

PROSEGUR COMPAÑIA DE SEGURIDAD, S.A. AND SUBSIDIARIES

**Condensed Interim Consolidated Financial Statements
for the six-month period
ended 30 June 2013**

(Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

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I. CONSOLIDATED INCOME STATEMENT (EXPENSES BY FUNCTION)

(In thousands of Euros)

| | Notes | Six-month period ended 30 June | |
|-------------------------------------------------------------------------------------------------------------------|-------|--------------------------------|----------------|
| | | 2013 | 2012 |
| Sales | 5 | 1,840,471 | 1,753,403 |
| Other operating income | 5 | 8,897 | 2,279 |
| Costs to sell | 6, 8 | (1,410,609) | (1,339,694) |
| Gross profit | | 438,759 | 415,988 |
| Other operating expenses | 6, 8 | (302,150) | (267,553) |
| Other net gains/(losses) | 7 | (10,236) | (10,600) |
| Operating profit (EBIT) | | 126,373 | 137,835 |
| Finance income | 9 | 4,453 | 1,279 |
| Finance expenses | 9 | (36,668) | (31,403) |
| Net financial cost | 9 | (32,215) | (30,124) |
| Share of associates' profit/(loss) | | - | - |
| Profit before income tax | | 94,158 | 107,711 |
| Income tax expense | 20 | (32,283) | (37,744) |
| Post-tax profit from ongoing operations | | 61,875 | 69,967 |
| Profit/(loss) for the period from discontinued operations | | - | - |
| Consolidated profit for the period | | 61,875 | 69,967 |
| Attributable to: | | | |
| Non-controlling interests | | (140) | (344) |
| Owners of the parent | | 62,015 | 70,311 |
| Earnings per share from continuing operations attributable to the owners of the parent (Euros per share) | | | |
| - Basic | 16 | 0.11 | 0.12 |
| - Diluted | 16 | 0.11 | 0.12 |
| Earnings per share from discontinued operations attributable to the owners of the parent (Euros per share) | | | |
| - Basic | | - | - |
| - Diluted | | - | - |

The notes on pages 11 to 48 are an integral part of the condensed interim consolidated financial statements.

II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In thousands of Euros)

| | Six-month period ended 30 June | |
|-----------------------------------------------------------------------|-----------------------------------|---------------|
| | 2013 | 2012 |
| Profit for the period | 61,875 | 69,967 |
| Other comprehensive income: | | |
| Translation differences of financial statements of foreign operations | (60,910) | (20,225) |
| Total comprehensive income for the period, net of tax | 965 | 49,742 |
| Attributable to: | | |
| - Owners of the parent | 943 | 50,100 |
| - Non-controlling interests | 22 | (358) |
| | 965 | 49,742 |

The notes on pages 11 to 48 are an integral part of the condensed interim consolidated financial statements.

III. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(In thousands of Euros)

| | Note | 30 June 2013 | 31 December 2012 |
|--------------------------------------------------------------------------|------|------------------|---------------------|
| ASSETS | | | |
| Property, plant and equipment | 11 | 452,041 | 460,469 |
| Goodwill | 11 | 489,207 | 529,453 |
| Intangible assets | 11 | 351,896 | 361,158 |
| Investments in associates available-for-sale financial assets and others | 12 | 32,657 | 37,335 |
| Deferred tax assets | | 193,004 | 202,102 |
| Non-current assets | | 1,518,805 | 1,590,517 |
| Inventories | 15 | 53,733 | 61,047 |
| Trade and other receivables | | 1,013,162 | 1,064,327 |
| Non-current assets held for sale | | 448 | 448 |
| Other financial assets | 12 | 332 | 5,654 |
| Cash and cash equivalents | 13 | 184,517 | 163,601 |
| Current assets | | 1,252,192 | 1,295,077 |
| Total assets | | 2,770,997 | 2,885,594 |

The notes on pages 11 to 48 are an integral part of the condensed interim consolidated financial statements.

EQUITY AND LIABILITIES

(In thousands of Euros)

| | Note | 30 June 2013 | 31 December 2012 |
|--------------------------------------|------|------------------|---------------------|
| EQUITY | | | |
| Share capital | 16 | 37,027 | 37,027 |
| Share premium | 16 | 25,472 | 25,472 |
| Own shares | 16 | (125,180) | (125,299) |
| Other equity instruments | 16 | 3,793 | 2,659 |
| Accumulated translation differences | | (113,365) | (52,293) |
| Retained earnings and other reserves | | 842,887 | 844,543 |
| | | 670,634 | 732,109 |
| Non-controlling interests | | (287) | (309) |
| Total net equity | | 670,347 | 731,800 |
| LIABILITIES | | | |
| Financial liabilities | 19 | 810,152 | 737,425 |
| Derivative financial instruments | 14 | - | 4,548 |
| Deferred tax liabilities | | 155,938 | 154,413 |
| Non-current provisions | 17 | 181,181 | 195,100 |
| Non-current liabilities | | 1,147,271 | 1,091,486 |
| Trade and other receivables | | 729,602 | 745,265 |
| Financial liabilities | 19 | 192,132 | 295,837 |
| Derivative financial instruments | 14 | 2,778 | - |
| Other liabilities and expenses | | 28,867 | 21,207 |
| Current liabilities | | 953,379 | 1,062,308 |
| Total liabilities | | 2,100,650 | 2,153,794 |
| Total equity and liabilities | | 2,770,997 | 2,885,594 |

The notes on pages 11 to 48 are an integral part of the condensed interim consolidated financial statements.

IV. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2013

(In thousands of Euros)

| | Attributable to shareholders of the Company | | | | | | | | Non-controlling interests | Total net equity |
|--------------------------------------------------------------|---------------------------------------------|---------------|----------------------|------------------------------------|---------------------|-------------------------------------|--------------------------------------|----------------|---------------------------|------------------|
| | Share capital (note 16) | Share premium | Own shares (note 16) | Other equity instruments (note 16) | Revaluation reserve | Accumulated translation differences | Retained earnings and other reserves | Total | | |
| Balance at 1 January 2013 | 37,027 | 25,472 | (125,299) | 2,659 | - | (52,293) | 844,543 | 732,109 | (309) | 731,800 |
| Total comprehensive income for the period ended 30 June 2013 | - | - | - | - | - | (61,072) | 62,015 | 943 | 22 | 965 |
| Accrued share-based incentive commitments | | | | 1,134 | | | | 1,134 | | 1,134 |
| Share-based incentives exercised by employees | | | 119 | | | | 47 | 166 | | 166 |
| Acquisition/sale of own shares | | | | | | | (65,947) | (65,947) | | (65,947) |
| 2012 dividend | | | | | | | 2,229 | 2,229 | | 2,229 |
| Other activities | | | | | | | | | | |
| Balance at 30 June 2013 | 37,027 | 25,472 | (125,180) | 3,793 | - | (113,365) | 842,887 | 670,634 | (287) | 670,347 |

The notes on pages 11 to 48 are an integral part of the condensed interim consolidated financial statements.

FOR THE YEAR ENDED 30 JUNE 2012

(In thousands of Euros)

| | Attributable to shareholders of the Company | | | | | | | | | | Non-controlling interests | Total equity |
|--------------------------------------------------------------|---------------------------------------------|---------------|----------------------|------------------------------------|---------------------|-------------------------------------|--------------------------------------|----------------|----------|----------------|---------------------------|--------------|
| | Share capital (note 16) | Share premium | Own shares (note 16) | Other equity instruments (note 16) | Revaluation reserve | Accumulated translation differences | Retained earnings and other reserves | Total | | | | |
| Balance at 1 January 2012 | 37,027 | 25,472 | (123,175) | 5,781 | - | (4,381) | 729,810 | 670,534 | 367 | 670,901 | | |
| Total comprehensive income for the period ended 30 June 2012 | - | - | - | - | - | (20,211) | 70,311 | 50,100 | (358) | 49,742 | | |
| Accrued share-based incentive commitments | | | | 1,702 | | | | 1,702 | | 1,702 | | |
| Share-based incentives exercised by employees | | | 2,306 | (5,383) | | | 38 | (3,039) | | (3,039) | | |
| Acquisition/sale of own shares | | | (2,949) | | | | 2,900 | (49) | | (49) | | |
| 2011 dividend | | | | | | | (62,947) | (62,947) | | (62,947) | | |
| Balance at 30 June 2012 | 37,027 | 25,472 | (123,818) | 2,100 | - | (24,592) | 740,112 | 656,301 | 9 | 656,310 | | |

The notes on pages 11 to 48 are an integral part of the condensed interim consolidated financial statements.

V. CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of Euros)

| | Six-month period ended 30 June | |
|-------------------------------------------------------------------------|--------------------------------|------------------|
| | 2013 | 2012 |
| Cash flows from operating activities | | |
| Profit/(loss) for the year | 61,875 | 69,967 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation | 61,628 | 48,777 |
| Impairment losses on non-current assets | 912 | 20 |
| Impairment losses on trade receivables | 8,778 | 6,741 |
| Impairment losses on other financial assets | 6,600 | 156 |
| Exchange (gains)/losses | (728) | 3,195 |
| Change in provisions | 12,096 | 10,069 |
| Share-based payment expenses | 1,134 | 1,702 |
| (Gains)/losses on financial assets at fair value through profit or loss | (1,207) | 226 |
| Finance income | (4,453) | (1,279) |
| Finance expenses | 32,003 | 27,822 |
| Proceeds from disposals of fixed assets | 363 | 294 |
| Income tax expense | 32,283 | 37,744 |
| | 211,284 | 205,434 |
| Changes in working capital, excluding the effect of acquisitions | | |
| Inventories | 4,801 | (9,201) |
| Trade and other receivables | (65,340) | (117,605) |
| Trade and other payables | 39,243 | 104,040 |
| Payment of provisions | (13,312) | (11,009) |
| Other current liabilities | 8,384 | (6,165) |
| Cash from operating activities | 185,060 | 165,494 |
| Interest paid | (25,020) | (28,096) |
| Income tax paid | (44,568) | (39,435) |
| Net cash from operating activities | 115,472 | 97,963 |
| Cash flows from investing activities | | |
| Proceeds from the sale of property, plant and equipment | 252 | 3,505 |
| Proceeds from the sale of financial assets | 4,064 | 1,714 |
| Interest and dividend received | 4,453 | 1,274 |
| Acquisition of subsidiaries, net of cash and cash equivalents | - | (62,263) |
| Acquisition of property, plant and equipment | (44,314) | (37,917) |
| Acquisition of intangible assets | (2,684) | (1,971) |
| Acquisition of financial assets | - | (4,423) |
| Net cash from/(used in) investing activities | (38,229) | (100,081) |
| Cash flows from financing activities | | |
| Proceeds from the issue of own shares and equity instruments | - | - |
| Proceeds from loans and borrowings | 20,813 | 208,180 |
| Proceeds from bonds and other marketable securities | 500,000 | - |
| Payments for the redemption of own shares and other equity instruments | - | (2,949) |
| Payments for loans and borrowings | (480,913) | (45,774) |
| Payments for other financial liabilities | (56,734) | (68,370) |
| Dividends paid | (29,244) | (30,250) |
| Net cash from/(used in) financing activities | (46,078) | 60,837 |
| Net increase in cash and cash equivalents | 31,165 | 58,719 |
| Cash and cash equivalents at the beginning of the period | 163,601 | 187,548 |
| Effect of exchange differences | (10,249) | (8,868) |
| Cash and cash equivalents at the end of the period | 184,517 | 237,399 |

The notes on pages 11 to 48 are an integral part of the condensed interim consolidated financial statements.

