



PROSEGUR

Annual Report
2012





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Annual Accounts

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Auditors' Report on the Consolidated Annual Accounts

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

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

We have audited the consolidated annual accounts of Prosegur Compañía de Seguridad, S.A. (the "Company") and subsidiaries (the "Group"), which comprise the consolidated balance sheet at 31 December 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and the notes thereto. As mentioned in note 2 to the accompanying consolidated annual accounts, in accordance with International Financial Reporting Standards as adopted by the European Union, and other provisions of financial reporting legislation applicable to the Group, preparation of the Group's annual accounts is the responsibility of the Company's directors. Our responsibility is to express an opinion on the consolidated annual accounts taken as a whole, based on our audit, which was conducted in accordance with prevailing legislation regulating the audit of accounts in Spain, which requires examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated annual accounts and evaluating whether their overall presentation, the accounting principles and criteria used and the accounting estimates made comply with the applicable legislation governing financial information.

In our opinion, the accompanying consolidated annual accounts for 2012 present fairly, in all material respects, the consolidated equity and consolidated financial position of Prosegur Compañía de Seguridad, S.A. and subsidiaries at 31 December 2012 and the consolidated results of their operations and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and other applicable financial reporting regulations.

The accompanying consolidated directors' report for 2012 contains such explanations as the Directors of Prosegur Compañía de Seguridad, S.A. consider relevant to the situation of the Group, the evolution of its business and other matters, and is not an integral part of the consolidated annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the consolidated annual accounts for 2012. Our work as auditors is limited to the verification of the consolidated 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 Prosegur Compañía de Seguridad, S.A. and subsidiaries.

KPMG Auditores, S.L.

(Signed on original in Spanish.)

Bernardo Rücker-Embden
Partner

26 February 2013

I. Consolidated income statements for the years ended 31 december 2012 and 2011

(In thousands of Euros)

	Note	2012	2011
Revenues	3	3,669,091	2,808,531
Other operating income	3	19,126	11,283
Costs to sell	4, 5	(2,789,826)	(2,123,588)
Gross profit		898,391	696,226
Other operating expenses	4, 5	(572,594)	(398,094)
Other net losses	6	(14,320)	(14,036)
Results from operating activities (EBIT)		311,477	284,096
Finance income	7	11,126	6,378
Finance costs	7	(71,779)	(38,128)
Net finance costs		(60,653)	(31,750)
Profit before income tax		250,824	252,346
Income tax	25	(79,257)	(85,302)
Post-tax profit from continuing operations		171,567	167,044
Gains / (losses) for the year from discontinued operations		—	—
Consolidated profit for the year		171,567	167,044
Attributable to:			
Owners of the Parent		171,937	167,430
Non-controlling interests		(370)	(386)
Earnings per share from continuing operations attributable to owners of the Parent (Euros per share)			
— Basic	8	0.2999	0.2850 ¹
— Diluted	8	0.2975	0.2832 ¹

¹ See Note 2.2.

The Notes on pages 160 to 269 form an integral part of the consolidated annual accounts.

**II. Consolidated statements of comprehensive income for the years ended 31 december
2012 and 2011**

(In thousands of Euros)

	Note	2012	2011
Profit for the year		171,567	167,044
Other comprehensive income:			
Actuarial gains/(losses) on defined benefit plans	21	(1,438)	—
Translation differences on financial statements of foreign operations		(48,218)	(20,532)
Total comprehensive income, net of taxes		121,911	146,512
Attributable to:			
— Owners of the Parent		122,587	146,863
— Non-controlling interests		(676)	(351)
		121,911	146,512

The Notes on pages 160 to 269 form an integral part of the consolidated annual accounts.

III. Consolidated statements of financial position at 31 december 2012 and 2011

(In thousands of Euros)

	Note	2012	2011
ASSETS			
Property, plant and equipment	11	460,469	405,972
Goodwill	12	529,453	405,914
Other intangible assets	13	361,158	147,201
Non-current financial assets	14	37,335	33,985
Deferred tax assets	25	202,102	106,669
Non-current assets		1,590,517	1,099,741
Inventories	16	61,047	54,643
Trade and other receivables	17	964,147	793,656
Current tax assets	25	100,180	53,976
Non-current assets held for sale		448	448
Other financial assets	18	5,654	1,552
Cash and cash equivalents	19	163,601	187,548
Current assets		1,295,077	1,091,823
Total assets		2,885,594	2,191,564
EQUITY AND LIABILITIES			
Share capital	20	37,027	37,027
Share premium	20	25,472	25,472
Own shares	20	(125,299)	(123,175)
Other own equity instruments	20	2,659	5,781
Translation differences	20	(52,293)	(4,381)
Retained earnings and other reserves	20	844,543	729,810
Equity attributable to equity holders of the Parent		732,109	670,534
Non-controlling interests		(309)	367
Total equity		731,800	670,901
LIABILITIES			
Financial liabilities	22	737,425	466,186
Derivative financial instruments	15	4,548	3,587
Deferred tax liabilities	25	154,413	82,968
Provisions	21	195,100	138,198
Non-current liabilities		1,091,486	690,939
Trade and other payables	23	659,988	543,440
Current tax liabilities	25	85,276	61,916
Financial liabilities	22	295,837	196,315
Derivative financial instruments	15	—	41
Other current liabilities	24	21,207	28,012
Current liabilities		1,062,308	829,724
Total liabilities		2,153,794	1,520,663
Total equity and liabilities		2,885,594	2,191,564

The Notes on pages 160 to 269 form an integral part of the consolidated annual accounts.

IV. Consolidated statements of changes in equity for the years ended 31 december 2012 and 2011

(In thousands of Euros)

	Equity attributable to equity holders of the Parent							Total equity
	Share capital (Note 20)	Share premium (Note 20)	Own shares (Note 20)	Other own equity instruments (Note 20)	Translation differences (Note 20)	Retained earnings and other reserves (Note 20)	Non-controlling interests	
Balance at 1 January 2011	37,027	25,472	(40,731)	5,016	16,186	622,880	718	666,568
Total comprehensive income for the year	—	—	—	—	(20,567)	167,430	(351)	146,512
Accrued share-based incentives	—	—	—	765	—	—	—	765
Acquisition/sale of own shares	—	—	(82,444)	—	—	—	—	(82,444)
Dividends	—	—	—	—	—	(60,500)	—	(60,500)
Balance at 31 December 2011	37,027	25,472	(123,175)	5,781	(4,381)	729,810	367	670,901
Total comprehensive income for the year	—	—	—	—	(47,912)	170,499	(676)	121,911
Accrued share-based incentives	—	—	—	2,261	—	—	—	2,261
Share-based incentives exercised	—	—	2,307	(5,383)	—	38	—	(3,038)
Acquisition/sale of own shares	—	—	(4,431)	—	—	4,421	—	(10)
Dividends	—	—	—	—	—	(62,947)	—	(62,947)
Other movements	—	—	—	—	—	2,722	—	2,722
Balance at 31 December 2012	37,027	25,472	(125,299)	2,659	(52,293)	844,543	(309)	731,800

The Notes on pages 160 to 269 form an integral part of the consolidated annual accounts.

V. Consolidated statements of cash flows for the years ended 31 december 2012 and 2011
(In thousands of Euros)

	2012	2011
Cash flows from operating activities		
Profit for the year	171,567	167,044
Adjustments for		
Amortisation and depreciation	115,497	79,408
Impairment losses on non-current assets	—	71
Impairment losses on trade receivables	10,568	11,925
Impairment losses on other financial assets	3	6,020
Exchange (gains)/losses	80	(25)
Change in provisions	28,458	30,934
Share-based payments	2,261	765
Loss on financial assets at fair value through profit or loss	859	306
Finance income	(7,473)	(3,140)
Finance costs	70,917	30,867
Loss on disposal and sale of property, plant and equipment	1,451	1,606
Income tax	79,257	85,302
Changes in working capital, excluding the effect of acquisitions and translation differences		
Inventories	(6,404)	(11,990)
Trade and other receivables	(86,854)	(186,030)
Trade and other payables	(9,357)	102,845
Payments of provisions	(23,417)	(45,450)
Other current liabilities	(6,805)	3,116
Cash flows from operating activities		
Interest paid	(74,074)	(23,561)
Income tax paid	(130,659)	(87,303)
Net cash from operating activities	135,876	162,710

V. Consolidated statements of cash flows for the years ended 31 december 2012 and 2011
(In thousands of Euros)

	2012	2011
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	7,729	10,496
Proceeds from sale of financial assets	6,877	129,570
Interest received	7,123	4,152
Acquisition of subsidiaries, net of cash and cash equivalents	(154,408)	(66,671)
Acquisition of property, plant and equipment	(79,717)	(100,438)
Acquisition of intangible assets	(19,251)	(22,727)
Acquisition of financial assets	(14,128)	(2,060)
Net cash from investing activities	(245,775)	(47,678)
Cash flows from financing activities		
Proceeds from acquisition of own shares	10,268	—
Proceeds from loans and borrowings	252,714	330,842
Proceeds from other financial liabilities	1,383	—
Payments for the redemption of own shares and other own equity instruments	(14,699)	(82,444)
Payments for loans and borrowings	(98,873)	(279,097)
Payments for other financial liabilities	—	(7,523)
Dividends paid	(59,494)	(57,750)
Net cash from financing activities	91,300	(95,972)
Net increase/(decrease) in cash and cash equivalents	(18,600)	19,060
Cash and cash equivalents at beginning of year	187,548	170,018
Effect of translation differences on cash held	(5,347)	(1,530)
Cash and cash equivalents at year end	163,601	187,548

The Notes on pages 160 to 269 form an integral part of the consolidated annual accounts.

VI. Notes to the consolidated financial statements

1. General information

Prosegur is a business group formed by Prosegur Compañía de Seguridad, S.A. (hereinafter the Company) and subsidiaries (together Prosegur), which provides private security services in the following countries: Spain, Portugal, France, Germany, Romania, Argentina, Brazil, Chile, Peru, Uruguay, Paraguay, Mexico, Colombia, Singapore, India and China.

Prosegur is organised into the following geographical areas:

- Europe.
- Latin America (LatAm).
- Asia.

The services provided by the Group are distributed into the following lines of activity:

- Manned guarding
- Cash in Transit and cash Management
- Technology

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

Prosegur Compañía de Seguridad, S.A., the Parent of the Group, is a limited liability company whose shares are listed on the Madrid and Barcelona stock exchanges and traded through the Spanish Stock-Exchange Interconnection System (electronic trading system) (SIBE). The Company was incorporated in Madrid on 14 May 1976 and is entered in the Mercantile Registry of Madrid, as well as the Special Registry of Private Security Companies, which is a sub-office of the Ministry of the Interior.

The registered offices of Prosegur Compañía de Seguridad, S.A. are at Calle Pajaritos, 24, Madrid.

The statutory activity of Prosegur Compañía de Seguridad, S.A. is described in article 2 of its bylaws. The main services provided by the Company are as follows:

- Manned guarding and protection of premises, goods and individuals.

- The transportation, storage, safekeeping, counting and classification of coins and banknotes, deeds, securities and other items that require special protection due to their economic value or associated risk.
- The installation and maintenance of security equipment, devices and systems.

These consolidated annual accounts were authorised for issue by the directors on 25 February 2013 and are pending approval by the shareholders at their general meeting. However, the directors consider that these consolidated annual accounts will be approved with no changes.

Structure of Prosegur

At the end of 2012, Prosegur comprises 135 companies: Prosegur Compañía de Seguridad, S.A., as the parent, and 134 subsidiaries. Prosegur also holds interests in 11 entities with stakes in three joint ventures and 50 temporary joint ventures.

Details of fully consolidated subsidiaries are provided in Appendix I.

Details of temporary joint ventures, which are consolidated by recognising the underlying assets and liabilities and Prosegur's share of income and expenses on a line-by-line basis, are provided in Appendix II.

Details of proportionately consolidated joint ventures are provided in Appendix III.

Prosegur hold interests of less than 20% in the share capital of other entities. It does not exercise significant influence over these entities.

Details of the principles applied to prepare the Prosegur consolidated annual accounts and define the consolidated group are provided in Note 34.2.

2. Basis of presentation

The accompanying consolidated annual accounts have been prepared on the basis of the accounting records of Prosegur Compañía de Seguridad, S.A. and the consolidated entities. The consolidated annual accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter EU-IFRS) and other applicable financial reporting regulations to present fairly the consolidated equity and consolidated financial position of Prosegur Compañía de Seguridad, S.A. and subsidiaries at 31 December 2012, as well as the consolidated results from its operations and consolidated cash flows for the year then ended.

Prosegur adopted EU-IFRS on 1 January 2004. The policies set out in Note 34 have been applied consistently throughout the reporting periods presented in these consolidated annual accounts.

The preparation of consolidated annual accounts in accordance with EU-IFRS requires management to make certain critical accounting estimates. Judgement is also required when applying the Company's accounting policies. The areas entailing a greater degree of judgement or complexity, or where the assumptions and estimates are significant to the consolidated annual accounts, are disclosed in Note 36.

2.1. Changes in the consolidated group

The most significant changes to the consolidated group in 2012 are acquisitions of subsidiaries, details of which are provided in Note 28.

In addition, the following companies were incorporated or wound up in 2012:

- On 11 January 2012 Proitrans LLC was incorporated in the United States.
- On 1 March 2012 Prosegur Gestión de Activos Chile Limitada was incorporated in Chile.
- On 2 April 2012 Prosegur Servicios Administrativos, S.A. and Prosegur Gestión de Activos, S.A. were incorporated in Peru.
- On 4 April 2012 Technological Security Solutions LLC was incorporated in Abu Dhabi.
- On 31 May 2012 Pitco Reinsurance, S.A. was incorporated in Luxembourg.
- On 1 July 2012 Prosegur Gestión de Activos de Colombia, S.A.S. was incorporated in Colombia.
- In December 2012 the French company Jean Jaures, SCI was wound up.

Furthermore, the following mergers took place between subsidiaries in 2012:

- In January 2012, Distribuidora Federal S.A.C. merged with and into Prosegur Tecnología Perú, S.A. in Peru.
- In May 2012, Fiel Vigilancia e Transporte de Valores, Ltda. merged with and into Prosegur Brasil, S.A. Transportadora de Valores e Segurança in Brazil.
- In June 2012 Safeway Security Pte, Ltd. merged with and into Aaxis Security Management Pte. Ltd. in Singapore.
- In July 2012, Transbank Segurança e Transporte de Valores Ltda merged with and into Prosegur Brasil SA Transportadora de Valores e Segurança in Brazil.
- In September 2012, the following companies merged with and into Prosegur Brasil SA Transportadora de Valores e Segurança in Brazil:
 - Nordeste Segurança de Valores Paraíba Ltda
 - Nordeste Segurança de Valores Alagoas Ltda
 - Nordeste Segurança de Valores Rio Grande do Norte Ltda
 - Nordeste Segurança de Valores Ceará Ltda
 - Nordeste Segurança de Valores Bahia Ltda
 - Nordeste Transporte de Valores Ltda
 - Nordeste Segurança de Valores Sergipe Ltda
 - Nordeste Segurança e Transporte de Valores Piauí Ltda

- In November 2012, Martom Seguranca Electronica, Ltda merged with and into Prosegur Tecnologia em Sistemas de Seg Elet e Incendios, Ltda. in Brazil.
- In November 2012 Prover Eletro Eletronica, Ltda merged with and into Seta Industria Eletronica Ltda. in Brazil.

2.2. Comparative information

The consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity and the Notes to the consolidated financial statements for 2012 include comparative figures for the prior year.

Prosegur has taken into consideration the share split carried out on 6 July 2012 (see Note 20) when presenting the comparative information on earnings per share (see Note 8), dividends per share (see Note 9) and equity (see Note 20).

3. Revenues and other revenues

Details of revenues are as follows:

	Thousands of Euros	
	2012	2011
Services rendered	3,494,420	2,607,454
Goods sold	56,978	83,399
Operating lease revenues	117,693	117,678
Total revenues	3,669,091	2,808,531

Operating lease revenues are generated by alarm system rentals. As explained in Note 34.18, when a customer rents a system, the Company receives an initial amount which is taken to the income statement over the average contract duration and a regular payment for the rental of the equipment and the service provided.

See Note 10 for further information on revenues by segment and geographical area.

Details of other revenues in the consolidated income statement are as follows:

	Thousands of Euros	
	2012	2011
Changes in work in progress	1,876	3,771
Self-constructed assets	12,484	4,471
Other operating income	4,766	3,041
Total other revenues	19,126	11,283

4. Costs to sell and other operating expenses

The main costs to sell and other operating expenses in the consolidated income statement are as follows:

	Thousands of Euros	
	2012	2011
Supplies	168,035	141,225
Employee benefits expense (Note 5)	2,178,080	1,669,853
Operating leases	57,102	39,724
Supplies and external services	185,231	133,175
Other expenses	201,378	139,611
Total costs to sell	2,789,826	2,123,588
Supplies	3,815	2,419
Employee benefits expense (Note 5)	249,240	159,590
Operating leases	36,622	21,658
Supplies and external services	101,817	78,971
Other expenses	65,603	56,048
Amortisation and depreciation	115,497	79,408
Total other operating expenses	572,594	398,094

Total supplies in the consolidated income statement for 2012 amount to Euros 171,850 thousand (Euros 143,644 thousand in 2011).

5. Employee benefits expense

Details of the employee benefits expense are as follows:

	Thousands of Euros	
	2012	2011
Salaries and wages	1,820,144	1,376,905
Social Security	487,597	361,519
Other employee benefits expenses	87,954	69,528
Termination benefits	31,625	21,491
Total employee benefits expenses	2,427,320	1,829,443

As mentioned in Note 21, as regards the Spanish High Court ruling on overtime costs, in 2012 no increase in employee benefits expense has been recognised (in 2011, a rise of Euros 1,395 thousand with a charge to non-current provisions). The Euros 11,962 thousand reduction in the expense (Euros 8,222 thousand in 2011) reflects the release of provisions recognised in prior years, due to agreements reached with the plaintiffs this year.

Salaries and wages include the expense accrued during the year in relation to the 2011 and 2014 long-term incentive plans for executive directors and management (see Note 34.17), amounting to Euros 3,876 thousand (Euros 871 thousand in 2011), of which Euros 1,615 thousand comprise cash incentives and Euros 2,261 thousand correspond to share-based incentives.

6. Other net gains and losses

Details of other net gains and losses are as follows:

		Thousands of Euros	
		2012	2011
Impairment losses on receivables	(Note 17)	(10,568)	(11,925)
Impairment losses on non-current assets	(Notes 12 y 13)	—	(71)
Net losses on the disposal of fixed assets		(1,451)	(1,606)
Other net losses		(2,301)	(434)
Total net losses		(14,320)	(14,036)

Other net gains and losses include an increase in other operating expenses deriving from growth in recent years and downsizing at Prosegur.

7. Net finance costs

Details of the net finance cost are as follows:

	Thousands of Euros	
	2012	2011
Interest paid:		
– Loans from financial institutions	(36,936)	(14,037)
– Loans from other entities	(1,737)	(1,620)
– Loans from associates	(206)	–
– Securitisation programme	(2,870)	(3,787)
– Finance leases	(1,643)	(1,709)
	<u>(43,392)</u>	<u>(21,153)</u>
Interest received:		
– Cash equivalents	200	2,858
– Loans and other investments	7,273	282
	<u>7,473</u>	<u>3,140</u>
Net gains/(losses) on foreign currency transactions	1,129	(935)
Losses on the fair value of derivative financial instruments	(859)	(306)
Other losses on transactions with financial instruments	(1,122)	(1,696)
Impairment of investments in equity instruments	(3)	(6,020)
Other finance income	2,524	3,238
Other finance costs	(26,403)	(8,018)
	<u>(24,734)</u>	<u>(13,737)</u>
Net finance costs	(60,653)	(31,750)
Total finance income	11,126	6,378
Total finance costs	(71,779)	(38,128)
	<u>(60,653)</u>	<u>(31,750)</u>

Borrowing costs rose to Euros 43,392 thousand in 2012 from Euros 21,153 thousand in 2011, as a result of greater debt and the associated average cost, as well as financing arranged in countries and currencies with higher interest rates.

Other finance costs essentially comprise adjustments to contingent and deferred payables arising on business combinations in 2011 and 2012.

8. Earnings per share

Basic

Basic earnings per share are calculated by dividing the profit for the year attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the year, excluding own shares acquired (see Note 20).

	Euros	
	2012	2011
Profit for the year attributable to owners of the Parent	171,936,550	167,429,554
Weighted average ordinary shares outstanding	573,364,291	587,531,694
Basic earnings per share	0.2999	0.2850

Diluted

Diluted earnings per share are calculated by adjusting the profit for the year attributable to the owners of the parent and the weighted average number of ordinary shares outstanding for all the inherent diluting effects of potential ordinary shares.

	Euros	
	2012	2011
Profit for the year attributable to owners of the Parent	171,936,550	167,429,554
(Diluted) weighted average ordinary shares outstanding	577,924,291	591,281,694
Diluted earnings per share	0.2975	0.2832

The adjustment to the weighted average number of ordinary shares outstanding reflects the possible 4,560,000 shares outstanding as a result of the 2011 and 2014 Plans (see Note 34.17).

9. Dividends per share

The board of directors will propose the distribution of a dividend of Euros 0.1068 per share, or a total maximum amount of Euros 65,947 thousand (considering that share capital is currently represented by 617,124,640 shares), to the shareholders at their general meeting. This dividend will be distributed to shareholders as four payments, in July and October 2013 and January and April 2014. Each payment is calculated as Euros 0.0267 per outstanding share at the payment date. The portion of the maximum amount represented by own shares at each payment date, and therefore not distributed, will be transferred 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 (Euros 16,487 thousand) should be divided by the new number of outstanding shares.

At the general meeting held on 29 May 2012, the shareholders approved the distribution of dividends amounting to Euros 62,947 thousand (Euros 0.1020 per share). When this meeting was held, share capital was divided into 617,124,640 shares. Shareholders received 50% of this dividend, or Euros 31,473 thousand, in July and October 2012. The two remaining payments, each representing 25% of the approved amount, will be made in January and April 2013. At 31 December 2012 dividends payable of Euros 31,474 thousand have been recognised under current liabilities as other payables within trade and other payables.

As explained in Note 20 to the consolidated annual accounts, the agreed stock split materialised on 6 July 2012, with the number of shares consequently increasing from 61,712,464 shares with a par value of Euros 0.6 each to 617,124,640 shares with a par value of Euros 0.06 each. Consequently, the payments for January and April 2013 each represent a gross amount of Euros 0.0255 per share in circulation and with economic rights on that date, equivalent to a net amount of Euros 0.0201 per share.

10. Segment reporting

The Executive Committee of the board of directors is ultimately responsible for taking decisions on Prosegur's operations, reviewing internal financial information to assess the Group's performance and allocating resources.

The Executive Committee analyses business at parent level on two fronts: by geographical region and by activity. The main segments are identified in geographical terms:

- Europe, which includes the following countries: Spain, Germany, France, Portugal and Romania.
- LatAm (Latin America), which includes the following countries: Argentina, Brazil, Chile, Colombia, Mexico, Paraguay, Peru and Uruguay.
- Asia, which includes the following countries: Singapore, India and China.

These geographical segments include the following activity segments:

- Manned Guarding, mainly including patrol and protection of premises, goods and individuals.
- Cash in transit and cash Management, principally the transportation, storage, safekeeping, counting and classification of coins and banknotes, deeds, securities and other items that require special protection due to their economic value or associated risk.
- Technology, mainly the installation and maintenance of technical security systems and home alarms and other related activities.

The following ratios are used in segment reporting:

- EBITDA: consolidated earnings before interest, taxes, depreciation and amortisation.
- EBIT: consolidated earnings before interest and taxes.

The Executive Committee uses EBIT to assess segment performance, considering that this indicator best reflects the results of the Group's different activities.

Prosegur is not highly dependent on any particular customers (see Note 35).

Inter-segment transactions are carried out at arm's length.

Total assets allocated to segments do not include other current and non-current financial assets, derivative financial assets or cash and cash equivalents, as these are managed at Prosegur Group level.

Total liabilities allocated to segments do not include derivative financial liabilities or loans and borrowings, except for finance lease payables, as these are managed at Prosegur Group level.

Details of revenues by segment are as follows:

Thousands of Euros	Europe		LatAm		Asia		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Manned Guarding	884,650	865,198	775,207	482,762	24,263	9,359	1,684,120	1,357,319
% of total	53%	64%	46%	36%	1%	1%	46%	48%
Cash in Transit and cash								
Management	376,644	212,887	1,192,670	885,427	4,378	—	1,573,692	1,098,314
% of total	24%	19%	76%	81%	0%	0%	43%	39%
Technology	201,323	203,328	209,956	149,570	—	—	411,279	352,898
% of total	49%	58%	51%	42%	0%	0%	11%	13%
Total sales	1,462,617	1,281,413	2,177,833	1,517,759	28,641	9,359	3,669,091	2,808,531

Details of EBIT by segment are as follows:

Thousands of Euros	Europe		LatAm		Asia		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Sales to external customers	1,462,617	1,281,413	2,177,833	1,517,759	28,641	9,359	3,669,091	2,808,531
Other net expenses	(1,381,047)	(1,185,374)	(1,833,952)	(1,250,889)	(27,116)	(8,693)	(3,242,115)	(2,444,956)
EBITDA	81,570	96,039	343,881	266,870	1,525	666	426,976	363,575
Amortisation and depreciation	(39,195)	(30,980)	(75,404)	(48,022)	(898)	(406)	(115,497)	(79,408)
Impairment	—	—	(2)	(71)	—	—	(2)	(71)
EBIT	42,375	65,059	268,475	218,777	627	260	311,477	284,096

A reconciliation of EBIT allocated to segments with net profit for the year attributable to the owners of the parent is as follows:

	Thousands of Euros	
	2012	2011
EBIT allocated to segments	311,477	284,096
Net finance costs	(60,653)	(31,750)
Profit before tax	250,824	252,346
Income tax	(79,257)	(85,302)
Post-tax profit from continuing operations	171,567	167,044
Non-controlling interests	(370)	(386)
Profit for the year attributable to owners of the Parent	171,937	167,430

The geographical distribution of revenues and non-current assets is as follows:

Thousands of Euros	Revenues		Non-current assets allocated to segments	
	2012	2011	2012	2011
Parent company country of residence (Spain)	943,378	953,163	277,964	281,933
Brazil	1,076,678	683,571	572,130	241,310
Argentina	447,619	426,546	74,982	99,110
Other countries	1,201,416	745,251	426,004	336,734
	3,669,091	2,808,531	1,351,080	959,087

Details of assets allocated to segments and a reconciliation with total assets are as follows:

Thousands of Euros	Europe		LatAm		Asia		Not allocated to segments		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Assets allocated to segments	785,531	764,670	1,865,745	1,191,550	27,728	12,259	—	—	2,679,004	1,968,479
Other unallocated assets	—	—	—	—	—	—	206,590	223,085	206,590	223,085
Other non-current financial assets	—	—	—	—	—	—	37,335	33,985	37,335	33,985
Other current financial assets	—	—	—	—	—	—	5,654	1,552	5,654	1,552
Cash and cash equivalents	—	—	—	—	—	—	163,601	187,548	163,601	187,548
Derivative financial instruments	—	—	—	—	—	—	—	—	—	—
	785,531	764,670	1,865,745	1,191,550	27,728	12,259	206,590	223,085	2,885,594	2,191,564

Details of liabilities allocated to segments and a reconciliation with total liabilities are as follows:

Thousands of Euros	Europe		LatAm		Asia		Not allocated to segments		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Liabilities allocated to segments	433,408	472,220	920,041	509,495	9,587	1,497	—	—	1,363,036	983,212
Other unallocated liabilities	—	—	—	—	—	—	790,758	537,451	790,758	537,451
Other loans and borrowings	—	—	—	—	—	—	786,210	533,823	786,210	533,823
Derivatives	—	—	—	—	—	—	4,548	3,628	4,548	3,628
	433,408	472,220	920,041	509,495	9,587	1,497	790,758	537,451	2,153,794	1,520,663

11. Property, plant and equipment

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

Thousands of Euros	Land and buildings	Technical installations and machinery	Other installations and furniture	Other property, plant and equipment	Under construction and advances	Total
Cost						
Balance at 1 January 2011	163,317	78,207	208,333	237,881	34,591	722,329
Translation differences	(746)	(3,624)	(3,317)	(8,763)	(1,552)	(18,002)
Business combinations (Note 28)	6,071	3,125	4,556	3,634	36	17,422
Additions	8,570	8,072	15,052	22,426	46,318	100,438
Disposals	(4,318)	(1,112)	(9,729)	(5,947)	(729)	(21,835)
Transfers	14,990	1,975	13,952	1,546	(32,463)	—
Balance at 31 December 2011	187,884	86,643	228,847	250,777	46,201	800,352
Translation differences	(1,558)	(2,544)	(6,280)	(8,039)	(4,413)	(22,834)
Business combinations (Note 28)	273	3,502	2,842	31,634	3,296	41,547
Additions	11,318	7,890	20,456	21,507	45,588	106,759
Disposals	(29)	(2,005)	(7,935)	(6,531)	(2,093)	(18,593)
Transfers	7,288	7,068	11,117	14,535	(40,008)	—
Balance at 31 December 2012	205,176	100,554	249,047	303,883	48,571	907,231

Thousands of Euros	Land and buildings	Technical installations and machinery	Other installations and furniture	Other property, plant and equipment	Under construction and advances	Total
Depreciation and impairment						
Balance at 1 January 2011	(36,047)	(46,771)	(121,595)	(157,229)	—	(361,642)
Translation differences	(38)	1,961	1,821	5,776	—	9,520
Disposals	22	217	4,388	5,106	—	9,733
Transfers	(200)	889	(3,805)	3,116	—	—
Depreciation for the year	(3,342)	(8,378)	(18,899)	(21,301)	—	(51,920)
Provision for impairment recognised in profit and loss	-	-	(71)	-	—	(71)
Balance at 31 December 2011	(39,605)	(52,082)	(138,161)	(164,532)	—	(394,380)
Translation differences	(130)	(34)	2,960	2,360	—	5,156
Disposals	79	1,393	4,135	3,806	—	9,413
Transfers	4,627	1,225	(6,026)	174	—	—
Depreciation for the year	(4,957)	(10,771)	(18,863)	(32,360)	—	(66,951)
Balance at 31 December 2012	(39,986)	(60,269)	(155,955)	(190,552)	—	(446,762)
Carrying amount						
At 1 January 2011	127,270	31,436	86,738	80,652	34,591	360,687
At 31 December 2011	148,279	34,561	90,686	86,245	46,201	405,972
At 1 January 2012	148,279	34,561	90,686	86,245	46,201	405,972
At 31 December 2012	165,190	40,285	93,092	113,331	48,571	460,469

Additions to property, plant and equipment recognised in 2012 amount to Euros 106,759 thousand (Euros 100,438 thousand in 2011) and mainly comprise fitting-out work in progress on bases and armoured vehicles intended for use in operating activities. These investments were essentially made in Argentina, Brazil, Germany and Colombia.

Commitments for the acquisition of property, plant and equipment are detailed in Note 27.

Property, plant and equipment are measured at historical cost, with the exception of the buildings in Calle Pajaritos and Paseo de las Acacias in Madrid and the Hospitalet building in Barcelona, which were measured at market value on first-time adoption of EU-IFRS and have since been revalued. The effect of this revaluation, to reflect the deemed cost, is as follows:

	Thousands of Euros	
	2012	2011
Cost	39,324	39,324
Accumulated depreciation	(3,954)	(3,515)
Carrying amount	35,370	35,809

Other installations and furniture include facilities let by Prosegur to third parties under operating leases, details of which are as follows (see Note 3):

	Thousands of Euros	
	2012	2011
Cost	70,212	66,887
Accumulated depreciation	(52,053)	(52,429)
Carrying amount	18,159	14,458

As stated in Note 3, the income statement includes operating lease income of Euros 117,693 thousand (Euros 117,678 thousand in 2011). This amount reflects all business relating to the alarm system rental activity, the associated cost of which is taken to profit and loss.

Armoured vehicles compliant with the Euro III regulation on non-polluting emissions were put into operation in 2012, with a value of Euros 3,204 thousand (Euros 1,554 thousand in 2011). These assets were previously recognised as property, plant and equipment under construction.

Property, plant and equipment acquired by Prosegur under finance leases are as follows:

	Thousands of Euros	
	2012	2011
Cost	48,061	41,409
Accumulated depreciation	(25,330)	(22,446)
Carrying amount	22,731	18,963

12. Goodwill

Details of movement in goodwill are as follows:

	Thousands of Euros	
	2012	2011
Balance at 1 January	405,914	318,706
Additions to the consolidated group	184,441	94,308
Disposals	(42,653)	(7,236)
Translation differences	(18,249)	136
Balance at 31 December	529,453	405,914

Additions to goodwill in 2011 and 2012 derive from the following business combinations:

	2012		
	Country	% ownership	Thousands of Euros
Grupo Segura ¹	Uruguay	100%	10,378
Grupo Nordeste y Transbank	Brazil	100%	114,664
T.C. Interplata, S.A. ¹	Argentina	100%	9,975
Servin Seguridad, S.A. ¹	Argentina	100%	20,464
Roytronic, S.A. ¹	Uruguay	100%	4,712
Grupo GRP ¹	France	100%	12,902
Grupo Mercurio de Transportes, S.A. C.V. ¹	Mexico	100%	1
Imperial Dragon Security Ltd ¹	China	45%	6,739
SIS Cash Services Private Ltd ¹	India	49%	4,606
			184,441

¹ Calculations relating to business combinations may be adjusted for up to a year from the acquisition date.

	2011		
	Country	% ownership	Thousands of Euros
Prosec Pte. Ltd.	Singapore	100%	1,671
Distribuidora Federal, S.A.C.	Peru	100%	4,973
Grupo Seguridad Vigilada	Spain	95%	4,017
Inversiones BIV, S.A. y filial	Colombia	100%	14,864
Vimarco Servicios Generales	Colombia	100%	967
GSM Telecom, S.A.	Uruguay	100%	200
Prover Electronica, Ltda.	Brazil	100%	2,254
Sazias, S.A.	France	100%	14,422
Grupo Integra - Colombia	Colombia	100%	18,600
Fiel Vigilancia e Transp. Valores	Brazil	100%	27,904
Aaxis Security Management Pte. Ltd.	Singapore	100%	3,901
Securlog GMBH	Germany	100%	535
			94,308

Details of the estimated goodwill in the tables above and the allocation of the amounts for which measurement was completed in 2012 are provided in Note 28 (see Note 28.2).

Disposals in the year reflect adjustments to the value of the following goodwill, which was allocated provisionally in 2011 and 2010 (see Note 28):

	Country	Thousands of Euros	
		2012	2011
Distribuidora Federal, S.A.C.	Peru	(1,610)	—
Grupo Seguridad Vigilada	Spain	(1,435)	—
Inversiones BIV, S.A. y filial	Colombia	(4,890)	—
Vimarco Servicios Generales	Colombia	(119)	—
Prover Electronica, Ltda.	Brazil	(1,748)	—
Sazias, S.A.	France	(4,109)	—
Grupo Integra - Colombia	Colombia	(6,079)	—
Fiel Vigilancia e Transporte de Valores	Brazil	(20,915)	—
Axis Security Management Pte. Ltd.	Singapore	(1,324)	—
Securlog GMBH	Germany	(424)	—
Tellex, S.A.	Argentina	—	(1,390)
Teleemergencia, S.A.C.	Peru	—	(433)
Marton Segurança Eletronica, Ltda.	Brazil	—	(5,413)
		(42,653)	(7,236)

Impairment testing of goodwill

Goodwill has been allocated to Prosegur's cash-generating units (CGU) in accordance with their respective country of operation. Goodwill is allocated to CGU for impairment testing purposes. Goodwill is allocated to the CGU that are expected to benefit from the business combination from which the goodwill arose.

A summary of the CGU to which goodwill has been allocated, by country, is as follows:

	Thousands of Euros	
	2012	2011
Spain CGU	92,241	93,677
France CGU	44,353	35,559
Portugal CGU	13,403	13,403
Germany CGU	110	535
Subtotal Europe	150,107	143,174
Brazil CGU	143,874	69,978
Colombia CGU	48,805	56,072
Peru CGU	41,132	42,539
Chile CGU	40,513	40,231
Argentina CGU	62,134	35,793
Rest of LatAm CGU	27,849	12,501
Subtotal LatAm	364,307	257,114

	Thousands of Euros	
	2012	2011
Singapore CGU	4,490	5,626
India CGU	3,990	—
China CGU	6,559	—
Subtotal Asia	15,039	5,626
Total	529,453	405,914

Prosegur tests goodwill for impairment at the end of each reporting period, or earlier if there are indications of impairment, in accordance with the accounting policy described in Note 34.7.

The recoverable amount of a CGU is determined based on its value in use. These calculations are based on cash flow projections from the four-year financial budgets approved by management. Cash flows beyond this four-year period are extrapolated using estimated growth rates. The cash flows take into consideration past experience and represent management's best estimate of future market performance. Cash flows are discounted using a discount rate based on the weighted average cost of capital (WACC). The residual value of each CGU is generally calculated as income in perpetuity.

