

**Earnings Results**

**Year 2005 Grupo Prosegur**

**Madrid, 22 February 2006**



**PROSEGUR**

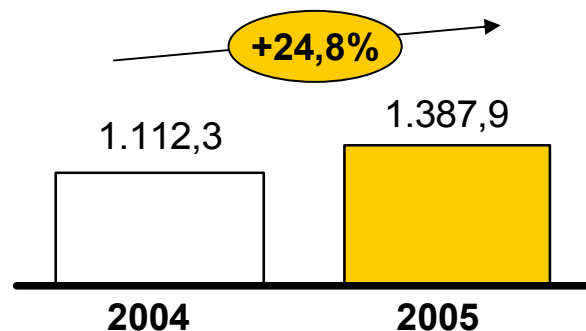
# Executive summary

Euro millions

 Total growth

## Growth

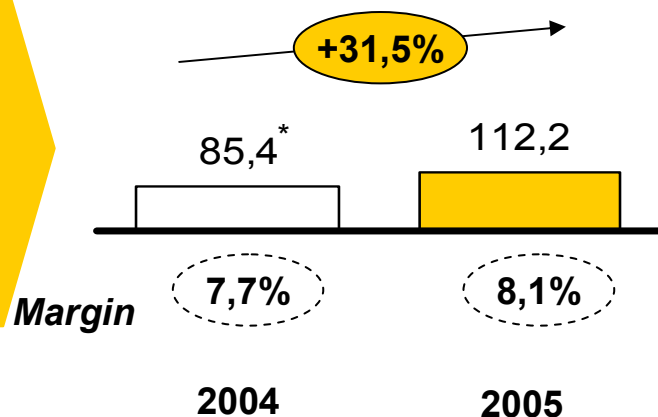
### Sales



- Consolidation of the positive organic growth trend shown during the year: +11,8% (the organic growth during the first 9 months of the year was +9,4%)
- Positive impact of the acquisitions, boosting the company growth

## Profitability

### EBITA



- Growth of operating results in absolute terms
- Taking into account the effect of the accelerated depreciation of the North of France goodwill, the margins went down due to the reasons already mentioned in the 9M Results presentation:
  - Lower margins of the new companies acquired
  - Integration costs, specially in Brazil
  - Change in the business mix (i.e., high growth of the guarding business in LatAm)
  - New corporate image launch
- Stable, and in some cases decreasing, HQ costs

\* Taking into account € 20,2 million from the accelerated depreciation of the North of France goodwill

# Overview of Year 2005 Results



Euro millions				Margins	
	2005	2004	Dif.	2005	2004
<b>Sales</b>	<b>1.387,9</b>	<b>1.112,3</b>	<b>24,8%</b>		
<b>EBITDA</b>	<b>152,6</b>	<b>142,5</b>	<b>7,1%</b>	<b>11,0%</b>	<b>12,8%</b>
Depreciation	-40,4	-57,1			
<b>EBITA</b>	<b>112,2</b>	<b>85,4 *</b>	<b>31,5%</b>	<b>8,1%</b>	<b>7,7%</b>
Financial costs	-16,6	-5,0			
<b>Profit before taxes</b>	<b>95,6</b>	<b>80,4</b>	<b>18,8%</b>	<b>6,9%</b>	<b>7,2%</b>
Taxes	-33,2	-16,4			
<b>Profit from continuing ops.</b>	<b>62,4</b>	<b>64,0</b>	<b>-2,6%</b>	<b>4,5%</b>	<b>5,8%</b>
Results from discontinued ops.	+3,7	-27,3			
<b>Net profit</b>	<b>66,1</b>	<b>36,7</b>	<b>80,0%</b>	<b>4,8%</b>	<b>3,3%</b>
Minority Interest	0	-0,1			
<b>Net Consolidated Profit</b>	<b>66,1</b>	<b>36,6</b>	<b>80,7%</b>	<b>4,8%</b>	<b>3,3%</b>

\* Taking into account € 20,2 million from the accelerated depreciation of the North of France goodwill

