



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

**QUARTERLY INTERIM FINANCIAL INFORMATION**  
Interim statement for the first quarter of 2016



**PROSEGUR**



**RESULTS FOR THE PERIOD JANUARY TO MARCH 2016**

Millions of euros

<b>CONSOLIDATED INCOME STATEMENT</b>	<b>2015</b>	<b>2016</b>	<b>% Var.</b>
<b>Revenues</b>	<b>968.4</b>	<b>897.4</b>	<b>-7.3%</b>
<b>EBITDA</b>	<b>114.1</b>	<b>111.4</b>	<b>-2.4%</b>
<i>Margin</i>	<i>11.8%</i>	<i>12.4%</i>	
Depreciation of property, plant and equipment	(23.0)	(21.0)	<b>-8.8%</b>
Amortisation intangible assets	(8.6)	(6.5)	<b>-24.3%</b>
Goodwill impairment	-	-	
<b>EBIT</b>	<b>82.6</b>	<b>83.9</b>	<b>1.7%</b>
<i>Margin</i>	<i>8.5%</i>	<i>9.4%</i>	
Financial results	(10.8)	(10.0)	<b>-6.9%</b>
<b>EBT</b>	<b>71.8</b>	<b>73.9</b>	<b>2.9%</b>
<i>Margin</i>	<i>7.4%</i>	<i>8.2%</i>	
Tax	(25.5)	(26.2)	<b>2.8%</b>
<b>Net profit</b>	<b>46.3</b>	<b>47.7</b>	<b>3.0%</b>
Minority interests	(0.2)	(0.0)	
<b>Consolidated net profit</b>	<b>46.5</b>	<b>47.7</b>	<b>2.5%</b>
<i>Margin</i>	<i>4.8%</i>	<i>5.3%</i>	
<b>Basic earnings per share (euros per share)</b>	<b>0.1</b>	<b>0.1</b>	<b>2.5%</b>

**PERFORMANCE IN THE PERIOD**

- Business turnover has dropped 7.3% in relation to 2015, 12.8% of which pertains to pure organic growth. The exchange rate effect had a negative impact of 20.1%.
- EBIT is up 1.7% in relation to 2015, currently standing at EUR 83.9 million, with a sales margin of 9.4%.
- The consolidated net profit has risen to EUR 47.7 million, up 2.5% in relation to 2015.



**INTERIM STATEMENT (JANUARY – MARCH 2016)**

(In millions of euros)

**1. BUSINESS PERFORMANCE**

The performance of the most relevant items in the consolidated income statement for the period January to March in 2016 and 2015 is explained below:

**a) Revenues**

In the period January to March 2016, Prosegur earned revenues of EUR 897.4 million, compared with EUR 968.4 million in the same period in 2015, representing a decrease of 7.3%. Of the total decrease, 12.8% was pure organic growth and the effect of the exchange rate means a decrease of 20.1%.

The following table provides a breakdown of Prosegur revenues by geographical area and business line:

Millions of euros									
Revenues	Europe-ROW			LatAm			Total Prosegur		
	2015	2016	% Var.	2015	2016	% Var.	2015	2016	% Var.
<b>Integrated Security Solutions</b>	<b>228.3</b>	<b>237.5</b>	<b>4.0%</b>	<b>251.5</b>	<b>215.3</b>	<b>-14.4%</b>	<b>479.7</b>	<b>452.8</b>	<b>-5.6%</b>
<i>% of total</i>	<i>59.8%</i>	<i>59.3%</i>		<i>42.9%</i>	<i>43.4%</i>		<i>49.5%</i>	<i>50.5%</i>	
<b>CIT and cash management</b>	<b>127.2</b>	<b>130.8</b>	<b>2.8%</b>	<b>309.8</b>	<b>261.3</b>	<b>-15.7%</b>	<b>437.0</b>	<b>392.0</b>	<b>-10.3%</b>
<i>% of total</i>	<i>33.3%</i>	<i>32.6%</i>		<i>52.8%</i>	<i>52.6%</i>		<i>45.1%</i>	<i>43.7%</i>	
<b>Alarms</b>	<b>26.4</b>	<b>32.5</b>	<b>23.1%</b>	<b>25.1</b>	<b>20.0</b>	<b>-20.4%</b>	<b>51.6</b>	<b>52.5</b>	<b>1.9%</b>
<i>% of total</i>	<i>6.9%</i>	<i>8.1%</i>		<i>4.3%</i>	<i>4.0%</i>		<i>5.3%</i>	<i>5.9%</i>	
<b>Total revenues</b>	<b>381.9</b>	<b>400.8</b>	<b>4.9%</b>	<b>586.4</b>	<b>496.6</b>	<b>-15.3%</b>	<b>968.4</b>	<b>897.4</b>	<b>-7.3%</b>

