



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

QUARTERLY FINANCIAL INFORMATION
Interim Statement for third quarter of financial year 2014



PROSEGUR



RESULTS FOR PERIOD JANUARY TO SEPTEMBER 2014

Millions of euros			
CONSOLIDATED RESULTS	3Q 2013	3Q 2014	% Var.
Sales	2,753.3	2,776.3	0.8%
EBITDA	298.7	303.2	1.5%
<i>Margin</i>	<i>10.9%</i>	<i>10.9%</i>	
PPE amortisation	(59.2)	(59.5)	0.4%
Intangible asset amortisation	(32.3)	(27.9)	-13.5%
Goodwill impairment	-	-	
EBIT	207.2	215.8	4.1%
<i>Margin</i>	<i>7.5%</i>	<i>7.8%</i>	
Financial results	(41.4)	(44.8)	8.2%
Profit before tax	165.8	171.0	3.1%
<i>Margin</i>	<i>6.0%</i>	<i>6.2%</i>	
Taxes	(60.0)	(62.3)	3.9%
Net result	105.8	108.7	2.8%
Non-controlling interests	(0.2)	0.1	
Consolidated net result	106.0	108.6	2.5%
<i>Margin</i>	<i>3.8%</i>	<i>3.9%</i>	
Basic earnings per share (Euros per share)	0.2	0.2	-1.8%

PERFORMANCE IN THE PERIOD

- The business turnover has increased by 0.8% over that of 2013, of which 10.5% is due to pure organic growth, 3.6% to inorganic growth and exchange rates have a negative effect of 13.2%.
- The EBIT has increased by 4.1% compared to financial year 2013 having reached 215.8 million euros, with a 7.8% margin on sales.
- The consolidated net result has been of 108.6 million euros, an increase of 2.5% over that of 2013.



INTERIM STATEMENT (JANUARY – SEPTEMBER 2014)

(Millions of Euros)

1. BUSINESS PERFORMANCE

The performance of the most significant items in the consolidated income statement pertaining to the period from January to September of financial years 2014 and 2013 is shown below:

a) Sales

Prosegur sales during the period from January to September 2014 have reached 2,776.3 million euros, compared to 2,753.3 million euros in the same period in 2013, accounting for an increase of 0.8%. Of the overall decrease, 10.5% pertains to pure organic growth, 3.6% to inorganic growth due to the acquisitions made during financial years 2013 and 2014 and the effect of the exchange rate accounts for a drop of 13.2%.

The following aspects relating to the consolidation perimeter of Prosegur have an influence on the sales turnover regarding inorganic growth:

- In Australia, the company Chubb Security Services PTY LTD began to be consolidated in the month of December 2013. The business turnover contributed during the period from January to September of 2014 has been of 62.8 million euros.
- In Germany, the company Brinks Deutschland GMBH began to be consolidated in the month of December 2013. The business turnover contributed during the period from January to September of 2014 has been of 29.1 million euros.
- In Singapore, the company Evttec Management Services PTE LTD began to be consolidated in the month of February 2014. The business turnover contributed in the period from February to September 2014 has been of 6.3 million euros.
- In Germany, the company Chorus Security Service GmbH & Co. KG began to be consolidated in the month of March 2014. The business turnover contributed during the period from March to September of 2014 has been of 2.0 million euros.



The following table shows the distribution of sales of Prosegur by geographical area and business line:

Millions of euros									
Sales	Europe-Asia-Pacific			LatAm			Total Prosegur		
	2013	2014	% Var.	2013	2014	% Var.	2013	2014	% Var.
Manned Guarding	632.6	628.5	-0.6%	639.1	631.1	-1.2%	1,271.7	1,259.6	-1.0%
<i>% of total</i>	58.6%	53.4%		38.2%	39.5%		46.2%	45.4%	
Cash in Transit	287.0	381.8	33.0%	879.3	832.5	-5.3%	1,166.3	1,214.3	4.1%
<i>% of total</i>	26.6%	32.4%		52.5%	52.1%		42.4%	43.7%	
Technology	160.5	167.4	4.3%	154.8	135.0	-12.8%	315.3	302.4	-4.1%
<i>% of total</i>	14.9%	14.2%		9.3%	8.4%		11.5%	10.9%	
Total sales	1,080.1	1,177.7	9.0%	1,673.2	1,598.6	-4.5%	2,753.3	2,776.3	0.8%

In regard to the geographical distribution of sales, sales in the Europe-Asia-Pacific region have reached 1,177.7 million euros, increasing by 9.0% over that of the previous year. Sales in the LatAm region have decreased by 4.5%, having reached 1,598.6 million euros. In this region, the effect of the exchange rate has caused a drop in sales of 21.7%.

