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## Independent Auditor's Report on the Consolidated 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 consolidated annual accounts**

We have audited the consolidated annual accounts of Prosegur Compañía de Seguridad, S.A. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position at 31 December 2015 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

### *Directors' responsibility for the consolidated annual accounts*

The Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they present fairly the consolidated equity, consolidated financial position and consolidated financial performance of Prosegur Compañía de Seguridad, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control that they determine is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company Directors' preparation of the consolidated 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 consolidated 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 consolidated annual accounts present fairly, in all material respects, the consolidated equity and consolidated financial position of Prosegur Compañía de Seguridad, S.A. and subsidiaries at 31 December 2015, their financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and other applicable provisions of the financial reporting framework in Spain.

**Report on other legal and regulatory requirements**

The accompanying consolidated directors' report for 2015 contains such explanations as the Directors of Prosegur Compañía de Seguridad, S.A. consider relevant to the situation of the Group, its business performance and other matters, and is not an integral part of the consolidated annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the consolidated annual accounts for 2015. Our work as auditors is limited to the verification of the consolidated 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 Prosegur Compañía de Seguridad, S.A. and subsidiaries.

KPMG Auditores, S.L.

*(Signed on original in Spanish)*

Bernardo Rücker-Embden

24 February 2016

## **PROSEGUR COMPAÑIA DE SEGURIDAD, S.A. AND SUBSIDIARIES**

Consolidated annual accounts and management report  
for year ended 31 December 2015

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

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# I. CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

(In thousands of euros)

	Note	2015	2014
Revenues	3	3.959.384	3.782.583
Costs to sell	4	(3.026.798)	(2.906.474)
<b>Gross profit</b>		<b>932.586</b>	<b>876.109</b>
Other income	6	15.418	8.948
Sale and administrative expenses	4	(599.968)	(560.839)
Other expenses	6	(14.176)	(16.294)
Share of profits/losses of financial year accounted for under the equity method	15	(9.615)	(677)
<b>Operating profit/loss (EBIT)</b>		<b>324.245</b>	<b>307.247</b>
Finance income	7	27.358	17.855
Finance expenses	7	(63.687)	(75.930)
Net financial expenses		(36.329)	(58.075)
<b>Profit before tax</b>		<b>287.916</b>	<b>249.172</b>
Income tax	27	(104.547)	(90.744)
<b>Post-tax profit from continuing operations</b>		<b>183.369</b>	<b>158.428</b>
<b>Consolidated profit for the year</b>		<b>183.369</b>	<b>158.428</b>
Attributable to:			
Owners of the parent		183.378	158.715
Non-controlling interests		(9)	(287)
<b>Earnings per share from continuing operations attributable to the owners of the parent (Euros per share)</b>			
- Basic	8	0,3065	0,2654
- Diluted	8	0,3065	0,2636

Notes included on pages 10 to 101 are an integral part of these consolidated annual accounts

## II. CONSOLIDATED GLOBAL INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

(In thousands of euros)

	Note	2015	2014
<b>Profit/loss for the year</b>		<b>183,369</b>	<b>158,428</b>
<b>Other comprehensive income:</b>			
<b>Items which are not reclassified to profit and loss</b>			
Actuarial gains (losses) on defined benefit plans	22	635	(180)
		<b>635</b>	<b>(180)</b>
<b>Items which are reclassified to profit and loss</b>			
Translation differences of financial statements of foreign operations	22	(269,361)	(17,661)
		<b>(269,361)</b>	<b>(17,661)</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>(85,357)</b>	<b>140,587</b>
Attributable to:			
- Owners of the parent		(85,348)	139,716
- Non-controlling interests		(9)	871
		<b>(85,357)</b>	<b>140,587</b>

Notes included on pages 10 to 101 are an integral part of these consolidated annual accounts

### III. CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015 AND 2014

(In thousands of euros)

	Note	2015	2014
<b>ASSETS</b>			
Property, Plant and Equipment	11	467,101	506,539
Goodwill	12	494,151	532,219
Other intangible assets	13	245,972	324,273
Investment property	14	83,678	46,529
Investments accounted for using the equity method	15	18,328	12,580
Non-current financial assets	17	8,324	11,627
Deferred tax assets	27	163,959	180,982
<b>Non-current assets</b>		<b>1,481,513</b>	<b>1,614,749</b>
Inventory	18	69,695	59,646
Trade and other receivables	19	838,312	949,615
Current tax assets		68,001	94,327
Non-current Assets Held for Sale		448	448
Other financial assets	20	739	8,441
Cash and cash equivalents	21	316,434	285,056
<b>Current assets</b>		<b>1,293,629</b>	<b>1,397,533</b>
<b>Total assets</b>		<b>2,775,142</b>	<b>3,012,282</b>
<b>EQUITY</b>			
Share capital	22	37,027	37,027
Share premium	22	25,472	25,472
Treasury stock	22	(53,493)	(53,493)
Other own equity instruments	22	-	3,401
Translation differences	22	(514,517)	(245,156)
Accumulated earnings and other reserves	22	1,205,467	1,085,402
<b>Equity attributable to equity holders of the Parent</b>		<b>699,956</b>	<b>852,653</b>
Non-controlling interests	22	(330)	11,408
<b>Total equity</b>		<b>699,626</b>	<b>864,061</b>
<b>LIABILITIES</b>			
Financial Liabilities	24	617,291	712,222
Deferred tax liabilities	27	116,838	148,491
Provisions	23	178,440	205,475
Other non-current liabilities	26	-	18
<b>Non-current liabilities</b>		<b>912,569</b>	<b>1,066,206</b>
Trade and other payables	25	692,677	681,235
Current tax liabilities		82,725	88,285
Financial Liabilities	24	338,249	251,634
Provisions	23	8,133	22,189
Other current liabilities	26	41,163	38,672
<b>Current liabilities</b>		<b>1,162,947</b>	<b>1,082,015</b>
<b>Total liabilities</b>		<b>2,075,516</b>	<b>2,148,221</b>
<b>Total equity and liabilities</b>		<b>2,775,142</b>	<b>3,012,282</b>

Notes included on pages 10 to 101 are an integral part of these consolidated annual accounts

#### IV. CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

(In thousands of euros)

	Equity attributable to equity holders of the Parent						Non-controlling interests (Appendix III)	Total equity
	Capital (Note 22)	Share premium (Note 22)	Own shares (Note 22)	Other equity instruments (Note 22)	Translation difference (Note 22)	Retained earnings and other reserves (Note 22)		
<b>Balance on 1 January 2014</b>	<b>37,027</b>	<b>25,472</b>	<b>(125,180)</b>	<b>3,171</b>	<b>(226,337)</b>	<b>940,700</b>	<b>(329)</b>	<b>654,524</b>
Total comprehensive income for the year	-	-	-	-	(18,819)	158,535	871	140,587
Accrued share-based incentive commitments	-	-	-	1,865	-	-	-	1,865
Share-based incentives exercised by employees	-	-	132	-	-	44	-	176
Acquisition/sale of own shares	-	-	71,555	-	-	50,370	-	121,925
Dividends	-	-	-	-	-	(65,947)	-	(65,947)
Other movements	-	-	-	(1,635)	-	1,700	10,866	10,931
<b>Balance at 31 December 2014</b>	<b>37,027</b>	<b>25,472</b>	<b>(53,493)</b>	<b>3,401</b>	<b>(245,156)</b>	<b>1,085,402</b>	<b>11,408</b>	<b>864,061</b>
Total comprehensive income for the year	-	-	-	-	(269,361)	184,013	(9)	(85,357)
Dividends	-	-	-	-	-	(65,947)	-	(65,947)
Other movements	-	-	-	(3,401)	-	1,999	(11,729)	(13,131)
<b>Balance at 31 December 2015</b>	<b>37,027</b>	<b>25,472</b>	<b>(53,493)</b>	<b>-</b>	<b>(514,517)</b>	<b>1,205,467</b>	<b>(330)</b>	<b>699,626</b>

Notes included on pages 10 to 104 are an integral part of these consolidated annual accounts

## V. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

(In thousands of euros)

	Note	2015	2014
<b>Cash flows from operating activities</b>			
Profit/loss for the year		183,369	158,428
Adjustments for:			
Depreciation and amortisation	11, 13, 14	124,146	118,474
Impairment losses on non-current assets	6	106	28
Impairment losses on trade receivables and stock	6, 18	12,713	11,293
Impairment losses on other financial assets	7	3,027	13,000
Other revenues and expenses		(13,627)	-
Change in provisions	23	85,390	43,356
Share-based payment expenses		-	1,865
Gains/losses on financial assets at fair value through profit or loss	7	-	(1,083)
Finance income	7	(27,358)	(15,621)
Finance expenses	7	60,660	59,507
Gains/losses on derecognition and sale of property, plant and equipment	6	(24)	1,617
Share of profits/losses of financial year accounted for under the equity method	15	9,615	677
Income tax	27	104,547	90,744
<b>Changes in working capital, net of the effect of acquisitions and translation differences</b>			
Inventory		(24,426)	(2,457)
Trade and other receivables		(80,679)	(38,093)
Trade and other payables		87,173	(14,054)
Payment of provisions		(86,041)	(49,305)
Other liabilities		3,816	9,750
<b>Cash from operating activities</b>			
Interest paid		(27,791)	(43,280)
Income tax paid		(115,921)	(97,694)
<b>Net cash from operating activities</b>		<b>298,695</b>	<b>247,152</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		13,176	6,925
Proceeds from sale of financial assets		10,236	3,801
Interest collection		5,608	7,970
Investments accounted for using the equity method	35.26	(3,613)	-
Acquisition of subsidiaries, net of cash and cash equivalents		(2,533)	(5,518)
Acquisition of property, plant and equipment	11	(123,566)	(121,890)
Acquisition of intangible assets	13	(20,354)	(17,409)
Acquisition of investment property	14	(71,315)	(45,267)
Acquisition of joint ventures, net of cash and cash equivalents		-	(9,132)
Acquisition of financial assets		(2,877)	(9,127)
<b>Net cash from investing activities</b>		<b>(195,238)</b>	<b>(189,647)</b>
<b>Cash flows from financing activities</b>			
Collections from sales of own shares		-	121,925
Proceeds from other financial liabilities		3,782	-
Proceeds from loans and borrowings		82,345	167,450
Payments for loans and borrowings		(34,312)	(235,668)
Payments for other financial liabilities		(25,510)	(44,851)
Dividends paid	9	(63,906)	(63,860)
<b>Net cash from financing activities</b>		<b>(37,601)</b>	<b>(55,004)</b>
Net increase (decrease) in cash and cash equivalents		65,856	2,501
Cash and cash equivalents at the beginning of period		285,056	292,942
Effect of exchange differences		(34,478)	(10,387)
<b>Cash and cash equivalents at the end of the period</b>		<b>316,434</b>	<b>285,056</b>

Notes included on pages 10 to 104 are an integral part of these consolidated annual accounts.

## **VI. NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015**

### **1. General Information**

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

Prosegur is organised into the following geographical areas:

- Europe & Asia-Pacific
- Latin America (LatAm),

The services rendered by Prosegur are classed into the following activity lines:

- Integrated Security Solutions (ISS),
- Cash in transit (CIT) and cash management,
- Alarms.

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 public limited company, with shares listed on the Madrid and Barcelona Stock Exchanges and traded through the Spanish Stock Exchange Interconnection System (electronic trading system) (SIBE). The Company was incorporated in Madrid on 14 May 1976 and is registered on the Madrid Trade Register. Prosegur Compañía de Seguridad, S.A. has its registered business address in Madrid, at Calle Pajaritos, no. 24.

Its corporate purpose is described in article 2 of its company by-laws. The main purpose of the Company is to provide the following services and activities using its subsidiary companies:

- The surveillance and protection of establishments, assets and people.
- The transport, deposit, safekeeping, counting and classification of currency and notes, bonds, securities and other objects that, due to their economic value or their danger, may require special protection.
- The installation and maintenance of security apparatuses, devices and systems.

These consolidated annual accounts were drawn up by the Board of Directors on 24 February 2016 and are pending approval by the shareholders at their Annual General Meeting. However, the directors consider that these consolidated annual accounts will be approved with no changes.

#### **Structure of Prosegur**

Prosegur Compañía de Seguridad, S.A. is the parent company of a Group formed by subsidiaries (Appendix I). In addition, Prosegur has Joint Arrangements (Note 16 and Appendix II).

Prosegur holds interests of less than 20% in the share capital of other entities. It does not exert significant influence over these entities (Note 17).

Details of the principles applied to prepare the Prosegur consolidated annual accounts and define the consolidated group are provided in Note 35.2.

## 2. Basis of Presentation

The consolidated annual accounts have been prepared on the basis of the accounting records of Prosegur Compañía de Seguridad, S.A. and the consolidated entities. The consolidated annual accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter EU-IFRS) and other applicable financial reporting regulations to present fairly the consolidated equity and consolidated financial position of Prosegur Compañía de Seguridad, S.A. and subsidiaries on 31 December 2015, as well as the consolidated profit and loss from its operations and consolidated cash flows for the year then ended.

Any information or breakdowns, details of which due to qualitative importance are not required, that were not considered material or that have no relative importance, in accordance with the concept of Relative Importance defined in the conceptual framework of the EU-IFRS, have been omitted from these annual accounts.

### 2.1. Changes in the consolidated group

During reporting period 2015, the following companies were incorporated or wound up:

- In January 2015, Prosegur Global SIS, S.L.U. and Prosegur Global CIT, S.L.U. were incorporated in Spain.
- In February 2015, Prosegur Vigilancia España, S.L.U. and Prosegur Alarmas España, S.L.U. were incorporated in Spain.
- In May 2015, Prosegur International CIT 1, S.L., Prosegur International CIT 2, S.L.U., Prosegur Global Alarmas ROW, S.L.U., Prosegur Global CIT ROW, S.L.U. and Prosegur Global SIS ROW, S.L.U. were incorporated in Spain.
- In May 2015, Prosegur Alarmes Dissuasao Portugal Unipessoal Ltda, Prosegur Logistica e Tratamento de Valores Portugal Unipessoal Ltda and Prosegur SIS Sistemas de Segurança Portugal Unipessoal Ltda were incorporated in Portugal.
- In June 2015, Prosegur Berlín, S.L.U. and Prosegur BPO España, S.L.U. were incorporated in Spain.
- In June 2015, Prosegur Agencia, Promoção e Comercialização de Produtos e Serviços, Unipessoal, LDA was incorporated in Portugal.
- In July 2015, Soluciones Integrales en Seguridad Prosegur Paraguay S.A. and Alarmas Prosegur Paraguay S.A. were incorporated in Paraguay.
- In July 2015, Singpai Alarms Pte Ltd was incorporated in Singapore.
- In November 2015, Prosegur SIS USA Inc. was incorporated in the United States.
- In November 2015, Prosegur Berlin Co KG, Prosegur Services Germany GmbH and Prosegur SIS Germany GmbH were incorporated in Germany.
- In December 2015, Luxpai CIT SARL was incorporated in Luxembourg.
- In December 2015, Prosegur ESSPP Empresa de Serviços Partilhados Unipessoal LDA and Prosegur Gestao de Activos Imobiliarios S.A. were incorporated in Portugal.
- In December 2015, Prosegur Gestion D'Actifs France was incorporated in France.

Furthermore, the following mergers took place between subsidiaries in 2015:

- In March 2015, Transvig – Transporte de Valores e Vigilancia LTDA merged with and into Prosegur Brasil, S.A Transportadora de Valores e Segurança in Brazil.
- In July 2015, Prosegur Trier GmbH & Co KG merged with and into Prosegur GmbH in Germany.
- In July 2015, Prosegur Trier Verwaltungs GmbH merged with and into Prosegur GmbH in Germany.
- In October 2015, Prosegur Holding e Participações S.A. merged with and into TSR Participações Societárias S.A. in Brazil.

Additionally the other changes to the consolidated group in 2015 are acquisitions of subsidiaries, details of which are provided in Note 30.

## 2.2. Comparative information

The consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and the notes to the consolidated financial statements for 2015 include comparative figures for the previous year.

## 2.3. Estimates, assumptions and relevant judgements

The preparation of the consolidated annual accounts, in accordance with EU-IFRS, requires the application of relevant accounting estimates and the undertaking of judgements, estimates and assumptions in the process for application of the Prosegur accounting policies and measurement of the assets, liabilities and losses and gains.

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

### *Accounting estimates and assumptions*

Information on relevant accounting estimates and assumptions that pose a significant risk of causing material adjustments in the year ending on 31 December 2016 are included in the following notes:

- Business combinations: determination of the interim fair values (Notes 30 and 35.2).
- Deterioration of property, plant and equipment and intangible assets: assumption for the calculation of recoverable amounts (Notes 11, 12, 13, 14, 35.6, 35.7, 35.8 and 35.9).
- Available-for-sale financial assets: assumptions used to determine fair values (Note 17 and 35.10).
- Recognition and measurement of provisions and contingencies: assumptions to determine the probability of occurrence and the estimate amounts of resource outflows (Notes 23, 28 and 35.15).
- Recognition and valuation of the defined benefit plans for employees: actuarial hypotheses for the provision of defined benefit plans for employees (Notes 5.2, 23 and 35.18).
- Recognition and measurement of deferred tax assets: estimates and assumptions used to measure the recoverability of tax credits (Notes 27 and 35.17).
- Revenue recognition: determination of the degree of progress for construction contracts (Note 35.22).

### *Relevant judgements*

Information on judgements made in applying Prosegur accounting policies with a significant impact on the amounts recognised in the consolidated financial statements is included in the following notes:

- Consolidation: control determination (Note 35.2).
- Leases: lease classification (Note 35.20).

### *Determination of fair values*

Certain Prosegur accounting policies and details require the determination of fair values for assets and liabilities, financial as well as non-financial.

Prosegur has established a control framework with respect to determining fair values. This framework includes a measurement team, reporting directly to Financial Management, with general responsibility over the supervision of all relevant fair value calculations.

On a regular basis the measurement team reviews significant unobservable criteria and measurement adjustments. If third-party information is utilised in determining fair values, such as price-fixing or broker quotations, the measurement team verifies the compliance of such information with the EU-IFRS and the level in the fair value hierarchy by which such measurements should be classified.

Significant measurement issues are reported to the Prosegur Audit Committee.

In determining the fair value of an asset or liability, Prosegur uses observable market data to the greatest extent possible. Fair values are classified into different levels of fair value on the basis of the input data used in the measurement techniques, as follows:

- Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities.
- Level 2: variables other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: variables for the asset or liability that are not based on observable market data (unobservable inputs).

If such input data that are used to measure the fair value of an asset or liability may be classified into different levels of the fair value hierarchy, the fair value measurement is classified in its entirety into the same level of the fair value hierarchy, corresponding to the significant input data level for the complete measurement presented by the lower level.

Prosegur recognises transfers among levels of the fair value hierarchy at the end of the period in which the change has taken place.

The following notes contain more information on the assumptions utilised in determining fair values:

- Note 17: Available-for-sale financial assets.
- Note 30: Business combinations.
- Note 32.3: Financial instruments and fair value.

### 3. Revenue

Details of revenues are as follows:

		Thousands of euros	
		2015	2014
Provision of services		3,799,424	3,617,855
Goods sold		8,429	34,609
Operating lease revenues		151,531	130,119
<b>Total revenues</b>		<b>3,959,384</b>	<b>3,782,583</b>

Operating lease revenues contain revenues from alarm system rentals.

See Note 10 for further information on revenues by segment and geographical area.

### 4. Cost of sales and selling, general and administrative expenses

The main cost of sales and selling, general and administrative expenses are as follows:

		Thousands of euros	
		2015	2014
Supplies		163.703	154.585
Employee benefits expense	(Note 5)	2.409.845	2.241.151
Operating leases		48.838	53.478
Supplies and external services		224.113	239.364
Depreciation and amortisation		56.842	48.366
Other expenses		123.457	169.530
<b>Total costs to sell</b>		<b>3.026.798</b>	<b>2.906.474</b>
Supplies		3.639	3.700
Employee benefits expense	(Note 5)	302.984	274.183
Operating leases		38.379	35.817
Supplies and external services		114.028	109.053
Depreciation and amortisation		67.304	70.108
Other expenses		73.634	67.978
<b>Total sale and administrative expenses</b>		<b>599.968</b>	<b>560.839</b>

Total supplies in the consolidated income statement for 2015 amount to EUR 167,342 thousand (in 2014: EUR 158,285 thousand).

## 5. Employee benefits

### 5.1. Employee benefits costs

Details of employee benefits costs are as follows:

	Thousands of euros	
	2015	2014
Salaries and wages	1,970,969	1,879,462
Social Security	522,018	497,092
Other employee benefits expenses	127,709	101,580
Severance	92,133	37,200
<b>Total employee benefits expense</b>	<b>2,712,829</b>	<b>2,515,334</b>

In relation to the 2014 and 2017 long-term incentive plans for the CEO and Senior Management of Prosegur (Note 35.18), expense accrued during 2015, amounting to EUR 4,852 thousand, has been included in Salaries and wages (Note 23) (in 2014: EUR 3,979 thousand).

### 5.2. Employee benefits

Prosegur makes contributions to three defined benefit plans in France, Brazil and Germany. The defined benefit plan comprises post-employment healthcare. This benefit is required by Law 9656 in that country, while the defined benefit plans in France consist of retirement premiums.

During financial year 2015, the amount recognised as the lesser cost in the P&L account under the heading of personnel costs amounts to EUR 412 thousand (in 2014: a higher cost of EUR 2,253 thousand).

The movement of the current value of obligations is shown in the following table:

	Thousands of euros	
	2015	2014
<b>Balance at 1 January</b>	<b>8,573</b>	<b>6,024</b>
Net cost for period	(412)	2,253
Plan contributions	(74)	(65)
Actuarial loss/profit	(961)	273
Translation differences	(687)	88
<b>Balance at 31 December</b>	<b>6,439</b>	<b>8,573</b>

In 2015, the positive impact on equity arising from actuarial losses amounted to EUR 961 thousand (negative impact of EUR 273 thousand in 2014) (Note 23).

The breakdown between current and non-current in the current value of obligations for the main defined benefit plans in Brazil and in France is as follows:

		Thousands of euros		
		Brazil	France	
	2015	2014	2015	2014
Non-current	1,733	2,932	4,023	4,948
Current	70	75	-	-
<b>Total liabilities for employee benefits</b>	<b>1,803</b>	<b>3,007</b>	<b>4,023</b>	<b>4,948</b>

The movement of the current value of the main obligations for the defined benefit plans, in Brazil and in France, is as follows:

	Thousands of euros			
	Brazil		France	
	2015	2014	2015	2014
Balance at 1 January	3,007	2,323	4,948	3,084
Net cost for period	518	388	(925)	1,864
Plan contributions	(74)	(65)	-	-
Actuarial loss/profit	(961)	273	-	-
Translation differences	(687)	88	-	-
Balance at 31 December	1,803	3,007	4,023	4,948

The defined benefit plan variables which cause Prosegur exposure to actuarial risk are: longevity, medical cost trends, discount rate and market.

## 6. Other revenues and expenses

### Other expenses

Details of other expenses are as follows:

		Thousands of euros	
		2015	2014
Impairment losses on trade receivables	(Note 19)	(10,698)	(11,293)
Impairment losses on non-current assets	(Note 11)	(106)	(28)
Net gains/losses on disposal of fixed assets		24	(1,617)
Other expenses		(3,396)	(3,356)
<b>Total other expenses</b>		<b>(14,176)</b>	<b>(16,294)</b>

Net profits/losses for sale of property contains profits amounting to EUR 3,100 thousand for the sale of a property located in Calle Pajaritos 24 in Madrid (Note 31). In addition, that epigraph contains losses associated with derecognition of property, plant and equipment for a total amount of EUR 3,076 thousand, which correspond mainly to alarm installations that Prosegur leases to third parties under operating leases.

**Other income**

Other income, which amounts to EUR 15,418 thousand (in 2014: EUR 8,948 thousand), contains the revenue associated with the payment, by instalments, of the debt derived from the purchase of Imperial Dragon Security Ltd (Note 24) for a total amount of EUR 5,388 thousand, and the income related to the business combinations of Group Shanghai Bigu (Note 30).

**7. Net financial expenses**

Details of the net financial expenses are as follows:

	Thousands of euros	
	2015	2014
<b>Interest paid:</b>		
- Loans and borrowings	(14,718)	(14,540)
- Debentures and other negotiable securities	(14,574)	(14,574)
- Loans from other entities	(960)	(897)
- Securitisation programme	(86)	(305)
- Finance leases	(1,965)	(2,561)
	<b>(32,303)</b>	<b>(32,877)</b>
<b>Interest received:</b>		
- Loans and other investments	5,608	5,820
	<b>5,608</b>	<b>5,820</b>
<b>Other results</b>		
Net gains/losses on foreign currency transactions	9,927	(2,272)
Losses/gains on the fair value of derivative financial instruments	-	1,083
Other losses on transactions with derivative financial instruments	-	(1,151)
Impairment losses of investments in equity instruments (Note 17)	(3,027)	(13,000)
Other finance income	11,823	10,952
Other finance costs	(28,357)	(26,630)
	<b>(9,634)</b>	<b>(31,018)</b>
<b>Net financial expenses</b>	<b>(36,329)</b>	<b>(58,075)</b>
<b>Total finance income</b>	<b>27,358</b>	<b>17,855</b>
<b>Total finance costs</b>	<b>(63,687)</b>	<b>(75,930)</b>
	<b>(36,329)</b>	<b>(58,075)</b>

The main variation of the 2015 financial results with respect to 2014 is differences due to transactions in a foreign currency other than the functional currency in each country.

In addition, Prosegur estimated the fair value on 31 December 2015 of the investment into Capitolotre, S.P.A., reaching the conclusion that there is objective evidence that this investment has dropped in value by an estimated EUR 3,027 thousand. The investment is wholly impaired on 31 December 2015. In 2014, a loss was recognised for impairment in fair value of this financial asset of EUR 13,000 thousand (Note 17).

On 31 December 2015 and 2014, Prosegur has no derivative financial instruments; they were all settled in 2014.

## 8. Earnings per share

### Basic

Basic earnings per share are calculated by dividing the profit for the year attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the year, excluding own shares acquired by the Company (Note 22.1).

	Euros	
	2015	2014
Profit for the year attributable to owners of the parent	183,377,845	158,714,972
Weighted average number of ordinary shares outstanding	598,367,750	597,942,853
<b>Basic earnings per share</b>	<b>0.3065</b>	<b>0.2654</b>

### Diluted

Diluted earnings per share are calculated by adjusting the profit for the year attributable to the owners of the parent company and the weighted average number of ordinary shares outstanding for all the inherent diluting effects of potential ordinary shares.

	Euros	
	2015	2014
Profit for the year attributable to owners of the parent	183,377,845	158,714,972
(Diluted) weighted average number of ordinary shares outstanding	598,367,750	602,062,853
<b>Diluted earnings per share</b>	<b>0.3065</b>	<b>0.2636</b>

There are no binding potential adjustments for outstanding shares (Note 35.18).

## 9. Dividends per share

The Board of Directors will motion the General Shareholders' Meeting to approve a distribution of a dividend of EUR 0.1105 per share, or a total maximum amount of EUR 68,189 thousand (considering that share capital is currently divided into 617,124,640 shares). Said dividend shall be paid to the shareholders in four payments of EUR 0.0276 per share in circulation on the date of each payment in the months of July and October 2016 and January and April 2017. The amount not distributed as a dividend on the total maximum amount agreed, as a result of the treasury stock on the date of each payment shall be devoted 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 (EUR 16,487 thousand) should be divided by the new number of outstanding shares that corresponds following the aforementioned increase or reduction.

At the General Shareholders' Meeting held on 28 April 2015, 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 2015. The remaining payments to shareholders, each representing 25% of the approved amount, will be made in January and April 2016. On 31 December 2015, dividends payable of EUR 32,974 thousand have been recognised under current liabilities as other payables under suppliers and other accounts payable.

## 10. Segment reporting

The Executive Committee of the Management Board is the highest operational decision-making body in Prosegur and, along with the Audit Committee, it reviews the internal financial information of Prosegur in order to assess performance and allocate resources.

Business is the main cornerstone of the organisation and is embodied in the General Business Management Departments, which are responsible for the design of security solutions for clients and cover the main business lines: Integrated Security Solutions, Cash in Transit and Cash Management and Alarms.

The corporate functions are supervised by the Global Support Departments which cover the following areas: Economic and Financial, Human Resources, Security, Legal, Strategy and Product Development. From a geographical perspective, the main segments identified are:

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

These geographical segments, in turn, include the following activity segments:

- Integrated Security Solutions (ISS): mainly includes the activities of surveillance and protection of premises, property and persons and activities related to technological security solutions.
- Cash in Transit (CIT) and cash management: mainly the transportation, storage, safekeeping, counting and classification of coins and banknotes, deeds, securities and other items that require special protection due to their economic value or associated risk.
- Alarms: includes home alarms as well as the monitoring service of the alarm by Central Monitoring Station.

The following magnitudes are used in segment reporting:

- EBITDA: Consolidated earnings before interest, taxes, depreciation and amortisation.
- EBIT: Consolidated earnings before interest and taxes.

The Executive Committee uses EBIT to assess segment performance, since this indicator is considered to best reflect the results of the Group's different activities.

Prosegur is not highly dependent on any particular customers (Note 32).

Inter-segment transactions are carried out at arm's length.

Total assets allocated to segments do not include other current and non-current financial assets, derivative financial assets, investment property, or cash and cash equivalents, as these are managed at Prosegur Group level.

Total liabilities allocated to segments do not include derivative financial liabilities or loans and borrowings, except for finance lease payables, as financing is managed at Prosegur Group level.

Details of revenues by segment are as follows:

Thousands of euros	Europe & Asia-Pacific		LatAm		Total	
	2015	2014	2015	2014	2015	2014
Integrated Security Solutions	955,156	966,382	1,029,408	970,362	1,984,564	1,936,744
% of total	60%	61%	44%	44%	50%	51%
CIT and cash management	534,945	514,996	1,231,337	1,149,468	1,766,282	1,664,464
% of total	33%	33%	52%	52%	45%	44%
Alarms	108,157	99,905	100,381	81,470	208,538	181,375
% of total	7%	6%	4%	4%	5%	5%
<b>Total sales</b>	<b>1,598,258</b>	<b>1,581,283</b>	<b>2,361,126</b>	<b>2,201,300</b>	<b>3,959,384</b>	<b>3,782,583</b>

Details of EBITDA and EBIT by segment are as follows:

	Europe & Asia-Pacific		LatAm		Total	
	2015	2014	2015	2014	2015	2014
Thousands of euros						
Sales to external customers	1,598,258	1,581,283	2,361,126	2,201,300	3,959,384	3,782,583
Other net expenses	(1,477,314)	(1,466,120)	(2,033,679)	(1,890,742)	(3,510,993)	(3,356,862)
EBITDA	120,944	115,163	327,447	310,558	448,391	425,721
Depreciation and amortisation	(50,140)	(50,089)	(74,006)	(68,385)	(124,146)	(118,474)
<b>EBIT</b>	<b>70,804</b>	<b>65,074</b>	<b>253,441</b>	<b>242,173</b>	<b>324,245</b>	<b>307,247</b>

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

	Thousands of euros	
	2015	2014
EBIT allocated to segments	324,245	307,247
Net financial expenses	(36,329)	(58,075)
Profit before tax	287,916	249,172
Income tax	(104,547)	(90,744)
Post-tax profit from continuing operations	183,369	158,428
Non-controlling interests	(9)	(287)
<b>Profit for the year attributable to owners of the parent</b>	<b>183,378</b>	<b>158,715</b>

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

	Revenue		Non-current assets allocated to segments	
	2015	2014	2015	2014
Thousands of euros				
Parent company country (Spain)	895,904	855,693	290,037	302,167
Brazil	894,780	1,041,866	385,264	507,066
Argentina	889,324	600,820	203,437	157,401
Other countries	1,279,376	1,284,204	510,773	589,959
	<b>3,959,384</b>	<b>3,782,583</b>	<b>1,389,511</b>	<b>1,556,593</b>

Details of assets allocated to segments and a reconciliation with total assets are as follows:

	Europe & Asia-Pacific		LatAm		Not allocated to segments		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Thousands of euros								
<b>Assets allocated to segments</b>	<b>920,180</b>	<b>982,108</b>	<b>1,445,787</b>	<b>1,678,521</b>	<b>-</b>	<b>-</b>	<b>2,365,967</b>	<b>2,660,629</b>
<b>Other unallocated assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>409,175</b>	<b>351,653</b>	<b>409,175</b>	<b>351,653</b>
Other non-current financial assets	-	-	-	-	8,324	11,627	8,324	11,627
Investment property	-	-	-	-	83,678	46,529	83,678	46,529
Other current financial assets	-	-	-	-	739	8,441	739	8,441
Cash and cash equivalents	-	-	-	-	316,434	285,056	316,434	285,056
	<b>920,180</b>	<b>982,108</b>	<b>1,445,787</b>	<b>1,678,521</b>	<b>409,175</b>	<b>351,653</b>	<b>2,775,142</b>	<b>3,012,282</b>

“Assets allocated to segments” includes investments accounted for by applying the equity method (Note 15) for a total amount of EUR 18,328 thousand (EUR 12,580 thousand in 2014), which are wholly allocated to the Europa&Asia-Pacific segment.

Additions of non-current assets, in 2015, allocated to segments amount to EUR 145,563 thousand, which mainly comprise investments made for fitting out bases, facilities and armoured vehicles intended for use in operating activities.

Details of liabilities allocated to segments and reconciliation with total liabilities are as follows:

	Europe & Asia-Pacific		LatAm		Not allocated to segments		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Thousands of euros								
<b>Liabilities allocated to segments</b>	<b>528,659</b>	<b>534,056</b>	<b>670,380</b>	<b>791,567</b>	<b>-</b>	<b>-</b>	<b>1,199,039</b>	<b>1,325,623</b>
<b>Other unallocated liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>876,477</b>	<b>822,598</b>	<b>876,477</b>	<b>822,598</b>
Loans and borrowings	-	-	-	-	876,477	822,598	876,477	822,598
	<b>528,659</b>	<b>534,056</b>	<b>670,380</b>	<b>791,567</b>	<b>876,477</b>	<b>822,598</b>	<b>2,075,516</b>	<b>2,148,221</b>

## 11. Property, plant and equipment

Details and movement in the different categories of property, plant and equipment are as follows:

Thousands of euros

### Cost

	Land and buildings	Technical installations and machinery	Other installations and furniture	Other property, plant and equipment	Advances and assets under construction	Total
Balance at 1 January 2014	217,360	99,727	255,324	298,230	55,794	926,435
Translation differences	(293)	(672)	(2,755)	(2,725)	(2,244)	(8,689)
Business combinations (Note 30)	-	156	12	(1,817)	-	(1,649)
New additions	6,915	18,350	44,485	37,888	14,252	121,890
Write offs	(351)	(10,601)	(12,927)	(3,828)	(154)	(27,861)
Transfers	10,614	3,859	2,427	4,002	(24,064)	(3,162)
<b>Balance at 31 December 2014</b>	<b>234,245</b>	<b>110,819</b>	<b>286,566</b>	<b>331,750</b>	<b>43,584</b>	<b>1,006,964</b>
Translation differences	(18,072)	(18,737)	(30,673)	(42,327)	(9,778)	(119,587)
Business combinations (Note 30)	433	68	29	68	-	598
New additions	7,242	11,657	41,150	18,326	45,191	123,566
Write offs	(11,927)	(2,396)	(18,165)	(12,472)	(1,278)	(46,238)
Transfers	7,542	8,632	11,947	15,342	(43,463)	-
<b>Balance at 31 December 2015</b>	<b>219,463</b>	<b>110,043</b>	<b>290,854</b>	<b>310,687</b>	<b>34,256</b>	<b>965,303</b>

Thousands of euros

**Amortisation and impairment**

	Land and buildings	Technical installations and machinery	Other installations and furniture	Other property, plant and equipment	Advances and assets under construction	Total
Balance at 1 January 2014	(43,135)	(59,350)	(160,904)	(191,005)	-	(454,394)
Translation differences	25	165	1,586	1,594	-	3,370
Write offs	191	9,813	7,936	1,379	-	19,319
Transfers	18	(2)	(580)	2,107	-	1,543
Amortisation for the year	(5,087)	(9,834)	(25,810)	(29,504)	-	(70,235)
Provision for impairment recognised in profit and loss	-	-	-	(28)	-	(28)
<b>Balance at 31 December 2014</b>	<b>(47,988)</b>	<b>(59,208)</b>	<b>(177,772)</b>	<b>(215,457)</b>	<b>-</b>	<b>(500,425)</b>
Translation differences	1,655	8,147	15,213	26,728	-	51,743
Write offs	2,210	2,054	14,302	11,582	-	30,148
Transfers	33	364	(1,463)	1,066	-	-
Amortisation for the year	(4,200)	(10,842)	(31,794)	(32,726)	-	(79,562)
Provision for impairment recognised in profit and loss	-	-	-	(106)	-	(106)
<b>Balance at 31 December 2015</b>	<b>(48,290)</b>	<b>(59,485)</b>	<b>(181,514)</b>	<b>(208,913)</b>	<b>-</b>	<b>(498,202)</b>

**Carrying amount**

On 1 January 2014	174,225	40,377	94,420	107,225	55,794	472,041
At 31 December 2014	186,257	51,611	108,794	116,293	43,584	506,539
On 1 January 2015	186,257	51,611	108,794	116,293	43,584	506,539
At 31 December 2015	171,173	50,558	109,340	101,774	34,256	467,101

Additions to property, plant and equipment recognised in 2015 amount to EUR 123,566 thousand (in 2014: EUR 121,890 thousand) and mainly comprise investments made for fitting out bases, facilities and armoured vehicles intended for use in operating activities. These investments were essentially made in Argentina, Spain and France.

Current property, plant and equipment and pre-payments at year end 2015 mainly includes pre-payments from Brazil, Argentina and Spain for the construction of armoured vehicles, assembly of coin and banknote counting machines and fitting out buildings. The date planned for completing the armoured vehicles and machinery under assembly will be during the first half of 2016. The date planned for completing the fitting out of buildings is the first quarter of 2016.

There are derecognitions under lands and buildings for the sale of two properties in Spain, at Calle Pajaritos 24 in Madrid (net book value at the time of sale amounting to EUR 9,600 thousand, Note 31) and on Avenida Manuel Heredia de Málaga (net book value at the time of sale amounting to EUR 117 thousand).

Commitments for the acquisition of property, plant and equipment are detailed in Note 29.

Prosegur policy is to take out insurance policies to cover possible risks that the diverse elements of its property, plant and equipment are subject to. At end of financial year 2015, there was no lack of cover for these risks.

Property, plant and equipment are measured at historical cost, with the exception of the buildings on Paseo de las Acacias in Madrid and the Hospitalet building in Barcelona, which were measured at market value on first-time adoption of EU-IFRS, and have since been revalued. The effect of this revaluation, to reflect the deemed cost, is as follows:

	Thousands of euros	
	2015	2014
Cost	32,235	39,324
Accumulated amortisation	(4,513)	(4,832)
<b>Carrying value</b>	<b>27,722</b>	<b>34,492</b>

Financial year 2014 also included the revaluation of the building at Calle Pajaritos 24 in Madrid, which was sold in December 2015 (Note 31).

Other installations and furniture includes facilities, mainly alarm installations, let by Prosegur to third parties under operating leases, with the following carrying amounts:

	Thousands of euros	
	2015	2014
Cost	88,377	85,784
Accumulated amortisation	(52,133)	(54,369)
<b>Carrying value</b>	<b>36,244</b>	<b>31,415</b>

In 2015, Prosegur put into operation armoured vehicles to a value of EUR 7,614 thousand (in 2014: EUR 4,937 thousand), from current property, plant and equipment, meeting the Euro V regulation on non-polluting emissions.

Property, plant and equipment, fully amortised and still in use, amounts to EUR 293,763 thousand as of 31 December 2015.

Property, plant and equipment acquired by Prosegur under finance leases are as follows:

Thousands of euros	2015				
	Land and buildings	Technical installations and machinery	Other installations and furniture	Other property, plant and equipment	Total
Cost of capitalised financial leases	3,455	7,852	213	37,781	49,301
Accumulated amortisation	(114)	(5,720)	(192)	(24,556)	(30,582)
<b>Net book value</b>	<b>3,341</b>	<b>2,132</b>	<b>21</b>	<b>13,225</b>	<b>18,719</b>

Thousands of euros	2014				
	Land and buildings	Technical installations and machinery	Other installations and furniture	Other property, plant and equipment	Total
Cost of capitalised financial leases	4,078	8,152	136	38,679	51,045
Accumulated amortisation	(89)	(5,597)	(93)	(17,361)	(23,140)
<b>Net book value</b>	<b>3,989</b>	<b>2,555</b>	<b>43</b>	<b>21,318</b>	<b>27,905</b>

## 12. Goodwill

Details of movement in goodwill are as follows:

	Thousands of euros	
	2015	2014
<b>Balance at 1 January</b>	<b>532,219</b>	<b>515,959</b>
Business combinations (Note 30)	1,420	6,395
New additions	221	13,798
Write offs	(2,502)	(1,541)
Translation differences	(37,207)	(2,392)
<b>Balance at 31 December</b>	<b>494,151</b>	<b>532,219</b>

Additions to goodwill in 2015 and 2014 derive from the following business combinations:

	Country	2015	
		% ownership	Thousands of euros
"Call Centre and Back Office" activity line <sup>(1)</sup>	(Spain)	100%	1,128
Nanjing Zhong Dun Security Services <sup>(1)</sup>	(China)	80%	102
Centro Informático de Vigo S.A. <sup>(1)</sup>	(Spain)	100%	190
			<b>1,420</b>

<sup>(1)</sup> Calculations relating to business combinations may be adjusted for up to a year from the acquisition date.

	Country	<b>2014</b>	
		% ownership	Thousands of euros
Evtec Management Services Pte Ltd	(Singapore)	100%	1,498
Chorus Group	(Germany)	100%	1,412
Transvig-Transporte de Valores e Vigilancia LTDA	(Brazil)	100%	3,160
Shanghai Bigu Group	(China)	100%	325
			<b>6,395</b>

Details of the estimated goodwill in the tables above and the allocation of the amounts for which measurement was completed in 2015 are provided in Note 30 (Note 30.2).

Additions in 2015 pertain to adjustments to the provisional values for net identifiable assets associated with the following business combinations:

	Country	<b>2015</b>
		Thousands of euros
Transvig-Transporte de Valores e Vigilancia LTDA	(Brazil)	221
		<b>221</b>

The net adjusted assets correspond to land and client portfolios for which measurement was completed in 2015 by an independent expert.

Additions in 2014 pertained to adjustments to the provisional values for net identifiable assets associated with the following business combinations:

	Country	<b>2014</b>
		Thousands of euros
Brinks Deutschland GmbH	(Germany)	11,829
Chubb Security Services Pty Ltd	(Australia)	1,969
		<b>13,798</b>

Derecognition in 2015 corresponds to the loss of de facto control of the following companies (Note 15): Shanghai Weldon Security Equipment Co Ltd, Shanghai Weldon Security Service Co Ltd, Hangzhou Weldon Security Service Co Ltd and Sichuan Weldon Security Service Co Ltd, amounting to EUR 2,177 thousand.