# The main keys of the period Year 2005: consolidation of the positive trend which started this year.

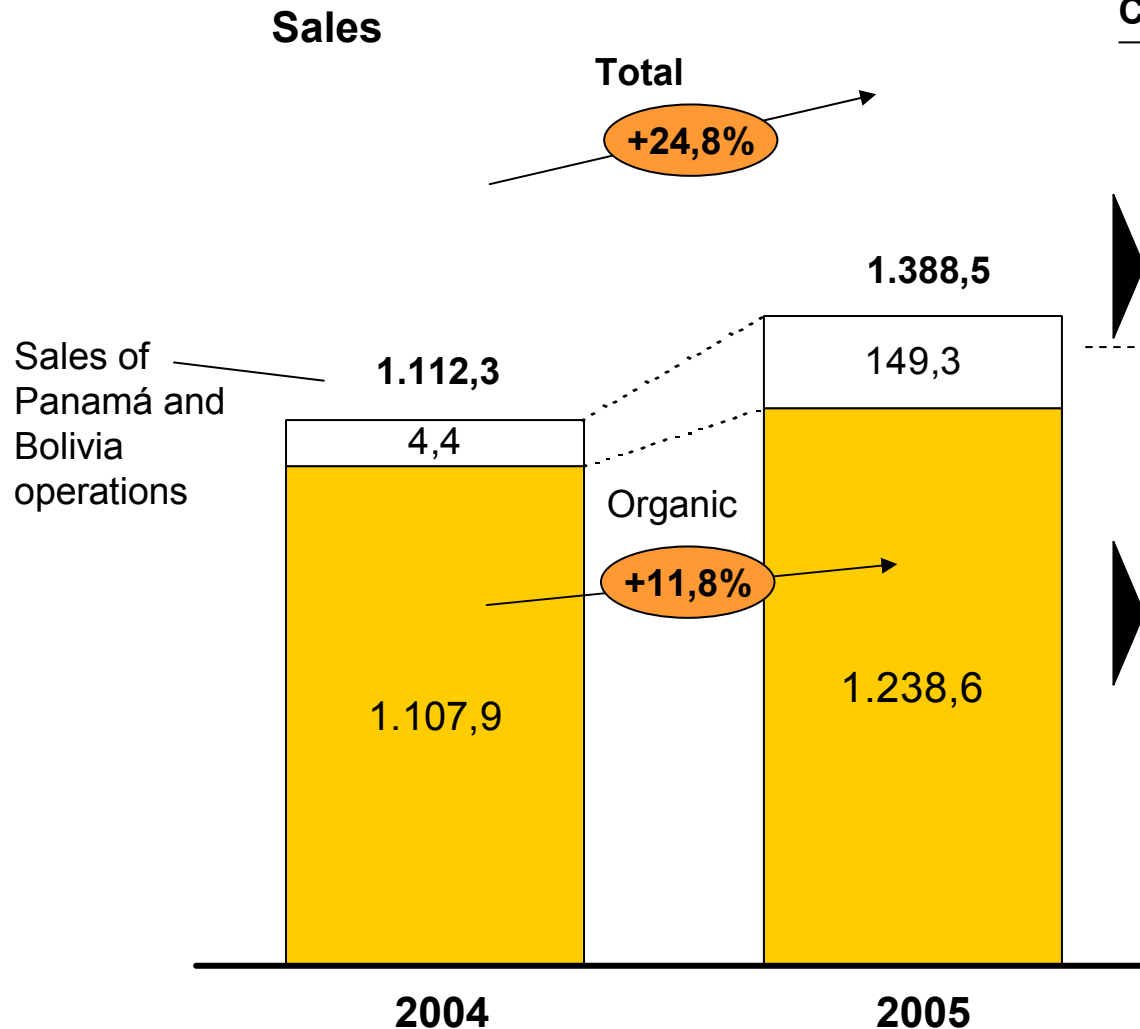


- The Group has ended the Year 2005 with a total revenues of 1.388 million of euros, what implies an increase of 24,8%. This increase is due to both a solid organic growth (+11,8%) and a positive impact of the acquisitions
- By division, Corporate Security has seen strong sales growth close to 26%, of which 11,9% is due to organic growth. Residential Business Security has grown by 7,1% (all organic)
- By geography, Europe has increased its sales by 19%, mainly due to acquisitions in Spain but also to the Spanish and Portuguese growth (+4,5% and +11,9% respectively). Latin America has also experienced strong sales growth at 42%, derived mainly from acquisitions in Brazil, the organic growth of all the countries and the positive impact of the exchange rates
- Both the EBITDA and the EBITA have shown a growth in absolute terms. Taking into account the effect of the accelerated depreciation of the North of France goodwill, the margins have worsened, as they did in the first nine months of the year, due to (i) lower margins of companies acquired, (ii) integration costs (especially in Brazil) (iii) change in the business mix towards guarding and (iv) the new corporate image launch
- The consolidated net profit of the group has increased by almost 81%% reaching a figure of €66,1 million. Net debt for the group has increased to a level of €244 million, due mainly to the acquisitions, the Capex increase (total Capex for 2005 was € 60 million) and the working capital increase derived from the companies acquired

# Overview of growth in sales



Euro millions



## Comments

Incorporation into the accounts of:

- CESS& ESC: 10 months
- Nordés: 8 months
- Preserve: 9 months
- Transpev: 8 months

- Improving the trend of the year (+7,2% in 3M 2005, +7,9% in 6M 2005 and +9,4% in 9M 2005)

# Corporate security services and Residential security services

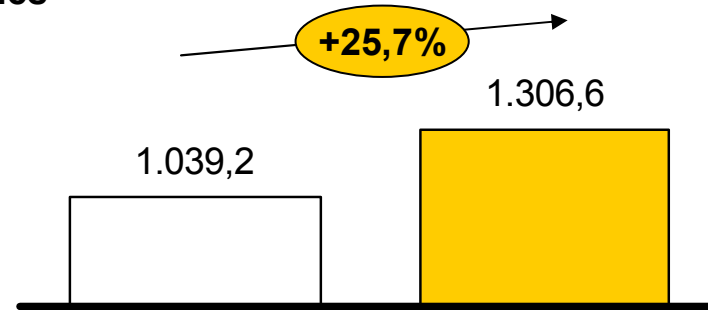


Euro millions

Total growth

Corporate security services

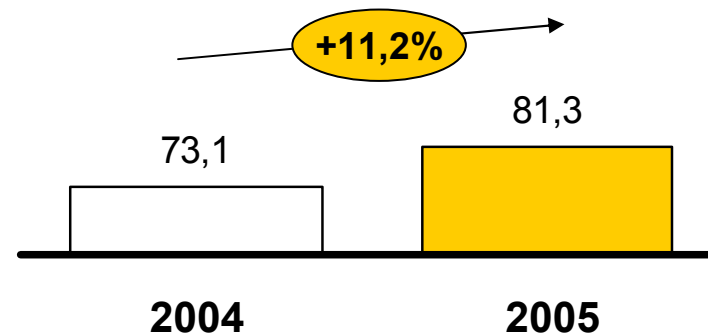
Sales



- High growth, both organic (+11,9%) and inorganic (in 2004 the organic growth was 5,9%)