The key assumptions used to calculate value in use are as follows:

	2012			2011		
	Europe	LatAm	Asia	Europe	LatAm	Asia
Growth rate ¹	1.74%	4.44%	3.94%	1.72%	4.31%	4.00%
Discount rate ²	6.17%	13.66%	7.28%	8.70%	12.09%	7.10%

¹ Weighted average growth rate used to extrapolate cash flows beyond the budgeted period.

² Weighted average discount rate after tax applied to cash flow projections.

Details of the key assumptions relating to the most significant CGU are as follows:

31 December 2012

	Spain	Rest of Europe	Brazil	Colombia	Peru	Argentina	Rest of LatAm	Asia
	Growth rate	1.73%	1.95%	4.14%	4.50%	6.02%	4.04%	5.08%
Discount rate	5.76%	7.40%	8.82%	8.40%	8.00%	33.84%	8.35%	7.28%

31 December 2011

	Spain	Rest of Europe	Brazil	Colombia	Peru	Argentina	Rest of LatAm	Asia
	Growth rate	1.74%	1.67%	4.16%	4.49%	5.72%	4.00%	4.49%
Discount rate	7.41%	11.83%	9.66%	8.49%	8.08%	19.86%	8.49%	7.10%

Management determines budgeted gross margins based on past experience and forecast market performance.

The discount rates used are post-tax values and reflect specific risks related to the country of operation. Using pre-tax rates would make no difference to the conclusions as to each CGU recoverable amount.

The general decline in discount rates in 2012 compared with 2011 is mainly due to interest rates on risk-free investments being reduced to historical lows. Country-risk premiums have also witnessed a sharp year-on-year drop. Conversely, the country-risk premium for Argentina has risen significantly.

No impairment losses have been recognised on goodwill in 2012.

Along with impairment testing, Prosegur has also performed a sensitivity analysis on the goodwill allocated to the main CGU, for the purposes of the key assumptions. Details of the thresholds for discount rates and deviations from cash flow projections above which impairment losses would arise are as follows:

	Discount rate	Cash flow deviation
Brazil	22.72%	36.79%
Argentina	57.15%	16.84%
Spain	10.73%	42.86%
France	7.36%	20.02%
Colombia	9.18%	3.71%

13. Other intangible assets

Details of other intangible assets and movement are as follows:

Thousands of Euros	Computer software	Customer portfolios	Trademarks	Other intangible assets	Total
Cost					
Balance at 1 January 2011	52,561	179,041	10,289	2,204	244,095
Translation differences	(1,513)	(9,588)	(621)	(306)	(12,028)
Business combinations	1,162	6,544	1,956	2,969	12,631
Additions	20,580	—	—	2,147	22,727
Disposals	(686)	—	—	—	(686)
Balance at 31 December 2011	72,104	175,997	11,624	7,014	266,739
Translation differences	(618)	(38,784)	(3,996)	(1,220)	(44,618)
Business combinations	779	249,373	23,690	7,839	281,681
Additions	11,872	—	—	7,379	19,251
Disposals	(336)	—	—	—	(336)
Balance at 31 December 2012	83,801	386,586	31,318	21,012	522,717
Amortisation and impairment					
Balance at 1 January 2011	(28,375)	(61,778)	(5,389)	(604)	(96,146)
Translation differences	792	3,036	147	54	4,029
Disposals	67	—	—	—	67
Amortisation for the year	(8,077)	(13,835)	(3,355)	(2,221)	(27,488)
Balance at 31 December 2011	(35,593)	(72,577)	(8,597)	(2,771)	(119,538)
Translation differences	907	3,401	2,023	180	6,511
Disposals	14	—	—	—	14
Amortisation for the year	(9,890)	(26,357)	(8,040)	(4,259)	(48,546)
Balance at 31 December 2012	(44,562)	(95,533)	(14,614)	(6,850)	(161,559)
Carrying amount					
At 1 January 2011	24,186	117,263	4,900	1,600	147,949
At 31 December 2011	36,511	103,420	3,027	4,243	147,201
At 1 January 2012	36,511	103,420	3,027	4,243	147,201
At 31 December 2012	39,239	291,053	16,704	14,162	361,158

In 2012, additions to intangible assets were recognised due to the allocation of fair value to the purchase prices of the following business combinations:

	Thousands of Euros		
	Customer portfolios	Trademarks	Other intangible assets
Distribuidora Federal, S.A.C.	317	—	1,109
Grupo Seguridad Vigilada	1,361	—	—
Inversiones BIV, S.A. y filial	5,161	476	—
Vimarco Servicios Generales	171	49	—
Prover Electronica, Ltda.	295	183	175
Sazias, S.A.	6,020	140	—
Grupo Integra - Colombia	9,025	119	—
Fiel Vigilancia e Transp. Valores	12,770	2,277	380
Aaxis Security Management Pte. Ltd.	1,606	—	—
Securlog GMBH	400	—	—
Grupo Nordeste y Transbank	212,063	20,446	6,175
Grupo Segura	184	—	—
	249,373	23,690	7,839

The amount corresponding to intangible assets of Nordeste and Transbank reflects the definitive allocation of the goodwill generated in 2012. The remainder reflects the definitive allocation of amounts that were provisionally allocated in 2011 (see Notes 12 and 28.2).

In 2011, additions to intangible assets were recognised due to the allocation of fair value to the purchase prices of the following business combinations:

	Thousands of Euros		
	Customer portfolios	Trademarks	Other intangible assets
Tellex, S.A.	—	—	2,160
Telemurgencia, S.A.C.	963	—	—
Martom Segurança Eletrônica Ltda.	2,817	1,956	809
Prosec Pte. Ltd.	2,764	—	—
	6,544	1,956	2,969

The balances under Tellex, S.A., Telemurgencia, S.A.C. and Martom Segurança Eletrônica Ltda. reflect the definitive allocation of amounts that were provisionally allocated in 2010 (see Note 12). The amount corresponding to the customer portfolio of Prosec, Pte. Ltd. reflects the definitive allocation of the goodwill generated in 2011.

All other intangible assets reported have finite useful lives and are amortised at rates of between 5.5% and 33% depending on the estimated useful life.

No other intangible assets are subject to restrictions on title or pledged as security for particular transactions.

Other intangible assets are tested for impairment as described in Note 34.6. No impairment losses have been recognised or reversed in 2012.

14. Non-current financial assets

Details of non-current financial assets are as follows:

	Thousands of Euros	
	2012	2011
Available-for-sale financial assets	26,114	25,634
Deposits and guarantees	10,743	7,767
Other non-current financial assets	478	584
	37,335	33,985

Available-for-sale financial assets

Details of available-for-sale financial assets are as follows:

	Thousands of Euros	
	2012	2011
Balance at 1 January	25,634	31,265
Business combinations	—	2
Additions	677	1,125
Disposals	(181)	(760)
Impairment losses	—	(6,020)
Translation differences	(16)	22
Balance at 31 December	26,114	25,634
At 31 December		
Cost or valuation	35,137	34,657
Impairment losses	(9,023)	(9,023)
	26,114	25,634

Available-for-sale financial assets include the following net investments:

At 31 December 2012

Thousands of Euros	Recoverable amount	% ownership	Investment
Capitolotre, S.P.A.	22,627	19.0%	31,647
Euroforum Escorial, S.A.	1,734	8.1%	1,734
Other investments and other assets	1,753		1,756
	26,114		35,137

At 31 December 2011

Thousands of Euros	Recoverable amount	% ownership	Investment
Capitolotre, S.P.A.	22,627	19.0%	31,647
Euroforum Escorial, S.A.	1,734	8.1%	1,734
Other investments and other assets	1,273		1,276
	25,634		34,657

On 18 December 2007 Prosegur acquired 19% of the shares in the investment vehicle Capitolotre, S.P.A. This 19% interest entitles Prosegur to 33% of profit-sharing rights. Capitolotre, S.P.A. has a 77% interest in IVRI Direzione, S.P.A., the leading company in the Italian security sector with activities including manned guarding, transport of valuables, alarm system monitoring, response services and electronic systems. As a result, Prosegur has an indirect investment of 14.6% in the IVRI group. Prosegur's investment in Capitolotre, S.P.A. remained unchanged between the acquisition date and 31 December 2012.

Based on the accounting policy for associates (see Note 34.2), Prosegur considers that it does not exercise significant influence over Capitolotre, S.P.A. and has classified this investment as an available-for-sale financial asset.

Following the criteria set out in Note 35.4, Prosegur has classified its investment in Capitolotre, S.P.A. as a level three fair value measurement.

The valuation techniques used by Prosegur to estimate the fair value of this investment were based on projections set out in the investee's financial budgets. The key assumptions used in this calculation were as follows:

- The financial budgets used for the calculation cover a period of five years.
- The weighted average growth rates used in these projections are consistent with the forecasts included in industry reports.
- Budgeted EBITDA (earnings before interest, taxes, depreciation and amortisation) is based on past experience and the market outlook.
- An annual discount rate of 6% has been applied to the projections.

At 31 December 2012, Prosegur has estimated the fair value of its investment in Capitolotre, S.P.A. based on the techniques described above, concluding that there is no objective evidence that this investment is impaired as a result of changes in its fair value. During 2011 an impairment loss of Euros 6,020 thousand was recognised on the fair value of financial assets.

If the EBITDA estimated by the entity were 10% lower at 31 December 2012, with all other key assumptions remaining constant, the additional impairment loss would amount to Euros 2,863 thousand.

If the discount rate estimated by the entity at 31 December 2012 had been 10% higher, with the other key assumptions remaining constant, the additional impairment loss would amount to Euros 1,024 thousand.

The rest of Prosegur's investments are recognised at the lower of cost and the carrying amount, as they cannot be measured reliably.

Deposits and guarantees

At 31 December 2012 and 2011, deposits and guarantees include Euros 5,500 thousand in relation to the Securlog GmbH (Germany) business combination, reflecting the amount withheld from the total purchase price of the shares to guarantee settlement of possible liabilities (see Note 28).

Other non-current financial assets

Movement in other non-current financial assets is as follows:

	Thousands of Euros	
	2012	2011
Balance at 1 January	584	656
Disposals	(26)	(97)
Translation differences	(80)	25
Balance at 31 December	478	584

At the 2012 and 2011 year ends, this balance reflects fixed-term deposits maturing on 30 November 2017.

15. Derivative Financial Instruments

Prosegur uses derivative financial instruments to hedge interest rates, as set out in the risk management policy described in Note 35.

Changes in the fair values of all of the financial instruments held by Prosegur are taken to the income statement as they are not considered to be accounting hedges. In 2012 a charge of Euros 859 thousand was recognised in profit and loss (Euros 306 thousand in 2011) reflecting changes in the fair value of derivative financial instruments (see Note 7). Losses of Euros 1,122 thousand (Euros 1,696 thousand in 2011) have been recognised on derivative transactions, settlements and sales during the year (see Note 7).

The total fair value of a derivative is recognised under non-current assets or liabilities if the notional amount matures in more than twelve months or under current assets or liabilities if the notional amount matures within twelve months.

Details of derivative financial instruments are as follows:

Thousands of Euros	Notional amount	2012		2011	
		Fair values		Fair values	
		Assets	Liabilities	Assets	Liabilities
Interest rate swap (IRS)	€ 100,000 thousand	—	3,857	—	3,587
Interest rate swap (IRS)	€ 37,500 thousand	—	348	—	—
Interest rate swap (IRS)	€ 37,500 thousand	—	343	—	—
Non-current		—	4,548	—	3,587
Foreign currency swaps	ARS 5,111 thousand	—	—	—	41
Current		—	—	—	41

Interest rate swaps

At 31 December 2012 the Company has three interest rate derivatives (interest rate swaps) to cap the interest payable on part of Prosegur's financing.

Every six months, on 25 July and 25 January, the interest rate of 2.71% payable on one of these derivatives is exchanged for a receivable interest rate equivalent to the six-month Euribor on a nominal amount of Euros 100,000 thousand that matures in April 2014.

In 2012, two further interest rate derivatives were arranged on a nominal amount of Euros 37,500 thousand each, with maturity in February 2015.

Every quarter, the interest rate of 0.65% payable on these derivatives is exchanged for a receivable interest rate equivalent to the three-month Euribor.

16. Inventories

Details of inventories are as follows:

	Thousands of Euros	
	2012	2011
Work in progress	19,266	18,605
Goods for resale, fuel and other	22,288	17,243
Operating materials	12,945	13,388
Uniforms	6,548	5,407
	61,047	54,643

No inventories have been pledged as collateral to secure loans.

Work in progress reflects the construction contracts executed by Prosegur and subsequently invoiced to customers. The corresponding accounting policy is set out in Note 34.21. Prosegur has recognised sales revenue of Euros 176,776 thousand in relation with these contracts in 2012 (Euros 132,915 thousand in 2011). Prosegur has also recognised a payable to customers of Euros 8,338 thousand (Euros 6,128 thousand in 2011) because the progress billings to those customers exceed the costs incurred plus recognised profit (see Note 24).

17. Trade and Other Receivables

Details of this item are as follows:

	Thousands of Euros	
	2012	2011
Trade receivables	804,580	661,562
Less: impairment of receivables	(59,019)	(51,235)
Trade receivables - net	745,561	610,327
Other receivables	174,888	144,550
Prepayments	43,698	38,779
	964,147	793,656
Non-current	—	—
Current	964,147	793,656

Credit risk from trade receivables is not concentrated because Prosegur works with a large number of customers in the different countries in which it operates (see Note 35).

December 2012 saw the expiry of the five-year contract signed in 2007 to securitise part of Prosegur's customer portfolio, whereby receivables are sold without recourse up to a maximum of Euros 150,000 thousand. The last sale of invoices without recourse under the 2007 securitisation contract was made in September 2012. Based on the terms of the securitisation contract, the risks and rewards inherent to the receivables sold were transferred. The contract expressly indicates that the purchaser will not be entitled to recourse against the seller in the event of any default or delay in collection of a transferred receivable. In other words, the buyer assumes the credit risk and default risk. The amount collected in relation to a transferred receivable is calculated by discounting net cash flows based on the due date of the receivable. Even if collection is actually made at a later date than initially foreseen, the amount is not affected.

In December 2012, Prosegur arranged a factoring without recourse contract on receivables totalling Euros 50,000 thousand, with the possibility of increasing this figure. This contract has a term of one year, although it may be extended by additional 12-month periods subject to mutual agreement between the two parties. The contract expressly indicates that the purchaser will not be entitled to recourse against the seller in the event of any default or delay in collection of a transferred receivable. In other words, the buyer assumes the credit risk and default risk. The amount collected in relation to a transferred receivable is calculated by discounting net cash flows based on the due date of the receivable.

Receivables sold are written off and the difference between their carrying amount and the amount actually received is recognised as a finance cost in the income statement (see Note 7). At 31 December 2012 receivables amounting to Euros 20,032 thousand have been written off in connection with these contracts (Euros 98,799 thousand in 2011). At 31 December 2012, total securitised receivables amount to Euros 36,657 thousand (Euros 126,070 thousand in 2011). This total includes amounts payable by Prosegur as they were collected on invoices that were sold (see Note 22).

Other receivables include various recoverable tax balances amounting to Euros 46,892 thousand (Euros 38,919 thousand in 2011). Prosegur has also recognised court deposits totalling Euros 41,803 thousand (Euros 28,115 thousand in 2011). These amounts are mainly to secure claims settlements in some of the countries in which it operates, in accordance with local legislation in force. Furthermore, the Group has recognised advances to personnel amounting to Euros 9,497 thousand (Euros 9,288 thousand in 2011). At 31 December 2011 this item included a deposit of Euros 2,000 thousand pledged to secure the acquisition of Securlog GmbH (see Note 28). This deposit was released in 2012.

In 2008, Prosegur enforced guarantees of Euros 9,469 thousand relating to funds retained on deposit by a customer in Brazil, which are recognised under other receivables. In 2012, the Federal Court for the corresponding region in southern Brazil handed down a ruling in favour of Prosegur, ordering the funds to be returned. At the 2012 year end Prosegur had initiated proceedings to apply for the funds to be legally released when a firm ruling is handed down.

Details of trade receivables by due date, net of the corresponding impairment, are as follows:

	Thousands of Euros	
	2012	2011
0 to 3 months	620,639	523,087
3 to 6 months	46,729	32,840
Over 6 months	78,193	54,400
	745,561	610,327

Movement in the impairment of receivables is as follows:

	Thousands of Euros	
	2012	2011
Balance at 1 January	(51,235)	(41,253)
Provision for impairment	(12,096)	(13,637)
Applications and other	604	863
Reversal of unused amounts	3,708	2,792
Balance at 31 December	(59,019)	(51,235)

As well as the provision, in 2012 Prosegur recognised impairment losses on trade receivables amounting to Euros 2,180 thousand (Euros 1,080 thousand in 2011). The total impairment loss on trade receivables recognised in profit and loss amounts to Euros 10,568 thousand (Euros 11,925 thousand in 2011).

As a general rule, impaired receivables are written off when Prosegur does not expect to recover any further amount.

No impairment losses have been incurred on the remaining trade receivables.

Prosegur's maximum exposure to credit risk at the reporting date is the fair value of the receivables in each of the above-mentioned categories. Prosegur does not hold any collateral to secure receivables.

The procedures followed by Prosegur in relation to credit risk and currency risk on trade receivables are described in Note 35.1.

18. Other Financial Assets

Details of other financial assets and movement during the year are as follows:

	Thousands of Euros	
	2012	2011
Balance at 1 January	1,552	128,988
Additions	10,475	96,580
Interest	350	2,484
Disposals	(6,670)	(226,500)
Translation differences	(53)	—
Balance at 31 December	5,654	1,552

The composition and the issue and maturity dates of financial assets in 2012 and 2011 are as follows:

Thousands of Euros				
Description	Date of issue	Matures on	Principal	Balance at 31/12/2012
Fixed-term deposit	23/02/12	13/05/13	742	742
Fixed-term deposit	11/05/12	13/05/13	482	482
Fixed-term deposit	11/05/12	13/05/13	1,484	1,484
Fixed-term deposit	15/07/11	13/05/13	56	56
Fixed-term deposit	17/07/12	17/07/13	758	758
Fixed-term deposit	13/07/12	03/07/13	1,113	1,113
Fixed-term deposit	10/01/12	30/11/13	474	474
Other financial assets			—	545
			5,109	5,654

Thousands of Euros				
Description	Date of issue	Matures on	Principal	Balance at 31/12/2011
Fixed-term deposit	26/07/2011	26/01/2012	1,500	1,500
Other financial assets			—	52
			1,500	1,552

Prosegur's maximum exposure to credit risk at the reporting date is the carrying amount of these financial assets. Fixed-term deposits are exposed to default risk by the counterparties which, in all cases, are financial institutions with guaranteed solvency and high credit ratings.

19. Cash and cash equivalents

Details of cash and cash equivalents are as follows:

	Thousands of Euros	
	2012	2011
Cash in hand and at banks	133,090	119,244
Current bank deposits	30,511	68,304
	163,601	187,548

The effective rate of interest on current bank deposits is 8.26% (2.88% in 2011) and the average term of deposits held is 38 days (53 days in 2011).

Prosegur holds no investments in sovereign debt at the end of the reporting period and has made no such investments during the year.

20. Equity

20.1. Share capital, share premium and own shares

Details of share capital, share premium and own shares, and movement therein, are as follows:

	Number of shares (thousands)	Share capital	Share premium	Own shares	Total
Balance at 1 January 2011	617,125	37,027	25,472	(40,731)	21,768
Purchase of own shares	—	—	—	(82,444)	(82,444)
Balance at 31 December 2011	617,125	37,027	25,472	(123,175)	(60,676)
Purchase of own shares	—	—	—	(14,699)	(14,699)
Sale of own shares	—	—	—	10,268	10,268
Share-based payments	—	—	—	2,159	2,159
Other distributions	—	—	—	148	148
Balance at 31 December 2012	617,125	37,027	25,472	(125,299)	(62,800)

Share capital

The stock split approved on 29 May 2012 took effect for trading purposes on 6 July, when the 61,712,464 shares in circulation at that date and held through book entries of Euros 0.60 par value each (with ISIN

code ES0175438235) were excluded from trading on the Madrid and Barcelona stock exchanges, while the 617,124,640 new shares with a par value of Euros 0.06 each, also held through book entries (with ISIN code ES0175438003) were simultaneously admitted for trading.

At 31 December 2012, the share capital of Prosegur Compañía de Seguridad, S.A. totals Euros 37,027 thousand and is represented by 617,124,640 shares with a par value of 0.06 Euros each, subscribed and fully paid, which are listed on the Madrid and Barcelona stock exchanges and traded via the Spanish Stock-Exchange Interconnection System (electronic trading system) (SIBE).

Details of the Company's shareholders are as follows:

Shareholders	Number of shares*	
	2012	2011
Ms. Helena Revoredo Delvecchio ¹	309,240,330	309,240,330
Corporación Financiera Alba, S.A. ²	61,750,000	61,750,000
FMR LLC ³	36,658,110	31,231,850
Ms. Mirta Giesso Cazenave ⁴	34,716,130	34,716,130
Cantillon Capital Management LLC	18,821,350	18,821,350
M & G Investment Management, LTD ⁵	19,362,786	—
Other	136,575,934	161,364,980
	617,124,640	617,124,640

¹ Through Gubel, S.L. and Prorevosa, S.L.U. ² Through Alba Participaciones, S.A. ³ Investment held through several managed funds. ⁴ Both directly and through AS Inversiones, S.L. ⁵ Through several managed funds.

* See Note 2.2. Data comparison.

At 31 December 2012, the members of the board of directors, either directly or through companies over which they exercise control, hold 345,172,890 shares (344,492,490 shares in 2011), representing 55.93% of the Company's share capital (55.82% in 2011).

Share premium

The share premium amounts to Euros 25,472 thousand, is freely distributable and has not changed in 2012 or 2011.

Own shares

Details of movements in own shares during the year are as follows:

	Number of shares	Thousands of Euros
Balance at 1 January 2011	19,535,430	40,731
Purchase of shares	25,025,790	82,444
Balance at 31 December 2011	44,561,220	123,175
Purchase of own shares	3,643,096	14,699
Sale of own shares	(3,643,096)	(10,268)
Share-based payments	(781,140)	(2,159)
Other distributions	(53,180)	(148)
Balance at 31 December 2012	43,726,900	125,299

At the general meetings held on 27 June 2011, the shareholders authorised the acquisition of own shares up to the legal maximum. All or part of these own shares may be granted or transferred to the directors of the Company or Prosegur employees, either directly or as a result of a share option being exercised within remuneration schemes linked to the quoted share price.

At the AGM held on 27 June 2008, the shareholders approved the 2011 Plan of long-term incentives (see Note 34.17). As foreseen in the Plan regulations, a share-based incentive for executive directors and management was settled in 2012 through the conveyance of 781,140 own shares.

At the AGM held on 29 May 2012, the shareholders approved the 2014 Plan of long-term incentives for Prosegur Group executive directors and management. The 2014 Plan is generally linked to value creation during the 2012-2014 period. Part of this incentive is also conditional on the beneficiaries remaining in the Company's service for two years following the Plan period. The Plan also foresees the payment of share-based incentives to executive directors, and Company shares and cash to Prosegur management. The maximum number of shares earmarked for the 2014 Plan is 4,120,000, representing 0.668% of the Company's present share capital.

The total obligation undertaken by Prosegur at 31 December 2012 in relation to share-based incentives established in the 2011 and 2014 Plans is recognised under other equity instruments in equity and amounts to Euros 2,659 thousand (Euros 5,781 thousand in 2011).

20.2. Other equity instruments

Other equity instruments reflect the total obligation undertaken by the Company in relation to share-based incentives established in the 2011 and 2014 Plans (see Note 34.17). Movement is as follows:

	Thousands of Euros	
	2012	2011
Opening balance	5,781	5,016
Share-based incentives accrued during the year	2,261	765
Share-based payments exercised	(5,383)	—
Closing balance	2,659	5,781

20.3. Accumulated translation differences

Details of this reserve and movement during the year are as follows:

	Thousands of Euros	
	2012	2011
Balance at 1 January	(4,381)	16,186
Translation differences on financial statements of foreign operations	(47,912)	(20,567)
Balance at 31 December	(52,293)	(4,381)

20.4. Retained earnings and other reserves

Retained earnings and other reserves, which amount to Euros 844,543 thousand at 31 December 2012 (Euros 729,810 thousand in 2011) include profit for the year of Euros 171,937 thousand (Euros 167,430 thousand in 2011), freely distributable reserves of Euros 641,336 thousand (Euros 536,845 thousand in 2011) and other non-distributable reserves amounting to Euros 31,270 thousand (Euros 25,534 thousand in 2011).

Movement in non-distributable reserves in 2012 mainly reflects the distribution of profit for 2011, which included the appropriation of Euros 4,604 thousand to the goodwill reserve.

The legal reserve, which amounts to Euros 7,405 thousand, has been appropriated in compliance with article 274 of the revised Spanish Companies Act, which requires that companies transfer 10% of profits for the year to a legal reserve until this reserve reaches an amount equal to 20% of share capital. The legal reserve has been fully appropriated. 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, it must be replenished with future profits.

The goodwill reserve, which amounts to Euros 23,804 thousand, is appropriated in compliance with article 273.4 of the Spanish Companies Act, which requires companies to transfer profits equivalent to 5% of goodwill (recognised by the parent) to a non-distributable reserve until this reserve reaches an amount equal to goodwill (recognised by the parent). In the absence of profit, or if profit is not sufficient, freely-distributable reserves should be appropriated to this reserve. The reserve shall be restricted for as long as this situation prevails.

There are also restrictions on the distribution of the reserve from the redenomination of share capital to Euros, which totals Euros 61 thousand.

The proposed distribution of the parent's profit for 2012, determined in accordance with prevailing legislation and standards for the preparation of individual annual accounts, to be submitted to the shareholders for approval at their annual general meeting, is as follows:

	Thousands of Euros	
	2012	2011
Basis of allocation		
Profit for the year	71,389	58,085
Voluntary reserves	—	8,544
Canary Islands investment reserve	—	2,054
	71,389	68,683
Allocation		
Goodwill reserve	4,604	5,736
Voluntary reserves	838	—
Dividends	65,947	62,947
	71,389	68,683

21. Provisions

Details of provisions and movement are as follows:

Thousands of Euros	Overtime costs	Liabilities and charges	Employee benefits expense	Deferred income	Accrued personnel obligations	Total
Balance at 1 January 2012	39,415	93,354	—	5,429	—	138,198
Provisions recognised in profit and loss	—	48,561	—	—	1,615	50,176
Reversals recognised in profit and loss	(11,962)	(9,756)	—	—	—	(21,718)
Additions to the consolidated group	-	65,652	742	—	—	66,394
Applications	(7,155)	(15,669)	—	(593)	—	(23,417)
Reclassification	—	—	2,507	—	—	2,507
Actuarial movements in equity	—	—	2,179	—	—	2,179
Transfers to current provisions	—	—	—	(2,692)	—	(2,692)
Translation differences	—	(16,445)	(82)	—	—	(16,527)
Balance at 31 December 2012	20,298	165,697	5,346	2,144	1,615	195,100

Thousands of Euros	Overtime costs	Liabilities and charges	Employee benefits expense	Deferred income	Accrued personnel obligations	Total
Balance at 1 January 2011	62,100	99,189	—	10,312	1,614	173,215
Provisions recognised in profit and loss	1,395	38,602	—	—	—	39,997
Reversals recognised in profit and loss	(8,222)	(841)	—	—	—	(9,063)
Additions to the consolidated group	430	175	—	—	—	605
Disposals from consolidated group	—	—	—	—	—	—
Applications	(16,288)	(10,471)	—	(830)	—	(27,589)
Transfers to current provisions	—	(27,796)	—	(4,053)	(1,614)	(33,463)
Translation differences	—	(5,504)	—	—	—	(5,504)
Balance at 31 December 2011	39,415	93,354	—	5,429	—	138,198

a) Overtime costs

On 6 February 2006, the Social Chamber of the Spanish High Court dismissed the lawsuit filed by minor trade unions against articles of the security industry state collective bargaining agreement for 2005 to 2008 that set the overtime rates for security guards. The prevailing state collective bargaining agreement for security companies for 2009 to 2012 (inclusive) was signed by the employers' associations APROSER, FES, AMPES and ACAES and the trade unions UGT and USO in November 2010.

These trade unions appealed to the Social Chamber of the Spanish Supreme Court, which, on 21 February 2007, overturned the contested ruling and upheld in full the claim brought by the trade unions, declaring null and void "section 1. a) of article 42 of the State Collective Bargaining Agreement for security companies for 2005 to 2008 setting overtime rates for security guards", article 42, section b) solely with regard to overtime for the other professional categories and article 42, point 2, which sets a basic hourly rate for the purpose of ensuring a minimum overtime rate that is below the legal stipulation.

On 21 January 2008, the Social Chamber of the Spanish High Court issued a ruling on case 111/2007 declaring that "the basic hourly rate used to calculate the overtime rate comprises a base salary and personal supplements, extras accrued in more than one month, allowances for residence in Ceuta and Melilla, if applicable, and any security work allowances to which the employee is entitled". On 22 January 2008, the Social Chamber of the Spanish High Court issued a ruling on case 171/2007 that upheld the plea of procedural illegitimacy and declared that the legitimate procedure was to challenge the collective bargaining agreement. Motions were filed to quash these rulings on 29 January 2008 and 11 February 2008, respectively.

On 10 November 2009, the Social Chamber of the Spanish Supreme Court upheld the motions filed by some unions to quash the Social Chamber of the Spanish High Court's ruling on case 111/2007 on 21 January 2008, and dismissed the claim submitted by the employers' association APROSER. This ruling upheld the decision of 21 February 2007 on the formula to be applied to calculate overtime rates.

On 9 December 2009 the Social Chamber of the Spanish Supreme Court upheld the motion to quash the ruling passed by the Spanish High Court on 22 January 2008, on case 171/2007, which declared that the legitimate procedure was to challenge the collective bargaining agreement. It was agreed that the case would be sent back to the original court (Spanish High Court) for a new ruling to resolve the matter.

On 5 March 2010 the Spanish High Court issued a ruling dismissing the joint claim submitted by the employers' associations FES, AMPES and ACAES, also supported by APROSER. The employers' associations lodged an appeal against this ruling before the Spanish Supreme Court, which issued its ruling on 30 May 2011, dismissing the appeal and upholding the High Court ruling.

Based on the best possible estimates, Prosegur has calculated the provision that would be required to cover the accrued liability claimable by employees, and recognised this provision for the period between the date on which the collective bargaining agreement entered into force (1 January 2005) and the close of accounts on 31 December 2012.

This amount has been recognised as a non-current provision because the date on which compensation is payable by Prosegur depends on the outcome of each of the claims presented by employees.

In 2012, 11,761 cases were closed (8,758 in 2011), giving rise to a total payable of Euros 7,155 thousand (Euros 16,288 thousand in 2011).

In 2012, payments totalling Euros 7,155 thousand were made in relation to the agreements reached with certain plaintiff employees (Euros 16,288 thousand in 2011) and Euros 11,962 thousand has been taken to income, comprising provisions recognised in prior years to cover claims that, based on the information available at the 2012 year end, Prosegur does not expect to materialise.

b) Liabilities and charges

The provision for liabilities and charges in 2012 comprises the following:

- Legal risks: Euros 8,888 thousand (Euros 5,997 thousand in 2011). The provision for legal risks mainly relates to civil claims, which are analysed on a case-by-case basis.
- Labour-related risks: Euros 84,098 thousand (Euros 51,797 thousand in 2011). Provisions for labour-related risks are calculated on a case-by-case basis, considering Prosegur's past experience. The provision for labour-related risks includes retirement bonuses payable to employees amounting to Euros 2,914 thousand (Euros 2,397 thousand in 2011). This provision also includes Euros 24,627 thousand (Euros 16,455 thousand in 2011) relating to the business combination formed with Transpev in 2005 (see Note 22).
- Other risks: Euros 72,711 thousand (Euros 35,560 thousand in 2011). This provision includes Euros 47,211 thousand in connection with tax risks in Brazil and Argentina. The remaining provisions included in this heading relate to risks arising in operations.

Additions to the consolidated group essentially comprise the Nordeste Segurança and Transbank group business combination (see Note 28) for an amount of Euros 59,054 thousand.

c) Employee benefits

Prosegur has a defined contribution plan comprising post-employment healthcare offered to employees in Brazil to comply with local legislation (Law 9656).

Movement in actuarial gains and losses recognised directly in other comprehensive income is as follows:

	Thousands of Euros	
	2012	2011
Balance at 1 January	—	—
Recognised during the year	2,342	—
Balance accumulated in retained earnings at 31 December	2,342	—

The principal financial assumptions used are as follows:

	2012	2011
Discount rate	9.20%	10.51%
Inflation rate	5.00%	4.50%
Inflation rate in the healthcare sector	3.00%	3.00%
Age factor		
— up to 24 years old	0.50%	3.00%
— from 25 to 54 years old	2.00%	3.00%
— from 55 to 79 years old	4.50%	3.00%
— over 80 years old	3.00%	3.00%
Cost variations	Inflation + healthcare inflation + age factor	

The principal actuarial assumptions used are as follows:

	2012	2011
Expected retirement age	100% at 60 years	100% at 60 years
Marital status of beneficiaries	90% married	90% married
Mortality table	AT-2000 segregated by gender	AT-2000 segregated by gender
Disability table	Mercer Disability	Mercer Disability
Disabled mortality table	IAPB-57	IAPB-57
Rotation table		
— up to 10 MS	0.6 / (LS +1)	0.6 / (LS +1)
— 10-20 MS	0.45 / (LS +1)	0.45 / (LS +1)
— over 20 MS	0.3 / (LS +1)	0.3 / (LS +1)
MS= minimum salary LS = Length of service		
Continuation post-retirement		
— up to 2.500	0%	0%
— 2.500 to 5.000	15%	15%
— 5.000 to 10.000	50%	50%
— over 10.000	80%	80%

d) Deferred income

This provision reflects deferred revenues from alarm system hire contracts that will be taken to income in the long term, amounting to Euros 2,144 thousand (Euros 5,429 thousand in 2011). Deferred revenues that will be taken to income in the short term are recognised under other current liabilities (see Note 24).

e) Accrued obligations to personnel

During the year the Company has recognised a Euros 1,615 thousand provision with a charge to the income statement for the cash incentive accrued under the 2014 Plan (see Note 34.17). The obligation undertaken at 31 December 2012 in relation to share-based incentives established in the 2014 Plan is recognised under other equity instruments in equity.

22. Financial Liabilities

Details of financial liabilities and the corresponding terms and conditions are as follows:

Thousands of Euros	Currency	Interest rate	Year of maturity	2012		2011	
				Non-current	Current	Non-current	Current
Credit accounts	Euro	2.32%	2013	—	48,291	—	78,622
Credit accounts	Argentine Peso	20.00%	2013	—	149	—	5,641
Credit accounts	Other	5.85%	2013	—	439	—	658
Bank loans	Euro	2.82%	2013-2014	2,840	23,124	2,921	5,374
Bank loans	Brazilian Real	10.40%	2013-2017	139,739	48,422	21,220	548
Bank loans	Argentine Peso	19.99%	2013	—	374	—	290
Bank loans	Other	6.92%	2013-2017	7,892	17,090	18,277	11,822
Syndicated loan	Euro	2.33%	2013-2015	447,850	50,000	388,449	—
Finance lease payables	Euro	5.33%	2013-2019	9,393	2,827	1,655	—
Finance lease payables	Brazilian Real	10.35%	2013-2017	3,528	3,481	3,838	5,485
Finance lease payables	Argentine Peso	16.97%	2013-2015	80	59	—	65
Finance lease payables	Other	8.30%	2013-2024	4,458	735	381	364
Other payables	Euro	3.20%	2013-2014	7,599	19,030	8,052	31,273
Other payables	Brazilian Real	8.75%	2013-2017	102,490	54,640	6,246	41,353
Other payables	Argentine Peso	18.00%	2013-2019	4,506	6,404	2,063	1,882
Other payables	Other	8.49%	2013-2017	7,050	20,772	13,084	12,938
				737,425	295,837	466,186	196,315

At 31 December 2012 drawdowns from credit facilities totalled Euros 48,879 thousand (Euros 84,921 thousand in 2011). At 31 December 2012 the amount not drawn down on these facilities totalled Euros 241,525 thousand (Euros 127,795 thousand in 2011). Details of undrawn credit facilities are as follows:

	Thousands of Euros	
	2012	2011
Maturing in less than 1 year	91,991	67,795
Maturing in more than 1 year	149,534	60,000
	241,525	127,795

Credit facilities are subject to various interest rate reviews in 2013.

Loans and borrowings

A debenture for limited public distribution with a firm guarantee of full placement was issued in Brazil on 23 April 2012. This debenture, amounting to Brazilian Reals 450,000 thousand (equivalent to Euros

166,902 thousand at 31 December 2012), was placed by Banco Bradesco BBI, S.A., Banco Itaú BBA, S.A. and Banco Santander.

