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Annual Report 2014

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Annual Report

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CONSOLIDATED ANNUAL ACCOUNTS

KPMG Auditores S.L.
Edificio Torre Europa
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Independent Auditor's Report on the Consolidated Annual Accounts

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

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

Report on the consolidated annual accounts

We have audited the consolidated annual accounts of Prosegur Compañía de Seguridad, S.A. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position at 31 December 2014 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

Directors' responsibility for the consolidated annual accounts

The Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they present fairly the consolidated equity, consolidated financial position and consolidated financial performance of Prosegur Compañía de Seguridad, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control that they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the consolidated equity and consolidated financial position of Prosegur Compañia de Seguridad, S.A. and subsidiaries at 31 December 2014, their financial performance 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 provisions of the financial reporting framework in Spain.

Report on other legal and regulatory requirements

The accompanying consolidated directors' report for 2014 contains such explanations as the Directors of Prosegur Compañia de Seguridad, S.A. consider relevant to the situation of the Group, its business performance 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 2014. 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 Compañia de Seguridad, S.A. and subsidiaries.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Bernardo Rücker-Embden

25 February 2015

I. CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013
(In thousands of Euros)

	Note	2014	2013
Revenues	3	3,782,583	3,695,157
Costs to sell	4	(2,906,474)	(2,830,321)
Gross profit		**876,109**	**864,836**
Other income		8,948	7,719
Sale and administrative expenses	4	(560,839)	(543,658)
Other expenses	6	(16,294)	(31,247)
Share of profits/(losses) of financial year accounted for under the equity method	15	(677)	—
Operating profit/(loss) (EBIT)		**307,247**	**297,650**
Finance income	7	17,855	21,808
Finance expenses	7	(75,930)	(73,277)
Net financial expenses		(58,075)	(51,469)
Profit before tax		**249,172**	**246,181**
Income tax	27	(90,744)	(90,507)
Post-tax profit from continuing operations		**158,428**	**155,674**
Consolidated profit for the year		**158,428**	**155,674**
Attributable to:			
Owners of the parent		158,715	155,858
Non-controlling interests		(287)	(184)
Earnings per share from continuing operations attributable to the owners of the parent (Euros per share)			
— Basic	8	0.2654	0.2718
— Diluted	8	0.2636	0.2697

The Notes on pages 128 to 230 form an integral part of the consolidated annual accounts.

II. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

(In thousands of Euros)

	Note	2014	2013
Profit/(loss) for the year		**158,428**	**155,674**
Other comprehensive income:			
Items which are not reclassified to profit and loss:			
Actuarial gains/(losses) on defined benefit plans	22	(180)	1,618
		(180)	**1,618**
Items which are reclassified to profit and loss			
Translation differences of financial statements of foreign operations	22	(17,661)	(173,880)
		(17,661)	**(173,880)**
Total comprehensive income for the year, net of tax		**140,587**	**(16,588)**
Attributable to:			
— Owners of the parent		139,716	(16,568)
— Non-controlling interests		871	(20)
		140,587	**(16,588)**

The Notes on pages 128 to 230 form an integral part of the consolidated annual accounts.

III. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2014 AND 2013
(In thousands of Euros)

	Note	2014	2013
ASSETS			
Property, plant and equipment	11	506,539	472,041
Goodwill	12	532,219	515,959
Other intangible assets	13	324,273	341,696
Property investment	14	46,529	—
Investments accounted for using the equity method	15	12,580	—
Non-current financial assets	16	11,627	25,461
Deferred tax assets	27	180,982	180,603
Non-current assets		**1,614,749**	**1,535,760**
Inventories	18	59,646	58,631
Trade and other receivables	19	949,615	919,735
Current tax assets		94,327	89,119
Non-current assets held for sale		448	448
Derivative financial instruments	17	—	73
Other financial assets	20	8,441	1,202
Cash and cash equivalents	21	285,056	292,942
Current assets		**1,397,533**	**1,362,150**
Total assets		**3,012,282**	**2,897,910**
EQUITY			
Share capital	22	37,027	37,027
Share premium	22	25,472	25,472
Own shares	22	(53,493)	(125,180)
Other own equity instruments	22	3,401	3,171
Translation differences	22	(245,156)	(226,337)
Retained earnings and other reserves	22	1,085,402	940,700
Equity attributable to equity holders of the Parent		**852,653**	**654,853**
Non-controlling interests		11,408	(329)
Total equity		**864,061**	**654,524**
LIABILITIES			
Financial liabilities	24	712,222	862,541
Deferred tax liabilities	27	148,491	159,383
Provisions	23	205,475	173,668
Other non-current liabilities	26	18	1,144
Non-current liabilities		**1,066,206**	**1,196,736**
Trade and other payables	25	681,235	703,195
Current tax liabilities		88,285	77,392
Financial liabilities	24	251,634	195,727
Derivative financial instruments	17	—	1,640
Provisions	23	22,189	39,350
Other current liabilities	26	38,672	29,346
Current liabilities		**1,082,015**	**1,046,650**
Total liabilities		**2,148,221**	**2,243,386**
Total equity and liabilities		**3,012,282**	**2,897,910**

The Notes on pages 128 to 230 form an integral part of the consolidated annual accounts.

IV. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013
(In thousands of Euros)

	Equity attributable to equity holders of the Parent						Non-controlling interests (Annex III)	Total equity
	Capital (Note 22)	Share premium (Note 22)	Own shares (Note 22)	Other equity instruments (Note 22)	Translation difference (Note 22)	Retained earnings and other reserves (Note 22)		
Balance at 01 January 2013	**37,027**	**25,472**	**(125,299)**	**2,659**	**(52,293)**	**844,543**	**(309)**	**731,800**
Total comprehensive income for the year	—	—	—	—	(174,044)	157,476	(20)	(16,588)
Accrued share-based incentive commitments	—	—	—	512	—	—	—	512
Share-based incentives exercised by employees	—	—	119	—	—	47	—	166
Acquisition/sale of own shares	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	(65,947)	—	(65,947)
Other changes	—	—	—	—	—	4,581	—	4,581
Balance at 31 December 2013	**37,027**	**25,472**	**(125,180)**	**3,171**	**(226,337)**	**940,700**	**(329)**	**654,524**
Total comprehensive income for the year	—	—	—	—	(18,819)	158,535	871	140,587
Accrued share-based incentive commitments	—	—	—	1,865	—	—	—	1,865
Share-based incentives exercised by employees	—	—	132	—	—	44	—	176
Acquisition/sale of own shares	—	—	71,555	—	—	50,370	—	121,925
Dividends	—	—	—	—	—	(65,947)	—	(65,947)
Other changes	—	—	—	(1,635)	—	1,700	10,866	10,931
Balance at 31 December 2014	**37,027**	**25,472**	**(53,493)**	**3,401**	**(245,156)**	**1,085,402**	**11,408**	**864,061**

The Notes on pages 128 to 230 form an integral part of the consolidated annual accounts.

V. CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

(In thousands of Euros)

	Note	2014	2013
Cash flows from operating activities			
Profit/(loss) for the year		**158,428**	**155,674**
Adjustments for:			
Depreciation and amortisation	11, 13,14	118,474	116,767
Impairment losses on non-current assets	6	28	863
Impairment losses on trade receivables	6	11,293	18,883
Impairment losses on other financial assets	7	13,000	6,600
Change in provisions	23	43,356	32,629
Share-based payment expenses		1,865	512
(Gains)/losses on financial assets at fair value through profit or loss	7	(1,083)	(2,419)
Finance income	7	(15,621)	(17,769)
Finance expenses	7	59,507	66,677
(Gains)/losses on disposal and sale of property, plant and equipment	6	1,617	2,244
Share of profits/(losses) of financial year accounted for under the equity method	15	677	—
Income tax	27	90,744	90,507
Changes in working capital, net of the effect of acquisitions and translation differences			
Inventories		(2,457)	(5,279)
Trade and other receivables		(38,093)	(70,665)
Trade and other payables		(14,054)	54,010
Payment of provisions		(49,305)	(26,373)
Other liabilities		9,750	657
Cash from operating activities			
Interest paid		(43,280)	(49,092)
Income tax paid		(97,694)	(86,984)
Net cash from operating activities		**247,152**	**287,442**

The Notes on pages 128 to 230 form an integral part of the consolidated annual accounts.

V. CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

(In thousands of Euros)

	Note	2014	2013
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		6,925	5,714
Proceeds from sale of financial assets		3,801	16,501
Interest received		7,970	10,401
Acquisition of subsidiaries, net of cash and cash equivalents		(5,518)	(20,531)
Acquisition of property, plant and equipment	11	(121,890)	(119,773)
Acquisition of intangible assets	13	(17,409)	(17,993)
Acquisition of property investment	14	(45,267)	—
Acquisition of joint ventures, net of cash and cash equivalents		(9,132)	—
Acquisition of financial assets		(9,127)	(7,066)
Net cash from investing activities		**(189,647)**	**(132,747)**
Cash flows from financing activities			
Collections from sales of own shares		121,925	—
Proceeds from debentures and other marketable securities	24	—	500,000
Proceeds from loans and borrowings		167,450	90,149
Payments for loans and borrowings		(235,668)	(452,548)
Payments for other financial liabilities		(44,464)	(69,294)
Dividends paid	9	(64,247)	(59,864)
Net cash from financing activities		**(55,004)**	**8,443**
Net increase/(decrease) in cash and cash equivalents		2,501	163,138
Cash and cash equivalents at the beginning of period		292,942	163,601
Effect of exchange differences		(10,387)	(33,797)
Cash and cash equivalents at the end of the period		**285,056**	**292,942**

The Notes on pages 128 to 230 form an integral part of the consolidated annual accounts.

VI. Notes to the consolidated financial statements at 31 december 2014

1. General information

Prosegur is a business group formed by Prosegur Compañía de Seguridad, S.A. (hereinafter the Company) and its subsidiaries (collectively, 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, China and Australia.

Prosegur is organised into the following geographical areas:

— Europe&Asia-Pacific
— Latin America (LatAm)

The services provided by Prosegur are distributed into the following business lines:

— Overall service solutions
— Cash in Transit (CIT)
— Alarm systems

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

Prosegur Compañía de Seguridad, S.A. is a 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 Register of Madrid. The registered offices of Prosegur Compañía de Seguridad, S.A. are at Calle Pajaritos, 24, Madrid (Spain).

The corporate object is described in Article 2 of its Articles of Association. The main services and activities provided by the Company by means of its dependent companies are as follows:

— Security patrol 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.

The activities comprising the corporate purpose can also be performed indirectly by the Company, by means of the shareholding in other companies of an identical or similar corporate purpose.

These consolidated annual accounts were authorised for issue by the directors on 25 February 2015 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

Prosegur Compañía de Seguridad, S.A. is the parent company of the Group formed by the subsidiaries specified in Appendix I. In addition, Prosegur has Joint Arrangements (Note 15 and Appendix II).

Prosegur holds interests of less than 20% in the share capital of other entities. It does not exert significant influence over these entities (Note 16).

Details of the principles applied to prepare the Prosegur consolidated annual accounts and define the consolidated group are provided in Note 35.2.

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 2014, as well as the consolidated profit and loss from its operations and consolidated cash flows for the year then ended.

Prosegur adopted EU-IFRS for the first time on 01 January 2004 and on such date applied IFRS 1 First-time Adoption of International Financial Reporting Standards.

2.1. Basis for preparation of the annual accounts

These consolidated annual accounts have been prepared on a historical cost basis, with the following exceptions:

— Available-for-sale financial assets (Note 35.9)
— Derivative financial instruments (Note 35.10)
— Contingent payments, from business combinations (Note 35.2)

2.2. Changes in the consolidated group

The most significant changes to the consolidated group in 2014 are acquisitions of subsidiaries, details of which are provided in Note 30.

In addition, the following companies were incorporated or wound up in 2014:

— In February 2014 Proservicios, S.A. was incorporated in Peru.
— In March 2014 Singpai India Private Limited was incorporated in India.
— In July 2014 SIS Prosegur Holdings Private Limited was incorporated in India.
— In August 2014 Prosegur Technology Pty Limited was incorporated in Australia.
— In July 2014 Reinsurance Bussiness Solutions, Limited was liquidated in Ireland.
— In August 2014 Pitco Venture, S.C.R. was liquidated in Spain.

Furthermore, the following mergers took place between subsidiaries in 2014:

— In June 2014 Prosegur Telesurveillance SASU merged with and into Prosegur Securite Humaine EURL in France.
— In October 2014 Prosegur Deutschland GmbH merged with and into Prosegur GmbH in Germany.
— In December 2014 Servimax Servicios Generales, S.A. merged with and into ESC Servicios Generales, S.L.U in Spain.
— In December 2014 Aexis Security Management Pte Ltd merged with and into Evtec Management Service Pted LTD in Singapore.
— In December 2014 Prosegur Securité Opale SAS merged with and into Porsegur Securité Jade SAS in France.

2.3. Comparative information

The consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and the notes to the consolidated financial statements for 2014 include comparative figures for the prior year.

Prosegur has presented the financial information by segment of the previous year on the basis of the new segment regrouping (Note 10).

Additionally, as mentioned in note 35.1, as a result of the modifications of the IFRS 10 and 11, at 31 December 2014, Prosegur has not reexpressed the figures of financial year 2013 given the non-significant nature of the adjustments resulting from such modifications.

2.4. Estimates, assumptions and relevant judgements

The preparation of the consolidated annual accounts in accordance with EU-IFRS requires the application of relevant accounting estimates and the undertaking of judgements, estimates and assumptions in the process for application of the Prosegur accounting policies and measurement of the assets, liabilities and losses and gains.

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, where appropriate.

Accounting estimates and assumptions

Information on relevant accounting estimates and assumptions that pose a significant risk of causing material adjustments in the year ending on 31 December 2015 are included in the following notes:

— Business combinations: determination of the interim fair values (Notes 30 and 35.2).
— Deterioration of property, plant and equipment and intangible assets: assumption for the calculation of recoverable amounts (Notes 11, 12, 13, 35.5, 35.6, 35.7 and 35.8).
— Available-for-sale financial assets: assumptions used to determine fair values (Notes 16 and 35.9).
— Recognition and measurement of provisions and contingencies: assumptions to determine the probability of occurrence and the estimate amounts of resource outflows (Notes 23, 28 and 35.15).
— Recognition and valuation of the defined benefit plans for employees: actuarial hypotheses for the provision of defined benefit plans for employees (Notes 5.2 and 23).
— Recognition and measurement of deferred tax assets: estimates and assumptions used to measure the recoverability of tax credits (Notes 27 and 35.17).
— Revenue recognition: determination of the degree of progress for construction contracts (Note 35.22).

Relevant judgements

Information on judgements made in applying Prosegur accounting policies with a significant impact on the amounts recognised in the consolidated financial statements is included in the following notes:

— Consolidation: control determination (Note 35.2)
— Leases: lease classification (Note 35.20)

Determination of fair values

Certain Prosegur accounting policies and details require the determination of fair values for assets and liabilities, financial as well as non-financial.

Prosegur has established a control framework with respect to determining fair values. This framework includes a measurement team, reporting directly to Financial Management, with general responsibility over the supervision of all relevant fair value calculations.

On a regular basis the measurement team reviews significant unobservable criteria and measurement adjustments. If third-party information is utilised in determining fair values, such as price-fixing or broker quotations, the measurement team verifies the fulfilment of such information with the EU-IFRS and the level of fair value in which such measurements should be classified.

Significant measurement issues are reported to the Prosegur Audit Committee.

In determining the fair value of an asset or liability, Prosegur uses observable market data to the greatest extent possible. Fair values are classified into different levels of fair value on the basis of the input data used in the measurement techniques, as follows:

— Level 1: quoted price (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).

If such input data that are used to measure the fair value of an asset or liability may be classified into different levels of fair value, the fair value measurement is classified in its entirety into the same level of fair value, corresponding to the significant input data level for the complete measurement presented by the lower Level.

Prosegur recognises transfers among levels of fair value at the end of the period in which the change has taken place.

The following notes contain more information on the assumptions utilised in determining fair values:

— Note 16: Available-for-sale financial assets.
— Note 30: Business Combinations.
— Note 32.3: Financial instruments and fair value.

3. Revenues

Details of revenues are as follows:

Thousands of Euros	2014	2013
Services rendered	3,617,855	3,533,422
Goods sold	34,609	36,433
Operating lease revenues	130,119	125,302
Total revenues	**3,782,583**	**3,695,157**

Operating lease revenues are generated by alarm system rentals. As explained in Note 35.19, 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.

4. Cost of sales and selling, general and administrative expenses

The main cost of sales and selling, general and administrative expenses are as follows:

Thousands of Euros		2014	2013
Supplies		154,585	143,152
Employee benefits expense	(Note 5)	2,241,151	2,208,235
Operating leases		53,478	50,833
Supplies and external services		239,364	207,431
Depreciation and amortisation		48,366	46,030
Other expenses		169,530	174,640
Total costs to sell		**2,906,474**	**2,830,321**
Supplies		3,700	3,477
Employee benefits expense	(Note 5)	274,183	265,036
Operating leases		35,817	36,287
Supplies and external services		109,053	105,736
Depreciation and amortisation		70,108	70,737
Other expenses		67,978	62,385
Total sale and administrative expenses		**560,839**	**543,658**

Total supplies in the consolidated income statement for 2014 amount to EUR 158,285 thousand (in 2013: EUR 146,629 thousand).

5. Employee benefits

5.1. Employee benefits expense

Details of the employee benefits expense are as follows:

Thousands of Euros	2014	2013
Salaries and wages	1,879,462	1,833,447
Social Security	497,092	490,260
Other employee benefits expenses	101,580	100,401
Termination benefits	37,200	49,163
Total employee benefits expense	**2,515,334**	**2,473,271**

In accordance with Note 23, with regard to the ruling of the Supreme Court relative to the price of overtime, no employee benefit expenses were recognised in 2014 (or 2013), and a lower expense in the amount of EUR 3,000 thousand (in 2013: EUR 10,646 thousand), corresponding to the reversal of amounts for which provisions were made in prior years, as a result of agreements reached with the plaintiffs in the course of the year.

The 2014 long-term incentive plans for Executive Director and Management of Prosegur (Note 35.18), within the Salaries and wages paragraph has been included in the expense accrued during the year in relation to the 2014 amounting to EUR 3,979 thousand (in 2013: EUR 662 thousand), of which EUR 2,114 thousand comprise cash incentives and EUR 1,865 thousand correspond to share-based incentives.

5.2. Employee benefits

The Group makes contributions to four defined benefit plans in France, Brazil, Australia and Colombia. The defined benefit plan comprising post-employment healthcare offered to employees in Brazil compliant with local legislation (Law 9656).

The defined benefit plans in France and Colombia consist of retirement premiums. The defined benefit plan of Australia consists of an occupational accident insurance scheme.

In financial year 2014, payments have been made to the defined benefit plan of Australia amounting to 1,771 thousand euros.

During financial year 2014, the amount recognised in the P&L account under the heading of personnel costs amounts to 7,636 thousand euros (48 thousand euros in 2013).

The movement of the current value of the obligations is shown in the following table:

Thousands of Euros		
	2014	2013
Balance at 1 January	**8,061**	**5,346**
Net cost for period	7,636	48
Plan contributions	(1,771)	—
Actuarial Loss/(profit)	273	(2,451)
Business combination (Note 30)	898	5,752
Translation differences	173	(634)
Balance at 31 December	**15,270**	**8,061**

The defined pension plan variables which cause exposure to Prosegur to actuarial risk are: longevity, currency risk, interest rate risk and market risk.

During 2014 the negative impact on equity arising from actuarial losses amounted to 273 thousand euros, (positive impact of 2,451 thousand euros in 2013).

The actuarial valuation performed by qualified actuaries on the value of the committed benefits is ca-rried out on the assumption of economic hypotheses, used for the valuation of the commitment.

6. Other expenses

Details of other expenses are as follows:

Thousands of Euros			
		2014	2013
Impairment losses on trade receivables	(Note 19)	(11,293)	(18,883)
Impairment losses on non-current assets	(Note 11)	(28)	(863)
Net losses on disposal of fixed assets		(1,617)	(2,244)
Other expenses		(3,356)	(9,257)
Total other expenses		**(16,294)**	**(31,247)**

The other expenses heading includes running costs whose reduction in comparison to the previous year in due to greater efficiency in the management of the Group structure.

7. Net financial expenses

Details of the net financial expenses are as follows:

Thousands of Euros	2014	2013
Interest paid:		
— Loans from financial institutions	(14,540)	(23,939)
— Debentures and other marketable securities	(14,574)	(10,913)
— Loans from other entities	(897)	(2,031)
— Loans from other associates	—	(1)
— Securitisation programme	(305)	(670)
— Finance leases	(2,561)	(1,599)
	(32,877)	**(39,153)**
Interest received:		
— Cash equivalents	—	45
— Loans and other investments	5,820	10,356
	5,820	**10,401**
Other results		
Net gains/(losses) on foreign currency transactions	(2,272)	7,368
(Losses)/gains on the fair value of derivative financial instruments (Note 17)	1,083	2,419
Other losses on transactions with derivative financial instruments (Note 17)	(1,151)	(2,288)
Impairment losses of investments in equity instruments	(13,000)	(6,600)
Other finance income	10,952	1,620
Other finance costs	(26,630)	(25,236)
	(31,018)	**(22,717)**
Net financial expenses	**(58,075)**	**(51,469)**
Total finance income	**17,855**	**21,808**
Total finance costs	**(75,930)**	**(73,277)**
	(58,075)	**(51,469)**

Interest-related financial expenses in 2014 amount to EUR 32,877 thousand (in 2013: EUR 39,153 thousand). The drop is mainly due to the significant reduction in 2014 compared to the previous year, as a result of the drawdowns of the syndicated loan entered into in 2010. In addition, in June 2014, the syndicated loan entered into in 2010 (45,000 thousand euros of the loan tranche and 60,000 thousand euros of the credit facility tranche) was cancelled, having entered into a new syndicated loan amounting to 400,000 thousand euros, with a significant improvement in associated cost of funding, added to the drop in Euribor (Note 24).

In addition, the debenture issued in Brazil on 23 April 2012 was partially prepaid in January 2014 in the amount of BRL 140,000 thousand (equivalent to EUR 42,645 thousand at the date of cancellation).

Other financial expenses essentially comprise adjustments to deferred payables arising on business combinations made by Prosegur during de last past years.

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 by the Company (Note 22).

Euros	2014	2013
Profit for the year attributable to owners of the Parent	158,714,972	155,858,239
Weighted average number of ordinary shares outstanding	597,942,853	573,416,655
Basic earnings per share	**0.2654**	**0.2718**

On 10 January 2014 Prosegur proceeded with the sale of a package of 24,882,749 of its own shares, representing 4.032% of the share capital, for a total amount of EUR 123,170 thousand (Note 22).

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	2014	2013
Profit for the year attributable to owners of the parent	158,714,972	155,858,239
(Diluted) weighted average number of ordinary shares outstanding	602,062,853	577,976,655
Diluted earnings per share	**0.2636**	**0.2697**

The adjustment to the weighted average number of ordinary shares outstanding reflects the potential 4,120,000 shares outstanding as a result of the 2014 Plan (Note 35.18).

9. Dividends per share

The Board of Directors will propose the distribution of a dividend of EUR 0.1068 per share, or a total maximum amount of EUR 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 2015 and January and April 2016. Each payment is calculated as EUR 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 (EUR 16,487 thousand) should be divided by the new number of outstanding shares that corresponds following the aforementioned increase or reduction.

At the general meeting held on 30 June 2014, the shareholders approved the distribution of dividends amounting to Euros 65,947 thousand (Euros 0.1068 per share). When this meeting was held, share capital was divided into 617,124,640 shares. Shareholders received 50% of this dividend, or Euros 32,974 thousand, in July and October 2014. The remaining payments, each representing 25% of the approved amount, will be made in January and April 2015. At 31 December 2014 dividends payable of EUR 32,974 thousand have been recognised under current liabilities as other payables within trade and other payables.

10. Segment reporting

The Executive Committee of the Management Board is the highest operational decision-making body in Prosegur and, along with the Audit Committee, it reviews the internal financial information of Prosegur in order to assess performance and allocate resources.

Business is the main cornerstone of the organisation and is embodied in the General Business Management Departments, in charge of the design of security solution for clients and include the main business lines: Comprehensive security solutions, Cash in transit and Cash management and Alarms.

In addition, with the purpose of improving the processes in the various businesses in financial year 2014, Prosegur has reviewed its organisational structure and changed the geographical organisation of the segments. Thus, the Asia-Pacific geographical segment has joined up with the Europe segment to form one single Europe&Asia-Pacific segment.

The corporate functions are supervised by the Corporate Support Departments which cover the following areas: Economic-Financial, Organisation and Corporate Responsibility, Business Development and Global Accounts and Marketing. From a geographical perspective, the main segments identified are:

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

These geographical segments in turn include the following activity segments:

— Comprehensive security solutions: mainly includes the activities of guarding and protection of premises, property and persons and activities related to technological security solutions.
— Cash in Transit (CIT), mainly 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.
— Alarms: mainly includes home alarms as well as installation and maintenance thereof.

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, since this indicator is considered to best reflect the results of the Group's different activities.

Prosegur is not highly dependent on any particular customers (Note 32).

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&Asia-Pacific		LatAm		Total	
	2014	2013	2014	2013	2014	2013
Overall service solutions	966,382	955,156	970,362	980,716	1,936,744	1,935,872
% of total	50%	49%	50%	51%	51%	52%
Cash in Transit	514,996	387,105	1,149,468	1,190,581	1,664,464	1,577,686
% of total	31%	25%	69%	75%	44%	43%
Alarms	99,905	97,177	81,470	84,422	181,375	181,599
% of total	55%	54%	45%	46%	5%	5%
Total sales	**1,581,283**	**1,439,438**	**2,201,300**	**2,255,719**	**3,782,583**	**3,695,157**

Details of EBITDA and EBIT by segment are as follows:

Thousands of Euros	Europe&Asia-Pacific		LatAm		Total	
	2014	2013	2014	2013	2014	2013
Sales to external customers	1,581,283	1,439,438	2,201,300	2,255,719	3,782,583	3,695,157
Other net expenses	(1,466,120)	(1,347,593)	(1,890,742)	(1,933,147)	(3,356,862)	(3,280,740)
EBITDA	115,163	91,845	310,558	322,572	425,721	414,417
Depreciation and amortisation	(50,089)	(43,420)	(68,385)	(73,347)	(118,474)	(116,767)
EBIT	**65,074**	**48,425**	**242,173**	**249,225**	**307,247**	**297,650**

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	2014	2013
EBIT allocated to segments	307,247	297,650
Net financial expenses	(58,075)	(51,469)
Profit before tax	249,172	246,181
Income tax	(90,744)	(90,507)
Post-tax profit from continuing operations	158,428	155,674
Non-controlling interests	(287)	(184)
Profit for the year attributable to owners of the parent	**158,715**	**155,858**

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

Thousands of Euros	Revenues		Non-current assets allocated to segments	
	2014	2013	2014	2013
Parent company country of residence (Spain)	855,693	866,657	302,167	312,705
Brazil	1,041,866	1,074,015	507,066	519,164
Argentina	600,820	623,345	203,930	141,129
Other countries	1,284,204	1,131,140	589,959	537,301
	3,782,583	**3,695,157**	**1,603,122**	**1,510,299**

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

Thousands of Euros	Europe&Asia-Pacific		LatAm		Not allocated to segments		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Assets allocated to segments	**982,108**	**890,557**	**1,725,050**	**1,687,675**	—	—	**2,707,158**	**2,578,232**
Other unallocated assets	—	—	—	—	**305,124**	**319,678**	**305,124**	**319,678**
Other non-current financial assets	—	—	—	—	11,627	25,461	11,627	25,461
Other current financial assets	—	—	—	—	8,441	1,202	8,441	1,202
Cash and cash equivalents	—	—	—	—	285,056	292,942	285,056	292,942
Derivative financial instruments	—	—	—	—	—	73	—	73
	982,108	**890,557**	**1,725,050**	**1,687,675**	**305,124**	**319,678**	**3,012,282**	**2,897,910**

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

Thousands of Euros	Europe&Asia-Pacific		LatAm		Not allocated to segments		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Liabilities allocated to segments	**534,056**	**560,696**	**791,567**	**778,960**	—	—	**1,325,623**	**1,339,656**
Other unallocated liabilities	—	—	—	—	**822,598**	**903,730**	**822,598**	**903,730**
Loans and borrowings	—	—	—	—	822,598	902,090	822,598	902,090
Derivatives	—	—	—	—	—	1,640	—	1,640
	534,056	**560,696**	**791,567**	**778,960**	**822,598**	**903,730**	**2,148,221**	**2,243,386**

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 2013	205,176	100,554	249,047	303,883	48,571	907,231
Translation differences	(13,091)	(13,637)	(23,194)	(38,064)	(12,202)	(100,188)
Business combinations (Note 30)	5,193	—	5,854	10,466	1,584	23,097
Additions	11,385	10,208	26,343	17,317	54,520	119,773
Disposals	—	(3,105)	(10,586)	(7,128)	(2,659)	(23,478)
Transfers	8,697	5,707	7,860	11,756	(34,020)	—
Balance at 31 December 2013	**217,360**	**99,727**	**255,324**	**298,230**	**55,794**	**926,435**
Translation differences	(293)	(672)	(2,755)	(2,725)	(2,244)	(8,689)
Business combinations (Note 30)	—	156	12	(1,817)	—	(1,649)
Additions	6,915	18,350	44,485	37,888	14,252	121,890
Disposals	(351)	(10,601)	(12,927)	(3,828)	(154)	(27,861)
Transfers	10,614	3,859	2,427	4,002	(24,064)	(3,162)
Balance at 31 December 2014	**234,245**	**110,819**	**286,566**	**331,750**	**43,584**	**1,006,964**

Thousands of Euros	Land and buildings	Technical installations and machinery	Other installations and furniture	Other property, plant and equipment	Under construction and advances	Total
Amortisation and impairment						
Balance at 1 January 2013	(39,986)	(60,269)	(155,955)	(190,552)	—	(446,762)
Translation differences	1,191	7,573	12,982	23,771	—	45,517
Disposals	—	2,870	6,999	5,651	—	15,520
Transfers	997	1,102	(2,387)	288	—	—
Amortisation for the year	(5,337)	(10,626)	(22,543)	(29,300)	—	(67,806)
Provision for impairment recognised in profit and loss	—	—	—	(863)	—	(863)
Balance at 31 December 2013	**(43,135)**	**(59,350)**	**(160,904)**	**(191,005)**	—	**(454,394)**
Translation differences	25	165	1,586	1,594	—	3,370
Disposals	191	9,813	7,936	1,379	—	19,319
Transfers	18	(2)	(580)	2,107	—	1,543
Amortisation for the year	(5,087)	(9,834)	(25,810)	(29,504)	—	(70,235)
Provision for impairment recognised in profit and loss	—	—	—	(28)	—	(28)
Balance at 31 December 2014	**(47,988)**	**(59,208)**	**(177,772)**	**(215,457)**	—	**(500,425)**
Carrying amount						
At 01 January 2013	165,190	40,285	93,092	113,331	48,571	460,469
At 31 December 2013	174,225	40,377	94,420	107,225	55,794	472,041
At 01 January 2014	174,225	40,377	94,420	107,225	55,794	472,041
At 31 December 2014	186,257	51,611	108,794	116,293	43,584	506,539

Additions to property, plant and equipment recognised in 2014 amount to EUR 121,890 thousand (in 2013: EUR 119,773 thousand) and mainly comprise fitting-out on bases, facilities and armoured vehicles intended for use in operating activities. These investments were essentially made in Argentina, Germany, Peru, Colombia and Brazil.

Commitments for the acquisition of property, plant and equipment are detailed in Note 29.

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	2014	2013
Cost	39,324	39,324
Accumulated amortisation	(4,832)	(4,393)
Carrying amount	**34,492**	**34,931**

Other installations and furniture include facilities let by Prosegur to third parties under operating leases, with the following carrying amounts:

Thousands of Euros	2014	2013
Cost	85,784	73,166
Accumulated amortisation	(54,369)	(50,849)
Carrying amount	**31,415**	**22,317**

As stated in Note 3, the income statement includes operating lease income of EUR 130,119 thousand (in 2013: EUR 125,302 thousand). This amount reflects business relating to the alarm system rental activity, the associated cost of which is taken to the income statement.

