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Independent Auditor's Report on the Annual Accounts

(Translation from the original in Spanish.
In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of
Prosegur Compañía de Seguridad, S.A.

Report on the annual accounts

We have audited the annual accounts of Prosegur Compañía de Seguridad, S.A. (the "Company"), which comprise the balance sheet at 31 December 2015, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

Directors' responsibility for the annual accounts

The Directors are responsible for the preparation of the accompanying annual accounts in such a way that they present fairly the equity, financial position and financial performance of Prosegur Compañía de Seguridad, S.A. in accordance with the financial reporting framework applicable to the entity in Spain, specified in note 2 to the accompanying annual accounts, and for such internal control that they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual accounts taken as a whole.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of Prosegur Compañía de Seguridad, S.A. at 31 December 2015, its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework and, in particular, with the accounting principles and criteria set forth therein.

Report on other legal and regulatory requirements

The accompanying directors' report for 2015 contains such explanations as the Directors consider relevant to the situation of the Company, its business performance and other matters, and is not an integral part of the annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the annual accounts for 2015. Our work as auditors is limited to the verification of the directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of the Company.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Bernardo Rücker-Embden

24 February 2016

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Auditors' Report, Annual Financial Statements and Directors' Report
on 31 December 2015

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

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I. PROFIT AND LOSS ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

(Figures in thousands of euros)

	Note	2015	2014
Net turnover	3	156,149	195,016
Dividends received		34,541	105,227
Income from interest on loans		2,363	2,532
Provision of services		119,245	87,257
Works carried out by the Company for assets		748	1,072
Supplies		(27)	(39)
Consumption of raw materials and other consumables		(27)	(39)
Other operating income		40	748
Non-core and other operating revenues		36	735
Operating subsidies added to year's result		4	13
Personnel expenses	3	(34,186)	(32,764)
Wages, salaries and similar charges		(29,437)	(27,826)
Social security obligations		(4,749)	(4,938)
Other operating expenses		(75,483)	(46,220)
External services		(64,139)	(39,797)
Taxes		(317)	(473)
Other Ordinary Expenses		(11,027)	(5,950)
Fixed assets deterioration	6 y 7	(10,984)	(12,014)
Impairment and result from sale of fixed assets and financial instruments		49,092	(25,380)
Result from impairment of financial instruments	10	(3,047)	(13,000)
Result from impairment and sale of investments in group companies	9	52,398	(12,371)
Gains/(losses) on disposal and other operations	3	(259)	(9)
OPERATING PROFIT		85,349	80,419
Finance income	4	36	44
Securities and other financial instruments			
From third-parties		36	44
Finance expenses	4	(21,402)	(24,969)
From payables to Group companies		(2,821)	(4,148)
From payables to third-parties		(18,581)	(20,821)
Variation in fair value of financial instruments	4	-	(68)
Trading portfolio and others		-	(68)
Translation differences	4	1,441	1,261
NET FINANCE INCOME		(19,925)	(23,732)
PROFIT BEFORE TAX		65,424	56,687
Income tax	16	3,501	12,254
PROFIT/LOSS FOR THE YEAR		68,925	68,941

II. BALANCE SHEET ON 31 DECEMBER 2015 AND 2014

(Figures in thousands of euros)

ASSETS	Note	2015	2014
NON-CURRENT ASSETS		975,096	987,788
Intangible Assets	6	23,455	23,238
Trademarks, licences, patents and others similar		6,037	5,409
Software applications		14,014	8,420
Other Intangible assets		3,404	9,409
Property, Plant and Equipment	7	8,920	5,518
Technical facilities and other PP&E		8,920	5,224
Fixed assets under construction and advances paid		-	294
Long-term investments in Group companies and associates	9	917,439	925,340
Equity instruments		917,439	925,340
Long-term financial investments	10	2,880	5,675
Equity instruments		2,411	5,347
Loans to third parties		335	321
Other financial assets		134	7
Deferred tax assets	16	22,402	28,017
CURRENT ASSETS		429,852	260,967
Trade and other receivables	11	111,170	103,852
Customers, Group companies and associates		108,070	102,410
Other receivables		24	456
Personnel		23	18
Public entities, other receivables		3,053	191
Current tax assets		-	777
Short-term investments in Group companies and associates	11	312,904	155,830
Loans to companies		149,563	128,772
Other financial assets		163,341	27,058
Short-term financial investments		319	319
Other financial assets	10	319	319
Short-term deferrals		766	386
Cash and cash equivalents	12	4,693	580
Cash		4,693	580
TOTAL ASSETS		1,404,948	1,248,755

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

(Figures in thousands of euros)

NET EQUITY AND LIABILITIES	Note	2015	2014
EQUITY		335,106	292,578
Shareholders' equity		335,106	292,575
Subscribed capital	13	37,027	37,027
Subscribed capital		37,027	37,027
Share premium	13	25,472	25,472
Reserves	13	246,118	200,170
Legal and statutory reserves		7,406	7,406
Other reserves		238,712	192,764
Treasury Stock and shares in net equity	13	(42,436)	(42,436)
Profit/loss for the year	5	68,925	68,941
Other net equity instruments	13	-	3,401
Subsidies, Donations and Bequests Received		-	3
NON-CURRENT LIABILITIES		563,334	555,425
Long-term provisions	14	4,378	1,497
Obligations for long term personnel benefits		4,378	1,497
Long-term debt	15	546,926	536,051
Debentures and other negotiable securities		498,016	497,174
Debts with credit institutions		48,019	37,882
Other financial liabilities		891	995
Deferred tax liabilities	16	12,030	17,877
CURRENT LIABILITIES		506,508	400,752
Short-term debts	15	208,521	175,780
Debentures and other negotiable securities		10,312	10,312
Debts with credit institutions		161,644	127,772
Other financial liabilities		36,565	37,696
Short-term payables to Group companies and associates	15	206,484	169,753
Trade and other payables	15	91,503	55,219
Suppliers, Group companies and associates		58,341	29,876
Sundry accounts payable		16,192	7,572
Personnel (salaries payable)		8,706	8,500
Current tax liabilities		5,838	4,999
Public entities, other payables		2,426	4,272
TOTAL EQUITY AND LIABILITIES		1,404,948	1,248,755

The notes attached to the annual financial statements are an integral part of the 2015 annual financial statements.

III. STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

(Figures in thousands of euros)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
Gains/(losses) in the income statement	5	68,925	68,941
Amounts transferred to the income statement		(3)	(9)
Subsidies, Donations And Bequests		(4)	(13)
Tax effect		1	4
Total recognised revenues and expenses		<u>68,922</u>	<u>68,932</u>

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

B) STATEMENT OF TOTAL CHANGES IN EQUITY

(Figures in thousands of euros)

	Share capital	Share premium	Legal reserve	Other Reserves	Treasury stock and equity holdings	Profit/loss for the year	Other net equity instruments	Grants	Total
	(Note 13)	(Note 13)	(Note 13)	(Note 13)	(Note 13)	(Note 5)	(Note 13)		
BALANCE ON 1 JANUARY 2014	37,027	25,472	7,406	140,254	(114,123)	66,000	3,171	12	165,219
Total recognised revenues and expenses	-	-	-	-	-	68,941	-	(9)	68,932
Operations with partners or owners	-	-	-	50,467	71,687	(66,000)	1,865	-	58,019
- Distribution of dividends	-	-	-	53	-	(66,000)	-	-	(65,947)
- Operations with own stocks or shares (net)	-	-	-	50,414	71,687	-	-	-	122,101
- Accrued share-based incentive commitments	-	-	-	-	-	-	1,865	-	1,865
Other changes in equity	-	-	-	2,043	-	-	(1,635)	-	408
Balance at 31 December 2014	37,027	25,472	7,406	192,764	(42,436)	68,941	3,401	3	292,578
Total recognised revenues and expenses	-	-	-	-	-	68,925	-	(3)	68,922
Operations with partners or owners	-	-	-	2,994	-	(68,941)	-	-	(65,947)
- Distribution of dividends	-	-	-	2,994	-	(68,941)	-	-	(65,947)
Other changes in equity	-	-	-	42,954	-	-	(3,401)	-	39,553
Balance at 31 December 2015	37,027	25,472	7,406	238,712	(42,436)	68,925	-	-	335,106

IV. CASH FLOW STATEMENTS FOR THE YEARS ENDED ON 31 DECEMBER 2015 AND 2014

(Figures in thousands of euros)

	Note	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		65,424	56,687
Adjustments to profit		(55,091)	(46,646)
Fixed assets deterioration (+)	6 y 7	10,984	12,014
Impairment losses (+/-)	9	(49,351)	25,371
Allocation of subsidies (+/-)		(4)	(13)
Results from fixed asset write-offs and sale (+/-)		259	9
Finance income (-)		(2,399)	(2,576)
Dividends received (-)		(34,541)	(105,227)
Finance expenses (+)	4	21,402	24,969
Translation differences (+/-)	4	(1,441)	(1,261)
Variation in fair value of financial instruments (+/-)		-	68
Changes in working capital		37,340	16,538
Customers and other receivables (+/-)		(8,095)	(22,768)
Trade and other payables (+/-)		49,216	38,667
Other non-current assets and liabilities (+/-)		(3,781)	639
Other cash flows from operating activities		(16,744)	56,915
Interest paid (-)		(20,867)	(25,608)
Dividend collection (+)		7,730	81,227
Interest collection (+)		2,398	2,575
Income tax received/(paid) (+/-)		(6,005)	(1,279)
Cash flows from operating activities		30,929	83,494
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments (-)		(45,063)	(105,996)
Group companies and associates		(29,962)	(96,163)
Intangible Assets	6	(9,273)	(7,254)
Property, Plant and Equipment	7	(5,590)	(2,433)
Other financial assets		(238)	(146)
Collections from disposal of investments (+)		(13)	5,401
Property, Plant and Equipment		1	233
Other financial assets		(14)	5,168
Cash flows from investing activities		(45,076)	(100,595)
CASH FLOWS FROM FINANCING ACTIVITIES			
Collections and payments for equity instruments		-	121,925
Sale of equity instruments (+)		-	121,925
Collections and payments for financial liability instruments		82,166	(40,524)
Emission		89,083	40,000
Debts with credit institutions (+)		50,000	40,000
Other payables (+)		39,083	-
Repayment and amortisation of		(6,917)	(80,524)
Debts with credit institutions (-)		(5,684)	(71,393)
Other payables (-)		(1,233)	(9,131)
Dividends payable and remunerations from other equity instruments		(63,906)	(63,860)
Dividends (-)		(63,906)	(63,860)
Cash flows from financing activities		18,260	17,541
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		4,113	440
Cash and cash equivalents at start of year		580	140
Cash and cash equivalents at year end		4,693	580

V. NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. General Information

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. (hereinafter the Company or Prosegur), the parent company of the Prosegur Group, has its registered offices at calle Pajaritos 24 in Madrid. The Company was incorporated on 14 May 1976 and is registered with the Companies Registry of Madrid as the first inscription on page 32,805, section 3, folio 22 of volume 4,237.

The corporate objects of the Company are described in article 2 of its articles of association, including the following services and activities:

1. Security and the protection of goods, premises, shows, competitions and conventions.
2. The protection of certain individuals, subject to prior authorisation.
3. The storage, safekeeping, counting and classification of coins and banknotes, deeds, securities and other items that require special protection due to their economic value, the expectations they generate or the associated risk, notwithstanding any activities inherent to financial institutions.
4. The transportation and distribution of the aforementioned objects using, where necessary, vehicles with characteristics regulated by the Spanish Ministry of Home Affairs to avoid confusion with those used by the Armed Forces or State Security Forces.
5. Installation and maintenance of security apparatuses, devices and systems.
6. The operation of centres in which alarm signals are received, verified, broadcast and reported to State Security Forces, as well as the provision of response services in circumstances that do not come under the State Security Forces.
7. Planning of security activities and related advisory services.
8. Security services and the protection of rural property by private security guards.

The activities which comprise the corporate objects may also be indirectly performed by the Company, via the shareholding in any other companies with an identical or similar corporate object.

The services rendered by the Prosegur Group are classed into the following activity lines:

- Integrated Security Solutions (ISS),
- Cash in transit (CIT) and cash management,
- Alarms.

The Company's corporate objects expressly excludes activities restricted by law to entities that comply with special requirements not met by the Company, particularly financial brokerage activities that are restricted by financial legislation governing collective investment undertakings and the Securities Market Law and supplementary provisions applicable to Collective Undertakings for Investment.

As of financial year 2013, the Company segregated the business line of private security in Spain to Prosegur España S.L.U. and, as a consequence, the main activity of the Company became the acquisition, holding, management and administration of securities and shares or any other form of representation of interest in the capital of entities that are resident and non-resident in Spain and of funding in investee companies; and the provision of services that are complementary or ancillary to the management of activities carried out by the investee companies.

In financial year 2015 there were a series of operations involving the incorporation of new companies, sales of shareholdings, capital provisions and spin-offs of the Group companies with the purpose of aligning the Group into three business lines.

Prosegur is controlled by Gubel S.L., which was incorporated in Madrid and holds 50.075% of the share capital of Prosegur Compañía de Seguridad, S.A.

Prosegur Compañía de Seguridad, S.A. is a public limited company, with shares listed on the Madrid and Barcelona Stock Exchanges and traded through the Spanish Stock Exchange Interconnection System (electronic trading system) (SIBE).

Prosegur is the parent of a group of companies in compliance with legislation in force (hereinafter the Group). In accordance with generally accepted accounting principles in Spain, consolidated annual financial statements of the Group must be prepared to present fairly the financial position of the Group, the results of operations and changes in its equity and cash flows. The breakdown of shareholdings in group companies, associates and jointly controlled companies are disclosed in Appendix I.

The Directors prepare the consolidated annual financial statements of Prosegur Compañía de Seguridad, S.A., in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and approved by the European Commission Regulations in force on 31 December 2015. The consolidated annual financial statements were drawn up by the Board of Directors, together with these individual annual financial statements, on 24 February 2016 and are pending approval by the shareholders at their General Meeting, after which they will be filed at the Companies Registry of Madrid.

The consolidated annual financial statements of Prosegur Compañía de Seguridad, S.A. and its Subsidiaries for 2015 present consolidated profit of EUR 183,369 thousand and consolidated equity of EUR 699,626 thousand (158,428 thousand and EUR 864,061 thousand, respectively, in 2014).

2. Basis of Presentation

a) True and fair view

The annual financial statements have been prepared on the basis of the accounting records of the Company and are presented in accordance with commercial legislation in force and the rules established in the General Accounting Plan approved by Royal Decree 1514/2007, in order to reflect a true and fair view of the equity, the financial situation and the results of the Company, as well as the veracity of the cash flows shown in the cash flow statement.

At the close of the financial year, the Company has a negative working capital of EUR 76,656 thousand (2014: negative working capital of EUR 139,785 thousand). However, the Company's Directors have prepared these annual financial accounts on the going concern principle given that they consider that this negative working capital does not affect the capacity of the Company to continue as a going concern on the basis of, among other factors, the fact that the Company is the parent company of the Prosegur Group whose consolidated annual financial statements on 31 December 2015 show a positive working capital of EUR 130,682 thousand (2014: EUR 315,518 thousand) and its capacity to generate future cash flows via its ordinary business activity as well as the management policy of subsidiary's dividends.

b) Critical valuation issues and estimation of uncertainty

Preparation of the annual financial statements requires the Company to make certain estimates and judgements concerning the future, which are evaluated constantly and based on historical experience and other factors, including expectations of future events that are considered reasonable under certain circumstances.

Furthermore, despite the fact that the estimates made by the Directors of the Company have been calculated on the basis of the best-available information at year end, it is likely that events that may take place in the future force the amendment of the above in forthcoming financial years. The effect on the annual financial statements of adjustments that, where applicable, are made in subsequent years would be recognised prospectively.

The estimates and judgements that present significant risk of a material adjustment to the carrying amounts of assets and liabilities in the subsequent reporting period are as follows:

Estimate of fair value

The fair value of financial instruments traded on an active market (such as derivatives quoted on stock exchanges and investments acquired for trading) is based on market prices at year end. The market price used by the Company for financial assets is the current buying price. The appropriate market price for financial liabilities is the current asking price.

The fair value of financial instruments not traded on an active market is determined using valuation techniques. The Company uses various different measures and makes assumptions based on market conditions existing at each balance sheet date. Market prices for similar instruments are used for long-term debt. To determine the fair value of the remaining financial instruments, the Company uses other techniques such as discounted estimated cash flows. The fair value of interest rate swaps is the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange rates on the market on the balance sheet date.

The nominal amount of receivables and payables less estimated credit adjustments is considered to be similar to their fair values. The fair value of financial liabilities for the purposes of presentation of financial information is estimated by discounting the future cash flow commitments at the interest rate available at the time to the Company for similar financial instruments.

Investments in group companies

The Company carries out impairment testing on investments made in subsidiaries if there is any proof of value impairment. The calculation of impairment involves the comparison of the book value of the investment with its recovery value, this being understood as the higher fair value less cost of sale and value in use. As a general rule, the Company uses cash flow discounting methods to calculate these values. Discounted cash flow calculations are based on four year projections of the budgets approved by Management. The cash flows take into account past experience and represent Management's best estimate of future market performance. Cash flows as of four years are extrapolated using individual growth rates. The key assumptions to determine the fair value less cost of sale and value in use include growth rates, average weighted rate of capital and tax rates.

Useful lives

For certain intangible assets acquired, the Company decides whether the useful life is finite or indefinite and, for those whose useful life is considered finite, the period over which it will generate incoming cash flows. This assessment requires a high level of judgement by management and takes into account certain key factors.

c) Functional and presentation currency

The figures disclosed in the annual financial statements are expressed in thousands of euros, the Company's functional and presentation currency, rounded off to the nearest thousand.

d) Comparative information

For comparative purposes and for each item in the balance sheet, profit and loss account, statement of changes in equity, cash flow statement and notes to the annual financial statements, in addition to the figures for financial year 2015, the annual financial statements show those pertaining to the previous year, those of 2014, approved by the General Shareholders' Meeting at 28 April 2015.

3. Income and expense

a) Net turnover

The breakdown of net turnover by category of activity and geographical area is as follows:

	Thousands of euros							
	National		Rest Europe and Asia-Pacific		LatAm		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014
Dividends received:								
- Group companies and associates	25,900	26,711	-	70,147	8,641	8,369	34,541	105,227
Loan interest income	1,930	1,085	432	1,446	1	1	2,363	2,532
Provision of services:								
- General Services	34,815	33,674	13,231	11,556	71,199	42,027	119,245	87,257
Total	62,645	61,470	13,663	83,149	79,841	50,397	156,149	195,016

b) Personnel expenses

Details of employee benefits costs are as follows:

	Thousands of euros	
	2015	2014
Salaries and wages	28,172	26,771
Severance	1,265	1,055
Social security obligations	4,669	4,470
Other employee benefits expenses	80	468
Total	34,186	32,764

The 2014 and 2017 long-term incentive plans for the Managing Director and Management (Note 25.10), within the Salaries and wages caption has been included in the expense accrued during the year in relation to the 2015 financial year amounting to EUR 4,852 thousand (2014: EUR 3,979 thousand).

c) Disposal of fixed assets

In financial year 2015, computer equipment has been sold at a significant loss amounting to EUR 259 thousand (2014: computer equipment has been sold with a loss amounting to EUR 9 thousand).

4. Net finance income

Details of financial income and expense are as follows:

	Thousands of euros	
	2015	2014
Finance income	36	44
Securities and other financial instruments		
- Third parties	36	44
Finance expenses	(21,402)	(24,969)
- Por deudas con empresas del grupo y asociadas (Nota 19)	(2,821)	(4,148)
- From payables to third-parties	(18,581)	(20,821)
Financial instruments	-	(68)
- Other losses/gains on derivative transactions	-	(1,151)
- Variation of fair value of derivatives	-	1,083
Translation differences	1,441	1,261
Total	(19,925)	(23,732)

a) Finance income and costs

Finance costs in relation to group companies reflect interest earned on current short-term loans to group companies (see Note 19).

Interest on bank loans mainly relates to interest accrued, mostly for the syndicated loan and the ordinary bonds issued during 2013 (see Note 15).

b) Exchange gains/losses

The main currency conversion difference items are the following:

	Currency	Thousands of euros	
		2015	2014
Group company loans	Mexican Peso	63	(13)
Debt due to acquisition of Prosec Services Pte	Singapore Dollar	-	(33)
Debt due to acquisition of Tellex	Argentine Peso	184	101
Group company loans	Uruguayan Peso	-	123
Debt due to acquisition of Martom	Brazilian Real	151	(30)
Debt due to acquisition of Beloura Investment	Colombian Peso	371	227
Debt from capital increase of Prosegur Tecnología	Brazilian Real	641	(29)
Other debt with group companies	Argentine Peso	(12)	(12)
Loans to group company	Australian dollar	129	1,056
Other items		(86)	(129)
		1,441	1,261

5. Profit/loss for the year**a) Distribution of profit/loss**

On the date these annual financial statements are drawn up, the Board of Directors with motion the General Shareholders' Meeting to distribute the profit/loss for the year as follows:

	Thousands of euros	
	2015	2014
<u>Basis of allocation</u>		
Profit/loss for the year	68,925	68,941
Total	68,925	68,941
<u>Allocation</u>		
Voluntary reserves	736	2,994
Dividends	68,189	65,947
Total	68,925	68,941

The Board of Directors will motion the General Shareholders' Meeting to approve a distribution of a dividend of EUR 0.1105 per share, or a total maximum amount of EUR 68,189 thousand (considering that share capital is currently divided into 617,124,640 shares). Said dividend shall be paid to the shareholders in four payments of EUR 0.0276 per share in circulation on the date of each payment in the months of July and October 2016 and January and April 2017. The amount not distributed as a dividend on the total maximum amount agreed, as a result of the treasury stock on the date of each payment shall be devoted to voluntary reserves.

Nevertheless, if the number of shares changes between two payment dates as a result of a share capital increase or reduction, the total maximum amount of the dividend at each payment date (EUR 16,487 thousand) should be divided by the new number of outstanding shares that corresponds following the aforementioned increase or reduction.

At the General Shareholders' Meeting held on 28 April 2015, shareholders approved the distribution of dividends amounting to EUR 65,947 thousand (EUR 0.1068 per share). When this meeting was held, share capital was divided into 617,124,640 shares. Shareholders received 50% of the approved dividends, i.e. EUR 32,974 thousand, in July and October 2015. The remaining payments to shareholders, each representing 25% of the approved amount, will be made in January and April 2016. On 31 December 2015, dividends payable of EUR 32,974 thousand have been recognised under current liabilities as other payables under the other financial liabilities caption.

b) Dividend restrictions

Reserves and profit for the year are freely distributable except for the restrictions described in Note 13.

6. Intangible assets

Details and movement of items in Intangible Assets are as follows:

	Thousands of euros				
	Licences	Software applications	Software applications in progress	Other Intangible assets	Total
Cost					
Saldo al 1 de enero de 2014	11,473	24,888	3,103	15,517	54,981
New additions	1,749	231	2,666	2,608	7,254
Write offs	(251)	(268)	-	-	(519)
Transfers	-	1,581	(1,581)	-	-
Saldo al 31 de diciembre de 2014	12,971	26,432	4,188	18,125	61,716
New additions	2,545	5,026	953	749	9,273
Write offs	-	(719)	-	-	(719)
Transfers	-	3,950	(3,950)	-	-
Saldo al 31 de diciembre de 2015	15,516	34,689	1,191	18,874	70,270
Depreciation and amortisation					
Saldo al 1 de enero de 2014	(5,917)	(14,663)	-	(8,000)	(28,580)
Amortisation for the year	(1,853)	(3,429)	-	(4,904)	(10,186)
Write offs	208	80	-	-	288
Saldo al 31 de diciembre de 2014	(7,562)	(18,012)	-	(12,904)	(38,478)
Amortisation for the year	(1,917)	(3,382)	-	(3,757)	(9,056)
Write offs	-	719	-	-	719
Saldo al 31 de diciembre de 2015	(9,479)	(20,675)	-	(16,661)	(46,815)
Carrying amount					
On 1 January 2014	5,556	10,225	3,103	7,517	26,401
At 31 December 2014	5,409	8,420	4,188	5,221	23,238
At 31 December 2015	6,037	14,014	1,191	2,213	23,455

a) New additionsLicences

The most significant licence additions in financial year 2015 relate to the renewal of software licences.

Software applications

Additions of software applications, in 2015, relate to computer projects and the remainder relates to new software and DTI applications.

The most significant derecognitions for software applications in financial year 2015 relate to Stage II of Hyperion for EUR 258 thousand, budgetary Management project of EUR 363 thousand and its licences worth EUR 93 thousand.

