KPMG Auditores S.L.
Edificio Torre Europa
Paseo de la Castellana, 95
28046 Madrid

Independent Auditor's Report on the Annual Accounts

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

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

Report on the annual accounts

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

Directors' responsibility for the annual accounts

The Directors are responsible for the preparation of the accompanying annual accounts in such a way that they present fairly the equity, financial position and financial performance of Prosegur Compañía de Seguridad, S.A. in accordance with the financial reporting framework applicable to the entity in Spain, specified in note 2 to the accompanying annual accounts, and for such internal control that they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of Prosegur Compañía de Seguridad, S.A. at 31 December 2014, its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework and, in particular, with the accounting principles and criteria set forth therein.

Report on other legal and regulatory requirements

The accompanying directors' report for 2014 contains such explanations as the Directors consider relevant to the situation of the Company, its business performance and other matters, and is not an integral part of the annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the annual accounts for 2014. Our work as auditors is limited to the verification of the directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of the Company.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Bernardo Rücker-Embden

25 February 2015

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Auditors' Report, Annual Accounts and Directors' Report at 31 December 2014

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

TABLE OF CONTENTS

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

I. INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

(Figures in thousands of euros)

	Note	2014	2013
Net turnover	3	**195,016**	**183,419**
Dividend received		105,227	108,639
Income from interest on loans		2,532	1,423
Provision of services		87,257	73,357
Works carried out by the Company for assets		**1,072**	**3,186**
Supplies		**(39)**	**(42)**
Consumption of raw materials and other consumables		(39)	(42)
Other operating income		**748**	**4,660**
Non-core and other operating revenues		735	4,636
Operating subsidies added to year's result	16	13	24
Personnel expenses	3	**(32,764)**	**(29,328)**
Wages, salaries and similar charges		(27,826)	(24,216)
Social security obligations		(4,938)	(5,112)
Other operating expenses		**(46,220)**	**(36,744)**
External services		(39,797)	(30,288)
Taxes		(473)	502
Other Ordinary Expenses		(5,950)	(6,958)
Fixed assets deterioration	7 and 8	**(12,014)**	**(10,012)**
Impairment and result from sale of fixed assets and financial instruments		**(25,380)**	**(18,426)**
Result from impairment of financial instruments	10 and 11	(13,000)	(6,600)
Result from impairment and sale of investments in group companies	10	(12,371)	(11,826)
Gains/(losses) on disposal and other operations	3	(9)	-
EBIT		**80,419**	**96,713**
Finance income	4	**44**	**41**
Securities and other financial instruments			
From third-parties		44	41
Finance expenses	4	**(24,969)**	**(24,034)**
From payables to Group companies		(4,148)	(2,379)
From payables to third-parties		(20,821)	(21,655)
Variation in fair value of financial instruments	4	**(68)**	**131**
Trading portfolio and others		(68)	(2,288)
Variation in fair value of financial instruments		-	2,419
Translation differences	4	**1,261**	**15**
NET FINANCE INCOME		**(23,732)**	**(23,847)**
PROFIT BEFORE TAX		**56,687**	**72,866**
Income tax	19	**12,254**	**(6,866)**
PROFIT/(LOSS) FOR THE YEAR		**68,941**	**66,000**

The accompanying notes form an integral part of the annual accounts for 2014.

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

II. BALANCE SHEET AT 31 DECEMBER 2014 AND 2013

(Figures in thousands of euros)

ASSETS	Note	2014	2013
NON-CURRENT ASSETS		**987,788**	**934,973**
Intangible Assets	**7**	**23,238**	**26,401**
Trademarks, licences, patents and others similar		5,409	5,556
Computer software		8,420	10,225
Other Intangible assets		9,409	10,620
Property, Plant and Equipment	**8**	**5,518**	**4,924**
Technical facilities and other PP&E		5,224	4,498
Fixed assets under construction and advances paid		294	426
Long-term investments in Group companies and associates	**10**	**925,340**	**855,996**
Equity instruments		925,340	855,996
Long-term financial investments	**11**	**5,675**	**18,555**
Equity instruments		5,347	18,223
Loans to third parties		321	308
Other financial assets		7	24
Deferred tax assets	**19**	**28,017**	**29,097**
CURRENT ASSETS		**260,967**	**195,821**
Trade and other receivables	**13**	**103,852**	**81,114**
Customers, Group companies and associates		102,410	70,777
Other receivables		456	9,515
Personnel		18	15
Current tax assets		777	807
Public entities, other receivables		191	-
Short-term investments in Group companies and associates	**13**	**155,830**	**108,239**
Loans to companies		128,772	72,610
Other financial assets		27,058	35,629
Short-term financial investments		**319**	**5,534**
Derivatives	**12**	-	73
Other financial assets	**11**	319	5,461
Short-term deferrals		**386**	**794**
Cash and cash equivalents	**14**	**580**	**140**
Cash		580	140
TOTAL ASSETS		**1,248,755**	**1,130,794**

The accompanying notes form an integral part of the annual accounts for 2014.

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

(Figures in thousands of euros)

NET EQUITY AND LIABILITIES	Note	2014	2013
EQUITY		**292,578**	**165,219**
Shareholders' equity		**292,575**	**165,207**
Subscribed capital	15	**37,027**	**37,027**
Subscribed capital		37,027	37,027
Share premium	15	**25,472**	**25,472**
Reserves	15	**200,170**	**147,660**
Legal and statutory reserves		7,406	7,406
Other reserves		192,764	140,254
Treasury Stock and shares in net equity	15	**(42,436)**	**(114,123)**
Profit/(loss) for the year	5	**68,941**	**66,000**
Other net equity instruments	15	**3,401**	**3,171**
Subsidies, Donations and Bequests Received	16	**3**	**12**
NON-CURRENT LIABILITIES		**555,425**	**649,902**
Non-current provisions	17	**1,497**	**632**
Obligations for long term personnel benefits		1,497	632
Long-term debt	18	**536,051**	**627,933**
Debentures and other negotiable securities		497,174	495,757
Debts with credit institutions		37,882	130,469
Other financial liabilities		995	1,707
Deferred tax liabilities	19	**17,877**	**21,337**
CURRENT LIABILITIES		**400,752**	**315,673**
Short-term debts	18	**175,780**	**125,066**
Debentures and other negotiable securities		10,312	10,912
Debts with credit institutions		127,772	68,034
Derivatives	12	-	1,640
Other financial liabilities		37,696	44,480
Short-term payables to Group companies and associates	18	**169,753**	**161,533**
Trade and other payables	18	**55,219**	**29,074**
Suppliers, Group companies and associates		29,876	7,654
Sundry accounts payable		7,572	9,135
Personnel (salaries payable)		8,500	5,928
Current tax liabilities		4,999	670
Public entities, other payables		4,272	5,687
TOTAL EQUITY AND LIABILITIES		**1,248,755**	**1,130,794**

The accompanying notes form an integral part of the annual accounts for 2014.

III. STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

(Figures in thousands of euros)

	Note	2014	2013
Gains/(losses) in the income statement	**5**	**68,941**	**66,000**
Amounts transferred to the income statement	**16**	**(9)**	**(17)**
Subsidies, Donations And Bequests		(13)	(24)
Tax effect		4	7
Total comprehensive income		**68,932**	**65,983**

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

B) STATEMENT OF TOTAL CHANGES IN EQUITY

(Figures in thousands of euros)	Share capital (Note 15)	Share premium (Note 15)	Legal reserve (Note 15)	Other reserves (Note 15)	Own shares and equity holdings (Note 15)	Profit/(loss) for the year (Note 5)	Other own equity instruments (Note 15)	Grants (Note 16)	Total
Balance at 01 JANUARY 2013	**37,027**	**25,472**	**7,406**	**129,996**	**(114,242)**	**71,389**	**2,659**	**29**	**159,736**
Total comprehensive income	-	-	-	-	-	66,000	-	(17)	65,983
Operations with partners or owners	-	-	-	5,442	119	(71,389)	512	-	(65,316)
- Dividend distribution	-	-	-	5,442	-	(71,389)	-	-	(65,947)
- Operations with own stocks or shares (net)	-	-	-	-	119	-	-	-	119
- Accrued share-based incentives		-	-	-	-	-	512	-	512
Other changes in equity	-	-	-	4,816	-	-	-	-	4,816
Balance at 31 December 2013	**37,027**	**25,472**	**7,406**	**140,254**	**(114,123)**	**66,000**	**3,171**	**12**	**165,219**
Total comprehensive income	-	-	-	-	-	68,941	-	(9)	68,932
Operations with partners or owners	-	-	-	50,467	71,687	(66,000)	1,865	-	58,019
- Dividend distribution	-	-	-	53	-	(66,000)	-	-	(65,947)
- Operations with own stocks or shares (net)	-	-	-	50,414	71,687	-	-	-	122,101
- Accrued share-based incentives	-	-	-	-	-	-	1,865	-	1,865
Other changes in equity	-	-	-	2,043	-		(1,635)	-	408
Balance at 31 December 2014	**37,027**	**25,472**	**7,406**	**192,764**	**(42,436)**	**68,941**	**3,401**	**3**	**292,578**

The accompanying notes form an integral part of the annual accounts for 2014.

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

IV. CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

(Figures in thousands of euros)

	Note	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		**56,687**	**72,866**
Adjustments to profit		**(46,646)**	**(77,210)**
Fixed assets deterioration (+)	**7, 8**	12,014	10,012
Impairment losses (+/-)	**10**	25,371	18,426
Change in provisions (+/-)		-	(17,121)
Allocation of subsidies (+/-)	**16**	(13)	(24)
Results from fixed asset write-offs and sale (+/-)		9	-
Finance income (-)		(2,576)	(1,464)
Dividend received (-)		(105,227)	(108,639)
Finance expenses (+)	**4**	24,969	24,034
Translation differences (+/-)	**4**	(1,261)	(15)
Variation in fair value of financial instruments (+/-)		68	(2,419)
Changes in working capital		**16,538**	**(6,707)**
Customers and other receivables (+/-)		(22,768)	(22,325)
Trade and other payables (+/-)		38,667	15,520
Other non-current assets and liabilities (+/-)		639	98
Other cash flows from operating activities		**56,915**	**60,947**
Interest paid (-)		(25,608)	(17,319)
Dividend collection (+)		81,227	80,194
Interest collection (+)		2,575	1,423
Income tax received/(paid) (+/-)		(1,279)	(3,351)
Cash flows from operating activities		**83,494**	**49,896**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments (-)		**(105,996)**	**(166,940)**
Group companies and associates		(96,163)	(153,674)
Intangible Assets	**7**	(7,254)	(11,043)
Property, Plant and Equipment	**8**	(2,433)	(1,679)
Other financial assets		(146)	(544)
Collections from disposal of investments (+)		**5,401**	**735**
Group companies and associates		-	-
Property, Plant and Equipment		233	342
Other financial assets		5,168	393
Cash flows from investing activities		**(100,595)**	**(166,205)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Collections and payments for equity instruments		**121,925**	**-**
Sale of equity instruments (+)		121,925	-
Collections and payments for financial liability instruments		**(40,524)**	**172,850**
Emission		40,000	500,000
Debentures and other negotiable securities (+)	**18**	-	500,000
Debts with credit institutions (+)		40,000	-
Repayment and amortisation of		(80,524)	(327,150)
Debts with credit institutions (+)		(71,393)	(318,636)
Other payables (+)		(9,131)	(8,514)
Dividends payable and remunerations from other equity instruments		**(63,860)**	**(59,864)**
Dividends (-)		(63,860)	(59,864)
Cash flows from financing activities		**17,541**	**112,986**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**440**	**(3,323)**
Cash and cash equivalents at start of year		140	3,463
Cash and cash equivalents at year end		580	140

V. NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. General Information

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. (hereinafter the Company or Prosegur), the parent company of the Prosegur Group, has its registered offices at Calle Pajaritos 24 in Madrid. The Company was incorporated on 14 May 1976 and is entered in the Companies Registry of Madrid as the first inscription on page 32,805, section 3, sheet 22 of volume 4,237.

The corporate purpose of the Company is described in article 2 of its articles of association, including the following services and activities:

1. Security and the protection of goods, premises, shows, competitions and conventions.

2. The protection of certain individuals subject to prior authorisation.

3. The storage, safekeeping, counting and classification of coins and banknotes, deeds, securities and other items that require special protection due to their economic value, the expectations they generate or the associated risk, notwithstanding any activities inherent to financial institutions.

4. The transportation and distribution of the aforementioned objects using, where necessary, vehicles with characteristics regulated by the Spanish Ministry of Home Affairs to avoid confusion with those used by the armed forces or state security forces.

5. Installation and maintenance of security apparatuses, devices and systems.

6. The operation of centres in which alarm signals are received, verified, broadcast and reported to state security forces, as well as the provision of response services in circumstances that do not come under the state security forces.

7. Planning of security activities and related advisory services.

8. Security services and the protection of rural property by private security guards.

The activities which comprise the corporate purpose may also be indirectly performed by the Company, via the shareholding in any other companies with an identical or similar corporate purpose.

The Company's statutory activity does not include activities expressly restricted by law to entities that comply with special requirements not met by the Company, particularly financial brokerage activities that are restricted by financial legislation governing collective investment undertakings and the securities market law and supplementary provisions applicable to collective investment undertakings.

As of financial year 2013, the Company segregated the business line of private security in Spain to Prosegur España S.L.U. (see Note 6) resulting in the main activity of the Company now becoming the acquisition, holding, management and administration of securities and shares or any other form of representation of interest in the capital of entities that are resident and non-resident in Spain and of funding in investee companies; and the provision of services that are complementary or ancillary to the management of activities carried out by the investee companies.

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

Prosegur Compañía de Seguridad, S.A. is a limited liability company whose shares are listed on the Madrid and Barcelona stock exchanges and traded through the Spanish Stock-Exchange Interconnection System (electronic trading system) (SIBE).

In accordance with prevailing legislation, Prosegur is the parent of a group of companies. In accordance with generally accepted accounting principles in Spain, consolidated annual accounts must be prepared to present fairly the financial position of the Group, the results of operations and changes in its equity and cash flows. Details of investments in group companies, associates and jointly controlled companies are disclosed in Annex I.
The directors prepare the consolidated annual accounts of Prosegur Compañía de Seguridad, S.A., in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and approved by the European Commission Regulations in force at 31 December 2014. The consolidated annual accounts were drawn up

by the Board of Directors, together with these individual annual accounts, on 25 February 2015 and are pending approval by the shareholders at their general meeting, after which they will be filed at the Companies Registry of Madrid.

The consolidated annual Accounts of Prosegur Compañía de Seguridad, S.A. and its subsidiaries for 2014 present consolidated profit of Euros 158,428 thousand and consolidated equity of Euros 864,061 thousand (Euros 155,674 thousand and Euros 654,524 thousand respectively in 2013).

2. Basis of Presentation

a) Fair image

The annual accounts have been prepared on the basis of the accounting records of the Company and are presented in accordance with mercantile legislation in force and the rules established in the General Chart of Accounts approved by Royal Decree 1514/2007, in order to reflect a true and fair image of the equity, financial situation and results of the Company, as well as the veracity of the cash flows shown in the cash flow statement.

At the close of the financial year, the Company has a negative working capital of Euros 139,785 thousand (in 2013: EUR 119,852 thousand). However, the Company's directors have prepared these annual accounts on the going concern principle given that they consider that this negative working capital does not affect the capacity of the Company to continue as a going concern on the basis of, among other factors, the fact that the Company is the parent company of the Prosegur Group whose consolidated annual accounts at 31 December 2014 show a positive working capital of Euros 315,518 thousand (in 2013: Euros 315,500 thousand) and its capacity to generate future cash flows via its ordinary business activity as well as the management policy of subsidiary dividends.

b) Critical issues regarding the valuation and estimation of relevant uncertainties

Preparation of the annual accounts requires the Company to make certain estimates and judgements concerning the future. These are evaluated constantly and based on historical experience and other factors, including expectations of future events that are considered reasonable under certain circumstances.

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

The estimates and judgements that present significant risk of a material adjustment to the carrying amounts of assets and liabilities in the subsequent reporting period are as follows:

Fair value of derivatives or other financial instruments

The fair values of financial instruments not traded on an active market are measured using valuation techniques. The Company uses its judgement to select methods and make assumptions based mainly on market conditions existing at each reporting date. The Company uses discounted cash flow analyses for certain available-for-sale financial assets that are not quoted on an active market.

Estimated fair value

The fair value of financial instruments traded on an active market (such as derivatives quoted on stock exchanges and investments acquired for trading) is based on market prices at the reporting date. The market price used by the Company for financial assets is the current buying price. The appropriate market price for financial liabilities is the current asking price.

The fair value of financial instruments not traded on an active market is determined using valuation techniques. The Company uses various different measures and makes assumptions based on market conditions existing at each balance sheet date. Market prices for similar instruments are used to measure non-current payables. To determine the fair value of the remaining financial instruments, the Company uses other techniques such as discounted estimated cash flows. The fair value of interest rate swaps is the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange rates on the market at the balance sheet date.

The nominal amount of receivables and payables less estimated credit adjustments is considered to be similar to their fair values. The fair value of financial liabilities for the purposes of presentation of financial information is estimated by discounting the future cash flow commitments at the interest rate available at the time to the Company for similar financial instruments.

Investments in group companies

The Company carries out impairment testing on investments made in subsidiaries if there is any proof of value impairment. The calculation of impairment involves the comparison of the book value of the investment with its recovery value, this being understood as the higher fair value less cost of sale and value in use. The Company generally uses cash flow discounting methods to calculate these values. Discounted cash flow calculations are based on four year projections of the budgets approved by Management. The cash flows take into account past experience and represent Management's best estimate of future market performance. Cash flows as of four years are extrapolated using individual growth rates. The key assumptions to determine the fair value less cost of sale and value in use include growth rates, average weighted rate of captial and tax rates.

Useful lives

For certain intangible assets acquired, the Company decides whether the useful life is finite or indefinite and, for those whose useful life is considered finite, the period over which it will generate incoming cash flows. This assessment requires a high level of judgement by management and takes into account certain key factors.

c) Functional and presentation currency

The figures disclosed in the annual accounts are expressed in thousands of Euros, the Company's functional and presentation currency, rounded off to the nearest thousand.

d) Comparative information

For comparative purposes and for each item in the balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the annual accounts, in addition to the figures for financial year 2014, the annual accounts show those pertaining to the previous year, those of 2013, approved by the General Shareholders' Meeting at 30 June 2014.

3. Income and Expenses

a) Net turnover

Details of revenues by category of activity and geographical area are as follows:

	Thousands of euros							
	National		Resto of Europe & Asia-Pacific		LatAm		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
Dividend received:								
- Group companies and associates	26,711	28,445	70,147	47,741	8,369	28,317	105,227	104,503
- Third parties	-	4,136	-	-	-	-	-	4,136
Loan interest income	1,085	824	1,446	584	1	15	2,532	1,423
Provision of services:								
- Manned Guarding	-	41	-	-	-	-	-	41
- General Services	33,674	31,378	11,556	9,021	42,027	32,917	87,257	73,316
Total	**61,470**	**64,824**	**83,149**	**57,346**	**50,397**	**61,249**	**195,016**	**183,419**

b) Personnel expenses

Details of the employee benefits expense are as follows:

	Thousands of euros	
	2014	**2013**
Salaries and wages	26,771	22,512
Severance	1,055	1,704
Social security obligations	4,470	3,789
Other employee benefits expenses	468	1,323
Total	**32,764**	**29,328**

The employee benefits expense includes Social Security credits amounting to Euros 21 thousand (in 2013: EUR 6 thousand) granted during the year in return for promoting indefinite employment contracts and work-experience contracts, as set out in prevailing legislation. Likewise, there are no register of any amount awarded for on-the-job training programmes (in 2013: EUR 180 thousand).

The 2014 long-term incentive plans for Executive Director and Management (Note 28.11), within the Salaries and wages paragraph has been included in the expense accrued during the year in relation to the 2014 amounting to EUR 3,979 thousand (in 2013: EUR 662 thousand), of which EUR 2,114 thousand comprise cash incentives and EUR 1,865 thousand correspond to share-based incentives.

c) Sale of Fixed Assets

In financial year 2014, computer equipment has been sold at a significant loss amounting to 9 thousand euros (2013: no sales of tangible assets were made).

4. Net Finance Income

Details of finance income and costs are as follows:

	Thousands of euros	
	2014	**2013**
Finance income	**44**	**41**
Securities and other financial instruments		
- Third parties	44	41
Finance expenses	**(24.969)**	**(24.034)**
- From payables to Group companies (Note 22)	(4.148)	(2.379)
- From payables to third-parties	(20.821)	(21.655)
Financial instruments	**(68)**	**131**
- Other (losses)/gains on derivative transactions (Note 12)	(1.151)	(2.288)
- Variation of fair value of derivatives (Note 12)	1.083	2.419
Translation differences	**1.261**	**15**
Total	**(23.732)**	**(23.847)**

a) Finance income and costs

Finance costs in relation to group companies reflect interest earned on current loans to group companies (see Note 22).

Interest on bank loans mainly relates to the syndicated loan and the ordinary bonds issued during 2013 (see Note 18).

b) Exchange gains/losses

The main currency conversion difference items are the following:

		Thousands of euros	
	Currency	**2014**	**2013**
Group company loans	Mexican Peso	(13)	6
Debt due to acquisition of Prosec Services Pte	Singapore Dollar	(33)	122
Debt due to acquisition of Tellex	Argentine Peso	101	212
Group company loans	Uruguayan Peso	123	-
Debt due to acquisition of Martom	Brazilian Real	(30)	(137)
Debt due to acquisition of Beloura Investment	Colombian Peso	227	207
Debt from capital increase of Prosegur Tecnología (Brazil)	Brazilian Real	(29)	186
Other debt with group companies	Argentine Peso	(12)	6
Loans to group company	Australian dollar	1,056	(806)
Other items		(129)	219
		1,261	**15**

5. Profit/(loss) for the year

a) Distribution of profit

On the date these annual accounts are authorised for issue, the directors will propose to the shareholders at their general meeting that profit for the year be distributed as follows:

	Thousands of euros
	2014
Basis of allocation	
Profit/(loss) for the year	68,941
Total	**68,941**
Allocation	
Voluntary reserves	2,994
Dividends	65,947
Total	**68,941**

The board of directors will propose the distribution of a dividend of Euros 0.1068 per share, or a total maximum amount of Euros 65,947 thousand (considering that share capital is currently represented by 617,124,640 shares), to the shareholders at their general meeting. This dividend will be distributed to shareholders as four payments, in July and October 2015 and January and April 2016. Each payment is calculated as EUR 0.0267 per outstanding share at the payment date. The portion of the maximum amount represented by own shares at each payment date, and therefore not distributed, will be transferred to voluntary reserves.