The interest rate is pegged to the Brazilian Interbank Deposit Rate (CDI) plus a spread of 2.3%.

It will be repaid over a five-year period in half-yearly instalments as follows:

Repayment date	Thousands of Euros	
	Amount	Principal outstanding
7 March 2013	18,545	148,357
7 September 2013	9,272	139,085
7 March 2014	9,272	129,813
7 September 2014	9,272	120,540
7 March 2015	9,272	111,268
7 September 2015	27,817	83,451
7 March 2016	27,817	55,634
7 September 2016	27,817	27,817
7 March 2017	27,817	—

Syndicated loan

In August 2010 Prosegur arranged a five-year syndicated loan of Euros 400,000 thousand. The loan is earmarked for general corporate requirements and to repay the 2006 syndicated loan on maturity (25 July 2011).

The loan was divided into two tranches: a tranche in the form of a Euros 150,000 thousand loan, with half-yearly repayments, and a second tranche in the form of a Euros 250,000 thousand credit facility. The loan falls due in August 2015.

The terms of this loan stipulate that the interest rate is indexed to the Euribor plus a spread that varies depending on the following ratio:

Net financial debt/EBITDA	Annual margin
2.75 or above	2.60%
Between 2 and 2.75	2.20%
Between 1.5 and 2	1.90%
Less than 1.5	1.70%

As Prosegur's net financial debt/EBITDA ratio is currently equal to or higher than 1.5 but less than 2, the interest rate is Euribor plus 1.90%. The contract stipulates that Prosegur may settle interest on a monthly, quarterly or half-yearly basis.

At 31 December 2012, Prosegur has drawn down Euros 150,000 thousand from the loan tranche (Euros 150,000 thousand in 2011) and Euros 250,000 thousand from the credit facility tranche (Euros 240,000 thousand in 2011).

The contract states that the instalments of the loan tranche should be paid at the following dates:

Repayment date	Thousands of Euros	
	Amount	Principal outstanding
4 February 2013	25,000	125,000
4 August 2013	25,000	100,000
4 February 2014	25,000	75,000
4 August 2014	25,000	50,000
4 February 2015	25,000	25,000
4 August 2015	25,000	—

This loan is secured by collateral from Prosegur's main subsidiaries in Spain, France, Portugal, Argentina and Brazil.

The covenant ratios stipulated in the contract, which were met in both 2012 and 2011, are as follows:

- The net financial debt/EBITDA ratio should be less than or equal to 3.
- The EBITDA/finance cost ratio should be higher than 5.

In February 2012 Prosegur arranged a new three-year syndicated financing facility of Euros 200,000 thousand to finance the acquisition of security sector companies. At 31 December 2012, Prosegur has drawn down Euros 100,000 thousand from the loan tranche of the syndicated loan arranged in 2012. The interest rate is pegged to the Euribor plus a spread of 2.6%.

Finance lease payables

Details of minimum payments under finance leases are as follows:

	Thousands of Euros	
	2012	2011
Less than 1 year	7,103	5,913
1 to 5 years	14,647	5,875
Over 5 years	2,811	—
	24,561	11,788

The main assets acquired under finance leases are armoured vehicles and cash processing machines.

Other payables

Other payables mainly relate to business combinations formed in both the present year and prior years (see Note 28). Details of other payables are as follows:

	Thousands of Euros	
	2012	2011
Non-current		
Contingent and deferred payments for acquisitions	117,944	23,299
Other	3,701	6,146
	121,645	29,445
Current		
Contingent and deferred payments for acquisitions	79,167	56,393
Securitisation programme payables	16,625	27,271
Other	5,054	3,782
	100,846	87,446

The deferred and contingent payments relating to acquisitions are as follows:

Expressed in thousands	Currency	2012		2011	
		Non-current	Current	Non-current	Current
Fiel Vigilancia e Transp. Valores	Brazilian Real	2,438	812	3,384	19,881
Prosec Pte. Ltd.	Singapore Dollar	1,072	1,341	1,759	850
Distribuidora Federal, S.A.C.	Peruvian Nuevo Sol	14	1,215	957	1,113
Securlog GmbH	Euro	5,500	—	5,500	2,000
Grupo Segura	Uruguayan Peso	2,733	2,732	—	—
Grupo Nordeste y Transbank	Brazilian Real	97,764	38,063	—	—
Roytronic, S.A.	Uruguayan Peso	490	736	—	—
Servin Seguridad, S.A.	Argentine Peso	3,213	3,213	—	—
Segmatic	Chilean Peso	—	—	—	1,294
Setha Industria Eletrônica Ltda	Brazilian Real	—	—	—	2,130
Prover Electronica, Ltda.	Brazilian Real	570	724	1,126	647
Inversiones BIV, S.A. y filial	Colombian Peso	1,690	672	1,783	1,560
Vimarco Servicios Generales	Colombian Peso	—	78	78	78
Grupo Seguridad Vigilada	Euro	—	650	707	800
Grupo Integra - Colombia	Colombian Peso	—	5,875	4,384	4,642
Imperial Dragon Security Ltd	Hong Kong Dollar	550	4,297	—	—
Aaxis Security Management Pte. Ltd.	Singapore Dollar	—	36	29	504

Expressed in thousands

	Currency	2012		2011	
		Non-current	Current	Non-current	Current
Nautiland S.A. (Punta Systems)	Uruguayan Peso	73	684	602	210
Norsegel	Brazilian Real	1,384	1,383	1,736	2,175
Genper, S.A.	Uruguayan Peso	58	382	234	134
GSM Telecom, S.A.	Uruguayan Peso	54	22	70	40
Martom Segurança Eletrônica Ltda.	Brazilian Real	334	690	—	1,855
General Industries Argentina, S.A.	Argentine Peso	7	47	—	781
Tellex, S.A.	Argentine Peso	—	1,051	950	1,034
Preserv y Transpev	Brazilian Real	—	12,170	—	14,665
Grupo GRP	Euro	—	275	—	—
T.C. Interplata, S.A.	Argentine Peso	—	2,019	—	—
		117,944	79,167	23,299	56,393

As explained in Note 17, at 31 December 2012 Prosegur has contracted securitisation and factoring programmes for part of its customer portfolio, whereby receivables are sold without recourse. Securitisation programme payables, which amount to Euros 16,625 thousand (Euros 27,271 thousand in 2011) include amounts payable because they were collected on invoices that were sold.

23. Trade and Other Payables

Details of trade and other payables are as follows:

	Thousands of Euros	
	2012	2011
Trade payables	157,868	143,371
Accrued personnel expenses	238,470	196,214
Social Security and other taxes	192,023	147,255
Other payables	71,627	56,600
	659,988	543,440

Accrued personnel costs

Prosegur's remuneration policy for indirect personnel includes a variable component determined through specifically designed incentive programmes, which aim to recognise and reward Prosegur employees' contribution to its success by achieving or surpassing targets and developing the necessary skills for

excellence in their duties and responsibilities. The incentive programme directly links variable remuneration to the achievement of targets established by Prosegur management or the employee's direct superior over a given time.

Accruals with personnel include Euros 17,353 thousand relating to the incentive programme (Euros 20,400 thousand in 2011). The cost recognised under employee benefits expense in the income statement in relation to this policy amounts to Euros 46,684 thousand (Euros 36,112 thousand in 2011).

The employee benefits expense also includes salaries payable and accrued extra salary payments.

At 31 December 2012, no incentives for Prosegur's executive directors or management under the 2011 or 2014 Plans fall due in the short term (see Note 34.17).

Late payments to suppliers. "Reporting Requirement", third additional provision of Law 15/2010 of 5 July 2010

Information on late payments to suppliers by Spanish consolidated companies is as follows:

	2012		2011	
	Thousands of Euros	%	Thousands of Euros	%
Within maximum legal payment term	178,355	91%	177,014	97%
Other	16,596	9%	6,270	17%
Total payments for the year	194,951	100%	183,284	100%
Weighted average late payment days	113		109	
Late payments for which the maximum legal payment term has been exceeded at the reporting date	4,671		1,884	

24. Other current liabilities

Details of this item are as follows:

	Thousands of Euros	
	2012	2011
Revenues received in advance	18,681	25,569
Other expenses	2,526	2,443
	21,207	28,012

Revenue received in advance includes deferred alarm system rental revenues due to be taken to income in the short term, which amount to Euros 6,084 thousand (Euros 7,567 thousand in 2011). Amounts due to be taken to income in the long term are recognised under provisions for liabilities and charges (see Note 21).

Revenue received in advance also reflects the gross amount of Euros 8,338 thousand payable to construction contract customers where the progress billings invoiced exceed the costs plus recognised profit (Euros 6,128 thousand in 2011). Details of the receivable from customers recognised in cases where the costs incurred plus recognised profit exceed the progress billings invoiced are provided in Note 16.

25. Taxation

Prosegur Compañía de Seguridad, S.A. is the parent of a group that files consolidated income tax returns in Spain. As well as Prosegur Compañía de Seguridad, S.A., as the parent, this consolidated tax group comprises the Spanish subsidiaries that meet the requirements set out in regulations governing consolidated taxation.

Certain companies in France, all directly or indirectly owned by Prosegur, file consolidated tax returns under the "Intégration Fiscale" scheme under French law.

The rest of Prosegur's subsidiaries file tax returns in accordance with tax legislation in force in the countries in which they operate.

Details of the income tax expense, distinguishing between current tax and deferred tax, are as follows:

	Thousands of Euros	
	2012	2011
Current tax	92,153	82,824
Deferred tax	(12,896)	2,478
	79,257	85,302

The main items making up the current tax expense are as follows:

	Thousands of Euros	
	2012	2011
Present year	89,626	78,201
Prior year adjustments	(1,600)	2,462
Previously unrecognised tax credits	—	2,161
Loss without recognised deferred tax	4,127	—
	92,153	82,824

The main items making up the deferred tax expense are as follows:

	Thousands of Euros	
	2012	2011
Deductions	(3,422)	—
Source and reversal of temporary differences	(14,411)	2,872
Tax losses	(11,049)	(11,619)
Investments	3,527	9,416
Goodwill for tax purposes	7,581	(2,266)
Other	4,878	4,075
	(12,896)	2,478

The calculation of the income tax expense, based on pre-tax profit for the year, is as follows:

	Thousands of Euros	
	2012	2011
Profit before income tax	250,824	252,346
Tax rate	30%	30%
Result of applying tax rate to profit	75,247	75,704
Permanent differences	9,606	12,981
Effect of application of different tax rates	3,425	233
Adjustment of deferred taxes from prior years	(4,795)	(879)
Adjustment to taxes from prior years	(1,599)	2,463
Loss without deferred tax	4,127	2,161
Previously unrecognised deductions applied	(6,796)	(11,180)
Differences due to investments in Spain	-	3,190
Adjustment of unused tax loss carryforwards	(735)	(88)
Other	777	717
Income tax expense	79,257	85,302

The effective average tax rate in 2012 is 31.60% (33.8% in 2011).

The composition of deferred tax assets and liabilities and movement during the year are as follows:

Deferred tax assets

Thousands of Euros	1 January 2011	Recognised in profit and loss	Business combinations	Recognised in equity	Translation differences	Balance at 31 December 2011	Recognised in profit and loss	Business combinations	Recognised in equity	Transfers	Translation differences	Balance at 31 December 2012
Amortisation and depreciation	1,196	2,221	132	–	(11)	3,538	3,096	–	–	–	20	6,654
Deferred alarm costs	3,245	(638)	–	–	(47)	2,560	(101)	–	–	–	(98)	2,361
Provision differences	41,402	1,065	–	–	(1,784)	40,683	5,002	19,036	–	–	(4,647)	60,074
Tax losses	4,667	11,617	–	–	(74)	16,210	11,049	–	–	7,296	(1,132)	33,423
Tax deductions	-	-	–	–	–	–	3,422	–	–	898	–	4,320
Overtime ruling	18,565	(6,888)	–	–	–	11,677	(5,316)	–	–	–	-	6,361
Goodwill for tax purposes	25,006	982	1,840	-	(1,888)	25,940	(6,636)	77,219	–	–	(13,776)	82,747
Other	6,586	(525)	–	–	–	6,061	96	–	741	–	(736)	6,162
	100,667	7,834	1,972	–	(3,804)	106,669	10,612	96,255	741	8,194	(20,369)	202,102

Deferred tax liabilities

Thousands of Euros	1 January 2011	Recognised in profit and loss	Business combinations	Recognised in equity	Translation differences	Balance at 31 December 2011	Recognised in profit and loss	Business combinations	Recognised in equity	Transfers	Translation differences	Balance at 31 December 2012
Amortisation and depreciation	(15,451)	246	(3,441)	–	145	(18,501)	11,497	(94,857)	–	–	12,966	(88,895)
Goodwill for tax purposes	(33,092)	1,284	–	–	(181)	(31,989)	(945)	–	–	–	(45)	(32,979)
Investments	(6,382)	(9,416)	–	–	289	(15,509)	(3,527)	–	–	–	1,725	(17,311)
Deferred alarm costs	(145)	442	–	–	14	311	(1,480)	–	–	–	(21)	(1,190)
Deferred gains on sale of assets	(412)	–	–	–	–	(412)	-	–	–	–	–	(412)
Revaluation of assets	(10,874)	679	–	–	(24)	(10,219)	132	–	–	–	–	(10,087)
Other	(4,845)	(3,547)	–	–	1,743	(6,649)	(3,393)	(2,368)	–	7,468	1,403	(3,539)
	(71,201)	(10,312)	(3,441)	–	1,986	(82,968)	2,284	(97,225)	–	7,468	16,028	(154,413)

Details of total current and deferred income tax in relation to items recognised directly in other comprehensive income during the year are as follows:

Thousands of Euros	2012		2011	
	Current	Deferred	Current	Deferred
Actuarial gains and losses	—	741	—	—
	—	741	—	—

Details of deferred tax assets and liabilities that are expected to be realised or reversed in periods exceeding 12 months, are as follows:

	Thousands of Euros	
	2012	2011
Deductions	4,320	—
Source and reversal of temporary differences	77,010	58,451
Tax losses	31,776	16,210
Goodwill for tax purposes	65,202	25,940
Other	6,162	6,061
	184,470	106,662
Deferred tax liabilities	(137,163)	(79,858)
	47,307	26,804

Pursuant to tax legislation in force, for 2012 and 2013 the Group companies' tax loss carryforwards may only be offset up to a maximum of 25% of taxable income prior to offset. For these same periods goodwill may only be amortised up to one hundredth of its amount per year. Furthermore, for 2013 and 2014 property, plant and equipment, intangible assets and investment property may only be depreciated or amortised up to 70% of the assets' depreciation/amortisation for accounting purposes.

No deferred tax liabilities have been recognised in respect of withholdings and other taxes payable on profits not transferred by subsidiaries abroad, with the exception of some Latin American subsidiaries as these amounts are continually reinvested and, in any case, Prosegur has control over these companies' dividend distribution policies.

Deferred tax assets in respect of tax loss carryforwards are recognised provided that it is probable that sufficient taxable income will be available against which to offset the asset.

Details of tax loss carryforwards and the years until which they can be offset are as follows:

Year	Thousands of Euros		
	Total	Not capitalised	Capitalised
2012	—	—	—
2013	251	—	251
2014	3,940	—	3,940
Subsequent years or no time limit	145,691	40,723	104,968
	149,882	40,723	109,159

Capitalised tax losses are those for which a deferred tax asset has been recognised. These losses originated in Spain, Argentina, Chile, Portugal and Uruguay. The budgets approved by management in these countries foresee the generation of future taxable income against which to apply the deferred tax assets.

In 2011 the taxation authorities commenced an inspection of all applicable taxes for 2006 and 2007, as well as 2005 in the case of income tax. At the 2011 year end, VAT and personal income tax assessments had been signed, whilst the corporate income tax assessment was signed in 2012.

The other Group companies are subject to the local jurisdictions in the countries in which they operate. In the majority of these countries, the earliest year for which taxes are open for inspection is 2007.

Due to the treatment permitted by fiscal legislation of certain transactions, additional tax liabilities could arise in the event of inspection. 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.

In 2012 the following corporate restructuring operations were carried out under the neutral tax regime:

- In Brazil:
 - Merger and absorption of the following companies into Prosegur Brasil Transportadora de Valores e Segurança:
 - Fiel Vigilancia e transporte de valores Ltda
 - Transbank Segurança e Transporte de Valores Ltda
 - Nordeste Segurança de Valores Paraíba
 - Nordeste Segurança de Valores Alagoas
 - Nordeste Segurança de Valores Rio Grande do Norte
 - Nordeste Segurança de Valores Ceara
 - Nordeste Segurança de Valores Bahia
 - Nordeste Transporte de Valores (Pernambuco)
 - Nordeste Segurança de Valores Sergipe
 - Merger of Prover Eletro Eletronica Ltda and Setha Industria Eletronica Ltda

- Merger of Martom Seguranca Electronica Ltda and Prosegur Tecnologia em Sistemas de Seg Elet e Incendios Ltda
- In Singapore: Merger and absorption of Safeway Services Pte Ltd into Aaxis Security Management Pte Ltd
- In France: Merger and absorption of Valtis Rhône Alpes SAS into Prosegur Traitement de Valeurs EURL
- In Spain, the property holding and management line of activity was spun off from Prosegur Compañía de Seguridad S.A. and transferred to Prosegur Gestión de Activos.

26. Contingencies

Prosegur 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.

Guarantees provided by Prosegur to third parties are as follows:

	Thousands of Euros	
	2012	2011
Commercial guarantees	85,357	72,047
Financial guarantees	110,701	117,234
	196,058	189,281

Commercial guarantees include those given to customers. Financial guarantees essentially include those relating to litigation in process. Prosegur has deposited guarantees to secure future payments by the business combinations formed during the year or in prior years, with a balance of Euros 160 thousand at the end of 2012 (Euros 160 thousand in 2011).

In 2008, Prosegur enforced guarantees of Euros 9.469 thousand relating to funds retained on deposit by a customer in Brazil, which are recognised under other receivables. In 2012, the Federal Court for the corresponding region in southern Brazil handed down a ruling in favour of Prosegur, ordering the funds to be returned. At the 2012 year end Prosegur had initiated proceedings to apply for the funds to be legally released when a firm ruling is handed down.

See also the comments relating to provisions in Note 21 and other current liabilities in Note 24.

Liquidation of subsidiaries in France

In April 2005 the accounts of Bac Sécurité, Force Gardiennage, and Sécurité Européenne de L'Espace Industriel (SEEI) were deposited with the Versailles Court of Commerce and since that date these companies have been in receivership. The liquidation of these companies was completed in 2008 and they are currently being wound up. The directors do not expect significant liabilities to arise from this process.

27. Commitments

Purchase commitments for property, plant and equipment and intangible assets

Investments committed but not made at year end are as follows:

	Thousands of Euros	
	2012	2011
Property, plant and equipment	14,738	20,089
Other intangible assets	2,774	709
	17,512	20,798

Property, plant and equipment includes commitments to purchase land, buildings and installations. At 31 December 2012 Prosegur had commitments relating to construction and to purchase land totalling Euros 9,500 thousand, mainly in Peru, Argentina and Portugal. Other intangible assets include computer software packages currently under development.

Operating lease commitments

Prosegur rents various premises, offices, industrial bays, warehouses and vehicles under non-cancellable operating leases.

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

At 31 December 2012

Type	Thousands of Euros		
	Less than 1 year	1 to 5 years	Over 5 years
Buildings	8,695	33,444	25,900
Vehicles	16,191	24,051	248
Information technology equipment	75	130	—
Other assets	348	241	—
	25,309	57,866	26,148

At 31 December 2011

Type	Thousands of Euros		
	Less than 1 year	1 to 5 years	Over 5 years
Buildings	11,093	46,352	24,866
Vehicles	15,380	19,171	308
Information technology equipment	578	16	—
Other assets	970	2,539	—
	28,021	68,078	25,174

The main operating leases on properties are as follows:

- Lease contract between the parent, Prosegur Compañía de Seguridad, S.A. and Proactinmo, S.L. for the building located at Calle Santa Sabina, 8 in Madrid. A total expense of Euros 1,256 thousand was incurred in relation to this contract in 2012 (Euros 1,267 thousand in 2011) (see Note 31).
- Operating leases held by Prosegur Brasil, S.A. for the use of operating bases in Rio de Janeiro and Sao Paulo. The total expense for this lease in 2012 amounts to Euros 1,923 thousand (Euros 1,749 thousand in 2011).
- Lease held by Prosegur Companhia de Segurança, Ltda. for the office building located at Avenida Berna, 54 in Lisbon. The total expense for this lease in 2012 amounts to Euros 170 thousand (Euros 189 thousand in 2011).

Operating leases on vehicles have an average duration of four years.

The expense taken to the consolidated income statement for 2012 in relation to operating leases amounts to Euros 93,724 thousand (Euros 61,382 thousand in 2011). There are no contingent rents in relation to operating leases.

Prosegur also lets installations to other parties under cancellable operating leases as part of its alarm system hire activity. Customers may cancel these contracts by giving notice, which terminates the agreement with immediate effect. The uncertainty regarding these cancellation periods does not allow the total future collections from these operating leases to be reliably estimated.

28. Business combinations

Details of changes in goodwill are presented in Note 12.

1. Goodwill included in 2012

Details of the net assets acquired and goodwill recognised on business combinations during the year are as follows:

Thousands of Euros	Segment allocated	Cash payment	Deferred amount at fair value	Total purchase price	Fair value of identifiable net assets acquired	Goodwill
Subsidiaries						
Grupo Segura ¹	LatAm	5,417	5,020	10,437	59	10,378
Grupo Nordeste y Transbank	LatAm	41,345	168,506	209,851	95,187	114,664
T.C. Interplata, S.A. ¹	LatAm	8,813	2,243	11,056	1,081	9,975
Servin Seguridad, S.A. ¹	LatAm	10,721	7,148	17,869	(2,595)	20,464
Roytronic, S.A. ¹	LatAm	2,193	2,238	4,431	(281)	4,712
Grupo GRP ¹	Europa	12,898	275	13,173	271	12,902
Grupo Mercurio de Transportes, S.A. C.V. ¹	LatAm	383	96	479	478	1
Business combinations						
Imperial Dragon Security Ltd ¹	Asia	3,563	7,042	10,605	3,866	6,739
SIS Cash Services Private Ltd ¹	Asia	10,218	—	10,218	5,612	4,606
		95,551	192,568	288,119	103,678	184,441

¹Calculations relating to business combinations are provisional and may be adjusted for up to a year from the acquisition date.

The goodwill expected to be tax deductible relates to the acquisition of the Nordeste and Transbank group and totals Euros 156,887 thousand.

Deferred payments include contingent consideration. Details of the main characteristics of the consideration in each business combination are provided below. Prosegur has estimated the fair value of contingent consideration by weighting all outcomes by their associated probabilities. Subject to the overall outcome of these probabilities, the estimated fair value of the contingent consideration could increase or decrease by a maximum of Euros 271 thousand and Euros 135 thousand, respectively. There have been no significant changes in most contingent consideration at the 2012 year end.

Had the businesses purchased in 2012 been acquired on 1 January 2012, consolidated revenues for that year would have been Euros 96,530 thousand higher and consolidated net profit for the year Euros 830 thousand lower.

The cash outflow incurred to purchase these businesses, net of cash acquired, is as follows:

Thousands of Euros	Country	Cash payment	Cash and cash equivalents acquired	Cash outflow for the acquisition
Grupo Segura	Uruguay	5,417	(661)	4,756
Grupo Nordeste y Transbank	Brazil	41,345	(13,918)	27,427
T.C. Interplata, S.A.	Argentina	8,813	(497)	8,316
Servin Seguridad, S.A.	Argentina	10,721	(783)	9,938
Roytronic, S.A.	Uruguay	2,193	(1)	2,192
Grupo GRP	France	12,898	(4,841)	8,057
Grupo Mercurio de Transportes, S.A. C.V.	Mexico	383	(10)	373
Imperial Dragon Security Ltd	China	3,563	(972)	2,591
SIS Cash Services Private Ltd	India	10,218	(5,153)	5,065
		95,551	(26,836)	68,715

Goodwill of subsidiaries

Segura group

On 24 February 2012 Prosegur acquired 100% of Coral Melody, S.A. and Tecnofren, S.A., companies located in Uruguay and specialised in manned guarding and home alarms activities. The total purchase price was Uruguayan Pesos 270,628 thousand (equivalent to Euros 10,437 thousand at the acquisition date), comprising a cash payment of Uruguayan Pesos 140,459 thousand (equivalent to Euros 5,417 thousand at the acquisition date), contingent consideration of Uruguayan Pesos 123,168 thousand (equivalent to Euros 4,750 thousand at the acquisition date), which falls due in 2013 and 2014, and a further Uruguayan Pesos 7,000 thousand (equivalent to Euros 270 thousand at the acquisition date) deferred to secure any possible liabilities, payable in three instalments between 2015 and 2017. The contracts also stipulate that interest will be accrued until the payment date.

The contingent consideration is linked to certain debt and working capital ratios.

The acquiree was added to the consolidated group on 24 February 2012. It contributed revenues of Euros 6,266 thousand and profit for the year of Euros 384 thousand to the consolidated income statement for 2012. Had the business been acquired on 1 January 2012, consolidated revenues would have been Euros 2,877 thousand higher and consolidated net profit for the year Euros 55 thousand higher.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	661	661
Property, plant and equipment	154	154
Trade and other receivables	656	656
Financial debt	(10)	(10)
Other intangible assets	177	177
Other assets and liabilities	(1,579)	(1,579)
Identifiable net assets acquired	59	59

The goodwill on this acquisition was allocated to the LatAm segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition.

Nordeste Group and Transbank

On 7 March 2012 Prosegur acquired 100% of the following Brazilian companies:

- Nordeste Segurança de Valores Paraíba Ltda.
- Nordeste Segurança de Valores Alagoas Ltda.
- Nordeste Segurança de Valores Rio Grande do Norte Ltda.
- Nordeste Segurança de Valores Ceará Ltda.
- Nordeste Segurança de Valores Bahia Ltda.
- Nordeste Transporte de Valores Ltda.
- Nordeste Segurança de Valores Sergipe Ltda.
- Nordeste Segurança e Transporte de Valores Piauí Ltda.
- Transbank Segurança e Transporte de Valores Ltda.
- Digipro Processamento de Documentos e Valores Ltda.
- Nordeste Segurança Eletrônica Ltda.

These companies provide cash in transit and cash management and home technology services. The total purchase price was Brazilian Reals 482,171 thousand (equivalent to Euros 209,851 thousand at the acquisition date), comprising a cash payment of Brazilian Reals 95,000 thousand (equivalent to Euros 41,345 thousand at the acquisition date), a number of deferred payments totalling Brazilian Reals 181,671 thousand (equivalent to Euros 79,068 thousand at the acquisition date) falling due between 2012 and 2017, and a further Brazilian Reals 90,000 thousand (equivalent to Euros 39,170 thousand at the acquisition date) deferred to secure any possible liabilities, payable in five instalments between 2013 and 2017. Contingent consideration has also been agreed. The best estimate of this amount at 31 December 2012 is Brazilian Reals 115,500 thousand (equivalent to Euros 50,268 thousand at the acquisition date). The contract stipulates that interest will be accrued until the payment date.

The contingent consideration comprises a fixed payment linked to EBITDA (earnings before interest, tax, depreciation and amortisation) for 2011 and is payable in instalments between 2013 and 2017.

The acquiree was added to the consolidated group on 7 March 2012. It contributed revenues of Euros 325,067 thousand and profit for the year of Euros 14,452 thousand to the consolidated income statement for 2012. Had the business been acquired on 1 January 2012, consolidated revenues would have been Euros 68,854 thousand higher and consolidated net profit for the year Euros 4,622 thousand higher.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	13,918	13,918
Property, plant and equipment	28,854	28,854
Other non-current assets	16,368	16,368
Trade and other receivables	25,799	25,799
Non-current liabilities	(101,769)	(101,769)
Financial debt	(77,377)	(77,377)
Other intangible assets	774	239,459
Other assets and liabilities	(37,955)	(37,955)
Deferred tax liabilities	—	(12,110)
Identifiable net assets acquired	(131,388)	95,187

The goodwill on this acquisition was allocated to the LatAm segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition. The intangible assets acquired comprise customer relationships (Euros 212,063 thousand) with a useful life of between 9 and 18 years, trademarks (Euros 20,447 thousand) with a useful life of 4 years, and other intangible assets (Euros 6,176 thousand) with a useful life of 5 years.

T.C. Interplata, S.A.

In Argentina Prosegur acquired 100% of the share capital of T.C. Interplata, S.A. on 13 April 2012. This company specialises in cash in transit and cash management. The total purchase price was Argentine Pesos 64,412 thousand (equivalent to Euros 11,056 thousand at the acquisition date), comprising a cash payment of Argentine Pesos 51,344 thousand (equivalent to Euros 8,813 thousand at the acquisition date) and a further Argentine Pesos 13,068 thousand (equivalent to Euros 2,243 thousand at the acquisition date) deferred to secure any possible liabilities initially payable in 2013, as well as interest accrued up to the date of payment.

The acquiree was added to the consolidated group on 13 April 2012. It contributed revenues of Euros 5,314 thousand and a net loss for the year of Euros 315 thousand to the consolidated income statement for 2012. Had the business been acquired on 1 January 2012, revenues of Euros 2,019 thousand and a net loss of Euros 358 thousand would have been contributed to the consolidated income statement.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	497	497
Property, plant and equipment	979	979
Other non-current assets	20	20
Trade and other receivables	1,169	1,169
Non-current liabilities	(473)	(473)
Financial debt	(410)	(410)
Other financial assets and financial liabilities	(701)	(701)
Identifiable net assets acquired	1,081	1,081

The goodwill on this acquisition was allocated to the LatAm segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition.

Servin Seguridad, S.A.

On 27 April 2012 Prosegur acquired 100% of Servin Seguridad, S.A., a company located in Argentina and specialised in the home alarms activity. The total purchase price was Argentine Pesos 103,825 thousand (equivalent to Euros 17,869 thousand at the acquisition date), comprising a cash payment of Argentine Pesos 62,295 thousand (equivalent to Euros 10,721 thousand at the acquisition date), contingent consideration of Argentine Pesos 31,148 thousand (equivalent to Euros 5,361 thousand at the acquisition date), to be settled in 2013 and 2014, and a further Argentine Pesos 10,383 thousand (equivalent to Euros 1,787 thousand at the acquisition date) deferred to secure any possible liabilities, payable in three instalments between 2015 and 2017. The contract also stipulates that interest will be accrued until the payment date.

The first deferred payment is linked to certain debt ratios.

The acquiree was added to the consolidated group on 27 April 2012. It contributed revenues of Euros 24,787 thousand and profit for the year of Euros 830 thousand to the consolidated income statement for 2012. Had the business been acquired on 1 January 2012, consolidated revenues would have been Euros 11,490 thousand higher and consolidated net profit for the year Euros 4,402 thousand lower.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	783	783
Property, plant and equipment	428	428
Other non-current assets	10	10
Trade and other receivables	10,327	10,327
Non-current liabilities	(6,338)	(6,338)
Financial debt	(1,701)	(1,701)
Other financial assets and financial liabilities	(6,104)	(6,104)
Identifiable net assets acquired	(2,595)	(2,595)

The goodwill on this acquisition was allocated to the LatAm segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition.

Roytronic, S.A.

On 20 April 2012 Prosegur acquired 100% of Roytronic, S.A., a company located in Uruguay and specialised in the home alarms and GPS vehicle tracking activities. The total purchase price was Uruguayan Pesos 115,878 thousand (equivalent to Euros 4,431 thousand at the acquisition date), comprising a cash payment of Uruguayan Pesos 57,340 thousand (equivalent to Euros 2,193 thousand at the acquisition date) and a further Uruguayan Pesos 58,538 thousand (equivalent to Euros 2,238 thousand at the acquisition date) deferred to secure any possible liabilities, payable in four instalments between 2012 and 2014, as well as interest accrued up to the date of payment, as agreed in the contract.

The acquiree was added to the consolidated group on 20 April 2012. It contributed revenues of Euros 2,024 thousand and profit for the year of Euros 107 thousand to the consolidated income statement for 2012. Had the business been acquired on 1 January 2012, consolidated revenues would have been Euros 1,043 thousand higher and it would have contributed a net loss of Euros 275 thousand.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	1	1
Property, plant and equipment	9	9
Trade and other receivables	364	364
Financial debt	(5)	(5)
Other intangible assets	9	9
Other financial assets and financial liabilities	(659)	(659)
Identifiable net assets acquired	(281)	(281)

The goodwill on this acquisition was allocated to the LatAm segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition.

Grupo GRP

On 10 May 2012 Prosegur acquired 100% of the French company GRP Holding, S.A.R.L. and its subsidiaries:

- GRP Security, S.R.L.
- GRP Saphir, S.A.S.
- GRP Rubis, S.A.S.
- GRP Jade, S.A.S.
- GRP Opale, S.A.S.
- GRP Service, S.A.S.

These companies specialise in manned guarding, access control and remote alarm management services. The total purchase price was Euros 13,173 thousand, comprising a cash payment of Euros 12,898 thousand and contingent consideration of Euros 275 thousand linked to compliance with an agreement with employees.

The acquiree was added to the consolidated group on 10 May 2012. It contributed revenues of Euros 20,734 thousand and profit for the year of Euros 317 thousand to the consolidated income statement for 2012. Had the business been acquired on 1 January 2012, consolidated revenues would have been Euros 10,245 thousand higher and it would have contributed a net loss of Euros 471 thousand.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	4,841	4,841
Property, plant and equipment	396	396
Other non-current assets	608	608
Trade and other receivables	1,743	1,743
Non-current liabilities	(635)	(635)
Financial debt	(3,495)	(3,495)
Other financial assets and financial liabilities	(3,187)	(3,187)
Identifiable net assets acquired	271	271

The goodwill on this acquisition was allocated to the Europe segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition.

Grupo Mercurio de Transportes, S.A. de C.V.

In Mexico, on 17 July 2012, Prosegur acquired 80% of the share capital of Grupo Mercurio de Transportes S.A. de C.V., a company specialising in cash in transit and cash management. The total purchase price was Mexican Pesos 7,824 thousand (equivalent to Euros 479 thousand at the acquisition date), comprising a cash payment of Mexican Pesos 6,259 thousand (equivalent to Euros 383 thousand at the acquisition date) and a deferred amount of Mexican Pesos 1,565 thousand (equivalent to Euros 96 thousand at the acquisition date), as well as interest accrued up to the date of payment, as agreed in the contract.

The acquiree was added to the consolidated group on 17 July 2012. It contributed revenues of Euros 2,215 thousand and profit for the year of Euros 363 thousand to the consolidated income statement for 2012. Had the business been acquired on 1 January 2012, consolidated revenues for 2012 would have been Euros 6,712 thousand higher.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	10	10
Property, plant and equipment	4,462	4,462
Other non-current assets	115	115
Trade and other receivables	4,911	4,911
Non-current liabilities	(19)	(19)
Financial debt	(5,935)	(5,935)
Other intangible assets	9	9
Other financial assets and financial liabilities	(3,075)	(3,075)
Identifiable net assets acquired	478	478

The goodwill on this acquisition was allocated to the LatAm segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition.

Goodwill of joint ventures**Imperial Dragon Security Ltd**

In China, Prosegur acquired 45% of Shanghai Weldon Security Equipment Co Ltd, a security company, in July 2012. This 45% interest was acquired through the subscription of a share capital increase totalling Chinese Renminbi 45,513 thousand (equivalent to Euros 5,688 thousand at the acquisition date). The subscription of these shares has entailed a partial payment of Chinese Renminbi 9,513 thousand

(equivalent to Euros 1,189 thousand at the acquisition date). Moreover, this business combination also included the acquisition of the investment vehicle Imperial Dragon Security Ltd, which holds interests in various Chinese companies, for a purchase price of Chinese Renminbi 39,344 thousand (equivalent to Euros 4,917 thousand at the acquisition date), comprising a cash payment of Chinese Renminbi 19,000 thousand (equivalent to Euros 2,375 thousand at the acquisition date) and a deferred payment of Chinese Renminbi 21,000 thousand (equivalent to Euros 2,624 thousand at the acquisition date) payable in 2012 and 2014.

The acquiree was added to the consolidated group on 1 July 2012. It contributed revenues of Euros 5,251 thousand and profit for the year of Euros 104 thousand to the consolidated income statement for 2012. Had the business been acquired on 1 January 2012, consolidated revenues would have been Euros 4,287 thousand higher and consolidated net profit for the year Euros 457 thousand higher.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	972	972
Property, plant and equipment	38	38
Trade and other receivables	4,037	4,037
Other financial assets and financial liabilities	(1,181)	(1,181)
Identifiable net assets acquired	3,866	3,866

The goodwill on this acquisition was allocated to the Asia segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition.

SIS Cash Services Private Ltd

On 9 February 2012 Prosegur acquired 49% of SIS Cash Services Private Ltd in India. This company specialises in cash in transit and cash management. This 49% interest was acquired through the subscription of a fully paid-in share capital increase totalling Indian Rupees 642,268 thousand (equivalent to Euros 10,218 thousand at the acquisition date).