Software applications in progress

Additions of software applications in progress in financial year 2015 relate entirely to DTI computing projects.

b) Licences

Details of licences at year end are as follows:

Thousands of euros						
2015						
Description and operation	Expiry date	Amortisation period	Amortisation for the year	Cost	Accumulated amortisation	Carrying amount
Licences - Software	2011	3 year	-	1,600	1,600	-
Licences - CRA	2011	5 year	-	90	90	-
Licences - Software	2012	5 year	-	313	313	-
Licences - Software	2013	5 year	-	20	20	-
Licences - Software	2014	1 year	-	166	166	-
Licences - Software	2014	5 year	-	613	613	-
Licences - Software	2015	5 year	139	1,264	1,264	-
Licences - Software	2016	5 year	823	4,114	3,528	586
Licences - Software	2017	5 year	157	783	506	277
Licences - Software	2018	5 year	243	1,218	623	595
Licences - Software	2019	5 year	350	1,748	551	1,197
Licences - Software	2020	5 year	205	2,545	205	2,340
Licences - Software	-----	-----	-	1,042	-	1,042
			1,917	15,516	9,479	6,037

Thousands of euros						
2014						
Description and operation	Expiry date	Amortisation period	Amortisation for the year	Cost	Accumulated amortisation	Carrying amount
Licences - Software	2011	3 year	-	1,600	1,600	-
Licences - CRA	2011	5 year	-	90	90	-
Licences - Software	2012	5 year	-	313	313	-
Licences - Software	2013	5 year	-	20	20	-
Licences - Software	2014	1 year	38	166	166	-
Licences - Software	2014	5 year	105	613	613	-
Licences - Software	2015	5 year	285	1,264	1,125	139
Licences - Software	2016	5 year	823	4,114	2,705	1,409
Licences - Software	2017	5 year	157	783	350	433
Licences - Software	2018	5 year	244	1,218	379	839
Licences - Software	2019	5 year	201	1,748	201	1,547
Licences - Software	-----	-----	-	1,042	-	1,042
			1,853	12,971	7,562	5,409

c) Fully amortised intangible assets

The cost of items of intangible assets which are fully amortised and still in use on 31 December is as follows:

	Thousands of euros	
	2015	2014
Software applications	12,283	11,294
Licences	4,066	2,802
Other Intangible assets	15,112	10,320
	31,461	24,416

d) Assets acquired from group companies and associates

In 2015, no intangible assets elements were acquired with group companies.

e) Assets subject to guarantees and title restrictions

On 31 December 2015 and 2014, the Company has no significant intangible assets that are subject to restrictions on title or pledged as security for liabilities.

7. Property, plant and equipment

Details of movement of items in property, plant and equipment are as follows:

	Thousands of euros			
	Other install., equipment and furniture	Other property, plant and equipment	Fixed assets under construction and advances	Total
Cost				
Saldo al 1 de enero de 2014	4,419	5,592	426	10,437
New additions	163	1,662	608	2,433
Write offs	(2)	(22)	-	(24)
Transfers	560	180	(740)	-
Saldo al 31 de diciembre de 2014	5,140	7,412	294	12,846
New additions	3,639	1,951	-	5,590
Write offs	(1,711)	(190)	-	(1,901)
Transfers	294	-	(294)	-
Saldo al 31 de diciembre de 2015	7,362	9,173	-	16,535
Depreciation and amortisation				
Saldo al 1 de enero de 2014	(2,300)	(3,213)	-	(5,513)
Amortisation for the year	(494)	(1,334)	-	(1,828)
Write offs	-	13	-	13
Saldo al 31 de diciembre de 2014	(2,794)	(4,534)	-	(7,328)
Amortisation for the year	(580)	(1,348)	-	(1,928)
Write offs	1,477	164	-	1,641
Saldo al 31 de diciembre de 2015	(1,897)	(5,718)	-	(7,615)
Carrying amount				
On 1 January 2014	2,119	2,379	426	4,924
At 31 December 2014	2,346	2,878	294	5,518
At 31 December 2015	5,465	3,455	-	8,920

a) New additionsOther installations, equipment and furniture

The most significant installations and furniture additions in financial year 2015 mostly comprise the construction works of the building located in Calle Pajaritos, 24 in Madrid amounting to a total of EUR 2,915 thousand, and the addition of the new furniture of this building amounting to EUR 479 thousand.

Other property, plant and equipment

The most significant additions to other property, plant and equipment in financial year 2015 pertain to the purchase and renewal of hardware totalling EUR 1,925 thousand.

b) Impairment losses

In financial years 2015 and 2014, the Company has not recognised or reversed any impairment losses on any individual property, plant and equipment.

c) Assets acquired from group companies and associates

In financial year 2015 and 2014, no intangible assets elements were acquired with group companies.

d) Fully depreciated property, plant and equipment

The cost of items of property, plant and equipment that are fully amortised and still in use on 31 December is as follows:

Thousands of euros	
2015	2014
Other installations, equipment and furniture	420
Other property, plant and equipment	438
	3,565
	1,680
	3,985
	2,118

e) Property, plant and equipment pledged as collateral

On 31 December 2015 and 2014, the Company has no tangible assets subject to property restrictions or pledged as security for liabilities.

f) Assets under operating leaseAs a lessee

The Company rents offices and office equipment under non-cancellable operating leases.

The sum of payments of operating leases recognised as expenses in the caption on other operating expenses, external services is as follows:

Thousands of euros	
2015	2014
Lease payments	2,698
	1,986
	2,698
	1,986

Future minimum payments under non-cancellable operating leases are shown in Note 18.

g) Insurance

The Company has taken out several insurance policies to cover the risk of damage to its property, plant and equipment. The coverage of these policies is considered sufficient.

8. Analysis of financial instruments

8.1 Analysis by category

The carrying amount of each category of financial instruments specified in the significant accounting policy on financial instruments, except investments in equity of group companies, jointly controlled companies and associates (see Note 9) and cash and cash equivalents (see Note 12), is as follows:

a) Financial assets:

Thousands of euros	2015				
	At amortised cost or cost			At Fair value	Total
	Credits and other	Trade and other receivables	Financial Investments	Equity instruments	
Non-currents					
Loans and Receivables (Note 11)	335	-	-	-	335
Available-for-sale financial assets (Note 10)	134	-	2,411	-	2,545
	469	-	2,411	-	2,880
Current					
Loans and Receivables (Note 11)	149,563	108,117	163,660	-	421,340
	149,563	108,117	163,660	-	421,340
Total	150,032	108,117	166,071	-	424,220

Thousands of euros	2014				
	At amortised cost or cost			At Fair value	Total
	Credits and other	Trade and other receivables	Financial Investments	Equity instruments	
Non-currents					
Loans and Receivables (Note 11)	321	-	-	-	321
Available-for-sale financial assets (Note 10)	7	-	2,320	3,027	5,354
	328	-	2,320	3,027	5,675
Current					
Loans and Receivables (Note 11)	128,772	102,884	27,377	-	259,033
	128,772	102,884	27,377	-	259,033
Total	129,100	102,884	29,697	3,027	264,708

On 31 December 2015, Prosegur estimated the fair value of its investment in Capitolotre, S.P.A., concluding that objective evidence exists to support that this investment has sustained a decrease in value estimated at EUR 3,027 thousand. The investment is fully impaired on 31 December 2015. In financial year 2014, an impairment loss of this financial asset was recognised for EUR 13,000 thousand.

On 23 December 2015, the Company has reached an agreement, subject to a condition precedent with Accadiesse S.P.A. whereby the shareholding of Prosegur in Capitolotre, S.P.A. shall be transferred to the company itself, without expecting any consideration from Prosegur.

In financial year 2013, the Company participated in the capital increase of Euroforum Escorial, S.A. totalling EUR 524 thousand, EUR 250 thousand of which are yet to be paid up. During financial year 2015, EUR 117 thousand have been paid up (2014: EUR 133 thousand).

The carrying value of the financial assets valued at cost or at amortised cost is close to their fair value, given the non-significant effect of the discount.

b) Financial liabilities:

Thousands of euros	2015				Total
	At amortised cost or cost				
	Debentures and other negotiable securities	Debts with credit institutions	Trade and other payables	Other financial liabilities	
Non-currents					
Debts and payables (Note 15)	498,016	48,019	-	891	546,926
	498,016	48,019	-	891	546,926
Current					
Debts and payables (Note 15)	10,312	161,644	83,239	243,049	498,244
	10,312	161,644	83,239	243,049	498,244
Total	508,328	209,663	83,239	243,940	1,045,170
Fair value	527,946	209,690			

Thousands of euros	2014				Total
	At amortised cost or cost				
	Debentures and other negotiable securities	Debts with credit institutions	Trade and other payables	Other financial liabilities	
Non-currents					
Debts and payables (Note 15)	497,174	37,882	-	995	536,051
	497,174	37,882	-	995	536,051
Current					
Debts and payables (Note 15)	10,312	127,772	45,948	207,449	391,481
	10,312	127,772	45,948	207,449	391,481
Total	507,486	165,654	45,948	208,444	927,532
Fair value	534,814	165,654			

The carrying value of trade payables and other financial liabilities is close to fair value, given the non-significant effect of the discount. Fair values are based on cash flows discounted at a rate based on the interest rate of borrowing.

8.2. Analysis by maturities

The breakdown of financial instruments with fixed or determinable maturity, by year of maturity, is as follows:

a) Financial assets:

Thousands of euros	2015				
	Financial Assets				
	2016	2017	2018	Subsequent years	TOTAL
Investments in group and associated companies:					
- Loans to companies	149,563	-	-	-	149,563
- Other financial assets	163,341	-	-	-	163,341
	312,904	-	-	-	312,904
Financial Investments:					
- Equity instruments	-	-	-	2,411	2,411
- Other financial assets	319	-	-	469	788
	319	-	-	2,880	3,199
Trade and other receivables:					
- Customers, Group companies and as	108,070	-	-	-	108,070
- Sundry Debtors	24	-	-	-	24
- Personnel	23	-	-	-	23
	108,117	-	-	-	108,117
Total	421,340	-	-	2,880	424,220

Thousands of euros	2014				
	Financial Assets				
	2015	2016	2017	Subsequent years	TOTAL
Investments in group and associated companies:					
- Loans to companies	128,772	-	-	-	128,772
- Other financial assets	27,058	-	-	-	27,058
	155,830	-	-	-	155,830
Financial Investments:					
- Equity instruments	-	-	-	5,347	5,347
- Other financial assets	319	-	-	328	647
	319	-	-	5,675	5,994
Trade and other receivables:					
- Customers, Group companies and as	102,410	-	-	-	102,410
- Sundry Debtors	456	-	-	-	456
- Personnel	18	-	-	-	18
	102,884	-	-	-	102,884
Total	259,033	-	-	5,675	264,708

b) Financial liabilities:

Thousands of euros	2015				
	Financial Liabilities				
	2016	2017	2018	Subsequent years	TOTAL
Debentures and other negotiable securities (Note 15)	10,312	-	498,016	-	508,328
Payables to Group and associated companies (Note 19)	206,484	-	-	-	206,484
Debts with credit institutions (Note 15)	161,644	-	-	48,019	209,663
Other financial liabilities	119,804	139	94	658	120,695
Total	498,244	139	498,110	48,677	1,045,170

Thousands of euros	2014				
	Financial Liabilities				
	2015	2016	2017	Subsequent years	TOTAL
Debentures and other negotiable securities (Note 15)	10,312	-	-	497,174	507,486
Payables to Group and associated companies (Note 19)	169,753	-	-	-	169,753
Debts with credit institutions (Note 15)	127,772	-	-	37,882	165,654
Other financial liabilities	83,644	169	169	657	84,639
Total	391,481	169	169	535,713	927,532

9. Shareholdings in group companies, jointly controlled companies and associates

Details of movement in investments in group companies, jointly controlled companies and associates are as follows:

	Thousands of euros	
	2015	2014
Balance at 1 January	925,340	855,996
<u>Shareholding</u>		
New additions	637,586	82,053
Write offs	(634,307)	(1,235)
<u>Impairment</u>		
Impairment losses	(11,180)	(11,474)
Balance at 31 December	917,439	925,340

As set forth in Note 25.12, in the course of the financial year there were a series of transactions involving incorporations of new companies, sales of their shareholdings, capital provisions and spin-offs of the Group companies with the purpose of aligning the Group into three business lines.

In financial year 2015, the following companies were incorporated:

Date	Country	Name
23 January 2015	Spain	Prosegur Global CIT, S.L.U.
26 January 2015	Spain	Prosegur Global SIS, S.L.U.
20 February 2015	Spain	Prosegur Alarmas España, S.L.U.
20 February 2015	Spain	Prosegur Vigilancia España, S.L.U.
8 May 2015	Spain	Prosegur Global Alarmas ROW, S.L.U.
8 May 2015	Spain	Prosegur Global CIT ROW, S.L.U.
8 May 2015	Spain	Prosegur Global SIS ROW, S.L.U.
15 May 2015	Portugal	Prosegur A. Alarmes Portugal Unipessoal, Ltda.
15 May 2015	Portugal	Prosegur Logistica e Tratamento de Valores Portugal Unipessoal, Ltda.
15 May 2015	Portugal	Prosegur SIS Sistemas de Segurança Portugal Unipessoal, Ltda.
12 June 2015	Spain	Prosegur BPO España, S.L.U.
23 July 2015	Portugal	Prosegur Agencia, Promoção e Comercialização de Productos e Servicios, Unipessoal, Ltda.
21 December 2015	France	Constitución Prosegur Gestion D'Actifs France, SCI.
29 December 2015	Portugal	Prosegur ESSPP Empresa de Serviços Partilhados Unipessoal, Ltda.
29 December 2015	Portugal	Prosegur Gestao de Activos Imobiliarios, S.A.

Furthermore, the following mergers took place between subsidiaries in 2015:

- In July 2015, Prosegur Trier GmbH & Co KG and Prosegur Trier Verwaltungs GmbH merged with and into Prosegur GmbH in Germany.
- In October 2015, Prosegur Holding e Participações S.A. merged with and into TSR Participações Societárias SA in Brazil.

On 31 December 2014, Servimax Servicios Generales, S.A. (acquired) was taken over by ESC Servicios Generales, S.L.U. (acquiring company), both of which are Spanish companies. Likewise, the German company Prosegur Deutschland GmbH (acquired company) was taken over by Prosegur GmbH (acquiring company).

a) New additions

Increases in investments in group companies, jointly controlled companies and associates are as follows:

		Thousands of euros	
		2015	2014
Prosegur Global SIS ROW, S.L.U.	(1)	153,767	-
Prosegur Soluciones Integrales de Seguridad España, S.L.U.	(2)	129,618	-
Prosegur Global CIT, S.L.U.	(3)	112,901	-
Prosegur Global CIT ROW, S.L.U.	(5)	95,888	-
Prosegur Global Alarmas ROW, S.L.U.	(6)	36,304	-
TSR Participações Societarias S.A.	(7)	25,117	-
Prosegur Alarmas España, S.L.U.	(2)	26,204	-
Prosegur Global Alarmas, S.L.U. (Formerly Prosegur Activa Holding, S.L.U.)	(8)	15,362	-
Prosegur Participations, SAS. (Formerly Sazias, S.A.)	(4)	16,475	-
Prosegur Traitement de Valeurs EST, SAS. (Formerly Valtis, SAS.)	(10)	7,350	-
Prosegur GmbH (Securlog, GmbH)	(11)	6,751	32,998
Malcoff		3,007	-
SCI Prosegur Gestion D'Actifs France		2,916	-
PS-Mexico Compañía de Seguridad Privada, S.A. de C.V.		2,327	-
Compañía Transportadora de Valores Prosegur de Colombia, S.A.		1,869	-
Prosegur Global SIS, S.L.U.		1,372	-
Other		358	-
Prosegur Holding e Participações, S.A.		-	22,220
Prosegur Activa Alarmes, S.A.		-	20,170
Prosegur Activa Uruguay, S.A.		-	165
Luxpai Holdo SARL		-	6,000
Beloura Investments, S.L.U.		-	500
Total		637,586	82,053

b) Write offs

Decreases in investments in group companies, jointly controlled companies and associates are as follows:

		Thousands of euros	
		2015	2014
Prosegur Holding e Participações, S.A.	(3)	(194,493)	-
Prosegur Servicios de Efectivo España, S.L.U.	(2)	(136,811)	-
Prosegur Soluciones Integrales de Seguridad España, S.L.U.	(1)	(129,618)	-
Prosegur Servicios de Efectivo España, S.L.U.	(5)	(35,480)	-
Prosegur Activa Alarmes, Ltda.	(7)	(31,815)	-
Prosegur Alarmas España, S.L.U.	(6)	(26,204)	-
Prosegur Participations, SAS. (Formerly Sazias, S.A.)	(5)	(26,688)	-
Prosegur Traitement de Valeurs EST SAS (Formerly Valtis SAS)	(4)	(20,428)	-
Prosegur International Alarmas, S.L.U. (Formerly Beloura Investements, S.L.U.)	(8)	(19,864)	-
Prosegur Traitement de Valeurs Provence, SAS (Formerly Euroval SAS)	(9)	(4,548)	-
Prosegur Distribucao e Serviços, Ltda.	(1)	(3,284)	-
Prosegur France		(2,916)	-
Gemper		(962)	-
Prosegur Activa Uruguay, S.A. (Formerly Acaril) (registered shares)	(8)	(425)	-
Capacitaciones Ocupacionales Sociedad, Ltda.		(383)	-
Prosegur Soluciones, S.A. (Formerly Prosegur Soluciones y Servicios, S.A.)	(6)	(150)	-
Other		(238)	-
Pitco Ventures, SCR.		-	(600)
Reinsurance Business Solutions, Ltda.		-	(635)
Total		(634,307)	(1,235)

In the financial year, the most significant transactions carried out are the following:

(1) Prosegur Global SIS ROW, S.L.U.:

- On 8 May 2015, the Company incorporated the Spanish company Prosegur Global SIS ROW, S.L.U., with a capital of EUR 3 thousand, which was fully paid up. Subsequently the following capital contributions were made to such company:
 - On 30 September 2015, the Company participated in a capital increase by way of the contribution of 100% of the shares of the Spanish company ESC Servicios Generales, S.L.U. and 100% of the shares of the Portuguese company Prosegur Distribucao e Serviços, Ltda, for an amount of EUR 16,061 thousand and EUR 453 thousand respectively. The amounts derecognised are EUR 92 thousand and EUR 3,284 thousand respectively, producing a positive impact on reserves of EUR 15,969 thousand and a negative one of EUR 2,831 thousand respectively (Note 13).
 - On 16 November 2015, the Company participated in a capital increase through the contribution of 100% of the shares of the Spanish company Prosegur Soluciones Integrales de Seguridad España, S.L.U., for an amount of EUR 137,250 thousand. The amount derecognised is EUR 129,618 thousand, producing a negative impact on reserves of EUR 7,632 thousand (Note 13).
 - On 17 December 2015, the Company participated in a capital increase through the contribution of 100% of the shares of the Portuguese company Prosegur SES Serviços Especiais de Segurança Unipessoal, Ltda. (Formerly Prosegur SIS Sistemas de Segurança Portugal Unipessoal Ltda), for an amount of 1 euro.

(2) Prosegur Alarmas España S.L.U. and Prosegur Soluciones Integrales de Seguridad España, S.L.U.:

- On 20 February 2015, the Company incorporated the Spanish company Prosegur Vigilancia España, S.L.U., with a capital of EUR 3 thousand, which was fully paid up. Subsequently its name was changed to Prosegur Soluciones Integrales de Seguridad España, S.L.U. and on the same date the Spanish Company Prosegur Alarmas España, S.L.U. was incorporated with a capital of EUR 3 thousand, which was fully paid up.
- On 10 July 2015, the company Prosegur España S.L.U., a subsidiary of the Company, divided its activities into three business areas, contributing the alarms and surveillance systems branches to the following Spanish companies: Prosegur Alarmas España S.L.U. and Prosegur Soluciones Integrales de

Seguridad España S.L.U. respectively. The value of the net consolidated assets and liabilities contributed amounts to EUR 26,204 thousand and EUR 129,618 thousand respectively. Prosegur España S.L.U. continues operating the Cash and valuables in transit branch and changed its business name to Prosegur Servicios de Efectivo España. S.L.U. The amounts derecognised are EUR 22,380 thousand and EUR 114,431 thousand respectively, producing a positive impact on reserves of EUR 3,824 thousand and EUR 15,187 thousand respectively (Note 13).

(3) Prosegur Global CIT, S.L.U.:

- On 23 January 2015, the Company incorporated the Spanish company Prosegur Global CIT, S.L.U., with a capital of EUR 3 thousand, which was fully paid up. Subsequently, the following capital contributions were made to such company:
 - ✓ On 31 July 2015, the Company participated in the capital increase of said company by contributing 78.07% of the shares of the Chilean company Capacitaciones Ocupacionales Sociedad, Ltda., for an amount of EUR 192 thousand. The amount derecognised is EUR 355 thousand, producing a positive impact on reserves of EUR 163 thousand (Note 13).
 - ✓ On 16 November 2015, the company sold 27.07% of its shareholding in the Brazilian company TSR Participações Societarias, S.A. to the Spanish company Prosegur Global CIT, S.L.U., for an amount of EUR 120,611 thousand. This transaction resulted in a profit of EUR 67,966 thousand, which has been reflected under results for impairment losses and investments disposal for group companies. In addition and on the same date, the Company contributed the remainder of its share (72.93%) in the Brazilian company TSR Participações Societarias, S.A. to the Spanish company Prosegur Global CIT, S.L.U. for an amount of EUR 112,706 thousand. This operation involved the derecognition of Company shareholdings in TRS Participacoes Societarias, S.A. amounting to EUR 194,493 thousand and a negative impact on reserves of EUR 29,140 thousand (Note 13).

(4) Prosegur Participations SAS:

- On 30 June 2015, the Company participated in the capital increase of French company Prosegur Participations SAS (formerly Sazias SA) by contributing 100% of the shares of French company Prosegur Traitement de Valeurs EST SAS, for an amount of EUR 16,475 thousand. The amount derecognised is EUR 20,428 thousand, producing a negative impact on reserves of EUR 3,953 thousand (Note 13).

(5) Prosegur Global CIT ROW, S.L.U.:

- On 8 May 2015, the Company incorporated the Spanish company Prosegur Global CIT ROW, S.L.U. with a capital of EUR 3 thousand, which was fully paid up. Subsequently the following capital contributions were made to such company:
 - ✓ On 16 November 2015, the Company participated in a capital increase through the contribution of 100% of the shares of the Spanish company Prosegur Servicios de Efectivo España, S.L.U., for an amount of EUR 64,093 thousand. The amount derecognised is EUR 35,480 thousand, producing a positive impact on reserves of EUR 28,613 thousand (Note 13).
 - ✓ On 30 November 2015, the Company participated in a capital increase through the contribution of 100% of the shares of the French company Prosegur Participations SAS (Ex-Sazias SA), for an amount of EUR 31,792 thousand. The amount derecognised is EUR 26,688 thousand, producing a positive impact on reserves of EUR 5,104 thousand (Note 13).

(6) Prosegur Global Alarmas ROW, S.L.:

- On 8 May 2015, the Company incorporated the Spanish company Prosegur Global Alarmas ROW, S.L.U. with a capital of EUR 3 thousand, which was fully paid up. Subsequently the following capital contributions were made to such company:
 - ✓ On 30 September 2015, the Company participated in a capital increase by way of the contribution of 100% of the shares of the Spanish company Prosegur Soluciones, S.A. and 100% of the shares of the Portuguese company Prosegur Agencia Promocao e Comercializacao de Produtos e Servicos Unipessoal, LDA., for an amount of EUR 3,145 thousand and EUR 10 thousand respectively. The amounts derecognised are EUR 150 thousand and EUR 10 thousand respectively, producing a positive impact on reserves of EUR 2,995 thousand and zero respectively (Note 13).
 - ✓ On 16 November 2015, the Company participated in a capital increase through the contribution of 100% of the shares of the Spanish company Prosegur Alarmas España, S.L.U., for an amount of

EUR 33,146 thousand, keeping a 100% stake. The amount derecognised is EUR 26,204 thousand, producing a positive impact on reserves of EUR 6,942 thousand (Note 13).

(7) TSR Participações Societarias S.A.:

- On 31 August 2015, the Company redeemed shares from the Brazilian company Prosegur Activa Alarmes, S.A. for an amount of EUR 31,815 thousand and received as payment shares of the Brazilian company TSR Participações Societarias S.A., for an amount of EUR 25,117 thousand, registering EUR 6,698 thousand under reserves (Note 13).

(8) Prosegur Global Alarmas, S.L.U.:

- On 31 July 2015, the Company participated in a capital increase of the Spanish company Prosegur Global Alarmas, S.L.U. (formerly Prosegur Activa Holding, S.L.U.), by way of the contribution of 100% of the shares of the Spanish company Prosegur International Alarmas, S.L.U. (Formerly Beloura Investments, S.L.U.) and 5% of the shares of Prosegur Activa Uruguay, S.A. for an amount of EUR 14,875 thousand and EUR 487 thousand respectively. The amounts derecognised are EUR 19,864 thousand and EUR 425 thousand respectively, producing a negative impact on reserves of EUR 4,989 thousand and a positive one of EUR 62 thousand respectively (Note 13).

(9) Prosegur Traitement de Valeurs Provence, SAS:

- On 12 June 2015, the Company sold all the shares it held in the French company Prosegur Traitement de Valeurs Provence, SAS (Formerly Euroval SAS) amounting to EUR 4,548 thousand, to the French company Prosegur Participations, SAS, for EUR 200 thousand, entering a loss for this transaction of EUR 4,348 thousand under results for impairment losses and disposals of investments in group companies.

(10) Prosegur Traitement de Valeurs EST SAS:

- On 30 June 2015, the Company participated in the capital increase of the French company Prosegur Traitement de Valeurs EST SAS (Formerly Valtis SAS), for the amount of EUR 7,350 thousand.

(11) Prosegur GmbH:

- In April 2015, the Company paid up the pending capital increase of the German company Prosegur GmbH (Securlog, GmbH) for an amount of EUR 6,751 thousand.

Impairment losses and gains/losses on disposals

Details of the impairment losses on investments made in the financial year are as follows:

		Thousands of euros	
		2015	2014
Impairment (Reversal of Impairment)			
Prosegur Tecnologia em Sistemas de Segurança Electronic e Incendios, Ltda.		11,534	-
General Industries Argentina, S.A. (GIASA)		3,159	-
Xiden, S.A.C.I.		1,140	302
Rosegur Cash Services		230	-
Prosegur Activa Perú, S.A.		26	-
Prosegur Mexico, S. de R.L.de C.V.		(3,058)	-
Tellex, S.A.		(1,776)	6,146
Prosegur Tecnología Argentina, S.A.		(75)	1,598
Seguridad Vigilada, S.A.		-	3,428
Sales			
TSR Participacoes Societarias, S.A.	(3)	(67,966)	-
Prosegur Traitement de Valeurs Provence, SAS. (Formerly Sazias, S.A.)	(9)	4,348	-
Other		40	
Pitco Ventures, SCR		-	958
Reinsurance Business Solutions, Ltda.		-	(61)
		(52,398)	12,371

The impairment losses on investments in the following group companies, jointly controlled companies and associates at year end were as follows:

	Thousands of euros	
	2015	2014
Prosegur Mexico, S. de R.L. de C.V.	39,873	42,931
Prosegur Tecnologia em Sistemas de Segurança Electronica e Incendios, Ltda.	11,534	-
Tellex, S.A.	9,354	11,130
Rosegur Holding Corporation, S.L.	6,650	6,650
General Industries Argentina, S.A. (GIASA)	3,159	-
P.Tecnologia Argentina	3,107	3,182
Xiden	2,069	929
Esta Service, SAS	1,740	1,740
Rosegur Cash Services	230	-
Prosegur Activa Perú, S.A.	26	-
Prosegur Services SRL	-	1,172
Seguridad Vigilada, S.A.	-	3,428
Prosegur Activa Chile	-	85
Total	77,742	71,247

c) Shareholdings in Group companies

The information on shares held in Group companies is contained in Appendix I of these annual financial statements.

