


Annual Report 2015






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 ANNUAL REPORT

 ANNUAL ACCOUNTS AND MANAGEMENT REPORT

 CORPORATE GOVERNANCE REPORT
AND AUDIT COMMITTEE ACTIVITY REPORT

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PROSEGUR

Security you can trust

Annual Report

2015

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Letter from the Chairman

Once again the time has come to take stock and assess what this past period has represented for Prosegur. I am sure that this Annual Report will help you gain a deep insight into the reality of the Company and, in this letter, I would like to share with you some issues that I consider to be of great relevance.

2015 has been, without a doubt, a period of extraordinary transformation. We have faced the important task of reorganizing the Company around the business lines and evolve it from the previous geographical model. The purpose of this change is to focus the entire organization towards our customers and we can say, with pride, that we have achieved it. This step forward has been possible thanks to the effort and collaboration of everyone at Prosegur. For us it is especially important how we do things, we follow our own path and, in this respect, the work done this year is an endorsement of the vision we have as a company.

In the same way, we believe that innovation, research and development of new services and products are the only way to secure our leadership in the international private security market. What is more, we want to keep on growing with our customers and at the beginning of 2016 we announced our entrance as shareholders in the South African cash services and solutions company SBV Services, so now we have a presence in the five continents. Our arrival in the African continent is a step forward that fills us with hope. We will contribute all our experience and, at the same time, learn from their best practices. We are confident that by working together this will be a period of growth and development together with our new partners.

The more than 160,000 people that form part of Prosegur's team work every day to offer our customers and society at large "Security you can Trust". Security you can Trust is a concept that represents our ambition and that leads us to want to be close to our customers, accompanying them in the development of their activities with the certainty that they are protected by a strong company. We also want the more than 400,000 households and businesses that entrust their security to our alarms to be aware of this commitment and to develop their daily activities with the same confidence.

For quite some years we have been making a great effort to incorporate the latest advances and technologies into every area of activity. We have done it in Integrated Security Solutions with Prosegur Integra, a comprehensive and flexible solution based on the combination of technology, services and people. We have also done it in the Cash Management activities with the Automation of Cash Management Processes. These can be front-office solutions, such as the point of sales kiosks and point of sales solutions or back-office for counting, tracking, optimizing and storage of cash collections. And lastly, we have also done it in the area of Alarms with, for example, the Triple Security service; a pioneering service that protects against intrusion and also any attempts to inhibit or sabotage the alarm system. In conclusion, technology is allowing us to offer high value services that are highly appreciated by our customers and they reward us with their loyalty.



I would like to highlight in this letter that the further we implement technological advances, develop new services or launch new products, the more aware we are of the importance of the human team that is behind. Ours is a Company made up of people and they are the cornerstone of all that we do. They are the differential element, and that is why, year after year, we keep on strengthening their training and skills development programs. Our aim is that Prosegur's team has the best tools so that they can carry out their work in the best possible conditions. Their work is not easy and, sometimes, guaranteeing the security of others means assuming risks. We, therefore, reaffirm our strong commitment to our employees, their training and their development.

Security is a basic pillar for the development of society and we play an important role in achieving a safer environment and therefore more freedom. This role that we perform is not always visible and therefore, as part of this organization, we have a responsibility to make a difference so that our work is accorded the significance it deserves. I personally believe that Prosegur's daily work is fundamental for the functioning of our society, both with regard to physical security and logical security. As well as the services we provide for the protection of households and businesses. And we cannot leave out the role we play in the distribution of cash, the most widely used, universal, inclusive method of payment in the world.

And lastly, I would like to bring to these pages the outstanding work of the Prosegur Foundation. Since 1983 our Foundation has worked intensively in the promotion of the arts and cultural activities and, in 2005 started to undertake major projects in the field of social action. In 2015, we have celebrated the tenth anniversary of this shift in focus and looking back we are proud of what we have achieved. During this time we have developed 36 projects that have directly benefited more than 200,000 people. Furthermore, the Prosegur Foundation has grown hand in hand with the Company and nowadays it develops its projects in 10 countries.

This Annual Report 2015 is a document that reflects the intensity of this past year. I hope that it provides relevant information that helps you to better understand the reality of the Company. A project that turns forty years old in 2016 and, since its beginning in 1976, has allowed us to grow with our customers, contributing to their security through rigorous and professional work. Through these lines it only remains for me to thank you for accompanying us on this exciting journey.

Helena Revoredo
Chairman of Prosegur

Message from the Chief Executive Officer

As every year, I am addressing you through this Annual Report to present the principal achievements that have marked the progress of the past year. And also to share the goals achieved and sum up the reality of Prosegur.

After the good results obtained in the 2012-2014 Strategic Plan and after assessing the new priorities and challenges that we must meet in the next years, we defined the 2015-2017 Plan. This three-year plan, besides giving continuity to the good trend that started with the previous plan, includes three quantitative goals regarding growth, management of indirect costs and the management of cash. In addition to three other qualitative objectives that require the Company to manage at branch level, improve efficiency in operations and simplify management.

In the first year of the Plan we embarked on a profound organizational change which is, undoubtedly, the first step for the Prosegur of the future. The task has not been easy. 2015 has been a very demanding year in which we have seen the best of our company. Today we can be proud to have completed this evolution which has taken us from an organizational model based on geography to another focused on the business and with the aim of being closer to our customers.

Our new organization, based on three business areas; Integrated Security Solutions, Cash Management and Alarms is, today, a reality. These three lines are complemented by five support units in a global work scheme in which the former provide growth and customer attention and the latter, efficiency and the development of new services. This new structure has begun to show its strengths very early with the blossoming of positive synergies. It has also brought agility and speed to the entire organization, which is a clear demonstration that it was time to undertake this evolution.

Carrying out such profound changes always entails difficulties; even more if we consider that the macroeconomic environment has not been favourable. Throughout the year we have seen very different behaviours in the different geographical areas in which we operate. The operations in the European countries and the Asia-Pacific region where we are present have benefited from a better macroeconomic performance, although below initial forecasts. While in the Latin American region we have witnessed a slowdown of the economies.

In an adverse environment, we have managed to demonstrate the soundness of Prosegur's business model. In 2015, the Company recorded a turnover of EUR 3,959 million, 4.7 per cent more than in 2014, and consolidated net profit of EUR 183 million, which represents an increase of 15.5 per cent. EBIT and EBITDA improved on 2014 figures by 5.5 per cent and 5.3 per cent respectively. I want to point out the fact that both indicators have grown more strongly than sales.



As we have done in previous years, we remain committed towards profitability, cash generation and to optimizing our debt structure. In this respect we have improved the parameters of working capital during 2015; achieving a solid operating cash flow of EUR 288 million. In terms of net debt, at the close of 2015, Prosegur had a leverage ratio of 1.3 times EBITDA; from 1.4 times in 2014. This, coupled with greater liquidity in the form of cash and its available financing facilities with very good terms, confirms our financial robustness and our capacity to carry out both the organic and inorganic growth plans. The work that we have carried out in this field has been positively valued by the rating agencies. Standard & Poor's upgraded our liquidity profile from "Stable" to "Strong" and confirmed the Company's credit rating as BBB with Stable outlook. Prosegur was also given a Baa2 Stable outlook rating by Moody's.

These results reinforce Prosegur's capacity to generate strong organic growth in a year in which inorganic growth has been moderate compared to other financial years. The three business lines have maintained a positive trend and sustained growth over the period. Among the factors that should be highlighted in 2015, it is worth mentioning the solid performance in Spain and Argentina, as well as the capacity to maintain positive organic growth in Brazil; despite the drop in GDP in the country.

A strong commitment to innovation

With regard to the behaviour of the three business lines, the Integrated Security Solutions business still accounts for the highest proportion of the Group's revenue, with 50.1 per cent of total sales. This business has achieved important successes such as the growth in Spain, both in existing clients and also in the award of new contracts. It is also important to note that technology plays an increasingly important role in the product mix marketed by the Integrated Security Solutions business. The technological solutions that we have been working on these last years have been included in the catalogue and are yielding very positive results. The value of the service that we give to our clients grows exponentially and they are acknowledging this. In short, with the development of maturing of Prosegur Integra we continue working to meet all the specific security needs of our customers.

Integrated Security Solutions continues to develop new services such as, for example, International Security, an expert consulting service that is becoming an essential support tool for the international operations of multinational companies. For its part, Cybersecurity has experienced an enormous surge during 2015 and is now operational in Spain, Paraguay, Colombia and Portugal. And finally, another highlight of the year was the presentation of a new technological solution, unique in the world, that has been developed in its entirety by Prosegur; autonomous indoor surveillance drones.

The Cash Management business line has shown a stable and consistent performance over the course of the year, with an increase of 6.1 per cent in sales in 2015. As we have noted in recent years, the trend towards the automation of cash management processes is maintained. For this, we continue to develop automated devices to help our clients in areas such as cash counting, traceability and procedural control and storage of cash collections; as well as point of sales kiosks and point of sales solutions. We have also launched to market, a new figure; the Cash Management Specialist, to provide support to the network of banking offices. This year has also seen the consolidation of our outsourcing services. Through Prosegur Business Process Outsourcing (Prosegur BPO) we are offering an extensive portfolio of services grouped in two main categories: financial and non-financial.

Finally, it should be noted in this section, the recent entry of the Company into South Africa, following the acquisition of a 33.33 per cent interest in the capital of SBV Services; the leading Cash in Transit company in the country. The arrival in the African continent is something that we had been working on for quite some time and we are certain that we have done it with the best partners. SBV Services is a great company from which we will be able to learn and with whom we will share our forty years work experience. With this operation we want to show our strong commitment towards a sector which has potential development and growth opportunities.

In 2015, the business line which reported strongest growth was Alarms. Alarm sales were 15.0 per cent higher than in 2014. The number of alarm installations also increased to 439,000, 10 per cent higher than the previous year. These figures can be given some context by considering that in one year alarm sales have grown more than the three previous years put together. In addition, we are achieving this development through a value-added strategy that is yielding excellent results in customer retention rate. This fact is evidence that we are working on the appropriate line. Our goal is to maintain this firm pace of growth the coming years by continuing to invest and work on the development of our business strategy launching products such as: the Hawk Eye, an innovative remote surveillance system, Prosegur Always at your Side, a mobile tele-care service or the Triple Security alarms; anti-intrusion, anti-inhibitor and anti-sabotage. We will also explore new ways to grow as we have done in India with the extension of our joint venture with our local partner to explore sales opportunities in the Indian alarms market.

Commitment to growth and efficiency

The good performance of the business and financial indicators does not preclude the further improvement of efficiency. With this aim we have developed the 3P Management System, Prosegur's Policies and Processes. In this work scheme we have detected a series of key indicators that allow us to objectively measure the performance of the different business lines and provide route maps to improvement. And thus we are achieving, homogeneously, the highest levels of quality and efficiency in all countries and businesses.

In addition, as part of the efforts to improve our efficiency, in 2015 we have continued to review our relations with suppliers. After analysing more than 40,000 suppliers we have managed to generate savings that exceed by 20 per cent what we had initially forecasted. These good results encourage us to continue working to optimize the relation with our suppliers.

With the development of all the measures discussed so far, the Company is progressing. We also want to encourage this change in the team and to this end, we have launched the KISS Project; "Keep it Super Simple". This is an initiative that goes hand in hand with the 2015-2017 Strategic Plan and that wants to deepen the cultural change required by the new organizational model. KISS is a fundamental part of the cultural transformation that we want to implement to simplify the organization and promote a more agile and efficient way of working.

In Prosegur we have a clear focus on continuous improvement. In this journey we cannot lose sight of the commitments made to our various stakeholders. Among them, our team of more than 160,000 people is of prime importance. We work to have a balanced relationship with them and it is important for us that everyone knows that the company supports them and we feel an enormous pride in the work they do every day. We are convinced that our activity directly benefits our customers in the first place, but also society at large and the people who make up the team are responsible for this to happen.

As you have seen throughout this report, this has been a year of special significance for Prosegur. We have witnessed an intense transformation of the Company that responds to the logical evolution of our business. We considered that it was the right time to address these processes and to prepare ourselves to face the coming years with the best guarantees. For all of these reasons, I believe that 2015 ended with a stronger Prosegur more agile and fully fit to continue leading the private security industry in the world

So, it only remains for me to give thanks for the trust which, year after year, shareholders, customers and our team place in this company and reiterate our commitment to building a safer society.

Christian Gut
Chief Executive Officer



1. Prosegur and its business model

Prosegur is one of the leading multinational companies in the private security sector and a company of reference for the last 40 years in every market in which it has a presence.

The Company provides integral security solutions for businesses, specialized cash management services and specific alarm services for households and retail businesses with the most innovative and advanced technology.

1.1. Mission, vision and values



1.2. Business lines and main products and services



INTEGRATED SECURITY SOLUTIONS

The **Integrated Security Solutions** area of Prosegur provides innovative services that combine the latest technologies with the best professionals and tailored to the needs of each sector of activity. The Company strives to provide businesses with high added value integrated security solutions, based on its experience and knowledge of risk areas in the value chain of its business segment.

- Security consultancy
- Manned guarding
- Electronic security systems
- Auxiliary services
- Close protection
- Fire protection
- International security
- Cybersecurity



CASH MANAGEMENT

The **Cash Management** area covers the entire cash process. It handles more than EUR 550,000 million per year. This service optimizes the cost of cash management for clients and improves cash availability in ATM networks. The fleet comprises more than 5,200 armoured vehicles with the highest levels of passive and active security to guarantee complete traceability of the process and real time information.

- Transport of Valuables
- Import/Export (Air transport)
- Processing of cash, currencies and securities
- Integral management of ATMs
- Cash automation
- Outsourcing of balancing processes
- Staff specialized in cash management
- Prosegur BPO



ALARMS

In the area of **Alarms**, Prosegur relies on a wide range of products in order to enhance security and peace of mind for families and businesses. These customized security solutions also include other services such as mobile guarding or GPS tracking.