In 2014, Prosegur put into operation armoured vehicles compliant with a value of EUR 4,937 thousand (in 2013: EUR 964 thousand), which were previously recognised as property, accomplishing with the Euro V regulation on non-polluting emissions.

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

Thousands of Euros	2014				
	Land and buildings	Technical installations and machinery	Other installations and furniture	Other property, plant and equipment	Total
Cost of capitalised financial leases	4,078	8,152	136	38,679	51,045
Accumulated amortisation	(89)	(5,597)	(93)	(17,361)	(23,140)
Carrying amount	**3,989**	**2,555**	**43**	**21,318**	**27,905**

Thousands of Euros

	2013				
	Land and buildings	Technical installations and machinery	Other installations and furniture	Other property, plant and equipment	Total
Cost of capitalised financial leases	11,556	9,577	282	37,235	58,650
Accumulated amortisation	(830)	(6,154)	(226)	(20,155)	(27,365)
Carrying amount	**10,726**	**3,423**	**56**	**17,080**	**31,285**

12. Goodwill

Details of movement in goodwill are as follows:

Thousands of Euros

	2014	2013
Balance at 1 January	**515,959**	**529,453**
Business combinations (Note 30)	6,395	49,270
Additions	13,798	655
Disposals due to equity method	(1,541)	—
Disposals	—	(25,823)
Translation differences	(2,392)	(37,596)
Balance at 31 December	**532,219**	**515,959**

Additions to goodwill in 2013 and 2014 derive from the following business combinations:

		2013	
	Country	% ownership	Thousands of Euros
Evtec Management Services Pte Ltd [1]	(Singapore)	100%	1,498
Chorus Group [1]	(Germany)	100%	1,412
Transvig-Transporte de Valores e Vigilancia LTDA [1]	(Brazil)	100%	3,160
Others [1]	(China)		325
			6,395

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

At 31 December 2014, "Others" includes the companies Shanghai Pitco Enterprise Management Co, Ltd, Shanghai Prosegur Security Service Co, Ltd, Shanghai BiguInvestment Co Ltd and Shanxi Laide Security Technology Service Co, Ltd.

		2013	
	Country	% ownership	Thousands of Euros
Brinks Deutschland GmbH	(Germany)	100%	20,952
Chubb Security Services Pty Ltd	(Australia)	100%	28,318
			49,270

Details of the estimated goodwill in the tables above and the allocation of the amounts for which measurement was completed in 2014 are provided in Note 30 (Note 30.2).

Additions in 2014 pertain to the following goodwill adjustments:

		2014
	Country	Thousands of Euros
Brinks Deutschland GmbH	(Germany)	11,829
Chubb Security Services Pty Ltd	(Australia)	1,969
		13,798

Disposals in the year reflect adjustments to the value of the following goodwill, which was allocated provisionally in 2012 (see Note 30):

		2013
	Country	Thousands of Euros
Grupo Segura (Coral Melody, S.A. y Tecnofren, S.A.)	Uruguay	(4,771)
T.C. Interplata, S.A.	Argentina	(2,744)
Servin Seguridad, S.A.	Argentina	(5,498)
Roytronic, S.A.	Uruguay	(1,388)
GRP Group	France	(4,565)
Imperial Dragon Security Ltd	China	(4,344)
SIS Cash Services Private Ltd	India	(2,513)
		(25,823)

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	2014	2013
Spain CGU	92,241	92,241
France CGU	39,788	39,788
Portugal CGU	13,403	13,403
Germany CGU	34,303	21,062
Singapore CGU	6,117	4,154
India CGU	—	1,541
China CGU	2,502	2,178
Australia CGU	31,453	28,276
Subtotal Europe&Asia-Pacific	**219,807**	**202,643**
Brazil CGU	128,649	124,504
Chile CGU	39,817	39,906
Peru CGU	39,776	38,632
Argentina CGU	45,012	47,450
Colombia CGU	39,199	42,849
Rest of LatAm CGU	19,959	19,975
Subtotal LatAm	**312,412**	**313,316**
Total	**532,219**	**515,959**

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 35.8.

The recoverable amount of a CGU is determined based on its value in use. These calculations are based on cash flow projections, excluding the effects of potential future improvements in the return on assets, from the four-year financial budgets approved by Management. Cash flows beyond this four-year period are extrapolated using estimated growth rates. Cash flows take past experience into consideration 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:

	2014			2013		
	Europe	Asia-Pacific	LatAm	Europe	Asia-Pacific	LatAm
Growth rate [1]	1.40%	3.50%	6.93%	2.72%	9.05%	9.05%
Discount rate [2]	5.60%	8.90%	16.54%	7.19%	11.41%	15.47%

(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 2014	Spain	France	Rest of Europe	Asia-Pacific	Chile	Brazil	Colombia	Peru	Argentina	Rest of LatAm
Growth rate	1.34%	1.32%	1.62%	3.84%	3.00%	4.55%	3.04%	2.00%	17.48%	5.46%
Discount rate	5.62%	5.11%	4.97%	6.92%	8.67%	12.14%	8.52%	8.31%	40.33%	12.05%

31 December 2013	Spain	France	Rest of Europe	Asia-Pacific	Chile	Brazil	Colombia	Peru	Argentina	Rest of LatAm
Growth rate	2.43%	3.72%	3.28%	8.65%	7.50%	7.96%	7.48%	7.77%	13.59%	9.73%
Discount rate	7.24%	6.16%	8.63%	11.41%	9.14%	12.26%	9.48%	9.27%	32.45%	13.02%

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 growth rate has dropped due to the reduction in the associated discount rates compared to the year before.

No impairment losses have been recognised on goodwill in 2014 and 2013.

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 EBITDA, above which impairment losses would arise, are as follows:

	2014		2013	
	Discount rate	EBITDA	Discount rate	EBITDA
Brazil	19.85%	24.72%	22.46%	32.60%
Argentina	64.12%	28.34%	52.72%	21.25%
Spain	25.25%	47.94%	16.53%	39.17%
France	5.62%	4.26%	7.05%	10.98%
Colombia	12.84%	23.51%	13.34%	21.56%
Peru	19.85%	36.79%	20.50%	36.31%
Chile	16.55%	36.66%	11.82%	14.52%

13. Other intangible assets

Details and movement of other intangible assets are as follows:

Thousands of Euros	Computer software	Customer portfolios	Trademarks and licences	Other intangible assets	Total
Cost					
Balance at 1 January 2013	83,801	386,586	31,318	21,012	522,717
Translation differences	(7,144)	(60,549)	(6,427)	(2,115)	(76,235)
Business combinations (Note 30)	359	59,049	9,459	1,286	70,153
Additions	13,165	—	—	4,828	17,993
Disposals	(2,106)	(205)	—	—	(2,311)
Balance at 31 December 2013	**88,075**	**384,881**	**34,350**	**25,011**	**532,317**
Translation differences	(599)	1,410	1,609	(52)	2,368
Business combinations (Note 30)	(348)	5,757	—	—	5,409
Additions	14,988	57	532	1,832	17,409
Disposals	(202)	(215)	—	—	(417)
Transfers	3	(1,448)	5,594	593	4,742
Balance at 31 December 2014	**101,917**	**390,442**	**42,085**	**27,384**	**561,828**
Amortisation and impairment					
Balance at 1 January 2013	(44,562)	(95,533)	(14,614)	(6,850)	(161,559)
Translation differences	3,484	11,935	2,900	442	18,761
Disposals	1,121	17	—	—	1,138
Amortisation for the year	(10,853)	(26,573)	(5,909)	(5,626)	(48,961)
Balance at 31 December 2013	**(50,810)**	**(110,154)**	**(17,623)**	**(12,034)**	**(190,621)**
Translation differences	206	379	(248)	(14)	323
Disposals	13	656	—	—	669
Transfers	(1)	—	840	(921)	(82)
Amortisation for the year	(10,902)	(25,369)	(4,999)	(6,574)	(47,844)
Balance at 31 December 2014	**(61,494)**	**(134,488)**	**(22,030)**	**(19,543)**	**(237,555)**
Carrying amount					
At 01 January 2014	39,239	291,053	16,704	14,162	361,158
At 31 December 2014	37,265	274,727	16,727	12,977	341,696
At 01 January 2014	37,265	274,727	16,727	12,977	341,696
At 31 December 2014	40,423	255,954	20,055	7,841	324,273

In 2014, additions to intangible assets are 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
Chubb Security Services Pty Ltd (Australia)	195	—	—
Evtec Management Services Pte Ltd (Singapore)	1,663	—	—
Chorus Group (Germany)	843	—	—
Transvig – Transporte de Valores e Vigilancia LTDA (Brazil)	3,056	—	—
	5,757	—	—

The amounts pertaining to the client portfolios of Chubb Security Services Pty Ltd stem from definitive allocations of fair value which were provisionally allocated in 2013. The rest of the amounts arise from the allocation of value of goodwill in 2014.

In 2013, 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
Grupo Segura (Coral Melody, S.A. y Tecnofren, S.A.) (Uruguay)	6,553	—	—
Grupo Nordeste y Transbank (Brazil)	(703)	—	(97)
T.C. Interplata, S.A. (Argentina)	4,154	66	—
Servin Seguridad, S.A. (Argentina)	7,400	1,520	391
Roytronic, S.A. (Uruguay)	1,787	—	—
GRP Group (France)	6,479	367	—
Imperial Dragon Security Ltd (China)	—	5,833	506
SIS Cash Services Private Ltd (India)	1,561	1,673	486
Chubb Security Services Pty Ltd (Australia)	31,818	—	—
	59,049	**9,459**	**1,286**

The amounts pertaining to the client portfolios of Chubb Security Services Pty Ltd come from the allocation of goodwill in 2013. The rest of the balances reflect the definitive allocation of amounts that were provisionally allocated in 2012.

All reported intangible assets have a defined useful life (except for the other intangible asset that has arisen from the business combinations of SIS Cash Services Private Ltd. and Servin Seguridad, S.A.), and are amortised in percentages ranging from 3.33% to 50% according to their estimated useful life.

Details of the amortisation percentages of the customer portfolio and trademark are described in Notes 30 and 35.6.

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 35.6. No impairment losses have been recognised or reversed in 2014 and 2013.

14. Property investments

Details of movement in property investments are as follows:

Thousands of Euros	2014
Cost	
Balance at 01 January 2014	—
Translation differences	1,672
Additions	45,267
Balance at 31 December 2014	**46,939**
Amortisation and impairment	
Balance at 1 January 2014	—
Translation differences	(15)
Amortisation for the year	(395)
Balance at 31 December 2014	**(410)**
Carrying amount	
At 01 January 2014	—
At 31 December 2014	46,529

At 31 December 2014, real estate investments include three buildings located in the city of Buenos Aires (Argentina). The buildings were purchased in the months of April, May and October 2014.

At the close of 2014, these properties are leased to third parties, with contracts lasting between 2 and 3 years, extendable for another 3 years.

At 31 December 2014, the fair value of the real estate investments does not differ significantly from their net book value, due to the recent purchase.

The income and expenses generated in the year from real estate investments have amounted to 1,040 and 330 thousand euros, respectively.

Future minimum receipts under property investments leases are as follows:

Thousands of Euros	2014
Up to one year	2,458
One to five years	2,352
More than five years	—
	4,810

Prosegur has taken out policies to cover the risk of property investments. The coverage of these policies is considered sufficient.

15. Investments accounted for using the equity method

15.1. Joint arrangements

The main Joint Arrangements of Prosegur are those entered into with companies operating in India that carry out cash in transit and cash management activities. These Joint Arrangements are structured as separate vehicles and Prosegur has a share of their net assets. Consequently, Prosegur has classified these shareholdings as Joint Ventures. In the Arrangements governing the Joint Ventures, Prosegur and the other investor company have agreed, if necessary, to make additional contributions in proportion to their shareholdings in order to offset any losses.

The breakdown of the movements of the investments in joint ventures accounted for under the equity method is as follows:

Thousands of Euros	2014
Balance at 1 January	**6,120**
Acquisitions	5,793
Additions (capitalisations)	565
Share of profit/(loss)	(677)
Translation differences	779
Balance at 31 December	**12,580**

Among the acquisitions is the purchase of 49% of the local division in India of the cash in transit and cash management division of the Danish facility management company ISS by Prosegur (ISS Cash and Valuable Services Division). The purchase price for the 49% was Rs 449,217 thousand (equivalent to EUR 5,793 thousand at the acquisition date), comprising a cash payment of Rs 382,578 thousand (equivalent to EUR 4,933 thousand at the acquisition date), and a further Rs 66,640 thousand (equivalent to EUR 859 thousand at the acquisition date) deferred to secure any possible liabilities, maturing in 2015. The transaction was carried out on 29 November 2014.

The breakdown of joint ventures accounted for under the equity method is as follows:

Thousands of Euros	2014
Rosegur SA	(1,360)
Rosegur Fire, SRL	4
Rosegur Holding Corporation SL	120
SIS Cash Services Private Limited	14,183
SIS Prosegur Holdings Private Limited	(197)
Prosegur Technological Security Solutions LLC	(170)
Balance at 31 December	**12,580**

The breakdown of the main amounts of investments accounted for under the equity method is included in Appendix IV.

Prosegur has no significant contingent liability commitments in any of the joint ventures accounted for under the equity method.

16. Non-current financial assets

Details of non-current financial assets are as follows:

Thousands of Euros	2014	2013
Available-for-sale financial assets	6,639	19,798
Deposits and guarantees	3,953	3,720
Other non-current financial assets	1,035	1,943
	11,627	**25,461**

Available-for-sale financial assets

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

Thousands of Euros	2014	2013
Balance at 1 January	**19,798**	**26,114**
Additions	798	1,956
Disposals	(870)	(1,547)
Value change adjustments	(13,000)	(6,600)
Translation differences	(87)	(125)
Balance at 31 December	**6,639**	**19,798**

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

At 31 December 2014

Thousands of Euros	Recoverable amount	% ownership	Investment
Capitolotre, S.P.A.	3,027	19.0%	31,647
Euroforum Escorial, S.A.	2,141	8.1%	2,141
Other investments and other assets	1,471		1,475
	6,639		**35,263**

At 31 December 2013

Thousands of Euros	Recoverable amount	% ownership	Investment
Capitolotre, S.P.A.	16,027	19.0%	31,647
Euroforum Escorial, S.A.	2,008	8.1%	2,008
Other investments and other assets	1,763		1,767
	19,798		**35,422**

Capitolotre, S.P.A.

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

Based on the accounting policy for associates (Note 35.2), 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 2.4, Prosegur has recognised its investment in Capitolotre, S.P.A. as a level three fair value.

At 31 December 2014, Prosegur estimated the fair value of its investment in Capitolotre, S.P.A., concluding that objective evidence exists to support that this investment has sustained a decrease in value estimated at EUR 13,000 thousand. During 2013 an impairment loss of Euros 6,600 thousand was recognised on the fair value of financial assets.

Other investments

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

In 2014 the Company has paid out 133 thousand euros, leaving 117 thousand euros outstanding for the capital increase Euroforum Escorial, S.A. carried out in 2013 for a total amount of 524 thousand euros.

On 6 November 2014, the dissolution and winding-up of the company Euroforum Torrealta, S.A. (valued at 9 thousand euros) was agreed, leading to a loss of 2 thousand euros.

On 21 March 2012, the company Euroforum Torrealta, S.A. approved the distribution of a dividend of Euros 1,364 thousand payable to Prosegur Compañía de Seguridad, S.A., which was received on 26 March 2013. Additionally, on 29 April 2013, Euroforum Torrealta, S.A. agreed on the distribution of voluntary reserves among its shareholders in proportion to their shareholdings, pursuant to which Prosegur Compañía de Seguridad, S.A. was entitled to Euros 2,772 thousand, received on 30 April 2013.

Other non-current financial assets

Details of other non-current financial assets are as follows:

Thousands of Euros	2014	2013
Balance at 1 January	**1,943**	**478**
Additions	651	1,631
Disposals	(1,462)	—
Translation differences	(97)	(166)
Balance at 31 December	**1,035**	**1,943**

At 31 December 2014, the heading other non-current assets included fixed-term deposits mainly maturing in 2017.

17. Derivative financial instruments

At 31 December 2014 Prosegur has no derivative financial instruments.

Changes in the fair values of the derivatives held by Prosegur are taken to the income statement as they are not considered to be accounting hedges. In 2014 a credit of Euros 1,083 thousand was recognised in profit and loss (Euros 2,419 thousand in 2013) reflecting changes in the fair value of derivative financial instruments (see Note 7). Losses were recognised on settlements and sale during the year of EUR 1,151 thousand (in 2013: EUR 2,288 thousand) (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.

At 31 December 2013, details of derivative financial instruments are as follows:

Thousands of Euros			
		2013	
		Fair values	
	Notional amount	Assets	Liabilities
Interest rate swap (IRS)	EUR 100,000 thousand	—	1,640
Forward exchange transaction	AUD 15,000 thousand	73	—
Current		**73**	**1,640**

Interest rate swaps

At 31 December 2013 the Company had one interest rate derivative instrument (interest rate swaps) to cap the interest payable on part of Prosegur's financing. Every six months, which has been sold in April 2014, on 25 July and 25 January, the interest rate of 2.71% payable on this derivative is exchanged for a receivable interest rate equivalent to the six-month Euribor on a nominal amount of EUR 100,000 thousand.

Forward exchange transactions

On 20 January 2014, a forward exchange transaction was made on a nominal amount of Australian Dollars 5,000 thousand, exchanging Euros for Australian Dollars at an exchange rate of 1.5396 maturing on 07 February 2014.

On 08 April 2014, a forward exchange transaction was made on a nominal amount of Australian Dollars 30,000 thousand, exchanging Euros for Australian Dollars at an exchange rate of 1.4782 maturing on 06 May 2014.

On 23 December 2013, a forward exchange transaction was made on a nominal amount of Australian Dollars 15,000 thousand, exchanging Euros for Australian Dollars at an exchange rate of 1.5318. This financial instrument matured on 13 January 2014.

18. Inventory

Details of inventories are as follows:

Thousands of Euros	2014	2013
Work in progress	22,300	19,397
Goods for resale, fuel and other	28,739	25,091
Operating materials	4,916	9,832
Uniforms	3,691	4,311
	59,646	**58,631**

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 35.22. Prosegur has recognised sales revenue of EUR 174,052 thousand in relation with these contracts in 2014 (in 2013: EUR 177,230 thousand). Prosegur has also recognised a payable to revenue received for EUR 10,917 thousand (in 2013: EUR 11,313 thousand) because the progress billings to those customers exceed the costs incurred plus recognised profit (Note 26).

19. Trade and other receivables

Details of cash and cash equivalents are as follows:

Thousands of Euros	2014	2013
Customer receivables for sales and services	766,783	751,683
Less than: Impairment losses on trade receivables	(63,429)	(59,682)
Trade receivables - net	703,354	692,001
Public sector	74,218	67,637
Employee salary advances	6,597	13,966
Court bonds	47,142	38,482
Prepayments	31,326	35,044
Other receivables	86,978	72,605
Current	**949,615**	**919,735**

Credit risk from trade receivables is not concentrated because Prosegur works with a large number of customers distributed among the different countries in which it operates (Note 32).

On 17 December 2014 Prosegur arranged a non-recourse factoring facility in the amount of BRL 47,493 thousand (equivalent to EUR 14,852 thousand at 31 December 2014). The programme matures in January 2015. 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 financial expense in the income statement (Note 7). At 31 December 2014 receivables thousand were written off in connection with this contract amounting to BRL 47,493 thousand (equivalent to EUR 14,852 thousand at 31 December 2014).

In December 2013, Prosegur arranged a non-recourse factoring facility in the amount of EUR 9,595 thousand, with the possibility of increasing this figure. Upon reaching its expiration date, this contract was not renewed. At 31 December 2013 receivables amounting to EUR 9,595 thousand were written off in connection with this contract.

In 2008 Prosegur enforced guarantees of EUR 9,469 thousand relating to funds held on deposit by a customer in Brazil. 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. These funds were recorded in other receivables has been collected in full during the first half of 2014.

Details of past-due trade receivables, net of the corresponding impairment, are as follows:

Thousands of Euros	2014	2013
0 to 3 months	317,664	161,795
3 to 6 months	36,627	28,228
Over 6 months	18,138	21,002
	372,429	**211,025**

Balances with maturities greater than 6 months correspond mainly to State customers, the majority of which have a maximum term of 12 months.

Changes in the impairment of receivables are as follows:

Thousands of Euros	2014	2013
Balance at 1 January	**(59,682)**	**(59,019)**
Provision for impairment	(11,153)	(17,048)
Applications and other	3,182	6,243
Reversal of unused amounts	3,321	4,400
Translation differences	903	5,742
Balance at 31 December	**(63,429)**	**(59,682)**

As well as the provision, in 2014 Prosegur recognised impairment losses on trade receivables amounting to EUR 3,461 thousand (in 2013: EUR 6,235 thousand). The total impairment loss on trade receivables recognised in the income statement amounts to EUR 11,293 thousand (in 2013: EUR 18,883 thousand).

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 32.1.

20. Other financial assets

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

Thousands of Euros	2014	2013
Balance at 1 January	**1,202**	**5,654**
Additions	7,444	3,479
Disposals	(1,202)	(7,931)
Translation differences	997	—
Balance at 31 December	**8,441**	**1,202**

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

Thousands of Euros

Description	Date of issue	Matures on	Principal	Balance at 31/12/2014
Fixed-term deposit	02/02/2014	02/02/2015	7,240	8,237
Other financial assets			204	204
				8,441

Thousands of Euros

Description	Date of issue	Matures on	Principal	Balance at 31/12/2014
Fixed-term deposit	03/01/13	31/05/13	1,797	—
Fixed-term deposit	07/02/13	31/05/13	480	—
Fixed-term deposit	24/10/13	24/04/14	114	114
Fixed-term deposit	31/08/13	30/09/14	53	53
Fixed-term deposit	11/12/13	11/12/14	139	139
Other financial assets			896	896
				1,202

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.

21. Cash and cash equivalents

Details of cash and cash equivalents are as follows:

Thousands of Euros	2014	2013
Cash in hand and at banks	199,736	229,738
Current bank deposits	85,320	63,204
	285,056	**292,942**

The effective interest rate on current bank deposits is 9.75% (in 2013: 5.72%) and the average term of deposits held during the year was 34 days (in 2013: 23 days).

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

22. Net equity

22.1. Share capital, share premium and own shares

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

Thousands of Euros	Number of shares (thousands)	Share capital	Share premium	Own shares	Total
Balance at 1 January 2013	**617,125**	**37,027**	**25,472**	**(125,299)**	**(62,800)**
Other distributions	—	—	—	119	119
Balance at 31 December 2013	**617,125**	**37,027**	**25,472**	**(125,180)**	**(62,681)**
Sale of own shares	—	—	—	71,555	71,555
Other distributions	—	—	—	132	132
Balance at 31 December 2014	**617,125**	**37,027**	**25,472**	**(53,493)**	**9,006**

Share capital

At 31 December 2014 and 2013, the share capital of Prosegur Compañía de Seguridad, S.A. totals EUR 37,027 thousand and is represented by 617,124,640 shares with a par value of EUR 0.06 each, fully subscribed and paid. These shares 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:

	Number of shares	
Shareholders	2014	2013
Ms. Helena Revoredo Delvecchio [1]	309,240,330	309,240,330
Ms. Ms. Mirta Giesso Cazanave [2]	34,716,130	34,716,130
Oppenheimer Acquisition Corporation [4]	34,957,437	21,761,746
FMR LLC [3]	29,908,843	29,908,843
M & G Investment Management, LTD [4]	—	19,362,786
Cantillon Capital Management LLC [4]	18,821,350	18,821,350
Others	189,480,550	183,313,455
	617,124,640	**617,124,640**

[1] Via Gubel, S.L. and Prorevosa, S.L.U.
[2] Both directly and via AS Inversiones, S.L.
[3] Via Fidelity International Discovery Fund and other funds.
[4] Investment through various funds managed.

At 31 December 2014 and 2013, the members of the Board of Directors, either directly or through companies over which they exercise control, hold 345,172,890 shares (in 2013: 345,172,890 shares), representing 55.93% of the Company's share capital (in 2013: 55.93%).

Share premium

The share premium amounts to EUR 25,472 thousand, is freely distributable and has not changed in 2014 and 2013.

Own shares

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

	Number of shares	Thousands of Euros
Balance at 01 January 2013	**43,726,900**	**125,299**
Other distributions	(41,416)	(119)
Balance at 31 December 2013	**43,685,484**	**125,180**
Sale of own shares	(24,882,749)	(71,555)
Other distributions	(45,845)	(132)
Balance at 31 December 2014	**18,756,890**	**53,493**

At the general meetings held on 27 June 2011, shareholders authorised the Board of Directors to acquire 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 General Meeting held on 27 June 2008, the shareholders approved the 2011 Plan of long-term incentives (Note 35.18). This incentive plan was settled in January 2014.

At the general meeting held on 29 May 2012, the shareholders approved the 2014 Plan of long-term incentives for Prosegur Executive Director 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 considers the delivery of incentives in shares and/or cash to the Chief Executive Officer and Senior Executives of the Company. The maximum number of shares earmarked for the 2014 Plan is 4,120,000, representing 0.668% of Prosegur's present share capital.

The total commitment undertaken by Prosegur at 31 December 2014 in relation to share-based incentives established in the 2014 Plan is recognised under other equity instruments in equity and amounts to EUR 3,401 thousand (in 2013: EUR 3,171 thousand).

On 10 January 2014, Prosegur has carried out the block sale of a packet of own shares accounting for 4.032% of the share capital, for a total amount of Euros 123,170 thousand (includes transaction costs, amounts 1,245 thousands of euros), that is, 24,882,749 shares at Euros 4.95, to meet the requirements presented by JB Capital Markets of a limited and reduced number of institutional investors. Following this transaction, Prosegur holds 3.047% of own shares which it considers to be strategic for potential corporate operations in the future.

22.2. Other equity instruments

Other equity instruments reflect the total obligation undertaken by the Company in relation to share-based incentives established in the 2014 Plan (see Note 35.18). Movement is as follows:

Thousands of Euros	2014	2013
Balance at 1 January	**3,171**	**2,659**
Share-based incentives accrued during the year	1,865	512
Share-based payments exercised	(1,635)	—
Balance at 31 December	**3,401**	**3,171**

The provision for the cash portion of the commitment undertaken by the Company at 31 December 2014 in connection with the 2014 Plan amounts to EUR 3,659 thousand of which EUR 1,497 thousand are classified as non-current and EUR 2,162 thousand as current (in 2013: EUR 632 thousand as non-current and EUR 913 thousand as current in 2013).

22.3. Cumulative translation differences

Details are as follows:

Thousands of Euros	2014	2013
Balance at 1 January	**(226,337)**	**(52,293)**
Translation differences of financial statements of foreign operations	(18,819)	(174,044)
Balance at 31 December	**(245,156)**	**(226,337)**

22.4. Retained earnings and other reserves

The structure and changes of retained earnings and other reserves are as follows:

Thousands of Euros	Legal reserve	Goodwill reserve	Other reserves	Other retained earnings	Total
Balance at 1 January 2013	**7,406**	**23,804**	**165**	**813,168**	**844,543**
Total comprehensive income for the year	—	—	—	157,476	157,476
Operations with partners or owners	—	(28,408)	—	28,408	—
Acquisition/sale of own shares	—	—	—	47	47
Distribution of Profit	—	4,604	—	(70,551)	(65,947)
Other changes	—	—	—	4,581	4,581
Balance at 31 December 2013	**7,406**	—	**165**	**933,129**	**940,700**
Total comprehensive income for the year	—	—	—	158,535	158,535
Acquisition/sale of own shares	—	—	—	50,370	50,370
Exercise of share incentives	—	—	—	44	44
Distribution of Profit	—	—	—	(65,947)	(65,947)
Other changes	—	—	—	1,700	1,700
Balance at 31 December 2014	**7,406**	—	**165**	**1,077,831**	**1,085,402**

Other restricted reserves at 31 December 2014 and 2013 correspond to the reserve for the update of National Budget Act 83 (EUR 104 thousand) and reserves for capital adjustment to Euros (EUR 61 thousand).

The legal reserve, which amounts to EUR 7,406 thousand, was endowed 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 endowed. 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 proposed distribution of the parent's profit for 2014, 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	2014	2013
Basis of allocation		
Profit/(loss) for the year	68,941	66,000
	68,941	**66,000**
Allocation		
Voluntary reserves	2,994	53
Dividends	65,947	65,947
	68,941	**66,000**

22.5. Non-controlling interests

Appendix III includes a summary of the information on each of the Prosegur subsidiaries with a non-controlling interest prior to carrying out inter-group write-offs.

The non-controlling interests in the companies Shanghai Weldon Security Equipment Co Ltd, Shanghai Weldon Security Service Co Ltd, Hangzhou Weldon Security Service Co Ltd and Sichuan Weldon Security Service Co Ltd, which are allocated to the business segment of Comprehensive Security Solutions, and other companies of little significance were consolidated on 1 January 2014 via global integration (Note 35.1). Consequently, the information on such companies pertains to the period between 1 January 2014 and 31 December 2014.

23. Provisions

Details of provisions and changes are as follows:

Thousands of Euros

	Overtime costs	Labour-related risks	Legal risks	Restructuring	Employee benefits expenses (Note 5.2)	Accrued obligations to personnel	Other risks	Total
Balance at 1 January 2013	**20,298**	**84,098**	**8,888**	—	**5,346**	**1,615**	**72,711**	**192,956**
Provisions charged to income statement	—	39,972	5,129	—	48	294	14,082	59,525
Reversals credited to income statement	(10,646)	(7,941)	(1,959)	—	—	(364)	(5,986)	(26,896)
Business combinations (Note 30)	—	—	—	36,165	5,752	—	4,702	46,619
Amounts used	(2,300)	(21,615)	(1,749)	—	—	—	(709)	(26,373)
Reversal posted to Net Equity	—	—	—	—	(2,451)	—	—	(2,451)
Transfers	—	13,460	(41)	—	—	—	(13,419)	—
Translation differences	—	(16,693)	(1,155)	—	(634)	—	(11,880)	(30,362)
Balance at 31 December 2013	**7,352**	**91,281**	**9,113**	**36,165**	**8,061**	**1,545**	**59,501**	**213,018**
Provisions charged to income statement	-	33,950	6,733	—	7,636	2,114	11,974	62,407
Reversals credited to income statement	(3,000)	(9,688)	(3,618)	—	—	—	(2,745)	(19,051)
Business combinations (Note 30)	—	104	17	10,274	898	—	230	11,523
Amounts used	(572)	(11,431)	(2,132)	(28,259)	(1,771)	—	(5,140)	(49,305)
Reversal posted to Net Equity	—	—	—	—	273	—	—	273
Transfers	—	10,188	—	—	—	—	(28)	10,160
Translation differences	—	(928)	(117)	—	173	—	(489)	(1,361)
Balance at 31 December 2014	**3,780**	**113,476**	**9,996**	**18,180**	**15,270**	**3,659**	**63,303**	**227,664**
Non-current 2013	7,352	91,281	9,113	—	5,789	632	59,501	173,668
Current 2013	—	—	—	36,165	2,272	913	—	39,350
Non-current 2014	3,780	113,476	9,996	—	13,423	1,497	63,303	205,475
Current 2014	—	—	—	18,180	1,847	2,162	—	22,189

a) Overtime costs

Provisions for the price of overtime is the result of the suit filed against the Articles of the State Collective Bargaining Agreement for Security Companies for 2005-2008 that set the overtime rates for security guards.

The final ruling pronounced by the Chamber of Social Affairs of the Spanish Supreme Court declares null and void "section 1. a) of article 42 of the State Collective Bargaining Agreement for Security Companies for 2005-2008 that sets overtime rates for security guards", article 42, section b) solely with regard to overtime for the other professional categories and article 42.2, which sets a basic hourly rate to ensure a minimum overtime rate that is below the legal minimum.