VI. EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General information

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

Prosegur is organised into three geographical areas:

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

The services provided by the Group are divided into three business lines:

- Security patrol services.
- Cash in Transit (CIT).
- Technology (technological security solutions and home alarm systems).

At 30 June 2013, Prosegur consists of 137 companies: the parent company, Prosegur Compañía de Seguridad, S.A., and 136 subsidiaries. Moreover, Prosegur also holds interests in 11 entities with stakes in three joint ventures and 52 temporary joint ventures.

The Group companies hold ownership interests of less than 20% in the share capital of other undertakings over which they do not exert significant influence.

For the purposes of preparing these condensed interim consolidated financial statements, as in the case of the consolidated annual accounts at 31 December 2012, a group is understood to exist where the parent company has one or more subsidiaries which it controls either directly or indirectly.

Information on changes to the Group's structure during the first half of 2013 is provided in note 3.

Details of the 133 fully consolidated subsidiaries are provided in Appendix I to the notes to the consolidated annual accounts at 31 December 2012.

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Details of the 50 proportionately consolidated joint ventures at 31 December 2012 are provided in Appendix II to the notes to the consolidated annual accounts for the year then ended.

Details of the 11 entities with stakes in three joint ventures proportionately consolidated at 31 December 2012 are provided in Appendix III to the notes to the consolidated annual accounts for the year then ended.

Prosegur Compañía de Seguridad, S.A., the parent company of Prosegur, is a public limited company listed on the Madrid and Barcelona Stock Exchanges and traded via the Spanish Stock-Exchange Interconnection System (electronic trading system) (SIBE). The Company was incorporated in Madrid on 14 May 1976 and is registered with the Madrid Companies Registry and the Private Security Companies Special Registry, which is attached to Spain's Ministry of the Interior.

The registered office of Prosegur Compañía de Seguridad, S.A. is located at Calle Pajaritos, 24, Madrid.

The corporate object of Prosegur Compañía de Seguridad, S.A. is set out in Article 2 of its Articles of Association and detailed in note 1 to the consolidated annual accounts at 31 December 2012.

Prosegur is controlled by Gubel S.L., which was incorporated in Madrid and holds 50.075% of the parent's share capital.

The individual and consolidated annual accounts of Prosegur Compañía de Seguridad, S.A. for 2012 were approved by the shareholders at the AGM held on 29 April 2013.

2. Basis of presentation, estimates and accounting policies

These condensed interim consolidated financial statements of Prosegur for the six-month period ended 30 June 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting.

Pursuant to IAS 34, interim financial reporting is only intended to provide an update on the content of the latest consolidated annual accounts prepared by Prosegur, focusing on new activities, events and circumstances which have occurred in the six-month period ended 30 June 2013, and without repeating the information previously published in the consolidated annual accounts for 2012.

On this basis, and to properly understand the information disclosed in these condensed interim consolidated financial statements, they should be read in conjunction with the consolidated annual accounts of Prosegur for the year ended 31 December 2012, which were prepared in accordance with International Financial Reporting Standards (IFRS), adopted for use in the European Union and approved by the European Commission Regulations currently in force and other applicable financial reporting regulations.

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The estimates included herein are based on the best information available, and are the same as those reflected in the notes to the consolidated annual accounts for 2012.

During the six-month period ended 30 June 2013, there have been no significant changes to the estimates made at the 2012 year end.

Except as detailed in Appendix I, the accounting policies applied in the accompanying condensed interim consolidated financial statements at 30 June 2013 are consistent with those applied in the preparation of the consolidated annual accounts of Prosegur at 31 December 2012, details of which are provided in note 34 thereto.

During the six-month period ended 30 June 2013, an impairment loss has been recognised on the fair value of available-for-sale financial assets, totalling EUR 6,600 thousand.

The income tax expense for the six-month period ended 30 June 2013 has been calculated using the tax rate expected to apply to profit and loss for the year.

3. Changes to the Group's structure

Appendix I to the consolidated annual accounts for the year ended 31 December 2012 includes important information on the consolidated Group companies at that date.

Moreover, in the first half of year 2013, the following companies have been incorporated:

- ✓ On 8 February 2013, the company Prosegur España, S.L. was incorporated in Spain.
- ✓ On 6 March 2013, the company Prosegur Argentina Holding, S.A. was incorporated in Argentina.
- ✓ On 6 March 2013, the company Prosegur Inversora Argentina, S.A. was incorporated in Argentina.

4. Significant events since the 2012 close

In addition to the matters mentioned in note 3 concerning changes to the Group's structure, details of the most important transactions and events that have occurred during the first half of 2013 are as follows.

New acquisition

On 20 February 2013, a contract of sale was entered into for 100% of the shares in Brink's Deutschland GmbH and Brink's Transport & Service GmbH, which are German subsidiaries of The Brink's Company in Germany, through its holding Brink's Beteiligungsgesellschaft GmbH. The latter provides cash in transit services within Germany and has a turnover of approximately EUR 47,000 thousand, employing some 1,000 workers subject to the approval of the Germany competition authority.

Financing activities

In March 2013, the price was successfully fixed for an issue of uncovered bonds with a nominal value of EUR 500,000 thousand, maturing on 2 April 2018. This issue will allow Prosegur to postpone part of its debt (from 2015 to 2018) and to diversify its funding sources (note 19). The bonds, which are traded on the secondary market of the Irish Stock Exchange, bear a coupon rate of 2.75% per annum, payable yearly in arrears.

5. Sales and revenues

Details of sales for the periods ended 30 June 2013 and 2012 are as follows:

| | Thousands of Euros | |
|--------------------|----------------------|------------------|
| | Period ended 30 June | |
| | 2013 | 2012 |
| Goods sold | 19,251 | 34,820 |
| Services rendered | 1,821,220 | 1,718,583 |
| Total sales | 1,840,471 | 1,753,403 |

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Details of other operating income recognised in the income statements for the six-month periods ended 30 June 2013 and 2012 are as follows:

| | Thousands of Euros | |
|-------------------------------|----------------------|--------------|
| | Period ended 30 June | |
| | 2013 | 2012 |
| Changes in work in progress | (584) | (1,092) |
| Self-constructed assets | 7,357 | 2,165 |
| Other operating income | 2,124 | 1,206 |
| Other operating income | 8,897 | 2,279 |

6. Expenses by nature

Details of the main costs of sales and other operating expenses in the income statements for the six-month periods ended 30 June 2013 and 2012, broken down by nature, are as follows:

| | Thousands of Euros | |
|---------------------------------------------------------|----------------------|------------------|
| | Period ended 30 June | |
| | 2013 | 2012 |
| Supplies | 73,787 | 85,941 |
| Employee benefits expense | 1,256,745 | 1,168,835 |
| Other expenses | 320,599 | 303,694 |
| Depreciation and amortisation | 61,628 | 48,777 |
| Total costs to sell and other operating expenses | 1,712,759 | 1,607,247 |

7. Other net gains and losses

Details of other net gains and losses recognised in the income statements for the six-month periods ended 30 June 2013 and 2012 are as follows:

| | Thousands of Euros | |
|---------------------------------------------------------|----------------------|-----------------|
| | Period ended 30 June | |
| | 2013 | 2012 |
| Impairment losses on trade receivables | (7,573) | (7,711) |
| Impairment losses on non-current assets | (912) | (20) |
| Net losses on disposal of property, plant and equipment | (363) | (294) |
| Other net gains/(losses) | (1,388) | (2,575) |
| Total other net gains/(losses) | (10,236) | (10,600) |

8. Employee benefits expense

Details of the employee benefits expense for the six-month periods ended 30 June 2013 and 2012 are as follows:

| | Thousands of Euros | |
|----------------------------------------|----------------------|------------------|
| | Period ended 30 June | |
| | 2013 | 2012 |
| Salaries and wages | 962,297 | 906,536 |
| Compensation | 20,396 | 13,378 |
| Social Security | 250,571 | 231,696 |
| Other employee benefits expenses | 23,481 | 17,225 |
| Total employee benefits expense | 1,256,745 | 1,168,835 |

As explained in note 17 a), as a result of a ruling by the Spanish Supreme Court on overtime costs, in the first half of 2013, Prosegur has reversed a surplus provision recognised in prior years by taking EUR 10,600 thousand to income under salaries and wages. No expense has been recognised in relation to this matter. At 30 June 2012, credits of EUR 5,000 thousand had been recognised in the income statement.

As mentioned in note 34.17 to the consolidated annual accounts for the year ended 31 December 2012, at the AGM held on 27 June 2008, the shareholders approved the 2011 Plan relative to long-term incentives for executive directors and management of Prosegur. The 2011 Plan provides for the payment of Company share incentives to executive directors, and Company shares and cash to Prosegur management.

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

The 2014 Plan has duration of five years and is based on length of service and target achievement. The Plan period runs from 1 January 2012 to 31 December 2014.

Salaries and wages recognised in the first half of 2013 include an expense of EUR 1,941 thousand in relation to the 2011 and 2014 Plans, EUR 807 thousand of which are cash incentives and EUR 1,134 thousand are shares.

9. Net financial costs

Details of net financial costs for the six-month periods ended 30 June 2013 and 2012 are as follows:

| | Thousands of Euros | |
|-----------------------------------------------------------|----------------------|-----------------|
| | Period ended 30 June | |
| | 2013 | 2012 |
| Interest expenses | (22,129) | (18,593) |
| Interest received | 315 | 1,279 |
| Dividend income | 4,138 | - |
| Net gains/(losses) on transactions in foreign currency | 728 | (3,195) |
| Finance expenses on finance leases | (754) | (544) |
| (Losses)/gains on the fair value of financial instruments | 1,207 | (226) |
| Other losses on derivative transactions | (1,102) | (498) |
| Impairment losses on interests in equity instruments | (6,600) | (156) |
| Other net finance income and expenses | (8,018) | (8,191) |
| Total net financial cost | (32,215) | (30,124) |

In the first half of 2013, an impairment loss has been recognised on the fair value of available-for-sale financial assets totalling EUR 6,600 thousand (note 12).

