

**PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES**

**INTERIM FINANCIAL STATEMENTS**  
Interim financial statements for Q1 2011



**RESULTS FROM JANUARY - MARCH 2011**

Million Euros			
<b>CONSOLIDATED RESULTS</b>	<b>Q1 2011</b>	<b>Q1 2010</b>	<b>% Var.</b>
<b>Turnover</b>	<b>643.3</b>	<b>592.2</b>	<b>8.6%</b>
<b>EBITDA</b>	<b>84.9</b>	<b>81.3</b>	<b>4.4%</b>
<i>Margin</i>	13.2%	13.7%	
Amortization tangible fixed	(14.2)	(13.6)	
Depreciation of intangibles and other	(4.7)	(4.3)	
Goodwill impairment	-	-	
<b>EBIT</b>	<b>66.1</b>	<b>63.4</b>	<b>4.3%</b>
<i>Margin</i>	10.3%	10.7%	
Financial results	(3.5)	(8.9)	
<b>Profit before taxes</b>	<b>62.6</b>	<b>54.5</b>	<b>14.9%</b>
<i>Margin</i>	9.7%	9.2%	
Taxes	(19.8)	(18.6)	
<b>Net Profit</b>	<b>42.8</b>	<b>35.9</b>	<b>19.1%</b>
Minority Interests	(0.1)	-	
<b>Net consolidated profit</b>	<b>42.9</b>	<b>35.9</b>	<b>19.4%</b>
<i>Margin</i>	6.7%	6.1%	

- Sales rose 8.6% compared to 2010, with organic growth of 7.9 %
- EBIT increased by 4.3% compared to 2010
- Net consolidated profit increased 19.4% compared to 2010
- During this period the Company acquired Prosec Services Pte. Ltd. in Singapore

## **INTERIM FINANCIAL STATEMENTS (JANUARY - MARCH 2011)**

(In € million)

### **1. BUSINESS PERFORMANCE**

The most significant items of the P & L for the period January to March 2011 and 2010 are as follows:

#### **a) Sales**

In the first quarter of 2011 Prosegur sales have reached €643.3 million, a 8.6% increase on the €592.2 million for the same period in 2010. Of total growth, pure organic growth accounted for 5.3%, inorganic growth accounted for 0.7% due to the acquisitions carried out in 2011 and 2010 while foreign exchange effects accounted for 2.6%.

The following changes in Prosegur's scope of consolidation affected revenues:

- Acquisitions carried out in 2010 began to be consolidated after the second quarter of 2010. Revenue reported by these companies in the first quarter of 2011 totalled €3.5 million.
- In the first quarter of 2011, the Company acquired Prosec Services Pte. Ltd. in Singapore, which began to be consolidated in March 2011. Revenue reported by this company in the first quarter of 2011 totalled €0.9 million.

Prosegur's sales are disclosed on a matrix level from two perspectives: geographical and business line.

Two main regions are identified from the geographical perspective:

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

Three main areas are identified with regard to line of business:

- Surveillance
- Value Logistics and Cash Management
- Electronic security (technological security solutions and residential alarms)

The table below reflects the distribution of Prosegur's sales by business line and geographical area:

Million Euros

Sales	Europe-Asia			LatAm			Total Prosegur		
	Q1 2011	Q1 2010	% Var.	Q1 2011	Q1 2010	% Var.	Q1 2011	Q1 2010	% Var.
<b>Surveillance</b>	<b>211.6</b>	<b>214.4</b>	<b>-1.3%</b>	<b>104.8</b>	<b>87.6</b>	<b>19.7%</b>	<b>316.4</b>	<b>301.9</b>	<b>4.8%</b>
<i>% over total</i>	<i>68.1%</i>	<i>68.2%</i>		<i>31.5%</i>	<i>31.5%</i>		<i>49.2%</i>	<i>51.0%</i>	
<b>VLCM</b>	<b>50.2</b>	<b>51.2</b>	<b>-1.9%</b>	<b>200.7</b>	<b>167.8</b>	<b>19.6%</b>	<b>250.8</b>	<b>218.9</b>	<b>14.6%</b>
<i>% over total</i>	<i>16.2%</i>	<i>16.3%</i>		<i>60.3%</i>	<i>60.4%</i>		<i>39.0%</i>	<i>37.0%</i>	
<b>Electronic Security</b>	<b>48.8</b>	<b>48.9</b>	<b>-0.3%</b>	<b>27.4</b>	<b>22.4</b>	<b>22.2%</b>	<b>76.1</b>	<b>71.3</b>	<b>6.7%</b>
<i>% over total</i>	<i>15.7%</i>	<i>15.6%</i>		<i>8.2%</i>	<i>8.1%</i>		<i>11.8%</i>	<i>12.0%</i>	
<b>Total sales</b>	<b>310.5</b>	<b>314.5</b>	<b>-1.2%</b>	<b>332.8</b>	<b>277.7</b>	<b>19.8%</b>	<b>643.3</b>	<b>592.2</b>	<b>8.6%</b>