In regard to the distribution of sales by business line, during the period from January to September 2014, Manned Guarding sales have reached 1,259.6 million euros with a drop of 1.0% over the same period the year before. Sales in Cash in Transit (CIT) have increased by 4.1%, having reached 1,214.3 million euros. Technology sales have reached 302.4 million euros with a drop of 4.1%.



The following table shows the growth in sales by country and the effects of the changes made in the consolidation perimeter and exchange rates:

Millions of Euros						
Sales	Total Prosegur			Organic	Inorganic	Exchange rate
	<u>3Q 2013</u>	<u>3Q 2014</u>	<u>% Var.</u>	<u>% Var.</u>	<u>% Var.</u>	<u>% Var.</u>
Spain	656.8	642.5	-2.2%	-2.2%	0.0%	0.0%
France	170.2	174.3	2.5%	2.5%	0.0%	0.0%
Portugal	108.4	106.5	-1.8%	-1.8%	0.0%	0.0%
Romania	2.9	0.0	-100.0%	-100.0%	0.0%	0.0%
Germany	115.7	153.6	32.7%	7.6%	25.1%	0.0%
Asia-Pacific (1)	26.0	100.7	286.5%	24.4%	265.5%	-3.4%
Argentina Area (2)	534.7	485.9	-9.1%	35.5%	0.0%	-44.6%
Brazil	796.6	770.0	-3.3%	7.6%	0.0%	-11.0%
Chile	106.4	97.3	-8.5%	8.2%	0.0%	-16.7%
Colombia	91.3	102.3	12.0%	20.3%	0.0%	-8.3%
Peru	120.6	115.7	-4.0%	3.8%	0.0%	-7.8%
Mexico	23.7	27.5	15.7%	23.2%	0.0%	-7.5%
Total sales	2,753.3	2,776.3	0.8%	10.5%	3.6%	-13.2%

(1) Includes Singapore, India, China and Australia (in the case of India, IFRS 11 is applied in 2014).

(2) Includes Argentina, Uruguay and Paraguay.

b) Operating results

The operating result (EBIT) for the period from January to September of financial year 2014 has been of 215.8 million euros, whereas that in the same period in 2013 was 207.2 million euros, accounting for a 4.1% increase. The margin of EBIT over sales in the period from January to September 2014 has been 7.8%, compared to that of 7.5% in the previous year.

The performance of the EBIT by geographical area is summarised in the table below:

Millions of euros									
EBIT	Europe-Asia-Pacific			LatAm			Total Prosegur		
	<u>2013</u>	<u>2014</u>	<u>% Var.</u>	<u>2013</u>	<u>2014</u>	<u>% Var.</u>	<u>2013</u>	<u>2014</u>	<u>% Var.</u>
Sales	1,080.1	1,177.7	9.0%	1,673.2	1,598.6	-4.5%	2,753.3	2,776.3	0.8%
EBIT	28.5	43.3	52.0%	178.7	172.4	-3.6%	207.2	215.8	4.1%
Margin	2.7%	3.7%		10.7%	10.8%		7.5%	7.8%	



The EBIT for the Europe-Asia-Pacific region in the period from January to September 2014 has been of 43.3 million euros compared to 28.5 million euros in the same period in 2013, accounting for an increase of 52.0% due mainly to the good business performance in the new countries in which Prosegur has begun operating. The EBIT for the LatAm region has decreased by 3.6%, having reached 172.4 million euros in the period from January to September 2014 compared to 178.7 million euros in the same period in 2013. This drop is due mainly to the depreciation of the local currency in Argentina.

