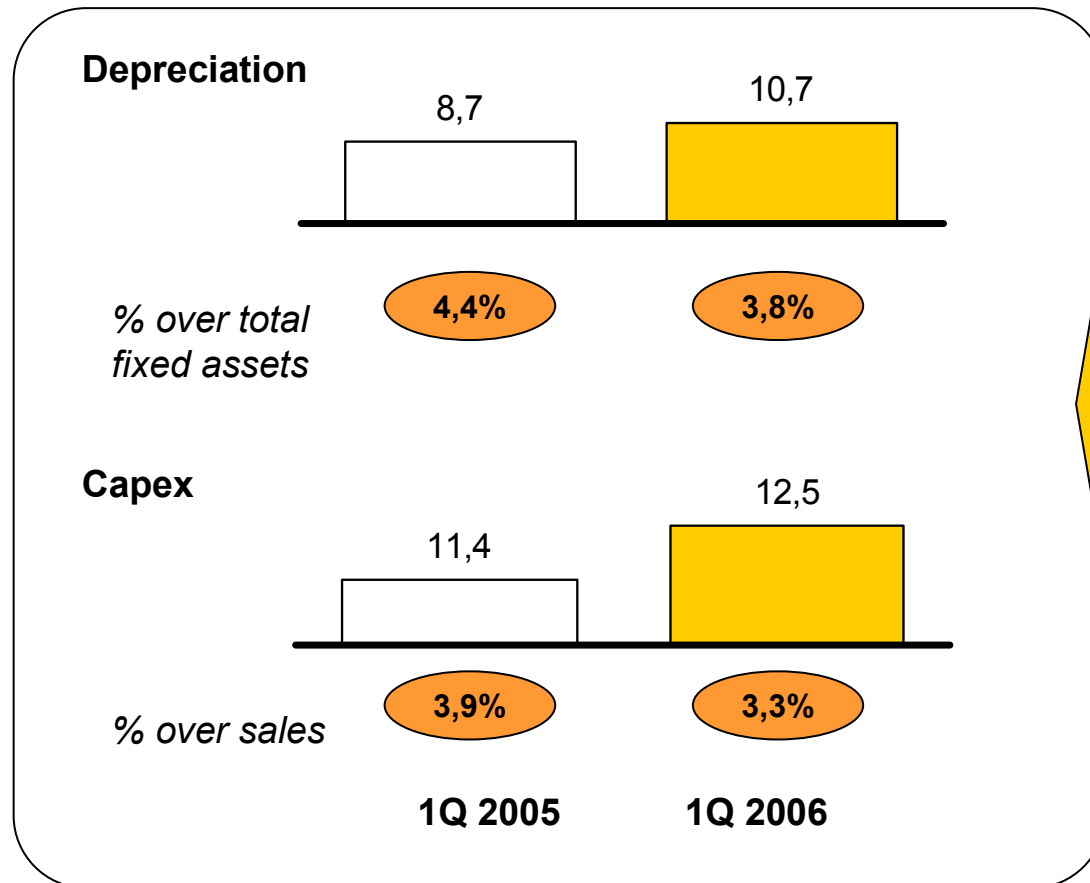
- Growth of operating results in absolute terms, due to both the business organic growth and the acquisitions
- Decrease in EBITDA and EBITA margin due to:
  - **Lower margins of the new acquisitions** (mainly CEES-guarding business and low margin acquisitions in Brazil)
  - **Integration costs** of Brazilian operations, that will still have impact in the first half of 2006
  - **Change in the business mix** towards guarding (i.e., high growth of the guarding business in LatAm)
  - **Delay in the yearly prices review** in both Guarding Spain and Guarding Portugal, where the agreement on Collective Agreement was reached in February
- Change in the 2005 EBITA margin trend:

Evolution of EBITA margin



# Overview of balance sheet optimisation policy

Euro millions



- Implementation of a balance sheet optimisation policy through the initiatives already announced during 2005
- The growth in Capex is +10% due to investments done in technology in CIT Spain, renewal of the armoured fleet in LatAm and efficiency improvements in the Brazilian Cash Handling Centres