10. Segment reporting

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

On this basis, since the year 2012, the Executive Committee has analysed the business at parent company level on two fronts: geographical region and activity. In terms of geographical region, three main segments are identified, Europe, Asia and Latin America (Latam), which, in turn, contain the segments of activity identified as Security patrol services, Cash in transit (CIT) and Technology.

The Executive Committee uses earnings before interest and tax (EBIT) to assess segment performance, since this indicator is considered to best reflect the results of the Group's different activities.

Total assets allocated to segments do not include non-current financial assets, derivative financial assets, other current financial assets or cash and cash equivalents.

Total liabilities allocated to segments do not include loans and borrowings (except for finance lease payables) or derivative financial liabilities.

Details of sales by segment for the six-month periods ended 30 June 2013 and 2012 are as follows:

| | Thousands of Euros | | | | | | | |
|--------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Europe | | Asia | | Latam | | Total Prosegur | |
| | at 30 June 2013 | at 30 June 2012 | at 30 June 2013 | at 30 June 2012 | at 30 June 2013 | at 30 June 2012 | at 30 June 2013 | at 30 June 2012 |
| Security patrol services | 414,791 | 439,074 | 14,261 | 9,629 | 422,087 | 358,499 | 851,139 | 807,202 |
| % of total | 59% | 61% | 83% | 92% | 38% | 35% | 46% | 46% |
| Cash in Transit | 186,543 | 182,936 | 2,912 | 1,500 | 592,251 | 568,208 | 781,706 | 752,644 |
| % of total | 26% | 25% | 17% | 8% | 53% | 56% | 42% | 43% |
| Technology | 106,744 | 99,465 | - | - | 100,882 | 94,092 | 207,626 | 193,557 |
| % of total | 15% | 14% | - | - | 9% | 9% | 11% | 11% |
| Total sales | 708,078 | 721,475 | 17,173 | 11,129 | 1,115,220 | 1,020,799 | 1,840,471 | 1,753,403 |

Details of EBIT by segment for the six-month periods ended 30 June 2013 and 2012 are as follows:

| | Thousands of Euros | | | | | | | |
|-----------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Europe | | Asia | | Latam | | Total Prosegur | |
| | at 30 June 2013 | at 30 June 2012 | at 30 June 2013 | at 30 June 2012 | at 30 June 2013 | at 30 June 2012 | at 30 June 2013 | at 30 June 2012 |
| Sales to external customers | 708,078 | 721,475 | 17,173 | 11,129 | 1,115,220 | 1,020,799 | 1,840,471 | 1,753,403 |
| Other net expenses | 670,607 | 693,174 | 16,308 | 10,170 | 964,644 | 863,427 | 1,651,559 | 1,566,771 |
| EBITDA | 37,471 | 28,301 | 865 | 959 | 150,576 | 157,372 | 188,912 | 186,632 |
| Depreciation and amortisation | 20,578 | 17,747 | 714 | 465 | 40,335 | 30,565 | 61,628 | 48,777 |
| Impairment losses on non-current assets | 809 | - | - | - | 103 | 20 | 912 | 20 |
| Operating profit (EBIT) | 16,084 | 10,554 | 151 | 494 | 110,138 | 126,787 | 126,373 | 137,835 |

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES

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

| | Thousands of Euros | |
|-----------------------------------------------------------------------|--------------------|-----------------|
| | at 30 June 2013 | at 30 June 2012 |
| EBIT allocated to segments | 126,373 | 137,835 |
| Net financial cost | (32,215) | (30,124) |
| Profit before income tax | 94,158 | 107,711 |
| Income tax expense | (32,283) | (37,744) |
| Post-tax profit from ongoing operations | 61,875 | 69,967 |
| Non-controlling interests | (140) | (344) |
| Profit for the period attributable to the owners of the parent | 62,015 | 70,311 |

Details of assets at 30 June 2013 and 31 December 2012 are as follows:

| | Europe | | Asia | | Latam | | Not allocated to segments | | Thousands of Euros Total Prosegur | |
|--------------------------------------|-------------------------------------|---------------------|-----------------|---------------------|------------------|---------------------|---------------------------|---------------------|--------------------------------------|---------------------|
| | at 30 June 2013 | at 31 December 2012 | at 30 June 2013 | at 31 December 2012 | at 30 June 2013 | at 31 December 2012 | at 30 June 2013 | at 31 December 2012 | at 30 June 2013 | at 31 December 2012 |
| | Assets allocated to segments | 803,510 | 785,531 | 29,737 | 27,728 | 1,720,244 | 1,865,745 | - | - | 2,553,491 |
| Other unallocated assets | - | - | - | - | - | - | 217,506 | 206,590 | 217,506 | 206,590 |
| - Other non-current financial assets | - | - | - | - | - | - | 32,657 | 37,335 | 32,657 | 37,335 |
| - Other current financial assets | - | - | - | - | - | - | 332 | 5,654 | 332 | 5,654 |
| - Cash and cash equivalents | - | - | - | - | - | - | 184,517 | 163,001 | 184,517 | 163,001 |
| Total assets | 803,510 | 785,531 | 29,737 | 27,728 | 1,720,244 | 1,865,745 | 217,506 | 206,590 | 2,770,997 | 2,885,594 |

Details of liabilities at 30 June 2013 and 31 December 2012 are as follows:

| | Europe | | Asia | | Latam | | Not allocated to segments | | Thousands of Euros Total Prosegur | |
|--------------------------------------|------------------------------------------|---------------------|-----------------|---------------------|-----------------|---------------------|---------------------------|---------------------|--------------------------------------|---------------------|
| | at 30 June 2013 | at 31 December 2012 | at 30 June 2013 | at 31 December 2012 | at 30 June 2013 | at 31 December 2012 | at 30 June 2013 | at 31 December 2012 | at 30 June 2013 | at 31 December 2012 |
| | Liabilities allocated to segments | 455,210 | 433,408 | 10,825 | 9,587 | 813,817 | 920,041 | - | - | 1,279,052 |
| Other unallocated liabilities | - | - | - | - | - | - | 820,788 | 780,758 | 820,788 | 780,758 |
| - Other loans and borrowings | - | - | - | - | - | - | 818,020 | 786,210 | 818,020 | 786,210 |
| - Derivative financial instruments | - | - | - | - | - | - | 2,778 | 4,548 | 2,778 | 4,548 |
| Total liabilities | 455,210 | 433,408 | 10,825 | 9,587 | 813,817 | 920,041 | 820,788 | 780,758 | 2,100,650 | 2,153,794 |

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES

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

| | Thousands of Euros | | | |
|--------------------------------------------------|--------------------|--------------------|------------------------------------------|------------------------|
| | Sales | | Non-current assets allocated to segments | |
| | at 30 June 2013 | at 30 June 2012 | at 30 June 2013 | at 31 December 2012 |
| Country in which the parent is domiciled (Spain) | 447,356 | 473,261 | 269,943 | 277,964 |
| Brazil | 538,016 | 498,676 | 471,374 | 572,130 |
| Argentina | 300,839 | 260,997 | 137,123 | 74,982 |
| Other countries | 554,261 | 520,469 | 414,704 | 426,004 |
| Total | 1,840,471 | 1,753,403 | 1,293,144 | 1,351,080 |

11. Property, plant and equipment, goodwill and other intangible assets

11.1. Property, plant and equipment

Details of property, plant and equipment activity during the six-month periods ended 30 June 2013 and 2012 are as follows:

| | Thousands of Euros | |
|--------------------------------------------|----------------------|-----------|
| | Period ended 30 June | |
| | 2013 | 2012 |
| <u>Cost</u> | | |
| Opening balance | 907,232 | 800,352 |
| Additions | 44,314 | 37,917 |
| Business combinations | - | 70,358 |
| Disposals | (8,033) | (6,633) |
| Translation differences | (36,960) | (6,906) |
| Closing balance | 906,553 | 895,088 |
| <u>Accumulated amortisation</u> | | |
| Opening balance | (446,763) | (394,380) |
| Business combinations | - | (37,036) |
| Disposals | 7,893 | 4,255 |
| Provisions charged to the income statement | (34,543) | (32,811) |
| Other activities | - | |
| Translation differences | 19,619 | 3,081 |
| Closing balance | (453,794) | (456,891) |
| <u>Impairment losses</u> | | |
| Opening balance | - | (2) |
| Disposals | - | 22 |
| Provisions charged to the income statement | (883) | (20) |
| Translation differences | 165 | 5 |
| Closing balance | (718) | 5 |
| <u>Net assets</u> | | |
| Opening balance | 460,469 | 405,970 |
| Closing balance | 452,041 | 438,202 |

During the first half of 2013, Prosegur invested EUR 44,314 thousand in property, plant and equipment (EUR 37,917 thousand at 30 June 2012). These investments are primarily additions to property, plant and equipment under construction, reflecting fitting-out work on bases and armoured vehicles in Argentina, Peru and Brazil.

Goodwill

Details of goodwill activity during the six-month period ended 30 June 2013 are as follows:

| | <u>Thousands of Euros</u> |
|--------------------------------------------|---------------------------|
| Carrying amount at 31 December 2012 | 529,453 |
| Incorporations to the consolidated group | - |
| Additions | 658 |
| Disposals | (26,234) |
| Translation differences | (14,670) |
| Carrying amount at 30 June 2013 | 489,207 |

Disposals reflect adjustments to the value of the following goodwill:

| | <u>Thousands of Euros</u> |
|--------------------------------------------------------------|---------------------------|
| Adjustments on allocation of value to acquired assets | |
| Segura Group (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) |
| SIS Cash Services Private Ltd (India) | (2,513) |
| Imperial Dragon Security Ltd (China) | (4,755) |
| | <u>(26,234)</u> |

These adjustments have arisen as a result of verification of the fair values allocated to these business combinations (note 22).

The 2012 figures have not been restated as these adjustments are not considered to be significant.

At 30 June 2013, there are no indications that the goodwill recognised may be impaired.