Residential security services

Sales

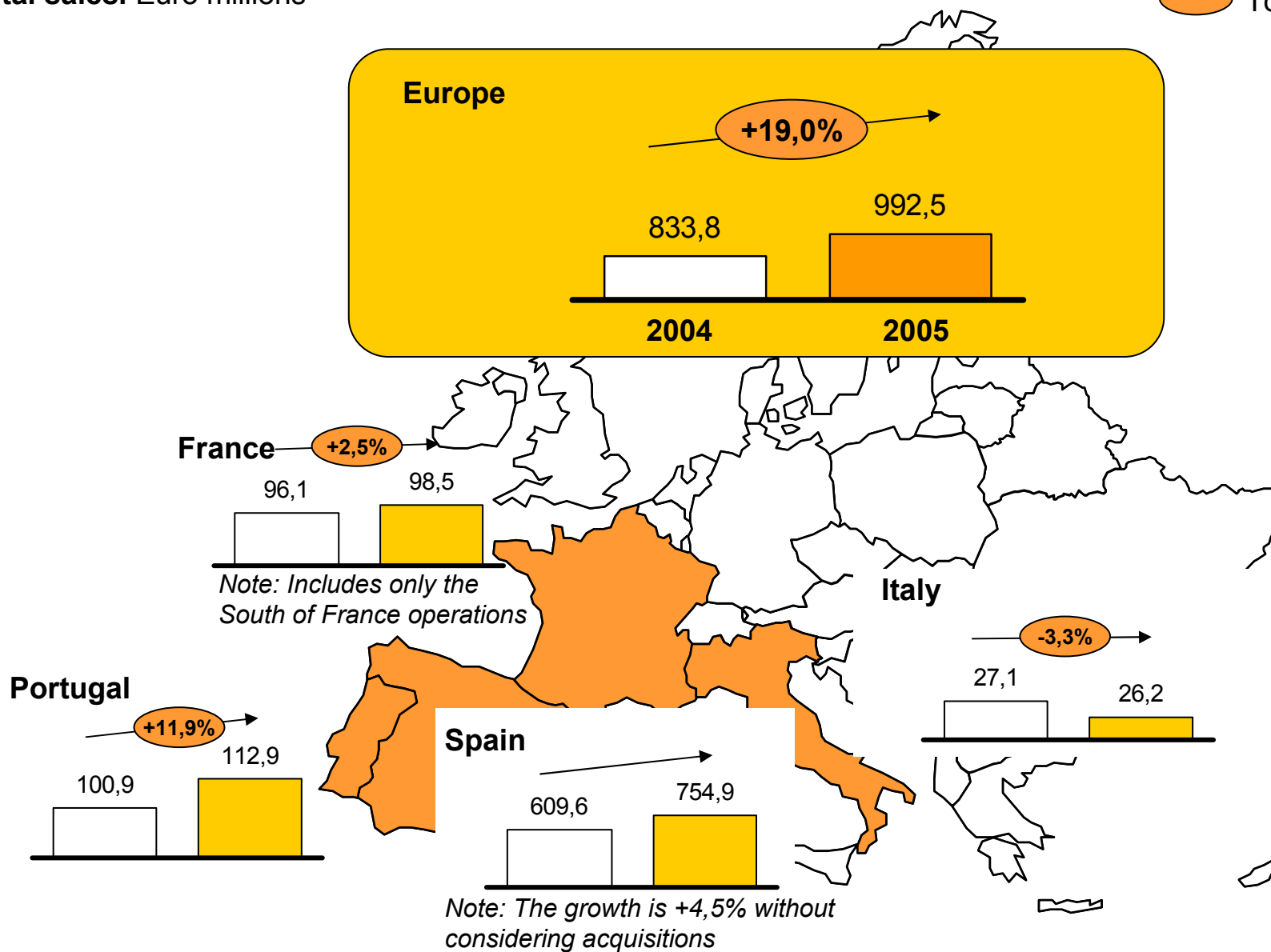


- High growth, all organic (in 2004, the growth was 6,3%)