10. Financial assets

a) Non-current assets

Movement in non-current financial assets is as follows:

	Thousands of euros		
	Available-for-sale financial assets		
	Equity instruments	Other financial assets	Total
Balance on 1 January 2014	18,223	24	18,247
New additions	133	-	133
Write offs	(9)	(17)	(26)
Impairment	(13,000)	-	(13,000)
Balance at 31 December 2014	5,347	7	5,354
New additions	111	127	238
Impairment	(3,047)	-	(3,047)
Balance at 31 December 2015	2,411	134	2,545

Details of available-for-sale equity instruments are as follows:

	Thousands of euros		
	2015		
Name	Recoverable value	% ownership	Investment
<u>Equity shares not officially listed</u>			
Capitolotre, S.P.A.	-	19.0%	31,647
Euroforum Escorial, S.A.	2,258	8%	2,141
Other	153	-	-
Total	2,411		

Name	Thousands of euros		
	2014		
	Recoverable value	% ownership	Investment
<u>Equity shares not officially listed</u>			
Capitolotre, S.P.A.	3,027	19.0%	31,647
Euroforum Escorial, S.A.	2,141	8%	2,141
Other	179	-	
Total	5,347		

On 18 December 2007, Prosegur acquired 33% of the shares of the investment vehicle Capitolotre, S.P.A. This share gives Prosegur 14.9% of the voting rights and 33% of the financial rights. Capitolotre, S.P.A. has a 77% interest Accadiesse, S.P.A., the holding company of the companies making up the IVRI Group, belonging to the Italian security sector with activities including security patrol, transport of valuables, alarm system monitoring, response services and electronic systems. On 11 June 2014, IVRI Group was sold by Accadiesse, S.P.A.

The Company regards that it does not exercise significant influence over Capitolotre, S.P.A. and has classified this investment as an available-for-sale financial asset.

On 31 December 2015, Prosegur estimated the fair value of its investment in Capitolotre, S.P.A., concluding that objective evidence exists to support that this investment has sustained a decrease in value estimated at EUR 3,027 thousand. The investment has been fully impaired on 31 December 2015. In financial year 2014, an impairment loss of this financial asset was recognised for EUR 13,000 thousand.

On 23 December 2015, the Company has reached an agreement, subject to a condition precedent with Accadiesse S.P.A. whereby the shareholding of Prosegur in Capitolotre, S.P.A. shall be transferred to this company, without expecting any consideration from Prosegur.

The valuation of the remaining investments is recognised at the lower of cost and the underlying book value, as they cannot be measured reliably.

The maximum exposure to credit risk at the reporting date is the fair value of these assets. All assets are denominated in euros.

On 6 November 2014, the winding-up of the company Euroforum Torrealta, S.A. was agreed (valued at EUR 9 thousand), involving a loss of EUR 2 thousand.

b) Other current financial assets

Movement in other current financial assets in 2015 and 2014 is as follows:

	Thousands of euros	
	Other financial assets	Total
Opening balance on 1 January 2014	5,461	5,461
Write offs	(5,142)	(5,142)
Balance at 31 December 2014	319	319
Balance at 31 December 2015	319	319

In financial year 2014, the amount of the guarantee related to the acquisition of Prosegur GmbH was adjusted and settled for an amount of EUR 5,100 thousand.

11. Loans and receivables

Details of loans and receivables on 31 December are as follows:

	Thousands of euros	
	2015	2014
Loans and receivables - non-current	335	321
Loans and receivables - current		
- Préstamos a empresas de grupo (Nota 19)	149,563	128,772
- Customers, Group companies and associates (Note 19)	108,070	102,410
- Otras cuentas a cobrar empresas del grupo (Nota 19)	163,341	27,058
- Sundry Debtors	47	474
- Others (Note 10)	319	319
	421,340	259,033
Total	421,675	259,354

There is no concentration of credit risk in respect of trade receivables, given that these are payable to group companies (Note 19).

Loans and receivables are measured at their nominal amount, which does not differ significantly from their fair value, as these are short-term items and, given the above, the updating of cash flows is not significant.

The carrying amounts of loans and receivables are denominated in the following currencies:

	Thousands of euros	
	2015	2014
Euros	420,792	259,341
US Dollar	870	-
Mexican Pesos	13	13
Total	421,675	259,354

Impaired receivables are usually derecognised when the Company does not expect to recover any further cash.

The accounts included in Loans and receivables have not suffered any impairment in 2015 and 2014.

The maximum exposure to credit risk at the reporting date is the fair value of each of the receivables categories mentioned above. The Company does not hold any guarantees as collateral.

12. Cash and cash equivalents

Details of cash and cash equivalents are as follows:

	Thousands of euros	
	2015	2014
Cash in hand and at banks	4,693	580
Total	4,693	580

Cash in hand and at banks essentially reflects cash at banks at each year end.

13. Share capital, issue premium and treasury stock

The breakdown and movement in equity are displayed in the statement of changes in equity.

a) Share Capital

On 31 December 2015 and 2014, the share capital of Prosegur Compañía de Seguridad, S.A. amounts to EUR 37,027 thousand, divided into 617,124,640 shares with a par value of EUR 0.06 each, fully subscribed and paid up, which are all listed on the Madrid and Barcelona Stock Exchanges and are traded on the Spanish Stock Exchange Interconnection System (electronic trading system) (SIBE).

There are no restrictions to the free transfer of the above.

The breakdown of the Company's shareholders is as follows:

Shareholders	Number of shares	
	2015	2014
Mrs Helena Revoredo Delvecchio ⁽¹⁾	309,240,330	309,240,330
Oppenheimer Acquisition Corporation ⁽²⁾	34,957,437	34,957,437
Mrs Mirta Giesso Cazenave ⁽³⁾	34,778,187	34,716,130
Cantillon Capital Management LLC ⁽⁴⁾	18,821,350	18,821,350
FMR LLC ⁽⁵⁾	-	29,908,843
Other	219,327,336	189,480,550
Total	617,124,640	617,124,640

(1) Through Gubel, S.L. and Prorevisa, S.L.U.

(2) Through a series of managed funds; one of them holds over 5% (Oppenheimer International Growth Fund).

(3) Both directly and via AS Inversiones, S.L.

(4) Through a series of managed funds.

(5) On 16 April 2015, holdings went below the 3% threshold.

On 31 December 2015 and 2014, the members of the Board of Directors, either directly or through companies over which they exercise control, hold 345,234,947 shares (in 2014: 345,172,890 shares), representing 55.94% of the Company's share capital (in 2014: 55.93%).

b) Share issue premium

The share issue premium amounts to EUR 25,472 thousand, which is freely disposable and which has suffered no changes over financial years 2015 and 2014.

c) Treasury stock and equity holdings

Details of movement in the treasury stock account are as follows:

	Number of shares	Thousands of euros
Balance on 1 January 2014	39,685,484	114,123
Shares sale	(24,882,749)	(71,555)
Other distributions	(45,845)	(132)
Balance at 31 December 2014	14,756,890	42,436
Balance at 31 December 2015	14,756,890	42,436

On 27 June 2011, the General Shareholders' Meeting authorised the Board of Directors to acquire treasury stock up to the maximum figure allowed under the Law.

On 10 January 2014, Prosegur completed the block sale of a packet of treasury shares accounting for 4.032% of the share capital, for a total amount of EUR 123,170 thousand, that is, 24,882,749 shares at EUR 4.95, to meet the requirement presented by JB Capital Markets of a limited and reduced number of institutional investors. Following the conclusion of this transaction, Prosegur still holds 2.39% of treasury shares that is deemed strategic to satisfy possible future corporate transactions. The result of the sale has been included in other reserves for the amount of EUR 50,370 thousand, which is reflected in Operations with treasury shares or own equity (net) in the Statement of Changes in Equity.

In financial year 2015, no acquisition or sale transactions concerning treasury shares were completed.

d) Reserves

The breakdown of reserves is as follows:

	Thousands of euros	
	2015	2014
Legal reserve		
Legal reserve	7,406	7,406
Total	7,406	7,406
Other reserves		
Voluntary reserves	238,547	192,599
Reserves due to revised Budget Law of 1983	104	104
Differences on translation of share capital to Euros	61	61
Total	238,712	192,764

Legal reserve

The legal reserve has been endowed in compliance with article 274 of the Spanish Companies Law, which requires that companies transfer 10% of profits for the year to a legal reserve until this reserve reaches a minimum amount equal to 20% of the share capital.

The legal reserve is not distributable to shareholders and if it is used to offset losses, in the event that no other reserves are available, the reserve must be replenished with future profits.

At year end, the Company had endowed this reserve with the minimum amount required by law.

Voluntary reserves

These reserves are freely distributable. Movement in these reserves is shown below:

		Thousands of euros	
		2015	2014
Opening balance		192,764	140,254
Redemption of shares from investments in Group companies		(3,691)	-
Prosegur Holding e Participações, S.A.	(7)	(6,698)	-
TSR Participacoes Societarias, S.A.		3,007	-
Contributions to shareholdings		44,604	-
Capacitaciones Ocupacionales Sociedad, Ltda.	(3)	(163)	-
ESC Servicios Generales, S.L.U.	(1)	15,969	-
Genper, S.A.		(332)	-
Prosegur Activa Uruguay, S.A.	(8)	62	-
Prosegur Alarmas España, S.L.	(2) y (6)	10,766	-
Prosegur Distribuição e Serviços, Ltda.	(1)	(2,831)	-
Prosegur Gestion de Activos International, S.L. (Formerly Seguridad Vigilada, S.A.)		(960)	-
Prosegur Holding e Participações, S.A.	(3)	(29,140)	-
Prosegur International Alarmas, S.L. (Formerly Beloura Investments, S.L.U.)	(8)	(4,989)	-
Prosegur International SIS, S.L. (Formerly STMEC, S.L.)		644	-
Prosegur Traitement de Valerus Provence, SAS (Formerly Euroval, SAS)	(4)	(3,953)	-
Prosegur Participations SAS (Formerly Sazias, S.A.)	(5)	5,104	-
Prosegur Servicios de Efectivo España, S.L.U. (Formerly Prosegur España, S.L.U.)	(5)	28,613	-
Prosegur Soluciones Integrales de Seguridad España, S.L.	(1) y (2)	22,819	-
Prosegur Soluciones, S.A.	(6)	2,995	-
Refund of own dividend		2,041	2,087
Distribution of previous year's profit		2,994	53
Sale of own shares		-	50,370
Closing balance		238,712	192,764

Reserves due to revised Budget Law of 1983

This reserve arises from balances revalued in accordance with the aforementioned law applied by the Company and is subject to restrictions on distribution.

Differences on translation of share capital to euros

This non-distributable reserve arises from the translation of share capital from pesetas to euros.

e) Other equity instruments

In 2014, other equity instruments reflect the total commitment undertaken by Prosegur in connection with share-based incentives established in the 2014 Plan (see Note 25.10). In financial year 2015, incentives payments relating to the 2014 Plan have been paid out in cash, tracking the listing of the Company's shares, thereby replacing the original share settlement scheme planned. As a consequence, in 2015, EUR 3,401 thousand was transferred to short-term provisions from other equity instruments the previous year. Additionally, the difference between the total commitment originally considered by the Company in connection with the incentives in shares and the payment of incentives in cash finally made, tracking the listing of the shares of the Company, amounted to EUR 1,802 thousand and was registered under the wages and salaries caption. Details of movement are as follows:

	Thousands of euros	
	2015	2014
Balance at 1 January	3,401	3,171
Share-based incentives accrued during the year	-	1,865
Share-based payments exercised	(3,401)	(1,635)
Balance at 31 December	-	3,401

14. Long-term provisions

The breakdown of the balance and movement are as follows:

	Thousands of euros	
	Accrued obligations to personnel	TOTAL
Balance on 1 January 2014	632	632
Transfers	(1,249)	(1,249)
Provisions	2,114	2,114
Balance at 31 December 2014	1,497	1,497
Transfers	(1,497)	(1,497)
Provisions	4,378	4,378
Balance at 31 December 2015	4,378	4,378

These provisions include the accrued incentive, payable in cash, for the 2014 and 2017 Plans (see Note 25.10).

The fair value of incentives pegged to the share's listed price was estimated on the basis of the listed price of Prosegur shares at the end of the period or at the time of payment.

15. Debts and payables

Details of debts and payables are as follows:

	Thousands of euros	
	2015	2014
Non-current		
- Debentures and other negotiable securities	498,016	497,174
- Loans and Borrowings	48,019	37,882
- Other financial liabilities	891	995
Total	546,926	536,051
Current		
- Debentures and other negotiable securities	10,312	10,312
- Loans and borrowings	161,644	127,772
- Other financial liabilities	36,565	37,696
- Préstamos a empresas del grupo (Nota 19)	206,484	169,753
- Cuentas a pagar a empresas del grupo (Nota 19)	58,341	29,876
- Sundry accounts payable	16,192	7,572
- Other payables	8,706	8,500
Total	498,244	391,481

The exposure of the Company's debts and payables to fluctuations in interest rates and the contractual price review dates is as follows:

	Thousands of euros	
	2015	2014
Less than 6 months	209,663	165,654
6 to 12 months	206,484	169,753
Total	416,147	335,407

a) Debentures and other negotiable securities

On 2 April 2013, an issue of uncovered bonds was for a nominal amount of EUR 500,000 thousand, maturing on 2 April 2018. This issue allowed the deferral of the maturities of part of Prosegur's debt and the diversification of funding sources. The bonds are traded on the secondary market of the Irish Stock Exchange. They accrue a coupon of 2.75% per annum payable yearly on maturity.

b) Loans and borrowings

The breakdown of current and non-current bank borrowing is the following:

	Average interest rate	Thousands of euros					
		2015			2014		
		Non-current	Current	Total	Non-current	Current	Total
Loans and borrowings		-	75,000	75,000	-	50,000	50,000
Credit accounts		48,019	86,134	134,153	37,882	77,375	115,257
Other payables		-	510	510	-	397	397
Total	0.68%	48,019	161,644	209,663	37,882	127,772	165,654

Loans and borrowings

On 12 June 2014 Prosegur subscribed a new five-year syndicated credit financing facility of EUR 400,000 thousand to defer the maturities of part of Prosegur's debt. On 18 March 2015, a novation agreement was carried out in connection with the syndicated loan, whereby its maturity is amended and deferred to 18 March 2020. On 31 December 2015, the balance drawn down amounts to EUR 50,000 thousand (2014: EUR 40,000 thousand).

The interest rate of the drawdowns under the syndicated financing operation is equal to Euribor plus an adjustable spread based on the variation of the net financial debt/EBITDA ratio.

Additionally, this loan is secured by collateral from the main subsidiaries of Prosegur in Spain, Portugal, Peru, Argentina and Brazil. The contract provides the following compulsory financial ratios, which are fulfilled for financial year 2015:

- The net financial debt/EBITDA ratio should be less than or equal to 3.5.
- The EBITDA/finance cost ratio should be greater than 5.

Moreover, Prosegur has procured three bank loans which mature on a quarterly basis and jointly amount to EUR 75,000 thousand (2014: EUR 50,000 thousand).

Credit Facilities

These pertain to the balances drawn down from the credit facilities agreed with national and international banks up to a limit of EUR 304,353 thousand, with a maturity under one year (2014: up to a limit of 197,000, maturing in less than 1 year). The balances drawn down on 31 December 2015 amount to EUR 86,134 thousand (2014: EUR 77,375 thousand).

The Company has the following unused credit facilities:

		Thousands of euros	
		2015	2014
Floating interest rate:			
maturing in less than 1 year		218,219	119,625
maturing in more than 1 year		350,000	360,000
		568,219	479,625

Credit facilities are subject to various interest rate reviews in 2016.

c) Other financial liabilities

The breakdown by maturity year of these items is the following:

		Thousands of euros							
		2015							
		2016	2017	2018	2019	2020	subsequent years	Total Non-current	Total
Other financial liabilities		36,565	94	94	658	-	45	891	37,456

		Thousands of euros							
		2014							
		2015	2016	2017	2018	2019	subsequent years	Total Non-current	Total
Other financial liabilities		37,696	169	169	94	94	470	995	38,691

The most significant items making up the balance on 31 December 2015 and 2014 are as follows:

- Non-current amounts on 31 December 2015 amount to EUR 891 thousand (2014: EUR 995 thousand), which mostly relates to a loan granted by the Ministry of Industry as part of the Avanza R+D programme of EUR 846 thousand.
- Current amounts on 31 December 2015 amount to EUR 36,565 thousand (2014: EUR 37,696 thousand), which relate to the payable dividend outstanding since 2014 for an amount of EUR 32,974 thousand (2014: EUR 32,974 thousand), which shall be paid off in January and April 2016 according to resolutions approved by the General Shareholders' Meeting. Also mainly included are a number of amounts concerning deferred payments associated to the acquisition of companies: Tellex, S.A. for an amount of EUR 198 thousand (2014: EUR 382 thousand); Gemper S.A. for a sum of EUR 114 thousand (2014: EUR 102 thousand); Beloura Investments, S.L.U., for a figure of EUR 2,068 thousand (2014: EUR 2,439 thousand); Prover Electronica, Ltda for a sum of EUR 280 thousand (2014: EUR 75 thousand); Marton Segurança Electronica Ltda. for a figure of EUR 110 thousand (2014: EUR 668 thousand); and Prosegur GmbH for a sum of EUR 258 thousand (2014: EUR 258 thousand).

d) Other payables

The caption other payables comprises salaries payable that have been accrued by Company personnel for a variety of items.

The Company's remuneration policy for personnel includes a variable component determined through specifically designed Incentive Programmes, which aim to recognise and reward Company employees' contribution to its success by achieving or surpassing set targets and developing the necessary skills for excellence in their duties and responsibilities.

The Incentive Programme is based on the direct link of variable remuneration to the achievement of previously set targets during a specific period of time by the Company Executive Management or the direct superior of the employee.

The liabilities for this item on 31 December 2015 amount to EUR 6,028 thousand (2014: EUR 6,188 thousand) and the related cost recognised under the personnel expenses caption in the operating account amounts to EUR 4,767 thousand (2014: EUR 5,575 thousand).

Additionally, this item also includes other liabilities relating to remuneration outstanding payment and accrued extraordinary salary instalments amounting to EUR 2,678 thousand (2014: EUR 2,312 thousand).

e) Foreign currency

The carrying amount of the Company's financial liabilities is denominated in the following currencies:

	Thousands of euros	
	2015	2014
Euros	1,039,077	919,652
Argentine Peso	482	382
US Dollar	114	560
Singapore Dollar	-	-
Colombian Peso	2,068	2,439
Brazilian Real	2,284	3,425
Mexican Pesos	1,145	1,074
Total	1,045,170	927,532

f) Information on deferred payments to suppliers. Third additional provision. "Reporting requirement", of Law 15/2010 of 5 July 2010

Below we detail the information required by the Third additional provision of Law 15/2010 of 5 July (amended by the Second final provision of Law 31/2014, of 3 December) drafted in agreement with ICAC [Institute of Account Auditors] Resolution of 29 January 2016, on the information to include in the notes to the annual financial statements in connection with average payment terms to suppliers in commercial transactions.

In agreement with the conditions allowed in the Single addition provision of the Resolution mentioned above, as this is the first year of appliance of the above, no comparative information is offered.

Payments made and outstanding at close of balance sheet	
2015	
Days	
Average payment period for suppliers	65
Ratio of paid operations	62
Ratio of operations pending payment	86
(thousands of euros)	
Total payments made	54,823
Total payments pending	7,949

In agreement with ICAC's Resolution, the transactions considered to compute the average payment term of suppliers are commercial transactions relating to the handover of goods or provision of services accrued from the date of entry into force of Law 31/2014 of 3 December.

Suppliers are defined, for the exclusive purposes of providing information set out in this Resolution as trade payables for debts with suppliers of goods or services, included in the account of suppliers and other payables of the current liabilities of the balance sheet.

"Average supplier payment period" is understood to be the period from delivery of the goods or provision of the service that are the supplier's responsibility and the payment being made for the operation.

The maximum legal payment term applicable to companies in financial year 2015 according to Law 11/2013, of 26 July, is 30 days (unless the terms fulfilled in the above are fulfilled to allow such term to be raised to 60 days).

16. Taxation matters

a) Public Authorities:

The breakdown of balances with Public Authorities is as follows:

	Thousands of euros			
	2015		2014	
	No current	Current	No current	Current
Assets				
Deferred tax assets	22,402	-	28,017	-
Public Treasury - debtor for Corporate Income	-	-	-	777
Value added tax and similar liabilities	-	3,053	-	191
	22,402	3,053	28,017	968
Liabilities				
Deferred tax liabilities	12,030	-	17,877	-
Current tax liabilities	-	5,838	-	4,999
Value added tax and similar liabilities	-	763	-	2,966
Withholdings	-	968	-	676
Social Security obligations	-	695	-	630
	12,030	8,264	17,877	9,271

The Company is the parent of a group that files consolidated income tax returns in Spain. This Consolidated Tax Group comprises the Company as the parent company and the controlled companies are those Spanish subsidiaries of the Prosegur Group that meet the requirements set out in special regulations governing consolidated taxation.

The Company, as parent, and its subsidiaries Servimax Servicios Generales, S.A. (merged with ESC Servicios Generales, S.L. in 2014), Prosegur Transportes de Valores, S.A. (acquired in 2011) and Formación, Selección y Consultoría, S.A. have filed consolidated tax returns as of 2001, pursuant to Chapter VII of Spanish Income Tax Law 43/1945 of 27 December (Official State Gazette (BOE) 28/10/1995). In financial year 2002, the Tax Group was joined by Prosegur Alarmas, S. A. (in 2011, Prosegur Multiservicios and, in 2015, Prosegur Soluciones, S.A.), and the following companies joined in 2005: Prosegur Tecnología, S.L.U. (formerly Nordés Prosegur Tecnología, S.L.U., acquired in 2011) and ESC Servicios Generales, S. L. In 2006, the companies joining were Prosegur Activa Holding, S.L.U. (in 2015: Prosegur Global Alarmas, S.L.U.) and Prosegur Activa España, S.L.U. (acquired in 2011). In financial year 2009, Prosegur Servicio Técnico, S.L.U. (acquired in 2011). In financial year 2010, Prosegur Gestión de Activos, S.L.U. In financial year 2011, Pitco Ventures, SCR Simplificada, S.A. (in 2014: Liquidated). In financial year 2012, the companies acquired in 2011 joined: Seguridad Vigilada, S.A., STMEC, S.L., Salcer Servicios Auxiliares, S.L. and Beloura Investements, S.L.U. In financial year 2013, Prosegur España, S.L.U. joined the tax group. In 2014, no new companies were added to the tax group. In financial year 2015, the companies joining the group were: Armor Adquisición, S.A., Juncadella Prosegur International, S.A. Prosegur Global SIS, S.L.U., Prosegur Alarmas España, S.L.U., Prosegur Global CIT, S.L.U., Prosegur Vigilancia España, S.L.U., Prosegur Berlín, S.L.U., Prosegur BPO España, S.L.U., Prosegur International CIT 1, S.L.U., Prosegur International CIT 2, S.L.U., Prosegur Global Alarmas ROW, S.L.U., Prosegur Global CIT ROW, S.L.U. and Prosegur Global SIS ROW, S.L.U. and the companies leaving the group were Servimax Servicios Generales, S.A. and PITCO Ventures, SCR Régimen Simplificado. The companies that changed name in 2015 were: Prosegur Gestión de Activos International, S.L.U. (formerly Seguridad Vigilada, S.A.), Prosegur International SIS S.L.U. (formerly STMEC, S.L.), Prosegur USAP International, S.L.U. (formerly Salcer Servicios Auxiliares, S.L.U.), Prosegur International Alarmas, S.L.U. (formerly Beloura Investments, S.L.U.) and Prosegur Servicios de Efectivo España, S.L.U. (formerly Prosegur España, S.L.U.).

On 16 June 2013 the Company was informed of the start of a general inspection process to be carried out on all taxes which had not expired for financial years 2008, 2009 and 2010, in relation to Income Tax, Tax withholdings on Non-Resident Tax and Tax withholdings on non-real estate assets. Furthermore, the Company was informed of the commencement of a partial tax inspection in relation to Withholding income tax for the same periods. Likewise, tax inspection in relation to Withholdings of Non-Resident Tax and Withholdings on non-real estate assets was extended to financial year 2011.

On 31 December 2015, tax inspections are still ongoing.

As a result of such actions, the following tax inspection records have been signed:

- Signed certificates of conformity with:
 - Withholdings of Non-Resident Tax with no instalments.
 - Withholdings of non-real estate tax with no instalments.
 - Corporate Tax amounting to EUR 3,550 thousand.
- There is also an agreement signed in relation to Corporate Tax, for an amount of EUR 3,063 thousand.
- Signed certificates of non-conformity with:
 - Withholdings of Income Tax amounting to EUR 554 thousand.
 - Corporate Tax amounting to EUR 20,040 thousand.