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES

Details of goodwill activity during the six-month period ended 30 June 2012 are as follows:

| | <u>Thousands of Euros</u> |
|--------------------------------------------|---------------------------|
| Carrying amount at 31 December 2011 | 405,914 |
| Incorporations to the consolidated group | 349,839 |
| Additions | - |
| Disposals | (37,658) |
| Translation differences | (25,295) |
| Carrying amount at 30 June 2012 | 692,800 |

Additions to goodwill were generated on the following business combinations in the same period:

| | <u>Country</u> | <u>% ownership</u> | <u>Thousands of Euros</u> |
|--------------------------------------------------------|----------------|--------------------|---------------------------|
| <u>Incorporations to the consolidated group</u> | | | |
| Segura Group | Uruguay | 100% | 10,105 |
| Nordeste Segurança and Transbank Group | Brazil | 100% | 297,080 |
| T.C. Interplata, S.A. | Argentina | 100% | 9,602 |
| Servin Seguridad, S.A. | Argentina | 100% | 15,900 |
| Roytronic, S.A. | Uruguay | 100% | 4,171 |
| GRP Group | France | 100% | 12,981 |
| | | | <u>349,839</u> |

Disposals reflect adjustments to the value of the following goodwill:

| | <u>Thousands of Euros</u> |
|--------------------------------------------------------------|---------------------------|
| Adjustments on allocation of value to acquired assets | |
| Distribuidora Federal, S.A.C. (Peru) | (1,610) |
| Seguridad Vigilada Group (Spain) | (952) |
| Inversiones BIV, S.A. and subsidiary (Colombia) | (4,891) |
| Vimarco Servicios Generales (Colombia) | (144) |
| Prover Electrónica, Ltda. (Brazil) | (1,006) |
| Sazias, S.A. (France) | (4,109) |
| Integra Group (Colombia) | (5,889) |
| Fiel Vigilancia e Transp. Valores (Brazil) | (18,632) |
| Securlog GMBH (Germany) | (425) |
| | <u>(37,658)</u> |

11.2. Other intangible assets

Details of intangible assets activity during the six-month periods ended 30 June 2013 and 2012 are as follows:

| | Thousands of Euros | |
|--------------------------------------------|----------------------|-----------|
| | Period ended 30 June | |
| | 2013 | 2012 |
| <u>Cost</u> | | |
| Opening balance | 522,717 | 266,739 |
| Additions | 2,684 | 1,971 |
| Business combinations | 38,570 | 42,714 |
| Disposals | (699) | (1,486) |
| Translation differences | (26,484) | 1,345 |
| Closing balance | 536,788 | 311,283 |
| <u>Accumulated amortisation</u> | | |
| Opening balance | (161,559) | (119,538) |
| Business combinations | - | (616) |
| Disposals | 224 | 65 |
| Provisions charged to the income statement | (27,085) | (15,966) |
| Other activities | - | - |
| Translation differences | 3,557 | (1,687) |
| Closing balance | (184,863) | (137,742) |
| <u>Impairment losses</u> | | |
| Opening balance | - | - |
| Disposals | - | - |
| Provisions charged to the income statement | (29) | - |
| Translation differences | - | - |
| Closing balance | (29) | - |
| <u>Net assets</u> | | |
| Opening balance | 361,158 | 147,201 |
| Closing balance | 351,896 | 173,541 |

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Additions for the first half of 2013 include intangible assets allocated on measurement of the following business combinations:

| | <u>Thousands of Euros</u> |
|---------------------------------------|---------------------------|
| Segura Group (Uruguay) | 6,348 |
| T.C. Interplata, S.A. (Argentina) | 4,220 |
| Servin Seguridad, S.A. (Argentina) | 9,309 |
| Roytronic, S.A. (Uruguay) | 1,786 |
| GRP Group (France) | 6,849 |
| SIS Cash Services Private Ltd (India) | 3,720 |
| Imperial Dragon Security Ltd (China) | 6,338 |
| | <u><u>38,570</u></u> |

12. Financial assets

Details of available-for-sale financial assets and other non-current financial assets at 30 June 2013 and 31 December 2012 are as follows:

| | <u>Thousands of Euros</u> | |
|-------------------------------------------|---------------------------|----------------------|
| | <u>30/06/2013</u> | <u>31/12/2012</u> |
| Available-for-sale financial assets | 32,223 | 36,857 |
| Other non-current financial assets | 434 | 478 |
| Total non-current financial assets | <u>32,657</u> | <u>37,335</u> |
| Other current financial assets | <u>332</u> | <u>5,654</u> |

a) Available-for-sale financial assets

The most significant component of this item at 30 June 2013 is the 19% ownership interest in the share capital of the investment vehicle Capitolotre, S.P.A., which the Company acquired on 18 December 2007, as described in note 14 to the consolidated annual accounts of Prosegur at 31 December 2012. During the first half of 2013, no purchases, sales, issues or settlements have been made in relation to Prosegur's ownership interest in Capitolotre, S.P.A.

The investment in Capitolotre, S.P.A. has been classified as a level three fair value measurement. As mentioned in the consolidated annual accounts for 2012, the valuation techniques used by Prosegur to estimate the fair value of this investment were based on forecasts set out in the investee's financial budgets.

At 30 June 2013, Prosegur updated the estimated fair value of this investment using the same valuation techniques as applied at 31 December 2012. It concluded that there is objective evidence that the investment is impaired, and the impairment is estimated to be EUR 6,600 thousand (note 9).

b) Other non-current financial assets

This item includes a EUR 434 thousand investment in fixed-income securities which mature on 30 November 2017.

13. Cash and cash equivalents

Details of cash and cash equivalents at 30 June 2013 and 2012 are as follows:

| | Thousands of Euros | |
|---------------------------|---------------------------|-------------------|
| | 30/06/2013 | 31/12/2012 |
| Cash in hand and at banks | 144,484 | 133,090 |
| Current bank deposits | 40,033 | 30,511 |
| | 184,517 | 163,601 |

The effective interest rate on current bank deposits is 5.08% (8.26% at 31 December 2012) and the average term of deposits held in the first half of 2013 is 41 days (38 days at 31 December 2012).

14. Derivative financial instruments

At the close of the first half of 2013, Prosegur used a derivative financial instrument to hedge interest rates, as set out in the risk management policy described in note 35.1 to the consolidated annual accounts for the year ended 31 December 2012.

No derivative financial assets have been contracted by Prosegur at 30 June 2013 or 31 December 2012.

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES

Details of derivative liabilities at 30 June 2013 and 31 December 2012, including fair values, notional amounts and maturities, are as follows:

| Characteristics | Thousands of Euros | | |
|--------------------|----------------------------|----------------------------|------------------------------------|
| | Fair value (30/06/2013) | Fair value (31/12/2012) | Maturity of notional amounts |
| | | | 2014 |
| Interest Rate Swap | 2,778 | 3,857 | 100,000 |
| Interest Rate Swap | - | 348 | - |
| Interest Rate Swap | - | 343 | - |
| | 2,778 | 4,548 | 100,000 |

Changes in the fair values of the derivatives held by Prosegur are recognised in the income statement as they are not considered to be perfect hedges. In the first half of 2013, income of EUR 105 thousand has been recognised in profit and loss, reflecting changes in fair value (note 9).

15. Inventories

Details of inventories at 30 June 2013 and 31 December 2012 are as follows:

| | Thousands of Euros | |
|---------------------------|--------------------|---------------|
| | 30/06/2013 | 31/12/2012 |
| Merchandise | 40,226 | 44,753 |
| Work in progress | 16,867 | 19,266 |
| Impairment of inventories | (3,360) | (2,972) |
| Total inventories | 53,733 | 61,047 |

No inventories have been pledged as collateral to secure loans.

Impairment activity in the six-month periods ended 30 June 2013 and 30 June 2012 is as follows:

| | Thousands of Euros | |
|------------------------|--------------------|----------------|
| | 30/06/2013 | 30/06/2012 |
| Opening balance | (2,918) | (2,654) |
| Additions | (500) | (722) |
| Reversals | 72 | 147 |
| Disposals | (14) | 1,084 |
| Closing balance | (3,360) | (2,145) |

16. Equity

16.1. Share capital

Share capital is divided as follows:

| | Thousands | Thousands of Euros | | | |
|------------------|------------------|--------------------|---------------|------------|----------|
| | Number of shares | Ordinary shares | Share premium | Own shares | Total |
| 01 January 2012 | 617,125 | 37,027 | 25,472 | (123,175) | (60,676) |
| 31 December 2012 | 617,125 | 37,027 | 25,472 | (125,299) | (62,800) |
| 30 June 2013 | 617,125 | 37,027 | 25,472 | (125,180) | (62,681) |

At 30 June 2013, the share capital of Prosegur Compañía de Seguridad, S.A. amounted to EUR 37,027 thousand, represented by 617,124,640 shares, each with a nominal value of EUR 0.06, fully subscribed and paid in, which are listed on the Madrid and Barcelona stock exchanges and traded via the Spanish Stock-Exchange Interconnection System (Electronic Trading System) (SIBE).

16.2. Share premium

The share premium amounts to EUR 25,472 thousand, is freely distributable and has not changed in 2012 or the six-month period ended 30 June 2013.

16.3. Own shares

Details of activity in shareholders' equity in the six-month period ended 30 June 2013 are as follows:

| | Number of shares | Thousands of Euros |
|------------------------------------|---------------------|-----------------------|
| Balance at 31 December 2012 | 43,726,900 | 125,299 |
| Shares purchased | - | - |
| Shares sold | - | - |
| Shares granted under the 2011 Plan | - | - |
| Other shares granted to employees | (41,416) | (119) |
| Balance at 30 June 2013 | 43,685,484 | 125,180 |

As mentioned in note 34.17 to the consolidated annual accounts at 31 December 2012, at the AGM held on 27 June 2008, the shareholders approved the 2011 Plan relative to long-term incentives.

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

The total commitment acquired by Prosegur at 30 June 2013 in relation to share-based incentives established in the 2011 and 2014 Plans is recognised in other equity instruments in equity and amounts to EUR 3,793 thousand (EUR 2,659 thousand at 31 December 2012).

16.4. Dividends

Details of dividends distributed by the parent during the six-month periods ended 30 June 2013 and 30 June 2012 are as follows:

| | Period ended 30 June 2013 | | | Period ended 30 June 2012 | | |
|------------------------------------------------------------|---------------------------|-----------------|-----------------------------|---------------------------|-----------------|-----------------------------|
| | % of par value | Euros per share | Amount (Thousands of Euros) | % of par value | Euros per share | Amount (Thousands of Euros) |
| Ordinary shares | 85.00 | 0.05 | 31,474 | 81.70 | 0.49 | 30,250 |
| Remaining shares (without voting rights, recallable, etc.) | - | - | - | - | - | - |
| Total dividends paid | 85.00 | 0.05 | 31,474 | 81.70 | 0.49 | 30,250 |
| a) Dividends charged to the income statement | 85.00 | 0.05 | 31,474 | 81.70 | 0.49 | 30,250 |
| b) Dividends charged to reserves or share premium | - | - | - | - | - | - |
| c) Dividends in kind | - | - | - | - | - | - |

The third instalment of the dividend was paid against 2011 profits on 17 January 2013, amounting to EUR 15,737 thousand (reflecting a gross amount of EUR 0.02550000 per share with economic rights, equivalent to a net amount of EUR 0.02014500 per share).