Likewise the Chamber of Social Affairs of the Spanish High Court issued a ruling on case 111/2007 declaring that "the basic hourly rate used to calculate the overtime rate is comprised of a base salary and personal supplements, extras accrued in a period greater than one month, allowances for residence in Ceuta and Melilla, if applicable, and any security work allowances to which the employee is entitled". With regard to case 171/2007 that upheld the plea of procedural illegitimacy and declared that the legitimate procedure was to challenge the collective bargaining agreement.

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) through the close of accounts on 31 December 2014.

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

During 2014, 1,231 proceedings were closed (in 2013: 3,293) for payments in an amount of EUR 572 thousand corresponding to agreements formalised with a part of the plaintiff employees (2013: EUR 2,300 thousand). Additionally deposits have been recognised in the income statement in a total amount of EUR 3,000 thousand (EUR 10,646 thousand in 2013) corresponding to provisions in prior years which, based on the information available at the close of 2014, Prosegur believes will not be claimed.

b) Labour-related risks

The provisions for labour-related risks, that amount to EUR 113,476 thousand (in 2013: EUR 91,281 thousand), are calculated on a case-by-case basis, considering Prosegur's past experience. The provision for labour-related risks mainly includes provisions for work-related causes in Brazil. Additionally it is included a provision in the amount of EUR 41,576 thousand (in 2013: EUR 29,654 thousand) regarding the business combination realised in 2005 with Transpev. In 2014 a transfer amounting to 10,188 thousand euros has been made to long term provisions, which in the previous year was considered as an outstanding amount associated with the Transpev business combination, as a result of the negotiation of the debt with the vendor (see Note 24).

c) Legal risks

The provisions for legal risks, that amount to EUR 9,996 thousand (in 2013: EUR 9,113 thousand), correspond mainly to civil claims, which are analysed on a case-by-case basis. The settlement of these provisions is highly probable, but both the value of the final settlement as well as the moment are uncertain and depend upon the outcome of the proceedings under way.

d) Restructuring

The provisions correspond to acquiree Brinks Deutschland GmbH in 2013, which has a restructuring provision recognised that corresponds to estimates for the payment of severances for dismissal and other costs. The settlement of the provision is highly probable. While the moment of settlement is uncertain, it is highly probable that it will take place in the short term. During 2014 payments amounting to 28,259 thousand euros have been made with a re-estimate of the calculation of the provision of 10,274 thousand euros associated with the restated fair value of assets and liabilities arising from the aforementioned acquisition of Brinks Deutschland GmbH.

e) Accrued obligations to personnel

These provisions contain the incentive accrued for the part in cash of the 2014 Plan (Note 35.18). During the year, provisions to results have been made for 2,114 thousand euros. Additionally, part of this provision has been classified as current provisions amounting to 2,162 thousand euros. The obligation undertaken at 31 December 2014 in relation to share-based incentives established in the 2014 Plan is recognised under other equity instruments in equity (see Note 22).

f) Other risks

The provisions for other risks, that amount to EUR 63,303 thousand (in 2013: EUR 59,501 thousand), mainly include Brazil and Argentina tax risks in an amount of EUR 48,270 thousand, as well as provisions from the Chubb Security Services PTY LTD, Transvig-Transporte de Valores e Vigilancia LTDA business combination and other risks deriving from operations. The settlement of these provisions is highly probable, but both the value of the final settlement as well as the moment are uncertain and depend upon the outcome of the proceedings under way.

24. Financial liabilities

Details of financial liabilities are as follows:

Thousands of Euros	2014		2013	
	Non-current	Current	Non-current	Current
Debentures and other marketable securities	497,174	10,312	495,757	10,912
Syndicated loan	37,882	—	130,469	30,000
Loans and borrowings	102,203	85,390	151,081	41,798
Finance lease payables	18,400	16,851	14,399	7,778
Credit accounts	—	89,637	—	42,073
Other payables	56,563	49,444	70,835	63,166
	712,222	**251,634**	**862,541**	**195,727**

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

Thousands of Euros

	Currency	Interest rate	Year of maturity	2014 Non-current	2014 Current	2013 Non-current	2013 Current
Debentures and other marketable securities	Euro	2.75%	2018	497,174	10,312	495,757	10,912
Syndicated loan	Euro	0.82%	2019	37,882	—	130,469	30,000
Loans and borrowings	Euro	0.82%	2015-2018	13,848	50,663	9,613	878
Loans and borrowings	Brazilian Real	14.08%	2014-2017	22,267	11,329	69,623	14,538
Loans and borrowings	Argentine Peso	15.25%	2015-2016	108	433	613	545
Loans and borrowings	Australian dollar	4.32%	2015-2016	46,997	13,505	45,068	12,985
Loans and borrowings	Peruvian Nuevo Sol	5.82%	2015-2019	12,015	5,356	16,205	4,425
Loans and borrowings	Other currencies	7.30%	2014-2018	6,968	4,104	9,959	8,427
Finance lease payables	Euro	1.21%	2014-2020	9,316	4,174	8,273	3,500
Finance lease payables	Brazilian Real	11.08%	2015-2018	3,019	10,088	1,552	1,860
Finance lease payables	Argentine Peso	14.40%	2015	—	17	19	38
Finance lease payables	Other currencies	7.18%	2015-2022	6,065	2,572	4,555	2,380
Credit accounts	Euro	1.92%	2015	—	75,423	—	40,062
Credit accounts	Other currencies	5.84%	2015	—	14,214	—	2,011
Other payables	Euro	1.30%	2014-2023	1,134	9,878	1,706	9,393
Other payables	Brazilian Real	10.77%	2015-2019	53,014	28,889	66,479	36,925
Other payables	Argentine Peso	16.20%	2014-2023	1,209	685	1,280	911
Other payables	Other currencies	3.69%	2015-2017	1,206	9,992	1,370	15,937
				712,222	**251,634**	**862,541**	**195,727**

At 31 December 2014 drawdowns from credit facilities totalled EUR 89,637 thousand (in 2013: 42,073 thousand). Details of undrawn credit facilities are as follows:

Thousands of Euros

	2014	2013
Maturing in less than 1 year	210,188	136,068
Maturing in more than 1 year	360,000	150,000
	570,188	**286,068**

Credit facilities are subject to various interest rate reviews in 2015.

Debentures and other marketable securities

On 02 April 2013 an issue of uncovered bonds with a nominal value of EUR 500,000 thousand, maturing on 02 April 2018, was made. This issue will enable the deferment of maturities of part of the debt of

Prosegur (from 2015 to 2018) and the diversification of funding sources. The bonds are traded on the secondary market of the Irish Stock Exchange. They accrue a coupon of 2.75% per annum payable yearly on maturity.

Debenture (Brazil)

A debenture for limited public distribution with a firm guarantee of full placement was issued in Brazil on 23 April 2012. The placement entities were Banco Bradesco BBI S.A., Banco Itaú BBA S.A. and Banco Santander.

The debenture has been partially prepaid early in the amount of BRL 140,000 thousand (equivalent to EUR 42,645 thousand at the acquisition date). The outstanding amount at 31 December 2014 is BRL 102,469 thousand (equivalent to EUR 31,815 thousand (at 31 December 2013: BRL 258,250 thousand, equivalent to EUR 79,277 thousand at 31 December 2013).

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

The contract states that the future instalments should be paid at the following dates:

Thousands of Euros

	2014		2013	
Repayment date	Amount	Outstanding balance	Amount	Outstanding balance
07 March 2014	—	—	5,130	74,147
07 September 2014	—	—	5,130	69,017
07 March 2015	2,450	29,365	5,130	63,887
07 September 2015	7,342	22,023	15,370	48,517
07 March 2016	7,341	14,682	15,370	33,147
07 September 2016	7,341	7,341	15,370	17,777
07 March 2017	7,341	—	17,777	—

Syndicated Loan (Spain)

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

The operation was structured in two tranches: a tranche in the form of a EUR 150,000 thousand loan, with half-yearly repayments, and a second tranche in the form of a EUR 250,000 thousand credit facility. The amount of Euros 50,000 thousand of the loan tranche was subject to early cancellation on the 4 April 2013. The loan matures in August 2015. On 30 June 2014, this loan was cancelled in both the loan and credit facility modalities. At 31 December 2013, the capital drawn down under the loan modality amounted to 60,000 thousand euros and the balance drawn down under the credit facility modality amounted to 100,000 thousand euros.

On 12 June 2014 Prosegur subscribed a new five-year syndicated credit financing facility of EUR 400,000 thousand to defer part of its debt (from 2015 to 2019). At 31 December 2014 the drawn down balance amounted to EUR 40,000 thousand. The amount of commissions paid in 2014 in connection with this financing amounted to 2,353 thousand euros.

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

Additionally, this credit is secured by collateral from Prosegur's main subsidiaries in Spain, Portugal, Peru, Argentina and Brazil. The obligatory covenant ratios stipulated in the said contract, which have been met in 2014 are as follows:

— Ratio Deuda Financiera Neta / EBITDA, que deberá ser inferior o igual a 3,5.
— Ratio EBITDA / Gastos Financieros, que deberá ser superior a 5.

Syndicated loan (Australia)

In December 2013 Prosegur arranged a three-year syndicated financing facility of AUD 70,000 thousand to finance the acquisition of security companies, by means of its subsidiaries Prosegur Australia Holdings PTY Limited and Prosegur Australia Investments PTY Limited. At 31 December 2014 the drawn down capital corresponding to the syndicated loan amounted to AUD 70,000 thousand (equivalent to EUR 46,997 thousand at the acquisition date). At 31 December 2013 the syndicated loan amounted to AUD 70,000 thousand (equivalent to EUR 45,068 thousand at the end of the reporting period). The contract stipulates one sole repayment for the entirety thereof at maturity.

Finance lease payables

Details of minimum payments under finance leases are as follows:

Thousands of Euros	2014	2013
Less than 1 year	17,278	8,094
1 to 5 years	19,463	17,493
Over 5 years	1,843	315
Interest	(3,333)	(3,725)
	35,251	**22,177**

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

Bailment

Prosegur in Australia has access to facilities under loan for use for the supply of cash to automated teller machines belonging to Prosegur. In these facilities, cash is owned by the bailor of the loan in use, who has contracts directly with Prosegur. Prosegur has access to this money with the only purpose to load cash onto the ATMs, governed by this contract. The settlement of the cash assets and liabilities is carried out via regulated clearing systems, such as the right of offset. As a result of the foregoing, no assets and liabilities are shown in the consolidated annual accounts for this item. The amount in circulation at 31 December 2014 is 27 million Australian dollars (equal to 18.2 million Euros).

Other payables

Other payables mainly relate to business combinations pending payments formed in both the present year and prior years (Note 30). Details of other payables are as follows:

Thousands of Euros	2014	2013
Non-current		
Contingent and deferred payments for acquisitions	54,280	67,758
Others	2,283	3,077
	56,563	**70,835**
Current		
Contingent and deferred payments for acquisitions	39,224	58,668
Securitisation programme payables	—	230
Others	10,220	4,268
	49,444	**63,166**

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

Thousands of Euros

		2014		2013	
	Currency	Non-current	Current	Non-current	Current
Fiel Vigilancia e Transp. Valores	Reales	743	906	1,371	796
Prosec Pte. Ltd.	Dólares Singapur	—	—	—	1,533
Transvig - Transporte de Valores e Vigilancia LTDA	Reales	1,242	344	—	—
Securlog GmbH	Euros	—	258	—	5,400
Grupo Segura	Peso Uruguayo	199	99	277	2,373
Grupo Nordeste y Transbank	Reales	50,947	26,564	64,423	23,281
Roytronic, S.A.	Peso Uruguayo	58	17	124	351
Chubb Security Services Pty Ltd	Dólares Australia	—	—	—	3,221
Prover Electronica, Ltda.	Reales	149	75	248	788
Inversiones BIV, S.A. y filial	Peso Colombiano	389	472	850	395
Evtec Management Services PTE LTD	Dólar Singapur	232	1,196	—	—
Grupo Integra - Colombia	Peso Colombiano	—	2,439	—	2,666
Imperial Dragon Security Ltd	Renminbi	—	5,388	—	4,892
Otros (Nota 12)	Renminbi	265	66	—	—
TC Interplata S.A.	Peso Argentino	53	189	—	340
Norsegel Vigilancia e Transp. Valores	Reales	—	—	—	1,663
Genper, S.A.	Peso Uruguayo	—	102	—	106
GSM Telecom, S.A.	Peso Uruguayo	—	28	28	19
Martom Segurança Eletrônica Ltda.	Reales	—	668	437	243
General Industries Argentina, S.A.	Peso Argentino	3	23	—	36
Tellex, S.A.	Peso Argentino	—	390	—	493
Preserv y Transpev	Reales	—	—	—	10,072
		54,280	**39,224**	**67,758**	**58,668**

25. Trade and other payables

Details of trade and other payables are as follows:

Thousands of Euros

	2014	2013
Trade payables	177,944	179,897
Accrued personnel costs	261,153	247,587
Social Security and other taxes	176,284	194,600
Other payables	65,854	81,111
	681,235	**703,195**

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 EUR 26,242 thousand relating to the incentive programme (in 2013: EUR 22,446 thousand). The cost recognised under employee benefits expense in the income statement in relation to this policy amounts to EUR 56,812 thousand (in 2013: EUR 48,362 thousand).

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

Deferred payments to suppliers. Third additional provision: "Reporting Requirement", of Law 15/2010 of 5 July 2010

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

	2014		2013	
	Thousands of Euros	%	Thousands of Euros	%
Within the maximum legal payment term	73,448	36%	79,913	40%
Other	128,819	64%	118,269	60%
Total payments for the year	**202,267**	**100%**	**198,182**	**100%**
Average weighted days past due	97		98	
Late payments for which the maximum legal payment term has been exceeded at the reporting date	7,934		7,087	

The maximum legal period applicable according to Law 3/2004, of 29 December, which establishes measures for combating late payments in commercial transactions and pursuant to the transitory provisions established in Law 15/2010, of 5 July, was 60 days for 2013 and 30 days for 2014.

The average payment period of Spanish consolidated companies during financial year 2014 has been of 70 days (2013: 75 days).

26. Other liabilities

Other non-current liabilities include amounts corresponding to accruals with long-term maturity of alarm rental income.

Details of other liabilities are as follows:

Thousands of Euros	2014		2013	
	Non-current	Current	Non-current	Current
Revenues received in advance	18	32,369	1,144	27,494
Other liabilities	—	6,303	—	1,852
	18	**38,672**	**1,144**	**29,346**

Revenue received in advance mainly includes advanced billing of alarm system contracts for EUR 23,998 thousand (in 2013: EUR 21,926 thousand).

27. 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.

Additionally, Prosegur files tax returns under Tax Consolidation in the following countries: France, Luxembourg and Australia:

— Certain companies in France, directly or indirectly owned by Prosegur, form two Consolidated Tax Groups and file tax returns pursuant to legislation under the special "Intégration Fiscale" scheme under French law.
— In Luxembourg Prosegur has a tax consolidation group formed by Luxpai Holdo SARL and Pitco Reinsurance SA.
— In Australia there is a tax consolidation group formed by three Australian companies: Prosegur Australia Holdings Pty Limited, Prosegur Australia Investments Pty Limited and Chubb Security Services Pty Limited.

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, for current tax and deferred tax, are as follows:

Thousands of Euros		
	2014	**2013**
Current tax	102,839	93,436
Deferred tax	(12,095)	(2,929)
	90,744	**90,507**

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

Thousands of Euros		
	2014	**2013**
Present year	99,184	82,907
Prior year adjustments	906	5,104
Loss without recognised deferred tax	2,749	5,425
	102,839	**93,436**

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

Thousands of Euros		
	2014	**2013**
Deductions	1,206	(488)
Source and reversal of temporary differences	(25,887)	(8,477)
Tax losses	7,218	(10,448)
Investments	(5,029)	(5,391)
Goodwill for tax purposes	9,157	16,999
Others	1,240	4,876
	(12,095)	**(2,929)**

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

Thousands of Euros	2014	2013
Profit before income tax	**249,172**	**246,181**
Tax rate	30%	30%
Result of applying tax rate to profit	74,752	73,854
Permanent differences	16,434	5,546
Effect of application of different tax rates	7,170	4,420
Adjustment of deferred taxes from prior years	3,945	(1,160)
Adjustment to taxes from prior years	906	5,104
Loss without deferred tax	2,749	5,426
Previously unrecognised deductions applied	(15,212)	(2,683)
Income tax expense	**90,744**	**90,507**

The effective average tax rate in 2014 is 36.42% (in 2013: 36.76%).

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

Deferred tax asset

Thousands of Euros	01 January 2013	Recognised in profit and loss	Business combinations	Recognised in equity	Transfers	Translation differences	Balance at 31 December 2013	Recognised in profit and loss	Business combinations	Recognised in equity	Transfers	Translation differences	Balance at 31 December 2014
Amortisation and depreciation	5,632	2,032	–	–	(1,945)	(475)	5,244	1,547	–	–	49	1	6,841
Deferred alarm costs	2,361	(1,035)	–	–	12	(158)	1,180	16	–	–	(999)	(52)	145
Investments	16,532	1,335	–	–	106	(9)	17,964	3,900	–	–	(49)	(2)	21,813
Provision differences	44,564	9,900	1,737	–	6,753	(9,360)	53,594	20,817	1,384	–	(1,721)	551	74,625
Tax losses	33,423	10,448	–	–	(1,997)	(1,799)	40,075	(7,218)	–	–	2,702	(847)	34,712
Tax deductions	4,320	474	–	–	–	–	4,794	(1,206)	–	–	–	–	3,588
Overtime ruling	6,361	(3,871)	–	–	–	(300)	2,190	(1,072)	–	–	17	–	1,135
Goodwill for tax purposes	82,747	(16,342)	–	–	(2,614)	(11,971)	51,820	(14,982)	–	–	–	50	36,888
Others	6,162	(1,141)	–	(833)	(315)	(131)	3,742	(2,491)	–	93	1	(110)	1,235
	202,102	1,800	1,737	(833)	–	(24,203)	180,603	(689)	1,384	93	–	(409)	180,982

Deferred tax liabilities

Thousands of Euros	01 January 2013	Recognised in profit and loss	Business combinations	Recognised in equity	Transfers	Translation differences	Balance at 31 December 2013	Recognised in profit and loss	Business combinations	Recognised in equity	Transfers	Translation differences	Balance at 31 December 2014
Amortisation and depreciation	**(88,895)**	13,895	(22,006)	–	(1,711)	11,409	**(87,308)**	4,206	(1,050)	–	115	(77)	**(84,114)**
Goodwill for tax purposes	**(32,979)**	(657)	–	–	621	(15)	**(33,030)**	5,824	–	–	–	(187)	**(27,393)**
Investments	**(17,311)**	(7,592)	–	–	(20)	1,229	**(23,694)**	1,129	–	–	–	(8)	**(22,573)**
Deferred alarm income	**(1,190)**	(1,430)	–	–	–	568	**(2,052)**	(2,011)	–	–	–	199	**(3,864)**
Deferred gains on sale of assets	**(412)**	–	–	–	–	–	**(412)**	–	–	–	–	–	**(412)**
Revaluation of assets	**(10,087)**	132	–	–	–	- –	**(9,955)**	132	–	–	–	(287)	**(10,110)**
Others	**(3,539)**	(3,219)	–	–	1,110	2,716	**(2,932)**	3,504	-	-	–	(597)	**(25)**
	(154,413)	**1,129**	**(22,006)**	–	–	**15,907**	**(159,383)**	**12,784**	**(1,050)**	–	**115**	**(957)**	**(148,491)**

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

Thousands of Euros	2014		2013	
	Current	Deferred	Current	Deferred
Actuarial gains and losses	–	93	–	(833)
	–	**93**	–	**(833)**

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	2014	2013
Deferred tax assets	98,662	177,147
Deferred tax liabilities	(102,648)	(141,368)
	(3,986)	**35,779**

Pursuant to tax legislation in force, for 2014 and 2015 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 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.

Deferred tax assets regarding tax loss carry forwards are recognised provided that it is probable that sufficient taxable income will be available against which to offset the asset.

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

Thousands of Euros			
Year	**Total**	**Not capitalised**	**Capitalised**
2014	11,151	11,151	—
2015	2,065	13	2,052
2016	4,532	346	4,186
Subsequent years or no time limit	161,144	50,879	110,265
	178,892	**62,389**	**116,503**

Capitalised tax losses are those for which a deferred tax asset has been recognised. This capitalised tax losses have been created in Germany, Spain, France, Portugal, Argentina, Brazil, Chile, Colombia, Peru and Uruguay. The budgets approved by Management in these countries foresee the generation of future taxable income against which to apply these losses.

On 17 June 2013 the Company was informed of the commencement of a general tax inspection for all years open to inspection (2008, 2009 and 2010) in relation to corporate income tax, withholdings on account of non-resident income tax and withholdings on account of investment capital. In addition, the Company was informed of the start of an inspection process of a partial nature of withholdings on income from work, for the same periods. Likewise, tax inspection in relation to withholdings on account of non-resident income tax and withholdings on account of investment capital is extended to financial year 2011. At 31 December 2014, these inspection processes are still under way.

The other Group companies are subject to the local jurisdictions in the countries in which they operate.

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 2014 the following corporate restructuring operations were carried out under the neutral tax regime:

— In Singapore, in January 2014, the acquisition took place in Singapore of the company Evtec Management Services Pted LTD, which merged at the end of the year via an amalgamation operation with Aexis Security Management Pte Ltd, the latter having been the acquired company.

— In France in May 2014, the merger by takeover took place by Prosegur Securite Humaine EURL (as the acquiring company) and Prosegur Teleserveillance SASU (as acquired company).
— In Germany, in August 2014, the merger by takeover took place by Prosegur GmbH (acquiring company) of Prosegur Deutschand GmbH (Ex-Brinks) (acquired company).
— In December 2014 it has been made the merge with and into ESC Servicios Generales, S.L.U in Spain. (as the acquiring company) and Servimax Servicios Generales S.A. (as the acquired company) took place.
— In France, in December 2014, the merger by takeover by Prosegur Securite Opale SAS (acquiring company) of Prosegur Securite Jade SAS (acquired company) took place.

28. 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	2014	2013
Commercial guarantees	79,296	61,157
Financial bank guarantees	153,848	94,433
	233,144	**155,590**

Commercial guarantees include those given to customers. Financial guarantees essentially include those relating to litigation in process totalling EUR 113,102 thousand (in 2013: EUR 67,653 thousand).

In 2008 Prosegur enforced guarantees of EUR 9,469 thousand relating to funds held on deposit by a customer in Brazil. 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. These funds have been collected in full during the first half of 2014. This Plan has been fully paid and settled in the first half of year 2014. (Note 19).

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.

Liquidation of subsidiaries in Romania

At the end of financial year 2014, the company SC Rosegur S.A. is undergoing insolvency proceedings and the company SC Rosegur Cash Services S.A. has been declared bankrupt. The company Rosegur Holding Corporation S.L. in liquidation has been dissolved by agreement of the General Meeting and is currently under liquidation. Lastly, the companies SC Rosegur Fire SRL and SC Rosegur Training SRL, both inactive, form part of the equity of SC Rosegur S.A. to be liquidated as part of the insolvency proceedings. The Directors do not expect significant liabilities to arise from this process.

29. Commitments

Purchase commitments for fixed assets

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

Thousands of Euros	2014	2013
Property, plant and equipment	11,144	21,926
Other intangible assets	1,732	—
	12,876	**21,926**

At 31 December 2014, there are commitments in Property, Plant and Equipment to purchase facilities and constructions amounting to 7,109 thousand euros, mainly in Argentina and Spain (18,078 thousand euros in 2013).

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 2014

Thousands of Euros Type	Less than 1 year	1 to 5 years	Over 5 years
Buildings	9,986	24,367	2,703
Vehicles	16,951	33,137	2,662
Other assets	383	62	—
	27,320	**57,566**	**5,365**

At 31 December 2013

Thousands of Euros			
Type	**Less than 1 year**	**1 to 5 years**	**Over 5 years**
Buildings	14,336	33,393	2,060
Vehicles	11,745	11,470	—
Other assets	—	28	—
	26,081	**44,891**	**2,060**

The main operating leases on properties are as follows:

- Lease between the parent, Prosegur Compañía de Seguridad, S.A. and Proactinmo, S.L. for the building located at Calle Santa Sabina, 8 in Madrid. The total expense for this lease in 2014 amounts to EUR 1,297 thousand (in 2013: EUR 1,297 thousand) (Note 31).
- Leases held by Prosegur Brasil, S.A. for the use of operating bases in Rio de Janeiro and São Paulo. The total expense for these leases in 2014 amounts to EUR 1,584 thousand (in 2013: EUR 1,593 thousand).
- 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 2014 amounts to EUR 168 thousand (in 2013: EUR 154 thousand).

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

The expense taken to the consolidated income statement for 2014 in relation to operating leases amounts to EUR 89,295 thousand (in 2013: EUR 87,120 thousand). 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 rental activity. Customers may cancel these contracts by giving notice, terminating the agreement immediately. The uncertainty regarding these cancellation periods does not allow the total future collections from these operating leases to be reliably estimated.

30. Business combinations

Details of changes in goodwill are presented in Note 12.

30.1. Goodwill included in 2014

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

Thousands of Euros	Segment	Cash payment	Deferred amount at fair value	Total purchase price	Fair value of identifiable net assets	Goodwill
Subsidiaries						
Evtec Management Services PTE LTD [1]	Europe&Asia-Pacific	2,098	2,183	**4,281**	2,783	**1,498**
Chorus Group [1]	Europe&Asia-Pacific	1,689	—	**1,689**	277	**1,412**
Transvig - Transporte de Valores e Vigilancia LTDA [1]	LatAm	1,993	3,601	**5,594**	2,434	**3,160**
		5,780	5,784	**11,564**	5,494	**6,070**

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

Goodwill is not tax-deductible.

Had the businesses acquired in 2014 been acquired on 1 January 2014, consolidated revenues would have been EUR 7,022 thousand higher in 2014 and consolidated net profit for the year would have been EUR 613 thousand higher.

Prosegur has recognised transaction costs in selling, general and administrative expenses of the consolidated income statement of EUR 1,704 thousand (in 2013: EUR 2,645 thousand).

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
Evtec Management Services PTE LTD	Singapore	2,098	(537)	**1,561**
Chorus Group	Germany	1,689	(96)	**1,593**
Transvig – Transporte de Valores e Vigilancia LTDA	Brazil	1,993	(618)	**1,375**
		5,780	(1,251)	**4,529**

Evtec Management Services PTE LTD

On 23 January 2014 Prosegur acquired 100% of Evtec Management Services PTE LTD, a company located in Singapore and specialised in manned guarding. The total purchase price was SGD 7,397 thousand (equivalent to EUR 4,281 thousand at the acquisition date), comprising a cash payment of SGD 3,625 thousand (equivalent to EUR 2,098 thousand at the acquisition date), contingent consideration of SGD 3,398 thousand (equivalent to EUR 1,967 thousand at the acquisition date), to be settled in 2014 and 2015, and a further SGD 374 thousand (equivalent to EUR 216 thousand at the acquisition date) deferred to secure any possible liabilities, maturing in 2016.

The acquiree was added to the consolidated group on 23 January 2014. It contributed revenues of Euros 8,841 thousand and profit for the year of Euros 605 thousand to the consolidated income statement for 2014.

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	537	537
Property, plant and equipment	84	84
Other non-current assets	30	30
Trade and other receivables	1,980	1,980
Trade and other payables	(723)	(723)
Current tax liabilities	(101)	(101)
Other intangible assets	—	1,663
Financial debt	(400)	(400)
Deferred taxes	(4)	(287)
Identifiable net assets acquired	**1,403**	**2,783**

The goodwill on this acquisition was allocated to the Europe&Asia-Pacific segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise customer relationships (EUR 1,663 thousand) with a useful life of 13 years.

Grupo Chorus

On 17 February 2014 Prosegur acquired 100% of Chorus Security Service Wervaltungs GmbH and its subsidiary Chorus Security Service GmbH, companies located in Germany and specialised in cash in transit. The total purchase price was EUR 1,689 thousand, comprising a cash payment of EUR 1,689 thousand.

The acquiree was added to the consolidated group on 17 February 2014. It contributed revenues of Euros 2,850 thousand and profit for the year of Euros 92 thousand to the consolidated income statement for 2014.

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	96	96
Property, plant and equipment	265	265
Trade and other receivables	460	460
Current tax assets	358	358
Trade and other payables	(1,003)	(1,003)
Current tax liabilities	(110)	(110)
Other financial liabilities	(249)	(249)
Provisions	(134)	(134)
Other intangible assets	2	843
Deferred taxes	—	(249)
Identifiable net assets acquired	**(315)**	**277**

The goodwill on this acquisition was allocated to the Europe&Asia-Pacific segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise customer relationships (EUR 841 thousand) with a useful life of 14 years.

Transvig – Transporte de Valores e Vigilancia LTDA

On 20 October 2014 Prosegur acquired 100% of Transvig – Transporte de Valores e Vigilancia LTDA, a company located in Brazil and specialised in manned guarding and cash in transit. The total purchase price was R$ 17,400 thousand (at the acquisition date equivalent to: EUR 5,594 thousand at the acquisition date), comprising a cash payment of R$ 6,200 thousand (equivalent to EUR 1,993 thousand at the acquisition date), of a deferred payment amounting to R$ 6,200 thousand (equivalent to EUR 1,994 thousand at the acquisition date), with maturity on 2014 and of a deferred to secure any possible liabilities amounting to a total of R$ 5,000 thousand (equivalent to EUR 1,607 thousand at the acquisition date) with several maturity dates during 2015 to 2019 and which shall accrue interests according to what is settled on the contract.

The acquiree was added to the consolidated group on 20 October 2014. It contributed revenues of Euros 1,029 thousand and profit for the year of Euros 200 thousand to the consolidated income statement for 2014.

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	618	618
Inventories	22	22
Property, plant and equipment	222	222
Trade and other receivables	551	551
Trade and other payables	(779)	(779)
Provisions	(217)	(217)
Other intangible assets	—	3.056
Deferred taxes	—	(1,039)
Identifiable net assets acquired	**417**	**2,434**

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 (EUR 3,056 thousand) with a useful life of 12 years.

The valuation technique used to measure the fair value of intangible assets acquired was the "Multi-period excess earnings method", which takes into account the present value of net cash flows expected to be generated from customer relations, excluding any cash flow related to contributory assets.

30.2. Goodwill added in 2013 with measurement completed in 2014

Details of the net assets acquired and goodwill recognised on business combinations during 2013 for which measurement was completed in 2014 are as follows:

Thousands of Euros	Segment	Cash payment	Deferred amount at fair value	Total purchase price	Fair value of identifiable net assets	Goodwill
Subsidiaries						
Brinks Deutschland GmbH	Europe&Asia-Pacific	—	—	—	(32,781)	**32,781**
Chubb Security Services PTY LT	Europe&Asia-Pacific	61,385	4,682	**66,067**	35,780	**30,287**
		61,385	4,682	**66,067**	2,999	**63,068**

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
Brinks Deutschland GmbH	Germany	—	(8,013)	**(8,013)**
Chubb Security Services PTY LTD	Australia	61,385	(31,852)	**29,533**
		61,385	(39,865)	**21,520**

Brinks Deutschland GmbH

On 09 December 2013 Prosegur acquired 100% of Brinks Deutschland GmbH, a company located in Germany and specialised in cash in transit. The total purchase price was EUR 1, comprising a cash payment of EUR 1.

The acquiree was added to the consolidated group on 31 December 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	8,013	8,013
Property, plant and equipment	3,831	3,831
Trade and other receivables	7,317	7,317
Trade and other receivables	(6,704)	(6,704)
Provisions	(46,633)	(46,633)
Other intangible assets	11	11
Deferred taxes	1,384	1,384
Identifiable net assets acquired	**(32,781)**	**(32,781)**

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

Chubb Security Services PTY LTD

On 16 December 2013 Prosegur acquired 100% of Chubb Security Services PTY LTD, a company located in Australia and specialised in cash in transit. The total purchase price was AUD 101,742 thousand (equivalent to EUR 66,066 thousand at the acquisition date), comprising a cash payment of AUD

94,532 thousand (equivalent to EUR 61,385 thousand at the acquisition date), and a further AUD 7,210 thousand (equivalent to EUR 4,681 thousand at the acquisition date) deferred to secure any possible liabilities, maturing in 2014.