The acquiree was added to the consolidated group on 9 February 2012. It contributed revenues of Euros 4,144 thousand and profit for the year of Euros 268 thousand to the consolidated income statement for 2012. Had the business been acquired on 1 January 2012, consolidated revenues for 2012 would have been Euros 331 thousand higher.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	5,153	5,153
Property, plant and equipment	1,369	1,369
Trade and other receivables	2,281	2,281
Financial debt	(1,311)	(1,311)
Other financial assets and financial liabilities	(1,880)	(1,880)
Identifiable net assets acquired	5,612	5,612

The goodwill on this acquisition was allocated to the Asia segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition.

2. Goodwill generated in 2011 with measurement completed in 2012

Details of the net assets acquired and goodwill recognised on business combinations during 2011 for which measurement was completed in 2012 are as follows:

Thousands of Euros	Segment allocated	Cash payment	Deferred amount at fair value	Total purchase price	Fair value of identifiable net assets	Goodwill
Distribuidora Federal, S.A.C.	LatAm	3,164	1,539	4,703	1,340	3,363
Grupo Seguridad Vigilada	Europa	2,400	1,117	3,517	935	2,582
Inversiones BIV, S.A. y filial	LatAm	12,970	3,924	16,894	6,920	9,974
Vimarco Servicios Generales	LatAm	1,397	155	1,552	704	848
Prover Electronica, Ltda.	LatAm	1,157	1,089	2,246	1,740	506
Sazias, S.A.	Europe	11,613	2,500	14,113	3,800	10,313
Grupo Integra - Colombia	LatAm	10,905	8,503	19,408	6,887	12,521
Fiel Vigilancia e Transp. Valores	LatAm	2,115	20,081	22,196	15,207	6,989
Axis Security Management Pte. Ltd.	Asia	4,459	533	4,992	2,415	2,577
Securlog GMBH	Europe	15,183	7,500	22,683	22,572	111
		65,363	46,941	112,304	62,520	49,784

Total goodwill of Euros 92,437 thousand was recognised on these business combinations at 31 December 2011. Differences on the completion of the fair value measurement process in 2012 mainly reflect allocations to intangible assets (see Note 13). Prosegur has not restated 2012 figures as the changes are not significant.

The goodwill expected to be tax deductible relates to the acquisition of Prover Electronica, Ltda and Fiel Vigilancia e Transporte de Valores and totals Euros 3,832 thousand.

Deferred payments include contingent consideration. Details of the main characteristics of the consideration in each business combination are provided below. Prosegur has estimated the fair value of contingent consideration outstanding at 31 December 2012 by weighting all outcomes by their associated probabilities. Subject to the overall outcome of these probabilities, the estimated fair value of the contingent consideration could increase or decrease by a maximum of Euros 1,300 thousand and Euros 650 thousand, respectively. At the 2012 year end there are no changes in most contingent consideration relating to business combinations carried out in 2011.

Had the businesses purchased in 2011 been acquired on 1 January 2011, consolidated revenues would have been Euros 246,537 thousand higher and consolidated net profit for the year Euros 9,544 thousand lower.

The cash outflow incurred to purchase these businesses, net of cash acquired, is as follows:

Thousands of Euros	Country	Cash payment	Cash and cash equivalents acquired	Cash outflow for the acquisition
Distribuidora Federal, S.A.C.	Peru	3,164	(157)	3,007
Grupo Seguridad Vigilada	Spain	2,400	(368)	2,032
Inversiones BIV, S.A. y filial	Colombia	12,970	(2,783)	10,187
Vimarco Servicios Generales	Colombia	1,397	(154)	1,243
Prover Electronica, Ltda.	Brazil	1,157	(78)	1,079
Sazias, S.A.	France	11,613	(250)	11,363
Grupo Integra - Colombia	Colombia	10,905	(1,573)	9,332
Fiel Vigilancia e Transp. Valores	Brazil	2,115	(567)	1,548
Axis Security Management Pte. Ltd.	Singapore	4,459	(657)	3,802
Securlog GMBH	Germany	15,183	(11,157)	4,026
		65,363	(17,744)	47,619

Distribuidora Federal, S.A.C.

On 30 June 2011, Prosegur acquired 100% of Distribuidora Federal S.A.C. in Peru. This company specialises in the installation and maintenance of electronic security systems and fire protection. The total purchase price was Peruvian Sols 18,769 thousand (equivalent to Euros 4,703 thousand at the acquisition date), comprising a cash payment of Peruvian Sols 12,627 thousand (equivalent to Euros 3,164 thousand at the acquisition date) and a number of deferred payments falling due in 2012 and 2013, totalling Peruvian Sols 6,142 thousand (equivalent to Euros 1,539 thousand at the acquisition date). There is a related contingent consideration agreement.

The contingent consideration comprises a fixed payment linked to EBIT (earnings before interest and tax) for 2010 and certain financial debt and working capital levels, and a variable payment linked to future EBIT generated in 2011, 2012 and 2013.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	157	157
Property, plant and equipment	109	109
Other non-current assets	47	47
Trade and other receivables	488	488
Other intangible assets	—	1,426
Other assets and liabilities	(459)	(459)
Deferred tax	—	(428)
Identifiable net assets acquired	342	1.340

The goodwill on this acquisition was allocated to the LatAm segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition. The intangible assets acquired comprise customer relationships (Euros 263 thousand) with a useful life of between 2.5 and 7.5 years, contracts with customers (Euros 54 thousand) with a useful life of 1.5 years, and other intangible assets (Euros 1,109 thousand) with a useful life of 5 years.

Seguridad Vigilada group

In Spain Prosegur acquired 95% of Seguridad Vigilada, S.A. and its related companies on 14 July 2011. These companies specialise in manned guarding, bodyguard, ATM maintenance and ancillary services. In July 2012 Prosegur exercised the option to acquire the remaining 5%. Consequently, Prosegur has considered an acquisition of 100% for this business combination. A purchase price of Euros 200 thousand was paid for this option, which has been recognised under financial liabilities. The total purchase price was Euros 3,517 thousand, comprising a cash payment of Euros 2,400 thousand and a number of deferred payments falling due in 2012 and 2013, totalling Euros 1,117 thousand.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	368	368
Property, plant and equipment	87	87
Other intangible assets	2	1,362
Other non-current assets	11	11
Trade and other receivables	421	421
Non-current liabilities	(430)	(430)
Other assets and liabilities	(476)	(476)
Deferred tax	—	(408)
Identifiable net assets acquired	(17)	935

The goodwill on this acquisition was allocated to the Europe segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition. The intangible assets acquired comprise customer relationships (Euros 1,361 thousand) with a useful life of 19 years.

Inversiones BIV, S.A.S and its subsidiary Vigilantes Marítima Comercial, Ltda.

On 2 August 2011 Prosegur acquired 99.9% of Inversiones BIV, S.A.S. and its subsidiary Vigilantes Marítima Comercial, Ltda. located in Colombia, specialising in providing manned guarding. The total purchase price was Colombian Pesos 42,828,000 thousand (equivalent to Euros 16,894 thousand at the acquisition date), comprising a cash payment of Colombian Pesos 32,881,000 thousand (equivalent to Euros 12,970 thousand at the acquisition date) and a number of deferred payments falling due over the five-year period from 2012 to 2016, totalling Colombian Pesos 9,946,886 thousand (equivalent to Euros 3,924 thousand at the acquisition date), as well as interest accrued up to the date of payment, as agreed in the contract.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	2,783	2,783
Property, plant and equipment	3,093	3,093
Trade and other receivables	8,565	8,565
Non-current liabilities	(178)	(178)
Financial debt	(3,217)	(3,217)
Other intangible assets	—	5,636
Other assets and liabilities	(7,902)	(7,902)
Deferred tax	—	(1,860)
Identifiable net assets acquired	3,144	6,920

The goodwill on this acquisition was allocated to the LatAm segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition. The intangible assets acquired comprise customer relationships (Euros 5,161 thousand) with a useful life of 10 years and trademarks (Euros 476 thousand) with a useful life of 1 year.

Vimarco Servicios Generales

On 7 September 2011 Prosegur acquired 100% of Vimarco Servicios Generales, Ltda. and Vimarco Servicios Temporales, Ltda located in Colombia. These companies specialise in providing ancillary services and temporary staff. The Group acquired this interest through the holding company Inversiones BIV,

S.A.S. The total purchase price was Colombian Pesos 4,000,000 thousand (equivalent to Euros 1,552 thousand at the acquisition date), comprising a cash payment of Colombian Pesos 3,600,000 thousand (equivalent to Euros 1,397 thousand at the acquisition date) and a further Colombian Pesos 400,000 thousand (equivalent to Euros 155 thousand at the acquisition date) deferred to secure any possible liabilities, payable in 2012 and 2013. The contract also stipulates that interest will be accrued until the payment date.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	154	154
Property, plant and equipment	91	91
Trade and other receivables	1.136	1,136
Non-current liabilities	(8)	(8)
Other intangible assets	—	215
Other assets and liabilities	(813)	(813)
Deferred tax	—	(71)
Identifiable net assets acquired	560	704

The goodwill on this acquisition was allocated to the LatAm segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition. The intangible assets acquired comprise customer relationships (Euros 171 thousand) with a useful life of between 6 and 9 years and trademarks (Euros 49 thousand) with a useful life of 1 year.

Prover Eletronica, Ltda.

On 16 September 2011 Prosegur acquired 100% of Prover Eletronica, Ltda, a company located in Brazil and specialised in electronic security systems. The total purchase price was Brazilian Reals 5,624 thousand (equivalent to Euros 2,246 thousand at the acquisition date), comprising a cash payment of Brazilian Reals 2,897 thousand (equivalent to Euros 1,157 thousand at the acquisition date), contingent consideration of Brazilian Reals 1,527 thousand (equivalent to Euros 610 thousand at the acquisition date), payable in two instalments in 2012 and 2013, and a further Brazilian Reals 1,200 thousand (equivalent to Euros 479 thousand at the acquisition date) deferred to secure any possible liabilities, payable in four instalments between 2014 and 2017. The contract also stipulates that interest will be accrued until payment falls due.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	78	78
Property, plant and equipment	292	292
Other non-current assets	22	22
Trade and other receivables	11	11
Non-current liabilities	(23)	(23)
Other intangible assets	—	653
Other assets and liabilities	296	296
Deferred tax	—	411
Identifiable net assets acquired	676	1,740

The goodwill on this acquisition was allocated to the LatAm segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition. The intangible assets acquired comprise customer relationships (Euros 295 thousand) with a useful life of 10 years, trademarks (Euros 183 thousand) with a useful life of 3 years, and other intangible assets (Euros 175 thousand) with a useful life of 5 years.

Sazias, S.A.

In France Prosegur acquired 100% of Sazias, S.A. and its subsidiaries Services Valeurs Fonds, S.A., Docks et Entrepôts Sazias, S.A. and Euroval, S.A.S. on 27 September 2011. These companies specialise in cash in transit and cash management services. The total purchase price was Euros 14,113 thousand, comprising a cash payment of Euros 11,613 thousand and a deferred payment withheld as a guarantee totalling Euros 2,500 thousand.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	250	250
Property, plant and equipment	1,374	1,374
Other intangible assets	105	6,265
Other non-current assets	327	327
Trade and other receivables	3,134	3,134
Financial debt	(833)	(833)
Other assets and liabilities	(4,666)	(4,666)
Deferred tax	—	(2,051)
Identifiable net assets acquired	(309)	3,800

The goodwill on this acquisition was allocated to the Europe segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition. The intangible assets acquired comprise customer relationships (Euros 6,020 thousand) with a useful life of 22 years and trademarks (Euros 140 thousand) with a useful life of 1 year.

Integra group

On 28 September 2011 Prosegur acquired 100% of Integra Security Systems, S.A., Servicios Integrados de Tecnología GPS de Colombia, S.A.S. and Integra Monitoreo, S.A.S., companies located in Colombia and specialised in security technology and centralised control systems. The Group acquired this interest through the holding company Beloura Investments, S.L.U. The total purchase price was Colombian Pesos 50,189,385 thousand (equivalent to Euros 19,408 thousand at the acquisition date), comprising a cash payment of Colombian Pesos 28,200,755 thousand (equivalent to Euros 10,905 thousand at the acquisition date) and contingent consideration totalling Colombian Pesos 21,988,630 thousand (equivalent to Euros 8,503 thousand at the acquisition date) payable in 2012 and 2013.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	1,573	1,178
Property, plant and equipment	138	74
Other intangible assets	195	9,339
Trade and other receivables	2,628	2,628
Non-current liabilities	(1,899)	(1,899)
Financial debt	(1,626)	(301)
Other assets and liabilities	227	(1,114)
Deferred tax	—	(3,018)
Identifiable net assets acquired	1,236	6,887

The goodwill on this acquisition was allocated to the LatAm segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition. The intangible assets acquired comprise customer relationships (Euros 8,713 thousand) with a useful life of between 12 and 14 years, contracts with customers (Euros 312 thousand) with a useful life of 2 years, and trademarks (Euros 119 thousand) with a useful life of 1 year.

Fiel Vigilancia e Transporte de Valores

In Brazil Prosegur acquired 100% of the share capital of Fiel Vigilancia e Transporte de Valores on 31 October 2011. This company provides manned guarding, cash in transit. The total purchase price was Bra-

zilian Reals 52,474 thousand (equivalent to Euros 22,196 thousand at the acquisition date), comprising a cash payment of Brazilian Reals 5,000 thousand (equivalent to Euros 2,115 thousand at the acquisition date), contingent consideration of Brazilian Reals 35,000 thousand (equivalent to Euros 14,805 thousand at the acquisition date), which falls due in 2012, and a further Brazilian Reals 12,474 thousand (equivalent to Euros 5,276 thousand at the acquisition date) deferred to secure any possible liabilities, which is payable in several instalments between 2012 and 2016 and bears interest as agreed in the contract.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	567	567
Property, plant and equipment	1,884	1,884
Trade and other receivables	2,965	2,965
Financial debt	(1,438)	(1,438)
Other intangible assets	—	15,427
Deferred tax	—	2,304
Other assets and liabilities	(6,502)	(6,502)
Identifiable net assets acquired	(2,524)	15,207

The goodwill on this acquisition was allocated to the LatAm segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition. The intangible assets acquired comprise customer relationships (Euros 12,770 thousand) with a useful life of between 5 and 13 years, trademarks (Euros 2,277 thousand) with a useful life of 3 years, and other intangible assets (Euros 380 thousand) with a useful life of 5 years.

Aexis Security Management Pte. Ltd.

On 15 December 2011 Prosegur acquired 100% of Aexis Security Management Pte. Ltd. in Singapore. This company specialises in providing security patrol services. The total purchase price was Singapore Dollars 8,393 thousand (equivalent to Euros 4,992 thousand at the acquisition date), comprising a cash payment of Singapore Dollars 7,500 thousand (equivalent to Euros 4,459 thousand at the acquisition date) and a further Singapore Dollars 893 thousand (equivalent to Euros 533 thousand at the acquisition date) deferred to secure any possible liabilities, payable in three instalments between 2012 and 2013.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	657	657
Property, plant and equipment	59	59
Trade and other receivables	1,024	1,024
Financial debt	(38)	(38)
Other intangible assets	—	1,606
Other assets and liabilities	(622)	(622)
Deferred tax	—	(271)
Identifiable net assets acquired	1,080	2,415

The goodwill on this acquisition was allocated to the Asia segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition. The intangible assets acquired comprise customer relationships (Euros 1,606 thousand) with a useful life of 11 years.

Securlog GMBH

In Germany on 29 December 2011, Prosegur acquired 100% of the share capital of Securlog GmbH, a company that provides cash in transit and cash management. The total purchase price was Euros 22,683 thousand, comprising a cash payment of Euros 15,183 thousand, contingent consideration of Euros 2,000 thousand and a further Euros 5,500 thousand deferred to secure any possible liabilities, which bears interest as agreed in the contract.

The contingent consideration is linked to certain net cash ratios.

The assets and liabilities that arose from this acquisition are as follows:

Thousands of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	11,157	11,157
Property, plant and equipment	15,271	15,271
Other intangible assets	860	1,260
Trade and other receivables	20,941	20,941
Financial debt	(5,159)	(5,159)
Other assets and liabilities	(20,778)	(20,778)
Deferred tax	—	(120)
Identifiable net assets acquired	22,292	22,572

The goodwill on this acquisition was allocated to the Europe segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition. The intangible assets acquired comprise customer relationships (Euros 400 thousand) with a useful life of 22 years.

3. Goodwill included in 2011

Details of the net assets acquired and goodwill recognised on business combinations during 2011 but not reviewed in 2012 are as follows:

Thousands of Euros	Segment allocated	Cash payment	Deferred amount at fair value	Total purchase price	Fair value of identifiable net assets	Goodwill
Prosec Pte. Ltd.	Asia	2,862	2,703	5,565	3,894	1,671
GSM Telecom, S.A.	LatAm	90	110	200	-	200
		2,952	2,813	5,765	3,894	1,871

The cash outflow incurred to purchase these businesses, net of cash acquired, is as follows:

Thousands of Euros	Country	Cash payment	Cash and cash equivalents acquired	Cash outflow for the acquisition
Prosec Pte. Ltd.	Singapore	2,862	(73)	2,789
GSM Telecom, S.A.	Uruguay	90	—	90
		2,952	(73)	2,879

Prosec Pte. Ltd.

On 18 February 2011 Prosegur acquired 100% of Prosec Pte. Ltd and its subsidiary Safeway Pte. Ltd in Singapore. These companies specialise in providing manned guarding. The total purchase price was Singapore Dollars 9,656 thousand (equivalent to Euros 5,565 thousand at the acquisition date), comprising a cash payment of Singapore Dollars 4,966 thousand (equivalent to Euros 2,862 thousand at the acquisition date) and a number of deferred payments falling due in 2012, 2013 and 2014, totalling Singapore Dollars 4,690 thousand (equivalent to Euros 2,703 thousand at the acquisition date). The contingent consideration comprises a fixed payment linked to EBIT (earnings before interest and tax) for 2010 and certain financial debt and working capital levels, and a variable payment linked to future EBIT generated in 2011, 2012 and 2013.

The assets and liabilities that arose from this acquisition are as follows:

Thousand of Euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	73	73
Property, plant and equipment	457	457
Trade and other receivables	1.247	1.247
Non-current liabilities	(141)	(141)
Financial debt	(478)	(478)
Other intangible assets	—	2.764
Other assets and liabilities	440	440
Deferred tax	—	(468)
Identifiable net assets acquired	1,598	3,894

The goodwill on this acquisition was allocated to the Asia segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition. The intangible assets acquired comprise customer relationships (Euros 2,764 thousand) and are amortised over a 10-year period.

GSM Telecom, S.A.

On 16 September 2011 Prosegur acquired 100% of GSM Telecom, S.A., a company located in Uruguay and specialised in the home alarms activity. The total purchase price was Uruguayan Pesos 5,532 thousand (equivalent to Euros 200 thousand at the acquisition date), comprising a cash payment of Uruguayan Pesos 2,490 thousand (equivalent to Euros 90 thousand at the acquisition date) and a further Uruguayan Pesos 3,043 thousand (equivalent to Euros 110 thousand at the acquisition date) deferred to secure any possible liabilities, payable in five instalments between 2012 and 2015.

The goodwill on this acquisition was allocated to the LatAm segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition.

29. Joint ventures

At 31 December 2012, Prosegur holds interests in 11 entities with stakes in the following joint ventures:

- A venture formed with the GED venture capital fund to invest in security companies in south-eastern Europe, in which Prosegur holds a 50% interest.
- An enterprise formed with Security and Intelligence Services Ltd (SIS) to provide cash in transit and cash management in India, in which Prosegur holds a stake of 49%.

- Weldon Security Equipment Ltd, a joint venture established to conduct manned guarding activities in China, in which Prosegur holds a 45% interest.

The entities making up joint ventures are detailed in Appendix III.

The amounts presented in the table below represent Prosegur's share of the joint ventures' assets, liabilities, sales and losses for the year. These amounts are included in the consolidated statement of financial position and the consolidated income statement.

	Thousands of Euros	
	2012	2011
Assets:		
Non-current assets	16,582	1,263
Current assets	11,338	1,751
	27,920	3,014
Liabilities:		
Non-current liabilities	19,742	1,269
Current liabilities	8,187	1,745
	27,929	3,014
Profit and loss:		
Income	17,406	8,388
Expenses	(17,891)	(9,440)
Loss for the year after tax	(485)	(1,052)

Prosegur has no contingent liabilities in relation to its interest in these joint ventures and the joint ventures themselves have no contingent liabilities.

30. Temporary joint ventures

The temporary joint ventures in which Prosegur participates are listed in Appendix II to these annual accounts. The amounts presented in the table below represent Prosegur's share of the temporary joint ventures' assets, liabilities, sales and losses for the year. These amounts are included in the consolidated statement of financial position and the consolidated income statement.

	Thousands of Euros	
	2012	2011
Assets:		
Non-current assets	636	282
Current assets	8,577	10,912
	9,213	11,194
Liabilities:		
Non-current liabilities	—	—
Current liabilities	9,213	11,194
	9,213	11,194
Profit and loss:		
Income	44,782	50,172
Expenses	(45,131)	(50,368)
Loss for the year after tax	(349)	(196)

Prosegur has no contingent liabilities in relation to its participation in temporary joint ventures.

31. Related parties

Prosegur is controlled by Gubel S.L., which was incorporated in Madrid and holds 50.075% of the Company's share capital. The remaining 49.925% is held by various shareholders, including Corporación Financiera Alba, S.A., through Alba Participaciones, S.A. with 10.01%, FMR LLC with 5.94% and AS Inversiones, S.L., which holds 5.32% [see Note 20].

Details of transactions with related parties are as follows:

Financing and investments

Banca March, S.A., which controls Corporación Financiera Alba, S.A., formed part of a syndicate of banks that granted a syndicated loan to Prosegur in 2006 [see Note 22]. At 31 December 2010, Banca March, S.A.'s position in this loan amounted to Euros 4,156 thousand, of which Euros 3,681 thousand had been drawn down.

Since the expiry of the 2006 syndicated loan contract on 25 July 2011, Banca March, S.A. has not been party to any financing contract with the Group.

No deposits have been placed with Banca March, S.A. in 2012. In 2011 Prosegur deposited Euros 75,000 thousand with this bank, earning total interest of Euros 669 thousand. None of these deposits were due

to mature at the 2011 year end. A current account with a balance of Euros 138 thousand is held with Banca March at 31 December 2012 (Euros 220 thousand in 2011).

Goods and services

In October 2005 Prosegur and Proactinmo S.L. (controlled by Gubel, S.L.) signed a lease contract for the building located at Calle Santa Sabina, 8 (Madrid), which is adjacent to a building owned by Prosegur at Calle Pajaritos, 24. This contract has a duration of five years, can be extended for a further five and was arranged at arm's length. A total expense of Euros 1,256 thousand was incurred in relation to this contract in 2012 (Euros 1,267 thousand in 2011).

In 2012 Prosegur has provided manned guarding, cash in transit and cash management to Banca March for Euros 3,077 thousand (Euros 2,557 thousand in 2011).

Remuneration of members of the board of directors and key management personnel

1. Remuneration of members of the board of directors

The total remuneration accrued by members of the board of directors is as follows:

	Thousands of Euros	
	2012	2011
Fixed remuneration	1,116	971
Variable remuneration	500	400
Remuneration in kind	16	16
Allowances	1,066	874
Life insurance premiums	44	37
	2,742	2,298

2. Remuneration of senior management personnel

Senior management personnel are Prosegur employees who hold, de facto or de jure, senior management positions reporting directly to the board of directors, executive committees or managing directors on the board, including those with power of attorney that relates to the entity's statutory activity and not restricted to specific areas or matters.

The total remuneration accrued by senior management personnel of Prosegur is as follows:

	Thousands of Euros	
	2012	2011
Fixed remuneration	2,683	2,830
Variable remuneration	1,095	1,024
Remuneration in kind	107	160
Life insurance premiums	18	12
	3,903	4,026

As well as the remuneration described in sections 1) and 2), under the 2011 long-term incentive plan for executive directors and management personnel (Note 34.17), in 2012 Prosegur has transferred 781,140 shares (see Note 20). No shares were awarded in 2011, while cash incentives of Euros 173 thousand were paid out.

As explained in Note 34.17, at the general meeting held on 27 June 2008, the shareholders approved the 2011 Plan of long-term incentives for executive directors and management of Prosegur. At the general meeting held on 29 May 2012, the shareholders approved the 2014 Plan, which is linked to value creation in 2012-2014. Salaries and wages recognised in 2012 include an expense of Euros 3,875 thousand in relation to the 2011 and 2014 Plans, Euros 1,615 thousand of which are cash incentives and Euros 2,261 thousand are shares.

The total commitment undertaken by Prosegur at 31 December 2012 in relation to the share-based incentives specified in the 2011 and 2014 Plans amounts to Euros 2,659 thousand and is recognised in equity (see Note 20.2).

The total commitment assumed by Prosegur in relation to the cash incentives specified in the 2014 Plan amounts to Euros 1,615 thousand at 31 December 2012 (see Note 21).

Loans to related parties

At 31 December 2012 and 2011 Prosegur has not granted any loans to related parties. Related companies were transferred to joint ventures and are proportionately consolidated.

Investments and positions held by the members of the board of directors of the Parent and their related parties in other companies

Neither the members of the board of directors nor their related parties hold any investments or positions or conduct any activities in companies with identical, similar or complementary statutory activities to that of the Company.

Information required by article 229 of the Spanish Companies Act

As required by article 229 of the Spanish Companies Act, which was introduced by Royal Decree-Law 1/2010 of 2 July 2010, the members of the board of directors declare that they have not been involved in any direct or indirect conflicts of interest with the Company in 2012.

32. Other information

The average headcount of Prosegur is as follows:

	Thousands of Euros	
	2012	2011
Operations personnel	140,049	111,361
Other	8,530	6,924
	148,579	118,285

The average headcount of operations personnel employed by proportionately consolidated subsidiaries in 2012 is 7,708 employees (2,680 in 2011).

The average headcount of personnel employed in Spain with a disability of 33% or more, by category, is as follows:

	Thousands of Euros	
	2012	2011
Operations personnel	168	167
Indirect personnel	51	30
	219	197

At year end the distribution by gender of Prosegur personnel is as follows:

	2012		2011	
	Male	Female	Male	Female
Operations personnel	126,659	18,446	101,295	15,792
Other	5,574	3,149	4,881	2,776
	132,233	21,595	106,176	18,568

The distribution by gender of the board of directors and senior management personnel of Prosegur is as follows:

	2012		2011	
	Male	Female	Male	Female
Board of directors	6	3	5	3
Senior management	16	1	17	1
	22	4	22	4

KPMG Auditores, S.L., the auditors of the annual accounts of Prosegur, have invoiced the following fees and expenses for professional services during the year:

	Thousands of Euros	
	2012	2011
KPMG Auditores, S.L., audit services	344	309
KPMG Auditores, S.L., other services	69	—
	413	309

The amounts detailed in the above table include the total fees for services rendered in 2012 and 2011, irrespective of the date of invoice.

Other KPMG Europe, LLP group companies have invoiced the Group the following fees and expenses for professional services during the year:

	Thousands of Euros	
	2012	2011
Audit services	195	—
Other assurance services	184	241
Tax advisory services	70	—
Other services	319	—
	768	241

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

	Thousands of Euros	
	2012	2011
Audit services	1,216	798
Other assurance services	—	682
Tax advisory services	202	85
Other services	180	0
	1,598	1,565

Finally, other auditors have invoiced Prosegur the following fees and expenses for professional services during the year:

	Thousands of Euros	
	2012	2011
Audit services	235	174
	235	174

33. Events after the reporting period

Through a contract signed on 20 February 2013, Prosegur has agreed to purchase 100% of the share capital of Brink's Deutschland GmbH, a German subsidiary of The Brink's Company through its holding Brink's Beteiligungsgesellschaft GmbH. This company, which provides cash in transit and cash management in Germany, has approximate turnover of Euros 47,000 thousand and around 1,000 employees. On 1 February 2013 the parties applied for the necessary approval from the Federal Cartel Office.

At the date of authorisation for issue of the annual accounts, the Group has not yet fully assessed the impact of the balance sheet revaluation permitted by Law 16/2012 of 27 December 2012, which contained several tax measures aimed at consolidating public finances and boosting economic activity. If approved by the shareholders at their annual general meeting, this balance sheet revaluation would increase the tax bases of any revalued assets.

34. Summary of the main accounting principles

The main accounting principles used in the preparation of these consolidated annual accounts are described in this section. These principles have been applied on a consistent basis throughout the reporting periods presented.

34.1. Accounting principles

a) Standards effective from 1 January 2012

The annual accounts for 2012 have been prepared using the same accounting principles as for 2011, except for the following standards and amendments adopted by the European Union and of mandatory application from 1 January 2012:

- Amendment to IAS 12 set out in Deferred Tax: Recovery of Underlying Assets (effective date 1 January 2012).
- Amendment to IFRS 1 set out in Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (effective date 1 July 2011).
- Amendment to IFRS 7 Financial Instruments set out in Disclosures – Transfers of Financial Assets (effective date 1 July 2011).

b) Standards issued but not effective on 1 January 2012 and which Prosegur expects to adopt as of 1 January 2013 or later (none have been adopted early):

- Amendments to IAS 1 set out in Presentation of Items of Other Comprehensive Income. Effective for annual periods beginning on or after 1 July 2012.
- IAS 19 Employee Benefits. Effective for annual periods beginning on or after 1 January 2013.
- IFRS 10 Consolidated Financial Statements. Effective for annual periods beginning on or after 1 January 2014.
- IFRS 11 Joint Arrangements. Effective for annual periods beginning on or after 1 January 2014.
- IFRS 12 Disclosure of Interests in Other Entities. Effective for annual periods beginning on or after 1 January 2014.
- IFRS 13 Fair Value Measurement. Effective for annual periods beginning on or after 1 January 2013.
- IAS 27 Separate Financial Statements. Effective for annual periods beginning on or after 1 January 2014.
- IAS 28 Investments in Associates and Joint Ventures. Effective for annual periods beginning on or after 1 January 2014.
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine. The interpretation applies to annual periods beginning on or after 1 January 2013.
- Amendments to IFRS 7 Financial Instruments: Disclosures set out in Disclosures – Offsetting Financial Assets and Financial Liabilities. The standard applies to annual periods beginning on or after 1 January 2013.
- Amendments to IAS 32 Financial Instruments: Presentation set out in Offsetting Financial Assets and Financial Liabilities. The standard applies to annual periods beginning on or after 1 January 2014.

At the date of authorisation of these consolidated annual accounts, Prosegur management is assessing the effect that application of these standards will have on Prosegur's financial statements, although no significant impact is expected on the consolidated annual accounts.

c) Standards or interpretations issued and pending adoption by the European Union that may affect Prosegur:

- Amendments to IFRS 1 set out in Government Loans (effective date 1 January 2013).
- Annual Improvements 2009-2011 Cycle, issued on 17 May 2012 (effective date 1 January 2013).
- Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (amendments to IFRS 10, IFRS 11 and IFRS 12 issued on 28 June 2012). Effective date 1 January 2013.

- Investment Entities (amendments to IFRS 10, IFRS 12 and IAS 27 issued on 31 October 2012). Effective date 1 January 2014.
- IFRS 9 Financial Instruments. Effective for annual periods beginning on or after 1 January 2015.

At the date of authorisation of these consolidated annual accounts, the standards and interpretations published by the International Accounting Standards Board (IASB) and pending adoption by the European Union are not expected to have a significant effect on Prosegur's consolidated annual accounts.

34.2. Consolidation principles

Subsidiaries

Subsidiaries are all entities over which Prosegur has the power to govern the financial and operating policies, which generally comes with an interest of over half of the voting rights. The effect of any potential voting rights that are currently exercisable or convertible are considered when assessing whether Prosegur exercises control over an entity.

The income, expenses and cash flows of subsidiaries are included in the consolidated annual accounts from the date on which Prosegur obtains control until the date that control ceases.

Inter-company balances and transactions and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the transferred asset.

Subsidiaries' accounting policies are changed where necessary for consistency with the principles adopted by Prosegur.

The annual accounts or financial statements of the subsidiaries used in the consolidation process have been prepared as of the same date and for the same period as those of the Parent.

Business combinations

As permitted by IFRS 1 First-time Adoption of International Financial Reporting Standards, Prosegur has recognised only business combinations that occurred on or after 1 January 2004, the date of transition to EU-IFRS, using the acquisition method. Entities acquired prior to that date were recognised in accordance with accounting principles prevailing at that time, taking into account the necessary corrections and adjustments at the transition date.

Prosegur has applied IFRS 3 Business Combinations, revised in 2008, to transactions carried out as of 1 January 2010.

Prosegur applies the acquisition method for business combinations. The acquisition date is the date on which Prosegur obtains control of the acquiree.

The consideration transferred in a business combination is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed, the equity instruments issued and any consideration contingent on future events or compliance with certain conditions in exchange for control of the acquiree.

The consideration transferred excludes any payment that does not form part of the amount exchanged for the acquiree. Acquisition costs are recognised as an expense when incurred. In business combinations acquired prior to 31 December 2009, transaction costs were recognised as an integral part of the consideration given.

Prosegur recognises the assets acquired and liabilities assumed at their acquisition-date fair value. Liabilities assumed include any contingent liabilities that represent present obligations arising from past events for which the fair value can be reliably measured. Prosegur also recognises indemnification assets transferred by the seller at the same time and using the same measurement criteria applied to the item that is subject to indemnification from the acquired business, taking into consideration, where applicable, the insolvency risk and any contractual limit on the indemnity amount.

Assets and liabilities assumed are classified and designated for subsequent measurement in accordance with the contractual terms, economic conditions, operating or accounting policies and other factors that exist at the acquisition date, except for leases and insurance contracts.

The excess of the consideration given, plus the value assigned to non-controlling interests, over the value of the net assets acquired and liabilities assumed is recognised as goodwill. Any shortfall after evaluating the consideration given and the value assigned to non-controlling interests, and after identifying and measuring the net assets acquired, is recognised in profit and loss.

If it is only possible to determine a business combination provisionally at the end of the reporting period, the identifiable net assets are initially recognised at their provisional amounts and adjustments made during the measurement period are recognised as if they had been known at that date. Comparative figures for the previous year are restated where applicable. In any event, adjustments to the provisional values only reflect information relating to facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognised at that date (see Note 28).

The potential benefit of the acquiree's income tax loss carryforwards and other deferred tax assets, which are not recognised as they did not qualify for recognition at the acquisition date, is accounted for as income tax income provided that it does not arise from a measurement period adjustment.

The contingent consideration is classified in accordance with the underlying contractual terms as a financial asset or financial liability, equity instrument or provision. Subsequent changes in the fair value of a financial asset or financial liability are recognised in consolidated profit or loss or other comprehensive income, provided that they do not arise from a measurement period adjustment. Contingent

consideration classified as equity is not remeasured, and subsequent settlement is accounted for in equity. Contingent consideration classified as a provision is subsequently recognised in accordance with the relevant measurement standard.

For business combinations carried out prior to 1 January 2010, the cost of the business combination includes contingent consideration, if this is probable at the acquisition date and can be reliably estimated. Subsequent recognition of contingent consideration or subsequent variations to contingent consideration are recognised as a prospective adjustment to the cost of the business combination.

Non-controlling interests

Non-controlling interests in subsidiaries acquired after 1 January 2004 are recognised at the acquisition date at the proportional part of the fair value of the identifiable net assets. Non-controlling interests in subsidiaries acquired prior to the transition date were recognised at the proportional part of the equity of the subsidiaries at the date of first consolidation.

The consolidated profit or loss for the year and changes in equity of the subsidiaries attributable to the Group and non-controlling interests after consolidation adjustments and eliminations is determined in accordance with the percentage ownership at year end, without considering the possible exercise or conversion of potential voting rights and after discounting the effect of dividends, agreed or otherwise, on preference shares with cumulative rights classified in equity accounts. However, Group and non-controlling interests are calculated taking into account the possible exercise of potential voting rights and other derivative financial instruments which, in substance, currently allow access to the economic benefits associated with the interests held, such as entitlement to a share in future dividends and changes in the value of subsidiaries.

The excess of losses attributable to non-controlling interests incurred prior to 1 January 2010, which cannot be attributed to them as such losses exceed their interest in the equity of the subsidiary, is recognised as a decrease in equity attributable to equity holders of the parent, except when the non-controlling interests are obliged to assume part or all of the losses and are in a position to make the necessary additional investment. Profits obtained in subsequent years are allocated to equity attributable to shareholders of the parent until the non-controlling interest's share in prior years' losses is recovered.

As of 1 January 2010, profit and loss and each component of other comprehensive income are allocated to equity attributable to shareholders of the parent and to non-controlling interests in proportion to their investment, even if this results in a balance receivable from non-controlling interests. Agreements entered into between the Group and non-controlling interests are recognised as a separate transaction.