### Impairment testing of goodwill

Goodwill has been allocated to Prosegur's cash-generating units (CGU) in accordance with their respective country of operation. Goodwill is allocated to CGU for impairment testing purposes. Goodwill is allocated to the CGU that are expected to benefit from the business combination from which the goodwill arose.

The nature of the assets that are included to determine the carrying value of a CGU are: Property, plant and equipment, Goodwill, Other intangible assets and Working capital (Note 35.9).

A summary of the CGU to which goodwill has been allocated, by country, is as follows:

	Thousands of euros	
	2015	2014
Spain CGU	93,559	92,241
France CGU	39,788	39,788
Portugal CGU	13,403	13,403
Germany CGU	34,303	34,303
Singapore CGU	6,371	6,117
China CGU	102	2,502
Australia CGU	31,309	31,453
<b>Subtotal Europe &amp; Asia-Pacific</b>	<b>218,835</b>	<b>219,807</b>
Brazil CGU	103,734	128,649
Chile CGU	39,638	39,817
Peru CGU	39,292	39,776
Argentina CGU	40,461	45,012
Colombia CGU	33,207	39,199
Rest of LatAm CGU	18,984	19,959
<b>Subtotal LatAm</b>	<b>275,316</b>	<b>312,412</b>
<b>Total</b>	<b>494,151</b>	<b>532,219</b>

Prosegur tests goodwill for impairment at the end of each reporting period, or earlier if there are indications of impairment, in accordance with the accounting policy described in Note 35.9.

The recoverable amount of a CGU is determined based on its value in use. Company budgets for the following year and the strategic plan for subsequent years are the key operating assumptions used for calculating the value in use for different CGU. Both the budget and the plan are approved by Management. Value in use is calculated using gross margin and sales projections that are calculated depending on the macroeconomic growth of each of the countries and efficiency plans defined for optimising results. Cash flows are discounted using a discount rate based on the weighted average cost of capital (WACC). The residual value of each CGU is generally calculated as income in perpetuity.

Items projected for calculating value in use and the key assumptions considered are as follows:

- Sales figure: the sales figure is estimated from growth by volume and by price. In general lines, growth by volume is based on the country's GDP and growth by price on inflation.
- Gross Margin: based on efficiency plans defined by the Company, mainly optimisation of client portfolios, applying profitability analysis focussed on establishing thresholds below which it is not considered viable to establish a commercial relationship with the clients.
- CAPEX: mainly based on plans to renew the fleet depending on its age, with the aim of refreshing it. We consider the estimated 3.1% to be a fair Capex-sales ratio.
- Working Capital: based on optimising days outstanding or average collection period for accounts payable. The projection is based on sales growth, according to the days outstanding. We consider that the working capital-sales ratio used (18%) is fair and, therefore, may be extrapolated to a projection.
- Taxes: projections for taxes are calculated depending on the effective rate for each country and the results expected from the same.

The macroeconomic estimates used are obtained from external sources of information.

The key assumptions used to calculate value in use are as follows:

	2015		2014	
	Europe & Asia-Pacific	LatAm	Europe & Asia-Pacific	LatAm
Growth rate <sup>(1)</sup>	1.80%	7.89%	1.74%	6.93%
Discount rate <sup>(2)</sup>	5.56%	20.49%	5.62%	16.54%

<sup>(1)</sup> Weighted average growth rate used to extrapolate cash flows beyond the budgeted period.

<sup>(2)</sup> Weighted average discount rate after tax applied to cash flow projections.

Details of the key assumptions relating to the most significant CGU are as follows:

#### 31 December 2015

	Spain	France	Germany	Rest of Europe	Australia	Rest of Asia-Pacific	Chile	Brazil	Colombia	Peru	Argentina	Rest of LatAm
Growth rate	1.51%	1.66%	1.92%	1.70%	2.49%	3.35%	3.00%	4.56%	3.04%	2.00%	21.08%	5.20%
Discount rate	5.53%	4.87%	3.99%	6.34%	5.24%	9.94%	9.74%	16.41%	10.49%	9.99%	42.51%	14.28%

#### 31 December 2014

	Spain	France	Germany	Rest of Europe	Australia	Rest of Asia-Pacific	Chile	Brazil	Colombia	Peru	Argentina	Rest of LatAm
Growth rate	1.34%	1.32%	1.70%	1.50%	2.52%	5.67%	3.00%	4.55%	3.04%	2.00%	17.48%	5.46%
Discount rate	5.62%	5.11%	3.99%	6.60%	5.36%	9.09%	8.67%	12.14%	8.52%	8.31%	40.33%	12.05%

The discount rates used are post-tax values and reflect specific risks related to the country of operation. Using pre-tax rates would make no difference to the conclusions as to each CGU recoverable amount.

No impairment losses have been recognised on goodwill in 2015 and 2014.

Along with impairment testing, Prosegur has also performed a sensitivity analysis on the goodwill allocated to the main CGU, for the purposes of the key assumptions.

The EBITDA sensitivity analysis involves determining the turning point which would lead to impairment losses. Hypothetical cases are assessed until figures are reached that would mean impairment that would be registered on the financial statements. The percentage represents how much the EBITDA has to decrease for the CGU to experience impairment, with the other variables remaining constant.

The sensitivity analysis on the growth rate involves determining the weighted average growth/drop rate used for extrapolating cash flows beyond the budgeted period, from which impairment losses would arise for each of the most representative CGU.

In addition, the sensitivity analysis on the discount rate involves determining the weighted average discount rate used for extrapolating cash flows, from which impairment losses would arise for each of the most representative CGU.

The threshold from which impairment losses would arise for growth/drop (-) and EBITDA rates, independently processed, with the other variables remaining constant, is as follows:

	2015			2014		
	Discount rate	Growth rate	EBITDA	Discount rate	Growth rate	EBITDA
Brazil	18.79%	1.20%	8.34%	19.85%	-5.42%	24.72%
Argentina	61.74%	-31.86%	21.66%	64.12%	-44.77%	28.34%
Spain	24.29%	-43.63%	48.35%	25.25%	-50.17%	47.94%
France	5.56%	0.90%	6.29%	5.62%	0.77%	4.26%
Colombia	11.76%	1.72%	1.51%	12.84%	-2.12%	23.51%
Peru	22.27%	-21.36%	35.82%	19.85%	-14.99%	36.79%
Chile	11.69%	0.56%	11.82%	16.55%	-7.24%	36.66%
Germany	6.30%	-3.56%	15.74%	10.82%	-6.75%	26.78%
Australia	23.81%	-40.03%	41.40%	16.84%	-12.58%	36.63%

Prosegur does not consider the sensitivity assumptions likely to occur so impairment problems are not expected.

### 13. Other intangible assets

Details and movement in other intangible assets are as follows:

Thousands of euros	Software applications	Client portfolios	Trademarks and licences	Other intangible assets	Total
<b>Cost</b>					
Balance at 1 January 2014	88,075	384,881	34,350	25,011	532,317
Translation differences	(599)	1,410	1,609	(52)	2,368
Business Combinations	(348)	5,757	-	-	5,409
New additions	14,988	57	532	1,832	17,409
Write offs	(202)	(215)	-	-	(417)
Transfers	3	(1,448)	5,594	593	4,742
<b>Balance at 31 December 2014</b>	<b>101,917</b>	<b>390,442</b>	<b>42,085</b>	<b>27,384</b>	<b>561,828</b>
Translation differences	(9,722)	(65,715)	(5,815)	(2,437)	(83,689)
Business combinations (Note 30)	14	672	8,877	-	9,563
New additions	16,906	-	-	3,448	20,354
Write offs	(1,146)	-	(14,956)	-	(16,102)
<b>Balance at 31 December 2015</b>	<b>107,969</b>	<b>325,399</b>	<b>30,191</b>	<b>28,395</b>	<b>491,954</b>
<b>Amortisation and impairment</b>					
Balance at 1 January 2014	(50,810)	(110,154)	(17,623)	(12,034)	(190,621)
Translation differences	206	379	(248)	(14)	323
Write offs	13	656	-	-	669
Transfers	(1)	-	840	(921)	(82)
Amortisation for the year	(10,902)	(25,369)	(4,999)	(6,574)	(47,844)
<b>Balance at 31 December 2014</b>	<b>(61,494)</b>	<b>(134,488)</b>	<b>(22,030)</b>	<b>(19,543)</b>	<b>(237,555)</b>
Translation differences	5,648	20,736	4,174	2,067	32,625
Write offs	1,053	-	997	-	2,050
Amortisation for the year	(11,611)	(22,667)	(3,665)	(5,159)	(43,102)
<b>Balance at 31 December 2015</b>	<b>(66,404)</b>	<b>(136,419)</b>	<b>(20,524)</b>	<b>(22,635)</b>	<b>(245,982)</b>
<b>Carrying amount</b>					
On 1 January 2014	37,265	274,727	16,727	12,977	341,696
At 31 December 2014	40,423	255,954	20,055	7,841	324,273
On 1 January 2015	40,423	255,954	20,055	7,841	324,273
At 31 December 2015	41,565	188,980	9,667	5,760	245,972

The carrying amount on 31 December 2015 for individually significant client portfolios and their remaining useful life are as follows:

	2015			
	Cost	Amortisation and impairment	Carrying amount	Vida útil remanente
Nordeste Group Large Client Portfolio	83,684	(17,822)	65,862	14 years and 2 months
Norsegel Vigilancia y Transporte de Valores LTDA Large Client Portfolio	25,494	(10,043)	15,451	10 years
Preserve y Transpev Large Client Portfolio	19,338	(10,846)	8,492	7 years and 5 months
Chubb Security Services PTY LTD 5 Main Client Portfolio	13,358	(1,406)	11,952	17 years
Chubb Security Services PTY LTD Remaining Client Portfolio	19,736	(2,077)	17,659	17 years
Transbank Client Portfolio	7,348	(2,012)	5,336	10 years and 2 months
Nordeste Group Sergipe Client Portfolio	6,988	(2,679)	4,309	6 years and 2 months
Fiel Large Client Portfolio	6,747	(2,076)	4,671	9 years
Bahia Nordeste Group Other Client Portfolio	5,444	(1,739)	3,705	8 years and 2 months
	<b>188,137</b>	<b>(50,700)</b>	<b>137,437</b>	

The carrying amount on 31 December 2014 for individually significant client portfolios and their remaining useful life are as follows:

	2014			Vida útil remanente
	Cost	Amortisation and impairment	Carrying amount	
Nordeste Group Large Client Portfolio	112,031	(17,635)	94,396	15 years and 2 months
Norsegel Vigilancia y Transporte de Valores LTDA Large Client Portfolio	34,130	(11,377)	22,753	11 years
Preserve y Transpev Large Client Portfolio	25,889	(13,118)	12,771	8 years and 5 months
Chubb Security Services PTY LTD 5 Main Client Portfolio	13,420	(706)	12,714	18 years
Chubb Security Services PTY LTD Remaining Client Portfolio	19,826	(1,043)	18,783	18 years
Transbank Client Portfolio	9,837	(1,991)	7,846	11 years and 2 months
Nordeste Group Sergipe Client Portfolio	9,355	(2,651)	6,704	7 years and 2 months
Fiel Large Client Portfolio	9,033	(2,084)	6,949	10 years
Bahia Nordeste Group Other Client Portfolio	7,288	(1,721)	5,567	9 years and 2 months
	<b>240,809</b>	<b>(52,326)</b>	<b>188,483</b>	

In 2015, additions to intangible assets are recognised due to the allocation of fair value to the purchase prices of the following business combinations:

	Client portfolios	Trademarks and licences	Other intangible assets
"Call Centre and Back Office" activity line	1,350	-	-
Nanjing Zhong Dun Security Services	-	205	-
Centro Informático de Vigo S.A.	40	-	-
Shanghai Bigu Group	-	8,672	-
Transvig-Transporte de Valores e Vigilancia LTDA	(718)	-	-
	<b>672</b>	<b>8,877</b>	<b>-</b>

The amounts pertaining to the Transvig – Transporte de Valores e Vigilancia LTDA client portfolios and the Shanghai Bigu Group licence stem from definitive allocations of fair value which were provisionally allocated in 2014. The rest of the amounts arise from the allocation of the value of goodwill in 2015.

In 2014, additions to intangible assets are recognised due to the allocation of fair value to the purchase prices of the following business combinations:

	Miles de euros		
	Cartas de clientes	Marcas comerciales	Otros activos intangibles
Chubb Security Services Pty Ltd (Australia)	195	-	-
Evtec Management Services Pte Ltd (Singapur)	1.663	-	-
Grupo Chorus (Alemania)	843	-	-
Transvig - Transporte de Valores e Vigilancia LTDA (Brasil)	3.056	-	-
	<b>5.757</b>	<b>-</b>	<b>-</b>

The amounts pertaining to the Chubb Security Services Pty Ltd client portfolios stemmed from definitive allocations of fair value which were provisionally allocated in 2013. The rest of the amounts arose from the allocation of the value of goodwill in 2014.

No other intangible assets are subject to restrictions on title or pledged as security for particular transactions.

All reported intangible assets have a defined useful life and are amortised in percentages ranging from 3.33% to 50% according to their estimated useful life. Details of the amortisation percentages of the customer portfolio and trademark are described in Notes 30 and 35.7.

The commercial brand arising from the Servin Seguridad, S.A. business combination in 2013 is the only intangible asset with an indefinite useful life and amounts to EUR 619 thousand on 31 December 2015 (EUR 856 thousand on 31 December 2014) and is allocated to the Argentina CGU.

This intangible asset has an indefinite useful life as there is no foreseeable limit to the period during which the asset is expected to generate incoming cash flows.

Factors analysed to determine indefinite life include:

- The asset is expected to be used indefinitely and there are no plans to change the brand
- The brand has been operating for 14 years and has maintained stability with regard to market share
- Regular payments are being made to keep the brand registered and there is no expiry date set by contract
- The life of this asset does not depend on the useful lives of other assets held by the entity.

In addition, this brand is tested for impairment at the end of every financial year. The key assumptions mentioned were not modified in 2015.

Other intangible assets are tested for impairment as described in Note 35.7. No impairment losses have been recognised or reversed in 2015 and 2014.

## 14. Investment property

Details of movement in investment property are as follows:

Thousands of euros	
<b>Cost</b>	
Balance at 1 January 2014	-
Translation differences	1,672
New additions	45,267
Balance on 1 January 2015	<b>46,939</b>
Translation differences	(33,203)
New additions	71,315
<b>Balance at 31 December 2015</b>	<b>85,051</b>
<b>Amortisation and impairment</b>	
Balance at 1 January 2014	-
Translation differences	(15)
Amortisation for the year	(395)
Balance at 1 January 2015	<b>(410)</b>
Translation differences	519
Amortisation for the year	(1,482)
<b>Balance at 31 December 2015</b>	<b>(1,373)</b>
<b>Carrying amount</b>	
On 1 January 2014	-
At 31 December 2014	46,529
On 1 January 2015	46,529
At 31 December 2015	83,678

On 31 December 2015, investment property includes several floors of two buildings located in the city of Buenos Aires (Argentina).

Additions to investment property recognised in 2015 correspond to the purchase of several floors in the aforementioned buildings.

At the close of 2015, these properties are leased to third parties, with contracts lasting between 2 and 3 years, extendable for another 3 years.

On 31 December 2015, the fair value of investment property does not differ significantly from their net book value. Total fair value, after a valuation analysis by an independent expert, amounts to EUR 90,061 thousand. The breakdown is as follows:

Investment property	Thousand of Euros
	Fair Value
Bouchard 551 (Planta 7º, 8º, 9º, 10º y 11º)	41,759
Torre Intercontinental, Moreno 845/847/877 Alsina 880 y Tacuarí 242/292	48,302
	<b>90,061</b>

The income and expenses generated in the year from investment property amounted to EUR 4,089 and 1,482 thousand respectively (in 2014: EUR 1,040 thousand and 330 thousand respectively).

Future minimum receipts under investment property leases are as follows:

	Thousands of euros	
	2015	2014
Up to one year	6,181	2,458
One to five years	506	2,352
More than five years	-	-
	<b>6,687</b>	<b>4,810</b>

Prosegur has taken out policies to cover the risk of investment property. The coverage of these policies is considered sufficient.

## 15. Investments accounted for using the equity method

The main Joint Arrangements of Prosegur are those entered into with companies operating in India and China that carry out cash in transit (CIT) and Integrated Security Solutions (ISS) activities respectively. These Joint Arrangements are structured as separate vehicles and Prosegur has a share of their net assets. Consequently, Prosegur has classified these shareholdings as Joint Ventures. In the Arrangements with India governing the Joint Ventures, Prosegur and the other investor company have agreed, if necessary, to make additional contributions in proportion to their shareholdings in order to offset any losses.

Details of movement in investments in joint ventures accounted for under the equity method is as follows:

Thousands of euros	2015	2014
Share of joint ventures	18,328	12,580
	<b>18,328</b>	<b>12,580</b>

Thousands of euros	2015	2014
<b>Balance at 1 January</b>	<b>12,580</b>	<b>6,120</b>
Acquisitions	-	5,793
Additions (capitalisations)	-	565
Share of profit/loss	(1,848)	(677)
New additions	11,832	-
Impairment losses	(7,767)	-
Transfers (Note 23)	1,568	-
Translation differences	1,963	779
<b>Balance at 31 December</b>	<b>18,328</b>	<b>12,580</b>

The movement with regard to additions in 2014 arises out of a reassessment of Prosegur's de facto control of the following investee companies in China: Shanghai Weldon Security Equipment Co Ltd, Shanghai Weldon Security Service Co Ltd, Hangzhou Weldon Security Service Co Ltd and Sichuan Weldon Security Service Co Ltd. (associated with the Imperial Dragon Security Ltd business combination, Note 6), as the result of a dispute with the local Chinese partner at the start of 2015. Consequentially, the consolidation method was modified due to loss of de facto control and the method of global integration into the equity method. Consequently, the balance of non-dominant shares decreased by a total amount of EUR 11,729 thousand (Note 22.5).

These Chinese companies that are consolidated in 2015 through the equity method (Shanghai Weldon Security Equipment Co Ltd, Shanghai Weldon Security Service Co Ltd, Hangzhou Weldon Security Service Co Ltd and Sichuan Weldon Security Service Co Ltd) were the object of a sales agreement with the local Chinese partner for a total amount of CNY 36,000 thousand. CNY 28,000 thousand were already received as a down payment (equivalent at time of payment to: EUR 3,923 thousand) and CNY 8,000 thousand are pending (equivalent on 31 December 2015 to: EUR 556 thousand). Impairment for a total amount of EUR 7,767 thousand was recognised as a result of the

differential between the price established in the sales agreement and the recognised carrying value of the investment.

Shareholding balances with a negative net investment value (Note 35.2) that Prosegur is bound to materially rebalance come under transfers. Associated provisions are recognised under other risks (Note 23) for a total amount of EUR 1,568 thousand.

Among 2014 acquisitions was the purchase of 49% of the local division in India of the cash in transit and cash management division of the Danish facility management company ISS by Prosegur (ISS Cash and Valuable Services Division). The total purchase price for 49% was Rs 449,217 thousand (equivalent on the acquisition date to: EUR 5,793 thousand), comprising a cash payment of Rs 382,578 thousand (equivalent on the acquisition date to: EUR 4,933 thousand), and a deferred amount to secure possible liabilities of Rs 66,640 thousand (equivalent on the acquisition date to: EUR 859 thousand) maturing in 2016. The transaction was performed on 29 November 2014.

Details of joint ventures accounted for under the equity method are as follows:

Thousands of euros	2015	2014
Rosegur SA	-	(1,360)
Rosegur Fire, SRL	4	4
Weldon Group	5,161	-
Rosegur Holding Corporation SL	109	120
SIS Cash Services Private Limited	7,944	14,183
SIS Prosegur Holdings Private Limited	5,110	(197)
Prosegur Technological Security Solutions LLC	-	(170)
<b>Balance at 31 December</b>	<b>18,328</b>	<b>12,580</b>

Details of the main amounts of investments accounted for under the equity method are included in Appendix IV.

Prosegur has no significant contingent liability commitments in any of the joint ventures accounted for under the equity method.

## 16. Joint Ventures

Prosegur participates in joint operations that are articulated through Joint Ventures where the entities have no legal capacity of their own and where there is a system of collaboration between companies for a certain time, defined or undefined, for the development and execution of a work or service (Note 35.2).

They are normally used to combine the characteristics and rights of the partners in the joint venture towards a common end with the aim of obtaining the best technical assessment possible. Joint ventures are considered independent companies, in general, with limited action, given that, in spite of being able to acquire commitments in their own name, they are usually taken on by partners in proportion to their participation in the joint venture. As a consequence, Prosegur considers joint ventures as a joint operation.

The amounts shown below represent Prosegur's share in the joint ventures' assets and liabilities, and sales and profits and losses. These amounts were included in the financial statement and in the consolidated profit and loss account in the consolidated annual accounts for the years ended 31 December 2015 and 31 December 2014.

	Thousands of euros	
	2015	2014
<b>Assets:</b>		
Non-current assets	482	7
Current assets	19,851	4,057
	<b>20,333</b>	<b>4,064</b>
<b>Liabilities:</b>		
Non-current liabilities	-	-
Current liabilities	20,333	(4,064)
	<b>20,333</b>	<b>(4,064)</b>
<b>Net profit:</b>		
Income	75,230	22,707
Expenses	(76,378)	(23,238)
Net loss	<b>(1,148)</b>	<b>(531)</b>

There are no contingent liabilities corresponding to Prosegur's share in the joint ventures.

## 17. Non-current financial assets

Details of non-current financial assets are as follows:

	Thousands of euros	
	2015	2014
Available-for-sale financial assets	3,775	6,639
Deposits and guarantees	3,564	3,953
Other non-current financial assets	985	1,035
	<b>8,324</b>	<b>11,627</b>

### *Available-for-sale financial assets*

Details of available-for-sale financial assets are as follows:

	Thousands of euros	
	2015	2014
<b>Balance at 1 January</b>	<b>6,639</b>	<b>19,798</b>
New additions	476	798
Write offs	(207)	(870)
Impairment adjustment (Note 7)	(3,027)	(13,000)
Translation differences	(106)	(87)
<b>Balance at 31 December</b>	<b>3,775</b>	<b>6,639</b>

Available-for-sale financial assets include the following net investments:

**On 31 December 2015**

Thousands of euros	Recoverable amount	% ownership	Investment
Capitolotre, S.P.A.	-	19.0%	31,647
Euroforum Escorial, S.A.	2,141	8.1%	2,141
Other investments and other assets	1,634		1,638
	<b>3,775</b>		<b>35,426</b>

**On 31 December 2014**

Thousands of euros	Recoverable amount	% ownership	Investment
Capitolotre, S.P.A.	3,027	19.0%	31,647
Euroforum Escorial, S.A.	2,141	8.1%	2,141
Other investments and other assets	1,471		1,475
	<b>6,639</b>		<b>35,263</b>

Capitolotre, S.P.A.

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

Based on the accounting policy for associates (Note 35.2), Prosegur 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. Following the criteria set out in Note 2.3, Prosegur has recognised its investment in Capitolotre, S.P.A. as a level three fair value.

On 31 December 2015, Prosegur 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 estimated at EUR 3,027 thousand. The investment has been fully impaired on 31 December 2015. In financial year 2014, an impairment loss of this financial asset was recognised for EUR 13,000 thousand.

On 23 December 2015, the Company has signed an agreement, subject to a condition precedent with Accadiesse S.P.A. whereby the shareholding of Prosegur in Capitolotre, S.P.A. shall be transferred to the company itself, without expecting any consideration from Prosegur.

Other investments

The valuation of the remaining investments is recognised at the lower of cost and the underlying book value, as they cannot be measured reliably.

In 2014, the Company paid out EUR 133 thousand, leaving EUR 117 thousand outstanding for the capital increase Euroforum Escorial, S.A. carried out in 2013 for a total amount of EUR 524 thousand. In 2015, the total pending capital was refunded (EUR 117 thousand).

On 6 November 2014, the dissolution and winding-up of the company Euroforum Torrealta, S.A. was agreed (valued at EUR 9 thousand), involving a loss of EUR 2 thousand in 2014.

**Other non-current financial assets**

Movement in other non-current financial assets is as follows:

	Thousands of euros	
	2015	2014
<b>Balance at 1 January</b>	<b>1,035</b>	<b>1,943</b>
New additions	290	651
Write offs	(195)	(1,462)
Translation differences	(145)	(97)
<b>Balance at 31 December</b>	<b>985</b>	<b>1,035</b>

On 31 December 2015, other non-current assets include fixed-term deposits, mainly maturing in 2017.

**18. Inventory**

Details of inventories are as follows:

	Thousands of euros	
	2015	2014
Work in progress	30,216	25,729
Goods for resale, fuel and other	32,146	28,739
Operating materials	5,399	4,916
Uniforms	7,294	3,691
Stock impairment	(5,360)	(3,429)
	<b>69,695</b>	<b>59,646</b>

No inventories have been pledged as collateral to secure loans.

Work in progress reflects the construction contracts executed by Prosegur and subsequently invoiced to customers. The corresponding accounting policy is set out in Note 35.22. Sales revenue of EUR 87,714 thousand were recognised in relation to these contracts in 2015 (in 2014: EUR 93,977 thousand); and accumulated costs of EUR 68,063 thousand (in 2014: EUR 75,795 thousand). A liability was also recognised for revenue received in advance amounting to EUR 7,470 thousand (in 2014: EUR 4,956 thousand) because the progress billings to those customers exceed the costs incurred plus recognised profit (Note 26). The amount of withholdings in payments amounts to EUR 1,253 thousand at year end 2015.

Movement in impairment losses is as follows:

	Thousands of euros	
	2015	2014
<b>Balance at 1 January</b>	(3,429)	(2,867)
Additions	(2,015)	(1,115)
Applications and other	(241)	553
Translation differences	325	-
<b>Balance at 31 December</b>	<b>(5,360)</b>	<b>(3,429)</b>

## 19. Trade and other receivables

Details are as follows:

	Thousands of euros	
	2015	2014
Trade receivables for sales and services	722,611	783,020
Less: Impairment losses on trade receivables	(58,596)	(63,429)
Trade receivables - net	664,015	719,591
Public authorities	64,934	74,218
Employee salary advances	9,171	6,597
Court bonds	33,720	47,142
Prepayments	11,786	15,089
Other receivables	54,686	86,978
<b>Current</b>	<b>838,312</b>	<b>949,615</b>

Credit risk from trade receivables is not concentrated because Prosegur works with a large number of customers distributed among the different countries in which it operates (Note 32).

On 29 December 2015, Prosegur arranged a non-recourse factoring facility in the amount of BRL 26,218 thousand (equivalent on 31 December 2015 to: EUR 6,081 thousand). The programme matures in January 2016. The contract expressly indicates that the purchaser will not be entitled to recourse against the seller in the event of any default or delay in collection of a transferred receivable. In other words, the buyer assumes the credit risk and default risk.

Receivables sold are written off and the difference between their carrying amount and the amount actually received is recognised as a financial expense in the income statement (Note 7). On 31 December 2015, receivables were written off in connection with this contract amounting to BRL 26,218 thousand (equivalent on 31 December 2015 to: EUR 6,081 thousand).

In December 2014, a non-recourse factoring facility was signed in the amount of BRL 47,493 thousand (equivalent on 31 December 2014 to: EUR 14,852 thousand). Upon reaching its expiry date, January 2015, this contract was not renewed. On 31 December 2014, receivables were written off in connection with this contract amounting to BRL 47,493 thousand (equivalent on 31 December 2014 to: EUR 14,852 thousand).

Details of past-due trade receivables, net of the corresponding impairment, are as follows:

	Thousands of euros	
	2015	2014
0 to 3 months	288,911	317,664
3 to 6 months	31,121	36,627
Over 6 months	19,749	18,138
	<b>339,781</b>	<b>372,429</b>

The carrying value of past-due trade receivables is close to fair value, given the non-significant effect of the discount.

There is no reasonable doubt regarding payment of past-due trade receivables, net of the corresponding impairment.

Movement in impairment of receivables is as follows:

	Thousands of euros	
	2015	2014
<b>Balance at 1 January</b>	(63,429)	(59,682)
Provision for impairment (Note 6)	(10,698)	(11,293)
Applications and other	8,913	6,643
Translation differences	6,618	903
<b>Balance at 31 December</b>	<b>(58,596)</b>	<b>(63,429)</b>

As a general rule, impaired receivables are derecognised when no further amount is expected to be received.

No impairment losses have been incurred on the remaining trade receivables.

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

The procedures followed by Prosegur in relation to credit risk and currency risk on trade receivables are described in Note 32.1.

Court bonds mainly recognise deposits associated with the provision for labour causes in Brazil (Note 23).

Other accounts receivable mainly recognises advance payments from suppliers and creditors in the amount of EUR 12,201 thousand (in 2014: EUR 10,118 thousand) and balances with other debtors in the amount of EUR 35,074 thousand (in 2014: EUR 63,455 thousand).

## 20. Other financial assets

Details of balances and movement during the year are as follows:

	Thousands of euros	
	2015	2014
<b>Balance at 1 January</b>	<b>8,441</b>	<b>1,202</b>
New additions	745	7,444
Write offs	(8,441)	(1,202)
Translation differences	(6)	997
<b>Balance at 31 December</b>	<b>739</b>	<b>8,441</b>

The composition and the issue and maturity dates of financial assets are as follows:

				Thousands of euros
Description	Date of issue	Matures on	Main	Balance on 31/12/2015
Fixed-term deposit	15/12/2015	15/12/2016	739	739
				<b>739</b>

Description	Date of issue	Matures on	Main	Thousands of euros
				Balance on 31/12/2014
Fixed-term deposit	02/02/2014	02/02/2015	7,240	8,237
Other financial assets			204	204
				<b>8,441</b>

Prosegur's maximum exposure to credit risk at the reporting date is the carrying amount of these financial assets. Fixed-term deposits are exposed to default risk by the counterparties which, in all cases, are financial institutions with guaranteed solvency and high credit ratings.

## 21. Cash and cash equivalents

Details are as follows:

	Thousands of euros	
	2015	2014
Cash in hand and at banks	267,119	199,736
Current bank deposits	49,315	85,320
	<b>316,434</b>	<b>285,056</b>

The effective interest rate on current bank deposits was 9.23% (in 2014: 9.75%) and the average term of deposits held during the year was 25 days (in 2014: 34 days).

Prosegur holds no investments in sovereign debt at the end of the reporting period and has made no such investments during the year.

## 22. Equity

### 22.1. Share capital, share premium and treasury stock

Details of balance and movement are as follows:

	Number of shares (thousands)	Thousands of euros			Total
		Share capital	Share premium	Treasury stock	
<b>Balance at 1 January 2014</b>	<b>617,125</b>	<b>37,027</b>	<b>25,472</b>	<b>(125,180)</b>	<b>(62,681)</b>
Sale of own shares	-	-	-	71,555	71,555
Other distributions	-	-	-	132	132
<b>Balance at 31 December 2014</b>	<b>617,125</b>	<b>37,027</b>	<b>25,472</b>	<b>(53,493)</b>	<b>9,006</b>
Sale of own shares	-	-	-	-	-
Other distributions	-	-	-	-	-
<b>Balance at 31 December 2015</b>	<b>617,125</b>	<b>37,027</b>	<b>25,472</b>	<b>(53,493)</b>	<b>9,006</b>

## Share Capital

On 31 December 2015 and 2014, the share capital of Prosegur Compañía de Seguridad, S.A. amounts to EUR 37,027 thousand, divided into 617,124,640 shares with a par value of EUR 0.06 each, fully subscribed and paid up, which are all listed on the Madrid and Barcelona Stock Exchanges and are traded on the Spanish Stock Exchange Interconnection System (electronic trading system) (SIBE).

The breakdown of the Company's shareholders is as follows:

Shareholders	Number of shares	
	2015	2014
Mrs Helena Revoredo Delvecchio <sup>(1)</sup>	309,240,330	309,240,330
Oppenheimer Acquisition Corporation <sup>(2)</sup>	34,957,437	34,957,437
Mrs Mirta Giesso Cazenave <sup>(3)</sup>	34,778,187	34,716,130
Cantillon Capital Management LLC <sup>(4)</sup>	18,821,350	18,821,350
FMR LLC <sup>(5)</sup>	-	29,908,843
Other	219,327,336	189,480,550
	<b>617,124,640</b>	<b>617,124,640</b>

<sup>(1)</sup> Through Gubel, S.L. and Prorevosa, S.L.U.

<sup>(2)</sup> Through a series of managed funds; one of them holds over 5% (Oppenheimer International Growth Fund).

<sup>(3)</sup> Both directly and via AS Inversiones, S.L.

<sup>(4)</sup> Through a series of managed funds.

<sup>(5)</sup> On 16 April 2015, holdings went below the 3% threshold.

On 31 December 2015 and 2014, the members of the Board of Directors, either directly or through companies over which they exercise control, hold 345,234,947 shares (in 2014: 345,172,890 shares), representing 55.94% of the Company's share capital (in 2014: 55.93%).

## Share premium

There is a share issue premium amounting to EUR 25,472 thousand, which is freely disposable and which has suffered no changes over financial years 2015 and 2014.

## Treasury stock

Details of movements in treasury stock during the year are as follows:

	Number of shares	Thousands of euros
<b>Balance on 1 January 2014</b>	<b>43,685,484</b>	<b>125,180</b>
Sale of own shares	(24,882,749)	(71,555)
Other distributions	(45,845)	(132)
<b>Balance at 31 December 2014</b>	<b>18,756,890</b>	<b>53,493</b>
Sale of own shares	-	-
Other distributions	-	-
<b>Balance at 31 December 2015</b>	<b>18,756,890</b>	<b>53,493</b>

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.

On 10 January 2014, Prosegur completed the block sale of a packet of treasury shares accounting for 4.032% of the share capital, for a total amount of EUR 123,170 thousand (including transaction costs to an amount of EUR 1,245 thousand), that is, 24,882,749 shares at EUR 4.95, to meet the requirement presented by JB Capital Markets of a limited and reduced number of institutional investors. Following the conclusion of this transaction, Prosegur still holds 3.047% of treasury shares that is deemed strategic to satisfy possible future corporate transactions.

In financial year 2015, no acquisition or sale of treasury share transactions were completed.

## 22.2. Other equity instruments

In 2014, other equity instruments reflected the total commitment undertaken by Prosegur in connection with share-based incentives established in the 2014 Plan (see Note 35.18). In financial year 2015, incentives payments relating to such Plan have been paid, tracking the listing of Prosegur's shares at the time of the cash payment, thereby replacing the original share settlement scheme planned. As a consequence, in 2015, EUR 3,401 thousand was transferred to short-term provisions (Note 23) from other equity instruments the previous year. Additionally, the difference between the total commitment originally considered by Prosegur in connection with incentives in shares and the incentives finally paid in cash, taking the Prosegur listed share price at the time of payment as a benchmark, amounted to EUR 1,802 thousand and was recognised under wages and salaries.

	Thousands of euros	
	2015	2014
<b>Balance at 1 January</b>	<b>3,401</b>	<b>3,171</b>
Share-based incentives accrued during the year	-	1,865
Share-based payments exercised	-	(1,635)
Transfers	(3,401)	-
<b>Balance at 31 December</b>	<b>-</b>	<b>3,401</b>

## 22.3. Cumulative translation differences

Details of balances and movement in this reserve are as follows:

	Thousands of euros	
	2015	2014
<b>Balance at 1 January</b>	<b>(245,156)</b>	<b>(226,337)</b>
Translation differences of financial statements of foreign operations	(269,361)	(18,819)
<b>Balance at 31 December</b>	<b>(514,517)</b>	<b>(245,156)</b>

Variations from 2015, in comparison with 2014, mainly arise as a result of the devaluations of the Argentine and Brazilian currency.

## 22.4. Retained earnings and other reserves

The structure and movement in retained earnings and other reserves are as follows:

	Thousands of euros			
	Legal reserve	Other unavailable reserves	Other retained earnings	Total
<b>Balance at 1 January 2014</b>	<b>7,406</b>	<b>165</b>	<b>933,129</b>	<b>940,700</b>
Total comprehensive income for the year	-	-	158,535	158,535
Acquisition/sale of own shares	-	-	50,370	50,370
Exercise of share incentives	-	-	44	44
Distribution of Profit	-	-	(65,947)	(65,947)
Other movements	-	-	1,700	1,700
<b>Balance at 31 December 2014</b>	<b>7,406</b>	<b>165</b>	<b>1,077,831</b>	<b>1,085,402</b>
Total comprehensive income for the year	-	-	184,013	184,013
Distribution of Profit	-	-	(65,947)	(65,947)
Other movements	-	-	1,999	1,999
<b>Balance at 31 December 2015</b>	<b>7,406</b>	<b>165</b>	<b>1,197,896</b>	<b>1,205,467</b>

Other restricted reserves on 31 December 2015 and 2014 correspond to the reserve for the update of National Budget Act 83 (EUR 104 thousand) and reserves for capital adjustment to euros (EUR 61 thousand).

The legal reserve, which amounts to EUR 7,406 thousand, was endowed in compliance with article 274 of the revised Spanish Companies Act, which requires that companies transfer 10% of profits for the year to a legal reserve until this reserve reaches an amount equal to 20% of share capital. The legal reserve has been fully endowed. 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, it must be replenished with future profits.

The proposed distribution of the parent's profit for 2015, determined in accordance with prevailing legislation and standards for the preparation of individual annual accounts, to be submitted to the shareholders for approval at their annual general meeting, is as follows:

	Thousands of euros	
	2015	2014
<b>Basis of allocation</b>		
Profit/loss for the year	68,924	68,941
	<b>68,924</b>	<b>68,941</b>
<b>Allocation</b>		
Voluntary reserves	735	2,994
Dividends	68,189	65,947
	<b>68,924</b>	<b>68,941</b>

## 22.5. Non-controlling interests

Appendix III includes a summary of the information on each of the Prosegur subsidiaries with a non-controlling interest in 2014, prior to carrying out intergroup write-offs.

The main variations with regard to additions in 2014 arise out of a reassessment of Prosegur's de facto control of the following investee companies in China: Shanghai Weldon Security Equipment Co Ltd, Shanghai Weldon Security Service Co Ltd, Hangzhou Weldon Security Service Co Ltd and Sichuan Weldon Security Service Co Ltd. After this analysis, it was concluded that Prosegur did not have de facto control of the aforementioned companies as the result

of a dispute with the local Chinese partner at the start of 2015, so the method of consolidation was modified from the global integration method to the equity method. Consequently, the balance of non-dominant shares decreased by a total amount of EUR 11,729 thousand.

The dispute was finally settled and a sale agreement was reached for the aforementioned companies with the local Chinese partner (Note 15).

## 23. Provisions

The structure of balance and details of movement are shown in the following chart:

Thousands of euros	Labour-related risks	Legal risk	Restructuring	Employee Benefits (Note 5.2)	Accrued obligations to personnel	Other risks	Total
<b>Balance at 1 January 2015</b>	<b>113,476</b>	<b>9,996</b>	<b>18,180</b>	<b>15,270</b>	<b>3,659</b>	<b>67,083</b>	<b>227,664</b>
Provisions charged to income statement	54,091	6,749	-	(412)	4,852	32,449	<b>97,729</b>
Reversals credited to income statement	(4,903)	(3,524)	(1,823)	-	-	(2,089)	<b>(12,339)</b>
Applications	(49,904)	(2,726)	(12,536)	(74)	(5,877)	(14,924)	<b>(86,041)</b>
Reversal posted to Net Equity	-	-	-	(961)	-	-	<b>(961)</b>
Transfers	(4,126)	-	-	(6,697)	3,401	12,391	<b>4,969</b>
Translation differences	(24,360)	(1,582)	-	(687)	-	(17,819)	<b>(44,448)</b>
<b>Balance at 31 December 2015</b>	<b>84,274</b>	<b>8,913</b>	<b>3,821</b>	<b>6,439</b>	<b>6,035</b>	<b>77,091</b>	<b>186,573</b>
Non-current 2015	84,274	8,913	-	6,369	4,378	74,506	178,440
Current 2015	-	-	3,821	70	1,657	2,585	8,133

**a) Labour-related risks**

The provisions for labour-related risks, that amount to EUR 84,274 thousand (in 2014: EUR 113,476 thousand), are calculated individually, based on the likelihood of estimated success or failure. This likelihood is determined by the different legal firms that work with the group companies. In addition, there is an internal review of the likelihoods of reaching agreements for each of the causes depending on the record of experience maintained with Prosegur, from which the final provision to be recognised is concluded.

The provision for labour-related risks mainly includes provisions for work-related causes in Brazil, which includes lawsuits filed by Prosegur employees and ex-employees. The country's labour legislation means the proceedings take a long time, leading to a provision of EUR 48,287 thousand in 2015 (in 2014: EUR 51,968 thousand).

On 31 December 2015, there were 6,290 labour cases open in Brazil (On 31 December 2014: 6,556). In 2015, almost 3,500 cases were closed, and payments were made amounting to BRL 90,594 thousand (equivalent at time of payment to: EUR 25,733 thousand) corresponding to the agreements made or final rulings passed down. The cost recognised for this item in 2015 was EUR 25,602 thousand.

Additionally, a provision of EUR 14,879 thousand is included (31 December 2014: EUR 41,576 thousand) in relation to the business combination realised in 2005 with Transpev. In 2014, a transfer amounting to EUR 10,188 thousand was made to long-term provisions, which was considered, the previous year, as an outstanding payment associated with the Transpev business combination as a result of the negotiation of the debt with the vendor.

**b) Legal risk**

The provisions for legal risks, that amount to EUR 8,913 thousand (in 2014: EUR 9,996 thousand), correspond mainly to civil lawsuits, which are analysed on a case-by-case basis. The settlement of these provisions is highly probable, but both the value and the time of the final settlement are uncertain and depend upon the outcome of the proceedings that are underway. There is no significant legal risk.

**c) Restructuring**

The provisions correspond to the company Brinks Deutschland GmbH in 2013, which has a recognised restructuring provision that corresponds to estimates for the payment of severances for dismissal and other costs. The settlement of the provision is highly probable. While the moment of settlement is uncertain, it is highly probable that it will take place in the short term. During 2015, payments were made to the value of EUR 12,536 and deposits were recognised in the income statement for a total amount of EUR 1,823 thousand for provisions in previous years which, based on the information available at the close of 2015, Prosegur believes will not be claimed.

**d) Employee benefits**

As indicated in Note 5.2 to the consolidated annual accounts for the year ended 31 December 2015, Prosegur has defined benefit plans in Germany, Brazil and France. The actuarial assessment made by qualified actuaries regarding the value of the arranged benefits is updated at the end of 2015.

The defined benefit plans in Germany and France consist of retirement premiums.

Prosegur has a defined benefit plan in Brazil comprising post-employment healthcare offered to employees in Brazil, compliant with local legislation (Law 9656).

**e) Accrued obligations to personnel**

These provisions include the accrued incentive, payable in cash, for the 2014 and 2017 Plans (see Note 35.18).

During this period, an endowment was made and charged to the profit/loss account for the year, amounting to EUR 4,852 thousand (Note 5.1). Said amount includes the fair value adjustment of share prices for the 2014 Plan and the corresponding accrual for the 2017 Plan.

In financial year 2015, incentives payments relating to the 2014 Plan were paid, tracking the listing of Prosegur's shares at the time of the payment, thereby replacing the original share settlement scheme planned. As a consequence, in 2015, EUR 3,401 thousand was transferred to short-term provisions from other equity instruments

the previous year (Note 22.2). Additionally, the difference between the total commitment originally considered by Prosegur in connection with incentives in shares and the incentives finally paid in cash, taking the Prosegur listed share price as a benchmark, amounted to EUR 1,802 thousand and was recognised under wages and salaries.