Nevertheless, if the number of shares changes between two payment dates as a result of a share capital increase or reduction, the total maximum amount of the dividend at each payment date (Euros 16,487 thousand) should be divided by the new number of outstanding shares following such capital increases or reductions.

At the general meeting held on 30 June 2014, shareholders approved the distribution of dividends amounting to EUR 65,947 thousand (EUR 0.1068 per share). When this meeting was held, share capital was divided into 617,124,640 shares. Shareholders received 50% of the approved dividends, i.e. EUR 32,974 thousand, in July and October 2014. The remaining payments, each representing 25% of the approved amount, will be made in January and April 2015. At 31 December 2014 dividends payable of Euros 32,974 thousand have been recognised under current liabilities as other payables under other financial liabilities (see Note 18.c).

b) Dividend restrictions

Reserves and profit for the year are freely distributable except for the restrictions described in Note 15.

6. Business Combinations

Financial year 2013

In 2013, Prosegur Compañía de Seguridad, S.A.'s private security business line in Spain was spun off to Prosegur España, S.L.U. (the beneficiary Company). The reason behind the spin-off was the rationalisation of the Group's economic activities in order to achieve a more efficient management with greater control over each of the activities carried out, thus splitting-off the private security business line in Spain.

The aim of this spin-off was to diversify the economic risk in each division by separating the resources of this activity and creating a more solid and independent structure.

The spin-off has been recorded with the Companies Registry of Madrid on 14 March 2013 and approved by the managing bodies of both companies on 29 April 2013.

The spun-off company was the sole and direct owner of the beneficiary.

The spin-off comprised all of the assets and liabilities of the private security business of Prosegur Compañía de Seguridad, S.A. in Spain, as well as all contractual and labour rights and obligations pertaining thereto, which constituted a single economic unit pursuant to article 71 of Law 3/2009.

The value of the equity spun-off and transferred amounts to Euros 172,283 thousand based on the carrying amount in the balance sheet of the spun-off company at 31 December 2012.

As stated in Note 28.13, the Company considered the items forming the spun-off business, including amounts deferred in recognised income and expense at the consolidated amounts reflected in the consolidated annual accounts prepared under EU-IFRS, which did not differ from the figures that would have been obtained had the Standards for the Preparation of consolidated annual accounts approved by Royal Decree 1159/2010 of 17 September 2010 been applied which agreed with the carrying amounts of the spun-off business in the individual accounts. The amounts recognised were as follows:

	Thousands of euros
Assets	
Non-current assets	**145,449**
Intangible assets (Note 7)	93,554
Property, plant and equipment (Note 8)	40,738
Long-term financial investments	404
Deferred tax assets (Note 19)	10,753
Current assets	**265,664**
Cash and cash equivalents	44,300
Accruals	639
Inventory	18,332
Trade and other receivables	202,075
Other financial assets	318
Total assets	**411,113**

	Thousands of euros
Liabilities	
Non-current liabilities	**46,115**
Deferred tax liabilities over deferred profits (Note 19)	12,395
Long-term deferrals	8,643
Non-current provisions (Note 17)	25,077
Current liabilities	**192,715**
Short-term bank debts	48,809
Trade and other payables	120,961
Other liabilities	15,545
Short-term deferrals	7,400
Total liabilities	**238,830**
Net book value of segregated assets (Note 10)	**172,283**
Capital increase	74,239.5
Share premium	74,239.5
Goodwill reserve	23,804
	172,283

In accordance with article 93 of Chapter VIII of Title VII of the consolidated text of the Law on Corporate Income Tax passed by Royal Legislative Decree 4/2004, above is the balance sheet reflecting the spin-off of the business activity at 31 December 2012. In addition, it is hereby stated that the last balance sheet of the transferring company was that pertaining to 31 December 2012.

In addition, tax credits enjoyed by the spun-off business mainly relate to freedom of amortisation of assets contributed in financial years 2009, 2010, 2011 and 2012 amounting to Euros 6,300 thousand and the amortisation of goodwill as a result of merger amounting to Euros 5,923 thousand.

7. Intangible Assets

Details of intangible assets and movement are as follows:

	Thousands of euros						
	Goodwill	**Licences**	**Computer software**	**Software applications in progress**	**Customer portfolio**	**Other Intangible assets**	**Total**
Cost							
Balance at 1 January 2013	90,657	13,080	31,512	4,192	6,987	10,683	157,111
Spin-off disposals (Note 6)	(90,844)	(2,649)	(12,538)	-	(6,987)	-	(113,018)
New additions	187	1,384	2,114	2,711	-	4,834	11,230
Write offs	-	(342)	-	-	-	-	(342)
Transfers	-	-	3,800	(3,800)	-	-	-
Balance at 31 December 2013	**-**	**11,473**	**24,888**	**3,103**	**-**	**15,517**	**54,981**
New additions	-	1,749	231	2,666	-	2,608	7,254
Write offs	-	(251)	(268)	-	-	-	(519)
Transfers	-	-	1,581	(1,581)	-	-	-
Balance at 31 December 2014	**-**	**12,971**	**26,432**	**4,188**	**-**	**18,125**	**61,716**
Depreciation and amortisation							
Balance at 1 January 2013	-	(6,436)	(22,562)	-	(6,402)	(4,274)	(39,674)
Spin-off disposals (Note 6)	-	2,192	10,870	-	6,402	-	19,464
Amortisation for the year	-	(1,673)	(2,971)	-	-	(3,726)	(8,370)
Balance at 31 December 2013	**-**	**(5,917)**	**(14,663)**	**-**	**-**	**(8,000)**	**(28,580)**
Amortisation for the year	-	(1,853)	(3,429)	-	-	(4,904)	(10,186)
Write offs	-	208	80	-	-	-	288
Balance at 31 December 2014	**-**	**(7,562)**	**(18,012)**	**-**	**-**	**(12,904)**	**(38,478)**
Carrying amount							
At 01 January 2013	**90,657**	**6,644**	**8,950**	**4,192**	**585**	**6,409**	**117,437**
At 31 December 2013	**-**	**5,556**	**10,225**	**3,103**	**-**	**7,517**	**26,401**
At 01 January 2014	**-**	**5,556**	**10,225**	**3,103**	**-**	**7,517**	**26,401**
At 31 December 2014	**-**	**5,409**	**8,420**	**4,188**	**-**	**5,221**	**23,238**

a) New additions

Licences

The additions during financial year 2014 pertain to Microsoft licences amounting to 1,095 thousand euros and the renewal of software licences amounting to 654 thousand euros.

Computer software

The additions in financial year 2014 pertain to information technology projects amounting to 231 thousand euros, a part of which has become operational in the year and originated from software applications in progress.

Software applications in progress

The additions in financial year 2014 pertain to IT projects totalling Euros 2,666 thousand.

Other intangible assets

The additions during financial year 2014 pertain to intangible assets assigned totalling Euros 2,608 thousand.

The most significant write-offs in financial year 2014 have been the application RRHH-META 4 EU MODULOS-ORG&CORE HR-M4 amounting to 268 thousand euros and to Microsoft type TRUE UP 1-EA licences amounting to 251 thousand euros.

b) Licences

Details of licences at year end are as follows:

			Thousands of euros 2014			
Description and operation	**Expiry date**	**Amortisation period**	**Amortisation for the year**	**Cost**	**Accumulated amortisation**	**Carrying amount**
Licences - Software	2011	3 year	-	1,600	1,600	-
Licences - CRA	2011	5 year	-	90	90	-
Licences - Software	2012	5 year	-	313	313	-
Licences - Software	2013	5 year	-	20	20	-
Licences - Software	2014	1 year	38	166	166	-
Licences - Software	2014	5 year	105	613	613	-
Licences - Software	2015	5 year	285	1,264	1,125	139
Licences - Software	2016	5 year	823	4,114	2,705	1,409
Licences - Software	2017	5 year	157	783	350	433
Licences - Software	2018	5 year	244	1,218	379	839
Licences - Software	2019	5 year	201	1,748	201	1,547
Licences - Software	-----	-----	-	1,042	-	1,042
			1,853	**12,971**	**7,562**	**5,409**

			Thousands of euros 2013			
Description and operation	**Expiry date**	**Amortisation period**	**Amortisation for the year**	**Cost**	**Accumulated amortisation**	**Carrying amount**
Licences - Software	2011	3 year	-	1,600	1,600	-
Licences - CRA	2011	5 year	-	90	90	-
Licences - Software	2012	5 year	-	313	313	-
Licences - Software	2013	5 year	4	20	20	-
Licences - Software	2014	1 year	128	166	128	38
Licences - Software	2014	5 year	122	613	508	105
Licences - Software	2015	5 year	303	1,514	1,047	467
Licences - Software	2016	5 year	823	4,114	1,882	2,232
Licences - Software	2017	5 year	157	783	193	590
Licences - Software	2018	5 year	136	1,218	136	1,082
Licences - Software	-----	-----	-	1,042	-	1,042
			1,673	**11,473**	**5,917**	**5,556**

c) Fully amortised intangible assets

The cost of intangible fixed assets that are fully amortised and still in use at 31 December is as follows:

	Thousands of euros 2014	**2013**
Computer software	11,294	7,889
Licences	2,802	2,023
Other Intangible assets	10,320	5,418
	24,416	**15,330**

d) Assets acquired from group companies and associates

Details of intangible assets acquired from group companies are as follows:

	Thousands of euros					
	2014			2013		
Description of Asset	**Cost**	**Depre. Cumulative**	**Carrying amount**	**Cost**	**Depre. Cumulative**	**Carrying amount**
Innovation projects	1,228	-	1,228	1,648	-	1,648
	1,228	**-**	**1,228**	**1,648**	**-**	**1,648**

The acquisition of intangible fixed assets pertains to the know-how software services of Prosegur Brasil S.A – Transportadora de Valores e Segurança.

e) Assets subject to guarantees and title restrictions

At 31 December 2014 and 2013 the Company has no significant intangible assets that are subject to restrictions on title or pledged as security for liabilities.

8. Property, Plant and Equipment

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

	Thousands of euros					
	Land and buildings	**Technical installations and machinery**	**Other install., equipment and furniture**	**Other property, plant and equipment**	**Fixed assets under construction and advances paid**	**Total**
Cost						
Balance at 1 January 2013	**-**	**24,833**	**64,333**	**51,905**	**1,435**	**142,506**
Spin-off disposals (Note 6)	-	(24,833)	(60,588)	(46,890)	(1,435)	(133,746)
New additions	-	-	676	573	430	1,679
Write offs	-	-	(2)	-	-	(2)
Transfers	-	-	-	4	(4)	-
Balance at 31 December 2013	**-**	**-**	**4,419**	**5,592**	**426**	**10,437**
New additions	-	-	163	1,662	608	2,433
Write offs	-	-	(2)	(22)	-	(24)
Transfers	-	-	560	180	(740)	-
Balance at 31 December 2014	**-**	**-**	**5,140**	**7,412**	**294**	**12,846**
Depreciation and amortisation						
Balance at 1 January 2013	**-**	**(20,915)**	**(37,289)**	**(38,677)**	**-**	**(96,881)**
Spin-off disposals (Note 6)	-	20,915	35,445	36,648	-	93,008
Amortisation for the year	-	-	(458)	(1,184)	-	(1,642)
Write offs	-	-	2	-	-	2
Balance at 31 December 2013	**-**	**-**	**(2,300)**	**(3,213)**	**-**	**(5,513)**
Amortisation for the year	-	-	(494)	(1,334)	-	(1,828)
Write offs	-	-	-	13	-	13
Balance at 31 December 2014	**-**	**-**	**(2,794)**	**(4,534)**	**-**	**(7,328)**
Carrying amount						
At 01 January 2013	**-**	**3,918**	**27,044**	**13,228**	**1,435**	**45,625**
At 31 December 2013	**-**	**-**	**2,119**	**2,379**	**426**	**4,924**
At 01 January 2014	**-**	**-**	**2,119**	**2,379**	**426**	**4,924**
At 31 December 2014	**-**	**-**	**2,346**	**2,878**	**294**	**5,518**

a) New additions

Other installations, equipment and furniture

The main work of refurbishment carried out in financial year 2014 has been the installation of a Cybersecurity chamber (Video Wall) amounting to 113 thousand euros in Calle Pajaritos 24 de Madrid. Fitting-out work in 2013 has been carried out in the main offices in Madrid, amounting to Euros 56 thousand and the adaptation of the offices in Paseo de las Acacias in Madrid, amounting to Euros 28 thousand.

Under construction and advances

Additions shown in 2014 comprise the refurbishment of the building located in Calle Pajaritos, 24 in Madrid amounting to Euros 608 thousand.

Additions shown in 2013 comprise the refurbishment of the building located in Calle Pajaritos, 20 in Madrid amounting to Euros 246 thousand, as well as other assets amounting to Euros 184 thousand.

Other property, plant and equipment

The main additions in financial year 2014 pertain to hardware and computers renovation totalling Euros 1,662 thousand.

The main additions in financial year 2013 pertain to computer equipment totalling Euros 401 thousand.

b) Impairment losses

The Company has not recognised or reversed any impairment losses on any items of property, plant and equipment in 2014 and 2013.

c) Assets acquired from group companies and associates

The Company has not acquired assets from Group companies or associates in 2014 and 2013.

d) Fully depreciated property, plant and equipment

The cost of property, plant and equipment items which are fully amortised and still in use at 31 December is as follows:

	Thousands of euros	
	2014	**2013**
Other installations, equipment and furniture	438	275
Other property, plant and equipment	1,680	877
	2,118	**1,152**

e) Property, plant and equipment pledged as collateral

At 31 December 2014 and 2013 the Company has no property, plant and equipment subject to restrictions on title or pledged as security for liabilities.

f) Assets under operating lease

Lessee

The Company rents offices, computer equipment and office equipment under non-cancellable operating leases.

Operating lease payments have been recognised as an expense under other operating expenses as follows:

	Thousands of euros	
	2014	**2013**
Lease payments	1,986	1,879
	1,986	1,879

Future minimum payments under non-cancellable operating leases are shown in Note 21.

g) Insurance

The Company has taken out insurance policies to cover the risk of damage to its property, plant and equipment. The coverage of these policies is considered sufficient.

9. Analysis of Financial Instruments

9.1 Analysis by category

The carrying amount of each category of financial instrument specified in the significant accounting policy on financial instruments, except investments in group companies, jointly controlled companies and associates (see Note 10) and cash and cash equivalents (see Note 14), is as follows:

a) Financial assets:

Thousands of euros	2014					
	At amortised cost or cost			At Fair value		
	Credits and other	Trade and other receivables	Financial Investments	Equity instruments	Derivatives	Total
Non-currents						
Available-for-sale financial assets (Note	328	-	2,320	3,027	-	5,675
	328	**-**	**2,320**	**3,027**	**-**	**5,675**
Current						
Loans and Receivables (Note 13)	128,772	102,884	27,377	-	-	259,033
	128,772	**102,884**	**27,377**	**-**	**-**	**259,033**
Total	**129,100**	**102,884**	**29,697**	**3,027**	**-**	**264,708**

Thousands of euros	2013					
	At amortised cost or cost			At Fair value		
	Credits and other	Trade and other receivables	Financial Investments	Equity instruments	Derivatives	Total
Non-currents						
Available-for-sale financial assets (Note	332	-	2,196	16,027	-	18,555
	332	**-**	**2,196**	**16,027**	**-**	**18,555**
Current						
Loans and Receivables (Note 13)	72,610	80,307	41,090	-	-	194,007
Derivatives (Note 12)	-	-	-	-	73	73
	72,610	**80,307**	**41,090**	**-**	**73**	**194,080**
Total	**72,942**	**80,307**	**43,286**	**16,027**	**73**	**212,635**

In 2014, the Company impaired the value of its investment in Capitolotre, S.P.A. by Euros 13,000 thousand (in 2013: EUR 6,600 thousand).

In financial year 2013, the Company participated in the capital increase of Euroforum Escorial, S.A. totalling Euros 524 thousand, of which Euros 250 thousand are yet to be paid up. During financial year 2014, 133 thousand euros have been paid up (see Note 11).

The carrying value of the financial assets valued at cost or at amortised cost is close to their fair value, given the non-significant effect of the discount. Fair values are based on cash flows discounted at a rate based on the borrowing rate.

b) Financial liabilities:

Thousands of euros	2014						
	At amortised cost or cost				At Fair value		
	Debentures and other negotiable securities	Debts with credit institutions	Trade and other payables	Other financial liabilities	Other financial liabilities	Derivatives	Total
Non-currents							
Debts and payables (Note 18)	497,174	37,882	-	995	-	-	536,051
	497,174	**37,882**	**-**	**995**	**-**	**-**	**536,051**
Current							
Debts and payables (Note 18)	10,312	127,772	45,948	207,449	-	-	391,481
	10,312	**127,772**	**45,948**	**207,449**	**-**	**-**	**391,481**
Total	**507,486**	**165,654**	**45,948**	**208,444**	**-**	**-**	**927,532**
Fair value	**534,814**	**165,654**					

Thousands of euros	2013						
	At amortised cost or cost				At Fair value		
	Debentures and other negotiable securities	Debts with credit institutions	Trade and other payables	Other financial liabilities	Other financial liabilities	Derivatives	Total
Non-currents							
Debts and payables (Note 18)	495,757	130,469	-	1,707	-	-	627,933
Derivatives (Note 12)	-	-	-	-	-	-	-
	495,757	**130,469**	**-**	**1,707**	**-**	**-**	**627,933**
Current							
Debts and payables (Note 18)	10,912	68,034	22,717	204,060	-	-	305,723
Fair value liabilities with changes in results	-	-	-	-	1,953	-	1,953
Derivatives (Note 12)	-	-	-	-	-	1,640	1,640
	10,912	**68,034**	**22,717**	**204,060**	**1,953**	**1,640**	**309,316**
Total	**506,669**	**198,503**	**22,717**	**205,767**	**1,953**	**1,640**	**937,249**
Fair value	**508,100**	**198,194**					

The carrying value of trade creditors and other financial liabilities is close to fair value, given the non-significant effect of the discount. Fair values are based on cash flows discounted at a rate based on the borrowing rate.

9.2. Analysis by maturity

Details of financial instruments with fixed or determinable maturity, by year of maturity, are as follows:

a) Financial assets:

	2014				
	Financial Assets				
Thousands of euros	2015	2016	2017	Subsequent years	TOTAL
Investments in Group companies and associates:					
- Loans to companies	128,772	-	-	-	**128,772**
- Other financial assets	27,058	-	-	-	**27,058**
	155,830	**-**	**-**	**-**	**155,830**
Financial Investments:					
- Equity instruments	-	-	-	5,347	**5,347**
- Other financial assets	319	-	-	328	**647**
	319	**-**	**-**	**5,675**	**5,994**
Trade and other receivables:					
- Customers, Group companies and as	102,410	-	-	-	**102,410**
- Sundry Debtors	456	-	-	-	**456**
- Personnel	18	-	-	-	**18**
	102,884	**-**	**-**	**-**	**102,884**
Total	**259,033**	**-**	**-**	**5,675**	**264,708**

	2013				
	Financial Assets				
Thousands of euros	2014	2015	2016	Subsequent years	TOTAL
Investments in Group companies and associates:					
- Loans to companies	72,610	-	-	-	**72,610**
- Other financial assets	35,629	-	-	-	**35,629**
	108,239	**-**	**-**	**-**	**108,239**
Financial Investments					
- Equity instruments	-	-	-	18,223	**18,223**
- Derivatives (Note 12)	73	-	-	-	**73**
- Other financial assets	5,461	-	-	332	**5,793**
	5,534	**-**	**-**	**18,555**	**24,089**
Trade and other receivables:					
- Clients from sales and other	-	-	-	-	**-**
- Customers, Group companies and as	70,777	-	-	-	**70,777**
- Sundry Debtors	9,515	-	-	-	**9,515**
- Personnel	15	-	-	-	**15**
	80,307	**-**	**-**	**-**	**80,307**
Total	**194,080**	**-**	**-**	**18,555**	**212,635**

b) Financial liabilities

	2014				
	Financial Liabilities				
Thousands of euros	**2015**	**2016**	**2017**	**Subsequent years**	**TOTAL**
Debentures and other negotiable securities (Note 18)	10,312	-	-	497,174	**507,486**
Loans to Group companies and associates	169,753	-	-	-	**169,753**
Debts with credit institutions	127,772		-	37,882	**165,654**
Other financial liabilities	83,644	169	169	658	**84,639**
Total	**391,481**	**169**	**169**	**535,714**	**927,532**

	2013				
	Financial Liabilities				
Thousands of euros	**2014**	**2015**	**2016**	**Subsequent years**	**TOTAL**
Debentures and other negotiable securities (Note 18)	10,912	-	-	495,757	**506,669**
Loans to Group companies and associates	161,533	-	-	-	**161,533**
Debts with credit institutions	68,034	130,469	-	-	**198,503**
Derivatives (Note 12)	1,640	-	-	-	**1,640**
Other financial liabilities	67,197	696	177	834	**68,904**
Total	**309,316**	**131,165**	**177**	**496,591**	**937,249**

10. Investments in Group Companies, Jointly Controlled Companies and Associates

Details of the movements in investments in group companies, jointly controlled companies and associates are as follows:

	Thousands of euros	
	2014	**2013**
Balance at 1 January	**855,996**	**502,191**
Investments		
Additions due to spin-off (Note 6)	-	172,283
New additions	82,053	193,348
Write offs	(1,235)	-
Impairment		
Impairment losses	(11,474)	(11,826)
Balance at 31 December	**925,340**	**855,996**

a) New additions

Increases in investments in group companies, jointly controlled companies and associates are as follows:

	Thousands of euros	
	2014	**2013**
Prosegur Holding e Participações, S.A.	22,220	126,580
Prosegur Activa Alarmes, S.A.	20,170	11,646
Prosegur, GMBH	32,998	-
Prosegur Activa Uruguay, S.A.	165	194
Luxpai Holdo SARL [1]	6,000	26,762
Beloura Investments, S.L.U.	500	-
Prosegur España, S.L.U.	-	172,286
Prosegur Mexico,S. de R.L.de C.V.	-	3,331
General Insdustries Argentina, S.A (GIASA)	-	129
Prosegur Tecnologia Argentina, S.A. (ex Fireles)	-	179
Proseguridad, S.A.	-	5,855
Prosegur Tecnologia em Sistemas de Segurança Electrônica e Incêndios Ltda.	-	2,621
Prosegur Tecnologia Peru, S.A. (merged with Distribuidora Federal 2012)	-	700
Prointrasn, LLC	-	133
Prosegur France, S. A. [1]	-	9,240
Tellex, S.A. [1]	-	5,325
Rosegur Holding Corporación, S.L. (under liquidation)	-	650
Total	**82,053**	**365,631**

[1] Share capital increases

On 28 January 2014 the Company participated in the capital increase of the Brazilian company Prosegur Holding e Participações, S.A. in the amount of Euros 22,220 thousand, with 43.43% ownership (before 39.27%).