The aforementioned Tax Records signed in Disagreement are currently the subject of an appeal filed with the Economic-Administrative Court. In the case of the certificate of non-conformity in relation to Corporate Tax, Prosegur expects a favourable ruling and, in relation to the certificate referring to the Income Tax Withholdings, provisions have been made for the amount and also for the total interests accrued. The external advisors of the Company believe that it is unlikely that these will lead to losses for the Company.

The reconciliation of the accounting profit and the tax base for corporate tax is as follows:

	Thousands of euros	
	2015	2014
Accounting profit before tax	65,424	56,687
Permanent differences	(57,623)	(69,188)
Timing differences:	(2,760)	18,170
- Originating in the current period	11,615	19,914
- Arising in prior years	(14,375)	(1,744)
Taxable base for tax consolidation	5,041	5,669
Tax rate	28%	30%
Resulting tax payable	1,411	1,701
Deductions:	(12,288)	(10,104)
- Double taxation	(10,422)	(8,638)
- Other deductions	(305)	(337)
- Contributions made to Foundations	(1,561)	(1,129)
Tax payable	(10,877)	(8,403)

Permanent differences of the accounting profit of financial year 2015 relate to items which are not tax expenditure or income, mostly concerning: the sale of holdings among group companies for a loss amount of EUR 63,575 thousand, exempt dividends received from foreign subsidiaries amounting to a loss of EUR 8,641 thousand, impairments in group companies amounting to EUR 14,239 thousand, penalties and fines amounting to EUR 521 thousand, transferred intangible assets at a loss of EUR 1,178 thousand and contributions made to foundations amounting to EUR 882 thousand.

Permanent differences of the accounting profit of financial year 2014 relate to items which were not tax expenditure or income, mostly concerning: exempt dividends received from foreign subsidiaries amounting to EUR 81,227 thousand, impairments in group companies amounting to EUR 11,474 thousand, penalties and fines amounting to EUR 7 thousand, transferred intangible assets at a loss of EUR 1,424 thousand and contributions made to foundations amounting to EUR 962 thousand.

The main temporary difference adjustments to accounting profit/loss originating in the year that are deductible in subsequent years are as follows:

- I. Positive:
 - Provision for personnel expenses, amounting to EUR 5,157 thousand (2014: EUR 3,786 thousand),
 - Adjustment for impairment of investments, amounting to EUR 3,027 thousand (2014: EUR 13,000 thousand),
 - Other adjustments amounting to EUR 3,627 thousand (2014: EUR 3,345 thousand).
- II. Negative:
 - Amortisation for tax purposes of unrecognised goodwill, amounting to EUR 217 thousand (2014: EUR 217 thousand)

Meanwhile, the main temporary difference adjustments to accounting profit originating in previous years are as follows:

- I. Positive:
 - Application of deferred tax incentive for accelerated depreciation for 2009, 2010, 2011 and until March 2012, amounting to EUR 591 thousand (2014: EUR 862 thousand).
- II. Negative:
 - Reversal of provisions from previous years amounting to EUR 14,965 thousand (2014: EUR 2,606 thousand)

Negative tax adjustments for valuation adjustments to investees are calculated as the difference between equity at the beginning and the end of the year in proportion with the investment. Positive tax adjustments reflect the impairment of investees for accounting purposes recognised in the profit and loss account.

In financial year 2015, the deductions of EUR 10,422 thousand pertain to withholdings made in other countries for sundry services, amounting to EUR 3,170 thousand and to dividends received from investments, with a 100% tax credit, amounting to EUR 7,252 thousand.

In financial year 2014, the deductions of EUR 8,638 thousand pertain to withholdings paid out in other countries for sundry services amounting to EUR 1,438 thousand, and to dividends received from investments, with a 100% tax credit, amounting to EUR 7,200 thousand.

On 31 December 2015, there are no balances registered in the heading current tax assets pertaining to the refund of taxes from previous financial years. On 31 December 2014, the Company has registered EUR 777 thousand for this item.

The difference between the tax credit generated by the Company, amounting to EUR 10,876 thousand and that recorded as Current tax liabilities, amounting to EUR 5,838 thousand, is due to the fact that the Company, as parent company of the tax group, reflects all of the tax credit of the Tax Group, including all other companies in the group at a positive amount of EUR 20,435 thousand, as well as the offset of negative tax bases of previous years amounting to EUR 3,308 thousand, and reduced by the tax withholdings and interim payments in the year amounting to EUR 413 thousand.

Details of available tax loss carryforwards and deductions recognised by the Group at year end, and pending distribution, are as follows:

	Last year	Thousands of euros	
		2015	2014
Credits for loss carryforwards	2030	3,794	8,235
Deductions and tax credit rights	2030	1,383	2,299
		5,177	10,534

Details of tax loss carryforwards of the Consolidated Tax Group are as follows:

Year	Thousands of euros	
	2015	2014
2011	-	3,820
2012	15,175	25,590
	15,175	29,410

The deductions recognised by the Group are as follows:

	Thousands of euros	
	2015	2014
Reinvestment of Extraordinary profit	29	24
Investment of AFN Canaries	20	75
Contributions to Foundations Law 49/2002	450	798
Volvo Ocean Race (Letter Treasury Department)	89	110
Contribution activities of interest El Greco	164	-
Contribution activities of interest Mundobaslet	14	-
Innovation Technology (IT)	617	1,159
Research and development (R&D)	-	133
	1,383	2,299

Details of corporate tax for the year are as follows:

	Thousands of euros	
	2015	2014
Accounting profit before tax	65,424	56,687
Permanent differences	(57,623)	(69,188)
Elimination of treasury stock transactions	-	(63)
Taxable base	7,801	(12,564)
Tax rate	28%	30%
Resulting tax payable	2,184	(3,769)
- Double taxation	(10,422)	(8,638)
- Contributions made to Foundations	(1,561)	(1,129)
- Other deductions	(305)	(337)
Expense (income) from tax on profit	(10,104)	(13,873)
- Withholdings at source and other	6,693	2,038
- Adjustment of deferred from prior years	(90)	(419)
Final expense (income) from tax on profit	(3,501)	(12,254)

The income tax expense comprises the following items:

	Thousands of euros	
	2015	2014
Current tax	(10,877)	(6,365)
Elimination of treasury stock transactions	-	(19)
Deferred tax (Note 18 b)	683	(5,870)
Withholdings at source and other	6,693	-
	(3,501)	(12,254)

Pursuant to tax legislation in force for 2015 and 2014 the Company's tax loss carryforwards may only be offset up to a maximum of 25% of the tax base prior to offset. Furthermore, and for these same periods, financial and non-financial goodwill may only be amortised up to one hundredth of its amount per year. Furthermore, for 2014 and 2013, property, plant and equipment, intangible assets and investment property may only be depreciated up to 70% of the amortisation for accounting purposes. For financial year 2015, items shall be added for 10 years.

On 27 November 2013, the amendments of the Income Tax Law were published in the OSG which provides, inter alia, the long-term reduction of two general tax rates of Income Tax, charged at a rate of 30% up to 31 December 2014, and which is now:

	Type of tax
Tax rates that start as of	
1 January 2015	28%
1 January 2016	25%

The above has the same impact on deferred tax assets and liabilities. The effects registered in 2015 due to the change of the tax rate have amounted to an expense worth EUR 1,662 thousand.

In financial year 2015, the following company restructuring transactions have been conducted, all of the above under the tax neutrality system:

- In July 2015 in Spain, the surveillance and alarms business of Prosegur España S.L. has been spinned off, and is now called Prosegur Servicios de Efectivos España S.L.U. Therefore, the successor of the surveillance business is the company Prosegur Soluciones Integrales de Seguridad España, S.L.U.; and the alarms business is Prosegur Alarmas España, S.L.U. (Note 10).
- In Germany, in July 2015, the merger of Prosegur Trier GmbH & Co Kg and Prosegur Trier Verwaltungs GmbH was completed (as the acquired companies) with and into Prosegur GmbH (as the acquiring company).

- In October 2015, the merger of Prosegur Holding e Participações S.A. with and into TSR Participações Societárias SA was completed in Brazil.
- In financial year 2015, the following securities exchanges have taken place in Spain:
 - o Contribution of 100% of the shares of Prosegur International Alarmas, S.L.U. from Prosegur Compañía de Seguridad, S.A. to Prosegur Global Alarmas S.L.U.
 - o Contribution of 100% of the shares of the Prosegur International SIS S.L.U. from Prosegur Compañía de Seguridad to Prosegur Global SIS, S.L.U.
 - o Contribution of 78.07% of the shares of the Capacitaciones Ocupacionales Sociedad Ltda from Prosegur Compañía de Seguridad S.A. to Prosegur Global CIT, S.L.U.
 - o Contribution of 100% of the shares of the Genper, S.A. from Prosegur Compañía de Seguridad to Prosegur Global SIS, S.L.U.
 - o Contribution of 5% of the shares of Prosegur Activa Uruguay, S.A. from Prosegur Compañía de Seguridad, S.A. to Prosegur Global Alarmas, S.L.U.
 - o Contribution of 100% of the shares of Prosegur Gestión de Activos Internacional, S.L.U. from Prosegur Compañía de Seguridad, S.A. to Prosegur Gestión de Activos, S.L.U.
 - o Contribution of 100% of the shares of the PESG Servicios Generales, S.L.U. from Prosegur Compañía de Seguridad, S.A. to Prosegur Global SIS ROW, S.L.U.
 - o Contribution of 100% of the shares of the Prosegur Distribuição e Serviços, Ltda. from Prosegur Compañía de Seguridad S.A. to Prosegur Global SIS ROW, S.L.U.
 - o Contribution of 100% of the shares of the Spanish company Prosegur Soluciones S.A. from Prosegur Compañía de Seguridad, S.A. to Prosegur Global Alarmas ROW, S.L.U.
 - o Contribution of 100% of the shares of the Agencia de Promoção e Comercialização de Produtos y Serviços Unipessoal Ltda. from Prosegur Compañía de Seguridad, S.A. to Prosegur Global Alarmas ROW, S.L.U.
 - o Contribution of 100% of the shares of the Prosegur Soluciones Integrales de Seguridad, S.L.U. from Prosegur Compañía de Seguridad to Prosegur Global SIS ROW, S.L.U.
 - o Contribution of 100% of the shares of the Prosegur Servicios de Efectivo España, S.L. from Prosegur Compañía de Seguridad S.A. to Prosegur Global CIT ROW, S.L.U.
 - o Contribution of 100% of the shares of Prosegur Alarmas España, S.L.U. from Prosegur Compañía de Seguridad, S.A. to Prosegur Global Alarmas ROW, S.L.U.
 - o Contribution of 100% of the shares of Prosegur Participations, SAS from Prosegur Compañía de Seguridad, S.A. to Prosegur Global CIT ROW, S.L.U.
 - o Contribution of 99.9% of the shares of Prosegur Serviços Aeroportuarios, Ltda from Prosegur Compañía de Seguridad, S.A. to Prosegur Global SIS, S.L.U.
 - o Contribution of 100% of the shares of SES Serviços Especiais de Segurança Unipessoal, Ltda. from Prosegur Compañía de Seguridad S.A. to Prosegur Global SIS ROW, S.L.U.
 - o Contribution of 100% of the shares of Prosegur Traitement de Valeurs EST SAS from Prosegur Compañía de Seguridad, S.A. to Prosegur Participations SAS.
- Likewise, during financial year 2015, the following special, non-monetary contributions were made:
 - o Contribution of 5% of the shares of the Capacitaciones Ocupacionales Sociedad Ltda from Prosegur Compañía de Seguridad S.A. to Prosegur International CIT 1, S.L.
 - o Contribution of 4% of the shares of Prosegur Activa Chile, S.L. from Prosegur Global Alarmas, S.L.U. to Prosegur International Alarmas, S.L.U.

b) Deferred tax

Tax assets and tax liabilities are offset when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Movement in deferred tax is as follows:

Thousands of euros					
	01/01/2015	Recognised in profit / loss	Transfers	Recognised in equity	31/12/2015
Deferred tax assets					
Stock impairment	11,328	176	711	-	12,215
Provisions	3,792	(1,202)	377	-	2,967
Goodwill tax and portfolios	2,336	(275)	(44)	-	2,017
Amortisation and depreciation	27	(1)	-	-	26
Credits for loss carryforwards	10,534	(455)	(4,902)	-	5,177
	28,017	(1,757)	(3,858)	-	22,402

Thousands of euros					
	01/01/2014	Recognised in profit / loss	Transfers	Recognised in equity	31/12/2014
Deferred tax assets					
Stock impairment	8,237	3,091	-	-	11,328
Provisions	2,550	933	309	-	3,792
Goodwill tax and portfolios	2,550	(214)	-	-	2,336
Amortisation and depreciation	30	(3)	-	-	27
Credits for loss carryforwards	15,730	(752)	(4,444)	-	10,534
	29,097	3,055	(4,135)	-	28,017

Thousands of euros					
	01/01/2015	Recognised in profit / loss	Transfers	Recognised in equity	31/12/2015
Deferred tax liabilities					
Goodwill for tax purposes	(1,500)	199	-	-	(1,301)
Stock impairment	(6,451)	694	18	-	(5,739)
Freedom of Amortisation Law 4/2008	(307)	181	-	-	(126)
Other	(9,619)	-	4,755	-	(4,864)
	(17,877)	1,074	4,773	-	(12,030)

Thousands of euros					
	01/01/2014	Recognised in profit / loss	Transfers	Recognised in equity	31/12/2014
Deferred tax liabilities					
Goodwill for tax purposes	(1,543)	39	-	4	(1,500)
Impairment group companies	(7,558)	466	641	-	(6,451)
Freedom of Amortisation Law 4/2008	(588)	281	-	-	(307)
Other	(11,648)	2,029	-	-	(9,619)
	(21,337)	2,815	641	4	(17,877)

The Company has generated a deferred tax liability in accordance with the Eleventh additional provision of Revised Spanish Income Tax Law 4/2008, which regulates eligibility to apply accelerated depreciation for investments in new items of property, plant and equipment and investment property for the purposes of economic activity that are made available to the taxable entity during the tax periods beginning in 2009 and 2010, provided that, during the 24 months

after the start of the tax period in which the acquired assets are brought into service, the Company's average workforce remains consistent with the average headcount during the previous twelve months. This Provision was amended for financial years commencing as of 2011 and the first quarter of 2012, and the requirement of a consistent headcount was eliminated.

The Company has opted to depreciate the property, plant and equipment during the same year in which they come into operation.

17. Contingencies

a) Contingent liabilities

The Company has contingent liabilities from litigation arising in the ordinary course of business which are not expected to give rise to significant liabilities.

The Company has contingent liabilities for bank and other guarantees related with its normal business operations that are not expected to give rise to any significant liabilities.

Financial guarantees were mainly extended in relation to litigation in process, and also include other amounts deposited to secure future payments.

Guarantees provided by the Company to third parties at year end are as follows:

	Thousands of euros	
	2015	2014
Commercial guarantees	40	40
Financial bank guarantees	34,419	13,619
	34,459	13,659

b) Contingent assets

On 31 December 2015 and 2014, the Company has no contingent assets.

c) National Commission of Markets and Competition

On 22 April 2015, the National Commission of Markets and Competition has initiated a sanctioning file against the Company and its subsidiary Prosegur Servicios de Efectivo España, S.L.U. (Ex-Prosegur España, S.L.U), together with another competitor on the Spanish market in connection with potential practices restricting competition prohibited under article 1 of Law 15/2007, of 3 July, on the Defence of Competition, in addition to article 101 of the Treaty of the Functioning of the European Union. The initiation of this case does not prejudice the final outcome of the investigation. The maximum period for the investigation and ruling on the case is 18 months from the aforementioned date.

The assessment made in due time by the National Commission of Markets and Competition may give rise to additional liabilities at such time as the procedure ended. In any event, the Directors of the Company do not consider that any such liabilities that could arise would have a significant effect on the consolidated annual accounts.

18. Commitments**a) Purchase commitments for fixed assets**

Investments committed at year end but not recognised on the balance sheet are as follows:

	Thousands of euros	
	2015	2014
Property, Plant and Equipment	379	85
Intangible Assets	167	1,611
	546	1,696

Property, plant and equipment includes commitments to purchase installations and furniture.

Intangible assets include various computer software applications which are currently under development.

b) Operating lease commitments

Future minimum payments under non-cancellable operating leases are as follows:

	Thousands of euros				
	2015			2014	
	Real Estate	Vehicles	Other assets	Vehicles	Other assets
Less than 1 year	1,717	509	9	527	48
1 to 5 years	6,868	418	-	794	8
Over 5 years	8,585	-	9	1,321	-
	17,170	927	18	2,642	56

19. Other related party transactions

The Company is the final controlling company of Grupo Prosegur and it is controlled by Gubel, S.L. (incorporated in Madrid), holding 50.075% of the shares of the Company. The remaining 49.925% is held by various shareholders, with the main parties being Oppenheimer Acquisition Corporation with 5.67%, AS Inversiones S.L. with 5.32%, and Cantillon Capital Management LLC with 3.05% (Note 13).

a) Group Companies, Jointly controlled companies and Associates

The Company's financial assets and liabilities with Group companies, excluding equity instruments (see Note 9), are as follows:

Thousands of euros	2015					
	Financial Assets			Financial Liabilities		
	Current			Current		
	Credit (Note 11)	Debt (Note 11)	Other financial assets (Note 11)	Debt (Note 15)	Suppliers (Note 15)	Other financial liabilities
Group companies in Spain						
Prosegur SIS España S.L.U.	8,653	21,418	-	-	(52)	(6,367)
Prosegur Gestión de Activos, S.L.U.		7	3,006	(29,247)	(134)	-
Prosegur Global Alarmas, S.L.U.	50,126	-	950	-	-	-
Formación, Selección y Consultoría, S.A.	-	-	20	(990)	-	-
Prosegur Gestión Activos Int., S.L.U.	-	-	-	(968)	-	(23)
Prosegur International SIS, S.L.U.	-	-	664	(341)	-	-
Prosegur USAP International S.L.U.	-	-	-	(278)	-	(7)
Prosegur International Alarmas, S.L.U.	3,269	-	64	-	-	-
Prosegur Soluciones, S.A.	-	-	76	(3,859)	(2)	-
Prosegur Global SIS, S.L.U.	1,120	-	4	-	-	-
Prosegur Servicios de Efectivo España,	-	-	2,078	(54,867)	(1,123)	-
Prosegur Alarmas España, S.L.U.	-	5,880	-	(42,710)	-	(1,787)
Prosegur Global CIT, S.L.U.	4	-	120,611	-	-	(1)
Prosegur Berlin, S.L.U.	-	-	-	(3)	-	-
Prosegur BPO España, S.L.U.	286	-	11	-	-	-
ARMOR ACQUISITION, S.A.	-	-	70	(20,739)	-	-
JUNCADELLA Prosegur INT., S.A.	55,336	-	5,271	-	(20,739)	-
Prosegur International CIT 1, S.L.	-	-	-	(4)	-	-
Prosegur International CIT 2, S.L.	-	-	-	(3)	-	-
Prosegur Global Alarmas ROW, S.L.U.	5,342	-	35	-	-	-
Prosegur Global CIT ROW, S.L.U.	-	-	25,900	-	-	-
Prosegur Global SIS ROW, S.L.U.	347	-	-	-	-	(1)
ESC Servicios Generales, S.L.U.	3,017	3,562	-	-	(9)	(503)
UTES	-	-	2,298	-	-	-
Total Spain	127,500	30,867	161,058	(154,009)	(22,059)	(8,689)

Thousands of euros						
2015						
Financial Assets			Financial Liabilities			
Current			Current			
Credit (Note 11)	Debt (Note 11)	Other financial assets (Note 11)	Debt (Note 15)	Suppliers (Note 15)	Other financial liabilities	
Subsidiaries abroad						
Prosegur Group in Abu Dhabi	-	-	551	-	-	-
Prosegur Group in Germany	-	2,314	-	-	-	-
Prosegur Group in Argentina	-	36,958	24	(29)	(34,269)	(54)
Prosegur Group in Australia	13,434	1,306	70	-	-	-
Prosegur Group in Brazil	-	9,918	1	-	(1,664)	(3,780)
Prosegur Group in Chile	-	10,104	48	-	(1)	-
Prosegur Group in China	1,273	-	-	-	-	-
Prosegur Group in Colombia	-	862	321	-	(115)	-
Prosegur Group in Denmark	-	-	1	-	-	-
Prosegur Group in the USA	-	6	-	-	(211)	(135)
Prosegur Group in France	7,332	2,804	340	-	-	(5)
Prosegur Group in Greece	-	-	7	-	-	-
Prosegur Group in India	-	122	6	-	-	-
Prosegur Group in Luxembourg	8	29	40	(7,073)	-	-
Prosegur Group in Mexico	16	-	34	(1,144)	(3)	(6)
Prosegur Group in Paraguay	-	1,885	-	-	-	-
Prosegur Group in Peru	-	5,509	830	(31,560)	(19)	-
Prosegur Group in Portugal	-	2,192	-	-	-	-
Prosegur Group in Singapore	-	495	10	-	-	-
Prosegur Group in Uruguay	-	2,699	-	-	-	-
Total Foreign	22,063	77,203	2,283	(39,806)	(36,282)	(3,980)
Total	149,563	108,070	163,341	(193,815)	(58,341)	(12,669)

2014						
Financial Assets			Financial Liabilities			
Current			Current			
Credit (Note 11)	Debt (Note 11)	Other financial assets (Note 11)	Debt (Note 15)	Suppliers (Note 15)	Other financial liabilities	
Group companies in Spain						
Prosegur España, S.L.U.	-	35,438	24,019	(90,041)	(439)	(4,310)
Prosegur Gestión de Activos, S.L.U.	-	12	-	(9,508)	(134)	(99)
Prosegur Activa Holding, S.L.U.	46,053	-	-	-	-	(2,152)
Formación, Selección y Consultoría, S.A.	-	6	-	(1,201)	-	(8)
Prosegur Alarmas, S.A.	-	-	23	(1,574)	-	-
ESC Servicios Generales, S.L.U.	2,393	4,336	-	(2,208)	-	(829)
Seguridad Vigilada, S.A.	-	-	-	(1,143)	-	(14)
S.T.M.E.C., S.L.U.	-	13	-	(680)	-	(1)
Salcer Servicios Auxiliares, S.L.U.	-	-	-	(314)	-	(1)
Beloura Investments S.L.U.	3,197	-	71	-	-	-
Armor Adquisition, S.A.*	-	-	-	(20,461)	-	-
Juncadella Prosegur Internacional, S.A.	66,128	-	277	-	-	-
Total Spain	117,771	39,805	24,390	(127,130)	(573)	(7,414)

Thousands of euros						
2014						
Financial Assets			Financial Liabilities			
Current			Current			
Credit (Note 11)	Debt (Note 11)	Other financial assets (Note 11)	Debt (Note 15)	Suppliers (Note 15)	Other financial liabilities	
Subsidiaries abroad						
Prosegur Group in France	3,782	4,712	752	-	(337)	-
Prosegur Group in Portugal	-	2,437	280	-	-	-
Prosegur Group in Argentina	-	9,625	202	(28)	(18,196)	(18)
Prosegur Group in Brazil	-	24,476	317	-	(10,221)	(3,387)
Prosegur Group in Chile	-	4,464	48	-	(1)	-
Prosegur Group in Peru	-	6,562	84	(29,266)	(19)	-
Prosegur Group in Uruguay	-	3,309	-	-	(33)	-
Prosegur Group in Mexico	16	-	28	(1,146)	(2)	-
Prosegur Group in Colombia	-	-	321	-	(115)	-
Prosegur Group in Paraguay	-	1,144	-	-	(1)	-
Prosegur Group in Abu Dhabi	-	-	216	-	-	-
Prosegur Group in Germany	221	4,410	190	(1,128)	-	(236)
Prosegur Group in China	1,205	-	-	-	-	-
Prosegur Group in the USA	-	29	72	-	(378)	-
Prosegur Group in India	-	78	6	-	-	-
Prosegur Group in Luxembourg	5,059	41	38	-	-	-
Prosegur Group in Singapore	-	333	10	-	-	-
Prosegur Group in Australia	718	985	104	-	-	-
Total Foreign	11,001	62,605	2,668	(31,568)	(29,303)	(3,641)
Total	128,772	102,410	27,058	(158,698)	(29,876)	(11,055)

Financial assets - Loans reflect short-term loans to group companies, as part of centralised cash management. These are denominated in euros, accruing an annual interest rate of 2.018% in Spain, 2.018% in France, 1.825% in Luxembourg, 6.07% in Hong Kong, 6.06% (average for the year) in Mexico and 2.575% in Australia (2014: 2.232% in Spain, 2.232% in France, 2.27% in Luxembourg, 6.07% in Hong Kong, 6.29% in Mexico and 3.875% in Australia). Interest accrued in 2015 amounted to EUR 2,363 thousand (2014: EUR 2,532 thousand).

Financial liabilities - Payables comprise short-term loans extended by group companies as part of central cash management. These are mainly denominated in euros, at an accrued annual interest rate of 2.232% in Spain, 2.00% in Germany, between 2.00% and 2.96% in Peru, and between 6.05% and 6.07% in Mexico (2014: 2.2323% in Spain, 3.010% in Germany, between 2.50% and 2.96% in Peru, and between 6.05% and 6.55% in Mexico). Interest accrued in 2015 amounted to EUR 2,821 thousand (in 2014: EUR 4,148 thousand).

Receivables and Suppliers mostly reflect the outstanding balances relating to invoices for centralised services issued to and received from, respectively, the various group companies.