In relation to the geographical distribution of revenues, the Europe-ROW region earned EUR 400.8 million, up 4.9% on the previous year. Revenues in the LatAm region decreased 15.3% to EUR 496.6 million. In this region, the effect of the exchange rate meant a decrease of 33.0% in sales, which was partially increased by organic growth.

In relation to the breakdown of revenues by business line, in the period January to March 2016, Integrated Security Solutions earned EUR 452.8 million, representing a decrease of 5.6% on the same period last year. Cash in Transit (CIT) revenues decreased 10.3% to EUR 392.0 million. The Alarms revenues were EUR 52.5 million, up 1.9%.



The next table shows revenue growth by country, including the effects of the changes in the consolidation perimeter and the impact of exchange rate fluctuations:

Millions of euros					
Revenues	Total Prosegur			Organic	Exchange rate
	<u>Q1 FY2015</u>	<u>Q1 FY2016</u>	<u>% Var.</u>	<u>% Var.</u>	<u>% Var.</u>
Spain	203.8	227.0	11.4%	11.4%	0.0%
France	53.8	53.8	0.0%	0.0%	0.0%
Portugal	35.4	35.1	-0.8%	-0.8%	0.0%
Germany	50.6	52.3	3.4%	3.4%	0.0%
ROW (1)	38.3	32.5	-15.1%	-10.9%	-4.2%
Argentina Area (2)	226.1	193.8	-14.3%	35.3%	-49.6%
Brazil	240.5	192.4	-20.0%	6.9%	-26.9%
Chile	37.4	36.8	-1.4%	8.4%	-9.9%
Colombia	28.6	24.0	-16.0%	8.4%	-24.3%
Peru	43.1	40.2	-6.8%	2.8%	-9.6%
Mexico	10.8	9.3	-13.3%	2.4%	-15.7%
<b>Total revenues</b>	<b>968.4</b>	<b>897.4</b>	<b>-7.3%</b>	<b>12.8%</b>	<b>-20.1%</b>

(1) Includes Singapore, China and Australia.

(2) Includes Argentina, Uruguay and Paraguay.

**b) Earnings before interest and tax**

Earnings before interest and tax (EBIT) for the period January to March 2016 were EUR 83.9 million, compared with EUR 82.6 million in the same period in 2015, representing an increase of 1.7%. The EBIT margin for the period January to March 2016 was 9.4%, while the margin for the previous year was 8.5%.

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

Millions of euros									
EBIT	Europe-ROW			LatAm			Total Prosegur		
	<u>2015</u>	<u>2016</u>	<u>% Var.</u>	<u>2015</u>	<u>2016</u>	<u>% Var.</u>	<u>2015</u>	<u>2016</u>	<u>% Var.</u>
Revenues	381.9	400.8	4.9%	586.4	496.6	-15.3%	968.4	897.4	-7.3%
EBIT	12.1	13.2	9.0%	70.5	70.8	0.4%	82.6	83.9	1.7%
Margin	3.2%	3.3%		12.0%	14.2%		8.5%	9.4%	



EBIT in the Europe-ROW region for the period January to March 2016 was EUR 13.2 million, compared with EUR 12.1 million in the same period in 2015, representing an increase of 9.0%. This increase is derived fundamentally from the portfolio optimisation and margin protection processes started in 2014 and 2015 in Spain and France, added to the continuous improvement of profitability of operations in Germany. Furthermore, the increase in the sales volume for Integrated Security Solutions in Spain based on a more intensive use of technological and monitoring elements was also a decisive contributor to this improvement of margins.