With regard to the distribution of sales by line of business, in the first quarter of 2011 Surveillance sales amounted to €316.4 million, a 4.8% increase on the year-ago period. The Value Logistics and Cash Management sales increased by 14.6%, amounting to €250.8 million, and electronic security sales stood at €76.1 million with an increase of 6.7%.

With regard to the geographical sales distribution, sales in the Europe-Asia region amounted to €310.5 million, a 1.2% decrease on the year-ago period. Sales in the LatAm region increased by 19.8% and amounted to €332.8 million. The exchange rate effect on the increase of the sales in the region was 5.6%.

## b) EBIT

EBIT for the first quarter of 2011 increased by 4.3% to €66.1 million compared to €63.4 million in the first quarter of 2010. The EBIT margin for the first quarter of 2011 was 10.3%, while the previous year's figure stood at 10.7%.

The change in the EBIT by geographical area is as follows:

Million Euros

EBIT	Europe-Asia			LatAm			Total Prosegur		
	Q1 2011	Q1 2010	% Var.	Q1 2011	Q1 2010	% Var.	Q1 2011	Q1 2010	% Var.
<b>Sales</b>	<b>310.5</b>	<b>314.5</b>	<b>-1.2%</b>	<b>332.8</b>	<b>277.7</b>	<b>19.8%</b>	<b>643.3</b>	<b>592.2</b>	<b>8.6%</b>
<b>EBIT</b>	<b>17.1</b>	<b>22.5</b>	<b>-24.1%</b>	<b>49.0</b>	<b>40.9</b>	<b>19.9%</b>	<b>66.1</b>	<b>63.4</b>	<b>4.3%</b>
<b>Margin</b>	<b>5.5%</b>	<b>7.1%</b>		<b>14.7%</b>	<b>14.7%</b>		<b>10.3%</b>	<b>10.7%</b>	

In the first quarter, by geographical areas, the EBIT in the Europe-Asia region decreased by 24.1%, to €17.1 million, compared to €22.5 million in 2010, mainly due to the difficulties of the economic environment in the region. The EBIT in LatAm increased by 19.9% to €49.0 million in 2011 compared to €40.9 million in 2010.

**c) Financial results**

Prosegur's net financial cost in the first quarter of 2011 amounted to €3.5 million as compared to €89 million in the year-ago period, which represents a decrease of €5.4 million. The main changes in the financial cost are as follows:

- In the first quarter of 2011 net financial cost from interest expense amounted to €4.1 million as compared to €4.3 million in 2010, which represents a decrease of €0.2 million.
- Net financial cost due to exchange rate differences and the measurement of derivatives declined €2.2 million to €0.6 million in the first quarter of 2011, compared to €1.6 million in 2010.
- In the first quarter of 2010, impairment losses totalling €3 million were recognised.

**d) Net profit**

Consolidated net profit for the first quarter of 2011 totalled €42.9 million, a 19.4% increase on the previous year figure in 2010 of €35.9 million.

The tax rate has decreased to 31.7% in the first quarter of 2011 compared to 34.1% in the first quarter of 2010, which represented a decrease of 2.4 percentage points due mainly to the tax optimisation policies undertaken by Prosegur.

## **2. SIGNIFICANT EVENTS AND TRANSACTIONS**

The following significant events and transactions took place in the first quarter of 2011:

### **Acquisition of subsidiaries**

On February 18, 2011 Prosegur acquired Prosec Pte. Ltd. in Singapore, a company specialised in unarmed Surveillance services with annual turnover of around €9.7 million and 700 employees. The total acquisition price was 9.2 million Singapore dollars (equivalent to €5.3 million) and the company began to be consolidated on March 1, 2011.