# Overview of Europe results

Total sales. Euro millions

 Total Growth

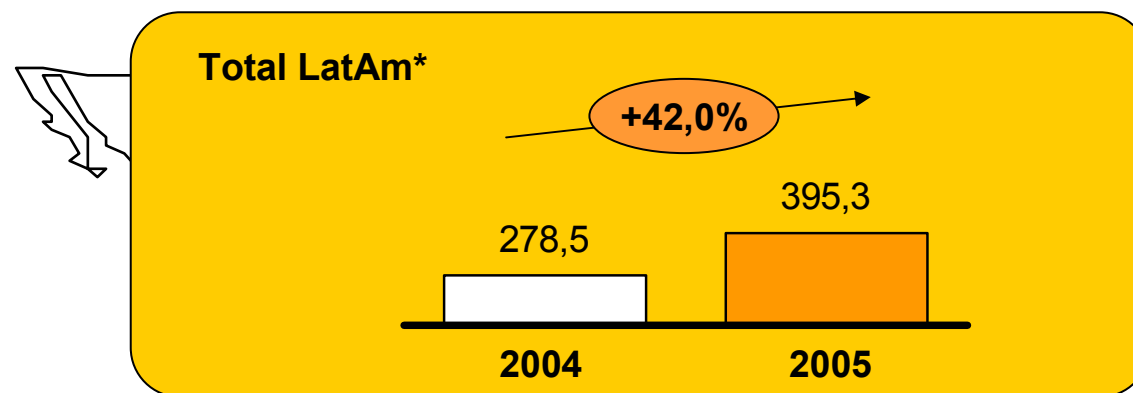


# Overview of Latinoamerica results

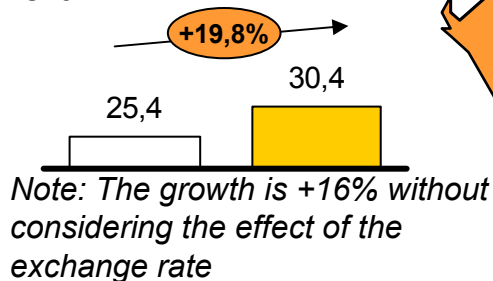


Total sales. Euro millions

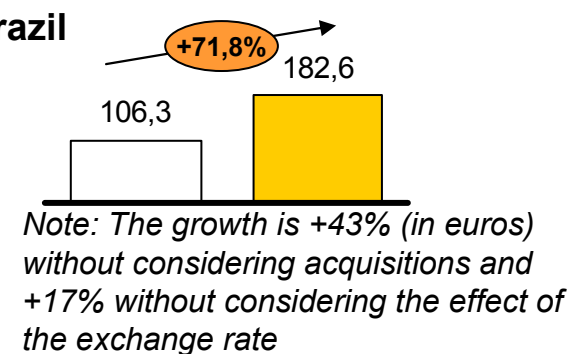
Total Growth



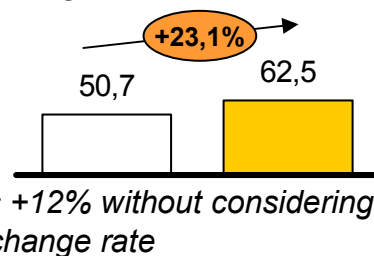
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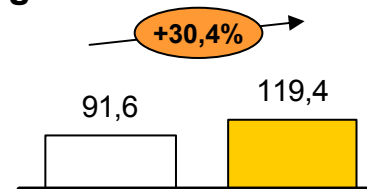
Brazil