EUR 5,877 thousand were applied in 2015, corresponding to settlement of the first part of the 2014 Plan.

The fair value of incentives pegged to the share's listed price was estimated on the basis of the listed price of Prosegur shares at the end of the period or at the time of payment.

Finally, part of this provision has been classed as current provisions for a value of EUR 1,657 thousand, given the fact that the maturity of this commitment shall take place during 2016 associated to the 2014 Plan.

#### **f) Other risks**

The provisions for other risks, which amounts to EUR 77,091 thousand (in 2014: EUR 67,083 thousand), includes many items.

The settlement of these provisions is highly probable, but both the value and the time of the final settlement are uncertain and depend upon the outcome of the proceedings that are underway.

Details of the most significant are as follows:

#### **Tax risk**

Mainly tax risk in Brazil and Argentina amounting to EUR 54,692 thousand (in 2014: EUR 48,270 thousand). The increase in balance with regard to 2014 is mainly due to Brazil.

The tax risk associated with Brazil is related to several items, mainly direct and indirect municipal and state tax claims, along with provisions for the Nordeste and Transpév business combination from previous years. In Argentina, they are related to diverse insignificant amounts individually related to municipal and provincial taxes. The most representative risks appear as a result of the disparity between Prosegur and the administration's criteria.

Prosegur uses "the most likely result" to measure uncertain tax positions. Significant tax risk is qualified based on opinions of external analysis, according to analysis of jurisprudence regarding the matter in question. In addition, internal analysis is drawn up based on similar cases that occurred in the past at Prosegur or in other companies.

At the end of each quarter, each of the tax contingencies are analysed in detail. This analysis refers to the quantification, qualification and level of provision associated with the risk. The respective analysis and assessment by an independent expert are set out in a letter for determining these parameters for the most significant risk at year end. The level of provision is based on it.

#### **Overtime costs**

Provisions for the price of overtime are the result of the suit filed against the articles of the State Collective Bargaining Agreement for Security Companies for 2005-2008 that set the overtime rates for security guards. Based on the best possible estimates, Prosegur has calculated the provision that would be required from the date on which the Agreement entered into force (1 January 2005) to the end of the financial year on 31 December 2015. The total amount of the provision as of 31 December 2015 is EUR 3,531 thousand (in 2014: EUR 3,643 thousand).

In 2015, 237 proceedings were closed (in 2014: 1,231) for payments amounting to EUR 160 thousand corresponding to agreements made with some of the plaintiff employees (2014: EUR 572 thousand). Additionally deposits have been recognised in the income statement amounting to a total of EUR 91 thousand (EUR 3,000 thousand in 2014) corresponding to provisions in previous years which, based on the information available at the close of 2015, Prosegur believes will not be claimed.

#### **Comcare Australia**

In 2015, payments were made for commitments associated with Australia's occupational accident insurance plan amounting to EUR 1,347 thousand (EUR 1,771 thousand in 2014). The endowment for the year amounted to EUR

142 thousand leading to a total provision of EUR 5,002 thousand (EUR 6,207 thousand in 2014), of which EUR 1,017 thousand mature in the short term (in 2014: EUR 1,847 thousand).

#### g) Transfers

Total transfers contains the following two items: long-term incentives transferred from equity (Note 22.2) amounting to EUR 3,401 thousand and associated losses to combined businesses (Note 15) amounting to EUR 1,568 thousand.

## 24. Financial Liabilities

The details and composition of financial liabilities and the corresponding terms and conditions are as follows:

Thousands of euros	Average interest rate	2015		2014	
		Non-current	Current	Non-current	Current
Debentures and other negotiable securities	2.75%	498,016	10,312	497,174	10,312
Loans and borrowings	5.16%	32,320	166,953	102,203	85,390
Finance lease payables	5.65%	12,318	8,004	18,400	16,851
Credit accounts	1.49%	48,019	120,857	37,882	89,637
Other payables	12.17%	26,618	32,123	56,563	49,444
		<b>617,291</b>	<b>338,249</b>	<b>712,222</b>	<b>251,634</b>

Thousands of euros	Currency	Year of maturity	2015		2014	
			Non-current	Current	Non-current	Current
Debentures and other negotiable	Euro	2018	498,016	10,312	497,174	10,312
Loans and borrowings	Euro	2016-2018	13,746	75,633	13,848	50,663
Loans and borrowings	Brazilian Real	2016-2017	5,757	32,647	22,267	11,329
Loans and borrowings	Australian dollar	2016	-	47,098	46,997	13,505
Loans and borrowings	Peruvian Nuevo Sol	2016-2018	6,825	5,031	12,015	5,356
Loans and borrowings	Other currencies	2016-2020	5,992	6,544	7,076	4,537
Finance lease payables	Euro	2016-2019	6,883	3,865	9,316	4,174
Finance lease payables	Brazilian Real	2016-2019	1,369	1,911	3,019	10,088
Finance lease payables	Other currencies	2016-2023	4,066	2,228	6,065	2,589
Credit accounts	Euro	2016-2020	48,019	91,247	37,882	75,423
Credit accounts	Australian dollar	2016	-	13,426	-	-
Credit accounts	Other currencies	2016	-	16,184	-	14,214
Other payables	Euro	2016-2019	1,011	1,252	1,134	9,878
Other payables	Brazilian Real	2016-2019	24,322	23,234	53,014	28,889
Other payables	Argentine Peso	2016-2023	817	263	1,209	685
Other payables	Other currencies	2016-2018	468	7,374	1,206	9,992
			<b>617,291</b>	<b>338,249</b>	<b>712,222</b>	<b>251,634</b>

On 31 December 2015, drawdowns from credit lines totalled EUR 168,876 thousand (in 2014: EUR 127,519 thousand). Details of undrawn credit facilities are as follows:

	Thousands of euros	
	2015	2014
Maturing in less than 1 year	303,365	210,188
Maturing in more than 1 year	350,000	360,000
	<b>653,365</b>	<b>570,188</b>

Credit facilities are subject to various interest rate reviews in 2016.

### Debentures and other negotiable securities

On 2 April 2013, uncovered bonds for a nominal amount of EUR 500,000 thousand, maturing on 2 April 2018, were issued. This issue allows the deferral of the maturities of part of Prosegur's debt 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.

### Debenture (Brazil)

On 23 April 2012, a debenture was issued in Brazil for limited public distribution with a firm guarantee of full placement. The placement institutions were Banco Bradesco BBI S.A., Banco Itaú BBA S.A. and Banco Santander.

The outstanding amount on 31 December 2015 is BRL 70,933 thousand, equivalent to: EUR 16,452 thousand (on 31 December 2014: BRL 102,469 thousand; equivalent on 31 December 2014 to: EUR 31,815 thousand).

The interest rate is pegged to the Brazilian Interbank Deposit Rate (CDI) plus a spread of 2.3%.

The contract states that the future instalments should be paid at the following dates:

Repayment date	Thousands of euros			
	2015		2014	
	Amount	Outstanding	Amount	Outstanding
7 March 2015	-	-	2,450	29,365
7 September 2015	-	-	7,342	22,023
7 March 2016	5,484	10,968	7,341	14,682
7 September 2016	5,484	5,484	7,341	7,341
7 March 2017	5,484	-	7,341	-

Variations arise, with regard to 2014, as a result of the devaluation of the Euro-Brazilian Real exchange rate.

### Syndicated Loan (Spain)

On 12 June 2014 Prosegur subscribed a new five-year syndicated credit financing facility of EUR 400,000 thousand to defer the maturities of part of Prosegur's debt. On 18 March 2015, a novation agreement was made in connection with the syndicated loan, whereby its maturity date was modified and deferred to 18 March 2020. On 31 December 2015, the balance drawn down amounts to EUR 50,000 thousand (in 2014: EUR 40,000 thousand). The amount of commissions paid in 2015 derived from the novation amounted to EUR 400 thousand.

The interest rate of the drawdowns under the syndicated financing operation is equal to Euribor plus an adjustable spread based on the variation of the net financial debt/EBITDA ratio.

Additionally, this loan is secured by collateral from the main subsidiaries of Prosegur in Spain, Portugal, Peru, Argentina and Brazil. The contract provides the following compulsory financial ratios, which are fulfilled for financial year 2015:

- The net financial debt/EBITDA ratio should be less than or equal to 3.5.
- The EBITDA/finance cost ratio should be greater than 5.

### Syndicated loan (Australia)

In December 2013, Prosegur arranged a three-year syndicated financing facility of AUD 70,000 thousand to finance the acquisition of security companies, by means of its subsidiaries Prosegur Australia Holdings PTY Limited and Prosegur Australia Investments PTY Limited. On 31 December 2015, the capital drawn down from the syndicated loan was AUD 70,000 thousand (equivalent at year end to: EUR 46,989 thousand). On 31 December 2014, the syndicated loan amounted to AUD 70,000 thousand (equivalent at year end to: EUR 46,997 thousand). The contract stipulates one sole repayment for the entirety thereof at maturity.

### Finance lease payables

Details of minimum payments under finance leases are as follows:

	Thousands of euros	
	2015	2014
Less than 1 year	8,392	17,278
1 to 5 years	13,180	19,463
Over 5 years	184	1,843
Interest	(1,434)	(3,333)
	<b>20,322</b>	<b>35,251</b>

The main assets acquired under finance leases are armoured vehicles and cash management machines.

### Bailment

Prosegur in Australia has access to bailment facilities for the supply of cash to automated teller machines belonging to Prosegur. In these facilities, the cash is owned by the bailor, who has contracts directly with Prosegur. Prosegur has access to this money for the sole purpose of loading cash into the ATMs, which are governed by this contract. The settlement of the corresponding cash assets and liabilities is carried out via regulated clearing systems, such as the right of offset. As a result of the foregoing, no assets and liabilities are shown in the consolidated annual accounts for this item. The amount in circulation on 31 December 2015 is AUD 60 million (equivalent to EUR 40.3 million).

### Other payables

Other payables mainly relate to business combinations pending payments formed in both the present year and previous years (Note 30). Details of other payables are as follows:

	Thousands of euros	
	2015	2014
<b>Non-current</b>		
Contingent and deferred payments for acquisitions	23,471	54,280
Other	3,147	2,283
	<b>26,618</b>	<b>56,563</b>
<b>Current</b>		
Contingent and deferred payments for acquisitions	27,456	39,224
Other	4,667	10,220
	<b>32,123</b>	<b>49,444</b>

The deferred and contingent payments relating to acquisitions are as follows:

Thousands of euros	Currency	2015		2014	
		Non-current	Current	Non-current	Current
Fiel Vigilancia e Transp. Valores	Reales	-	699	743	906
Transvig-Transporte de Valores e Vigilancia LTDA	Reales	805	268	1,242	344
Nordeste and Transbank Group	Reales	22,105	22,105	50,947	26,564
Prover Electronica, Ltda.	Reales	50	50	149	75
Martom Segurança Eletrônica Ltda.	Reales	-	334	-	668
Evtac Management Services PTE LTD	Singapore Dollar	-	537	232	1,196
Securlog GmbH	Euros	-	258	-	258
Segura Group	Uruguayan Peso	14	97	199	99
Roytronic, S.A.	Uruguayan Peso	85	58	58	17
Genper, S.A.	Uruguayan Peso	-	114	-	102
GSM Telecom, S.A.	Uruguayan Peso	-	-	-	28
Nanjing Zhong Dun Security Services	Renminbi	170	-	-	-
Inversiones BIV, S.A. and subsidiary	Colombian Peso	-	471	389	472
Integra Group - Colombia	Colombian Peso	-	2,065	-	2,439
Imperial Dragon Security Ltd (Note 6)	Renminbi	-	-	-	5,388
Shanghai Bigu Group	Renminbi	142	142	265	66
TC Interplata S.A.	Argentine Peso	100	50	53	189
General Industries Argentina, S.A.	Argentine Peso	-	-	3	23
Tellex, S.A.	Argentine Peso	-	208	-	390
		<b>23,471</b>	<b>27,456</b>	<b>54,280</b>	<b>39,224</b>

## 25. Trade and other payables

Details of trade and other payables are as follows:

	Thousands of euros	
	2015	2014
Trade payables	191,163	177,944
Accrued personnel costs	261,447	261,153
Social Security and other taxes	166,784	176,284
Other payables	73,283	65,854
	<b>692,677</b>	<b>681,235</b>

### Accrued personnel costs

Prosegur's remuneration policy for indirect personnel includes a variable component determined through specifically designed incentive programmes, which aim to recognise and reward Prosegur employees' contribution to its success by achieving or surpassing targets and developing the necessary skills for excellence in their duties and responsibilities. The incentive programme directly links variable remuneration to the achievement of targets established by Prosegur management or the employee's direct superior over a given time.

Accruals with personnel include EUR 30,856 thousand relating to the incentive programme (in 2014: EUR 26,242 thousand). The cost recognised under employee benefits expense in the income statement in relation to this policy amounts to EUR 62,374 thousand (in 2014: EUR 56,812 thousand).

The employee benefits expense also includes salaries payable and accrued extra salary payments.

### Information on the average supplier payment period. Second final provision of Law 31/2014, of 3 December.

Below we detail the information required by the Third additional provision of Law 15/2010 of 5 July (modified by the Second final provision of Law 31/2014, of 3 December) drafted in agreement with ICAC [Spanish Institute of Accounting and Auditing] Resolution of 29 January 2016, on the information to include in the notes to the consolidated annual financial statements in connection with the average supplier payment period for commercial transactions.

In agreement with the conditions allowed in the Single addition provision of the Resolution mentioned above, as this is the first year of appliance of the above, no comparative information is offered.

	2015
	Days
Average payment period for suppliers	60
Ratio of paid operations	53.3
Ratio of operations pending payment	128.8
	Thousands of euros
Total payments made	226,890
Total payments pending	23,556

In agreement with ICAC's Resolution, the transactions considered to compute the average payment term of suppliers are commercial transactions relating to the handover of goods or provision of services accrued from the date of entry into force of Law 31/2014 of 3 December. The information on supplier payments from these consolidated accounts refers exclusively to companies located in Spain that are consolidated by the global integration method.

Suppliers are defined, for the exclusive purposes of providing information set out in this Resolution as trade payables for debts with suppliers of goods or services, included in the account of suppliers and other payables of the current liabilities on the consolidated balance sheet.

“Average supplier payment period” is understood to be the period from delivery of the goods or provision of the service that are the supplier's responsibility and the payment being made for the operation.

The maximum legal payment term applicable to consolidated companies in financial year 2015 according to Law 11/2013, of 26 July, is 30 days (unless the terms fulfilled in the above are fulfilled to allow such term to be raised to 60 days).

## 26. Other liabilities

Other non-current liabilities include amounts corresponding to accruals of alarm rental income.

Details of other liabilities are as follows:

	2015		2014	
	Non-current	Current	Non-current	Current
Thousands of euros				
Revenues received in advance	-	28,451	18	32,369
Other liabilities	-	12,712	-	6,303
	-	<b>41,163</b>	<b>18</b>	<b>38,672</b>

Revenue received in advance mainly includes advanced billing of alarm system contracts for EUR 15,446 thousand (in 2014: EUR 20,659 thousand), along with revenues received in advance associated with building contracts (Note 18).

## 27. Taxation matters

Prosegur Compañía de Seguridad, S.A. is the parent of a group that files consolidated income tax returns in Spain. As well as Prosegur Compañía de Seguridad, S.A., as the parent, this consolidated tax group comprises the Spanish subsidiaries that meet the requirements set out in regulations governing consolidated taxation.

Additionally, Prosegur files tax returns under Tax Consolidation in the following countries: France, Luxembourg and Australia

- Certain companies in France, directly or indirectly owned by Prosegur, form two Consolidated Tax Groups and file tax returns pursuant to legislation under the special “Intégration Fiscale” scheme under French law.
- In Luxembourg, Prosegur has a tax consolidation group formed by Luxpai Holdo SARL and Pitco Reinsurance S.A.
- In Australia, there is a tax consolidation group formed by four Australian companies: Prosegur Australia Holdings Pty Limited, Prosegur Australia Investments Pty Limited, Chubb Security Services Pty Limited and Prosegur Technology Pty Limited.

The rest of Prosegur's subsidiaries file tax returns in accordance with tax legislation in force in the countries in which they operate.

Details of income tax expense, for current tax and deferred tax, are as follows:

	Thousands of euros	
	<b>2015</b>	<b>2014</b>
Current tax	127,517	102,839
Deferred tax	(22,970)	(12,095)
	<b>104,547</b>	<b>90,744</b>

The main items making up the current tax expense are as follows:

	Thousands of euros	
	<b>2015</b>	<b>2014</b>
From year	116,872	99,184
Adjustments from previous years	455	906
Loss without recognised deferred tax	10,190	2,749
	<b>127,517</b>	<b>102,839</b>

The main items making up the deferred tax expense/income are as follows:

	Thousands of euros	
	<b>2015</b>	<b>2014</b>
Deductions	960	1,206
Source and reversal of temporary differences	(8,359)	(25,887)
Tax losses	(12,944)	7,218
Due to investments	(2,329)	(5,029)
Goodwill for tax purposes	(302)	9,157
Other	4	1,240
	<b>(22,970)</b>	<b>(12,095)</b>

The calculation of the income tax expense, based on pre-tax profit for the year, is as follows:

	Thousands of euros	
	2015	2014
<b>Profit before income tax</b>	<b>287,916</b>	<b>249,172</b>
Tax rate	28%	30%
Result of applying tax rate to profit	80,617	74,752
Permanent differences	7,398	16,434
Effect of applying different tax rates	10,753	7,170
Adjustment of deferred taxes from previous years	(2,294)	3,945
Adjustment to taxes from previous years	455	906
Loss without deferred tax	10,190	2,749
Previously unrecognised deductions applied	(2,572)	(15,212)
<b>Income tax expense</b>	<b>104,547</b>	<b>90,744</b>

The effective average tax rate in 2015 is 36.31% (in 2014: 36.42%).

The tax rates in the countries where Prosegur operates are as follows:

	2015	2014
<b>Tax rate</b>		
Germany	30.5%	30.5%
Spain	28.0%	30.0%
France	33.3%	33.3%
Luxembourg	29.2%	29.2%
Portugal	22.5%	23.5%
Argentina	35.0%	35.0%
Brazil	34.0%	34.0%
Chile	22.5%	20.0%
Colombia	35.0%	35.0%
Mexico	30.0%	28.0%
Paraguay	10.0%	10.0%
Peru	28.0%	30.0%
Uruguay	25.0%	25.0%
Australia	30.0%	30.0%
India	38.0%	38.0%
Singapore	17.5%	17.5%
China	25.0%	25.0%
Hong Kong	16.5%	16.5%

In Spain, Law 27/2014 of 27 November on Corporate Tax, establishes inter alia the reduction, over a two-year period, of the general rate of Corporate Tax, charged at a rate of 30% up to 31 December 2014, and which is now:

Tax rates that start as of	Type of tax
1 January 2015	28%
1 January 2016	25%

Likewise, local legislation in Peru and Chile modified tax rates for coming years in 2015. Therefore, the tax rate for coming years will be as follows:

Tax rates that start as of	Type of tax	
	Peru	Chile
1 January 2015	28.0%	22.5%
1 January 2016	28.0%	24.0%
1 January 2017	27.0%	25.5%
1 January 2018	27.0%	27.0%
1 January 2019	26.0%	27.0%

Therefore, deferred tax assets and liabilities have been adapted to these new tax rates.

Movement in deferred tax assets and liabilities and their structure during the year are as follows:

#### Deferred tax asset

Thousands of euros	01 January 2014	Recognised in profit and loss	Business combinations	Recognised in equity	Transfers	Translation differences	Balance at 31 December 2014	Recognised in profit and loss	Business combinations	Recognised in equity	Transfers	Translation differences	Balance at 31 December 2015
Amortisation and depreciation	5,244	1,547	-	-	49	1	6,841	(1,093)	-	-	-	(112)	5,636
Deferred alarm costs	1,180	16	-	-	(999)	(52)	145	(2)	-	-	-	8	151
Due to investments	17,964	3,900	-	-	(49)	(2)	21,813	(4,328)	-	-	-	449	17,934
Due to provision differences	53,594	20,817	1,384	-	(1,721)	551	74,625	3,985	-	-	-	(14,171)	64,439
Tax losses	40,075	(7,218)	-	-	2,702	(847)	34,712	12,944	-	-	-	(7,906)	39,750
Tax deductions	4,794	(1,206)	-	-	-	-	3,588	(960)	-	-	-	-	2,628
Overtime ruling	2,190	(1,072)	-	-	17	-	1,135	(222)	-	-	-	28	941
Goodwill for tax purposes	51,820	(14,982)	-	-	-	50	36,888	(948)	-	-	-	(9,150)	26,790
Other	3,742	(2,491)	-	93	1	(110)	1,235	4,864	-	(327)	-	(82)	5,690
	180,603	(689)	1,384	93	-	(409)	180,982	14,240	-	(327)	-	(30,936)	163,959

#### Deferred tax liabilities

Thousands of euros	01 January 2014	Recognised in profit and loss	Business combinations	Recognised in equity	Transfers	Translation differences	Balance at 31 December 2014	Recognised in profit and loss	Business combinations	Recognised in equity	Transfers	Translation differences	Balance at 31 December 2015
Amortisation and depreciation	(87,308)	4,206	(1,050)	-	115	(77)	(84,114)	6,421	(2,493)	-	3,490	13,559	(63,137)
Goodwill for tax purposes	(33,030)	5,824	-	-	-	(187)	(27,393)	1,249	-	-	-	2,266	(23,878)
Due to investments	(23,694)	1,129	-	-	-	(8)	(22,573)	6,657	-	-	-	247	(15,669)
Deferred alarm income	(2,052)	(2,011)	-	-	-	199	(3,864)	(1,990)	-	-	-	993	(4,861)
Deferred gains on sale of assets	(412)	-	-	-	-	-	(412)	-	-	-	-	-	(412)
Revaluation of assets	(9,955)	132	-	-	-	(287)	(10,110)	2,013	-	-	-	88	(8,009)
Other	(2,932)	3,504	-	-	-	(597)	(25)	(5,620)	-	-	-	4,773	(872)
	(159,383)	12,784	(1,050)	-	115	(957)	(148,491)	8,730	(2,493)	-	3,490	21,926	(116,838)

Details of total current and deferred income tax in relation to items credited or debited directly in other comprehensive income during the year are as follows:

Thousands of euros	2015		2014	
	Current	Deferred	Current	Deferred
Equity profit and loss	-	(327)	-	93
	-	<b>(327)</b>	-	<b>93</b>

Details of deferred tax assets and liabilities that are expected to be realised or reversed in periods exceeding 12 months are as follows:

	Thousands of euros	
	2015	2014
Deferred tax assets	133,824	98,662
Deferred tax liabilities	(108,675)	(102,648)
	<b>25,149</b>	<b>(3,986)</b>

Pursuant to tax legislation in force, for 2014 and 2015, Prosegur companies' tax loss carryforwards may only be offset up to a maximum of 25% of the tax base prior to offset. For these same periods, goodwill may only be amortised up to one hundredth of its amount per year.

Details of deferred tax assets and liabilities by country in thousands of euros are as follows

	Thousands of euros			
	2015		2014	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Brazil	75,116	(38,210)	82,407	(50,089)
Spain	32,147	(36,551)	45,505	(53,530)
Argentina	19,316	(7,821)	13,686	(8,154)
France	2,279	(4,425)	3,845	(4,917)
Other	35,101	(29,831)	35,539	(31,801)
<b>Total</b>	<b>163,959</b>	<b>(116,838)</b>	<b>180,982</b>	<b>(148,491)</b>

Prosegur has no deductions pending application that have not been capitalised.

Deferred tax assets regarding tax loss carryforwards are recognised provided that it is probable that sufficient taxable income will be available against which to offset the asset.

Details of tax loss carryforwards and the year up to which they can be offset as of 31 December 2015 are as follows:

Year	Thousands of euros		
	Total	Not	Capitalised
2016	1,208	39	1,169
2017	4,198	1,852	2,346
Subsequent years or no time limit	238,624	107,756	130,868
	<b>244,030</b>	<b>109,647</b>	<b>134,383</b>

Details of taxable income capitalised and not capitalised by the company and their period of prescription as of 31 December 2015 is as follows (tax base expressed in thousands of euros):

	Thousands of euros			
	Total amount	2016	2017	Later
Germany	69,697	-	-	69,697
Spain	15,175	-	-	15,175
France	41,390	-	-	41,390
Argentina	10,881	1,169	1,717	7,995
Brazil	55,233	-	-	55,233
Chile	13,408	-	-	13,408
Colombia	845	-	-	845
Mexico	29,600	39	1,852	27,709
Peru	1,401	-	434	967
Uruguay	3,451	-	195	3,256
China	2,607	-	-	2,607
Hong Kong	342	-	-	342
<b>Total</b>	<b>244,030</b>	<b>1,208</b>	<b>4,198</b>	<b>238,624</b>

Details of negative taxable income capitalised and not capitalised on 31 December 2015 is as follows:

	Activated	Not capitalised
Germany	34,590	35,107
Spain	15,175	-
France	2,879	38,511
Argentina	10,881	-
Brazil	55,233	-
Chile	8,056	5,352
Colombia	845	-
Mexico	1,872	27,728
Peru	1,401	-
Uruguay	3,451	-
China	-	2,607
Hong Kong	-	342
<b>Total</b>	<b>134,383</b>	<b>109,647</b>

Most of the taxable income in Mexico and France is not capitalised whereas the rest are capitalised on Prosegur's consolidated financial statements. Of the EUR 244,030 thousand capitalised and not capitalised by the Company, with a period of prescription after 2017, there is no offset time limit for EUR 196,091 thousand and there is for the remaining EUR 47,939 thousand.

Deferred tax assets are recognised provided that it is probable that sufficient future income will be generated against which the temporary differences can be offset. Therefore, Prosegur creates future cash flow projections based on financial budgets approved by Management.

The main tax group with recent losses is the french group, whose parent company is Prosegur France, S.A.S. These losses are expected to be recovered in under five years, after the analysis performed using future cash flow projections for that company. Likewise, other deferred tax assets for the France CGU are expected to be recovered over the next ten years.

On 17 June 2013 the parent company was informed of the commencement of a general tax inspection for all years open to inspection (2008, 2009 and 2010) in relation to corporate income tax, withholdings on account of non-resident income tax and withholdings on account of investment capital. In addition, the Company was informed of the start of an inspection process of a partial nature of withholdings on income from work, for the same periods. Likewise,

tax inspection in relation to withholdings on account of non-resident income tax and withholdings on account of investment capital is extended to financial year 2011. As a consequence of such actions, the following documents were signed:

- Signed certificates of conformity with:
  - Withholdings of Non-Resident Tax with no tax debt.
  - Withholdings of investment capital with no tax debt.
  - Corporate Tax amounting to EUR 3,550 thousand.

There is also an agreement signed in relation to Corporate Tax, for an amount of EUR 3,063 thousand.

- Signed certificates of non-conformity with:
  - Withholdings of Income Tax amounting to EUR 554 thousand.
  - Corporate Tax amounting to EUR 20,040 thousand.

The aforementioned Tax Records signed in Disagreement are currently the subject of an appeal filed with the Economic-Administrative Court. In the case of the certificate of non-conformity in relation to Corporate Tax, Prosegur expects a favourable ruling and, in relation to the certificate referring to the Income Tax Withholdings, provisions have been made for the amount and also for the total interests accrued. External advisors for Prosegur believe that it is unlikely that these will lead to losses for the Company.

The remaining Prosegur companies are subject to their corresponding local jurisdictions.

Due to the treatment permitted by fiscal legislation of certain transactions, additional tax liabilities could arise in the event of inspection. In any event, the Directors of the Company do not consider that any such liabilities that could arise would have a significant effect on the consolidated annual accounts.

In 2015, the following corporate restructuring operations were carried out under the neutral tax regime:

- In Spain, in July 2015, there was a split of the surveillance and alarms business of Prosegur España S.L., and it is now called Prosegur Servicios de Efectivo España, S.L.U. Therefore, the successor of the surveillance business is the company Prosegur Soluciones Integrales de Seguridad España, S.L.U.; and the alarms business is Prosegur Alarmas España, S.L.U.
- In Brazil, in March 2015, Transvig Transportes de Valores e Vigilância Ltda merged with and into Prosegur Brasil, S.A. Transportadora de Valores e Segurança (as the absorbing company).
- In Germany, in July 2015, Prosegur Trier GmbH & Co Kg and Prosegur Trier Verwaltungs GmbH (as the absorbed companies) merged with and into Prosegur GmbH (as the absorbing company).
- In Paraguay, in September 2015, there was a split of the surveillance and alarms business from Prosegur Paraguay. Therefore, the successor of the surveillance business is the company Soluciones Integrales de Seguridad Prosegur Paraguay S.A.; and the alarms business is Prosegur Paraguay, S.A.
- In October 2015, Prosegur Holding e Participações S.A. merged with and into TSR Participações Societárias S.A. in Brazil.
- In financial year 2015, the following securities exchanges have taken place in Spain:
  - Contribution of 100% of the shares of Prosegur International Alarmas, S.L.U. from Prosegur Compañía de Seguridad, S.A. to Prosegur Global Alarmas, S.L.U.
  - Contribution of 100% of the shares of the Prosegur International SIS, S.L.U. from Prosegur Compañía de Seguridad to Prosegur Global SIS, S.L.U.
  - Contribution of 78.07% of the shares of the Capacitaciones Ocupacionales Sociedad Ltda from Prosegur Compañía de Seguridad S.A. to Prosegur Global CIT, S.L.U.
  - Contribution of 100% of the shares of the Genper, S.A. from Prosegur Compañía de Seguridad to Prosegur Global SIS, S.L.U.
  - Contribution of 5% of the shares of Prosegur Activa Uruguay, S.A. from Prosegur Compañía de Seguridad, S.A. to Prosegur Global Alarmas, S.L.U.

- Contribution of 100% of the shares of Prosegur Gestión de Activos International, S.L.U. from Prosegur Compañía de Seguridad, S.A. to Prosegur Gestión de Activos, S.L.U.
  - Contribution of 100% of the shares of the PESC Servicios Generales, S.L.U. from Prosegur Compañía de Seguridad, S.A. to Prosegur Global SIS, S.L.U.
  - Contribution of 100% of the shares of the Prosegur Distribuição e Serviços Ltda from Prosegur Compañía de Seguridad, S.A. to Prosegur Global SIS ROW, S.L.U.
  - Contribution of 100% of the shares of Prosegur Soluciones, S.A.U. from Prosegur Compañía de Seguridad, S.A. to Prosegur Global Alarmas ROW, S.L.U.
  - Contribution of 100% of the shares of the Agencia de Promoção e Comercialização de Productos y Servicios Unipessoal Ltda from Prosegur Compañía de Seguridad, S.A. to Prosegur Global Alarmas ROW, S.L.U.
  - Contribution of 100% of the shares of Prosegur Soluciones Integrales de Seguridad España, S.L.U. from Prosegur Compañía de Seguridad, S.A. to Prosegur Global SIS ROW, S.L.U.
  - Contribution of 100% of the shares of the Prosegur Servicios de Efectivo España, S.L.U. from Prosegur Compañía de Seguridad, S.A. to Prosegur Global CIT ROW, S.L.U.
  - Contribution of 100% of the shares of Prosegur Alarmas España S.L. from Prosegur Compañía de Seguridad, S.A. to Prosegur Global Alarmas ROW, S.L.U.
  - Contribution of 100% of the shares of Prosegur Participations, SAS from Prosegur Compañía de Seguridad, S.A. to Prosegur Global CIT ROW, S.L.U.
  - Contribution of 99.9% of the shares of Prosegur Serviços Aeroportuarios Ltda from Prosegur Compañía de Seguridad, S.A. to Prosegur Global SIS, S.L.U.
  - Contribution of 100% of the shares of SES Serviços Especiais de Segurança Unipessoal Lda from Prosegur Compañía de Seguridad, S.A. to Prosegur Global SIS ROW, S.L.U.
  - Contribution of 100% of the shares of Prosegur Traitement de Valeurs EST SAS from Prosegur Compañía de Seguridad, S.A. to Prosegur Participations, SAS.
- Likewise, during financial year 2015, the following special, non-monetary contributions were made:
- Contribution of 5% of the shares of the Capacitaciones Ocupacionales Sociedad Ltda from Prosegur Compañía de Seguridad S.A. to Prosegur International CIT 1, S.L.
  - Contribution of 4% of the shares of Prosegur Activa Chile, S.L. from Prosegur Global Alarmas, S.L.U. to Prosegur International Alarmas, S.L.U.

## 28. Contingencies

### Guarantees

Prosegur 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.

Guarantees provided by Prosegur to third parties are as follows:

	Thousands of euros	
	2015	2014
Commercial guarantees	130,602	79,296
Financial bank	130,355	153,848
	<b>260,957</b>	<b>233,144</b>

Commercial guarantees include those given to customers.

Financial guarantees essentially include those relating to litigation in process totalling EUR 83,153 thousand (in 2014: EUR 113,102 thousand). Civil and labour lawsuits in Brazil amount to EUR 67,483 thousand on 31 December 2015 (see Note 23).

### National Commission of Markets and Competition

On 22 April 2015, the National Commission of Markets and Competition initiated a case against the parent company and its subsidiary Prosegur Servicios de Efectivo, S.L.U (ex-Prosegur España S.L.U), together with another

competitor on the Spanish market in connection with potential practices restricting competition prohibited under article 1 of Law 15/2007, of 3 July, on the Defence of Competition, in addition to article 101 of the Treaty of the Functioning of the European Union. The initiation of this case does not prejudice the final outcome of the investigation. The maximum period for the investigation and ruling on the case is 18 months from the aforementioned date.

The assessment made in due time by the National Commission of Markets and Competition may give rise to additional liabilities at such time as the procedure ended. In any event, the Directors of the Company do not consider that any such liabilities that could arise would have a significant effect on the consolidated annual accounts.

#### ***Liquidation of subsidiaries in France***

In April 2005, the accounts of Bac Sécurité, Force Gardiennage and Sécurité Européenne de L'Espace Industriel (SEEI) were deposited with the Versailles Court of Commerce and these companies have been in receivership since that date. The liquidation of these companies was completed in 2008 and they are currently being wound up. The Directors do not expect significant liabilities to arise from this process.

#### ***Liquidation of subsidiaries in Romania***

At the end of financial year 2015, the company SC Rosegur S.A. is undergoing insolvency proceedings and the company SC Rosegur Cash Services S.A. has been declared bankrupt. The company Rosegur Holding Corporation S.L., in liquidation, has been wound up as agreed by the shareholders at their general meeting and is currently under liquidation. Lastly, the companies SC Rosegur Fire SRL and SC Rosegur Training SRL, both inactive, form part of the equity of SC Rosegur S.A. to be liquidated as part of the insolvency proceedings. The Directors do not expect significant liabilities to arise from this process.

## 29. Commitments

### Purchase commitments for fixed assets

Investments committed but not made at year end are as follows:

	Thousands of euros	
	2015	2014
Property, Plant and Equipment	13,303	11,144
Other intangible assets	228	1,732
	<b>13,531</b>	<b>12,876</b>

On 31 December 2015, there are commitments in Property, Plant and Equipment to purchase facilities and constructions amounting to EUR 4,039 thousand, mainly in Argentina and Spain (EUR 7,109 thousand in 2014).

### Operating lease commitments

Prosegur rents various premises, offices, industrial bays, warehouses and vehicles under non-cancellable operating leases.

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

On 31 December 2015		Thousands of euros		
Type		Less than 1 year	1 to 5 years	Over 5 years
Real Estate		12,808	26,585	6,073
Vehicles		15,526	15,503	7,088
Other assets		66	67	1
		<b>28,400</b>	<b>42,155</b>	<b>13,162</b>

On 31 December 2014		Thousands of euros		
Type		Less than 1 year	1 to 5 years	Over 5 years
Real Estate		9,986	24,367	2,703
Vehicles		16,951	33,137	2,662
Other assets		383	62	-
		<b>27,320</b>	<b>57,566</b>	<b>5,365</b>

The main operating leases on properties are as follows:

- Leases signed for the buildings located at Calle Santa Sabina, 8 and Calle Pajaritos, 24 in Madrid between the parent company, Prosegur Compañía de Seguridad, S.A., and the company Proactinmo, S.L.U. The total expense for these leases, in 2015, amounts to EUR 1,159 thousand (in 2014: EUR 1,297 thousand), (Note 31).
- Leases held by Prosegur Brasil, S.A. for the use of operating bases in Rio de Janeiro and São Paulo. The total expense for these leases, in 2015, amounts to EUR 1,957 thousand (in 2014: EUR 1,584 thousand).
- Lease held by Prosegur Companhia de Segurança, Ltda. for the office building located at Avenida Berna, 54 in Lisbon. The total expense for this lease, in 2015, amounts to EUR 220 thousand (in 2014: EUR 168 thousand).

Operating leases on vehicles have an average duration of four years.

The cost for operating leases in the consolidated income statement for 2015 amounts to EUR 87,217 thousand (in 2014: EUR 89,295 thousand), (Note 4). There are no contingent rents in relation to operating leases.

Prosegur also lets installations to other parties under cancellable operating leases as part of its alarm system rental activity. Customers may cancel these contracts by giving notice, terminating the agreement immediately. The uncertainty regarding these cancellation periods does not allow the total future collections from these operating leases to be reliably estimated.

### 30. Business Combinations

Details of changes in goodwill are presented in Note 12.

#### 30.1. Goodwill included in 2015

Details of the net assets acquired and goodwill recognised on business combinations during the year are as follows:

Thousands of euros	Segment to which allocated	Cash payment	Deferred amount at fair value	Total purchase price	Fair value of identifiable net assets	Goodwill
<b>Subsidiaries</b>						
"Call Centre and Back Office" activity line <sup>(1)</sup>	Europe & Asia-Pacific	2,186	-	<b>2,186</b>	1,058	<b>1,128</b>
Nanjing Zhong Dun Security Services <sup>(1)</sup>	Europe & Asia-Pacific	88	176	<b>264</b>	162	<b>102</b>
Centro Informático de Vigo S.A. <sup>(1)</sup>	Europe & Asia-Pacific	283	-	<b>283</b>	93	<b>190</b>
		<u>2,557</u>	<u>176</u>	<u><b>2,733</b></u>	<u>1,313</u>	<u><b>1,420</b></u>

<sup>(1)</sup> Calculations relating to business combinations are provisional and may be adjusted for up to a year from the acquisition date.

Goodwill is not tax-deductible.

Had the businesses acquired in 2015 been acquired on 1 January 2015, consolidated revenues would have been EUR 3,900 thousand higher in 2015 and consolidated net profit for the year would have been EUR 461 thousand higher.

Prosegur has recognised transaction costs in selling, general and administrative expenses of the consolidated income statement of EUR 892 thousand (in 2014: EUR 1,704 thousand).

The cash outflow incurred to purchase these businesses, net of cash acquired, is as follows:

Thousands of euros	Country	Cash payment	Cash and cash equivalents acquired	Cash outflow for the acquisition
"Call Centre and Back Office" activity line	Spain	2,186	-	<b>2,186</b>
Nanjing Zhong Dun Security Services	China	88	(6)	<b>82</b>
Centro Informático de Vigo S.A.	Spain	283	(18)	<b>265</b>
		<u>2,557</u>	<u>(24)</u>	<u><b>2,533</b></u>

#### "Call Centre and Back Office" activity line

On 1 April 2015, Prosegur acquired 100% of the "Call Center and Back Office" activity line from Hewlett-Packard procesos de negocio España, S.L. The overall purchase price was EUR 2,186 million.

The acquiree was added to the consolidated group on 1 April 2015. It contributed revenues of EUR 6,846 thousand and profit for the year of EUR 1,141 thousand to the consolidated income statement for 2015.

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

Thousands of euros	Carrying amount of the acquiree	Fair value
Property, Plant and Equipment	63	63
Trade and other receivables	82	82
Trade and other payables	(59)	(59)
Other intangible assets	-	1,350
Deferred tax	-	(378)
<b>Identifiable net assets acquired</b>	<b>86</b>	<b>1,058</b>

The goodwill on this acquisition was allocated to the Europe&Asia-Pacific segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise customer relationships (EUR 1,350 thousand) with a useful life of 8 years.

### Nanjing Zhong Dun Security Services Co Ltd

On 2 June 2015, Prosegur bought in China 80% of the company Nanjing Zhong Dun Security Services Co Ltd, a company specialising in the provision of surveillance services. The total purchase price was CNY 1,800 thousand (equivalent on the acquisition date to: EUR 264 thousand), comprising a cash payment of CNY 600 thousand (equivalent on the acquisition date to: EUR 88 thousand) and a contingent consideration of CNY 200 thousand (equivalent on the acquisition date to: EUR 29 thousand) maturing in 2017 and 2018. Furthermore, there is a contingent consideration agreement with a best estimate on 31 December 2015 amounting to CNY 1,000 thousand (equivalent on the acquisition date to: EUR 147 thousand). On 31 December 2015, it is the only contingent consideration agreement held by Prosegur. It is a contingent consideration agreement subject to the evolution of the EBIT of the aforementioned subsidiary.

The acquiree was added to the consolidated group on 2 June 2015. It contributed revenues of EUR 307 thousand and profit for the year of EUR 9 thousand to the consolidated income statement for 2015.

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

Thousands of euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	6	6
Property, Plant and Equipment	1	1
Trade and other receivables	58	58
Trade and other payables	(57)	(57)
Other intangible assets	-	205
Deferred tax	-	(51)
<b>Identifiable net assets acquired</b>	<b>8</b>	<b>162</b>

The goodwill on this acquisition was allocated to the Europe & Asia-Pacific segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise licences (EUR 205 thousand) with a useful life of 20 years.

**Centro Informático de Vigo S.A.**

On 17 November 2015, Prosegur bought 100% of the company Centro Informático de Vigo, S.A. in Spain, a company that specialises in the provision of banking administration services, under CIT activity. The overall purchase price was EUR 283 million.

The acquiree was added to the consolidated group on 17 November 2015. It contributed revenues of EUR 428 thousand and net loss of EUR 177 thousand to the consolidated income statement for 2015.

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

Thousands of euros	Carrying amount of the acquiree	Fair value
Cash and cash equivalents	18	18
Property, Plant and Equipment	101	101
Trade and other receivables	334	334
Trade and other payables	(323)	(323)
Other non-current assets	11	11
Financial debt	(56)	(56)
Other non-current liabilities	(14)	(14)
Other current liabilities	(11)	(11)
Other intangible assets	4	44
Deferred tax	-	(11)
<b>Identifiable net assets acquired</b>	<b>64</b>	<b>93</b>

The goodwill on this acquisition was allocated to the Europe & Asia-Pacific segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise customer relationships (EUR 40 thousand) with a useful life of 7 years.