## **3. CONSOLIDATED FINANCIAL INFORMATION**

The consolidated financial information was prepared in accordance with applicable International Financial Reporting Standards (IFRS) at March 31, 2010. These standards were applied in both 2011 and 2010.

Million Euros		
<b>CONSOLIDATED BALANCE SHEET</b>	<b>03/31/2011</b>	<b>12/31/2010</b>
<b>Non current Assets</b>	<b>958.6</b>	<b>961.3</b>
Tangible fixed assets	355.1	360.7
Goodwill	320.7	318.7
Intangible Assets	147.0	147.9
Non current assets financials	33.9	33.3
Other non current assets	101.9	100.7
<b>Current Assets</b>	<b>1,048.8</b>	<b>1,014.9</b>
Inventories	50.4	42.7
Customers and other receivables	741.0	672.7
Other current assets	0.5	0.5
Derivative financial instruments	-	-
Cash equivalents and other financial assets	256.9	299.0
<b>ASSETS</b>	<b>2,007.4</b>	<b>1,976.2</b>
<b>Net Equity</b>	<b>692.9</b>	<b>666.6</b>
Share capital	37.0	37.0
Treasury share	(45.3)	(40.7)
Accumulated difference and others reserves	701.2	670.3
<b>Non current liabilities</b>	<b>416.3</b>	<b>436.5</b>
Bank borrowings	158.3	174.4
Other financial liabilities	11.1	14.6
Derivative financial instruments	0.6	3.1
Other non current liabilities	246.3	244.4
<b>Current liabilities</b>	<b>898.2</b>	<b>873.1</b>
Bank borrowings	282.4	295.7
Other financial liabilities	58.7	64.7
Derivative financial instruments	-	0.2
Trade and other payables	531.4	487.6
Other liabilities	25.7	24.9
<b>TOTAL NET AND LIABILITIES</b>	<b>2,007.4</b>	<b>1,976.2</b>

The main changes in the consolidated balance sheet at March 31, 2011 compared to 2010 year-end are as follows:

**a) Property, plant and equipment**

Investment in property, plant and equipment in the first quarter of 2011 amounted to €18.7 million.

**b) Goodwill**

The changes in goodwill in the first quarter of 2011 relate to the changes in the scope of consolidation. No impairment losses were recognised for goodwill in the first quarter of 2011.

**c) Equity**

The main changes in equity in the first quarter of 2011 arose under net profit and the reserve due to cumulative translation differences.

**d) Net debt**

Prosegur calculates net debt as the total amount of bank borrowings (current and non-current) plus/minus net derivative financial instruments, less cash and cash equivalents, and less other current financial assets.

Net debt at March 31, 2011 amounted to €184.4 million, €10 million more than at December 31, 2010 (€174.4 million).

At the end of the first quarter of 2011, the ratio of net debt to EBITDA stood at 0.5 and the ratio of net debt to equity stood at 0.3.

At March 31, 2010 liabilities arising from borrowings related mainly to the syndicated loan agreements arranged in 2006 and 2010, amounting to €231.2 million and €150 million, respectively.



Million Euros	
<b>CONSOLIDATED CASH FLOW STATEMENT</b>	<b>03/31/2011</b>
Profit/(loss)	62.6
Adjustments to profit/(loss)	22.3
Tax on profit	(19.8)
Changes in working capital	(18.3)
Interest payments	(4.1)
<b>OPERATING CASH FLOW</b>	<b>42.7</b>
Acquisition of property, plant and equipment	(18.7)
Payments for acquisition of subsidiaries	(9.9)
Dividends payments	(13.7)
Other flow from financing activities	(10.4)
<b>CASH FLOW INVESTMENT/FINANCING</b>	<b>(52.7)</b>
<b>TOTAL NET CASH FLOW</b>	<b>(10.0)</b>
<b>INITIAL NET DEBT (12/31/2010)</b>	<b>(174.4)</b>
(Net increase/(decrease) in cash	(10.0)
<b>FINAL NET DEBT (03/31/2011)</b>	<b>(184.4)</b>