The acquiree was added to the consolidated group on 16 December 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	31,852	31,852
Property, plant and equipment	14,319	17,046
Inventories	366	366
Trade and other receivables	9,930	9,930
Trade and other payables	(36,148)	(36,148)
Provisions	(11,158)	(11,158)
Other intangible assets	—	32,013
Deferred taxes	2,301	(8,121)
Identifiable net assets acquired	**11,462**	**35,780**

The goodwill on this acquisition was allocated to the Europe&Asia-Pacific segment and mainly reflects the profitability of the business, future customers, human capital and value of the operating business. The intangible assets acquired comprise customer relationships (EUR 32,013 thousand) with a useful life of 19 years.

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 Oppenheimer Acquisition Corporation with 5.67%, AS Inversiones S.L. with 5.32%, FMR LLC with 4.85% and Cantillon Capital Management LLC with 3.05% (Note 22).

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 term of five years, and may be extended for an additional five and was arranged at arm's length. A total expense of EUR 1,297 thousand was incurred in relation to this contract in 2013 (in 2013: EUR 1,297 thousand).

Remuneration of members of the Board of Directors and senior 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	2014	2013
Fixed remuneration	1,321	1,253
Variable remuneration	500	475
Remuneration for membership of the Board and Committee	717	717
Allowances	190	223
Life insurance premiums	51	50
	2,779	**2,718**

2. Remuneration of senior management personnel

Senior management personnel are understood to be Prosegur employees who hold, de facto or de jure, senior management positions reporting directly to the Board of Directors, executive committees or managing director, including those holding a power of attorney which relates to the corporate object and is not restricted to specific areas or matters.

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

Thousands of Euros	2014	2013
Fixed remuneration	3,487	2,985
Variable remuneration	1,893	1,183
Remuneration in kind	134	252
Life insurance premiums	11	17
	5,525	**4,437**

As well as the remuneration described in sections 1) and 2), under the 2011 long-term incentive plan for Prosegur Executive Director and Management (Note 35.18), in 2014 shares were transferred amou-nting to EUR 1,635 thousand, corresponding to settlement of 2011 Plan. During financial year 2013, no deliveries of shares or payments of cash were made by way of long term incentives (Note 22).

As explained in Note 35.18, at the general meeting held on 27 June 2008, the shareholders approved the 2011 Plan of long-term incentives for Prosegur Executive Director and Management. Subsequently, at the general meeting held on 29 May 2012, the shareholders approved the 2014 Plan, which is linked to value creation in 2012-2014. Under the heading of salaries and wages, in 2014 a relative expenditure in relation to the 2014 Plan was made of 3,979 thousand euros (662 thousand euros in 2013), of which 2,114 pertain to cash incentives and 1,865 thousand euros pertain to incentives in shares (150 and 512 thousand euros in 2013, respectively).

The total commitment undertaken by Prosegur at 31 December 2014 in relation to the share-based incentives established in the 2014 Plan amounts to EUR 3,401 thousand, EUR 3,171 thousand in 2013 and is recognised in equity (Note 22.2).

The total commitment assumed by Prosegur in relation to the cash incentives specified in the 2014 Plan amounts to Euros 3,659 thousand at 31 December 2014, EUR 1,545 thousand in 2013 (Note 22.2).

Loans to related parties

At 31 December 2014 and 2013 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 an identical, similar or complementary corporate object to that of the Company, outside of the scope of Prosegur.

Information required by article 229 of the Spanish Companies Act

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

32. Financial risk management and fair value

32.1. 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 on an international level and is therefore exposed to exchange rate risks for currency operations. Currency risk arises when future commercial transactions, equity investments, profit and loss from operating activities and financial positions are denominated in a foreign currency other than the functional currency of each one of the Prosegur companies.

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 profit and loss from operating activities.

The following provides details of Prosegur's exposure to currency risks, with details on the carrying amounts of the financial instruments denominated in a foreign currency other than the functional one of each country:

At 31 December 2014

Thousands of Euros	Euro	US Dollar	Brazilian Real	Colombian Peso	Mexican Peso	Other currencies	Total position
Loans to related parties	29,271	—	—	—	—	—	29,271
Non-current financial assets	8,995	7,619	—	—	—	—	16,614
Total non-current assets	**38,266**	**7,619**	—	—	—	—	**45,885**
Trade and other receivables	311,829	10,053	—	—	13	—	321,895
Other current financial assets	290,779	5,470	—	—	—	—	296,249
Cash and cash equivalents	35,426	6,696	—	—	2	—	42,124
Total current assets	**638,034**	**22,219**	—	—	**15**	—	**660,268**
Financial liabilities	536,001	173	3,775	389	—	—	540,338
Non-current liabilities	**536,001**	**173**	**3,775**	**389**	—	—	**540,338**
Trade and other payables	215,380	51,485	—	—	—	13	266,878
Financial liabilities	440,283	4,260	1,421	2,828	1,146	671	450,609
Derivative financial instruments	4,530	2,741	—	—	—	—	7,271
Current liabilities	**660,193**	**58,486**	**1,421**	**2,828**	**1,146**	**684**	**724,758**
Net position	**(519,894)**	**(28,821)**	**(5,196)**	**(3,217)**	**(1,131)**	**(684)**	**(558,943)**

At 31 December 2013

Thousands of Euros	Euro	Brazilian Real	Other currencies	Total position
Loans to related parties	33,810	—	—	33,810
Non-current financial assets	—	—	533	533
Total non-current assets	**33,810**	—	533	34,343
Trade and other receivables	1	—	6,411	6,412
Other current financial assets	—	—	—	—
Cash and cash equivalents	22,803	—	4,518	27,321
Total current assets	**22,804**	—	**10,929**	**33,733**
Financial liabilities	—	—	850	850
Non-current liabilities	—	—	**850**	**850**
Trade and other payables	1,147	794	6,871	8,812
Financial liabilities	—	—	350	350
Derivative financial instruments	—	—	—	—
Current liabilities	**1,147**	**794**	**7,221**	**9,162**
Net position	**55,467**	**(794)**	**3,391**	**58,064**

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

	2014		2013	
	Average rate	Closing rate	Average rate	Closing rate
US Dollar	1.33	1.21	1.33	1.38
Brazilian Real	3.12	3.22	2.87	3.26
Argentine Peso	10.72	10.32	7.26	8.97
Chilean Peso	756,69	737,42	658,20	722,32
Mexican Peso	17.66	17.87	16.97	18.07
Peruvian Nuevo Sol	3.77	3.62	3.59	3.86
Colombian Peso	2,650.02	2,904.69	2,482.74	2,657.29

The strengthening (weakening) of the Euro vs. the Brazilian Real, Argentine Peso, Chilean Peso and Peruvian Nuevo Sol at 31 December would increase (decrease) the profit and loss and the equity in the amounts shown below.

This analysis is based on a variation of the foreign currency exchange rate that Prosegur deems reasonably possible at the end of the reporting period in question (increase and decrease in the exchange rate). This analysis assumes that all other variables, particularly interest rates, remain constant.

Thousands of Euros

	Increase in exchange rate		Drop in exchange rate	
	Net worth	Profit/(loss)	Net worth	Profit/(loss)
31 December 2014				
Brazilian Real (10% variation)	15,139	424	(18,504)	(518)
Argentine Peso (15% variation)	37,982	1,168	(51,387)	(1,580)
Chilean Peso (10% variation)	4,644	435	(5,676)	(532)
Peruvian Nuevo Sol (10% variation)	8,659	(2,589)	(10,583)	3,165
US Dollar (10% variation)	(206)	(289)	252	354
31 December 2013				
Brazilian Real (10% variation)	24,834	72	(30,352)	(88)
Argentine Peso (15% variation)	37,896	(261)	(51,271)	353
Chilean Peso (10% variation)	5,536	10	(6,766)	(13)
Peruvian Nuevo Sol (10% variation)	10,184	(3,122)	(12,447)	3,816

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 on 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 on trade receivables at 31 December 2014 amounts to EUR 63,429 thousand (in 2013: 59,682 thousand) (Note 19). 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 7,295 customers with monthly average turnover of EUR 10,650 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:

	2014	2013
Counterparty		
Customer 1	4.80%	5.14%
Customer 2	3.97%	4.70%
Customer 3	3.90%	4.07%
Customer 4	2.27%	2.47%
Customer 5	2.00%	2.39%
Customer 6	1.93%	1.58%
Customer 7	1.54%	1.33%
Customer 8	1.17%	1.22%

As explained in Note 19, on 17 December 2014 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 (Note 20) include a fixed-term deposit. All financial assets contracted in 2014 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 (Note 24) and cash and cash equivalents (Note 21), and are forecast based on expected cash flows.

Prosegur's liquidity position for 2014 is based on the following:

— Cash and cash equivalents of EUR 285,056 thousand at 31 December 2014 (in 2013: EUR 292,942 thousand).
— EUR 570,188 thousand available in undrawn credit facilities at 31 December 2014 (in 2013: EUR 268,068 thousand).
— Cash flows from operating activities in 2014 amounting to EUR 247,152 thousand (in 2013: 287,442 thousand).

The amounts presented in this table reflect the cash flows stipulated in the contracts.

Thousands of Euros							
		2014					
	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							
Debentures and other marketable securities	507,486	555,000	13,750	—	13,750	527,500	—
Syndicated loan	37,882	40,000	—	—	—	40,000	—
Loans and borrowings	187,593	220,791	12,509	72,608	63,162	72,019	493
Finance lease payables	35,251	40,527	13,246	5,460	8,469	11,310	2,042
Credit accounts	89,637	90,922	79,228	11,694	—	—	—
Other payables	106,007	126,823	44,116	13,200	33,320	35,836	351
Trade and other payables	504,951	504,951	504,951	—	—	—	—
	1,468,807	**1,579,014**	**667,800**	**102,962**	**118,701**	**686,665**	**2,886**

Thousands of Euros							
		2013					
	Carrying amount	Contractual cash flows s	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							
Debentures and other marketable securities	506,669	568,750	13,750	—	13,750	541,250	—
Syndicated loan	160,469	161,181	15,922	15,154	130,105	—	—
Loans and borrowings	192,879	333,665	32,974	49,269	160,469	89,469	1,484
Finance lease payables	22,177	26,752	4,281	4,960	5,769	11,501	241
Credit accounts	42,073	42,667	42,107	560	—	—	—
Other payables	134,001	160,180	61,509	10,258	30,189	56,600	1,624
Trade and other payables	508,595	508,595	508,595	—	—	—	—
	1,566,863	**1,801,790**	**679,138**	**80,201**	**340,282**	**698,820**	**3,349**
Derivative financial liabilities							
Interest rate swap (IRS)	1,640	1,640	1,640	—	—	—	—
	1,640	**1,640**	**1,640**	—	—	—	—

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 maintained in its financial statement.

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

Thousands of Euros	6 months or less	6 to 12 months	1 to 5 years	More than 5 years	Total
At 31 December 2014					
Total financial liabilities	23,849	4,645	527,576	383	556,453
Total interest	87,445	86,251	125,780	1,920	301,396
	111,294	**90,896**	**653,356**	**2,303**	**857,849**
At 31 December 2013					
Total financial liabilities	13,686	—	495,757	—	509,442
Total interest	72,135	46,742	294,700	1,248	414,825
	85,820	**46,742**	**790,457**	**1,248**	**924,267**

Prosegur analyses its interest rate risk exposure dynamically. In 2014 the majority of Prosegur's financial liabilities at variable interest rates were denominated in Euros, Brazilian Reais and Australian Dollars.

Management performs a simulation of various scenarios, considering refinancing, the renewal of current positions, alternative financing and hedges. On the basis of these scenarios, Prosegur calculates the impact on the result of a given variation of the interest rate. Each simulation uses the same variation in the interest rate. These scenarios are only analysed for the liabilities that represent the most significant positions in which a variable interest rate is paid.

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

At 31 December 2014

	Total debt	Hedged debt	Debt exposure
Europe&Asia-Pacific	782,697	524,095	258,602
LatAm	181,159	32,358	148,801
	963,856	**556,453**	**407,403**

At 31 December 2013

	Total debt	Hedged debt	Debt exposure
Europe&Asia-Pacific	817,334	606,669	210,665
LatAm	240,934	2,774	238,160
	1,058,268	**609,443**	**448,825**

In regard to the debt hedged at 31 December 2014, 507,486 thousand euros pertain to the simple bond (note 24). Additionally, there are credit facilities and bank loans at fixed interest rates in Uruguay, Chile, Germany, Peru, Brazil, France and Spain.

At 31 December 2014, 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 EUR 2,575 thousand lower, mainly because of higher borrowing costs on variable-interest loans.

With regard to the debt hedged at 31 December 2013, EUR 506,669 thousand corresponded to the uncovered bond (Note 24) and EUR 100,000 thousand are deemed as hedged with the derivative financial instrument (Interest Rate Swap). Additionally, fixed-rate credit facilities exist in Uruguay and Chile.

At 31 December 2013, 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 EUR 2,784 thousand lower, mainly because of higher borrowing costs on variable-interest loans.

32.2. 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 profits for 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 balance sheet. Total capital is the sum of equity plus net financial debt, as presented in the balance sheet.

The gearing ratio is calculated as follows:

Thousands of Euros	2014	2013
Financial liabilities (Note 24)	963,856	1,058,268
Plus/less: Derivative financial instruments (Note 17)	—	1,567
Less: Other non-bank payables (Note 24)	(106,007)	(134,001)
Less: Cash and cash equivalents (note 21)	(285,056)	(292,942)
Less: Other current financial assets (Note 20)	(8,441)	(1,202)
Net financial debt/	564,352	631,690
Equity	864,061	654,524
Total capital	**1,428,413**	**1,286,214**
Gearing ratio	**39.51%**	**49.11%**
Net financial debt/equity ratio	65.31%	96.51%

The variation in the net financial debt/equity ratio has mainly fallen due to the sale of treasury stock. (See Note 22.1).

32.3. Financial instruments and fair value

Classification and fair value

The carrying amounts and fair values of financial instruments, classified by category, are as follows, including the levels of fair value. If the fair values of financial assets and liabilities not measured at fair value are not included it is because Prosegur believes that these are close to their book values owing, to a large extent, to the short-term maturities of these instruments.

31 December 2014

Thousands of Euros	Carrying amount					Fair value			
	Available-for-sale financial assets	Loans and receivables	Financial liabilities held for trading	Debts and payables	Total	Level 1	Level 2	Level 3	Total
Financial assets recognised at fair value			—						
Investments and other assets	3,027	—	—	—	**3,027**	—	—	3,027	**3,027**
	3,027	—		—	**3,027**				
Financial assets not measured at fair value									
Deposits and guarantees	—	3,953	—	—	**3,953**				
Deposits	—	13,088	—	—	**13,088**				
Trade and other receivables	—	837,474	—	—	**837,474**				
Cash and cash equivalents	—	285,056	—	—	**285,056**				
	—	**1,139,571**	—	—	**1,139,571**				
Financial liabilities recognised at fair value									
Contingent payments	—	—	(1,191)	—	**(1,191)**	—	—	(1,191)	**(1,191)**
	—	—	**(1,191)**	—	**(1,191)**				
Financial liabilities not measured at fair value									
Financial liabilities by bonds issue	—	—	—	(507,486)	**(507,486)**	(534,814)	—	—	**(534,814)**
Financial liabilities from financial institutions	—	—	—	(350,363)	**(350,363)**	—	(351,079)	—	**(351,079)**
Other financial liabilities	—	—	—	(104,816)	**(104,816)**	—	(104,816)	—	**(104,816)**
Trade and other payables	—	—	—	(504,951)	**(504,951)**				
	—	—	—	**(1,467,616)**	**(1,467,616)**				

31 December 2013

Thousands of Euros

	Carrying amount					Fair value			
	Available-for-sale financial assets	Loans and receivables	Financial liabilities held for trading	Debts and payables	Total	Level 1	Level 2	Level 3	Total
Financial assets recognised at fair value			—						
Investments and other assets	16,027	—	—	—	**16,027**	—	—	16,027	**16,027**
Derivative financial instruments	73	—	—	—	**73**	—	73	—	**73**
	16,100	—		—	**16,100**				
Financial assets not measured at fair value									
Deposits and guarantees	—	3,720	—	—	**3,720**				
Deposits	—	6,916	—	—	**6,916**				
Trade and other receivables	—	803,088	—	—	**803,088**				
Cash and cash equivalents	—	292,942	—	—	**292,942**				
	—	**1,106,666**	—	—	**1,106,666**				
Financial liabilities recognised at fair value									
Derivative financial instruments	—	—	(1,640)	—	**(1,640)**	—	(1,640)	—	**(1,640)**
Contingent payments	—	—	(1,953)	—	**(1,953)**	—	—	(1,953)	**(1,953)**
	—	—	**(3,593)**	—	**(3,593)**				
Financial liabilities not measured at fair value									
Financial liabilities by bonds issue	—	—	—	(506,669)	**(506,669)**	(508,100)	—	—	**(508,100)**
Financial liabilities from financial institutions	—	—	—	(417,598)	**(417,598)**	—	(417,289)	—	**(417,289)**
Other financial liabilities	—	—	—	(132,048)	**(132,048)**	—	(132,048)	—	**(132,048)**
Trade and other payables	—	—	—	(508,595)	**(508,595)**				
	—	—	—	**(1,564,910)**	**(1,564,910)**				

Measurement bases and inputs employed for financial instruments measured at fair value:

The following are the measurement values used to determine Level 2 and 3 fair values, as well as the unobservable inputs employed and the quantitative information of each significant non-observable Level 3 input and sensitivity analyses:

Type	Measurement bases	Unobservable) inputs employed	Interrelationship between key inputs and fair value	Sensitivity analysis
Contingent payments	Discounted cash flows: The measurement model considers the present value of the net cash flows to be generated by the business. The expected cash flows are determined considering the scenarios that may be exercised by Gross Margin forecasts, the amount to be paid in each scenario and the probability of each scenario. The expected net cash flows are discounted using a risk-adjusted discount rate.	- Annual growth rate of income - Gross Margin	The estimated fair value would increase (fall) according to the value of Gross Margin.	If estimated Gross Margin were at 85% of agreed scenario, the value of contingent payments would be of 0 thousand euros; if it were between 85% and 120%, the value of the contingent payments would be of 623 thousand euros; and if it were above 120%, the contingent payments would be of 1,191 thousand euros.
Derivatives	Market comparison technique: The fair value of forward exchange contracts is determined using forward exchange rates on the market at the reporting date.	N/A	N/A	N/A

Measurement bases for financial instruments not measured at fair value:

Type	Measurement bases	(Unobservable) inputs employed
Financial liabilities from financial institutions	Discounted cash flows	N/A
Finance lease liabilities	Discounted cash flows	N/A
Other financial liabilities	Discounted cash flows	N/A

Transfer of assets and liabilities among the various levels

During the reporting period ending at 31 December 2014 there were no transfers of assets and liabilities among the various levels.

33. Other information

The average headcount of Prosegur is as follows:

	2014	2013
Operations personnel	146,954	145,364
Other	8,184	9,150
	155,138	**154,514**

The average headcount of operations personnel employed by proportionately consolidated subsidiaries in 2014 is 5,489 employees (in 2013: 6,543 people).

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

	2014	2013
Operations personnel	199	89
Indirect personnel	54	29
	253	**118**

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

	2014		2013	
	Male	Female	Male	Female
Operations personnel	129,209	20,047	126,726	18,979
Other	5,536	3,246	5,699	3,136
	134,745	**23,293**	**132,425**	**22,115**

The distribution by gender of the Board of Directors and senior management personnel of Prosegur is as follows:

	2014		2013	
	Male	Female	Male	Female
Board of Directors	6	3	6	3
Senior Management	15	3	16	2
	21	**6**	**22**	**5**

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	2014	2013
KPMG Auditores, S.L., audit services	488	332
KPMG Auditores, S.L., Other assurance services	23	53
KPMG Auditores, S.L., other services	—	—
	511	**385**

The amounts detailed in the above table include the total fees for services rendered in 2014 and 2013, irrespective of the date of invoice.

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

Thousands of Euros	2014	2013
Audit services	1,348	1,038
Other assurance services	117	155
Tax advisory services	677	365
Other services	673	461
	2,815	**2,019**

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

Thousands of Euros	2014	2013
Audit services	278	38
	278	**38**

34. Events after the reporting date

No subsequent events have taken place following the close of financial year 2014 of any significant relevance to these annual accounts.

35. 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 consistently throughout the reporting periods presented.

35.1. Accounting principles

a) Standards effective from 01 January 2014

The annual accounts for 2014 have been prepared using the same accounting principles as for 2013, except for the following standards and amendments adopted by the European Union and of mandatory application from 01 January 2014:

— IFRS 10 - Consolidated Financial Statements. This rule replaces IAS 27 – Consolidated and separate financial statements and the SIC 12 interpretation of the Interpretations Committee, Consolidation – Special Purpose Entities. Effective for annual periods beginning on or after 1 January 2014.

— IFRS 11 - Joint Arrangements. This rule replaces IAS 31 – Interests in joint ventures and the SIC 13 interpretation, of the Interpretations Committee, Jointly controlled entities – Non-monetary contributions of stakeholders. Effective for annual periods beginning on or after 1 January 2014.

— IFRS 12 - Disclosure of Interests in Other Entities. This rule unifies and reinforces the requirements for disclosure of information applicable to dependent companies, joint arrangements and non-consolidated structured entities which were previously included in IAS 27 Separate financial statements, IAS 28 Investments in associates and joint ventures and IAS 31 Interests in Joint Ventures. Effective for annual periods beginning on or after 1 January 2014.

— IAS 27 - Separate Financial Statements (revised). This rule has been modified by the issue of IFRS 10 Consolidated Financial Statements and IFRS 12 – Disclosure of interests in other entities in order to limit the content of this standard to the accounting of dependent Companies, jointly controlled entities and associated entities in separate statements. Effective for annual periods beginning on or after 1 January 2014.

— IAS 28 - Investments in Associates and Joint Ventures (revised). This rule has been modified by issue of IFRS 11 Joint Arrangements and IFRS 12 Disclosure of interests in other entities in order to unify definitions and other indications contained in these new standards. Effective for annual periods beginning on or after 1 January 2014.

— Amendments to IFRS 10- Consolidated Financial Statements, IFRS 11 – Joint arrangements and IFRS 12 – Disclosures of interests in other entities. The modifications provide more flexibility to the transition requirements by limiting the requirement to provide comparative information only adjusted to the previous comparative financial year. Effective for annual periods beginning on or after 1 January 2014.
— Amendments to IFRS 10 – Consolidated financial statements, IFRS 12- Disclosures of interests in other entities and IAS 27 – Separate Financial Statements. The modifications introduce an exception to the requirement to consolidate all subsidiaries of the controller is qualified as an investment entity. Effective for annual periods beginning on or after 1 January 2014.
— Amendments to IAS 32 - Financial Instruments (Presentation). States requirements for offset of financial assets and liabilities in order to remove the weaknesses of the application of the current offsetting criterion of IAS 32. Effective for annual periods beginning on or after 1 January 2014.
— Amendments to IAS 39 - Financial Instruments (Recognition and measurement). It clarifies that in those cases concerning a derivative designated as a hedging instrument in which the counterparty is replaced by a central counterparty, as a result of legal or regulatory provisions, hedge accounting may continue irrespective of the novation of the contracts. Effective for annual periods beginning on or after 1 January 2014.

IFRS 10 - Consolidated Financial Statements.

As a result of the adoption of IFRS 10, Prosegur has changed its accounting policy related to deciding whether or not it holds control over its investee companies and, consequently, whether or not it consolidates them. IFRS 10 introduces a new control model which focuses on whether Prosegur holds power over an investee company, the exposure or rights to variable returns from its interest in the investee company and capacity to use its power to influence the amount of such returns.

The changes brought about by the IFRS 10 have required Prosegur management to make important judgements to ascertain which companies are controlled and, therefore, consolidated by the parent Company. Prosegur has changed its definition of control for investments in the companies listed below, which had been previously accounted for as joint ventures under the proportional consolidation method.

— Shanghai Weldon Security Equipment Co Ltd
— Shanghai Weldon Security Service Co Ltd
— Hangzhou Weldon Security Service Co Ltd
— Leshan Weldon Security Service Co Ltd
— Sichuan Weldon Security Service Co Ltd

Although Prosegur owns less than half of the voting power of these investee companies, the Management of Prosegur has decided that Prosegur has had a de facto control over the investee companies since their acquisition and has the capacity to manage the activities of the above listed companies which significantly affect their returns. Consequently, Prosegur applied the acquisition method to the investments on the date of purchase. Given that the effects of the changes in this valuation are not considered to be significant, the figures for 2013 have not been re-expressed, and the effect has been accounted for on 1 January 2014.

As a result of the adoption of IFRS 10 by Prosegur, the 1st of January 2014, as has been explained in previous paragraphs the effect of its application is detailed as follows:

Thousands of Euros	
	2014
ASSETS	
Property, plant and equipment	289
Other intangible assets	6,800
Non-current financial assets	647
Non-current assets	**7,736**
Inventories	162
Trade and other receivables	4,372
Cash and cash equivalents	1,899
Current assets	**6,433**
Total assets	**14,169**
EQUITY	
Non-controlling interests	10,866
Total equity	**10,866**
LIABILITIES	
Deferred tax liabilities	1,873
Non-current liabilities	**1,873**
Trade and other payables	200
Current tax liabilities	1,230
Current liabilities	**1,430**
Total liabilities	**3,303**
Total equity and liabilities	**14,169**

IFRS 11 - Joint Arrangements

As a result of the adoption of IFRS 11, Prosegur has changed its accounting policy related with its interests in joint arrangements. Under IFRS 11, Prosegur classifies its interests in joint arrangements either as joint operations (if the Group has rights over the assets and obligations under the liabilities related to the arrangement) or as joint ventures (if the Group has rights only over the net assets of an arrangement). Joint ventures must be integrated via the equity method, whereas holdings in joint transactions must be posted by integrating the proportional share of the assets, liabilities, income and expenses thereof pertaining to Prosegur. When performing this valuation, Prosegur considers the structure of the arrangements, the legal form of any separate vehicle, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of these agreements was the only factor considered for classification.

The effect of the application of the IFRS 11 has entailed a decrease of the proportionately consolidated assets and liabilities from joint ventures, and a corresponding increase in the investments posted by using the equity method in the non-current assets of the balance sheet. On the other hand, the income statement shows a decrease in income and expenses, in line with the proportionally consolidated unit, with the corresponding net increase of the share in profits (or losses) for the year posted using the equity method.

The application of this standard by Prosegur has meant the equity method integration of the following companies:

— SIS Cash Services Private Limited
— Prosegur Technological Security Solutions LLC
— Rosegur, S.A.
— Rosegur Fire, SRL
— Rosegur Holding Corporation, SL (liquidation)
— Rosegur Training, SRL

At 1 January this application was recorded, and the 2013 figures have not been restated as these adjustments are not considered to be significant.

As a result of the adoption of IFRS 11 by Prosegur, the 1st of January 2014, as has been explained in previous paragraphs the effect of its application is detailed as follows:

Thousands of Euros	2014
ASSETS	
Property, plant and equipment	(1,908)
Goodwill	(1,541)
Other intangible assets	(2,900)
Investments accounted for using the equity method	6,120
Non-current financial assets	10
Non-current assets	**(219)**
Trade and other receivables	(2,835)
Other financial assets	(3,300)
Cash and cash equivalents	(152)
Current assets	**(6,287)**
Total assets	**(6,506)**
LIABILITIES	
Deferred tax liabilities	(1,988)
Provisions	(28)
Other non current liabilities	**(238)**
Non-current liabilities	**(2,254)**
Trade and other payables	(2,775)
Financial liabilities	(804)
Other current liabilities	673
Current liabilities	**4,252**
Total liabilities	**6,506**
Total equity and liabilities	**6,506**

IFRS 12 - Disclosure of Interests in Other Entities.

As a result of the adoption of IFRS 12, Prosegur has expanded its disclosures on investments in subsidiaries (Note 22.5 and Appendices I and III) and investments accounted for under the equity method (Note 15).

All other standards and amendments have had impacts on the Consolidated Annual Accounts of Prosegur. Moreover, Prosegur has not implemented during this year, prior to this, standards that will take effect in 2015 and beyond.

b) Standards and interpretations issued, approved by the EU, but not effective on 1 January 2014 and which Prosegur expects to adopt as of 1 January 2015 or later (none have been adopted in advance):

- IFRIC 21 – Levies (Interpretation of the Interpretation Committee of the International Financial Reporting Standards). This interpretation of IAS 37 – Provisions, contingent assets and contingent liabilities, provides a guideline on when an entity must recognise a liability for a Public Administration levy, other than income tax or fines or penalties imposed for breach of legislation, in its Financial Statements. Effective for annual periods beginning on or after 17 June 2014.
- Annual amendments to IFRS, 2011-2013 Modifies the following standards: IFRS 3 – Business Combination, IFRS 13 – Measurement of fair value and IAS 40 – Real estate investments. Effective for annual periods beginning on or after 1 January 2015.
- Amendments to IAS 19 - Employee Benefits. It simplifies the accounting of contributions made to defined benefit plans by employees that do not depend on the number of years in employment, being able to recognise such contributions as a reduction in the cost of the service in the year in which they are made, instead of allocating contributions throughout the years of service. Effective for annual periods beginning on or after 1 February 2015.
- Annual amendments to IFRS, 2010-2012 Modifies the following standards: IAS 16 – Property, Plant and Equipment, IAS 38 – Intangible assets, IAS 24 – Information to be disclosed on related parties, IFRS 2- Share-based payments, IFRS 3 – Business Combinations and IFRS 8 – Operating Segments. Effective for annual periods beginning on or after 1 February 2015.

On the date of preparation of these consolidated annual accounts, Prosegur Management is evaluating the impact of the application of these standards and amendments on the consolidated annual accounts.

c) Rules and interpretations issued by the International Accounting Standards Board (IASB), pending approval by the European Union:

- Amendment to IAS 16- Property, Plant and Equipment and IAS 38 – Intangible Assets (clarification of acceptable amortisation methods). Effective for annual periods beginning on or after 01 January 2016.
- Amendments to IAS 27 – Separate financial statements (equity method in separate financial statements). Effective for annual periods beginning on or after 1 January 2016.
- Amendments to IFRS 10 – Consolidated financial statements and IAS 28 –Investments in associates and joint ventures. Effective for annual periods beginning on or after 1 January 2016.

— Amendments to IAS 1- Presentation of Financial Statements, disclosures. Effective for annual periods beginning on or after 1 January 2016.
— Amendments to IFRS 10 – Consolidated financial statements, IFRS 12- Disclosures of interests in other entities and IAS 28 – Investments in associates and joint ventures. Effective for annual periods beginning on or after 1 January 2016.
— Amendments to IFRS 11 Accounting by Entities that jointly control an arrangement. Effective for annual periods beginning on or after 1 January 2016.
— IFRS 15 Income from contracts with clients. Effective for annual periods beginning on or after 01 January 2017.
— IFRS 9 Financial instruments and subsequent amendments. Effective for annual periods beginning on or after 01 January 2018.

On the date of preparation of these consolidated annual accounts, Prosegur Management is evaluating the impact of the application of these standards and amendments on the consolidated annual accounts.

35.2. Consolidation principles

Subsidiaries

Subsidiaries, including structured entities, are those controlled by the Company, directly or indirectly, via subsidiaries. The Company controls a subsidiary when as a result of its involvement therein it is exposed or entitled to variable returns and has the ability to influence such returns via the power exercised on said entity. The Company holds the power when it holds substantive powers in force which provide it with the ability to manage relevant activities. The Company has exposure or rights to variable returns for its involvement in the subsidiary when the returns obtained from said involvement may vary according to the entity's economic performance.

A structured entity is one that is designed in such a way that voting rights and other similar rights are not the primary factor when deciding who controls the entity; for instance, in the event that the potential voting rights exclusively refer to administrative duties and pertinent activities are governed by contractual agreements.