The EBIT in the LatAm region for the period January to March 2016 increased 0.4% to EUR 70.8 million, compared with EUR 70.5 million in the same period in 2015.

This improvement of margins, even in a negative seasonal period for the region, is a consequence of measures for adaptation to the recession situation of the main economies in the region. In addition, the improvement of macroeconomic conditions in Argentina and the efforts made, in general, in all countries in the region to strengthen the customer's perception of the added value of the organisation's products and services have helped to bring about this improvement in profitability expected to be considered structural throughout the rest of the year.

### **c) Financial results**

Prosegur's net financial expenses in the period January to March 2016 were EUR 10.0 million, compared with EUR 10.8 million in the same period in 2015, which represents a decline of EUR 0.8 million. The main variations in financial expenses are as follows:

- Net financial expenses for interest in the period January to March 2016 were EUR 9.1 million, compared with EUR 8.9 million in the same period in 2015, which represents an increase of EUR 0.2 million.
- Net financial expenses from exchange fluctuations were EUR 1.0 million in the period January to March 2016, while net financial expenses due to differences in the exchange rate and value of derivatives were EUR 1.9 million in 2015, representing a decrease of EUR 0.9 million.

### **Net profit**

The consolidated net profit in the period January to March 2016 was EUR 47.7 million, compared with EUR 46.5 million in the same period in 2015, representing an increase of 2.5%.

The effective tax rate was 35.5% in the first quarter of 2016, compared with 35.6% in the first quarter of 2015, representing a decrease of 0.1 percentage points.



## **2. SIGNIFICANT FACTS AND OPERATIONS**

### **Significant facts**

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 maximum investment for Prosegur of EUR 1.1 million. 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.

Prosegur completed, on 25 February 2016, the subscription of shares representing 33.33% of the share capital of the South African company SBV Services Proprietary Limited, becoming the largest shareholder. The remaining capital belongs to ABSA Bank Limited, FirstRand Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited.

SBV Services Proprietary Limited operates in the cash in transit and cash management sector. It has been implemented nationally in South Africa and has a presence in Nigeria, Namibia and Lesoto; all of this through its 44 branches, with a fleet of more than 740 armoured vehicles and a staff of more than 6,400 employees. SBV Services Proprietary Limited had total sales of ZAR 2,300 million (EUR 134.8 million) in 2015.

This transaction means an expenditure of ZAR 320 million (EUR 18.8 million) for Prosegur.

Likewise, and with the aim of partially financing this acquisition, Prosegur has taken out a loan with an international bank over 4 years with bullet amortisation, amounting to ZAR 272 million (EUR 15.9 million).

## **3. CONSOLIDATED FINANCIAL INFORMATION**

The consolidated financial information has been prepared in line with International Financial Reporting Standards (IFRS) in force at 31 March 2016. These accounting principles have been applied in both 2016 and 2015.