The fourth instalment of the dividend was paid against 2011 profits on 18 April 2013, amounting to EUR 15,737 thousand (reflecting a gross amount of EUR 0.02550000 per share with economic rights, equivalent to a net amount of EUR 0.02014500 per share).

At the AGM held on 29 April 2013, the shareholders approved the distribution of a dividend of EUR 0.1068 per share outstanding at each payment date. As capital was divided into 617,124,640 shares at 30 June 2013, the total maximum dividend payable is EUR 65,947 thousand. 25% of this amount will be distributed to the shareholders on 19 July 2013.

The gross sum of the payment to be made on 19 July 2013 is therefore EUR 0.02670000 per share outstanding at that date with economic rights, equivalent to a net amount of EUR 0.02109300 per share.

The remaining payments to make up the approved dividend of EUR 0.1068 per share, given that the capital was divided into 617,124,640 shares at 30 June 2013, will be made in October 2013, January 2014 and April 2014.

16.5. Earnings per share• **Basic**

Basic earnings per share are calculated by dividing the profit from ongoing operations attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the year, excluding shareholders' equity acquired.

| | <u>30/06/2013</u> | <u>30/06/2012</u> |
|----------------------------------------------------------------------|--------------------|--------------------|
| Profit attributable to the owners of the parent (thousands of Euros) | 62,015 | 70,311 |
| Weighted average number of ordinary shares outstanding | 573,414,471 | 573,308,012 |
| Basic earnings per share (Euros per share) | <u>0.11</u> | <u>0.12</u> |

• **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.

| | <u>30/06/2013</u> | <u>30/06/2012</u> |
|----------------------------------------------------------------------|--------------------|--------------------|
| Profit attributable to the owners of the parent (thousands of Euros) | 62,015 | 70,311 |
| (Diluted) weighted average number of ordinary shares outstanding | 577,974,471 | 577,868,012 |
| Diluted earnings per share (Euros per share) | <u>0.11</u> | <u>0.12</u> |

16.6. Retained earnings and other reserves

In addition to the items mentioned in note 20.4 to the consolidated annual accounts for the year ended 31 December 2012, the accumulated amount of non-distributable reserves and retained earnings has increased by EUR 4,604 thousand during the six-month period ended 30 June 2013 due to the allocation of 2012 profit to the reserve for goodwill.

17. Non-current provisions

Activity in non-current provisions during the six-month periods ended 30 June 2013 and 30 June 2012 is as follows:

| | Thousands of Euros | | | |
|--------------------------------------------|--------------------|-------------------------|----------------------------------|----------------|
| | Overtime costs | Liabilities and charges | Accrued obligations to personnel | Total |
| Balance at 1 January 2013 | 20,298 | 173,187 | 1,615 | 195,100 |
| Provisions charged to the income statement | - | 23,742 | 807 | 24,549 |
| Reversals credited to the income statement | (10,600) | (1,853) | - | (12,453) |
| Applications | (1,722) | (11,590) | - | (13,312) |
| Current transfers | - | (952) | - | (952) |
| Translation differences | - | (11,751) | - | (11,751) |
| Balance at 30 June 2013 | 7,976 | 170,783 | 2,422 | 181,181 |

| | Thousands of Euros | | | |
|--------------------------------------------|--------------------|-------------------------|----------------------------------|----------------|
| | Overtime costs | Liabilities and charges | Accrued obligations to personnel | Total |
| Balance at 01 January 2012 | 39,415 | 98,783 | - | 138,198 |
| Provisions charged to the income statement | - | 15,657 | 807 | 16,464 |
| Reversals credited to the income statement | (5,000) | (1,395) | - | (6,395) |
| Incorporations to the consolidated group | - | 52,286 | - | 52,286 |
| Applications | (3,507) | (7,502) | - | (11,009) |
| Current transfers | - | (1,496) | - | (1,496) |
| Translation differences | - | (6,018) | - | (6,018) |
| Balance at 30 June 2012 | 30,908 | 150,315 | 807 | 182,030 |

a) Overtime costs

Details on the legal background relating to this provision are set out in note 21 a) to the consolidated annual accounts for the year ended 31 December 2012.

On 5 March 2010, Spain's National High Court issued a ruling dismissing the collective action brought by the employers' associations FES, AMPES and ACAES, and supported by APROSER. Consequently, the employers' associations applied to Spain's Supreme Court for a quashing order and the judgment was handed down on 30 May 2011; the application was denied, the National High Court's ruling being upheld.

The non-current provision has been maintained since the dates on which the corresponding payments must be made depend on the outcome of each of the claims brought by the employees.

At 30 June 2013, the accumulated amount of this provision is EUR 7,976 thousand (EUR, 20,298 thousand at 31 December 2012) and reflects Prosegur's best estimate. No personnel expenses have been recognised under this heading in the first half of 2013, as in at 30 June 2012.

During the six-month period ended 30 June 2013, payments totalling EUR 1,722 thousand have been made in respect of settlements reached with some claimant employees (EUR 3,507 thousand at 30 June 2012) and EUR 10,600 thousand (EUR 5,000 thousand at 30 June 2012) has been taken to income, which mainly comprises amounts provided for in prior years to cover claims which, based on the information available at 30 June 2013, Prosegur does not expect to arise.

b) Provisions for liabilities and charges

The provision for liabilities and charges during the six-month period ended 30 June 2013 comprises the following:

- Legal risks: Euros 18,605 thousand. The provision for legal risks mainly relates to civil claims, which are analysed on a case-by-case basis.
- Labour-related risks: Euros 87,417 thousand. Provisions for labour-related risks are calculated on a case-by-case basis, considering Prosegur's past experience.
- Other risks: Euros 64,761 thousand. This provision includes mainly tax risks in Brazil and Argentina.

c) Accrued obligations to personnel

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

During the first half of 2013, the Company has recognised a EUR 807 thousand provision with a charge to the income statement for the cash incentive accrued under this Plan. The obligation acquired at 30 June 2013 in relation to share-based incentives established in the 2014 Plan is recognised in other equity instruments in equity.

18. Suppliers

Details of payment deferrals to suppliers by consolidated Spanish companies are as follows:

| | 2013 | |
|------------------------------------------------------------------|--------------------|------|
| | Thousands of Euros | % |
| Within the maximum legal period | 42,514 | 41% |
| Other | 60,895 | 59% |
| Total payments for the year | 103,409 | 100% |
| Weighted average period by which payments are past due (in days) | 98 | |
| Late payments exceeding the maximum legal period at year end | 8,755 | |

At 31 December 2012, payables to suppliers totalling EUR 4,671 thousand exceeded the legal payment period.

19. Financial liabilities

Details of financial liabilities at 30 June 2013 and 31 December 2012 are as follows:

| | Thousands of Euros | |
|---------------------------------------|--------------------|------------------|
| | 30/06/2013 | 31/12/2012 |
| Non-current | | |
| Loans and borrowings | 120,919 | 150,471 |
| Syndicated loans | 65,000 | 447,850 |
| Finance lease liabilities | 20,201 | 17,459 |
| Bonds and other marketable securities | 500,000 | 0 |
| Other payables | 104,032 | 121,645 |
| | <u>810,152</u> | <u>737,425</u> |
| Current | | |
| Credit accounts | 40,489 | 48,879 |
| Loans and borrowings | 61,742 | 89,010 |
| Syndicated loan | 30,000 | 50,000 |
| Finance lease liabilities | 4,856 | 7,102 |
| Other payables | 55,045 | 100,846 |
| | <u>192,132</u> | <u>295,837</u> |
| Total financial liabilities | <u>1,002,284</u> | <u>1,033,262</u> |

Note 22 to the consolidated annual accounts at 31 December 2012 contains a description of the main loans structure at that date.

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES

At 2 April 2013, the syndicated loan granted in February 2012 was repaid in full (at 31 December 2012, the drawn down capital of the syndicated loan amounted to EUR 100,000 thousand corresponding to the loan tranche).

At 4 April 2013, the syndicated loan granted in August 2010 was repaid early in the amount of EUR 50,000 thousand corresponding to the loan tranche. At 30 June 2013, the drawn down capital corresponding to the loan tranche amounted to EUR 75,000 thousand (EUR 150,000 thousand at 31 December 2012). At 30 June 2013, the drawn down balance of the credit facility tranche amounted to EUR 20,000 thousand.

Under the contract, the future repayments corresponding to the loan tranche are set for each of the following dates:

| Syndicated Repayment | Thousands of Euros | |
|----------------------|--------------------|---------------------|
| | Amount | Outstanding balance |
| 04 August 2013 | 15,000 | 60,000 |
| 04 February 2014 | 15,000 | 45,000 |
| 04 August 2014 | 15,000 | 30,000 |
| 04 February 2015 | 15,000 | 15,000 |
| 04 August 2015 | 15,000 | - |

The debenture issued in Brazil on 23 April 2012 has been partly repaid early in the amount of 125,000 thousand Brazilian Reais, equivalent to EUR 47,095 thousand at the repayment date. The outstanding amount at 30 June 2013 is 274,960 thousand Brazilian Reais, equivalent to EUR 95,145 thousand at that date (at 31 December 2012, 450,000 thousand Brazilian Reais, equivalent to EUR 166,902 thousand at that date).

Under the contract, the future repayments are set for each of the following dates:

| Repayment date | Thousands of Euros | |
|-------------------|--------------------|---------------------|
| | Amount | Outstanding balance |
| 07 September 2013 | 5,782 | 89,363 |
| 07 March 2014 | 5,782 | 83,581 |
| 07 September 2014 | 5,782 | 77,799 |
| 07 March 2015 | 5,782 | 72,016 |
| 07 September 2015 | 17,326 | 54,691 |
| 07 March 2016 | 17,326 | 37,365 |
| 07 September 2016 | 17,326 | 20,040 |
| 07 March 2017 | 20,040 | - |

During the six-month period ended 30 June 2013, there have been no repayment defaults or breaches of agreement in relation to the loans and credit facilities granted to Prosegur.

Bonds and other marketable securities

The variation that has occurred in the first half of 2013 relate to the issue of uncovered bonds totalling EUR 500.000 thousand (note 4).

Other payables

Note 22 to the consolidated annual accounts at 31 December 2012 contain a description of the main components at that date.

Other payables include the amount related to business combinations formed in both the six-month period ending 30 June 2013 and in prior periods. The decrease of this item, during the six-month period ended 30 June 2013 is essentially due to payments of debt relating mainly to Nordeste which amounted to EUR 33,059 thousand.