c) Financial results

The net financial expenses of Prosegur in the period from January to September of 2014 have reached 44.8 million euros compared to 41.4 million euros in the same period the previous year, which translates into an increase of 8.2 million euros. The main variations in financial expenses have been the following:

- Net financial expenses from interest in the period from January to September 2014 have reached 33.1 million euros, compared to 42.8 million euros in 2013, which accounts for a drop of 9.7 million euros due to the price fixing of an uncovered bond issue in the month of March 2013 with a face value of 500 million euros and maturing on 2 April 2018, which has enabled the deferral of maturities of part of the Prosegur debt (from 2015 to 2018), as well as the partial cancellation (in financial years 2013 and 2014) of the restricted public distribution debenture issued by the Brazilian entities in 2012 and the full cancellation of syndicated financing agreement entered into in 2010 and the syndicated financing agreement entered into in 2012. The bonds were issued in April 2013 and are traded on the secondary market (the Irish Stock Exchange). They accrue a coupon of 2.75% per annum payable yearly on maturity.

With the same objective as the bond issue, on 12 June 2014 Prosegur contracted a new syndicated financing operation for a credit facility in the amount of 400 million euros for a five-year term.

- The net financial expenses due to exchange rate differences amounted to 1.9 million euros in the period from January to September 2014, compared to the net financial income due to exchange rate differences that amounted to 3.8 million euros for the same period in 2013, therefore representing a 5.7 million euros increase in the expense.
- Moreover, in the period from January to September 2014, losses amounting to 10.0 million euros were posted due to impairment losses of financial investments, compared to 6.6 million euros for the same period of 2013. In the period from January to September 2013, 4.1 million euros were posted as income from dividends of financial investments, which were not accrued in 2014.



Net results

The net consolidated result for the period from January to September 2014 has reached 108.6 million euros, compared to 106.0 million euros in the same period in 2013, accounting for an increase of 2.5%.

The effective tax rate has increased to 36.4% in the period from January to September 2014, compared to 36.2% in the same period in 2013.

2. SIGNIFICANT EVENTS AND OPERATIONS

Significant events

During the period from January to September 2014, the following significant operations and events have taken place:

Acquisition of subsidiaries

By means of its subsidiary Singpai Pte. Ltd., on 23 January 2014 Prosegur acquired 100% of the shares of Evttec Management Services PTE LTD located in Singapore. This transaction represents a maximum investment for Prosegur of 7.5 million Singapore dollars (equivalent to 4.3 million euros), including the debt of the acquired company.

By means of its subsidiary Prosegur GmbH, on 17 February 2014 Prosegur acquired 100% of the shares of Chorus Security Service GmbH & Co. KG and 100% of the shares of its general partner Chorus Security Service Verwaltungs GmbH, both companies located in Germany. This transaction represents a maximum investment for Prosegur of 1.8 million euros, including the debt of the acquired company.

Other significant events

On 10 January 2014 Prosegur proceeded with the sale of a package of own shares, representing 4.032% of the share capital, for a total amount of 123.2 million euros (24,882,749 shares at 4.95 euros) to satisfy the demand presented by JB Capital Markets of a limited number and reduced group of institutional investors. Following the conclusion of this transaction, Prosegur maintains 3.047% of own shares that is deemed strategic to satisfy possible future corporate transactions.

On 12 June 2014 Prosegur arranged a new five-year syndicated credit financing facility of 400,000 thousand euros to defer part of its debt (from 2015 to 2019).



On 30 June 2014, the syndicated loan contracted in the month of August 2010 was cancelled in its totality, in the amount of 45,000 thousand euros in the loan part and the amount of 60,000 thousand euros in the credit facility part.

3. CONSOLIDATED FINANCIAL INFORMATION

The consolidated financial information has been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable at 30 September 2014. Such accounting principles have been applied both to financial years 2014 and 2013.