Millions of euros		
<b>CONSOLIDATED BALANCE SHEET</b>	<b>31/12/2015</b>	<b>31/03/2016</b>
<b>Non-current assets</b>	<b>1,481.4</b>	<b>1,472.7</b>
Property, plant and equipment	467.1	465.0
Goodwill	494.2	498.4
Intangible assets	246.0	236.1
Investment property	83.7	71.4
Investments in associates	18.3	36.9
Non-current financial assets	8.3	9.2
Other non-current assets	163.9	155.6
<b>Current assets</b>	<b>1,293.6</b>	<b>1,269.3</b>
Inventory	69.7	76.4
Debtors	906.3	939.8
Other current assets	0.4	0.4
Cash and other financial assets	317.2	252.5
<b>ASSETS</b>	<b>2,775.1</b>	<b>2,741.9</b>
<b>Equity</b>	<b>699.6</b>	<b>707.7</b>
Share capital	37.0	37.0
Treasury shares	(53.5)	(53.3)
Accumulated earnings and other reserves	716.1	724.0
<b>Non-current liabilities</b>	<b>913.0</b>	<b>972.2</b>
Debts with credit institutions and other financial liabilities	617.9	676.5
Other non-current liabilities	295.1	295.7
<b>Current liabilities</b>	<b>1,162.4</b>	<b>1,062.0</b>
Debts with credit institutions and other financial liabilities	337.7	310.2
Trade and other payables	783.5	722.8
Other current liabilities	41.2	29.0
<b>EQUITY AND LIABILITIES</b>	<b>2,775.1</b>	<b>2,741.9</b>



The main variations in the balances of the consolidated balance sheet at 31 March 2016 compared with the close of 2015 are summarised below:

**a) Property, plant and equipment**

Investments in property, plant and equipment during the period January to March 2016 amounted to EUR 24.6 million.

**b) Goodwill**

No impairment losses have been recognised on goodwill in the first quarter of 2016.

**c) Investments in associates**

Investment in associated companies, during the period January to March 2016, has increased as a consequence of the combination of SBV Services Proprietary Limited businesses.

**d) Equity**

The variations in equity during the period January to March 2016 are explained by the net profit for the period and the performance of the reserve for cumulative exchange differences.

**e) Net debt**

Prosegur calculates net debt as the total debt with credit institutions (current and non-current), minus cash and cash equivalents, and minus other current financial assets.

The net debt at 31 March 2016 was EUR 693.8 million, representing an increase of EUR 78.1 million on the figure at 31 December 2015 (EUR 615.7 million).

At 31 March 2016, the annualised total net debt to EBITDA ratio was 1.5 and the total net debt to own funds ratio was 0.9.

At 31 March 2016, the liabilities arising from debts with credit institutions mainly corresponded to:

- Issue of individual bonds for the sum of EUR 512 million (including interest).
- Syndicated loan agreement signed in 2014 for the sum of EUR 78.2 million.





- 4-year loan with bullet amortisation for the sum of ZAR 272 million (EUR 16.3 million) for financing part of the acquisition of SBV Services Proprietary Limited
- Debenture for limited public distribution issued by the Brazilian entities in 2012 for the sum of EUR 12 million.
- In December 2013 Prosegur, through its subsidiaries Prosegur Australia Holdings PTY Limited and Prosegur Australia Investments PTY Limited, took out a three-year syndicated loan agreement for the sum of 70 million Australian dollars.

The total net cash flow for the period January to March 2016 is shown below:

Millions of euros	
<b>CONSOLIDATED CASH FLOW</b>	<b>31/03/2016</b>
EBITDA	111.4
Adjustments to profit	11.3
Income tax	(21.6)
Variation in net working capital	(79.0)
Interest payments	(3.5)
<b>OPERATING CASH FLOW</b>	<b>18.6</b>
Acquisition of property, plant and equipment	(24.6)
Payments acquisitions of subsidiaries	(43.9)
Payment of dividends	(16.5)
<b>CASH FLOW FROM INVESTMENT / FINANCING</b>	<b>(84.9)</b>
<b>TOTAL NET CASH FLOW</b>	<b>(66.3)</b>
<b>INITIAL NET DEBT (31/12/2015)</b>	<b>(615.7)</b>
Net (decrease)/increase of cash	(66.3)
Impact of exchange differences	(11.8)
<b>FINAL NET DEBT (31/03/2016)</b>	<b>(693.8)</b>