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.

The transactions and balances held with Group companies and the unrealised gain or loss have been removed from the consolidation process. However, unrealised loss has been considered as an indicator of impairment on transferred assets.

Subsidiary 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 GAAP 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.

On the date of acquisition Prosegur recognises the acquired assets, the liabilities assumed (and any non controlling interest) at fair value. A non-controlling interest in the acquired business is recognised by the amount pertaining to the percentage share in the fair value of the acquired net assets. This criterion is only applicable to non-controlling interests that grant present access to economic rights and the right to the proportional share of the net assets of the acquired entity in the event of liquidation. Otherwise, the non-controlling interests are valued at fair value or value based on market conditions. 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. As appropriate, 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 (Note 30).

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 revenue 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 recognised 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 Prosegur 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, Prosegur 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.

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 Prosegur and non-controlling interests are recognised as a separate transaction.

Associates

Associates are those significantly influenced by the Company, directly or indirectly, via subsidiaries. Significant influence is the power to intervene in financial policy and operating decisions of a company, without there being control or joint control thereon. When assessing whether an entity has significant influence, the existence of potential voting rights that are exercisable or convertible at the end of each reporting period are considered, as well as the potential voting rights held by the Prosegur or by another entity.

Investments in associates are recognised by the equity method as of the date on which the significant influence is exercised until the date on which the Company cannot continue to justify the existence thereof. However, if on the date of acquisition, all or part of the investment should meet the conditions to be classified as non-current assets or disposal groups held for sale, it is recognised at fair value, minus the costs of sale or disposal by any other means.

Investments in associated entities are initially recognised at cost of purchase including any cost which is directly attributable to the acquisition and any contingent asset or liability depending on future events or fulfilment of certain conditions.

Any surplus between the cost of investment and the percentage belonging to Prosegur of the fair values of identifiable net assets is posted as goodwill, which is included in the book value of the investment. Any shortfall, once the cost of the investment and the identification and valuation of net assets of the associate have been valued, is posted as income in calculating the investor's share of results of the associated in the financial year in which it has been acquired.

The accounting policies of associate entities have been subject to time and value standardisation under the same terms as those for dependent entities.

The share of Prosegur in the profit or loss of the associate entities obtained since the date of acquisition is recognised as an increase or decrease in value of the investments, with a debit or credit made to the item Interest in the P&L of the associate entities, accounted for under the equity method in the consolidated income statement (consolidated income statement). In addition, the share of Prosegur in the other global P&L of the associates obtained since acquisition date is posted as an increase or decrease of the value of investments in the associates, recognising the counterpart in another global P&L. Dividend distributions are recognised as reductions in the value of the investments. In order to determine the Group share in profits or losses, including value impairment losses recognised by the associates, the income or expenses arising from the acquisition method are considered.

The share of Prosegur in the profits or losses of associated entities and the changes in net equity are calculated on the basis of the share of ownership at the end of the year, without taking into account the potential exercise or conversion of potential voting rights. However, Prosegur is 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 associated companies.

The share of Prosegur in the profits or losses of associates is recognised once the effect of the dividends, agreed or not, pertaining to pre-emptive shares with cumulative rights classified in net equity accounts has been considered.

The losses of associates which pertain to Prosegur are limited to the value of the net investments, except for those cases in which Prosegur has assumed legal or implied obligations, or else has made payments in the name of associates. For the purposes of recognition of impairment losses in associates, the net investment is considered to be the result of adding to the book value resulting from the application of the equity method, any result which, in fact, forms part of the investment in associates. The excess of losses over the investment in equity instruments is applied to the rest of the items in reverse order to the liquidation priority. Profits obtained subsequently by those associates where recognition of losses has been limited to the value of the investments, are recognised to the extent they exceed the losses not previously recognised.

The unrealised profits and losses from transactions carried out between Prosegur and associates are only recognised insofar as they pertain to shares of other unrelated investors. The only exception to this criterion is the recognition of unrealised losses which constitute evidence of value impairment of the transferred asset.

Unrealised profits and losses from non-monetary contributions made by Prosegur to associates are recognised on the basis of the substance of the transactions. In this regard, in the event that the transferred assets are kept in the associate entity and the transaction is of a commercial nature, only the proportional share of the profits or losses pertaining to the rest of the investors is recognised. Otherwise, no result is recognised from the transaction. Deferred results are recognised against the value of the interest. In addition, unrealised losses are not written off insofar as they constitute evidence of impairment of value of the transferred assets. If in the non-monetary contribution Prosegur should receive monetary or non-monetary assets additional to the interest, the result of the transaction is recognised in regard to the latter.

In non-monetary business contributions made by Prosegur to associated entities, profits and losses are recognised in full.

Impairment

Prosegur applies the impairment criteria contained in IAS 39: Financial instruments: Recognition and Valuation, in order to determine whether or not to record impairment losses additional to those already recognised in the net investment of the associate or in any other financial asset held therewith as a result of the application of the equity method.

Calculation of impairment is determined as the result of the comparison between the book value associated with the net investment in the associate with its recoverable value, the latter being understood as the greater value between the value in use or fair value minus costs of sale or disposal via any other channel. In this regard, value in use is calculated on the basis of the share of Prosegur in the current value of estimated cash flows from ordinary activities and amounts which might result from the final sale of the associate.

The recoverable amount of the investment of an associate is valued according to each associate entity, unless it is not a cash generating unit (CGU) (see 35.8).

Value impairment losses are not allocated to goodwill or other assets implicit in the investment in associates arising from the application of the acquisition method. In subsequent years, value reversals of investments are recognised in results, insofar as there is an increase in recoverable value. Value impairment losses are presented separately from the Prosegur share in the results of the associates.

Joint arrangements

Joint ventures are those in which there is a contractual agreement to share the control over an economic activity, in such a way that decisions relating to the relevant activities require the unanimous consent of Prosegur and the remaining venturers or operators. The assessment of the existence of joint control is carried out according to the definition of control of dependent entities.

Joint Ventures

Investments in joint ventures are recognised applying the equity method explained in the Associate section.

Joint Operations

In regard to joint operations, in its consolidated annual accounts Prosegur recognises its assets, including its interest in jointly controlled assets; its liabilities, included its interest in liabilities assumed jointly with other operators; the income obtained from the sale of its share of production arising from the joint operation, and its expenses, including the part pertaining to its of joint expenses.

In sales transactions or contributions by Prosegur to joint operations, only the results pertaining to the share of the rest of operators are recognised, unless the losses should highlight a loss or impairment of value of assets transferred, in which case, these will be recognised in full.

In purchase transactions of Prosegur to joint operations, results are only recognised when assets acquired are sold to third parties, unless the losses should highlight a loss of value or impairment of the acquired assets, in which case Prosegur shall recognise the proportional share of the losses pertaining to it in full.

The acquisition by Prosegur of the initial and subsequent interest in a joint operation, is recognised applying the criteria applied for business combinations, by the percentage share held in the individual assets and liabilities. However, in the subsequent acquisition of an additional share of a joint operation, the previous share in individual assets and liabilities are not subject to revaluation.

35.3. 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.

35.4. Foreign currency transactions

Functional and presentation currency

The consolidated 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 the income statement, 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 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 hyper-inflationary 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.

35.5. 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:

	Ratio (%)
Construction	2 and 3
Technical installations and machinery	10 to 25
Other installations and tools	10 to 30
Furniture	10
Information technology equipment	25
Transport elements	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 (Note 35.8).

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 the income statement.

35.6. 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 impairment is verified every year (Note 35.8) posted at cost minus cumulative 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 5 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 (1.6 to 30 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 (3 to 5 years).

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

35.7. Property investments

Prosegur classifies as real estate investments the buildings to be used in full or in part to obtain rent, capital gains or both, instead of for use in the production or supply of goods or services, or else for the administrative purposes of Prosegur or sale in the ordinary course of business. Real estate investments are initially recognised at cost, including transactions costs. At 31 December 2014 these pertain mainly to buildings used by third parties, under operating leases.

Prosegur values real estate investments subsequent to initial recognition applying the criteria of cost or attributed cost used for property, plant and equipment. The amortisation methods are those contained in that section. The estimate useful life of real estate investments is of 50 years.

35.8. 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. The difference between the carrying amount of the asset and its recoverable amount is recognised as an impairment loss. The recoverable amount is the greater between the fair value of an asset less the costs to sell or other type of disposal, or 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

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.

The recoverable amount is the higher between its fair value less costs to sell or otherwise dispose and its 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 non-increasing estimated growth rates that do not exceed the average long-term growth rate for the 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 (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 (Note 12).

35.9. 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 (Note 35.12).

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.

35.10. 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 2014 or 2013.

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 the income statement.

35.11. 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.

35.12. 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.

35.13. 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.

35.14. 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.

35.15. 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.

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 (Note 23).

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.

35.16. 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.

35.17. 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.

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.

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.

Prosegur recognises the conversion of a deferred tax asset into Public Administration receivables when it is payable pursuant to the provisions of tax legislation in force. Likewise, Prosegur recognises the exchange of a deferred tax asset for Public Debt Securities when ownership thereof is acquired.

35.18. 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 Prosegur Executive Director and Management. The 2011 Plan is generally linked to value creation during the 2008-2011 period and foresees the payment of share-based incentives in cash to Executive Director and Management.

Under the 2011 Plan, recipients are entitled to a bonus over several years, 50% cash and 50% in Company 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 01 January 2008 until 31 December 2011 and length of service from 01 January 2008 until 01 January 2014. Entitlement to incentives is assessed on the following dates:

- Preliminary assessment date: 01 May 2010
- Final assessment date: 01 May 2012
- Length-of-service bonus date: 01 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 (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 (Note 22.2).

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 (Note 23).

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 Prosegur Executive Director and Management. The 2014 Plan is generally linked to value creation during the 2012-2014 period and foresees the payment of share-based incentives in cash to Executive Director and Management. The maximum number of shares earmarked for the 2014 Plan is 4,120,000, representing 0.668% of Prosegur's present share capital.

Under the 2014 Plan, recipients are entitled to a bonus over several years, 50% cash and 50% in Company 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 01 January 2012 until 31 December 2014 and length of service from 01 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 (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 (Note 22.2).

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 (Note 23).

Termination benefits

Termination benefits are recognised on the earlier date between the one on which Prosegur may no longer withdraw the offer and when restructuring costs entailing the payment of termination benefits are recognised.

In termination benefits resulting from the decision of employees to accept an offer, it is deemed that Prosegur may no longer withdraw the offer, on the earlier date between the one on which the employees accept the offer and when a restriction on the ability of Prosegur to withdraw the offer takes effect.

In the case of benefits for voluntary termination, it is considered that Prosegur can no longer withdraw the offer when the plan has been notified to affected employees and union representatives, and the actions necessary to complete it indicate that the occurrence of significant changes to the plan are improbable, the number of employees to be terminated, their employment category or duties and place of employment and the anticipated termination date are identified, and it establishes the termination benefits that the employees are going to receive in sufficient detail so that the employees are able to determine the type and amount of remuneration they will receive when terminated.

If Prosegur expects to settle the benefits in their entirety within twelve months of the reporting period, the liability is discounted using the market performance yield corresponding to the issue of high-quality corporate bonds and debentures.

Short-term employee remuneration

Short-term employee remuneration is remuneration to employees, other than termination benefits, whose payment is expected to be settled in its entirety within 12 months of the end of the reporting period in which the employees have rendered the services for the remuneration.

Short-term employee remuneration is reclassified as long-term, if the characteristics of the remuneration are modified or if a non-provisional change occurs in settlement expectations.

Prosegur recognises the anticipated cost of short-term remuneration as paid leave whose rights accumulate as the employees render the services granting them the right to collection. If the leaves are not cumulative, the expense is recognised as the leaves take place.

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).

Prosegur recognises this cost when a present, legal or implied obligation exists as a result of past events and a reliable estimate may be made of the value of the obligation.

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

Prosegur includes in defined benefit plans those financed through the payment of insurance premiums where there is the legal or implicit obligation to directly pay employees the benefits committed as soon as they are payable or to pay additional amounts if the insurer does not disburse the benefits corresponding to services provided by employees in the year or in previous years.

Liabilities for defined benefits recognised in the consolidated statement of financial position correspond to the current value of the defined benefit obligations existing at the reporting date, less the fair value at said date of the assets under the plan.

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.

In those cases in which the result obtained from the undertaking of the aforementioned operations is negative, in other words an asset arises, Prosegur recognises this up to the limit of the amount of the present value of any economic benefit available in the form of reimbursements from the plan or reductions in future contributions thereto. The economic benefit is available for Prosegur if it is realisable at any moment during the life of the plan or in the settlement of plan liabilities, even if not immediately realisable at the close of the reporting date.

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 and the net interest cost of the net liabilities or assets for defined benefits. The recalculation of the measurement of net liabilities or assets for defined benefits is recognised in other comprehensive income. The latter includes actuarial losses and gains, the net return on plan assets and any change in the effects of the asset limit, excluding any quantities included in the net interest on liabilities or assets. The costs of administering plan assets and all types of taxes characteristic of these, other than those included in the actuarial assumptions, are deducted from the net return of the plan assets. Amounts deferred in other comprehensive income are reclassified to accumulated earnings in the same reporting period.

Prosegur likewise recognises the cost of past services as an expense of the reporting period on the earlier date between the one on which the modification or reduction of the plans takes place and when the corresponding restructuring or termination benefits are recognised.

The present value of defined benefit obligations is calculated annually by independent actuaries using the projected unit credit Method. The discount rate of the net asset of liability for defined benefits 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.

Discretionary contributions of employees or third parties to defined benefit plans reduce the service cost for the reporting period in which they are received. Contributions of employees or third parties established in the terms of the plan reduce the service cost of the service periods if they are associated with the service or reduce recalculations. Changes in contributions associated with the service are recognised as a cost for a current or past service, if they are not established in the formal terms of the plan and do not derive from an implicit obligation or as actuarial losses and gains, if they are established in the formal terms of the plan or derive from an implicit obligation.

Prosegur does not offset assets and liabilities among different plans except in cases in which a legal right exists to offset surpluses and deficits generated by the various plans and seeks to cancel obligations by their net amounts or realise the surplus in order to simultaneously cancel plan obligations with deficits.

Assets or liabilities from defined benefits are recognised as current or non-current depending on the realisation or maturity period of the related benefits.

35.19. 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-Prosegur 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 services 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.

35.20. 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 in teh balance sheet. 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.

35.21. 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.

35.22. 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 for which recovery is probable.

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).

35.23. 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.

35.24. 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.

35.25. Environmental issues

The cost of armoured vehicles compliant with the Euro V standard on non-polluting emissions is recognised as an increase in the carrying amount of the asset. At the 2014 reporting date Prosegur has no contingencies, legal claims or income and expenses relating to the environment.

Appendix I

Consolidated Subsidiaries

Information at 31 December 2014

Company	Registered offices	% ownership: % of par value	% ownership: Company holding the investment	Basis of consolidation	Activity	Auditor
Prosegur España, S.L.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	4	A
Prosegur Gestión de Activos, S.L.U.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	6	A
Servimax Servicios Generales, S.A.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	7	A
Prosegur Activa Holding, S.L.U.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	5	A
Formación, Selección y Consultoría, S.A.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	6	B
Seguridad Vigilada, S.A.	C/ Pisuerga, 18 (BARCELONA)	100	Prosegur Cia de Seguridad, S.A.	a	8	B
STMEC S.L.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	8	B
Salcer Servicios Auxiliares S.L.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	8	B
Beloura Investments, S.L.U.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	8	B
Prosegur Alarmas, S.A.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	3	A
ESC Servicios Generales, S.L.U.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	7	A
Armor Acquisition, S.A.	Pajaritos, 24 (MADRID)	5	Prosegur Cia de Seguridad, S.A.	a	5	A
Juncadella Prosegur Internacional, S.A.	Pajaritos, 24 (MADRID)	69	Prosegur Cia de Seguridad, S.A.	a	5	A
Prosegur International Handels GMBH	Poststrabe, 33 (HAMBURG)	100	Malcoff Holding BV	a	5	B
Prosegur GmbH	Kokkolastraße 5, 40882 Ratingen - Germany	100	Prosegur Cia de Seguridad, S.A.	a	2	A
Prosegur Trier GmbH & Co. KG	Metternichstraße 32, 54292 Trier	100	Prosegur GmbH	a	2	C
Prosegur Trier Security Service Verwaltungs GmbH	Metternichstraße 32, 54292 Trier	100	Prosegur GmbH	a	5	C
Prosegur France SAS	Parc Technologique, 5. Place Berthe Morisot, 69800 Saint Priest	100	Prosegur Cia de Seguridad, S.A.	a	5	A
Prosegur Securité Humaine EURL	Parc Technologique, 5. Place Berthe Morisot, 69800 Saint Priest	100	Prosegur France SAS	a	1	A
Prosegur Securite Nord, S.A.S.	28 RUE D'ARCUEIL - 94250 GENTILLY	100	Prosegur France SAS	a	1	A
Prosegur Traitement de Valeurs, SASU	Rue Rene Cassin ZI de Molina (LA TALAUDIERE)	100	Prosegur France SAS	a	2	A
Prosegur Traitement de Valeurs EST SAS	2 Rue Lovoisier BP 61609 25010 Besancon Cedez 3	100	Prosegur Cia de Seguridad, S.A.	a	2	A
Prosegur Technologie SASU	Parc Technologique de Metrotech, Bâtiment 2, 42650 ST JEAN BONNEFONDS	100	Prosegur France SAS	a	3	A

Information at 31 December 2014

Company	Registered offices	% ownership: % of par value	% ownership: Company holding the investment	Basis of consolidation	Activity	Auditor
Prosegur Formation et Competences, SARL	Parc Technologique, 5. Place Berthe Morisot, 69800 Saint Priest	100	Prosegur France SAS	a	7	B
Esta Service, SAS	Parc Technologique, 5. Place Berthe Morisot, 69800 Saint Priest	100	Prosegur Cia de Seguridad, S.A.	a	8	B
Prosegur Centre EURL	88 AVENUE DU GÉNÉRAL FRÉRE 69008 LYON (FRANCE)	100	Prosegur Cia de Seguridad, S.A.	a	8	B
Prosegur Participations, S.A.S.	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100	Prosegur Cia de Seguridad, S.A.	a	5	A
Prosegur Traitemet de Valeuirs Azur, SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100	Prosegur Participations, S.A.S.	a	2	A
Prosegur Traitemet de Valeuirs Azur, SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100	Prosegur Participations, S.A.S.	a	2	A
Prosegur Traitement de Valeurs Provence SAS	604 Avenue du Col de l'Ange - ZA des Plaines de Jouques - 13420 GEMENOS	100	Prosegur Participations, S.A.S.	a	2	A
GRP Holding SARL	177, rue de Luxembourg, L - 8055 Bertrange, Luxembourg	100	Luxpai Holdo S.A.R.L.	a	5	C
Prosegur Security Luxcembourg, SARL	177, rue de Luxembourg, L - 8055 Bertrange, Luxembourg	100	GRP Holding SARL	a	1	C
Prosegur Securite EST SAS	14, rue des Serruries 57070 Metz	100	Prosegur France SAS	a	1	A
Prosegur Securite Rubis SAS	2 Boulevard Général de Gaulle, 94270 Le Kremlin Bicêtre	100	Prosegur France SAS	a	1	A
Prosegur Securite Opale SAS	2 Boulevard Général de Gaulle, 94270 Le Kremlin Bicêtre	100	Prosegur France SAS	a	1	A
Prosegur Accueil et Service SAS	14, rue des Serruries 57070 Metz	100	Prosegur France SAS	a	1	B
Malcoff Holdings BV	Schouwburgplein, 30-34 (ROTTERDAM)	100	Prosegur Cia de Seguridad, S.A.	a	5	B
Luxpai Holdo S.A.R.L.	5, rue Guillaume Kroll, L-1882 Luxembourg	100	Prosegur Cia de Seguridad, S.A.	a	5	B
Pitco Reinsurance	Avenue Monterey, L-2163 Luxemburg	100	Luxpai Holdo S.A.R.L.	a	6	A
Prosegur Distribução e Serviços, Lda.	Av. Infante Dom Henrique, 326 (LISBON)	100	Prosegur Cia de Seguridad, S.A.	a	7	A
Prosegur Companhia de Segurança, Lda.	Av. Infante Dom Henrique, 326 (LISBON)	100	Prosegur Cia de Seguridad, S.A.	a	4	A
Rosegur Cash Services SA	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Cod 023708, Bucharest, Romania	51.0	Prosegur Cia de Seguridad, S.A.	a	2	B
		49.0	Rosegur, S.A.			
Transportadora de Caudales de Juncadella, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	92.2	Juncadella Prosegur Internacional, S.A.	a	2	A
		4.9	Armor Acquisition, S.A.			
		2.9	Prosegur Inversiones Argentina S.A.			
		0.2	Prosegur Argentina Holding S.A.			

Information at 31 December 2014

Company	Registered offices	% ownership: % of par value	% ownership: Company holding the investment	Basis of consolidation	Activity	Auditor
Prosegur Seguridad, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94.05	Juncadella Prosegur Internacional, S.A.	a	1	A
		4.95	Armor Acquisition, S.A.			
		0.95	Prosegur Inversiones Argentina S.A.			
		0.05	Prosegur Argentina Holding S.A.			
Prosegur Argentina Holding S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional, S.A.	a	5	A
		5.0	Armor Acquisition, S.A.			
Prosegur Inversora Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional, S.A.	a	5	A
		5.0	Armor Acquisition, S.A.			
Prosegur Vigilancia Activa, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94.05	Juncadella Prosegur Internacional, S.A.	a	1	A
		4.95	Armor Acquisition, S.A.			
		0.95	Prosegur Inversiones Argentina S.A.			
		0.05	Prosegur Argentina Holding S.A.			
Servicios Auxiliares Petroleros, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95	Juncadella Prosegur Internacional, S.A.	a	1	A
		5	Armor Acquisition, S.A.			
Xiden, S.A.C.I.	Tres Arroyos 2835 Ciudad de Buenos Aires	7.86	Prosegur Cia de Seguridad, S.A.	a	3	A
		92.14	Juncadella Prosegur Internacional, S.A.			
Prosegur Tecnología Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95	Juncadella Prosegur Internacional, S.A.	a	3	A
		5	Prosegur Cia de Seguridad, S.A.			
General Industries Argentina, S.A.	Tres Arroyos 2835 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, S.A.			
Prosegur Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.0	Prosegur Activa Holding, S.A.	a	5	A
		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.A.	a	5	A
		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, S.A.			

Information at 31 December 2014

Company	Registered offices	% ownership: % of par value	% ownership: Company holding the investment	Basis of consolidation	Activity	Auditor
Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	39.53	Juncadella Prosegur Internacional, S.A.	a	1	A
		59.47	Armor Acquisition, S.A.			
		0.95	Prosegur Inversiones Argentina S.A.			
		0.05	Prosegur Argentina Holding S.A.			
T.C. Interplata, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Transportadora de Caudales de Juncadella, S.A.	a	2	A
		4.0	Juncadella Prosegur Internacional, S.A.			
		1.0	Prosegur Inversiones Argentina S.A.			
Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	94.05	Juncadella Prosegur Internacional, S.A.	a	1	A
		4.95	Armor Acquisition, S.A.			
		0.95	Prosegur Inversiones Argentina S.A.			
		0.05	Prosegur Argentina Holding S.A.			
TSR Participacões Societárias, S.A.	Avenida Ermano Marchetti, nº 1435 – 8º andar – Lapa CEP 05038-001 São Paulo - SP	100	SGCE Participações Societárias, S.A.	a	5	A
Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100	TSR Participacões Societárias, S.A.	a	4	A
Prosegur Sistemas de Securança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	98.8	TSR Participacões Societárias, S.A.	a	4	A
		0.2	Activa Holding Sociedad Limitada			
		1.0	Prosegur Brasil SA Transportadora de Valores e Segurança			
CTP Centro de Treinamento Prosegur Ltda	Rua João Francisco Barcelos Junior, S/N, Bela Vista – CEP.: 88.132-769 – Palhoça/SC	99.62	Prosegur Brasil SA Transportadora de Valores e Segurança	a	2	A
		0.38	Prosegur Sistemas de Securança Ltda			
Prosegur Administração de Recebíveis Ltda	Avenida Ermano Marchetti, nº 1435 – 8º andar – Lapa CEP 05038-001 São Paulo - SP	99.79	Prosegur Brasil SA Transportadora de Valores e Segurança	a	2	A
		0.21	Prosegur Sistemas de Securança Ltda			
Prosegur Tecnologia em Sistemas de Segurança Electrônica e Incêndios Ltda.	Avenida Ermano Marchetti, nº 1435 – 10º andar – Lapa CEP 05038-001 São Paulo - SP	99.99	Prosegur Cia de Seguridad, S.A.	a	3	A
		0.01	TSR Participacões Societárias, S.A.			
Setha Indústria Eletrônica Ltda	Rua Alvaro de Macedo, 134 e 144, Parada de Lucas, CEP.: 21.250-620 Rio de Janeiro/RJ	99.6	Prosegur Tecnología em Sistemas de Segurança Electrônica e Incendios Ltda..	a	3	A
		0.4	TSR Participacões Societárias, S.A.			

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Company	Registered offices	% ownership: % of par value	% ownership: Company holding the investment	Basis of consolidation	Activity	Auditor
SGCE Participacoes Societarias SA	Avenida Ermano Marchetti, nº 1435 – 11º andar – Lapa CEP 05038-001 São Paulo - SP	46.53	Juncadella Prosegur Internacional, S.A.	a	5	A
		43.43	Prosegur Compañia de Seguridad S.A			
		10.04	Prosegur Activa Alarmes Ltda			
Prosegur Activa Alarmes Ltda	Avenida Ermano Marchetti, nº 1435 – 5º andar – Lapa CEP 05038-001 São Paulo - SP	86.08	Prosegur Compañia de Seguridad S.A	a	3	A
		8.08	Prosegur Tecnología em Sistemas de Segurança Electrônica e Incendios Ltda.			
		5.85	Activa Holding Sociedad Limitada			
Prosegur Gestão de Ativos Ltda.	Rod BR 116, nº 13876, KM 102 Sala 02 - Fanny CEP 81690-200 - Curitiba - PR	99.99	Prosegur Gestión de Activos, S.L.	a	7	A
		0.01	Prosegur Compañia de Seguridad S.A			
Juncadella Prosegur Group Andina	Los Gobelinos 2567 Of. 203, Renca, Santiago	99.99	Juncadella Prosegur Internacional, S.A.	a	5	A
		0.01	Armor Acquisition, S.A.			
Capacitaciones Ocupacionales Sociedad Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	83.07	Prosegur Cia de Seguridad, S.A.	a	7	A
		6.84	Prosegur International Handels GMBH			
		10.09	Juncadella Prosegur Group Andina			
Servicios Prosegur Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	99.98	Prosegur Cia de Seguridad, S.A.	a	2	A
		0.01	Juncadella Prosegur Group Andina			
		0.01	Prosegur International Handels GMBH			
Sociedad de Distribución, Canje y Mensajería Ltda.	Los Gobelinos 2548, Renca	48.72	Prosegur Cia de Seguridad, S.A.	a	7	A
		30.56	Juncadella Prosegur Group Andina			
		20.72	Prosegur International Handels GMBH			
Servicios de Seguridad Prosegur Regiones Limitada	Los Gobelinos 2567 Of. 203, 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 Of. 203, Renca, Santiago	60.0	Juncadella Prosegur Group Andina	a	2	A
		40.0	Prosegur International Handels GMBH			
Prosegur Tecnología Chile Limitada	Lo Boza107, Mod. 3 Pudahuel – Santiago	99.99	Juncadella Prosegur Group Andina S.A.	a	3	A
		0.01	Prosegur Cia de Seguridad, S.A.			

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Company	Registered offices	% ownership: % of par value	% ownership: Company holding the investment	Basis of consolidation	Activity	Auditor
Prosegur Activa Chile, S.L.	Catedral 1009, piso 14 - Santiago de Chile	99.0	Prosegur Activa Holding, S.L.U.	a	3	A
		1.0	Prosegur Activa España, S.L.U.			
Prosegur Chile, S.A.	Los Gobelinos 2567 Of. 203, Renca, Santiago	70.0	Prosegur, S.A.	a	1	A
		30.0	Prosegur International Handels GMBH			
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 Reacaudos, SAS	Avda. de las Américas, 42-25 Bogotá	100	Compañía Transportadora de Valores Prosegur de Colombia, S.A.	a	7	B
Inversiones BIV SAS	Calle 32 nº 8A-65 Edificio BCH piso 8, Cartagena	100	Prosegur Activa Holding, S.L.U.	a	5	A
Vigilantes Marítima Comercial Ltda	Calle 32 nº 8A-65 Edificio BCH piso 8, Cartagena	94	Inversiones BIV SAS	a	1	A
Integra Security Systems SA	Cra. 50 nº 71-80 Bogotá (Colombia)	100	Beloura Investments, S.L.U.	a	3	A
Vimarco Servicios Generales Ltda	Calle 32 nº 8A-65 Edificio BCH piso 8, Cartagena	100	Inversiones BIV SAS	a	1	A
GPS de Colombia SAS	Cra. 50 nº 71-80 Bogotá (Colombia)	100	Beloura Investments, S.L.U.	a	7	A
Prosegur Seguridad Electrónica, SAS	Cra. 50 nº 71-80 Bogotá	100	Beloura Investments, S.L.U.	a	7	A
Vimarco Servicios Temporales Ltda	Calle 32 nº 8A-65 Edificio BCH piso 8, Cartagena	100	Inversiones BIV SAS	a	1	A
Prosegur Gestión de Activos de Colombia SAS	AC 13 No. 42A-24 Bogotá	100	Prosegur Gestion de Activos, SLU	a	7	B
Prosegur Paraguay, S.A.	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, S.A.			
Prosegur Tecnología Paraguay, S.A.	C/ Artigas, esq. Concepción Leyes de Chávez – Asunción	99.0	Juncadella Prosegur Internacional, S.A.	a	8	B
		1.0	Transportadora de Caudales de Juncadella, S.A.			
Proservicios SA	Av. LOS PROCERES NRO. 250 LIMA - LIMA - SANTIAGO DE SURCO	99.00	Proseguridad S.A.	a	1	B
		1.00	Compañía de Seguridad Prosegur, S.A.			
Compañía de Seguridad Prosegur, S.A.	Av. MORRO SOLAR NRO. 1086 URB. STA TERESA DE LA GARDENIA LIMA - LIMA - SANTIAGO DE SURCO	52.0	Juncadella Prosegur Internacional, S.A.	a	2	A
		48.0	Transportadora de Caudales de Juncadella, S.A.			