Joint ventures

Joint ventures are those in which there is a contractual agreement to share the control over an economic activity, in such a way that strategic financial and operating decisions relating to the activity require the unanimous consent of Prosegur and the remaining venturers.

Interests in joint ventures (specified as such in the contract) are proportionately consolidated. Prosegur combines, line by line, its share of the assets, liabilities, income, expenses and cash flows of the jointly controlled entity with similar items in its annual accounts.

Prosegur recognises its share in the profit or loss on the sale of Prosegur assets to jointly controlled entities along with the part corresponding to other venturers. Prosegur does not recognise its share in the profit or loss of the jointly controlled entity arising from the purchase of assets by Prosegur until the assets are sold on to an independent third party.

A loss is recognised immediately if the transaction indicates a reduction in the net realisable value of the current assets or an impairment loss. Jointly controlled entities' accounting policies are changed where necessary for consistency with the principles adopted by Prosegur.

Associates

Associates are companies over which Prosegur exercises significant influence but not control, generally holding between 20% and 50% of the voting rights. The existence of potential voting rights that are exercisable or convertible at the end of each reporting period are considered when assessing whether an entity has significant influence. It is assumed that significant influence is not exercised when Prosegur holds a share of less than 20% of the voting rights, unless such influence can be clearly demonstrated. Evidence of significant influence usually comprises:

- Representation on the board of directors or equivalent governing body of the investee;
- Participation in policy-making processes, including participation in decisions about dividends or other distributions;
- Material transactions between the investor and the investee;
- Interchange of managerial personnel or provision of essential technical information.

Investments in associates are accounted for using the equity method and initially recognised at cost. Prosegur's investment in associates includes the goodwill (net of any accumulated impairment) identified in the acquisition.

Prosegur's share in the profit or loss of the associates from the date of acquisition is recognised in the income statement. The carrying amount of the investment is adjusted for any subsequent movements. When Prosegur's share in the losses of an associate is equal to or higher than its investment, including any doubtful receivables, it does not recognise any additional loss unless it has entered into commitments or made payments on behalf of the associate.

Unrealised gains on transactions between Prosegur and its associates are eliminated in line with Prosegur's percentage ownership of the associate. Unrealised losses are also eliminated unless they provide evidence of an impairment loss on the transferred asset.

Jointly controlled entities' accounting policies are changed when necessary for consistency with the principles adopted by Prosegur.

Temporary joint ventures

Temporary joint ventures are a scheme under which business owners collaborate for a limited or unlimited period to carry out a project, service or supply.

The underlying assets and liabilities and income and expenses of temporary joint ventures are consolidated on a line-by-line basis.

34.3. Segment reporting

A business segment is a group of assets and operations that is engaged in providing products or services and which is subject to risks and rewards that are different from those of other segments.

A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and rewards that are different from those of segments operating in other economic environments.

Costs are directly allocated to each of the defined segments. Each geographical area has its own functional structure. Certain functional overheads are common to all activity segments and are distributed according to the time spent or extent of use.

34.4. Foreign currency transactions

Functional and presentation currency

The annual accounts of each Prosegur entity are presented in the currency of the main economic environment in which it operates ("functional currency"). The figures disclosed in the consolidated annual accounts are expressed in thousands of Euros (unless stated otherwise), the Parent's functional and presentation currency.

Balances and transactions

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the transaction date. Foreign currency gains and losses arising on the settlement of these transactions and on the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rate are recognised in profit or loss, unless they are recognised directly in equity as cash flow hedges.

Foreign exchange gains or losses relating to loans and cash and cash equivalents are recognised in the income statement under finance income or costs.

Changes in the fair value of monetary assets denominated in foreign currencies and classified as available for sale are analysed to distinguish between translation differences resulting from changes in the amortised cost of the asset and other changes in the carrying amount of the asset. Translation differences are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary items, such as equity instruments at fair value through profit or loss, are recognised as changes in fair value. Translation differences on non-monetary items, such as equity instruments classified as available-for-sale financial assets, are recognised in the revaluation reserve in equity.

Differences on translation of deferred tax assets and liabilities denominated in foreign currencies and deferred income taxes are included in profit or loss.

In the consolidated statement of cash flows, cash flows from foreign currency transactions have been translated into Euros at the exchange rates prevailing at the dates the cash flows occur. The effect of exchange rate fluctuations on cash and cash equivalents denominated in foreign currencies is recognised separately in the statement of cash flows as effect of translation differences on cash held.

Translation of foreign operations

Prosegur has applied the exemption permitted by IFRS 1 First-time Adoption of International Financial Reporting Standards relating to cumulative translation differences. Consequently, translation differences recognised in the consolidated annual accounts generated prior to 1 January 2004 are included in retained earnings. As of that date, foreign operations whose functional currency is not the currency of a hyperinflationary economy have been translated into Euros as follows:

- i. Assets and liabilities, including goodwill and net asset adjustments derived from the acquisition of the operations, including comparative amounts, are translated at the closing rate at the reporting date;
- ii. Income and expenses are translated at the average monthly exchange rate;
- iii. All resulting exchange differences are recognised as translation differences in other comprehensive income.

On consolidation, exchange differences arising on the translation of a net investment in foreign operations, and of loans and other instruments in foreign currency designated as hedges of these investments, are recognised in the equity of the company holding the investment. When these investments are sold, the exchange differences are recognised in the income statement as part of the gain or loss on the sale.

34.5. Property, plant and equipment

Land and buildings mainly comprise operating divisions. Property, plant and equipment are recognised at cost less depreciation and any accumulated impairment losses, except in the case of land, which is presented at cost net of any impairment losses.

Historical cost includes all expenses directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, provided that it is probable that the future economic benefits associated with the items will flow to Prosegur and the cost of the item can be reliably measured. The carrying amount of the replaced item is derecognised. Other repairs and maintenance costs are taken to the income statement when incurred.

Land is not depreciated. Other assets are depreciated on a straight-line basis to allocate the cost or revalued amount to residual value over the following estimated useful lives:

	Coefficient %
Buildings	2 to 3
Technical installations and machinery	10 to 25
Other installations and equipment	10 to 30
Furniture	10
Computer equipment	25
Motor vehicles	16
Other property, plant and equipment	10 to 25

Prosegur reviews the residual values and useful lives of assets and adjusts them, if necessary, as a change in accounting estimates at the end of each reporting period.

When the carrying amount of an asset exceeds its estimated recoverable amount, it is immediately written down to the latter (see Note 34.7).

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

34.6. Intangible assets

Goodwill

Goodwill is the amount by which the cost of acquisition exceeds the fair value of Prosegur's share of the acquired subsidiary's identifiable net assets at the acquisition date. Goodwill is tested annually for

impairment (see Note 34.7) and recognised at cost less accumulated impairment losses. Gains and losses on the sale of an entity include the carrying amount of the goodwill allocated to the sold entity.

For impairment testing purposes, goodwill is allocated to cash-generating units (CGU). Goodwill is allocated to the CGU that are expected to benefit from the business combination from which the goodwill arose.

Goodwill acquired since 1 January 2004 is recognised at cost of acquisition, and goodwill acquired prior to that date is recognised at the carrying amount at 31 December 2003 in accordance with Spanish accounting legislation in force at that date.

Customer portfolios

The relationships with customers that Prosegur recognises under customer portfolios are separable and based on a contractual relationship, thus meeting the requirements set out in prevailing legislation for consideration as intangible assets separate from goodwill. In general, these are customer service contracts that have been acquired from third parties or recognised in the allocation of fair values in business combinations.

Portfolios of contracts with customers are recognised at fair value on the acquisition date less amortisation and accumulated impairment losses.

The fair value allocated to customer contract portfolios acquired from third parties is the acquisition price. To determine the fair value of intangible assets allocated in business combinations in the form of customer relationships, Prosegur uses the income approach, discounting the cash flows generated by these relationships at the date of acquisition of the subsidiary. Cash flows are estimated based on the sales, operating investments and EBITDA margins projected in the company's business plans.

Prosegur amortises customer portfolios on a straight-line basis over their estimated useful lives. The useful life is estimated based on indicators such as average length of relationship with customers or the average annual customer churn rate. The useful lives allocated to these intangible assets are reviewed at the end of each reporting period. Customer portfolios have useful lives of between three and 22 years.

Customer portfolios are allocated to cash-generating units (CGUs) in accordance with their respective business segment and the country of operation.

At the end of each reporting period, Prosegur assesses whether the recoverable amount is affected by any impairment loss. The tests to determine whether there are indications of impairment of customer portfolios mainly consist of:

- Verifying whether events have taken place that could have a negative impact on the estimated cash flows from the contracts making up the portfolio (such as a decline in total sales or EBITDA margins).

- Updating the estimated customer churn rates to identify any changes to the periods for which customer portfolios are expected to generate revenues.

If there are indications of impairment, the recoverable amount of a customer portfolio is based on the present value of the re-estimated cash flows from the contracts over their useful lives.

If customer churn rates have risen, Prosegur re-estimates the useful lives of customer portfolios.

Trademarks and licences

Trademarks and licences are presented at historical cost. They have finite useful lives and are recognised at cost less amortisation and accumulated impairment losses. Trademarks and licences are amortised on a straight-line basis to allocate the cost over their estimate useful lives (two to four years).

Computer software

Computer software licences are capitalised at cost of acquisition or cost of preparation of the specific software for use. These expenses are amortised over the estimated useful lives of the assets (three to five years).

Computer software maintenance or development costs are charged as expenses when incurred.

34.7. Impairment losses

If an event or change in circumstances indicates that the carrying amount of assets subject to amortisation or depreciation may not be recoverable, Prosegur determines whether impairment losses have been incurred. An impairment loss is recognised as the difference between the carrying amount of the asset and its recoverable amount, which is the higher of the fair value less costs to sell and the value in use. For impairment testing purposes, assets are grouped at the lowest level for which separate identifiable cash flows can be identified (cash-generating unit, CGU). Prosegur reviews impaired non-financial assets other than goodwill at the end of each reporting period to assess whether the loss has been reversed.

Impairment losses on goodwill

For impairment testing purposes, goodwill is allocated to cash-generating units (CGUs) in accordance with their respective country of operation. Goodwill is allocated to the CGUs that are expected to benefit from the business combination from which the goodwill arose.

The recoverable amount of a CGU is determined based on its value in use. This calculation requires the use of estimates (see Note 36).

The recoverable amount is the higher of market value less costs to sell and value in use, which is understood to be the present value of estimated future cash flows. To estimate the value in use Prosegur prepares forecasts of future cash flows before tax based on the most recent budgets approved by management. These budgets incorporate the best available estimates of income and expenses of the cash-generating units (CGUs) using past experience and future expectations. These budgets have been prepared for the next four years, and future cash flows have been calculated by applying non-increasing estimated growth rates that do not exceed the average long-term growth rate for the security business in which the CGU operates.

Management determined EBITDA (earnings before interest, tax, depreciation and amortisation) based on past returns and the foreseeable development of the market.

To calculate present value, cash flows are discounted at a rate that reflects the cost of capital of the business and the geographical region in which it operates. Prosegur considers the present value of money and risk premium calculations currently in general use among analysts for the geographical area.

If the recoverable amount is less than the carrying amount of the asset, the difference is recognised under impairment losses in the consolidated income statement (see Note 12).

Impairment losses on goodwill are not reversible.

As well as testing for impairment, Prosegur performs a sensitivity analysis on goodwill which consists of verifying the impact of deviations in key assumptions on the recoverable amount of a CGU (see Note 12).

34.8. Financial assets

Classification

Financial assets are classified on initial recognition in accordance with the economic substance of the contractual arrangement and the definition of a financial asset in IAS 32 "Financial Instruments: Presentation".

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, separating those initially designated from those held for trading, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial instruments are classified into different categories based on the nature of the instruments and Prosegur's intentions on initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when Prosegur provides money, goods or services directly

to a recipient without the intention of trading the receivable. 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 trade and other receivables in the statement of financial position (see Note 34.11).

Available-for-sale financial assets

Prosegur classifies in this category non-derivative financial instruments that are designated as such or which do not qualify for recognition in other financial asset categories. Assets are classified as available for sale provided that these are available for sale in their present condition subject only to terms that are usual and customary for sales of such assets and that the sale is highly probable. They are classified as non-current assets unless management intends to sell the investment within 12 months after the reporting date.

Recognition and measurement:

Acquisitions and disposals of financial assets are recognised on the trade date, i.e. the date on which Prosegur commits to acquire or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not recognised at fair value through profit or loss. Investments are derecognised when they expire or the contractual rights to the cash flows from the investment have been transferred and Prosegur has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets are subsequently recognised at fair value.

Loans and receivables are measured at amortised cost using the effective interest method.

Unrealised gains and losses arising from changes in the fair value of non-monetary assets classified as available for sale are recognised in equity. When assets classified as available for sale are sold or incur irreversible impairment losses, the accumulated adjustments in fair value are included in the income statement as gains or losses on the assets.

Prosegur tests financial assets or groups of financial assets for impairment at the end of each reporting period. In the case of equity securities classified as available for sale, to determine whether they are impaired Prosegur considers whether a significant or prolonged decline has reduced the fair value of the securities to below cost.

If such evidence exists for available-for-sale financial assets, the cumulative loss, calculated as the difference between the acquisition cost and the present fair value less any impairment loss previously recognised, is reclassified from equity to profit or loss. Impairment losses recognised for equity instruments are not reversed through profit or loss.

34.9. Derivative financial instruments and hedges

Derivatives are initially recognised at fair value on the date on which the contract was signed and their fair value is subsequently adjusted. The recognition of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the hedged item. Prosegur designates certain derivatives as:

- hedges of the fair value of recognised assets or liabilities (fair value hedges);
- hedges of highly probable transactions (cash flow hedges); or
- hedges of a net investment in a foreign operation.

Prosegur has not applied hedge accounting in 2012 or 2011.

Derivatives that do not qualify for hedge accounting

Certain derivatives do not meet the criteria for the application of hedge accounting. Changes in the fair value of any derivative that does not qualify for hedge accounting are recognised immediately in profit or loss.

34.10. Inventories

Inventories are measured at the lower of cost and net realisable value, with the following exceptions:

- Inventories held in warehouses and uniforms are measured at weighted average cost.
- Work in progress is measured at the cost of the installation, which includes materials and spare parts used and the standard cost of the corresponding labour, which does not differ from the actual costs incurred during the year.

The net realisable value is the estimated selling price in the normal course of business less any variable costs to sell.

34.11. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. Impairment of trade receivables is recognised if there is objective evidence that Prosegur will not collect all the amounts due under the original contractual terms. Financial difficulties affecting the debtor, the likelihood that the debtor will enter insolvency proceedings or a financial restructuring process, or a default or delay in payments are considered to indicate that a receivable is impaired. The amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced as the allowance account is used and the loss is taken to the income statement. When a receivable is irrecoverable, it is written off against the allowance account for receivables.

34.12. Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits in financial institutions, other short-term, highly liquid investments with a maturity of three months or less and bank overdrafts. Bank overdrafts are recognised in the statement of financial position as current financial liabilities.

34.13. Share capital

Ordinary shares are classed as equity.

When any Prosegur entity acquires shares in the Company (own shares), the consideration paid, including any incremental costs that are directly attributable to the acquisition (net of income tax), is subtracted from equity attributable to shareholders of the Company until cancellation or disposal. When these shares are sold, the consideration received, net of any incremental costs directly attributable to the sale and the corresponding income tax effect, is recognised in equity attributable to shareholders of the Company.

34.14. Provisions

Provisions for restructuring and litigation are recognised when:

- i. Prosegur has a present obligation (legal or constructive) as a result of a past event.
- ii. It is more probable than not that an outflow of resources will be required to settle the obligation.
- iii. A reliable estimate has been made of the amount of the obligation.

Where Prosegur has a number of similar obligations, the probability that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if an outflow of resources in connection with any item included in the same class of obligations is unlikely.

Restructuring provisions include lease cancellation penalties and employee termination benefits. No provision is recognised for future operating losses.

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. Increases in the provision due to the passage of time are recognised as an interest expense.

34.15. Financial liabilities

Financial liabilities are classified on initial recognition in accordance with the economic substance of the contractual arrangement and the definition of a financial liability in IAS 32 "Financial Instruments: Presentation".

Financial liabilities are initially recognised at fair value less any transaction costs and are subsequently measured at amortised cost. Any difference between the funds obtained (net of arrangement costs) and the redemption amount is recognised in the income statement over the term of the liability using the effective interest method.

Liabilities are classified as current unless Prosegur has an unconditional right to defer settlement for at least twelve months after the reporting date.

Fees and commissions paid for credit facilities are recognised as loan transaction costs provided that it is probable that Prosegur will draw down from one or all of the facilities. In this case, the fees and commissions are deferred until funds are drawn. If there is no evidence that Prosegur is likely to draw down from the credit facility, the fees and commissions are capitalised as a prepayment for liquidity services and amortised over the term of the credit facility.

34.16. Current and deferred tax

The income tax expense for the year comprises current tax and deferred tax. Tax is recognised in the income statement unless it is paid on items recognised directly in equity, in which case the tax is also recognised in equity.

The current tax expense is calculated in accordance with tax laws that have been enacted or substantially enacted at the reporting date in the countries in which the subsidiaries and associates operate and generate taxable income. Management regularly assesses the judgements made in tax returns where situations are subject to different interpretation under tax laws, recognising, if necessary, the corresponding provisions based on the expected tax liability.

Deferred tax is calculated using the balance sheet method, based on temporary differences that arise between the tax base of assets and liabilities and their carrying amounts in the consolidated annual accounts. 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, affect neither accounting profit nor taxable income, they are not recognised.

Deferred tax assets or liabilities are measured using the tax rates (and tax laws) that have been enacted or substantially enacted at 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 probable that sufficient taxable income will be generated against which the temporary differences can be offset.

Deferred tax assets and liabilities are recognised in respect of the temporary differences that arise from investments in subsidiaries and associates, except where Prosegur is able to control the timing of the reversal of the temporary differences and it is probable that they will reverse in the foreseeable future.

34.17. Employee benefits

Share-based payments – 2011 Plan

At the general meeting held on 27 June 2008, the shareholders approved the 2011 Plan of long-term incentives for executive directors and management of Prosegur. The 2011 Plan is essentially linked to value creation during the 2008-2011 period and foresees the payment of share-based incentives to executive directors, and company shares and cash to Prosegur management. The maximum number of shares earmarked for the 2011 Plan is 3,750,000, representing 0.608% of the Company's present share capital.

Under the 2011 Plan, recipients are entitled to a bonus over several years, 50% cash and 50% in parent shares. A reference price of Euros 2,814 per share was determined at the beginning of the Plan. The receipt of this incentive depends on various performance and length-of-service requirements.

The 2011 Plan has a duration of four 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 2008 until 31 December 2011 and length of service from 1 January 2008 until 1 January 2014. Entitlement to incentives is assessed on the following dates:

- Preliminary assessment date: 1 May 2010
- Final assessment date: 1 May 2012
- Length-of-service bonus date: 1 January 2014

A mixed accounting treatment is applied, comprising both a cash settlement and a share-based settlement.

The fair value of the services received from employees in exchange for these shares is recognised as an expense on an accruals basis over the Plan's length-of-service assessment period, with the corresponding increase in equity. The total expense recognised over the accrual period (see Note 5) is determined based on the shares granted, measured at the reference price stipulated in the Plan. This commitment has been estimated under the assumption that the length-of-service requirement will be met (see Note 20.2).

With regard to the cash incentives, the total commitment acquired is recognised as an expense in the income statement with a credit to provisions on an accruals basis over the Plan assessment period (see Note 21).

Share-based payments – 2014 Plan

At the general meeting held on 29 May 2012, the shareholders approved the 2014 Plan of long-term incentives for executive directors and management of Prosegur. The 2014 Plan is essentially linked to value creation during the 2012-2014 period and foresees the payment of share-based incentives to executive directors, and company shares and cash to Prosegur management. The maximum number of shares earmarked for the 2014 Plan is 4,120,000, representing 0.668% of the Company's present share capital.

Under the 2014 Plan, recipients are entitled to a bonus over several years, 50% cash and 50% in parent shares. A reference price of Euros 3.31 per share was determined at the beginning of the Plan. The receipt of this incentive depends on various performance and length-of-service requirements.

The 2014 Plan has a duration of 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.

Entitlement to incentives is assessed on the following dates:

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

A mixed accounting treatment is applied, comprising both a cash settlement and a share-based settlement.

The fair value of the services received from employees in exchange for these shares is recognised as an expense on an accruals basis over the Plan's length-of-service assessment period, with the corresponding increase in equity. The total expense recognised over the accrual period (see Note 5) is determined based on the shares granted, measured at the reference price stipulated in the Plan. This commitment has been estimated under the assumption that the length-of-service requirement will be met (see Note 20.2).

With regard to the cash incentives, the total commitment acquired is recognised as an expense in the income statement with a credit to provisions on an accruals basis over the Plan assessment period (see Note 21).

Termination benefits

Termination benefits are paid to employees when Prosegur decides to terminate employment before the normal retirement age or when the employee accepts voluntary redundancy in exchange for these benefits. Prosegur recognises these benefits when it has demonstrably committed to terminating the employment of current employees in a detailed formal plan with no possibility of withdrawal, or to granting termination benefits in an offer of voluntary redundancy. Benefits that will not be paid within twelve months after the reporting date are discounted at their present value.

Profit-sharing plans and bonuses

Prosegur calculates the liability and expense for bonuses and profit-sharing using a formula based on EBITDA (earnings before interest, tax, amortisation and depreciation).

Remuneration of senior management

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 Prosegur management's best possible estimate of the extent to which targets will be met.

Defined benefit plans

Defined benefit plans include unfinanced post-employment healthcare offered to employees in Brazil to comply with local legislation (Law 9656).

The liability for defined benefits recognised in the consolidated statement of financial position reflects the present value of the defined benefit obligations existing at the reporting date.

Prosegur recognises actuarial gains and losses in other comprehensive income in the year in which they occur. These actuarial gains and losses are recognised immediately in retained earnings and are not recorded in profit or loss in a subsequent year.

Income or expense related to defined benefit plans is recognised as other employee benefits expenses and is the sum of the net current service cost, interest cost, the expected return on any reimbursement rights, the effect of any curtailments or settlements and, where applicable, past service cost.

The present value of defined benefit obligations and the related current service cost and past service cost are calculated annually by independent actuaries using the Projected Unit Credit Method. The discount rate is calculated based on the yield on high quality corporate bonds of a currency and term consistent with the currency and term of the post-employment benefit obligations.

34.18. Revenue recognition

Revenues include the fair value for the sale of goods and services, net of value added tax, discounts and returns and after eliminating intra-Group sales. Prosegur recognises revenues when the amount can be measured reliably, it is probable that the future economic benefits will flow to the entity and the specific terms are met for each of Prosegur's activities.

Revenue is recognised on an accruals basis applying the following criteria:

- a) Sales of goods, mainly security installations and home alarm systems, are recognised when the product has been delivered to, and accepted by, the customer. These revenues are measured at the fair value of the corresponding receivable.
- b) Sales of active manned guarding, cash in transit and cash management are recognised in the reporting period in which the services are rendered, without including taxes levied on these transactions, deducting any discounts included in the invoice as a reduction in the transaction amount.

- c) Revenues from the home alarm system activity are recognised in the reporting period in which the services are rendered, without including the taxes levied on these transactions, deducting any discounts included in the invoice as a reduction in the transaction amount. In some alarm monitoring contracts, the customer does not purchase the equipment installed. Under the general alarm system rental contract, Prosegur receives an initial amount when the contract is signed and a regular instalment for the rental of the installed equipment and the services rendered. Prosegur defers the revenue received in advance when the contract is signed, taking it to the income statement over the average contract term. The average contract term is estimated based on the average annual customer churn rate.
- d) Interest received is recognised over the period of the outstanding principal and considering the effective interest rate applicable. When a receivable is impaired, Prosegur writes down the carrying amount to the recoverable amount, discounting estimated future cash flows at the original effective interest rate of the instrument. The discounting continues to be recognised as a reduction in the interest received. Interest on impaired loans is recognised using the effective interest method.
- e) Dividends received are recognised when the right to receive payment is established.

34.19. Leases

When a Prosegur entity is the lessee

Leases of property, plant and equipment in which Prosegur assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the commencement of the lease term at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is broken down into reductions in the payable and the finance costs, so as to produce a constant rate of interest on the remaining balance of the liability. The lease payable, net of the corresponding finance cost, is recognised under financial liabilities. The interest within the finance cost is taken to the income statement over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability in each period. Property, plant and equipment acquired under finance lease contracts are depreciated over the shorter of the useful life of the asset and the lease term when there is no possibility of Prosegur assuming ownership; otherwise, they are depreciated over the estimated useful life of the asset.

Leases in which the lessor retains a significant part of the risks and rewards of ownership are classified as operating leases. Lease payments under an operating lease (net of any incentive received) are recognised as an expense on a straight-line basis over the lease term.

When a Prosegur entity is the lessor

Assets leased to third parties under operating lease contracts are recognised as property, plant and equipment. These assets are depreciated over their expected useful lives based on criteria consistent with those applied to similar assets owned by Prosegur. Lease income is recognised on a straight-line basis over the expected useful life of the asset.

34.20. Borrowing costs

Prosegur recognises borrowing costs directly attributable to the acquisition, construction or production of qualifying assets as an increase in the value of these assets. Qualifying assets are those which require a substantial period of time before they can be used or sold.

34.21. Construction contracts

Contract costs are recognised when incurred.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

When the outcome of a construction contract can be estimated reliably and the contract is likely to yield a profit, contract revenue is recognised over the duration of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Prosegur uses the stage of completion method to calculate the amount to be recognised in a certain period. The stage of completion is determined by calculating the percentage of estimated total contract costs represented by costs incurred at the reporting date. Costs incurred during the year in relation with future contract activity are excluded from the contract costs used to determine the stage of completion. These costs are recognised as inventories, prepayments or other assets, depending on their nature.

Prosegur recognises the gross receivable from customers in relation to work on all contracts in force when the costs incurred plus recognised profit (or less recognised losses) exceed the portion invoiced to date. Progress billings outstanding and retention payments are recognised under trade and other receivables.

Prosegur recognises the gross amount payable to customers in relation to work on all current contracts when the progress billings exceed the costs incurred plus recognised profit (or less recognised losses).

34.22. Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale when the carrying amount is principally recoverable through a sale, provided that the sale is considered highly probable. The assets are recognised at the lower of the carrying amount and the fair value less costs to sell, provided that their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

34.23. Distribution of dividends

Dividends distributed to Prosegur's shareholders are recognised as a liability in the consolidated annual accounts in the year in which the dividends are approved by the shareholders.

34.24. Environmental issues

The cost of armoured vehicles compliant with the Euro III standard on non-polluting emissions is recognised as an increase in the carrying amount of the asset. At the 2012 reporting date Prosegur has no contingencies, legal claims or income and expenses relating to the environment.

35. Financial risk management

35.1. Financial risk factors

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

The Finance Department identifies, proposes and carries out the management of these risks along with other operating units of Prosegur in accordance with policies approved by the Executive Committee.

Currency risk

Prosegur operates internationally and is therefore exposed to currency risk when operating with foreign currencies, especially with regard to the Argentine Peso, Brazilian Real, Chilean Peso and the Peruvian Nuevo Sol and, to a lesser extent, the Colombian Peso, Mexican Peso, Uruguayan Peso, Paraguayan Guaraní, US Dollar, Romanian Leu, Singapore Dollar, Hong Kong Dollar, Chinese Yuan/Renminbi and the Indian Rupee. Currency risk arises when future commercial transactions, equity investments, results from operating activities and financial positions are presented in a foreign currency other than Prosegur's functional currency.

To control the risk arising in these operations, Prosegur's policy is to use appropriate instruments to balance and neutralise the risks associated with monetary in- and outflows, considering market expectations. As Prosegur intends to remain in the foreign markets in which it is present in the long term, it does not hedge equity investments, assuming the risk relating to the translation to Euros of the assets and liabilities denominated in foreign currencies.

However, Prosegur does hedge, either through financial instruments or by using natural hedges, the profit and loss generated and the protection of cash surpluses in those currencies that contribute significantly to Prosegur's results from operating activities.

The values of financial assets and liabilities by currency are as follows:

At 31 December 2012

Thousands of Euros	Euro	Brazilian Real	Argentine Peso	Chilean Peso	Peruvian Nuevo Sol	Other currencies	Total position
Non-current financial assets	21,484	103	1,083	133	42	14,490	37,335
Total non-current assets	21,484	103	1,083	133	42	14,490	37,335
Trade and other receivables	363,895	278,520	144,046	27,579	31,235	58,865	904,140
Other current financial assets	82	4,335	1,232	—	—	5	5,654
Cash and cash equivalents	38,315	25,612	46,067	4,452	6,008	43,147	163,601
Total current assets	402,292	308,467	191,345	32,031	37,243	102,017	1,073,395
Financial liabilities	471,657	244,852	4,586	—	—	16,330	737,425
Derivative financial instruments	4,548	—	—	—	—	—	4,548
Non-current liabilities	476,205	244,852	4,586	—	—	16,330	741,973
Trade and other payables	170,529	988	23,378	11,992	4,491	30,212	241,590
Financial liabilities	155,308	105,136	5,964	1,495	222	27,712	295,837
Derivative financial instruments	—	—	—	—	—	—	—
Current liabilities	325,837	106,124	29,342	13,487	4,713	57,924	537,427
Net position	(378,266)	(42,406)	158,500	18,677	32,572	42,253	(168,670)

At 31 December 2011

Thousands of Euros	Euro	Brazilian Real	Argentine Peso	Chilean Peso	Peruvian Nuevo Sol	Other currencies	Total position
Non-current financial assets	32,109	116	1,148	74	18	520	33,985
Total non-current assets	32,109	116	1,148	74	18	520	33,985
Trade and other receivables	310,057	209,578	121,701	28,417	16,623	44,194	730,570
Other current financial assets	1,552	—	—	—	—	—	1,552
Derivative financial instruments	—	—	—	—	—	—	—
Cash and cash equivalents	46,589	41,656	53,277	6,075	1,115	38,836	187,548
Total current assets	358,198	251,234	174,978	34,492	17,738	83,030	919,670
Financial liabilities	456,385	4,725	1,147	—	361	3,568	466,186
Derivative financial instruments	3,587	—	—	—	—	—	3,587
Non-current liabilities	459,972	4,725	1,147	—	361	3,568	469,773
Trade and other payables	130,576	30,503	19,477	21,114	11,386	7,114	220,170
Financial liabilities	132,605	46,540	6,192	3,395	1,526	6,057	196,315
Derivative financial instruments	41	—	—	—	—	—	41
Current liabilities	263,222	77,043	25,669	24,509	12,912	13,171	416,526
Net position	(332,887)	169,582	149,310	10,057	4,483	66,811	67,356

Details of the main average and year-end exchange rates to Euros of the foreign currencies in which Prosegur operates are as follows:

	2012		2011	
	Average rate	Closing rate	Average rate	Closing rate
Brazilian Real	2.51	2.70	2.33	2.43
Argentine Peso	5.83	6.46	5.72	5.54
Chilean Peso	625.12	633.26	672.76	671.79
Peruvian Nuevo Sol	3.39	3.37	3.84	3.49

Had the non-functional currencies weakened by 10% against the Euro, the impact on the Parent's equity would total Euros 69,906 thousand.

At 31 December 2012, had the currencies weakened by 10% against the Euro, with the other variables remaining constant, post-tax profit would have been Euros 15,581 thousand lower, mainly as a result of losses and gains on translating the net financial position of cash and cash equivalents denominated in foreign currencies.

Credit risk

Prosegur is not significantly exposed to credit risk. Bad debts are not a significant factor in the sector in which it operates. Independent credit ratings of customers are used if available. Otherwise, the Credit Control Department assesses each customer's credit rating, considering financial position, past experience and other factors. Individual credit limits are established based on internal and external ratings in accordance with the limits set by the Finance Department and are monitored regularly.

Prosegur has formal procedures for detecting objective evidence of impairment of trade receivables. It identifies significant delays in payments and the methods to follow to estimate the impairment loss based on an individual analysis by business area. Impairment of trade receivables at 31 December 2012 amounts to Euros 59,019 thousand (see Note 17). As the credit ratings relating to trade receivables not included in this provision are sufficient, this provision is considered to cover the credit risk.

In Spain, the Collections Department manages an approximate volume of 7,552 customers with monthly average turnover of Euros 9,324 per customer. 85% of payments are made by bank transfer and the remaining 15% in Notes (cheques, promissory Notes, etc.).

Details of the percentage of total Prosegur turnover represented by the eight main customers are as follows:

	2012	2011
Counterparty		
Customer 1	4.66%	4.68%
Customer 2	3.86%	4.48%
Customer 3	3.62%	3.83%
Customer 4	2.23%	2.25%
Customer 5	2.01%	2.20%
Customer 6	1.52%	1.97%
Customer 7	0.95%	1.95%
Customer 8	0.82%	1.04%

As explained in Note 17, in December 2012 Prosegur took out a factoring facility for part of its customer portfolio whereby receivables are sold without recourse, transferring the associated credit risk.

Other current financial assets (see Note 18) include a fixed-term deposit. All financial assets contracted in 2012 are exposed to risk of default by the counterparties which, in all cases, are financial institutions with guaranteed solvency and high credit ratings that are not sensitive to adverse changes in the economic climate.

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 Prosegur's business targets safely, efficiently and on time. The Group's Treasury Department aims to maintain liquidity and sufficient availability to guarantee Prosegur's business operations.

Management monitors Prosegur's liquidity reserves, which comprise credit available for drawdown (see Note 22) and cash and cash equivalents (see Note 19), and are forecast based on expected cash flows.

Prosegur's liquidity position for 2012 is based on the following:

- Cash and cash equivalents of Euros 163,601 thousand at 31 December 2012.
- Euros 241,525 thousand available in undrawn credit facilities at 31 December 2012.
- Cash flows from operating activities in 2012 amounting to Euros 135,876 thousand (Euros 162,710 thousand in 2011). Although cash is down on the 2011 figure, Prosegur still has the capacity to generate significant, recurring cash flows from its operations.

Details of contractual cash flows are as follows:

Thousands of Euros	2012						
	Carrying amount	Contractual cash flows	6 months or less	6 months to 1 year	1 to 2 years	2 to 5 years	More than 5 years
Non-derivative financial liabilities							
Credit accounts	48,879	49,590	49,584	6	—	—	—
Loans and borrowings	239,481	303,267	78,517	15,626	59,041	146,412	3,671
Syndicated loan	497,850	539,475	25,290	25,583	52,357	436,246	—
Finance lease payables	24,561	30,956	2,540	5,070	7,264	11,829	4,253
Other payables	222,491	241,089	82,573	20,477	42,619	95,003	416
Trade and other payables	180,086	180,086	180,086	—	—	—	—
	1,213,348	1,344,462	418,590	66,761	161,282	689,490	8,340
Derivative financial liabilities							
Interest rate swaps (IRS)	3,857	3,857	—	—	3,857	—	—
Interest rate swaps (IRS)	348	348	—	—	—	348	—
Interest rate swaps (IRS)	343	343	—	—	—	343	—
	4,548	4,548	—	—	3,857	691	—
2011							
Thousands of Euros	Carrying amount	Contractual cash flows	6 months or less	6 months to 1 year	1 to 2 years	2 to 5 years	More than 5 years
Non-derivative financial liabilities							
Credit accounts	84,921	86,122	80,460	5,662	—	—	—
Loans and borrowings	60,452	74,442	13,099	5,881	14,932	40,529	—
Syndicated loan	388,449	432,077	—	—	52,921	379,155	—
Finance lease payables	11,788	13,777	3,730	2,457	3,646	3,944	—
Other payables	116,891	121,596	73,908	15,138	12,255	20,295	—
Trade and other payables	191,998	191,998	191,998	—	—	—	—
	854,499	920,011	363,195	29,138	83,754	443,924	—
Derivative financial liabilities							
Interest rate swaps (IRS)	3,587	3,587	—	—	—	3,587	—
Foreign currency contracts	41	41	—	41	—	—	—
	3,628	3,628	—	41	—	3,587	—

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

Interest rate, cash flow and fair value risks

Prosegur is exposed to interest rate risk due to its monetary assets and liabilities.

The exposure of Prosegur's financial liabilities (excluding other payables) at the contract review dates is as follows:

	6 months or less	6 to 12 months	1 to 5 years	More than 5 years	Total
At 31 December 2012					
Total financial liabilities	771,168	9,581	24,957	5,065	810,771
Total interest	6,473	556	4,984	1,665	13,678
	777,641	10,137	29,941	6,730	824,449
At 31 December 2011					
Total financial liabilities	484,017	13,301	48,292	—	545,610
Total interest	2,126	2,086	11,848	—	16,060
	486,143	15,387	60,140	—	561,670

Prosegur analyses its interest rate risk exposure dynamically. In 2012 the majority of Prosegur's financial liabilities at variable interest rates were denominated in Euros and Brazilian Reals.

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

Based on the different scenarios, Prosegur manages cash flow interest rate risks through variable-to-fixed interest rate swaps.

In 2012, Prosegur has used interest rate swaps to provide a more flexible structure for forward draw-downs (see Note 15).