Millions of euros		
CONSOLIDATED BALANCE SHEET	31/12/2013	30/09/2014
Non-current assets	1,536.1	1,597.9
Property, plant and equipment	472.0	489.4
Goodwill	516.0	539.0
Intangible assets	341.7	334.9
Property investments	-	18.2
Investments in subsidiaries	-	6.4
Non-current financial assets	25.8	16.1
Other non-current assets	180.6	193.9
Current assets	1,362.3	1,471.1
Inventories	58.6	64.6
Debtors	1,008.9	1,104.7
Other current assets	0.5	0.4
Derivative financial instruments	-	-
Cash and other financial assets	294.3	301.4
ASSETS	2,898.4	3,069.0
Net equity	654.5	837.8
Share capital	37.0	37.0
Own shares	(125.2)	(53.5)
Retained earnings and other reserves	742.7	854.3
Non-current liabilities	1,196.7	1,061.5
Debts with credit institutions	791.7	665.2
Other financial liabilities	70.8	48.5
Derivative financial instruments	-	-
Other non-current liabilities	334.2	347.8
Current liabilities	1,047.2	1,169.7
Debts with credit institutions	132.7	201.1
Other financial liabilities	63.6	69.3
Derivative financial instruments	1.6	-
Trade and other payables	819.9	858.9
Other current liabilities	29.4	40.4
NET EQUITY AND LIABILITIES	2,898.4	3,069.0



The main variations in the consolidated balance sheet at 30 September 2014 compared to the close of financial year 2013 are summarised as follows:

a) Property, plant and equipment

Investments in property, plant and equipment during the period from January to September 2014 amounted to 83.5 million euros, corresponding mainly to the acquisition and conditioning of bases and armoured vehicles in Germany, Argentina, Peru and Brazil.

b) Goodwill

An increase of 23.0 million euros has taken place in goodwill as a result of the translation differences impact and of the addition of Evttec Management Services PTE LTD and Chorus Security Service Verwaltungs GmbH to the consolidation perimeter, subsidiaries acquired during the period from January to September 2014. During the same period in 2014 no impairment loss in goodwill have been registered.

c) Equity

The variations in net equity during the period from January to September 2014 are mainly due to the sale of a package of own shares, representing 4.032% of the share capital, the net result for the period and the performance of the reserve due to cumulative translation differences.

d) Net debt

Prosegur calculates net debt to be the total debt held with credit institutions (current and non current) plus/minus the net derivative financial instruments, minus cash and equivalents, and minus other current financial assets.

Net debt at 30 September 2014 has amounted to 580.0 million euros, having decreased by 51.7 million euros over the amount at 31 December 2013 (631.7 million euros).

At 30 September 2014, the annualised net debt/EBITDA ratio has reached 1.4 and the net debt/equity ratio has reached 0.7.



At 30 September 2014, the liabilities for debts with credit entities corresponded mainly to the following:

- Issue of uncovered bonds amounting to 503.8 million euros (interests included).
- Syndicated financing contract executed on 12 June 2014 in the amount of 42.8 million euros.
- The restricted public distribution debenture issued by the Brazilian entities in 2012 for 33.5 million euros (the restricted public distribution debenture was partially cancelled in financial years 2014 and 2013).
- Prosegur, through its affiliates, Prosegur Australia Holdings PTY Limited and Prosegur Australia Investments PTY Limited contracted a syndicated financing operation in December 2013 in the amount of 70,000 thousand Australian dollars for a three-year term.

Below is the net overall cash flow generated in the period from January to September in financial year 2014:

Millions of Euros	
CONSOLIDATED CASH FLOW	30/09/2014
Profit for the period	171.0
Adjustments made to results	175.5
Profit tax	(77.6)
Changes in business working capital	(61.4)
Interest payments	(32.8)
OPERATING CASH FLOW	174.7
Modification of securitisation programme	(2.0)
Acquisition of property, plant and equipment	(83.5)
Payments for acquisition of subsidiaries	(63.3)
Payment of dividends	(47.9)
Other cash flows from investment/financing activities	121.6
INVESTMENT/FINANCING CASH FLOW	(75.1)
TOTAL NET CASH FLOW	99.6
NET INITIAL DEBT (31/12/2013)	(665.7)
Net cash (decrease)/increase	99.6
Effect of exchange differences	(13.9)
FINAL NET DEBT (30/09/2014)	(580.0)