- Anti-intrusion, anti-inhibit and anti-sabotage alarms
- Mobility alarms
- Medical alarms
- Fire protection alarms
- Technical leak alarms
- Foggers
- Additional services

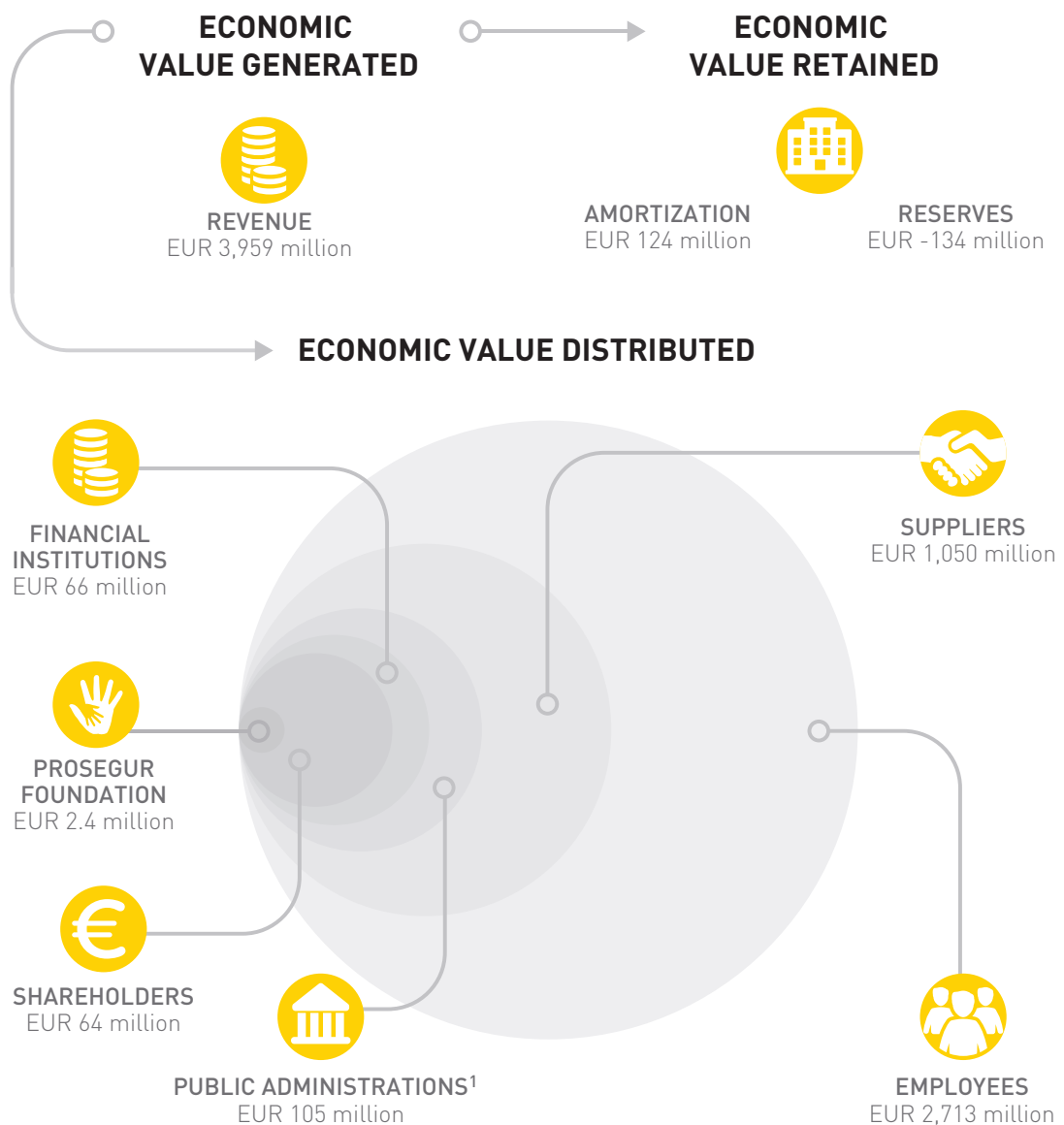
For a more detailed description of the products and services of the three business lines please [see Annex I.](#)

1.3. Social cash-flow

Prosegur is an example of a company which creates economic and social value. The Company generates different cash flows that benefit employees (69 per cent) and suppliers

(27 per cent), as well as public administrations, banks, shareholders and society at large.

This shows the **positive social impact** of the Company.



¹ Corresponds to corporate income tax in 2015.

For more information on the total tax contribution of Prosegur, [see Section 3.3 Fiscal responsibility](#).

1.4. Differentiating factors

PROSEGUR



MULTINATIONAL
COMPANY



INNOVATIVE
COMPANY



RESPONSIBLE
COMPANY

Prosegur, a multinational company

Thanks to the confidence of its customers, the Company has progressively increased its international presence through **organic growth** (increased sales volume and development of new services in the countries where it is present) and **inorganic growth** (acquisition of companies operating in local security markets).

On 31 December, Prosegur had a presence in 17 countries, classified at management level in two regions:

- **Europe and Asia-Pacific:** comprising Australia, China, France, Germany,

After Prosegur's entry in India, China and Australia and its consolidation in the German and Brazilian markets, its entrance in the African continent was the next step in the internationalization process. At present, the Company has more than 160,000 employees in 21 countries in five continents.

India, Luxembourg, Portugal, Spain and Singapore. This region accounts for 36 per cent of Prosegur's workforce.

- **Latin America:** including Argentina, Brazil, Chile, Colombia, Mexico, Paraguay, Peru and Uruguay. This region accounts for 64 per cent of the Company's workforce.

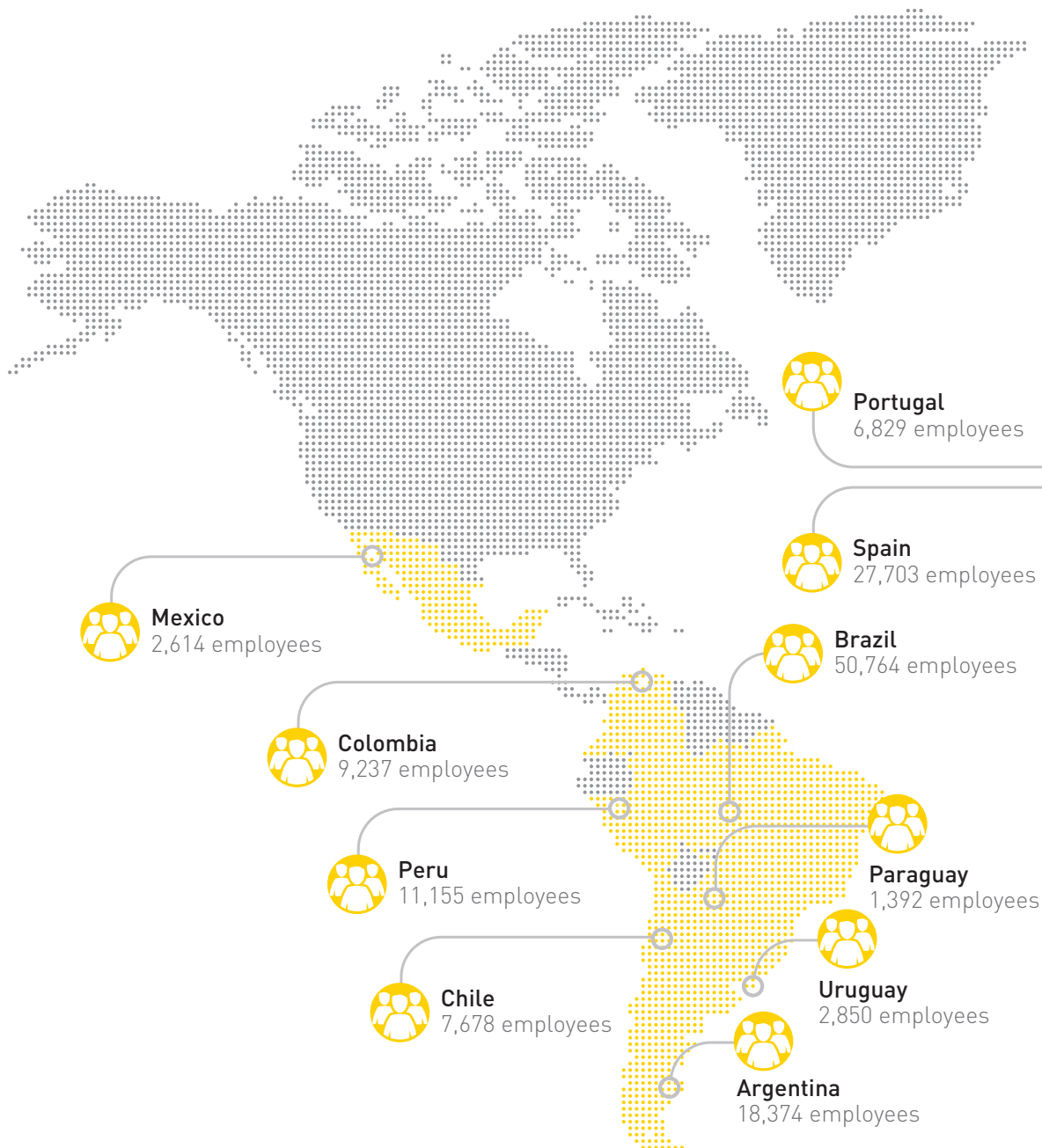
South Africa: entry in the fifth continent

On February 2016 Prosegur announced its entrance in the African continent with the acquisition of 33.33 per cent of the share capital of the **South African cash services company SBV Services** for EUR 18.8 million. This was the result of the efforts made by Prosegur during the year to find new opportunities for international expansion.

SBV Services is the leading provider of cash services and solutions. A position earned after operating for more than 30 years in the South African market. It also has a presence in Nigeria, Namibia and Lesotho. With this operation Prosegur now has a presence in **21 countries**. This is a crucial aspect in facilitating Prosegur's consolidation and expansion in the continent.

Hence, this acquisition has a **clear strategic component** and is the next big step in the internationalization process of the Company, after Prosegur's entry into the Indian, Chinese and Australian markets and its consolidation in Brazil and Germany.



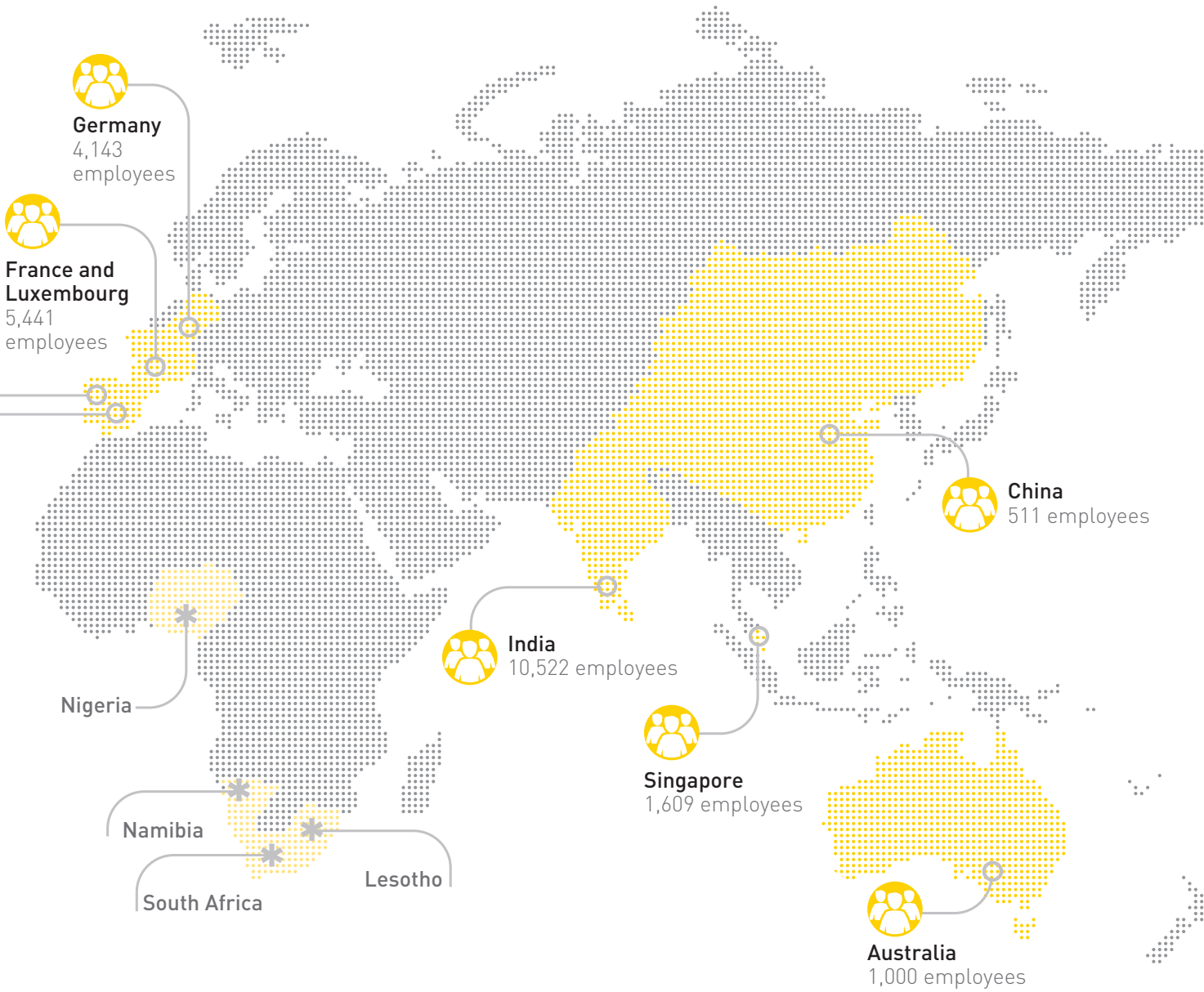


DISTRIBUTION OF EMPLOYEES BY REGION



64%
Latin America

36%
Europe and Asia-Pacific



DISTRIBUTION OF SALES BY REGION

60%
Latin America
2,361 M€



40%
Europe and Asia-Pacific
1,598 M€

○ Countries in which Prosegur had a presence on December 2015

* Countries in which Prosegur has a presence from 2016

Global Business Management

2015 has seen the consolidation of the organizational change implemented by the Company in the last quarter of 2014. This has led to significant changes in **operational processes** and in the management of internal reporting.

In this regard, this past year has been crucial for ensuring **homogeneous standards of quality and efficiency** in all of the countries where the Company operates. The Competence Centres, that form a structure for horizontal transmission of knowledge and best practices between countries and business lines, have played a major role in the achievement of this objective.

On the other hand, to provide services to customers or prospective customers in countries in which Prosegur does not have a presence, the Company has set up a **department** to manage **global accounts** in an efficient and homogeneous manner. This area also carries out significant marketing work to find new business opportunities and expand the international customer portfolio.

Presence in trade fairs and events

Bearing in mind its position as a **reference company** in the security industry, Prosegur in 2015 took part in different international **fairs and events**.

In March, Prosegur took part in the 14th edition of the **ASIS Europe** conference held in Frankfurt (Germany) that gathered more than 600 security experts from around the world. The Company presented the main innovations of Integrated Security Solutions and highlighted the progress in cybersecurity. It

also informed on its new innovative products of the Alarms and Cash Management businesses.

In June, the Company also took part in the **European ATM's Conference** held in London (United Kingdom), which brings together the financial entities and organizations related to the management of ATMs and which is organized by the regional association of the ATMIA Europe sector and the specialized consultants Retail Banking Research. Prosegur showcased its latest innovations to maximize cash availability and optimize the integrated management of ATMs.

In September, Prosegur also took part in **ASIS 2015**, the 61th edition of the annual seminar of ASIS International (the leading organization for security professionals), held in Anaheim, California (United States). This event gathered the principal public and private agents of the international security industry.

On the other hand, in January the Company took part in the fourth edition of **Spain Investors Day**, which was held in Madrid (Spain), to report the strengths of the Spanish economy and attract international investment. Prosegur presented its business model, its growth strategy and its differentiation through innovation in the private security industry.