Details of loans and borrowings, indicating the portion considered to be hedged, either at a fixed rate or using derivatives, are as follows:

At 31 December 2012			
	Total debt	Hedged debt	Debt exposure
Europe	573,428	175,000	398,428
LatAm	212,782	4,960	207,822
	786,210	179,960	606,250
At 31 December 2011			
	Total debt	Hedged debt	Debt exposure
Europe	519,605	127,743	391,862
LatAm	14,218	7,216	7,002
	533,823	134,959	398,864

Hedged debt at 31 December 2012 includes Euros 175,000 thousand considered to be hedged by the derivative financial instrument (interest rate swap) described in Note 15. Fixed-rate loans have also been arranged to finance investments in France.

At 31 December 2012, had interest rates on bank loans and borrowings been 100 basis points higher, with the other variables remaining constant, post-tax profit would have been Euros 5,007 thousand lower, mainly because of higher borrowing costs on variable-interest loans.

Price volatility risk

As Prosegur's main activity is a service business, which is heavily based on human capital, there are no significant price volatility risks.

35.2. Capital risk management

Prosegur's capital management is aimed at safeguarding its capacity to continue operating as a going concern, with the aim of providing shareholder remuneration and benefiting other equity holders, while maintaining an optimum capital structure to reduce the cost of capital.

To maintain and adjust the capital structure, Prosegur can adjust the amount of dividends payable to shareholders, reimburse capital, issue shares or dispose of assets to reduce debt.

Like other groups in the sector, Prosegur controls its capital structure on a gearing ratio basis. This ratio is calculated as net financial debt divided by total capital. Net financial debt is the sum of current and non-current financial liabilities (excluding other non-bank payables) plus/less net derivative financial instruments, less cash and cash equivalents, less other current financial assets, as presented in the consolidated balance sheet. Total capital is the sum of equity plus net financial debt, as presented in the consolidated balance sheet.

The gearing ratio is calculated as follows:

Thousands of Euros	2012	2011
Financial liabilities (Note 22)	1,033,262	662,501
Plus/less: derivative financial instruments (Note 15)	4,548	3,628
Less: other non-bank debt (Note 22)	(222,491)	(116,891)
Less: cash and cash equivalents (Note 19)	(163,601)	(187,548)
Less: other current financial assets (Note 18)	(5,654)	(1,552)
Net financial debt	646,064	360,138
Equity	731,800	670,901
Total capital	1,377,864	1,031,039
Gearing ratio	46.89%	34.93%
Net financial debt/equity ratio	88.28%	53.68%

35.3. Financial instruments by category

The carrying amounts and fair values of financial instruments, classified by category, are as follows:

Thousands of Euros	2012		2011	
	Carried at:		Carried at:	
	Cost or amortised cost	Fair value	Cost or amortised cost	Fair value
ASSETS				
Available-for-sale financial assets				
Investments and other assets	—	26,114	—	25,634
Loans and receivables				
Deposits and guarantees	10,743	—	7,767	—
Deposits	478	—	584	—
Total non-current assets	11,221	26,114	8,351	25,634
Loans and receivables				
Trade and other receivables	863,963	—	706,670	—
Other financial assets	5,654	—	1,552	—
Cash and cash equivalents	163,601	—	187,548	—
Total current assets	1,033,218	—	895,770	—
LIABILITIES				
Financial liabilities held for trading				
Derivative financial instruments	—	4,548	—	3,587
Debts and payables				
Financial liabilities	619,481	117,944	442,887	23,299
Total non-current financial liabilities	619,481	122,492	442,887	26,886
Financial liabilities held for trading				
Derivative financial instruments	—	—	—	41
Debts and payables				
Trade and other payables	180,086	—	191,998	—
Financial liabilities	216,670	79,167	139,922	56,393
Total current financial liabilities	396,756	79,167	331,920	56,434
Total net financial instruments	28,202	(175,545)	129,314	(57,686)

The fair values of financial assets and financial liabilities (trade and other receivables, trade and other payables and other current financial assets and financial liabilities) are similar to their carrying amounts because the majority of these instruments fall due in the short term.

The fair values of bank loans, finance leases and other non-current financial assets and financial liabilities are estimated by discounting future cash flows using available rates for debt with similar terms, credit risk and maturity, and are very similar to their carrying amounts.

35.4. Estimating 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 the reporting date. The market price used by Prosegur for financial assets is the current bid price. The appropriate market price for financial liabilities is the current ask price.

The fair value of financial instruments not traded on an active market is determined using valuation techniques. Prosegur uses several methods and makes assumptions based on market conditions existing at each reporting date. Market prices for similar instruments are used to measure non-current payables. To determine the fair value of the remaining financial instruments, Prosegur uses other techniques such as discounting 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 at the reporting date.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The nominal amount of receivables and payables less estimated credit adjustments is considered to be similar to their fair value. For the purposes of presenting financial information the fair value of financial liabilities is estimated by discounting contractual future cash flows at the current market interest rate available to Prosegur for similar financial instruments.

A breakdown of financial assets and financial liabilities measured at fair value in accordance with IFRS 7 is as follows:

2012				
Thousands of Euros	Fair value	Level 1	Level 2	Level 3
Investments and other assets	26,114	—	—	26,114
Non-current assets	26,114	—	—	26,114
Derivatives	4,548	—	4,548	—
Other financial liabilities	117,944	—	—	117,944
Non-current liabilities	122,492	—	4,548	117,944
Derivatives	—	—	—	—
Other financial liabilities	79,167	—	—	79,167
Current liabilities	79,167	—	—	79,167

2011				
Thousands of Euros	Fair value	Level 1	Level 2	Level 3
Investments and other assets	25,634	—	—	25,634
Non-current assets	25,634	—	—	25,634
Derivatives	—	—	—	—
Current assets	—	—	—	—
Derivatives	3,587	—	3,587	—
Other financial liabilities	23,299	—	—	23,299
Non-current liabilities	26,886	—	3,587	23,299
Derivatives	41	—	41	—
Other financial liabilities	56,393	—	—	56,393
Current liabilities	56,434	—	41	56,393

36. Accounting estimates and judgements

Estimates and judgements are evaluated constantly and based on past experience and other factors, including expectations of future events that are considered reasonable given the circumstances.

Although estimates are calculated by Prosegur's directors based on the best information available at year end, future events may require changes to these estimates in subsequent years. Any effect on the consolidated annual accounts of adjustments to be 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:

Estimated impairment of goodwill

Prosegur tests goodwill for impairment annually, in accordance with the accounting policy described in Note 34.7. The recoverable amount of a cash-generating unit (CGU) is determined based on its value in use. This calculation requires the use of estimates.

The recoverable amount is the higher of market value less costs to sell and value in use, which is understood to be the present value of estimated future cash flows. To estimate the value in use Prosegur prepares forecasts of future cash flows before tax based on the most recent budgets approved by management. These budgets incorporate the best available estimates of income and expenses of the cash-generating units (CGU) using past experience and future expectations.

These budgets have been prepared for the next four years, and future cash flows have been calculated by applying reasonable non-increasing growth rates that do not exceed the growth rates of prior years. Prosegur prepares estimates for the next four years as it considers this to be the most suitable period for activities in the sector in which it operates.

Cash flows are discounted to present value at a rate that reflects the cost of capital of the business and the geographical region in which it operates. Prosegur considers the present value of money and risk premium calculations currently in general use among analysts for the geographical area.

If the recoverable amount is less than the carrying amount of the asset, the difference is recognised under impairment losses in the consolidated income statement.

Impairment losses on goodwill are not reversible.

As well as impairment testing, Prosegur has also performed a sensitivity analysis on goodwill (see Note 12).

Income taxes

Prosegur is subject to income tax in various jurisdictions. A significant degree of judgement is required to determine the provision for income tax payable by the Group. In many transactions and calculations during the ordinary course of business, the final tax amount is uncertain. Prosegur recognises tax contingencies that it expects to arise based on estimates when it considers that additional taxes will be payable. If the tax finally paid in these cases differs from the amounts initially recognised, these differences affect income tax and the provision for deferred taxes for the year in which they were calculated.

Based on the estimates made, management does not consider that any additional taxes will be required this year.

Fair value of derivatives or other financial instruments

The fair values of financial instruments not traded on an active market are measured using valuation techniques. Prosegur uses its judgement to select methods and make assumptions based mainly on market conditions existing at each reporting date.

Claims

Management estimates the provisions for future claims based on historical claims, as well as any recent trends indicating that past information on costs could differ from future claims. Management is assisted by external labour, legal and tax advisors to make the best estimates.

Employee benefits

The present value of employee benefits depends on a number of factors determined using various assumptions. The assumptions employed to calculate the net expense (income) include the discount rate. Any change in these assumptions will affect the carrying amount of employee benefits.

Prosegur determines the appropriate discount rate at each reporting date. This is the interest rate that should be used to determine the present value of the expected future cash outflows necessary to settle the obligation. To determine the appropriate discount rate, Prosegur considers the interest rates of government bonds of a currency and term consistent with the currency and term of the employee benefit obligations.

Other key assumptions used to measure these employee benefit obligations are partly based on present market conditions.

APPENDIX I. Consolidated Subsidiaries

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

Information at 31 December 2012

Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Prosecur Gestión de Activos, S.L.U.	Pajaritos, 24 (MADRID)	100.0	Prosecur Cia de Seguridad, S.A.	a	7	A
Servimax Servicios Generales, S.A.	Pajaritos, 24 (MADRID)	100.0	Prosecur Cia de Seguridad, S.A.	a	1	A
Prosecur Activa Holding, S.L.U.	Pajaritos, 24 (MADRID)	100.0	Prosecur Cia de Seguridad, S.A.	a	5	A
Formación Selección y Consultoría S.A.	Santa Sabina, 8 (MADRID)	100.0	Prosecur Cia de Seguridad, S.A.	a	7	B
Seguridad Vigilada S.A.	C/ Pisuerga, 18 (BARCELONA)	100.0	Prosecur Cia de Seguridad, S.A.	a	4	B
STMEC S.L.	C/ Pisuerga, 18 (BARCELONA)	100.0	Prosecur Cia de Seguridad, S.A.	a	1	B
Salcer Servicios Auxiliares S.L.	C/ Pisuerga, 18 (BARCELONA)	100.0	Prosecur Cia de Seguridad, S.A.	a	1	B
Beloura Investments S.L.U.	Pajaritos 24 (MADRID)	100.0	Prosecur Cia de Seguridad, S.A.	a	5	A
Prosecur Multiservicios S.A.	Pajaritos, 24 (MADRID)	100.0	Prosecur Cia de Seguridad, S.A.	a	3	B
Pitco Ventures S.C.R.	Pajaritos, 24 (MADRID)	100.0	Prosecur Cia de Seguridad, S.A.	a	6	A
ESC Servicios Generales, S.L.U.	Avda. Primera, B-1 (A CORUÑA)	100.0	Prosecur Cia de Seguridad, S.A.	a	1	A
Prosecur International Handels GMBH	Poststrabe, 33 (HAMBURG)	100.0	Malcoff Holding BV	a	5	B
Prosecur GMBH (anteriormente Securlog GMBH)	Wahlerstrasse 2a, 40472 Düsseldorf	100.0	Prosecur Cia de Seguridad, S.A.	a	2	A
Prosecur France, S.A.	84 Rue des Aceries (SAINT ETIENNE)	100.0	Prosecur Cia de Seguridad, S.A.	a	5	A
Prosecur Sécurité Humaine EURL	84 Rue des Aceries (SAINT ETIENNE)	100.0	Prosecur France, S.A.	a	1	A
Prosecur Telesurveillance EURL	3 Alle de L'ectronique (SAINT ETIENNE)	100.0	Prosecur France, S.A.	a	3	B
Prosecur Securite Nord, S.A.S.	8 Avenue Descartes (Les Plessis Robinson)	100.0	Prosecur France, S.A.	a	1	B
Prosecur Traitement de Valeurs EURL	Rue Rene Cassin ZI de Molina (LA TALAUDIERE)	100.0	Prosecur France, S.A.	a	2	A
Prosecur Traitement de Valeurs EST	2 Rue Lovoisier BP 61609 25010 Besancon Cedex 3	100.0	Prosecur Cia de Seguridad, S.A.	a	2	A
Prosecur Technologie SAS	84 Rue des Aceries (SAINT ETIENNE)	100.0	Prosecur France, S.A.	a	3	A
SAS BFA	8 Avenue Descartes (Les Plessis Robinson)	33.5	Prosecur Cia de Seguridad, S.A.	a	3	B
		66.5	Prosecur France, S.A.			
Sarl Initiale	8 Avenue Descartes (Les Plessis Robinson)	100.0	Prosecur France, S.A.	a	7	B
Esta Service, SASU	84 RUE DES ACIERIES 42000 SAINT ETIENNE (FRANCIA)	100.0	Prosecur Cia de Seguridad, S.A.	a	8	B
Prosecur Centre SARL	84 RUE DES ACIERIES 42000 SAINT ETIENNE (FRANCIA)	100.0	Prosecur Cia de Seguridad, S.A.	a	8	B

Information at 31 December 2012

Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Prosegur Participations, S.A.S.	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100.0	Prosegur Cia de Seguridad, S.A.	a	5	A
Services Valeurs Fonds SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100.0	Prosegur Participations, S.A.S.	a	2	A
Docks y Entrepots Sazias SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100.0	Prosegur Participations, S.A.S.	a	2	A
Euroval SAS	604 Avenue du Col de l'Ange - ZA des Plaines de Jouques - 13420 GEMENOS	5.0	Prosegur Cia de Seguridad, S.A.	a	2	B
		95.0	Prosegur Participations, S.A.S.			
GRP Holding SARL	177, rue de Luxembourg, L - 8055 Bertrange, Luxembourg	100.0	Luxpai Holdo S.A.R.L.	a	5	C
GRP Security SARL	177, rue de Luxembourg, L - 8055 Bertrange, Luxembourg	100.0	GRP Holding SARL	a	1	C
Prosegur Securite EST SAS	14, rue des Serruriers 57070 Metz	100.0	GRP Holding SARL	a	1	C
Prosegur Securite Rubis SAS	2 Boulevard Général de Gaulle, 94270 Le Kremlin Bicêtre	100.0	GRP Holding SARL	a	1	C
Prosegur Securite Jade SAS	2 Boulevard Général de Gaulle, 94270 Le Kremlin Bicêtre	100.0	Prosegur Securite EST SAS	a	1	C
Prosegur Securite Opale SAS	2 Boulevard Général de Gaulle, 94270 Le Kremlin Bicêtre	100.0	GRP Holding SARL	a	1	C
Prosegur Accueil et Service SAS	14, rue des Serruriers 57070 Metz	100.0	GRP Holding SARL	a	1	C
Malcoff Holdings BV	Schouwburgplein, 30-34 (ROTTERDAM)	100.0	Prosegur Cia de Seguridad, S.A.	a	5	B
Reinsurance Bussiness Solutions Limited	80 Harcourt Street (DUBLIN)	100.0	Prosegur Cia de Seguridad, S.A.	a	6	A
Luxpai Holdo S.A.R.L.	5, rue Guillaume Kroll, L-1882 Luxembourg	100.0	Prosegur Cia de Seguridad, S.A.	a	5	B
Pitco Reinsurance		100.0	Luxpai Holdo S.A.R.L.	a	6	A
Prosegur Distribução e Serviços, Lda.	Av. Infante Dom Henrique, 326 (LISBOA)	100.0	Prosegur Cia de Seguridad, S.A.	a	7	B
Prosegur Companhia de Seguranca, Lda.	Av. Infante Dom Henrique, 326 (LISBOA)	99.5	Prosegur Cia de Seguridad, S.A.	a	4	A
		0.5	Prosegur Activa Holding, S.L.U			
Rosegur Cash Services	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Cod 023708, Bucuresti, Romania	51.0	Prosegur Cia de Seguridad, S.A.	a	2	B
		49.0	Rosegur, S.A.			
Transportadora de Caudales de Juncadella SA	Tres Arroyos 2835 Ciudad de Buenos Aires	5.0	Armor Acquisition SA	a	2	A
		95.0	Juncadella Prosegur Internacional S.A.			
Armor Acquisition SA	Tres Arroyos 2835 Ciudad de Buenos Aires	5.0	Prosegur Cia de Seguridad, S.A.	a	5	B
		95.0	Prosegur International handels GMBH			
Juncadella Prosegur Internacional S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	68.8	Armor Acquisition SA	a	5	B
		31.2	Prosegur International handels GMBH			
Prosegur Seguridad, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	B
		5.0	Armor Acquisition SA			

Information at 31 December 2012

Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor																																																																																																																																																
		% ownership	Company holding the investment																																																																																																																																																			
Prosegur Vigilancia Activa, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	B																																																																																																																																																
		5.0	Armor Acquisition S.A.				Servicios Auxiliares Petroleros, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A	5.0	Armor Acquisition S.A.	Xiden, S.A.C.I.	Olleros, 3923 Ciudad de Buenos Aires	7.8	Prosegur Cia de Seguridad, S.A.	a	3	A	91.2	Juncadella Prosegur Internacional S.A.	Prosegur Tecnología Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	3.9	Prosegur Cia de Seguridad, S.A.	a	3	A	96.2	Juncadella Prosegur Internacional S.A.	General Industries Argentina, S.A.	Herrera, 1175 Ciudad de Buenos Aires	90.0	Prosegur Cia de Seguridad, S.A.	a	3	A	10.0	Juncadella Prosegur Internacional S.A.	Tellex, S.A.	Rincón 1346. Ciudad de Buenos Aires	95.0	Prosegur Cia de Seguridad, S.A.	a	3	A	5.0	Armor Acquisition SA	Prosegur Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B	10.0	Prosegur Cia de Seguridad, S.A.	Prosegur Inversiones, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B	10.0	Prosegur Cia de Seguridad, S.A.	Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Holding, S.A.	a	3	A	10.0	Prosegur Inversiones, SA	Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A	5.0	Armor Acquisition SA	TC Interplata, S.A.	Calle Perú 1578, Buenos Aires	5.0	Juncadella Prosegur Internacional S.A.	a	2	B	95.0	Transportadora de Caudales de Juncadella SA	Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	95.0	Juncadella Prosegur Internacional S.A.	a	1	B	5.0	Armor Acquisition SA	TSR Participacoes Societarias SA	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100.0	SGCE Participações Societarias SA	a	5	B	Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.0	TSR Participacoes Societarias SA	a	4	A	Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A	99.0	TSR Participacoes Societarias SA	CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.4	Prosegur Sistemas de Segurança Ltda	Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.2	Prosegur Sistemas de Segurança Ltda	Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.
Servicios Auxiliares Petroleros, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A																																																																																																																																																
		5.0	Armor Acquisition S.A.				Xiden, S.A.C.I.	Olleros, 3923 Ciudad de Buenos Aires	7.8	Prosegur Cia de Seguridad, S.A.	a	3	A	91.2	Juncadella Prosegur Internacional S.A.	Prosegur Tecnología Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	3.9	Prosegur Cia de Seguridad, S.A.	a	3	A	96.2	Juncadella Prosegur Internacional S.A.	General Industries Argentina, S.A.	Herrera, 1175 Ciudad de Buenos Aires	90.0	Prosegur Cia de Seguridad, S.A.	a	3	A	10.0	Juncadella Prosegur Internacional S.A.	Tellex, S.A.	Rincón 1346. Ciudad de Buenos Aires	95.0	Prosegur Cia de Seguridad, S.A.	a	3	A	5.0	Armor Acquisition SA	Prosegur Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B	10.0	Prosegur Cia de Seguridad, S.A.	Prosegur Inversiones, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B	10.0	Prosegur Cia de Seguridad, S.A.	Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Holding, S.A.	a	3	A	10.0	Prosegur Inversiones, SA	Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A	5.0	Armor Acquisition SA	TC Interplata, S.A.	Calle Perú 1578, Buenos Aires	5.0	Juncadella Prosegur Internacional S.A.	a	2	B	95.0	Transportadora de Caudales de Juncadella SA	Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	95.0	Juncadella Prosegur Internacional S.A.	a	1	B	5.0	Armor Acquisition SA	TSR Participacoes Societarias SA	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100.0	SGCE Participações Societarias SA	a	5	B	Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.0	TSR Participacoes Societarias SA	a	4	A	Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A	99.0	TSR Participacoes Societarias SA	CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.4	Prosegur Sistemas de Segurança Ltda	Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.2	Prosegur Sistemas de Segurança Ltda	Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A	0.0	TSR Participacoes Societarias SA				
Xiden, S.A.C.I.	Olleros, 3923 Ciudad de Buenos Aires	7.8	Prosegur Cia de Seguridad, S.A.	a	3	A																																																																																																																																																
		91.2	Juncadella Prosegur Internacional S.A.				Prosegur Tecnología Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	3.9	Prosegur Cia de Seguridad, S.A.	a	3	A	96.2	Juncadella Prosegur Internacional S.A.	General Industries Argentina, S.A.	Herrera, 1175 Ciudad de Buenos Aires	90.0	Prosegur Cia de Seguridad, S.A.	a	3	A	10.0	Juncadella Prosegur Internacional S.A.	Tellex, S.A.	Rincón 1346. Ciudad de Buenos Aires	95.0	Prosegur Cia de Seguridad, S.A.	a	3	A	5.0	Armor Acquisition SA	Prosegur Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B	10.0	Prosegur Cia de Seguridad, S.A.	Prosegur Inversiones, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B	10.0	Prosegur Cia de Seguridad, S.A.	Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Holding, S.A.	a	3	A	10.0	Prosegur Inversiones, SA	Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A	5.0	Armor Acquisition SA	TC Interplata, S.A.	Calle Perú 1578, Buenos Aires	5.0	Juncadella Prosegur Internacional S.A.	a	2	B	95.0	Transportadora de Caudales de Juncadella SA	Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	95.0	Juncadella Prosegur Internacional S.A.	a	1	B	5.0	Armor Acquisition SA	TSR Participacoes Societarias SA	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100.0	SGCE Participações Societarias SA	a	5	B	Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.0	TSR Participacoes Societarias SA	a	4	A	Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A	99.0	TSR Participacoes Societarias SA	CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.4	Prosegur Sistemas de Segurança Ltda	Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.2	Prosegur Sistemas de Segurança Ltda	Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A	0.0	TSR Participacoes Societarias SA													
Prosegur Tecnología Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	3.9	Prosegur Cia de Seguridad, S.A.	a	3	A																																																																																																																																																
		96.2	Juncadella Prosegur Internacional S.A.				General Industries Argentina, S.A.	Herrera, 1175 Ciudad de Buenos Aires	90.0	Prosegur Cia de Seguridad, S.A.	a	3	A	10.0	Juncadella Prosegur Internacional S.A.	Tellex, S.A.	Rincón 1346. Ciudad de Buenos Aires	95.0	Prosegur Cia de Seguridad, S.A.	a	3	A	5.0	Armor Acquisition SA	Prosegur Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B	10.0	Prosegur Cia de Seguridad, S.A.	Prosegur Inversiones, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B	10.0	Prosegur Cia de Seguridad, S.A.	Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Holding, S.A.	a	3	A	10.0	Prosegur Inversiones, SA	Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A	5.0	Armor Acquisition SA	TC Interplata, S.A.	Calle Perú 1578, Buenos Aires	5.0	Juncadella Prosegur Internacional S.A.	a	2	B	95.0	Transportadora de Caudales de Juncadella SA	Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	95.0	Juncadella Prosegur Internacional S.A.	a	1	B	5.0	Armor Acquisition SA	TSR Participacoes Societarias SA	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100.0	SGCE Participações Societarias SA	a	5	B	Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.0	TSR Participacoes Societarias SA	a	4	A	Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A	99.0	TSR Participacoes Societarias SA	CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.4	Prosegur Sistemas de Segurança Ltda	Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.2	Prosegur Sistemas de Segurança Ltda	Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A	0.0	TSR Participacoes Societarias SA																						
General Industries Argentina, S.A.	Herrera, 1175 Ciudad de Buenos Aires	90.0	Prosegur Cia de Seguridad, S.A.	a	3	A																																																																																																																																																
		10.0	Juncadella Prosegur Internacional S.A.				Tellex, S.A.	Rincón 1346. Ciudad de Buenos Aires	95.0	Prosegur Cia de Seguridad, S.A.	a	3	A	5.0	Armor Acquisition SA	Prosegur Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B	10.0	Prosegur Cia de Seguridad, S.A.	Prosegur Inversiones, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B	10.0	Prosegur Cia de Seguridad, S.A.	Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Holding, S.A.	a	3	A	10.0	Prosegur Inversiones, SA	Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A	5.0	Armor Acquisition SA	TC Interplata, S.A.	Calle Perú 1578, Buenos Aires	5.0	Juncadella Prosegur Internacional S.A.	a	2	B	95.0	Transportadora de Caudales de Juncadella SA	Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	95.0	Juncadella Prosegur Internacional S.A.	a	1	B	5.0	Armor Acquisition SA	TSR Participacoes Societarias SA	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100.0	SGCE Participações Societarias SA	a	5	B	Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.0	TSR Participacoes Societarias SA	a	4	A	Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A	99.0	TSR Participacoes Societarias SA	CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.4	Prosegur Sistemas de Segurança Ltda	Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.2	Prosegur Sistemas de Segurança Ltda	Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A	0.0	TSR Participacoes Societarias SA																															
Tellex, S.A.	Rincón 1346. Ciudad de Buenos Aires	95.0	Prosegur Cia de Seguridad, S.A.	a	3	A																																																																																																																																																
		5.0	Armor Acquisition SA				Prosegur Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B	10.0	Prosegur Cia de Seguridad, S.A.	Prosegur Inversiones, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B	10.0	Prosegur Cia de Seguridad, S.A.	Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Holding, S.A.	a	3	A	10.0	Prosegur Inversiones, SA	Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A	5.0	Armor Acquisition SA	TC Interplata, S.A.	Calle Perú 1578, Buenos Aires	5.0	Juncadella Prosegur Internacional S.A.	a	2	B	95.0	Transportadora de Caudales de Juncadella SA	Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	95.0	Juncadella Prosegur Internacional S.A.	a	1	B	5.0	Armor Acquisition SA	TSR Participacoes Societarias SA	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100.0	SGCE Participações Societarias SA	a	5	B	Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.0	TSR Participacoes Societarias SA	a	4	A	Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A	99.0	TSR Participacoes Societarias SA	CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.4	Prosegur Sistemas de Segurança Ltda	Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.2	Prosegur Sistemas de Segurança Ltda	Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A	0.0	TSR Participacoes Societarias SA																																								
Prosegur Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B																																																																																																																																																
		10.0	Prosegur Cia de Seguridad, S.A.				Prosegur Inversiones, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B	10.0	Prosegur Cia de Seguridad, S.A.	Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Holding, S.A.	a	3	A	10.0	Prosegur Inversiones, SA	Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A	5.0	Armor Acquisition SA	TC Interplata, S.A.	Calle Perú 1578, Buenos Aires	5.0	Juncadella Prosegur Internacional S.A.	a	2	B	95.0	Transportadora de Caudales de Juncadella SA	Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	95.0	Juncadella Prosegur Internacional S.A.	a	1	B	5.0	Armor Acquisition SA	TSR Participacoes Societarias SA	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100.0	SGCE Participações Societarias SA	a	5	B	Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.0	TSR Participacoes Societarias SA	a	4	A	Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A	99.0	TSR Participacoes Societarias SA	CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.4	Prosegur Sistemas de Segurança Ltda	Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.2	Prosegur Sistemas de Segurança Ltda	Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A	0.0	TSR Participacoes Societarias SA																																																	
Prosegur Inversiones, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B																																																																																																																																																
		10.0	Prosegur Cia de Seguridad, S.A.				Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Holding, S.A.	a	3	A	10.0	Prosegur Inversiones, SA	Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A	5.0	Armor Acquisition SA	TC Interplata, S.A.	Calle Perú 1578, Buenos Aires	5.0	Juncadella Prosegur Internacional S.A.	a	2	B	95.0	Transportadora de Caudales de Juncadella SA	Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	95.0	Juncadella Prosegur Internacional S.A.	a	1	B	5.0	Armor Acquisition SA	TSR Participacoes Societarias SA	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100.0	SGCE Participações Societarias SA	a	5	B	Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.0	TSR Participacoes Societarias SA	a	4	A	Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A	99.0	TSR Participacoes Societarias SA	CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.4	Prosegur Sistemas de Segurança Ltda	Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.2	Prosegur Sistemas de Segurança Ltda	Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A	0.0	TSR Participacoes Societarias SA																																																										
Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Holding, S.A.	a	3	A																																																																																																																																																
		10.0	Prosegur Inversiones, SA				Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A	5.0	Armor Acquisition SA	TC Interplata, S.A.	Calle Perú 1578, Buenos Aires	5.0	Juncadella Prosegur Internacional S.A.	a	2	B	95.0	Transportadora de Caudales de Juncadella SA	Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	95.0	Juncadella Prosegur Internacional S.A.	a	1	B	5.0	Armor Acquisition SA	TSR Participacoes Societarias SA	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100.0	SGCE Participações Societarias SA	a	5	B	Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.0	TSR Participacoes Societarias SA	a	4	A	Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A	99.0	TSR Participacoes Societarias SA	CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.4	Prosegur Sistemas de Segurança Ltda	Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.2	Prosegur Sistemas de Segurança Ltda	Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A	0.0	TSR Participacoes Societarias SA																																																																			
Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A																																																																																																																																																
		5.0	Armor Acquisition SA				TC Interplata, S.A.	Calle Perú 1578, Buenos Aires	5.0	Juncadella Prosegur Internacional S.A.	a	2	B	95.0	Transportadora de Caudales de Juncadella SA	Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	95.0	Juncadella Prosegur Internacional S.A.	a	1	B	5.0	Armor Acquisition SA	TSR Participacoes Societarias SA	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100.0	SGCE Participações Societarias SA	a	5	B	Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.0	TSR Participacoes Societarias SA	a	4	A	Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A	99.0	TSR Participacoes Societarias SA	CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.4	Prosegur Sistemas de Segurança Ltda	Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.2	Prosegur Sistemas de Segurança Ltda	Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A	0.0	TSR Participacoes Societarias SA																																																																												
TC Interplata, S.A.	Calle Perú 1578, Buenos Aires	5.0	Juncadella Prosegur Internacional S.A.	a	2	B																																																																																																																																																
		95.0	Transportadora de Caudales de Juncadella SA				Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	95.0	Juncadella Prosegur Internacional S.A.	a	1	B	5.0	Armor Acquisition SA	TSR Participacoes Societarias SA	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100.0	SGCE Participações Societarias SA	a	5	B	Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.0	TSR Participacoes Societarias SA	a	4	A	Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A	99.0	TSR Participacoes Societarias SA	CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.4	Prosegur Sistemas de Segurança Ltda	Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.2	Prosegur Sistemas de Segurança Ltda	Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A	0.0	TSR Participacoes Societarias SA																																																																																					
Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	95.0	Juncadella Prosegur Internacional S.A.	a	1	B																																																																																																																																																
		5.0	Armor Acquisition SA				TSR Participacoes Societarias SA	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100.0	SGCE Participações Societarias SA	a	5	B	Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.0	TSR Participacoes Societarias SA	a	4	A	Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A	99.0	TSR Participacoes Societarias SA	CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.4	Prosegur Sistemas de Segurança Ltda	Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.2	Prosegur Sistemas de Segurança Ltda	Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A	0.0	TSR Participacoes Societarias SA																																																																																														
TSR Participacoes Societarias SA	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100.0	SGCE Participações Societarias SA	a	5	B																																																																																																																																																
Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.0	TSR Participacoes Societarias SA	a	4	A																																																																																																																																																
Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A																																																																																																																																																
		99.0	TSR Participacoes Societarias SA				CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.4	Prosegur Sistemas de Segurança Ltda	Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.2	Prosegur Sistemas de Segurança Ltda	Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A	0.0	TSR Participacoes Societarias SA																																																																																																																					
CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B																																																																																																																																																
		0.4	Prosegur Sistemas de Segurança Ltda				Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B	0.2	Prosegur Sistemas de Segurança Ltda	Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A	0.0	TSR Participacoes Societarias SA																																																																																																																														
Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B																																																																																																																																																
		0.2	Prosegur Sistemas de Segurança Ltda				Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A	0.0	TSR Participacoes Societarias SA																																																																																																																																							
Prosegur Tecnología en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A																																																																																																																																																
		0.0	TSR Participacoes Societarias SA																																																																																																																																																			

Information at 31 December 2012

Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Setha Indústria Eletrônica Ltda.	Rua Alvares de Macedo, 134, E144, Parada de Lucas, Rio de Janeiro	99.6	Prosecur Tecnología en Sistemas de Segurança Eletrônica e Incendios Ltda..	a	3	A
		0.4	TSR Participacoes Societarias SA			
Prosecur Holding e Participações	Av. Thomas Edison, 813, SL 03, Barra Funda, São Paulo	12.0	Prosecur Cia de Seguridad, S.A.	a	4	B
		88.0	Juncadella Prosecur Internacional S.A.			
Prosecur Activa Alarmes Ltda.	Av. Thomas Edison, 813, 2º andar, Barra Funda, São Paulo	97.0	Prosecur Activa Holding, S.L.U.			
		2.0	Prosecur Tecnología en Sistemas de Segurança Eletrônica e Incendios Ltda.	a	3	B
		1.0	Prosecur Cia de Seguridad, S.A.			
Prosecur Gestao de Efetivos Ltda	Av. Thomas Edison, 813, SL 03, Barra Funda, São Paulo	99.9	Prosecur Cia de Seguridad, S.A.	a	2	B
		0.1	TSR Participacoes Societarias SA			
Prosecur Gestao de Ativos Ltda.	Av. Thomas Edison, nº 813, 2º Andar, Sala 03, Bairro Barra Funda, Cidade de São Paulo, Estado de São Paulo	0.0	Prosecur Cia de Seguridad, S.A.	a	7	A
		100.0	Prosecur Gestion de Activos, S. L.			
Digipro Processamento de Documentos e Valores Ltda	Av. Amador Bueno da Veiga, 4271 - Altos - JD. Popular, Sao Paulo - CEP 03.653-000	100.0	Prosecur Activa Alarmes, S.A.	a	2	B
Nordeste Segurança Eletrônica Ltda	R Professor Andra de Becerra, 931 - Salgado - Olinda - CEP 53.110-110	100.0	Prosecur Activa Alarmes, S.A.	a	3	B
Juncadella Prosecur Group Andina	Los Gobelinos 2567 Of. 203, Renca, Santiago	100.0	Juncadella Prosecur Internacional S.A.	a	5	B
		0.0	Armor Acquisition SA			
Capacitaciones Ocupacionales Sociedad Ltda	Los Gobelinos 2567 Of. 100, Renca, Santiago	83.1	Prosecur Cia de Seguridad, S.A.			
		6.8	Prosecur International handels GMBH	a	2	B
		10.1	Juncadella Prosecur Group Andina			
Servicios Prosecur Ltda	Los Gobelinos 2567, Renca, Santiago	100.0	Prosecur Cia de Seguridad, S.A.	a	2	A
		0.0	Prosecur International handels GMBH			
Sociedad de Distribución Canje y Mensajería Ltda.	Los Gobelinos 2548, Renca, Santiago	48.7	Prosecur Cia de Seguridad, S.A.			
		30.6	Juncadella Prosecur Group Andina	a	7	B
		20.7	Prosecur International handels GMBH			
Servicios de Seguridad Prosecur Regiones Limitada	Los Gobelinos 2567, Renca, Santiago	99.0	Prosecur Chile, S.A.	a	1	B
		1.0	Juncadella Prosecur Group Andina			
Empresa de Transportes Compañía de Seguridad Chile Ltda	Los Gobelinos 2567, Renca, Santiago	60.0	Juncadella Prosecur Group Andina	a	2	A
		40.0	Prosecur International handels GMBH			
Prosecur Tecnología Chile Limitada	Lo Boza107, Mod. 3 Pudahuel - Santiago	100.0	Prosecur Cia de Seguridad, S.A.	a	3	A
		0.0	Prosecur Chile, S.A.			
Prosecur Activa Chile S.L.	Catedral 1009, piso 14 - Santiago Centro	99.0	Prosecur Activa Holding, S.L.U.	a	3	A
		1.0	Prosecur Cia de Seguridad, S.A.			