The current accounts with group companies (other assets and other financial liabilities), include payments and collections of balances payable to/receivable from each consolidated tax group company, as follows:

	Thousands of euros					
	2015			2014		
	Other payments/ receipts	Corporate Tax (Note 16)	Receivable / (payable)	Other payments/ receipts	Corporate Tax (Note 16)	Receivable / (payable)
Prosegur Global CIT, S.L.U.	120,611	(1)	-	-	-	-
Prosegur Global CIT ROW, S.L.U.	25,900	(2)	2	-	-	-
JUNCADELLA Prosegur INT., S.A.	5,271	3,418	(3,418)	-	-	-
Prosegur Gestión de Activos, S.L.U.	3,006	4,582	(4,582)	(1,698)	1,599	(99)
UTES	2,298	-	-	-	-	-
Prosegur Servicios de Efectivo España,	2,078	12,062	(12,062)	-	-	-
Prosegur International SIS, S.L.U.	664	-	-	-	-	-
Prosegur Soluciones, S.A.	76	882	(882)	-	-	-
ARMOR ACQUISITION, S.A.	70	668	(668)	-	-	-
Prosegur International Alarmas, S.L.U.	64	(20)	20	-	-	-
Prosegur Global Alarmas ROW, SL	35	17	(17)	-	-	-
Formación, Selección y Consultoría, S.A.	20	(110)	110	(189)	181	(8)
Prosegur BPO España, S.L.U.	11	11	(11)	-	-	-
Prosegur Global SIS, S.L.U.	4	(2)	2	-	-	-
Prosegur SIS España, S.L.U.	-	(3,398)	(2,969)	-	-	-
Prosegur España, S.L.U.	-	-	-	4,811	14,898	19,709
Prosegur Activa Holding, S.L.U.	-	-	-	(1,828)	(324)	(2,152)
Prosegur Alarmas, S.A.	-	-	-	(361)	384	23
ESC Servicios Generales, S.L.U.	-	932	(1,435)	(2,073)	1,244	(829)
Seguridad Vigilada, S.A.	-	-	-	(4)	(10)	(14)
S.T.M.E.C., S.L.U.	-	-	-	9	(10)	(1)
Salcer Servicios Auxiliares, S.L.U.	-	-	-	(3)	2	(1)
Beloura Investments, S.L.U.	-	-	-	96	(25)	71
Pitco Ventures SCR Simplificada, S.A.	-	-	-	13	(13)	-
Prosegur Gestión Activos Int., S.L.U.	-	-	(23)	-	-	-
Prosegur USAP International S.L.U.	-	1	(8)	-	-	-
Prosegur Alarmas España, S.L.U.	-	1,761	(3,548)	-	-	-
Prosegur Berlin, S.L.U.	-	(1)	1	-	-	-
Prosegur International CIT 1, S.L.U.	-	(1)	1	-	-	-
Prosegur International CIT 2, S.L.U.	-	-	-	-	-	-
Prosegur Global SIS ROW, S.L.U.	-	(1)	-	-	-	-
Prosegur Global Alarmas, S.L.U.	950	(363)	363	-	-	-
Other	-	-	-	-	-	-
Total	161,058	20,435	(29,124)	(1,227)	17,926	16,699

Transactions between the Company and Group companies are as follows:

	Thousands of euros					
	2015					
	Income			Expenses		
	Services provided and other income (Note 3)	Interests (Note 3)	Capital share (Note 3)	Services rendered	Result from impairment	Interest
Prosegur Group in Argentina	28,836	-	-	(16,073)	(2,448)	-
Prosegur SIS España S.L.U.	25,778	-	-	(971)	-	(43)
Prosegur Group in Brazil	20,614	-	7,731	(2,081)	56,432	-
Prosegur Group in Peru	6,434	-	910	(53)	(26)	(812)
Prosegur Group in Chile	5,639	-	-	(31)	(43)	-
Prosegur Alarmas España, S.L.U.	4,864	-	-	(4)	-	(575)
Prosegur Group in France	4,489	335	-	(389)	(4,348)	-
Prosegur Group in Portugal	3,706	-	-	(386)	-	-
ESC Servicios Generales, S.L.U.	3,488	60	-	(44)	-	-
Prosegur Group in Colombia	3,310	-	-	-	-	-
Prosegur Group in Germany	3,122	-	-	(36)	-	(12)
Prosegur Group in Uruguay	3,088	-	-	-	-	-
Prosegur Group in Paraguay	1,866	-	-	-	-	-
Prosegur Group in Mexico	1,409	1	-	-	3,058	(63)
Prosegur Group in Australia	1,326	5	-	(25)	-	-
Prosegur Servicios de Efectivo España, S.L.U.	560	-	-	(1,487)	-	(876)
Prosegur Group in Singapore	492	-	-	(7)	-	-
Prosegur Soluciones, S.A.	99	-	-	(99)	-	(68)
Prosegur Group in Luxembourg	49	24	-	-	-	(129)
Prosegur Group in India	45	-	-	-	-	-
Prosegur Gestión de Activos, S.L.U.	24	-	-	(1,353)	-	(271)
Prosegur Group in the USA	6	-	-	(385)	-	-
Formación, Selección y Consultoría, S.A.	1	-	-	(37)	-	(23)
Prosegur Global Alarmas, S.L.U.	-	986	-	-	-	-
Prosegur Gestión Activos Int., S.L.U.	-	-	-	-	-	(23)
Prosegur International SIS, S.L.U.	-	-	-	-	-	(14)
Prosegur USAP International S.L.U.	-	-	-	-	-	(6)
Prosegur International Alarmas, S.L.U.	-	65	-	-	-	-
Prosegur Global SIS	-	5	-	-	-	-
ARMOR ACQUISITION, S.A.	-	-	-	-	-	94
JUNCADELLA Prosegur INT., S.A.	-	787	-	(17,139)	-	-
Prosegur Global Alarmas ROW, S.L.U.	-	26	-	-	-	-
Prosegur Global CIT ROW, S.L.U.	-	-	25,900	-	-	-
Prosegur Group in China	-	69	-	(1,343)	-	-
Prosegur Group in Ireland	-	-	-	-	2	-
Prosegur Group in Romania	-	-	-	-	(230)	-
Total	119,245	2,363	34,541	(41,943)	52,397	(2,821)

Thousands of euros						
2014						
Income			Expenses			
Services provided and other income (Note 3)	Interests (Note 3)	Capital share (Note 3)	Services rendered	Result from impairment	Interest	
Prosegur España, S.L.U.	30,149	-	24,000	(2,174)	-	(2,084)
Prosegur Gestión de Activos, S.L.U.	13	-	-	(1,342)	-	(173)
Servimax Servicios Generales, S.A.	-	-	-	-	-	-
Prosegur Activa Holding, S.L.U.	-	885	-	-	-	-
Formación, Selección y Consultoría, S.A.	5	-	-	(48)	-	(29)
Seguridad Vigilada, S.A.	-	-	-	(3,428)	-	(14)
S.T.M.E.C., S.L.U.	11	-	-	-	-	(12)
Salcer Servicios Auxiliares, S.L.U.	-	-	-	-	-	(7)
Beloura Investments, S.L.U.	-	82	-	-	-	-
Prosegur Alarmas, S.A.	10	-	-	(10)	-	(38)
Pitco Ventures, SCR Simplificada, S.A.	15	-	-	(967)	-	-
ESC Servicios Generales, S.L.U.	3,587	64	-	(14)	-	(5)
Armor Adquisición, S.A.	-	-	2,711	-	-	(536)
Juncadella Prosegur Internacional, S.A.	-	54	-	-	-	-
UTES	-	-	-	-	-	-
Other	-	-	-	-	-	-
Prosegur Group Ireland	-	-	-	-	-	-
Prosegur Group France	4,374	222	-	(1)	-	-
Prosegur Group Argentina	7,477	-	504	(21,445)	-	(23)
Prosegur Group Brazil	12,472	-	7,865	(1,761)	-	-
Prosegur Group Mexico	1,217	1	-	-	-	(69)
Prosegur Group Paraguay	1,750	-	-	-	-	-
Prosegur Group Uruguay	3,267	-	-	-	-	-
Prosegur Group Peru	6,070	-	-	-	-	(1,158)
Prosegur Group Colombia	5,627	-	-	(106)	-	-
Prosegur Group Chile	4,464	-	-	-	-	-
Prosegur Group Portugal	2,437	-	2,847	-	-	-
Prosegur Group Germany	3,048	481	-	-	-	-
Prosegur Group China	-	-	-	-	-	-
Prosegur Group USA	23	-	-	(363)	-	-
Prosegur Group the Netherlands	-	-	67,300	-	-	-
Prosegur Group India	78	-	-	-	-	-
Prosegur Group Luxembourg	41	56	-	-	-	-
Prosegur Group Singapore	333	-	-	-	-	-
Prosegur Group Romania	-	-	-	-	-	-
Australia	987	625	-	-	-	-
China	-	62	-	(2,038)	-	-
87,455	2,532	105,227	(33,697)	-	(4,148)	

Services rendered and other income fundamentally include EUR 70,103 thousand (2014: EUR 58,998 thousand) for centralised services invoices and for transfers of intangible assets EUR 3,209 thousand (2014: EUR 4,713 thousand). Furthermore, EUR 41,880 thousand have been invoiced for use of the trademark (2014: EUR 23,456 thousand).

Services rendered mainly include EUR 35,281 thousand (2014: EUR 14,916 thousand) relating to invoices for centralised services, recorded under the section on external services within the other operating expenses caption.

Interest income and borrowing costs reflect the amounts accrued on the aforementioned short-term loans extended to and by group companies.

b) Other related parties.

Goods and services

In October 2005, a lease was signed with Proactinmo S.L.U. (controlled by Gubel, S.L.) for the rental of the building situated at Calle Santa Sabina, number 8, in Madrid adjacent to a building located at Calle Pajaritos, number 24. The total expenditure for such rental contract in 2015 amounted to EUR 674 thousand. In December, a novation of the contract was agreed, updating the annual rental sum in line with market conditions, and it has now become EUR 1,012 thousand, and the term of the contract has been extended from five to ten years, extendible for one year.

In December 2015, a lease was signed with Proactinmo S.L.U. (controlled by Gubel, S.L.) for the building located in Calle Pajaritos, no. 24, in Madrid. The duration of the contract is for ten years, renewable for one year, as it has been updated according to market conditions. The total expenditure for such rental contract in financial year 2015 amounted to EUR 29 thousand, and the updated expenditure shall be EUR 705 thousand, according to market conditions.

In the financial year, the company Euroforum Escorial S.A. (controlled by Gubel) has invoiced Prosegur EUR 407 thousand (in 2014: EUR 183 thousand).

20. Remuneration of the Board of Directors and Senior Management

a) Remuneration of Directors

The total remuneration accrued by members of the Board of Directors for all items is as follows:

	Thousands of euros	
	2015	2014
Fixed remuneration	1,384	1,321
Variable remuneration	500	500
Remuneration for membership of the Board and Committee	710	717
Per diems	206	190
Life insurance premiums	53	51
Total	2,853	2,779

b) Remuneration of Senior Management

Senior Management is defined as employees who hold, de facto or de jure, Senior Management offices reporting directly to the board of directors, or to executive committees or to managing directors of the above, including lawyers with powers beyond specific areas or matters or outside the area of business detailed in the corporate objects of the company.

The total remuneration accrued by Senior Management of the Company is as follows:

	Thousands of euros	
	2015	2014
Fixed remuneration	1,791	2,270
Variable remuneration	1,532	1,357
Remuneration in kind	52	100
Life insurance premiums	5	8
Total	3,380	3,735

These provisions include the accrued incentive, payable in cash, of the 2014 and 2017 Plans (see Note 25.11).

In this term, a total endowment has been made with a charge to profit/loss for the year amounting to EUR 4,852 thousand (Note 3). Said amount includes the fair value adjustment of share prices for the 2014 and 2017 Plan and the corresponding accrual.

Plan 2014 shall be settled in cash, instead of shares, as it had originally been considered, as a consequence the fair value of the liability at the end of the period has been computed with an entry in the income statement under the caption accrued obligations to personnel for personnel of EUR 3,401 thousand (Note 13) as more expense, included in transfers in movement of provisions.

EUR 5,877 thousand were applied in 2015, corresponding to settlement of the first part of the 2014 Plan.

The fair value of incentives pegged to the share's listed price was estimated on the basis of the listed price of Prosegur shares at the end of the period or at the time of payment.

Finally, part of this provision has been classed as current provisions for a value of EUR 1,657 thousand, given the fact that the maturity of this commitment shall take place in the first semester of 2016 associated to Plan 2014.

c) Shareholdings and charges of members of the board of directors in other similar companies

The Directors declare that they hold no shareholdings or management positions in any non-group companies with identical, similar or complementary corporate objects in respect of the objects of the Company in 2015 and 2014.

The directors also declare that they have not carried out any functions, either on their own behalf or on behalf of third parties, in companies with identical, similar or complementary objects to those of the Company in 2015 and 2014.

d) Information required by article 229 of the Spanish Capital Companies Act

In connection with the provision set forth in articles 228, 229 and 230 of the Consolidated Text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July as amended by Law 31/2014 for the improvement of Corporate Governance, no situations have arisen during financial year 2015 in which the members of the Board of Directors and their related parties have been in direct or indirect conflict with the interests of the Company.

21. Employee information

The average headcount of the Company in the financial years reported, broken down by category, is as follows:

	2015	2014
Indirect staff	433	401
Direct staff	-	-
Total	433	401

The breakdown by sexes at year end is as follows:

	2015		2014	
	Female	Male	Female	Male
Indirect staff	166	300	144	263
Direct staff	-	-	-	-
Total	166	300	144	263

The year-end (and year average) distribution by gender of the Board of Directors and senior management is as follows:

	2015		2014	
	Female	Male	Female	Male
Directors	3	6	3	6
Senior Management	1	8	3	12
Total	4	14	6	18

The average number of Company employees with a disability rating of 33% or more, by category, is as follows.

	2015	2014
Indirect staff	3	3
Direct staff	-	-
Total	3	3

22. Account auditor's fees

KPMG Auditores, S.L., the auditors of the annual financial statements of the Company, have invoiced the following fees and expenses for professional services:

	Thousands of euros	
	2015	2014
Audit services	410	233
Other assurance services	20	23
Total	430	256

The amounts detailed in the table above include the total fees for services rendered in 2015 and 2014, irrespective of the invoice date.

Additionally, other KPMG International affiliates have invoiced the Company the following fees and expenses for professional services during the year:

	Thousands of euros	
	2015	2014
Other services	280	159
Total	280	159

23. Financial risk management

Financial risk factors

The Company's activities are exposed to various financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management programme focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Company's business.

The Company uses hedges to mitigate certain risks. Risk management is controlled by the Company's Treasury Department, which identifies, proposes and carries out the hedging instructions approved by the Company's Executive Committee.

(i) Currency risk

The Company mainly operates on a national basis. Likewise, Prosegur Group, of which the Company is the parent, operates internationally. As a result, the Company is exposed to currency risk when operating with its foreign subsidiaries in currencies and through the assets and liabilities procured in foreign currencies from third parties, specifically the Brazilian Real, the Australian Dollar and, to a lesser extent, the Argentine Peso. Currency risk is associated with recognised assets and liabilities denominated in foreign currency.

Management has a currency risk management policy to control the risk arising from the exchange of foreign currencies to its functional currency to minimise the Company's exposure. Currency risk arises when future transactions or recognised assets and liabilities are presented in a currency other than the parent's functional currency.

When so required by its policies and market expectations, the Company uses forward contracts approved and procured by the Treasury Department in the corresponding market to control currency risk arising on commercial transactions and recognised assets and liabilities. The Treasury Department is responsible for managing the net position of each foreign currency by entering into external or local forward currency contracts, depending on their competitiveness and appropriateness.

Since the Company, as parent of the Prosegur Group, intends to remain in the foreign markets in which it is operates in the long term or permanently, it does not hedge the currency risk related to equity investments in those markets.

The value of the financial assets and liabilities attributable to the Company on 31 December, by type of currency, is as follows:

	Thousands of euros			
	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Euros	423,337	1,039,077	264,695	919,652
Argentine Peso	-	482	-	382
US Dollar	871	114	-	560
Colombian Pesos	-	2,068	-	2,439
Brazilian Real	-	2,284	-	3,425
Mexican Peso	12	1,145	13	1,074
Total	424,220	1,045,170	264,708	927,532

(ii) Cash flow and fair value interest rate risks

As the Company does not have a significant amount of assets remunerated at variable interest rates, income and cash flows from operating activities are not significantly affected by fluctuations in market interest rates.

Interest rate risk of the Company mainly arises from long-term borrowings. Borrowings at variable interest rates expose the Company to cash flow interest rate risks. Fixed-interest borrowings expose the Company to fair value interest rate risks. In 2015 and 2014, the Company's borrowings at variable interest rates were basically denominated in euros.

The Company analyses its interest rate risk exposure dynamically. Management performs a simulation of various scenarios, considering refinancing, the renewal of current positions, alternative financing and hedges. Based on these scenarios, the Company calculates the effect of a certain variation in interest rates on profit and loss. The scenarios are only analysed for the liabilities that represent the most significant positions in which a variable interest rate is paid.

Details of loans and borrowings for debentures and other negotiable securities and bank loans and credits, indicating the portion of such debt considered to be hedged, either at a fixed rate or using derivatives, are as follows:

	Thousands of euros		
	2015		
	Total debt	Hedged debt	Debt exposure
Non-current (Note 15)	546,035	498,016	48,019
Current (Note 15)	171,956	10,313	161,643
Total debt	717,991	508,329	209,662

	Thousands of euros		
	2014		
	Total debt	Hedged debt	Debt exposure
Non-current (Note 15)	535,056	497,174	37,882
Current (Note 15)	138,084	10,312	127,772
Total debt	673,140	507,486	165,654

(iii) Credit risk

The Company has no significant credit risk concentrations given that, following the spin-off of the private security business line to Prosegur España S.L.U. in 2013, the main activity of the Company is that of the Group companies.

(iv) Liquidity risk

The Company applies a prudent policy to cover its liquidity risks, based on having sufficient cash and marketable securities as well as sufficient financing through committed credit facilities and capacity to settle market positions.

Given the dynamic nature of its underlying business, the Company's Treasury Department aims to be flexible with regard to financing through drawdowns on committed credit facilities.

Management monitors the Company's liquidity reserves, which comprise credit drawdowns (see Note 15) and available cash and cash equivalents (see Note 12), based on expected cash flows.

As described in Note 2.a, on 31 December 2015, the Company has negative working capital. However, as the Company is parent of the Prosegur Group, which has positive working capital, the Company's liquidity position for financial year 2015 is based on the following:

- On 31 December 2015, the Company has cash and cash equivalents of EUR 316,434 thousand (in 2014: EUR 580 thousand).
- On 31 December 2015, the Company has EUR 653,365 thousand available in undrawn credit facilities (in 2014: EUR 479,625 thousand).
- Cash flows from operating activities in 2015 amounting to EUR 298,695 thousand (in 2014: EUR 83,494 thousand).

The table below presents an analysis of the financial liabilities of the Company that will be settled for the net amount, grouped by maturities based on the period remaining from the balance sheet date until contractual maturity dates. The amounts presented in this table reflect the cash flows stipulated in the contracts.

	Thousands of euros				Total
	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	
31 December 2015	171,956	-	546,035	-	717,991
31 December 2014	138,084	-	535,056	-	673,140

Finally, systematic forecasts are prepared for cash generation and requirements, allowing the Company to determine and monitor its liquidity position on an ongoing basis.

(v) Price volatility risk

As the Company is a securities holding business, there are no significant price volatility risks.

24. Events after the Reporting Date

Through various funds managed by FMC LLC, in January 2016, the company's shareholdings reached a total of 18,755,993 shares, equivalent to over 3% of the Group's shareholding.

On 19 January 2016, the Company participated in a capital increase of Prosegur Global SIS ROW, S.L.U. through the contribution of 100% of the shares of the French company Prosegur France SAS, for an amount of EUR 23,826 thousand.

On 19 January 2016, the Company participated in a capital increase of Prosegur Gestión de Activos, S.L.U. through the contribution of 100% of the shares of the French company Prosegur Gestion d'Actifs France SCI., for an amount of EUR 812 thousand.

25. Accounting principles

25.1 Intangible assets

The assets in intangible assets are posted at purchase price. The capitalisation of production cost appears under "Work carried out by the Company for its assets" in the profit and loss account. Intangible assets are shown in the balance sheet at cost value less the amount of accumulated depreciation and impairment adjustments.

Fixed asset prepayments are recognised initially at cost. In subsequent years and provided the period between the payment and receipt of the asset exceeds one year, prepayments earn interest at the supplier's incremental rate.

a) Software applications

Software applications purchased and those developed by the Company, including costs of development of websites, are recognised insofar as they meet the criteria set for development costs. Such costs are amortised over the estimated useful lives, at an average of 5 years.

Payments made for the development of a website for promotional purposes or the advertisement of products or services of the Company are recognised as expenses at the time these are incurred.

Expenses relating to the maintenance of computer software are recognised as expenses when incurred.

b) Licences

Licences have finite useful lives and are carried over at cost less accumulated amortisation and recognised impairment adjustments. Amortisation is calculated on a straight-line basis to allocate the cost of licences over their estimated useful lives of between 3 and 5 years.

On 31 December 2015, the Company has a computer software licence with an indefinite useful life amounting to EUR 1,042 thousand (2014: EUR 1,042 thousand) (Note 6).

25.2 Property, plant and equipment

Items of property, plant and equipment are recognised at cost of acquisition or production, less accumulated depreciation and any recognised accumulated impairment.

Costs incurred to extend, modernise or improve property, plant and equipment are only recorded as an increase in the value of the asset when the capacity, productivity or useful life of the asset is increased and it is possible to ascertain or estimate the carrying amount of the assets that have been replaced in inventories.

The cost of major repairs is capitalised and depreciated over their estimated useful life, while recurring maintenance costs are charged in the profit and loss account in the year in which they are incurred.

The replacement of property, plant and equipment that may be capitalised carries a reduction in the carrying value of the items replaced. When the cost of the items replaced has not been depreciated separately and the calculation of the carrying value thereof were not feasible, the cost of replacement is used as an indication of the cost of the items at the time of acquisition or construction thereof.

Depreciation of property, plant and equipment is calculated systematically on a straight-line basis over the estimated useful lives of the assets based on the actual decline in value and use.

The Company uses the following depreciation rates:

	<u>Depreciation rates</u>
Buildings	2% and 3%
Technical installations	10% to 25%
Machinery and equipment	10% to 30%
Furniture	10%
Computer equipment	25%
Motor vehicles	16%
Other Fixed Assets	10% to 25%

The residual values and useful lives of assets are reviewed and adjusted, if necessary, on each balance sheet date.

When the carrying amount of an asset exceeds its estimated recoverable amount, it is immediately written down to the latter.

Gains and losses on the sale of property, plant and equipment are calculated as the difference between the consideration received for the sale and the carrying amount of the asset and are recognised in the profit and loss account.

25.3. Impairment losses on non-financial assets

Assets with indefinite useful lives, such as goodwill and certain licences, are not amortised, but are instead tested for impairment on an annual basis.

Assets subject to depreciation are tested for impairment whenever an event or change in circumstances indicates that their carrying amount might not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped together at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill suffering an impairment loss are reviewed at each reporting date to assess whether the loss has been reversed.

25.4. Financial assets**a) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are classified as current assets unless they mature in more than 12 months after the reporting date, in which case they are classified as non-current. Loans and receivables are generally recognised under "Loans to companies" and "trade and other receivables" on the balance sheet.

These financial assets are initially carried at fair value, including directly attributable transaction costs, and are subsequently measured at amortised cost, recognising accrued interest at the effective interest rate, which is the updating rate that matches the instrument's carrying amount with all estimated cash flows to maturity. Nevertheless, trade receivables falling due in less than one year are carried at their face value, both at the time of initial recognition and subsequent measurement, provided the effect of not updating flows is immaterial.

Loans with interest contingent on the borrower achieving a milestone such as obtaining profits, or calculated by reference to the financial performance of the borrower, are measured at cost by the Company, plus the attributable interest. In these cases, transaction costs are recognised on a straight-line basis over the term of the loan.

At least at year end, the necessary impairment adjustments are recognised when there is objective evidence that all the amounts receivable will not be collected.

The impairment loss is calculated as the difference between the carrying amount of the asset and the current value of the estimated future cash flows, discounted at the effective interest rate upon initial recognition. Impairment adjustments and also the reversal of the above, where applicable, are recognised in profit and loss.

b) Financial assets held for trading

An asset is classified as a financial asset held for trading if it is acquired principally for the purpose of selling it in the near term, forms part of a portfolio of identified financial instruments that are managed together for short-term profit-taking or is a derivative financial instrument, except for financial guarantee contracts or designated hedging instruments.

These financial assets are recognised at fair value both on initial recognition and on subsequent measurement and any changes in fair value are recognised in the profit and loss account of the financial year. Transaction costs directly attributable to the acquisition are recognised in the profit and loss account of the financial year.

c) Investments in equity instruments of group companies, jointly controlled companies and associates

These investments are initially recognised at cost, which is equivalent to the fair value of the consideration paid, including for jointly controlled companies and associates the transaction costs incurred, and are subsequently measured at cost net of any accumulated impairment loss adjustments. The cost of acquisition of investments in group companies made before 1 January 2010 includes the transaction costs incurred. However, for investments made prior to classification as a group company, jointly controlled company or associate, the cost of the investment is considered to be the carrying amount immediately before this classification. Valuation adjustments previously recognised in equity remain in equity until the investment is derecognised.

If there is objective evidence that the carrying amount is not recoverable, the amount of the impairment loss is measured as the difference between the carrying amount and the recoverable amount, the latter of which is understood as the higher of the fair value less costs to sell and the present value of estimated future cash flows from the investment. Unless there is better evidence of the recoverable amount of the investment, when estimating the impairment of these types of assets, the investee's equity is taken into consideration, corrected for any unrealised gains existing on the measurement date. Impairment losses are recognised and reversed in profit and loss.

d) Available-for-sale and other non-current financial assets

This category comprises debt securities and equity instruments that are not included in the aforementioned categories. Available-for-sale financial assets are classified as non-current assets unless management intends to de-recognise the investment within 12 months after the balance sheet date.