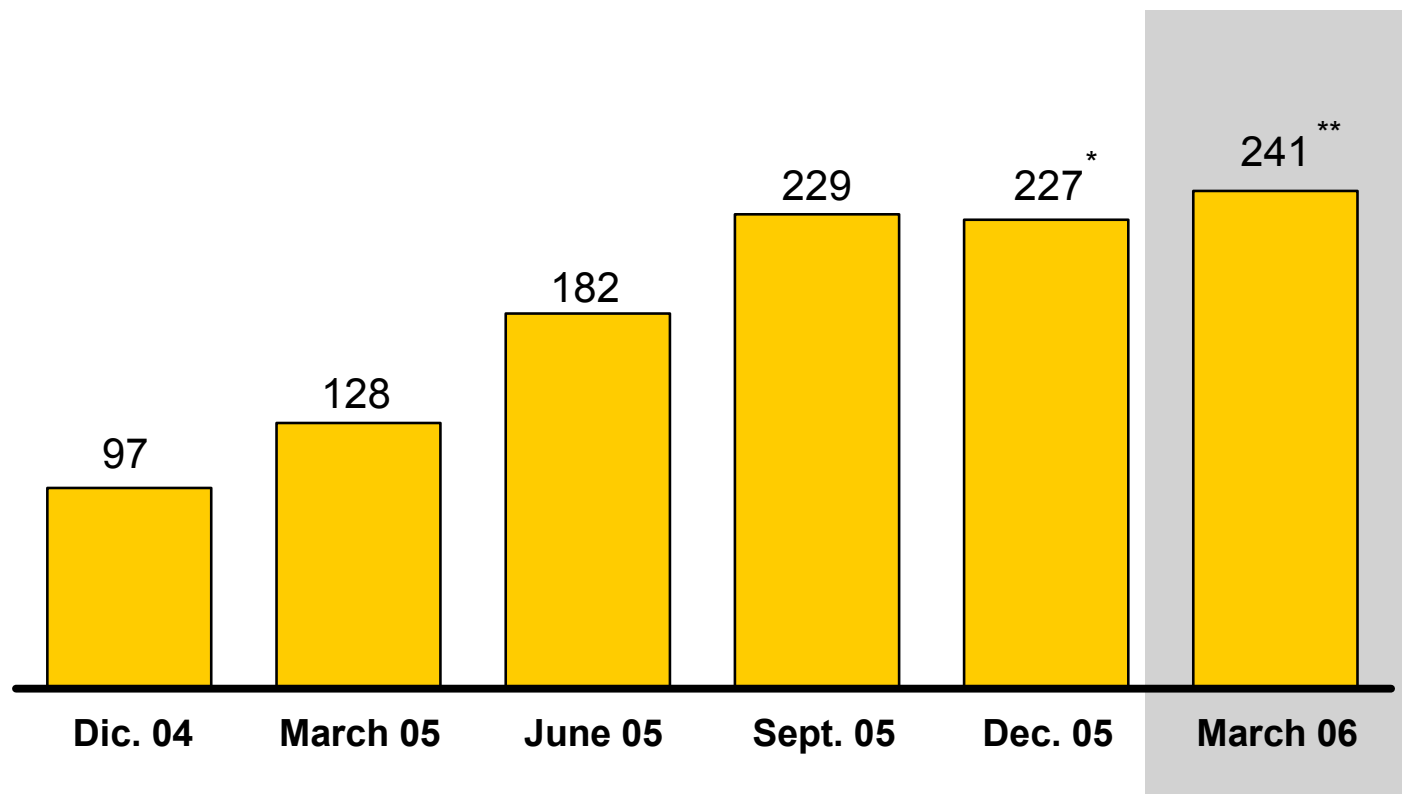
# Net consolidated profit

Euro millions		1Q 2005	1Q 2006	
<b>Financial costs</b>		-5,8	- 2,9	<ul style="list-style-type: none"> <li>• Increase in the interest charges due to the higher level of debt in order to finance the acquisitions</li> <li>• The market value of the derivatives instruments has produced a positive impact of € 0,3 million in 1Q 2006 (vs. - €1,3 m. in the same period of 2005)</li> <li>• The exchange rates effect in 1Q 2006 was:                             <ul style="list-style-type: none"> <li>– Due to the US dollar, a positive impact of € 0,3 million ((vs. - €2,2 m. in the same period of 2005)</li> <li>– Due to the hedge of the Brazilian Real against the Euro, a positive impact of € 1,3 million</li> </ul> </li> </ul>
	<i>Effective cost of debt (average)</i>	(6,6%)	(5,8%)	
<b>Taxes</b>		- 5,7	- 9,5	<ul style="list-style-type: none"> <li>• Increase in the tax rate in 9,7, p.p., moving from 27,1% in 1Q 2005 to 36,8% in the 1Q 2006</li> </ul>
	<i>% over net profit before taxes</i>	(27,1%)	(36,8%)	
<b>Results from discontinued operations</b>		-3,2	0	<ul style="list-style-type: none"> <li>• The results of Prosegur's Paris operations (BAC Sécurité, SEEI y Force Gardiennage) are not consolidated in the Group accounts since April 2005. In the first three months of 2005, the results of these operations were - € 3,2 million</li> </ul>
<b>Net Consolidated Profit</b>		12,1	16,3	<ul style="list-style-type: none"> <li>• 35,2 % increase</li> </ul>

# Evolution of Group debt level

Euro millions

## Evolution of net banking debt



\* Including € 5 million of finance derivatives

\*\* Including € 7 million of finance derivatives

- The consolidated financial information for 2005 and 2006 has been presented in accordance with the International Accounting Standards. The financial information for 2004 has been redefined following these criteria
- Incorporation of new acquisitions into the Group accounts:
  - Grupo CEES: from March 3, 2005
  - Grupo Nodés: from May 1, 2005
  - Client portfolio of Preserve: from April 1, 2005
  - Client portfolio of Transpev: from May 1, 2005
  - Dragon Star from September 1, 2005 at 37,5%

In 2006 there have been no acquisitions



**PROSEGUR**