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Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Prosegur Chile, S.A.	Los Gobelinos 2567, Renca, Santiago	70.0	Prosegur, S.A.	a	1	B
		30.0	Prosegur International handels GMBH			
Prosegur Gestion de Activos Chile Ltda	Los Gobelinos 2567, Comuna de Renca, Santiago de Chile	99.0	Prosegur Gestion de Activos, S. L.	a	7	B
		1.0	Servicios Prosegur Ltda			
Compañía Transportadora de Valores Prosegur de Colombia, S.A.	Avda. De las Américas, 42-25 Bogotá	94.9	Prosegur Cia de Seguridad, S.A.	a	2	A
		5.1	Prosegur Activa Holding, S.L.U			
Prosegur Peajes SAS	Avda. De las Américas, 42-25 Bogotá	100.0	Compañía Transportadora de Valores Prosegur de Colombia, S.A.	a	2	B
Inversiones BIV SAS	Calle 32 No. 8A-65 Edificio BCH piso 8 de Cartagena	100.0	Prosegur Activa Holding, S.L.U	a	5	A
Prosegur Vigilancia y Seguridad Privada Ltda	Calle 32 No. 8A-65 Edificio BCH piso 8 de Cartagena	99.9	Inversiones BIV SAS	a	1	A
Prosegur Tecnologia SAS	Av Ciudad de Quito No. 70A77 de Bogotá.	100.0	Beloura Investments S.L.U.	a	3	A
Prosegur GPS SAS	Cra. 50 No. 71-80 Bogotá (Colombia)	100.0	Beloura Investments S.L.U.	a	3	C
Integra Monitoreo SAS	Cra. 50 No. 71-80 Bogotá (Colombia)	100.0	Beloura Investments S.L.U.	a	3	A
Servimax Servicios Generales, SAS	Calle 32 No. 8A-65 Edificio BCH piso 8 de Cartagena	100.0	Inversiones BIV SAS	a	1	B
Servimax Servicios Temporales SAS	Calle 32 No. 8A-65 Edificio BCH piso 8 de Cartagena	100.0	Inversiones BIV SAS	a	1	B
Prosegur Gestion de Activos de Colombia SAS	AC 13 # 42 A - 24. Bogotá	100.0	Prosegur Gestion de Activos, S. L.	a	7	B
Prosegur Paraguay SA	C/ Artigas, esq. Concepción Leyes de Chávez- Asunción	99.0	Juncadella Prosegur Internacional S.A.	a	4	A
		1.0	Transportadora de Caudales de Juncadella SA			
Prosegur Tecnología Paraguay, SA	C/ Artigas, esq. Concepción Leyes de Chávez- Asunción	99.0	Juncadella Prosegur Internacional S.A.	a	1	B
		1.0	Transportadora de Caudales de Juncadella SA			
Compañía de Seguridad Prosegur SA	Av. Morro Solar 1086 - Surco - Lima - Perú	52.0	Juncadella Prosegur Internacional S.A.	a	2	A
		48.0	Transportadora de Caudales de Juncadella SA			
Proseguridad SA	Av. Los Próceres 250 - Surco - Lima - Perú	52.0	Juncadella Prosegur Internacional S.A.	a	1	A
		48.0	Transportadora de Caudales de Juncadella SA			
Prosegur Cajeros SA	Calle La Chira 103 Urb.Santa Teresa de las Gardenias, Surco, Lima-Perú	52.0	Juncadella Prosegur Internacional S.A.	a	2	B
		48.0	Transportadora de Caudales de Juncadella SA			
Prosegur Tecnología Perú SA	Calle La Chira 103 Urb.Santa Teresa de las Gardenias, Surco, Lima-Perú	99.0	Prosegur Cia de Seguridad, S.A.	a	3	B
		1.0	Prosegur Activa Holding, S.L.U.			
Orus, S.A.	Av. Los Próceres 250 - Surco - Lima - Perú	84.8	Proseguridad SA	a	1	A
		14.3	Inversiones RB, SA			
		0.9	Compañía de Seguridad Prosegur SA.			

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Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Orus Selva, SA	Caserio Palmawasi - Uchiza - Tocache - San Martin, Perú	90.0	Orus, S.A.	a	1	B
		10.0	Compañía de Seguridad Prosegur SA.			
Inversiones RB, SA	Av. Nicolás Arriola 780 Urb. Santa Catalina - La Victoria - Lima - Perú	99.0	Proseguridad SA	a	5	B
		1.0	Compañía de Seguridad Prosegur SA.			
Prosegur Activa Peru, SA	Av. República de Panamá 3890 - Surquillo - Lima, Perú	99.0	Prosegur Activa Holding, S.L.U	a	3	A
		1.0	Prosegur Cia de Seguridad, S.A.			
Prosegur Servicios Administrativos. S.A.	Av. Primavera 1050-Urbanización Chacarilla del Estanque-Santiago de Surco	1.0	Prosegur Activa Holding, S.L.U	a	7	B
		99.0	Prosegur Cia de Seguridad, S.A.			
Prosegur Gestion de Activos, S.A.	Calle La Chira 103-Urbanización Las Gardenias-Santiago de Surco	1.0	Prosegur Activa Holding, S.L.U	a	7	B
		99.0	Prosegur Gestion de Activos, S. L.			
Prosegur Mexico S de RL de CV	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	85.6	Prosegur Cia de Seguridad, S.A.	a	5	B
		14.4	Prosegur Activa Holding, S.L.U			
PRO-S Compañía de Seguridad Privada, SA de C.V.	Norte 79 B No. 77 planta alta. Colonia Sector Naval. 02080 MEXICO D.F.	100.0	Prosegur Mexico S de RL de CV	a	1	B
Prosegur Seguridad Privada Logística y Gestión de Efectivo, S.A. de C.V.	Norte 79 B No. 75 Colonia Sector Naval. 02080 MEXICO D.F.	100.0	Prosegur Mexico S de RL de CV	a	2	A
Prosegur Seguridad Privada S.A. de CV.	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	100.0	Prosegur Mexico S de RL de CV	a	1	A
Prosegur Consultoría y Servicios Administrativos de RL de CV	Norte 79 B No. 75 Colonia Sector Naval. 02080 MEXICO D.F.	100.0	Prosegur Mexico S de RL de CV	a	4	B
Prosegur Servicios de Seguridad Privada Electrónica SA de CV	C/ Piña 297 Colonia Nueva Santa María. 02820 MEXICO D.F.	100.0	Prosegur Mexico S de RL de CV	a	2	B
Prosegur Custodias, S.A. de CV	C/ Alfredo Nobel, 21. Colonia Los Reyes Industrial. 54073 TLALNEPANTLA	100.0	Prosegur Mexico S de RL de CV	a	1	A
Prosegur Tecnologia, SA de C.V.	Piña 297 Piso 1, Col. Hogar y Seguridad, D.F. C.P. 02820	100.0	Prosegur Mexico S de RL de CV	a	3	B
Grupo Tratamiento y Gestion de Valores SAPI de CV	Norte 79 B, Número 75. Col. Sector Naval Distrito Federal. C.P. 02080	80.0	Prosegur Cia de Seguridad, S.A.	a	2	A
Grupo Mercurio de Transportes SA de CV	Av de las Granjas, 76 - Sector Naval - Azcapotzalco - 02080 MEXICO D.F.	100.0	Grupo Tratamiento y Gestion de Valores SAPI de CV	a	2	A
Compañía Ridur SA	Guarani 1531 (Montevideo)	100.0	Juncadella Prosegur Internacional S.A.	a	5	B
Prosegur Transportadora de Caudales SA	Guarani 1531 (Montevideo)	99.9	Juncadella Prosegur Internacional S.A.	a	2	A
		0.1	Armor Acquisition SA			
Prosegur Activa Uruguay, S.A.	Bvrd.Artigas 2629 (Montevideo)	95.0	Prosegur Activa Holding S.L.U.	a	3	A
		5.0	Prosegur Cia de Seguridad, S.A.			
Nautiland, SA	Martiniano Chiossi s/n - Maldonado	100.0	Prosegur Activa Uruguay, S.A.	a	3	B
Blindados, SRL	Guarani 1531 (Montevideo)	99.0	Prosegur Transportadora de Caudales SA	a	2	B
		1.0	Prosegur Uruguay Compañía de Seguridad, S.A.			

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Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Genper, S.A.	Rodo Jose Enrique 1761 - Montevideo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A
Prosegur Uruguay Compañía de Seguridad, S.A.	Bvrd.Artigas 2629 (Montevideo)	90.0	Prosegur, S.A.	a	1	A
		10.0	Armor Acquisition SA			
GSM Telecom SA	Del pino, Simon 1055, Piriapolis, Maldonado	100.0	Prosegur Activa Uruguay, S.A.	a	3	B
Coral Melody SA	Guarani 1531 (Montevideo)	100.0	Prosegur Activa Uruguay, S.A.	a	1	A
Tecnofren SA	Michelini, Zelmar 1121 - Maldonado	100.0	Prosegur Activa Uruguay, S.A.	a	1	A
Roytronic SA	Guarani 1531 (Montevideo)	100.0	Prosegur Activa Uruguay, S.A.	a	3	B
Pitco Shanghai		100.0	Luxpai Holdo S.A.R.L.	a	2	C
Pitco Asia Pacific Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton RD TST-KL	100.0	Luxpai Holdo SARL	a	5	B
Imperial Dragon Security Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	100.0	Luxpai Holdo SARL	a	5	C
Weldom Technology Co Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	100.0	Imperial Dragon Security Ltd	a	5	C
Prosec Services Pte Ltd	111Geylang Road, #01-01, Singapore 389216	100.0	Singpai Pte Ltd	a	1	B
Singpai Pte Ltd	80 Robinson Road #02-00 Singapore 068898	100.0	Luxpai Holdo S.A.R.L.	a	5	B
Aaxis Security Management Pte. Ltd	1 Lorong 2 Toa Payoh, #03 - 02, Yellow Pages Building, Singapore 319637	100.0	Singpai Pte Ltd	a	1	B
Prosec Cash Services Private, LtdServices Pte Ltd	111Geylang Road, #01-01, Singapore 389216	100.0	Singpai Pte Ltd	a	2	B
Prointrans LLC	Office 346, 13800 Coppermine Road, Herndon, 20171, VIRGINIA	100.0	Prosegur Cia de Seguridad, S.A.	a	5	C

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Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Prosegur Gestión de Activos, S.L.U.	Pajaritos, 24 (MADRID)	100.0	Prosegur Cia de Seguridad, S.A.	a	7	A
Servimax Servicios Generales, S.A.	Pajaritos, 24 (MADRID)	100.0	Prosegur Cia de Seguridad, S.A.	a	1	A
Prosegur Activa Holding, S.L.U.	Pajaritos, 24 (MADRID)	100.0	Prosegur Cia de Seguridad, S.A.	a	5	A
Formación Selección y Consultoría S.A.	Santa Sabina, 8 (MADRID)	100.0	Prosegur Cia de Seguridad, S.A.	a	7	B
Seguridad Vigilada, S.A.	C/ Pisuerga, 18 (BARCELONA)	95.0	Prosegur Cia de Seguridad, S.A.	a	4	C
S.T.M.E.C., S.L.	C/ Pisuerga, 18 (BARCELONA)	95.0	Prosegur Cia de Seguridad, S.A.	a	1	C
Salcer Servicios Auxiliares, S.L.	C/ Pisuerga, 18 (BARCELONA)	95.0	Prosegur Cia de Seguridad, S.A.	a	1	C
Beloura Investments, S.L.U.	Pajaritos 24 (MADRID)	100.0	Prosegur Cia de Seguridad, S.A.	a	5	C
Prosegur Multiservicios, S.A.	Pajaritos, 24 (MADRID)	100.0	Prosegur Activa España, S.A.	a	3	B

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Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Pitco Ventures, SCR Simplificada, S.A.	Pajaritos, 24 (MADRID)	100.0	Prosegur Cia de Seguridad, S.A.	a	7	A
ESC Servicios Generales, S.L.	Avda. Primera, B-1 (A CORUÑA)	100.0	Prosegur Cia de Seguridad, S.A.	a	1	A
Prosegur International Handels GMBH	Poststrabe, 33 (HAMBURG)	100.0	Malcoff Holding BV	a	5	B
Securlog, GMBH	Wahlerstrasse 2a, 40472 Düsseldorf	100.0	Prosegur Cia de Seguridad, S.A.		2	C
Malcoff Holding, B.V.	Schouwburgplein, 30-34 (ROTTERDAM)	100.0	Prosegur Cia de Seguridad, S.A.	a	5	B
Reinsurance Bussiness Solutions Limited	80 Harcourt Street (DUBLIN)	100.0	Prosegur Cia de Seguridad, S.A.	a	6	A
Prosegur Distribuição e Serviços, Lda.	Av. Infante Dom Henrique, 326 (LISBOA)	100.0	Prosegur Cia de Seguridad, S.A.	a	7	B
Prosegur Companhia de Segurança, Lda.	Av. Infante Dom Henrique, 326 (LISBOA)	100.0	Prosegur Cia de Seguridad, S.A.	a	4	A
Prosegur France, S.A. (Cinieri)	84 Rue des Aceries (SAINT ETIENNE)	100.0	Prosegur Cia de Seguridad, S.A.	a	5	A
Prosegur Sécurité Humaine EURL	84 Rue des Aceries (SAINT ETIENNE)	100.0	Prosegur France, S.A.	a	1	A
Prosegur Telesurveillance EURL	3 Alle de L'electronique (SAINT ETIENNE)	100.0	Prosegur France, S.A.	a	3	B
Jean Jaures SCI	Rue Rene Cassin ZI de Molina (LA TALAUDIÈRE)	100.0	Prosegur France, S.A.	a	7	B
Prosegur SAS	8 Avenue Descartes (Les Plessis Robinson)	100.0	Prosegur France, S.A.	a	1	B
Prosegur Traitement de Valeurs EURL	Rue Rene Cassin ZI de Molina (LA TALAUDIÈRE)	100.0	Prosegur France, S.A.	a	2	A
Prosegur Traitement de Valeurs EST (Ex-Valtis, S.A.)	2 Rue Lovoisier BP 61609 25010 Besancon Cedex 3	100.0	Prosegur Cia de Seguridad, S.A.	a	2	A
Prosegur Technologie SAS	84 Rue des Aceries (SAINT ETIENNE)	100.0	Prosegur France, S.A.	a	3	A
SAS BFA	8 Avenue Descartes (Les Plessis Robinson)	33.5 65.5	Prosegur Cia de Seguridad, S.A. Prosegur France, S.A.	a	3	B
Sarl Initiale	8 Avenue Descartes (Les Plessis Robinson)	100.0	Prosegur France, S.A.	a	7	B
Esta Service, SASU	84 RUE DES ACIERIES 42000 SAINT ETIENNE (FRANCIA)	100.0	Prosegur Cia de Seguridad, S.A.	a	8	B
Prosegur Centre SARL	84 RUE DES ACIERIES 42000 SAINT ETIENNE (FRANCIA)	100.0	Prosegur Cia de Seguridad, S.A.	a	8	B
Sazias SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100.0	Prosegur Cia de Seguridad, S.A.	a	5	C
Services Valeurs Fonds SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100.0	Sazias SA	a	2	C
Docks y Entrepots Sazias SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100.0	Sazias SA	a	2	C
Euroval SAS	604 Avenue du Col de l'Ange - ZA des Plaines de Jouques - 13420 GEMENOS	4.5 95.5	Prosegur Cia de Seguridad, S.A. Sazias SA	a	2	C

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Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Transportadora de Caudales de Juncadella SA	Tres Arroyos 2835 Ciudad de Buenos Aires	5.0	Armor Acquisition SA	a	2	A
		95.0	Juncadella Prosegur Internacional S.A.			
Armor Acquisition SA	Tres Arroyos 2835 Ciudad de Buenos Aires	5.0	Prosegur Cia de Seguridad, S.A.	a	5	B
		95.0	Prosegur International handels GMBH			
Juncadella Prosegur Internacional S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	68.8	Armor Acquisition SA	a	5	B
		31.2	Prosegur International handels GMBH			
Prosegur Seguridad, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	B
		5.0	Armor Acquisition SA			
Prosegur Vigilancia Activa, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A
		5.0	Armor Acquisition SA			
Servicios Auxiliares Petroleros, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A
		5.0	Armor Acquisition SA			
Xiden, S.A.C.I.	Olleros, 3923 Ciudad de Buenos Aires	7.9	Prosegur Cia de Seguridad, S.A.	a	3	A
		92.1	Juncadella Prosegur Internacional S.A.			
Prosegur Tecnología Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	3.9	Prosegur Cia de Seguridad, S.A.	a	3	A
		96.2	Juncadella Prosegur Internacional S.A.			
General Industries Argentina, S.A.	Herrera, 1175 Ciudad de Buenos Aires	90.0	Prosegur Cia de Seguridad, S.A.	a	3	A
		10.0	Juncadella Prosegur Internacional S.A.			
Tellex, S.A.	Rincón 1346. Ciudad de Buenos Aires	95.0	Prosegur Cia de Seguridad, S.A.	a	3	A
		5.0	Armor Acquisition SA			
Prosegur Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B
		10.0	Prosegur Cia de Seguridad, S.A.			
Prosegur Inversiones, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding S.L.U.	a	5	B
		10.0	Prosegur Cia de Seguridad, S.A.			
Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Holding, S.A.	a	3	A
		10.0	Prosegur Inversiones, SA			
Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional S.A.	a	1	A
		5.0	Armor Acquisition SA			
Compañía Ridur SA	Guarani 1531 (Montevideo)	100.0	Juncadella Prosegur Internacional S.A.	a	5	B
Prosegur Transportadora de Caudales SA	Guarani 1531 (Montevideo)	99.9	Juncadella Prosegur Internacional S.A.	a	2	A
		0.1	Armor Acquisition SA			
Prosegur Activa Uruguay, S.A.	Bvrd.Artigas 2629 (Montevideo)	95.0	Prosegur Activa Holding S.L.U.	a	3	A
		5.0	Prosegur Cia de Seguridad, S.A.			
Nautiland, SA	Martiniano Chiossi s/n - Maldonado	100.0	Prosegur Activa Uruguay, S.A.	a	3	B
Blindados, SRL	Guarani 1531 (Montevideo)	99.0	Prosegur Transportadora de Caudales SA	a	2	B
		1.0	Prosegur Uruguay Compañía de Seguridad, S.A.			
Genper, S.A.	Rodo Jose Enrique 1761 - Montevideo	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A

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Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Prosegur Uruguay Compañía de Seguridad, S.A.	Bvrd.Artigas 2629 (Montevideo)	90.0	Prosegur, S.A.	a	1	A
		10.0	Armor Acquisition SA			
GSM Telecom SA	Del pino, Simon 1055, Piriapolis, Maldonado	100.0	Prosegur Activa Uruguay, S.A.	a	3	C
TSR Participacoes Societarias SA	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100.0	Prosegur Holding e Participações, S.A.	a	5	B
Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.0	TSR Participacoes Societarias SA	a	4	A
Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A
		99.0	TSR Participacoes Societarias SA			
CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - Palhoça/SC	99.6	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B
		0.4	Prosegur Sistemas de Segurança Ltda			
Prosegur Administração de Recebíveis Ltda	AV. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, Sao Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B
		0.2	Prosegur Sistemas de Segurança Ltda			
Prosegur Tecnologia em Sistemas de Segurança Eletrônica e Incendios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	99.9	Prosegur Cia de Seguridad, S.A.	a	3	A
		0.1	TSR Participacoes Societarias SA			
Setha Indústria Eletrônica Ltda.	Rua Alvares de Macedo, 134, E144, Parada de Lucas, Rio de Janeiro	99.6	Prosegur Tecnologia em Sistemas de Segurança Eletrônica e Incendios Ltda..	a	3	A
		0.4	TSR Participacoes Societarias SA			
Prosegur Holding e Participações, S.A.	Av. Thomas Edison, 813, SL 03, Barra Funda, São Paulo	12.0	Prosegur Cia de Seguridad, S.A.	a	4	B
		88.0	Juncadella Prosegur Internacional S.A.			
Prosegur Activa Alarmes Ltda.	Av. Thomas Edison, 813, 2º andar, Barra Funda, São Paulo	97.0	Prosegur Activa Holding, S.L.U.	a	3	B
		2.0	Prosegur Tecnologia em Sistemas de Segurança Eletrônica e Incendios Ltda.			
		1.0	Prosegur Cia de Seguridad, S.A.			
Martom Segurança Electronica Ltda	Estrada da Boiada, numero 2344, piso superior, sala 02 – ciudad Nova Vinhedo, São Paulo	100.0	Prosegur Tecnologia em Sistemas de Segurança Eletrônica e Incendios Ltda.	a	3	A
Prosegur Gestao de Efetivos Ltda	Av. Thomas Edison, 813, SL 03, Barra Funda, São Paulo	99.9	Prosegur Cia de Seguridad, S.A.	a	2	B
		0.1	TSR Participacoes Societarias SA			
Prosegur Gestao de Ativos Ltda.	Av. Thomas Edison, nº 813, 2º Andar, Sala 03, Bairro Barra Funda, Cidade de São Paulo, Estado de São Paulo	0.1	Prosegur Cia de Seguridad, S.A.	a	7	A
		99.9	Prosegur Gestión de Activos S.L.U.			
Prover Eletro Eletronica Ltda	Estrada do Rosario, nº 93, Bairro Jardim Primavera, Cidade de Duque de Caixas, Estado do Rio de Janeiro	100.0	Prosegur Tecnologia em Sistemas de Segurança Eletrônica e Incendios Ltda.	a	3	C
Fiel Vigilancia e transporte de valores Ltda.	TR Feb, nº 193, Bairro Sao Braz, Cidade de Belem, Estado do Pará	100.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	4	B

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Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Juncadella Prosegur Group Andina	Los Gobelinos 2567 Of. 203, Renca, Santiago	100.0	Juncadella Prosegur Internacional S.A.	a	5	B
Capacitaciones Ocupacionales Sociedad Ltda	Los Gobelinos 2567 Of. 100, Renca, Santiago	83.1	Prosegur Cia de Seguridad, S.A.	a	2	B
		6.8	Prosegur International handels GMBH			
		10.1	Juncadella Prosegur Group Andina			
Servicios Prosegur Ltda	Los Gobelinos 2567, Renca, Santiago	100.0	Prosegur Cia de Seguridad, S.A.	a	2	A
Sociedad de Distribución Canje y Mensajería Ltda.	Los Gobelinos 2548, Renca, Santiago	48.7	Prosegur Cia de Seguridad, S.A.	a	7	A
		30.6	Juncadella Prosegur Group Andina			
		20.7	Prosegur International handels GMBH			
Servicios de Seguridad Prosegur Regiones Limitada	Los Gobelinos 2567, Renca, Santiago	99.0	Prosegur Chile, S.A.	a	1	A
		1.0	Juncadella Prosegur Group Andina			
Empresa de Transportes Compañía de Seguridad Chile Ltda	Los Gobelinos 2567, Renca, Santiago	60.0	Juncadella Prosegur Group Andina	a	1	A
		40.0	Prosegur International handels GMBH			
Prosegur Tecnología Chile Limitada	Lo Boza107, Mod. 3 Pudahuel - Santiago	100.0	Prosegur Cia de Seguridad, S.A.	a	1	A
Prosegur Activa Chile S.L.	Catedral 1009, piso 14 - Santiago Centro	99.0	Prosegur Activa Holding, S.L.U.	a	2	A
		1.0	Prosegur Activa España S.L.U.			
Prosegur Chile, S.A.	Los Gobelinos 2567, Renca, Santiago	70.0	Prosegur, S.A.	a	1	A
		30.0	Prosegur International handels GMBH			
Prosegur Paraguay SA	C/ Artigas, esq. Concepción Leyes de Chávez- Asunción	99.0	Juncadella Prosegur Internacional S.A.	a	1	A
		1.0	Transportadora de Caudales de Juncadella SA			
Prosegur Tecnología Paraguay, SA	C/ Artigas, esq. Concepción Leyes de Chávez- Asunción	99.0	Juncadella Prosegur Internacional S.A.	a	1	A
		1.0	Transportadora de Caudales de Juncadella SA			
Compañía de Seguridad Prosegur SA	Av. Morro Solar 1086 - Surco - Lima - Perú	52.0	Juncadella Prosegur Internacional S.A.	a	1	A
		48.0	Transportadora de Caudales de Juncadella SA			
Proseguridad SA	Av. Los Próceres 250 - Surco - Lima - Perú	52.0	Juncadella Prosegur Internacional S.A.	a	1	A
		48.0	Transportadora de Caudales de Juncadella SA			
Prosegur Cajeros SA	Calle La Chira 103 Urb.Santa Teresa de las Gardenias, Surco, Lima-Perú	52.0	Juncadella Prosegur Internacional S.A.	a	1	B
		48.0	Transportadora de Caudales de Juncadella SA			
Prosegur Tecnología Perú SA	Calle La Chira 103 Urb.Santa Teresa de las Gardenias, Surco, Lima-Perú	100.0	Prosegur Cia de Seguridad, S.A.	a	1	B
Orus, S.A.	Av. Los Próceres 250 - Surco - Lima - Perú	84.8	Proseguridad SA	a	1	A
		14.3	Inversiones RB, SA			
		0.9	Compañía de Seguridad Prosegur SA.			
Orus Selva, SA	Caserio Palmawasi - Uchiza - Tocache - San Martin, Perú	90.0	Orus, S.A.	a	1	B
		10.0	Compañía de Seguridad Prosegur SA.			

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Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Inversiones RB, SA	Av. Nicolás Arriola 780 Urb. Santa Catalina - La Victoria - Lima - Perú	99.0	Proseguridad SA	a	5	B
		1.0	Compañía de Seguridad Prosegur SA.			
Prosegur Activa Peru, SA	Av. República de Panamá 3890 - Surquillo - Lima, Perú	99.0	Prosegur Activa Holding, S.L.U	a	3	A
		1.0	Prosegur Activa España S.L.U			
Distribuidora Federal S.A.C.	Calle Ricardo Angulo N°739, Corpac, Distrito de San Isidro	99.0	Prosegur Cia de Seguridad, S.A.	a	3	C
		1.0	Prosegur Activa Holding, S.L.U			
Compañía Transportadora de Valores Prosegur de Colombia, S.A.	Avda. De las Américas, 42-25 Bogotá	94.9	Prosegur Cia de Seguridad, S.A.	a	2	A
		5.1	Prosegur Activa Holding, S.L.U			
Prosegur Peajes SAS	Avda. De las Américas, 42-25 Bogotá	100.0	Compañía Transportadora de Valores Prosegur de Colombia, S.A.	a	2	B
Inversiones BIV SAS	Calle 32 No. 8A-65 Edificio BCH piso 8 de Cartagena	100.0	Prosegur Activa Holding, S.L.U	a	5	B
Vigilantes Maritima Comercial Ltda	Calle 32 No. 8A-65 Edificio BCH piso 8 de Cartagena	100.0	Inversiones BIV SAS	a	1	C
Security Systems SAS	Av Ciudad de Quito No. 70A77 de Bogotá.	100.0	Beloura Investments S.L.U.	a	3	C
GPS de Colombia SAS	Cra. 50 No. 71-80 Bogotá (Colombia)	100.0	Beloura Investments S.L.U.	a	3	C
Integra Monitoreo SAS	Cra. 50 No. 71-80 Bogotá (Colombia)	100.0	Beloura Investments S.L.U.	a	3	C
Vimarco Servicios Generales Ltda	Calle 32 No. 8A-65 Edificio BCH piso 8 de Cartagena	100.0	Inversiones BIV SAS	a	1	C
Vimarco Servicios Temporales Ltda	Calle 32 No. 8A-65 Edificio BCH piso 8 de Cartagena	100.0	Inversiones BIV SAS	a	1	C
Prosegur Mexico S de RL de CV	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	95.4	Prosegur Cia de Seguridad, S.A.	a	5	B
PRO-S Compañía de Seguridad Privada, SA de C.V.	Norte 79 B No. 77 planta alta. Colonia Sector Naval. 02080 MEXICO D.F.	100.0	Prosegur Mexico S de RL de CV	a	1	B
Prosegur Seguridad Privada Logística y Gestión de Efectivo, S.A. de C.V.	Norte 79 B No. 75 Colonia Sector Naval. 02080 MEXICO D.F.	100.0	Prosegur Mexico S de RL de CV	a	2	A
Prosegur Seguridad Privada S.A. de CV.	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	100.0	Prosegur Mexico S de RL de CV	a	1	A
Prosegur Consultoría y Servicios Administrativos de RL de CV	Norte 79 B No. 75 Colonia Sector Naval. 02080 MEXICO D.F.	100.0	Prosegur Mexico S de RL de CV	a	4	B
Prosegur Servicios de Seguridad Privada Electrónica SA de CV	C/ Piña 297 Colonia Nueva Santa María. 02820 MEXICO D.F.	100.0	Prosegur Mexico S de RL de CV	a	2	B
Prosegur Custodias, S.A. de CV	C/ Alfredo Nobel, 21. Colonia Los Reyes Industrial. 54073 TLALNEPANTLA	100.0	Prosegur Mexico S de RL de CV	a	1	A
Prosegur Tecnologia, SA de C.V.	Piña 297 Piso 1, Col. Hogar y Seguridad, D.F. C.P. 02820	100.0	Prosegur Mexico S de RL de CV	a	3	B
Rosegur Cash Services	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Cod 023708, Bucaresti, Romania	51.0	Prosegur Cia de Seguridad, S.A.	a	2	B
		49.0	Rosegur, S.A.			
Pitco Asia Pacific Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton RD TST-KL	100.0	Prosegur Cia de Seguridad, S.A.	a	5	B

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Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Luxpai Holdo S.A.R.L.	5, rue Guillaume Kroll, L-1882 Luxembourg	100.0	Prosegur Cia de Seguridad, S.A.	a	5	B
Prosec Services Pte Ltd	111 Geylang Road, #01-01, Singapore 389216	100.0	Prosegur Cia de Seguridad, S.A.	a	1	A
Safeway Services Pte Ltd	111 Geylang Road, #01-01, Singapore 389216	100.0	Prosec Services Pte Ltd	a	1	A
Singpai Pte Ltd	80 Robinson Road #02-00 Singapore 068898	100.0	Luxpai Holdo S.A.R.L.	a	5	B
Axis Security Management Pte. Ltd	1 Lorong 2 Toa Payoh, #03 - 02, Yellow Pages Building, Singapore 319637	100.0	Luxpai Holdo S.A.R.L.	a	1	C

Basis of consolidation

The circumstances considered in article 42 of the Spanish Code of Commerce are as follows:

- The parent owns the majority of voting rights.
- The parent has the power to appoint or dismiss the majority of the members of the governing body.
- It may dispose, by virtue of agreements entered into with third parties, of the majority of the voting rights.
- It has used its votes to appoint the majority of the members of the governing body who hold office at the moment when the consolidated annual accounts must be drawn up and during the two business years immediately preceding.
- Sole administration of one or more companies by any other means.

Unless indicated otherwise, the most recent reporting period ended on 31 December 2011.

Activity

- Activities from the manned guarding business group
- Activities from the cash in transit and cash management business group
- Activities from the technology business group
- Activities included in more than one business group
- Holding company
- Financial services
- Auxiliary services
- Dormant

Auditor

- A Audited by KPMG
 B Not subject to audit
 C Audited by other auditors

APPENDIX II. Consolidated Temporary Joint Ventures

Information at 31 December 2012

Company	Registered offices	Investment		Notes	Activity
		% ownership	Entity participating in the joint venture		
SERAT AEROPUERTO BILBAO UTE	Principe de Vergara, 135 28002 MADRID	40.0	EUROLIMP	(a)	(1)
UTE PROSEGUR NORDES	Pajaritos, 24 28007 Madrid	100.0		(b)	(1)
UTE MNT0. COLEGIOS PUBLICOS	La Paz, 14 Valencia	90.0	CLECE	(c)	(0)
UTE AENA BARCELONA T2 PROSEGUR-SERVIMAX	Pajaritos, 24 28007 Madrid	100.0		(d)	(1)
UTE PROSEGUR SERVIMAX BSM BARCELONA	Pajaritos, 24 28007 Madrid	100.0		(e)	(0)
UTE PROSEGUR SERVIMAX ARPEGIO	Pajaritos, 24 28007 Madrid	100.0		(f)	(1)
UTE PROSEGUR FESMI AYTO. FERROL	"Crta. Baños de Arteijo, 12 15008 A Coruña"	41.8	FESMI	(g)	(1)
UTE PROSEGUR SERVIMAX OFICINA ANTIFRAU CATALUNYA	Pajaritos, 24 28007 Madrid	100.0		(h)	(1)
UTE PCS SSG CENTRO SANITARIO CEUTA	Pajaritos, 24 28007 Madrid	100.0		(i)	(1)
UTE PROSEGUR SERVIMAX AENA AEROPUERTO SAN SEBASTIAN	Pajaritos, 24 28007 Madrid	100.0		(j)	(1)
UTE PROSEGUR SERVIMAX AENA AEROPUERTO MALAGA	Pajaritos, 24 28007 Madrid	100.0		(k)	(1)
UTE PROSEGUR SERVIMAX AENA AEROPUERTO PALMA MALLORCA	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PROSEGUR SERVIMAX UNIVERSIDAD POLIT. VALENCIA	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS SSG UNIVERSIDAD ALICANTE	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS SSG INSTITUTO DE ESTUDIOS FISCALES	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS SSG HOSPITAL VALL D'HEBRON	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS SSG CONSERVATORIO ATAULFO ARGENTA II	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS PAE RTVA	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS PT AYUNTAMIENTO ALCOBENDAS	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS SSG GUGGENHEIM	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS SSG CORPORACION RTVE	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS PT ISE ANDALUCIA	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCIA-PT AEAT SEVILLA	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCIA-PT AGENCIA VALENCIANA DE SALUD	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS-PT MINISTERIO DE JUSTICIA	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE CLECE PCS TEATRO KURSAAL MELILLA ley 18/82	C/ Industria, 1 edif. Metropol I, 4º mod.20. Mairena de Aljarafe. 41927 Sevilla	10.0	CLECE	(l)	(1)

Information at 31 December 2012

Company	Registered offices	Investment		Notes	Activity
		% ownership	Entity participating in the joint venture		
UTE PCS-SSG MPTMAP	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS-SSG FERROCARRILS DE LA GENERALITAT CATALUNYA	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS ESC CETARSA	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE FERROSER PCS UNIV. EUROPEA MADRID	Principe de Vergara, 135 28009 Madrid	95.0	FERROVIAL	(l)	(1)
ACASERVI,S.A. SALCER S.L. UTE	Avda. Diagonal, 687 08028 Barcelona	60.0	ACASERVI	(l)	(1)
UTE PCS SSG GENERAL MOTORS	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS SSG UNIV. POLITECNICA DE VALENCIA 2012	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS SSG HOSPITAL DE LA SANTA CREU I SANT PAU (FUNDACIÓ DE GESTIÓ SANITÀRIA)	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS SSG PALACIO DE CONGRESOS Y DE LA MÚSICA EUSKALDUNA JAUREGIA BILBAO	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS ESC FORUM EVOLUCION DE BURGOS	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS ESC CLINICA MILITAR CARTAGENA	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS SSG HOSPITAL VALL D'HEBRON II	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PCS SSG PALAU DE LA MUSICA DE VALENCIA	Pajaritos, 24 28007 Madrid	100.0		(l)	(2)
UTE PCS SSG AEROP. BARCELONA LOTE 1	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE AEROPUERTO DE IBIZA	Pajaritos, 24 28007 Madrid	70.0	CSP SIGLO XXI	(l)	(1)
UTE PCS SSG LA FINCA	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UT UNION TEMPORAL MANIZALES	CARRERA 50 71-80	100.0		(m)	(1)
UNION TEMPORAL SIES 2011	CALLE 21 44-18	100.0		(m)	(1)
UNION TEMPORAL ESPINAL	CARRERA 50 71-80	100.0		(m)	(1)
UNION TEMPORAL CONGRESO	CARRERA 50 71-80	70.0	DISICO	(m)	(1)
UNION TEMPORAL CCVT CALI 2011	CALLE 21 44-18	100.0		(m)	(1)
UNION TEMPORAL FISCALIA CCTV 2011	CARRERA 50 71-80	100.0		(m)	(1)
UNION TEMPORAL TECNOLOGIA CALI	CARRERA 50 71-80	100.0		(m)	(1)
UNION TEMPORAL VISE	CALLE 6 No. 4-42	100.0		(m)	(1)

Information at 31 December 2011

Company	Registered offices	Investment		Notes	Activity
		% ownership	Entity participating in the joint venture		
SERAT AEROPUERTO BILBAO UTE	Principe de Vergara, 135 28002 MADRID	40.0	EUROLIMP	(a)	(1)
UTE PROSEGUR NORDES	Pajaritos, 24 28007 Madrid	100.0		(b)	(1)
UTE EDIFICIOS MUNICIPALES	La Paz, 14 Valencia	90.0	CLECE	(c)	(0)
UTE MNT0. COLEGIOS PUBLICOS	La Paz, 14 Valencia	90.0	CLECE	(d)	(1)
UTE RTVE PROSEGUR-SERVIMAX	Pajaritos, 24 28007 Madrid	100.0		(e)	(0)
UTE AENA BARCELONA T2 PROSEGUR-SERVIMAX	Pajaritos, 24 28007 Madrid	100.0		(f)	(1)
UTE PROSEGUR SERVIMAX BSM BARCELONA	Pajaritos, 24 28007 Madrid	100.0		(g)	(1)