20. Taxation

The income tax expense is recognised in the interim accounting period based on the best estimate of the weighted average effective tax rate expected to apply to the annual accounting period. The income tax expense calculated for the interim accounting period may require adjusting in subsequent periods in the event of a change in the estimated annual effective tax rate.

| | Thousands of Euros | |
|--------------|----------------------|---------------|
| | Period ended 30 June | |
| | 2013 | 2012 |
| Current tax | 21,660 | 45,740 |
| Deferred tax | 10,623 | (7,996) |
| Total | 32,283 | 37,744 |

| | Thousands of Euros | |
|---------------------------|----------------------|---------------|
| | Period ended 30 June | |
| | 2013 | 2012 |
| Income tax expense | 32,283 | 37,744 |
| Profit before income tax | 94,158 | 107,711 |
| Effective tax rate | 34.29% | 35.04% |

In June, the Company was informed of the commencement of a general tax inspection for all years open to inspection (from 2008 to 2010) in relation to income tax, withholdings on account of non-resident income tax

and withholdings on account of investment capital. Furthermore, the Company was informed of the commencement of a partial tax inspection in relation to withholding income tax for all years open to inspection (from 2008 to 2010) at the time of the communication.

21. Contingencies

Note 26 to the consolidated annual accounts for the year ended 31 December 2012 includes information on contingent assets and liabilities at that date.

No significant contingent assets or liabilities arose during the period ended 30 June 2013.

In 2008, Prosegur enforced guarantees of EUR 9,469 thousand relating to customer funds retained on deposit in Brazil. Prosegur is currently taking the necessary legal action before the appropriate authorities for release of this amount, and no significant loss is expected. In parallel to these administrative proceedings, in July 2009, Prosegur commenced legal proceedings to request that these funds be released. A final ruling has not been issued on the matter.

22. Business combinations

Details of changes in goodwill during the first half of 2013 are set out in note 11.

1. Goodwill incorporated in 2012 whose valuation is reviewable in year 2013

Details of the net assets acquired and of the goodwill recognised by the incorporations performed in year 2012 whose valuation is reviewable in year 2013 are as follows:

| Thousands of Euros | Segment | Total purchase price | Fair value of identifiable net assets acquired | Goodwill |
|------------------------------------------|---------|----------------------|------------------------------------------------|----------------|
| Subsidiaries | | | | |
| Segura Group | Latam | 10,734 | 5,127 | 5,607 |
| Nordeste and Transbank Group | Latam | 209,851 | 94,659 | 115,192 |
| T.C. Interplata, S.A. | Latam | 11,056 | 3,825 | 7,231 |
| Servin Seguridad, S.A. | Latam | 17,869 | 2,903 | 14,966 |
| Roytronic, S.A. | Latam | 4,431 | 1,107 | 3,324 |
| GRP Group | Europe | 13,173 | 4,836 | 8,337 |
| Grupo Mercurio de Transportes, S.A. C.V. | Latam | 479 | 478 | 1 |
| Business combinations | | | | |
| Imperial Dragon Security Ltd | Asia | 10,605 | 8,620 | 1,985 |
| SIS Cash Services Private Ltd | Asia | 10,218 | 8,125 | 2,093 |
| | | 288,416 | 129,680 | 158,736 |

Goodwill of the subsidiaries

Segura Group

On 24 February 2012, Prosegur acquired 100% of the share capital in the companies Coral Melody, S.A. and Tecnofren, S.A., which are located in Uruguay and specialise in security patrol services and home alarm systems monitoring. The total purchase price was 278,316 thousand Uruguayan Pesos (equivalent to EUR 10,734 thousand at the acquisition date).

The acquired business was added to the consolidated group on 24 February 2012.

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

| Thousands of Euros | Carrying amount of the company acquired | Fair value |
|-----------------------------------------|--------------------------------------------------------|-------------------|
| Cash and cash equivalents | 661 | 661 |
| Property, plant and equipment | 154 | 154 |
| Trade and other receivables | 1,455 | 1,455 |
| Financial debt | (10) | (10) |
| Other intangible assets | 2 | 6,555 |
| Other assets and liabilities | (2,050) | (2,050) |
| Deferred taxes | - | (1,638) |
| Identifiable net assets acquired | 212 | 5,127 |

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 by Prosegur. The intangible assets acquired comprise customer relationships (EUR 6,553 thousand), with useful lives of between 13 and 15 years.

Nordeste and Transbank Group

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

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

These companies provide cash in transit, security patrol and home technology services. The total purchase price was 482,171 Brazilian Reais (equivalent to EUR 209,851 thousand at the acquisition date).

The acquired business was added to the consolidated group on 7 March 2012.

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

| Thousands of Euros | Carrying amount of the company acquired | Fair value |
|-----------------------------------------|-----------------------------------------------|---------------|
| Cash and cash equivalents | 13,918 | 13,918 |
| Property, plant and equipment | 28,855 | 28,855 |
| Other non-current assets | 16,368 | 16,368 |
| Trade and other receivables | 48,214 | 48,214 |
| Non-current liabilities | (101,769) | (101,769) |
| Financial debt | (77,377) | (77,377) |
| Other intangible assets | 773 | 238,659 |
| Other assets and liabilities | (60,371) | (60,371) |
| Deferred taxes | - | (11,838) |
| Identifiable net assets acquired | (131,389) | 94,659 |

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 by Prosegur. The intangible assets acquired comprise customer relationships (EUR 211,361 thousand), with a useful life of between nine and 18 years, a trademark (EUR 20,447 thousand) with a useful life of four years and other intangible assets (EUR 6,078 thousand) with a useful life of five years.

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES

T.C. Interplata, S.A.

On 13 April 2012, Prosegur acquired 100% of the share capital in the company T.C. Interplata, S.A., which is located in Argentina and specialises in cash in transit. The total purchase price was 64,412 thousand Argentinean Pesos (equivalent to EUR 11,056 thousand at the acquisition date).

The acquired business was added to the consolidated group on 13 April 2012.

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

| Thousands of Euros | Carrying amount of the company acquired | Fair value |
|-----------------------------------------|-----------------------------------------------|--------------|
| Cash and cash equivalents | 497 | 497 |
| Property, plant and equipment | 979 | 979 |
| Other non-current assets | 20 | 20 |
| Trade and other receivables | 1,169 | 1,169 |
| Non-current liabilities | (473) | (473) |
| Financial debt | (410) | (410) |
| Other intangible assets | - | 4,220 |
| Other assets and liabilities | (700) | (700) |
| Deferred taxes | - | (1,477) |
| Identifiable net assets acquired | 1,082 | 3,825 |

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 by Prosegur. The intangible assets acquired comprise customer relationships (EUR 4,154 thousand) with a useful life of 12 years and a trademark (EUR 66 thousand) with a two-year useful life.

Servin Seguridad, S.A.

On 27 April 2012, Prosegur acquired 100% of the share capital in the company Servin Seguridad, S.A., which is located in Argentina and specialises in security patrol services. The total purchase price was 103,825 thousand Argentinean Pesos (equivalent to EUR 17,869 thousand at the acquisition date).

The acquired business was added to the consolidated group on 27 April 2012.

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES

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

| Thousands of Euros | Carrying amount of the company acquired | Fair value |
|-----------------------------------------|--------------------------------------------------------|-------------------|
| Cash and cash equivalents | 783 | 783 |
| Property, plant and equipment | 425 | 425 |
| Other non-current assets | 10 | 10 |
| Trade and other receivables | 10,327 | 10,327 |
| Non-current liabilities | (6,338) | (6,338) |
| Financial debt | (1,701) | (1,701) |
| Other intangible assets | 2 | 9,311 |
| Other assets and liabilities | (6,656) | (6,656) |
| Deferred taxes | - | (3,258) |
| Identifiable net assets acquired | (3,148) | 2,903 |

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 by Prosegur. The intangible assets acquired comprise customer relationships (EUR 7,398 thousand) with a useful life of 12 years, a trademark (EUR 1,520 thousand) with an indefinite useful life, and other intangible assets (EUR 391 thousand) with a two-year useful life.

Roytronic, S.A.

On 20 April 2012, Prosegur acquired 100% of the share capital in the company Roytronic, S.A., which is located in Uruguay and specialises in home alarms and GPS vehicle tracking activities. The total purchase price was 115,878 thousand Uruguayan Pesos (equivalent to EUR 4,431 thousand at the acquisition date).

The acquired business was added to the consolidated group on 20 April 2012.

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

| Thousands of Euros | Carrying amount of the company acquired | Fair value |
|-----------------------------------------|--------------------------------------------------------|-------------------|
| Cash and cash equivalents | 1 | 1 |
| Property, plant and equipment | 8 | 8 |
| Other non-current assets | - | - |
| Trade and other receivables | 364 | 364 |
| Non-current liabilities | - | - |
| Financial debt | (5) | (5) |
| Other intangible assets | 9 | 1,796 |
| Other assets and liabilities | (610) | (610) |
| Deferred taxes | - | (447) |
| Identifiable net assets acquired | (233) | 1,107 |

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES

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 by Prosegur. The intangible assets acquired comprise customer relationships (EUR 1,787 thousand), with useful live of 12 years.

GRP Group

In France, Prosegur acquired 100% of GRP Holding, S.A.R.L. and its subsidiaries on 10 May 2012:

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

These companies specialise in security patrol, access control and remote alarm management services. The total purchase price was EUR 13,173 thousand.

The acquired business was added to the consolidated group on 10 May 2012.

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

| Thousands of Euros | Carrying amount of the company acquired | Fair value |
|-----------------------------------------|-----------------------------------------------|--------------|
| Cash and cash equivalents | 4,823 | 4,823 |
| Property, plant and equipment | 377 | 377 |
| Other non-current assets | 607 | 607 |
| Trade and other receivables | 8,052 | 8,052 |
| Non-current liabilities | (635) | (635) |
| Financial debt | (3,465) | (3,465) |
| Other intangible assets | 19 | 6,868 |
| Other assets and liabilities | (9,508) | (9,508) |
| Deferred taxes | - | (2,283) |
| Identifiable net assets acquired | 270 | 4,836 |

The goodwill on this acquisition was allocated to the Europe segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise customer relationships (EUR 6,482 thousand) with a useful life of 20 years and a trademark (EUR 367 thousand) with a useful life of 1.6 years.

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

In Mexico, on 17 July 2012, Prosegur acquired 80% of Grupo Mercurio de Transportes S.A. de C.V., a company which specialises in cash in transit. The total purchase price was 7,824 thousand Mexican Pesos (equivalent to EUR 479 thousand at the acquisition date).

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES

The acquired business was added to the consolidated group on 17 July 2012.

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

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

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

Goodwill of business combinations

Imperial Dragon Security Ltd.