Prosegur, an innovative company

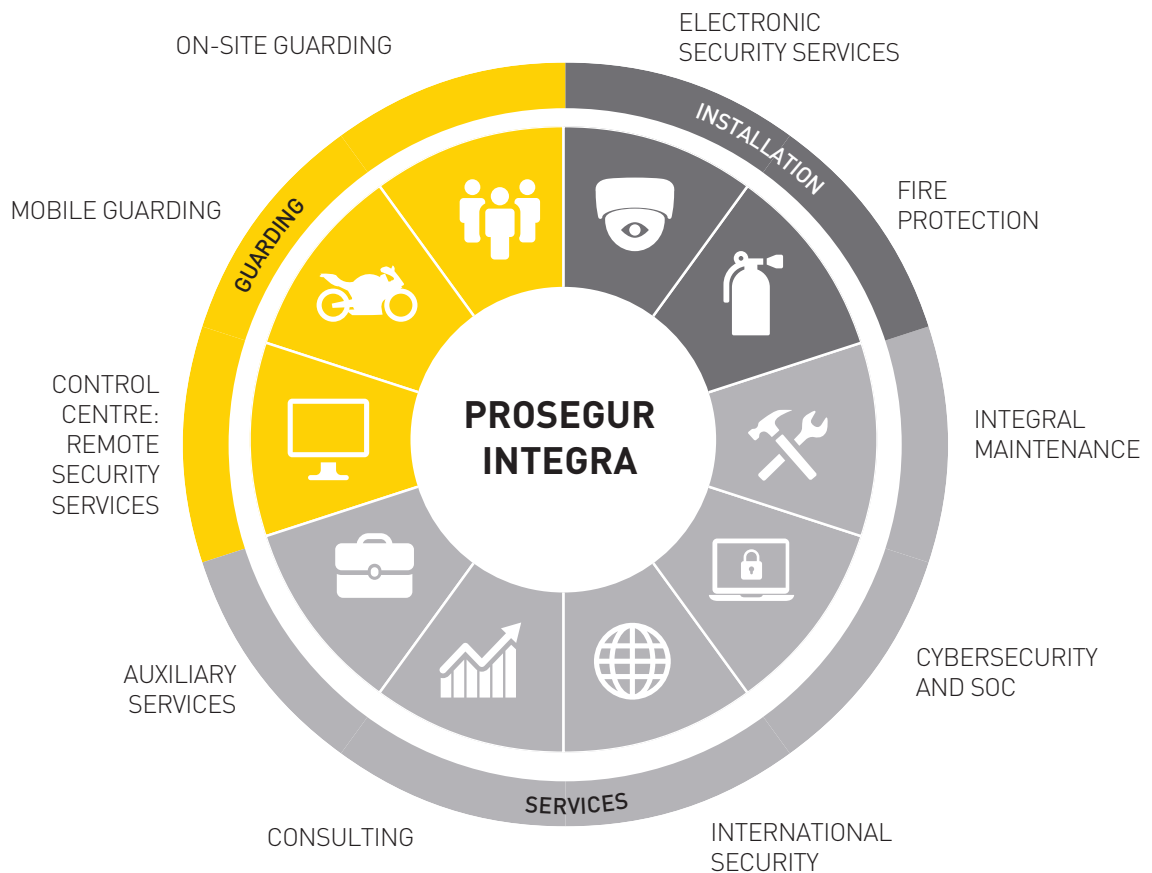
Prosegur has invested EUR 36 million in RD&I in the last four years. This investment has translated into a wide range of cutting-edge products and services in its three business lines. The intensive use of technology is increasing the added value of services and is differentiating the Company from others in the sector.

Innovation in Integrated Security Solutions

In recent years, Prosegur has strived to expand its offer of **integrated security solutions** to cover all the client's security needs. These solutions consist of combining the most **advanced technologies**, the Company's **own innovative technological products** and the **best professionals**. This, in addition to having experience in and knowledge of the risk areas in the value chains of the different sectors allows us to offer services with **high added value**.

One of the principal values that differentiates Prosegur from the competition is its permanent commitment to RD&I (Research, Development and Innovation) in its three business lines. Thanks to an effective combination between the use of the best technology available in the market and its own developments, the Company offers unique solutions adapted to each customer.

The Company's comprehensive offer of security services revolves around the concept known as "**Prosegur Integra**".

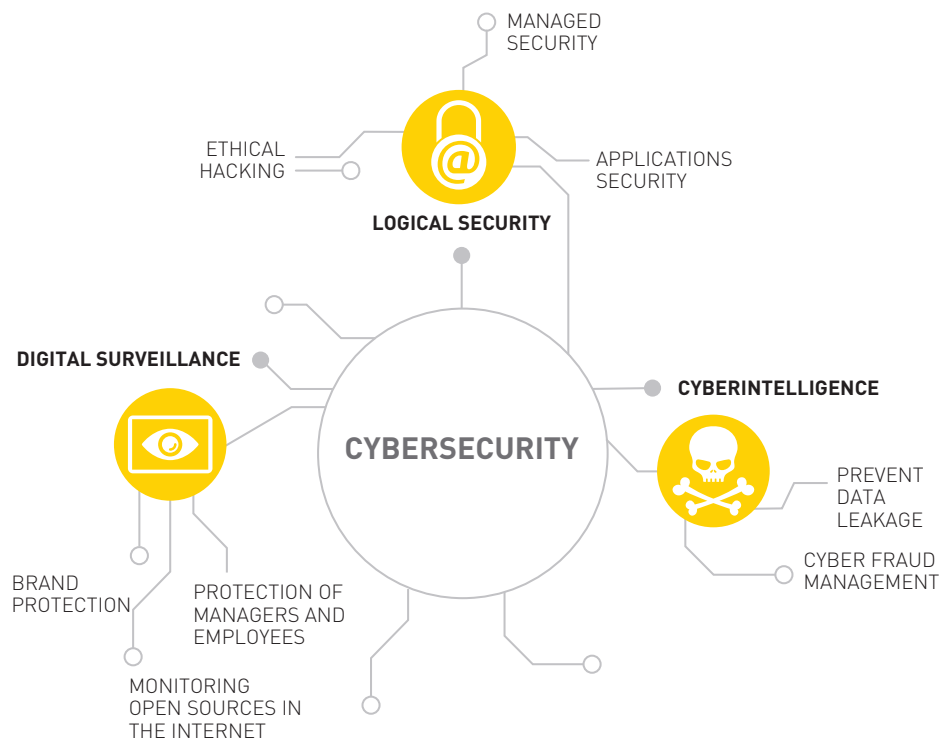


In November 2015, Prosegur held the fifth edition of “**Prosegur, Integral Solutions**” in the World Trade Centre in Barcelona (Spain). A working session with clients in which the latest trends in the sector and main security challenges in the XXI century, such as Smart Cities, surveillance with drones and cybersecurity, were analysed. The conference was attended by 250 professionals, most of them financial, operational, purchasing and security managers of companies from a wide variety of sectors (banking, industry, public administrations, etc.)

Cybersecurity

In 2015 Prosegur has given a strong push to cybersecurity services which are already being offered to customers in four countries (Colombia, Spain, Paraguay and Portugal) to respond to the growing demand of its customers. These services include **logical security, digital surveillance and cyber intelligence**.

As part of its commitment to cybersecurity, Prosegur in 2014 included this area in the



Integrated Security Solutions business offering and created the first operations centre known as **Security Operation Centre (SOC)** to monitor and take action against incidents in the network that might pose a threat to the security of customers' information.

At the end of 2015, the Company obtained CERT accreditation (Computer Emergency Response Team) as well as ISO 27,001 certification. Both certifications provide evidence of the ability of the Cybersecurity

team to respond to any digital threat. As a CERT-Certified computer security incident handler, Prosegur is able to immediately respond to cybernetic attacks in an organized and efficient manner. This year, the Company has also become a member of the Forum of Incident Response and Security Teams (FIRST), an international network leader in response to incidents. As member of FIRST, the Company has adopted various commitments that guarantee maximum efficiency of cybersecurity services.

Drones: the latest trend in surveillance

In the event "Prosegur, Integral Solutions", Prosegur presented Drones Services, a pioneer security service in Spain that rounds out its new video surveillance model. This service features a drone capable of autonomous indoor flying. Prosegur has developed this device, which is unique in the world, with its own technology and software and has included it in the wide range of integrated security services of the Company.

Prosegur's drone does not rely on GPS technology as other outdoor drones; instead, it is guided by an algorithm, based on height sensors and a laser scanner. To develop its software Prosegur collaborated with a Spanish start-up located at the Research Centre on Information Technologies of the University of A Coruña.

On September 2015, Prosegur was the **first private security company** recognized by the Spanish Ministry of Public Works (Ministerio de Fomento) to operate with RPAS (Remotely Piloted Aircraft Systems) commonly known as drones.



Cash management systems innovation

In 2015, the development of new products and services in the Cash Management business focused on: **automation of cash management in the retail sector and ATM services.**

For the retail sector, Prosegur has a service proposal in constant evolution to bolster the **automation of cash management.** In 2015 the Company developed a front-office solution

that integrates the client's point of sale with the cash recycler. This solution guarantees cash balancing and protects the physical integrity of employees as they don't have to take the money to the bank.

With regard to ATM management, Prosegur has developed tools that facilitate **greater control of cash availability** and a new version of the customer portal.

Strengthening of the international transport of valuables area

In January 2016 Prosegur completed the acquisition of the entire share capital of MIV Gestion, S.A. (MIV), a company specialized in the international transport of valuable and vulnerable goods, including door-to-door service for end customers, and destination airport-to-door services for companies. This acquisition strengthens Prosegur's International Transport service for precious metals (gold and silver), diamonds, luxury watches and jewellery, as well as foreign banknotes and coins, bank cards, electronic components or confidential documents.

It is worth noting that MIV is a Regulated Agent that complies with the requirements of the Air Transport Security National Plan. It also has the status of Authorized Economic Operator, certificate issued by the European Union that helps reduce costs and speeds up customs procedures.



Alarm services innovation

In 2015 the Alarms business has been a priority in Prosegur's investment in RD&I. Some of the most relevant technological developments have been:

- New hybrid anti-intrusion system (with wiring and wireless elements), with integrated IP video and domotics.
- A Smart 2.0 platform that allows integration of anti-intrusion services and video in mobile applications and in the web.

- A cloud-based video system (VSaaS) for retailers and households integrated in Prosegur's Alarm Reception Centre (ARC).
- An Access control system for retailers and households integrated in the ARC.
- Prosegur Always Beside You.

Triple security

In 2015, Prosegur launched "Triple Security", the only alarm system in the market that offers three levels of protection to its clients:



1

Anti-intrusion system

In the event of an intrusion into one's home or business, motion detectors are activated and a signal is sent via GPS to the ARC that will check the incidence



2

Anti-inhibit system

If an intruder tries to inhibit the GPRS signal, the IP signal is automatically triggered so that the alarm can send images



3

Anti-sabotage system

In the event of sabotage by means of a power cut, an external battery guarantees that the IP signal functions properly.

Prosegur, a responsible company

Prosegur is aware that, as a leading company in the private security industry worldwide, it has a responsibility to work to raise the standards in the **private security** sector in all of the environments in which it operates.

Prosegur assumes its status as market leader and works to raise the standards of private security in all of the countries in which it operates.

Performance in areas such as regulatory compliance, quality procedures, technological development and training of employees, represent the clearest example of the Company's corporate responsibility:

- **Regulatory development.** Prosegur not only strictly complies with the laws in each country in which it operates, it also works along with authorities in the development of laws and regulatory standards on safety, especially in the less demanding or mature environments.
- **Quality and efficiency:** Prosegur's policies, procedures and processes are developed within the framework of the **3P Management System, acronym of "Prosegur's Policies and Processes"**. With this system the Company achieves high and homogeneous quality and efficiency levels in all of the countries and businesses in which it operates.

- **Technological development of products and services.** Over the years, Prosegur has positioned itself as a highly innovative technology-oriented company that contributes to raise the standards of the security products and services in the market.
- **Qualification and degree of specialization of employees.** Prosegur is aware that the sense of responsibility has to be assumed and implemented in all levels of the Company. This is why the qualification and degree of specialization of its employees is one of the principal factors that distinguish the Company in the sector. In 2015, almost **2 million hours of training** (an average of 12 hours per employee) were given on different matters. These training initiatives transmit a common culture and homogeneous operative standards.

Promotion of Corporate Responsibility

Within the framework of the challenges of the **Agenda on Sustainable Development of the United Nations**, adopted in September 2015 with the publication of the new **Sustainable Development Objectives**; Prosegur provided support to the United Nations Global Compact to carry out a study on the current role of the Spanish business community. The analysis revealed some strengths such as; the relevance of information technology or compliance with standards and accountability. And also detected challenges on which to work as job creation, inclusive growth and transparency.

Corporate Responsibility Policy

In 2015, Prosegur has drawn up its Corporate Responsibility Policy to establish general guidelines for responsible business management and promotion of a corporate culture that contributes to create long term value for its stakeholders.

In these general guidelines, the Company has reiterated its firm commitment to fulfilling legality, transparency, complying with accepted corporate governance practices, respecting human rights, preserving the environment and understanding ethics and integrity as part of the corporate culture.

The document was approved at the Board of Directors meeting held on 24 February 2016.



Belonging to associations and organizations of the sector

Prosegur is a member of industry associations and organizations in order to promote the

development of the sector, the improvement of quality standards and to promote the most advanced public policies. The main international organizations of which it is a member are:



INTERNATIONAL ORGANIZATIONS

Ligue Internationale des Sociétés de Surveillance

Association of private security companies. Non-governmental consulting body of the United Nations (UN) and the European Union.

Confederation of European Security Services (CoESS)

European Security Transport Association (ESTA)

European association of companies providing services of transport of valuables, cash handling and management.

Asociación Latinoamericana del Transporte de Valores (Altraval)

Association of companies providing cash in transit services in Latin America.

Asian Cash Management Association (ACMA)

Association of companies providing cash in transit services in Asia, Africa and Oceania.

Aviation Security Services Association – International (ASSA-I)

Association of airport security service companies.

ATM Industry Association (ATMIA)

International association of the ATM industry.

Furthermore, Prosegur participates at **national level** in other key associations in the sector in the different countries in which it operates. For more information [please refer to Annex II.](#)



Awards and Recognitions

In 2015, Prosegur has received different prizes and awards in recognition of its efforts to be an exemplary company and a reference in the sector:

- **XI Edition of the Emprendedores Awards:** Prosegur was recognized as Spanish Multinational Company of the Year by the magazine Emprendedores.
- **VI Edition of the CEGOS Awards:** Prosegur was recognized with the Organizational Management and Consulting category Award 2015 for the PRO360° initiative, a program that promotes productivity through a continuous improvement system that aims to create value for the Company in the medium and long term.
- For the fifth consecutive year, **the Corporate Reputation Business Monitor (Merco** in its Spanish acronym) has placed Prosegur among the 100 Spanish companies with the best corporate reputation (ranked 41) and as one of the 100 best companies to work for in Spain (ranked 44).

1.5. Relationship with the environment

Communication with stakeholders

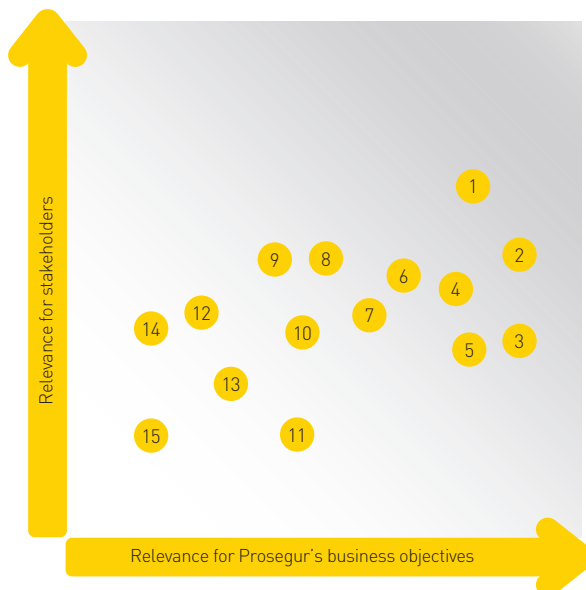
Transparency is one of Prosegur's fundamental values. To ensure transparency, Prosegur fulfils the needs and expectations of its main stakeholders by keeping **direct, constant and close contact** with all of them. It also offers **relevant, truthful and up-to-date information** through different **communication channels**. [G4-24] [G4-25] [G4-26]

Key topics and concerns

In 2015, Prosegur conducted surveys with stakeholders in order to identify and prioritize the important sustainability issues for the Company and its environment.

In line with its commitment to transparency, Prosegur has numerous and active communication channels with the different agents in its environment through which it responds to their needs and expectations.