**30.2. Goodwill added in 2014 with measurement completed in 2015****Transvig – Transporte de Valores e Vigilancia LTDA**

On 20 October 2014, Prosegur acquired 100% of Transvig – Transporte de Valores e Vigilancia LTDA, a company located in Brazil and specialising in manned guarding and cash in transit. The total purchase price was BRL 17,400 thousand (equivalent on the acquisition date to: EUR 5,594 thousand), comprising a cash payment of BRL 6,200 thousand (equivalent on the acquisition date to: EUR 1,993 thousand), a deferred payment to a total of BRL 6,200 thousand (equivalent on the acquisition date to: EUR 1,994 thousand) maturing in 2014 and a deferred amount to guarantee possible liabilities to a total of BRL 5,000 thousand (equivalent on the acquisition date to: EUR 1,607 thousand) with several instalments maturing between 2015 and 2019 and accruing interests as agreed in the contract.

The acquiree was added to the consolidated group on 20 October 2014.

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

	Thousands of euros	
	<b>Carrying amount of the acquiree</b>	<b>Fair value</b>
Thousands of euros		
Cash and cash equivalents	618	618
Inventory	22	22
Property, Plant and Equipment	222	603
Trade and other receivables	551	551
Trade and other payables	(779)	(779)
Other non-current assets	1	1
Provisions	(217)	(217)
Other intangible assets	-	2,338
Deferred tax	-	(924)
<b>Identifiable net assets acquired</b>	<b>418</b>	<b>2,213</b>

In 2015, a total amount of EUR 221 thousand was adjusted (Note 12), after measurement of the net assets acquired by an independent expert, associated with a property and the client portfolio.

The goodwill on this acquisition was allocated to the LatAm segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition. The intangible assets acquired comprise customer relationships (EUR 2,338 thousand) with a useful life of between 8 and 9 years.

The valuation technique used to measure the fair value of intangible assets acquired was the “Multi-period excess earnings method”, which takes into account the present value of net cash flows expected to be generated from customer relations, excluding any cash flow related to contributory assets.

### Shanghai Bigu Group

On 5 September 2014, Prosegur acquired 100% of the Shanghai Bigu Group in China, which possesses a shareholding in several Chinese companies specialising in the provision of surveillance services. The total price of purchase was EUR 1 in cash and liabilities of EUR 736 thousand were acquired.

The acquiree was added to the consolidated group on 5 September 2014.

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

	Thousands of euros	
	<b>Carrying amount of the acquiree</b>	<b>Fair value</b>
Cash and cash equivalents	92	92
Property, Plant and Equipment	52	52
Inventory	6	6
Other non-current assets	41	41
Trade and other receivables	103	103
Trade and other payables	(736)	(736)
Other intangible assets	10	8,682
Deferred tax	-	(2,168)
<b>Identifiable net assets acquired</b>	<b>(432)</b>	<b>6,072</b>

The intangible assets acquired comprise licences with a useful life of 20 years. The valuation technique used to measure the fair value of the intangible assets acquired was the "Multi-period excess earnings method", a variation of the method for discounting cash flows normally used for assessing intangible assets, and which considers the current value of the net cash flows expected, after discounting the taxes for other assets that contribute to the generation of intangible asset flows. The difference between the fair value and the book value has been registered in other income. (Note 6).

### 30.3. Goodwill included in 2014 and not revised in 2015

Details of the net assets acquired and goodwill recognised for additions made in 2014 whose value has not been revised in 2015 are as follows:

		Thousands of euros				
	Segment to which allocated	Cash payment	Deferred amount at fair value	Total purchase price	Fair value of identifiable net assets	Goodwill
Evtec Management Services PTE LTD	Asia-Pacific	2,098	2,183	<b>4,281</b>	2,783	<b>1,498</b>
Chorus Group	Europe	1,689	-	<b>1,689</b>	277	<b>1,412</b>
		<b>3,787</b>	<b>2,183</b>	<b>5,970</b>	<b>3,060</b>	<b>2,910</b>

Goodwill is not tax-deductible.

The cash outflow incurred to purchase these businesses, net of cash acquired, is as follows:

		Thousands of euros		
	Country	Cash payment	Cash and cash equivalents acquired	Cash outflow for the acquisition
Evtec Management Services PTE LTD	Singapore	2,098	(537)	<b>1,561</b>
Chorus Group	Germany	1,689	(96)	<b>1,593</b>
		<b>3,787</b>	<b>(633)</b>	<b>3,154</b>

#### Evtec Management Services PTE LTD

On 23 January 2014, Prosegur acquired 100% of Evtec Management Services PTE LTD, a company located in Singapore and specialised in manned guarding. The total purchase price was SGD 7,397 million (equivalent on the acquisition date to: EUR 4,281 thousand), comprising a cash payment of SGD 3,625 thousand (equivalent on the acquisition date to: EUR 2,098 thousand), a contingent consideration of SGD 3,398 thousand (equivalent on the acquisition date to: EUR 1,967 thousand), to be settled in 2014 and 2015, and a further SGD 374 thousand (equivalent on the acquisition date to: EUR 216 thousand) deferred to secure any possible liabilities, maturing in 2016.

In 2015, the contingent consideration associated with the Evtec Management Services PTE LTD business combination was settled. It was a contingent consideration agreement subject to the gross margin and new client contracts obtained by the company after its sale. The contingent consideration was settled, in 2015, for an amount of SGD 1,457 thousand (equivalent on the acquisition date to: EUR 964 thousand), with a difference from the consideration originally estimated of SGD 456 thousand. The contingent consideration was valued at SGD 1,913 thousand (equivalent on 31 December 2014: EUR 1,191 thousand).

The acquiree was added to the consolidated group on 23 January 2014.

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

	Thousands of euros	
	Carrying amount of the acquiree	Fair value
Thousands of euros		
Cash and cash equivalents	537	537
Property, Plant and Equipment	84	84
Other non-current assets	30	30
Trade and other receivables	1,980	1,980
Trade and other payables	(723)	(723)
Current tax liabilities	(101)	(101)
Other intangible assets	-	1,663
Financial debt	(400)	(400)
Deferred tax	(4)	(287)
<b>Identifiable net assets acquired</b>	<b>1,403</b>	<b>2,783</b>

The goodwill on this acquisition was allocated to the Europe & Asia-Pacific segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise customer relationships (EUR 1,663 thousand) with a useful life of 13 years.

### Chorus Group

On 17 February 2014 Prosegur acquired 100% of Chorus Security Service Wervaltungs GmbH and its subsidiary Chorus Security Service GmbH, companies located in Germany and specialised in cash in transit. The overall purchase price was EUR 1,689 million.

The acquiree was added to the consolidated group on 17 February 2014.

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

	Thousands of euros	
	Carrying amount of the acquiree	Fair value
Thousands of euros		
Cash and cash equivalents	96	96
Property, Plant and Equipment	265	265
Trade and other receivables	460	460
Current tax assets	358	358
Trade and other payables	(1,003)	(1,003)
Current tax liabilities	(110)	(110)
Other financial liabilities	(249)	(249)
Provisions	(134)	(134)
Other intangible assets	2	843
Deferred tax	-	(249)
<b>Identifiable net assets acquired</b>	<b>(315)</b>	<b>277</b>

The goodwill on this acquisition was allocated to the Europe & Asia-Pacific segment and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise customer relationships (EUR 841 thousand) with a useful life of 14 years.

### 31. Related parties

Prosegur is controlled by Gubel, S.L., which was incorporated in Madrid and holds 50.075% of the Company's share capital. The remaining 49.925% is held by various shareholders, with the main parties being Oppenheimer Acquisition Corporation with 5.665%, AS Inversiones S.L. with 5.328%, and Cantillon Capital Management LLC with 3.050%. (Note 22).

#### Goods sold

In December 2015, the property located at Calle Pajaritos 24 in Madrid was sold to Proactinmo S.L.U. (controlled by Gubel, S.L.) for a total EUR 12,700 thousand (Note 11).

#### Goods and services

In October 2005, a lease was signed with Proactinmo S.L.U. (controlled by Gubel, S.L.) for the building located at Calle Santa Sabina, no. 8, in Madrid bordering with a building located in Calle Pajaritos, no. 24. The total cost for this lease in 2015 was EUR 1,285 thousand (in 2014: EUR 1,297 thousand). In December, a novation was signed for the contract, updating the annual rent according to market conditions, from EUR 1,012 thousand and increasing the duration of the contract from five to ten years, renewable for one year.

In December 2015, a lease was signed with Proactinmo S.L.U. (controlled by Gubel, S.L.) for the building located in Calle Pajaritos, no. 24, in Madrid. The duration of the contract is for ten years, renewable for one year, as it has been updated according to market conditions. The total expenditure for such rental contract in financial year 2015 amounted to EUR 29 thousand, and the updated expenditure shall be EUR 705 thousand, according to market conditions.

During the year, the company Euroforum Escorial, S.A. (controlled by Gubel S.L.) invoiced Prosegur EUR 495 thousand for hotel services (in 2014: EUR 151 thousand).

#### Provision of services

In 2015, Prosegur provided security services to Gubel, S.L. amounting to EUR 19 thousand and to Proactinmo, S.L.U. (controlled by Gubel, S.L.) for a total of EUR 92 thousand.

During the year, Prosegur invoiced the company Euroforum Escorial, S.A. EUR 11 thousand (in 2014: EUR 11 thousand).

#### Remuneration of members of the Board of Directors and senior management personnel

##### 1. Remuneration of Directors

The total remuneration accrued by members of the Board of Directors is as follows:

	Thousands of euros	
	2015	2014
Fixed remuneration	1,384	1,321
Variable remuneration	500	500
Remuneration for membership of the Board and	710	717
Per diems	206	190
Life insurance premiums	53	51
	<b>2,853</b>	<b>2,779</b>

## 2. Remuneration of Senior Management

Senior management personnel are understood to be Prosegur employees who hold, de facto or de jure, senior management positions reporting directly to the Board of Directors, executive committees or managing director, including those holding a power of attorney which relates to the corporate object and is not restricted to specific areas or matters.

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

	Thousands of euros	
	2015	2014
Fixed remuneration	2,774	3,487
Variable remuneration	2,189	1,893
Remuneration in kind	102	134
Life insurance premiums	8	11
	<b>5,073</b>	<b>5,525</b>

On 29 May 2012, the shareholders approved the 2014 Plan, which is linked to value creation during the period from 2012 to 2014, at their annual general meeting.

At the General Meeting held on 28 April 2015, the shareholders approved the 2017 Plan of long-term incentives for the Managing Director and Senior Management of Prosegur. The 2017 Plan is essentially linked to value creation during the 2015-2017 period and sets out the payment of incentives pegged to the listed value of shares and/or cash incentives to the Managing Director and Senior Management of the Company like the previous plan (Note 35.18).

In relation to the 2014 and 2017 long-term incentive plan for the CEO and Senior Management of Prosegur (Note 5.1), expense accrued in 2015, amounting to EUR 4,852 thousand, has been included in Salaries and wages (Note 23).

With regard to liabilities for 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 23).

EUR 5,877 thousand was applied in 2015, corresponding to settlement of the first part of the 2014 Plan (Note 23).

### Loans to related parties

On 31 December 2015 and 2014, Prosegur had not granted any loans to related parties.

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

Neither the members of the Board of Directors nor their related parties hold any investments or positions or conduct any activities in companies with an identical, similar or complementary corporate object to that of the Company, outside of the scope of Prosegur.

### Information required by article 229 of the Spanish Capital Companies Act

In connection with the provision 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 as amended by Law 31/2014 for the improvement of Corporate Governance, no situations have arisen during financial year 2015 in which the members of the Board of Directors and their related parties have been in direct or indirect conflict with the interests of the Company.

The firm J&A Garrigues, S.L.P. has been providing Prosegur, in a recurring manner and since long before the appointment of Fernando Vives as a director of the Company, services of legal and tax advice, within the ordinary course of business and in market conditions. Prosegur does not work exclusively with the firm J&A Garrigues, S.L.P., receiving legal and tax advice from other firms. The fees received by J&A Garrigues, S.L.P. from Prosegur are not significant for the firm in material terms, nor do they represent a significant amount in the Prosegur accounts. On 31 December 2015, fees amount to EUR 849 thousand (on 31 December 2014, the amounted to EUR 547 thousand).

In addition, the provision of these services is performed through other partners in the firm other than Fernando Vives, whose remuneration as a partner of J&A Garrigues, S.L.P. is totally independent and not linked in any way to the

firm's invoicing to Prosegur. Therefore, the Board of Directors considers that the business relationship between the firm J&A Garrigues, S.L.P. and Prosegur, due to its recurring nature in the ordinary course of business, its non-exclusivity and its scant importance in the aforementioned terms, does not in any way affect the independent nature of Fernando Vives for performing the role of director of Prosegur and being classed as independent.

## 32. Financial risk management and fair value

### 32.1. Financial risk factors

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

The Finance Department identifies, proposes and carries out the management of these risks along with other operating units of Prosegur in accordance with policies approved by the Executive Committee.

#### Currency risk

Prosegur operates on an international level and is therefore exposed to exchange rate risks for currency operations. Currency risk arises when future commercial transactions, equity investments, profit and loss from operating activities and financial positions are denominated in a foreign currency other than the functional currency of each one of the Prosegur companies.

To control the risk arising in these operations, Prosegur's policy is to use appropriate instruments to balance and neutralise the risks associated with monetary in- and outflows, considering market expectations.

As Prosegur 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.

The following provides details of Prosegur's exposure to currency risks, with details on the carrying amounts of the financial instruments denominated in a foreign currency other than the functional one of each country:

#### On 31 December 2015

Thousands of euros

	Euro	US Dollar	Brazilian Real	Colombian Peso	Mexican Peso	Other currencies	Total position
Loans to related parties	30,293	-	-	-	-	-	30,293
Non-current financial assets	3,215	91	-	-	-	-	3,306
<b>Total non-current assets</b>	<b>33,508</b>	<b>91</b>	-	-	-	-	<b>33,599</b>
Trade and other receivables	352,341	11,558	-	-	-	-	363,899
Other current financial assets	331,670	7,222	-	-	13	13,426	352,331
Cash and cash equivalents	12,934	15,157	-	-	-	-	28,091
<b>Total current assets</b>	<b>696,945</b>	<b>33,937</b>	-	-	<b>13</b>	<b>13,426</b>	<b>744,321</b>
Financial Liabilities	546,920	204	-	-	-	-	547,124
<b>Non-current liabilities</b>	<b>546,920</b>	<b>204</b>	-	-	-	-	<b>547,124</b>
Trade and other payables	276,617	27,079	2,820	-	1,014	3,656	311,186
Financial Liabilities	522,721	11,768	385	2,727	130	198	537,929
<b>Current liabilities</b>	<b>799,338</b>	<b>38,847</b>	<b>3,205</b>	<b>2,727</b>	<b>1,144</b>	<b>3,854</b>	<b>849,115</b>
<b>Net position</b>	<b>(615,805)</b>	<b>(5,023)</b>	<b>(3,205)</b>	<b>(2,727)</b>	<b>(1,131)</b>	<b>9,572</b>	<b>(618,319)</b>

**On 31 December 2014**

Thousands of euros	Euro	US Dollar	Brazilian Real	Colombian Peso	Mexican Peso	Other currencies	Total position
Loans to related parties	29,271	-	-	-	-	-	29,271
Non-current financial assets	8,995	7,619	-	-	-	-	16,614
<b>Total non-current assets</b>	<b>38,266</b>	<b>7,619</b>	-	-	-	-	<b>45,885</b>
Trade and other receivables	311,829	10,053	-	-	13	-	321,895
Other current financial assets	290,779	5,470	-	-	-	-	296,249
Cash and cash equivalents	35,426	6,696	-	-	2	-	42,124
<b>Total current assets</b>	<b>638,034</b>	<b>22,219</b>	-	-	<b>15</b>	-	<b>660,268</b>
Financial Liabilities	536,001	173	3,775	389	-	-	540,338
<b>Non-current liabilities</b>	<b>536,001</b>	<b>173</b>	<b>3,775</b>	<b>389</b>	-	-	<b>540,338</b>
Trade and other payables	215,380	51,485	-	-	-	13	266,878
Financial Liabilities	440,283	4,260	1,421	2,828	1,146	671	450,609
<b>Current liabilities</b>	<b>660,193</b>	<b>58,486</b>	<b>1,421</b>	<b>2,828</b>	<b>1,146</b>	<b>684</b>	<b>724,758</b>
<b>Net position</b>	<b>(519,894)</b>	<b>(28,821)</b>	<b>(5,196)</b>	<b>(3,217)</b>	<b>(1,131)</b>	<b>(684)</b>	<b>(558,943)</b>

Details of the main average and year-end exchange rates to euros of the foreign currencies in which Prosegur operates are as follows:

	<b>2015</b>		<b>2014</b>	
	Average rate	Closing rate	Average rate	Closing rate
US Dollar	1.11	1.09	1.33	1.21
Brazilian Real	3.69	4.32	3.12	3.22
Argentine Peso	10.23	14.26	10.72	10.32
Chilean Peso	725.54	770.08	756.69	737.42
Mexican Peso	17.60	18.91	17.66	17.87
Peruvian Nuevo Sol	3.53	3.72	3.77	3.62
Colombian Peso	3,040.57	3,428.83	2,650.02	2,904.69

The strengthening (weakening) of the euro vs. the Brazilian Real, Argentine Peso, Chilean Peso and Peruvian Nuevo Sol on 31 December would increase (decrease) the profit and loss and the equity in the amounts shown below.

This analysis is based on a variation of the foreign currency exchange rate that Prosegur deems reasonably possible at the end of the reporting period in question (increase and decrease in the exchange rate). This analysis assumes that all other variables, particularly interest rates, remain constant.

Thousands of euros	<b>Increase in exchange rate</b>		<b>Drop in exchange rate</b>	
	Net worth	Profit/loss	Net worth	Profit/loss
<b>31 December 2015</b>				
Brazilian Real (10% variation)	29,176	356	(23,871)	(291)
Argentine Peso (10% variation)	31,927	2,975	(26,122)	(2,434)
Chilean Peso (10% variation)	7,252	1,153	(5,933)	(944)
Peruvian Nuevo Sol (10% variation)	10,247	(2,570)	(8,384)	2,103
US Dollar (10% variation)	39	276	(32)	(226)
<b>31 December 2014</b>				
Brazilian Real (10% variation)	15,139	424	(18,504)	(518)
Argentine Peso (15% variation)	37,982	1,168	(51,387)	(1,580)
Chilean Peso (10% variation)	4,644	435	(5,676)	(532)
Peruvian Nuevo Sol (10% variation)	8,659	(2,589)	(10,583)	3,165
US Dollar (10% variation)	(206)	(289)	252	354

**Credit risk**

Prosegur is not significantly exposed to credit risk. Bad debts are not a significant factor in the sector in which it operates. Independent credit ratings of customers are used if available. Otherwise, the Credit Control Department assesses each customer's credit rating, considering financial position, past experience and other factors. Individual credit limits are established depending on internal and external qualifications in accordance with the limits set by the Financial and Economic Management. There is regular monitoring of the use of credit limits.

Prosegur has formal procedures for detecting objective evidence of impairment on trade receivables. As a result of the same, it identifies significant delays in payments and the methods to follow to estimate the impairment loss based on an individual analysis by business area. The impairment of trade receivables on 31 December 2015 amounts to EUR 58,596 thousand (in 2014: EUR 63,429 thousand) (Note 19) and the client balances not included in this provision at year end have sufficient credit quality, so the credit risk for these accounts receivable is considered covered by this provision.

In Spain, the Collections Department manages an approximate volume of 7,525 customers with monthly average turnover of EUR 10,845 per customer. 85% of payments are made by bank transfer and the remaining 15% in notes (cheques, promissory notes, etc.).

Details of the percentage of total Prosegur turnover represented by the eight main customers are as follows:

	2015	2014
<b>Counterparty</b>		
Customer 1	4.28%	4.80%
Customer 2	3.66%	3.97%
Customer 3	2.86%	3.90%
Customer 4	2.34%	2.27%
Customer 5	1.87%	2.00%
Customer 6	1.74%	1.93%
Customer 7	1.13%	1.54%
Customer 8	1.10%	1.17%

As explained in Note 19, on 29 December 2015 Prosegur took out a factoring facility for part of its customer portfolio whereby receivables are sold without recourse, transferring the associated credit risk.

Other current financial assets (Note 20) include a fixed-term deposit. All financial assets contracted in 2015 are exposed to risk of default by the counterparties which, in all cases, are financial institutions with guaranteed solvency and high credit ratings that are not sensitive to adverse changes in the economic climate.

**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 Prosegur's business targets safely, efficiently and on time. The Group's Treasury Department aims to maintain liquidity and sufficient availability to guarantee Prosegur's business operations.

Management monitors Prosegur's liquidity reserves, which comprise credit available for drawdown (Note 24) and cash and cash equivalents (Note 21), and are forecast based on expected cash flows.

Prosegur's liquidity position for 2015 is based on the following:

- Cash and cash equivalents of EUR 316,434 thousand on 31 December 2015 (in 2014: EUR 285,056 thousand).
- EUR 653,365 thousand available in undrawn credit facilities on 31 December 2015 (in 2014: EUR 570,188 thousand).
- Cash flows from operating activities in 2015 amounting to EUR 298,695 thousand (in 2014: EUR 247,152 thousand).

The amounts presented in this table reflect the cash flows stipulated in the contracts.

	2015						
Thousands of euros	Carrying amount	Contractual cash flows	6 months or less	6 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years
<b>Non-derivative financial liabilities</b>							
Debentures and other marketable	508,328	541,250	13,750	-	13,750	513,750	-
Loans and borrowings	199,273	212,972	39,986	136,349	17,437	18,776	424
Finance lease payables	20,322	23,275	5,047	3,980	6,272	6,576	1,400
Credit accounts	168,876	171,858	108,332	13,526	-	50,000	-
Other payables	58,741	68,525	30,803	6,790	26,845	3,878	209
Trade and other payables	525,893	525,893	525,893	-	-	-	-
	<b>1,481,434</b>	<b>1,543,773</b>	<b>723,811</b>	<b>160,645</b>	<b>64,304</b>	<b>592,980</b>	<b>2,033</b>

	2014						
Thousands of euros	Carrying amount	Contractual cash flows	6 months or less	6 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years
<b>Non-derivative financial liabilities</b>							
Debentures and other marketable	507,486	555,000	13,750	-	13,750	527,500	-
Loans and borrowings	187,593	220,791	12,509	72,608	63,162	72,019	493
Finance lease payables	35,251	40,527	13,246	5,460	8,469	11,310	2,042
Credit accounts	127,519	130,922	79,228	11,694	-	40,000	-
Other payables	106,007	126,823	44,116	13,200	33,320	35,836	351
Trade and other payables	504,951	504,951	504,951	-	-	-	-
	<b>1,468,807</b>	<b>1,579,014</b>	<b>667,800</b>	<b>102,962</b>	<b>118,701</b>	<b>686,665</b>	<b>2,886</b>

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

#### **Interest rate, cash flow and fair value risks**

Prosegur is exposed to interest rate risk due to its monetary assets and liabilities maintained in its financial statement.

The exposure of Prosegur's financial liabilities (excluding other payables) at the contract review dates is as follows:

Thousands of euros	6 months or less	6 to 12 months	1 to 5 years	Over 5 years	Total
<b>On 31 December 2015</b>					
Total financial liabilities (fixed rate)	21,697	5,735	514,578	272	542,282
Total financial liabilities (variable rate)	135,364	143,329	74,434	1,390	354,517
	<b>157,061</b>	<b>149,064</b>	<b>589,012</b>	<b>1,662</b>	<b>896,799</b>
<b>On 31 December 2014</b>					
Total financial liabilities (fixed rate)	23,849	4,645	527,576	383	556,453
Total financial liabilities (variable rate)	87,445	86,251	125,780	1,920	301,396
	<b>111,294</b>	<b>90,896</b>	<b>653,356</b>	<b>2,303</b>	<b>857,849</b>

Prosegur analyses its interest rate risk exposure dynamically. In 2015, the majority of Prosegur's financial liabilities at variable interest rates were denominated in euros, Brazilian Reais and Australian Dollars.

Management performs a simulation of various scenarios, considering refinancing, the renewal of current positions, alternative financing and hedges. On the basis of these scenarios, Prosegur calculates the impact on the result of a given variation of the interest rate. Each simulation uses the same variation in the interest rate. The scenarios are only analysed for the liabilities that represent the most significant positions in which a variable interest rate is paid.

Details of financial liabilities, indicating the portion considered to be hedged, at a fixed rate, are as follows:

On 31 December 2015	Thousands of euros		
	Total debt	Hedged debt	Debt exposure
Europe & Asia-Pacific	819,487	519,853	299,634
LatAm	136,053	22,429	113,624
	<b>955,540</b>	<b>542,282</b>	<b>413,258</b>

On 31 December 2014	Thousands of euros		
	Total debt	Hedged debt	Debt exposure
Europe & Asia-Pacific	782,697	524,095	258,602
LatAm	181,159	32,358	148,801
	<b>963,856</b>	<b>556,453</b>	<b>407,403</b>

In relation to the debt covered on 31 December 2015, EUR 508,328 thousand correspond to the simple bond (Note 24) (EUR 507,486 thousand on 31 December 2015). In addition, there are credit accounts, leasing debts and loans with credit entities at a fixed-rate interest in Argentina, Chile, Germany, Peru, Brazil, France and Singapore.

On 31 December 2015, if the interest rate for loans and bank credit had been 100 basic points higher, with the rest of the variables remaining constant, the net result for the period would have been EUR 2,632 thousand lower (in 2014: EUR 2,575 thousand lower), mainly as a result of a greater cost due to variable-rate interests on loans.

### 32.2. Capital risk management

Prosegur's capital management is aimed at safeguarding its capacity to continue operating as a going concern, with the aim of providing shareholder remuneration and profits for other equity holders, while maintaining an optimum capital structure to reduce the cost of capital.

To maintain and adjust the capital structure, Prosegur can adjust the amount of dividends payable to shareholders, reimburse capital, issue shares or dispose of assets to reduce debt.

Like other groups in the sector, Prosegur controls its capital structure on a gearing ratio basis. This ratio is calculated as net financial debt divided by total capital. Net financial debt is the sum of current and non-current financial liabilities (excluding other non-bank payables) plus/less net derivative financial instruments, less cash and cash equivalents, less other current financial assets, as presented in the balance sheet. Total capital is the sum of equity plus net financial debt, as presented in the balance sheet.

The gearing ratio is calculated as follows:

Thousands of euros	2015	2014
Financial liabilities (Note 24)	955,540	963,856
Less: other non-bank payables (Note 24)	(58,741)	(106,007)
Less: Cash and cash equivalents (note 21)	(316,434)	(285,056)
Less: Other current financial assets (Note 20)	(739)	(8,441)
Net financial debt	579,626	564,352
Equity	699,626	864,061
<b>Total capital</b>	<b>1,279,252</b>	<b>1,428,413</b>
<b>Gearing ratio</b>	<b>45.31%</b>	<b>39.51%</b>
Net financial debt/equity ratio	82.85%	65.31%

The variation of the net financial debt ratio for own funds has increased mainly due to the impact of the devaluation of the Brazilian Real and the Argentine Peso on own funds (Note 22.3).

### 32.3. Financial instruments and fair value

#### Classification and fair value

The carrying amounts and fair values of financial instruments, classified by category, are as follows, including the levels of fair value. If the fair values of financial assets and liabilities not measured at fair value are not included, it is because Prosegur believes that these are close to their book values owing, to a large extent, to the short-term maturities of these instruments.

#### 31 December 2015

Thousands of euros

	Carrying amount					Fair value			
	Available-for-sale financial assets	Loans and receivables	Financial liabilities held for trading	Debts and payables	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets recognised at fair value</b>									
Investments and other assets	-	-	-	-	-	-	-	-	-
	-	-	-	-	-				
<b>Financial assets not measured at fair value</b>									
Deposits and guarantees	-	3,564	-	-	3,564				
Deposits	-	5,499	-	-	5,499				
Trade and other receivables	-	752,421	-	-	752,421				
Cash and cash equivalents	-	316,434	-	-	316,434				
	-	1,077,918	-	-	1,077,918				
<b>Financial liabilities recognised at fair value</b>									
Contingent payments	-	-	(142)	-	(142)	-	-	(142)	(142)
	-	-	(142)	-	(142)				
<b>Financial liabilities not measured at fair value</b>									
Financial liabilities by bonds issue	-	-	-	(508,328)	(508,328)	(527,946)	-	-	(527,946)
Financial liabilities from financial institutions	-	-	-	(388,471)	(388,471)	-	(388,970)	-	(388,970)
Other financial liabilities	-	-	-	(58,597)	(58,597)	-	(58,597)	-	(58,597)
Trade and other payables	-	-	-	(525,893)	(525,893)				
	-	-	-	(1,481,289)	(1,481,289)				

31 December 2015

31 December 2014

Thousands of euros

	Carrying amount					Fair value			
	Available-for-sale financial assets	Loans and receivables	Financial liabilities held for trading	Debts and payables	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets recognised at fair value</b>									
Investments and other assets	3,027	-	-	-	<b>3,027</b>	-	-	3,027	<b>3,027</b>
	<b>3,027</b>	-	-	-	<b>3,027</b>				
<b>Financial assets not measured at fair value</b>									
Deposits and guarantees	-	3,953	-	-	<b>3,953</b>				
Deposits	-	13,088	-	-	<b>13,088</b>				
Trade and other receivables	-	837,474	-	-	<b>837,474</b>				
Cash and cash equivalents	-	285,056	-	-	<b>285,056</b>				
	-	<b>1,139,571</b>	-	-	<b>1,139,571</b>				
<b>Financial liabilities recognised at fair value</b>									
Contingent payments	-	-	(1,191)	-	<b>(1,191)</b>	-	-	(1,191)	<b>(1,191)</b>
	-	-	<b>(1,191)</b>	-	<b>(1,191)</b>				
<b>Financial liabilities not measured at fair value</b>									
Financial liabilities by bonds issue	-	-	-	(507,486)	<b>(507,486)</b>	(534,814)	-	-	<b>(534,814)</b>
Financial liabilities from financial institutions	-	-	-	(350,363)	<b>(350,363)</b>	-	(351,079)	-	<b>(351,079)</b>
Other financial liabilities	-	-	-	(104,816)	<b>(104,816)</b>	-	(104,816)	-	<b>(104,816)</b>
Trade and other payables	-	-	-	(504,951)	<b>(504,951)</b>				
	-	-	-	<b>(1,467,616)</b>	<b>(1,467,616)</b>				

**Measurement bases and inputs employed for financial instruments measured at fair value:**

The following are the measurement values used to determine Level 2 and 3 fair values in 2015, as well as the unobservable inputs employed and the quantitative information of each significant non-observable Level 3 input and sensitivity analyses:

Type	Measurement bases	(Unobservable) inputs employed	Interrelationship between key inputs and fair value	Sensitivity analysis
Contingent payments	<i>Discounted cash flows:</i> The measurement model considers the present value of the net cash flows to be generated by the business. The expected cash flows are determined considering the scenarios that may be exercised by Gross Margin forecasts, the amount to be paid in each scenario and the probability of each scenario. The expected net cash flows are discounted using a risk-adjusted discount rate.	- EBIT	The estimated fair value would increase (fall) according to the value of EBIT.	If the estimated EBIT were located at 5% of the agreed scenario, the value of contingent payments in 2015 would have been EUR 0 thousand; if it were between 5% and 50%, the value of contingent payments would have been EUR 57 thousand and, if it were above 50%, contingent payments would have been EUR 142 thousand.

**Measurement bases for financial instruments not measured at fair value:**

Type	Measurement bases	(Unobservable) inputs employed
Financial liabilities from financial institutions	Discounted cash flows	N/A
Finance lease liabilities	Discounted cash flows	N/A
Other financial liabilities	Discounted cash flows	N/A

**Transfer of assets and liabilities among the various levels**

During the reporting period ending on 31 December 2015, there were no transfers of assets and liabilities among the various levels.

### 33. Other information

The average headcount of Prosegur is as follows:

	2015	2014
Operations personnel	150,549	146,954
Other	8,659	8,184
	<b>159,208</b>	<b>155,138</b>

The average headcount of operations personnel employed by proportionately consolidated subsidiaries in 2015 is 10,313 employees (in 2014: 5,489 people).

The average headcount of personnel employed in Spain with a disability of 33% or more, by category, is as follows:

	2015	2014
Operations personnel	248	199
Indirect Staff	77	54
	<b>325</b>	<b>253</b>

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

	2015		2014	
	Male	Female	Male	Female
Operations personnel	131,684	22,194	129,209	20,047
Other	4,865	3,079	5,536	3,246
	<b>136,549</b>	<b>25,273</b>	<b>134,745</b>	<b>23,293</b>

The distribution by gender of the Board of Directors and senior management personnel of Prosegur is as follows:

	2015		2014	
	Male	Female	Male	Female
Board of Directors	6	3	6	3
Senior Management	11	1	15	3
	<b>17</b>	<b>4</b>	<b>21</b>	<b>6</b>

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

	Thousands of euros	
	2015	2014
KPMG Auditores, S.L., audit services	649	488
KPMG Auditores, S.L., Other assurance services	20	23
KPMG Auditores, S.L., other services	-	-
	<b>669</b>	<b>511</b>

The amounts detailed in the table above include the total fees for services rendered in 2015 and 2014, irrespective of the invoice date.

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

	Thousands of euros	
	2015	2014
Audit services	1,476	1,348
Other assurance services	177	117
Tax advisory services	140	677
Other services	306	673
	<b>2,099</b>	<b>2,815</b>

On the other hand, other auditors have invoiced Prosegur the following fees and expenses for professional services during the year:

	Thousands of euros	
	2015	2014
Audit services	29	278
	<b>29</b>	<b>278</b>

### 34. Events after the reporting date

Through its subsidiary Prosegur Servicios de Efectivo España, S.L, Prosegur purchased on 8 January 2016 100% of the company "Miv Gestión, S.A." located in Spain. This transaction involves a minimum investment for Prosegur of EUR 1,057 thousand. Its activity is international transport of valuable and vulnerable goods.

On 29 January 2016, through its subsidiary Singpai Alarms Pte Ltd, Prosegur incorporated a Joint Venture in India for the activity of alarms, under the name SIS Prosegur Alarm Monitoring and Response Services Pte Ltd.

Through various funds managed by FMC LLC, in January 2016, the company's shareholdings reached a total of 18,755,993 shares, equivalent to over 3% of Prosegur's shareholding structure.

### 35. Summary of the main accounting principles

The main accounting principles used in the preparation of these consolidated annual accounts are described in this section. These principles have been applied consistently throughout the reporting periods presented.

#### 35.1. Accounting principles

##### a) Standards effective from 1 January 2015

The annual accounts for 2015 have been prepared using the same accounting principles as for 2014, except for the following standards and amendments adopted by the European Union and of mandatory application from 1 January 2015:

- *IFRIC 21 – Levies* (Interpretation by the International Financial Reporting Standards Interpretation Committee). This interpretation of *IAS 37 – Provisions, contingent assets and contingent liabilities*, provides a guideline on when an entity must recognise a liability for a Public Administration levy, other than income tax or fines or penalties imposed for breach of legislation, in its Financial Statements. The interpretation indicates that liabilities must be recognised when the event that causes its recognition occurs and that usually is the activity and time that is identified by legislation as the tax generator, in other words, the taxable event and the

tax obligation. Effective for years started from 17 June 2014. The adoption of this interpretation has not had any significant impact on Prosegur's consolidated annual accounts.

- *Improvements to IFRS 2011–2013 cycle.* The improvements to this cycle include modifications to four rules. Besides a change in relation to the rule of first-time adoption, *IFRS 1*, the following rules have been modified: *IFRS 3 Business combinations* (clarifies that IFRS 3 is not applicable to the formation of a joint arrangement in the financial statements of the joint arrangement itself), *IFRS 13 Fair Value* (the scope of the exception has been modified to measure the fair value of groups of financial assets and liabilities based on net value of portfolios), *IAS 40 Investment Property* (the modification clarifies that IAS 40 and IFRS 3 are not exclusive and both standards may need to be applied). The adoption of these modifications has not had any significant impact on Prosegur's consolidated annual accounts.

**b) Standards and interpretations issued, approved by the EU, but not effective on 1 January 2015 and which Prosegur expects to adopt as of 1 January 2016 or later (none have been adopted in advance):**

- Modifications to *IAS 19 - Employee Benefits*. It simplifies the accounting of contributions made to defined benefit plans by employees that do not depend on the number of years in employment, being able to recognise such contributions as a reduction in the cost of the service in the year in which they are made, instead of allocating contributions throughout the years of service. Effective for annual periods beginning on or after 1 February 2015.
- Annual modifications to IFRS, 2010–2012. Modifies the following standards: *IAS 16 – Property, Plant and Equipment*, *IAS 38 – Intangible assets*, *IAS 24 – Information to be disclosed on related parties*, *IFRS 2-Share-based payments*, *IFRS 3 – Business Combinations* and *IFRS 8 – Operating Segments*. Effective for annual periods beginning on or after 1 February 2015.
- Modification to *IAS 16* and *IAS 38*: Acceptable methods of depreciation and amortisation. Clarifies acceptable methods of amortisation and depreciation for property, plant and equipment and intangible assets, which do not include income-based methods. Effective for annual periods beginning on or after 1 January 2016.
- Modification to *IFRS 11 Accounting by entities that jointly control an arrangement*. It outlines the accounting by entities that jointly control an arrangement, whose activity constitutes a business. Effective for annual periods beginning on or after 1 January 2016.
- Modification to *IAS 16* and *IAS 41: Bearer plants*. Property, plant and equipment will be accounted for at cost, instead of fair value. Effective for annual periods beginning on or after 1 January 2016.
- Annual modifications to IFRS, 2012–2014. Modifies the following standards: *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*, *IFRS 7 Financial Instruments: Disclosure*, *IAS 19 Employee benefits*, *IAS 34 Interim financial reporting*. Effective for annual periods beginning on or after 1 January 2016.
- Modification to *IAS 27 Equity method in separate financial statements*. It will allow the equity method in an investor's separate financial statements. Effective for annual periods beginning on or after 1 January 2016.
- Modifications *IAS 1: Disclosure initiative*. Includes diverse clarifications in relation to disclosure (materiality, aggregation, order of notes, etc). Effective for annual periods beginning on or after 1 January 2016.

On the date of preparation of these consolidated annual accounts, Prosegur Management is evaluating the impact of the application of these standards and amendments on the consolidated annual accounts.

**c) Rules and interpretations issued by the International Accounting Standards Board (IASB), pending approval by the European Union:**

- *IFRS 15 Income from contracts with clients*. New rule for recognising income (substitutes IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31). Effective for annual periods beginning on or after 1 January 2018.
- *IFRS 9 Financial instruments*. It replaces the requirements for classification, assessment, recognition and derecognition of financial assets and liabilities, accounting for hedging and impairment of IAS 39. Compulsory application planned for years starting as of 1 January 2018.
- *IAS 16 Leases and Rentals*. New lease and rental standard that replaces IAS 17. Lessees will include all rentals on the balance sheet as if they were financed purchases. Effective for annual periods beginning on or after 1 January 2019.
- Modification *IFRS 10* and *IAS 28 Sales or contributions of assets between an investor and its associate/joint venture*. Clarification in relation to the result of these operations if they are businesses or assets. No date is set for its application in the European Union.
- Modifications *IFRS 10*, *IFRS 12* and *IAS 28: Investment Entities*. Clarifications on the exemption from consolidation for investment entities. Effective for annual periods beginning on or after 1 January 2016.
- Modifications *IAS 12: Recognition of deferred tax assets for unrealised losses*. It clarifies that unrealised losses on debt instruments measured at fair value (financial instruments available for sale), whose tax base is the cost of acquisition, give rise to a deductible temporary difference regardless of whether the holder expects to recover its value by sale or through use. Effective for annual periods beginning on or after 1 January 2017.

- Modifications *IAS 7: Disclosure initiative*. It adds requirements for a breakdown on the statement of cash flows in relation to financing activities. Effective for annual periods beginning on or after 1 January 2017

On the date of preparation of these consolidated annual accounts, Prosegur Management is evaluating the impact of the application of these standards and amendments on the consolidated annual accounts.

## 35.2. Consolidation principles

### **Subsidiaries**

Subsidiaries, including structured entities, are those controlled by the Company, directly or indirectly, via subsidiaries. The Company controls a subsidiary when as a result of its involvement therein it is exposed or entitled to variable returns and has the ability to influence such returns via the power exercised on said entity. The Company holds the power when it holds substantive powers in force which provide it with the ability to manage relevant activities. The Company has exposure or rights to variable returns for its involvement in the subsidiary when the returns obtained from said involvement may vary according to the entity's economic performance.

The income, expenses and cash flows of subsidiaries are included in the consolidated annual accounts from the date on which Prosegur obtains control until the date that control ceases.

The transactions and balances held with Group companies and the unrealised gain or loss have been removed from the consolidation process. However, unrealised loss has been considered as an indicator of impairment on transferred assets.

Subsidiary accounting policies are changed where necessary for consistency with the principles adopted by Prosegur.

The annual accounts or financial statements of the subsidiaries used in the consolidation process have been prepared as of the same date and for the same period as those of the Parent.

### **Business Combinations**

Prosegur applies the acquisition method for business combinations. The acquisition date is the date on which Prosegur obtains control of the acquiree.

The consideration transferred in a business combination is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed, the equity instruments issued and any consideration contingent on future events or compliance with certain conditions in exchange for control of the acquiree.

The consideration transferred excludes any payment that does not form part of the amount exchanged for the acquiree. Acquisition costs are recognised as an expense when incurred.

On the date of acquisition Prosegur recognises the acquired assets, the liabilities assumed (and any non controlling interest) at fair value. A non-controlling interest in the acquired business is recognised by the amount pertaining to the percentage share in the fair value of the acquired net assets. This criterion is only applicable to non-controlling interests that grant present access to economic rights and the right to the proportional share of the net assets of the acquired entity in the event of liquidation. Otherwise, the non-controlling interests are valued at fair value or value based on market conditions. Liabilities assumed include any contingent liabilities that represent present obligations arising from past events for which the fair value can be reliably measured. Prosegur also recognises indemnification assets transferred by the seller at the same time and using the same measurement criteria applied to the item that is subject to indemnification from the acquired business, taking into consideration, where applicable, the insolvency risk and any contractual limit on the indemnity amount.

Assets and liabilities assumed are classified and designated for subsequent measurement in accordance with the contractual terms, economic conditions, operating or accounting policies and other factors that exist at the acquisition date, except for leases and insurance contracts.

The excess of the consideration given, plus the value assigned to non-controlling interests, over the value of the net assets acquired and liabilities assumed is recognised as goodwill. As appropriate, any shortfall after evaluating the consideration given and the value assigned to non-controlling interests, and after identifying and measuring the net assets acquired, is recognised in profit and loss.

If it is only possible to determine a business combination provisionally at the end of the reporting period, the identifiable net assets are initially recognised at their provisional amounts and adjustments made during the measurement period are recognised as if they had been known at that date. Comparative figures for the previous year are restated where applicable. In any event, adjustments to the provisional values only reflect information relating to facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognised at that date (Note 30).

The potential benefit of the acquiree's income tax loss carryforwards and other deferred tax assets, which are not recognised as they did not qualify for recognition at the acquisition date, is accounted for as income tax revenue provided that it does not arise from a measurement period adjustment.

The contingent consideration is classified in accordance with the underlying contractual terms as a financial asset or financial liability, equity instrument or provision. Subsequent changes in the fair value of a financial asset or financial liability are recognised in consolidated profit or loss or other comprehensive income, provided that they do not arise from a measurement period adjustment. Contingent consideration classified as equity is not remeasured, and subsequent settlement is recognised in equity. Contingent consideration classified as a provision is subsequently recognised in accordance with the relevant measurement standard.