Chile



Argentina Area\*\*



\* Includes Bolivia and Panama sales

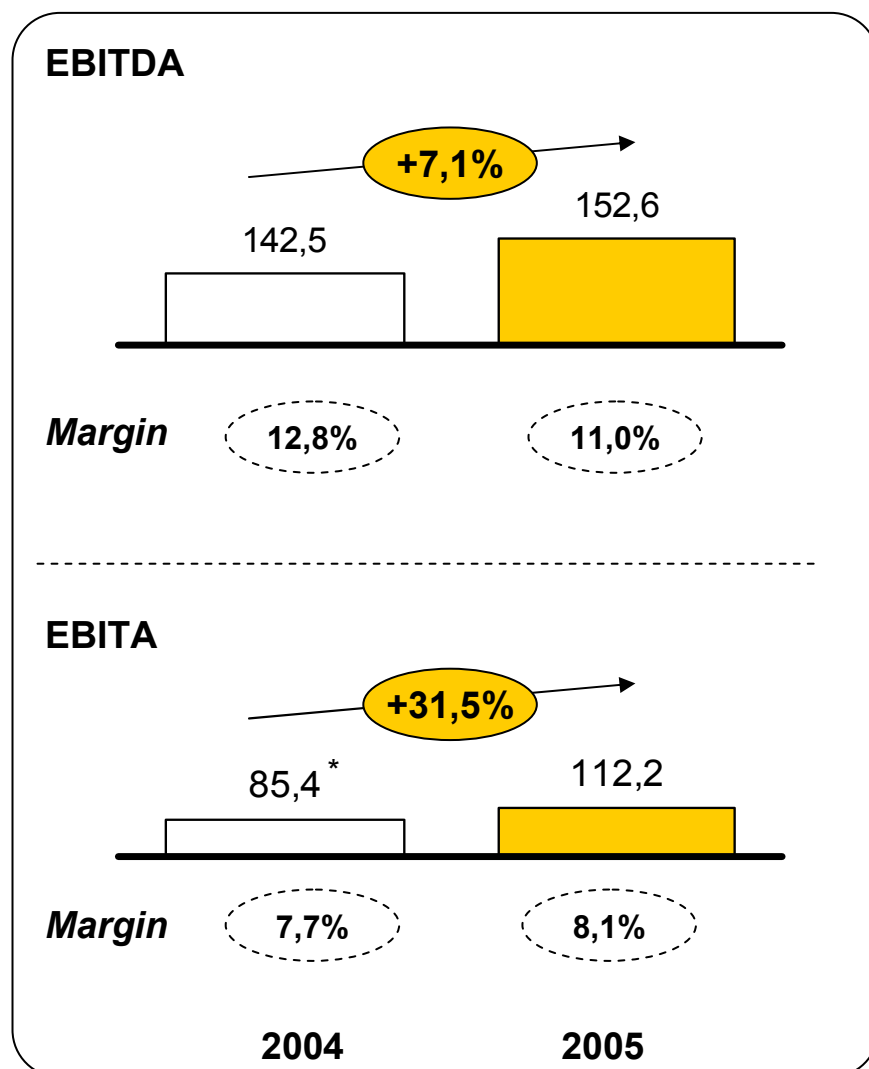
\*\* Argentina, Uruguay y Paraguay



# Overview of business margins

Euro millions

 Total growth



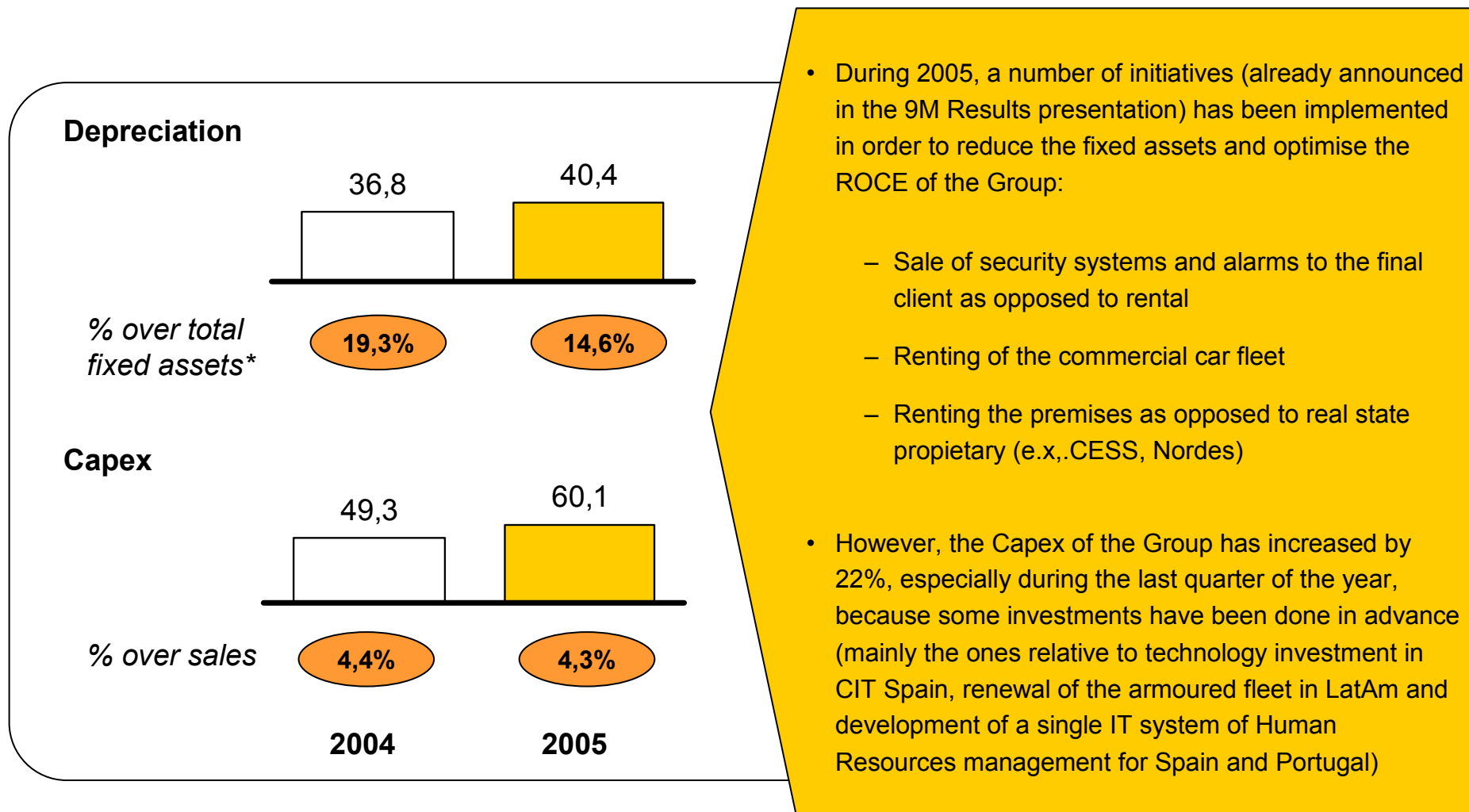
- Growth of operating results in absolute terms, due to both the business organic growth and the acquisitions
- Stable, and in some cases decreasing, HQ costs
- The EBITDA margin and the EBITA margin (taking into account the effect of the accelerated depreciation of the North of France goodwill) went down due to the reasons already mentioned in the 9M Results presentation:

- **Lower margins of the new acquisitions** (mainly CEES- guarding business and low margin acquisitions in Brazil)
- **Integration costs** of new acquisitions (specially in Brazil, with a significant impact in 2005 and a lower impact in 2006)
- **Change in the business mix** towards guarding (i.e., high growth of the guarding business in LatAm)
- **New Corporate image launch** (estimated impact of €~3 million)

\* Taking into account € 20,2 million from the accelerated depreciation of the North of France goodwill

# Overview of balance sheet optimisation policy

Euro millions



- During 2005, a number of initiatives (already announced in the 9M Results presentation) has been implemented in order to reduce the fixed assets and optimise the ROCE of the Group:
  - Sale of security systems and alarms to the final client as opposed to rental
  - Renting of the commercial car fleet
  - Renting the premises as opposed to real state proprietary (e.x., CESS, Nordes)
- However, the Capex of the Group has increased by 22%, especially during the last quarter of the year, because some investments have been done in advance (mainly the ones relative to technology investment in CIT Spain, renewal of the armoured fleet in LatAm and development of a single IT system of Human Resources management for Spain and Portugal)

\* Excluding goodwill

# Net consolidated profit

Euro millions

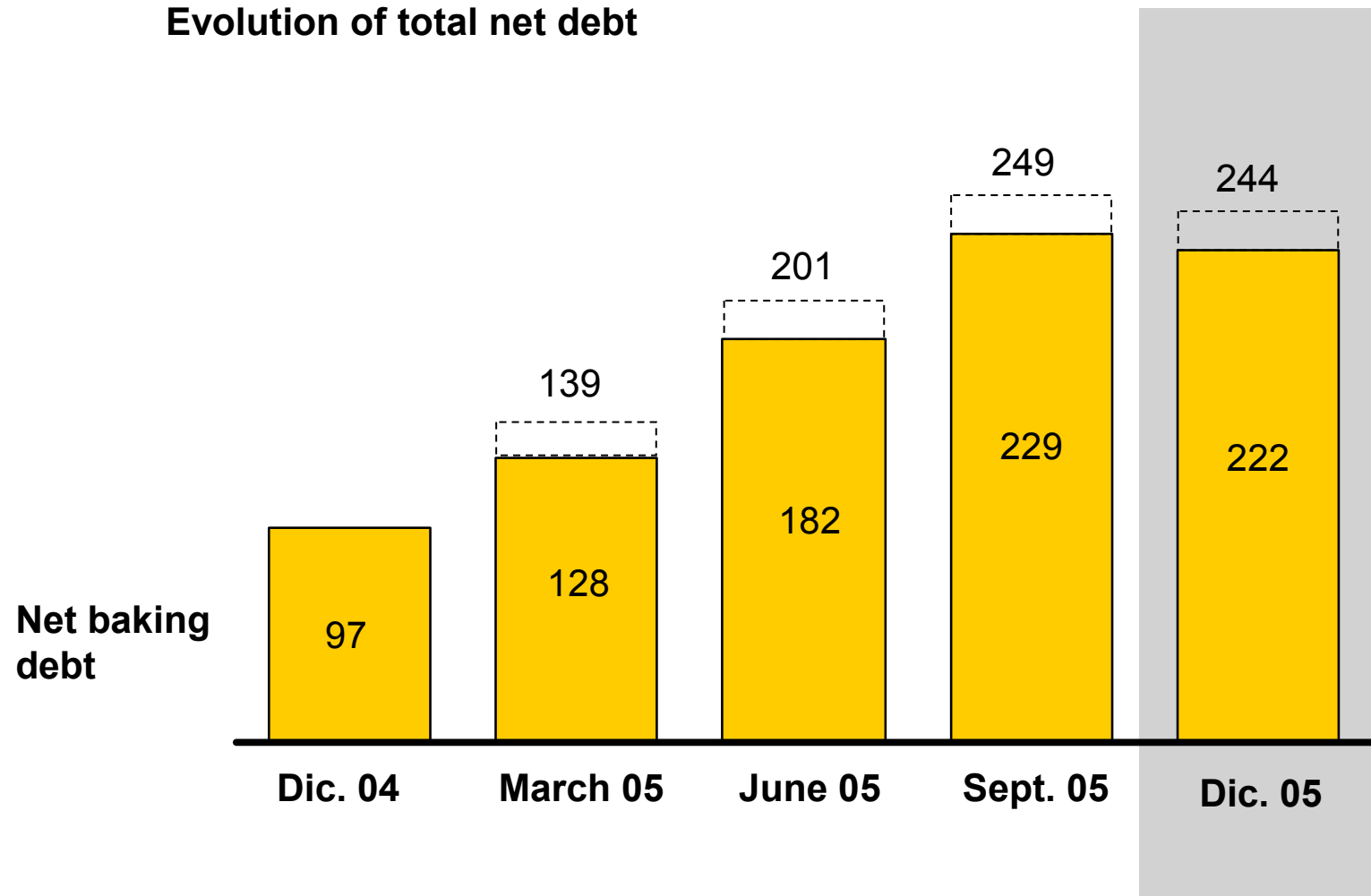
		2004	2005	
<b>Financial costs</b>		-5,0	- 16,6*	<ul style="list-style-type: none"> <li>• Increase because of the Group higher debt level, with greater exposure to Brazil</li> </ul>
	<i>Effective cost of debt (average)</i>	(5,6%)	(5,9%)	
<b>Taxes</b>		- 16,4	- 33,2	<ul style="list-style-type: none"> <li>• Increase in the taxes amount due to the expiration of the tax shield originated by the divestments made by the Group during 2000 and 2001</li> </ul>