Information at 31 December 2011

Company	Registered offices	Investment		Notes	Activity
		% ownership	Entity participating in the joint venture		
UTE PROSEGUR SERVIMAX ARPEGIO	Pajaritos, 24 28007 Madrid	100.0		(h)	(1)
UTE PROSEGUR FESMI AYTO. FERROL	Crta. Baños de Arteijo, 12 15008 A Coruña	41.8	FESMI	(i)	(1)
UTE PROSEGUR SERVIMAX OFICINA ANTIFRAU CATALUNYA	Pajaritos, 24 28007 Madrid	100.0		(j)	(1)
UTE PCS SSG CENTRO SANITARIO CEUTA	Pajaritos, 24 28007 Madrid	100.0		(k)	(1)
UTE PROSEGUR SERVIMAX AENA AEROPUERTO SAN SEBASTIAN	Pajaritos, 24 28007 Madrid	100.0		(l)	(1)
UTE PROSEGUR SERVIMAX AENA AEROPUERTO MALAGA	Pajaritos, 24 28007 Madrid	100.0		(m)	(1)
UTE PROSEGUR SERVIMAX AENA AEROPUERTO PALMA MALLORCA	Pajaritos, 24 28007 Madrid	100.0		(n)	(1)
UTE PROSEGUR SERVIMAX AENA AEROPUERTO PALMA MALLORCA	Pajaritos, 24 28007 Madrid	100.0		(n)	(1)
UTE PROSEGUR SERVIMAX UNIVERSIDAD POLIT. VALENCIA	Pajaritos, 24 28007 Madrid	100.0		(o)	(1)
UTE PCS SSG UNIVERSIDAD ALICANTE	Pajaritos, 24 28007 Madrid	100.0		(p)	(1)
UTE PCS SSG INSTITUTO DE ESTUDIOS FISCALES	Pajaritos, 24 28007 Madrid	100.0		(q)	(1)
UTE PCS SSG HOSPITAL VALL D'HEBRON	Pajaritos, 24 28007 Madrid	100.0		(r)	(1)
UTE PCS SSG CONSERVATORIO ATAU LFO ARGENTA II	Pajaritos, 24 28007 Madrid	100.0		(s)	(1)
UTE PCS PAE RTVA	Pajaritos, 24 28007 Madrid	100.0		(t)	(1)
UTE PCS PT AYUNTAMIENTO ALCOBENDAS	Pajaritos, 24 28007 Madrid	100.0		(u)	(1)
UTE PCS SSG GUGGENHEIM	Pajaritos, 24 28007 Madrid	100.0		(v)	(1)
UTE PCS SSG CORPORACION RTVE	Pajaritos, 24 28007 Madrid	100.0		(w)	(1)
UTE PCS PT ISE ANDALUCIA	Pajaritos, 24 28007 Madrid	100.0		(x)	(1)
UTE PCIA-PT AEAT SEVILLA	Pajaritos, 24 28007 Madrid	100.0		(y)	(1)
UTE PCIA-PT AGENCIA VALENCIANA DE SALUD	Pajaritos, 24 28007 Madrid	100.0		(z)	(1)
UTE PCS-PT MINISTERIO DE JUSTICIA	Pajaritos, 24 28007 Madrid	100.0		(aa)	(1)
UTE CLECE PCS TEATRO KURSAAL MELILLA ley 18/82	C/ Industria, 1 edif. Metropol I, 4º mod.20 Mairena de aljarafe - Sevilla	10.0	CLECE	(bb)	(1)
UTE PCS-SSG MPTMAP	Pajaritos, 24 28007 Madrid	100.0		(cc)	(1)
UTE PCS-SSG FERROCARRILS DE LA GENERALITAT CATALUNYA	Pajaritos, 24 28007 Madrid	100.0		(dd)	(1)
UTE PCS ESC CETARSA	Pajaritos, 24 28007 Madrid	100.0		(ee)	(1)
UTE FERROSER PCS UNIV. EUROPEA MADRID	Príncipe de Vergara, 135 28009 Madrid	95.0		(ff)	(1)
ACASERVI,S.A. SALCER S.L. UTE	Avda. Diagonal, 687 08028 Barcelona	60.0	ACASERVI	(gg)	(1)

Notes

The purposes of the temporary joint ventures are as follows:

- (a) Information, customer and airport lounge services in Bilbao Airport
- (b) Security and maintenance services at security facilities in Malaga health centres

- (c) Reception and customer services in various council buildings
- (d) Reception and maintenance services in various state schools
- (e) Manned guarding and auxiliary services in various centres for the RTVE broadcasting corporation
- (f) Security services in the new South Terminal, vehicle access control and perimeter control at Barcelona airport – Batch 2
- (g) Security and auxiliary services in Barcelona city council cleaning service premises
- (h) Security and auxiliary services in premises of ARPEGIO in the Madrid Autonomous Region
- (i) Security and auxiliary services for El Ferrol town council
- (j) Security and auxiliary services for the anti-fraud offices of the autonomous government of Catalonia
- (k) Security and auxiliary services at Ceuta Health Centre
- (l) Security and auxiliary services at San Sebastián airport
- (m) Security and auxiliary services at Malaga airport
- (n) Security and auxiliary services at Palma de Mallorca airport
- (o) Security and auxiliary services at the Universidad Politécnica de Valencia
- (p) Security and auxiliary services at the Universidad de Alicante
- (q) Security and auxiliary services in the Instituto de Estudios Fiscales
- (r) Security and auxiliary services at the Vall D'Hebron hospital in Barcelona
- (s) Security and auxiliary services at the Ataulfo Argenta Municipal Conservatory
- (t) Security and auxiliary services for Radio Televisión Andaluza
- (u) Security and auxiliary services for Alcobendas town council
- (v) Security and auxiliary services at the Guggenheim Museum in Bilbao
- (w) Security and auxiliary services in various centres for the RTVE broadcasting corporation
- (x) Security and auxiliary services for the Andalusia ISE (infrastructures and educational services body)
- (y) Security and auxiliary services in the Seville taxation authorities
- (z) Security services, repair and maintenance of anti-intrusion and anti-theft systems and fire prevention in public health centres in Valencia
- (aa) Security services, repair and maintenance of anti-intrusion and anti-theft systems and fire prevention in the Spanish Ministry of Justice
- (bb) Security and auxiliary services at the Teatro Kursaal in Melilla
- (cc) Security and auxiliary services for various Spanish Ministry of Territorial Policy (MPTMAP) centres
- (dd) Security and auxiliary services in various centres for the railways department of the Catalonia regional government
- (ee) Security and auxiliary services for CETARSA
- (ff) Security and auxiliary services at the Universidad Europea de Madrid
- (gg) Security and auxiliary services for motorways operated by the ACESA concession

APPENDIX III. Consolidated Joint Ventures

Information at 31 December 2012

Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Rosegur Holding Corporación S.L.	Pajaritos, 24 Madrid	50.0	Prosegur Cia de Seguridad, S.A.	a	5	A
Rosegur, S.A.	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucuresti, Romania	50.0	A través de: Rosegur Holding Corporacion, S.L.	a	4	B
Rosegur Fire, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucuresti, Romania	50.0	A través de: Rosegur, S.A	a	3	B
Rosegur Training, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucuresti, Romania	50.0	A través de: Rosegur, S.A	a	7	B
SIS Cash Services Private Ltd	Annapurna Bhawan, Thelehone Exchange Road, Kurji, Patna 8000001 Buharm India	49.0	Prosegur Cia de Seguridad, S.A.	c	2	B
Shanghai Weldon Security Equipment Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	45.0	Prosegur Cia de Seguridad, S.A.	c	3	C
Shanghai Weldon Security Service Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	45.0	A través de:Shanghai Weldon Security Equipment Co Ltd	c	1	C
Hangzhou Weldon Security Service Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	36.0	A través de: Shanghai Weldon Security Service Co Ltd	c	1	C
Leshan Weldon Security Service Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	30.6	A través de:Shanghai Weldon Security Equipment Co Ltd	c	2	C
Sichuan Weldon Security Service Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	30.6	A través de:Shanghai Weldon Security Equipment Co Ltd	c	2	C
Prosegur Technological Security Solutions LLC	Abu Dhabi- Al falah Street- 211 Abdulla Hamad Luwaie Al Ameri - P.O. Box 129354	49.0	Prosegur Cia de Seguridad, S.A.	c	3	C

Information at 31 December 2011

Company	Registered offices	Investment		Basic of consolidation	Activity	Auditor
		% ownership	Company holding the investment			
Rosegur Holding Corporación S.L.	Pajaritos, 24 Madrid	50.0	Prosegur Cia de Seguridad, S.A.	a	5	A
Rosegur, S.A.	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucuresti, Romania	50.0	A través de: Rosegur Holding Corporacion, S.L.	a	4	A
Rosegur Fire, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucuresti, Romania	45.0	A través de: Rosegur, S.A	a	3	B
Rosegur Training, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucuresti, Romania	45.0	A través de: Rosegur, S.A	a	7	B

Basis of consolidation

The circumstances considered in article 42 of the Spanish Code of Commerce are as follows:

- a) The parent owns the majority of voting rights.
- b) The parent has the power to appoint or dismiss the majority of the members of the governing body.
- c) It may dispose, by virtue of agreements entered into with third parties, of the majority of the voting rights.
- d) It has used its votes to appoint the majority of the members of the governing body who hold office at the moment when the consolidated annual accounts must be drawn up and during the two business years immediately preceding.
- e) Sole administration of one or more companies by any other means.

Unless indicated otherwise, the most recent reporting period ended on 31 December 2010.

Activity

1. Activities from the manned guarding business group
2. Activities from the cash in transit and cash management business group
3. Activities from the technology business group
4. Activities included in more than one business group
5. Holding company
6. Financial services
7. Auxiliary services
8. Dormant

Auditor

- A Audited by KPMG
- B Not subject to audit
- C Audited by other auditors

Consolidated directors' report for 2012

1. Significant events in 2012

The most relevant transactions and events for Prosegur during 2012 are summarised below:

Changes in Group Composition

The changes in the composition of the Prosegur Group during 2012 were mainly due to the following acquisitions:

- On 9 February 2012, Prosegur subscribed 49% of a capital increase carried out by SIS Cash Services Private Ltd for Euros 10.2 million. This company provides cash in transit and cash management in India. This company has been proportionately consolidated since 9 February 2012.
- On 24 February 2012 Prosegur acquired Coral Melody, S.A. and Tecnofren, S.A., companies located in Uruguay and specialised in the manned guarding and home alarms activities. They were first consolidated on 24 February 2012. The total purchase price was Euros 10.4 million.
- On 7 March 2012 Prosegur acquired the 11 companies making up the Nordeste Segurança and Transbank Groups in Brazil. These companies provide cash in transit, cash management and home technology services. They were first consolidated on 7 March 2012. The total purchase price was Euros 209,9 million.
- On 13 April 2012, Prosegur acquired T.C, Interplata, S.A., a company in Argentina that specialises in cash in transit and cash management. It was first consolidated on 13 April 2012. The total purchase price was Euros 11.1 million.
- On 20 April 2012 Prosegur acquired the Uruguayan company Roytronic, S.A., which specialises in the home alarm and GPS vehicle tracking activities. It was first consolidated on 20 April 2012. The total purchase price was Euros 4.4 million.
- On 27 April 2012, Prosegur acquired Servin Seguridad, S.A., an Argentinian company that specialises in manned guarding. It was first consolidated on 27 April 2012. The total purchase price was Euros 17.9 million.
- On 10 May 2012 Prosegur acquired the seven companies making up the GRP Group in France. These companies provide manned guarding, access control and remote alarm management services. They were first consolidated on 10 May 2012. The total purchase price was Euros 13.2 million.
- In July 2012 an agreement was reached with a local partner in China in the form of a Joint Venture to develop a private security business. The transaction involved acquiring interests in various Chinese companies through an investment vehicle incorporated in Hong Kong with the name I.D.S. To do this, share capital was increased by Euros 5.7 million and a monetary contribution of Euros 4.9 million was made. This company has been consolidated proportionately since July 2012.

- In Mexico Prosegur acquired 80% of the share capital of Grupo Mercurio de Transportes, S.A. de C.V. on 17 July 2012. This company specialises in cash in transit and cash management. It was first consolidated on 17 July 2012. The total purchase price was Euros 0.5 million.

The following business restructuring transactions were carried out in 2012:

- Distribuidora Federal S.A.C. merged with and into Prosegur Tecnología Perú, S.A. in Peru.
- In Brazil, Prover Electro Electronica Ltda. merged with Setha Industria Eletronica, Ltda, and Martom Segurança Eletronica Ltda. merged with Prosegur Tecnologia em Sistemas de Seguridad Eletronica e Incendios, Ltda. In addition, Fiel Vigilancia e Transportes de Valores, Ltda., Transbank Segurança e Transporte de Valores, Ltda., Nordeste Segurança de Valores Paraiba, Ltda., Nordeste Segurança de Valores Alagoas, Ltda., Nordeste Segurança de Valores Rio Grande do Norte, Ltda., Nordeste Segurança de Valores Ceara, Ltda., Nordeste Segurança de Valores Bahia Ltda, Nordeste Transporte de Valores, Ltda., Nordeste Segurança de Valores Sergipe, Ltda. y Nordeste Segurança e Transporte Valores Piaui Ltda. merged with and into Prosegur Brasil S.A. Transportadora de Valores e Segurança.
- In Singapore, Safeway Services Pte Ltd merged with and into Aaxis Security Management Pte, Ltd.
- In France, Valtis Rhone Alpe SAS merged with and into Prosegur Traitement de Valeurs EURL.

Other significant events in 2012

At the AGM held on 29 May 2012, the shareholders approved the 2014 Plan for long-term incentives for Prosegur Group executive directors and management. The 2014 Plan is generally linked to value creation during the 2012-2014 period and foresees the payment of share-based incentives to executive directors, and Company shares and cash to Prosegur management. The maximum number of shares earmarked for the 2014 Plan is 4,120,000, representing 0.668% of the Company's present share capital.

The share-splitting operation approved at the AGM on 29 May 2012 was executed on 6 July 2012. This process involved withdrawing the 61,712,464 shares represented by book entries outstanding at 30 June 2012, with a par value of Euros 0.60 each, from trading on the Madrid and Barcelona stock exchanges and, at the same time, admitting the 617,124,640 new shares of Euros 0.06 par value each for trading.

2. Management principles

Despite difficult economic conditions, in 2012 Prosegur has succeeded in consolidating its position in the new markets it has focused its strategy on in recent years. The performance of the German, Chinese and Indian businesses has met expectations. The newly developed businesses in France, Uruguay and Argentina have continued to reinforce Prosegur's leading position in most of the markets where the Company already operated. In addition, the acquisition of Grupo Nordeste and Transbank in Brazil has reinforced the business model in the country and increased the market share in the northern region, in states where Prosegur was not previously present. Following this transaction, Brazil has become the most important country in the consolidated Prosegur group, in terms of sales volume, profits and

number of employees. The new acquisitions of companies and the consolidation of businesses acquired in prior years reaffirm Prosegur's global vocation, the diversification of its range of services and its commitment to the future.

Throughout 2012 work continued on our plan to improve budget techniques for each line of business and to develop new techniques to determine the main management indicators for each business.

This has allowed the Company to maintain the following policies throughout 2012:

- a) Establishment of targets for continuous improvement.
- b) Planning of strategies and alternative options.
- c) Timely and correct implementation of the measures adopted through the Company's strategic planning, and constant monitoring to ensure that information systems detect any possible deviations in real time so that corrective steps can be taken.
- d) Development of a competitive edge over the rest of the market.

Throughout the year Prosegur management had up-to-date and appropriate information on clients, the market and the legal, financial and technological climate, allowing the Company to ensure that its management policies remained in line with trends.

The most significant management variables and their development throughout the year are detailed below, and include activities, commercial management, personnel, investments, operations and financial management.

3. Business Performance

Sales by geographical area

Prosegur's consolidated sales in 2012 amounted to Euros 3,669.1 million (Euros 2,808.5 million in 2011), a total increase of 30.6%. Of this rise 9.0% reflects pure organic growth and 23.5% inorganic growth derived from acquisitions made in 2011 and 2012, offset by a 1.9% decrease due to exchange rate fluctuations.

Consolidated sales are distributed by geographical area as follows::

(Millions of Euros)	2012	2011	Variación
Europe	1,462.6	1,281.4	14.1%
Asia	28,6	9,4	206.0%
Latam	2,177.8	1,517.8	43.5%
Total Prosegur	3,669.1	2,808.5	30.6%

The most significant sales growth was seen in Latin America, with an increase of 43.5% during 2012 compared to 2011 (17.6% organic growth and 29.4% inorganic growth). This sharp increase in sales during 2012 was not favoured by exchange rate fluctuations compared to 2011, leading to a reduction of 3.5%.

Sales by business area

The distribution of consolidated sales by business area is shown in the table below:

(millions of Euros)	2012	2011	Variation
Manned Guarding	1.684,1	1.357,3	24,1%
% of total	45,9%	48,3%	
Cash in Transit and Cash Management	1.573,7	1.098,3	43,3%
% of total	42,9%	39,1%	
Technology	411,3	352,9	16,5%
% of total	11,2%	12,6%	
Total Prosegur	3.669,1	2.808,5	30,6%

The business area that grew the most in absolute terms in 2012 was cash in transit and cash management (LVGE), with an accumulated turnover of Euros 1,573.7 million (2011: Euros 1,098.3 million), an increase of 43.3% including organic and inorganic growth. Meanwhile, the manned guarding's turnover was Euros 1,684.1 million (2011: Euros 1,357.3 million), 24.1% more than in the prior year, including organic and inorganic growth. Lastly, the technology area obtained revenues of Euros 411.3 million for 2012 (2011: Euros 352.9 million), 16.5% more than in the previous year, including organic and inorganic growth.

Growth in consolidated Prosegur turnover over the past five years is reflected in the following table:

(Millions of Euros)	2012	2011	2010	2009	2008
Turnover	3,669.1	2,808.5	2,560.3	2,187.0	2,051.7

Margins

Consolidated operating profit (EBIT) stands at Euros 311.5 million for 2012 (Euros 284.1 million in 2011). The EBIT margin for 2012 is 8.5% (10.1% in 2011).

The EBIT margin is distributed by geographical area as follows:

(millions of Euros)	Europe	Asia	LatAm	Prosegur
Sales	1,462.6	28.6	2,177.8	3,669.1
EBIT	42.4	0.6	268.5	311.5
EBIT margin	2.9%	2.2%	12.3%	8.5%

One of Prosegur's core objectives is to maintain high profitability to ensure investor return, enabling the Company to continue with its ambitious investment and service improvement policies, all the while striving for excellence in the services it renders and its client relations.

The following table shows the significant EBIT growth seen over the past five years:

(Millions of Euros)	2012	2011	2010	2009	2008
EBIT	311.5	284.1	262.6	230.5	205.0

The ratio of the EBIT margin to consolidated sales was 8.5% in 2012.

4. Commercial information

Prosegur services are sold through branches and by the Company's own sales personnel, and selective criteria are applied to minimise the risk of arrears and possible payment default. In cases where the Company has insufficient experience with a particular client, investigations and consultations are carried out using public information and objectively quantifiable risk assessments and individual analyses are performed. Once the contract has been signed, throughout the period over which the service is rendered, the client receives direct attention, enabling us to work in line with their operating requirements and financial situation, thereby reducing the risk of default.

The main clients who contract corporate security services are financial entities, industrial and commercial businesses and public institutions.

5. Personnel

At 2012 year end the Prosegur headcount stood at 153,828 employees (124,744 in 2011), which is 23.3% higher than the previous year.

A cornerstone of Prosegur's success as one of Europe's main services companies has traditionally been its recruitment policy. The responsibility and trust required in those who render the Company's services on client premises, operating in an area as delicate as security, mean that Prosegur must not only ensure the effectiveness of its professionals, but also their honesty, responsibility, emotional stability and psychological maturity.

It is precisely for this reason that continuous improvements are made by the human resources department to our recruitment process, enabling us to accurately assess the suitability of an individual for a position within Prosegur.

Details of the average Prosegur headcount over the past five years are as follows:

Personnel	2012	2011	2010	2009	2008
Direct	140,049	111,361	97,198	89,269	81,755
Indirect	8,530	6,924	5,657	5,638	4,620
Total Prosegur	148,579	118,285	102,855	94,907	86,375

Headcount compared to turnover (in relative terms) over the past five years is reflected in the following table:

Number of employees per million turnover	2012	2011	2010	2009	2008
Direct	38.2	39.7	38	40.8	39.8
Indirect	2.3	2.5	2.2	2.6	2.3

6. Investments

All of Prosegur's investments are analysed by the corresponding technical and operating areas and the management control department, which estimate and examine the strategic importance, return 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 Euros 0.6 million are submitted for approval by the Executive Committee.

Amortisation and depreciation charges totalled Euros 115.6 million in 2012 (Euros 79.5 million in 2011). Of this total, Euros 67.0 million were for the depreciation of property, plant and equipment (Euros 52 million in 2011), Euros 9.9 million for the amortisation of computer software (Euros 8.1 million in 2011) and Euros 38.7 million for the amortisation of other intangible assets (Euros 19.4 million in 2011).

The total investments analysed by the Investment Committee in 2012 with comparative figures from 2011 are detailed below:

(Millions of Euros)	2012	2011
First Quarter	10.4	26.7
Second Quarter	22.8	37.6
Third Quarter	13.6	25.9
Fourth Quarter	24.6	37.4
Total	71.4	127.6

Euros 106.7 million was invested in property, plant and equipment in 2012 (Euros 100 million in 2011). Investment of Euros 11.9 million was also made in computer software (Euros 20.5 million in 2011).

7. Forecasts and trends

Under current economic conditions, in Latam reasonable growth rates are expected to be maintained, primarily in foreign investment and domestic output. In contrast, key economic indicators for Europe continue to show some uncertainty over the recovery and return to growth.

The economic outlooks for Europe and Latin American remain different. While European economies, with the probable exception of Germany, will continue to suffer from the impact of the economic crisis in 2013, Latin America still has growth potential, above all some of the countries in which Prosegur operates, where there has been less intervention, with sound tax and financial policies.

In Asia, factors such as the volume of security services that are subcontracted, growth in banking, a higher number of major companies/multinationals, more bank branches and ATMs and, in general, improvements in well-being and wealth for all social classes, are major indicators that are relevant to the future of the region.

Improvements in some of the above-mentioned drivers, combined with Prosegur's geographical diversification, continuous innovation, pursuit of excellence and implementation of cross-selling policies puts the Company in a privileged position going forward. Prosegur's goal for 2013 is to maintain growth and improve on the margins from recent years. This is a major challenge which Prosegur is ready to meet.

8. Financial management

In 2012, the credit available to companies remained restricted and continued to become more expensive.

In this situation, in 2012 Prosegur undertook various strategic financing transactions aimed at covering achieved and future growth objectives and operating expenses.

Prosegur calculates net financial debt as the sum of current and non-current borrowings (excluding other non-bank payables) plus net derivative financial instruments, less cash and cash equivalents, less other current financial assets.

At 31 December 2012 net financial debt totals Euros 646.1 million (Euros 360.1 million in 2011).

The ratio of net financial debt to equity is 0.88 at 31 December 2012 (0.54 in 2011). The ratio of net financial debt to EBITDA was 1.51 in 2012 (0.99 in 2011).

Financial structure

Following maturity of the loan taken out in 2006, the structure of non-current debt has been determined by the syndicated transaction contracted by Prosegur Spain in 2010, totalling Euros 400 million

and with a term of five years. The loan is divided into two tranches: a tranche in the form of a Euros 150 million loan, repayable semi-annually following a two-year grace period, and a second tranche in the form of credit of Euros 250 million. At 31 December 2012, Prosegur has drawn down Euros 150 million from the loan tranche and Euros 250 million from the credit facility tranche.

On 29 February 2012 Prosegur took out a Euros 200 million syndicated loan. This loan is divided into two tranches: a Euros 100 million loan and a credit facility for the same amount. A single repayment for the two tranches will be made at maturity (29 February 2015). The loan bears interest at Euribor for the period plus a spread indexed to the net financial debt/EBITDA ratio at each presentation date.

In relation to the acquisition of the Nordeste Segurança and Transbank Groups, on 7 March 2012 Prosegur Brasil, S.A., Prosegur Activa Alarmes, S.A. and Prosegur Holding e Participações, S.A. arranged a five-year syndicated loan of Brazilian Reals 450 million (equivalent to Euros 190.7 million at the contract date) with the financial institutions Banco Bradesco, BBI S.A., Banco Itaú BBA, S.A. and Banco Santander.

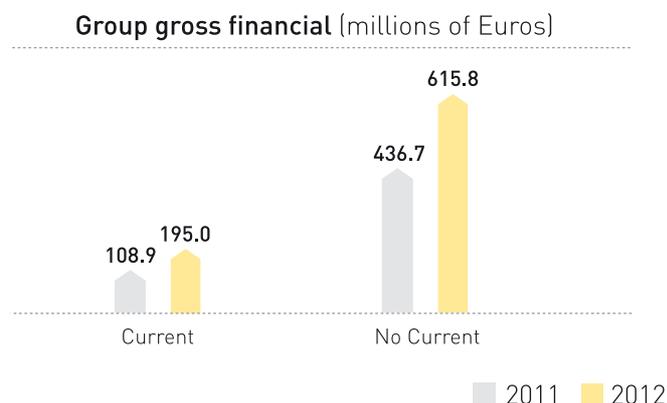
On 23 April 2012 this loan was replaced by a debenture for limited public distribution with a firm guarantee of full placement. This debenture, amounting to Brazilian Reals 450 million (equivalent to 166.9 million at the contract date), was placed by Banco Bradesco BBI, S.A., Banco Itaú BBI, S.A. and Banco Santander. It is repayable in nine instalments and bears interest at a rate pegged to the Brazilian Inter-bank Deposit Rate (CDI) plus a spread of 2.3%.

Gross financial debt includes current and non-current financial liabilities (excluding other non-bank debt) plus/less any derivatives.

In consolidated terms, non-current gross financial debt maturing in more than one year totalled Euros 615.8 million at the end of 2012 (Euros 436.7 million in 2011), basically comprising the syndicated loan contracted in 2010 and two new syndicated transactions arranged during the year.

Current gross financial debt totals Euros 195.0 million (Euros 108.9 million in 2011).

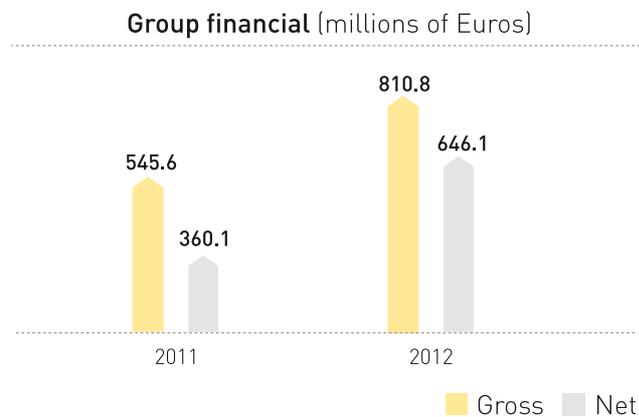
The current and non-current maturities of gross financial debt are distributed as follows:



In 2012 financial debt had an average cost of 4.87% (3.95% in 2011). This increase in the average cost of the debt was essentially due to financing being obtained in countries with higher interest rates.

Net financial debt was Euros 646.1 million at the end of 2012 (Euros 360.1 million in 2011).

Comparison of gross debt and net debt from 2012 and 2011:



Liquidity

It is Prosegur policy to keep a reasonable level of liquid reserves or available contracted financing to ensure flexibility and rapidity in meeting the requirements of working capital or inorganic growth.

At 31 December 2012 Prosegur has available liquidity of Euros 405.1 million (Euros 315.3 million in 2011). This figure comprises:

- Euros 163.6 million of cash and cash equivalents (Euros 187.5 million in 2011).
- Euros 100 million of non-current (more than one year) credit available, relating to the two syndicated loans arranged in 2010 and 2012 (Euros 10 million in 2011).
- Other unused lines of credit for Euros 141.5 million (Euros 117.8 million in 2011) diversified in a wide banking pool featuring the top banks from each country where Prosegur operates.

This liquidity represents 11.0% of consolidated annual sales (11.2% in 2011), which underpins short-term financing and the policy of strategic acquisitions.

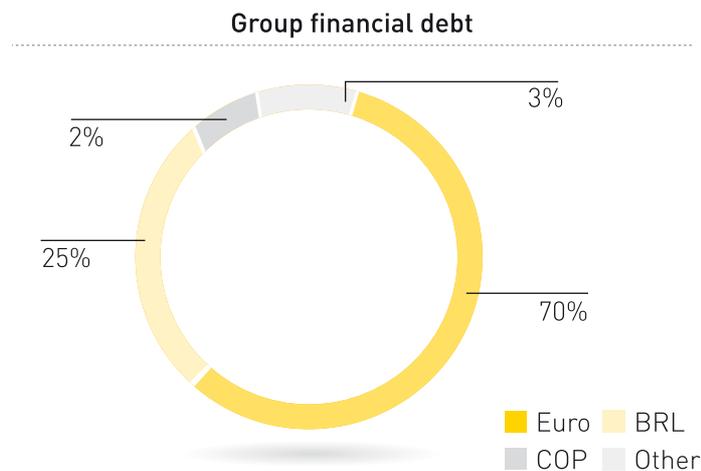
Currency risk

Prosegur policy is to make its business investments in local currency, to minimise its exposure to exchange rate risk. The capital expenditure required in the industry, which varies by business area, is in line with the operating cash flow generated and therefore it is possible to time the investments made in each country based on operating requirements.

Although Prosegur operates in a large number of countries, its financial debt is concentrated in three currencies: 70% in Euros, 25% in Brazilian Reals and 2% in Colombian Pesos. The other 3% of debt is in Prosegur's other currencies.

The changes in the debt structure in terms of currencies on the prior year are a result of the corporate transactions carried out by Prosegur's parent company, primarily in the form of a Euros 200 million syndicated loan, a Brazilian Real 450 million debenture for limited public distribution (equivalent to 181.4 million at the contract date) and other loans to finance foreign investment.

At the end of 2012 Prosegur's financial debt is distributed by currencies as follows:



Hedged risks

Prosegur has three interest rate swaps to cap the interest payable on part of Prosegur's financing.

Every six months, on 25 July and 25 January, one of these derivatives exchanges a payable interest rate of 2.71% for a receivable interest rate equivalent to the six-month Euribor on a nominal amount of Euros 100 million, which matures in April 2014.

In 2012 two additional interest rate hedges were contracted (interest rate swaps) on a nominal of Euros 37.5 million each, maturing in February 2015. Every quarter, these derivatives exchange a payable interest rate of 0.65% with a receivable interest rate equivalent to three-month Euribor.

9. Own shares

At 31 December 2012 the Company held 43,726,900 own shares (44,561,220 shares in 2011), which represent 7.09% of the share capital (7.22% in 2011) and have a value of Euros 125.3 million (Euros

123.2 million in 2011). A portion of these own shares are earmarked for certain members of Prosegur management. No own shares were acquired in 2012 (25,025,790 shares in 2011).

At the general meetings held on 29 May 2012 and 27 June 2011, the shareholders authorised the acquisition of own shares up to the legal maximum. All or part of these own shares may be granted or transferred to the directors of the Company or Prosegur employees, either directly or as a result of a share option being exercised within remuneration schemes linked to the quoted share price.

At the AGM held on 27 June 2008, the shareholders approved the 2011 Plan of long-term incentives (note 34.17). As foreseen in the Plan, a share-based incentive for executive directors and management has been settled in 2012 through the conveyance of 781,114 own shares.

At the AGM held on 29 May 2012, the shareholders approved the 2014 Plan for long-term incentives for Prosegur Group executive directors and management. The 2014 Plan is generally linked to value creation during the 2012-2014 period. Part of this incentive is also conditional on the beneficiaries remaining in the Company's service for two years following the Plan period. The Plan also foresees the payment of share-based incentives to executive directors, and Company shares and cash to Prosegur management. The maximum number of shares earmarked for the 2014 Plan is 4,120,000, representing 0.668% of the Company's present share capital.

The total obligation acquired by Prosegur at 30 June 2012 in relation to share-based incentives established in the 2011 and 2014 Plans is recognised under other equity instruments in equity and amounts to Euros 2,659 thousand (Euros 5,781 thousand in 2011).

10. Environmental issues

At 31 December 2012 Prosegur has no environment-related contingencies, legal claims, income or expenses.

In accordance with the Group's environmental policy, investments continue to be made in armoured vehicles that meet the Euro III standard on the emission of particulates. This investment, recognised as an increase in the value of property, plant and equipment, totals Euros 3.2 million (Euros 1.5 million in 2011).

11. Research and development

As part of its commitment to security and innovation for its clients, Prosegur is undertaking the following projects:

- a) Design and development of a multi-channel platform for information and multi-channel interaction with clients, built using web technology with internet support. The platform provides maximum security based on a high performance scalable multi-factor authentication model, promoting communication and collaboration between the company and its clients.
- b) A new cash management process, based on the development of new software and techniques for planning, managing and monitoring the supply chain and for managing and maintaining service network points.
- c) Design and development of a new alarm panel combining the latest communication technologies, increasing the functionality of traditional alarm panels by incorporating new features such as building automation or an internet connection.
- d) Development of a global cash management system covering both business processes and the technological platforms supporting the processes.
- e) Development of a global information system to store and cross-reference data from all of the functional areas and support units, providing a comprehensive view of the business. This information would also be employed by system users to make decisions.
- f) Development of a new mobile communication system for the inspection and manned guarding process to provide to Prosegur personnel for use in their work and to resolve incidents in real time.
- g) Creation of a new base concept, including development of a new construction method for walls, floors and ceiling of the vaults and perimeter walls of the bases.
- h) Design and development of a new technological platform aimed at the private security business, for global planning and management of human resources and materials for each service, minimising response times and maximising the efficiency of operational management by rapidly providing detailed technical and financial information.
- i) Design and development of a new presence detection and incident management system to enable efficient real-time communication between manned guarding and control centres to effectively deal with incidents, improving the quality of the services provided and allowing manned guarding to be located for their own safety.
- j) Design and technological development of a virtual platform providing Company employees with access and the ability to manage all aspects of public corporate, professional or private information to enable fluid, transparent and reliable internal communication.
- k) Design and technological development of a corporate platform to standardise and unify all of the activities related to security services provided by the Technology business area.
- l) Development of a new analytical planning and management process which allows for more flexible and optimised use of resources in real time and in real situations, by applying new technological communication tools and intelligent locating solutions to Prosegur's systems.
- m) A new advanced comprehensive security model, including new procedures and associated technologies and facilities, applied to a pilot control centre for the retail sector.
- n) Design and development of an electronic security system for Prosegur bases. New features include: efficient security-focused incorporation of equipment, design of associated usage procedures and management of the systems which control peripheral devices.
- o) Development of a new service for banks which allows the maximum possible number of transactions to be carried out at a single counter. The new system will provide a unified view for transactions by various banks and other clients such as creditors and invoice issuers.

- p) Our solution for managing all of the company's logistic activities, from comprehensive planning these tasks to cash transport in the most secure controlled environment possible, providing a flexible, modular service which responds rapidly to unforeseen circumstances and changes in clients' needs, with guarantees of maximum security.

12. Events after the reporting date

On 20 February 2013 a contract was signed to purchase 100% of the share capital of Brink's Deutschland GmbH, a German subsidiary of the Brink's Company through its Brink's Beteiligungsgesellschaft GmbH holding company, which provides cash in transit and cash management in Germany, with a turnover of around Euros 47 million and approximately 1,000 employees. This transaction is subject to approval from the Federal Cartel Office. The request for approval was submitted on 1 February 2013.

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The members of the board of directors of Prosegur Compañía de Seguridad, S.A. hereby confirm that, to the best of our knowledge, the individual and consolidated annual accounts of Prosegur Compañía de Seguridad, S.A. and subsidiaries for 2012, authorised for issue by the board of directors at the meeting held on 25 February 2013 and prepared in accordance with applicable accounting principles, present fairly the equity, financial position and results of Prosegur Compañía de Seguridad, S.A. and the consolidated subsidiaries taken as a whole, and that the respective individual and consolidated directors' reports provide a reliable analysis of the Company's performance and results and the position of Prosegur Compañía de Seguridad, S.A. and its consolidated group, together with the main risks and uncertainties facing the group.

Madrid, 25 February 2013

Ms. Helena Irene Revoredo Delvecchio
Chairman

Mr. Isidro Fernández Barreiro
Vice-Chairman

Mr. Christian Gut Revoredo
Managing Director

Ms. Mirta María Gieso Cazenave
Director

Ms. Chantal Gut Revoredo
Director

Mr. Pedro Guerrero Guerrero
Director

Mr. Eduardo Paraja Quirós
Director

Mr. Eugenio Ruiz-Gálvez Priego
Director

Mr. Fernando Vives Ruiz
Director

DIRECTORS' RESPONSIBILITY OVER THE CONSOLIDATED ANNUAL ACCOUNTS

The consolidated annual accounts of Prosegur Compañía de Seguridad, S.A. and subsidiaries are the responsibility of the directors of the parent company, and have been prepared in accordance with international financial reporting standards endorsed by the European Union.

The directors are responsible for the completeness and objectivity of the annual accounts, including the estimates and judgements included therein. They fulfil their responsibility mainly by establishing and maintaining accounting systems and other regulations, supporting them adequately using 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. However, the effectiveness of internal control systems may vary over time due to changing conditions.

The Company evaluated its internal control system at 31 December 2012. 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
Director of Finance and Economic Affairs



PROSEGUR

Prosegur Compañía de Seguridad, S.A.

C/Pajaritos, 24. 28007 Madrid.

www.prosegur.com

accionistas@prosegur.com