The business combination cost includes contingent considerations if, on the date of acquisition, they are likely and can be reliably estimated. Subsequent recognition of contingent consideration or subsequent variations to contingent consideration are recognised as a prospective adjustment to the cost of the business combination.

### ***Non-controlling interests***

Non-controlling interests in subsidiaries are recognised on the acquisition date at the proportional part of the fair value of the identifiable net assets. Non-controlling interests in subsidiaries acquired prior to the transition date were recognised at the proportional part of the equity of the subsidiaries on the date of first consolidation.

The consolidated profit or loss for the year and changes in equity of the subsidiaries attributable to Prosegur and non-controlling interests after consolidation adjustments and eliminations is determined in accordance with the percentage ownership at year end, without considering the possible exercise or conversion of potential voting rights and after discounting the effect of dividends, agreed or otherwise, on preference shares with cumulative rights classified in equity accounts. However, Prosegur and non-controlling interests are calculated taking into account the possible exercise of potential voting rights and other derivative financial instruments which, in substance, currently allow access to the economic benefits associated with the interests held, such as entitlement to a share in future dividends and changes in the value of subsidiaries.

The excess of losses attributable to non-controlling interests incurred prior to 1 January 2010, which cannot be attributed to them as such losses exceed their interest in the equity of the subsidiary, is recognised as a decrease in equity attributable to equity holders of the parent, except when the non-controlling interests are obliged to assume part or all of the losses and are in a position to make the necessary additional investment. Profits obtained in subsequent years are allocated to equity attributable to shareholders of the parent until the non-controlling interest's share in the previous years' losses is recovered.

Profit and loss and each component of other comprehensive income are allocated to equity attributable to shareholders of the parent and to non-controlling interests in proportion to their investment, even if this results in a balance receivable from non-controlling interests. Agreements entered into between the Prosegur and non-controlling interests are recognised as a separate transaction.

### ***Associates***

Associates are those significantly influenced by the Company, directly or indirectly, via subsidiaries. Significant influence is the power to intervene in financial policy and operating decisions of a company, without there being control or joint control thereon. When assessing whether an entity has significant influence, the existence of potential voting rights that are exercisable or convertible at the end of each reporting period are considered, as well as the potential voting rights held by the Prosegur or by another entity.

Investments in associates are recognised by the equity method as of the date on which the significant influence is exercised until the date on which the Company cannot continue to justify the existence thereof.

Investments in associates are initially recognised by their purchase price. Any surplus between the cost of investment and the percentage belonging to Prosegur of the fair values of identifiable net assets is posted as goodwill, which is included in the book value of the investment.

The share of Prosegur in the profit or loss of the associate entities obtained since the date of acquisition is recognised as an increase or decrease in value of the investments, with a debit or credit made to the item Interest in the P&L of the associate entities, accounted for under the equity method in the consolidated income statement (consolidated income statement). Likewise, the share of Prosegur in the other global result of the associate entities obtained since the date of acquisition is recognised as an increase or decrease in value of the investments in the associate entities, recognising the counterparty by nature in another global result. Dividend distributions are recognised as reductions in the value of the investments.

### **Impairment**

Prosegur applies the impairment criteria contained in *IAS 39: Financial instruments: Recognition and Valuation*, in order to determine whether or not to record impairment losses additional to those already recognised in the net investment of the associate or in any other financial asset held therewith as a result of the application of the equity method.

Calculation of impairment is determined as the result of the comparison between the book value associated with the net investment in the associate with its recoverable value, the latter being understood as the greater value between the value in use or fair value minus costs of sale or disposal via any other channel. In this regard, value in use is calculated on the basis of the share of Prosegur in the current value of estimated cash flows from ordinary activities and amounts which might result from the final sale of the associate.

The recoverable amount of the investment of an associate is valued according to each associate entity, unless it is not a cash generating unit (CGU) (Note 35.9).

Value impairment losses are not allocated to goodwill or other assets implicit in the investment in associates arising from the application of the acquisition method. In subsequent years, value reversals of investments are recognised in results, insofar as there is an increase in recoverable value. Value impairment losses are presented separately from the Prosegur share in the results of the associates.

### **Joint arrangements**

Joint ventures are those in which there is a contractual agreement to share the control over an economic activity, in such a way that decisions relating to the relevant activities require the unanimous consent of Prosegur and the remaining venturers or operators. The assessment of the existence of joint control is carried out according to the definition of control of dependent entities.

### **Joint ventures**

Investments in joint ventures are recognised applying the equity method. This method involves including the value of the net assets and goodwill in the consolidated balance sheet line "Investments accounted for using the equity method" if it exists, corresponding to the share held in the joint venture. The net result obtained each year, corresponding to the percentage of shareholding in the joint ventures is reflected in the consolidated profit and loss accounts as "Share in profit/loss for the year of investments accounted for using the equity method". Prosegur decides to submit these results as part of its operating results as it considers that the results of its joint ventures form part of its operations.

Dividend distributions from joint ventures are recognised as reductions in the value of the investments. Losses of joint ventures which pertain to Prosegur are limited to the value of the net investments, except for those cases in which Prosegur has assumed legal or implied obligations, or else has made payments in the name of the joint ventures.

### **Joint Operations**

In regard to joint operations, in its consolidated annual accounts Prosegur recognises its assets, including its interest in jointly controlled assets; its liabilities, included its interest in liabilities assumed jointly with other operators; the income obtained from the sale of its share of production arising from the joint operation, and its expenses, including the part pertaining to its of joint expenses.

In sales transactions or contributions by Prosegur to joint operations, only the results pertaining to the share of the rest of operators are recognised, unless the losses should highlight a loss or impairment of value of assets transferred, in which case, these will be recognised in full.

In purchase transactions of Prosegur to joint operations, results are only recognised when assets acquired are sold to third parties, unless the losses should highlight a loss of value or impairment of the acquired assets, in which case Prosegur shall recognise the proportional share of the losses pertaining to it in full.

The acquisition by Prosegur of the initial and subsequent interest in a joint operation is recognised applying the criteria applied for business combinations, by the percentage share held in the individual assets and liabilities. However, in the subsequent acquisition of an additional share of a joint operation, the previous share in individual assets and liabilities are not subject to revaluation.

### **35.3. Consolidated functional profit and loss account**

Prosegur chooses to submit the costs recognised in the profit and loss account using a classification based on the function of the same within the entity as it considers that this method provides users with more relevant information than the classification of costs by nature.

### **35.4. Segment reporting**

A business segment is a group of assets and operations that is engaged in providing products or services and which is subject to risks and rewards that are different from those of other segments.

A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and rewards that are different from those of segments operating in other economic environments.

Costs are directly allocated to each of the defined segments. Each geographical area has its own functional structure. Certain functional overheads are common to all activity segments and are distributed according to the time spent or extent of use.

### **35.5. Foreign currency transactions**

#### ***Functional and presentation currency***

The consolidated annual accounts of each Prosegur entity are presented in the currency of the main economic environment in which it operates ("functional currency"). The figures disclosed in the consolidated annual accounts are expressed in thousands of euros (unless stated otherwise), the Parent's functional and presentation currency.

#### ***Balances and 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 on the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rate are recognised in the income statement, unless they are recognised directly in equity as cash flow hedges.

Foreign exchange gains or losses relating to loans and cash and cash equivalents are recognised in the income statement under finance income or costs.

Changes in the fair value of monetary assets denominated in foreign currencies and classified as available for sale are analysed to distinguish between translation differences resulting from changes in the amortised cost of the asset and other changes in the carrying amount of the asset. Translation differences are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary items, such as equity instruments at fair value through profit or loss, are recognised as changes in fair value. Translation differences on non-monetary items, such as equity instruments classified as available-for-sale financial assets, are recognised in the revaluation reserve in equity.

Differences on translation of deferred tax assets and liabilities denominated in foreign currencies and deferred income taxes are included in profit or loss.

In the consolidated statement of cash flows, cash flows from foreign currency transactions have been translated into euros at the exchange rates prevailing at the dates the cash flows occur. The effect of exchange rate fluctuations on cash and cash equivalents denominated in foreign currencies is recognised separately in the statement of cash flows as "Effect of translation differences on cash held".

**Translation of foreign operations**

Prosegur applied the exemption permitted by IFRS 1 First-time Adoption of International Financial Reporting Standards relating to cumulative translation differences. Consequently, translation differences recognised in the consolidated annual accounts generated prior to 1 January 2004 are included in retained earnings. As of that date, foreign operations whose functional currency is not the currency of a hyper-inflationary economy have been translated into euros as follows:

- i. Assets and liabilities, including goodwill and net asset adjustments derived from the acquisition of the operations, including comparative amounts, are translated at the closing rate on the reporting date;
- ii. Income and expenses are translated at the average monthly exchange rate;
- iii. All resulting exchange differences are recognised as translation differences in other comprehensive income.

On consolidation, exchange differences arising on the translation of a net investment in foreign operations, and of loans and other instruments in foreign currency designated as hedges of these investments, are recognised in the equity of the company holding the investment. When these investments are sold, the exchange differences are recognised in the income statement as part of the gain or loss on the sale.

**35.6. Property, plant and equipment**

Land and buildings mainly comprise operating divisions. Property, plant and equipment are recognised at cost less depreciation and any accumulated impairment losses, except in the case of land, which is presented at cost net of any impairment losses.

Historical cost includes all expenses directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, provided that it is probable that the future economic benefits associated with the items will flow to Prosegur and the cost of the item can be reliably measured. The carrying amount of the replaced item is derecognised. Other repairs and maintenance costs are taken to the income statement when incurred.

Land is not depreciated. Other assets are depreciated on a straight-line basis to allocate the cost or revalued amount to residual value over the following estimated useful lives:

	Ratio (%)
Buildings	2 and 3
Technical installations and machinery	10 to 25
Other installations and tools	10 to 30
Furniture	10
Information technology equipment	25
Motor vehicles	16
Other property, plant and equipment	10 to 25

The residual values and useful lives of assets are revised, and adjusted if necessary, as a change in accounting estimates, at the end of each reporting period.

When the carrying amount of an asset exceeds its estimated recoverable amount, it is immediately written down to the latter (Note 35.9).

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 the income statement.

**35.7. Intangible assets****Goodwill**

Goodwill is the amount by which the cost of acquisition exceeds the fair value of Prosegur's share of the acquired subsidiary's identifiable net assets on the acquisition date. Goodwill impairment is verified every year (Note 35.9)

posted at cost minus cumulative impairment losses. Gains and losses on the sale of an entity include the carrying amount of the goodwill allocated to the sold entity.

For impairment testing purposes, goodwill is allocated to cash-generating units (CGU). Goodwill is allocated to the CGU that are expected to benefit from the business combination from which the goodwill arose.

### ***Client portfolios***

The relationships with customers that Prosegur recognises under customer portfolios are separable and based on a contractual relationship, thus meeting the requirements set out in prevailing legislation for consideration as intangible assets separate from goodwill. In general, these are customer service contracts that have been acquired from third parties or recognised in the allocation of fair values in business combinations.

Portfolios of contracts with customers are recognised at fair value on the acquisition date less amortisation and accumulated impairment losses.

The fair value allocated to customer contract portfolios acquired from third parties is the acquisition price. To determine the fair value of intangible assets allocated in business combinations in the form of customer relationships, the income approach is used: discounting the cash flows generated by these relationships at the date of acquisition of the subsidiary. Cash flows are estimated based on the sales, operating investments and EBITDA margins projected in the company's business plans.

Prosegur amortises customer portfolios on a straight-line basis over their estimated useful lives. The useful life is estimated based on indicators such as average length of relationship with customers or the average annual customer churn rate. The useful lives allocated to these intangible assets are reviewed at the end of each reporting period. Customer portfolios have useful lives of between 5 and 22 years.

Customer portfolios are allocated to cash-generating units (CGUs) in accordance with their respective business segment and the country of operation.

At the end of each reporting period, Prosegur assesses whether the recoverable amount is affected by any impairment loss. The tests to determine whether there are indications of impairment of customer portfolios mainly consist of:

- Verifying whether events have taken place that could have a negative impact on the estimated cash flows from the contracts making up the portfolio (such as a decline in total sales or EBITDA margins).
- Updating the estimated customer churn rates to identify any changes to the periods for which customer portfolios are expected to generate revenues.

If there are indications of impairment, the recoverable amount of a customer portfolio is based on the present value of the re-estimated cash flows from the contracts over their useful lives.

If customer churn rates have risen, the useful lives of customer portfolios are re-estimated.

### ***Trademarks and licences***

Trademarks and licences are presented at historical cost. They have finite useful lives and are recognised at cost less amortisation and accumulated impairment losses. Trademarks and licences are amortised on a straight-line basis to allocate the cost over their estimate useful lives (1.6 to 30 years).

### ***Computer software***

Computer software licences are capitalised at cost of acquisition or cost of preparation of the specific software for use. These expenses are amortised over the estimated useful lives of the assets (3 to 5 years).

Computer software maintenance or development costs are charged as expenses when incurred.

## **35.8. Investment property**

Prosegur classifies as real estate investments the buildings to be used in full or in part to obtain rent, capital gains or both, instead of for use in the production or supply of goods or services, or else for the administrative purposes of Prosegur or sale in the ordinary course of business. Real estate investments are initially recognised at cost, including transactions costs. On 31 December 2015, these pertain mainly to buildings used by third parties, under operating leases.

Prosegur values real estate investments subsequent to initial recognition applying the criteria of cost or attributed cost used for property, plant and equipment. The amortisation methods are those contained in that section. The estimate useful life of real estate investments is of 50 years.

### **35.9. Impairment losses**

If an event or change in circumstances indicates that the carrying amount of assets subject to amortisation or depreciation may not be recoverable, Prosegur determines whether impairment losses have been incurred. The difference between the carrying amount of the asset and its recoverable amount is recognised as an impairment loss. The recoverable amount is the greater between the fair value of an asset less the costs to sell or other type of disposal, or the value in use. For impairment testing purposes, assets are grouped at the lowest level for which separate identifiable cash flows can be identified (cash-generating unit, CGU). Prosegur reviews impaired non-financial assets other than goodwill at the end of each reporting period to assess whether the loss has been reversed.

#### ***Impairment losses on goodwill***

Goodwill has been allocated to Prosegur's cash-generating units (CGU) in accordance with their respective country of operation. Goodwill is allocated to CGU for impairment testing purposes. Goodwill is allocated to the CGU that are expected to benefit from the business combination from which the goodwill arose.

The recoverable amount is the higher between its fair value less costs to sell or otherwise dispose and its value in use, which is understood to be the present value of estimated future cash flows. To estimate the value in use Prosegur prepares forecasts of future cash flows before tax based on the most recent budgets approved by management. These budgets incorporate the best available estimates of income and expenses of the cash-generating units (CGU) using past experience and future expectations. These budgets have been prepared for the next four years, and future cash flows have been calculated by applying non-increasing estimated growth rates that do not exceed the average long-term growth rate for the business in which the CGU operates.

Management determined EBITDA (earnings before interest, tax, depreciation and amortisation) based on past returns and the foreseeable development of the market.

To calculate present value, cash flows are discounted at a rate that reflects the cost of capital of the business and the geographical region in which it operates. Prosegur considers the present value of money and risk premium calculations currently in general use among analysts for the geographical area.

If the recoverable amount is less than the carrying amount of the asset, the difference is recognised under impairment losses in the consolidated income statement (Note 12).

Impairment losses on goodwill are not reversible.

As well as testing for impairment, Prosegur performs a sensitivity analysis on goodwill which consists of verifying the impact of deviations in key assumptions on the recoverable amount of a CGU (Note 12).

### **35.10. Financial assets**

#### **Classification**

Financial assets are classified on initial recognition in accordance with the economic substance of the contractual arrangement and the definition of a financial asset in IAS 32 "Financial Instruments: Presentation".

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, separating those initially designated from those held for trading, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial instruments are classified into different categories based on the nature of the instruments and Prosegur's intentions on initial recognition.

#### ***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 arise when Prosegur provides money, goods or services directly to a recipient without the intention of trading the receivable. 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 trade and other receivables in the statement of financial position (Note 35.12).

#### **Available-for-sale financial assets**

In this category, Prosegur classifies values representing debt and equity instruments of other companies that have not been classified in any other category of financial asset.

#### **Recognition, measurement and derecognition of financial assets**

Acquisitions and disposals of financial assets are recognised on the trade date, i.e. the date on which Prosegur commits to acquire or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not recognised at fair value through profit or loss. Investments are derecognised when they expire or the contractual rights to the cash flows from the investment have been transferred and Prosegur has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets are subsequently recognised at fair value.

Loans and receivables are measured at amortised cost using the effective interest method.

Unrealised gains and losses arising from changes in the fair value of non-monetary assets classified as available for sale are recognised in equity. When assets classified as available for sale are sold or incur irreversible impairment losses, the accumulated adjustments in fair value are included in the income statement as gains or losses on the assets.

Prosegur tests financial assets or groups of financial assets for impairment at the end of each reporting period. In the case of equity securities classified as available for sale, to determine whether they are impaired Prosegur considers whether a significant or prolonged decline has reduced the fair value of the securities to below cost.

If such evidence exists for available-for-sale financial assets, the cumulative loss, calculated as the difference between the acquisition cost and the present fair value less any impairment loss previously recognised, is reclassified from equity to profit or loss. Impairment losses recognised for equity instruments are not reversed through profit or loss.

The Company derecognises financial assets when they expire or the rights to cash flows for the corresponding financial asset have been transferred and the risk and profit inherent to ownership of the same has also been substantially transferred, such as transfer of commercial credit in factoring operations where the company does not retain any credit risk or interest.

To the contrary, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the payment received, in transfers of financial assets where the risk and profit inherent to ownership of the same has been substantially retained, such as draft discounting or recourse factoring where the transferring company retains subordinate financing or other types of guarantee that substantially absorb all expected losses.

### **35.11. Inventory**

Inventories are measured at the lower of cost and net realisable value, with the following exceptions:

- Inventories held in warehouses and uniforms are measured at weighted average cost.
- Work in progress is measured at the cost of the installation, which includes materials and spare parts used and the standard cost of the corresponding labour, which does not differ from the actual costs incurred during the year.

The net realisable value is the estimated selling price in the normal course of business less any variable costs to sell.

### **35.12. Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. Impairment of trade receivables is recognised if there is objective evidence that Prosegur will not collect all the amounts due under the original contractual terms. Financial difficulties affecting the debtor, the likelihood that the debtor will enter insolvency proceedings or a financial restructuring

process, or a default or delay in payments are considered to indicate that a receivable is impaired. The amount of the impairment loss is 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. The carrying amount of the asset is reduced as the allowance account is used and the loss is taken to the income statement. When a receivable is irrecoverable, it is written off against the allowance account for receivables.

### **35.13. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits in financial institutions, other short-term, highly liquid investments with a maturity of three months or less and bank overdrafts. Bank overdrafts are recognised in the statement of financial position as current financial liabilities.

### **35.14. Share capital**

Ordinary shares are classed as equity.

When any Prosegur entity acquires shares in the Company (own shares), the consideration paid, including any incremental costs that are directly attributable to the acquisition (net of income tax), is subtracted from equity attributable to shareholders of the Company until cancellation or disposal. When these shares are sold, the consideration received, net of any incremental costs directly attributable to the sale and the corresponding income tax effect, is recognised in equity attributable to shareholders of the Company.

### **35.15. Provisions**

Provisions for restructuring and litigation are recognised when:

- i. Prosegur has a present obligation (legal or constructive) as a result of a past event.
- ii. It is more probable than not that an outflow of resources will be required to settle the obligation.
- iii. A reliable estimate has been made of the amount of the obligation.

Where Prosegur has a number of similar obligations, the probability that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if an outflow of resources in connection with any item included in the same class of obligations is unlikely.

Restructuring provisions include lease cancellation penalties and employee termination benefits. No provision is recognised for future operating losses.

Management estimates the provisions for future claims based on historical claims, as well as any recent trends indicating that past information on costs could differ from future claims. Management is assisted by external labour, legal and tax advisors to make the best estimates (Note 23).

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. Increases in the provision due to the passage of time are recognised as an interest expense.

### **35.16. Financial Liabilities**

Financial liabilities are classified on initial recognition in accordance with the economic substance of the contractual arrangement and the definition of a financial liability in IAS 32 Financial Instruments: Presentation.

Financial liabilities are initially recognised at fair value less any transaction costs and are subsequently measured at amortised cost. Financial liabilities are subsequently measure by their amortised cost. Any difference between the funds obtained (net of arrangement costs) and the redemption amount is recognised in the income statement over the term of the liability using the effective interest method.

Liabilities are classified as current unless Prosegur has an unconditional right to defer settlement for at least twelve months after the reporting date.

Fees and commissions paid for credit facilities are recognised as loan transaction costs provided that it is probable that Prosegur will draw down from one or all of the facilities. In this case, the fees and commissions are deferred until funds are drawn. If there is no evidence that Prosegur is likely to draw down from the credit facility, the fees and commissions are capitalised as a prepayment for liquidity services and amortised over the term of the credit facility.

### **35.17. Current and deferred tax**

The income tax expense for the year comprises current tax and deferred tax. The tax is recognised in the results account, except in the measure that it refers to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current tax expense is calculated in accordance with tax laws that have been enacted or substantially enacted at the reporting date in the countries in which the subsidiaries and associates operate and generate taxable income. Management regularly assesses the judgements made in tax returns where situations are subject to different interpretation under tax laws, recognising, if necessary, the corresponding provisions based on the expected tax liability.

A significant degree of judgement is required to determine the provision for income tax payable by the Group. In many transactions and calculations during the ordinary course of business, the final tax amount is uncertain. Prosegur recognises tax contingencies that it expects to arise based on estimates when it considers that additional taxes will be payable. If the tax finally paid in these cases differs from the amounts initially recognised, these differences affect income tax and the provision for deferred taxes for the year in which they were calculated.

Deferred tax is calculated using the balance sheet method, based on temporary differences that arise between the tax base of assets and liabilities and their carrying amounts in the consolidated annual accounts. 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 rates (and tax laws) 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 sufficient taxable income will be generated against which the temporary differences can be offset.

Deferred tax assets and liabilities are recognised in respect of the temporary differences that arise from investments in subsidiaries and associates, except where Prosegur is able to control the timing of the reversal of the temporary differences and it is probable that they will reverse in the foreseeable future.

Prosegur recognises the conversion of a deferred tax asset into Public Administration receivables when it is payable pursuant to the provisions of tax legislation in force. Likewise, Prosegur recognises the exchange of a deferred tax asset for Public Debt Securities when ownership thereof is acquired.

### **35.18. Employee benefits**

#### ***Offsetting based on Prosegur share listing – 2014 Plan***

At the General Meeting held on 29 May 2012, the shareholders approved the 2014 Plan of long-term incentives for the Managing Director and Senior Management of Prosegur. The 2014 Plan is essentially linked to value creation during the 2012-2014 period and originally set out the payment of Company share-based and/or cash incentives to the Managing Director and Senior Management of the Company. The maximum number of shares earmarked for the 2014 Plan amounted to 4,120,000, representing 0.668% of Prosegur's present share capital. In financial year 2015, incentives payments relating to such Plan have been paid, tracking the listing of Prosegur's shares at the time of the payment, thereby replacing the original share settlement scheme planned. As a consequence, in 2015, EUR 3,401 thousand was transferred to short-term provisions from other equity instruments the previous year. Additionally, the difference between the total commitment originally considered by Prosegur in connection with incentives in shares and the incentives finally paid in cash, taking the Prosegur listed share price as a benchmark, amounted to EUR 1,802 thousand and was recognised under wages and salaries (Note 23).

The 2014 Plan is a multi-annual bonus payable at a rate of 50% cash and 50% based on the listing of parent company shares.

The 2014 Plan lasts 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 1 January 2012 until 31 December 2014 and length of service from 1 January 2012 until 31 December 2016. The measurement dates of the 2014 Plan are the following:

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

EUR 5,877 thousand was applied in 2015, corresponding to settlement of the first part of the 2014 Plan (Note 23). The value finally paid depends on the listing for the asset at the time payment is made.

#### ***Offsetting based on Prosegur share listing – 2017 Plan***

At the General Meeting held on 28 April 2015, the shareholders approved the 2017 Plan of long-term incentives for the Managing Director and Senior Management of Prosegur. The 2017 Plan is essentially linked to value creation during the 2015-2017 period and sets out the payment of incentives pegged to the listing value of shares and/or cash incentives to the Managing Director and Senior Management of the Company.

For the purposes of determining the cash value of each share that the beneficiary is entitled to, the average listing for Prosegur shares on the Madrid Stock Exchange for the past fifteen trading sessions in the month before the one when the shares are delivered will be taken as a benchmark.

The quantification of the total incentive will depend on the degree to which the objectives that were established in line with the strategic plan have been achieved.

The 2017 Plan lasts 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 1 January 2015 until 31 December 2017 and length of service from 1 January 2015 until 31 December 2019. Entitlement to incentives is assessed on the following dates:

- Final measurement date: 31 December 2017.
- Length-of-service bonus date: 2020.

The 2017 Plan is a multi-annual bonus payable at a rate of 50% cash and 50% based on the listing of parent company shares.

In relation to the 2014 and 2017 long-term incentive plan for the CEO and Senior Management of Prosegur (Note 5.1), expense accrued in 2015, amounting to EUR 4,852 thousand, has been included in Salaries and wages (Note 23).

The fair value of incentives pegged to the share's listed price was estimated on the basis of the listed price of Prosegur shares (EUR 4.25 per share) at the end of the period or at the time of payment.

#### ***Termination benefits***

Termination benefits are recognised on the earlier date between the one on which Prosegur may no longer withdraw the offer and when restructuring costs entailing the payment of termination benefits are recognised.

In termination benefits resulting from the decision of employees to accept an offer, it is deemed that Prosegur may no longer withdraw the offer, on the earlier date between the one on which the employees accept the offer and when a restriction on the ability of Prosegur to withdraw the offer takes effect.

In the case of benefits for voluntary termination, it is considered that Prosegur can no longer withdraw the offer when the plan has been notified to affected employees and union representatives, and the actions necessary to complete it indicate that the occurrence of significant changes to the plan are improbable, the number of employees to be terminated, their employment category or duties and place of employment and the anticipated termination date are identified, and it establishes the termination benefits that the employees are going to receive in sufficient detail so that the employees are able to determine the type and amount of remuneration they will receive when terminated.

If Prosegur expects to settle the benefits in their entirety within twelve months of the reporting period, the liability is discounted using the market performance yield corresponding to the issue of high-quality corporate bonds and debentures.

***Short-term employee remuneration***

Short-term employee remuneration is remuneration to employees, other than termination benefits, whose payment is expected to be settled in its entirety within 12 months of the end of the reporting period in which the employees have rendered the services for the remuneration.

Short-term employee remuneration is reclassified as long-term, if the characteristics of the remuneration are modified or if a non-provisional change occurs in settlement expectations.

Prosegur recognises the anticipated cost of short-term remuneration as paid leave whose rights accumulate as the employees render the services granting them the right to collection. If the leaves are not cumulative, the expense is recognised as the leaves take place.

***Profit-sharing plans and bonuses***

Prosegur calculates the liability and expense for bonuses and profit-sharing using a formula based on EBITDA (earnings before interest, tax, amortisation and depreciation).

Prosegur recognises this cost when a present, legal or implied obligation exists as a result of past events and a reliable estimate may be made of the value of the obligation.

***Remuneration of executives***

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 Prosegur management's best possible estimate of the extent to which targets will be met.

***Defined benefit plans***

Prosegur includes in defined benefit plans those financed through the payment of insurance premiums where there is the legal or implicit obligation to directly pay employees the benefits committed as soon as they are payable or to pay additional amounts if the insurer does not disburse the benefits corresponding to services provided by employees in the year or in previous years.

Liabilities for defined benefits recognised in the consolidated statement of financial position correspond to the current value of the defined benefit obligations existing at the reporting date, less the fair value at said date of the assets under the plan.

The present value of employee benefits depends on a number of factors determined using various assumptions. The assumptions employed to calculate the net expense (income) include the discount rate. Any change in these assumptions will affect the carrying amount of employee benefits.

In those cases in which the result obtained from the undertaking of the aforementioned operations is negative, in other words an asset arises, Prosegur recognises this up to the limit of the amount of the present value of any economic benefit available in the form of reimbursements from the plan or reductions in future contributions thereto. The economic benefit is available for Prosegur if it is realisable at any moment during the life of the plan or in the settlement of plan liabilities, even if not immediately realisable at the close of the reporting date.

Income or expense related to defined benefit plans is recognised as other employee benefits expenses and is the sum of the net current service cost and the net interest cost of the net liabilities or assets for defined benefits. The recalculation of the measurement of net liabilities or assets for defined benefits is recognised in other comprehensive income. The latter includes actuarial losses and gains, the net return on plan assets and any change in the effects of the asset limit, excluding any quantities included in the net interest on liabilities or assets. The costs of administering plan assets and all types of taxes characteristic of these, other than those included in the actuarial assumptions, are deducted from the net return of the plan assets. Amounts deferred in other comprehensive income are reclassified to accumulated earnings in the same reporting period.

Prosegur likewise recognises the cost of past services as an expense of the reporting period on the earlier date between the one on which the modification or reduction of the plans takes place and when the corresponding restructuring or termination benefits are recognised.

The present value of defined benefit obligations is calculated annually by independent actuaries using the projected unit credit Method. The discount rate of the net asset or liability for defined benefits is calculated based on the yield

on high quality corporate bonds of a currency and term consistent with the currency and term of the post-employment benefit obligations.

Discretionary contributions of employees or third parties to defined benefit plans reduce the service cost for the reporting period in which they are received. Contributions of employees or third parties established in the terms of the plan reduce the service cost of the service periods if they are associated with the service or reduce recalculations. Changes in contributions associated with the service are recognised as a cost for a current or past service, if they are not established in the formal terms of the plan and do not derive from an implicit obligation or as actuarial losses and gains, if they are established in the formal terms of the plan or derive from an implicit obligation.

Prosegur does not offset assets and liabilities among different plans except in cases in which a legal right exists to offset surpluses and deficits generated by the various plans and seeks to cancel obligations by their net amounts or realise the surplus in order to simultaneously cancel plan obligations with deficits.

Assets or liabilities from defined benefits are recognised as current or non-current depending on the realisation or maturity period of the related benefits.

### **35.19. Revenue recognition**

Revenues include the fair value for the sale of goods and services, net of value added tax, discounts and returns and after eliminating intra-Prosegur sales. Prosegur recognises revenues when the amount can be measured reliably, it is probable that the future economic benefits will flow to the entity and the specific terms are met for each of Prosegur's activities.

Revenue is recognised on an accruals basis applying the following criteria:

- a) Sales of goods, mainly security installations and home alarm systems, are recognised when the product has been delivered to, and accepted by, the customer. These revenues are measured at the fair value of the corresponding receivable.
- b) Sales of active manned guarding, cash in transit and cash management services are recognised in the reporting period in which the services are rendered, without including taxes levied on these transactions, deducting any discounts included in the invoice as a reduction in the transaction amount.
- c) Revenues from the home alarm system activity are recognised in the reporting period in which the services are rendered, without including the taxes levied on these transactions, deducting any discounts included in the invoice as a reduction in the transaction amount. In some alarm monitoring contracts, the customer does not purchase the equipment installed. Under the general alarm system rental contract, Prosegur receives an initial amount when the contract is signed and a regular instalment for the rental of the installed equipment and the services rendered.
- d) Interest received is recognised over the period of the outstanding principal and considering the effective interest rate applicable. When a receivable is impaired, Prosegur writes down the carrying amount to the recoverable amount, discounting estimated future cash flows at the original effective interest rate of the instrument. The discounting continues to be recognised as a reduction in the interest received. Interest on impaired loans is recognised using the effective interest method.
- e) Dividends received are recognised when the right to receive payment is established.

### **35.20. Leases**

#### ***When a Prosegur entity is the lessee***

Leases of property, plant and equipment where Prosegur assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the commencement of the lease term at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is broken down into reductions in the payable and the finance costs, so as to produce a constant rate of interest on the remaining balance of the liability. The lease payable, net of the corresponding finance cost, is recognised under financial liabilities. The interest within the finance cost is taken to the income statement over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability in each

period. Property, plant and equipment acquired under finance lease contracts are depreciated over the shorter of the useful life of the asset and the lease term when there is no possibility of Prosegur assuming ownership; otherwise, they are depreciated over the estimated useful life of the asset.

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

***When a Prosegur entity is the lessor***

Assets leased to third parties under operating lease contracts are recognised as property, plant and equipment in the balance sheet. These assets are depreciated over their expected useful lives based on criteria consistent with those applied to similar assets owned by Prosegur. Lease income is recognised on a straight-line basis over the expected useful life of the asset.

### **35.21. Borrowing costs**

Prosegur recognises borrowing costs directly attributable to the acquisition, construction or production of qualifying assets as an increase in the value of these assets. Qualifying assets are those which require a substantial period of time before they can be used or sold.

### **35.22. Construction contracts**

Contract costs are recognised when incurred.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred for which recovery is probable.

When the outcome of a construction contract can be estimated reliably and the contract is likely to yield a profit, contract revenue is recognised over the duration of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Prosegur uses the stage of completion method to calculate the amount to be recognised in a certain period. The stage of completion is determined by calculating the percentage of estimated total contract costs represented by costs incurred at the reporting date. Costs incurred during the year in relation with future contract activity are excluded from the contract costs used to determine the stage of completion. These costs are recognised as inventories, prepayments or other assets, depending on their nature.

Prosegur recognises the gross receivable from customers in relation to work on all contracts in force when the costs incurred plus recognised profit (or less recognised losses) exceed the portion invoiced to date. Progress billings outstanding and retention payments are recognised under trade and other receivables.

Prosegur recognises the gross amount payable to customers in relation to work on all current contracts when the progress billings exceed the costs incurred plus recognised profit (or less recognised losses).

### **35.23. Non-current assets held for sale**

Non-current assets (or disposal groups) are classified as held for sale when the carrying amount is principally recoverable through a sale, provided that the sale is considered highly probable. The assets are recognised at the lower of the carrying amount and the fair value less costs to sell, provided that their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

### **35.24. Distribution of dividends**

Dividends distributed to Prosegur's shareholders are recognised as a liability in the consolidated annual accounts in the year in which the dividends are approved by the shareholders.

### **35.25. Environment**

The cost of armoured vehicles compliant with the Euro V standard on non-polluting emissions is recognised as an increase in the carrying amount of the asset. At the 2015 reporting date Prosegur has no contingencies, legal claims or income and expenses relating to the environment.

### 35.26. Consolidated cash flow statement

The following expressions are used in the following regards in the consolidated cash flow statements, drawn up according to the indirect method.

- Cash flows: incoming and outgoing cash and cash equivalents, which are understood to be short-term, highly liquid investments with a low risk of significant variation in their value.
- Operating activities: ordinary activities of the companies forming the consolidated group, along with other activities that cannot be qualified as investment or financing.
- Investment activities: purchase, sale or disposal by other means of long-term assets and other investments not included in the cash and cash equivalents.
- Financing activities: activities that produce changes in equity and financing liabilities. Overdrafts, in particular, are included in this section.

On 29 December 2015, Prosegur arranged a non-recourse factoring facility in the amount of BRL 26,218 thousand (equivalent on 31 December 2015 to: EUR 6,081 thousand), (Note 19). The programme matures in January 2016. The contract expressly indicates that the purchaser will not be entitled to recourse against the seller in the event of any default or delay in collection of a transferred receivable. In other words, the buyer assumes the credit risk and default risk. The effect of the factoring contract is recognised under variations in trade and other receivables in the consolidated cash flow statement.

As a result of the change in the consolidation method for the following companies (Note 15): Shanghai Weldon Security Equipment Co Ltd, Shanghai Weldon Security Service Co Ltd, Hangzhou Weldon Security Service Co Ltd and Sichuan Weldon Security Service Co Ltd, cash and cash equivalents amounting to EUR 3,613 have been derecognised in investments accounted for using the equity method.

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## APPENDIX I. – Consolidated Subsidiaries

## Information on 31 December 2015

Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal	Shareholding Company			
Prosegur Soluciones Integrales de Seguridad España SLU	Pajaritos, 24 (MADRID)	100	Prosegur Global SIS ROW SLU	a	1	A
Prosegur Gestión de Activos, S.L.U.	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	6	A
Prosegur Global Alarmas SLU	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	5	A
Formación Selección y Consultoría S.A.	Santa Sabina 8 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	6	B
Prosegur Gestión de Activos International SL	Pajaritos, 24 (MADRID)	100	Prosegur Gestión de Activos, S.L.U.	a	8	B
Prosegur International SIS SLU	Pajaritos, 24 (MADRID)	100	Prosegur Global SIS SLU	a	8	B
Prosegur USAP International SLU	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	8	B
Prosegur International Alarmas SLU	Pajaritos 24 (MADRID)	100	Prosegur Global Alarmas SLU	a	8	B
Prosegur Soluciones SAU	Pajaritos, 24 (MADRID)	100	Prosegur Global Alarmas ROW SLU	a	3	A
Centro Informático de Servicios de Vigo SA	Ru Tomas a Alonso,5 Vigo - España	100	Prosegur BPO España SLU	a	7	B
Prosegur Global SIS SLU	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	5	B
Prosegur Servicios de Efectivo España SLU	Pajaritos, 24 (MADRID)	100	Prosegur Global CIT ROW SLU	a	2	A
Prosegur Alarmas España SLU	Pajaritos, 24 (MADRID)	100	Prosegur Global Alarmas ROW SLU	a	3	A
Prosegur Global CIT SLU	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	5	B
Prosegur Berlin SLU	Pajaritos, 24 (MADRID)	100	Prosegur Global CIT ROW SLU	a	5	B
Prosegur BPO España SLU	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	7	B
Armor Acquisition SA	Pajaritos, 24 (MADRID)	5 95	Prosegur Cia de Seguridad, S.A. Prosegur Intenational Handels GmbH	a	5	A
Juncadella Prosegur Internacional SA	Pajaritos, 24 (MADRID)	68.79 31.21	Armor Acquisition SA Prosegur Intenational Handels GmbH	a	5	A
Prosegur International CIT 1, SL	Pajaritos, 24 (MADRID)	0.03 99.97	Prosegur Cia de Seguridad, S.A. Prosegur Global CIT SLU	a	5	B
Prosegur International CIT 2, SLU	Pajaritos, 24 (MADRID)	100	Prosegur Global CIT SLU	a	5	B
Prosegur Global Alarmas ROW SLU	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	5	B
Prosegur Global CIT ROW SLU	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	5	B
Prosegur Global SIS ROW SLU	Pajaritos, 24 (MADRID)	100	Prosegur Cia de Seguridad, S.A.	a	5	B
ESC Servicios Generales, S.L.U.	Pajaritos, 24 (MADRID)	100	Prosegur Global SIS ROW SLU	a	1	A
Prosegur International Handels	Poststrabe, 33 (HAMBURG)	100	Malcoff Holding BV	a	5	B
Prosegur GmbH	Kokkolastrasse 5, 40882 Ratingen	100	Prosegur Cia de Seguridad, S.A.	a	2	A
Prosegur Services Germany GmbH	Kokkolastrasse 5, 40882 Ratingen	100	Prosegur USAP International SLU	a	7	B
Prosegur SIS Germany GmbH	Kokkolastrasse 5, 40882 Ratingen	100	Prosegur Global SIS ROW SLU	a	1	B
Prosegur Investments Verwaltungs GmbH	Kokkolastrasse 5, 40882 Ratingen	100	Prosegur Gestión de Activos, S.L.U.	a	5	B
Prosegur Investments GmbH & Co KG	Kokkolastrasse 5, 40882 Ratingen	100 0	Prosegur Gestión de Activos SLU Prosegur Investments Verwaltungs Gm	a	5	B
Prosegur Berlin SL & Co KG	Kokkolastrasse 5, 40882 Ratingen	100 0	Prosegur Global CIT ROW SLU Prosegur Berlin SLU	a	2	B
Prosegur France SAS	Parc Technologique, 5. Place Berthe Morisot, 69800 Saint Priest	100	Prosegur Cia de Seguridad, S.A.	a	5	A
Prosegur Securite Humaine SAS	Parc Technologique, 5. Place Berthe Morisot, 69800 Saint Priest	100	Prosegur France SAS	a	1	A
Prosegur Gestion d'Actifs France SCI	5 Place Berthe Morisot Parc Technologique, Batiment A2 - 69800	95 5	Prosegur Cia de Seguridad, S.A. Prosegur Gestion de Activos Internator	a	6	B
Prosegur Securite Nord SAS	28 RUE D'ARCUEIL - 94250 GENTILLY	100	Prosegur France SAS	a	1	B
GRP Holding SARL	177, rue de Luxembourg, L - 8055 Bertrange, Luxembourg	100	Luxpai Holdo SARL	a	5	B
Prosegur Security Luxembourg SARL	177, rue de Luxembourg, L - 8077 Bertrange, Luxembourg	100	GRP Holding SARL	a	1	B
Prosegur Securite EST SAS	14, rue des Serruries 57070 Metz	100	Prosegur France SAS	a	1	B
Prosegur Securite Rubis SAS	2 Boulevard Général de Gaulle, 94270 Le Kremlin Bicêtre	100	Prosegur France SAS	a	1	B
Prosegur Securite Opale SAS	2 Boulevard Général de Gaulle, 94270 Le Kremlin Bicêtre	100	Prosegur France SAS	a	1	B
Prosegur Accueil et Service SAS	14, rue des Serruries 57070 Metz	100	Prosegur France SAS	a	1	B
Prosegur Traitement de Valeurs SASU	Rue Rene Cassin ZI de Molina (LA TALAUDIERE)	100	Prosegur Traitement de Valeurs EST SAS	a	2	A
Prosegur Traitement de Valeurs EST SAS	2 Rue Lovoisier BP 61609 25010 Besancon Cedex 3	100	Prosegur Logistique de Valeurs Azur S.	a	2	A
Prosegur Technologie SASU	Parc Technologique de Metrotech, Bâtiment 2, 42650 ST JEAN BONNEFONDS.	100	Prosegur France SAS	a	1	A
Prosegur Formation et Competences, SARL	Parc Technologique, 5. Place Berthe Morisot, 69800 Saint Priest	100	Prosegur France SAS	a	7	B
Prosegur Centre EURL	88 AVENUE DU GÉNÉRAL FRÈRE 69008 LYON (FRANCIA)	100	Prosegur France SAS	a	8	B
Prosegur Participations, S.A.S.	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100	Prosegur Global CIT ROW SLU	a	5	A
Prosegur Traitemet de Valeurs Azur, SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100	Prosegur Participations, S.A.S.	a	2	A
Prosegur Logistique de Valerus Azur, SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100	Prosegur Participations, S.A.S.	a	2	A
Prosegur Traitement de Valeurs Provence SAS	604 Avenue du Col de l'Ange - ZA des Plaines de Jouques - 13420	100	Prosegur Participations, S.A.S.	a	2	B