On 28 January 2014 the Company participated in the capital increase of the Brazilian company Prosegur Activa Alarmes,Ltda in the amount of Euros 20,170 thousand, with 86.08% ownership (before 68.09%).

On 7 February 2014 the Company participated in the capital increase of the German company Prosegur GmbH, in the amount of Euros 1,800 thousand, by means of loan capitalisation. On 24 July 2014 the Company participated in the capital increase of the German company Prosegur Deutschland GmbH, in the amount of Euros 25,198 thousand, by means of loan capitalisation and accrued interests of the same (25,000 principal + 198 interests). On the same date, a new capital increase of 12,751 thousand euros was agreed, of which a total of 6,751 thousand euros remains outstanding. In August 2014 the merger of Prosegur Deutschland GmbH (acquired company) and Prosegur GmbH (acquiring company) took place, with transferal to the latter of the investment held in the former by the Company.

On 13 February 2014 the Company participated in the capital increase of the Uruguayan company Prosegur Activa Uruguay, S.A. in the amount of Euros 165 thousand.

On 06 November 2014 the Company participated in the capital increase of the Luxembourg Company Luxpai Holdo SARL, a securities holding Company, totalling Euros 6,000 thousand, by capitalising loans.

On 16 December 2014 the Company participated in a capital increase of the Spanish company Beloura Investments, S.L. in the amount of Euros 500 thousand.

On 8 January 2013 Company created the company Prosegur España, S.L.U. for Euros 3 thousand. On 2 July 2013 the Company spun-off its security business line in Spain to its investee company (100%), Prosegur España, S.L.U., as is explained in Note 6. The value of the assets and liabilities contributed amounted to 172,283 thousand euros (74,239.5 thousand euros in capital increase, 74,239.5 thousand euros in share premium and 23,804 thousand euros to goodwill reserve).

On 20 March 2013 the Company participated in a capital increase of the Argentine company Prosegur Tecnología Argentina, S.A. in the amount of Euros 179 thousand (Argentine Pesos 1,173 thousand).

On 23 May 2013 the Company participated in the capital increase of the Brazilian company Prosegur Activa Alarmeas, S.A. in the amount of Euros 11,646 thousand (Brazilian Reais 30,518), now holding 68.09% of shares.

On 23 May 2013 the Company participated in the capital increase of the Brazilian company Prosegur Holding e Participações, S.A. in the amount of Euros 35,033 thousand (Brazilian Reais 91,801).

On 28 May 2013 the Company condoned the debt receivable under the participating loan with the company Rosegur Holding Corporation, S.L. totalling Euros 650 thousand. This company is currently dissolute and under liquidation.

On 28 June 2013 the Company participated in the capital increase of the Luxembourg Company Luxpai Holdo SARL, a securities holding Company, totalling Euros 3,362 thousand, by capitalising loans. On 20 December 2013 the Company participated in the capital increase of the Luxembourg company Luxpai Holdo SARL, a securities holding Company, in the amount of Euros 23,400 thousand, by means of loan capitalisation.

On 20 August 2013 the Company participated in the capital increase of the Brazilian company Prosegur Tecnologia em Sistemas de Segurança Electrônica e Incêndios Ltda. totalling Euros 2,621 thousand (Brazilian Reais 8,158 thousand) by cancellation of debt.

On 19 June 2013 the Company participated in the capital increase of the Brazilian company Prosegur Holding e Participações, S.A. in the amount of Euros 50,686 thousand (Brazilian Reais 148,053), by cancelling a debt amounting to Euros 42,665 thousand and a monetary contribution of Euros 8,021 thousand. On the other hand, on 18 December 2013, the Company participated in the capital increase of the Brazilian company Prosegur Holding e Participações, S.A. totalling Euros 40,861 thousand (Brazilian Reais 131,001), by cancelling a debt of Euros 36,925 thousand and a monetary contribution of Euros 3,936 thousand.

In December 2013 the Company participated in the capital increase of the North American company Prointrans, LLC, in the amount of Euros 37 thousand (US Dollars 50 thousand) and during the financial year it has paid out the amount outstanding which totals Euros 96 thousand (US Dollars 140 thousand).

On 5 December 2013 the Company participated in the capital increase of the Mexican company Prosegur México, S. de R.L. de C.V. in the amount of Euros 3,331 thousand (Mexican Pesos 70,000 thousand).

On 16 December 2013 the Company participated in the capital increase of the Uruguayan company Prosegur Activa Uruguay, S.A. in the amount of Euros 194 thousand (Uruguayan Pesos 5,685 thousand).

On 18 December 2013 the Company participated in the capital increase of the Argentine company Tellex, S.A. in the amount of Euros 5,325 thousand (Argentine Pesos 47,025 thousand).

On 19 December 2013 the Company subscribed the capital increase of the French company Prosegur France, S.A. by converting Euros 9,240 thousand of debt to equity.

On 20 December 2013 the Company participated in the capital increase of the Peruvian company Prosegur Tecnología, S.A. in the amount of Euros 700 thousand (Peruvian Nuevos Soles 2,634 thousand).

On 20 December 2013 the Company participated in the capital increase of the Peruvian company Proseguridad, S.A. in the amount of Euros 5,855 thousand (Peruvian Nuevos Soles 21,800 thousand), now holding 26.85% of the share capital of the company.

During financial year 2013 the guarantee furnished as a result of the investment made in 2009 in the Argentine company General Industries Argentina, S.A. (GIASA) totalling Euros 129 thousand (Argentine Pesos 900 thousand) was returned.

b) Write offs

Decreases in investments in group companies, jointly controlled companies and associates are as follows:

	Thousands of euros	
	2014	**2013**
Pitco Ventures S.C.R.	(600)	-
Reinsurance Business Solutions Ltd	(635)	-
Total	**(1,235)**	**-**

Impairment losses and gains/(losses) on disposal of financial instruments

The breakdown of the impairment losses on investments made in the year is as follows:

	Thousands of euros	
	2014	**2013**
Impairment		
Seguridad Vigilada, S.A.	3,428	-
Prosegur Mexico,S. de R.L.de C.V.	-	3,331
Rosegur Holding Corporation, S.L. (under liquidation)	-	1,300
Xiden, S.A.C.I.	302	627
Prosegur Tecnología Argentina, S.A. S.A.	1,598	1,584
Tellex, S.A.	6,146	4,984
Write offs		
Pitco Ventures S.C.R.	958	-
Reinsurance Business Solutions Ltd	(61)	-
	12,371	**11,826**

During financial year 2014, the company Pitco Ventures SCR and the Irish company Reinsurance Business Solutions LTD have been dissolved, both 100% owned by the Company. These liquidations have generated a negative result of 958 thousand euros and a positive result of 61 thousand euros respectively, which is reflected in the heading "Results from impairment and sales of investments in group companies" in the income statement.

At December 2014 the impairment losses on investments in the following group companies, jointly controlled companies and associates at the end of the year:

	Thousands of euros	
	2014	**2013**
Prosegur Mexico,S. de R.L.de C.V.	42,931	42,931
Rosegur Holding Corporación, S.L.	6,650	6,649
Prosegur Services SRL	1,172	1,173
Esta Service, SASU	1,740	1,740
Seguridad Vigilada, S.A.	3,428	-
Xiden	929	627
P.Tecnologia Argentina	3,182	1,584
Tellex, S.A.	11,130	4,984
Prosegur Activa Chile	85	85
Total	**71,247**	**59,773**

c) Investments in Group companies

The information on shares held in Group companies is contained in Annex I of these annual accounts.

On 31 December 2014 the company Servimax Servicios Generales, S.A. (acquired company) was taken over by the company ESC Servicios Generales, S.L.U. (acquiring company), both Spanish companies. In addition, the merger of German companies Prosegur Deutschland GmbH (acquired company) and Prosegur GmbH (acquiring company) took place.

d) Investments in jointly controlled companies

The Company holds a 50% interest in a jointly controlled company with the GED venture capital fund, the purpose of which is to invest in security companies in south-eastern Europe.

			Shareholding		Voting rights	
Name	**Registered offices**	**Asset.**	**Dir. %**	**Ind. %**	**Dir. %**	**Ind. %**
Rosegur Holding Corporation, S.L. (under liquidation)	Pajaritos, 24 Madrid	Holding	50%	0%	50%	0%

This company is not listed on the stock market.

At 2013 year end, the company Rosegur Holding Corporation S.L.(under liquidation) was dissolved by agreement of the General Meeting and is currently under liquidation.

11. Financial Assets

a) Non-current financial assets available for sale

Movements in non-current financial assets are as follows:

	Thousands of euros			
	Available-for-sale financial assets			
	Equity instruments	**Loans to companies**	**Other financial assets**	**Total**
Balance at 1 January 2013	**24,549**	**291**	**5,966**	**30,806**
Spin-off disposals (Note 6)	-	-	(404)	(404)
New additions	524	17	-	541
Write offs	(250)	-	(138)	(388)
Impairment	(6,600)	-	-	(6,600)
Transfers (Note 11.b)	-	-	(5,400)	(5,400)
Balance at 31 December 2013	**18,223**	**308**	**24**	**18,555**
Spin-off disposals (Note 6)	-	-	-	-
New additions	133	13	-	146
Write offs	(9)	-	(17)	(26)
Impairment	(13,000)	-	-	(13,000)
Balance at 31 December 2014	**5,347**	**321**	**7**	**5,675**

Details of available-for-sale equity instruments are as follows:

	Thousands of euros			
	2014		**2013**	
Name	**Recoverable amount**	**% ownership**	**Recoverable amount**	**% ownership**
Equity shares not officially listed				
Capitolotre, S.P.A.	3,027	19%	16,027	19%
Euroforum Escorial, S.A.	2,141	8%	2,008	8%
Others	179	-	188	-
Total	**5,347**		**18,223**	

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

The Company considers that it does not exercise significant influence over Capitolotre, S.P.A. and has classified this investment as an available-for-sale financial asset.

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

The rest of investments are recognised at the lower of cost and the underlying net book value, as they cannot be measured reliably.

Prosegur's maximum exposure to credit risk at the reporting date is the fair value of these assets. All assets are denominated in Euros.

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

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

Under other non-current financial assets, in 2013 a deposit of Euros 5,400 thousand was transferred to other current assets. This is in relation to the acquisition of Prosegur GmbH (Germany) which represents a withholding of the total purchase price of the shares acting as a security against potential liabilities.

b) Other current financial assets

Movement in other current financial assets during 2014 and 2013 was as follows:

	Thousands of euros	
	Other financial assets	Total
Opening balance at 01 January 2013	**384**	**384**
Spin-off disposals (Note 6)	(318)	(318)
Write offs	(5)	(5)
Transfers (Note 11.a)	5,400	5,400
Balance at 31 December 2013	**5,461**	**5,461**
Write offs	(5,142)	(5,142)
Balance at 31 December 2014	**319**	**319**

In 2013 the short term transfer of a deposit of Euros 5,400 thousand was carried out pertaining to the acquisition of Prosegur GmbH (see Note 11.a). During the year this guarantee was adjusted and liquidated by Euros 5,100 thousand.

12. Derivative Financial Instruments

At 31 December 2014 the Company do not use derivative financial instruments to hedge interest rates and exchange rates, as set out in the risk management policy described in Note 26.

Changes in the fair values of all of the financial instruments held by the Company are taken to the income statement as they are not considered to be accounting hedges. In 2014 a credit of Euros 1,083 thousand was recognised in profit and loss (Euros 2,419 thousand in 2013) reflecting changes in the fair value of derivative financial instruments (see Note 4). Additionally, a loss of Euros 1,151 thousand (losses of Euros 2,288 thousand in 2013) was recognised for transactions, settlements and sale of derivatives (see Note 4).

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

Details of derivative financial instruments are as follows:

		Thousands of euros			
		Assets			
	Notional amount	**2014**		**2013**	
		Non-current	**Current**	**Non-current**	**Current**
Foreign currency swaps	15,000 thousand Australian dollars	-	-	-	73
Total		**-**	**-**	**-**	**73**

		Thousands of euros			
		Liabilities			
	Notional amount	**2014**		**2013**	
		Non-current	**Current**	**Non-current**	**Current**
Interest rate swaps	100,000 thousand euros	-	-	-	1,640
Total		**-**	**-**	**-**	**1,640**

Interest rate swaps

At 31 December 2013 the Company had one interest rate derivative instrument (interest rate swaps) to cap the interest payable on part of Prosegur's financing.

Every six months, on 25 July and 25 January, this derivative exchanges a payable interest rate of 2.71% for a receivable interest rate equivalent to the six-month Euribor on a nominal amount of Euros 100,000 thousand, which matures in April 2014.

		Thousands of euros		
		2013		
Characteristics	**Notional amount**	**Fair value**	**Maturity of notional amounts**	
			2014	**2015**
Interest Rate Swap	100,000 thousand euros	1,640	1,640	-
Total long term liabilities		**1,640**	**1,640**	**-**

Forward exchange transactions

On 20 January 2014, a forward exchange transaction was made on a nominal amount of Australian Dollars 5,000 thousand, exchanging Euros for Australian Dollars at an exchange rate of 1.5396 maturing on 7 February 2014.

On 08 April 2014, a forward exchange transaction was made on a nominal amount of Australian Dollars 30,000 thousand, exchanging Euros for Australian Dollars at an exchange rate of 1.4782 maturing on 6 May 2014.

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

13. Loans and receivables

Details of loans and receivables at 31 December are as follows:

	Thousands of euros	
	2014	**2013**
Loans and receivables - current		
- Loans to group companies (Note 22)	128,772	72,610
- Customers, Group companies and associates (Note 22)	102,410	70,777
- Other accounts receivable group companies (Note 22)	27,058	35,629
- Sundry Debtors	474	9,530
- Others	319	5,461
Total	**259,033**	**194,007**

Credit risk is not concentrated in terms of trade receivables because these involve group companies (see Note 22) following the spin-off of the private security business line in Spain to Prosegur España, S.L.U. made during 2013 (see Note 6).

Loans and receivables are measured at their nominal amount, which does not differ significantly from their fair value, as these items are current and the effect of discounting the cash flows is therefore not significant.

In 2008, the Company executed guarantees of Euros 9,469 thousand relating to funds retained on deposit by a customer in Brazil, by requirement of Customs and Excise authorities. In 2012, the Federal Court of the Southern region of Brazil, with jurisdiction over this case, in a suit brought by Prosegur seeking to release the funds, issued a favourable ruling and ordered the funds to be returned. These funds were recorded in other receivables has been collected in full during the first half of 2014.

The carrying amounts of loans and receivables are denominated in the following currencies:

	Thousands of euros	
	2014	**2013**
Euros	259,020	170,652
Australian dollar	-	23,342
Mexican Pesos	13	13
Total	**259,033**	**194,007**

Impairment of trade receivables is recognised under losses, impairment and changes in trade provisions in the income statement. Impaired receivables are usually written off when the Company does not expect to recover any further amount. In 2013 the impairment accumulated from the spin-off of the private security business line in Spain to Prosegur España, S.L.U. (see Note 6) has been written off.

The Company's other loans and receivables have not been impaired in 2014 and 2013.

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

14. Cash and cash equivalents

Details of cash and cash equivalents are as follows:

	Thousands of euros	
	2014	**2013**
Cash in hand and at banks	580	140
Total	**580**	**140**

Cash in hand and at banks essentially reflects cash at banks at each year end.

15. Share Capital, Share Premium and Own Shares

Details of equity and movement during the year are shown in the statement of changes in equity.

a) Share capital

At 31 December 2014 and 2013 the share capital of Prosegur Compañía de Seguridad, S.A. amounts to Euros 37,027 thousand represented by 617,124,640 shares with a par value of Euros 0.06, subscribed and fully paid, which are all listed on the Madrid and Barcelona stock exchanges and are traded on the Spanish Stock Exchange Interconnection System (SIBE).

These shares are freely transferable.

Details of the Company's shareholders are as follows:

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

1 Through Gubel, S.L. and Prorevosa, S.L.U.

(2) Both directly and via AS Inversiones, S.L.

(3) Via Fidelity International Discovery Fund and other funds.

(4) Investment through various funds managed.

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

b) Share premium

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

c)Own shares and equity holdings

Details of movements in own shares are as follows:

	Number of shares	Thousands of euros
Balance at 01 January 2013	**39,726,900**	**114,242**
Other distributions	(41,416)	(119)
Balance at 31 December 2013	**39,685,484**	**114,123**
Shares sale	(24,882,749)	(71,555)
Other distributions	(45,845)	(132)
Balance at 31 December 2014	**14,756,890**	**42,436**

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

At the AGM held on 27 June 2008, the shareholders approved the 2011 Plan relative to long-term incentives (Note 28.11). In January 2014 this incentive plan has been settled.

Moreover, 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. Part of this incentive is also conditional on the beneficiaries remaining in the Company's service for two years following the Plan period. The Plan considers the delivery of incentives in shares and/or cash to the Chief Executive Officer and Senior Executives of the Company. The maximum number of shares earmarked for the 2014 Plan is 4,120,000, representing 0.668% of Prosegur's present share capital.

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

On 10 January 2014, Prosegur has carried out the block sale of a packet of own shares accounting for 4.032% of the share capital, for a total amount of Euros 123,170 thousand, that is, 24,882,749 shares at Euros 4.95, to meet the requirements presented by JB Capital Markets of a limited and reduced number of institutional investors. Following the conclusion of this transaction, the Company maintains 2.39% of own shares that is deemed strategic to satisfy possible future corporate transactions. The result of the sale has been included in other reserves for the amount of 50,370 thousand euros, which is reflected in operations with shares in the Statement of Changes in Net Equity.

d) Reserves

Details of reserves are as follows:

	Thousands of euros	
	2014	**2013**
Legal reserve		
Legal reserve	7,406	7,406
Total	**7,406**	**7,406**
Other reserves		
Voluntary reserves	192,599	140,089
Reserves due to revised Budget Law of 1983	104	104
Differences on translation of share capital to Euros	61	61
Total	**192,764**	**140,254**

Legal reserve

The legal reserve has been appropriated in compliance with article 274 of the revised Spanish Companies Law, which requires that companies transfer 10% of profits for the year to a legal reserve until this reserve reaches a minimum amount equal to 20% of share capital.

The legal reserve is not distributable to shareholders and if it is used to offset losses, in the event that no other reserves are available, the reserve must be replenished with future profits.

At year end, the Company had appropriated to this reserve the minimum amount required by law.

Voluntary reserves

These reserves are freely distributable.

Reserves due to revised Budget Law of 1983

This reserve arises from balances revalued in accordance with the aforementioned law applied by the Company and is subject to restrictions on distribution.

Differences on translation of share capital to Euros

This reserve arises from the translation of share capital from Pesetas to Euros. This reserve is not distributable.

e) Other equity instruments

Other equity instruments reflect the total obligation undertaken by the Company in relation to share-based incentives established in the 2014 Plan (see Note 28.11). Movement is as follows:

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

The provision for the cash portion of the commitment undertaken by the Company at 31 December 2014 in connection with the 2014 Plan amounts to EUR 3,659 thousand of which EUR 1,497 thousand are classified as non-current and EUR 2,162 thousand as current (in 2013: 1,545 thousand euros, of which 632 thousand euros are classified as non-current and 913 as current.

16. Grants

Movement in non-refundable grants is as follows:

	Thousands of euros	
	2014	**2013**
Balance at 1 January	12	29
Transfers to non-refundable subsidies	(13)	(24)
Tax effect	4	7
Balance at 31 December	**3**	**12**

This grant consists of loans extended in 2005 by the Ministry of Industry and Commerce which bear 0% interest and mature in 2015.

17. Provisions

Details of provisions and movement are as follows:

	Thousands of euros			
	Overtime costs	**Accrued obligations to**	**Liabilities and charges**	**TOTAL**
Balance at 01 January 2013	**20,102**	**1,615**	**4,975**	**26,692**
Spin-off disposal (Note 6)	(20,102)	-	(4,975)	(25,077)
Transfers	-	(913)	-	(913)
Provisions	-	294	-	294
Reversals	-	(364)	-	(364)
Balance at 31 December 2013	**-**	**632**	**-**	**632**
Transfers	-	(1,249)	-	(1,249)
Provisions	-	2,114	-	2,114
Balance at 31 December 2014	**-**	**1,497**	**-**	**1,497**

b) Accrued obligations to personnel

These provisions include the accrued incentive in cash of the 2014 Plan (see Note 28.11). Part of this provision has been classified as current personnel accruals under trade and other payables totalling Euros 1,249 thousand. The obligation undertaken at 31 December 2014 in relation to share-based incentives established in the 2014 Plan is recognised under other equity instruments in equity (see Note 15).