The surveys were part of the materiality analysis carried out by Prosegur, explained in detail in section "5. About this Report". The conclusions drawn in the materiality analysis, regarding key topics and concerns for Prosegur and its stakeholders, are listed in order of priority in the following materiality matrix. [G4-19] [G4-27]



Key topics and concerns

1. Corruption
2. Financial performance
3. Customer security
4. Reputation and brand
5. Ethics and integrity
6. Service quality
7. Good governance
8. Innovation
9. Occupational health and safety of employees
10. Relations between employer and employee
11. Qualification of employees
12. External communication
13. Human rights management
14. Internal communication
15. Diversity and equality

Main communication channels with stakeholders

[G4-24] [G4-25] [G4-26]



EMPLOYEES

- Channels that convey relevant information for employees from the **bottom up** (work climate survey, suggestion boxes, etc).
- Channels that convey information from **top down**: performance assessment (more than **20.000 employees assessed** in 2015) in-person and online training (almost **2 million hours**), internal newsletter, signs, etc.).
- Whistleblower Channel.



CUSTOMERS
AND USERS

- **Customer experience** measurement: **89 per cent** of them were satisfied or very satisfied with the Integrated Security Solutions department.
- Creation of the **Right Now** tool for the Alarms business.
- Mechanisms to manage claims and complaints: **83 per cent** of complaints received were satisfactorily resolved.



SHAREHOLDERS
AND INVESTORS

- **72** meetings with analysts.
- **275** meetings with investors.
- **56** conference calls.
- **5** road shows.



SUPPLIERS
AND PARTNERS

- Supplier **evaluation and approval** process.
- Perform **Quality audits** of suppliers.



SOCIETY

- Corporate profiles in **social networks**:
 - LinkedIn: more than **94,000 followers**.
 - YouTube: **64 videos** posted in 2015.
 - Twitter: more than **500 tweets** in 2015.
- **28 projects** of the Prosegur Foundation, with **33,900 beneficiaries**.

1.6. Future challenges

Prosegur considers the following challenges key to consolidating itself as a leading company in the sector of private security in the future. The Strategic Plan 2015 – 2017 tries to meet these challenges (see section “2.3. Strategy”): [G4-27]



GROWTH IN THE ALARMS BUSINESS LINE

The Alarms business is one of Prosegur's main priorities. With the Strategic Plan (2012-2014) major objectives were achieved such as becoming a leader in the Peruvian market or the significant growth in sales recorded in countries such as Spain and Portugal.

In 2015 Alarms was the business that reported strongest growth; **global alarm sales increased by 15.0 per cent** and the number of alarm installations increased to 439,000.

In line with this positive trend, Prosegur constantly works in the development of a technology-oriented offer and with the aim of placing itself in a **leadership** position in all of the countries in which it operates.



ORGANIC GROWTH AND CONSOLIDATE ITS PRESENCE IN NEW MARKETS

Following these years of international growth in Latin America, Europe and in the Asia-Pacific area, Prosegur's main challenge is to continue **growing organically** and **geographic expansion** in the countries in which the Company already has a presence, in order to enjoy the best possible positioning throughout its area of action.

After the acquisition of one third of the share capital of the South African company SBV Services, Prosegur has the challenge of helping with its geographical expansion in the African continent. The Company considers that, because of its experience and knowledge of the market, SBV Services is the ideal partner to enter in this new region.



MARKET PENETRATION OF RECENTLY DEVELOPED PRODUCTS

As a result of all the work done and the investments in RD&I of the last years, in 2015 Prosegur has developed innovative products and services that have derived competitive advantages against its competitors in its three business lines: Integrated Security Solutions (Prosegur Integra, surveillance with drones, Cybersecurity, International Security), Cash Management (BPO, Cash Management Specialist, new solutions for the retail sector and ATMs) and Alarms (Triple Security, Prosegur Always at your Side).

In this regard, the main challenge for the next few years is a successful **market penetration** of the products that have been launched in 2015 and the consolidation of the products and services developed in earlier years.





PROTECCIÓN
ADICIONAL
PROSEGURO

2. Governance and strategy

2.1. Corporate Governance

Prosegur defines its principles of Corporate Governance (independence, transparency and protection of minority shareholders) along the recommendations of the principal international **institutional investors** and the recommendations of the **Unified Code of Good Governance** of quoted companies of the Spanish National Securities Market Commission.

Corporate Governance in Prosegur is built around three key principles: independence, transparency and protection of minority shareholders.



1. Independence

Prosegur aims to strike a **balance of power** in its governing bodies and, for this reason, as of 31 December 2015, more than half of the members of the Board of Directors and of the Executive Committee were independent, whereas in the Appointments and Remunerations Committee the percentage is 80 per cent and in the Audit Committee 100 per cent.



2. Transparency

Prosegur provides **up to date, accessible and quality information** to its stakeholders in the Corporate Governance section of its website and in its Annual Corporate Governance report and annual report on the remuneration policy of the Directors of the Company.



3. Protection of minority shareholders

Prosegur is committed to the **creation of value and respect for the rights and interests** of minority shareholders.

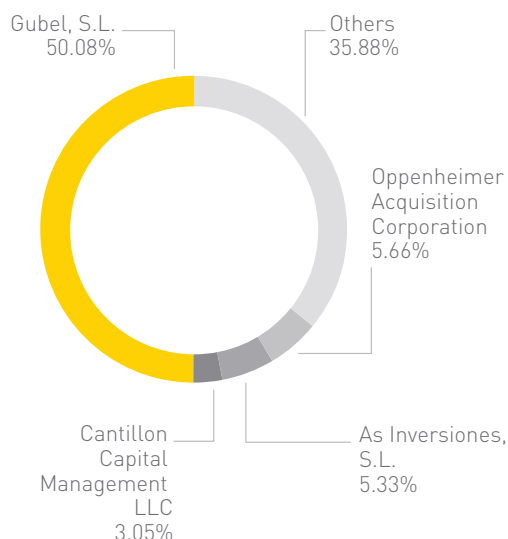
Ownership structure

The share capital of Prosegur Compañía de Seguridad, S.A. is of **EUR 37,027,478**, represented by **617,124,640 shares** each of a face value of EUR 0.06, belonging to one same class and series.

All shares have been fully paid up and subscribed, and are traded on the Stock Exchanges of Madrid and Barcelona (Spain). Each share carries the right to one vote and **there are no legal or statutory restrictions on the exercise of the vote or on the acquisition or transfer of shares in the share capital.**

PROSEGUR'S SHAREHOLDING STRUCTURE

Significant shareholdings
at 31 December 2015



General Shareholders' Meeting

The General Shareholders Meeting of 2015 was convened on 28 and 29 April in Madrid (Spain). In addition to the usual **matters dealt with** at Assembly, such as the approval of the Annual Accounts, the distribution of dividends and

the advisory vote on the remuneration policy of Directors, in the 2015 meeting the issue of amending the Bylaws and the Regulations of the General Shareholders' Meeting for their **adaptation to the Law 31/2014** was brought up. This Law introduces amendments to the Spanish Corporation Law to improve corporate governance.

Board of Directors and Committees

The Board of Directors is the **highest governance body** of Prosegur, except on matters reserved to the competence of the General Shareholders Meeting. It has three Committees whose functions are further detailed in the Annual Corporate Governance report of the Company: **Executive Committee, Audit Committee and Appointments and Remunerations Committee.**

In 2015, the Board of Directors **met in plenary meeting on five occasions.**

Board of Directors	5 meetings
Executive Committee	11 meetings
Audit Committee	5 meetings
Appointments and Remunerations Committee	2 meetings

In accordance with what is established in the Regulations of the Board of Directors, in 2015 the Chairman organised and coordinated, with the Chairman of the Appointments and Remunerations Committee and the Chairman of the Audit Committee, the **periodic assessment** of the Board. As a result of these meetings, an action plan was implemented to correct the deficiencies detected regarding the functioning of the Board and its Committees.



Composition of the Board of Directors and the Committees

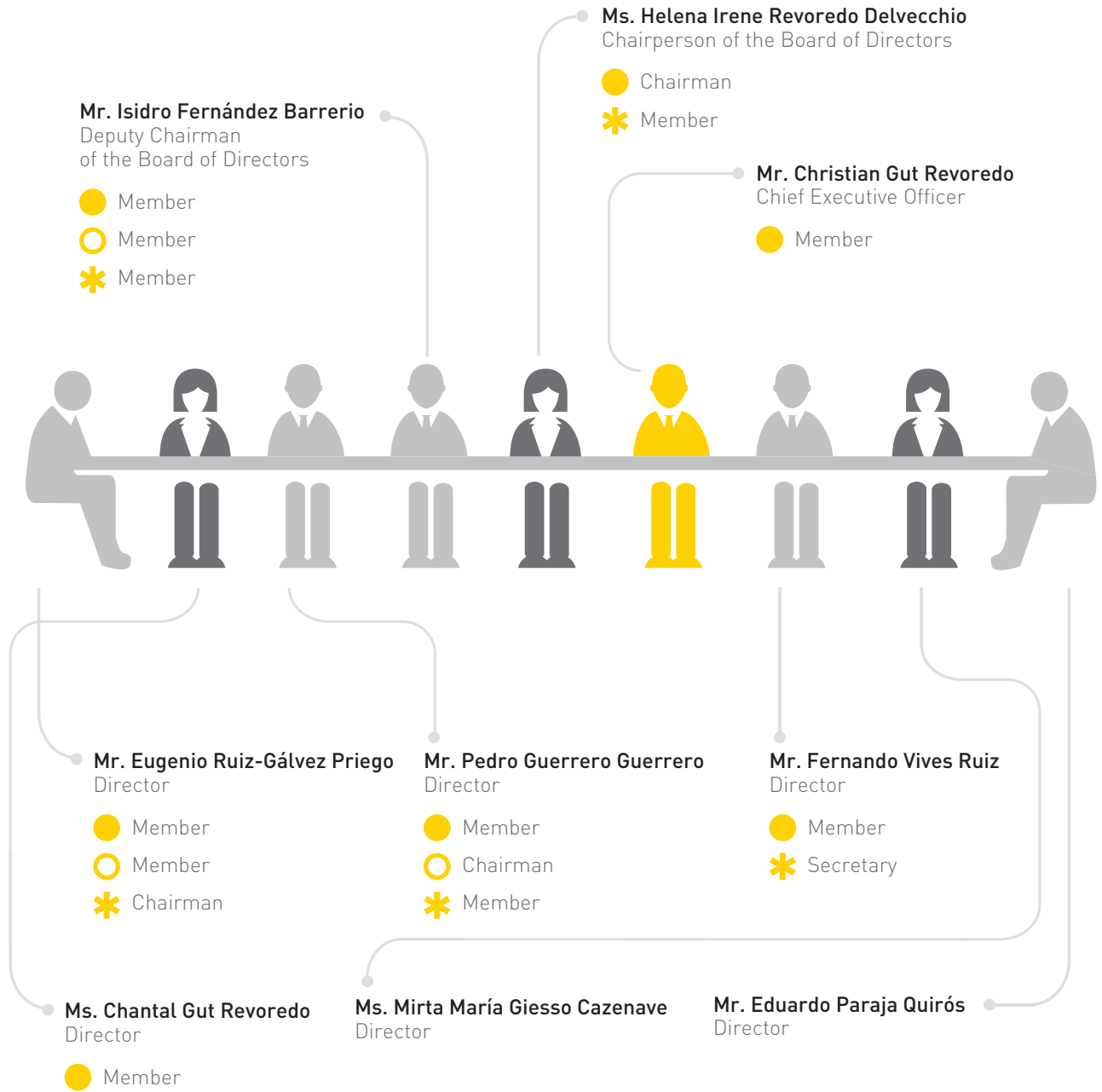
On 31 December 2015, the Prosegur Board of Directors was formed by **nine members**: one executive member and eight non-executive, of which five are independent and three proprietary.

The responsibilities of the Chairman and the Chief Executive Officer are different and complementary. Prosegur adopts the requirements of the main international standards on corporate governance, which recommend the separation of roles.

As for the **representation of women**, at the close of the year, three of the nine board members of the Company (33 per cent) are women, thus fulfilling recommendation 14 of the new Unified Code of Good Governance of quoted companies, which promotes the establishment of goals to achieve the objective in 2020 of the number of women board members representing at least 30 per cent of the total.

In 2015, the most significant **change** in the **structure and composition** of the Board of Directors was the modification of the post of Ms Chantal Gut Revoredo, who left her executive position in September and became an external proprietary director.

For more information see Prosegur's Annual Corporate Governance Report (<http://www.prosegur.com/corpen/index.htm>).



2.2. Ethics and compliance

In the private security sector, **ethical behaviour and compliance with regulations** is a critical issue for various reasons intrinsic to the activity; employees are often exposed to risk, large sums of cash and personal assets are managed, and they work not only to safeguard the integrity of customers but also to provide assistance and protection to society as a whole.

Prosegur aims to become a benchmark with regard to ethics, integrity, respect for human rights and strict fulfilment of the regulations, both in its sector and in the business community at large.

In this environment of risk Prosegur adopts a stance of “zero tolerance” with any irregular behaviour and understands that all its professionals must act **ethically** and respect the **fundamental rights** of all civil society actors.

With regard to **compliance with regulations**, the Company applies more demanding criteria than those established by law and works to ensure the establishment of the highest possible standards of compliance in its sector. Along these lines, rigour is essential in defining the **mechanisms of control and prevention** of irregular or illegal practices, especially in regions of greater risk.

Corporate Compliance Program

The Corporate Compliance Program of Prosegur, approved by the Board of Directors, establishes control measures designed to attenuate or remove the risk of non-compliance with regulations in day to day operations. It covers any legal aspect that might entail a risk for Prosegur with regard to the prevention of **money laundering**, **data protection**, the **defence of competition** and the prevention from, detection of and reaction to **crime**.

The Corporate Compliance Program of Prosegur, approved by the Board of Directors, is overseen by the **Compliance Committee** which acts in an autonomous and independent manner and reports directly to the Audit Committee.



The Company also has **compliance officers in all countries** where it operates, responsible for implementing the Program and for ensuring compliance with the regulations in force in each of them, which is also monitored by a regulatory monitoring group.

In order to implement the Program in the day-to-day operation, **training courses** on the most important aspects are given to **employees**, as well as courses for senior managers and members of the Board of Directors and specialized courses focused on those responsible for compliance.

Code of Ethics and Conduct

In 2013, with the approval of the Board of Directors, Prosegur launched a new version of its Code of Ethics and Conduct, which is binding on all members of the governance organs, directors and personnel of the Company. The document offers guidelines on the behaviour and practices of all Prosegur professionals in the exercise of their functions and in their relations with third parties with regard to matters such as compliance with regulations, respect for human rights and equality and respect among employees.

The Code of Ethics and Conduct is a binding instrument that must be known, subscribed to and met by all **Prosegur employees and members of its governance bodies**. The employees must also collaborate to facilitate its implementation and to report through the complaints channel all possible breaches of which they might be aware of.

To add its commitment to ethics and integrity to that of other international companies, Prosegur signed the "Code of Conduct and

Ethics" of the Ligue Internationale des Sociétés de Surveillance and recognizes the "Code of Conduct and Ethics for the private security sector", drawn up by the Confederation of European Security Services (CoESS).

Whistleblower Channel

In order to detect behaviours that are irregular, illegal or contrary to the Code of Ethics and Conduct, the Company has its own Whistleblower Channel. The channel allows anybody concerned, whether or not they belong to the Company, to report said behaviour **safely and anonymously** on a form available on the website (<http://www.prosegur.com/corpen/index.htm>) [G4-26]

The Internal Audit Department deals with the communications received in a confidential manner and, depending on the subject and severity of each case sends them to the Department responsible for its management, investigation and resolution:

- Any reports related to **fraud** are sent to the Security and Operational Risk Management Corporate Department.
- With regard to reports related to **financial or accounting irregularities**, the Internal Audit Department will be responsible for its management, investigation and resolution.
- **Other reports** are sent to the person responsible depending on the subject and severity of each case.

Depending on the conclusions of the investigations, for cases requiring action on the part of the Company the **necessary measures** are taken in the meetings of the Audit Committee.