Available-for-sale financial assets are measured at fair value and any changes are recognised directly in equity until the financial asset is de-recognised or impaired, at which time the cumulative gain or loss previously recorded in equity is recognised in profit or loss, provided that the fair value can be determined. Otherwise, it is recognised at cost less any impairment losses.

An available-for-sale financial asset is impaired if there is objective evidence that the estimated future cash flows are reduced or delayed, in the case of acquired debt instruments, or the carrying amount of the asset is uncollectible, in the case of equity instruments. The impairment of these assets is the difference between the cost or amortised cost less any impairment previously recognised in the profit and loss account, and the fair value on the date of measurement. Impairment of equity instruments that are measured at cost because their fair value cannot be determined is calculated in the same way as for investments in group companies, jointly controlled companies and associates.

If there is objective evidence of impairment, the Company recognises in the profit and loss account, the accumulated losses previously recognised in equity as a result of a decrease in the fair value of the assets. Impairment losses on equity instruments recognised in the profit and loss account are not reversed through the profit and loss account.

The fair values of quoted investments are based on current purchase prices. If the market for a financial instrument is not active (and in the case of unquoted securities), the Company establishes fair value using valuation techniques including the use of recent transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models, making maximum use of observable market data and relying as little as possible on subjective considerations of the Company.

e) Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

The derecognition of a financial asset in its entirety involves the recognition of results for the difference between the carrying amount and the sum of the consideration received, net of transaction costs, including any new assets obtained less any new liabilities assumed and any gain or loss deferred in recognised income and expense in the equity account.

f) Offsetting principles

A financial asset is offset only when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset simultaneously.

25.5. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits at banks and financial instruments that are convertible to cash and have a maturity of three months or less from the date of acquisition, provided that there is no significant risk of changes in value and that they form part of the Company's usual cash management policy.

25.6. Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amount is expected to be recovered through a sales transaction rather than continued use. This criterion is considered to be met only when sale is highly probable and the asset is available for immediate sale in its current condition, expected to be completed within a term of one year after the classification date. These assets are not depreciated, and are recognised at the lower of their carrying amount and fair value less disposal costs.

25.7. Equity

The share capital of the Company is divided into ordinary shares.

The cost of issuing new shares or options is recognised directly in equity as less reserves.

The consideration paid by the Company in the acquisition of treasury shares, including any directly attributable incremental costs, is deducted from equity until the shares are redeemed, reissued or disposed of. If these shares are subsequently sold or reissued, any amount received, net of any incremental costs directly attributable to the transaction, is recognised in equity.

25.8. Financial liabilities**a) Debts and payables**

This category includes trade and non-trade payables. These borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

The payables are initially recognised at fair value, adjusted for directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate is the updating rate that matches the instrument's carrying amount with the expected future flow of payments until the maturity date of the liability.

Nevertheless, trade payables falling due in less than one year without a contractual interest rate are carried at their face value on both initial recognition and subsequent measurement, provided the effect of not discounting cash flows is not significant.

If existing payables are renegotiated but the new lender has not changed and the present value of future cash flows, including net fees paid, differs by less than 10% from the present value of future cash payments for the original liability, calculated using the same method, the liability is not considered to be substantially modified.

b) Derecognition of financial liabilities

A financial liability, or part of a financial liability, is derecognised when the Company either fulfils the duty arising out of the liability, or is legally released from primary responsibility for the liability either by virtue of a court order or by the creditor.

c) Offsetting principles

A financial liability is offset only when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to settle the liability simultaneously.

25.9. Current and deferred tax

The income tax expense/(income) accrued for the year comprises expenditure/(income) for current tax and deferred tax.

The current and deferred tax expense/(income) is recognised in the profit and loss account. However, the tax effect of items recognised directly in equity is recorded in equity.

Current tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax laws that have been enacted or substantially enacted on the balance sheet date.

Deferred tax assets and liabilities are calculated using the liability method on the basis of the temporary differences that arise between the tax base of assets and liabilities and their carrying amount. However, if deferred tax assets or liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, does not affect either the book profit/loss or the tax base, they are not recognised. Deferred tax assets or liabilities are measured using the tax laws and tax rates that have been enacted or substantially enacted on the reporting date and are expected to be applicable when the corresponding deferred tax asset is realised or deferred tax liability is settled.

Deferred tax assets are recognised provided that it is likely that future taxable income will be generated against which the temporary differences can be offset.

Deferred tax assets arising from deductible temporary differences are recognised provided future tax gains are likely to exist for the offsetting thereof that will reverse within ten years. Assets arising from the initial recognition of assets and liabilities in a transaction which is not a business combination and which does not affect either the book profit/loss or the tax base on the transaction date, are not subject to recognition. Assets which will reverse in a period exceeding ten years are recognised over the financial years, provided there is a likelihood of future tax gains.

Tax planning opportunities are only considered when assessing the recovery of deferred tax assets, if the Company intends to use them or is likely to do so.

The Company recognises the reversal of a deferred tax asset in an account receivable with a Public Authority when it is enforceable in accordance with tax legislation in force. Likewise, the Company recognises the exchange of a deferred tax asset for Public Debt Securities when ownership thereof is acquired.

25.10. Employee benefits

a) Offsetting based on Prosegur share listing – 2014 Plan

At the General Meeting held on 29 May 2012, the shareholders approved the 2014 Plan of long-term incentives for the Managing Director and Senior Management of Prosegur. The 2014 Plan is essentially linked to value creation during the 2012-2014 period and originally set out the payment of Company share-based and/or cash incentives to the Managing Director and Senior Management of the Company. The maximum number of shares earmarked for the 2014 Plan amounted to 4,120,000, representing 0.668% of Prosegur's present share capital. In financial year 2015, incentives payments relating to such Plan have been paid, tracking the listing of Prosegur's shares at the time of the payment, thereby replacing the original share settlement scheme planned (Note 13). As a consequence, in 2015, EUR 3,401 thousand was transferred to short-term provisions from other equity instruments the previous year. Additionally, the difference between the total commitment originally considered by Prosegur in connection with incentives in shares and the incentives finally paid in cash, taking the Prosegur listed share price as a benchmark, amounted to EUR 1,802 thousand and was recognised under wages and salaries.

The 2014 Plan is a multi-annual bonus payable at a rate of 50% cash and 50% based on the listing of parent company shares.

The 2014 Plan lasts three years, based on length of service and the achievement of targets, and includes an additional length-of-service bonus verified over the following two years. The plan measures target achievement from 1 January 2012 until 31 December 2014 and length of service from 1 January 2012 until 31 December 2016. The measurement dates of the 2014 Plan are the following:

- Final measurement date: 31 December 2014
- Length-of-service bonus date: 2017

In financial year 2015, EUR 5,877 thousand have been used for the settlement of the first part of the 2014 Plan. The amount finally paid was made in connection with the listing value of the share at the time of payment.

b) Offsetting based on Prosegur share listing – 2017 Plan

At the General Meeting held on 28 April 2015, the shareholders approved the 2017 Plan of long-term incentives for the Managing Director and Senior Management of Prosegur. The 2017 Plan is essentially linked to value creation during the 2015-2017 period and sets out the payment of incentives pegged to the listing value of shares and/or cash incentives to the Managing Director and Senior Management of the Company.

For the purposes of determining the cash value of each share that the beneficiary is entitled to, the average listing for Prosegur shares on the Madrid Stock Exchange for the past fifteen trading sessions in the month before the one when the shares are delivered will be taken as a benchmark.

The quantification of the total incentive will depend on the degree to which the objectives that were established in line with the strategic plan have been achieved.

The 2017 Plan lasts three years, based on length of service and the achievement of targets, and includes an additional length-of-service bonus verified over the following two years. The Plan measures target achievement from 1 January 2015 until 31 December 2017 and length of service from 1 January 2015 until 31 December 2019. Entitlement to incentives is assessed on the following dates:

- Final measurement date: 31 December 2017.
- Length-of-service bonus date: 2020.

The 2017 Plan is a multi-annual bonus payable at a rate of 50% cash and 50% based on the listing of parent company shares.

In connection with the 2014 and 2017 long-term incentive plans for the Managing Director and Senior Management of Prosegur, an expense has been registered under the salaries and wages caption paragraph for the commitment accruing in financial year 2015 amounting to EUR 4,852 thousand.

The fair value of incentives pegged to the share's listed price was estimated on the basis of the listed price of Prosegur shares (EUR 4.25 per share) at the end of the period or at the time of payment.

c) Termination benefits

Termination benefits are paid to employees as a result of the Company's decision to terminate employment before the ordinary retirement age or when the employee accepts voluntary redundancy in exchange for these benefits. The Company recognises these benefits when it has demonstrably committed to terminating the employment of employees in a detailed formal plan with no possibility of withdrawal, or to granting termination benefits in an offer of voluntary redundancy.

d) Profit-sharing plans and bonuses

The Company calculates the liability and expense for bonuses using a formula based on EBITDA (earnings before interest, tax, depreciation and amortisation) when these are contractually binding or where past practice has given rise to implicit obligations.

e) Remuneration of executives

As well as profit-sharing plans, Prosegur has incentive plans for senior management linked to the achievement of certain targets set by the corresponding remuneration Committees. At the end of the reporting period, provision has been made for these plans based on Company Management's best possible estimate of the extent to which targets will be met.

25.11. Provisions and contingent liabilities

Provisions for possible restructuring costs and/or litigation are recognised when the Company has a present obligation (legal or tacit) as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the estimated expenditure required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Any adjustments made to update the provision are recognised as a finance expense when accrued.

Provisions expiring in one year or less, the financial effect of which is immaterial, are not discounted.

Reimbursements from third parties of the expenditure required to settle a provision are recognised as a separate asset provided that it is virtually certain that the reimbursement will be received.

Possible obligations arising from past events, the materialisation of which is contingent on one or more future events beyond the control of the Company, are considered contingent liabilities. These contingent liabilities are not recognised in the accounts but are disclosed in the notes (see Note 17).

25.12. Business combinations

In accordance with the Third Transitional Provision of Royal Decree 1514/2007, the Company has only recognised business combinations that occurred as of 1 January 2008, the date of transition to the Spanish General Accounting Plan, using the acquisition method. Business combinations that occurred prior to that date were recognised in accordance with accounting principles and standards prevailing at that time, taking into account the necessary corrections and adjustments on the transition date.

Business combinations carried out as of 1 January 2010 are recognised by applying the acquisition method established in Recognition and Measurement Standard 19 of the Spanish General Accounting Plan, as amended by article 4 of Royal Decree 1159/2010, which approves the standards for the preparation of consolidated annual financial statements and amends the Spanish General Accounting Plan.

The Company applies the acquisition method for business combinations, except for mergers, spin-offs and non-monetary contributions of a business between Group companies.

Mergers, spin-offs and non-monetary contributions between Group companies are recognised using the criteria applicable to related party transactions (see Note 25.17).

For business combinations arising as a result of the acquisition of shares or equity holdings in a company, the Company recognises the investment using the criteria applicable to investments in equity of group companies, jointly controlled companies and associates (see Note 25.4).

The acquisition date is the date on which the Company obtains control of the business acquired.

25.13. Joint ventures

a) Jointly controlled operations and assets

The Company recognises its share of jointly controlled assets and jointly incurred liabilities, as well as the assets that it controls and the liabilities that it incurs due to the joint venture based on its percentage of interest.

The Company also recognises its share of the income that it earns and the expenses that it incurs in the joint venture in profit and loss. As well as the expenses incurred in relation to its interest in the joint venture.

Unrealised gains and losses arising from reciprocal transactions have been eliminated in proportion to the interest held by the Company in joint ventures, as have reciprocal assets, liabilities, income and expenses and cash flows.

b) Jointly controlled companies

Interests in jointly controlled companies are recognised in accordance with the criteria for investments in group companies, jointly controlled companies and associates (see Note 25.4).

25.14. Revenue recognition

Revenue is recognised at the fair value of the consideration receivable and reflects the amounts to be collected for goods handed over and services rendered in the ordinary course of the Company's activities, less returns, rebates, discounts and value added tax.

The Company recognises revenue when the amount can be reliably estimated, it is likely that the future economic benefits will flow to the Company and the specific conditions are met for each of the activities, as described below. The Company's estimates are based on historical results, taking into account customer type, transaction type and specific contractual terms.

In accordance with the Resolution of the Institute of Accounting and Auditing (I.C.A.C) 79/2009 Consultation 2, regarding the classification in individual annual financial statements of income and expenses of a holding company, whose main activity is the holding of shares and the financing of transactions carried out by its investees, income from dividends and interest earned from funding granted to investees are classified in the caption "Net turnover" in the Profit and Loss Account. An item has been added within the operating margin to reflect impairment losses in equity instruments associated with its activity.

Initial estimates of ordinary income or costs are reviewed where circumstances amended the initial estimates made. These reviews may result in an increase or reduction in the estimated revenues and costs, and are recognised in the income statement for the period in which the circumstances giving rise to the review become known to Management.

a) Provision of services

These primarily consist of general services provided by the group's parent company such as management and administrative support, marketing services, information technology, legal and tax advice provided by the Company to its subsidiaries.

b) Interest received

Interest received is recognised using the effective interest method. When a receivable is impaired, the Company writes the carrying amount down to the recoverable amount, discounting estimated future cash flows at the original effective interest rate of the instrument, and carries the discount as a reduction in interest received. Interest received on impaired loans is recognised using the effective interest method.

c) Dividends received

Dividends received are recognised as income in the profit and loss account when the right to receive payment is established.

25.15. Leases**a) Operating leases - when the Company is the lessee**

Leases in which the lessor retains substantially all the risks and rewards incidental to ownership are classified as operating leases. Lease payments under an operating lease (net of any incentive received from the lessor) are recognised in the profit and loss account in the year of accrual, as an expense on a straight-line basis over the lease term.

25.16. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the transaction date. Foreign currency gains and losses arising on the settlement of these transactions and the translation into euros of monetary assets and liabilities denominated in foreign currencies at the closing exchange rate are recognised in the profit and loss account.

25.17. Related party transactions

Transactions between group companies, except those related to mergers, spin-offs and non-monetary contributions, are initially recognised at the fair value of the consideration given or received. If the agreed price differs from the fair value, the difference is recognised based on the economic substance of the transaction. Transactions are subsequently measured in accordance with applicable standards.

For non-monetary contributions to a group company, the contributing party shall value its investment at the carrying value of the equity elements handed over in the consolidated annual financial statements on the date on which the transaction is realised, according to the Standards for the Preparation of Consolidated Annual Financial Statements. The acquiring company shall recognise the amounts for the same value.

In merger and spin-off transactions between group companies in which the controlling company of the above took part or the parent of a sub-group and its subsidiary, directly or indirectly, equity elements acquired shall be valued at the amounts that would be applicable, following the transaction, in the consolidated annual financial statements of the group or the sub-group, according to the aforementioned Standards for the Preparation of Consolidated Annual Financial Statements. Any differences arising in the accounts as a result of the aforementioned criteria shall be recorded in a reserves account.

Appendix I – Shareholdings in Group Companies

Below is the information relating to shares held in Group companies:

					2015				
					Shareholding		Voting rights		
Obs.	Name	Registered offices		Asset.	Dir.	Ind. %	Dir.	Ind. %	Auditor
	Prosegur Gestion de Activos, S.L.U.	Pajaritos, 24	Madrid	5	100%		100%		A
*	Prosegur Global Alarmas, S.L.U.	Pajaritos, 24	Madrid	5	100%		100%		C
	Formación Selección y Consultoría, S. A.	Santa Sabina, 8	Madrid	6	100%		100%		B
	Prosegur Internacional USAP, S.L.U.	Pajaritos, 24	Madrid	1	100%		100%		B
	Prosegur Global SIS, S.L.U.	Pajaritos, 24	Madrid	5	100%		100%		B
	Prosegur Global CIT, S.L.U.	Pajaritos, 24	Madrid	5	100%		100%		B
	Prosegur BPO España, S.L.U.	Pajaritos, 24	Madrid	7	100%		100%		B
*	Armor Acquisition, S.A.	Pajaritos, 24	Madrid	5	5%	95%	5%	95%	A
	Prosegur Internacional CIT 1, S.L.U.	Pajaritos, 24	Madrid	5	0%	100%	0%	100%	B
	Prosegur Global Alarmas ROW, S.L.U.	Pajaritos, 24	Madrid	5	100%		100%		B
	Prosegur Global CIT ROW, S.L.U.	Pajaritos, 24	Madrid	5	100%		100%		B
	Prosegur Global SIS ROW, S.L.U.	Pajaritos, 24	Madrid	5	100%		100%		B
	Malcoff Holding BV	Schouwburgplein, 30-34	Rotterdam	4	100%		100%		B
	Prosegur Gestión de Activos Inmobiliarios, S.A.	Av. Infante Dom Enrique 326	Lisboa	7	100%		100%		B
	Prosegur Companhia de Segurança Lda	Av. Infante Dom Enrique 326	Lisboa	4	100%		100%		A
	Prosegur Logística e Transportes de Valores Portugal Lda	Av. Infante Dom Enrique 326	Lisboa	7	100%		100%		B
	Prosegur A-Alarmes Portugal, Unipersonal Lda	Av. Infante Dom Enrique 326	Lisboa	3	100%		100%		B
	Prosegur ESSPP Empresa de Servicios, Lda	Av. Infante Dom Enrique 326	Lisboa	7	100%		100%		B
*	Prosegur France, S. A.	Parc Technologique, 5. Place Berthe Morisot	Saint Priest	5	100%		100%		A
*	Esta Service, SARL	84 Rue des Aceries	Saint Etienne	8	100%		100%		B
	SCI Prosegur Gestión D'Actifs France, SARL	5 Place Berthe Morisot Parc Technologique, Batin	Saint Priest	8	95%	5%	95%	5%	B
	Prosegur Tecnología Argentina, S.A. (anteriormente Fire Less, S. A.)	Tres Arroyos 2835	Cuidad de Buenos Aires	3	5%	95%	5%	95%	A
	Xiden, S.A.C.I.	Tres Arroyos 2835	Cuidad de Buenos Aires	3	8%	92%	8%	92%	A
	General Insdustrie Argentina, S.A (GIASA)	Tres Arroyos 2835	Ciudad de Buenos Aires	3	90%	10%	90%	10%	A
	Tellex, S.A.	Tres Arroyos 2835	Ciudad de Buenos Aires	3	95%	5%	95%	5%	A
	Prosegur Holding, S.A.	Tres Arroyos 2835	Cuidad de Buenos Aires	5	10%	90%	10%	90%	B
	Prosegur Securite	18 Av. Morane Saulnier	Velizy Villacoublay	8	100%		100%		B
	Securite Europeenne de L'Espace Industriel SA	15 Rue de Louvres	Chennevieres Les Louvre	8	60%	40%	60%	40%	B
	Rosegur Holding Corporation, S.L.	Pajaritos, 24	Madrid	8	50%		50%		B
	Force Gardiennage SRL	92 Boulevard Emile Delmas	La Rochelle	8	5%	95%	5%	95%	B

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

*Notes to the annual financial
statements
31 December 2015*

Obs.	Name	Registered offices	Asset.	2015					
				Shareholding			Voting rights		
				Dir.	Ind. %		Dir.	Ind. %	Auditor
	Prosegur Inversiones, S.A.	Tres Arroyos 2835	Cuidad de Buenos Aires	5	10%	90%	10%	90%	B
	Prosegur Tecnologia em Sistemas de Segurança Electronica e Incendios Ltda.	Rua Barao Do Bananal, Villa Pompêia	San Pablo	3	100%	0%	100%	0%	A
	Prosegur Gestao de Efectivos, Ltda.	Thomas Edison 813 Barra Funda	San Pablo	2	0%	100%	0%	100%	B
	Servicios Prosegur Ltda.	Los Gobelinos 2567 of. 100	Renca-Santiago	2	100%	0%	100%	0%	A
	Sociedad de Distribución Canje y Mensajería Ltda	Los Gobelinos 2548	Renca-Santiago	7	49%	51%	49%	51%	B
	Prosegur Tecnología Chile Ltda	Avda.Loboza 8395, Mod,3	Pudahuel-Santiago	3	1%	99%	10%	90%	A
*	Prosegur México, S. de R.L. de CV	Norte 79 B No. 77 Colonia Sector Naval 02080	México D.F.	5	86%	14%	86%	14%	B
	Grupo Tratamiento y Gestión de Valores SAPI de CV	Norte 79 B No. 77 Colonia Sector Naval 02080	México D.F.	2	80%		80%		A
	Prosegur Seguridad Privada Logigistica y Gestión de Efectivo, S.A. de C.V.	Norte 79 B No. 77 Colonia Sector Naval 02081	México D.F.	2	45%	55%	45%	55%	A
	Cia Transportadora de Valores Prosegur Colombia,S.A.	Avda de las Americas 42-25	Bogota	2	95%	5%	95%	5%	A
	Rosegur Cash Services	Bulevardul Ghica Tei, Nr 64-70	Bucarest	2	51%		51%		B
	Proseguridad, S.A.	Avda. Los Próceres, 250 Surco	Lima	1	27%	73%	27%	73%	A
	Prosegur Tecnologia Perú, S.A.	La Chira, 103 Surco	Lima	3	99%	1%	99%	1%	B
	Prosegur Activa Perú, S.A.	Avda.República de Panamá, 3890-Surquillo	Lima	3	0%	100%	0%	100%	A
	Prosegur Servicios Administrativos, S.A.	Avda. Los Próceres, 250 Surco	Lima	7	99%	1%	99%	1%	B
	Prointrasn, LLC	411 Lafayette Street, 6th Floor, NY 10003	New York	5	100%		100%		C
	Prosegur Technological Security Solutions, LLC	Al Falah Street-211	Abu Dhabi	1	49%		49%		B
	Luxpai Holdo SARL	23, Avenue Monterey - 2163 Luxembourg	Luxemburgo	5	100%		100%		B
	Prosegur, GmbH	Kokkolastrasse 5, 40882 Ratingen	Ratingen	2	100%		100%		A

Obs: (*): These companies hold a share in other group companies within their same geographical area.

Activity: 1. Integrated Security Solutions 2. Logistics 3. Alarms 4. Two or more activities 5. Holding company 6. Financial services 7. Auxiliary Services 8. Dormant

Auditor: A. Audited by KPMG B. Not subject to auditing C. Other

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Notes to the annual financial
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Obs.	Name	Registered offices	Asset.	2014					Auditor
				Shareholding		Voting rights			
				Dir.	Ind. %	Dir.	Ind. %		
	Prosegur España, S.L.U.	Pajaritos, 24	Madrid	4	100%		100%		A
	Prosegur Gestion de Activos, S.L.U.	Pajaritos, 24	Madrid	7	100%		100%		A
	Formación Selección y Consultoría, S. A.	Santa Sabina, 8	Madrid	7	100%		100%		B
	ESC Servicios Generales, S.L.U.	Pajaritos, 24	Madrid	1	100%		100%		A
*	Prosegur Activa Holding, S.L.U.	Pajaritos, 24	Madrid	5	100%		100%		A
	Prosegur Alarmas, S.A.	Pajaritos, 24	Madrid	3	100%		100%		B
	Seguridad Vigilada, S.A.	Pisuerga, 18	Barcelona	4	100%		100%		A
	S.T.M.E.C., S.L.	Pajaritos, 24	Madrid	1	100%		100%		B
	Salcer Servicios Auxiliares, S.L.U.	Pajaritos, 24	Madrid	1	100%		100%		B
	Beloura Investements, S.L.U.	Pajaritos, 24	Madrid	5	100%		100%		B
*	Armor Acquisition, S.A.	Pajaritos, 24	Madrid	5	5%	95%	5%	95%	B
	Malcoff Holding BV	Schouwburgplein, 30-34	Rotterdam	5	100%		100%		B
	Prosegur Distribuição e Serviços, Lda	Av. Infante Dom Enrique 326	Lisboa	7	100%		100%		B
	Prosegur Companhia de Segurança Lda	Av. Infante Dom Enrique 326	Lisboa	4	100%		100%		A
*	Prosegur France, S.A.S.	84 Rue des Aceries	Saint Etienne	5	100%		100%		A
*	Esta Service, SARL	84 Rue des Aceries	Saint Etienne	8	100%		100%		B
	Prosegur Centre, SARL	84 Rue des Aceries	Saint Etienne	8	100%		100%		B
*	Prosegur Traitement de Valeurs, EST SAS (Valtis, S.A.)	2 Rue Lavoisier	Besancon	2	100%		100%		A
	Prosegur Participations, S.A.S. (Sazias, S.A.)	1267 Av. Pierre et Marie Curie-Z.L.	Saint Laurent du Var	5	100%		100%		A
	Prosegur Traitment de Valeurs Provence, SAS (Euroval, S.A.S.)	604 Avenue du Col de L'Ange	Gemenos	2	5%	95%	5%	95%	B
	Prosegur Tecnología Argentina, S.A. (anteriormente Fire Less, S. A.)	Tres Arroyos 2835	Cuidad de Buenos Aires	3	4%	96%	4%	96%	A
	Xiden, S.A.C.I.	Olleros 3923	Cuidad de Buenos Aires	3	8%	92%	8%	92%	A
	General Insdustrie Argentina, S.A (GIASA)	Herrera, 1175	Ciudad de Buenos Aires	3	90%	10%	90%	10%	A
	Tellex, S.A.	Rincon 1346	Ciudad de Buenos Aires	3	95%	5%	95%	5%	A
	Prosegur Holding, S.A.	Tres Arroyos 2835	Cuidad de Buenos Aires	5	10%	90%	10%	90%	B
	Prosegur Inversiones, S.A.	Tres Arroyos 2835	Cuidad de Buenos Aires	5	10%	90%	10%	90%	B
	Prosegur Activa Alarmes Ltda	Thomas Edison 813 Barra Funda	San Pablo	4	86%	14%	86%	14%	B
	Prosegur Tecnología em Sistemas de Segurança Electronica e Incendios Ltda.	Rua Barao Do Bananal, Villa Pompêia	San Pablo	3	100%		100%		A
	Prosegur Securite	18 Av. Morane Saulnier	Velizy Villacoublay	8	100%		100%		B
	Securite Europeenne de L'Espace Industriel SA	15 Rue de Louvres	Chennevieres Les Louvre	8	60%	40%	60%	40%	B
	Rosegur Holding Corporation, S.L.	Pajaritos, 24	Madrid	8	50%		50%		B
	Force Gardiennage SRL	92 Boulevard Emile Delmas	La Rochelle	8	5%	95%	5%	95%	B