	<i>% over net profit before taxes</i>	(20,4%)	(34,7%)	
<b>Results from discontinued operations</b>		-27,3	+ 3,7	<ul style="list-style-type: none"> <li>• The results of Prosegur's Paris operations, affected by the bankruptcy process, are not consolidated in the Group accounts since April 2005. Moreover, the negative results of these operations are eliminated for consolidation purposes, generating a positive effect in the results from discontinued operations, in accordance with the International Accounting Standards, paragraph 21, rule IAS 27</li> </ul>
<b>Net Consolidated Profit</b>		<b>36,6</b>	<b>66,1</b>	<ul style="list-style-type: none"> <li>• <b>80,7 % increase</b></li> </ul>

\* Breakdown: €-5,3 m. by variation of the exchanges rates, €-13,0 m. by interest payments and €+1,4 m. by variations in the market price of the financial coverages

# Evolution of Group debt level

Euro millions

## Evolution of total net debt



- The consolidated financial information for 2005 has been presented in accordance with the International Accounting Standards. The financial information for 2004 has been redefined following these criteria
  
- Incorporation of new acquisitions into the Group accounts:
  - Grupo CEES: from March 3, 2005
  - Grupo Nodés: from May 1, 2005
  - Client portfolio of Preserve: from April 1, 2005
  - Client portfolio of Transpev: from May 1, 2005
  - Dragon Star (consolidation of a 37,5% stake by the equity method): from September 1, 2005
  
- The Group accounts are affected by the presentation of the liquidation process of BAC Sécurité, SEEI y Force Gardiennage, companies bases in the Paris area. The results of these companies are reflected as results of discontinued activities, in accordance with the International Accounting Standards



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