Respect for human rights

In accordance with the **United Nations Declaration of Human Rights**, security is one of the core fundamental rights of mankind. Prosegur, as a reference in the private security sector, has the mission of guaranteeing this right, without prejudice to other equally important universal rights such as equality, liberty or the right to fair treatment.

The Company therefore works to **prevent**, **mitigate** and, if necessary, **correct** possible impacts on the rights of its employees and all other individuals forming part of the

communities in which it is present. Along this line, all professionals and collaborators of Prosegur must refrain from breaching human rights of third parties, and especially the managers, whose position imposes upon them the additional obligation of exercising clear and unwavering leadership in this area.

This commitment is conceived as an **additional responsibility** to the fulfilment of the laws and regulations established in each place in which the Company is present, and particularly in countries in which the state's capacity to protect human rights is weak. To back this commitment, Prosegur has four basic principles of action:



1. Assess

Prosegur has a solid system to assess risks in which risk factors with respect to human rights are considered. These include, among others, the breach of personal rights and freedoms, individual privacy and working rights.



2. Manage

Prosegur includes the assessment of risks in its processes horizontally, and implements measures to control and mitigate risks. Prosegur has an anonymous Whistleblower Channel for stakeholders to file complaints.



3. Report

Prosegur reports to stakeholders on human rights management in the Annual Report and other communication channels such as press releases and social networks.



4. Raise awareness

In order to ensure that its professionals, suppliers, clients and other stakeholders know Prosegur's principles of action regarding human rights, the Company organizes training sessions on critical issues such as the use of force, gender violence and cultural diversity.

Prosegur participates in the Human Rights Working Group created in 2013 by the **Spanish Network of the United Nations Global Compact**. In 2015 it has contributed, among other things, to the creation of the

“Human Rights Package”, which includes two innovative tools: a Training Program and Guidelines for the Implementation of the Framework Principles on Business and Human Rights.

2.3. Strategy




Aware of the **changing environment** in which it operates and the new needs and demands of its stakeholders, Prosegur considers it vital to revise its strategy in the short and medium term. It therefore draws up **three yearly strategic plans** with a series of qualitative and quantitative objectives, always maintaining

coherence with the long-term view of the Company.

At present, the Company is immersed in the **2015-2017 Strategic Plan** which is based on six strategic objectives; the progress so far is shown in the table below.

OBJECTIVES	WHAT DOES PROSEGUR WANT TO ACHIEVE?	WHEN?	DEGREE OF FULFILMENT
QUANTITATIVE			
 Growth	<ul style="list-style-type: none"> Focus on growth in new volume 	2016	
	<ul style="list-style-type: none"> Strong commitment to the development and sale of new products 	2016	
	<ul style="list-style-type: none"> Promote the specialization of managers 	2015	
 Management of indirect costs	<ul style="list-style-type: none"> Simplify the decision-making process and create an increasingly agile organization 	2016	
	<ul style="list-style-type: none"> Reduce the weight of indirect costs, in particular in the corporate business 	2016	
 Cash flow management	<ul style="list-style-type: none"> Maintain the pace of cash generation and its conversion with respect to EBITA 	2015	



OBJECTIVES	WHAT DOES PROSEGUR WANT TO ACHIEVE?	WHEN?	DEGREE OF FULFILMENT
QUALITATIVE			
 Manage at branch level	<ul style="list-style-type: none"> Continuously measure the quality level of services and customer satisfaction 	2016	<div style="width: 75%;"><div style="background-color: #FFC000;"></div></div>
	<ul style="list-style-type: none"> Offer a proposal of value more focused on the needs of the customer 	2015	<div style="width: 100%;"><div style="background-color: #FFC000;"></div></div>
 Efficiency in operations	<ul style="list-style-type: none"> Complete the implementation of the corporate platforms in all Prosegur countries 	2017	<div style="width: 25%;"><div style="background-color: #FFC000;"></div></div>
	<ul style="list-style-type: none"> Continue with the Kaizen Project 	2015	<div style="width: 100%;"><div style="background-color: #FFC000;"></div></div>
	<ul style="list-style-type: none"> Continue to promote the Competence Centres implementing best practices in all countries 	2017	<div style="width: 75%;"><div style="background-color: #FFC000;"></div></div>
 Simplify management	<ul style="list-style-type: none"> Build a more agile, consistent and homogeneous Prosegur by simplifying processes and structures, which will result in better decision-making 	2016	<div style="width: 75%;"><div style="background-color: #FFC000;"></div></div>



KISS Project

An important part of the success of the 2015-2017 Strategic Plan depends on whether Prosegur can continue to grow and on improving the services offered to customers, while being able to increase profitability. Because of this, the Company has to address its strategy with a clear focus on efficiency and on the simplification of tasks.

For this reason, in 2015 Prosegur launched the **KISS project**, Keep It Super Simple, that aims to make a cultural transformation to simplify the organization and promotes a more agile and efficient way of working, defining the key processes of the Company and continually reviewing its operation.

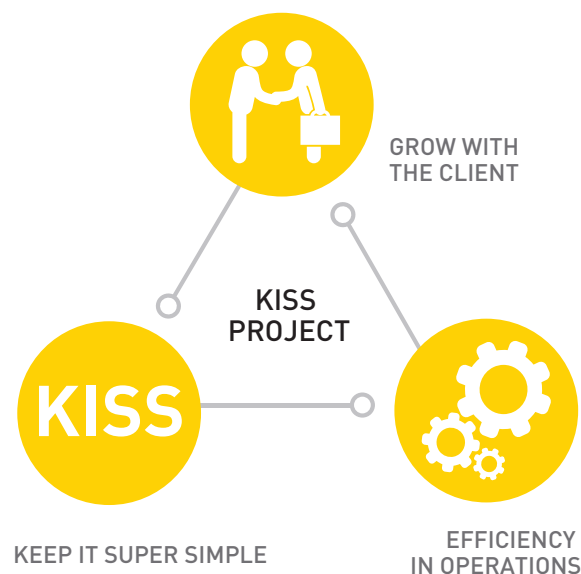
The aim of KISS is to make Prosegur a company more:

- **Simple:** facilitating all tasks and internal processes to add value.

- **Direct:** an efficient organization without duplication and result-oriented.
- **Quick:** working in a more agile, proactive and innovative way.

The project was launched through a pilot experience at the office in Madrid (Spain), and the idea was to implement it in the rest of the Prosegur countries once the results of the same were analysed. This initial experience consisted of four phases:

1. **Selection of KISS ambassadors:** detection and selection of employees who will be responsible for promoting and pushing the project forward.
2. **Gathering of KISS ideas:** all employees participate in sending proposals and suggestions.
3. **Assessment of initiatives** by the Business Committees.
4. **Training managers and ambassadors:** to support them in their mission to inculcate in the organization the new philosophy and the selected initiatives.



AR

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3. Management model and results

3.1. Management model

Organizational Structure

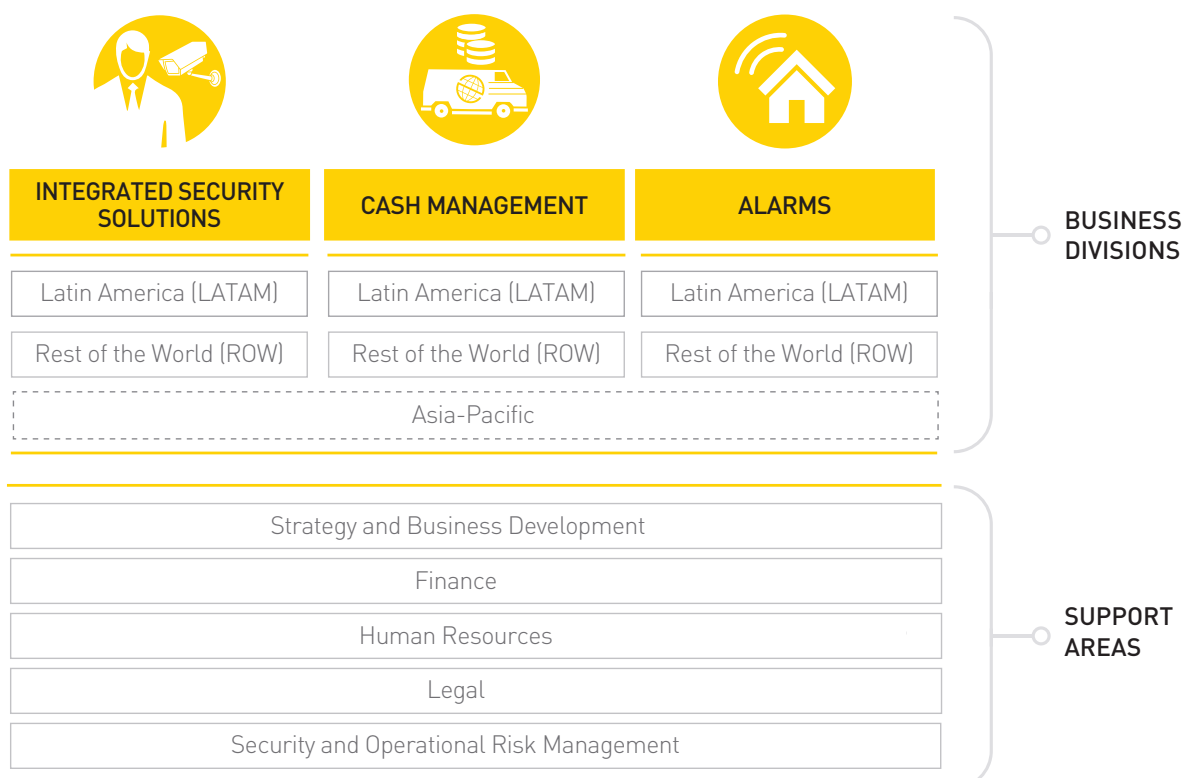
In 2015, Prosegur has successfully completed the **organizational change** started in the last quarter of 2014. The two fundamental premises have been to place the **business as the structural axis of the organization and to centralize corporate management functions**, as shown below:

- **Business Divisions:** with the new model, the three business lines of Prosegur (Integrated Security Solutions, Cash Management and Alarms) are the main structural axes of the organization. Within each of the three businesses **geographic divisions** have been established; Latin America (LATAM) and

Rest of the World (ROW). In turn, the Asia-Pacific region maintains some autonomy due to the peculiarities of these markets.

- **Support Areas:** five global support areas provide cross-cutting support to the three business lines: **Strategy and Business Development, Finance, Human Resources, Legal, and Security and Operational Risk Management.**

This organizational change is favouring the specialization of operations in each business and cohesion and knowledge transfer between regions, issues that have begun to deliver results in terms of an increase in **efficiency** and **value provided to customers.**



3P Management System



The 3P Management System, an acronym of Prosegur's Policies and Processes,

is the **formal management framework for businesses and support areas** of the Company. It has a common part of a global nature that is complemented in each business and country with specific policies and processes for each market. 3P documents of global application are published in Spanish, English and Portuguese.

3P Policies

In 2015, all global 3P policies have been review to **adapt them to the new organizational model**. The centralization of support areas has given greater importance to the formalization of internal policies. These policies allow global departments to establish common principles and rules of action that local teams should implement.

The new global policies affecting business teams include the publication of: Control SCMC (Sale Cost Margin Cash) in the Integrated Security Solutions business; International Transport and Cash Management in devices Outside of Prosegur Operational Sites in the Cash Management Business. On the other hand, the support areas include the Environmental Management policy or the policy on Development and Maintenance of IT Applications. In addition, the Prosegur Foundation has also published a new policy on Corporate Volunteering that shall be applied in all countries.

3P Processes

Prosegur has a common language that facilitates the identification of best practices among its business lines and support areas in the different countries in which it operates. To achieve this harmony in the organization, the Company applies a **methodology for process management to control and improve efficiency and quality of results**.

This methodology is applied by business teams both in the design of new processes and in reengineering existing ones. This year, it is worth mentioning its application to the new business processes of Sales Support and Implementation of Integrated Security Solutions, Support to Guarding Operations (CGO), Control Centre, Absenteeism Management and Integrated Management of ATMs. Moreover, as new process providing support to the businesses, the Supply and Warehouse Management could be highlighted.

The efforts made by businesses and countries to simplify process documentation and to standardize the way of working, both locally and globally should also be underlined. For example, the Cash Management business has developed in Argentina work instructions such as "Standard Work" which, adapted to each country, homogenize the way to operate. These actions are also implemented in other businesses and support areas. Among other examples, its application by the mobility service teams and by immediate response agents of the Integrated Security Solutions and Alarms business and in the invoicing process could be emphasized.

The 3P methodology for process management is driving the **deployment of key indicators for employees involved in**



each process. Thus, the team knows their performance and the degree of achievement of the improvement goals that have been established. Some of the teams that are applying this methodology in the Integrated Security Solutions business are: Electronic Systems Security engineers and work coordinators, Support Centre of Guarding Operations, Security Operations Centre (SOC) of Cybersecurity. In the Alarms business: front office and Collections units and the Alarm Receiving Centre (ARC). For its part, in the Support Areas, the revenue cycle team of the Administrative Service Department of Prosegur (USAP) has also started to use it.

To support the change in organizational model between businesses (internal

customer) and support areas (internal supplier), **service metrics within the 3P System framework** have been introduced to measure the service provided by support areas to the businesses. The metrics used are agreed between the global head of each support area and the regional general manager of each business, in order to ensure that metrics are relevant. With the results of these metrics, the level of service provided in each country is measured in an objective way.

Certifications

The 3P Management System is certified by external and independent entities to verify that Prosegur meets the requirements of international and/or local standards.

The Company holds the following certifications: ISO 9,001 Quality Management System, ISO 14,001 Environmental Management System, ISO 22,301 Business Continuity System, EN 16,082 Airport Security Services, ISO 27,001 Information Security System, ISO 28,001 Security Management System for the Supply Chain and OHSAS 18,001 Occupational Health and Safety Management System.

In 2015, Prosegur has maintained or renewed

all its certifications in all of the businesses and countries. Additionally, it should also be highlighted that additional certifications have been obtained this year, such as OHSAS 18,001, in Spain for Guarding services; the extension of the ISO 9,001 certification to all branch offices in Chile for Guarding services; ISO 22,301 Business Continuity in Cash Management business in Argentina; and ISO 27,001 Information Security in the Security Operations Centre (SOC) in Spain for Cybersecurity business.



3.2. Financial performance

2015 Consolidated Results

2015 has been a year of **economic growth** for Prosegur; total revenue and profitability have shown an upward trend and the Company has managed to increase the margins obtained in 2014. These good results were achieved despite the adverse macroeconomic

conditions experienced in some of the countries in which the Company operates (especially in Brazil and Colombia) and the strong negative effect of exchange rates in Latin America.