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

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Obs.	Name	Registered offices	Asset.	2014					Auditor
				Shareholding		Voting rights			
				Dir.	Ind. %	Dir.	Ind. %		
	Prosegur Holding e Participacoes, S.A.	Thomas Edison 813 Barra Funda	San Pablo	4	43%	57%	43%	57%	B
	Prosegur Gestao de Efetivos, Ltda.	Thomas Edison 813 Barra Funda	San Pablo	2	100%		100%		B
	Prosegur Gestao de Ativos, Ltda.	Thomas Edison 813 Barra Funda	San Pablo	7	0%	100%	0%	100%	A
	Capacitaciones Ocupacionales Sociedad Ltda.	Los Gobelinos 2567 of. 100	Renca-Santiago	2	83%	17%	83%	17%	B
	Servicios Prosegur Ltda.	Los Gobelinos 2567 of. 100	Renca-Santiago	2	100%		100%		A
	Sociedad de Distribución Canje y Mensajería Ltda	Los Gobelinos 2548	Renca-Santiago	7	49%	51%	49%	51%	B
	Prosegur Tecnología Chile Ltda	Los Gobelinos 2567 off. 100	Renca-Santiago	3	100%		100%		A
	Prosegur Activa Chile, S.L.U.	Los Gobelinos 2567 off. 101	Renca-Santiago	3	1%	99%	1%	99%	A
	Prosegur Mexico,S. de R.L.de C.V.	Norte 79 B No. 77 Colonia Sector Naval 02080	México D.F.	5	86%		86%		B
	Grupo Tratamiento y Gestión de Valores SAPI de CV	Norte 79 B No. 77 Colonia Sector Naval 02080	México D.F.	2	80%		80%		A
	Prosegur Seguridad Privada Logigistica y Gestión de Efectivo, S.A. de C.V.	Norte 79 B No. 77 Colonia Sector Naval 02081	México D.F.	2	45%	55%	45%	55%	A
	Cia Transportadora de Valores Prosegur Colombia,S.A.	Avda de las Americas 42-25	Bogota	2	95%	5%	95%	5%	A
	Prosegur Activa Uruguay, S.A.	Bvrda. Artigas, 2629	Montevideo	3	5%	95%	5%	95%	A
	Gemper, S. A.- Sistemas Integrales de Control	Jose Enrique Rodo, 1761	Montevideo	3	100%		100%		A
	Rosegur Cash Services	Bulevardul Ghica Tei, Nr 64-70	Bucarest	2	51%		51%		A
	Proseguridad, S.A.	Avda. Los Próceres, 250 Surco	Lima	1	27%	73%	27%	73%	A
	Prosegur Tecnología Perú, S.A.	La Chira, 103 Surco	Lima	3	99%	1%	99%	1%	B
	Prosegur Activa Perú, S.A.	Avda.República de Panamá, 3890-Surquillo	Lima	3	1%	99%	1%	99%	A
	Prosegur Servicios Administrativos, S.A.	Av.Primavera 1050-Urb.Chacarilla del Estanque	Santiago de Surco	7	99%	1%	99%	1%	B
	Prointrasn, LLC	1200 Brickell Avenue, Suite 1950	Miami	5	100%		100%		C
	Prosegur Technological Security Solutions, LLC	Al Falah Street-211	Abu Dhabi	3	49%		49%		C
	Luxpai Holdo SARL	5, Rue Guillaume Kroll, L-1882	Luxemburgo	5	100%		100%		B
	Prosecur, GmbH	Wahlerstrasse 2a - 40472	Düsseldorf	2	100%		100%		A

Obs: (*): These companies hold a share in other group companies within their same geographical area.

Activity: 1. Surveillance 2. CIT 3. Technology 4. Two or more activities 5. Holding company 6. Financial services 7: Auxiliary Services 8: Dormant

Auditor: A. Audited by KPMG B. Not subject to auditing C. Other

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Notes to the annual financial
statements
31 December 2015

Thousands of euros

		2015						
		EQUITY					Profit/Loss for the Year	Dividends Received
Name	Country	Carrying amount	Share capital	Reserves	Other items	Operating profit/(loss)		
Companies in Spain:								
Prosegur Gestión de Activos, S.L.U.	Spain	59,855	29,953	1,851	29,902	8,344	10,994	-
Prosegur Global Alarmas, S.L.U.	Spain	20,485	2,000	3,174	18,485	8,065	(40,058)	-
Formación Selección y Consultoria,S.A	Spain	120	120	1,020	-	(390)	(266)	-
Prosegur Internacional USAP, S.L.U.U	Spain	50	3	217	-	(1)	11	-
Prosegur Global SIS, S.L.U.	Spain	1,372	3	-	1,369	(4)	(6)	-
Prosegur Global CIT, S.L.U.	Spain	112,901	3	112,691	192	(3)	(1)	-
Prosegur BPO España, S.L.U.	Spain	3	3	-	-	(196)	(148)	-
Armor Adquisition, S.A	Spain	5,523	45,750	41,168	1,467	(520)	6,680	-
Prosegur Internacional CIT 1, S.L.U.	Spain	12	3	(1)	12	(3)	(2)	-
Prosegur Global Alarmas ROW, S.L.U.	Spain	36,304	3	-	36,301	(4)	43	-
Prosegur Global CIT ROW, S.L.U.	Spain	95,888	3	-	95,885	(7)	(5)	25,900
Prosegur Global SIS ROW, S.L.U.	Spain	153,767	3	-	153,764	(5)	(4)	-
Subsidiaries abroad:								
Prosegur France, S.A	France	43,048	8,653	4,852	(5,535)	8,053	2,904	-
SCI Prosegur Gestion D´Actifs France	France	2,916	3,069	-	-	(2)	(2)	-
Esta Servicie, S.R.L.	France	-	61	-	-	-	-	-
Malcoff Holding, B.V.	Netherlands	175,136	-	-	-	-	-	-
Prosegur Gestión de Activos Inmobiliarios, S.A	Portugal	50	50	-	-	-	-	-
Prosegur Companhia de Segurança, Lda.	Portugal	15,797	11,006	3,787	317	1,227	282	-
Prosegur – Logistica e Transporte de Valores Portugal, Unipessoal Lda	Portugal	0	-	-	-	(1)	(2)	-
Prosegur A-Alarmes Portugal, Unipessoal Lda	Portugal	0	-	-	-	(2)	(3)	-
Prosegur ESSPP Empresa de Servicios,	Portugal	10	10	-	-	-	-	-
Rosegur Cash Services	Romania	-	-	-	-	-	-	-
Luxpai Holdo SARL	Luxembourg	64,661	-	-	-	-	-	-

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Notes to the annual financial
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31 December 2015

Thousands of euros

		2015						
		EQUITY						
Name	Country	Carrying amount	Share capital	Reserves	Other items	Operating profit/(loss)	Profit/Loss for the Year	Dividends Received
Prosegur GmbH (Securlog, GmbH)	Germany	62,417	1,500	38,348	(31,034)	(3,228)	(3,844)	-
Prosegur Deutschland GmbH	Argentina	0	-	-	-	-	-	-
Xiden, S.A.C.I.	Argentina	46	1,794	64	1,405	1,284	(63)	-
Prosegur Tecnologia Argentina, S.A. (Fire Less, S.A.)	Argentina	76	2,945	4	(615)	688	(631)	-
General Industries Argentina, S.A. (GIASA)	Argentina	-	150	67	844	1,468	388	-
Tellex, S.A.	Argentina	2,879	1,124	6	1,069	127	(1,094)	-
PROSEGUR HOLDING (Argentina)	Argentina	388	1,057	211	7,575	(28)	223	-
PROSEGUR INVERSIONES (Argentina)	Chile	44	119	24	827	(9)	17	-
Servicios Prosegur, Ltda.	Chile	1,533	253	-	28,077	6,807	5,525	-
Sociedad de Distribución, Canje y Mensajería Ltda.	Chile	1,311	2,174	-	4,260	(1,864)	(1,541)	-
Prosegur Tecnologia Chile Ltda.	Chile	1	11,387	-	(10,278)	(394)	317	-
Prosegur Tecnologia em Sistemas de Segurnação Electronic e Incendios, Ltda.	Chile	14,154	32,538	(537)	(3,673)	(5,569)	(2,964)	-
Prosegur Gestao de Activos, Ltda.	Colombia	0	853	-	510	1,365	(198)	-
Cía Transportadora de Valores Prosegur Colombia, S.A.	Brazil	28,993	7,084	10,083	69	(645)	(3,226)	-
Prosegur Mexico, S. de R.L. de C.V.	Brazil	5,386	49,027	-	(778)	(7)	(145)	-
PRO-S CIA SEGURIDAD	Brazil	0	910	-	(23)	84	55	-
Prosegur Seguridad Privada Logigistica y Gestión de Efectivo, S.A. de C.V.	Brazil	-	7,866	-	(2,472)	(2,330)	(2,144)	-
Grupo Tratamiento y Gestión de Valores, SAPI de CV	Brazil	388	416	-	(7)	(5)	(8)	-
Proseguridad, S.A.	Mexico	5,856	10,258	80	1,229	2,542	3,123	910
Prosegur Tecnologia Peru, S.A. (merger with Federal Distributor 2012)	Mexico	5,698	584	49	10	(85)	123	-
Prosegur Activa Perú, S.A.	Mexico	96	451	-	-	13	(330)	-
Prosegur Servicios Administrativos, S.A.	Mexico	1	1	-	(10)	(85)	(29)	-
Prointrans, LLC	USA	274	459	-	49	21	20	-
Prosegur Technological Security Solutions LLC	Uruguay	-	-	-	-	-	-	-
During one of the subsidiaries contributed to another company dividend declaration for								7,731
TOTAL		917,440						34,541

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Notes to the annual financial
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Thousands of euros

		2014						
		EQUITY						
Name	Country	Carrying amount	Share capital	Reserves	Other items	Operating profit/(loss)	Profit/Loss for the Year	Dividends Received
Companies in Spain:								
Prosegur España, S.L.U.	Spain	172,286	74,242	35,948	45,635	47,543	35,218	24,000
Prosegur Gestión de Activos, S.L.U.	Spain	59,855	29,953	-	28,642	2,314	2,152	
Prosegur Activa Holding, S.L.U.	Spain	5,122	2,000	1,786	3,122	(192)	3,372	
Formación Selección y Consultoría, S.A.	Spain	120	120	599	-	572	420	
Seguridad Vigilada, S.A.	Spain	-	751	146	(109)	(37)	2	
S.T.M.E.C., S.L.	Spain	50	3	337	-	364	303	
Salcer Servicios Auxiliares, S.L.	Spain	50	3	207	-	(1)	10	
Beloura Investments, S.L.U.	Spain	19,867	503	-	(142)	-	(58)	
Prosegur Multiservicios, S.A.	Spain	150	150	607	-	1,086	783	
Armor Adquisition, S.A.	Spain	5,523	45,750	13,755	-	(71)	28,879	2,711
ESC Servicios Generales, S.L.	Spain	92	6	3,536	-	4,440	3,030	
Subsidiaries abroad:								
Prosegur France, S.A.S. (Cinieri)	France	45,964	9,240	2,662	(696)	982	(1,711)	
Prosegur Traitement de Valeurs, EST EURL (Valtis, S.A.)	France	13,078	1,031	3,215	110	577	542	
Esta Service, SARL	France	-	61	649	(4,218)	(6)	(6)	
Prosegur Centre, S.R.L.	France	-	15	4	(101)	(7)	130	
Prosegur Participations, S.A.S. (Sazias, S.A.)	France	10,213	860	925	(528)	1	278	
Euroval, S.A.S.	France	4,548	1,166	4	(950)	359	365	
Malcoff Holding, B.V.	Netherlands	172,129	40	-	34,927	67,266	67,266	67,300
Prosegur Companhia de Segurança, Lda.	Portugal	15,711	11,007	377	-	1,597	334	1,415
Prosegur Distribuição e Serviços, Lda.	Portugal	3,277	50	20	-	315	230	1,431
ROSEGUR CASH SERVICES	Romania	230	108	-	(1,193)	(379)	(385)	
Luxpai Holdo, S.A.R.L.	Luxembourg	64,661	7,729	773	65,087	76	76	

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Notes to the annual financial
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31 December 2015

		2014							
		EQUITY							
Name	Country	Carrying amount	Share capital	Reserves	Other items	Operating profit/(loss)	Profit/Loss for the Year	Dividends Received	
Prosegur, GmbH	Germany	55,666	1,500	35,815	(23,440)	(6,774)	(7,593)		
Xiden, S.A.C.I.	Argentina	1,187	2,479	88	1,185	1,135	757		
Prosegur Tecnologia Argentina, S.A.	Argentina	-	4,069	5	(1,207)	565	357		
General Industries Argentina, S.A. (GIASA)	Argentina	3,159	208	93	548	1,170	619		
Tellex, S.A.	Argentina	1,104	1,553	8	2,075	(370)	(598)		
Prosegur Holding, S.A.	Argentina	388	1,460	292	4,702	(252)	386	453	
Prosegur Inversiones, S.A.	Argentina	44	164	33	513	(11)	31	51	
Capacitaciones Ocupacionales Sociedad, Ltda.	Chile	383	350	-	(164)	(119)	(56)		
Servicios Prosegur, Ltda.	Chile	1,533	264	-	22,501	8,287	6,840		
Sociedad de Distribución Canje y Mensajería, Ltda.	Chile	1,311	2,214	-	5,405	(1,112)	(906)		
Prosegur Tecnologia Chile, Ltda.	Chile	1	11,888	-	(4,382)	(6,146)	(6,347)		
Prosegur Activa Chile, Ltda.	Chile	(0)	5,627	3,066	(25,671)	(2,939)	(1,623)		
Cía Transportadora de Valores Prosegur Colombia, S.A.	Colombia	27,125	7,339	3,658	8,132	6,965	5,356		
Prosegur Tecnologia em Sistemas de Seguranga Electronica e Incendios, Ltda.	Brazil	25,688	19,992	(361)	(1,875)	(3,774)	(2,758)		
Prosegur Holding e Paricipações, S.A.	Brazil	169,375	186,881	4,702	48,413	(591)	16,201	5,911	
Prosegur Activa Alarmes, Ltda.	Brazil	31,815	258	312	38,679	(3,742)	(2,487)	1,955	
Prosegur Gestao de Efectivo, Ltda.	Brazil	-	-	-	-	-	-		
Prosegur Gestao de Activos, Ltda.	Brazil	0	1,143	-	538	1,299	145		
Prosegur Mexico, S. de R.L.de C.V.	Mexico	0	49,101	-	(776)	32	(48)		
PRO-S CIA SEGURIDAD	Mexico	0	1,959	-	(1,068)	(51)	(25)		
Prosegur Seguridad Privada Logistica y Gestión de Efectivo, S.A. de C.V.	Mexico	-	15,416	-	(9,436)	(2,848)	(2,687)		
Grupo Tratamiento y Gestión de Valores, SAPI de CV	Mexico	388	441	-	(1)	(6)	(6)		
Prosegur Activa Uruguay, S.A.	Uruguay	426	4,029	812	2,778	(2,146)	(2,871)		
Gemper, S.A. -Sistemas Integrales de Control (Sic-Tecnored)	Uruguay	962	155	5	74	5	45		
Proseguridad, S.A.	Peru	5,856	10,531	82	3,544	2,088	1,063		
Prosegur Tecnologia Peru, S.A.	Peru	5,698	599	50	180	(306)	(170)		
Prosegur Activa Peru, S.A.	Peru	121	1,268	11	(1,219)	82	(149)		
Prosegur Servicios Administrativos, S.A.	Peru	1	1	-	(17)	40	7		
Prointrans, LLC	USA	183	206	-	21	22	22		
Prosegur Technological Security Solutions LLC	Arab Emirates	-	22	-	(220)	(150)	(150)		
TOTAL		925,340						105,227	

PROSEGUR COMPAÑIA DE SEGURIDAD, S.A.

Management report for reporting year 2015

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

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PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Management report for reporting year 2015

This management report has been prepared in accordance with the recommendations contained in the Guidelines for the preparation of management reports of listed companies, published by the CNMV.

1. Position of the company

Prosegur is a multinational group whose holding company is Prosegur Compañía de Seguridad, S.A. (hereinafter the Company), which provides global and comprehensive security solutions adapted to the needs of our clients.

Prosegur provides private security services in the following countries: Spain, Portugal, France, Luxembourg, Germany, Romania, Argentina, Brazil, Chile, Peru, Uruguay, Paraguay, Mexico, Colombia, Singapore, India, China and Australia.

The main activity of the Company is the acquisition, holding, management and administration of securities and shares or any other form of representation of interest in the capital of entities that are resident and non-resident in Spain and of funding in investee companies; and the provision of services that are complementary or ancillary to the management of activities carried out by the investee companies.

1.1 Organisational structure

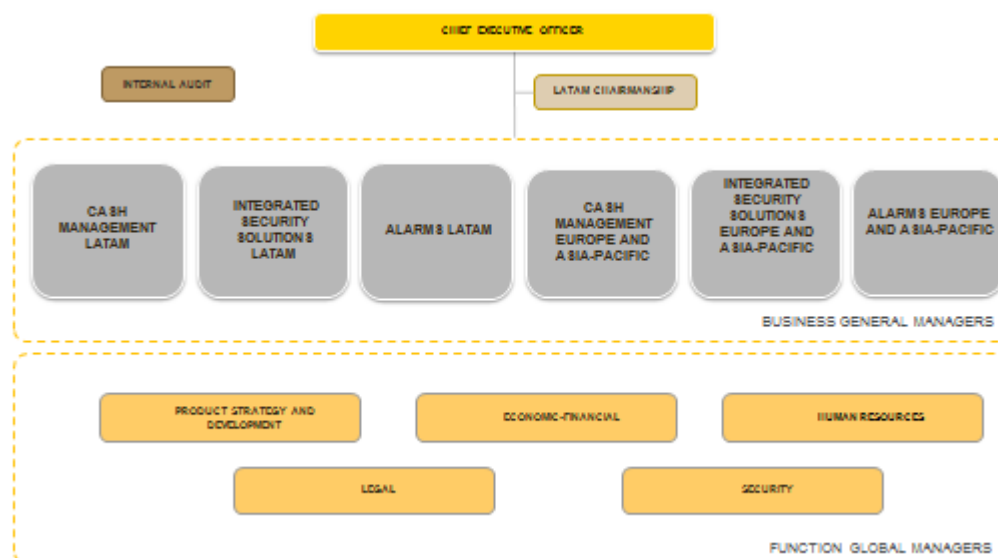
The organisational structure of Prosegur is designed to improve business processes and offer added value to our clients. Its flexibility allows for a permanent adaptation to an ever-changing environment and the evolution of Prosegur as a business group. In addition, it fosters transversal knowledge of business areas and results in a closer approach to client needs.

Business is the main cornerstone of the organisation and is embodied in the General Business Management Departments, which are responsible for the design of security solutions for clients and cover the main business lines: Integrated Security Solutions, Cash in Transit and Cash Management and Alarms.

To reinforce our client focus and obtain a fast and efficient structure, geography is a fundamental aspect of the organisation and represented in two principal segments: LatAm and Europe & Asia-Pacific

The corporate functions are supervised by the Global Support Divisions that cover the areas of Finance, Human Resources, Legal, Security, Strategy and Product development.

The organisation of Prosegur is shown in the table below:



PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

The representation power of the parent company of the Group pertains to the Board of Directors acting collectively and by majority decision. The Board has broad powers to manage the activities of the companies, with the sole exception of matters under the jurisdiction of the General Shareholders' Meeting or which are not included in the corporate purpose.

The delegated committees of the Board of Directors are the Executive Committee, the Audit Committee and the Appointments and Remuneration Committee. The Executive Committee has the broadest powers of administration, management, disposal and all the functions which pertain to the Board of Directors, except for those which are not eligible for delegation by legal or statutory provision. Among the Audit Committee's responsibilities are: propose the appointment of the auditor; review the Prosegur accounts; ensure compliance with legal requirements and application of generally accepted accounting principles. On the other hand, the Appointments and Remuneration Committee establish and review the criteria for the composition of the Board of Directors, including the selection of candidates. It also periodically reviews remuneration programmes.

1.2 Operation

The main activity of the Company is the acquisition, holding, management and administration of securities and shares or any other form of representation of interest in the capital of entities that are resident and non-resident in Spain and of funding in investee companies; and the provision of services that are complementary or ancillary to the management of activities carried out by the investee companies.

Prosegur Compañía de Seguridad, S.A. has closed this financial year with a net turnover of EUR 156.1 million (in 2014: EUR 195.0 million).

The organisation of Prosegur focuses on creation of value and aims to fulfil the growth strategy of Prosegur which, in turn, is based on a solid model that is sustained by financial strength.

The approval and implementation of the various Strategic Plans implies the determination and fulfilment of demanding targets based on the growth model and the various axes defined for each plan. In 2015, the new Strategic Plan for 2015-2017 was launched. The main objectives are classified as:

Qualitative objectives:

- Management at delegation level (fulfilment forecast 2015-2016).
 - ✓ Continuously measure the quality level of the services and customer satisfaction.
 - ✓ Offer value focused on the needs of the client.
- Efficiency in operations (compliance expected 2015-2017).
 - ✓ Finish implementing corporate platforms in all Prosegur countries.
 - ✓ Continue with Kaizen Project.
 - ✓ Continue promoting expertise centres implementing best practices in all countries.
- Simplification of management (fulfilment expected 2015-2016).
 - ✓ To build a Prosegur that is more agile, fast, consistent, and homogeneous thanks to the simplification of processes and structures, adding up to better decision making.

Quantitative objectives:

- Growth (compliance expected 2015-2016).
 - ✓ Emphasise growth in new volume.
 - ✓ Maintain a firm commitment with the development and sale of new products.
 - ✓ Promote the specialisation of managers.
- Management of indirect costs (compliance expected 2016).
 - ✓ Simplify the decision making process and create a more streamlined organisation.
 - ✓ Reduce the burden of indirect costs, mainly in corporate business.
- Cash management (fulfilment expected 2015).
 - ✓ Maintain the cash generation pace and its conversion with respect to EBITA.

Prosegur is ready to continue with its growth strategy, both organic and inorganic, and maintains the capacity to take on new corporate acquisitions.

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

2. Business performance and results

In 2015, the Company obtained positive results of EUR 68.9 million. A comparison with the results of the previous year is shown below:

(millions of euros)	2015	2014	Variation
Sales	156.1	195.0	-19.9%
<i>EBITDA</i>	96.3	92.4	4.2%
<i>Margin</i>	61.7%	47.4%	
Depre. Fixed Assets	-1.9	-1.8	5.6%
Depre. Fixed Intangible	-9.1	-10.2	-10.8%
<i>EBIT</i>	85.3	80.4	6.1%
<i>Margin</i>	54.6%	41.2%	
Financial results	-19.9	-23.7	-16.0%
<i>Profit Before Tax</i>	65.4	56.7	15.3%
<i>Margin</i>	41.9%	29.1%	
Taxes	3.5	12.2	-71.3%
<i>Tax rate</i>	5.4%	21.5%	
Net result	68.9	68.9	0.0%

The most significant events reflected in the income statement of 2015 are the following:

(millions of euros)	National		Europe & Asia-Pacific		LatAm		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014
Dividends received:								
- From Group companies and associat	25.9	26.7	-	70.1	8.6	8.4	34.5	105.2
Income from Loan interest	2.0	1.1	0.4	1.4	0.0	-	2.4	2.5
Provision of services:								
- General Services	34.8	33.7	13.2	11.6	71.2	42.0	119.2	87.3
TOTAL	62.7	61.5	13.6	83.1	79.8	50.4	156.1	195.0

2.1 Investment activity

In the financial year, the most significant transactions carried out are the following:

Prosegur Global SIS ROW, S.L.U.:

- On 8 May 2015, the Company incorporated the Spanish company Prosegur Global SIS ROW, S.L.U., with a capital of EUR 3 thousand, which was fully paid up. Subsequently the following capital contributions were made:
 - On 30 September 2015, the Company participated in a capital increase by way of the contribution of 100% of the shares of the Spanish company ESC Servicios Generales, S.L.U. and 100% of the shares of the Portuguese company Prosegur Distribuição e Serviços, Ltda, for an amount of EUR 16 million and EUR 0.5 million respectively.
 - On 16 November 2015, the Company participated in a capital increase through the contribution of 100% of the shares of the Spanish company Prosegur Soluciones Integrales de Seguridad España, S.L.U., for an amount of EUR 137 million.

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

- ✓ On 17 December 2015, the Company participated in a capital increase through the contribution of 100% of the shares of the Portuguese company Prosegur SES Serviços Especiais de Segurança Unipessoal, Ltda. (Formerly Prosegur SIS Sistemas de Segurança Portugal Unipessoal Ltda), for an amount of 1 euro.

Prosegur Alarmas España S.L.U. and Prosegur Soluciones Integrales de Seguridad España, S.L.U.:

- On 20 February 2015, the Company incorporated the Spanish company Prosegur Vigilancia España, S.L.U., with a capital of EUR 3 thousand, which was fully paid up. Subsequently it changed its corporate name to Prosegur Soluciones Integrales de Seguridad España, S.L.U. and created on the same date the Spanish Company Prosegur Alarmas España, S.L.U. with a capital of EUR 3 thousand, fully disbursed.
- On 10 July 2015, Prosegur España S.L.U., a subsidiary of the Company, divided its activities in three business areas, contributing the alarms and surveillance systems branches to the following Spanish companies: Prosegur Alarmas España S.L.U. and Prosegur Soluciones Integrales de Seguridad España S.L.U. respectively. The value of the net assets and liabilities contributed was EUR 22 million and EUR 114 million respectively. Prosegur España S.L.U. continued to operate the valuables and cash management logistics branch and changed its business name to Prosegur Servicios de Efectivo España. S.L.U.