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Company	Registered offices	% ownership: % of par value	% ownership: Company holding the investment	Basis of consolidation	Activity	Auditor
Proseguridad S.A.	Av. LOS PROCERES NRO. 250 LIMA - LIMA - SANTIAGO DE SURCO	38.04	Juncadella Prosegur Internacional, S.A.	a	1	A
		35.11	Transportadora de Caudales de Juncadella, S.A.			
		26.85	Prosegur Cia de Seguridad, S.A.			
Prosegur Cajeros, S.A.	CAL. LA CHIRA NRO. 103 URB. STA. TERESA DE GARDENIAS (ALT. PTE BENAVIDES DE EVITAMIENTO) LIMA - LIMA - SANTIAGO DE SURCO	52.0	Juncadella Prosegur Internacional, S.A.	a	2	B
		48.0	Transportadora de Caudales de Juncadella, S.A.			
Prosegur Tecnología Perú, S.A.	CAL. RICARDO ANGULO RAMIREZ NRO. 739 URB. CORPAC (ESPALDA MINISTERIO DE LA PRODUCCION) LIMA - LIMA - SAN ISIDRO	99.0	Prosegur Cia de Seguridad, S.A.	a	3	B
		1.0	Prosegur Activa Holding, S.L.U.			
Proseguridad Perú SA	Av. LOS PROCERES NRO. 250 URB. SAN ROQUE CIVIL (PRIMER PISO MZ O LT.B1) LIMA - LIMA - SANTIAGO DE SURCO	84.857	Proseguridad S.A.	a	1	A
		14.286	Inversiones RB, S.A.			
		0.857	Compañía de Seguridad Prosegur, S.A.			
Proseguridad Selva SA	NRO. S/N CAS. PALMAWASI SAN MARTIN - TOCACHE - UCHIZA	90.0	Orus, S.A.	a	1	B
		10.0	Compañía de Seguridad Prosegur, S.A.			
Inversiones RB, S.A.	MORRO SOLAR NRO. 1086 URB. LAS GARDENIAS (PARADERO PROSEGUR) LIMA - LIMA - SANTIAGO DE SURCO	99.0	Proseguridad S.A.	a	5	B
		1.0	Compañía de Seguridad Prosegur, S.A.			
Prosegur Activa Peru, S.A.	Av. REPUBLICA DE PANAMA NRO. 3890 LIMA - LIMA - SURQUILLO	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. LOS PROCERES NRO. 250 LIMA - LIMA - SANTIAGO DE SURCO	99.0	Prosegur Activa Holding, S.L.U.	a	6	B
		1.0	Prosegur Cia de Seguridad, S.A.			
Prosegur Gestión de Activos, S.A.	Av. LOS PROCERES NRO. 250 LIMA - LIMA - SANTIAGO DE SURCO	99.0	Prosegur Gestion de Activos, SLU	a	2	B
		1.0	Prosegur Activa Holding, S.L.U.			
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.	Distrito Federal, Azcapotzalco,Sector Naval,calle Norte 79 B	99.0	Prosegur Mexico S de RL de CV	a	1	A
		1.0	Prosegur Cia de Seguridad, S.A.			

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Prosegur Seguridad Privada Logística y Gestión de Efectivo, S.A. de C.V.	Distrito Federal,Azcapotzalco,Sector Naval,calle Norte 79 B	55.03	Prosegur Mexico S de RL de CV	a	2	A
		44.97	Prosegur Cia de Seguridad, S.A.			
Prosegur Seguridad Privada S.A. de C.V.	Distrito Federal,Azcapotzalco,Sector Naval,calle Norte 79 B	99.0	Prosegur Mexico S de RL de CV	a	1	A
		1.0	PRO-S Cia de Seguridad Privada S.A. de CV			
Prosegur Consultoría y Servicios Administrativos de RL de CV	Distrito Federal,Azcapotzalco,Sector Naval,calle Norte 79 B	99.00	Prosegur Mexico S de RL de CV	a	7	A
		1.00	PRO-S Cia de Seguridad Privada S.A. de CV			
Prosegur Servicios de Seguridad Privada Electrónica SA de CV	Distrito Federal, Azcapotzalco, Hogar y Seguridad, calle Piña-297	99.00	Prosegur Mexico S de RL de CV	a	2	A
		1	PRO-S Cia de Seguridad Privada S.A. de CV			
Prosegur Custodias, S.A. de CV	Estado de Mexico, Tlalnepantla de Baz, Los Reyes Industrial, calle Alfredo Nobel-21	99	Prosegur Mexico S de RL de CV	a	1	A
		1	PRO-S Cia de Seguridad Privada S.A. de CV			
Grupo Mercurio de Transportes SA de CV	Distrito Federal, Azcapotzalco, Sector Naval, AV De las Granjas -76	99.9	Grupo Tratamiento y Gestión de Valores SAPI de CV	a	2	A
Prosegur Tecnologia, S.A. de C.V.	Distrito Federal, Azcapotzalco, Hogar y Seguridad, calle Piña-297	99.0	Prosegur Mexico S de RL de CV	a	3	A
		1.0	PRO-S Cia de Seguridad Privada S.A. de CV			
Grupo Tratamiento y Gestión de Valores SAPI de CV	Distrito Federal, Azcapotzalco, Sector Naval, calle Norte 79 B	80	Prosegur Compañia de Seguridad S.A.	a	5	B
Prosegur Transportadora de Caudales, S.A.	Guarani 1531 (Montevideo)	99.92	Juncadella Prosegur Internacional, S.A.	a	2	A
		0.08	Armor Acquisition, S.A.			
Prosegur Activa Uruguay, S.A.	Guarani 1531 (Montevideo)	100.0	Prosegur Cia de Seguridad, S.A.	a	3	A
Nautiland, S.A.	MICHELINI, ZELMAR 1121 - MALDONADO	100	Prosegur Activa Uruguay, S.A.	a	3	A
Blindados, SRL	Guarani 1531 (Montevideo)	99.0	Prosegur Transportadora de Caudales, S.A.	a	8	C
		1.0	Prosegur Uruguay Compañía de Seguridad, S.A.			
Genper, S.A.	Guarani 1531 (Montevideo)	100	Prosegur Cia de Seguridad, S.A.	a	3	A
Prosegur Uruguay Compañía de Seguridad, S.A.	Guarani 1531 (Montevideo)	90.0	Prosegur Uruguay BV SA	a	1	A
		10.0	Armor Acquisition, S.A.			
GSM Telecom, S.A.	Del pino, Simon 1055, Piriapolis, Maldonado	100	Prosegur Activa Uruguay, S.A.	a	8	C

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Coral Melody, S.A.	GUARANI 1531 - MONTEVIDEO	100	Prosegur Activa Uruguay, S.A.	a	4	A
Tecnofren, S.A.	MICHELINI, ZELMAR 1121 - MALDONADO	100	Prosegur Activa Uruguay, S.A.	a	4	A
Roytronic, S.A.	Guarani 1531 (Montevideo)	100	Prosegur Activa Uruguay, S.A.	a	3	A
Pitco Shanghai	North Shanxi Road 1438, Room 308 Shanghai 200060, China	100	Luxpai Holdo S.A.R.L.	a	2	C
Pitco Asia Pacific Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	100	Luxpai Holdo SARL	a	5	B
Imperial Dragon Security Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	100	Luxpai Holdo SARL	a	5	C
Weldon Technology Co Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	100	Imperial Dragon Security Ltd	a	5	C
Shanghai Bigu Investment Co Ltd	Room 1373, Building 4, Huancheng West Road lane 3111 No. 555, Fengxian District, Shanghai	100	Shanghai Pitco Consulting Management Co Ltd	a	5	B
Shanghai Pitco Consulting Management Co Ltd	Roon 1601, Building 4, Huancheng West Road lane 3111 No. 555, Fengxian District, Shanghai	100	Pitco Shanghai	a	5	B
Shangxi Laide Security Service Co Ltd	Building 18, Hengshan housing estate, Hengshan Road No. 918, Jiancaoping District, Taiyuan	70	Shanghai Bigu Investment Co Ltd	a	2	B
Shanghai Prosegur Security Service Co Ltd	Room 446, Building 3, Huancheng West Road lane 3111 No. 555, Fengxian District, Shanghai	100	Shanghai Bigu Investment Co Ltd	a	1	B
Prosec Services Pte Ltd	111 Geylang Road, #01-01, Singapore 389216	100	Singpai Pte Ltd	a	1	B
Singpai Pte Ltd	8 Cross Street #11-00, PWC Building, Singapore 048424	100	Luxpai Holdo S.A.R.L.	a	5	B
Evtec Management Services Pted LTD	3 NEW INDUSTRIAL ROAD. #04-01 KIMLY BUILDING SINGAPORE (536197)	100	Singpai Pte Ltd	a	1	C
Prosec Cash Services Pte Ltd	111 Geylang Road, #01-01, Singapore 389216	100	Singpai Pte Ltd	a	2	B
Singpai India Private Limited	Fiat No. 1105-1106 Ashoka Estate, 2, Barakhamba Road, New Delhi 110001 - India	100	Singpai Pte Ltd	a	5	B
Prointrans LLC	1200 Brickell Avenue, Suite 1950, Miami, Florida 33131	100	Prosegur Cia de Seguridad, S.A.	a	5	C
Prosegur Australia Holdings PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100	Singpai Pte Ltd	a	5	A
Prosegur Australia Investments PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100	Prosegur Australia Holdings PTY Limited	a	5	A
Prosegur Australia PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100	Prosegur Australia Investments PTY Limited	a	2	A
Prosegur Technology Pty Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100	Prosegur Australia Investments PTY Limited	a	2	A

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Prosegur España, S.L.U.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	4	A
Prosegur Gestión de Activos, S.L.U.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	7	A
Servimax Servicios Generales, S.A.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	1	A
Prosegur Activa Holding, S.L.U.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	5	A
Formación, Selección y Consultoría, S.A.	Santa Sabina, 8 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	7	B
Seguridad Vigilada, S.A.	C/ Pisuerga, 18 (BARCELONA)	100	Prosegur Cia de Seguridad, S.A.	a	4	A
STMEC S.L.	C/ Pisuerga, 18 (BARCELONA)	100	Prosegur Cia de Seguridad, S.A.	a	1	B
Salcer Servicios Auxiliares S.L.	C/ Pisuerga, 18 (BARCELONA)	100	Prosegur Cia de Seguridad, S.A.	a	1	B
Beloura Investments, S.L.U.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	5	B
Prosegur Alarmas, S.A.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	3	B
Pitco Ventures S.C.R.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	6	A
ESC Servicios Generales, S.L.U.	Avda. Primera, B-1 (A CORUÑA)	100	Prosegur Cia de Seguridad, S.A.	a	1	A
Prosegur International Handels GMBH	Poststrabe, 33 (HAMBURG)	100	Malcoff Holding BV	a	5	B
Prosegur GMBH (before Securlog GmbH	Wahlerstrasse 2a, 40472 Düsseldorf	100	Prosegur Cia de Seguridad, S.A.	a	2	A
Prosegur Deutschand Gmbh	Insterburger Straße 7a, D-60487 Frankfurt am Main (Alemania)	100	Prosegur Cia de Seguridad, S.A.	a	2	B
Prosegur France, S.A.	Parc Technologique, 5. Place Berthe Morisot, 69800 Saint Priest	100	Prosegur Cia de Seguridad, S.A.	a	5	A
Prosegur Securité Humaine EURL	84 Rue des Aceries (SAINT ETIENNE)	100	Prosegur France, S.A.	a	1	A
Prosegur Teleserveillance EURL	3 Allée de L'Ectronique (SAINT ETIENNE)	100	Prosegur France, S.A.	a	3	B
Prosegur Securite Nord, S.A.S.	8 Avenue Descartes (Les Plessis Robinson)	100	Prosegur France, S.A.	a	1	B
Prosegur Traitement de Valeurs, SASU	Rue Rene Cassin ZI de Molina (LA TALAUDIERE)	100	Prosegur France, S.A.	a	2	A
Prosegur Traitement de Valeurs EST	2 Rue Lovoisier BP 61609 25010 Besancon Cedez 3	100	Prosegur Cia de Seguridad, S.A.	a	2	A
Prosegur Technologie SAS	84 Rue des Aceries (SAINT ETIENNE)	100	Prosegur France, S.A.	a	3	A
Prosegur Formation et Competences, SARL	8 Avenue Descartes (Les Plessis Robinson)	100	Prosegur France, S.A.	a	7	B
Esta Service, SASU	Parc Technologique, 5. Place Berthe Morisot, 69800 Saint Priest	100	Prosegur Cia de Seguridad, S.A.	a	8	B
Prosegur Centre SARL	88 Avenue Geneila Frere 69008 Lyon	100	Prosegur Cia de Seguridad, S.A.	a	8	B
Prosegur Participations, S.A.S.	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100	Prosegur Cia de Seguridad, S.A.	a	5	A
Prosegur Traitemet de Valeuirs Azur, SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100	Prosegur Participations, S.A.S.	a	2	A
Prosegur Traitemet de Valeuirs Azur, SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100	Prosegur Participations, S.A.S.	a	2	A

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Prosegur Traitement de Valeurs Provence 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 SRL	177, rue de Luxembourg, L - 8055 Bertrange, Luxembourg	100	Luxpai Holdo S.A.R.L.	a	5	B
Prosegur Security Luxcembourg, SARL	177, rue de Luxembourg, L - 8055 Bertrange, Luxembourg	100	GRP Holding SARL	a	1	B
Prosegur Securite EST SAS	14, rue des Serruries 57070 Metz	100	Prosegur France, S.A.	a	1	B
Prosegur Securite Rubis SAS	2 Boulevard Général de Gaulle, 94270 Le Kremlin Bicêtre	100	Prosegur France, S.A.	a	1	B
Prosegur Securite Jade SAS	2 Boulevard Général de Gaulle, 94270 Le Kremlin Bicêtre	100	Prosegur Securite EST SAS	a	1	B
Prosegur Securite Opale SAS	2 Boulevard Général de Gaulle, 94270 Le Kremlin Bicêtre	100	Prosegur France, S.A.	a	1	B
Prosegur Accueil et Service SAS	14, rue des Serruries 57070 Metz	100	Prosegur France, S.A.	a	1	B
Malcoff Holdings BV	Schouwburgplein, 30-34 (ROTTERDAM)	100	Prosegur Cia de Seguridad, S.A.	a	5	B
Reinsurance Bussiness Solutions Limited	Third Floor. The Metropolitan Building. James Joyce Street. (DUBLIN)	100	Prosegur Cia de Seguridad, S.A.	a	6	A
Luxpai Holdo S.A.R.L.	5, rue Guillaume Kroll, L-1882 Luxembourg	100	Prosegur Cia de Seguridad, S.A.	a	5	B
Pitco Reinsurance	Avenue Monterey, L-2163 Luxemburg	100	Luxpai Holdo S.A.R.L.	a	6	A
Prosegur Distribução e Serviços, Lda.	Av. Infante Dom Henrique, 326 (LISBON)	100	Prosegur Cia de Seguridad, S.A.	a	7	B
Prosegur Companhia de Segurança, Lda.	Av. Infante Dom Henrique, 326 (LISBON)	99.53	Prosegur Cia de Seguridad, S.A.	a	4	A
		0.47	Prosegur Activa Holding, S.L.U.			
Rosegur Cash Services SA	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Cod 023708, Bucharest, Romania	51.0	Prosegur Cia de Seguridad, S.A.	a	2	B
		49.0	Rosegur, S.A.			
Transportadora de Caudales de Juncadella, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	5.0	Armor Acquisition, S.A.	a	2	A
		95.0	Juncadella Prosegur Internacional, S.A.			
Armor Acquisition, S.A.	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	68.79	Armor Acquisition, S.A.	a	5	B
		31.21	Prosegur International Handels GMBH			
Prosegur Seguridad, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94.05	Juncadella Prosegur Internacional, S.A.	a	1	B
		4.95	Armor Acquisition, S.A.			
		0.95	Prosegur Inversiones Argentina S.A.			
		0.05	Prosegur Argentina Holding S.A.			

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Company	Registered offices	% ownership		Basis of consolidation	Activity	Auditor
		% of par value	Company holding the investment			
Prosegur Argentina Holding S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional, S.A.	a	5	B
		5.0	Armor Acquisition, S.A.			
Prosegur Inversora Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.0	Juncadella Prosegur Internacional, S.A.	a	5	B
		5.0	Armor Acquisition, S.A.			
Prosegur Vigilancia Activa, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94.05	Juncadella Prosegur Internacional, S.A.	a	1	B
		4.95	Armor Acquisition, S.A.			
		0.95	Prosegur Inversiones Argentina S.A.			
		0.05	Prosegur Argentina Holding S.A.			
Servicios Auxiliares Petroleros, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94.05	Juncadella Prosegur Internacional, S.A.	a	1	B
		4.95	Armor Acquisition, S.A.			
		0.95	Prosegur Inversiones Argentina S.A.			
		0.05	Prosegur Argentina Holding S.A.			
Xiden, S.A.C.I.	Olleros, 3923 Ciudad de Buenos Aires	7.86	Prosegur Cia de Seguridad, S.A.	a	3	A
		92.14	Juncadella Prosegur Internacional, S.A.			
Prosegur Tecnología Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	3.85	Prosegur Cia de Seguridad, S.A.	a	3	A
		96.15	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, S.A.			
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, S.A.			
Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94.05	Juncadella Prosegur Internacional, S.A.	a	1	B
		4.95	Armor Acquisition, S.A.			
		0.95	Prosegur Inversiones Argentina S.A.			
		0.05	Prosegur Argentina Holding S.A.			

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Company	Registered offices	% ownership: % of par value	% ownership: Company holding the investment	Basis of consolidation	Activity	Auditor
T.C. Interplata, S.A.	Calle Perú 1578, Buenos Aires	5.0	Juncadella Prosegur Internacional, S.A.	a	2	B
		1.0	Prosegur Inversiones Argentina S.A.			
		94.0	Transportadora de Caudales de Juncadella, S.A.			
Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	94.05	Juncadella Prosegur Internacional, S.A.	a	1	B
		4.95	Armor Acquisition, S.A.			
		0.95	Prosegur Inversiones Argentina S.A.			
		0.05	Prosegur Argentina Holding S.A.			
TSR Participacões Societárias, S.A.	Tomas Edison, 1250 - Barra Funda - São Paulo - SP	100	SGCE Participações Societárias, S.A.	a	5	B
Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100	TSR Participacões Societárias, S.A.	a	4	A
Prosegur Sistemas de Securança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	1.0	Prosegur Brasil SA Transportadora de Valores e Segurança	a	1	A
		0.2	Prosegur Activa Alarmes, Ltda			
		98.8	TSR Participacões Societárias, S.A.			
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 Securança Ltda			
Prosegur Administração de Recebíveis Ltda	Av. Thomas Edison, 813, sobre loja, Sala 02, Barra Funda, São Paulo	99.8	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	B
		0.2	Prosegur Sistemas de Securança Ltda			
Prosegur Tecnologia em Sistemas de Segurança Electrônica e Incêndios Ltda.	Rua Barão do Bananal, 1.301, Vila Pompéia, São Paulo	99.99	Prosegur Cia de Seguridad, S.A.	a	3	A
		0.01	TSR Participacões Societárias, S.A.			
Setha Indústria Eletrônica Ltda	Rua Alvares de Macedo, 134, E144, Parada de Lucas, Rio de Janeiro	99.6	Prosegur Tecnologia em Sistemas de Segurança Electrônica e Incêndios Ltda.	a	3	A
		0.4	TSR Participacões Societárias, S.A.			
Prosegur Holding e Participações, S.A.	Av. Thomas Edison, 813, sobre loja, Sala 03, Barra Funda, São Paulo	39.27	Prosegur Cia de Seguridad, S.A.	a	4	B
		49.95	Juncadella Prosegur Internacional, S.A.			
		10.78	Prosegur Activa Alarmes Ltda.			
Prosegur Activa Alarmes, S.A.	Av. Thomas Edison, 813, 2ª andar, Barra Funda, São Paulo	13.4	Prosegur Activa Holding, S.L.U.	a	3	B
		18.5	Prosegur Tecnologia em Sistemas de Segurança Electrônica e Incêndios Ltda.			
		68.1	Prosegur Cia de Seguridad, S.A.			

Information at 31 December 2013

Company	Registered offices	% ownership: % of par value	% ownership: Company holding the investment	Basis of consolidation	Activity	Auditor
Prosegur Gestão de Efetivos Ltda	Av. Thomas Edison, 813, sobre loja, Sala 03, Barra Funda, São Paulo	99.9	Prosegur Cia de Seguridad, S.A.	a	2	B
		0.1	TSR Participacões Societárias, S.A.			
Prosegur Gestão de Ativos Ltda.	Av. Thomas Edison, nº 813, 2º Andar, Sala 03, Bairro Barra Funda, Cidade de São Paulo, Estado de São Paulo	0.01	Prosegur Cia de Seguridad, S.A.	a	7	A
		99.99	Prosegur Gestión de Activos, S.L.			
Juncadella Prosegur Group Andina	Los Gobelinos 2567 Of. 203, Renca, Santiago	99.99	Juncadella Prosegur Internacional, S.A.	a	5	B
		0.01	Armor Acquisition, S.A.			
Capacitaciones Ocupacionales Sociedad Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	83.07	Prosegur Cia de Seguridad, S.A.	a	2	B
		6.84	Prosegur International Handels GMBH			
		10.09	Juncadella Prosegur Group Andina			
Servicios Prosegur Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	99.98	Prosegur Cia de Seguridad, S.A.	a	2	A
		0.01	Juncadella Prosegur Group Andina			
		0.01	Prosegur International Handels GMBH			
Sociedad de Distribución, Canje y Mensajería Ltda.	Los Gobelinos 2567 Of. 203, Renca, Santiago	48.72	Prosegur Cia de Seguridad, S.A.	a	7	B
		30.56	Juncadella Prosegur Group Andina			
		20.72	Prosegur International Handels GMBH			
Servicios de Seguridad Prosegur Regiones Limitada	Los Gobelinos 2567 Of. 203, Renca, Santiago	99.0	Prosegur Chile, S.A.	a	1	B
		1.0	Juncadella Prosegur Group Andina			
Empresa de Transportes Compañía de Seguridad Chile Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	60.0	Juncadella Prosegur Group Andina	a	2	A
		40.0	Prosegur International Handels GMBH			
Prosegur Tecnología Chile Limitada	Lo Boza107, Mod. 3 Pudahuel – Santiago	99.99	Prosegur Cia de Seguridad, S.A.	a	3	A
		0.01	Prosegur Chile, S.A.			
Prosegur Activa Chile, S.L.	Catedral 1009, piso 14 - Santiago Centro	99.0	Prosegur Activa Holding, S.L.U.	a	3	A
		1.0	Prosegur Cia de Seguridad, S.A.			
Prosegur Chile, S.A.	Los Gobelinos 2567 Of. 203, Renca, Santiago	70.0	Prosegur, S.A.	a	1	B
		30.0	Prosegur International Handels GMBH			
Prosegur Gestión de Activos Chile Ltda	Los Gobelinos 2567, Comuna de Renca, Santiago de Chile	99.0	Prosegur Gestión de Activos, S.L.	a	7	B
		1.0	Servicios Prosegur Ltda			

Information at 31 December 2013

Company	Registered offices	% ownership: % of par value	% ownership: Company holding the investment	Basis of consolidation	Activity	Auditor
Compañía Transportadora de Valores Prosegur de Colombia, S.A.	Avda. de las Américas, 42-25 Bogotá	94.9 5.1	Prosegur Cia de Seguridad, S.A. Prosegur Activa Holding, S.L.U.	a	2	A
Prosegur Reacaudos, SAS	Avda. de las Américas, 42-25 Bogotá	100	Compañía Transportadora de Valores Prosegur de Colombia, S.A.	a	2	B
Inversiones BIV SAS	Calle 32 nº 8A-65 Edificio BCH piso 8, Cartagena	100	Prosegur Activa Holding, S.L.U.	a	5	A
Prosegur Viglancia y Seguridad Privada Ltda	Calle 32 nº 8A-65 Edificio BCH piso 8, Cartagena	94.0	Inversiones BIV SAS	a	1	A
Prosegur Tecnología SAS	Cra. 50 nº 71-80 Bogotá (Colombia)	100	Beloura Investments, S.L.U.	a	3	A
Prosegur GPS SAS	Cra. 50 nº 71-80 Bogotá (Colombia)	100	Beloura Investments, S.L.U.	a	3	C
Prosegur Seguridad Electrónica, SAS	Cra. 50 nº 71-80 Bogotá (Colombia)	100	Beloura Investments, S.L.U.	a	3	A
Servimax Servicios Generales, SAS	Calle 32 nº 8A-65 Edificio BCH piso 8, Cartagena	100	Inversiones BIV SAS	a	1	B
Servimax Servicios Temporales SAS	Calle 32 nº 8A-65 Edificio BCH piso 8, Cartagena	100	Inversiones BIV SAS	a	1	B
Prosegur Gestión de Activos de Colombia SAS	Calle 13 # 42 A – 24. Bogotá	100	Prosegur Gestión de Activos, S.L.	a	7	B
Prosegur Paraguay, S.A.	C/ Artigas, esq. Concepción Leyes de Chávez – Asunción	99.0 1.0	Juncadella Prosegur Internacional, S.A. Transportadora de Caudales de Juncadella, S.A.	a	4	A
Prosegur Tecnología Paraguay, S.A.	C/ Artigas, esq. Concepción Leyes de Chávez – Asunción	99.0 1.0	Juncadella Prosegur Internacional, S.A. Transportadora de Caudales de Juncadella, S.A.	a	1	B
Compañía de Seguridad Prosegur, S.A.	Av. Morro Solar 1086 - Surco - Lima - Peru	52.0 48.0	Juncadella Prosegur Internacional, S.A. Transportadora de Caudales de Juncadella, S.A.	a	2	A
Proseguridad S.A.	Av. Los Próceres 250 - Surco - Lima - Peru	38.04 35.11 26.85	Juncadella Prosegur Internacional, S.A. Transportadora de Caudales de Juncadella, S.A. Prosegur Cia de Seguridad, S.A.	a	1	A
Prosegur Cajeros, S.A.	Calle La Chira 103 Urb.Santa Teresa de las Gardenias, Surco, Lima - Peru	52.0 48.0	Juncadella Prosegur Internacional, S.A. Transportadora de Caudales de Juncadella, S.A.	a	2	B
Prosegur Tecnología Perú, S.A.	Calle La Chira 103 Urb.Santa Teresa de las Gardenias, Surco, Lima - Peru	99.0 1.0	Prosegur Cia de Seguridad, S.A. Prosegur Activa Holding, S.L.U.	a	3	B

Information at 31 December 2013

Company	Registered offices	% ownership		Basis of consolidation	Activity	Auditor
		% of par value	Company holding the investment			
Orus, S.A.	Av. Los Próceres 250 - Surco - Lima - Peru	84.857	Proseguridad S.A.	a	1	A
		14.286	Inversiones RB, S.A.			
		0.857	Compañía de Seguridad Prosegur, S.A.			
Orus Selva, S.A.	Caserio Palmawasi - Uchiza - Tocache - San Martin, Peru	90.0	Orus, S.A.	a	1	B
		10.0	Compañía de Seguridad Prosegur, S.A.			
Inversiones RB, S.A.	Av. Nicolás Arriola 780 Urb. Santa Catalina - La Victoria - Lima - Peru	99.0	Proseguridad S.A.	a	5	B
		1.0	Compañía de Seguridad Prosegur, S.A.			
Prosegur Activa Peru, S.A.	Av. República de Panamá 3890 - Surquillo - Lima, Peru	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 Gestión 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 Gestión 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	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.	55.03	Prosegur Mexico S de RL de CV	a	2	A
		44.97	Prosegur Cia de Seguridad, S.A.			
Prosegur Seguridad Privada S.A. de C.V.	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	100	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	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	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	Prosegur Mexico S de RL de CV	a	1	A
Prosegur Tecnologia, S.A. de C.V.	Piña 297 Piso 1, Col. Hogar y Seguridad, D.F. C.P. 02820	100	Prosegur Mexico S de RL de CV	a	3	B
Grupo Tratamiento y Gestión 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.	99.99	Grupo Tratamiento y Gestión de Valores SAPI de CV	a	2	A

Information at 31 December 2013

Company	Registered offices	% ownership		Basis of consolidation	Activity	Auditor
		% of par value	Company holding the investment			
Compañía Ridur, S.A.	Guarani 1531 (Montevideo)	100	Juncadella Prosegur Internacional, S.A.	a	5	B
Prosegur Transportadora de Caudales, S.A.	Guarani 1531 (Montevideo)	99.92	Juncadella Prosegur Internacional, S.A.	a	2	A
		0.08	Armor Acquisition, S.A.			
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, S.A.	Martiniano Chiossi s/n - Maldonado	100	Prosegur Activa Uruguay, S.A.	a	3	B
Blindados, SRL	Guarani 1531 (Montevideo)	99.0	Prosegur Transportadora de Caudales, S.A.	a	2	B
		1.0	Prosegur Uruguay Compañía de Seguridad, S.A.			
Genper, S.A.	Rodo Jose Enrique 1761 - Montevideo	100	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, S.A.			
GSM Telecom, S.A.	Del pino, Simon 1055, Piriapolis, Maldonado	100	Prosegur Activa Uruguay, S.A.	a	3	B
Coral Melody, S.A.	Bulevar. Artigas 560 (Montevideo)	100	Prosegur Activa Uruguay, S.A.	a	1	A
Tecnofren, S.A.	Avenida Italia y Patagonia (Montevideo)	100	Prosegur Activa Uruguay, S.A.	a	1	A
Roytronic, S.A.	Guarani 1531 (Montevideo)	100	Prosegur Activa Uruguay, S.A.	a	3	B
Pitco Shanghai	North Shanxi Road 1438, Room 308 Shanghai 200060, China	100	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	Luxpai Holdo SARL	a	5	B
Imperial Dragon Security Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	100	Luxpai Holdo SARL	a	5	C
Weldom Technology Co Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	100	Imperial Dragon Security Ltd	a	5	C
Prosec Services Pte Ltd	111 Geylang Road, #01-01, Singapore 389216	100	Singpai Pte Ltd	a	1	B
Singpai Pte Ltd	8 Cross Street #11-00, PWC Building, Singapore 048424	100	Luxpai Holdo S.A.R.L.	a	5	B
Aexis Security Management Pte. Ltd.	111 Geylang Road, #01-01, Singapore 389216	100	Singpai Pte Ltd	a	1	B
Prosec Cash Services Private, Ltd Services Pte Ltd	111 Geylang Road, #01-01, Singapore 389216	100	Singpai Pte Ltd	a	2	B
Prointrans LLC	1200 Brickell Avenue, Suite 1950, Miami, Florida 33131	100	Prosegur Cia de Seguridad, S.A.	a	5	C
Prosegur Australia Holdings PTY Limited	10 Shelley Street, Sydney NSW 2000	100	Singpai Pte Ltd	a	5	B

Information at 31 December 2013

Company	Registered offices	% ownership: % of par value	% ownership: Company holding the investment	Basis of consolidation	Activity	Auditor
Prosegur Australia Investments PTY Limited	10 Shelley Street, Sydney NSW 2000	100	Prosegur Australia Holdings PTY Limited	a	5	B
Chubb Security Services Pty Ltd	10 Shelley Street, Sydney NSW 2000	100	Prosegur Australia Investments PTY Limited	a	2	B

1. Activities from the Integral Security Solutions business group
2. Activities from the cash in transit and cash management business group
3. Activities from the Alarms 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

Appendix II

Breakdown of Joint Arrangements

Information at 31 December 2014 - Joint Ventures

Company	Registered offices	Participación: % of par value	Participación: Company holding the investment	Basis of consolidation	Activity	Auditor
Rosegur Holding Corporación, S.L.	Pajaritos, 24 Madrid	50.0	Prosegur Cia de Seguridad, S.A.	a	5	B
Rosegur, S.A.	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucharest, Romania	50.0	Through: Rosegur Holding Corporación, S.L.	a	4	B
Rosegur Fire, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucharest, Romania	50.0	Through: Rosegur, S.A.	a	3	B
Rosegur Training, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucharest, Romania	50.0	Through: Rosegur, S.A.	a	7	B
Rosegur Service, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucharest, Romania	50.0	Through: Rosegur, S.A.	a	3	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	B
Shanghai Weldon Security Service Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	45.0	Through: Shanghai Weldon Security Equipment Co Ltd	c	1	B
Hangzhou Weldon Security Service Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	36.0	Through: Shanghai Weldon Security Service Co Ltd	c	1	B
Sichuan Weldon Security Service Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	30.6	Through: Shanghai Weldon Security Equipment Co Ltd	c	2	B
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 2014 - Joint Ventures

Company	Registered offices	% ownership: % of par value	% ownership: Company holding the investment	Activity	Auditor
Ute Aena Barcelona T2 PCS SSG Ute Ley 18/1982	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG BSM Barcelona UTE Ley 18/1982	Pajaritos, 24 28007 Madrid	100		e	1
Ute PCS Fesmi	Crta. Baños de Arteijo, 12 P.I. La Grela 15008 A Coruña	42	FESMI	g	1