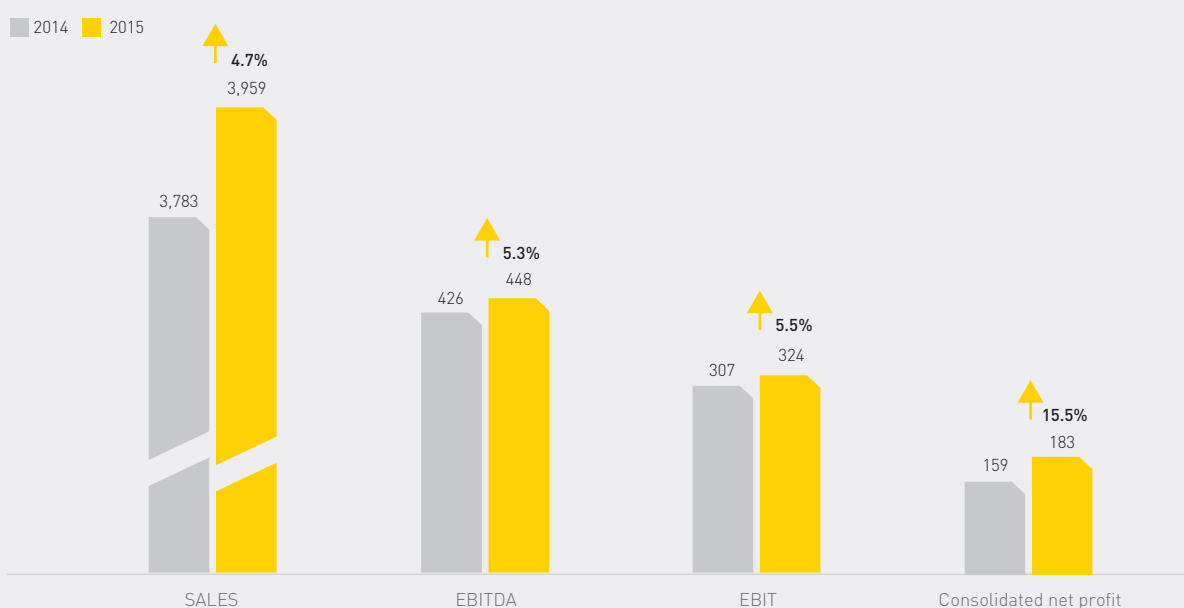
Both **EBIDTA** and **EBIT** have grown more strongly than revenue, underlining the

Main Results

- **Sales** revenues amounted to EUR 3,959 million, **4.7 per cent higher** than the previous year.
- **EBITDA** and **EBIT** increased by **5.3 per cent** and **5.5 per cent** respectively.
- The **consolidated net profit** was **15.5 per cent up** against last year.

MAIN RESULTS

Millions of Euros



effectiveness of Prosegur's business model, even in adverse economic conditions.

With regard to profitability, the **EBIT margin** stood at **8.2 per cent**, 0.1 per cent higher than that of 2014. This clearly shows that Prosegur can maintain its margins in Latin America despite the challenges facing the region. In this regard, the Company is implementing in this area all the **measures for the protection of margins** already implemented in Spain and Portugal, with the certainty that they will have the same positive effect.

On the other hand, **consolidated net profit** amounted to EUR 183 million, **15.5 per cent higher** than in 2014. This shows how the efficiency policies implemented have been successful, reinforcing the cost optimization commitment.

As profits have increased, the Board of Directors decided to **increase dividends to shareholders**; earnings per share will amount to **EUR 0.31** instead of EUR 0.27.

INCOME STATEMENT (MILLIONS OF EUROS)

	2014	2015	Variation
Sales	3,782.6	3,959.4	4.7 %
EBITDA	425.7	448.4	5.3 %
Margin	11.3 %	11.3 %	
PPE amortization	-81.6	-92.6	
Depreciation of other intangible assets	-36.9	-31.5	
EBIT	307.2	324.2	5.5 %
Margin	8.1 %	8.2 %	
Financial results	-58.1	-36.3	
Profit before tax	249.2	287.9	15.5 %
Margin	6.6 %	7.3 %	
Taxes	-90.7	-104.5	
Tax rate	36.4 %	3.3 %	
Net result	158.4	183.4	15.7 %
Non-controlling interests	-0.3	0.0	
Consolidated net result	158.7	183.4	15.5 %
Basic profit per share	0.27	0.31	14.8 %



Results by Business

Prosegur's growth in 2015 has been grounded on an increase in sales in its three business lines:






- **The Integrated Security Solutions** business reported **2.5 per cent sales growth**. In this business line, sales in the Europe and Asia-Pacific area contracted by 1.2 per cent mainly due to the client portfolio optimization process which was carried out in France. This has been compensated by significant growth of almost **6 per cent in Latin America**.
- In the **Cash Management** business sales have increased by **6.1 per cent** in 2015, accelerating the upward trend experienced in previous years.
- **Alarms** was the business line that **reported strongest growth**. Alarms sales increased by 15 per cent to EUR 209 million. It is worth mentioning that alarm sales rose sharply in **Latin America** by more than **23 per cent**.

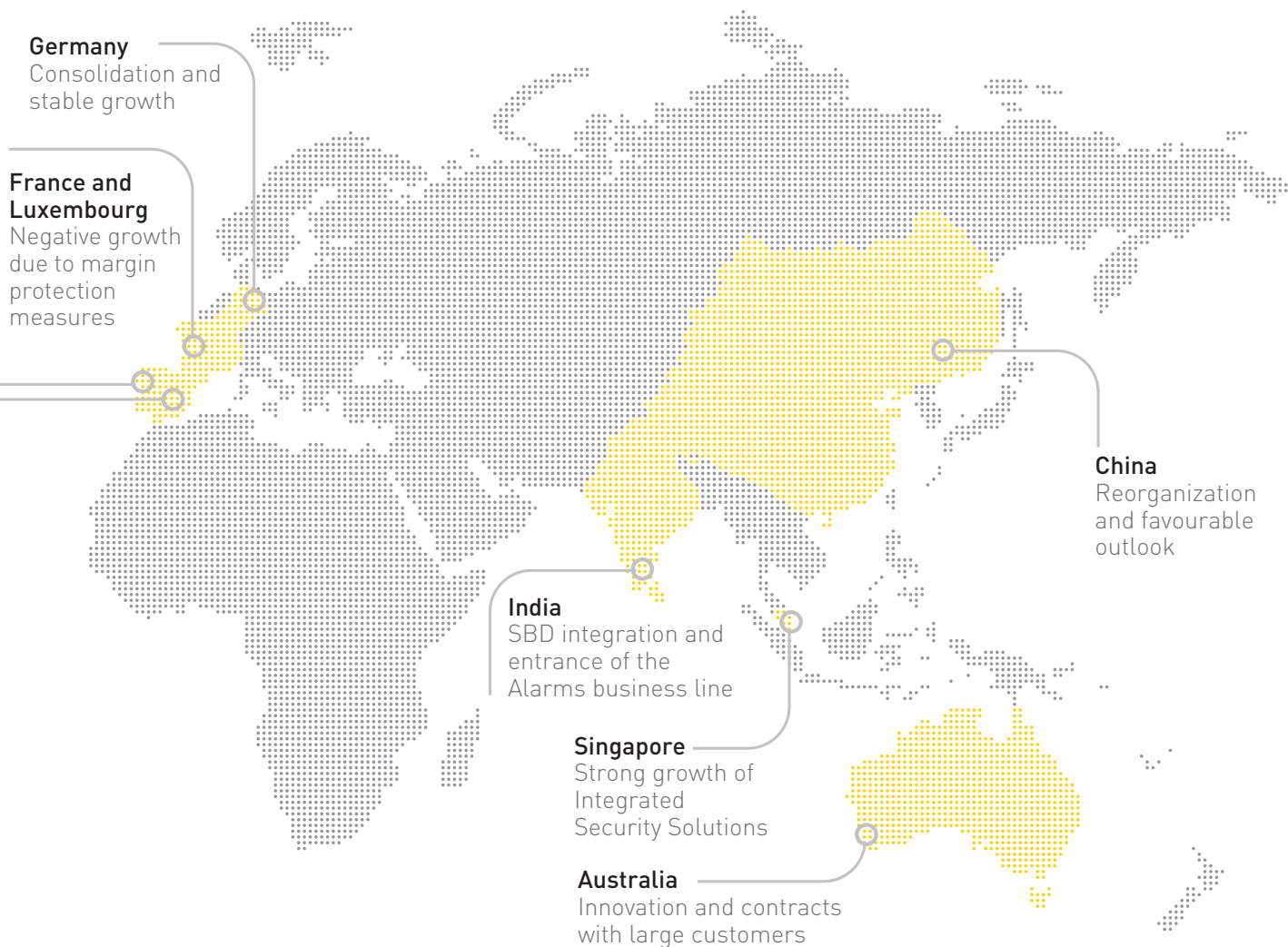







(Millions of Euros)	INTEGRATED SECURITY SOLUTIONS			CASH MANAGEMENT			ALARMS		
	2014	2015	Var. %	2014	2015	Var. %	2014	2015	Var. %
Europe & Asia-Pacific	966	955	-1.2%	515	535	3.9%	100	108	8.3%
Latin America	970	1,029	6.1%	1,149	1.231	7.1%	81	100	23.2%
Total	1,937	1,985	2.5%	1,664	1.766	6.1%	181	209	15.0%
% over Sales	50.1%			44.6%			5.3%		

Results by Country



	 Organic growth	 Inorganic growth	 Exchange rate	 Total growth 14/15	 Sales (Mill EUR)
Brazil	↑ 0.4%	↑ 0.4%	↓ 14.9%	↓ 14.1%	895
Argentina Area	↑ 36.9%		↑ 5.6%	↑ 42.5%	990
Peru	↑ 4.3%		↑ 6.9%	↑ 11.2%	174
Chile	↑ 6.9%		↑ 4.7%	↑ 11.6%	147
Colombia	↓ 6.9%		↓ 11.6%	↓ 18.5%	111
Mexico	↑ 10.0%		↑ 0.2%	↑ 10.2%	44
TOTAL	↑ 12.3%	↑ 0.2%	↓ 5.3%	↓ 7.3%	2,361



	 Organic growth	 Inorganic growth	 Exchange rate	 Total growth 14/15	 Sales (Mill EUR)
Spain	↑ 4,7%			↑ 4,7%	896
France*	↓ 8,2%			↓ 8,2%	213
Germany	↑ 1,4%	↑ 0,2%		↑ 1,6%	211
Portugal	↑ 1,9%			↑ 1,9%	146
Asia-Pacific**	↑ 5,7%	↑ 0,7%	↑ 2,3%	↑ 8,7%	132
TOTAL	↑ 1,0%	↑ 0,1%	↑ 0,0%	↑ 1,1%	1.598

*Includes Luxembourg

**Includes Australia, China (in comparable base) and Singapore

EUROPE AND ASIA-PACIFIC

Prosegur maintained sales **growth of 2.4 per cent** in the Europe and Asia-Pacific region, and has confirmed the margin recovery trend initiated in the previous reporting period, from 4.1 per cent in 2014 to 4.4 per cent in 2015.

GERMANY

2015 was marked by the **consolidation** of the business in Germany, once the integration process of Brink's Deutschland and Chorus Security was completed, after its takeover in 2012 and 2013 respectively. Prosegur in Germany posted growth of 1.6 per cent in line with the country's GDP growth over the period.

SPAIN

Spain has shown a **very positive performance in its three business lines**, which resulted in a 4.7 per cent increase in sales and an annual turnover of EUR 896 million.

Much of this growth is driven by the addition of **important new customers** to the portfolios of the Integrated Security Solutions and the Cash Management businesses. With regard to the former, in 2015 it has displayed again an upward trend in turnover; technology plays an increasingly important role in the product mix marketed by the Integrated Security Solutions business. And with regard to the latter, growth has been mainly due to the success of its business process outsourcing solutions.

FRANCE AND LUXEMBOURG

France was the only country in the region that registered **lower revenue** than the previous year (8.2 per cent). This was mainly due to the implementation of the **margin protection** policies and **client portfolio optimization** measures. Prosegur expects that after the implementation of such measures, which will end in the first quarter of 2016, a positive trend will commence.

PORTUGAL

Prosegur's business in Portugal has shown great **strength and resilience**, registering growth of 1.9 per cent in an environment marked by economic recession.

The **Alarms business** has achieved very good results; turnover has increased significantly due to a 25 per cent increase in the number of connections.

AUSTRALIA

In 2015, the business has experienced significant growth in Australia, thanks to the **innovative efforts** made in services such as the automation of cash management and service portfolio expansion. Thanks to this, Prosegur has secured contracts with **major retail customers** and is established throughout the country.

The solid performance of the Cash Management business in Australia has significantly contributed to **revenue growth of 8.7 per cent in the Asia-Pacific region in 2015**.

CHINA

In 2015, Prosegur made company changes in its operations in China. Thanks to the new company structure, the Company has **high expectations** for future development of the business in this country. In fact, it has broadened its presence and now operates in Nanjing and has continued to increase its customer portfolio.

INDIA

2015 has been the year of the **integration** of the Indian company ISS SDB Security Services, a security company of the multinational group ISS, acquired at the end of 2014 by the joint venture formed by Prosegur and its partner SIS. This integration, which has been followed by an operational improvement process (efficiency of routes, restructuring of the network of operational sites, etc.) has served to consolidate the positioning of SIS Prosegur as the second best company in the Transport of Valuables and Cash Management market in India.

In 2015 the joint venture formed by SIS and Prosegur expanded to explore development possibilities of the **Alarms** business in this market.

SINGAPORE

For the operation in Singapore, 2015 has been a year of **strong growth** of the Integrated Security Solutions business, driven by the completion of the integration of Evttec Management Services, acquired in 2014.

At present, the main challenge for Prosegur is to adapt, without losing commercial capacity, to the **Progressive Wage Model**. This model has been promoted by the government of Singapore in order to raise standards, professionalism and wages in the security industry.

LATIN AMERICA

Despite the complicated environment in the region in 2015, with Brazil in the midst of a major economic recession, Colombia in a downturn phase and Argentina undergoing significant political changes Prosegur has managed to increase sales by 7.3 per cent (23 per cent in the Alarms business) and maintain its margins in the region.

ARGENTINA, PARAGUAY AND URUGUAY

The Argentina area, that includes Argentina, Paraguay and Uruguay, has recorded an exceptional growth; sales were up 42.5 per cent, driven in part (+5.6 per cent) by the effect of the depreciation of the Argentinean peso.

The outlook for the coming years is very positive. The new government has pushed for measures related to the elimination of restrictions on the **repatriation of capital** and **technology imports**, a fact that will clearly benefit the operations of the Company in its three business lines.

With regard to the effect of the depreciation of the Argentinean currency in Prosegur's accounts, the Company expects to be able to transfer inflation to the market, as other financial figures have remained stable over this period.

BRAZIL

At the macroeconomic level, 2015 has been a year of **deep recession for Brazil**: the interest rate of the debt has experienced a sharp rise, inflation is well above the targets set by the government and domestic demand is relatively low.

In this scenario, the **transfer of inflation and the increase of labour costs to market prices** has been the main challenge of Prosegur, and has been overcome successfully. In addition, the Company has implemented strong measures to protect margins in order to adapt its structure to the new market situation and to ensure growth in the coming years.

Despite the adverse impact of the exchange rate on results (-14.9 per cent), and thanks to the effort made, Prosegur posted **organic growth of 0.4 per cent** in 2015.

CHILE

Following a period of restructuring, the Company has performed within the expected growth dynamic for the country and recorded **organic growth of 6.9 per cent**.

COLOMBIA

The macroeconomic situation and the strong competitive environment in Colombia are the main causes of the **negative organic growth**. However, 2015 ended with **positive recovery dynamics** for Prosegur. Following the completion of the optimization process of the customer portfolio in the country, the organic decrease of 11.3 per cent recorded at the end of the third quarter showed recovery and reached 6.9 per cent at the close of the financial year.

MEXICO

One more year, Mexico has experienced significant progress, especially in the Integrated Security Solutions and the Cash Management business lines, which has resulted in **organic growth of 10 per cent** in 2015.

PERU

Peru had organic growth of 1.3 per cent and consolidated its leading position in the **three business lines of the Company**.

3.3. Fiscal responsibility

Prosegur observes the principles of **responsibility, prudence and transparency** in relation to compliance with tax obligations and in its relationship with tax authorities. The Company follows the guidelines of the Organization for Economic Co-operation and Development (OECD), complying with the action plan on Base Erosion and Profit Shifting (BEPS), to prevent treaty abuse, including "Treaty Shopping" and tax avoidance strategies.

In early 2015, the Board of Directors approved the fiscal policies complying with the novelty introduced in the Spanish Corporation Law to improve corporate governance. The fiscal strategy consists basically of ensuring compliance with the applicable tax

regulations and ensuring proper coordination of the fiscal policy.