## Information on 31 December 2015

Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal	Shareholding Company			
Malcoff Holdings BV	Schouwburgplein, 30-34 (ROTTERDAM)	100	Prosegur Cia de Seguridad, S.A.	a	5	B
Luxpai Holdo S.A.R.L.	23, Avenue Monterey - 2163 Luxembourg	100	Prosegur Cia de Seguridad, S.A.	a	5	B
Pitco Reinsurance	Avenue Monterey, L-2163 Luxembourg	100	Luxpai Holdo S.A.R.L.	a	7	A
Luxpai CIT SARL	23, Avenue Monterey - 2163 Luxembourg	100	Prosegur Global CIT ROW SLU	a	5	B
Prosegur Gestao de Activos Imobiliarios SA	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosegur Cia de Seguridad, S.A.	a	6	B
Prosegur Companhia de Seguranca, Ltda.	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosegur Cia de Seguridad, S.A.	a	4	A
Prosegur Distribuição e Serviços, Ltda.	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosegur Global SIS ROW SLU	a	1	B
Prosegur Agencia Promoção e Comercialização de Productos e Serviços Unipessoal Ltda	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosegur Alarmas España SLU	a	3	B
Prosegur Logística e Tratamento de Valores Portugal Unipessoal Ltda	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosegur Cia de Seguridad, S.A.	a	2	B
Prosegur Alarmes Dissuasao Potugal Unipessoal Ltda	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosegur Cia de Seguridad, S.A.	a	3	B
Prosegur SES Serviços Especiais de Segurança Unipessoal Lda	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosegur Global SIS ROW SLU	a	1	B
Prosegur ESSPP Empresa de Serviços Partilhados Unipessoal Lda	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosegur Cia de Seguridad, S.A.	a	7	B
Rosegur Cash Services, SA	Bulev. Ghica Tel. Nr. 64-70. Sector 2.Cod 023708 Bucuresti. Romania	51 49	Prosegur Cia de Seguridad, S.A. Rosegur, S.A.	a	2	B
Transportadora de Caudales de Juncadella SA	Tres Arroyos 2835 Ciudad de Buenos Aires	92,15 4,85 2,85 0,15	Juncadella Prosegur Internacional S.A. Armor Acquisition SA Prosegur Inversiones Argentina S.A. Prosegur Argentina Holding S.A.	a	2	A
Prosegur Seguridad, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94,05 4,95 0,05 0,95	Juncadella Prosegur Internacional S.A. Armor Acquisition SA Prosegur Argentina Holding S.A. Prosegur Inversiones Argentina, S.A.	a	1	C
Prosegur Argentina Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95 5	Juncadella Prosegur Internacional S.A. Armor Acquisition SA	a	5	C
Prosegur Inversiones Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95 5	Juncadella Prosegur Internacional S.A. Armor Acquisition SA	a	5	C
Prosegur Vigilancia Activa, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94,05 4,95 0,05 0,95	Juncadella Prosegur Internacional S.A. Armor Acquisition SA Prosegur Argentina Holding S.A. Prosegur Inversiones Argentina, S.A.	a	1	C
Servicios Auxiliares Petroleros, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94,05 4,95 0,05 0,95	Juncadella Prosegur Internacional S.A. Armor Acquisition SA Prosegur Argentina Holding S.A. Prosegur Inversiones Argentina, S.A.	a	1	C
Xiden, S.A.C.I.	Tres Arroyos 2835 Ciudad de Buenos Aires	7,86 92,14	Prosegur Cia de Seguridad, S.A. Juncadella Prosegur Internacional S.A.	a	1	C
Prosegur Tecnologia Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95 5	Juncadella Prosegur Internacional S.A. Prosegur Cia de Seguridad, S.A.	a	1	C
General Industries Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90 10	Prosegur Cia de Seguridad, S.A. Juncadella Prosegur Internacional S.A.	a	1	C
Tellex, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95 5	Prosegur Cia de Seguridad, S.A. Armor Acquisition SA	a	1	C
Prosegur Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90 10	Prosegur Global Alarmas SLU Prosegur Cia de Seguridad, S.A.	a	5	C
Prosegur Inversiones, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90 10	Prosegur Global Alarmas SLU Prosegur Cia de Seguridad, S.A.	a	5	C
Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90 10	Prosegur Holding, S.A. Prosegur Inversiones, SA	a	3	B
Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	39,53 59,47 0,95 0,05	Juncadella Prosegur Internacional S.A. Armor Acquisition SA Prosegur Inversiones Argentina S.A. Prosegur Argentina Holding S.A.	a	1	A
TC Interplata, S.A.	Perú, 1578, Ciudad de Buenos Aires	95 4 1	Transportadora de Caudales de Juncadella Prosegur Internacional S.A. Juncadella Prosegur Internacional S.A. Prosegur Inversiones Argentina S.A.	a	2	C
Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	94,05 4,95 0,95 0,05	Juncadella Prosegur Internacional S.A. Armor Acquisition SA Prosegur Inversiones Argentina S.A. Prosegur Argentina Holding S.A.	a	1	C
TSR Participacoes Societarias SA	Avenida Thomas Edison, 813 - 1º andar-Barra Funda - CEP 01140-001 São Paulo - SP	47,08 52,92	Juncadella Prosegur Internacional S.A. Prosegur Global CIT SLU	a	5	C
Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100	TSR Participacoes Societarias SA	a	1	A
Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	56,2 43,8	Prosegur Global SIS SLU Prosegur International SIS SLU	a	1	C
CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - CEP 88134 - 100 Palhoça	99,62 0,38	Prosegur Brasil SA Transportadora de Valores e Segurança Prosegur Sistemas de Segurança Ltda	a	7	D
Prosegur Administração de Recebíveis Ltda	Avenida Thomas Edison, 813 - Barra Funda - CEP 01140-001 São Paulo -	99,79 0,21	Prosegur Global SIS SLU Prosegur Sistemas de Segurança Ltda	a	7	D

## Information on 31 December 2015

Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding Company				
Prosegur Tecnología en Sistemas de Segurança Eletrônica e Incendios Ltda.	Rua Barao do Brnanal, 1301, Vila Pompeia Sao Paolo CEP 024-000	99.99	Prosegur Cia de Seguridad, S.A.	a	1	C
		0.01	Prosegur Global SIS SLU			
Setha Indústria Eletrônica Ltda.	Rua Alvaro de Macedo, 134 e 144, Parada de Lucas, CEP.: 21.250-620 Rio de Janeiro/RJ	95	Prosegur Tecnología em Sistemas de Segurança Eletrônica e Incendios Ltda..	a	1	C
		5	Prosegur Global SIS SLU			
Prosegur Activa Alarmes SA	Av. Thomas Edison, nº 813, 2º Andar, Bairro Barra Funda, Cidade de São Paulo, Estado de São Paulo	41.99	Prosegur Global Alarmas SLU	a	3	B
		58.01	Prosegur International Alarmas SLU			
Prosegur Serviços Aeroportuarios Ltda	Av. Thomas Edison, nº 813, 2º Andar, Bairro Barra Funda, Cidade de São Paulo, Estado de São Paulo	99.9	Prosegur Cia de Seguridad, S.A.	a	7	D
		0.1	Prosegur Global SIS SLU			
Prosegur Gestao de Ativos Ltda	Av. Thomas Edison, nº 813, 2º Andar, Bairro Barra Funda, Cidade de São Paulo, Estado de São Paulo	99.99	Prosegur Gestion de Activos SLU	a	3	D
		0.01	Prosegur Cia de Seguridad, S.A.			
Juncadella Prosegur Group Andina	Los Gobelinos 2567 Of. 203, Renca, Santiago	99.99	Juncadella Prosegur Internacional SA	a	5	D
		0.01	Armor Acquisition SA			
Capacitaciones Ocupacionales Sociedad Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	78.07	Prosegur Global CIT SLU	a	2	D
		5.00	Prosegur International CIT 1, SLU			
		6.84	Prosegur International Handels GmbH			
		10.09	Juncadella Prosegur Group Andina SA			
Servicios Prosegur Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	99.98	Prosegur Cia de Seguridad, S.A.	a	2	C
		0.01	Prosegur International Handels GmbH			
		0.01	Juncadella Prosegur Group Andina SA			
Sociedad de Distribución Canje y Mensajería Ltda.	Los Gobelinos 2548, Renca	48.72	Prosegur Cia de Seguridad, S.A.	a	2	D
		30.56	Juncadella Prosegur Group Andina SA			
		20.72	Prosegur International Handels GmbH			
Servicios de Seguridad Prosegur Regiones Limitada	Los Gobelinos 2567 Of. 203, Renca, Santiago	99	Prosegur Chile, S.A.	a	1	D
Empresa de Transportes Compañía de Seguridad Chile Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	60	Juncadella Prosegur Group Andina SA	a	2	C
		40	Prosegur International Handels GmbH			
Prosegur Tecnología Chile Limitada	Avenida Loboza 8395, Mod. 3 Pudahuel – Santiago	99.99	Juncadella Prosegur Group Andina SA	a	1	C
		0.01	Prosegur Cia de Seguridad, S.A.			
		0.00	Prosegur Chile SA			
Prosegur Activa Chile S.L.	Catedral 1009, piso 14 - Santiago de Chile	95	Prosegur Global Alarmas SLU	a	3	C
		5	Prosegur International Alarmas SLU			
Prosegur Gestion de Activos Chile Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	99.00	Prosegur Gestion de Activos, S.L.U.	a	6	D
		1.00	Servicios Prosegur Ltda			
Prosegur Chile, S.A.	Los Gobelinos 2567 Of. 203, Renca, Santiago	70	Prosegur, S.A.	a	1	D
		30	Prosegur International Handels GmbH			
Compañía Transportadora de Valores Prosegur de Colombia SA	Avda. De las Américas, 42-25 Bogotá	94.90	Prosegur Cia de Seguridad, S.A.	a	2	A
		5.10	Prosegur Global Alarmas SLU			
		0.00	Prosegur International Alarmas SLU			
		0.00	Formacion Selecccion y Consultoria SA			
		0.00	ESC Servicios Generales SLU			
Prosegur Procesos SAS	Avda. De las Américas, 42-25 Bogotá	100	Prosegur de Colombia, S.A.	a	2	D
Inversiones BIV SAS	Calle 32 No. 8A-65 Edificio BCH piso 8 de Cartagena	100	Prosegur Global Alarmas SLU	a	5	C
Prosegur Vigilancia y Seguridad Privada Ltda	Calle 32 No. 8A-65 Edificio BCH piso 8 de Cartagena	94	Inversiones BIV SAS	a	1	A
Prosegur Tecnología SAS	Cra. 50 No. 71-80 Bogotá (Colombia)	100	Prosegur International Alarmas SLU	a	1	C
Servimax Servicios Generales SAS	Calle 32 No. 8A-65 Edificio BCH Piso 8 Cartagena	100	Inversiones BIV SAS	a	1	C
Prosegur Sistemas Electronicos SAS	Cra. 50 No. 71-80 Bogotá (Colombia)	100	Prosegur International Alarmas SLU	a	1	C
Prosegur Seguridad Electrónica, SAS	Cra. 50 No. 71-80 Bogotá (Colombia)	100	Prosegur International Alarmas SLU	a	3	C
Servimax Servicios Temporales SAS	Calle 32 No. 8A-65 Edificio BCH piso 8 de Cartagena	100	Inversiones BIV SAS	a	1	C
Prosegur Gestion de Activos de Colombia SAS	AC 13 No. 42A-24 Bogotá	100	Prosegur Gestion de Activos, SLU	a	6	D
Prosegur Paraguay SA	C/ Artigas, esq. Concepción Leyes de Chávez- Asunción	99	Juncadella Prosegur Internacional SA	a	2	B
		1	Transportadora de Caudales de Juncadella SA			
Prosegur Tecnología Paraguay, SA	C/ Artigas, esq. Concepción Leyes de Chávez- Asunción	99	Juncadella Prosegur Internacional SA	a	2	C
		1	Transportadora de Caudales de Juncadella SA			
Soluciones Integrales en Seguridad Prosegur Paraguay SA	Avda. Artigas Nro. 960	99	Juncadella Prosegur Internacional SA	a	4	B
		1	Transportadora de Caudales de Juncadella SA			
Alarmas Prosegur Paraguay SA	Avda. Artigas Nro. 960	99	Juncadella Prosegur Internacional SA	a	3	B
		1	Transportadora de Caudales de Juncadella SA			
Proservicios SA	AV. LOS PROCERES NRO. 250 LIMA - LIMA - SANTIAGO DE SURCO	99	Proseguridad SA	a	1	D
		1	Compañía de Seguridad Prosegur SA			
Compañía de Seguridad Prosegur SA	AV. MORRO SOLAR NRO. 1086 URB. STA TERESA DE LA GARDENIA LIMA - LIMA - SANTIAGO DE SURCO	52	Juncadella Prosegur Internacional SA	a	2	A
		48	Transportadora de Caudales de Juncadella SA			
Proseguridad SA	AV. LOS PROCERES NRO. 250 LIMA - LIMA - SANTIAGO DE SURCO	38.04	Juncadella Prosegur Internacional SA	a	1	B
		35.11	Transportadora de Caudales de Juncadella SA			
		26.85	Prosegur Cia de Seguridad, S.A.			
Prosegur Cajeros SA	La Chira, 103 - Surco - Lima	52	Juncadella Prosegur Internacional SA	a	2	D
		48	Transportadora de Caudales de Juncadella SA			

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal	Shareholding Company			
Prosegur Tecnología Perú SA	La Chira, 103 - Surco - Lima	99 1	Prosegur Cia de Seguridad, S.A. Prosegur Global Alarmas SLU	a	1	D
Proseguridad Perú SA	AV. LOS PROCERES NRO. 250 URB. SAN ROQUE CIVIL (PRIMER PISO MZ O L.T.B1) LIMA - LIMA - SANTIAGO DE SURCO	84,86	Proseguridad SA	a	1	B
		10,14	Inversiones RB, SA			
		5,00	Compañía de Seguridad Prosegur SA			
Orus Selva SA	NRO. S/N CAS. PALMAWASI SAN MARTIN - TOCACHE - UCHIZA	90	Proseguridad Perú SA	a	1	D
		10	Prosegur International SIS SLU			
Inversiones RB, SA	Avenida Nicolás Arriola, 780 Urb. Santa Catalina - La Victoria - Lima	95	Proseguridad SA	a	5	D
		5	Prosegur International SIS SLU			
Prosegur Activa Peru, SA	AV. REPUBLICA DE PANAMA NRO. 3890 LIMA - LIMA - SURQUILLO	22,57	Prosegur Global Alarmas SLU	a	3	C
		77,20	Prosegur International Alarmas SLU			
		0,23	Prosegur Cia de Seguridad, S.A.			
Prosegur Servicios Administrativos. S.A.	AV. LOS PROCERES NRO. 250 LIMA - LIMA - SANTIAGO DE SURCO	99	Prosegur Cia de Seguridad, S.A.	a	7	D
		1	Prosegur Global Alarmas SLU			
Prosegur Gestion de Activos, S.A.	Calle La Chira 103-Urbanización Las Gardenias-Santiago de Surco	99	Prosegur Gestion de Activos, SLU	a	3	D
		1	Prosegur Global Alarmas SLU			
Prosegur Mexico S de RL de CV	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	85,60	Prosegur Cia de Seguridad, S.A.	a	5	d
		14,40	Prosegur Global Alarmas SLU			
Prosegur Compañía de Seguridad SA de CV	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	100,00	Prosegur Mexico S de RL de CV	a	1	A
		0,00	Prosegur Cia de Seguridad, S.A.			
		55,032	Prosegur Mexico S de RL de CV			
Prosegur Seguridad Privada Logística y Gestión de Efectivo, S.A. de C.V.	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	44,968	Prosegur Cia de Seguridad, S.A.	a	2	B
		0,000	Prosegur Compañía de Seguridad SA de CV			
		99,99	Prosegur Mexico S de RL de CV			
Prosegur Seguridad Privada SA de CV	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	0,01	Prosegur Compañía de Seguridad SA de CV	a	1	C
		99,9998	Prosegur Mexico S de RL de CV			
Prosegur Consultoría y Servicios Administrativos S de RL de CV	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	0,0002	Prosegur Compañía de Seguridad SA de CV	a	4	C
		99,9998	Prosegur Mexico S de RL de CV			
Prosegur Servicios de Seguridad Privada Electrónica SA de CV	Distrito Federal, Azcapotzalco, Hogar y Seguridad, calle Piña-297	0,0002	Prosegur Compañía de Seguridad SA de CV	a	2	C
		99,9991	Prosegur Mexico S de RL de CV			
Prosegur Custodias, S.A. de CV	Estado de Mexico, Tlalnepantla de Baz, Los Reyes Industrial, calle Alfredo Nobel-21	0,00009	Prosegur Compañía de Seguridad SA de CV	a	1	C
		0,002	Prosegur Custodias, S.A. de CV			
Grupo Mercurio de Transportes SA de CV	Distrito Federal, Azcapotzalco, Sector Naval, AV De las Granjas -76	99,998	Grupo Tratamiento y Gestion de Valores SAPI de CV	a	2	C
		99,9998	Prosegur Mexico S de RL de CV			
Prosegur Tecnología SA de CV	Distrito Federal, Azcapotzalco, Hogar y Seguridad, calle Piña-297	0,0002	Prosegur Compañía de Seguridad SA de CV	a	1	C
		80	Prosegur Cia de Seguridad, S.A.			
Grupo Tratamiento y Gestión de Valores SAPI de CV	Distrito Federal, Azcapotzalco, Sector Naval, calle Norte 79 B	50	Prosegur Compañía de Seguridad SA de CV	a	7	B
		50	Prosegur Mexico S de RL de CV			
Centro Nacional de Formacion Prosegur Asociacion Civil	Distrito Federal, Azcapotzalco, Sector Naval, AV De las Granjas -76	100	Juncadella Prosegur Internacional SA	a	5	B
Compañía Ridur, SA	Guarani 1531 (Montevideo)	100	Prosegur SA	a	5	D
Prosegur Uruguay BV	Westblaak 89, 3012 KG Rotterdam, The Netherlands	99,91 0,09	Juncadella Prosegur Internacional SA Armor Acquisition SA	a	2	C
Prosegur Transportadora de Caudales SA	Guarani 1531 (Montevideo)	100	Prosegur Transportadora de Caudales SA	a	2	A
Transportadora de Valores Silviland SA	Guarani 1531 (Montevideo)	100	Prosegur Global Alarmas SLU	a	3	A
Prosegur Activa Uruguay, S.A.	Guarani 1531 (Montevideo)	100	Prosegur Activa Uruguay, S.A.	a	3	B
Nautiland, SA	MICHELINI, ZELMAR 1121 - MALDONADO	99 1	Prosegur Transportadora de Caudales SA Prosegur Global CIT SLU	a	3	B
Blindados, SRL	Guarani 1531 (Montevideo)	100	Prosegur Global SIS SLU	a	1	A
Genper, S.A.	Guarani 1531 (Montevideo)	90	Prosegur Uruguay BV SA	a	2	A
Prosegur Uruguay Compañía de Seguridad, S.A.	Guarani 1531 (Montevideo)	10	Prosegur Global SIS SLU	a	3	A
GSM Telecom SA	Del pino, Simon 1055, Piriapolis, Maldonado	100	Prosegur Activa Uruguay, S.A.	a	3	B
Coral Melody SA	Guarani 1531 (Montevideo)	100	Prosegur Activa Uruguay, S.A.	a	3	A
Tecnofren SA	MICHELINI, ZELMAR 1121 - MALDONADO	100	Prosegur Activa Uruguay, S.A.	a	4	B
Roytronic SA	Guarani 1531 (Montevideo)	100	Luxpai Holdo S.A.R.L.	a	2	C
Pitco Shanghai Trading Co Ltd	North Shanxi Road 1438, Room 308 Shanghai 200060, China	100	Luxpai Holdo SARL	a	7	B
Pitco Asia Pacific Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	100	Luxpai Holdo SARL	a	5	C
Imperial Dragon Security Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	99,95 0,05	Luxpai Holdo SARL Imperial Dragon Security Ltd	a	5	C
Weldon Technology Co Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon,					

## Information on 31 December 2015

Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding Company				
Shanghai Meiyu Information Technology Co Ltd	Room 519,Zhidan Road No.180-190, Putuo District, Shanghai	100	Shanghai Pitco Information Technology Co	a	5	C
Shanghai Pitco Information Technology Co Ltd	Room 517,Zhidan Road No.180-190 (double), Putuo District, Shanghai	100	Pitco Shanghai Trading Co Ltd	a	5	C
Shanghai Bigu Investment Co Ltd	Room 1373, Building 4, Huancheng West Road lane 3111 No. 555, Fengxian District, Shanghai	100	Shanghai Pitco Consulting Management Co Ltd	a	5	C
Shanghai Pitco Consulting Management Co Ltd	Room 1601, Building 4, Huancheng West Road lane 3111 No. 555, Fengxian District, Shanghai	100	Pitco Shanghai Trading Co Ltd	a	5	C
Shangxi Laide Security Service Co Ltd	Building 18, Hengshan housing estate, Hengshan Road No. 918, Jiancaoping District, Taiyuan	70	Shanghai Bigu Investment Co Ltd	a	2	C
Shanghai Prosegur Security Service Co Ltd	Room 446, Building 3, Huancheng West Road lane 3111 No. 555, Fengxian District, Shanghai	100	Shanghai Bigu Investment Co Ltd	a	1	C
Nanjing Zhong Dun Security Services Co Ltd	Room 212, No 359, Building A, Ning Liu Road, Gong Nong Community, Ge Tang Subdistrict, Liu He District, Nanjing City	100	Shanghai Meiyu Information Technology Co Ltd	a	1	C
Prosec Services Pte Ltd	111Geylang Road, #01-01, Singapore 389216	100	Singpai Pte Ltd	a	1	A
Singpai Pte Ltd	8 Cross Street #11-00, PWC Building, Singapore 048424	100	Luxpai Holdo S.A.R.L.	a	5	A
Evtec Management Services Ptd LTD	3 NEW INDUSTRIAL ROAD. #04-01 KIMLY BUILDING SINGAPORE (536197)	100	Singpai Pte Ltd	a	2	A
Prosec Cash Services Pte Ltd	111Geylang Road, #01-01, Singapore 389216	100	Singpai Pte Ltd	a	2	B
Singpai Alarms Private Limited	111Geylang Road, #01-01, Singapore 389216	100	Prosegur Global Alarms ROW SLU	a	5	B
Prointrans LLC	411 Lafayette Street, 6th Floor, New York, NY 10003	100	Prosegur Cia de Seguridad, S.A.	a	5	C
Prosegur SIS USA Inc	Florida	100	Prosegur Cia de Seguridad, S.A.	a	1	C
Prosegur Australia Holdings PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100	Singpai Pte Ltd	a	5	B
Prosegur Australia Investments PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100	Prosegur Australia Holdings PTY Limited	a	5	B
Prosegur Australia Pty Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100	Prosegur Australia Investments PTY Limited	a	2	A
Prosegur Technology Pty Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100	Prosegur Australia Investments PTY Limited	a	2	B
Prime Hiring India Private Ltd (Ex-SingPai India Private Limited)	Flat No. 1105-1106, Ashoka Estate, 24, Barakhamba Road,	99,99 0,01	Luxpai Holdo SARL Pitco Asia Pacific Ltd	a	7	B
Prosegur Securite (Ex Bac Securite)	18 Av. Morane Saulnier (Velizy Villacoublay)	100	Prosegur Cia de Seguridad, S.A.	a	8	B
Securite Europeenne de L'Espace Industriel SA	15 Rue de Louvres (Chennevieres Les Louvres)	59,98 40,02	Prosegur Cia de Seguridad, S.A. Esta Service SAS	a	8	B
Esta Service SAS	84 Rue des Aceries (SAINT ETIENNE)	100	Prosegur Cia de Seguridad, S.A.	a	8	B
Force Gardiennage SRL	92 Boulevard Emile Delmas (La Rochelle)	4,8 95,2	Prosegur Cia de Seguridad, S.A. Esta Service SAS	a	8	B

## Information on 31 December 2014

Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal	Shareholding Company			
Prosegur España, S.L.	Pajaritos, 24 (MADRID)	100.00	Prosegur Cia de Seguridad, S.A.	a	4	A
Prosegur Gestión de Activos, S.L.U.	Pajaritos, 24 (MADRID)	100.00	Prosegur Cia de Seguridad, S.A.	a	6	A
Prosegur Activa Holding, S.L.U.	Pajaritos, 24 (MADRID)	100.00	Prosegur Cia de Seguridad, S.A.	a	5	A
Formación Selección y Consultoría S.A.	Pajaritos, 24 (MADRID)	100.00	Prosegur Cia de Seguridad, S.A.	a	6	B
Seguridad Vigilada S.A.	C/ Pisuerba, 18 (BARCELONA)	100.00	Prosegur Cia de Seguridad, S.A.	a	8	B
STMEC S.L.	Pajaritos, 24 (MADRID)	100.00	Prosegur Cia de Seguridad, S.A.	a	8	B
Salcer Servicios Auxiliares S.L.	Pajaritos, 24 (MADRID)	100.00	Prosegur Cia de Seguridad, S.A.	a	8	B
Beloura Investments S.L.U.	Pajaritos 24 (MADRID)	100.00	Prosegur Cia de Seguridad, S.A.	a	8	B
Prosegur Alarmas S.A.	Pajaritos, 24 (MADRID)	100.00	Prosegur Cia de Seguridad, S.A.	a	3	A
ESC Servicios Generales, S.L.U.	Pajaritos, 24 (MADRID)	100.00	Prosegur Cia de Seguridad, S.A.	a	7	A
Armor Acquisition SA	Pajaritos, 24 (MADRID)	5.00	Prosegur Cia de Seguridad, S.A.	a	5	A
		95.00	Prosegur Intenational Handels GmbH			
Juncadella Prosegur Internacional SA	Pajaritos, 24 (MADRID)	69.00	Armor Acquisition SA	a	5	A
		31.00	Prosegur Intenational Handels GmbH			
Prosegur International Handels GmbH	Poststrabe, 33 (HAMBURG)	100.00	Malcoff Holding BV	a	5	B
Prosegur GmbH	Wahlerstrasse 2a. 40472 Duesseldorf	100.00	Prosegur Cia de Seguridad, S.A.	a	2	A
Prosegur Investments Verwaltungs GmbH	Wahlerstrasse 2a. 40472 Duesseldorf	100.00	Prosegur Gestion de Activos, S.L.U.	a	8	C
Prosegur Investments GmbH & Co KG	Wahlerstrasse 2a. 40472 Duesseldorf	100.00	Prosegur Gestion de Activos, S.L.U.	a	8	C
Prosegur Trier GmbH & Co. KG	Metternichstraße 32, 54292 Trier	100.00	Prosegur GmbH	a	2	C
Prosegur Trier Security Service Verwaltungs GmbH	Metternichstraße 32, 54292 Trier	100.00	Prosegur GmbH	a	5	C
Prosegur France SAS	Parc Technologique, 5. Place Berthe Morisot, 69800 Saint Priest	100.00	Prosegur Cia de Seguridad, S.A.	a	5	A
Prosegur Securité Humaine EURL	Parc Technologique, 5. Place Berthe Morisot, 69800 Saint Priest	100.00	Prosegur France SAS	a	1	A
Prosegur Securite Nord, S.A.S.	28 RUE D'ARCUEIL - 94250 GENTILLY	100.00	Prosegur France SAS	a	1	A
Prosegur Traitement de Valeurs SASU	Rue Rene Cassin ZI de Molina (LA TALAUDIERE)	100.00	Prosegur France SAS	a	2	A
Prosegur Traitement de Valeurs EST SAS	2 Rue Lovoisier BP 61609 25010 Besancon Cedex 3	100.00	Prosegur Cia de Seguridad, S.A.	a	2	A
Prosegur Technologie SASU	Parc Technologique de Metrotech, Bâtiment 2, 42650 ST JEAN BONNEFONDS.	100.00	Prosegur France SAS	a	3	A
Prosegur Formation et Competences, SARL	Parc Technologique, 5. Place Berthe Morisot, 69800 Saint Priest	100.00	Prosegur France SAS	a	7	B
Esta Service, SAS	Parc Technologique, 5. Place Berthe Morisot, 69800 Saint Priest	100.00	Prosegur Cia de Seguridad, S.A.	a	8	B
Prosegur Centre EURL	88 AVENUE DU GÉNÉRAL FRÈRE 69008 LYON (FRANCIA)	100.00	Prosegur Cia de Seguridad, S.A.	a	8	B
Prosegur Participations, S.A.S.	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100.00	Prosegur Cia de Seguridad, S.A.	a	5	A
Prosegur Traitement de Valeurs Azur, SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100.00	Prosegur Participations, S.A.S.	a	2	A
Prosegur Logistique de Valerus Azur, SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100.00	Prosegur Participations, S.A.S.	a	2	A
Prosegur Traitement de Valeurs Provence SAS	604 Avenue du Col de l'Ange - ZA des Plaines de Jouques - 13420 GEMENOS	5.00	Prosegur Cia de Seguridad, S.A.	a	2	A
		95.00	Prosegur Participations, S.A.S.			
GRP Holding SARL	177, rue de Luxembourg, L - 8055 Bertrange, Luxembourg	100.00	Luxpai Holdo S.A.R.L.	a	5	C
Prosegur Security Luxembourg, SARL	177, rue de Luxembourg, L - 8055 Bertrange, Luxembourg	100.00	GRP Holding SARL	a	1	C
Prosegur Securite EST SAS	14, rue des Serruriers 57070 Metz	100.00	Prosegur France SAS	a	1	A
Prosegur Securite Rubis SAS	2 Boulevard Général de Gaulle, 94270 Le Kremlin Bicêtre	100.00	Prosegur France SAS	a	1	A
Prosegur Securite Opale SAS	2 Boulevard Général de Gaulle, 94270 Le Kremlin Bicêtre	100.00	Prosegur France SAS	a	1	A
Prosegur Accueil et Service SAS	14, rue des Serruriers 57070 Metz	100.00	Prosegur France SAS	a	1	B
Malcoff Holdings BV	Schouwburgplein, 30-34 (ROTTERDAM)	100.00	Prosegur Cia de Seguridad, S.A.	a	5	B
Luxpai Holdo S.A.R.L.	5, rue Guillaume Kroll, L-1882 Luxembourg	100.00	Prosegur Cia de Seguridad, S.A.	a	5	B
Pitco Reinsurance	Avenue Monterey, L-2163 Luxembourg	100.00	Luxpai Holdo S.A.R.L.	a	6	A
Prosegur Distribuição e Serviços, Lda.	Av.Infante Dom Henrique, 326 (LISBOA)	100.00	Prosegur Cia de Seguridad, S.A.	a	7	A
Prosegur Companhia de Seguranga, Lda.	Av.Infante Dom Henrique, 326 (LISBOA)	100.00	Prosegur Cia de Seguridad, S.A.	a	4	A

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding Company				
Rosegur Cash Services SA	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Cod 023708, Bucuresti,	51.00 49.00	Prosegur Cia de Seguridad, S.A. Rosegur, S.A.	a	2	B
Transportadora de Caudales de Juncadella SA	Tres Arroyos 2835 Ciudad de Buenos Aires	91.10 4.90 2.90 0.10	Juncadella Prosegur Internacional S.A. Armor Acquisition SA Prosegur Inversiones Argentina S.A. Prosegur Argentina Holding S.A.	a	2	A
Prosegur Seguridad, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94.05 4.95 0.95 0.05	Juncadella Prosegur Internacional S.A. Armor Acquisition SA Prosegur Inversiones Argentina S.A. Prosegur Argentina Holding S.A.	a	1	A
Prosegur Argentina Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.00 5.00	Juncadella Prosegur Internacional S.A. Armor Acquisition SA	a	5	A
Prosegur Inversiones Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.00 5.00	Juncadella Prosegur Internacional S.A. Armor Acquisition SA	a	5	A
Prosegur Vigilancia Activa, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94.05 4.95 0.95 0.05	Juncadella Prosegur Internacional S.A. Armor Acquisition SA Prosegur Inversiones Argentina S.A. Prosegur Argentina Holding S.A.	a	1	A
Servicios Auxiliares Petroleros, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94.05 4.95 0.95 0.05	Juncadella Prosegur Internacional S.A. Armor Acquisition SA Prosegur Inversiones Argentina S.A. Prosegur Argentina Holding S.A.	a	1	A
Xiden, S.A.C.I.	Tres Arroyos 2835 Ciudad de Buenos Aires	7.90 92.10	Prosegur Cia de Seguridad, S.A. Juncadella Prosegur Internacional S.A.	a	3	A
Prosegur Tecnologia Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.00 5.00	Juncadella Prosegur Internacional S.A. Prosegur Cia de Seguridad, S.A.	a	3	A
General Industries Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.00 10.00	Prosegur Cia de Seguridad, S.A. Juncadella Prosegur Internacional S.A.	a	3	A
Tellex, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95.00 5.00	Prosegur Cia de Seguridad, S.A. Armor Acquisition SA	a	3	A
Prosegur Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.00 10.00	Prosegur Activa Holding S.A Prosegur Cia de Seguridad, S.A.	a	5	A
Prosegur Inversiones, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.00 10.00	Prosegur Activa Holding S.A Prosegur Cia de Seguridad, S.A.	a	5	A
Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90.00 10.00	Prosegur Holding, S.A. Prosegur Inversiones, SA	a	3	A
Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	39.53 59.47 0.95 0.05	Juncadella Prosegur Internacional S.A. Armor Acquisition SA Prosegur Inversiones Argentina S.A. Prosegur Argentina Holding S.A.	a	1	A
TC Interplata, S.A.	Perú, 1578, Ciudad de Buenos Aires	95.00 4.00 1.00	Transportadora de Caudales de Junca Juncadella Prosegur Internacional S.A. Prosegur Inversiones Argentina S.A.	a	2	A
Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	94.05 4.95 0.95 0.05	Juncadella Prosegur Internacional S.A. Armor Acquisition SA Prosegur Inversiones Argentina S.A. Prosegur Argentina Holding S.A.	a	1	A
TSR Participacoes Societarias SA	Avenida Thomas Edison, 813 - 1º andar-Barra Funda - CEP 01140-001 São Paulo - SP	100.00	Prosegur Holding e Participações S.A.	a	5	A
Prosegur Brasil SA Transportadora de Valores e Segurança	Guaratã, 633 - Prado - Belo Horizonte - MG	100.00	TSR Participacoes Societarias SA	a	4	A
Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	98.80 0.20 1.00	TSR Participacoes Societarias SA Prosegur Activa Alarmes S.A. Prosegur Brasil SA Transportadora de Valores e Segurança	a	4	A
CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte – CEP 88134 - 100 Palhoça	99.62 0.38	Prosegur Brasil SA Transportadora de Valores e Segurança Prosegur Sistemas de Segurança Ltda	a	2	A
Prosegur Administração de Recebíveis Ltda	Avenida Thomas Edison, 813 - Barra Funda - CEP 01140-001 São Paulo - SP	99.79 0.21	Prosegur Brasil SA Transportadora de Valores e Segurança Prosegur Sistemas de Segurança Ltda	a	2	A
Prosegur Tecnologia en Sistemas de Seguridad Electrónica e Incendios Ltda.	Rua Barao do Brnanal, 1301, Vila Pompeia Sao Paolo CEP 024-000	99.99 0.01	Prosegur Cia de Seguridad, S.A. TSR Participacoes Societarias SA	a	3	A
Setha Indústria Eletrônica Ltda.	Rua Alvaro de Macedo, 134 e 144, Parada de Lucas, CEP.: 21.250-620 Rio de Janeiro/RJ	99.60 0.40	Prosegur Tecnologia em Sistemas de Seguridad Electrónica e Incendios Ltda. TSR Participacoes Societarias SA	a	3	A

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding Company				
Prosegur Holding e Participações S.A	Avenida Thomas Edison, 813 - Barra Funda - CEP 01140-001 São Paulo-SP	46.53	Juncadella Prosegur Internacional S.A.	a	5	A
		43.43	Prosegur Cia de Seguridad, S.A.			
		10.04	Prosegur Activa Alarmes S.A.			
Prosegur Activa Alarmes S.A	Avenida Thomas Edison, 813 - Barra Funda - CEP 01140-001 São Paulo-SP	86.08	Prosegur Cia de Seguridad, S.A.	a	3	A
		8.08	Prosegur Tecnologia em Sistemas de Seg Elet e Incendios Ltda			
		5.84	Prosegur Activa Holding S.L.U.			
Prosegur Gesto de Efetivos Ltda	Avenida Thomas Edison, 813 - Barra Funda - CEP 01140-001 São Paulo-	99.90	Prosegur Cia de Seguridad, S.A.	a	8	B
Prosegur Gestao de Ativos Ltda.	Avenida Thomas Edison, 813 - Barra Funda - CEP 01140-001 São Paulo-	0.10	TSR Participacoes Societarias SA	a	7	A
		99.99	Prosegur Gestion de Activos, S. L.			
Transvig - Transporte de Valores e Vigilancia Ltda	Avenida Sao Paulo 568 - Boa Vista	0.01	Prosegur Cia de Seguridad, S.A.	a	4	B
Juncadella Prosegur Group Andina	Los Gobelinos 2567 Of. 203, Renca, Santiago	100.00	Prosegur Brasil SA Transportadora de Valores e Segurança	a		
		99.99	Juncadella Prosegur Internacional S.A.			
Capacitaciones Ocupacionales Sociedad Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	0.01	Armor Acquisition SA	a	5	A
		83.07	Prosegur Cia de Seguridad, S.A.			
		6.84	Prosegur International Handels GmbH			
Servicios Prosegur Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	10.09	Juncadella Prosegur Group Andina	a	2	A
		99.98	Prosegur Cia de Seguridad, S.A.			
		0.01	Juncadella Prosegur Group Andina Prosegur International Handels GmbH			
Sociedad de Distribución Canje y Mensajería Ltda.	Los Gobelinos 2548, Renca	48.72	Prosegur Cia de Seguridad, S.A.	a	7	A
		30.56	Juncadella Prosegur Group Andina Prosegur International Handels GmbH			
		20.72				
Servicios de Seguridad Prosegur Regiones Limitada	Los Gobelinos 2567 Of. 203, Renca, Santiago	99.00	Prosegur Chile, S.A.	a	1	A
		1.00	Juncadella Prosegur Group Andina			
Empresa de Transportes Compañía de Seguridad Chile Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	60.00	Juncadella Prosegur Group Andina	a	2	A
		40.00	Prosegur International Handels GmbH			
Prosegur Tecnología Chile Limitada	Avenida Loboza 8395, Mod. 3 Pudahuel – Santiago	99.99	Juncadella Prosegur Group Andina SA	a	3	A
		0.01	Prosegur Cia de Seguridad, S.A.			
Prosegur Activa Chile S.L.	Catedral 1009, piso 14 - Santiago de Chile	99.00	Prosegur Activa Holding, S.L.U.	a	3	A
		1.00	Prosegur Cia de Seguridad, S.A.			
Prosegur Gestion de Activos Chile Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	99.00	Prosegur Gestion de Activos, S.L.U.	a	8	B
		1.00	Prosegur Cia de Seguridad, S.A.			
Prosegur Chile, S.A.	Los Gobelinos 2567 Of. 203, Renca, Santiago	70.00	Prosegur, S.A.	a	1	A
		30.00	Prosegur International Handels GmbH			
Compañía Transportadora de Valores Prosegur de Colombia SA	Avda. De las Américas, 42-25 Bogotá	94.90	Prosegur Cia de Seguridad, S.A.	a	2	A
		5.10	Prosegur Activa Holding, S.L.U.			
Prosegur Reacaudos, SAS	Avda. De las Américas, 42-25 Bogotá	100.00	Compañía Transportadora de Valores Prosegur de Colombia, S.A.	a	7	B
Inversiones BIV SAS	Calle 32 No. 8A-65 Edificio BCH piso 8 de Cartagena	100.00	Prosegur Activa Holding, S.L.U	a	5	A
Prosegur Vigilancia y Seguridad Privada Ltda	Calle 32 No. 8A-65 Edificio BCH piso 8 de Cartagena	94.00	Inversiones BIV SAS	a	1	A
Prosegur Tecnología SAS	Cra. 50 No. 71-80 Bogotá (Colombia)	100.00	Beloura Investments S.L.U.	a	3	A
Servimax Servicios Generales SAS	Calle 32 No. 8A-65 Edificio BCH Piso 8 Cartagena	100.00	Inversiones BIV SAS	a	1	A
Prosegur GPS SAS	Cra. 50 No. 71-80 Bogotá (Colombia)	100.00	Beloura Investments S.L.U.	a	7	A
Prosegur Seguridad Electrónica, SAS	Cra. 50 No. 71-80 Bogotá (Colombia)	100.00	Beloura Investments S.L.U.	a	7	A
Servimax Servicios Temporales SAS	Calle 32 No. 8A-65 Edificio BCH piso 8 de Cartagena	100.00	Inversiones BIV SAS	a	1	A
Prosegur Gestion de Activos de Colombia SAS	AC 13 No. 42A-24 Bogotá	100.00	Prosegur Gestion de Activos, SLU	a	7	B
Prosegur Paraguay SA	C/ Artigas, esq. Concepción Leyes de Chávez- Asunción	99.00	Juncadella Prosegur Internacional S.A.	a	4	A
		1.00	Transportadora de Caudales de Junca			
Prosegur Tecnología Paraguay, SA	C/ Artigas, esq. Concepción Leyes de Chávez- Asunción	99.00	Juncadella Prosegur Internacional S.A.	a	8	B
		1.00	Transportadora de Caudales de Junca			
Proservicios SA	AV. LOS PROCERES NRO. 250 LIMA - LIMA - SANTIAGO DE SURCO	99.00	Proseguridad SA	a	1	B
		1.00	Compañía de Seguridad Prosegur SA			
Compañía de Seguridad Prosegur SA	AV. MORRO SOLAR NRO. 1086 URB. STA TERESA DE LA GARDENIA LIMA - LIMA - SANTIAGO DE SURCO	52.00	Juncadella Prosegur Internacional SA	a	2	A
		48.00	Transportadora de Caudales de Junca			
Proseguridad SA	AV. LOS PROCERES NRO. 250 LIMA - LIMA - SANTIAGO DE SURCO	38.04	S.A.	a	1	A
		35.11	Transportadora de Caudales de Juncadella SA			
		26.85	Prosegur Cia de Seguridad, S.A.			
Prosegur Cajeros SA	La Chira, 103 - Surco - Lima	52.00	Juncadella Prosegur Internacional S.A.	a	2	B
		48.00	Transportadora de Caudales de Junca			
Prosegur Tecnología Perú SA	La Chira, 103 - Surco - Lima	99.00	Prosegur Cia de Seguridad, S.A.	a	3	B
		1.00	Prosegur Activa Holding, S.L.U.			