18. Debts and payables

Details of debts and payables are as follows:

	Thousands of euros	
	2014	**2013**
Non-current		
- Debentures and other negotiable securities	497,174	495,757
- Loans from financial institutions	37,882	130,469
- Other financial liabilities	995	1,707
Total	**536,051**	**627,933**
Current		
- Debentures and other negotiable securities	10,312	10,912
- Loans from financial institutions	127,772	68,034
- Other financial liabilities	37,696	42,527
- Loans to group companies (Note 22)	169,753	161,533
- Loans to group companies (Note 22)	29,876	7,654
- Sundry accounts payable	7,572	9,135
- Other payables	8,500	5,928
Total	**391,481**	**305,723**

The exposure of the Company's debts and payables to fluctuations in interest rates and the contractual price review dates are as follows:

	Thousands of euros	
	2014	**2013**
Less than 6 months	165,654	198,503
6 to 12 months	169,753	161,533
Total	**335,407**	**360,036**

a) Debentures and other negotiable securities

On 2 April 2013 an issue of uncovered bonds with a nominal value of EUR 500,000 thousand, maturing on 2 April 2018, has been made. This issue will enable the deferment of maturities of part of the debt of Prosegur (from 2015 to 2018) and the diversification of funding sources. The bonds are traded on the secondary market of the Irish Stock Exchange. They accrue a coupon of 2.75% per annum payable yearly on maturity.

b) Loans and borrowings

The current and non-current debts with credit institutions are the following:

	Thousands of euros	
	2014	**2013**
Non-current		
Syndicated loan	37,882	130,469
Total	**37,882**	**130,469**
Current		
Loans	50,000	-
Syndicated loan	-	30,000
Credit facilities	77,375	37,576
Other	397	458
Total	**127,772**	**68,034**

Syndicated loan

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

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

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

The interest rate of the drawdowns of the syndicated loan is Euribor plus a spread which depends on the net financial debt/EBITDA ratio.

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

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

Other loans with credit institutions

On 13 December 2013 the loan of Euros 8,800 thousand with Banco do Brasil arranged by the Company on 18 December 2012 was cancelled. The loan accrued interest at a yearly fixed rate until 18 September 2013 of 2.40% and, as of that date, of 2.60% until its settlement.

Credit facilities

These pertain to the drawdowns of the credit facilities agreed with national Banks up to a limit of 197,000 thousand euros, with a maturity under one year and an average annual interest rate of 1.88% (2013: limit of 114,958 thousand euros, maturity under one year and average annual interest rate of 2.54%) on balances drawn down at 31 December 2014 which amount to 77,375 thousand euros (2013: EUR 38,034 thousand).

In addition, the balances drawn down under the credit facilities agreed with Banks up to a limit of 400,000 thousand euros (syndicated loan) with a maturity over one year and an average annual interest rate of 0.82% (2013: limit of 0, maturity over one year), on balances drawn at 31 December 2014 which amount to 40,000 thousand euros (2013: EUR 0).

The Company has the following unused credit facilities:

	Thousands of euros	
	2014	**2013**
Floating interest rate:		
maturing in less than 1 year	69,621	76,924
maturing in more than 1 year	360,000	-
	429,621	**76,924**

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

c) <u>Other financial liabilities</u>

Details of financial liabilities by maturity are as follows:

	Thousands of euros							
	2014							
	2015	**2016**	**2017**	**2018**	**2019**	**subsequent years**	**Total Non-current**	**Total**
Other financial liabilities	37,696	169	169	94	94	470	**995**	**38,691**

	Thousands of euros							
	2013							
	2013	**2013**	**2014**	**2015**	**2016**	**subsequent years**	**Total Non-current**	**Total**
Other financial liabilities	42,527	696	177	177	94	563	**1,707**	**44,234**

The most significant other financial liabilities at 31 December 2014 and 2013 are as follows:

- Non-current amounts at 31 December 2013 totalled Euros 995 thousand, comprised by loans received from the Ministry of Industry under the Avanza R&D programme amounting to Euros 846 thousand and the deferred payments relating to the purchase of Prover Electronica, Ltda amounting to Euros 149 thousand.

- Non-current amounts at 31 December 2013 totalled Euros 1,707 thousand and mainly comprised the loans received from the Ministry of Industry under the Avanza R&D programme amounting to Euros 1,022 thousand and the deferred payments relating to the purchases of Prover Electronica, Ltda amounting to Euros 248 thousand and Marton Segurança Electronica Ltda. amounting to Euros 437 thousand.

- Current amounts, at 31 December 2014, total Euros 37,696 thousand and mainly comprise the outstanding 2014 dividend payment of Euros 32,974 thousand that shall be settled in January and April of 2015 as approved by the shareholders at the general meeting. It also includes Euros 798 thousand of loans received from the Ministry of Industry as part of the Avanza R+D programme as well as several deferred payments in relation to the purchase of the following companies: Tellex, S.A. (Euros 382 thousand), Gemper S.A. (Euros 102 thousand), Beloura Investments, S.L.U. (Euros 2,439 thousand), Prover Electronica, Ltda (Euros 75 thousand), Marton Segurança Electronica Ltda. (Euros 668 thousand) and Prosegur GMBH (Euros 258 thousand).

- Current amounts, at 31 December 2013, total Euros 44,480 thousand and mainly comprise the outstanding 2013 dividend payment of Euros 32,974 thousand that shall be settled in January and April of 2014 as approved by the shareholders at the General Meeting. It also includes Euros 288 thousand of loans received from the Ministry of Industry as part of the Avanza R+D programme as well as several deferred payments in relation to the purchase of the following companies: Tellex, S.A. (Euros 483 thousand), Gemper S.A. (Euros 106 thousand), Prosec Services Pte. Ltda. (Euros 1,533 thousand), Beloura Investments, S.L.U. (Euros 2,666 thousand), Prover Electronica, Ltda (Euros 787 thousand), Marton Segurança Electronica Ltda. (Euros 243 thousand) and Prosegur GmbH (Euros 5,400 thousand).

d) <u>Other payables</u>

Other payables comprise salaries payable that have been accrued by different Company personnel.

The Company's remuneration policy for personnel includes a variable component determined through specifically designed incentive programmes, which aim to recognise and reward Company employees’ contribution to its success by achieving or surpassing set targets and developing the necessary skills for excellence in their duties and responsibilities.

The Incentive Programme is based on the direct link of variable remuneration with the achievement of previously set targets during a specific period of time by the Company Executive Management or the direct superior of the employee.

The liabilities for this item at 31 December 2014 amount to 6,188 thousand euros (2013: Euros 4,253 thousand) and the related cost recognised under employee benefits expense in the income statement is Euros 5,575 thousand (in 2013: EUR 4,985 thousand).

Additionally, this item also includes salaries payable and accrued extraordinary salary instalments amounting to Euros 2,312 thousand (in 2013: EUR 1,675 thousand).

The carrying amount of the Company’s financial liabilities is denominated in the following currencies:

	Thousands of euros	
	2014	**2013**
Euros	919,652	927,153
Argentine Peso	382	483
US Dollar	560	106
Singapore Dollar	-	1,533
Colombian Peso	2,439	2,666
Brazilian Real	3,425	1,715
Mexican Pesos	1,074	-
Total	**927,532**	**933,656**

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

Details of late payments to suppliers are as follows:

Payments made and outstanding at close of balance sheet

	2014		**2013**	
	Amount	**%**	**Amount**	**%**
Within the maximum legal payment term	15,363	37%	26,723	49%
Other	25,750	63%	27,618	51%
Total payments for the year	41,113	100%	54,341	100%
Weighted Average (Days) Past Due	107		136	
Late payments for which the maximum legal payment term has been exceeded at the reporting date	2,783		1,115	

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

19. Taxation

a) Details of balances with public entities are as follows:

	Thousands of euros			
	2014		**2013**	
	No current	**Current**	**No current**	**Current**
Assets				
Deferred tax assets	28,017	-	29,097	-
Public Treasury - debtor for Corporate Income	-	777	-	807
Value added tax and similar liabilities	-	191	-	-
	28,017	**968**	**29,097**	**807**
Liabilities				
Deferred tax liabilities	17,877	-	21,337	-
Current tax liabilities	-	4,999	-	670
Value added tax and similar liabilities	-	2,966	-	4,404
Withholdings	-	676	-	665
Social Security obligations	-	630	-	618
	17,877	**9,271**	**21,337**	**6,357**

The Company is the parent of a group that files consolidated income tax returns in Spain. This consolidated tax group comprises the Company and Spanish subsidiaries of the Prosegur Group that meet the requirements set out in regulations governing consolidated taxation.

On 16 June 2013 the Company has been informed of the start of a general inspection process to be carried out on all non-statute barred taxes, financial years 2008, 2009 and 2010, in relation to Corporate Income Tax, tax withholdings on non-resident tax and tax withholdings on non-real estate assets. Furthermore, the Company was informed of the commencement of a partial tax inspection in relation to withholding income tax for the same period. Likewise, tax inspection in relation to withholdings on account of non-resident income tax and withholdings on account of investment capital was extended to financial year 2011.

At 31 December 2014 tax inspection is still under way.

As a result of the business combination consisting of the spin-off of the private security business line in Spain to Prosegur España, S.L.U., a transaction explained in Note 6, for tax purposes the Special System of Fiscal Neutrality was applied in accordance with what is set forth in Chapter VIII of Title VII of Royal Legislative Decree 4/2004, of 5 March, approving the consolidated text of the Corporate Income Tax Law, insofar as it consisted of a non-monetary contribution of activity, which is considered in article 83.3 of said Law.

Provisions were transferred in this operation, as included in the spin-off balance sheet (see Note 6) and which will be reversed in the spun-off company.

A reconciliation of the accounting profit and taxable income is as follows:

	Thousands of euros	
	2014	**2013**
Accounting profit before tax	**56,687**	**72,866**
Permanent differences	(69,188)	(67,078)
Timing differences:	18,170	13,035
- Originating in the current period	19,914	11,897
- Arising in prior years	(1,744)	1,138
Taxable base for tax consolidation	**5,669**	**18,823**
Tax rate	30%	30%
Resulting tax payable	**1,701**	**5,647**
Deductions:	(10,104)	(13,326)
- Double taxation	(8,638)	(11,835)
- Other deductions	(337)	(291)
- Contributions made to Foundations	(1,129)	(1,200)
Tax payable	**(8,403)**	**(7,679)**

Permanent differences to the accounting profit for 2014 reflect non-tax expenditure or income, primarily exempt dividends received from foreign subsidiaries amounting to Euros 81,227 thousand, impairments in group companies amounting to Euros 11,474 thousand, penalties and fines amounting to Euros 7 thousand, transferred intangible assets at a negative amount of Euros 1,424 thousand and contributions made to foundations amounting to Euros 962 thousand.

Permanent differences to the accounting profit for 2013 reflect non-tax expenditure or income, primarily exempt dividends received from foreign subsidiaries amounting to Euros 76,058 thousand, impairments in group companies amounting to Euros 10,526 thousand, penalties and fines amounting to Euros 5 thousand, transferred intangible assets at a negative amount of Euros 2,454 thousand and contributions made to foundations amounting to Euros 831 thousand.

The main temporary difference adjustments to accounting profit originating in the year that are deductible in subsequent years are as follows:

I. I) Positive:
   - Provision for personnel expenses, amounting to Euros 3,786 thousand (in 2013: EUR 1,600 thousand).
   - Adjustment for impairment of investments, amounting to Euros 13,000 thousand (in 2013: EUR 7,900 thousand).
   - Limit on amortisation expenditure amounting to Euros 3,345 thousand (2013: EUR 2,614 thousand).

II. Negative:
   - Amortisation for tax purposes of unrecognised goodwill, amounting to Euros 217 thousand (in 2013: EUR 217 thousand).

The main temporary difference adjustments to accounting profit originating in prior years are as follows:

I. Positive:
- Application of deferred tax incentive for accelerated depreciation for 2009, 2010, 2011 and until March 2012, amounting to Euros 862 thousand (in 2013: EUR 1,297 thousand).

II. Negative:
- Reversal of provisions from prior years amounting to Euros 2,606 thousand (in 2013: EUR 159 thousand).

Negative tax adjustments for valuation adjustments to investees are calculated as the difference between equity at the beginning and the end of the year in proportion with the investment. Positive tax adjustments reflect the impairment of investees for accounting purposes recognised in profit or loss.

In financial year 2014, the deductions of Euros 8,638 thousand pertain to withholdings made in other countries for sundry services amounting to Euros 1,438 thousand and to dividends received from investments, with a 100% tax credit, amounting to Euros 7,200 thousand.

In financial year 2013, the deductions of Euros 11,835 thousand pertain to withholdings made in other countries for sundry services amounting to Euros 2,060 thousand and to dividends received from investments, with a 100% tax credit, amounting to Euros 9,775 thousand.

The Company, as parent, and its subsidiaries Servimax Servicios Generales, S.A. (merged with ESC Servicios Generales, S.L. in 2014), Prosegur Transportes de Valores, S.A. (absorbed in 2011) and Formación, Selección y Consultoría, S.A. have filed consolidated tax returns since 2001, pursuant to Chapter VII of Spanish Income Tax Law 43/1945 of 27 December 1945 (Official State Gazette (BOE) 28/10/1995). In 2002: Prosegur Alarmas, S.A. (in 2011 Prosegur Multiservicios, S.A.); in 2005, Prosegur Tecnología, S.L.U. (formerly Nordés Prosegur Tecnología, S.L.U. - absorbed in 2011) and ESC Servicios Generales, S.L.; in 2006: Prosegur Activa Holding, S.L.U. and Prosegur Activa España, S.L.U. (absorbed in 2011); in 2009: Prosegur Servicio Técnico, S.L.U. (absorbed in 2011); in 2010: Prosegur Gestión de Activos, S.L.U; in 2011: Pitco Ventures, SCR Simplificada, S.A.; in 2012 the companies acquired in 2011: Seguridad Vigilada, S.A., STMEC, S.L., Salcer Servicios Auxiliares, S.L , and Beloura Investments, S.L.U. Prosegur España S.L.U. has been added in 2013. In financial year 2014 there has been no addition to the tax group.

Under the heading current tax assets there are 777 thousand euros which pertain to a refund of taxes from previous tax periods (2013: 807 thousand euros, pertaining to withholding tax in the financial year).

The difference between the tax credit generated by the Company, amounting to Euros 8,403 thousand and that recorded as “Current tax liabilities”, amounting to Euros 4,999 thousand, is due to the fact that the Company, as parent company of the tax group, reflects all of the tax credit of the Tax Group, including all other companies in the group at a positive amount of Euros 17,926 thousand, as well as the offset of negative taxable bases of previous years amounting to Euros 3,111 thousand, and reduced by the tax withholdings and prepayments in the year amounting to Euros 1,413 thousand.

Details at year end of available tax loss carryforwards and deductions recognised by the Group as well as the reversal periods, are as follows:

		Thousands of euros	
	Last year	**2014**	**2013**
Credits for loss carryforwards	2029	8,235	12,310
Deductions and tax credit rights	2030	2,299	3,420
		10,534	**15,730**

Detail of the tax loss carryforwards of the consolidated tax group are as follows:

	Thousands of euros		
Year	**2014**	**2013**	**Last year**
2011	3,820	14,188	2029
2012	25,590	25,590	2030
	29,410	**39,778**	

Deductions recognised by the Group are as follows:

	Thousands of euros	
	2014	**2013**
Reinvestment of Extraordinary profit	24	-
Investment of AFN Canaries	75	-
Contributions to Foundations Law 49/2002	798	1,562
Volvo Ocean Race (Letter Treasury Department)	110	-
Innovation Technology (IT)	1,159	1,790
Research and development (R&D)	133	68
	2,299	**3,420**

Details of the income tax expense for the year are as follows:

	Thousands of euros	
	2014	**2013**
Accounting profit before tax	**56,687**	**72,866**
Permanent differences	(69,188)	(67,078)
Elimination of treasury stock transactions	(63)	(67)
Taxable base	**(12,564)**	**5,721**
Tax rate	30%	30%
Resulting tax payable	**(3,769)**	**1,716**
- Double taxation	(8,638)	(11,835)
- Contributions made to Foundations	(1,129)	(1,200)
- Other deductions	(337)	(291)
Expense (income) from tax on profit	**(13,873)**	**(11,610)**
- Withholdings at source and other	2,038	6,827
- Adjustment of deferred from prior years	(419)	11,649
Final expense (income) from tax on profit	**(12,254)**	**6,866**

The income tax expense is as follows:

	Thousands of euros	
	2014	**2013**
Current tax	(6,365)	(853)
Elimination of treasury stock transactions	(19)	(20)
Deferred tax (Note 19 b)	(5,870)	7,739
	(12,254)	**6,866**

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

b) Deferred tax

Tax assets and tax liabilities are offset when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Gross movement in deferred tax is as follows:

	Thousands of euros					
Deferred tax assets	**01/01/2014**	**Recognised in profit / loss**	**Spin-off disposal**	**Transfers**	**Recognised in equity**	**31/12/2014**
Stock impairment	8,237	3,091	-	-	-	11,328
Provisions	2,550	933	-	309	-	3,792
Goodwill tax and portfolios	2,550	(214)	-	-	-	2,336
Amortisation and depreciation	30	(3)	-	-	-	27
Credits for loss carryforwards	15,730	(752)	-	(4,444)	-	10,534
	29,097	**3,055**	**-**	**(4,135)**	**-**	**28,017**

	Thousands of euros					
Deferred tax assets	**01/01/2013**	**Recognised in profit / loss**	**Spin-off disposal (Note 6)**	**Transfers**	**Recognised in equity**	**31/12/2013**
Ruling difference in value of overtime	6,032	-	(6,032)	-	-	-
Stock impairment	7,105	2,370	-	(1,238)	-	8,237
Provisions	7,630	1,263	(2,641)	(3,702)	-	2,550
Goodwill tax and portfolios	3,589	927	(2,063)	97	-	2,550
Amortisation and depreciation	48	(1)	(17)	-	-	30
Credits for loss carryforwards	17,343	-		(1,613)	-	15,730
	41,747	**4,559**	**(10,753)**	**(6,456)**	**-**	**29,097**

	Thousands of euros					
Deferred tax liabilities	**01/01/2014**	**Recognised in profit / loss**	**Spin-off disposal**	**Transfers**	**Recognised in equity**	**31/12/2014**
Goodwill for tax purposes	(1,543)	39	-	-	4	(1,500)
Stock impairment	(7,558)	466	-	641	-	(6,451)
Freedom of Amortisation Law 4/2008	(588)	281	-	-	-	(307)
Others	(11,648)	2,029	-	-	-	(9,619)
	(21,337)	**2,815**	**-**	**641**	**4**	**(17,877)**

	Thousands of euros					
Deferred tax liabilities	**01/01/2013**	**Debit / credit to results and**	**Spin-off disposal (Note 6)**	**Transfers**	**Recognised in equity**	**31/12/2013**
Goodwill for tax purposes	(6,495)	(1,039)	6,095	(111)	7	(1,543)
Stock impairment	(4,404)	-	-	(3,154)	-	(7,558)
Freedom of Amortisation Law 4/2008	(7,277)	389	6,300	-	-	(588)
Others	-	(11,648)	-	-	-	(11,648)
	(18,176)	**(12,298)**	**12,395**	**(3,265)**	**7**	**(21,337)**

The Company has generated a deferred tax liability in accordance with the eleventh additional provision of Revised Spanish Income Tax Law 4/2008, which regulates eligibility to apply accelerated depreciation for investments in new items of property, plant and equipment and investment property for the purposes of economic activity that are made available to the taxable entity during the tax periods beginning in 2009 and 2010, provided that, during the 24 months after the start of the tax period in which the acquired assets are brought into service, the Company's average workforce remains consistent with the average headcount of the prior 12 months. For years commencing after 2011 and the first quarter of 2012, this provision was amended and the requirement of a consistent headcount was eliminated.

The Company has opted to depreciate the property, plant and equipment during the same year in which they come into operation.

20. Contingencies

a) Contingent liabilities

The Company has contingent liabilities from litigation arising in the ordinary course of business which are not expected to give rise to significant liabilities.

The Company has contingent liabilities for bank and other guarantees related with its normal business operations that are not expected to give rise to any significant liabilities.

Financial guarantees were mainly extended in relation to litigation in process, and also include other amounts deposited to secure future payments.

Guarantees provided by the Company to third parties at year end are as follows:

	Thousands of euros	
	2014	**2013**
Commercial guarantees	40	-
Financial bank guarantees	13,619	14,887
	13,659	**14,887**

As explained in Note 13, in 2008 the Company enforced guarantees of Euros 9,469 thousand relating to funds retained on deposit by a customer in Brazil. In 2012, the Federal Court for the corresponding region in southern Brazil handed down a ruling in favour of Prosegur, ordering the funds to be returned. These funds have been collected in full during the first half of 2014.This Plan has been fully paid and settled in the first half of year 2014.

b) Contingent assets

At 31 December 2014 and 2013 the Company has no contingent assets.

21. Commitments

a) Purchase commitments for property, plant and equipment and intangible assets

Investments committed at year end but not recognised on the balance sheet are as follows:

	Thousands of euros	
	2014	**2013**
Property, Plant and Equipment	85	205
Intangible Assets	1,611	-
	1,696	**205**

Property, plant and equipment include commitments to purchase installations and furniture.