The effective tax rate in 2015 for Prosegur was 36.31 per cent. Consequently, the corporation tax payable in the period was **EUR 104.5 million**.

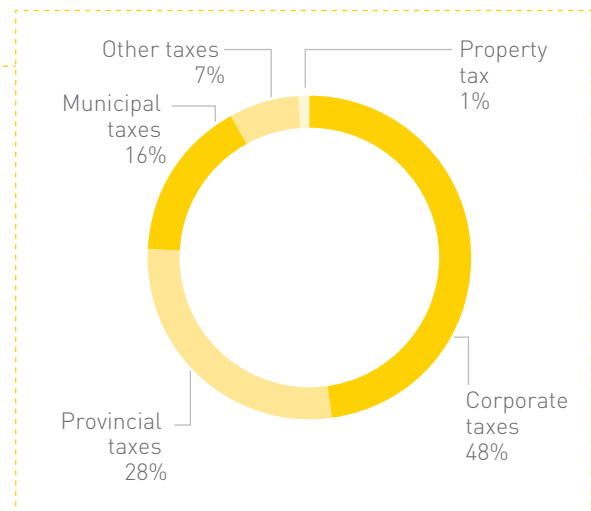
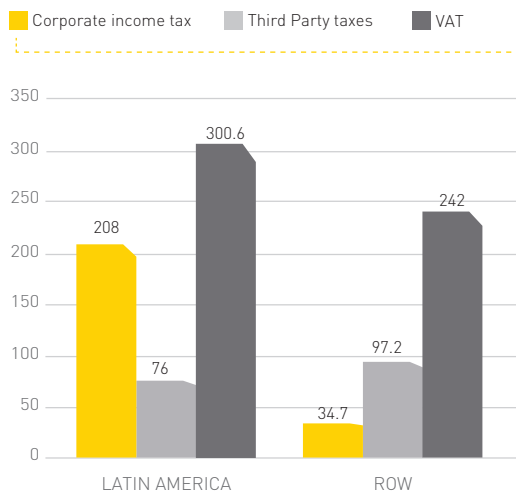
Prosegur's fiscal responsibility includes both corporate income tax and taxes and other amounts payable by employees retained by the Company acting for and on behalf of tax authorities. Thus, total tax contribution in 2015 amounted to **EUR 958.5 million, EUR 242.7 million** of which correspond to tax payable by the Company, **mainly corporate tax and other local taxes**. The total amount of

corporate tax paid, excluding social security payments, represents **46 per cent of the Company's pre-tax profit**.

Aware of the importance of business contribution to the economic development of the communities where it operates,

the Company fulfils its obligation to pay taxes in all countries where it is present, **in accordance with the tax regulations applicable in each environment**. Thus, 60.2 per cent of its tax contribution in 2015 was paid in Latin America and 39.8 per cent in Europe and Asia-Pacific.

PROSEGUR' TAX CONTRIBUTION million of euros



3.4. Risk management and opportunities

Prosegur's risk management system

The maximum responsibility for risk management and control, including tax risks, falls on the **Board of Directors**. The Board is also in charge of supervising internal control and information systems.

The **Audit Committee** is in charge, among other duties, of supervising the efficacy of the internal control and risk management systems of the Company, assess their

adequacy and integrity and review the appointment and replacement of those responsible.

Prosegur considers that the effective management of risk is key to ensure the creation of value and to guarantee the success of the Company. For this, it has implemented a robust risk management and control system in the different areas of activity.

Prosegur's **Risk Management System** functions continuously and in an integrated manner. Risk management is consolidated by area, business unit, activity, subsidiary, geographical area and support area at the corporate level. This system is based on the **COSO Standard** (Committee of Sponsoring Organizations of the Treadway Commission), and is complemented by other standards such as Basel III, inherent to the financial industry, and the ISO 31,000 standard.

The critical risks are identified, assessed and their management is monitored with procedures based on key risk indicators.

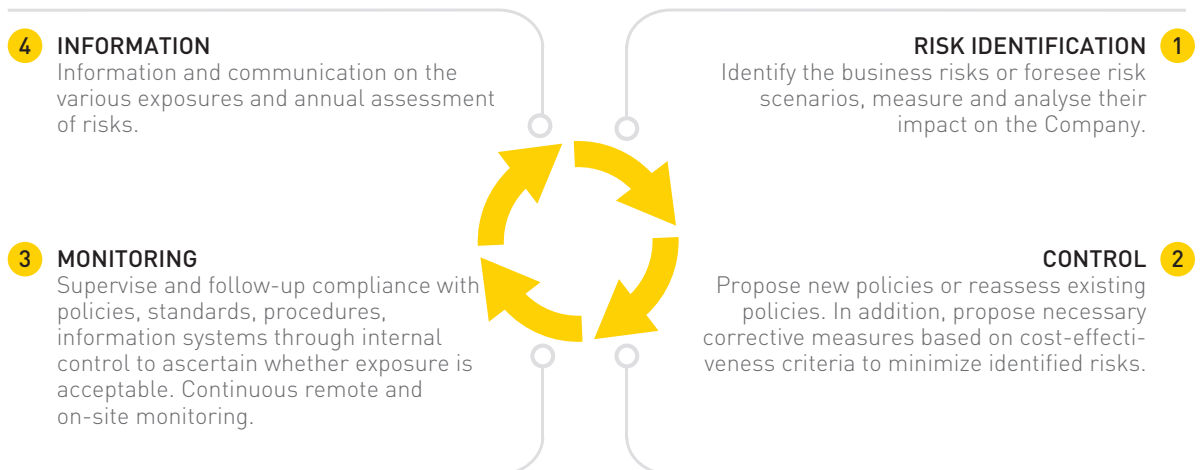
- **Identification and prioritization of critical risks** is performed on an annual basis in accordance with a model that takes into consideration, above all, the risks linked to Prosegur's main business objectives and corporate risks.
- **The risk assessment procedure** using key indicators is based on identifying relevant parameters (indicators) that provide a reliable measure for the management of

each risk. Indicators are selected on the basis of the following criteria: (i) that they can be applied consistently in all countries; (ii) that they allow comparisons to be made over time and between countries; and (iii) that they enable those responsible to assess risk management and anticipate failure to comply with objectives that are relevant for Prosegur.

- Depending on the type of risk and its relevance, Prosegur's senior management team and those directly responsible for risk management establish the appropriate procedures to **prevent, detect, correct, mitigate, compensate for or share** the effects of risk materialization.
- The **Corporate Risk Committee** periodically reviews and analyses risk management and control results and reports its findings to the **Audit Committee**.

For additional information on Prosegur's risk management system see Prosegur's Annual Corporate Governance Report (<http://www.prosegur.com/corpen/index.htm>)

RISK MANAGEMENT CYCLE



RISK FACTORS	RISK
<p>REGULATORY RISKS</p> <p>Regulations on private security, workplace and social security regulations, tax regulations, regulations on arms control, regulations on capital markets and anti-money laundering regulations.</p>	<ul style="list-style-type: none"> • Greater intervention by governments and regulators. • Risk of non-compliance with applicable laws.
<p>BUSINESS RISKS</p> <p>Decrease in the demand; prolonged reduction of cash use, highly competitive markets, aggressive pricing policies, relatively low entry barriers.</p>	<ul style="list-style-type: none"> • Circumstantial reduction in the demand for security services. • Operations in highly competitive markets. • Not reaching forecasted results in alarms. • Inadequate management of indirect costs.
<p>REPUTATIONAL RISKS</p> <p>Real or perceived incidents that affect its ability to operate in an ethical, responsible and safe fashion.</p>	<ul style="list-style-type: none"> • Negative publicity about Prosegur.
<p>OPERATIONAL AND TECHNOLOGICAL RISKS</p> <p>Interruption or failure of communications, unauthorized access to information systems, security breaches, data loss, operative errors, incidents involving assets or lost cash.</p>	<ul style="list-style-type: none"> • Loss or theft of proprietary information or confidential information of customers. • Failures or incidents in IT infrastructure. • Incidents involving assets under custody or lost cash.
<p>FINANCIAL RISKS</p> <p>Interest rate risk, exchange rate risk, counterparty and fiscal risks.</p>	<ul style="list-style-type: none"> • Cash generation or cash management.

MITIGATION STRATEGY

- Diversification of business in differentiated markets.
- Corporate Compliance Program.
- Independent processes of due diligence.

- Business diversification in differentiated markets.
- Development of new value added products and services that differentiate Prosegur from the competition.

- Increase Prosegur's brand recognition.
- Operational efficiency measures.

- Detect potential irregularities through the Whistleblower Channel.
- Prevent non-compliance by means of the Corporate Compliance Program.

- Independent due diligence processes.

- Global logical security policies.
- Monitoring the processes of controlling and monitoring traceability of the transport, handling and storage of cash operations.
- Independent assistance in claims or differences arising in the cash management activity.

- Identification of best practices.
- Drawing up policies and procedures on physical security that minimize potential losses.
- Implementation of business continuity policies and recovery plans.
- High quality and reliable insurance coverage

- Dynamic analysis of exposure to interest rate risk exposure.
- Simulation of several scenarios depending on refinancing, renewal of present positions, alternative financing and coverage
- Calculation of the effect of a certain change in the interest rate on the result.
- Natural hedging policy.
- Customer risk assessment.

- Monitor on a monthly basis the credit status of customers and application of valuation adjustments.
- Financial operations are carried out with rated entities. Financial transaction framework agreements are entered into (CMOF or ISDA).
- Define the counterparty risk limits.
- Periodic publication of the updated credit limits and levels.

The risk in daily work: operational and regulatory compliance risks

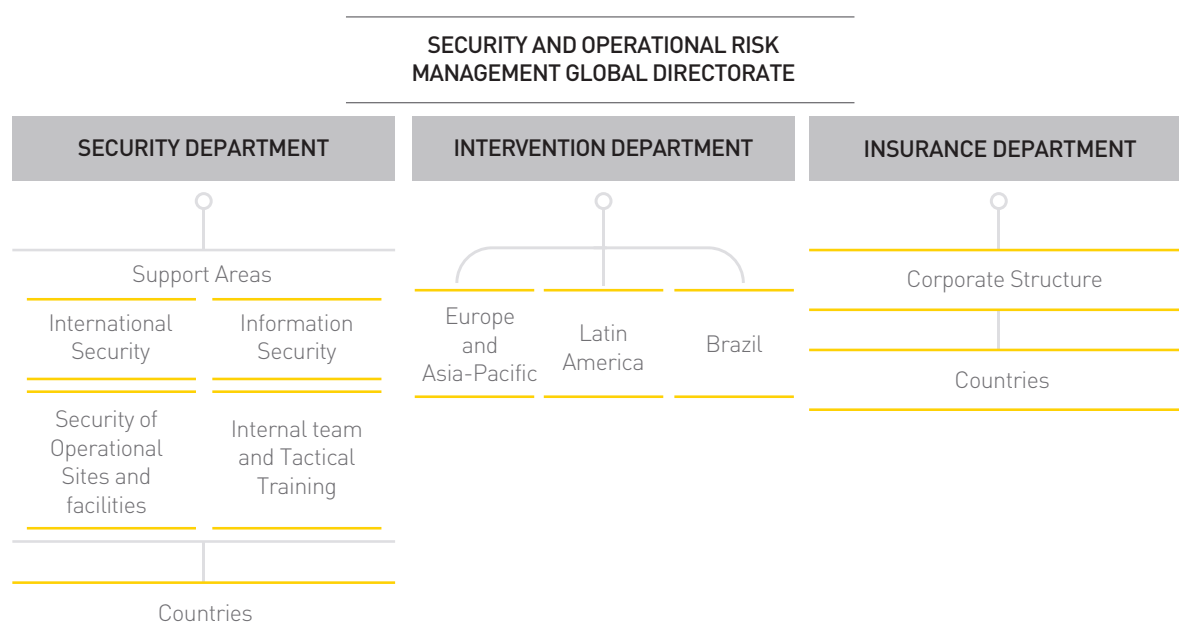
Prosegur devotes significant efforts to the management of **operational and regulatory compliance risks** given their potential impact on the commitments undertaken with stakeholders and, specifically, with customers. The **Security and Operational Risk Management Corporate Department** of the Company is an area which, by its **structure and organization**, represents a competitive advantage in the management of risks with respect to other companies in the sector.

This department provides the organization with the necessary tools to **efficiently manage the risks** associated with the safety of operations. It also provides the necessary tools to ensure that the **standards and procedures** defined by the Company are upheld and to ensure **compliance** with national regulations.

With a corporate structure located in Madrid (Spain), the Directorate has **three departments** with regional and national representation: **Security, Intervention and Insurance**. The integration of these three departments into a single Global Directorate maximizes the efficiency of operations and enables Prosegur to manage, mitigate and reduce risks at the lowest cost thanks to the **2,800 in-house specialists** of the three departments that share common procedures.

The **Security Department** is responsible for managing the operational risks of the Company and ensuring regulatory compliance. The Department has almost 2,700 employees, distributed in the countries where the Company operates. The Security Department has **four support areas**: International Security, Information Security, Security of Operational Sites and Tactical Training.

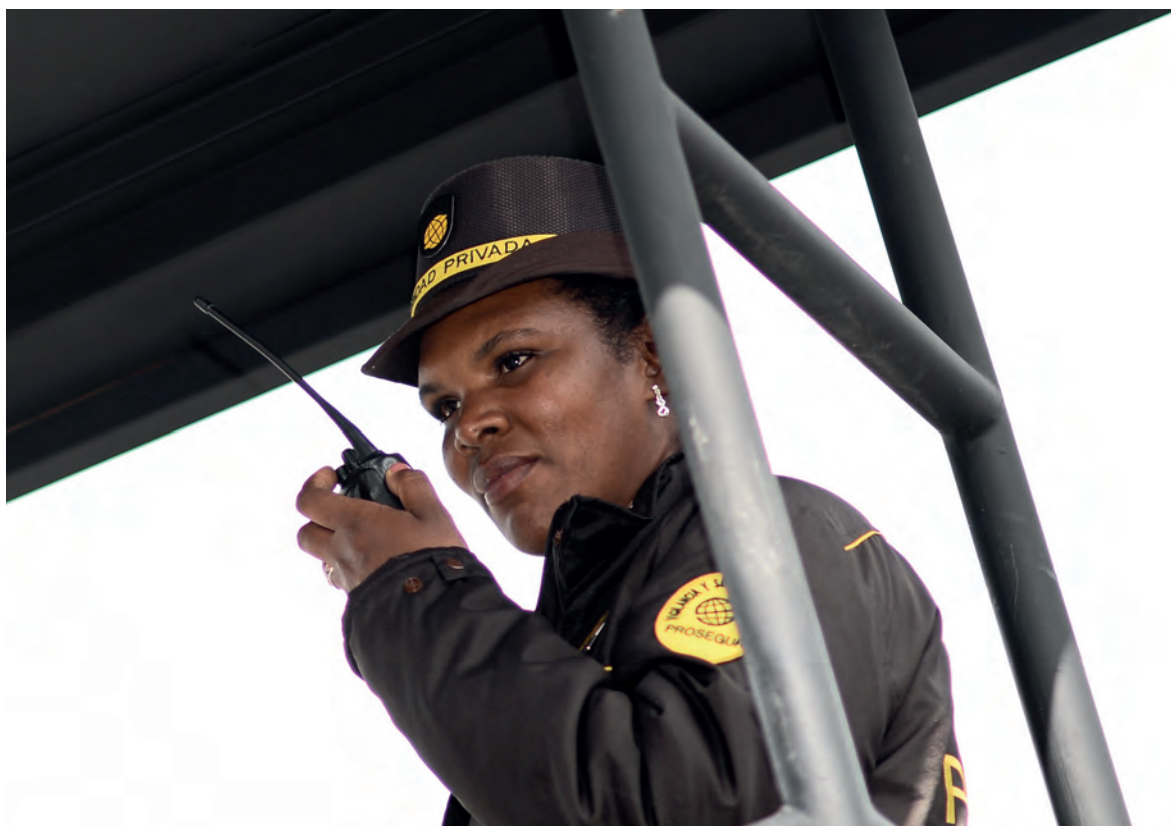
The **Intervention Department** is in charge of monitoring on site that the different



operations comply with the agreed security requirements. The area provides a high degree of reassurance to Prosegur and to its customers as it independently monitors and controls whether the organization and the Security Department meet these standards. In 2015, the Intervention Department has **conducted 415 operational verifications, 349 cash balance audits in vaults and 27 special corporate audits** (financial, procurement, etc). Prosegur is the only company in the sector that has an intervention department so it is an element that clearly **differentiates** the Company from the competition. Other companies in the sector do not perform these

tasks or outsource them to a third party.