In July 2012, Prosegur acquired 45% of the Chinese company Shanghai Weldon Security Equipment Co. Ltd., which specialises in security patrol services. This 45% interest was acquired through the subscription of a share capital increase totalling 45,513 thousand Renminbis (equivalent to EUR 5,688 thousand at the acquisition date). In addition, Prosegur acquired the investment vehicle Imperial Dragon Security Ltd., which is part of the same business combination and has holdings in several Chinese companies. The total purchase price was 39,344 thousand Renminbis (equivalent to EUR 4,917 thousand at the acquisition date).

The acquired business was added to the consolidated group on 1 July 2012.

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

| Thousands of Euros | Carrying amount of the company acquired | Fair value |
|-----------------------------------------|--------------------------------------------------------|-------------------|
| Cash and cash equivalents | 972 | 972 |
| Property, plant and equipment | 38 | 38 |
| Other non-current assets | - | - |
| Trade and other receivables | 3,850 | 3,850 |
| Non-current liabilities | - | - |
| Financial debt | - | - |
| Other intangible assets | - | 6,339 |
| Other assets and liabilities | (994) | (994) |
| Deferred taxes | - | (1,585) |
| Identifiable net assets acquired | 3,866 | 8,620 |

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES

The goodwill on these acquisitions was allocated to the Asia segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired relate to a trademark (EUR 5,833 thousand), with a useful life of 30 years and other intangible assets (EUR 506 thousand) with a useful life of 30 years.

SIS Cash Services Private Ltd.

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

The acquired business was added to the consolidated group on 9 February 2012.

The assets and liabilities that arose from these acquisitions were as follows:

| Thousands of Euros | Carrying amount of the company acquired | Fair value |
|-----------------------------------------|-----------------------------------------------|--------------|
| Cash and cash equivalents | 5,153 | 5,153 |
| Property, plant and equipment | 1,369 | 1,369 |
| Other non-current assets | - | - |
| Trade and other receivables | 395 | 395 |
| Non-current liabilities | - | - |
| Financial debt | (1,311) | (1,311) |
| Other intangible assets | - | 3,720 |
| Other assets and liabilities | 6 | 6 |
| Deferred taxes | - | (1,207) |
| Identifiable net assets acquired | 5,612 | 8,125 |

The goodwill on this acquisition was allocated to the Asia segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise customer relationships (EUR 1,561 thousand), with a useful life of 14 years, a trademark (EUR 1,673 thousand) with an indefinite useful life, and other intangible assets (EUR 486 thousand), likewise with an indefinite useful life.

23. Related party transactions

Prosegur is controlled by Gubel S.L., which was incorporated in Madrid and holds 50.075% of the Company's share capital. The remaining 49.930% is held by various shareholders, primarily including Corporación Financiera Alba, S.A., through Alba Participaciones, S.A., with 8.710%, and AS Inversiones, S.L., which holds 5.318%.

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES

Details of balances recognised in the interim consolidated statement of financial position at 30 June 2013 and the interim consolidated income statement for the six-month period then ended arising from related party transactions, as required by section three of Ministry of Economy and Finance Order EHA/3050/2004 of 15 September 2004, are as follows:

| | Thousands of Euros | | | | |
|------------------------------------------------------------------|---------------------------|-----------------------------|-------------------------------------------------|--------------------------|-------|
| | Period ended 30 June 2013 | | | | |
| | Major shareholders | Directors and management | Group employees, companies or entities | Other related parties | Total |
| INCOME AND EXPENSES | | | | | |
| Leases | 607 | - | - | - | 607 |
| Expenses | 607 | - | - | - | 607 |
| Services rendered | 1,618 | - | - | - | 1,618 |
| Income | 1,618 | - | - | - | 1,618 |
| OTHER TRANSACTIONS | | | | | |
| Purchases of financial assets | - | - | - | - | - |
| Financing agreements: loans and capital contributions (borrower) | - | - | - | - | - |

Details of balances recognised in the interim consolidated statement of financial position at 30 June 2012 and the interim consolidated income statement for the six-month period ended 30 June 2012 arising from related party transactions are as follows:

| | Thousands of Euros | | | | |
|------------------------------------------------------------------|---------------------------|-----------------------------|----------------------------------------------|--------------------------|-------|
| | Period ended 30 June 2012 | | | | |
| | Major shareholders | Directors and management | Group employees, companies or entities | Other related parties | Total |
| INCOME AND EXPENSES | | | | | |
| Leases | 590 | - | - | - | 590 |
| Expenses | 590 | - | - | - | 590 |
| Services rendered | 1,215 | - | - | - | 1,215 |
| Income | 1,215 | - | - | - | 1,215 |
| OTHER TRANSACTIONS | | | | | |
| Purchases of financial assets | - | - | - | - | - |
| Financing agreements: loans and capital contributions (borrower) | - | - | - | - | - |

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, which is adjacent to a building owned by Prosegur at Calle Pajaritos, 24. The term of the contract is for five years, extendible for a further five and it was arranged on an arm's length basis. A total expense of EUR 607 thousand was incurred in relation to this contract in the first half of 2013 (EUR 590 thousand at 30 June 2012).

In the first half of 2013, Prosegur provided security services to Banca March for EUR 1,618 thousand (EUR 1,215 thousand at 30 June 2012).

Remuneration of members of the Board of Directors and key management personnel

1. Remuneration of members of the Board of Directors

The breakdown of the total remuneration accrued by the members of the Board of Directors during the six-month periods ended 30 June 2013 and 2012 is as follows:

| Item: | Thousands of Euros | |
|-----------------------|--------------------|--------------|
| | 30/06/2013 | 30/06/2012 |
| Fixed remuneration | 548 | 506 |
| Variable remuneration | 250 | 250 |
| Remunerations in kind | 23 | 30 |
| Allowances | 504 | 508 |
| Total | 1,325 | 1,294 |

2. Remuneration of senior management personnel

Senior management personnel are understood to be Prosegur employees who hold, as a matter of law or of fact, senior management positions reporting directly to the Board of Directors, executive committees or managing directors, 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 the senior management of Prosegur as a whole during the six-month periods ended 30 June 2013 and 2012 is as follows:

| | Thousands of Euros | |
|--------------------------------------------------|--------------------|------------|
| | 30/06/2013 | 30/06/2012 |
| Total remunerations accrued by senior management | 1,665 | 1,989 |

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES

As explained in note 16.3, at the AGM held on 27 June 2008, the shareholders approved the 2011 Plan relative to long-term incentives for executive directors and management. Subsequently, at the AGM held on 29 May 2012, the shareholders approved the 2014 Plan, which is linked to value creation in the period 2012-2014.

The total commitment undertaken by the Company at 30 June 2013 in relation to the share-based incentives specified in the 2011 and 2014 Plans amounts to EUR 3,793 thousand and is recognised in equity (note 16.3).

The total commitment undertaken by the Company at 30 June 2013 in relation to the cash incentives specified in the 2014 Plan amounts to EUR 2,422 thousand and is recognised in non-current provisions.

Loans to related parties

At 30 June 2013, Prosegur has not granted any loans to related parties.

Investments and positions held in other companies by members of the Board of Directors of the parent and their related parties

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.

The following members of the Board of Directors hold management positions in other Prosegur companies:

| Name of director | Name of Group company | Position |
|----------------------------|-----------------------------------------|-----------------|
| Mr. Christian Gut Revoredo | Formación Selección y Consultoría, S.A. | Joint director |
| Mr. Christian Gut Revoredo | Prosegur Activa Holding, S.L.U. | Joint director |
| Mr. Christian Gut Revoredo | Prosegur Alarmas, S.A. | Joint director |

Information required by article 229 of the Spanish Companies Act

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

24. Average headcount

The average headcount of Prosegur for the six-month periods ended 30 June 2013 and 30 June 2012 is as follows:

| | Total Prosegur | |
|--------------------------|-----------------------|-------------------|
| | 30/06/2013 | 30/06/2012 |
| Male | 129,369 | 125,955 |
| Female | 20,851 | 22,517 |
| Average headcount | 150,220 | 148,472 |

25. Events after the reporting date

On 18 July 2013, the transaction for the sale of 100% of the share capital in Brink's Deutschland GmbH and Brink's Transport & Service GmbH, which are German subsidiaries of The Brink's Company located in Germany, through the latter's holding company Brink's Beteiligungsgesellschaft GmbH, was approved with conditions by the Germany competition authority.

APPENDIX I - Summary of the main accounting principles

Standards effective from 1 January 2013 that could require changes to accounting policy and changes to presentation

- Standards effective from 1 January 2013 that could require changes to accounting policy and changes to presentation (for standards requiring a change in accounting policy, information from IAS 8.28 should be provided):
 - IAS 19 Employee benefits. Effective for annual periods beginning on or after 1 January 2013. The standard should be applied retrospectively, except for adjustment of the carrying value of assets falling outside the scope of the standard due to changes in the remuneration cost prior to 1 January 2012 and for exclusion of comparative information on the sensitivity of defined benefit liabilities.
 - Amendments to IAS 1 – Presentation of items in other comprehensive income. Effective for annual periods beginning on or after 1 July 2012.
 - IFRS 13 Fair value measurements. Effective for annual periods beginning on or after 1 January 2013. The standard should be applied prospectively as from the annual period in which it is first applied. The breakdowns should not be included in comparative financial statements. Accordingly, the accounting policies should specify the criteria applied in 2012 and 2013 in relation to fair value and, in addition, state the fact that the breakdowns are not comparative.
 - Amendments to IAS 12 – Recovery of underlying assets. Effective for annual periods beginning on or after 1 January 2013 (1 January 2012 IFRS).
- Standards issued that are not effective from 1 January 2013 which the Group expects to adopt from 1 January 2014 or later (for standards which significantly impact the Group):
 - IFRS 10 Consolidated financial statements. Effective for annual periods beginning on or after 1 January 2014 (1 January 2013 IFRS). The standard is applicable retrospectively, save the exceptions provided for therein.
 - IFRS 11 Joint arrangements. Effective for annual periods beginning on or after 1 January 2014 (1 January 2013 IFRS). The standard is applicable retrospectively, save the exceptions provided for therein.
 - IFRS 12 Disclosure of interests in other entities. Effective for annual periods beginning on or after 1 January 2014 (1 January 2013 IFRS). The disclosures should be included in the comparative period, except those relating to unconsolidated structured entities.

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES

- IAS 28 Investments in associated and joint ventures. Effective for annual periods beginning on or after 1 January 2014 (1 January 2013 IFRS).
- IFRS 9 Financial instruments. Effective for annual periods beginning on or after 1 January 2015. Pending adoption by the EU.
- IFRIC 21 Levies. Effective for annual periods beginning on or after 1 January 2014. Pending adoption by the EU.