Intangible assets include various computer software applications currently under development.

b) Operating lease commitments

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

	Miles de euros			
	2014		**2013**	
	Vehicles	**Other assets**	**Vehicles**	**Other assets**
Less than 1 year	527	48	545	-
1 to 5 years	794	8	871	-
Over 5 years	1,321		-	-
	2,642	**56**	**1,416**	**-**

22. Other Related Party Transactions

The Company is the ultimate parent of the Prosegur Group and is controlled by Gubel S.L., (incorporated in Madrid) which holds 50.075% of the Company's share capital. The remaining 49.925% is held by various shareholders, including Oppenheimer Acquisition Corporation with 5.67%, AS Inversiones S.L. with 5.32%, FMR LLC with 4.85% and Cantillon Capital Management LLC with 3.05% (Note 15).

a) Group companies, jointly controlled companies and associates

The Company's financial assets and financial liabilities with Group companies, excluding equity instruments (see Note 10), are as follows:

	2014					
	Activos financieros			**Financial Liabilities**		
	Current			**Current**		
Thousands of euros	**Credits**	**Debtors**	**Other financial assets**	**Debts**	**Suppliers**	**Other financial liabilities**
Group companies in Spain						
Prosegur España, S.L.U.	-	35,438	24,019	(90,041)	(439)	(4,310)
Prosegur Gestión de Activos, S.L.U.	-	12	-	(9,508)	(134)	(99)
Prosegur Activa Holding, S.L.U.	46,053	-	-	-	-	(2,152)
Formación, Selección y Consultoría, S.A.	-	6	-	(1,201)	-	(8)
Prosegur Alarmas, S.A.	-	-	23	(1,574)	-	-
ESC Servicios Generales, S.L.	2,393	4,336	-	(2,208)	-	(829)
Seguridad Vigilada, S.A.	-	-	-	(1,143)	-	(14)
S.T.M.E.C., S.L.	-	13	-	(680)	-	(1)
Salcer Servicios Auxiliares, S.L.	-	-	-	(314)	-	(1)
Beloura Investments, S.L.U.	3,197	-	71	-	-	-
Armor Acquisition, S.A.	-	-	-	(20,461)	-	-
Juncadella Prosegur Internacional, S.A.	66,128	-	277	-	-	-
Total Spain	**117,771**	**39,805**	**24,390**	**(127,130)**	**(573)**	**(7,414)**

* Companies that changed their business address in 2014

	Credits	Debtors	Other financial assets	Debts	Suppliers	Other financial liabilities
Subsidiaries abroad						
Prosegur Group in France	3,782	4,712	752	-	(337)	-
Prosegur Group in Portugal	-	2,437	280	-	-	-
Prosegur Group in Argentina	-	9,625	202	(28)	(18,196)	(18)
Prosegur Group in Brazil	-	24,476	317	-	(10,221)	(3,387)
Prosegur Group in Chile	-	4,464	48	-	(1)	-
Prosegur Group in Peru	-	6,562	84	(29,266)	(19)	-
Prosegur Group in Uruguay	-	3,309	-	-	(33)	-
Prosegur Group in Mexico	16	-	28	(1,146)	(2)	-
Prosegur Group in Colombia	-	-	321	-	(115)	-
Prosegur Group in Paraguay	-	1,144		-	(1)	-
Prosegur Group in Abu Dhabi	-	-	216	-	-	-
Prosegur Group in Germany	221	4,410	190	(1,128)	-	(236)
Prosegur Group in China	1,205	-	-	-	-	-
Prosegur Group in the USA	-	29	72	-	(378)	-
Prosegur Group in India	-	78	6	-	-	-
Prosegur Group in Luxembourg	5,059	41	38	-	-	-
Prosegur Group in Singapore	-	333	10	-	-	-
Prosegur Group in Australia	718	985	104	-	-	-
Total Foreign	**11,001**	**62,605**	**2,668**	**(31,568)**	**(29,303)**	**(3,641)**
Total	**128,772**	**102,410**	**27,058**	**(158,698)**	**(29,876)**	**(11,055)**

* Companies that changed their business address in 2014

	2013					
	Financial Assets			Financial Liabilities		
	Current			Current		
Thousands of euros	**Credits**	**Debtors**	**Other financial assets**	**Debts**	**Suppliers**	**Other financial liabilities**
Group companies in Spain						
Prosegur España, S.L.U.	-	36,672	18,000	(61,081)	(331)	(23,175)
Prosegur Gestión de Activos, S.L.U.	-	-	-	(4,724)	(134)	(11)
Servimax Servicios Generales, S.A.	-	3,310	6,251	(4,789)	-	(822)
Prosegur Activa Holding, S.L.U.	35,307	-	2,405	-	-	-
Formación, Selección y Consultoría,	-	2	1,216	(1,975)	(152)	(24)
Prosegur Alarmas, S.A.	-	10	-	(1,375)	-	(1)
ESC Servicios Generales, S.L.	1,258	887	1,362	-	-	(128)
Seguridad Vigilada, S.A.	-	20	-	(519)	-	(63)
S.T.M.E.C., S.L.	-	78	-	(226)	-	(4)
Salcer Servicios Auxiliares, S.L.	-	20	-	(333)	-	(9)
Beloura Investments, S.L.U.	3,709	-	13	-	-	-
Pitco Ventures SCR Simplificada,	-	459	-	(60)	-	(57)
UTES	-	-	-	-	-	(841)
Total Spain	**40,274**	**41,458**	**29,247**	**(75,082)**	**(617)**	**(25,135)**
Subsidiaries abroad						
Prosegur Group in France	8,287	3,698	91	-	-	-
Prosegur Group in Portugal	-	-	4	-	(57)	-
Prosegur Group in Argentina	-	3,604	314	-	(4,798)	(21,049)
Prosegur Group in Brazil	-	12,158	163	-	(1,977)	(2,504)
Prosegur Group in Chile	-	4,475	18	-	-	-
Prosegur Group in Peru	-	804	13	(33,810)	(12)	(65)
Prosegur Group in Uruguay	-	23	-	-	-	-
Prosegur Group in Mexico	15	-	12	(1,065)	-	-
Prosegur Group in Colombia	-	1,206	160	-	(5)	-
Prosegur Group in Paraguay	-	1,755	-	-	-	-
Prosegur Group in Abu Dhabi	-	-	35	-	-	-
Prosegur Group in Germany	-	1,362	5,552	(953)	-	-
Prosegur Group in the USA	-	6	-	-	(188)	(46)
Prosegur Group in India	-	4	8	-	-	-
Prosegur Group in Luxembourg	-	25	-	-	-	(1,200)
Prosegur Group in Singapore	-	199	12	-	-	-
Prosegur Group in Australia	23,432	-	-	-	-	-
Prosegur Group in China	602	-	-	-	-	-
Others (EP Poland)	-	-	-	-	-	(624)
Total Foreign	**32,336**	**29,319**	**6,382**	**(35,828)**	**(7,037)**	**(25,488)**
Total	**72,610**	**70,777**	**35,629**	**(110,910)**	**(7,654)**	**(50,623)**

Loans under financial assets reflect current loans to Group companies, as part of centralised cash management. These are denominated in euros, at an accrued annual interest rate of 2.232% in Spain, 2.232% in France, 2.27% in Luxembourg, 6.07% in Hong Kong, 6.29% (average for the year) in Mexico and 3.875% in Australia (2013: 2.5% in Spain, 3.042% in France, 3.542% in Luxembourg, of 6.25% in Hong Kong, of 7.595% in Mexico and of 3.875% in Australia). Interest amounted to Euros 2,532 thousand in 2014 (in 2013: EUR 1,423 thousand).

Payables under financial liabilities comprise current loans extended by Group companies as part of central cash management. These are mainly denominated in euros, at an accrued annual interest rate accruing of 2.2323% in Spain, 3.010% in Germany, between 2.50% and 2.96% in Peru, and between 6.05% and 6.55% in Mexico (2013:

2.5% in Spain, 2.042% in Ireland, 3.042% in Germany, of 2.728% in Peru, of 2.628% in Portugal and of 7.595% in Mexico). Interest amounted to Euros 4,148 thousand in 2014 (in 2013: EUR 2,379 thousand).

Receivables and suppliers mostly reflect the outstanding balances relating to invoices for centralised services issued to and received from, respectively, the various Group companies.

The current accounts with Group companies (other financial assets and other financial liabilities), include payments and collections of balances payable to/receivable from each consolidated tax group company, as follows:

	Thousands of euros					
	2014			**2013**		
	Other payments/ receipts	**Corporate Income Tax**	**Receivable / (payable)**	**Other payments/ receipts**	**Corporate Income Tax**	**Receivable / (payable)**
Prosegur España, S.L.U.	4,811	14,898	19,709	(15,310)	10,135	(5,175)
Prosegur Gestión de Activos, S.L.U.	(1,698)	1,599	(99)	(1,433)	1,422	(11)
Servimax Servicios Generales, S.A.	-		-	4,290	1,139	5,429
Prosegur Activa Holding, S.L.U.	(1,828)	(324)	(2,152)	2,438	(33)	2,405
Formación, Selección y Consultoría, S.A.	(189)	181	(8)	949	243	1,192
Prosegur Alarmas, S.A.	(361)	384	23	(128)	127	(1)
ESC Servicios Generales, S.L.U.	(2,073)	1,244	(829)	801	433	1,234
Seguridad Vigilada, S.A.	(4)	(10)	(14)	(8)	(55)	(63)
S.T.M.E.C., S.L.	9	(10)	(1)	(65)	61	(4)
Salcer Servicios Auxiliares, S.L.	(3)	2	(1)	(4)	(5)	(9)
Beloura Investments, S.L.U.	96	(25)	71	18	(5)	13
Pitco Ventures SCR Simplificada, S.A.	13	(13)	-	151	(208)	(57)
Total	**(1,227)**	**17,926**	**16,699**	**(8,301)**	**13,254**	**4,953**

Transactions between the Company and Group companies are as follows:

	Thousands of euros				
	2014				
	Income			**Expenses**	
	Services provided and other income	**Interest**	**Capital share**	**Services rendered**	**Interest**
Prosegur España, S.L.U.	30,149	-	24,000	(2,174)	(2,084)
Prosegur Gestión de Activos, S.L.U.	13	-	-	(1,342)	(173)
Prosegur Activa Holding, S.L.U.	-	885	-	-	-
Formación, Selección y Consultoría, S.A.	5	-	-	(48)	(29)
Seguridad Vigilada, S.A.	-	-	-	(3,428)	(14)
S.T.M.E.C., S.L.	11	-	-	-	(12)
Salcer Servicios Auxiliares, S.L.	-	-	-	-	(7)
Beloura Investments, S.L.U.	-	82	-	-	-
Prosegur Alarmas, S.A.	10	-	-	(10)	(38)
Pitco Ventures, SCR Simplificada, S.A.	15	-	-	(967)	-
ESC Servicios Generales, S.L.	3,587	64	-	(14)	(5)
Armor Acquisition, S.A.	-	-	2,711	-	(536)
Juncadella Prosegur Internacional, S.A.	-	54	-	-	-
Prosegur Group Ireland	-	-	-	-	-
Prosegur Group France	4,374	222	-	(1)	-
Prosegur Group Argentina	7,477	-	504	(21,445)	(23)
Prosegur Group Brazil	12,472	-	7,865	(1,761)	
Prosegur Group Mexico	1,217	1	-	-	(69)
Prosegur Group Paraguay	1,750	-	-	-	-
Prosegur Group Uruguay	3,267	-	-	-	-
Prosegur Group Peru	6,070	-	-	-	(1,158)
Prosegur Group Colombia	5,627	-	-	(106)	-
Prosegur Group Chile	4,464	-	-	-	-
Prosegur Group Portugal	2,437	-	2,847	-	-
Prosegur Group Germany	3,048	481	-	-	-
Prosegur Group USA	23	-	-	(363)	-
Prosegur Group the Netherlands	-	-	67,300	-	-
Prosegur Group India	78	-	-	-	-
Prosegur Group Luxembourg	41	56	-	-	-
Prosegur Group Singapore	333	-	-	-	-
Prosegur Group Australia	987	625	-	-	-
Prosegur Group China	-	62	-	(2,038)	-
Total	**87,455**	**2,532**	**105,227**	**(33,697)**	**(4,148)**

	Thousands of euros				
	2013				
	Income			**Expenses**	
	Services provided and other income	**Interest**	**Capital share**	**Services rendered**	**Interest**
Prosegur España, S.L.U.	32,143	-	18,000	(1,445)	(403)
Prosegur Gestión de Activos, S.L.U.	-	-	-	(665)	(44)
Servimax Servicios Generales, S.A.	2,769	-	6,251	(8)	(94)
Prosegur Activa Holding, S.L.U.	-	353	1,616	-	-
Formación, Selección y Consultoría, S.A.	2	-	1,216	(640)	(25)
Seguridad Vigilada, S.A.	43	-	-	(15)	(28)
S.T.M.E.C., S.L.	65	-	-	-	(2)
Salcer Servicios Auxiliares, S.L.	17	-	-	-	(4)
Beloura Investments, S.L.U.	-	14	-	-	-
Prosegur Alarmas, S.A.	32	-	-	(6)	(22)
Pitco Ventures, SCR Simplificada, S.A.	211	-	-	-	(5)
ESC Servicios Generales, S.L.	731	5	1,362	(8)	-
Others	774	626	-	(1,912)	(820)
Prosegur Group Ireland	-	-	3,800	-	(41)
Prosegur Group France	3,691	252	-	(3)	-
Prosegur Group Argentina	6,308	-	2,326	(4,798)	-
Prosegur Group Brazil	8,627	-	25,991	(329)	-
Prosegur Group Mexico	886	15	-	-	(4)
Prosegur Group Paraguay	1,735	-	-	-	-
Prosegur Group Uruguay	2,652	-	-	-	-
Prosegur Group Peru	5,238	-	-	-	(250)
Prosegur Group Colombia	2,194	-	-	-	-
Prosegur Group Chile	4,470	-	-	-	-
Prosegur Group Portugal	3,745	-	1,991	(34)	(23)
Prosegur Group Germany	1,362	-	-	-	(614)
Prosegur Group USA	6	-	-	(194)	-
Prosegur Group the Netherlands	-	-	41,950	-	-
Prosegur Group India	4	-	-	-	-
Prosegur Group Luxembourg	25	59	-	-	-
Prosegur Group Singapore	199	-	-	-	-
Australia	-	91	-	-	-
China	-	8	-	(192)	-
	77,929	**1,423**	**104,503**	**(10,249)**	**(2,379)**

Services rendered and other income fundamentally include Euros 58,998 thousand (in 2013: Euros 44,461 thousand) for centralised services invoices and for transfers of intangible assets Euros 4,713 thousand (in 2013: EUR 6,058 thousand). Also Euros 23,546 thousand have been invoiced for use of the trademark (in 2013: EUR 22,797 thousand).

Services rendered mainly include Euros 14,916 thousand (in 2013: Euros 6,775 thousand) for revenues received for centralised services.

Interest income and borrowing costs reflect the amounts accrued on the aforementioned current loans extended to and by Group companies.

23. Remuneration of Directors and Senior Management Personnel

a) Remuneration of members of the board of directors

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

	Thousands of euros	
	2014	**2013**
Fixed remuneration	1,321	1,253
Variable remuneration	500	475
Remuneration for membership of the Board and Committee	717	717
Per diems	190	223
Life insurance premiums	51	50
Total	**2,779**	**2,718**

b) Remuneration of senior management personnel

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

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

	Thousands of euros	
	2014	**2013**
Fixed remuneration	2,270	2,414
Variable remuneration	1,357	1,006
Remuneration in kind	100	121
Life insurance premiums	8	11
Total	**3,735**	**3,552**

As well as the remuneration described in sections a) and b), under the 2011 long-term incentive plan for Prosegur Executive Director and Management (Note 28.11), in 2014 shares were transferred amounting to EUR 1,635 thousand, corresponding to settlement of 2011 Plan (in 2013 no shares were transferred). In addition, during 2014 and 2013 no payment of cash incentives has been made.

As explained in Note 28.11, at the general meeting held on 27 June 2008, the shareholders approved the 2011 Plan of long-term incentives for executive directors and management of Prosegur. Subsequently, at the general meeting held on 29 May 2012, the shareholders approved the 2014 Plan, which is linked to value creation in 2012-2014. Under the heading of salaries and wages, in 2014 there has been an expenditure under Plan 2014 amounting to 3,979 thousand euros (662 thousand euros in 2013), of which 2,114 pertain to cash incentives and 1,865 to incentives paid in shares (150 and 512 thousand euros in 2013, respectively).

The total commitment undertaken by the Company at 31 December 2014 related to the delivery of share incentives of Plan 2014 is recognised under net equity to the amount of 3,401 thousand euros (2013: EUR 3,171 thousand) (Note 15).

The total commitment assumed by the Company at 31 December 2014 in relation to the cash incentives specified in the 2014 Plan amounts to EUR 3,659 thousand (in 2013: EUR 1,545 thousand) (Note 15 and 17).

c) Interests and positions held by members of the board of directors in other similar companies

The directors declare that they hold no investments or management positions in any non-group companies with identical, similar or complementary statutory activities to that of the Company in 2014 and 2013.

The directors also declare that they have not carried out any functions, either on their own behalf or on behalf of third parties, in companies with identical, similar or complementary statutory activities to that of the Company in 2014 and 2013.

d) Information required by article 229 of the Spanish Companies Act

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

24. Employee Information

The average headcount of the Company in 2013 and 2012, distributed by category, is as follows.

	2014	2013
Indirect staff	401	393
Direct staff	-	-
Total	**401**	**393**

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

	2014		2013	
	Female	Male	Female	Male
Indirect staff	144	263	140	255
Direct staff	-	-	-	-
Total	**144**	**263**	**140**	**255**

The year-end (and average) distribution by gender of the board of directors and senior management personnel is as follows:

	2014		2013	
	Female	Male	Female	Male
Directors	3	6	3	6
Senior Management	3	12	2	15
Total	**6**	**18**	**5**	**21**

The average number of Company employees with a disability rating of 33% or more, by category, is as follows.

	2014	2013
Indirect staff	3	3
Direct staff	-	-
Total	**3**	**3**

25. Audit Fees

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

	Thousands of euros	
	2014	2013
Audit services	233	185
Other assurance services	23	53
Total	**256**	**238**

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

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

	Thousands of euros	
	2014	**2013**
Other services	159	264
Total	**159**	**264**

26. Financial Risk Management

Financial risk factors

The Company's activities are exposed to various financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management programme focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Company's business.

The Company uses hedges to mitigate certain risks. Risk management is controlled by the Company's Treasury Department, which identifies, proposes and carries out the hedging instructions approved by the Company's Executive Committee.

(i) Currency risk

The Company mainly operates on a national basis. Likewise, Prosegur Group, of which the Company is the parent, operates internationally. As a result, the Company is exposed to currency risk when operating with its subsidiaries in foreign currencies and through the assets and liabilities contracted in foreign currencies from third parties, specifically the Brazilian Real, the Australian Dollar and, to a lesser extent, the Argentine Peso. Currency risk is associated with recognised assets and liabilities denominated in foreign currency.

Management has a currency risk management policy to control the risk arising from the exchange of foreign currencies to its functional currency to minimise the Company's exposure. Currency risk arises when future transactions or recognised assets and liabilities are presented in a currency other than the parent's functional currency.

When so required by its policies and market expectations, the Company uses forward contracts approved and contracted by the Treasury Department in the corresponding market to control currency risk arising on commercial transactions and recognised assets and liabilities. The Treasury Department is responsible for managing the net position of each foreign currency by entering into external or local forward currency contracts, depending on their competitiveness and appropriateness.

Since the Company, as parent of the Prosegur Group, intends to remain in the foreign markets in which it is present in the long term or permanently, it does not hedge the currency risk related to equity investments in those markets.

The value of the financial assets and liabilities attributable to the Company at 31 December, by type of currency, is as follows:

	Thousands of euros			
	2014		**2013**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Euros	264,695	919,652	189,207	930,746
Argentine Peso	-	382	-	483
US Dollar	-	560	-	106
Singapore Dollar	-	-	-	1,533
Colombian Pesos	-	2,439	-	2,666
Brazilian Real	-	3,425	-	1,715
Australian dollars	-	-	23,415	-
Mexican Peso	13	1,074	13	-
Total	**264,708**	**927,532**	**212,635**	**937,249**

(ii) Interest rate, cash flow and fair value risks

As the Company does not have a significant amount of assets remunerated at variable interest rates, income and cash flows from operating activities are not significantly affected by fluctuations in market interest rates.

Interest rate risk mainly arises from non-current borrowings. Borrowings at variable interest rates expose the Company to cash flow interest rate risks. Fixed-interest borrowings expose the Company to fair value interest rate risks. In 2014 and 2013 the Company's borrowings at variable interest rates were basically denominated in Euros.

The Company analyses its interest rate risk exposure dynamically. Management performs a simulation of various scenarios, considering refinancing, the renewal of current positions, alternative financing and hedges. Based on these scenarios, the Company calculates the effect of a certain variation in interest rates on profit and loss. The scenarios are only analysed for the liabilities that represent the most significant positions in which a variable interest rate is paid.

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

	Thousands of euros		
	2014		
	Total debt	**Hedged debt**	**Debt exposure**
Non-current (Note 18)	535,056	497,174	37,882
Current (Note 18)	138,084	10,312	127,772
Total debt	**673,140**	**507,486**	**165,654**

	Thousands of euros		
	2013		
	Total debt	**Hedged debt**	**Debt exposure**
Non-current (Note 18)	626,226	565,757	60,469
Current (Note 18)	78,946	40,912	38,034
Total debt	**705,172**	**606,669**	**98,503**

(iii) Credit risk

The Company has no significant credit risk concentrations given that, following the spin-off of the private security business line to Prosegur España S.L.U. (see Note 6), the main activity of the Company is that of Group companies.

(iv) Liquidity risk

The Company applies a prudent policy to cover its liquidity risks, based on having sufficient cash and marketable securities as well as sufficient financing through credit facilities to settle market positions. Given the dynamic nature of its underlying business, the Company's Treasury Department aims to be flexible with regard to financing through drawdowns on committed credit facilities.

Management monitors the Company's liquidity reserves, which comprise credit drawdowns (see Note 18) and available cash and cash equivalents (see Note 14), and are forecast based on expected cash flows.

As described in Note 2.a, at 31 December 2014 the Company has negative working capital. However, as the Company is parent of the Prosegur Group, which has positive working capital, the Company's liquidity position for 2014 is based on the following:

- At 31 December 2014 the Company has cash and cash equivalents of Euros 580 thousand and the Prosegur Group, of which it is parent, has cash and cash equivalents of Euros 285,056 thousand, according to the consolidated annual accounts.
- At 2014 year end, the Company and the Group had undrawn credit facilities of Euros 479,625 thousand (see Note 18) and Euros 570,188 thousand, respectively.
- Cash flows from operating activities in 2014 amounted to Euros 83,494 thousand at individual level and Euros 247,152 thousand at Group level. This demonstrates the Company's and Group's capacity for generating significant and recurrent operating cash flows.

The table below presents an analysis of the financial liabilities that will be settled for the net amount, grouped by maturities based on the period remaining from the balance sheet date until contractual maturity dates. The amounts presented in this table reflect the cash flows stipulated in the contracts.

	Thousands of euros				
	Less than 1 year	**1 to 2 years**	**2 to 5 years**	**More than 5 years**	**Total**
31 December 2014	138,084	-	535,056	-	673,140
31 December 2013	78,946	130,469	495,757	-	705,172

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

(v) Price volatility risk

As the Company is a holding business, there are no significant price volatility risks.