Information at 31 December 2014 - Joint Ventures

Company	Registered offices	% ownership		Activity	Auditor
		% of par value	Company holding the investment		
Ute PCS SSG Antifrau Catalunya	Pajaritos, 24 28007 Madrid	100		h	0
UTE PCS SSG CENTRO SANITARIO CEUTA	Pajaritos, 24 28007 Madrid	100		i	1
Ute PCS SSG Aena San Sebastian	Pajaritos, 24 28007 Madrid	100		j	0
Ute PCS SSG Aena Malaga	Pajaritos, 24 28007 Madrid	100		k	0
Ute PCS SSG Aena Palma Mallorca	Pajaritos, 24 28007 Madrid	100		l	0
Ute PCS SSG Universidad Alicante	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS SSG Instituto de Estudios Fiscales	Pajaritos, 24 28007 Madrid	100		l	0
Ute PCS SSG Hospital Vall D'Hebron	Pajaritos, 24 28007 Madrid	100		l	0
Ute PCS SSG Guggenheim	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS-SSG MPTMAP	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS SSG Ferrocalrrils de la Generalitat de Catalunya	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS ESC Cetarsa	Pajaritos, 24 28007 Madrid	100		l	0
Ute Ferrosser PCS Universidad Europea de Madrid	Principe de Vergara, 135, 28009 Madrid	95	FERROSER	l	1
Ute PCS SSG General Motors	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS SSG Universidad Politecnica de Valencia 2012	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS SSG Hospital de la Santa Creu i Sant Pau (Fundación de Gestió Sanitaria)	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS SSG Palacio de Concresos y de la Música Euskalduna Jauregia Bilbao	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS ESC Forum Evolucion de Burgos	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS ESC Clinica Militar Cartagena	Pajaritos, 24 28007 Madrid	100		l	0
Ute PCS SSG HOSPITAL VALL D'HEBRON III	Pajaritos, 24 28007 Madrid	100		l	0
Ute PCS SSG Palau de la Música de Valencia	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS SSG Aeropuerto Barcelona Lote 1	Pajaritos, 24 28007 Madrid	100		f	1
Ute Aeropuerto de Ibiza	Pajaritos, 24 28007 Madrid	70	CSP SIGLO XXI	l	1
Ute PCS SSG La Finca	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS SSG Hospital Vall D'Hebron III	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS SSG Autoritat Portuaria de Barcelona	Pajaritos, 24 28007 Madrid	100		l	1
Ute ESC PCS Getxo Kirolak	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS SSG Hospital Clinic de Barcelona i Fundació Hospital	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS SSG El Greco 2014	Pajaritos, 24 28007 Madrid	100		l	1
Ute PES SSG Mondelez	Pajaritos, 24 28007 Madrid	100		l	1
UTE PROSEGUR SERVIMAX MONDELEZ	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS SSG Edificio San Sebast. Bilbao (Basque Govern.)	Pajaritos, 24 28007 Madrid	100		l	1
Ute PES SSG Oficina Antifrau Catalunya II	Pajaritos, 24 28007 Madrid	100		h	1
UTE PROSEGUR ESPAÑA SERVIMAX OF.ANTIFRAU CATALUNYA II	Pajaritos, 24 28007 Madrid	100		l	1

Information at 31 December 2014 - Joint Ventures

Company	Registered offices	% ownership: % of par value	% ownership: Company holding the investment	Activity	Auditor
Ute PES VASBE Gerencias Territoriales Ministerio de Justicia	Pajaritos, 24 28007 Madrid	43	VASBE	l	1
Ute PES ESC UNIV. Carlos III, Campus Puerta Toledo	Pajaritos, 24 28007 Madrid	100		l	1
Ute PCS ESC Universidad de Alicante II	Pajaritos, 24 28007 Madrid	100		l	1
Ute PES SSG Universitat Pompeu Fabra	Pajaritos, 24 28007 Madrid	100		l	1
Ute PES ESC Cora Fase I	Pajaritos, 24 28007 Madrid	100		l	2
Ute Clece PCS Teatro Kursal Melilla Ley 18/82	Calle Industria, 1 edif. Metropol I, 4º mod.20. Mairena de Aljarafe - Sevilla 41927	10	CLECE	l	1
Ute Vigilancia y Seg. Centros Internamiento P 12 098	Juan de Mariana, 15 28045 Madrid	12	SEGUR IBERICA & OTHERS	l	1
Limpieza y Vigilancia Caceres UTE (School Centres and Municipal Dept.)	Príncipe de Vergara, 135 28002 MADRID	20	FERROSER	l	1
Unión Temporal Espinal CCTV	Carrera 50 n.71-80	80.00	OTHERS	m	1
Unión Temporal Manizales 2011	Carrera 50 n.71-80	99.50	OTHERS	m	1
Unión Temporal Tecnología Cali	Carrera 50 n.71-80	47	Spectra Ingeniería Ltda.	m	1
Unión Temporal Indra	Carrera 50 n.71-80	40	Indra Sistemas SA	m	1
Consorcio Logistica documental	Calle 13 N.42a-24	50	Protech	m	1
Unión Temporal SIES 2011	Carrera 50 n.71-80	22.5	Interseg S. A. EGC Colombia SAS Ingeniería y Telemática G & C SAS Energía Integral Andina SA"	m	1
Unión Temporal Siglo XXI	Carrera 50 n.71-80	55	Su Oportuno Servicio Ltda. - SOS	m	1
Unión Temporal Seguridad EPIG	Carrera 50 n.71-80	28.75	Interseg S. A. EGC Colombia SAS Ingeniería y Telemática G & C SAS	m	1
Disproel	Carrera 50 n.71-80	5	Others	m	1
Union Temporal Prosegur Guardianes	Carrera 16 N. 33 29	56	Guardianes	m	1

Information at 31 December 2013 - Joint Ventures

Serat Aeropuerto Bilbao UTE	Príncipe de Vergara, 135 28002 MADRID	40.0	EUROLIMP	a	0
Ute Aena Barcelona T2 PCS SSG	Pajaritos, 24 28007 Madrid	100.0		d	1
Ute PCS SSG BSM Barcelona	Pajaritos, 24 28007 Madrid	100.0		e	1
Ute PCS SSG Arpegio	Pajaritos, 24 28007 Madrid	100.0		f	0
Ute PCS Fesmi Ayuntamiento Ferrol	Crta. Baños de Arteijo, 12 15008 A Coruña	41.8	FESMI	g	1
Ute PCS SSG 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 PCS SSG Aena Aeropuerto San Sebastian	Pajaritos, 24 28007 Madrid	100.0		j	1

Information at 31 December 2013 - Joint Ventures

Company	Registered offices	% ownership		Activity	Auditor
		% of par value	Company holding the investment		
Ute PCS SSG Aena Aeropuerto Malaga	Pajaritos, 24 28007 Madrid	100.0		k	1
Ute PCS SSG Aena Aeropuerto Palma Mallorca	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 PAE RTVA	Pajaritos, 24 28007 Madrid	100.0		l	0
Ute PCS SSG Guggenheim	Pajaritos, 24 28007 Madrid	100.0		l	1
Ute PCS SSG Corporación RTVE	Pajaritos, 24 28007 Madrid	100.0		l	0
Ute Clece PCS Teatro Kursaal Melilla Ley 18/82	Calle Industria, 1 edif. Metropol I, 4º mod.20. Mairena de Aljarafe - SEVILLA 41927	10.0	CLECE	l	1
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	Príncipe de Vergara, 135 28009 Madrid	95.0	FERROVIAL	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 Sanitaria)	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 Música de Valencia	Pajaritos, 24 28007 Madrid	100.0		l	1
Ute PCS SSG Aeropuerto 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
Ute PCS SSG Hospital Vall D'Hebron III	Pajaritos, 24 28007 Madrid	100.0		l	1
Ute Vigilancia y Seg. Centros Internamiento P 12 098	C/ Juan de Mariana, 15 28045 Madrid	11.6	Ombuds Seguridad, SA (31,25%) and 7 more	l	1
Ute PCS SSG Autoritat Portuaria de Barcelona	Pajaritos, 24 28007 Madrid	100.0		l	1
Ute ESC PCS Getxo Kirolak	Pajaritos, 24 28007 Madrid	100.0		l	1
Ute PCS SSG Hospital Clinic de Barcelona	Pajaritos, 24 28007 Madrid	100.0		l	1
Ute PCS SSG El Greco 2014	Pajaritos, 24 28007 Madrid	100.0		l	1
Ute PCS SSG Mondelez	Pajaritos, 24 28007 Madrid	100.0		l	1

Information at 31 December 2013 - Joint Ventures

Company	Registered offices	% ownership		Activity	Auditor
		% of par value	Company holding the investment		
UTE PROSEGUR SERVIMAX MONDELEZ	Pajaritos, 24 28007 Madrid	100.0		l	1
Ute PCS SSG Edificio San Sebast. Bilbao (Basque Governt.)	Pajaritos, 24 28007 Madrid	100.0		l	1
Unión Temporal Espinal CCTV	Cr 50 N0 71-80	80.0	Integra Security Sistemas, S.A.	m	1
Unión Temporal Congreso 2011	Cr 50 N0 71-80	99.5	Integra Security Sistemas, S.A.	m	1
Unión Temporal Manizales 2011	Cr 50 N0 71-80	99.5	Integra Security Sistemas, S.A.	m	1
Unión Temporal Tecnología Cali	Cr 50 N0 71-80	95.0	Integra Security Sistemas, S.A.	m	1

Activity
1. Activities from the Integral Security Solutions business group
2. Activities from the cash in transit and cash management business group
3. Activities from the Alarms 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

Notes
The purposes of the joint transactions are as follows:

(a) Information, customer and airport lounge services in Bilbao Airport.
(b) Manned guarding, security and maintenance services at 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 for cleaning the premises of the Barcelona City Council.
(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 Centres.
(l) Security and auxiliary services for the customer.
(m) Electronic security service.

Activity
0. Activity wounded up in 2014
1. Active Joint Venture

Joint Venture of companies created in 2014 but with no activity at the end of the reporting period

Appendix III

Information related to Significant Non-controlling interests in Companies

Information at 31 December 2014

Thousands of Euros	Shanghai Weldon Security Equipment Co Ltd	Shanghai Weldon Security Service Co Ltd	Hangzhou Weldon Security Service Co Ltd	Sichuan Weldon Security Service Co Ltd	Other companies of little significance	Total
Percentage of non-controlling interests	45%	45%	36%	31%		
Information on financial statement						
Non-current assets	17,533	214	–	163		17,910
Non-current liabilities	(4,331)	–	–	–		(4,331)
Total non-current net assets	13,202	214	–	163		13,579
Current assets	7,024	8,858	908	113		16,902
Current liabilities	(1,481)	(2,877)	(729)	557		(4,530)
Total non-current net assets	5,543	5,981	178	670		12,372
Net assets	18,746	6,194	178	833		25,951
Book value of non-controlling interests	8,436	2,787	64	254	(133)	11,408
Income statement information						
Revenues	542	21,266	700	–		22,508
Profit/(loss) for the year	(733)	357	53	(154)		(477)
Other comprehensive income						–
Total comprehensive income	(733)	357	53	(154)		(477)
Consolidated result allocated to non-controlling interests	(330)	161	19	(47)	1,068	871
Information of Statement of cash flows						
Cash flows from operating activities	(3,982)	(1,726)	179	–		(5,529)
Cash flows from investing activities	1,572	(482)	17	–		1,107
Cash flows from financing activities, before dividends paid to non-controlling interests	1,388	5,231	32	–		6,651 -
Net increase/(decrease) in cash and cash equivalents	(1,022)	3,023	228	–		2,229

Appendix IV

Summary Information on Joint Ventures

Information at 31 December 2014

Thousands of Euros	Rosegur Holding Corporation SL	Rosegur SA	Rosegur Fire, SRL	Rosegur Training, SRL	SIS Cash Services Private Limited	SIS Prosegur Holdings Private Limited	Prosegur Technological Security Solutions LLC	Total
Information on financial statement								
Non-current assets	342	(11)	10	1	14,855	10,212	–	25,409
Non-current liabilities	(101)	(52)	–	–	(4,494)	–	–	(4,647)
Total non-current net assets	241	(63)	10	1	10,361	10,212	–	20,762
Current assets	–	1,730	(0)	6	23,206	7,486	95	32,523
Current liabilities	–	(4,386)	(3)	(5)	(4,622)	(18,101)	(443)	(27,560)
Total non-current net assets	–	(2,656)	(3)	0	18,584	(10,615)	(348)	4,963
Net assets	241	(2,719)	7	1	28,946	(403)	(348)	25,725
Percentage interest	50%	50%	50%	50%	49%	49%	49%	347%
Share of net assets	120	(1,360)	4	–	14,183	(197)	(170)	12,580
Book value of interests	120	(1,360)	4	–	14,183	(197)	(170)	12,580
Income statement information								
Revenues	–	–	–	–	(17,922)	(1,725)	–	(19,647)
Costs to sell	57	–	–	–	18,742	2,105	137	21,041
Finance expenses	–	–	–	–	345	21	–	366
Expense (Income) tax expense	(17)	–	–	–	(361)	–	–	(378)
Year's result from continued activities	40	–	–	–	804	401	137	1,381
Profit/(loss) for the year	40	–	–	–	804	401	137	1,381
Total comprehensive income	40	–	–	–	804	401	137	1,381

Information at 01 January 2014

Thousands of Euros	Rosegur Holding Corporation SL	Rosegur SA	Rosegur Fire, SRL	Rosegur Training, SRL	SIS Cash Services Private Limited	SIS Prosegur Holdings Private Limited	Prosegur Technological Security Solutions LLC	Total
Information on financial statement								
Non-current assets	399	(11)	10	1	12,532	–	–	12,931
Non-current liabilities	–	(52)	–	–	(2,527)	–	–	(2,579)
Total non-current net assets	399	(63)	10	1	10,005	–	–	10,352
Current assets	17	1,735	(0)	6	10,983	–	57	12,798
Current liabilities	(118)	(4,397)	(3)	(6)	(5,853)	–	(232)	(10,609)
Total non-current net assets	(101)	(2,662)	(3)	–	5,130	–	(175)	2,189
Net assets	298	(2,725)	7	1	15,135	–	(175)	12,541
Percentage interest	50%	50%	50%	50%	49%	49%	49%	
Share of net assets	149	(1,363)	4	–	7,416	–	(86)	6,120
Book value of interests	149	(1,363)	4	–	7,416	–	(86)	6,120
Income statement information								
Revenues	–	–	–	–	–	–	–	–
Costs to sell	–	–	–	–	–	–	–	–
Finance expenses	–	–	–	–	–	–	–	–
Expense (Income) tax expense	–	–	–	–	–	–	–	–
Year's result from continued activities	–	–	–	–	–	–	–	–
Profit/(loss) for the year	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	–	–	–	–

Consolidated Directors' Report for 2014

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

1. Situation of the Company

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

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

1.1. Organisational structure

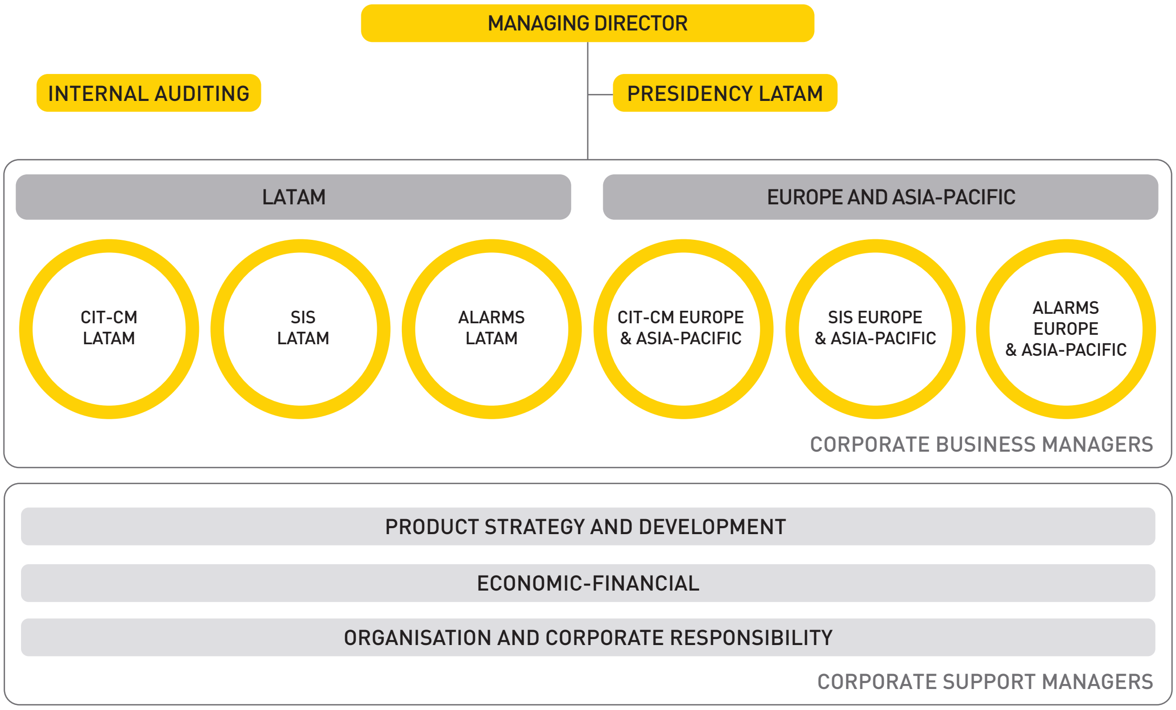
The organisational structure of Prosegur is designed to improve business processes and add value to our clients. Its flexibility allows for a permanent adaptation to an ever-changing environment and the evolution of Prosegur as a business group. In addition, it fosters transversal knowledge of business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

Business is the backbone of the organisation and is made up of the General Business Management Areas which are responsible for the design of security solutions for clients and cover the main business lines: Comprehensive Security Solutions, Cash in Transit and Cash Management and Alarms.

In order to improve the various business processes during financial year 2014, the Group has reviewed its organisational structure, bringing about a change in the geographical organisation of the segments. Thus, the Asia-Pacific geographical segment has been merged with the Europe geographical segment to form one single Europe&Asia-Pacific segment, reinforcing client orientation and achieving a more flexible and efficient structure.

The corporate functions are supervised by the Corporate Support Departments cover the Financial-Economic, Organisation and Corporate Responsibility, Business Development and Global Accounts and Marketing areas.

The organisation of Prosegur is shown in the table below:



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

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

Changes to the Group's structure

The changes in the composition of the Prosegur Group during 2014 were mainly due to the following acquisitions:

— On 23 January 2014 Prosegur acquired 100% of Evtec Management Services PTE LTD, a company located in Singapore and specialised in manned guarding. The total purchase price was SGD 7,4 million (at the acquisition date equivalent to: 4.3 million euros).

— On 17 February 2014 Prosegur acquired 100% of Chorus Security Service Wervaltungs GmbH and its subsidiary Chorus Security Service GmbH, companies located in Germany and specialised in cash in transit. The overall purchase price was of 1.7 million euros.
— On 20 October 2014 Prosegur acquired 100% of Transvig – Transporte de Valores e Vigilancia LTDA, a company located in Brazil and specialised in manned guarding and cash in transit. The total purchase price was R$ 17.4 million (at the acquisition date equivalent to: 5.6 million euros).
— On 29 November 2014 Prosegur acquired 49% of ISS Cash and Valuable Services Division. The total purchase price was Rs 449.2 million (at the acquisition date equivalent to: 5.8 million euros).
— On 5 September 2014 Prosegur acquired 100% of Shanghai Pitco Enterprise Management Co, Ltd, and, indirectly, 100% of Shanghai Prosegur Security Service Co, Ltd, Shanghai Bigu Investments and 70% of Shanxi Laide Security Technology Service Co, Ltd. The total purchase price has been RMB 3 million (at the acquisition date equivalent to: 0.4 million euros).

In addition, the following companies were incorporated or wound up in 2014:

— In February 2014 Proservicios, S.A. was incorporated in Peru.
— In March 2014 Singpai India Private Limited was incorporated in India.
— In July 2014 SIS Prosegur Holdings Private Limited was incorporated in India.
— In August 2014 Prosegur Techonology PTY Limited was incorporated in Australia.
— In July 2014 Reinsurance Bussiness Solutions, Limited was liquidated in Ireland.
— In August 2014 Pitco Venture, S.C.R. was liquidated in Spain.

Furthermore, the following mergers took place between subsidiaries in 2014:

— In June 2014 Prosegur Telesurveillance SASU merged with and into Prosegur Securite Humaine EURL in France.
— In October 2014 Prosegur Deutschland GmbH merged with and into Prosegur GmbH in Germany.
— In December 2014 Servimax Servicios Generales, S.A. merged with and into ESC Servicios Generales, S.L.U in Spain.
— In December 2014 Aexis Security Management Pte Ltd merged with and into Evtec Management Service Pte Ltd in Singapore.
— In December 2014 Prosegur Securité Opale SAS merged with and into Porsegur Securité Jade SAS in France.

1.2. Operation

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

The approval and implementation of the various Strategic Plans implies the determination and fulfilment of demanding targets based on the growth model and the various axes defined for each plan. Below are those established for Plan 2012-2014:

— Proximity with the client.
— Management at delegation level.
— Multinational character.

Financial year 2014 has seen the consolidation of the synergies inherent to the growth process of the previous period and has refinanced part of the financial debt. Prosegur is ready to continue with its growth strategy, both organic and inorganic, and maintains the capacity to take on new corporate acquisitions.

2. Business performance and results

2.1 Main financial and non-financial indicators

(Millions of Euros)		2014	2013	Variación
Sales		3,782.6	3,695.2	2.4%
EBITDA		425.7	414.4	2.7%
	Margin	11.3%	11.2%	
PPE amortisation		-70.6	-67.8	
Depreciation of other intangible assets		-47.8	-49.0	
EBIT		307.2	297.6	3.2%
	Margin	8.1%	8.1%	
Financial results		-58.1	-51.5	
Profit before tax		249.2	246.2	1.2%
	Margin	6.6%	6.7%	
Taxes		-90.7	-90.5	
	Tax rate	-36.4%	-36.8%	
Net result		158.4	155.7	1.7%
Non-controlling interests		-0.3	-0.2	
Consolidated net result		158.7	155.9	1.8%
Basic profit per share		0.2654	0.2718	

Financial year 2013 has shown a growth in sales of 2.4%.

Consolidated sales of Prosegur in financial year 2014 amount to 3,782.6 million euros and have experienced an increase of 13.8% at a constant exchange rate.

The EBITDA has increased by 23.7% excluding the effect of depreciation of currencies of countries in which Prosegur operates against the euro, which reflects the increase/maintenance of margins despite increases in labour costs in countries with a significant effect on the P&L.

The EBIT / Sales margin of 8.1% proves the capacity of Prosegur to maintain business profitability in spite of the impact of amortisations arising from new business acquisition operations.

The consolidated net P&L increased by 1.8% mainly due to the good performance of sales and the synergies obtained from the acquisitions carried out by Prosegur in recent years.

Analysis of management in 2014

Financial year 2014 has been defined by economic slowdown in Latam on a macroeconomic level, and general recovery of the economy in the Eurozone and, mainly, in Spain, which once again shows signs of being a growth market.

Despite the difficult macroeconomic environment in Latin America and the still-weak but nevertheless sustained growth in Europe&Asia-Pacific, financial year 2014 has closed in a satisfactory way and the results positively reflect the success of the inorganic growth strategies of previous years which have provided a solid platform to guarantee organic growth during difficult times as well as the excellent adaptation capacity of the integrated business model of Prosegur to provide security and cash management solutions that are valued by clients in all countries well above any price arguments; this has enabled the company to combat adverse economic conditions and experience organic growth in a continuous and profitable way.

The targets achieved become even more relevant taking into account the fact that Prosegur carries out its business activity in 14 currencies other than its working currency, the Euro; the effect of depreciation of the currencies in the Latam region has had a significant negative impact on the P&L.

The levers which have enabled satisfactory results to be obtained in 2014 have been an efficient combination of driving new services models in mature markets, designed to reduce the cost of security at the client whilst guaranteeing and measuring the levels of protection sought, combined with sustained above-market growth rates of the more traditional products in emerging markets and strong support of the entry into the market of outsourcing bank business processes. All this has been underpinned by strict control of indirect costs and expenses which are maintained, as in previous years, and reinforced by the introduction of new measurement and comparison tools which assist decision-making and enable a faster identification and isolation of inefficiencies.

The new businesses acquired in previous years have been integrated in full and consequently, the debt reduction and restructuring scheduled for the end of the 2014 Strategic Plan has been met in advance and in full. This important financial milestone enables Prosegur to acquire greater potential for new and larger corporate acquisitions. Therefore, this time may be the start of a new stage which, on the one hand, will mean the continuation of organic and inorganic growth policies and, on the other, the consolidation of the company's presence in Latam and the expansion in new regions, such as Asia-Pacific.

The Europe&Asia-Pacific region in 2014 has witnessed strong recovery of sales and profitability in Spain. Following the client portfolio optimisation process carried out in 2013, Prosegur has maintained an excellent growth rhythm, based on clients who value quality over price and opening new business lines which had hitherto been restricted by the market's low investment capacity due to the economic recession.

In Germany, once the integration processes of the various acquisition was completed, the sought after inflection point has been achieved slightly in advance of the forecasts and the organic growth of business in that country has proven to be one of the highest and most interesting growth rates in Prosegur. The positive profitability threshold achieved is clear evidence that the efficiency measures of the Prosegur business model are able to achieve positive results in any market, with full client satisfaction and increase of the group's profitability, and that this model is perfectly exportable to new contexts in any region.

In regard to the Asia-Pacific region, the growth of the new Australian subsidiary, fully in line with growth estimates in its market is promising and neatly ties in with Prosegur's market consolidation strategy, while also becoming a powerful platform for innovation and development of new practices in the cash management business and, specifically, in comprehensive management of ATMs.

This activity has also been strengthened at the end of 2014, the sale was closed in India of the cash in transit and cash management division of the ISS multinational. This new acquisition reinforces Prosegur's position in the Indian national market as the second largest operator in cash management services, and the leader in the southern and eastern regions of the country and – together with the business in Australia, Singapore and China – consolidating and encouraging the growth of the strategic plan of Prosegur in the markets of the Asia-Pacific region.

The capacity to maintain growth in already consolidated markets in the Latam region has also been clearly demonstrated in the financial year ending on 31 December 2014. The efficacy of the update of prices for services provided in hyperinflationary contexts is clear. In Brazil, following the sharp increase in wages in the private security sector in 2013, Prosegur has continued to successfully transfer the inflationary increments to the market while managing to reinforce and optimise the guarding business, whereas the cash in transit business has lost volume due to the slowdown of the country's economic activity, but always managing to exceed the net growth of the country, thus creating value and slightly increasing margins.

Brazil continues to be the most important country in the Prosegur perimeter. Taking into account is sales turnover, its profit and number of employees, it is the most influential market on Prosegur P&L and continues to be a clear bet for the future. The positioning of Prosegur in Brazil as global supplier of private security services is unbeatable to deal with projects to be undertaken by this country between 2014 and 2016 and has been strengthened in 2014 by the acquisition of the largest cash in transit and cash management company in the state of Roraima In October 2014.

This acquisition consolidates Prosegur's position as the only private security operator with a presence in each and every state in the country and shows the commitment to maintaining growth in the country, irrespective of the adverse economic cycle it is currently undergoing.

The rest of the countries in the Latam region have continued to show the same growth rates of previous years. Worth mentioning is the excellent performance of Colombia, once all integrations have been completed, which has shown exceptional growth figures in local currency, unfortunately affected by the adverse currency rate which, in general, has been the case for all currencies in the region in 2014.

Financial year 2013 brought about significant progress in the implementation of new key management indicators in the group and, accordingly, the corporate policies have been updated in 2014 helping decisions to be made in regard to:

a) The setting of continuous improvement targets.
b) The consideration of alternative strategies and options.
c) The adoption of measures required for the implementation of defined strategies and introduction of measures to correct any deviations.
d) Development of a competitive edge over the rest of the market.

Today, Prosegur management have leading figures to obtain 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 remain in line with trends permanently.

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

Sales by geographical area

Prosegur's consolidated sales for 2014 amounted to EUR 3,782.6 million (2013: EUR 3,695.2 million), which represents a total increase of 2.4%, of which 10.2% corresponds to purely organic growth, 3.6% to inorganic growth, mainly arising from purchases made in financial year 2013. The effect of the evolution of currency rates has led to a reduction of 11.4%.

The overall increase in sales is above the nominal GDP of the countries in which Prosegur operates. This improvement is due to a large extent to the integrated security solutions model and the experienced acquired in each market over the years.

Consolidated sales are distributed by geographical area as follows:

(Millions of Euros)	2014	2013	Variation
Europe & Asia-Pacific	1,581.3	1,439.4	9.9%
LatAm	2,201.3	2,255.7	-2.4%
Total Prosegur	**3,782.6**	**3,695.2**	**2.4%**

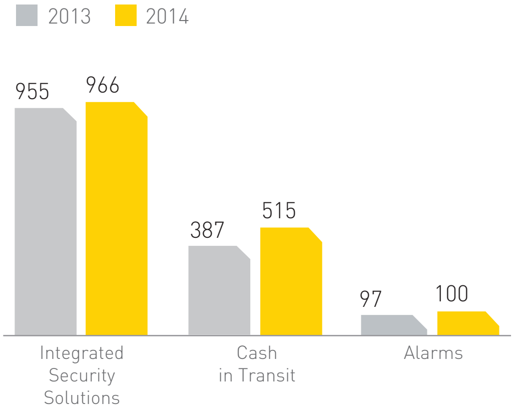
Sales in Europe & Asia-Pacific have increased by 9.9% mainly due to the optimisation process which was carried out in 2013 in the client portfolios in Spain and Portugal.

Sales in the Latam region have experienced an overall drop in relation to 2013 of 2.4%, of which 16.3% pertains to organic growth. The increase in sales during 2014 in this region has been negatively affected by 18.7% as a result of the depreciation of the main currencies in the countries.

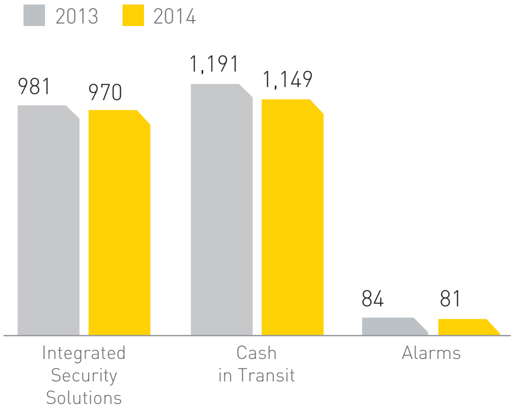
Sales by business area

Consolidated sales are distributed by geographic and business area as follows:

SALES EUROPE - ASIA - PACIFIC
in millions of euros



SALES LATAM
in millions of euros



Aggregated consolidated sales are distributed by business area as follows:

(Millions of Euros)	2014	2013	Variation
Integrated Security Solutions	1,936.7	1,935.9	0.0%
% of total	51.2%	52.4%	
Cash in Transit	1,664.5	1,577.7	5.5%
% of total	44.0%	42.7%	
Alarms	181.4	181.6	-0.1%
% of total	4.8%	4.9%	
Total Prosegur	**3,782.6**	**3,695.2**	**2.4%**

The growth in business turnover in 2014 compared to 2013 has been of 13.8%, leaving the currency rate effect to one side.

The business of Integrated security solutions, which includes the Guarding and Technology activities, has experienced an increase in sales turnover of 9.4% at a constant exchange rate. The effect of the devaluation of countries such as Argentina and Brazil has penalised the sales turnover of Prosegur.

The comprehensive security solution activity has increased turnover in the Europe & Asia-Pacific region to 966.4 million euros (2013: 955.2 million euros). This business has experienced a slight decrease in Latam, having achieved a turnover of 970.4 million euros (2013: 980.7 million euros) as a result of currency devaluation. If we disregard the exchange rate effect, the performance of sales in Latam has shown a 17.4% growth.

In regard to the Cash in Transit and Cash Management business, sales have continued their upward trend, growing by 5.5% and reaching 1,664.5 million euros (2013: 1,577.7 million euros). At a constant exchange rate this has meant an increase of 19.6%.

The CIT-CM business in Europe and Asia-Pacific has increased to 514.9 million euros (2013: 387.1 million euros). This is an important achievement bearing in mind the restructuring of the banking sector in recent years in countries such as Spain and Portugal. It also proves the solidity of the business and the differentiation of the Cash in Transit and Cash Management services offered by Prosegur compared to the competition.