## Information on 31 December 2014

Information on 31 December 2014						
Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding Company				
Proseguridad Perú SA	AV. LOS PROCERES NRO. 250 URB. SAN ROQUE CIVL (PRIMER PISO MZ O LT.B1) LIMA - LIMA - SANTIAGO DE	84,86	Proseguridad SA	a	1	A
		14,28	Inversiones RB, SA			
		0,86	Compañía de Seguridad Prosegur			
Proseguridad Selva SA	NRO. S/N CAS. PALMAWASI SAN MARTIN - TOCACHE - UCHIZA	90,00	Proseguridad Perú SA	a	1	B
		10,00	Compañía de Seguridad Prosegur			
Inversiones RB, SA	Avenida Nicolás Arriola, 780 Urb. Santa Catalina - La Victoria - Lima	99,00	Proseguridad SA	a	5	B
		1,00	Compañía de Seguridad Prosegur			
Prosegur Activa Peru, SA	AV. REPUBLICA DE PANAMA NRO. 3890 LIMA - LIMA - SURQUILLO	99,00	Prosegur Activa Holding, S.L.U	a	3	A
		1,00	Prosegur Cia de Seguridad, S.A.			
Prosegur Servicios Administrativos. S.A.	AV. LOS PROCERES NRO. 250 LIMA - LIMA - SANTIAGO DE SURCO	99,00	Prosegur Cia de Seguridad, S.A.	a	6	B
		1,00	Prosegur Activa Holding, S.L.U			
Prosegur Gestion de Activos, S.A.	AV. LOS PROCERES NRO. 250 LIMA - LIMA - SANTIAGO DE SURCO	99,00	Prosegur Gestion de Activos, SLU	a	2	B
		1,00	Prosegur Activa Holding, SLU			
Prosegur Mexico S de RL de CV	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	85,60	Prosegur Cia de Seguridad, S.A.	a	5	B
		14,40	Prosegur Activa Holding, S.L.U			
PRO-S Compañía de Seguridad Privada, SA de C.V.	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	99,00	Prosegur Mexico S de RL de CV	a	1	A
		1,00	Prosegur Cia de Seguridad, S.A.			
Prosegur Seguridad Privada Logística y Gestión de Efectivo, S.A. de C.V.	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	55,03	Prosegur Mexico S de RL de CV	a	2	A
		44,97	Prosegur Cia de Seguridad, S.A.			
Prosegur Seguridad Privada SA de CV	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	99,00	Prosegur Mexico S de RL de CV	a	1	A
		1,00	PRO-S Cia de Seguridad Privada SA de CV			
Prosegur Consultoría y Servicios Administrativos de RL de CV	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	99,00	Prosegur Mexico S de RL de CV	a	7	A
		1,00	PRO-S Cia de Seguridad Privada SA de CV			
Prosegur Servicios de Seguridad Privada Electrónica SA de CV	Distrito Federal, Azcapotzalco, Hogar y Seguridad, calle Piña-297	99,00	Prosegur Mexico S de RL de CV	a	2	A
		1,00	PRO-S Cia de Seguridad Privada SA de CV			
Prosegur Custodias, S.A. de CV	Estado de Mexico, Tlalnepantla de Baz, Los Reyes Industrial, calle Alfredo Nobel-21	99,00	Prosegur Mexico S de RL de CV	a	1	A
		1,00	PRO-S Cia de Seguridad Privada SA de CV			
Grupo Mercurio de Transportes SA de CV	Distrito Federal, Azcapotzalco, Sector Naval, AV De las Granjas -76	100,00	Grupo Tratamiento y Gestion de Valores SAPI de CV	a	2	A
Prosegur Tecnologia SA de CV	Distrito Federal, Azcapotzalco, Hogar y Seguridad, calle Piña-297	99,00	Prosegur Mexico S de RL de CV	a	3	A
		1,00	PRO-S Cia de Seguridad Privada SA de CV			
Grupo Tratamiento y Gestión de Valores SAPI de CV	Distrito Federal, Azcapotzalco, Sector Naval, calle Norte 79 B	80,00	Prosegur Cia de Seguridad, S.A.	a	5	B
Centro Nacional de Formacion Prosegur Asociacion Civil	Distrito Federal, Azcapotzalco, Sector Naval, AV De las Granjas -76	50	Prosegur Compañía de Seguridad SA de CV	a	7	B
		50	Prosegur Mexico S de RL de CV			
Prosegur Transportadora de Caudales SA	Guarani 1531 (Montevideo)	99,91	Juncadella Prosegur Internacional S.A	a	2	A
		0,09	Armor Acquisition SA			
Prosegur Activa Uruguay, S.A.	Guarani 1531 (Montevideo)	95,00	Prosegur Activa Holding, S.L.U	a	3	A
		5,00	Prosegur Cia de Seguridad, S.A.			
Compañía Ridur, SA	Guarani 1531 (Montevideo)	100	Juncadella Prosegur Internacional SA	a	5	B
Prosegur Uruguay BV	Westblaak 89, 3012 KG Rotterdam, The Netherlands	100,00	Prosegur, S.A.	a	5	B
Nautiland, SA	MICHELINI, ZELMAR 1121 - MALDONADO	100,00	Prosegur Activa Uruguay, S.A.	a	3	A
Blindados, SRL	Guarani 1531 (Montevideo)	99,00	Prosegur Transportadora de	a	8	C
		1,00	Prosegur Uruguay Compañía de Segur			
Genper, S.A.	Guarani 1531 (Montevideo)	100,00	Prosegur Cia de Seguridad, S.A.	a	3	A
Prosegur Uruguay Compañía de Seguridad, S.A.	Guarani 1531 (Montevideo)	90,00	Prosegur Uruguay BV SA	a	1	A
		10,00	Armor Acquisition SA			
GSM Telecom SA	Del pino, Simon 1055, Piriapolis, Maldonado	100,00	Prosegur Activa Uruguay, S.A.	a	8	C
Coral Melody SA	Guarani 1531 (Montevideo)	100,00	Prosegur Activa Uruguay, S.A.	a	4	A
Tecnofren SA	MICHELINI, ZELMAR 1121 - MALDONADO	100,00	Prosegur Activa Uruguay, S.A.	a	4	A
Roytronic SA	Guarani 1531 (Montevideo)	100,00	Prosegur Activa Uruguay, S.A.	a	3	A
Pitco Shanghai Trading Co Ltd	North Shanxi Road 1438, Room 308 Shanghai 200060, China	100,00	Luxpai Holdo S.A.R.L.	a	2	C
Pitco Asia Pacific Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	100,00	Luxpai Holdo SARL	a	5	B

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal	Shareholding Company			
Imperial Dragon Security Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	100,00	Luxpai Holdo SARL	a	5	C
Weldon Technology Co Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	99,95 0,05	Luxpai Holdo SARL Imperial Dragon Security Ltd	a	5	C
Shanghai Meiyu Information Technology Co Ltd	Room 1373, Building 4, Huancheng West Road lane 3111 No. 555, Fengxian District, Shanghai	100,00	Shanghai Pitco Information Technology Co Ltd	a	5	B
Shanghai Pitco Information Technology Co Ltd	Room 1373, Building 4, Huancheng West Road lane 3111 No. 555, Fengxian District, Shanghai	100,00	Pitco Shanghai Trading Co Ltd	a	5	B
Shanghai Bigu Investment Co Ltd	Room 1373, Building 4, Huancheng West Road lane 3111 No. 555, Fengxian District, Shanghai	100,00	Shanghai Pitco Consulting Management Co Ltd	a	5	B
Shanghai Pitco Consulting Management Co Ltd	Room 1601, Building 4, Huancheng West Road lane 3111 No. 555, Fengxian District, Shanghai	100,00	Pitco Shanghai Trading Co Ltd	a	5	B
Shangxi Laide Security Service Co Ltd	Building 18, Hengshan housing estate, Hengshan Road No. 918, Jiancaoping District, Taiyuan	70,00	Shanghai Meiyu Information Technology Co Ltd	a	2	B
Shanghai Prosegur Security Service Co Ltd	Room 446, Building 3, Huancheng West Road lane 3111 No. 555, Fengxian District, Shanghai	100,00	Shanghai Meiyu Information Technology Co Ltd	a	1	B
Prosec Services Pte Ltd	111 Geylang Road, #01-01, Singapore 389216	100,00	Singpai Pte Ltd	a	1	B
Singpai Pte Ltd	8 Cross Street #11-00, PWC Building, Singapore 048424	100,00	Luxpai Holdo S.A.R.L.	a	5	B
Evtec Management Services Ptd LTD	3 NEW INDUSTRIAL ROAD. #04-01 KIMLY BUILDING SINGAPORE (536197)	100,00	Singpai Pte Ltd	a	1	C
Prosec Cash Services Pte Ltd	111 Geylang Road, #01-01, Singapore 389216	100,00	Singpai Pte Ltd	a	2	B
Singpai India Private Limited	Fiat No. 1105-1106 Ashoka Estate, 2, Barakhamba Road, New Delhi	99,99 0,01	Singpai Pte Ltd Luxpai Holdo S.A.R.L.	a	5	B
Prointrans LLC	1200 Brickell Avenue, Suite 1950, Miami, Florida 33131	100,00	Prosegur Cia de Seguridad, S.A.	a	5	C
Prosegur Australia Holdings PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100,00	Singpai Pte Ltd	a	5	A
Prosegur Australia Investments PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100,00	Prosegur Australia Holdings PTY Limited	a	5	A
Prosegur Australia PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100,00	Prosegur Australia Investments PTY Limited	a	2	A
Prosegur Technology Pty Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100,00	Prosegur Australia Investments PTY Limited	a	2	A
Prosegur Securite (Ex Bac Securite)	18 Av. Morane Saulnier (Velizy Villacoublay)	100	Prosegur Cia de Seguridad, S.A.	a	8	B
Securite Europeenne de L'Espace Industriel SA	15 Rue de Louvres (Chennevieres Les Louvres)	59,98 40,02	Prosegur Cia de Seguridad, S.A. Esta Service SAS	a	8	B
Esta Service SAS	84 Rue des Aceries (SAINT ETIENNE)	100	Prosegur Cia de Seguridad, S.A.	a	8	B
Force Gardiennage SRL	92 Boulevard Emile Delmas (La Rochelle)	4,8 95,2	Prosegur Cia de Seguridad, S.A. Esta Service SAS	a	8	B

**Instance when it is consolidated**

- If the investee company is controlled, consolidated by the global integration method.
- Existence of significant influence, consolidation by the equity method.
- Joint ventures are consolidated by the proportional method.

**Activity**

- Activities of the Integrated Security Solutions business group.
- Activities of the CIT and cash management business group.
- Activities of the Alarms business group.
- Activities included in more than one business group.
- Holding company.
- Financial services.
- Auxiliary services.
- Dormant.

**Auditor:**

- A Audited by KPMG.
- B Not subject to audit.
- C Audited by other auditors.

## APPENDIX II. – Details of Joint Arrangements

### Information on 31 December 2015 - Joint Ventures

Business Name	Registered offices	% of Nominal	Shareholding	Instance when it is consolidated	Activity	Auditor
			Shareholding Company			
Rosegur Holding Corporación S.L.	Pajaritos, 24 Madrid	50,0	Prosegur Cia de Seguridad, S.A.	b	5	B
Rosegur, S.A.	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucuresti, Romania	50,0	A través de: Rosegur Holding Corporacion, S.L.	b	4	B
Rosegur Fire, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucuresti, Romania	50,0	A través de: Rosegur, S.A	b	3	B
Rosegur Training, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucuresti, Romania	50,0	A través de: Rosegur, S.A	b	7	B
SIS Cash Services Private Ltd	Annapurna Bhawan, Thelehone Exchange Road, Kurji, Patna 8000001 Buharm India	49,0	Prosegur Cia de Seguridad, S.A.	b	2	B
SIS Prosegur Holdings Private Limited	Annapurna Bhawan, Thelehone Exchange Road, Kurji, Patna 8000001 Buharm India	100,0	SIS Cash Services Private Ltd	b	2	B
Shanghai Weldon Security Equipment Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	45,0	Prosegur Cia de Seguridad, S.A.	b	3	B
Shanghai Weldon Security Service Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	45,0	A través de: Shanghai Weldon Security Equipment Co Ltd	b	1	B
Hangzhou Weldon Security Service Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	36,0	A través de: Shanghai Weldon Security Service Co Ltd	b	1	B
Sichuan Weldon Security Service Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	30,6	A través de: Shanghai Weldon Security Equipment Co Ltd	b	2	B
Prosegur Technological Security Solutions LLC	Abu Dhabi- Al falah Street- 211 ABDULLA HAMAD LUWAIE AL AMERI - P.O. Box 129354	49,0	Prosegur Cia de Seguridad, S.A.	b	3	C

## Information on 31 December 2015 - Joint Operations. Joint Ventures.

Business Name	Registered offices	Shareholding		Notes	Activity
		% of Nominal	Partner company in joint business		
UTE PCS SSG BSM BARCELONA UTE LEY 18/1982	Pajaritos, 24 28007 Madrid	100		d	1
UTE PCS SSG CENTRO SANITARIO CEUTA	Pajaritos, 24 28007 Madrid	100		d	1
UTE PCS SSG FERROCARRILS DE LA GENERALITAT CATALUNYA	Pajaritos, 24 28007 Madrid	100		d	1
UTE FERROSER PCS UNIV. EUROPEA MADRID	Principe de Vergara, 135, 28009 Madrid	95	FERROSER	d	1
UTE PCS SSG UNIV. POLITECNICA DE VALENCIA 2012	Pajaritos, 24 28007 Madrid	100		d	1
UTE PCS SSG HOSPITAL DE LA SANTA CREU I SANT PAU (FUNDACIÓ DE GESTIÓ SANITÀRIA)	Pajaritos, 24 28007 Madrid	100		d	1
UTE PCS SSG PALACIO DE CONGRESOS Y DE LA MÚSICA EUSKALDUNA JAUREGIA BILBAO	Pajaritos, 24 28007 Madrid	100		d	1
UTE PCS SSG PALAU DE LA MUSICA DE VALENCIA	Pajaritos, 24 28007 Madrid	100		d	1
UTE PCS SSG AEROP. BARCELONA LOTE 1	Pajaritos, 24 28007 Madrid	100		d	1
UTE AEROPUERTO DE IBIZA	Pajaritos, 24 28007 Madrid	70	CSP SIGLO XXI	d	1
UTE PCS SSG LA FINCA	Pajaritos, 24 28007 Madrid	100		d	1
UTE PROSEGUR SERVIMAX AUTORITAT PORTUARIA DE BARCELONA	Pajaritos, 24 28007 Madrid	100		d	1
UTE ESC PCS GETXO KIROLAK	Pajaritos, 24 28007 Madrid	100		d	1
UTE PROSEGUR SERVIMAX HOSPITAL CLINIC DE BARCELONA I FUNDACION HOSPITAL	Pajaritos, 24 28007 Madrid	100		d	1
UTE PROSEGUR SERVIMAX MONDELEZ	Pajaritos, 24 28007 Madrid	100		d	1
UTE PROSEGUR SERVIMAX AYTO. BILBAO	Pajaritos, 24 28007 Madrid	100		d	1
UTE PROSEGUR SERVIMAX EDIF. SAN SEB.-BILBAO (GOB. VASCO)	Pajaritos, 24 28007 Madrid	100		d	1
UTE PROSEGUR ESPAÑA SERVIMAX OF. ANTIFRAU CATALUNYA II	Pajaritos, 24 28007 Madrid	100		d	1
UTE PES SSG FUND. PRIV. HOSPITAL DE LA SANTA CREU I SANT PAU (RECIENTE MODERNISTA)	Pajaritos, 24 28007 Madrid	100		d	1
UTE PES VASBE GERENCIAS TERRITORIALES MNT. JUSTICIA	Pajaritos, 24 28007 Madrid	43	VASBE	d	1
UTE PROSEGUR ESC UNIVERSIDAD DE ALICANTE II	Pajaritos, 24 28007 Madrid	100		d	1
UTE PES SSG UNIVERSITAT POMPEU FABRA	Pajaritos, 24 28007 Madrid	100		d	1
UTE PES ESC CORA FASE I	Pajaritos, 24 28007 Madrid	100		d	2
UTE PES ESC MUSEO GUGGENHEIM II	Pajaritos, 24 28007 Madrid	100		d	1
UTE PES ESC HOSPITAL UNIVERSITARI VALL D'HEBRON IV	Pajaritos, 24 28007 Madrid	100		d	1
UTE PES ESC AEROPUERTO DE ALICANTE	Pajaritos, 24 28007 Madrid	100		d	1
UTE PES ESC INTEGRA II GENERAL MOTORS ESPAÑA	Pajaritos, 24 28007 Madrid	100		d	1
UTE PROSEGUR ESC AGENCIA TRIBUTARIA	Pajaritos, 24 28007 Madrid	100		d	1
UTE PROSEGUR ESC OFICINA ANTIFRAU DE CATALUNYA III	Pajaritos, 24 28007 Madrid	100		d	2
UTE PROSEGUR ESC UNIVERSIDAD POLITECNICA DE VALENCIA III	Pajaritos, 24 28007 Madrid	100		d	2
UTE PES ESC AEROPUERTO DE MADRID-BARAJAS EXP 84/15 LOTE 1	Pajaritos, 24 28007 Madrid	100		d	1
UTE CLECE PCS TEATRO KURSAAL MELILLA ley 18/82	Calle Industria, 1 edif. Metropol I, 4º mod.20. Mairena de aljarafe - SEVILLA 41927	10	CLECE	d	1

**Information on 31 December 2015 - Joint Operations. Joint Ventures.**

Shareholding					
Business Name	Registered offices	% of Nominal	Partner company in joint business	Notes	Activity
UTE VIGILANCIA Y SEG. CENTROS INTERNAMIENTO P 12 098	Juan de Mariana, 15 28045 Madrid	11.56	SEGUR IBERICA Y OTROS	d	1
LIMPIEZA Y VIGILANCIA CÁCERES UTE (Centros Escolares y Dep. Municipales)	Príncipe de Vergara, 135 28002 MADRID	20	FERROSER	d	1
SEGURIDAD TOTAL	CALLE 19 B 34-69 - BOGOTA	53	SEGURIDAD SOS	d	1
SIGLO XXI	OFICINA TEUSAQUILLO PROSEGUR VIGILANCIA	55	SEGURIDAD SOS	d	1
EPIG	CALLE 21 44-18 - BOGOTA	28.75	OTROS	d	1
SIES 2010	CALLE 21 44-18 - BOGOTA	24.5	OTROS	d	1
SIES 2011	CALLE 21 44-18 - BOGOTA	22.5	OTROS	d	1
UNION TEMPORAL ESPINAL CCTV	TRANS 23 95-53 EDIFICIO ECOTEK	80	INTEGRA SECURITY SYSTEMS	d	1
UNION TEMPORAL CONGRESO 2011	TRANS 23 95-53 EDIFICIO ECOTEK	69.5	INTEGRA SECURITY SYSTEMS	d	1
UNION TEMPORAL MANIZALES 2011	TRANS 23 95-53 EDIFICIO ECOTEK	99.5	INTEGRA SECURITY SYSTEMS	d	1
UNION TEMPORAL TECNOLOGIA CALI	TRANS 23 95-53 EDIFICIO ECOTEK	47	INTEGRA SECURITY SYSTEMS	d	1
UNION TEMPORAL INDRA PROSEGUR	TRANS 23 95-53 EDIFICIO ECOTEK	40	INDRA SISTEMAS S.A	d	1
CONSORCIO LOGISTICA GESTION DOCUMENTAL	TRANS 23 95-53 EDIFICIO ECOTEK	51	PROTESH INGENIERIA SAS	d	7

**Information on 31 December 2014 - Joint Ventures**

Business Name	Registered offices	% of Nominal	Shareholding	Instance when it is consolidated	Activity	Auditor
			Shareholding Company			
Rosegur Holding Corporación S.L.	Pajaritos, 24 Madrid	50.0	Prosegur Cia de Seguridad, S.A.	b	5	B
Rosegur, S.A.	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucuresti, Romania	50.0	A través de: Rosegur Holding Corporacion, S.L.	b	4	B
Rosegur Fire, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucuresti, Romania	50.0	A través de: Rosegur, S.A	b	3	B
Rosegur Training, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucuresti, Romania	50.0	A través de: Rosegur, S.A	b	7	B
Rosegur Service, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Bucuresti, Romania	50.0	A través de: Rosegur, S.A	b	3	B
SIS Cash Services Private Ltd	Annapurna Bhawan, Thelehone Exchange Road, Kurji, Patna 8000001 Buharm India	49.0	Prosegur Cia de Seguridad, S.A.	b	2	B
SIS Prosegur Holdings Private Limited	Annapurna Bhawan, Thelehone Exchange Road, Kurji, Patna 8000001 Buharm India	100.0	SIS Cash Services Private Ltd	b	2	B
Shanghai Weldon Security Equipment Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	45.0	Prosegur Cia de Seguridad, S.A.	a	3	B
Shanghai Weldon Security Service Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	45.0	A través de:Shanghai Weldon Security Equipment Co Ltd	a	1	B
Hangzhou Weldon Security Service Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	36.0	A través de: Shanghai Weldon Security Service Co Ltd	a	1	B
Sichuan Weldon Security Service Co Ltd	Block 26, Lane 423 Xincun Road, Putuo District, Shanghai, China, 200065	30.6	A través de:Shanghai Weldon Security Equipment Co Ltd	a	2	B
Prosegur Technological Security Solutions LLC	Abu Dhabi- Al falah Street- 211 ABDULLA HAMAD LUWAIE AL AMERI - P.O. Box 129354	49.0	Prosegur Cia de Seguridad, S.A.	a	3	C

**Information on 31 December 2014 - Joint Operations. Joint Ventures.**

Business Name	Registered offices	Shareholding		Notes	Activity
		% of Nominal	Partner company in joint business		
Ute Aena Barcelona T2 PCS SSG Ute Ley 18/1982	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG BSM Barcelona UTE Ley 18/1982	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS Fesmi	Crta. Baños de Arteijo, 12 P.I. La Grela 15008 A Coruña	42	FESMI	d	1
Ute PCS SSG Antifrau Catalunya	Pajaritos, 24 28007 Madrid	100		d	0
Ute PCS SSG Centro Sanitario Ceuta	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG Aena San Sebastian	Pajaritos, 24 28007 Madrid	100		d	0
Ute PCS SSG Aena Malaga	Pajaritos, 24 28007 Madrid	100		d	0
Ute PCS SSG Aena Palma Mallorca	Pajaritos, 24 28007 Madrid	100		d	0
Ute PCS SSG Universidad Alicante	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG Instituto de Estudios Fiscales	Pajaritos, 24 28007 Madrid	100		d	0
Ute PCS SSG Hospital Vall D'Hebron	Pajaritos, 24 28007 Madrid	100		d	0
Ute PCS SSG Guggenheim	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG MPTMAP	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG Ferrocarrils de la Generalitat de Catalunya	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS ESC Cetarsa	Pajaritos, 24 28007 Madrid	100		d	0
Ute Ferrosser PCS Universidad Europea de Madrid	Principe de Vergara, 135, 28009 Madrid	95	FERROSER	d	1
Ute PCS SSG General Motors	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG Universidad Politecnica de Valencia 2012	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG Hospital de la Santa Creu i Sant Pau (Fundación de Gestió Sanitaria)	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG Palacio de Congresos y de la Música Euskalduna Jauregia Bilbao	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS ESC Forum Evolucion de Burgos	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS ESC Clinica Militar Cartagena	Pajaritos, 24 28007 Madrid	100		d	0
Ute PCS SSG HOSPITAL VALL D'HEBRON III	Pajaritos, 24 28007 Madrid	100		d	0
Ute PCS SSG Palau de la Música de Valencia	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG Aeropuerto Barcelona Lote 1	Pajaritos, 24 28007 Madrid	100		d	1
Ute Aeropuerto de Ibiza	Pajaritos, 24 28007 Madrid	70	CSP SIGLO XXI	d	1
Ute PCS SSG La Finca	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG Hospital Vall D'Hebron III	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG Autoritat Portuaria de Barcelona	Pajaritos, 24 28007 Madrid	100		d	1
Ute ESC PCS Getxo Kirolak	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG Hospital Clinic de Barcelona i Fundació Hospital	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG El Greco 2014	Pajaritos, 24 28007 Madrid	100		d	1
Ute PES SSG Mondelez	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG Ayuntamiento Bilbao	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS SSG Edificio San Sebast. Bilbao (Gob. Vasco)	Pajaritos, 24 28007 Madrid	100		d	1
Ute PES SSG Oficina Antifrau Catalunya II	Pajaritos, 24 28007 Madrid	100		d	1
Ute PES SSG Fundacion Privada Hospital de la Santa Creu i San Pau	Pajaritos, 24 28007 Madrid	100		d	1
Ute PES VASBE Gerencias Territoriales Ministerio de Justicia	Pajaritos, 24 28007 Madrid	43	VASBE	d	1
Ute PES ESC UNIV. Carlos III, Campus Puerta Toledo	Pajaritos, 24 28007 Madrid	100		d	1
Ute PCS ESC Universidad de Alicante II	Pajaritos, 24 28007 Madrid	100		d	1
Ute PES SSG Universitat Pompeu Fabra	Pajaritos, 24 28007 Madrid	100		d	1
Ute PES ESC Cora Fase I	Pajaritos, 24 28007 Madrid	100		d	2

**Information on 31 December 2014 - Joint Operations. Joint Ventures.**

Business Name	Registered offices	Shareholding		Notes	Activity
		% of Nominal	Partner company in joint business		
Ute Clece PCS Teatro Kursal Melilla Ley 18/82	Calle Industria, 1 edif. Metropol I, 4º mod.20. Mairena de aljarafe - SEVILLA 41927	10	CLECE	d	1
Ute Vigilancia y Seg. Centros Internamiento P 12 098	Juan de Mariana, 15 28045 Madrid	12	SEGUR IBERICA Y OTROS	d	1
Limpieza y Vigilancia Caceres UTE (Centros Escolares y Dep. Municipales)	Principe de Vergara, 135 28002 MADRID	20	FERROSER	d	1
Unión Temporal Espinal CCTV	Carrera 50 n.71-80	80.00	OTROS	d	1
Unión Temporal Manizales 2011	Carrera 50 n.71-80	99.50	OTROS	d	1
Unión Temporal Tecnología Cali	Carrera 50 n.71-80	47	Spectra Ingeniería Ltda.	d	1
Unión Temporal Indra	Carrera 50 n.71-80	40	Indra Sistemas SA	d	1
Consorcio Logística documental	Calle 13 N.42a-24	50	Protech	d	1
Unión Temporal SIES 2011	Carrera 50 n.71-80	22.5	Interseg S. A. EGC Colombia SAS Ingeniería y Telemática G & C SAS Energía Integral Andina SA	d	1
Unión Temporal Siglo XXI	Carrera 50 n.71-80	55	Su Oportuno Servicio Ltda. - SOS	d	1
Unión Temporal Seguridad EPIG	Carrera 50 n.71-80	28.75	Interseg S. A. EGC Colombia SAS Ingeniería y Telemática G & C SAS	d	1
Disproel	Carrera 50 n.71-80	5	Otros	d	1
Union Temporal Prosegur Guardianes	Carrera 16 N. 33 29	56	Guardianes	d	1

**Instance when it is consolidated**

- If the investee company is controlled, consolidated by the global integration method.
- Existence of significant influence, consolidation by the equity method.
- Joint ventures are consolidated by the proportional method.

**Activity**

- Activities of the Integrated Security Solutions business group.
- Activities of the CIT and cash management business group.
- Activities of the Alarms business group.
- Activities included in more than one business group.
- Holding company.
- Financial services.
- Auxiliary services.
- Dormant.

**Auditor:**

- Audited by KPMG.
- Not subject to audit.
- Audited by other auditors.

**Notes:**

- The purpose of joint operations corresponds entirely to services related to the Integrated Security Solutions business line.

**Joint venture activity:**

1. Active Joint Venture.
2. Dormant Joint Venture.
3. Joint Venture under liquidation.

## APPENDIX III Information related to non-controlling interests

In 2015, as a result of a reassessment of control (Note 15), non-controlling interests were reduced practically to nothing and came under Other insignificant companies.

### Information on 31 December 2014

	Shanghai Weldon Security Equipment Co Ltd	Shanghai Weldon Security Service Co Ltd	Hangzhou Weldon Security Service Co Ltd	Sichuan Weldon Security Service Co Ltd	Other insignificant companies	Total
Thousands of euros						
Percentage of non-controlling participation	55%	55%	64%	60%	Various	
<b>Information from financial statement</b>						
Non-current assets	14,135	172	-	163	-	14,470
Non-current liabilities	(3,490)	-	-	-	-	(3,490)
Total net non-current assets	10,645	172	-	163	-	10,980
Current assets	5,655	7,785	731	679	304	15,154
Current liabilities	(1,193)	(2,966)	(588)	(9)	(787)	(5,543)
Total net current assets	4,462	4,819	143	670	(483)	9,611
Net assets	15,107	4,991	143	833	(483)	20,591
Carrying amount of non-controlling shares	8,309	2,745	92	578	(316)	11,408
<b>Information from profit and loss account</b>						
Revenue	503	21,247	700	-	-	22,450
Profit/loss for the year	(733)	357	53	(154)	(247)	(724)
Other comprehensive income	1,699	535	(24)	62	85	2,357
Total comprehensive income	966	892	29	(92)	(162)	1,633
Consolidated result allocated to non-controlling shares	531	491	19	(64)	(106)	871
<b>Information on cash flow statement</b>						
Cash flows from operating activities	(1,331)	740	228	-	-	(363)
Cash flows from investing activities	-	(59)	-	-	-	(59)
Cash flows from financing activities, before dividends paid to non-controlling shares	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(1,331)	681	228	-	-	(422)

**APPENDIX IV. – Summary Information on Joint Ventures****Information on 31 December 2015**

Thousands of euros	SIS Cash Services Private Limited	SIS Prosegur Holdings Private Limited	Weldon Group	Other insignificant companies	Total
<b>Information from financial statement</b>					
Non-current assets	14.988	12.324	4.151	296	31.759
Non-current liabilities	-	-	-	(84)	(84)
Total net non-current assets	14.988	12.324	4.151	212	31.675
Current assets	13.471	20.396	16.772	23	50.662
Cash and cash equivalents	11	4	2.929	-	2.944
Current liabilities	(12.248)	(22.291)	(9.202)	(8)	(43.749)
Current liabilities	(5.507)	(889)	-	-	(6.396)
Total net current assets	1.223	(1.895)	7.570	15	6.913
Net assets	16.211	10.429	11.721	227	38.588
Percentage of share	49%	49%	44%	50%	
Share in net assets	7.944	5.110	5.161	113	18.328
Carrying value of share	7.944	5.110	5.161	113	18.328
<b>Information from profit and loss account</b>					
Revenue	(24.266)	(19.405)	(3.601)	-	(47.272)
Costs to sell	23.761	19.254	4.704	-	47.719
Impairment of shares by equity method	-	-	17.019	-	17.019
Depreciation and amortisation	1.602	1.305	187	57	3.151
Finance expenses	719	179	9	-	907
Expenses (income) for tax on profit	(62)	(82)	(242)	(34)	(420)
Yearly profit from continuing operations	1.754	1.251	18.076	23	21.104
Profit/loss for the year	1.754	1.251	18.076	23	21.104
Total comprehensive income	1.754	1.251	18.076	23	21.104

## Information on 31 December 2014

Thousands of euros	Rosegur Holding Corporation SL	Rosegur SA	Rosegur Fire, SRL	Rosegur Training SRL	SIS Cash Services Private Limited	SIS Prosegur Holdings Private Limited	Prosegur Technolog ical Security Solutions LLC	Total
<b>Information from financial statement</b>								
Non-current assets	342	(11)	10	1	14,855	10,212	-	25,409
Non-current liabilities	(101)	(52)	-	-	(4,494)	-	-	(4,647)
Total net non-current assets	241	(63)	10	1	10,361	10,212	-	20,762
Current assets	-	1,730	(0)	6	23,206	7,486	95	32,523
Current liabilities	-	(4,386)	(3)	(5)	(4,622)	(18,101)	(443)	(27,560)
Total net current assets	-	(2,656)	(3)	0	18,584	(10,615)	(348)	4,963
Net assets	241	(2,719)	7	1	28,946	(403)	(348)	25,725
Percentage of share	50%	50%	50%	50%	49%	49%	49%	
Share in net assets	120	(1,360)	4	-	14,183	(197)	(170)	12,580
Carrying value of share	120	(1,360)	4	-	14,183	(197)	(170)	12,580
<b>Information from profit and loss account</b>								
Revenue	-	-	-	-	(17,922)	(1,725)	-	(19,647)
Costs to sell	57	-	-	-	18,742	2,105	137	21,041
Finance expenses	-	-	-	-	345	21	-	366
Expenses (income) for tax on profit	(17)	-	-	-	(361)	-	-	(378)
Yearly profit from continuing operations	40	-	-	-	804	401	137	1,382
Profit/loss for the year	40	-	-	-	804	401	137	1,382
Total comprehensive income	40	-	-	-	804	401	137	1,382

**PROSEGUR COMPAÑIA DE SEGURIDAD, S.A. AND SUBSIDIARIES**  
**Consolidated management report for reporting year 2015**

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## Consolidated management report for reporting year 2015

This management 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. Position of the company

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

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

#### 1.1 Organisational structure

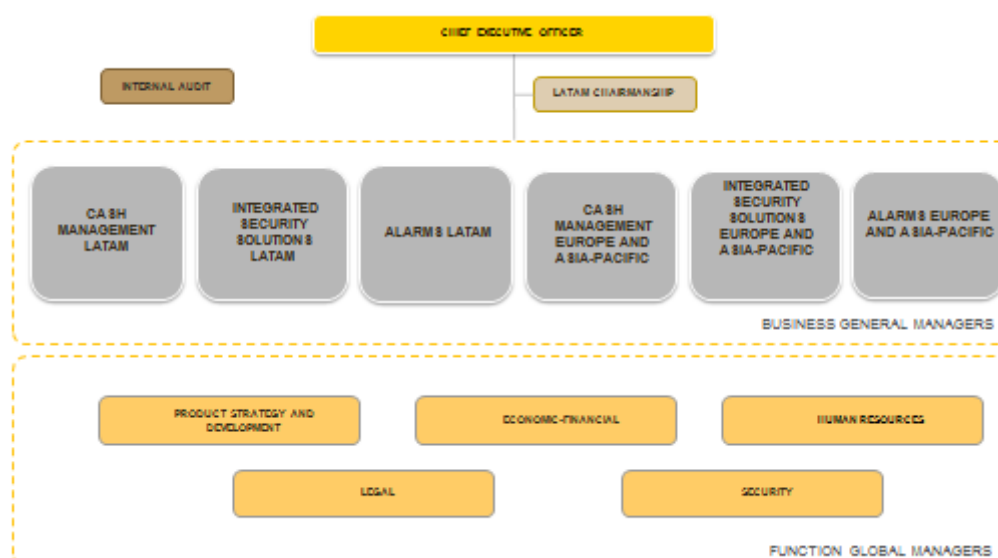
The organisational structure of Prosegur is designed to improve business processes and offer added value to our clients. Its flexibility allows for a permanent adaptation to an ever-changing environment and the evolution of Prosegur as a business group. In addition, it fosters transversal knowledge of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

Business is the main cornerstone of the organisation and is embodied in the General Business Management Departments, which are responsible for the design of security solutions for clients and cover the main business lines: Integrated Security Solutions, Cash in Transit and Cash Management and Alarms.

To reinforce our client focus and obtain a fast and efficient structure, geography is a fundamental aspect of the organisation and represented in two principal segments: LatAm and Europe & Asia-Pacific

The corporate functions are supervised by the Global Support Divisions that cover the areas of Finance, Human Resources, Legal, Security, Strategy and Product Development.

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 Appointments 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 generally accepted accounting principles. For its part, the Appointments and Remuneration Committee establishes and reviews the criteria for the composition and remuneration of the Board of Directors and for the Prosegur management team. It also periodically reviews remuneration programmes.

### Changes in the composition of the Group

Changes that took place in the composition of Prosegur during the 2015 reporting period were mainly as a result of the following acquisitions:

- On 1 April 2015, Prosegur bought in Spain 100% of the "Call Centre and Back Office" division from H. P. Procesos de Negocios España, S.L., specialising in the provision of banking administration services, under the CIT and cash management activity. The total purchase price was EUR 2.2 million.
- On 2 June 2015, Prosegur bought in China 80% of the company Nanjing Zhong Dun Security Services Co Ltd, a company specialising in the provision of surveillance services. To total purchase price was CNY 1.8 million (equivalent on the acquisition date to: EUR 0.3 million).
- On 17 November 2015, Prosegur bought in Spain 100% of the company Centro Informático de Vigo, S.A., specialising in the provision of banking administration services, under the CIT and cash management activity. The total purchase price was EUR 0.3 million.

During reporting period 2015, the following companies were incorporated or wound up:

- In January 2015, Prosegur Global SIS, S.L.U. and Prosegur Global CIT, S.L.U. were incorporated in Spain.
- In February 2015, Prosegur Vigilancia España, S.L.U. and Prosegur Alarmas España, S.L.U. were incorporated in Spain.
- In May 2015, Prosegur International CIT 1, S.L., Prosegur International CIT 2, S.L.U., Prosegur Global Alarmas ROW, S.L.U., Prosegur Global CIT ROW, S.L.U. and Prosegur Global SIS ROW, S.L.U. were incorporated in Spain.
- In May 2015, Prosegur Alarmes Dissuasao Portugal Unipessoal Ltda, Prosegur Logistica e Tratamento de Valores Portugal Unipessoal Ltda and Prosegur SIS Sistemas de Segurança Portugal Unipessoal Ltda were incorporated in Portugal.
- In June 2015, Prosegur Berlín, S.L.U. and Prosegur BPO España, S.L.U. were incorporated in Spain.
- In June 2015, Prosegur Agencia, Promoção e Comercialização de Productos e Servicios, Unipessoal, LDA was incorporated in Portugal.
- In July 2015, Soluciones Integrales en Seguridad Prosegur Paraguay S.A. and Alarmas Prosegur Paraguay S.A. were incorporated in Paraguay.
- In July 2015, Singpai Alarms Pte Ltd was incorporated in Singapore.
- In November 2015, Prosegur SIS USA Inc. was incorporated in the United States.

- In November 2015, Prosegur Berlin Co KG, Prosegur Services Germany GmbH and Prosegur SIS Germany GmbH were incorporated in Germany.
- In December 2015, Luxpai CIT SARL was incorporated in Luxembourg.
- In December 2015, Prosegur ESSPP Empresa de Serviços Partilhados Unipessoal LDA and Prosegur Gestao de Activos Imobiliarios S.A. were incorporated in Portugal.
- In December 2015, Prosegur Gestion D'Actifs France was incorporated in France.

Furthermore, the following mergers took place between subsidiaries in 2015:

- In March 2015, Transvig – Transporte de Valores e Vigilancia LTDA merged with and into Prosegur Brasil, S.A Transportadora de Valores e Segurança in Brazil.
- In July 2015, Prosegur Trier GmbH & Co KG merged with and into Prosegur GmbH in Germany.
- In July 2015, Prosegur Trier Verwaltungs GmbH merged with and into Prosegur GmbH in Germany.
- In October 2015, Prosegur Holding e Participações S.A. merged with and into TSR Participações Societárias S.A. in Brazil.

## 1.2 Operation

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. In 2015, the new Strategic Plan for 2015-2017 was launched. The main objectives are classified as:

### Qualitative objectives

- Management at delegation level. (compliance expected 2015-2016).
  - ✓ Continuously measure the quality level of the services and customer satisfaction.
  - ✓ Offer value focused on the needs of the client.
- Efficiency in operations (compliance expected 2015-2017).
  - ✓ Finish implementing corporate platforms in all Prosegur countries
  - ✓ Continue with Kaizen Project.
  - ✓ Continue promoting expertise centres implementing best practices in all countries.
- Simplification of management (fulfilment expected 2015-2016).
  - ✓ To build a Prosegur that is more agile, fast, consistent, and homogeneous thanks to the simplification of processes and structures, adding up to better decision making.

### Quantitative objectives

- Growth (compliance expected 2015-2016).
  - ✓ Emphasise growth in new volume.
  - ✓ Maintain a firm commitment with the development and sale of new products.
  - ✓ Promote the specialisation of managers.
- Management of indirect costs (compliance expected 2016).
  - ✓ Simplify the decision making process and create a more streamlined organisation.
  - ✓ Reduce the burden of indirect costs, mainly in corporate business.
- Cash management (fulfilment expected 2015).
  - ✓ Maintain the cash generation pace and its conversion with respect to EBITA.

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

### 2.1 Fundamental indicators of financial and non-financial character

(millions of euros)	2015	2014	Variation
Sales	3,959.4	3,782.6	4.7%
EBITDA	448.4	425.7	5.3%
<i>Margin</i>	11.3%	11.3%	
Depreciation of property, plant and equipment	-81.1	-70.6	
Depreciation of other intangible asset	-43.1	-47.8	
EBIT	324.2	307.3	5.5%
<i>Margin</i>	8.2%	8.1%	
Financial results	-36.3	-58.1	
Profit before tax	287.9	249.2	15.5%
<i>Margin</i>	7.3%	6.6%	
Taxes	-104.5	-90.7	
<i>Tax rate</i>	-36.3%	-36.4%	
Net result	183.4	158.5	15.7%
Minority interests	0.0	-0.3	
Consolidated net profit	183.4	158.8	15.5%
Basic profit per share	0.3065	0.2654	

The 2015 reporting year saw a sales growth of 4.7%.

Consolidated sales of Prosegur during 2015 amounted to EUR 3,959.4 million and grew 7.7% at a constant exchange rate.

The EBITDA increased 4.0% excluding the effect of currency depreciation in the countries where Prosegur operates based on conversion to the euro, which reflects the increase/maintenance of the margins in spite of the increase in labour costs in countries with a significant impact on results.

The EBIT/Sales margin of 8.2% demonstrates Prosegur's ability to maintain the profitability of businesses in spite of the impact of amortisations derived from new business acquisition operations.

The consolidated net result increases 15.5% due mainly to a good evolution of sales and the inorganic growth strategies of previous years, which facilitated a solid platform to guarantee organic growth in adverse periods.

#### Analysis of management in 2015

2015 was defined by deceleration in LatAm at the macroeconomic level, and the general recovery of the economy in the euro area as well as, fundamentally, of the Spanish economy which is starting to show signs of being a growing market.

In spite of the complex macroeconomic environment in Latin America and the still marginal yet sustained growth in Europe & Asia-Pacific, reporting year 2015 was closed satisfactorily and results positively reflect the success of the inorganic growth strategies of previous years, which facilitated the establishment of a solid foundation to guarantee organic growth in adverse periods, as well as the excellent adaptive capacity of Prosegur's integrated business model in order to provide security and cash management solutions that are valued well over price considerations by clients in all countries, allowing the company to mitigate adverse economic conditions and grow organically in a continuous and profitable manner.

The objectives achieved are even more valuable taking into account that Prosegur carries out its activity in 14 currencies different from its operating currency, the euro, and that the effect of depreciation of some currencies in LatAm has resulted in a highly negative impact on the main sections of the income statement.

The supports that made it possible to obtain satisfactory results in 2015 were an efficient combination of promotion commercial strategies, in mature markets, toward new service models focused on reducing the cost of security for the client while guaranteeing and measuring desired protection levels, combined with growth sustainability strategies above the market for the more traditional products in emerging markets and a strategy for entry into the market of outsourcing banking business processes.

In order to carry out this combination of highly distinct business plans, Prosegur undertook during 2015 an internal reorganisation to reinforce the independent growth of the business areas, maintaining the market advantage of a comprehensive security model but also fostering independent margin protection policies for each business while assisting regions in dedicating the majority of resource to sales and customer service with support from a more efficient and service-oriented centralised global structure.

This new organisation model resulted in strict control of indirect costs and expenses that reinforces previous year policies and that is boosted by the introduction of new quantification and comparison tools that streamline decision making and identify and isolate inefficiencies more quickly.

As result of these new management and internal control policies, and with all previous acquisitions fully integrated into the business, a notable improvement in cash generation for the group has taken place, constituting a satisfactory continuation of the debt reduction and restructuring process and achieving Moody's Baa2 Stable rating, in addition to Standard & Poor's BBB Stable rating which had been obtained in 2012.