27. Events after the Reporting Date

On 12 February 2015 the Company has collected a dividend from its subsidiary Prosegur España S.L.U. amounting to 24,000 thousand euros.

28. Accounting Principles

28.1 Intangible Assets

The assets in intangible assets are posted at purchase price. The capitalisation of production cost appears under “Self constructed assets” in the income statement. Intangible fixed assets are shown in the balance sheet at cost value less the amount of accumulated depreciation and impairment.

Fixed asset prepayments are recognised initially at cost. In subsequent years and provided the period between the payment and receipt of the asset exceeds one year, prepayments earn interest at the supplier’s incremental rate.

a) Software applications

Software applications purchased and those developed by the Company, including costs of development of websites, are recognised insofar as they meet the criteria set for development costs. Such costs are amortised over the estimated useful lives of the applications, at 5 years.

Disbursements made for the development of a website for promotional purposes or the advertisement of products or services of the Company are recognised as expenses at the time these are incurred.

Computer software maintenance costs are charged as expenses when incurred.

b) Licences

Licences have finite useful lives and are recognised at cost less accumulated amortisation and impairment. Licences are amortised on a straight-line basis to allocate the cost over their estimated useful lives of between three and five years.

At 31 December 2014 the Company has a computer software licence with an indefinite useful life amounting to Euros 1,042 thousand (in 2013: EUR 1,042 thousand) (Note 7).

28.2 Property, Plant and Equipment

Property, plant and equipment are recognised at cost of acquisition or production, less accumulated depreciation and any accumulated impairment.

Costs incurred to extend, modernise or improve property, plant and equipment are only recorded as an increase in the value of the asset when the capacity, productivity or useful life of the asset is increased and it is possible to ascertain or estimate the carrying amount of the assets that have been replaced in inventories.

The cost of major repairs is capitalised and depreciated over their estimated useful life, while recurring maintenance costs are charged to the income statement during the year in which they are incurred.

The replacement of property, plant and equipment that may be capitalised carries a reduction in the carrying value of the items replaced. When the cost of the items replaced has not been depreciated separately and the calculation of the carrying value thereof were not feasible, the cost of replacement is used as an indication of the cost of the items at the time of acquisition or construction thereof.

Depreciation of property, plant and equipment is calculated systematically on a straight-line basis over the estimated useful lives of the assets based on the actual decline in value and use.

The Company uses the following depreciation rates:

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

The residual values and useful lives of assets are reviewed and adjusted, if necessary, at each balance sheet date.

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

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

28.3. Impairment Losses on Non-financial Assets

Assets with indefinite useful lives, such as goodwill and certain licences, are not amortised, but are instead tested for impairment on an annual basis.

Assets subject to amortisation or depreciation are tested for impairment whenever an event or change in circumstances indicates that their carrying amount might not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped together at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The Company reviews impaired non-financial assets other than goodwill at each reporting period to assess whether the loss has been reversed.

28.4. Financial Assets

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets unless they mature in more than 12 months after the reporting date, in which case they are classified as non-current. Loans and receivables are generally recognised under loans to companies and trade and other receivables in the balance sheet.

These financial assets are initially carried at fair value, including directly attributable transaction costs, and are subsequently measured at amortised cost, recognising accrued interest at the effective interest rate, which is the discount rate that matches the instrument's carrying amount with all estimated cash flows to maturity. Nevertheless, trade receivables falling due in less than one year are carried at their face value on both initial recognition and subsequent measurement, provided the effect of not updating is immaterial.

Loans with interest contingent on the borrower achieving a milestone such as obtaining profits, or calculated by reference to the financial performance of the borrower, are measured at cost, plus the attributable interest. In these cases, transaction costs are recognised on a straight-line basis over the term of the loan.

At least at year end, the necessary impairment losses are recognised when there is objective evidence that all the amounts receivable will not be collected.

The impairment loss is calculated as the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate upon initial recognition. Impairment losses are recognised and reversed in profit and loss.

b) Financial assets held for trading

An asset is classified as a financial asset held for trading if it is acquired principally for the purpose of selling it in the near term, forms part of a portfolio of identified financial instruments that are managed together for short-term profit-taking or is a derivative financial instrument, except for financial guarantee contracts or designated hedging instruments.

These financial assets are recognised at fair value both on initial recognition and on subsequent measurement and any changes in fair value are recognised in the income statement. Transaction costs directly attributable to the acquisition are recognised in the income statement.

c) Investments in equity instruments of Group companies, jointly controlled companies and associates

These investments are initially recognised at cost, which is equivalent to the fair value of the consideration paid, including for jointly controlled companies and associates the transaction costs incurred, and are subsequently measured at cost net of any accumulated impairment losses. The cost of acquisition of investments in Group companies made before 1 January 2010 includes the transaction costs incurred. However, for investments made prior to classification as a group company, jointly controlled company or associate, the cost of the investment is considered to be the carrying amount immediately before this classification. Valuation adjustments previously recognised in equity remain in equity until the investment is derecognised.

If there is objective evidence that the carrying amount is not recoverable, the amount of the impairment loss is measured as the difference between the carrying amount and the recoverable amount, the latter of which is understood as the higher of the fair value less costs to sell and the present value of estimated future cash flows from the investment. Unless there is better evidence of the recoverable amount of the investment, when estimating the impairment of these types of assets, the investee's equity is taken into consideration, corrected for any unrealised gains existing at the measurement date. Impairment losses are recognised and reversed in profit and loss.

d) Available-for-sale and other non-current financial assets

This category comprises debt securities and equity instruments that are not included in the aforementioned categories. Available-for-sale financial assets are classified as non-current assets unless management intends to derecognise the investment within twelve months after the balance sheet date.

Available-for-sale financial assets are measured at fair value and any changes are recognised directly in equity until the financial asset is derecognised or impaired, at which time the cumulative gain or loss previously recorded in equity is recognised in profit or loss, provided that the fair value can be determined. Otherwise, it is recognised at cost less any impairment losses.

An available-for-sale financial asset is impaired if there is objective evidence that the estimated future cash flows are reduced or delayed, in the case of acquired debt instruments, or the carrying amount of the asset is uncollectible, in the case of equity instruments. The impairment of these assets is the difference between the cost or amortised cost less any impairment previously recognised in the income statement, and the fair value on the date of measurement. Impairment of equity instruments that are measured at cost because their fair value cannot be determined is calculated in the same way as for investments in group companies, jointly controlled entities and associates.

If there is objective evidence of impairment, the Company recognises in the income statement the accumulated losses previously recognised in equity as a result of a decrease in the fair value of the assets. Impairment losses on equity instruments recognised in the income statement are not reversed through the income statement.

The fair values of quoted investments are based on current purchase prices. If the market for a financial instrument is not active (and in the case of unquoted securities), the Company establishes fair value using valuation techniques including the use of recent transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models, making maximum use of observable market data and relying as little as possible on subjective considerations of the Company.

e) Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, net of transaction costs, including any new assets obtained less any new liabilities assumed and any cumulative gain or loss deferred in recognised income and expense, is recorded in profit or loss.

f) Offsetting principles

A financial asset is offset only when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset simultaneously.

28.5. Financial Derivatives

Financial derivatives are recognised at fair value both on initial recognition and subsequent measurement. The recognition of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the hedge.

Gains and losses on the fair value of derivatives that do not qualify for hedge accounting are recognised immediately in the income statement.

The Company currently has no financial derivatives that qualify for hedge accounting.

28.6. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits at banks and financial instruments that are convertible to cash and have a maturity of three months or less from the date of acquisition, provided that there is no significant risk of changes in value and that they form part of the Company's usual cash management policy.

28.7. Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amount is expected to be recovered through a sales transaction rather than continued use. This criterion is considered to be met only when sale is highly probable and the asset is available for immediate sale in its current condition within a period of one year after the classification date. These assets are not amortised or depreciated and are recognised at the lower of their carrying amount and fair value less costs to sell.

28.8. Equity

The share capital of the Company is represented by ordinary shares.

The cost of issuing new shares or options is recognised directly in equity as a decrease in reserves.

The consideration paid by the Company in the acquisition of own shares, including any directly attributable costs, is deducted from equity until the shares are cancelled, reissued or disposed of. If these shares are subsequently sold or reissued, any amount received, net of any incremental costs directly attributable to the transaction, is recognised in equity.

28.9. Financial liabilities

a) Debts and payables

This category includes trade and non-trade payables. These borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

The payables are initially recognised at fair value, adjusted for directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the discount rate that matches the instrument's carrying amount with the expected future flow of payments to the maturity date of the liability.

Nevertheless, trade payables falling due in less than one year without a contractual interest rate are carried at their face value on both initial recognition and subsequent measurement, provided the effect of not discounting flows is not significant.

If existing payables are renegotiated but the lender has not changed and the present value of future cash flows, including net fees paid, differs by less than 10% from the present value of future cash payments for the original liability, calculated using the same method, the liability is not considered to be substantially modified.

b) Financial liabilities held for trading

Financial liabilities held for trading are all financial liabilities that are incurred principally for the purpose of repurchasing them in the near term, form part of a portfolio of identified financial instruments that are managed together for short-term profit-taking or are derivative financial instruments, except for financial guarantee contracts or designated hedging instruments.

These financial liabilities are recognised at fair value both on initial recognition and subsequent measurement and any changes in fair value are recognised in the income statement. Transaction costs directly attributable to the issue are recognised in the income statement.

c) Derecognition of financial liabilities

A financial liability, or part of a financial liability, is derecognised when the Company either discharges the liability by paying the creditor, or is legally released from primary responsibility for the liability either by process of law or by the creditor.

d) Offsetting principles

A financial liability is offset only when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to settle the liability simultaneously.

28.10. Current and Deferred Tax

The income tax expense (income) for the year comprises current tax and deferred tax.

The current and deferred tax expense (income) is recognised in the income statement. However, the tax effect of items recognised directly in equity is recorded in equity.

Current tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets and liabilities are calculated using the liability method on the basis of the temporary differences that arise between the tax base of assets and liabilities and their carrying amount. However, if deferred tax assets or liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affect neither accounting profit nor taxable income, they are not recognised. Deferred tax assets or liabilities are measured using the tax laws and tax rates that have been enacted or substantially enacted at the reporting date and are expected to be applicable when the corresponding deferred tax asset is realised or deferred tax liability is settled.

Deferred tax assets are recognised provided that it is probable that future taxable income will be generated against which the temporary differences can be offset.

Deferred tax assets arising from deductible temporary differences are recognised provided future tax gains are likely to exist for offset thereof that will reverse within ten years. Assets arising from the initial recognition of assets and liabilities in a transaction which is not a business combination and which does not affect either the carrying profit or the taxable base on transaction date, are not subject to recognition. Assets which will reverse in a period exceeding ten years are recognised over the years, provided there is a likelihood of future tax gains.

Tax planning opportunities are only considered when assessing the recovery of deferred tax assets, if the Company intends to use them or is likely to do so.

The Company recognises the reversal of a deferred tax asset in an account receivable with a Public Entity when it is enforceable in accordance with tax legislation in force. Likewise, the Company recognises the exchange of a deferred tax asset for Public Debt Securities when ownership thereof is acquired.

28.11. Employee Benefits

a) Share-based payments – 2011 Plan

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

Under the 2011 Plan, recipients are entitled to a bonus over several years, 50% cash and 50% in parent shares. A reference price of Euros 2.814 per share was determined at the beginning of the Plan. The receipt of this incentive depends on various performance and length-of-service requirements.

The 2011 Plan has a duration of four years, based on length of service and the achievement of targets, and includes an additional length-of-service bonus verified over the following two years. The plan measures target achievement from 01 January 2008 until 31 December 2011 and length of service from 01 January 2008 until 01 January 2014. Entitlement to incentives is assessed on the following dates:

- Preliminary assessment date: 01 May 2010
- Final assessment date: 01 May 2012
- Length-of-service bonus date: 01 January 2014

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

The fair value of the services received from employees in exchange for these shares is recognised as an expense on an accruals basis over the Plan's length-of-service assessment period, with the corresponding increase in equity. The total expense recognised over the accrual period (Note 3) is determined based on the shares granted, measured at the reference price stipulated in the Plan. This commitment has been estimated under the assumption that the length-of-service requirement will be met (Note 15).

With regard to the cash incentives, the total commitment acquired is recognised as an expense in the income statement with a credit to provisions on an accruals basis over the Plan assessment period (Note 17).

Plan 2011 has been settled in financial year 2014.

b) Share-based payments – 2014 Plan

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

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

The 2014 Plan has a duration of three years, based on length of service and the achievement of targets, and includes an additional length-of-service bonus verified over the following two years. The plan measures target achievement from 01 January 2012 until 31 December 2014 and length of service from 01 January 2012 until 31 December 2016. Entitlement to incentives is assessed on the following dates:

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

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

The fair value of the services received from employees in exchange for these shares is recognised as an expense on an accruals basis over the Plan's length-of-service assessment period, with the corresponding increase in equity. The total expense recognised over the accrual period (Note 3) is determined based on the shares granted, measured at the reference price stipulated in the Plan. This commitment has been estimated under the assumption that the length-of-service requirement will be met (Note 15).

With regard to the cash incentives, the total commitment acquired is recognised as an expense in the income statement with a credit to provisions on an accruals basis over the Plan assessment period (Note 17).

c) Termination benefits

Termination benefits are paid to employees as a result of the Company's decision to terminate employment before the normal retirement age or when the employee accepts voluntary redundancy in exchange for these benefits. The Company recognises these benefits when it has demonstrably committed to terminating the employment of employees in a detailed formal plan with no possibility of withdrawal, or to granting termination benefits in an offer of voluntary redundancy.

d) Profit-sharing plans and bonuses

The Company calculates the liability and expense for bonuses using a formula based on EBITDA (earnings before interest, tax, depreciation and amortisation) when these are contractually binding or where past practice has given rise to implicit obligations.

e) Remuneration of directors

As well as profit-sharing plans, Prosegur has incentive plans for senior management linked to the achievement of certain targets set by the corresponding remuneration committees. At the end of the reporting period, provision has been made for these plans based on management's best possible estimate of the extent to which targets will be met.

28.12. Provisions and Contingent Liabilities

Provisions for possible restructuring costs and/or litigation are recognised when the Company has a present obligation (legal or tacit) as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the estimated expenditure required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Any adjustments made to update the provision are recognised as a finance expense when accrued.

Provisions expiring in one year or less, the financial effect of which is immaterial, are not discounted.

Reimbursements from third parties of the expenditure required to settle a provision are recognised as a separate asset provided that it is virtually certain that the reimbursement will be received.

Possible obligations arising from past events, the materialisation of which is contingent on one or more future events beyond the control of the consolidated entities, are considered contingent liabilities. These contingent liabilities are not recognised in the accounts but are disclosed in the notes (see Note 20).

28.13. Business Combinations

In accordance with the third transitional provision of Royal Decree 1514/2007, the Company has only recognised business combinations that occurred on or after 1 January 2008, the date of transition to the Spanish General Chart of Accounts, using the acquisition method. Business combinations that occurred prior to that date were recognised in accordance with accounting principles prevailing at that time, taking into account the necessary corrections and adjustments at the transition date.

Business combinations carried out since 1 January 2010 are recognised by applying the acquisition method established in Recognition and Measurement Standard 19 of the Spanish General Chart of Accounts amended by article 4 of Royal Decree 1159/2010, which approves the standards for the preparation of consolidated annual accounts and amends the Spanish General Chart of Accounts.

The Company applies the acquisition method for business combinations, except for mergers, spin-offs and non-monetary contributions of a business between group entities.

Mergers, spin-offs and non-monetary contributions between group companies are recognised using the criteria applicable to related party transactions (see Note 28.18).

Business combinations arising as a result of the acquisition of shares or equity holdings in a company are recognised using the criteria applicable to investments in group companies, jointly controlled companies and associates (see Note 28.4).

The acquisition date is the date on which the Company obtains control of the acquiree.

In 2013, the private security business line in Spain was spun off by Prosegur Compañía de Seguridad, S.A. to Prosegur España S.L.U. (the beneficiary) (see Note 6).

The Company has considered the elements forming the spun-off business, including amounts deferred in recognised income and expense, at the consolidated amounts reflected in the consolidated annual accounts prepared under International Financial Reporting Standards as adopted by the European Union (EU-IFRS), provided that the consolidated information does not differ from that which would have been obtained by applying the Standards for the Preparation of consolidated annual accounts approved by Royal Decree 1159/2010 of 17 September 2010.

The transaction date for accounting purposes is the first day of the year, 1 January 2013.

28.14. Joint Ventures

a) Jointly controlled operations and assets

The Company recognises its share of jointly controlled assets and jointly incurred liabilities, as well as the assets that it controls and the liabilities that it incurs due to the joint venture based on its percentage of interest.

The Company also recognises its share of the income that it earns and the expenses that it incurs in the joint venture in the income statement. As well as the expenses incurred in relation to its interest in the joint venture.

Unrealised gains and losses arising from reciprocal transactions have been eliminated in proportion to the interest held by the Company in joint ventures, as have reciprocal assets, liabilities, income and expenses and cash flows.

b) Jointly controlled companies

Interests in jointly controlled companies are recognised in accordance with the criteria for investments in group companies, jointly controlled companies and associates (see Note 28.4).

28.15. Revenue Recognition

Revenue is recognised at the fair value of the consideration receivable and reflects the amounts to be collected for goods handed over and services rendered in the ordinary course of the Company's activities, less returns, rebates, discounts and value added tax.

The Company recognises revenue when the amount can be reliably estimated, it is probable that the future economic benefits will flow to the Company and the specific conditions are met for each of the activities, as described below. The Company's estimates are based on historical results, taking into account customer type, transaction type and specific contractual terms.

In accordance with the Resolution of the Institute of Accounting and Auditing (I.C.A.C) 79/2009 Consultation 2, regarding the classification in individual annual accounts of income and expenses of a holding company, whose main activity is the holding of shares and the financing of transactions carried out by its investees, income from dividends and interest earned from funding granted to investees are classified as net revenues in the Income Statement. An item has been added within the operating margin to reflect impairment losses in equity instruments associated with its activity.

Initial estimates of revenues are reviewed where circumstances so require. These reviews may result in an increase or reduction in the estimated revenues and costs, and are recognised in profit or loss for the period in which the circumstances giving rise to the review become known to management.

a) Provision of services

These primarily consist of general services provided by the Group parent company such as management and administrative support, marketing services, information technology, legal and tax advice provided by the Company to its subsidiaries.

b) Interest received

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company writes the carrying amount down to the recoverable amount, discounting estimated future cash flows at the original effective interest rate of the instrument, and carries the discount as a reduction in interest received. Interest received on impaired loans is recognised using the effective interest method.

c) Dividends

Dividends received are recognised when the right to receive payment is established.

28.16. Leases

a) Operating leases - lessee

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

28.17. Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the transaction date. Foreign currency gains and losses arising on the settlement of these transactions and the translation into Euros of monetary assets and liabilities denominated in foreign currencies at the closing exchange rate are recognised in profit or loss.

28.18. Related Party Transactions

Transactions between Group companies, except those related to mergers, spin-offs and non-monetary contributions, are initially recognised at the fair value of the consideration given or received. If the agreed price differs from the fair value, the difference is recognised based on the economic substance of the transaction. Transactions are subsequently measured in accordance with applicable standards.

28.19. Grants

Grants are recorded in recognised income and expense when they have been officially awarded, the conditions attaching to them have been met and there is reasonable assurance that they will be received.

Monetary grants are measured at the fair value of the sum received, whilst non-monetary grants received are accounted for at the fair value of the asset received.

Grants awarded to finance specific expenses are recognised as income when the financed expenses are accrued.