In the Latam region, the CIT-CM business has reached 1,149.5 million euros (2013: 1,190.6 million euros), having been adversely affected by the depreciation of the main currencies in countries such as Argentina. If this effect is disregarded, the growth has been of 15.2%.

Lastly, the Alarms business has had annual income of 181.4 million euros in 2014 (2013: 181.6 million euros), 0.1% less than the year before due to currency devaluation; if the currency devaluation effect is disregarded, the alarms sales have increased by 12.5%.

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

(Millions of Euros)	2010	2011	2012	2013	2014
Invoicing	2,560.3	2,808.5	3,669.1	3,695.2	3,782.6

EBIT margins by geographical area

Consolidated operating profit (EBIT) stands at Euros 307.2 million for 2014 (in 2013: 297.6 million euros). The EBIT margin for 2014 is 8.1% (in 2013: 8.1%).

This 8.1% margin becomes particularly important in a year which has been affected by the depreciation of the main currencies in the Latam region countries.

The EBIT margin is distributed by geographical area as follows:

(Millions of Euros)	Europe/Asia-Pacific	LatAm	Prosegur
Sales	1,581.3	2,201.3	3,782.6%
EBIT	65.1	242.2	307.2
EBIT margin	4.1%	11.0%	8.1%

As has already been mentioned, in Europe&Asia-Pacific the margins have improved in absolute and relative terms whereas in the Latam region has managed to maintain its relative margin despite the currency devaluations and the heavy burden of labour costs in countries such as Brazil.

The client portfolio optimisations carried out in 2013 mainly in Europe have been part of Prosegur's priority objective to maintain high profit margins and to guarantee return on investment. Fulfilment of this objective falls within the strategy of innovation and improvement of services which pursue the excellence thereof and of client relations.

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

(Millions of Euros)	2010	2011	2012	2013	2014
EBIT	262.6	284.1	311.5	297.6	307.2

The ratio of the EBIT margin to consolidated sales was 8.1% in 2014. The upward trend observed in previous years was basically stopped by the depreciation of the currencies, mainly the Argentine peso and the Brazilian real. However, in 2014 Prosegur has managed to return to the growth trend thus mitigating the currency depreciations of 2014 mainly of the Argentine peso.

The information on the allocation of Prosegur assets to each of the segments and the reconciliation between the profit allocated to segments and the consolidated net profit is contained in Note 10 of the Consolidated Financial Statements.

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 client is therefore at the core of the business. The first objective is to meet quality standards and that the client understands that he is acquiring a value added and responsible security services. The commercial offering is developed around the concept of integrated security solutions, developed according to innovation and excellence criteria.

The focus of Prosegur is based on comprehensive security solutions allowing for sectorial specialisation by way of strategic differentiation.

Prosegur continuously renews its offering and develops new products in each business line. An example thereof is the concept of dynamic surveillance, outsourcing of banking processes, services via mobile devices or video surveillance from control centres.

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 EUR 0.6 million are submitted to the Executive Committee for approval.

Amortisation and depreciation charges totalled Euros 118.5 million in 2014 (in 2013 116.8 million euros). Property, plant and equipment and real estate investments account for 70.6 million euros (2013: 67.8 million euros); software applications account for 11.0 million euros (2013: 10.8 million euros) and other intangible assets account for 36.9 million euros 38.1 million euros).

The total investments analysed by the Investment Committee in 2014 with comparative figures from 2013 are detailed below:

(Millions of Euros)	2014	2013
First Quarter	35.4	27.0
Second Quarter	29.4	32.5
Third Quarter	15.4	16.4
Fourth Quarter	16.0	18.0
Total	**96.2**	**93.9**

EUR 121.9 million was invested in property, plant and equipment in 2014 (in 2013: 119.7 million euros). Moreover, investment of Euros 14.9 million was also made in computer software (in 2013: 13.2 million euros).

In addition, during 2014 new real estate investments have been made in Argentina amounting to 45.3 million euros.

2.2. Environment

Prosegur has a 3P policy (Prosegur Policies and Processes) or mandatory general rules for all employees regarding the definition of the environmental policy in each country, compliance with the legislation in force on environmental matters, risk assessment and adoption of measures to reduce such risks and reduce the impact of our activities on the environment.

The business activities carried out by Prosegur: Integrated Security Solutions (SIS), Cash in transit and Cash Management (CIT-CM) and Alarms are not activities that carry a high level of impact on the environment.

The first two business activities are very labour intensive employing thousands of workers and therefore, we believe that raising the awareness of our employees in regard to environmental care and sustainability as well as training programmes for all employees is also a priority focus of our environmental policies.

The 3P management system has a common trunk in all countries which includes the 3P policy mentioned in the first paragraph, which is of a global scope and which establishes fulfilment of environmental legislation as an obligation of the management of each country and common denominator in all countries.

Corporate Management encourages ISO 14001 certification in all countries in which we are present. In 2014, Colombia and Portugal have obtained this certification, joining Spain, Peru, Argentina and Brazil in this regard.

The main environmental aspects inherent to our business activities are:

a) In the CSS business, the consumption and generation of waste of the following materials: waste of containers with hazardous substance residues or contaminated by them: toners, fluorescent lights, Ni-Cd accumulators, Pb batteries, Paper and plastic.
b) In the CIT-CM business, the consumption and generation of waste from the following materials: absorbents, filtering materials, cleaning cloths and protective clothing contaminated with hazardous substances, residues from containers with such hazardous substances or contaminated by them, toners, fluorescent bulbs, paper and plastic.
c) In the Alarms business, the consumption and generation of waste from the following items: lead batteries, residues in containers with hazardous substances or contaminated by them, toners, fluorescent lamps, dangerous WEEEs, Ni-Cd accumulators, paper and plastic.

At country level we monitor the impact of each of the environmental aspects related to the businesses carried out by Prosegur in the country and actions and objectives are established in order to minimise this impact, such as:

a) Reduction of water consumption at delegations and bases via distribution of environmental awareness campaigns.
b) Reduction in electrical consumption an associated atmospheric emissions by installing efficient lighting devices (LEDs), as well as environmental awareness campaigns.
c) Adoption of restrictive printing regulations, only allowing two side printing and in grey tones, thus reducing paper consumption in delegations and offices.

At 31 December 2014, Prosegur has no environment-related contingencies, legal claims or income and expenses relating to the environment.

2.3. Personnel

Taking into account the growth strategy of recent years at a global level, Prosegur generates jobs in the markets in which it is present.

The workforce of Prosegur at the end of 2014 was of 158,038 persons (2013: 154,540 persons), equal to a 2.3% increase.

A cornerstone of Prosegur's success as one of world's main security 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 identify the suitability of an individual for a position within Prosegur, a key part for HR Management.

Details of the average Prosegur headcount over the past five years are as follows:

Staff Gap	2010	2011	2012	2013	2014
Direct	97,198	111,361	140,049	145,364	146,954
Indirect	5,657	6,924	8,530	9,150	8,184
Total Prosegur	**102,855**	**118,285**	**148,579**	**154,514**	**155,138**

Headcount compared to turnover (in relative terms) over the past five years is reflected as follows:

Number of persons per million billed	2010	2011	2012	2013	2014
Direct	38	39.7	38.2	39.3	38.9
Indirect	2.2	2.5	2.3	2.5	2.2

Performance assessment of the persons working for Prosegur is carried out every year. There is a systematised plan under which each head of department interviews his collaborators and objectively analyses performance, highlighting strengths and areas for improvement.

Annual satisfaction surveys are carried out so that Prosegur is aware of the perception of employees of the aspects affecting daily work. Action plans result from these surveys, implementing policies to improve the working environment of the Group companies.

Prosegur acts in line with industry standards in terms of occupational risk prevention. The company invests in specific training and advancements to ensure that employees work in safe environments using the best equipment.

The internal communication channels have been particularly strengthened in recent years, with the introduction of the corporate Intranet, the Internal distribution magazine "Prosegur Persons" and via strategic presentation in which a fair number of employees take part.

The Prosegur foundation works towards building a more caring society with fewer inequalities and, in this regard, one of its objectives is to foster social integration of disadvantaged sectors of the population so as to bring about changes in attitude towards more caring values. For many years, the Company has encouraged employment opportunities for people with intellectual disabilities, offering them a more stable future through employment. The Plan of Labour Integration of Persons with Intellectual Disability has been implemented in the more representative offices of Prosegur, with new employees every year of this type being added to the workforce in the various countries.

Below are key indicators in the last two years reflecting the actions of Prosegur in regard to training and education of employees and development of diversity and equal opportunities (the distribution of the workforce by sex is included in Note 33 of the Consolidated Financial Statements):

(No. of persons and millions of euros)	2014	2013
Personnel	158,038	154,540
Percentage of women	14.7%	14.3%
Percentage of women in Management Board	33.3%	33.3%
Disabled personnel in operating workforce in Spain	199	89
Investment in training	10.2	9.3
Accident rate	3.2	4.4
Rate of sick leave	0.06	0.06

3. Liquidity and capital resources

In a context in which credit is still relatively restricted, during financial year 2014 Prosegur continued formalising strategic financing transactions designed to optimise financial debt, control debt ratios and meet growth targets.

Prosegur calculates net financial debt considering total current and non-current borrowings (excluding other non-bank payables) plus net derivative financial instruments, minus cash and cash equivalents, and minus other current financial assets (Note 32.2).

At 31 December 2014 net financial debt totals Euros 564.4 million (in 2013: 631.7 million euros).

3.1. Liquidity

Prosegur keeps a reasonable level of liquid reserves and a great financing capacity available to ensure flexibility and rapidity in meeting the requirements of working capital of investing capital or inorganic growth.

At 31 December 2014 Prosegur has available liquidity of Euros 855.3 million (in 2013; 579.0 million euros). This amount is compound by:

— Euros 285.1 million of cash and cash equivalents (in 2013: 292.9 million euros).

— Euros 360 million of non-current credit available, relating to the syndicated loans arranged in 2014 (in 2013: 150 million euros).
— Other unused lines of credit for Euros 210.2 million (in 2013: 136.1 million) diversified in a wide banking pool featuring the top banks from each country where Prosegur operates.

This liquidity figure accounts for 22.6% of consolidated annual sales (2013: 15.7%), which enables the company to ensure both short term funding needs as well as growth strategy.

The efficiency measures of internal administrative processes implemented in recent financial years have helped to substantially improve business cash flow. The maturity profile of Prosegur debt is in line with its capacity to generate cash flow to pay it.

It is important to point out that, although part of the cash flow position at the close of 2014 is subject to certain regulatory conditions arising from Prosegur's geographical positioning, compliance with upcoming contractual obligations does not depend on distributions or payments from subsidiaries which are subject to insurmountable restrictions of a legal or regulatory nature. During the annual budget planning process, a repatriation plan of dividends from subsidiaries is designed, thus maximising the tax efficiency of the consolidated Group.

The average payment period of Spanish consolidated companies during financial year 2014 has been of 70 days (2013: 75 days).

The market value of the shares held by the parent company of Prosegur at 31 December 2014 amounts to 88.5 million euros (2013: 217.6 million euros).

3.2. Capital resources

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

a) The Debenture issued in Brazil in 2012, whose outstanding balance at 31 December 2014 was 31.8 million euros (exchange value: BRL 102.5 million).
b) On 2 April 2013 an issue of uncovered bonds with a nominal value of EUR 500 million, maturing in 2018, was made. Bonds accrue a coupon of 2.75% per annum payable at end of the year and are listed on the Irish Stock Exchange. Market listing at 31 December 2014 is of 0.967%.
c) Syndicated financing transaction in Australia, amounting to 70 million Australian dollars over three years. At 31 December 2014 the drawn down capital corresponding to the syndicated loan amounted to AUD 70 million (equivalent to 46.9 million euros).
d) Syndicated loan agreed in Spain in 2014 amounting to 400 million euros over five years. At 31 December 2014, the capital drawn down amounted to 40 million euros.

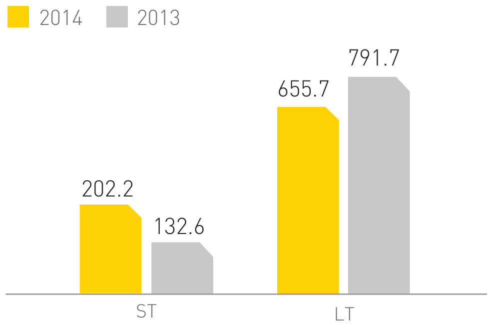
With this last transaction, Prosegur has refinanced most of its financial debt and maintains a policy of natural coverage of the currency exchange effect by also having debt denominated in the currencies of the countries in which it operates. However, the Company weights the balance between such a hedge against the increase in financial costs involved. Gross financial debt includes current and non-current financial liabilities and excludes other non-bank debt.

In consolidated terms, long term gross financial debt maturing over one year has reached at the end of 2014 the amount of 655.7 million euros (2013: 791.7 million euros), basically supported by a syndicated loan agreement entered into in 2014, the debenture issued in Brazil in 2012 and the corporate bonds issued in 2013.

Current gross financial debt totals Euros 202.2 million (in 2013: 132.6 million euros).

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

GROUP'S GROSS FINANCIAL DEBT
Millions of Euros

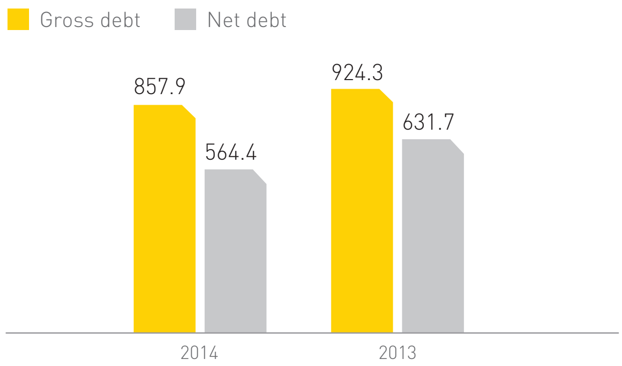


In 2014 financial debt had an average cost of 3.46% (in 2013: 4.22%). The reduction in the average cost of debt is an excellent achievement bearing in mind that Prosegur acquires much of its financing in countries with high financial costs, in accordance with the natural hedging policy, particularly in Brazil, where moreover the Interbank Deposit Rate has increased over the year.

Net financial debt has been Euros 564.4 million at the end of 2014 (in 2013: 631.7 million euros).

Comparison of gross debt and net debt from 2014 and 2013 is shown in this table:

EVOLUTION OF THE GROUP'S FINANCIAL DEBT
Millions of euros



No significant changes are expected in 2015 in regard to the structure of own funds and capital or in regard to the relative cost of capital resources in relation to the financial year ending 31 December 2014.

The following table shows the maturities of the debt set out according to contractual obligations at 31 December 2014:

(millions of Euros)	Less than 1 year	1 to 5 years	More than 5 years	TOTAL
Debentures and other securities	13.8	541.3	0.0	555.0
Syndicated loan	0.0	38.0	0.0	38.0
Loans and borrowings	85.1	135.1	0.5	220.7
Credit accounts	90.9	0.0	0.0	90.9
Finance lease payables	18.7	19.8	2.0	40.5
Other payables	57.3	69.2	0.4	126.8
	265.8	**803.2**	**2.9**	**1,071.9**

In the usual performance of the activity, Prosegur occasionally resorts to operations which are not recorded in the financial statement, usually under the form of an operating lease and mainly with the aim of using high value assets, such as buildings and vehicles. Payment commitments of future leases amount to 90.3 million euros (2013: 73 million euros) which mainly pertain to the contract of the office building in Madrid, operational bases located in Brazil, other business buildings and operational vehicles (Note 29).

Prosegur calculates the leverage ratio as the quotient resulting from the net financial debt and total capital, the latter understood as the sum of the net financial net and net equity. The ratio at 31 December 2014 is of 0.40 (2013: 0.49).

The ratio of net financial debt to equity is 0.65 at 31 December 2014 (in 2013: 0.97).

The ratio of net financial debt to EBITDA was 1.33 in 2014 (in 2013: 1.52). If we consider the market value of own shares at the close of the year as an adjustment of net financial debt and third party debts due to company acquisitions are considered, the ratio over the EBITDA is of 1.34 (2013: 1.30).

3.3. Analysis of contractual obligations and off balance sheet transactions

Note 29 of the Financial Statements included the amounts of future minimum payments arising from operating lease contracts by maturity tranches.

Additionally, as indicated in Note 28 of the Consolidated Financial Statements, Prosegur issues third party guarantees of a commercial and financial nature. The total amount of guarantees issued at 31 December 2014 amounts to 233.1 million euros (2013: 155.6 million euros).

4. Main risks and uncertainties

The Prosegur Risk Management system is mainly based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) system and works together with applied standards in the main clients of financial industry, such as Basel III, and the ISO 31000 standards. The maximum responsibility for risk management falls on the Board of Directors. Among the basic responsibilities of the Audit Committee are to supervise the efficiency of internal control and risk management systems, to verify their suitability and integrity and to review the designation and replacement of the persons responsible.

4.1. Contingent liabilities

The Prosegur risk management cycle is the following:

MONTHLY

Information on exposure to:
- Financial Risk
- Operational and Compliance Risk
- Risk to Reputation

QUARTERLY

Monitoring through Risk Committees:
- Business Risk
- Financial Risk
- Operational and Compliance Risk

SIX-MONTHLY

Information to the Board of Administration:
- Business Risk
- Financial Risk
- Operational and Compliance Risk
- Risk to Reputation

ANNUALLY

- Re-evaluation of the Risk Map
- Review of Strategic Risks

Information
Inform and communicate on different exposure and annually assess the risk situation.

Risk
Identity business risk and foresee risk scenarios, measure and analyse their impact on the institution

Monitoring
Supervise and monitor compliance with policies, norms, procedures, information systems through internal control, measuring if exposure is acceptable. Continuous monitoring at a distance and on the spot.

Control
Propose new policiesor reassess existingpolicies, as well as proposing necessary corrective measures to be implemented, based on cost effectiveness to minimise the risks identified.

Regulatory risk

The main regulatory risks are those related with legislation in regard to Money Laundering, Data Protection, Labour and Compliance with Internal Rules and Code of Conduct.

Prosegur devotes great effort to the management of operational and regulatory compliance risks since their impact on the commitments undertaken with stakeholders and, specifically, with the clients.

Regulatory risks are mitigated by identifying the risk at an operational level, regularly assessing the environment of control and via programmes to monitor the proper operation of controls implemented.

The Corporate Risk Management Department is the area that defines the policies, procedures and tools for their identification and quantification, as well as the proposal of measures to mitigate risk and the ongoing monitoring of any deviation from established tolerance levels, at an operational control level and in regard to regulatory compliance. It applies standard procedures which are common to all countries in the Group.

Likewise, Corporate Security and Risk Management Department carries out an essential role in prevention of money laundering, and is responsible for the internal organisation of the Money Laundering Prevention Unit (of the Spanish, UPBC) in Spain. The Unit is part of the regulations which obliges Prosegur to implement measures to prevent cash transport to be used for money laundering purposes. Prosegur also meets all regulations in force of central banks in this regard.

Operational risks

Operational risks are those related to burglaries and robberies, errors in operations, legal penalties and, as a result thereof, business continuity risk. There are formal programmes and policies that help to control this type of risk.

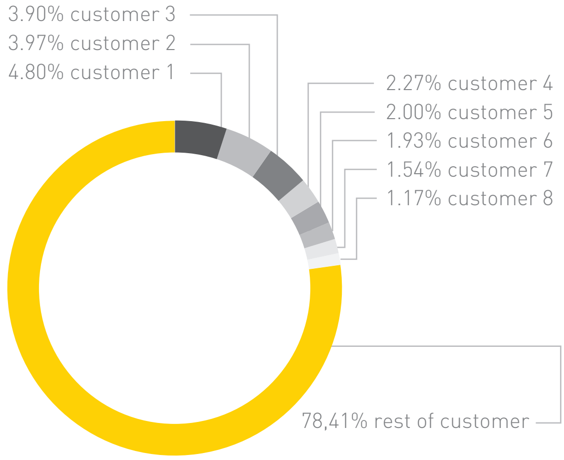
It is worth mentioning the monitoring task carried out by the corporate department of Corporate Security Management and Risk Management over control and monitoring processes of traceability of operations carried out in transport, handling and storage of cash. Furthermore, additional assistance is provided for claims or differences in the management activity, helping to identify best practices and designing procedures to minimise the risk of loss.

Prosegur carries out by over 80 people working in two continental platforms: one for Latin American countries and the other for Europe. The latter also covers services in the Asia-Pacific region, which includes investigation and analysis of purchase processes of other companies in these markets.

Client concentration

Prosegur is not significantly exposed to clients. Note 32 of the Consolidated Financial Statements shows tables of representativity of the main clients over the overall turnover of Prosegur, as shown in the following pie chart:

CREDIT RISK



4.2. Financial risks

Interest rate risk

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

Prosegur analyses its interest rate risk exposure dynamically. In 2014 the majority of Prosegur's financial liabilities at variable interest rates were denominated in Euros, Brazilian Reais and Australian Dollars.

Management performs a simulation of various scenarios, considering refinancing, the renewal of current positions, alternative financing and hedges. On the basis of these scenarios, Prosegur calculates the impact on the result of a given variation of the interest rate. Each simulation uses the same variation in the interest rate. These scenarios are only analysed for the liabilities that represent the most significant positions in which a variable interest rate is paid.

Currency risk

The natural coverage made by Prosegur is based on the capital expenditure required in the industry, which varies by business area, is in line with the operating cash flow generated and it is possible to time the investments made in each country based on operating requirements.

During financial year 2014, Prosegur has maintained a natural hedging policy, holding debts in the currencies of the main countries where Prosegur operates in order to minimise exposure to currency risk in countries such as Australia or Brazil.

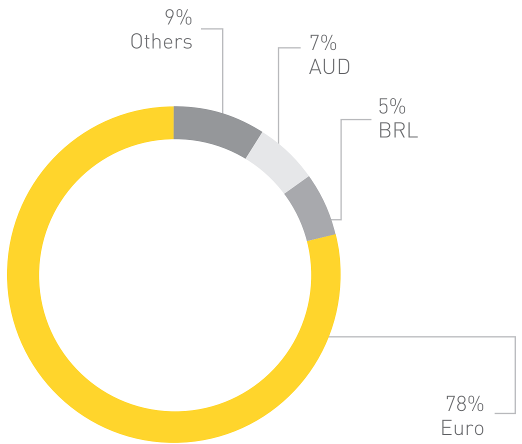
Although Prosegur operates in a large number of countries, its financial debt is concentrated mainly in three currencies: Euro, Brazilian Real and Australian Dollar. Debt is 78% in Euros, 5% in Brazilian Reals and 7% in Australian Dollars and the other 9% of debt is in Prosegur's other currencies.

The variation in the debt structure by currency in regard to the previous year is mainly due to the partial early cancellation in January 2014 of the debenture issued in Brazil in 2012 amounting to 42.6 million euros.

Note 32 of the Consolidated Financial Statements reflects the value of financial assets and liabilities in the various currencies. This same Note contains relevant information on the exchange rate exposure via the rates of the main currencies affecting assets and liabilities.

In graphical form, the financial debt structure of Prosegur distributed by currency at the close of 2014 is as follows:

GROUP'S FINANCIAL DEBT



Credit risk

The Credit and Collection Departments of each of the countries in which Prosegur operates carries out a risk assessment of each client on the basis of the contract data and establishes credit limits and payment terms which are recorded in the Prosegur management systems and periodically updated. Monthly tracking of the credit situation of the clients is carried out, making any value corrections deemed necessary on the basis of clearly established policies.

Note 32 of the Consolidated Financial Statements shows tables of representativity of the main clients over the overall turnover of Prosegur.

As for financial investments and other operations, these are carried out with defined rating entities and financial transaction framework agreements are entered into (CMOF or ISDA). The counterparty risk limits are clearly defined in the corporate policies of the Financial Management Department and updated credit limits and levels are periodically published.

5. Important circumstances after the reporting period

At 31 December 2014 no subsequent events significantly affecting such condensed consolidated financial statements of 2014 have taken place.

6. Information on the foreseeable performance of the entity

The optimistic outlook of Prosegur's organic growth is based on the reinforcement of internal control procedures to guarantee the efficiency of the various business areas. A reorganisation of corporate control policies designed to provide greater control of profitability by business line and greater focus by the countries on organic growth via new products with greater margin. This new level of internal control and optimisation will bring improvements and increase in cash generation in 2015, continuing with the path begun in 2013 and 2014.

On the other hand, during 2015 and the following years. Prosegur plans to bring about strong intensification in the Alarms business.

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

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

Within the countries in the Latam region, it is estimated that the currencies of the main countries still have a way to go in terms of depreciation in 2015. This negative impact already foreseen shall be compensated by the potential development of the region and capacity of Prosegur to gain customer loyalty by offering the best services.

The excellent results obtained in the past by the sales teams in the Latam region in terms of their capacity to pass on price increases to the clients amid an economic context which is undergoing a gradual maturity process, allows us to remain optimistic for 2015.

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

In this regard, the profitability of the Guarding business in the Latam region will continue with the upward trend of 2014 although it will require portfolio optimisation to be carried out similar to that performed in countries in Europe.

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

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

To this end, the business lines of guarding and technology will be strengthened and become more integrated, while adding new security remote monitoring services such as the new Cybersecurity Monitoring Centre which is already operational for clients in several countries, or the new process outsourcing services of banking back office.

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

Asia-Pacific is the doorway to markets with high growth potential and diversification of risks and opportunities.

The recent acquisitions in India and Singapore and the acquisition in 2014 of the second operators in the Australian market in Cash in Transit and cash management are a good example of this.

Prosegur intends to take the utmost advantage to the strong growth prospects of this region for the private security industry. To this end it shall continue to focus on inorganic growth in the area, benefiting from the excellent platform it has built over the last two years and the vast experience it has accumulated in corporate operations. It will seek new opportunities to introduce other business lines and also develop the alarms market.

The excellent refinancing obtained in 2013 and 2014 via the issue of the five year bond and the syndicated loan, mean that Prosegur is in an ideal situation to continue with its inorganic growth process without compromising the level and ratios which measure the level of debt.

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

The company has an excellent growth platform, the financial solvency and the innovative range of products and services to enable it to take on such challenges. And, although the coming years will be more focused on profitability and inorganic growth, it will continue to consolidate its leadership position, gaining market share and strengthening its image as a worldwide company with the most advanced security solutions.

7. R+I+i activities

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

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

Cash in transit and Cash management

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

Integrated Security Solutions

In the area of guarding, the project of location and tracking of persons and valuable assets in enclosed and exterior areas is being developed and involves the design and development of a new model of control and planning for flexibility and optimisation of resources in real time and circumstances, thanks to the application of intelligent location in the Prosegur systems.

Cybersecurity

Prosegur has completed its physical security offering with cybersecurity solutions for all types of organisations. The project has meant opening a SOC (Security Operation Centre) in the main offices in Madrid, and its main mission is to be able to offer companies at a global level the best means for overall management of security and mitigate the risks and threats to information security, as well as to the reputation of clients, by offering 24x7 cybersecurity solutions. Three blocks of services are offered in terms of internal security, logical security and services designed to control security in cyberspace, digital surveillance and cyberintelligence, using a technologically advanced platform and the methodology and procedures of Prosegur, the result of over 35 years in the industry.

Miscellaneous

The aim of the development of the Monitoring Solution service in the security industry is to provide a new advanced system to monitor service indicators and profitability management control variables in real operating conditions. The new system will be transversally applied throughout the organisation enabling assessment of the performance of the organisation as a whole and segmentation by client, region or business area among others.

In addition, a new service has been developed to provide security to shopping malls in bag repositories, entertainment areas where children may be left with no concerns and a vehicle management service that will allow the user to leave the vehicle in a convenient area to be subsequently parked by the personnel in charge.

8. Acquisition/disposal of own shares

At 31 December 2014, company holds 18,756,890 own shares (2013: 43,685,484 shares), representing 3.04% of the Company's share capital (in 2013: 7.08%), and have a value of Euros 53.5 million (in 2013: 125.2 million euros). Part of such shares are to be delivered to the Chief Executive Officer and Senior Managers of Prosegur as part of the incentives plan.

The Incentives plan designed within the framework of the remuneration systems linked to the value of shares of the Prosegur parent company which is currently in force was approved by the General Shareholders' Meeting held on 29 may 2012. The Board of Directors is authorised to acquire own shares up to the amount permitted by law.

In January 2014 the previous incentive plan has been settled, called Incentive Plan of 2011. On the other hand, the maximum number of shares for Plan 2014, whose last delivery is scheduled for financial year 2017, amounts to 4,120,000.

On 10 January 2014 Prosegur proceeded with the sale of a package of 24,882,749 of its own shares, representing 4.032% of the share capital, for a total amount of EUR 123,2 million.

9. Other significant information

9.1 Stock market information

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

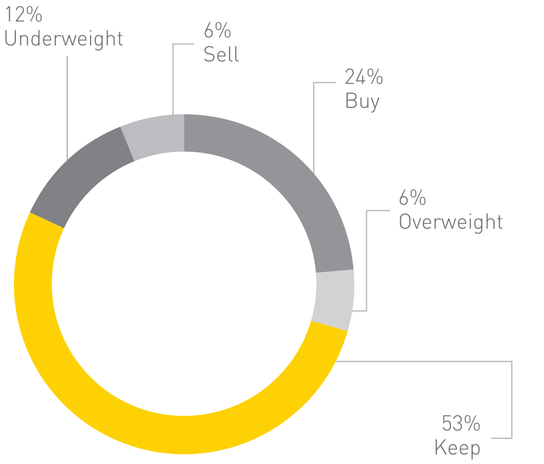
The policy of relationship with shareholders and investors of Prosegur aims to establish a communication that is direct, personal and stable over time. The Company has a close relationship with its shareholders, private and institutional investors and with the main stock analysts, to whom it provides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

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

Analysts coverage

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

ANALYSTS COVERAGE



At 31 December 2014, the price per share closed at 4.72 euros. The listed share price of the Company has dropped by 4.84%.

Main shareholders

The shareholding structure of Prosegur reflects its solidity and stability.

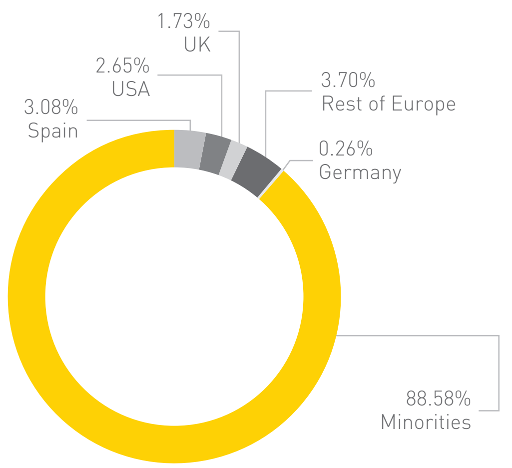
At 31 December 2014, 69.3% of the capital of the Company is in the hands of significant shareholders. The remaining 30.7% was floating capital.

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

Geographical distribution of free float

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

GEOGRAPHICAL DISTRIB FREE FLOAT



9.2 Corporate Governance Annual Report

The Corporate Governance Annual Report of Prosegur for financial year 2014 forms part of the Directors' Report and as of the date of publication of the financial statements is available on the web page of the National Securities Market Commission and the Prosegur website.

This report includes section E, analysing control and risk management systems of the Company; and F, providing details on the risk control and management system in relation with the process of issue of financial information (SCIIF).

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL INFORMATION FOR 2014

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 2014, authorised for issue by the board of directors at the meeting held on 25 February 2015 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 2015

Ms. Helena Irene Revoredo Delvecchio
Chair

Mr. Isidro Fernández Barreiro
Vice-chairman

Mr. Christian Gut Revoredo
Managing Director

Ms. Mirta María Giesso 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 Ruíz
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 2014. Based on this evaluation, the directors believe that existing internal accounting controls provide reasonable assurance that the Company's assets are protected, that transactions are performed in accordance with the authorisations laid down by management, and that the financial records are reliable for the purposes of drawing up the annual accounts.

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

Mr. Antonio Rubio Merino
Chief Financial Officer