Prosegur Global CIT, S.L.U.:

- On 23 January 2015, the Company incorporated the Spanish company Prosegur Global CIT, S.L.U., with a capital of EUR 3 thousand, which was fully paid up. Subsequently the following capital contributions were made:
 - ✓ On 31 July 2015, the Company participated in the capital increase of said company by contributing 78.63% of the shares of the Chilean company Capacitaciones Ocupacionales Sociedad, Ltda., for an amount of EUR 0.2 million.
 - ✓ On 16 November 2015, the company sold 27.07% of its participation in the Brazilian company TSR Participacoes Societarias, S.A. to the Spanish company Prosegur Global CIT, S.L.U. for an amount of EUR 120,611 thousand. This transaction resulted in a profit of EUR 68 million, which has been reflected under results for impairment losses and investments disposal for group companies. In addition and on the same date, the Company contributed the remainder of its share (72.93%) in the Brazilian company TSR Participacoes Societarias, S.A. to the Spanish company Prosegur Global CIT, S.L.U. for an amount of EUR 113 million. This operation involved the derecognition of Company shareholdings in TRS Participacoes Societarias, S.A. amounting to EUR 194 million and a negative impact on reserves of EUR 29 million.

Prosegur Participations SAS:

- On 30 June 2015, the Company participated in the capital increase of French company Prosegur Participations SAS (formerly Sazias SA) by contributing 100% of the shares of French company Prosegur Traitement de Valeurs EST SAS, for an amount of EUR 16 million.

Prosegur Global CIT ROW, S.L.U.:

- On 8 May 2015, the Company incorporated the Spanish company Prosegur Global CIT ROW, S.L.U. with a capital of EUR 3 thousand, which was fully paid up. Subsequently the following capital contributions were made:
 - ✓ On 16 November 2015, the Company participated in a capital increase through the contribution of 100% of the shares of the Spanish company Prosegur Servicios de Efectivo España, S.L.U., for an amount of EUR 64 million.
 - ✓ On 30 November 2015, the Company participated in a capital increase through the contribution of 100% of the shares of the French company Prosegur Participations SAS (Ex-Sazias SA), for an amount of EUR 32 million.

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Prosegur Global Alarmas ROW, S.L:

- On 8 May 2015, the Company incorporated the Spanish company Prosegur Global Alarmas ROW, S.L.U. with a capital of EUR 3 thousand, which was fully paid up. Subsequently the following capital contributions were made:
 - ✓ On 30 September 2015, the Company participated in a capital increase by way of the contribution of 100% of the shares of the Spanish company Prosegur Soluciones, S.A. and 100% of the shares of the Portuguese company Prosegur Agencia Promocao e Comercializacao de Productos e Servicios Unipessoal, LDA., for an amount of EUR 3 million and EUR 10 thousand respectively.
 - ✓ On 16 November 2015, the Company participated in a capital increase through the contribution of 100% of the shares of the Spanish company Prosegur Alarmas España, S.L.U., for an amount of EUR 33 million, maintaining a 100% stake.

Prosegur Activa Alarmes, S.A.:

- On 31 August 2015, the Company redeemed shares from the Brazilian company Prosegur Activa Alarmes, S.A. for an amount of EUR 32 million and received as payment shares of the Brazilian company TSR Participacoes Societarias S.A., for an amount of EUR 25 million, entering EUR 7 million under reserves.

Prosegur Global Alarmas, S.L.U.:

- On 31 July 2015, the Company participated in a capital increase of the Spanish company Prosegur Global Alarmas, S.L.U. (formerly Prosegur Activa Holding, S.L.U.), by way of the contribution of 100% of the shares of the Spanish company Prosegur International Alarmas, S.L.U. (Formerly Beloura Investments, S.L.U.) and 5% of the shares of Prosegur Activa Uruguay, S.A. for an amount of EUR 15 million and EUR 0.4 million respectively.

Prosegur Traitement de Valeurs Provence, SAS:

- On 12 June 2015, the Company sold to the French company Prosegur Participations, SAS, all the shares it held of the French company Prosegur Traitement de Valeurs Provence, SAS (Formerly Euroval SAS) for an amount of EUR 5 million, entering a loss for this transaction of EUR 4 million under results for impairment losses and disposals of investments in group companies.

Prosegur Traitement de Valeurs EST SAS:

- On 30 June 2015 the Company participated in the capital increase of the French company Prosegur Traitement de Valeurs EST SAS (Formerly Valtis SAS), for the amount of EUR 7 million.

Prosegur GmbH:

- During April 2015, the Company disbursed the pending capital increase of the German company Prosegur GmbH (Securlog, GmbH) for an amount of EUR 7 million.

2.2 Investments

All of the Company's investments are analysed by the corresponding technical and operating areas and the management control department, which estimate and examine the strategic importance, period and yields of the investments before these are approved. Subsequently these are submitted to the Investment Committee for a final decision on whether to proceed with the investment. Investments in excess of EUR 0.6 million are submitted to the Executive Committee for approval.

Amortisation provisions totalled EUR 11.0 million in 2015 (in 2014: EUR 12.0 million). This amount corresponds to property, plant and equipment worth EUR 1.9 million (in 2014: EUR 1.8 million) and to intangible assets worth EUR 9.1 million (in 2014: EUR 10.2 million).

Investment in property, plant and equipment amounted to EUR 5.6 million in 2015 (in 2014: EUR 2.4 million). Moreover, investment in intangible assets totalled EUR 9.3 million (in 2014: EUR 7.3 million).

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2.3 Personnel

The workforce of the company at the end of 2015 was of 466 persons. At the close of 2014, the workforce of the company was 407 persons.

2.4 Environment

At the end of 2015, the Company has no environment-related contingencies, legal claims or income and expenses relating to the environment.

3. Liquidity and capital resources

3.1 Liquidity

In a context in which credit was still relatively restricted, during 2015 the Company continued to formalise strategic financing operations designed to optimise financial debt, control debt ratios and meet growth targets.

3.2 Capital resources

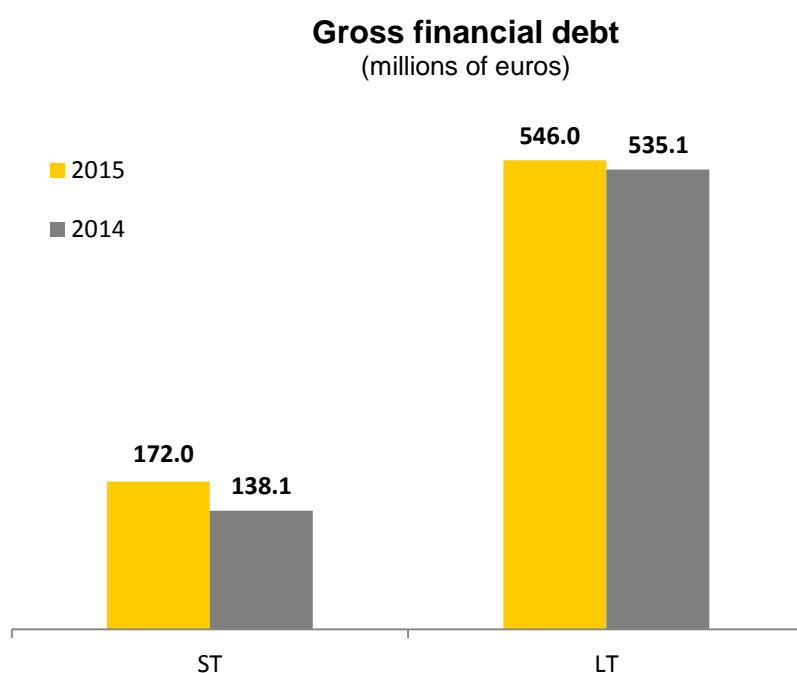
The structure of the long term financial debt is determined by the following contracts:

- a) On 2 April 2013 simple bonds were issued for a nominal amount of EUR 500 million, expiring in 2018. The bonds will accrue interest of 2.75% annually payable upon expired annuities and quoted on the Irish Stock Exchange. Market listing on 31 December 2015 is of 0.855%.
- b) On 12 June 2014, a syndicated loan was taken out for EUR 400 million with a repayment term of five years following a one year renewal in 2015. On 31 December 2015, capital drawn amounted to EUR 50 million.

With these last transactions, Prosegur has refinanced most of its financial debt. This issue will enable the deferment of maturities of part of the debt of Prosegur (from 2015 to 2020) and the diversification of funding sources.

The current gross financial debt totals EUR 172.0 million (in 2014: EUR 138.1 million).

The current and non-current maturities of gross financial debt are distributed as follows:



The average cost of the financial debt, in 2015, was 2.14% (in 2014: 2.50%).

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No significant changes are expected in 2016 with regard to the structure of own funds and capital or in regard to the relative cost of capital resources in relation to the financial year ending 31 December 2015.

The following table shows the maturities of the contractual obligations on 31 December 2015:

(millions of euros)	Less than 1 year	1 to 5 years	More than 5 years	TOTAL
Debentures and other securities	13.8	527.5	-	541.3
Loan with credit institutions	75	0.0	-	75.0
Credit accounts	86	50	-	136.0
	174.8	577.5	-	752.3

3.3 Analysis of off-balance-sheet and contractual obligations

Note 18 of the Financial Statements included the amounts of future minimum payments arising from operating lease contracts by maturity tranches.

4. Main risks and uncertainties

The Company's activities are exposed to currency risk, interest rate risk and price risk, credit risk and liquidity risk. The Company's global risk management programme aims to reduce these risks using a variety of methods, including financial instruments.

The management of these risks has been identified, proposed and executed by the Treasury Department, responsible for identifying, proposing and executing actions in accordance with policies approved by the Executive Committee of the Company.

4.1. Client concentration

The Group of which the Company is the parent company has no significant concentrations of clients.

4.2. Financial risk

The Company mainly operates in the domestic market; however, the Group of which it is the parent company, operates on an international level and, therefore, the Company is exposed to currency risk in its foreign currency operations with foreign subsidiaries and assets and liabilities in foreign currency held with third parties.

As the Company, as the parent company of Prosegur Group, intends to remain for the long term in the foreign markets in which it is present, it does not hedge equity investments, assuming the risk relating to the translation to euros of the assets and liabilities denominated in foreign currencies.

4.2.1 Market risk

Cash flow and fair value interest rate risks

The Company is exposed to interest rate risk due to the monetary assets and liabilities it maintains in its balance sheet.

At the close of financial year 2015, there are no significant positions in financial investment at a fixed or variable interest rate. The Company analyses its interest rate risk exposure dynamically.

Management performs a simulation of various scenarios, considering refinancing, the renewal of current positions, alternative financing and hedges. Based on these scenarios, the Company calculates the effect of a certain variation in interest rates on profit and loss. The scenarios are only analysed for the liabilities that represent the most significant positions in which a variable interest rate is paid.

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Currency risk

The diversity of risks to which the Company is exposed has resulted in an increasingly active policy in the derivatives market, aiming to limit this exposure, although the Company, on 31 December 2015, has no hedges in place with derivatives.

4.2.2 Credit risk

The Company is not significantly exposed to credit risk.

4.2.3 Liquidity risk

A prudent liquidity risk management policy is based on having sufficient cash and marketable securities, as well as sufficient short-, medium- and long-term financing through credit facilities to reach the Company's business targets safely, efficiently and on time. The Treasury Department aims to maintain liquidity and sufficient availability to guarantee the Company's business operations.

5. Important circumstances after the reporting period

Through various funds managed by FMC LLC, in January 2016, the company's shareholdings reached a total of 18,755,993 shares, equivalent to over 3% of Prosegur's shareholding structure.

On 19 January 2016, the Company participated in a capital increase of Prosegur Global SIS ROW, S.L.U. through the contribution of 100% of the shares of the French company Prosegur France SAS, for an amount of EUR 23,826 thousand.

On 19 January 2016, the Company participated in a capital increase of Prosegur Gestión de Activos, S.L.U. through the contribution of 100% of the shares of the French company Prosegur Gestion d'Actifs France SCL., for an amount of EUR 812 thousand.

6. Information on the foreseeable performance of the entity

The Company, as the parent company of the Group, is affected by the performance forecasts of each of the regions in the Group.

The optimistic outlook for Prosegur's organic growth is based on the reinforcement of internal control procedures to guarantee the efficiency of the various business areas. A reorganisation of corporate control policies designed to provide greater control of profitability by business line and greater focus by the countries on organic growth via new products with greater margin. This new level of internal control and optimisation will bring improvements and increase in cash generation in 2016, continuing with the path begun in 2015 and 2014.

On the other hand, during 2016 and the following years, Prosegur plans to bring about strong intensification in the Alarms business.

The idea is to characterise this activity by a pure B2C ("business to consumer") approach, supporting this sales and marketing strategy with a powerful set of products designed to provide services with perceived and measurable value added to the client.

In the next few years, the business of home and small business alarms will be strongly boosted by way of additional investment, both in sales force and advertising, as well as service provision capacity, with a view to positioning Prosegur among the group of the largest world operators in this specific business with the additional advantage brought by the other business lines which can complement and support the sale of alarms, transforming from a basic service into a highly specialised security solution for small business premises –including collection management– or an assistance service for families, geolocalisation services, advanced domotics and many other possibilities.

Within the countries in the LatAm region, it is estimated that the currencies of the main countries still have a way to go in terms of depreciation in 2016. This negative impact already forecast will be compensated by the potential development of the region and capacity of Prosegur to gain customer loyalty by offering the best services.

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The excellent results obtained in the past by the sales teams in the LatAm region in terms of their capacity to pass on price increases to the clients amid an economic context which is undergoing a gradual maturing process, allows us to remain optimistic for 2016.

Thanks to the experience gained in each one of these markets over the years, Prosegur has developed a business model that has proven to be successful in any economic environment, enabling margins to be maintained and even increased.

In this regard, the profitability of the Integrated Security Solutions (ISS) business in the LatAm region will continue with the upward trend of 2015 although it will require similar portfolio optimisation to that performed in countries in Europe.

For its part, the economic context of Europe presents an improvement profile that will provide a gradual drive to the business and, above all, will improve profitability.

Prosegur will continue to show its excellent capacity for adaptation to the situation and, just as it was able to minimise the impact of the strong contraction and consolidation of the banking system in Spain and Portugal, it hopes to be able to leverage the incipient favourable situation in order to become the first supplier in Spain of advanced banking outsourcing services and integrated security solutions.

To this end, new remote security monitoring services will be added such as the new Cybersecurity Monitoring Centre which is already operational for clients in several countries, or the new process outsourcing back-office banking services.

Solid foundations have been laid to face the coming years that are expected to bring about a positive increase in margins and the achievement of reasonable growth rates.

Asia-Pacific, and potentially other geographic areas, may constitute the doorway to markets with high growth potential and diversification of risks and opportunities. Prosegur intends to take the utmost advantage to the strong growth prospects of this region for the private security industry. To this end it shall continue to focus on inorganic growth in the area, benefiting from the excellent platform it has built over previous years and the vast experience it has accumulated in corporate operations. It will seek new opportunities to introduce other business lines and also develop the alarms market.

With the excellent low cost current financing and the current low level of leverage of the company, Prosegur is in an ideal position to continue with its inorganic growth process without compromising the level and ratios which measure the level of debt.

By way of conclusion, Prosegur is facing big challenges in the coming years, which include meeting the expectations to maintain the recovery trend of margins in Europe and sustaining the profitability levels in Latin America despite the adverse macroeconomic environment.

The company has excellent supports for growth: the best platform worldwide for the transport of funds, with a dominant presence in emerging markets unequalled by any competitor, the combination of the most innovative integrated security solutions supported by a portfolio of clients of the highest quality in all countries and the optimal solvency and financial stability to confront these challenges. And, although the coming years will be more focused on profitability and inorganic growth, it will continue to consolidate its leadership position, gaining market share and strengthening its image as a worldwide company with the most advanced security solutions.

7. R&D&i activities

The important projects carried out in recent years have brought differentiation to the quality of the security services offered by Prosegur and reflect the company's commitment to innovation and service excellence.

Among the projects which have recently and successfully been completed or which are currently in progress, we shall highlight the following:

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Valuables Logistics and Cash Management

In the area of Valuables Logistics we continue to work on the logistics operating system management that allows overall planning of these tasks through to cash transport in the safest and most controlled manner possible. The aim is to provide a flexible and modular service with a fast response to incidents or changes in client needs, with maximum security guarantees. The main objective, therefore, is to optimise logistics tasks and increase the competitiveness of Prosegur.

Integrated security solutions

The company developed a surveillance drone able to fly indoors unmanned. The proprietary software makes it possible to fly unmanned using a new algorithm, height sensors and a laser scanner. This is a service offered exclusively in Spain and that has been developed in-house. It is the result of Prosegur's decisive strategy to invest in innovation and the technological improvement of its security services.

Alarms

The first mobile remote assistance service has been presented in Spain, consisting of an alarm with a remote assistance service for elderly people or people with disabilities, capable of connecting the user with medical services in real time. The new assistance service, called "Prosegur Always With You" is aimed at elderly people or people with special care needs and their families. The system, operational on a 24/365 basis allows GPS geolocalisation of the exact position of the user, his or her movements, detect falls or inactivity after 48 hours and it automatically notifies family members and medical services in case of need.

The service also features a user monitoring system with control calls every 15 days, and can be used like a mobile phone to call the Prosegur Service Centre and another two phone numbers specified by the user.

8. Acquisition and disposal of treasury shares

On 31 December 2015, the company holds 14,756,890 treasury shares (in 2014: 14,756,890 shares), representing 2.39% of the share capital (in 2014: 2.39%), and with a value of EUR 42.4 million (in 2014: EUR 42.4 million).

9. Other significant information

9.1 Stock market information

Prosegur focuses its efforts in the creation of value for its shareholders. The improvement in results and transparency, as well as rigour and credibility, underpin the Company's actions.

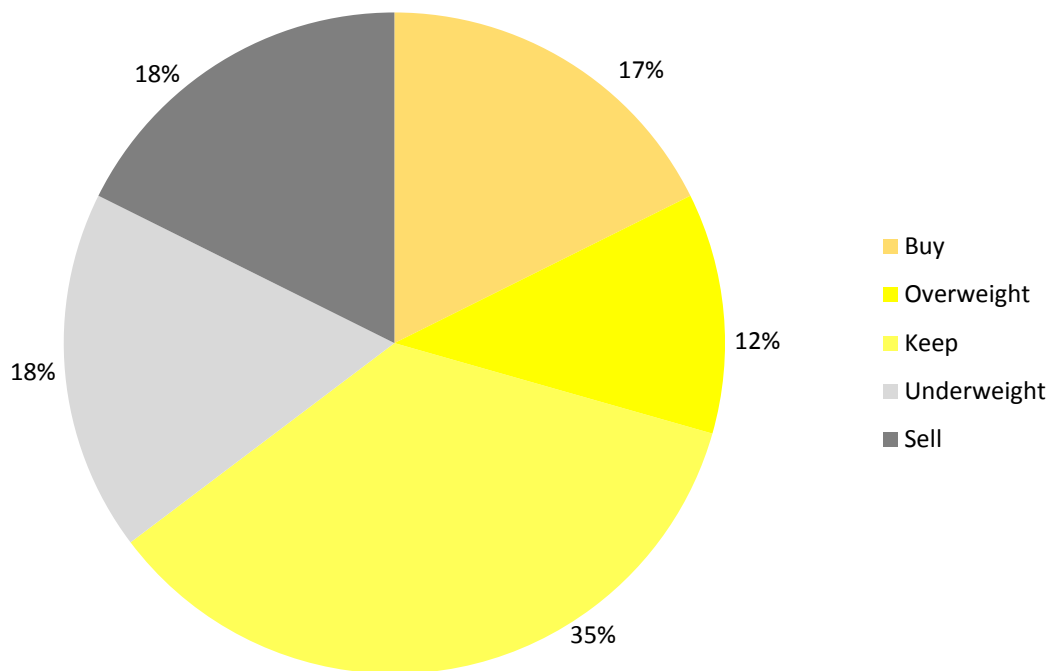
The Prosegur shareholder and investor relations policy aims to establish a communication that is direct, personal and stable over time. The Company has a close relationship with its shareholders, private and institutional investors and with the main stock analysts, to whom it provides detailed information on a continuous basis.

In order to fulfil this transparency commitment, Prosegur uses multiple communication channels such as the Webcast held every quarter to report results or the creation of the Investors Newsletter, in addition to the publication of other monthly information bulletins with specific content of interest to the investment community.

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Analyst coverage

The recommendations of the investment companies that monitor Prosegur are as follows:



On 31 December 2015, the price per Prosegur share closed at EUR 4.25. The listed share price of the company has dropped by 11.09%.

Main shareholders

The shareholding structure of Prosegur reflects its solidity and stability.

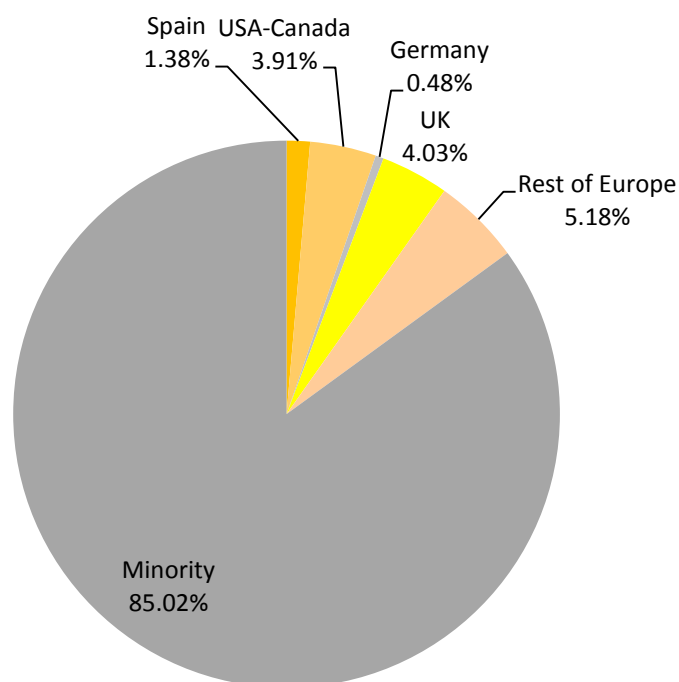
On 31 December 2015, 64.5% of the capital of the Company was held by significant shareholders. The remaining 35.5% was floating capital.

The strong presence of shareholders in the Board of Directors enables the management bodies, and particularly the Executive Committee, to define strategic lines and make decisions in line with the interests of all of the shareholders. This solid and stable relevant shareholder base, made up largely of significant shareholders and institutional investors, provides Prosegur with the ideal conditions to develop its project and achieve its objectives.

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Geographical distribution of floating capital

At the international level and given its growth potential, Prosegur has always been well accepted among investors. For these reasons, its shareholding includes foreign investors which account for a very significant part of its floating capital.



PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

I. DECLARATIONS OF RESPONSIBILITY WITH RESPECT TO THE FORMULATION OF ANNUAL ACCOUNTS

The Management Board of Prosegur Compañía de Seguridad, S.A., in its meeting held on 24 February 2016, has prepared the Annual Accounts of the Company (comprising the Balance Sheet, Income Statement, Statement of Changes in Net Equity, Cash Flow Statement and Notes) and Management Report pertaining to the financial year ended 31 December 2015.

Madrid, 24 February 2016

Mrs Helena Irene Revoredo Delvecchio
Chair

Mr Isidro Fernández Barreiro
Vice-chairman

Mr. Christian Gut Revoredo
Managing Director

Mrs Mirta María Gieso Cazenave
Director

Mrs Chantal Gut Revoredo
Director

Mr Pedro Guerrero Guerrero
Director

Mr Eduardo Paraja Quirós
Director

Mr. Eugenio Ruiz-Gálvez Priego
Director

Mr Fernando Vives Ruíz
Director

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

II. DIRECTORS' RESPONSIBILITY OVER THE ANNUAL ACCOUNTS

The annual accounts of Prosegur Compañía de Seguridad, S.A. are the responsibility of the Directors of the company, and have been prepared in accordance with accounting principles generally endorsed by Spain.

The directors are responsible for the completeness and objectivity of the annual accounts, including the estimates and judgements included therein. They fulfil this responsibility mainly by establishing and maintaining accounting systems and other regulations, with adequate support by internal accounting controls. These controls have been designed to provide reasonable assurance that the Company's assets are protected, that transactions are performed in accordance with the authorisations and regulations laid down by management and that accounting records are reliable for the purposes of drawing up the annual accounts. The automatic correction and control mechanisms are also a relevant part of the control environment, insofar as corrective action is taken when weaknesses are observed. Nevertheless, an effective internal control system, irrespective of how perfect its design may be, has inherent limitations, including the possibility of circumventing or invalidating controls, and can therefore provide only reasonable assurance in relation with preparation of the annual accounts and the protection of assets. In any case the effectiveness of internal control systems may vary over time due to changing conditions.

The Company evaluated its internal control system on 31 December 2015. Based on this evaluation, the directors believe that existing internal accounting controls provide reasonable assurance that the Company's assets are protected, that transactions are performed in accordance with the authorisations laid down by management, and that the financial records are reliable for the purposes of drawing up the annual accounts.

Independent auditors are appointed by the shareholders at their annual general meeting to audit the annual accounts, in accordance with the technical standards governing the audit profession. Their report, with an unqualified opinion, is attached separately. Their audit and the work performed by the Company's internal services include a review of internal accounting controls and selective testing of the transactions. The company's management teams hold regular meetings with the independent auditors and with the internal services in order to review matters pertaining to financial reporting, internal accounting controls and other relevant audit-related issues.

Mr Antonio Rubio Merino
Chief Financial Officer