Annex I – Investments in Group CompaniesBelow is the information relating to shares held in Group companies:

Below is the information relating to shares held in Group Companies:

					2014				
					Shareholding		Voting rights		
Obs.	Name	Registered offices		Asset.	Dir. %	Ind. %	Dir. %	Ind. %	Auditor
	Prosegur España, S.L.U.	Pajaritos, 24	Madrid	4	100%		100%		A
	Prosegur Gestión de Activos, S.L.U.	Pajaritos, 24	Madrid	7	100%		100%		A
	Formación, Selección y Consultoría, S.A.	Santa Sabina, 8	Madrid	7	100%		100%		B
	ESC Servicios Generales, S.L.U.	Pajaritos, 24	Madrid	1	100%		100%		A
*	Prosegur Activa Holding, S.L.U.	Pajaritos, 24	Madrid	5	100%		100%		A
	Prosegur Alarmas, S.A.	Pajaritos, 24	Madrid	3	100%		100%		B
	Seguridad Vigilada, S.A.	Pisuerga, 18	Barcelona	4	100%		100%		A
	S.T.M.E.C., S.L:	Pajaritos, 24	Madrid	1	100%		100%		B
	Salcer Servicios Auxiliares, S.L.	Pajaritos, 24	Madrid	1	100%		100%		B
	Beloura Investments, S.L.U.	Pajaritos, 24	Madrid	5	100%		100%		B
*	Armor Acquisition, S.A.	Pajaritos, 24	Madrid	5	5%	95%	5%	95%	B
	Malcoff Holding BV	Schouwburgplein, 30-34	Rotterdam	5	100%		100%		B
	Prosegur Distribução e Serviços, Lda.	Av. Infante Dom Enrique 326	Lisbon	7	100%		100%		B
	Prosegur Companhia de Segurança, Lda.	Av. Infante Dom Enrique 326	Lisbon	4	100%		100%		A
*	Prosegur France, S.A.	84 Rue des Aceries	Saint Etienne	5			100%		A
*	Esta Service, SASU	84 Rue des Aceries	Saint Etienne	8	100%		100%		B
	Prosegur Centre SARL	84 Rue des Aceries	Saint Etienne	8	100%		100%		B
*	Prosegur Traitement de Valeurs EST SAS (Valtis, S.A.)	2 Rue Lavoisier	Besancon	2	100%		100%		A
	Prosegur Participations, S.A.S. (Sazias, S.A.)	1267 Av. Pierre et Marie Curie-Z.L.	Saint Laurent du Var	5	100%		100%		A
	Prosegur Traitment de Valeurs Provence, SAS (Euroval, S.A.S.)	604 Avenue du Col de L´Ange	Gemenos	2	5%	95%	5%	95%	B
	Prosegur Tecnología Argentina, S.A. (former Fire Less, S. A.)	Tres Arroyos 2835	Ciudad de Buenos Aires	3	4%	96%	4%	96%	A
	Xiden, S.A.C.I.	Olleros 3923	Ciudad de Buenos Aires	3	8%	92%	8%	92%	A
	General Insdustries Argentina, S.A (GIASA)	Herrera, 1175	Ciudad de Buenos Aires	3	90%	10%	90%	10%	A
	Tellex, S.A.	Rincón 1346	Ciudad de Buenos Aires	3	95%	5%	95%	5%	A
	Prosegur Holding, S.A.	Tres Arroyos 2835	Ciudad de Buenos Aires	5	10%	90%	10%	90%	B
	Prosegur Inversiones, S.A.	Tres Arroyos 2835	Ciudad de Buenos Aires	5	10%	90%	10%	90%	B
	Prosegur Activa Alarmes Ltda.	Thomas Edison 813 Barra Funda	San Pablo	4	86%	14%	86%	14%	B
	Prosegur Tecnologia em Sistemas de Segurança Electrônica e Incêndios Ltda.	Rua Barao Do Bananal, Villa Pompêia	San Pablo	3	100%		100%		A

					2014				
					Shareholding		Voting rights		
Obs.	Name	Registered offices		Asset.	Dir. %	Ind. %	Dir. %	Ind. %	Auditor
	Prosegur Holding e Participações, S.A.	Thomas Edison 813 Barra Funda	San Pablo	4	43%	57%	43%	57%	B
	Prosegur Gestao de Efetivos, Ltda.	Thomas Edison 813 Barra Funda	San Pablo	2	100%		100%		B
	Prosegur Gestão de Ativos, Ltda.	Thomas Edison 813 Barra Funda	San Pablo	7	0%	100%	0%	100%	A
	Capacitaciones Ocupacionales Sociedad Ltda	Los Gobelinos 2567 Of. 100	Renca-Santiago	2	83%	17%	83%	17%	B
	Servicios Prosegur, Ltda.	Los Gobelinos 2567 Of. 100	Renca-Santiago	2	100%		100%		A
	Sociedad de Distribución, Canje y Mensajería Ltda.	Los Gobelinos 2548 Of.	Renca-Santiago	7	49%	51%	49%	51%	B
	Prosegur Tecnología Chile Ltda	Los Gobelinos 2567 Of. 100	Renca-Santiago	3	100%		100%		A
	Prosegur Activa Chile, S.L.	Los Gobelinos 2567 Of. 101	Renca-Santiago	3	1%	99%	1%	99%	A
*	Prosegur Mexico,S. de R.L.de C.V.	Norte 79 B No. 77 Colonia Sector Naval 02080	México D.F.	5	86%		86%		B
	Grupo Tratamiento y Gestión de Valores SAPI de CV	Norte 79 B No. 77 Colonia Sector Naval 02080	México D.F.	2	80%		80%		A
	Prosegur Seguridad Privada Logigistica y Gestión de Efectivo, S.A. de C.V.	Norte 79 B No. 77 Colonia Sector Naval 02081	México D.F.	2	45%	55%	45%	55%	A
	Cia Transportadora de Valores Prosegur Colombia,S.A.	Avda de las Americas 42-25	Bogotá	2	95%	5%	95%	5%	A
	Prosegur Activa Uruguay, S.A.	Bvrda. Artigas, 2629	Montevideo	3	5%	95%	5%	95%	A
	Gemper, S. A.- Sistemas Integrales de Control	Jose Enrique Rodo, 1761	Montevideo	3	100%		100%		A
	Rosegur Cash Services	Bulevardul Ghica Tei, Nr 64-70	Bucharest	2	51%		51%		A
	Proseguridad, S.A.	Avda. Los Próceres, 250 Surco	Lima	1	27%	73%	27%	73%	A
	Prosegur Tecnologia Perú, S.A.	La Chira, 103 Surco	Lima	3	99%	1%	99%	1%	B
	Prosegur Activa Perú, S.A.	Avda.República de Panamá, 3890-Surquillo	Lima	3	1%	99%	1%	99%	A
	Prosegur Servicios Administrativos, S.A.	Av. Primavera 1050-Urb. Chacarilla del Estanque	Santiago de Surco	7	99%	1%	99%	1%	B
	Prointrasn, LLC	1200 Brickell Avenue, Suite 1950	Miami	5	100%		100%		C
	Prosegur Technological Security Solutions, LLC	Al Falah Street-211	Abu Dhabi	3	49%		49%		C
	Luxpai Holdo SARL	5, Rue Guillaume Kroll, L-1882	Luxembourg	5	100%		100%		B
	Prosegur, GmbH	Wahlerstrasse 2a - 40472	Düsseldorf	2	100%		100%		A

					2013				
					Shareholding		Voting rights		
Obs.	Name	Registered offices		Asset.	Dir. %	Ind. %	Dir. %	Ind. %	Auditor
	Prosegur España, S.L.U.	Pajaritos, 24	Madrid	4	100%		100%		A
	Prosegur Gestión de Activos, S.L.U.	Pajaritos, 24	Madrid	7	100%		100%		A
	Servimax Servicios Generales, S. A.	Pajaritos, 24	Madrid	1	100%		100%		A
	Formación, Selección y Consultoría, S.A.	Santa Sabina, 8	Madrid	7	100%		100%		B
	ESC Servicios Generales, S.L.U.	Avda. Primera, B-1 - Poligono Pocomaco (A CORUÑA)	A Coruña	1	100%		100%		A
*	Prosegur Activa Holding, S.L.U.	Pajaritos, 24	Madrid	5	100%		100%		A
	Prosegur Alarmas, S.A.	Pajaritos, 24	Madrid	3	100%		100%		B
	Seguridad Vigilada, S.A.	Pisuerga, 18	Barcelona	4	100%		100%		A
	S.T.M.E.C., S.L:	Pisuerga, 18	Barcelona	1	100%		100%		B
	Salcer Servicios Auxiliares, S.L.	Pisuerga, 18	Barcelona	1	100%		100%		B
	Beloura Investments, S.L.U.	Pajaritos, 24	Madrid	5	100%		100%		B
	Pitco Ventures, SCR Simplificada, S.A.	Pajaritos, 25	Madrid	6	100%		100%		A
	Malcoff Holding BV	Schouw burgplein, 30-34	Rotterdam	5	100%		100%		B
	Reinsurance Bussiness Solutions Ltda.	Third Floor. The Metropolitan Building. James Joyce Street.	Dublin	6	100%		100%		A
	Prosegur Distribuição e Serviços, Lda.	Av. Infante Dom Enrique 326	Lisbon	7	100%		100%		B
	Prosegur Companhia de Segurança, Lda.	Av. Infante Dom Enrique 326	Lisbon	4	100%		100%		A
*	Prosegur France, SAS	Parc Technologique, 5. Place Berthe Morisot 69800	Saint Priest	5	100%		100%		A
*	Esta Service, SASU	Parc Technologique, 5. Place Berthe Morisot 69800	Saint Priest	8	100%		100%		B
	Prosegur Centre SARL	88 Avenue Geneila Frere 69008	Lyon	8	100%		100%		B
*	Prosegur Traitement de Valeurs EST SAS (ex Valtis, S.A.)	2 Rue Lovoisier BP 61609 25010 Besancon Cedez 3	Besancon	2	100%		100%		A
	Prosegur Participations SAS (ex-Sazias SA)	1267 Ave Pierre et Marie Curie-Z.L. Secteur C-06700	Saint Laurend du Var	5	100%		100%		A
	Prosegur Traitment de Valeurs Provence SAS (Ex-Euroval SAS)	604 Avenue du Col de L´Ange - ZA des Plaines de Jouques - 13420	Gemenos	2	5%	95%	5%	95%	B
*	Armor Acquisition, S. A.	Tres Arroyos 2835	Ciudad de Buenos Aires	5	5%	95%	5%	95%	B
	Prosegur Tecnología Argentina, S.A. (former Fire Less, S. A.)	Tres Arroyos 2835	Ciudad de Buenos Aires	3	4%	96%	4%	96%	A
	Xiden, S.A.C.I.	Olleros 3923	Ciudad de Buenos Aires	3	8%	92%	8%	92%	A
	General Insdustries Argentina, S.A (GIASA)	Herrera, 1175	Ciudad de Buenos Aires	3	90%	10%	90%	10%	A
	Tellex, S.A.	Rincón 1346	Ciudad de Buenos Aires	3	95%	5%	95%	5%	A
	Prosegur Holding, S.A.	Tres Arroyos 2835	Ciudad de Buenos Aires	5	10%	90%	10%	90%	B

					2013				
					Shareholding		Voting rights		
Obs.	**Name**	**Registered offices**		**Asset.**	**Dir. %**	**Ind. %**	**Dir. %**	**Ind. %**	**Auditor**
	Prosegur Inversiones, S.A.	Tres Arroyos 2835	Ciudad de Buenos Aires	5	10%	90%	10%	90%	B
	Prosegur Activa Alarmes Ltda.	Thomas Edison 813 Barra Funda	San Pablo	4	68%	32%	68%	32%	B
	Prosegur Tecnologia em Sistemas de Segurança Electrônica e Incêndios Ltda.	Rua Barao Do Bananal, Villa Pompêia	San Pablo	3	100%		100%		A
	Prosegur Holding e Participações, S.A.	Thomas Edison 813 Barra Funda	San Pablo	4	39%	61%	39%	61%	B
	Prosegur Gestao de Efetivos, Ltda.	Thomas Edison 813 Barra Funda	San Pablo	2	100%		100%		B
	Prosegur Gestão de Ativos, Ltda.	Thomas Edison 813 Barra Funda	San Pablo	7	0%	100%	0%	100%	A
	Capacitaciones Ocupacionales Sociedad Ltda	Los Gobelinos 2567 Of. 100	Renca-Santiago	2	83%	17%	83%	17%	B
	Servicios Prosegur, Ltda.	Los Gobelinos 2567 Of. 100	Renca-Santiago	2	100%		100%		A
	Sociedad de Distribución, Canje y Mensajería Ltda.	Los Gobelinos 2548 Of.	Renca-Santiago	7	49%	51%	49%	51%	B
	Prosegur Tecnología Chile Ltda	Lo Boza 107, Mod. 3 Pudahuel	Santiago de Chile	3	100%		100%		A
	Prosegur Activa Chile, S.L.	Catedral 1009, piso 14	Santiago Centro	3	1%	99%	1%	99%	A
*	Prosegur Mexico S de RL de CV(Ex - PS Mexico Compañia de Seguridad Privada S de RL de CV)	Norte 79 B No. 77 Colonia Sector Naval 02080	México D.F.	5	86%		86%		B
	Grupo Tratamiento y Gestión de Valores SAPI de CV	Norte 79 B No. 77 Colonia Sector Naval 02080	México D.F.	2	80%		80%		A
	Prosegur Seguridad Privada Logistica y Gestión de Efectivo, S.A. de C.V.	Norte 79 B No. 77 Colonia Sector Naval 02081	México D.F.	2	45%	55%	45%	55%	A
	Cia Transportadora de Valores Prosegur Colombia,S.A.	Avda de las Americas 42-25	Bogotá	2	95%	5%	95%	5%	A
	Prosegur Activa Uruguay, S.A.	Bvrda. Artigas, 2629	Montevideo	3	5%	95%	5%	95%	A
	Gemper, S. A.- Sistemas Integrales de Control	Jose Enrique Rodo, 1761	Montevideo	3	100%		100%		A
	Rosegur Cash Services SA	Bulevardul Ghica Tei, Nr 64-70	Bucharest	2	51%		51%		A
	Proseguridad, S.A.	Avda. Los Próceres, 250 Surco	Lima	1	27%	73%	27%	73%	A
	Prosegur Tecnologia Perú, S.A.	La Chira, 103 Surco	Lima	3	99%	1%	99%	1%	B
	Prosegur Activa Perú, S.A.	Avda.República de Panamá, 3890-Surquillo	Lima	3	1%	99%	1%	99%	A
	Prosegur Servicios Administrativos, S.A.	Av. Primavera 1050-Urb. Chacarilla del Estanque	Santiago de Surco	7	99%	1%	99%	1%	B
	Prointrasn, LLC	1200 Brickell Avenue, Suite 1950	Miami	5	100%		100%		C
	Prosegur Technological Security Solutions, LLC	Al Falah Street-211	Abu Dhabi	3	49%		49%		C
*	Luxpai Holdo SARL	5, Rue Guillaume Kroll, L-1882	Luxembourg	5	100%		100%		B
	Prosegur, GMBH	Wahlerstrasse 2a - 40472	Düsseldorf	2	100%		100%		A
	Prosegur Deutschand GMBH	Insterburger Straße 7a, D-60487	Frankfurt am Main	2	100%		100%		B

Obs: (*): These companies hold a share in other group companies w ithin their same geographical area.

Activity: **1.** Surveillance **2.** CIT-CM **3.** Technology **4.** Tw o or more activities **5.** Holding company **6:** Financial services **7**: Ancillary Services **8**: Dormant

Auditor: **A.** Audited by KPMG **B.** Not subject to audit **C**. Others

Thousands of euros

		2014						
			EQUITY					
Name	Country	Carrying amount	Share capital	Reserves	Other items	Operating profit/(loss)	Profit/(Loss) for the Year	Dividends Received
Companies in Spain:								
Prosegur España, S.L.U.	Spain	172,286	74,242	35,948	45,635	47,543	35,218	24,000
Prosegur Gestión de Activos, S.L.U.	Spain	59,855	29,953	-	28,642	2,314	2,152	
Prosegur Activa Holding, S.L.U.	Spain	5,122	2,000	1,786	3,122	(192)	3,372	
Formación Selección y Consultoria,S.A.	Spain	120	120	599	-	572	420	
Seguridad Vigilada, S.A.	Spain	-	751	146	(109)	(37)	2	
S.T.M.E.C., S.L.	Spain	50	3	337	-	364	303	
Salcer Servicios Auxiliares, S.L.	Spain	50	3	207	-	(1)	10	
Beloura Investments, S.L.U.	Spain	19,867	503	-	(142)	-	(58)	
Prosegur Multiservicios, S.A.	Spain	150	150	607	-	1,086	783	
Armor Adquisition, S.A.	Spain	5,523	45,750	13,755	-	(71)	28,879	2,711
ESC Servicios Generales, S.L.	Spain	92	6	3,536	-	4,440	3,030	
Subsidiaries abroad:								
Prosegur France, S.A.S. (Cinieri)	France	45,964	9,240	2,662	(696)	982	(1,711)	
Prosegur Traitement de Valeurs, EST EURL(Valtis, S.A.)	France	13,078	1,031	3,215	110	577	542	
Esta Servicie, SARL	France	-	61	649	(4,218)	(6)	(6)	
Prosegur Centre, S.R.L.	France	-	15	4	(101)	(7)	130	
Prosegur Participations, S.A.S. (Sazias, S.A.)	France	10,213	860	925	(528)	1	278	
Euroval, S.A.S.	France	4,548	1,166	4	(950)	359	365	
Malcoff Holding, B.V.	Netherlands	172,129	40	-	34,927	67,266	67,266	67,300
Prosegur Companhia de Segurança, Lda.	Portugal	15,711	11,007	377	-	1,597	334	1,415
Prosegur Distribução e Serviços, Lda.	Portugal	3,277	50	20	-	315	230	1,431
ROSEGUR CASH SERVICES	Romania	230	108	-	(1,193)	(379)	(385)	
Luxpai Holdo, S.A.R.L.	Luxembourg	64,661	7,729	773	65,087	76	76	

Thousands of euros

		2013						
			EQUITY					
Name	**Country**	**Carrying amount**	**Share capital**	**Reserves**	**Other items**	**Operating profit/(loss)**	**) for the Year**	**Dividends Received**
Companies in Spain:								
Prosegur España, S.L.U.	Spain	172,286	74,242	28,408	74,239	35,816	25,540	18,000
Prosegur Gestión de Activos, S.L.U.	Spain	59,855	29,953	-	27,539	1,532	1,104	-
Servimax Servicios Generales, S.A.	Spain	86	379	6,327	-	3,042	2,173	6,251
Prosegur Activa Holding, S.L.U.	Spain	5,122	2,000	354	2,339	547	3,831	1,616
Formación Selección y Consultoria,S.A.	Spain	120	120	1,240	-	772	575	1,216
Seguridad Vigilada, S.A.	Spain	3,428	751	146	(710)	791	601	-
S.T.M.E.C., S.L.	Spain	50	3	268	(175)	304	245	-
Salcer Servicios Auxiliares, S.L.	Spain	50	3	104	(104)	276	207	-
Beloura Investments, S.L.U.	Spain	19,367	3	**-**	**(131)**	(1)	(11)	-
Prosegur Multiservicios, S.A.	Spain	150	150	261	-	459	349	-
Pitco Ventures, SCR Simplificada, S.A.	Spain	600	1,200	-	(1,078)	(703)	(485)	-
ESC Servicios Generales, S.L.	Spain	6	6	1,363	-	1,309	907	1,362
Subsidiaries abroad:								
Prosegur France, S.A.S. (Cinieri)	France	45,964	9,240	7,182	(2,019)	(302)	(1,369)	-
Prosegur Traitement de Valeurs, EST EURL(Valtis, S.A.)	France	13,078	1,031	2,894	-	418	376	-
Esta Servicie, SARL	France	-	61	649	(4,215)	(3)	(3)	-
Prosegur Centre, S.R.L.	France	-	15	4	(100)	(1)	(1)	-
Prosegur Participations, S.A.S. (Sazias, S.A.)	France	10,213	860	925	(815)	71	337	-
Euroval, S.A.S.	France	4,548	1,166	4	(1,117)	177	168	-
Malcoff Holding, B.V.	Netherlands	172,129	40	172,084	(180,369)	(13,556)	28,583	41,950
Prosegur Companhia de Segurança, Lda.	Portugal	15,710	11,007	3,737	782	867	673	1,991
Prosegur Distribução e Serviços, Lda.	Portugal	3,277	50	20	1,172	272	262	-
Reinsurance Business Solutions Limited	Ireland	635	635	2,759	(3,800)	1,207	1,068	3,800
ROSEGUR CASH SERVICES	Romania	230	108	-	(1,193)	(379)	(385)	-
Luxpai Holdo, S.A.R.L.	Luxembourg	58,660	7,729	50,927	(814)	(43)	9,756	-

Thousands of euros

		2014						
			EQUITY					
Name	Country	Carrying amount	Share capital	Reserves	Other items	Operating profit/(loss)	Profit/(Loss) for the Year	Dividends Received
Prosegur, GmbH	Germany	55,666	1,500	35,815	(23,440)	(6,774)	(7,593)	
Xiden, S.A.C.I.	Argentina	1,187	2,479	88	1,185	1,135	757	
Prosegur Tecnologia Argentina, S.A.	Argentina	-	4,069	5	(1,207)	565	357	
General Industries Argentina, S.A. (GIASA)	Argentina	3,159	208	93	548	1,170	619	
Tellex, S.A.	Argentina	1,104	1,553	8	2,075	(370)	(598)	
Prosegur Holding, S.A.	Argentina	388	1,460	292	4,702	(252)	386	453
Prosegur Inversiones, S.A.	Argentina	44	164	33	513	(11)	31	51
Capacitaciones Ocupacionales Socidad Ltda.	Chile	383	350	-	(164)	(119)	(56)	
Servicios Prosegur, Ltda.	Chile	1,533	264	-	22,501	8,287	6,840	
Sociedad de Distribución, Canje y Mensajería Ltda.	Chile	1,311	2,214	-	5,405	(1,112)	(906)	
Prosegur Tecnologia Chile Ltda.	Chile	1	11,888	-	(4,382)	(6,146)	(6,347)	
Prosegur Activa Chile, Ltda.	Chile	(0)	5,627	3,066	(25,671)	(2,939)	(1,623)	
Cía Transportadora de Valores Prosegur Colombia, S.A.	Colombia	27,125	7,339	3,658	8,132	6,965	5,356	
Prosegur Tecnologia em Sistemas de Segurnaça Electronic e Incendios, Ltda.	Brazil	25,688	19,992	(361)	(1,875)	(3,774)	(2,758)	
Prosegur Holding e Paraticipaçoes, S.A.	Brazil	169,375	186,881	4,702	48,413	(591)	16,201	5,911
Prosegur Activa Alarmes, Ltda.	Brazil	31,815	258	312	38,679	(3,742)	(2,487)	1,955
Prosegur Gestao de Efectivo, Ltda.	Brazil	-	-	-	-	-	-	
Prosegur Gestao de Activos, Ltda.	Brazil	0	1,143	-	538	1,299	145	
Prosegur Mexico,S. de R.L.de C.V.	Mexico	0	49,101	-	(776)	32	(48)	
PRO-S CIA SEGURIDAD	Mexico	0	1,959	-	(1,068)	(51)	(25)	
Prosegur Seguridad Privada Logigistica y Gestión de Efectivo, S.A. de C.V.	Mexico	-	15,416	-	(9,436)	(2,848)	(2,687)	
Grupo Tratamiento y Gestión de Valores, SAPI de CV	Mexico	388	441	-	(1)	(6)	(6)	
Prosegur Activa Uruguay, S.A.	Uruguay	426	4,029	812	2,778	(2,146)	(2,871)	
Gemper, S.A. -Sistemas Integrales de Control (Sic-Tecnored)	Uruguay	962	155	5	74	5	45	
Proseguridad, S.A.	Peru	5,856	10,531	82	3,544	2,088	1,063	
Prosegur Tecnologia Peru, S.A.	Peru	5,698	599	50	180	(306)	(170)	
Prosegur Activa Peru, S.A.	Peru	121	1,268	11	(1,219)	82	(149)	
Prosegur Servicios Administratvios, S.A.	Peru	1	1	-	(17)	40	7	
Prointrans, LLC	USA	183	206	-	21	22	22	
Prosegur Technological Security Solutions LLC	Arab Emirates	-	22	-	(220)	(150)	(150)	
TOTAL		**925,340**						**105,227**