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL INFORMATION FOR THE FIRST HALF OF 2013

The members of the Board of Directors of Prosegur Compañía de Seguridad, S.A. hereby confirm that, to the best of our knowledge, the financial information selected by Prosegur Compañía de Seguridad, S.A., and the condensed interim consolidated financial statements of Prosegur Compañía de Seguridad, S.A. and subsidiaries for the first half of 2013, authorised for issue by the Board of Directors at the meeting held on 24 July 2013 and prepared in accordance with applicable accounting principles, give a true and fair view of 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 interim directors' reports provide a reliable analysis of the required information.

Madrid, 24 July 2013

Ms. Helena Irene Revoredo Delvecchio
Chair

Mr. Isidro Fernández Barreiro
Vice-chairman

Mr. Christian Gut Revoredo
Managing Director

Ms. Mirta María Giesso Cazenave
Board member

Ms. Chantal Gut Revoredo
Board member

Mr. Pedro Guerrero Guerrero
Board member

Mr. Eduardo Paraja Quirós
Board member

Mr. Eugenio Ruiz-Gálvez Priego
Board member

Mr. Fernando Vives Ruíz
Board member

Certification attesting that, at their meeting held in Madrid on 24 July 2013, the Board of Directors of Prosegur Compañía de Seguridad, S.A. drew up the half-yearly financial report for the first half of 2013, which comprises the following documents: selected individual financial information; selected consolidated financial information; the condensed interim consolidated financial statements and interim directors' report of Prosegur Compañía de Seguridad, S.A. and subsidiaries; and the directors' statement of responsibility. All of these documents refer to the first half of 2013 and were unanimously authorised for issue by the Board of Directors of the Company at the meeting held on the above-mentioned date, as required by section 35 of Law 24/1988 of 28 July 1988 on the Securities Market.

The aforementioned documents, combined as a single unit, are transcribed on the preceding sheets of paper, which are numbered consecutively and printed on one side only. All sheets have been signed by the secretary to the Board of Directors for identification purposes and stamped with the Company stamp.

In accordance with the applicable legislation in force, the directors currently comprising the Board of Directors of the Company have signed the last page of this document, to which I, the secretary to the Board of Directors, bear witness in Madrid on 24 July 2013.

Signed: Ms. Sagrario Fernández Barbé
(Non-executive secretary)

Ms. Helena Irene Revoredo Delvecchio
Chair

Mr. Isidro Fernández Barreiro
Vice-Chairman

Mr. Christian Gut Revoredo
Managing Director

Ms. Mirta María Giesso Cazenave
Board member

Ms. Chantal Gut Revoredo
Board member

Mr. Pedro Guerrero Guerrero
Board member

Mr. Eduardo Paraja Quirós
Board member

Mr. Eugenio Ruiz-Gálvez Priego
Board member

Mr. Fernando Vives Ruíz
Board member

PROSEGUR COMPAÑIA DE SEGURIDAD, S.A. AND SUBSIDIARIES

**Consolidated interim directors' report for the six-month period ended
30 June 2013**

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Consolidated interim directors' report for the six-month period ended 30 June 2013

1. Significant events subsequent to year-end 2012

The most significant transactions and events which have occurred in the first half of year 2013 are as follow:

Significant events subsequent to year-end 2012

On 20 February 2013, a contract of sale was entered into for 100% of the share capital in Brink's Deutschland GmbH and Brink's Transport & Service GmbH, which are German subsidiaries of The Brink's Company located in Germany, through the latter's holding Brink's Beteiligungsgesellschaft GmbH. This company provides cash in transit services within Germany and has a turnover of approximately EUR 47 million, employing some 1,000 workers.

In March 2013, the price was successfully fixed for an issue of uncovered bonds with a nominal value of EUR 500 million, maturing on 2 April 2018. This issue will allow Prosegur to defer part of its debt (from 2015 to 2018) and to diversify its funding sources. The bonds, which are traded on the secondary market of the Irish Stock Exchange, bear a coupon rate of 2.75% per annum, payable yearly in arrears.

2. Business performance

2.1. Sales by geographical area

Prosegur's consolidated sales for the first half of 2013 amount to EUR 1,840.5 million (EUR 1,753.4 million at 30 June 2012), which represents a total increase of 5.0%, of which 6.1% corresponds to purely organic growth, 5.0% to inorganic growth, while exchange losses account for 6.1%.

A breakdown of the distribution of consolidated sales by geographical area is provided in the table below:

| | Thousands of Euros | | Growth |
|-----------------------|--------------------|----------------|-------------|
| | June 2013 | June 2012 | |
| Europe | 708.1 | 721.5 | (1.9%) |
| Asia | 17.2 | 11.1 | 54.3% |
| Latam | 1,115.2 | 1,020.8 | 9.2% |
| Total Prosegur | 1,840.5 | 1,753.4 | 5.0% |

The most significant sales growth has taken place in Latin America. In the six-month period ended 30 June 2013, sales have experienced a total increase of 9.2% with respect to the same period of year 2012, with 12.7% organic growth and 7% inorganic growth. Trends in exchange rate have not contributed to growth in the Latin American region, having dropped 10.5% as compared with the same period of the previous year.

2.2. Sales by business area

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

| | Thousands of Euros | | Growth |
|--------------------------|--------------------|----------------|-------------|
| | June 2013 | June 2012 | |
| Security patrol services | 851.1 | 807.2 | 5.4% |
| <i>% of total</i> | <i>46.2%</i> | <i>46.0%</i> | |
| Cash in Transit | 781.8 | 751.4 | 4.0% |
| <i>% of total</i> | <i>42.5%</i> | <i>42.9%</i> | |
| Technology | 207.6 | 194.8 | 6.6% |
| <i>% of total</i> | <i>11.3%</i> | <i>11.1%</i> | |
| Total Prosegur | 1,840.5 | 1,753.4 | 5.0% |

2.3. Margins

The consolidated operating profit (EBIT) for the first half of 2013 was EUR 126.4 million (EUR 137.8 million at 30 June 2012). The EBIT margin at the end of the first half of 2013 stood at 6.9% (7.9% at 30 June 2012).

The distribution of the EBIT margin by geographical area is shown below:

| | | | | Millions of Euros at 30 June 2013 |
|-------------|--------|------|---------|--------------------------------------|
| | Europe | Asia | LatAm | Prosegur |
| Sales | 708.1 | 17.2 | 1,115.2 | 1,840.5 |
| EBIT | 16.1 | 0.2 | 110.1 | 126.4 |
| EBIT margin | 2.3% | 1.2% | 9.9% | 6.9% |

| | | | | Millions of Euros at 30 June 2012 |
|-------------|--------|------|---------|--------------------------------------|
| | Europe | Asia | LatAm | Prosegur |
| Sales | 721.5 | 11.1 | 1,020.8 | 1,753.4 |
| EBIT | 10.6 | 0.5 | 126.8 | 137.8 |
| EBIT margin | 1.5% | 4.4% | 12.4% | 7.9% |

2.4. Outlook for the second half of year 2013

Europe and Latin America continue to face different economic climates. While European economies are still suffering in 2013 from the impact of the economic crisis, Latin America, for its part, still has growth potential, despite the weakness signs shown in some countries. The outlook for the second half of the year 2013 is in line with the target.

In the Asia region, variables such as the extent to which security services are outsourced as well greater banking penetration, the increase in the number of multinational corporations, bank branches and cash machines, and in general, improved standards of living and more wealth across society are major indicators for future performance in the region.

During the six-month period ended 30 June 2013, there have been no other significant events or circumstances concerning business performance which have required anticipation of potential risks or uncertainties for the second half of year 2013. Furthermore, no additional significant contingent liabilities have arisen other than those mentioned in the consolidated annual accounts at 31 December 2012.

3. Average headcount

The breakdown of Prosegur's average headcount for the six-month periods ended on 30 June 2013 and 30 June 2012 is as follows:

| | Total Prosegur | |
|--------------------------|-----------------------|------------------|
| | June 2013 | June 2012 |
| Male | 129,369 | 125,955 |
| Female | 20,851 | 22,517 |
| Average headcount | 150,221 | 148,472 |

4. Investments

In all cases, investment proposals by Prosegur are analysed by the corresponding technical and operational areas and by the management control department. Prior to approval, these investments are assessed with reference to strategic importance, return period and profitability, and forecasts are produced. Subsequently, an investment is referred to the Investments Committee, which ultimately decides whether to approve the investment. Investments of over EUR 1 million are submitted to the Management Committee for approval.

During the first half of year 2013, investments were made in fixed assets totalling EUR 46.9 million (EUR 39.9 million at 30 June 2012).

5. Financial management

Prosegur calculates net financial debt in the following manner: total current and non-current borrowings (excluding other non-bank debts) plus net derivative financial instruments, minus cash and cash equivalents, and minus other current financial assets.

The net financial debt at 30 June 2013 amounted to EUR 661.0 million (EUR 646.1 million at 31 December 2012).

The ratio of net financial debt to own resources at 30 June 2013 stood at 0.98 (0.88 at 31 December 2012).

In March 2013, the price was successfully fixed for an issue of uncovered bonds with a nominal value of EUR 500 million, maturing on 2 April 2018. This issue will allow Prosegur to defer part of its debt (from 2015 to 2018) and to diversify funding sources. The bonds, which are traded on the secondary market of the Irish Stock Exchange, bear a coupon rate of 2.75% per annum, payable yearly in arrears.

6. Own Shares

The breakdown of the activity on the shareholders' equity account for the first half of 2013 is as follows:

| | No. of shares | Millions of Euros |
|--------------------------------|-------------------|-------------------|
| Balance at 31 December 2012 | 43,726,900 | 125,299 |
| Share purchase | - | - |
| Share sale | - | - |
| Shares according to 2011 Plan | - | - |
| Other incentives | 41,416 | (119) |
| Balance at 30 June 2013 | 43,685,484 | 125,180 |

The total commitment acquired by Prosegur at 30 June 2013 in relation to share-based incentives established in the 2011 and 2014 Plans is recognised in equity and amounts to EUR 3.8 million (EUR 2.7 million at 31 December 2012).

7. Environmental Issues

At 30 June 2013, Prosegur has no environmental contingencies, legal claims, or revenue or expenditure under this heading.

In accordance with its environmental policy, Prosegur continues to invest in armoured vehicles which comply with Euro III regulations on the emission of non-polluting particles.

8. Subsequent significant events

On 18 July 2013, the transaction for the sale of 100% of the shares in Brink's Deutschland GmbH and Brink's Transport & Service GmbH, which are German subsidiaries of The Brink's Company located in Germany, through the latter's holding company Brink's Beteiligungsgesellschaft GmbH, was approved with conditions by the Germany competition authority. The application for approval dated from 1 February 2013.