This key financial milestone gives Prosegur high potential for new and major corporate acquisitions. Therefore, we may be at the start of a new stage that will involve on one hand the continuation of organic and inorganic growth and, on the other, the consolidation of presence in LatAm and expansion in new regions such as Asia-Pacific.

In Europe & Asia-Pacific, 2015 saw a strong recovery of sales and profitability in Spain, together with positive growth in Portugal following several years of recession. Both countries now reflect the results—undeniably positive—of the client portfolio optimisation measures carried out in 2013 and 2014. These margin protection measures were also applied in France during 2015 to achieve profitable growth based on the business of customers who value quality over price and opening new lines of activities that had been limited previously due to the scant investment capacity in the market that resulted from the recession.

In Germany the positive profitability threshold now achieved is solid proof that the efficiency measures of the Prosegur business model can achieve positive results in any market, with full satisfaction of the clients and group profitability growth, and that this model is perfectly exportable to new environments in any region.

With respect to the Asia-Pacific region, the growth of the new Australian subsidiary, fully in line with the growth estimates of its respective market, is promising and a perfect combination with Prosegur's market consolidation strategy, while it constitutes a powerful platform for innovation and the development of new practices in cash management and more specifically in comprehensive ATM and teller window management.

This activity is reinforced by Prosegur's position on the national Indian market as the second cash management services supplier, with the leading position in the south and east regions of the country—together with the activity in Australia, Singapore, and China, consolidating and growing the strategy that Prosegur is carrying out in the Asia-Pacific markets.

The capacity to maintain growth in the previously consolidated markets of the LatAm region was also clearly demonstrated during the year ending 31 December 2015. The effectiveness of price adjustments for services provided in hyper-inflationary environments is clear. In Brazil, Prosegur has continued to satisfactorily transfer inflationary increases to the market while it has reinforced and optimised the surveillance activity, and while the funds transportation business has experienced volume decreases due to the economic slowdown of the country, although always in excess of the net growth of the country, maintaining the capacity for creating value as well as margins.

Brazil continues to be one of the most important countries in the Prosegur perimeter, taking into account the sales volume, profits, and workforce. It is the market with the greatest impact on the Prosegur accounts and remains a clear focus of the future strategy. The position of Prosegur in Brazil as global supplier of private security services is impossible to improve in order to confront the current clearly recessionary situation of the country's economy, and this position was reinforced during 2015 with the implementation of strict margin protection and internal optimisation measures that will allow us to maintain profitability and adapt our structure to the new market conditions of the country during the slow phase of the economic cycle.

Furthermore, the political changes in Argentina that took place toward the end of the year augur a favourable evolution for Prosegur's business in that country. The lifting of restrictions in capital movement and unrestricted product imports will make it possible over coming years to significantly accelerate the growth of the alarms business while the rest of indicators for the other activities are maintained in the habitual growth ranges for the country.

The rest of LatAm countries have continued to show the same growth dynamics as previous years, with Colombia the only country in the area having shown a negative evolution as a result of the decisive application of client portfolio optimisation policies that will result in better margins and more stable growth figures over coming years.

The year 2015 has seen the final materialisation of the implementation, started in previous years, of new key management indicators for the group. As a result we have updated corporate policies this year that have facilitated decision making with respect to:

- a) The establishment of continuous improvement objectives.
- b) The consideration of alternative strategies and options.
- c) The adoption of necessary measures for the implementation of defined strategies and introducing corrective measures to deal with deviations.
- d) The creation of competitive advantages.

Currently, the Prosegur Management employs a control panel of timely and suitable information on its clients, the market, and the legal, economic, and technological environment that allows it to make continuous operational adjustments.

Over the following sections details are provided on the most significant variables of the management and its evolution during the period, including activities, business management, personnel, investments, and financial exploitation and management.

### Sales by geographic area

Prosegur's consolidated sales over 2015 were EUR 3,959.4 million (in 2014: EUR 3,782.6 million), or a total increase of 4.7%, of which 7.6% corresponds to pure organic growth, 0.1% corresponds to inorganic growth mainly derived from purchases carried out during 2014. The effect of the evolution of exchange rates decreased by 3.0%.

The total growth of sales is above the nominal GDP of the countries in which Prosegur operates. This improvement is due in good part to the comprehensive security solutions model and the experience acquired in each market throughout the years.

The following table provides a breakdown of consolidated sales by geographical area:

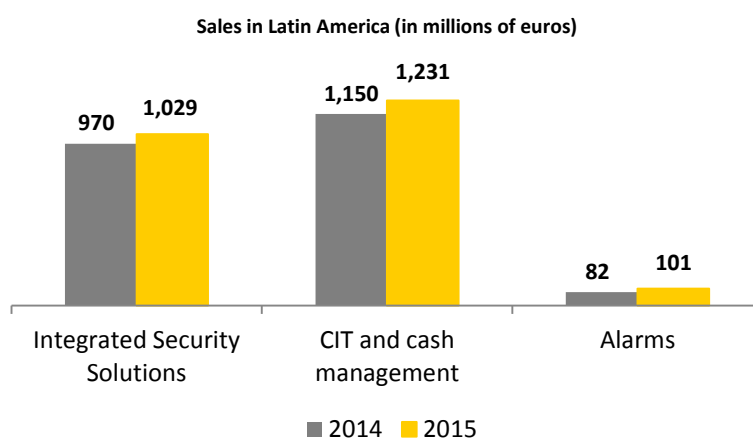
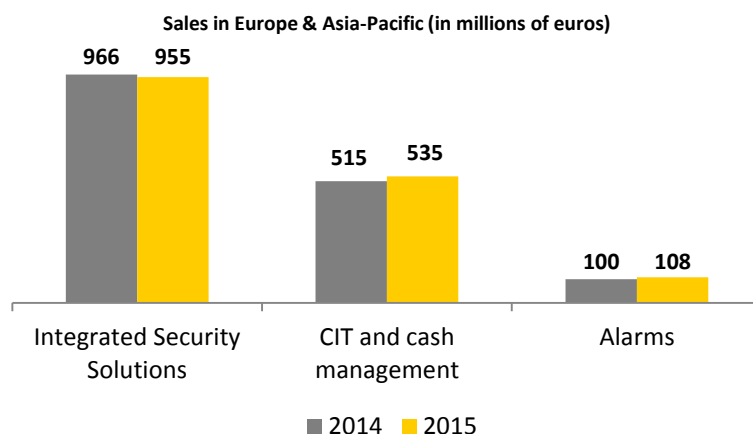
(millions of euros)	<b>2015</b>	<b>2014</b>	<b>Variation</b>
Europe & Asia-Pacific	1,598.3	1,581.3	1.1%
LatAm	2,361.1	2,201.3	7.3%
<b>Total Prosegur</b>	<b>3,959.4</b>	<b>3,782.6</b>	<b>4.7%</b>

Sales in Europe & Asia-Pacific have increased 1.1% mainly due to an optimisation process of the portfolios of Spain and Portugal clients carried out in 2013 and 2014.

Sales in the Latin American region have grown 7.3% with respect to 2014, resulting in organic growth of 12.3%. The increase of sales in this region, in 2015, was negatively affected by 5.3% by the depreciation of the main currencies of Latin American countries.

## Sales by business area

The following table provides a breakdown of consolidated sales by geographical area and business area:



The following table provides a breakdown of consolidated sales in aggregate form by business area:

(millions of euros)	2015	2014	Variation
Integrated security solutions	1,984.6	1,936.7	2.5%
% of total	50.1%	51.2%	
CIT and cash management	1,766.3	1,664.5	6.1%
% of total	44.6%	44.0%	
Alarms	208.5	181.4	15.0%
% of total	5.3%	4.8%	
<b>Total Prosegur</b>	<b>3,959.4</b>	<b>3,782.6</b>	<b>4.7%</b>

The growth of turnover for 2015 compared to 2014 is 7.7% without considering currency fluctuations.

The Integrated Security Solutions business, which includes the Surveillance and Technology activities has experienced a growth in sales of 5.4% at constant exchange rate. The effect of the devaluation of currencies in countries such as Brazil has negatively affected Prosegur's turnover.

The Integrated Security Solutions activity increased its volume in Latin America up to EUR 1,029.4 million (in 2014: EUR 970.4 million). This business decreased marginally in the Europe and Asia-Pacific region, with a volume of EUR 955.2 million (in 2014: EUR 966.4 million) as a result of currency devaluation. At constant exchange rate, sales in Latin America have increased by 12.2%.

In the area of Valuables Logistics and Cash Management, sales have continued their positive trend with a growth of 6.1% and a total of EUR 1,766.3 million (in 2014: EUR 1,664.5 million). At constant exchange rate this has translated into an increase of 9.9%.

The CIT and cash management business in Europe & Asia-Pacific has increased to a total of EUR 534.9 million (in 2014: EUR 514.9 million). This is an important achievement considering the restructuring that the banking sector experienced over recent years in countries such as Spain and Portugal. It is also proof of the business strength and differentiation of Valuables Logistics and Cash Management services offered by Prosegur compared with its competitors.

In the Latin America region, CIT and cash management business totalled EUR 1,231.2 million (in 2014: EUR 1,149.5 million) affected negatively by the depreciation of the main currencies of countries such as Brazil. Without considering this effect, growth was 12.6%.

Finally, the Alarms business achieved annual earnings of EUR 208.5 million during 2015 (in 2014: EUR 181.4 million), or an increase of 15.0%, without considering the currency effect the alarms business has experienced a growth in sales of 13.3%.

The series shown below illustrates the growth of Prosegur's consolidated turnover over the last five reporting years:

(millions of euros)	2011	2012	2013	2014	2015
Invoicing	2,808.5	3,669.1	3,695.2	3,782.6	3,959.4

### EBIT margins by geographic area

Earnings before income tax (EBIT) for 2015 were EUR 324.2 million (in 2014: EUR 307.3 million). The EBIT margin for 2015 was 8.2% (in 2014: 8.1%).

This margin of 8.2% is especially important in a year affected the depreciation of the main currencies of Latin American countries.

The following table shows the distribution of EBIT margins by geographical area:

(millions of euros)	Europe & Asia-Pacific	LatAm	Prosegur
Sales	1,598.3	2,361.1	3,959.4
EBIT	70.8	253.4	324.2
EBIT margin	4.4%	10.7%	8.2%

Has previously mentioned, Europe & Asia-Pacific improved their margins in absolute terms while in Latin America the company was able to maintain a relative margin in spite of the currency devaluations and strong burden of labour costs experienced in countries such as Brazil.

The optimisation of client portfolios carried out during 2013 and 2014 mainly in Europe is due to Prosegur's priority of maintaining high profitability margins and guarantee returns on investments. Compliance to this objective is part of the innovation and services improvement strategy aimed at excellence of the latter as well as in the area of customer relations.

In the following table, the EBIT tendency over the last five years can be seen:

(millions of euros)	2011	2012	2013	2014	2015
EBIT	284.1	311.5	297.6	307.3	324.2

The EBIT margin on consolidated sales was 8.2% during 2015. The upward tendency of earlier years was reduced in 2013, basically because of currency depreciation, in particular the Brazilian Real. However, in 2015, Prosegur managed to recover a growth strategy, mitigating the currency depreciations that took place in 2015 mainly due to the Brazilian Real.

Information concerning the assignment of Prosegur assets to each one of the segments and reconciliation between the result assigned to segments and the consolidated net results is shown in Note 10 of the Annual Consolidated Accounts.

## Commercial information

Prosegur services are marketed through delegations and exclusive in-house commercial employees, who apply selective criteria to minimise default and possible non-payment risk. To this end, for clients with whom there is no prior experience, inquiries are consultations are conducted using public domain data in order to carry out risk evaluations and individual analyses that are objectively measurable. Once the contract is signed and during the time that the service is provided, the customer receives direct attention, allowing the optimised fulfilment of its operational needs and economic reality, which reduces the risk of non-payment.

Therefore the customer is at the centre of the business. The first objective is to fulfil the quality standards and for the client to understand that it is contracting a value added and responsible security service.

Prosegur continuously renews its offer and develops new products in every business line. We can mention, for instance, the "*Prosegur siempre contigo*" concept, outsourcing banking operations, services provided through mobile devices, or video surveillance from control centres.

## Investments

Prosegur's investments are analysed in every case 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 provisions totalled EUR 124.2 million in 2015 (in 2014: EUR 118.5 million). This amount corresponds to property, plant and equipment and investment property worth EUR 81.1 million (in 2014: 70.6 million) and computer applications worth EUR 11.6 million (in 2014: EUR 11.0 million) and other intangible assets worth EUR 31.5 million (in 2014: EUR 36.9 million).

Details of total investments analysed by the Investments Committee during 2015 and a comparison with 2014 are shown below:

(millions of euros)	2015	2014
First Quarter	32.9	35.4
Second Quarter	32.6	29.4
Third Quarter	48.5	15.4
Fourth Quarter	19.2	16.0
<b>Total</b>	<b>133.2</b>	<b>96.2</b>

Investment in property, plant and equipment amounted to EUR 123.6 million in 2015 (in 2014: EUR 121.9 million). Moreover, investment in computer applications totalled EUR 16.9 million (in 2014: EUR 14.9 million).

Additionally, real estate investments in Argentina totalled EUR 71.3 million in 2015 (in 2014: EUR 45.3 million).

## 2.2 Environment

Prosegur has the "3P" policy (Prosegur Policies and Processes) or mandatory general regulation for all employees with respect to the definition of the environmental protection policy in each country, compliance to applicable environmental legislation, risk evaluation and the adoption of risk mitigation measures and measures to reduce the impact of our activities on the environment.

Business activities carried out by Prosegur: Integrated Security Solutions (ISS), Cash in transit (CIT) and cash management, and Alarms are not activities that have a strong impact on the environment. The two businesses mentioned first and second are very intensive businesses in terms of human resources in which thousands of employees participate and, therefore, we take the sensitisation of our employees with respect to environmental responsibility and sustainability as well as training programs aimed at employee groups to be another main focus of our environmental policies.

The 3P management system has a common foundation in all countries and includes the 3P policy mentioned in the first paragraph which is global and establishes compliance with environmental legislation as an obligation of the management of each country and common policy for all countries.

The main environmental aspects inherent to our business activities are:

- a) For the ISS business, the consumption and generation of residue of the following materials: Residue of containers containing the remains of dangerous substances or that are contaminated by these: toner, fluorescent materials, Ni-Cd batteries, Pb batteries, paper and plastic.
- b) For the CIT and Cash Management business, the consumption and generation of residue of the following materials: absorbent and filtering materials, cleaning rags, and protective clothing contaminated by dangerous substances, the residue of containers with the remains of dangerous substances, or contaminated by the latter, toner, fluorescent materials, paper and plastic.
- c) For the Alarms business, the consumption and generation of residue of the following elements: lead batteries, the residue of containers containing the remains of dangerous substances or that are contaminated by these: toner, fluorescent materials, dangerous RAEs, Ni-Cd batteries, paper and plastic.

At the country level we monitor the impact of each one of the environmental aspects related to the businesses that Prosegur conducts in the country and actions and objectives are established to minimise said impact, such as:

- a) The reduction of water consumption at delegations and offices through the dissemination of environmental sensitisation campaigns.
- b) Reduction of electrical consumption and related atmospheric emissions by way of the installation of efficient lighting (LEDs) as well as the dissemination of environmental sensitisation campaigns.
- c) Adoption of the restrictive printing regulation through which printing is only allowed on two sides of a page and grey scale, which results in a reduction of paper consumption at offices and headquarters.

On 31 December 2015, Prosegur has no environment-related contingencies, legal claims or income and expenses relating to the environment.

## 2.3 Personnel

Taking into account the growth strategy implemented globally in recent years, Prosegur generates employment in the markets where it is present.

The Prosegur workforce closed 2015 with 161,822 employees (in 2014: 158,038 persons), or an increase of 2.4%.

Historically, one of the main reasons that Prosegur has consolidated itself as one of the main security services groups worldwide has been its selection of personnel. The characteristics of special trust and responsibility that must characterise the people who deliver its services in the client's installations, in such a sensitive activity as security, make obligatory the guarantee not only of the effectiveness of Prosegur personnel but also their honesty, responsibility, emotional balance, and psychological maturity.

Therefore, a constant priority for Human Resources Management is the continuous improvement of the selection processes that make it possible to identify the suitability of a person for a position with Prosegur.

Over the last five years the average workforce has grown as follows:

Workforce	2011	2012	2013	2014	2015
Direct	111,361	140,049	145,364	146,954	150,549
Indirect	6,924	8,530	9,150	8,184	8,659
<b>Total Prosegur</b>	<b>118,285</b>	<b>148,579</b>	<b>154,514</b>	<b>155,138</b>	<b>159,208</b>

The growth of the workforce relative to invoicing over the past five years was as follows:

Number of persons per million billed	2011	2012	2013	2014	2015
Direct	39.7	38.2	39.3	38.9	38.0
Indirect	2.5	2.3	2.5	2.2	2.2

Annual satisfaction surveys are conducted for Prosegur to become aware of its employees' perceptions with respect to the aspects that affect their daily work. From these surveys action plans are designed to establish improvement policies for the work environment of Group companies.

Prosegur applies industry standards regarding occupational risk prevention. It invests in specific training as well as modernisation to guarantee that employees work in safe environments, and it provides them with the best equipment.

Internal communication channels have been reinforced especially over recent years and are available on the corporate intranet and through strategic presentations in which a significant number of employees participate.

The Prosegur foundation collaborates with the construction of a society characterised by greater solidarity and less injustice and, with this in mind, one of its objectives is to promote the social integration of sectors at risk of exclusion in order to generate attitude changes toward values of greater solidarity. For years we have supported participation in the workforce of people with an intellectual disability, offering them a more stable future through employment. In the

most representative Prosegur offices, a Work Insertion Plan for People with Intellectual Disabilities was implemented, with new professionals from this group joining the teams of different countries.

Next key indicators are shown for the last two years reflecting the actions of Prosegur in supporting the training and education of its employees and for the promotion of diversity and equal opportunity (the distribution of the workforce by gender is included in Note 33 of the Consolidated Annual Accounts):

(Number of persons and millions of euros)	2015	2014
Personnel	161,822	158,038
Percentage of women	15.6%	15.6%
Percentage of women in Board of Directors	33.3%	33.3%
Disabled personnel in operating workforce in Spain (average)	248	199
Investment in training	8.2	10.2
Accident rate	3.3	3.2
Rate of sick leave	0.06	0.06

### 3. Liquidity and capital resources

In a context in which credit was still relatively restricted, during 2015 Prosegur continued to formalise strategic financing operations designed to optimise financial debt, control debt ratios and meet growth targets.

Prosegur calculates the net financial debt by considering the total of current and non-current external debt (excluding other non-banking debts) plus net derived financial instruments, minus cash and cash equivalents, and minus other current financial assets (Note 32.2).

The financial debt on 31 December 2015 was EUR 579.6 million (in 2014: EUR 564.4 million).

#### 3.1 Liquidity

Prosegur has a good level of liquidity reserves and a great capacity for financing that makes it possible to ensure and respond swiftly and in a flexible manner to working capital, capital investment, or inorganic growth requirements.

On 31 December 2015, Prosegur cash reserves are EUR 969.8 million (in 2014: EUR 855.3 million). This figure is the sum of the following sections:

- The balance of cash and cash equivalents totalling EUR 316.4 million (in 2014: EUR 285.1 million).
- The existing availability long-term of credits for EUR 350 million corresponding to the syndicated loan taken out in 2015 (in 2014: EUR 360 million).
- Other unused credit lines for an amount of EUR 303.4 million (in 2014: EUR 210.2 million) contracted in a diversified manner in an ample banking pool and in which the main banks of each country where the company operates are represented.

This liquidity figure implies 24.5% in consolidated annual sales (in 2014: 22.6%), which makes it possible to cover both short-term financing needs and the growth strategy.

The efficiency measures of the internal administrative processes carried out over recent years have substantially improved the cash flow of the business. The set of maturities of Prosegur's debt is in line with the company's capacity for generating cash flows to repay it.

It is important to note that, although part of the cash position referred to for the close of the 2015 period is subject to certain regulatory conditions derived from Prosegur's geographical location, compliance to forthcoming contractual obligations does not depend on distributions or payments from subsidiaries that are subject to insurmountable legal or regulatory restrictions. During the annual budget planning process, a plan for the repatriation of dividends from subsidiaries is executed, maximising the tax efficiency of the consolidated Group.

The market value of treasury stock held by the Prosegur mother company on 31 December 2015 was of EUR 79.7 million (in 2014: EUR 88.5 million).

### 3.2 Capital resources

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

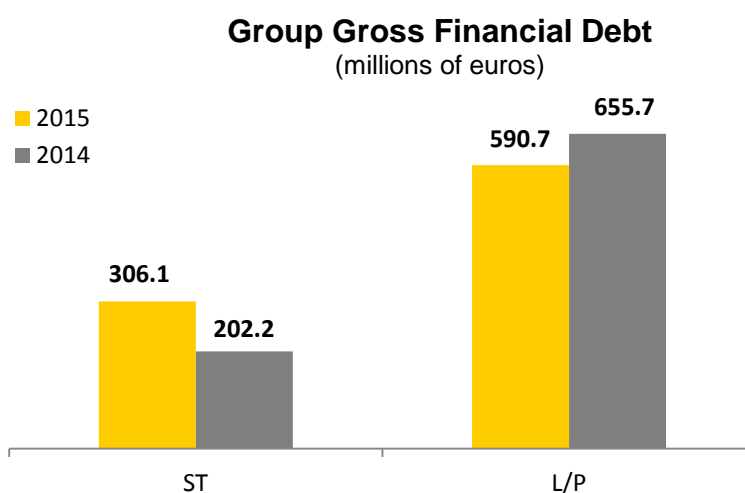
- Debt issued in Brazil in 2012 whose remaining amount on 31 December 2015 was EUR 16.5 million (equivalent to: BRL 70.9 million).
- On 2 April 2013 simple bonds were issued for a nominal amount of EUR 500 million, expiring in 2018. The bonds will accrue interest of 2.75% annually payable upon expired annuities and quoted on the Irish Stock Exchange. Market listing on 31 December 2015 is of 0.855%.
- Syndicated loan operation in Australia for an amount of AUD 70 million with three year maturity. On 31 December 2015, drawn capital of the syndicated loan was AUD 70 million (equivalent at year end to: EUR 47 million).
- Syndicated loan taken out in Spain, in 2014, for EUR 400 million, with a repayment term of five years following a one-year renewal in 2015. On 31 December 2015, the capital drawn was EUR 50 million.

With the latter transactions, Prosegur has refinanced the greater part of its financial debt and maintains the natural hedging policy for the currency conversion effect as the company also has debt in the currencies of the countries where it operates. However, a balance is worked out between the advantages of said hedging and the increase in financial costs that it incurs. The gross financial debt includes current and non-current financial liabilities and excludes other non-banking debts.

In consolidated terms, the gross long-term financial debt with maturity greater than one year reached EUR 590.7 million at the close of 2015 (in 2014: EUR 655.7 million), basically supported by the syndicated loan formalised in 2014, the debenture issued in Brazil in 2012, and the corporate bonds issued in 2013.

The current gross financial debt totals EUR 306.1 million (in 2014: EUR 202.2 million).

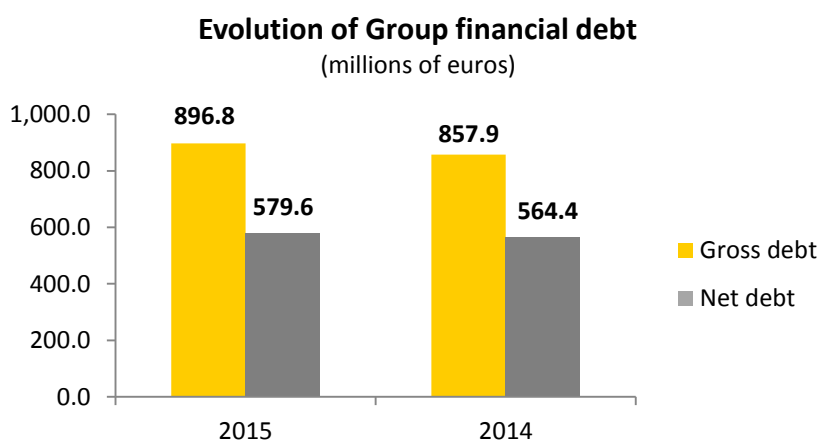
The current and non-current maturities of gross financial debt are distributed as follows:



The average cost of the financial debt, in 2015, was 3.25% (in 2014: 3.46%). The reduction of the average cost of the debt is an excellent data considering that Prosegur contracts out part of the financing in countries with high financial costs, in keeping with the natural hedging policy, especially in Brazil where, in addition, the CDI has increased during the year.

The net financial debt at the close of 2015 reached EUR 579.6 million (in 2014: EUR 564.4 million).

Next a comparative graphic is shown of the gross and net debt in 2015 and 2014:



No significant changes are expected in 2016 with 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 2015.

The following table shows the maturities of the drawn debt as per contractual obligations on 31 December 2015:

(millions of euros)	Less than 1 year	1 to 5 years	More than 5 years	TOTAL
(millions of euros)				
Debentures and other securities	13.8	527.5	0.0	541.3
Loans and borrowings	176.3	36.2	0.4	212.9
Credit accounts	121.9	50.0	0.0	171.9
Finance lease payables	9.0	12.8	1.4	23.2
Other payables	37.6	30.7	0.2	68.5
	<b>358.6</b>	<b>657.2</b>	<b>2.0</b>	<b>1,017.8</b>

In its current activity, Prosegur occasionally resorts to operations not entered in the statement of financial position, normally under the contractual formula of operational leasing and mainly with a view to use high value assets such as buildings and vehicles. Payment commitments for future leases amount to EUR 83.7 million (in 2014: EUR 90.3 million) which mainly correspond to the contract for the office building in Madrid, operating bases located in Brazil, other buildings representing the business, and operational vehicles (Note 29).

Prosegur calculates the leverage ratio as the quotient of the net financial debt over total capital, with the latter defined as the sum of the net financial debt and the net assets. On 31 December 2015, the ratio was 0.45 (in 2014: 0.40).

The ratio of net financial debt to own resources on 31 December 2015 was 0.83 (in 2014: 0.65).

The ratio of net financial debt to EBITDA for 2015 was 1.29 (in 2014: 1.33). If the market value of treasury stock at the close of the year is considered as adjustment to the financial debt and debts to third parties resulting from company acquisitions are taken into account, the coefficient over EBITDA is 1.23 (in 2014: 1.34).

### 3.3 Analysis of contractual obligations and off balance sheet operations

Note 29 of the Consolidated Annual Accounts includes the amounts of future minimum payments arising from operating lease contracts by maturity tranches.

In addition, as indicated in Note 28 of the Consolidated Annual Accounts, Prosegur issues guarantees to third parties for commercial and financial motives. The total amount of guarantees issued on 31 December 2015 is EUR 260.9 million (in 2014: EUR 233.1 million).

## 4. Main risks and uncertainties

Prosegur's Risk Management System is mainly based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) system, complemented with standards applied by the main clients of the financial sector, such as the Basel III and ISO 31000 standards. Final responsibility in risk management lies with the Board of Directors. The Audit Committee has, among its basic responsibilities, that of supervising the effectiveness of internal control and risk management systems, checking their appropriateness and completeness, and reviewing the appointment and substitution their managers.

### 4.1 Operational risk

The risk management cycle at Prosegur is the following:



### Regulatory risk

Prosegur conducts its activity in a highly regulated environment and is required to comply with diverse rules in countries in which it operates that encompass everything from the authorisations or entitlements to be able to provide security services, compliance to multiple obligations in the execution of its operations and informing on the diverse areas of its activities.

Among other regulations Prosegur is required to fulfil laws that regulate the private security activity, labour relations and social security, the prevention of occupational hazards, firearms regulations, money laundering prevention, data protection, fair competition, and the stock market.

Prosegur devotes the greatest part of its efforts to regulatory compliance and the management of operational risks due to their impact on the commitments undertaken with stakeholders and, specifically, with the clients.

Regulatory risks are mitigated by identifying them at an operational level, regularly assessing the control environment and via the implementation of programmes to constantly monitor the proper operation of controls implemented.

Local Business Management teams define the policies, procedures and tools for their identification and quantification, as well as propose measures for mitigating risk and constantly monitoring all deviations from established tolerance levels with respect to operational control level, safety and regulatory compliance. To this end it has standard procedures that are common to all countries where the group operates and that are adapted to the requirements of the applicable regulations in each case.

Likewise, the Corporate Regulatory Compliance Division carries out an essential role in complying with all regulations affecting Prosegur. With respect to regulation affecting the prevention of money laundering, it relies internally on a money laundering prevention unit (Spanish acronym UPBC) in Spain. This unit is dedicated to the implementation of measures to control and monitor activities in order to prevent facilities for the transportation of valuables to be used for money laundering purposes.

### Operational risk

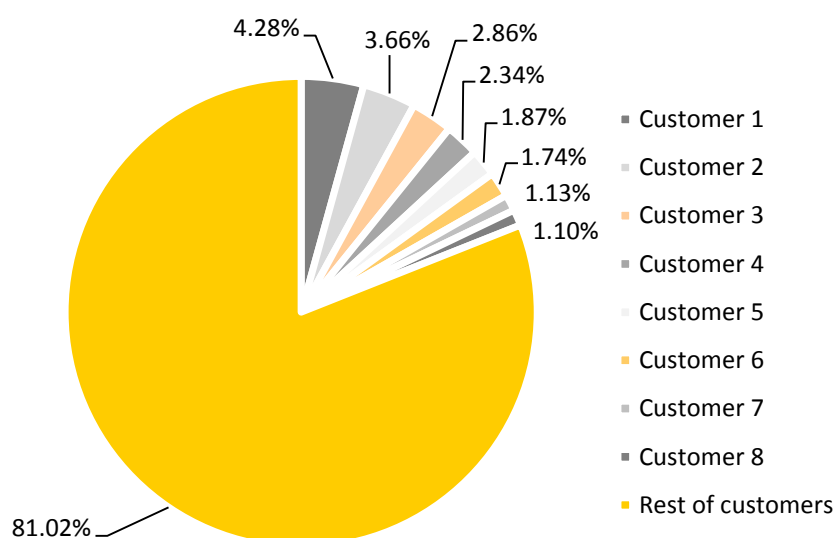
Operational risks are those related to burglaries and robberies, errors in operations, legal penalties and, as a result thereof, business continuity risk. There are formal programmes and policies that help to control this type of risk.

It is worth mentioning the monitoring task carried out by the Corporate Security Division over control and monitoring processes for the traceability of operations carried out in transport, handling and storage of cash. Furthermore, additional assistance is provided for claims or discrepancies in the cash management activity, helping to identify best practices and designing procedures to minimise the risk of losses.

Prosegur boasts a large team working in two continental platforms: one for Latin America and the other for Europe & Asia-Pacific.

### Client concentration

Prosegur is not significantly exposed to clients. Note 32 of the Consolidated Financial Statements shows tables of representativeness of the main clients over the overall turnover of Prosegur, as shown in the following pie chart:



## 4.2 Financial risk

### Interest rates risk

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

Prosegur analyses its interest rate risk exposure dynamically. In 2015, the majority of Prosegur's financial liabilities at variable interest rates were denominated in Euros, Brazilian Reais and Australian Dollars.

Management performs a simulation of various scenarios, considering refinancing, the renewal of current positions, alternative financing and hedges. On the basis of these scenarios, Prosegur calculates the impact on the result of a given variation of the interest rate. Each simulation uses the same variation in the interest rate. The scenarios are only analysed for the liabilities that represent the most significant positions in which a variable interest rate is paid.

### Currency risk

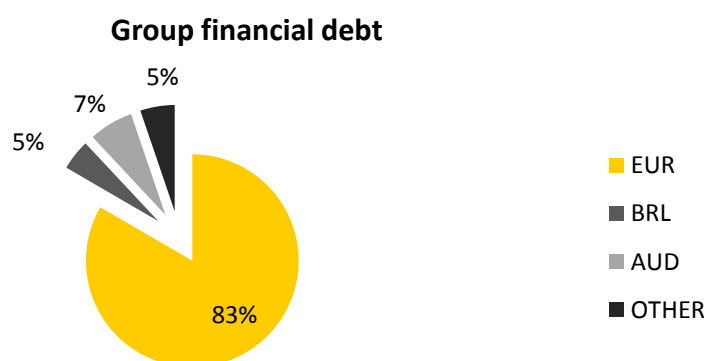
Natural hedging as conducted by Prosegur is based on capital expenditure required in the industry, which varies by business area, being in line with the operating cash flow generated and the possibility of timing investments made in each country based on operating requirements.

During financial year 2015, Prosegur has maintained a natural hedging policy, holding debts in the currencies of the main countries where Prosegur operates in order to minimise exposure to currency risk in countries such as Australia or Brazil.

Although Prosegur operates in a large number of countries, its financial debt is concentrated mainly in three currencies: euro, Brazilian Real and Australian Dollar. Debt is 83% in euros, 5% in Brazilian Reais, 5% in Australian Dollars and 7% in the other currencies in which Prosegur operates.

Note 32 of the Consolidated Financial Statements reflects the value of financial assets and liabilities in the various currencies. The same Note contains relevant information on the exchange rate exposure via the rates of the main currencies affecting assets and liabilities.

In graphical form, the financial debt structure of Prosegur distributed by currency at the close of 2015 is as follows:



### Credit risk

The Credit and Collection Departments of each of the countries in which Prosegur operates carry out a risk assessment of each client on the basis of the contract data and establish credit limits and payment terms which are recorded in the Prosegur management systems and periodically updated. Monthly tracking of the credit situation of the clients is carried out, making any value corrections deemed necessary on the basis of clearly established policies.

Note 32 of the Consolidated Financial Statements shows tables of representativeness of the main clients over the overall turnover of Prosegur.

As for financial investments and other operations, these are carried out with defined rating entities and financial transaction framework agreements are entered into (CMOF or ISDA). The counterparty risk limits are clearly defined in the corporate policies of the Financial Management Department and updated credit limits and levels are periodically published.

## 5. Important circumstances after the reporting period

Through its subsidiary Prosegur Servicios de Efectivo España, S.L, Prosegur purchased on 8 January 2016 100% of the company "Miv Gestión, S.A." located in Spain. This transaction involves a minimum investment for Prosegur of EUR 1,057 thousand. Its activity is international transport of valuable and vulnerable goods.

On 29 January 2016, through its subsidiary Singpai Alarms Pte Ltd, Prosegur incorporated a Joint Venture in India for the activity of alarms, under the name SIS Prosegur Alarm Monitoring and Response Services Pte Ltd.

Through various funds managed by FMC LLC, in January 2016, the company's shareholdings reached a total of 18,755,993 shares, equivalent to over 3% of Prosegur's shareholding structure.

## 6. Information on the foreseeable performance of the entity

The optimistic outlook for Prosegur'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 2016, continuing with the path begun in 2015 and 2014.

On the other hand, during 2016 and the following years, Prosegur plans to bring about strong intensification in the Alarms business.

The idea is to characterise this activity by a pure B2C ("*business to consumer*") approach, supporting this sales and marketing strategy with a powerful set of products designed to provide services with perceived and measurable value added 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 collection management– or an 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 2016. This negative impact already forecast will 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 maturing process, allows us to remain optimistic for 2016.

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 Integrated Security Solutions business in the LatAm region will continue with the upward trend of 2015 although it will require similar portfolio optimisation to that performed in countries in Europe.

For 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 integrated security solutions.

To this end, new remote security monitoring services will be added such as the new Cybersecurity Monitoring Centre which is already operational for clients in several countries, or the new process outsourcing back-office banking services.

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

Asia-Pacific, and potentially other geographic areas, may constitute the doorway to markets with high growth potential and diversification of risks and opportunities. 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 previous 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.

With the excellent low cost current financing and the current low level of leverage of the company, Prosegur is in an ideal position 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 macroeconomic environment.

The company has excellent supports for growth: the best platform worldwide for the transport of funds, with a dominant presence in emerging markets unequalled by any competitor, the combination of the most innovative integrated security solutions supported by a portfolio of clients of the highest quality in all countries and the optimal solvency and financial stability to confront these challenges. And, although the coming years will be more focused on profitability and inorganic growth, it will continue to consolidate its leadership position, gaining market share and strengthening its image as a worldwide company with the most advanced security solutions.

## **7. R&D&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:

### **Valuables Logistics and Cash Management**

In the area of Valuables Logistics we continue to work on the logistics operating system management that allows 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.

### **Integrated security solutions**

The company developed a surveillance drone able to fly indoors unmanned. The proprietary software makes it possible to fly unmanned using a new algorithm, height sensors and a laser scanner. This is a service offered exclusively in Spain and that has been developed in-house. It is the result of Prosegur's decisive strategy to invest in innovation and the technological improvement of its security services.

### **Alarms**

The first mobile remote assistance service has been presented in Spain, consisting of an alarm with a remote assistance service for elderly people or people with disabilities, capable of connecting the user with medical services in real time. The new assistance service, called "Prosegur Always With You" is aimed at elderly people or people with special care needs and their families. The system, operational on a 24/365 basis allows GPS geolocalisation of the exact position of the user, his or her movements, detect falls or inactivity after 48 hours and it automatically notifies family members and medical services in case of need.

The service also features a user monitoring system with control calls every 15 days, and can be used like a mobile phone to call the Prosegur Service Centre and another two phone numbers specified by the user.

## 8. Acquisition and disposal of treasury shares

During 2015 Prosegur has not carried out any operation with treasury shares.

On 31 December 2015, the company holds 18,756,890 treasury shares (in 2014: 18,756,890 shares), representing 3.04% of the share capital (in 2014: 3.04%), and with a value of EUR 53.5 million (in 2014: EUR 53.5 million).

## 9. Other significant information

### 9.1 Stock market information

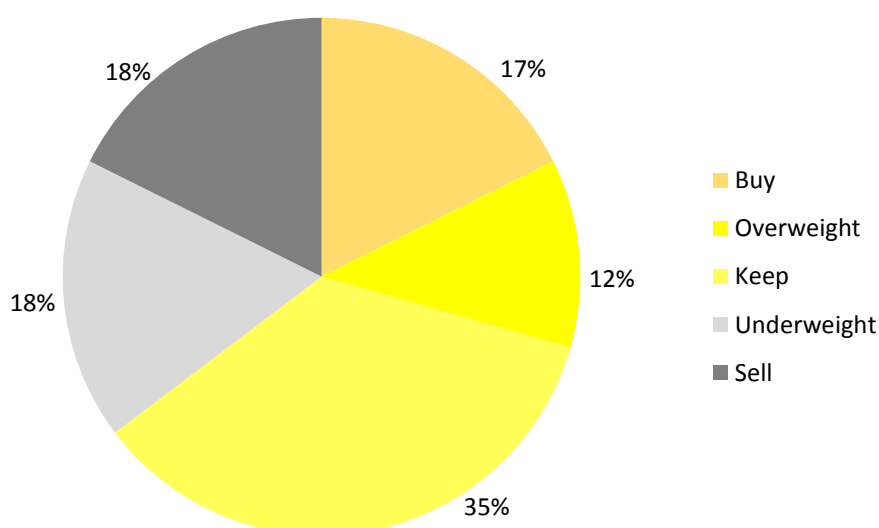
Prosegur focuses its efforts in the creation of value for its shareholders. The improvement in results and transparency, as well as rigour and credibility, underpin the Company's actions.

The Prosegur shareholder and investor relations policy 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 fulfil 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, in addition to the publication of other monthly information bulletins with specific content of interest to the investment community.

### Analyst coverage

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



On 31 December 2015, the price per Prosegur share closed at EUR 4.25. The listed share price of the company has dropped by 11.09%.

### Main shareholders

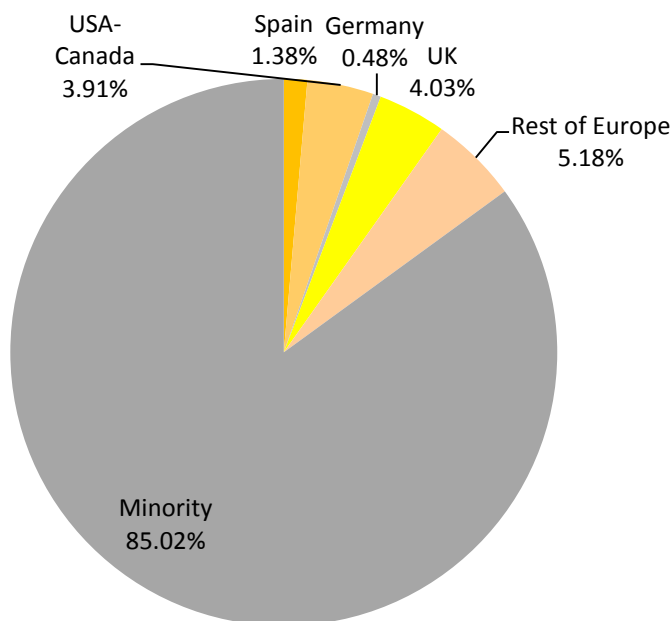
The shareholding structure of Prosegur reflects its solidity and stability.

On 31 December 2015, 64.5% of the capital of the Company was held by significant shareholders. The remaining 35.5% was floating capital.

The strong presence of shareholders in the Board of Directors enables the management bodies, and particularly the Executive Committee, to define strategic lines and make decisions in line with the interests of all of the shareholders. This solid and stable relevant shareholder base, 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 floating capital

At the 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 floating capital.



#### 9.2 Corporate Governance Annual Report

The Corporate Governance Annual Report of Prosegur for financial year 2015 forms part of the Directors' Report and as of the date of publication of the financial statements is available on the Web site of the National Securities Market Commission as well as on Prosegur's own Web site.

This report includes sections E, analysing control and risk management systems of the Company, and F, providing details on the risk control and management system in relation with the process of issue of financial information (SCIIF).

**STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENT FOR 2015**

The members of the board of directors of Prosegur Compañía de Seguridad, S.A. hereby confirm that, to the best of our knowledge, the individual and consolidated annual accounts of Prosegur Compañía de Seguridad, S.A. and subsidiaries for 2015, authorised for issue by the board of directors at the meeting held on 24 February 2016 and prepared in accordance with applicable accounting principles, present fairly the equity, financial position and results of Prosegur Compañía de Seguridad, S.A. and the consolidated subsidiaries taken as a whole, and that the respective individual and consolidated directors' reports provide a reliable analysis of the Company's performance and results and the position of Prosegur Compañía de Seguridad, S.A. and its consolidated group, together with the main risks and uncertainties facing the group.

Madrid, 24 February 2016

Mrs Helena Irene Revoredo Delvecchio  
Chair

Mr Isidro Fernández Barreiro  
Vice-chairman

Mr Christian Gut Revoredo  
Managing Director

Mrs Mirta María Gieso Cazenave  
Director

Mrs 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

## **DIRECTORS' RESPONSIBILITY OVER THE CONSOLIDATED ANNUAL ACCOUNTS**

The consolidated annual accounts of Prosegur Compañía de Seguridad, S.A. and subsidiaries are the responsibility of the Directors of the parent company, and have been prepared in accordance with international financial reporting standards endorsed by the European Union.

The Directors are responsible for the completeness and objectivity of the annual accounts, including the estimates and judgements included therein. They fulfil this responsibility mainly by establishing and maintaining accounting systems and other regulations, with adequate support by 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. In any case the effectiveness of internal control systems may vary over time due to changing conditions.

The Company evaluated its internal control system on 31 December 2015. 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