Thousands of euros

		2013						
			EQUITY					
Name	Country	Carrying amount	Share capital	Reserves	Other items	Operating profit/(loss)	Profit/(Loss) for the Year	Dividends Received
Prosegur, GmbH	Germany	22,668	1,500	25,518	(12,569)	(9,326)	(10,171)	-
Prosegur Deutschand GmbH	Germany	0	3,534		(24,487)	-	-	-
Armor Adquisition, S.A.	Argentina	5,523	28,902	21,789	260,808	40,775	41,546	1,217
Xiden, S.A.C.I.	Argentina	2,116	3,071	45	839	1,460	693	-
Prosegur Tecnologia Argentina, S.A.	Argentina	3,182	5,041	1	(1,595)	191	106	-
General Industries Argentina, S.A. (GIASA)	Argentina	3,159	257	115	221	922	458	449
Tellex, S.A.	Argentina	5,039	751	6,480	(1,081)	(1,026)	(1,645)	-
Prosegur Holding, S.A.	Argentina	388	1,809	362	5,476	(57)	210	595
Prosegur Inversiones, S.A.	Argentina	44	203	41	606	(12)	18	65
Capacitaciones Ocupacionales Socidad Ltda.	Chile	383	352	47	(115)	(120)	(94)	-
Servicios Prosegur, Ltda.	Chile	1,533	1,404	1,134	23,908	10,044	8,118	-
Sociedad de Distribución, Canje y Mensajería Ltda.	Chile	1,311	2,271	119	6,342	(1,127)	(917)	-
Prosegur Tecnologia Chile Ltda.	Chile	1	981	(328)	(2,411)	(2,077)	(1,756)	-
Prosegur Activa Chile, Ltda.	Chile	(0)	5,772	3,147	(25,073)	(1,786)	(1,497)	-
Cía Transportadora de Valores Prosegur Colombia, S.A.	Colombia	27,125	8,101	8,987	1,372	3,339	2,655	-
Prosegur Tecnologia em Sistemas de Segurnaça Electronic e Incendios, Ltda.	Brazil	25,688	20,384	83	(2,166)	(796)	(133)	-
Prosegur Holding e Paraticipaçoes, S.A.	Brazil	147,156	177,497	143,590	(127,427)	(100)	11,565	25,991
Prosegur Activa Alarmes, Ltda.	Brazil	11,646	115	12,163	784	(1,370)	(2,213)	-
Prosegur Gestao de Efectivo, Ltda.	Brazil	-	-	-	-	-	-	-
Prosegur Gestao de Activos, Ltda.	Brazil	0	1,165	-	142	705	407	-
Prosegur Mexico,S. de R.L.de C.V.	Mexico	0	45,421	3,938	(669)	(26)	(111)	-
PRO-S CIA SEGURIDAD	Mexico	0	1,969	-	(771)	(300)	(303)	-
Prosegur Seguridad Privada Logigistica y Gestión de Efectivo, S.A. de C.V.	Mexico	-	15,497	-	(6,590)	(2,987)	(2,896)	-
Grupo Tratamiento y Gestión de Valores, SAPI de CV	Mexico	388	443	-	3	(1)	(1)	-
Prosegur Activa Uruguay, S.A.	Uruguay	260	409	3,575	4,205	(1,702)	(2,809)	-
Gemper, S.A. -Sistemas Integrales de Control (Sic-Tecnored)	Uruguay	962	159	4	57	(3)	43	-
Proseguridad, S.A.	Peru	5,856	9,994	3,111	3,221	2,949	1,185	-
Prosegur Tecnologia Peru, S.A.	Peru	5,698	569	670	12	(575)	(463)	-
Prosegur Activa Peru, S.A.	Peru	121	1,204	10	(260)	(990)	(896)	-
Prosegur Servicios Administratvios, S.A.	Peru	1	1	-	(29)	(1)	13	-
Prointrans, LLC	USA	183	184	-	3	15	16.824308	-
Prosegur Technological Security Solutions LLC	Arab Emirates	-	20	-	(49)	(149)	(149)	-
TOTAL		**855,996**						**104,503**

PROSEGUR COMPAÑIA DE SEGURIDAD, S.A.

Directors' Report for 2014

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Directors' Report for 2014

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

1. Situation of the Company

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

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

The main activity of the Company now becoming the acquisition, holding, management and administration of securities and shares or any other form of representation of interest in the capital of entities that are resident and non-resident in Spain and of funding in investee companies; and the provision of services that are complementary or ancillary to the management of activities carried out by the investee companies.

1.1 Organisational Structure

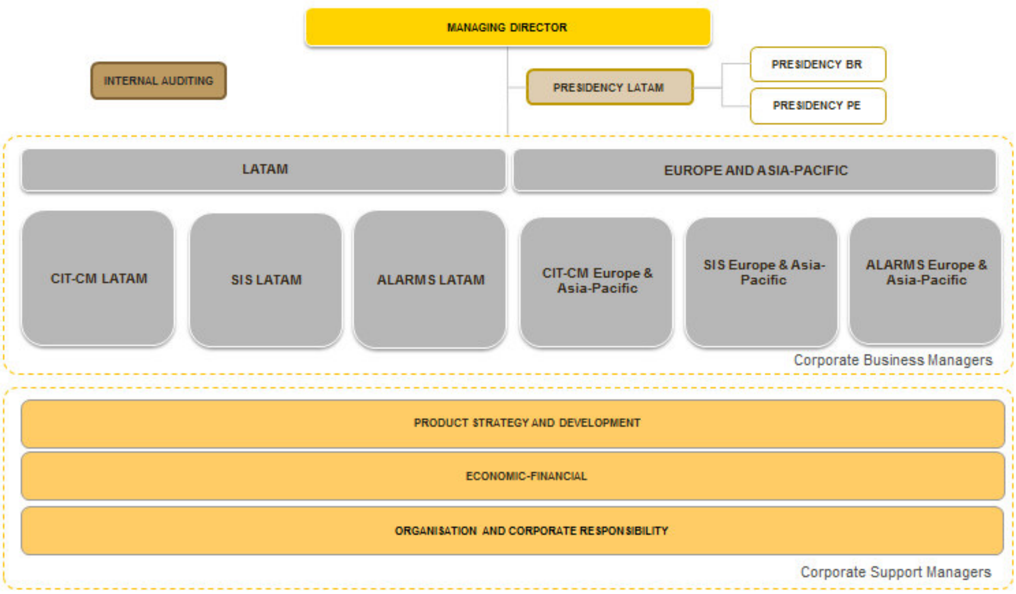
The organisational structure of Prosegur is designed to improve business processes and add value to our clients. Its flexibility allows for a permanent adaptation to an ever-changing environment and the evolution of Prosegur as a business group. In addition, it fosters transversal knowledge of business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

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

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

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

The organisation of Prosegur is shown in the table below:



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

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

1.2 Operation

The main activity of the Company is the acquisition, holding, management and administration of securities and shares or any other form of representation of interest in the capital of entities that are resident and non-resident in Spain and of funding in investee companies; and the provision of services that are complementary or ancillary to the management of activities carried out by the investee companies.

Prosegur Compañía de Seguridad, S.A. has closed this financial year with a net turnover of 195.0 million euros (in 2013: 183.4 million euros).

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

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

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

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

2. Business performance and results

The Company has obtained positive results in 2014 of 68.9 million euros. The comparison with the results of the previous year are shown below:

(Millions of Euros)		2014	2013	Variation
Sales		195.0	183.4	6.3%
EBITDA		*92.4*	*106.7*	-13.4%
	Margen	*47.4%*	*58.2%*	
Amort. PPE		-1.8	-1.6	*12.5%*
Amort. Intangible assets		-10.2	-8.4	21.4%
EBIT		*80.4*	*96.7*	*-16.9%*
	Margin	*41.2%*	*52.7%*	
Financial results		-23.7	-23.8	*-0.4%*
Profit Before Tax		*56.7*	*72.9*	*-22.2%*
	Margin	*29.1%*	*39.7%*	
Taxes		12.2	-6.9	*-276.8%*
	Tax rate	*21.5%*	*-9.5%*	
Net result		**68.9**	**66.0**	***4.4%***

The most significant events reflected in the income statement of 2014 are the following:

(millions of euros)	National		Europe&Asia-Pacific		LatAm		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
Dividend received:								
- From Group companies and associat	26.7	28.4	70.1	47.7	8.4	28.3	105.2	104.5
- Third parties	-	4.1	-	-	-	-	-	4.1
Income from Loan interest	1.1	0.8	1.4	0.6	-	-	2.5	1.4
Provision of services:								
- General Services	33.7	31.4	11.6	9.0	42.0	32.9	87.3	73.3
TOTAL	**61.5**	**64.8**	**83.1**	**57.3**	**50.4**	**61.2**	**195.0**	**183.4**

2.1 Investment activity

- On 28 January 2014 the Company participated in the capital increase of the Brazilian company Prosegur Holding e Participações, S.A. in the amount of Euros 22.2 million, now holding 43.43% of shares (before 39.27%).

- On 28 January 2014 the Company participated in the capital increase of the Brazilian company Prosegur Activa Alarmes, S.A. in the amount of Euros 20.2 million, now holding 86.08% of shares (before 68.09%).

- On 7 February 2014 the Company participated in the capital increase of the German company Prosegur GmbH, in the amount of Euros 1.8 million, by means of loan capitalisation. On 24 July 2014 the Company participated in the capital increase of the German company Prosegur Deutschland GmbH, in the amount of Euros 25.2 million, by means of loan capitalisation and accrued interests of the same (EUR 25.0 million principal plus EUR 0.2 million interests). On that same date it agreed a new capital increase of 12.8 million euros, of which 6.8 thousand euros remain outstanding. In August 2014 the merger of Prosegur Deutschland GmbH (acquired company) and Prosegur GmbH (acquiring company) took place, with transferral to the latter of the investment held in the former by the Company (Note 10).

- On 13 February 2014 the Company participated in the capital increase of the Uruguayan company Prosegur Activa Uruguay, S.A. in the amount of Euros 0.2 million.

- On 6 November 2014 the Company participated in the capital increase of the Luxembourg Company Luxpai Holdo SARL, a securities holding Company, totalling Euros 6.0 million, by capitalising loans.
- On 16 December 2014 the Company participated in the capital increase of the Brazilian company Prosegur Holding e Participações, S.A. in the amount of Euros 0.5 million.

2.2 Investments

All of the Company's investments are analysed by the corresponding technical and operating areas and the management control department, which estimate and examine the strategic importance, period and yields of the investments before these are approved. Subsequently these are submitted to the Investment Committee for a final decision on whether to proceed with the investment. Investments in excess of EUR 0.6 million are submitted to the Executive Committee for approval.

Amortisation and depreciation charges totalled Euros 12.0 million in 2014 (in 2013: 10.0 million euros). Of this total, EUR 1.8 million were for the depreciation of property, plant and equipment (in 2013: EUR 1.7 million) and for the amortisation of other intangible assets EUR 10.2 million (in 2013: EUR 8.3 million).

EUR 2.4 million was invested in property, plant and equipment in 2014 (in 2013: 1.7 million euros). Moreover, investment of Euros 7.3 million was also made in property, plant and equipment (in 2013: 11.2 million euros).

2.3 Personnel

The workforce of the company at the end of 2014 was of 407 persons. At the close of 2013, the workforce of the company was 395 persons.

2.4 Environmental issues

At the end of 2014, the Company has no environment-related contingencies, legal claims or income and expenses relating to the environment.

3. Liquidity and capital resources

3.1 Liquidity

In a context in which credit is still restricted, during 2014 the Company has continued entering into strategic financing agreements designed to optimise financial debt, control debt ratios and meet growth targets.

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

3.2 Capital resources

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

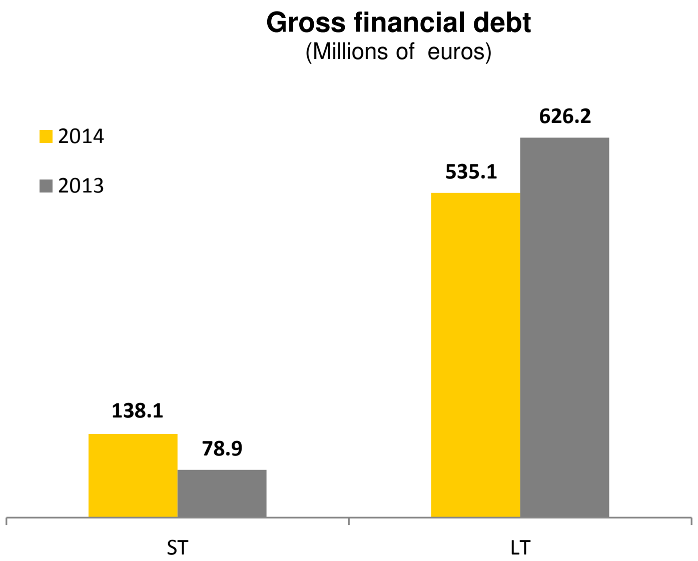
a) On 2 April 2013 an issue of uncovered bonds with a nominal value of EUR 500 million, maturing in 2018, was made. Bonds accrue a coupon of 2.75% per annum payable at end of the year and are listed on the Irish Stock Exchange. Market listing at 31 December 2014 is of 0.967%.

b) On 12 June 2014 syndicated loan was entered into for 400 million euros for five years. At 31 December 2014, the capital drawn down amounted to 40 million euros.

With this last transaction, Prosegur has managed to refinance most of its financial debt. This issue will enable the deferment of maturities of part of the debt of Prosegur (from 2015 to 2019) and the diversification of funding sources.

Current gross financial debt totals Euros 138.1 million (in 2013: 78.9 million euros).

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



In 2014 financial debt had an average cost of 2.50% (in 2013: 2.93%).

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

The following table shows the maturities of the contractual obligations at 31 December 2014:

(millions of euros)	Less than 1 year	1 to 5 years	More than 5 years	TOTAL
Debentures and other securities	13.8	541.3	-	555.1
Syndicated loan	-	38.0	-	38.0
Credit accounts	127.8	-	-	127.8
	141.6	**579.3**	**-**	**720.9**

3.3 Analysis of contractual obligations and off balance sheet obligations

Note 21 of the Financial Statements included the amounts of future minimum payments arising from operating lease contracts by maturity tranches.

4. Main risks and uncertainties

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

The management of these risks has been identified, proposed and executed by the Treasury Department, responsible for identifying, proposing and executing actions in accordance with policies approved by the Executive Committee of the Company.

4.1. Client concentration

The Group of which the Company is the parent company has no significant concentrations of clients.

4.2. Financial Risks

The Company mainly operates in the domestic market; however, the Group of which it is the Parent Company, operates on an international level and, therefore, the Company is exposed to currency risk in its foreign currency operations with foreign subsidiaries and assets and liabilities is foreign currency held with third parties.

As the Company, as the Parent Company of Prosegur Group, intends to remain in the foreign markets in which it is present in the long term, it does not hedge equity investments, assuming the risk relating to the translation to Euros of the assets and liabilities denominated in foreign currencies.

4.2.1 Other market risk

Interest rate, cash flow and fair value risks

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

At the close of financial year 2014, there are no significant positions in financial investment at a fixed or variable interest rate. The Company analyses its interest rate risk exposure dynamically.

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

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

During 2014, three Australian Dollar forward contracts were cancelled (Note 12 in Annual Accounts).

Currency risk

The diversity of risks to which the Company is exposed has resulted in an increasingly active policy in the derivatives market, aiming to limit this exposure, although the Company at 31 December 2014 has no hedges in place with derivatives.

4.2.2 Credit risk

The Company is not significantly exposed to credit risk.

4.2.3 Liquidity risk

A prudent liquidity risk management policy is based on having sufficient cash and marketable securities, as well as sufficient short-, medium- and long-term financing through credit facilities to reach the Company's business targets safely, efficiently and on time. The Treasury Department aims to maintain liquidity and sufficient availability to guarantee the Company's business operations.

5. Important circumstances after the reporting period

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

6. Information on the foreseeable performance of the entity

The Company, as the parent company of the Group, is affected by the performance forecasts of each of the regions in the Group.

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

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

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

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

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

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

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

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

On its part, the economic context of Europe presents an improvement profile that will provide a gradual drive to the business and – above all – will improve profitability.
Prosegur will continue to show its excellent capacity for adaptation to the situation and, just as it was able to minimise the impact of the strong contraction and consolidation of the banking system in Spain and Portugal, it hopes to be able to leverage the incipient favourable situation in order to become the first supplier in Spain of advanced banking outsourcing services and comprehensive security solutions.

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

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

Asia-Pacific is the doorway to markets with high growth potential and diversification of risks and opportunities.
The recent acquisitions in India and Singapore and the acquisition in 2014 of the second operators in the Australian market in Cash in Transit and cash management are a good example of this.

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

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

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

7. R+I+i Activities

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

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

Cash in transit and Cash management

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

Overall service solutions

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

Cybersecurity

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

Miscellaneous

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

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

8. Acquisition/disposal of own shares

At 31 December 2014 the Company held 14,756,890 own shares (in 2013: 39,685,484 shares), representing 2.39% of the Company's share capital (in 2013: 6.43%), and have a value of Euros 42.4 million (in 2013: 114.1 million euros). Part of such shares are to be delivered to the Chief Executive Officer and Senior Managers of Prosegur as part of the incentives plan.

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

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

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

9. Other significant information

9.1 Stock market information

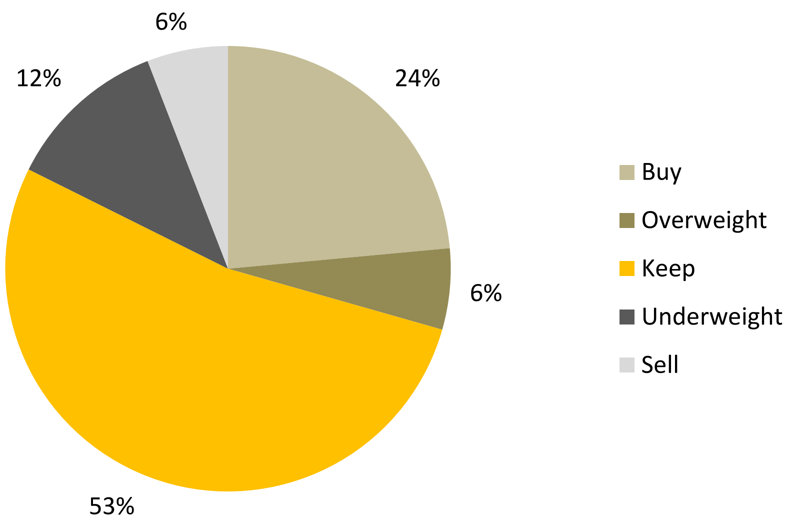
Prosegur focuses its efforts in the creation of value for its shareholders. The improvement in results and transparency, as well as rigour and credibility, underpin the Company's actions.

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

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

Analysts coverage

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



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

Main shareholders

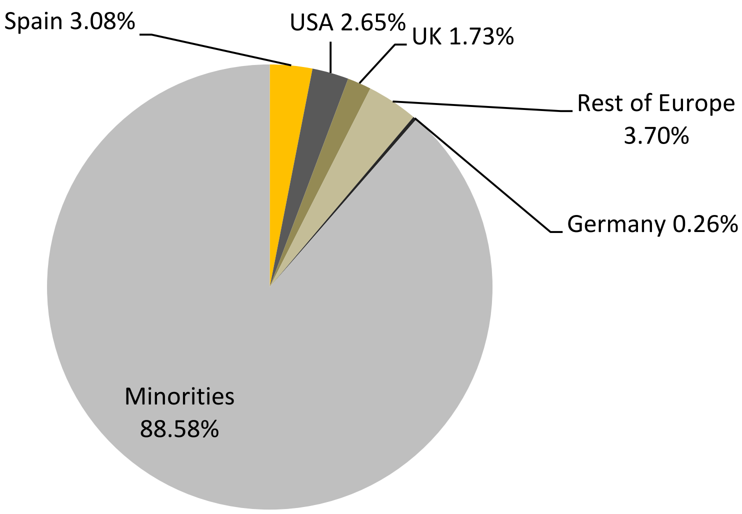
The shareholding structure of Prosegur reflects its solidity and stability.

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

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

Geographical distribution of free float

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



PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

I. DECLARATIONS OF RESPONSIBILITY OF PREPARATION OF ANNUAL ACCOUNTS

The Management Board of Prosegur Compañía de Seguridad, S.A., in its meeting held on 25 February 2015, has prepared the Annual Accounts of the Company (comprising Balance Sheet, Income Statement, Statement of Changes in Net Equity, Cash Flow Statement and Notes) and Directors' Report pertaining to the financial year end on 31 December 2014.

Madrid, 25 February 2015

Ms. Helena Irene Revoredo Delvecchio Chair	Mr. Isidro Fernández Barreiro Vice-chairman
Mr. Christian Gut Revoredo Managing Director	Ms. Mirta María Giesso Cazenave Director
Ms. Chantal Gut Revoredo Director	Mr. Pedro Guerrero Guerrero Director
Mr. Eduardo Paraja Quirós Director	Mr. Eugenio Ruiz-Gálvez Priego Director
Mr. Fernando Vives Ruíz Director	

II. DIRECTORS' RESPONSIBILITY OVER THE ANNUAL ACCOUNTS

The annual accounts of Prosegur Compañía de Seguridad, S.A. are the responsibility of the directors of the company, and have been prepared in accordance with General Accounting Plan endorsed by Spain.

The directors are responsible for the completeness and objectivity of the annual accounts, including the estimates and judgements included therein. They fulfil their responsibility mainly by establishing and maintaining accounting systems and other regulations, supporting them adequately using internal accounting controls. These controls have been designed to provide reasonable assurance that the Company's assets are protected, that transactions are performed in accordance with the authorisations and regulations laid down by management and that accounting records are reliable for the purposes of drawing up the annual accounts. The automatic correction and control mechanisms are also a relevant part of the control environment, insofar as corrective action is taken when weaknesses are observed. Nevertheless, an effective internal control system, irrespective of how perfect its design may be, has inherent limitations, including the possibility of circumventing or invalidating controls, and can therefore provide only reasonable assurance in relation with preparation of the annual accounts and the protection of assets. However, the effectiveness of internal control systems may vary over time due to changing conditions.

The Company evaluated its internal control system at 31 December 2014. Based on this evaluation, the directors believe that existing internal accounting controls provide reasonable assurance that the Company's assets are protected, that transactions are performed in accordance with the authorisations laid down by management, and that the financial records are reliable for the purposes of drawing up the annual accounts.

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

Mr. Antonio Rubio Merino
Chief Financial Officer