Furthermore, the **Insurance Corporate Department** identifies and controls operational risks. The department makes sure that risk insurance has the minimum impact on the P&L. The Department has established insurance programs to take out insurance **policies at corporate and local level** with first level insurance companies. These policies cover a wide range of risks: employee risks, direct and indirect risks arising from Prosegur's activity and risks affecting items under property, plant and equipment.



3.5. Environmental management

Given the characteristics of Prosegur's business, the impact of the Company's activities on the environment is not particularly significant. Prosegur pays special attention to ensuring **compliance with current legislation and continuous improvement**. To do so, it identifies the international, national and local rules and regulations applicable to each business

Prosegur's environmental management is governed by strict compliance with regulations and focuses on three main areas: reduction of emissions, energy efficiency and reducing material consumption and waste generation.



activity. Prosegur ensures compliance through policies and procedures of the **3P Management System**. The Company fosters and encourages the fulfilment of the requirements set forth in the ISO 14,001 Standard and its certification.

However, Prosegur not only complies with environmental standards but is also embarked on a process of continuous improvement, especially as regards the **three**

most relevant aspects for the Company; CO² emissions of its vehicles, energy consumption in Operational Sites, headquarters and branch offices and material consumption and waste generation.

Also, in order to ensure that the efforts made in these three areas are complemented by appropriate actions on the part of employees, Prosegur's offers online and onsite training modules on **environmental awareness**.



Emission reduction: Vehicle fleet management

Prosegur's principal environmental impact is related to the **greenhouse effect gas emissions** produced by combustion in its **vehicle fleet**. To mitigate this impact, Prosegur has adopted the fleet acquisition policy consisting of purchasing more modern and efficient combustion armoured vehicles and bringing in operative vehicles driven by cleaner energy such as liquid petroleum gas (LPG), vehicular natural gas (VNG) or ethanol, and hybrid and electric vehicles. In 2015, new **3P Policies** on "**Fuel management**" have been established.



Energy efficiency

Prosegur is implementing measures to reduce energy consumption in all of its Operational Sites and work centres such as replacement of light fittings, adjusting energy consumption and replacement of power meters. In 2015 it has continued installing **LED lighting** to replace standard light bulbs in Prosegur branches in Argentina, Brazil, Colombia and Spain.



Reducing material consumption and waste generation

Prosegur, in line with efficiency policies adopted in other areas, encourages responsible consumption of material and the reduction of waste generation. In this line, it promotes the recycling of consumables such as **uniforms** (almost 50,000 uniforms have been recycled in 2015) and **cash bags** (as an example, more than 2 million bags, 39 per cent, were reused in Colombia).

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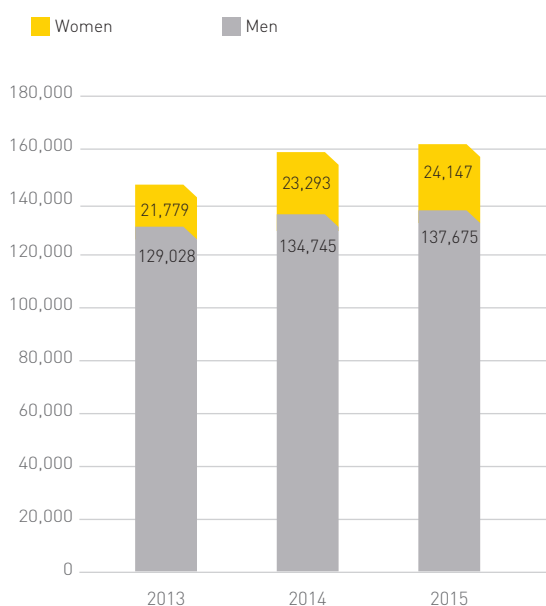
4. Commitments undertaken with stakeholders

4.1. Employees

At the end of 2015, Prosegur had a team of **161,822 people** throughout the world. This figure represents an increase of **2.4 per cent** on the previous year. This is mainly attributable to Spain, where the good results obtained have been accompanied by a growth of 11 per cent, and India that almost doubled its staff with the integration of the company ISS SDB Security Services.

The **number of women** on the payroll grows every year, even though it is a traditionally male sector. The percentage of women rose to **14.9 per cent** of the total workforce, up by 2 points over the previous year.

EVOLUTION OF THE WORKFORCE



Management of labour relations

In Prosegur, labour relations are managed with local flexibility, based on the specificities of the markets and, above all, the specific legal regulations in force in each country. In accordance with the Universal Declaration of Human Rights and laws and regulations applicable in the countries where it operates, the Company respects the rights to freedom of association and the right to collective bargaining of their employees.

Prosegur is convinced of the need for permanent dialogue with trade unions, as evidenced by the regular meetings held with all legitimate representatives of workers where the company is present, listening, sharing information and seeking common goals. In fact, the Company is currently engaged in dialogue with more than 200 unions. Around 20 per cent per cent of employees are union members and approximately 1,500 people are union delegates. It has also signed more than 180 collective agreements in these countries that cover working terms and conditions of more than 80 per cent of employees. These figures are higher than the average of the leading companies in the sector. [G4-26]

Prosegur has constituted a culture based on the recognition of merit as a sign of identity, the qualification and specialization of its employees as a priority and the promotion of talent to improve the future of the sector and its professionals.

Transnational cooperation between company and workers

On December, Prosegur held the third meeting of the European Works Council with the trade unions UGT, CC.OO. and USO (Spain), VERDI (Germany), CGT (France) and STAD and SITESE (Portugal) to discuss issues affecting the workforce of the Company in Europe.

Through this Committee, the parties seek to promote transnational cooperation and initiate a constructive dialogue at European level to streamline contacts and the exchange of information between Prosegur and the workers' representatives.

Employee Training

Prosegur does not work as a mere producer of employment, but offers quality employment and the **qualification and specialization** of its employees is one of the principal factors distinguishing the Company from others in the sector.

In 2015, training hours amounted to **1.8 million hours**, with an average **12 hours of training per employee**¹. Training of direct employees accounts for 91 per cent of the hours. Training mostly focused on issues such as occupational risks, arms training, the professional security career and the Code of Ethics and Conduct.

Prosegur University

The Prosegur University is a **virtual space** created in 2006 for sharing knowledge, for experiencing the values of the Company, for developing talent and fostering leadership through a common culture. For this, Prosegur offers through an online platform,

a **differentiated and homogeneous catalogue of training courses** as part of the professional development plans for employees.

At present, Prosegur University is available for employees of nine countries (Argentina, Brazil, Chile, Colombia, Spain, Paraguay, Peru, Portugal and Uruguay) and in 2016 it will be launched in the rest of the countries.

In 2015, the main news was the **migration to a new platform**. The process was successfully performed in all of the countries. Among the improvements of the new platform the following are worth mentioning:

- Greater **interactivity** in a more comprehensive and dynamic learning environment.
- Improved **participation tools**: blogs, forums, news, library, video library and virtual learning communities.
- New tools for the **exchange of information**.
- Provides the possibility to contact **other users**.

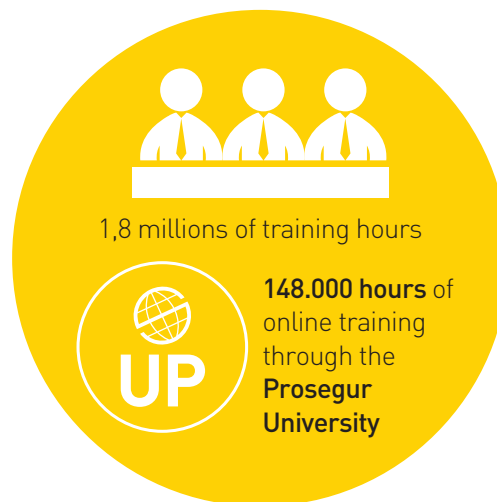
¹ India is not included.

- **New courses** and training itineraries.
- **Multi country, multi language and multi-profile** contents.

More than **24,600 courses** were given in 2015 to **17,702 employees**, which represents more than **148,000 training hours**, 19 per cent more than in the previous reporting period. The percentage of employees that received training from Prosegur University over total employees

with access to the campus decreased from 51 to 26 per cent, due mainly to the addition of operational staff in new regions.

This year, 48 per cent of the courses were related with **business operations**, while **management** courses represented 36 per cent, among which the course on “Code of Ethics and Conduct” has been the most widely attended course in 2015.



Thirtieth anniversary of Prosegur's National Training Centre

On May 2015, Prosegur celebrated the thirtieth anniversary of its National Training Centre. An initiative launched in Madrid (Spain) for the development and delivery of **specialized courses** and training on private security.

Since the centre was opened in 2015, **more than 130,000 professionals** have received training to get a valid security guard license, courses on legal, instrumental, social and technical issues as well as specific programs on security in airports, shopping centres and critical infrastructure.



Professional development and effort recognition

Prosegur promotes the **professional development** of its employees and to do so, facilitates in-company promotion and upward mobility of every worker and recognizes and rewards excellence in the performance of their work.

Among others, since 2014 the Company has a tool to promote the professional development of its employees, **Prosegur's International**

Opportunities Program (iPOP). This program is a strategic lever for talent management and transparently and objectively **fosters internal promotion** with four principal goals:

- To promote **professional development** in the organization.
- To reduce turnover of staff and to increase **commitment** to the Company.
- To **motivate and retain** people with talent.
- To reduce **recruitment costs** in the organization.

Talent management

In addition to placing special emphasis on the training and development of its employees, and on attracting talent, the company has signed collaborative agreements with **leading universities and business schools**, to train future professionals from both within and outside of the security sector.

The first graduates of the **Continuing Education Course on Security Management** completed their training in 2015. A course given by Prosegur in collaboration with the Centre for Management Studies of the **Universidad Complutense of Madrid** that aims to train future managers of security sector. The course consists of **450 hours of lessons** taught by a total of 35 trainers, 20 of them employees of Prosegur, who provided a more practical and specialized approach.

Another new feature in the field of training and talent attraction is the recent creation of the **Technical Talent Program**, which promotes the hiring of young technically-oriented professionals. In the first edition, 12 young professionals with technical degrees, such as Mathematics, Engineering, Physics

or architecture, were selected from among more than 1,000 applicants.

Prosegur also renewed for the fourth consecutive year the **Prosegur Chair** at the **University of Alicante**, as a result of the collaborative agreements signed to develop training programs and research activities that help to improve training in matters related to corporate culture, information technology, efficiency in managing human resources and talent management as a source of innovation.

Occupational health and safety

For Prosegur employee's health and safety is a key aspect. For this, the Company works to achieve a goal of "Zero Injuries" based on a preventive approach with three action levers:

- **Training:** Learning is essential to establish among employees a strong culture of occupational health and safety that also promotes the individual responsibility of employees.
- **Monitoring and follow up:** Prosegur has tools that facilitate a comprehensive monitoring of accident rates, its investigation and incidents occurred. This methodology allows a specific assessment

IV Edition of the Excellence Awards

In June 2015, Prosegur held the fourth edition of the Excellence Awards. These awards publicly acknowledge the professionalism of its employees and their commitment to the protection and welfare of people. This year, a total of **46 workers, who have performed meritorious acts in the performance of their duties**, have been awarded this prize.

The Company considers that security guards deserve due recognition for their work. Through various initiatives, Prosegur wants to dignify and raise the standards of this sector and value the work of these professionals that contribute to a more peaceful and secure society.

of the safety and health conditions at various levels (business, branch, type of activity, etc.). In addition, Prosegur has **health and safety committees** for the regular and periodic inquiry of actions on prevention of occupational hazards.

- **Technological Innovation:** Prosegur provides its employees with the best available technologies and the company's innovation effort to address risks inherent to the work, and thus deter external threats.

Thanks to the efforts in health and safety, in 2015 the Company has **reduced the rate of lost days by 15 per cent**, while the **accident rate has remained** close to 2014 values.

Training on Health and Safety

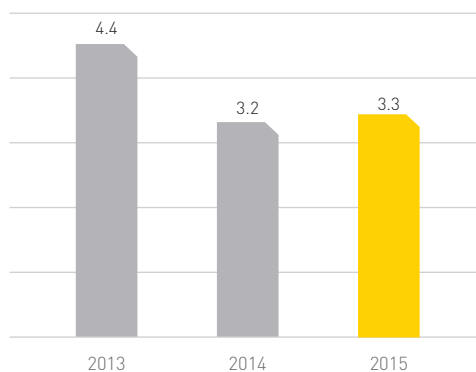
One of the reasons for the improvement of the health and safety indicators in 2015 is the **training provided on this subject**. With this training, Prosegur has managed to develop and improve the attitudes of professionals to address the occupational risks they face in their daily work.

In 2015, **114,399 training hours** were given in health and safety training, **36 per cent more than in 2014**. Training mainly consisted of:

- Specific modules for **operational staff of Cash Management** on matters such as personal defence, emergency situations, protection against explosive devices and recognition of explosives, weapons and dangerous objects.
- Training through the **Prosegur University**. In 2015 specific modules on road safety were added.
- Modules on occupational risk prevention in **access training courses** for operational employees.
- Modules on occupational risk prevention in **continuous training specialisation courses**.
- E-learning courses on the corporate **intranet** for security guards, control assistants, telephone receptionists, counting personnel and office staff.

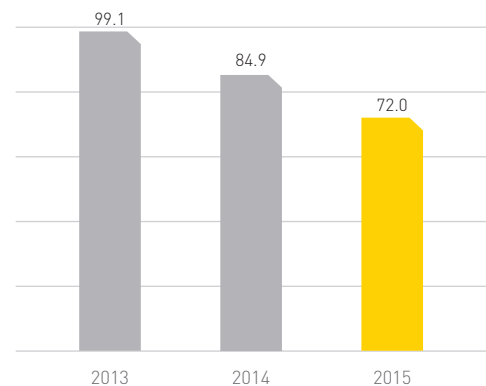
ACCIDENT RATE

Number of occupational accidents x 200,000 / number of hours worked



LOST DAY RATE

Number of lost days x 200,000 / number of hours worked





The aim of Prosegur is that everyone in the team carries out his work under optimum conditions and, in order to achieve this, they are provided with the best tools. They have

a great responsibility; the protection and welfare of people, and their contribution to society is equally important. So Health and Safety will always be a priority.

4.2. Customers and users

Prosegur wants to live up to the expectations of its customers and forge close relationships based on **transparency** and **proactivity** to anticipate their needs. These values are shared throughout the organization, especially by those professionals who have direct contact with customers such as sales teams, technicians, front-line staff or guards.

In order to ensure an adequate response to the needs of customers, it is essential to have multiple resources to facilitate **two-way**

communication. For this, Prosegur has the following active channels: [G4-26]

- **Commercial visits to customers and prospective customers.** The sales team members are employees of the Company in order to ensure that the customer acquisition strategy is aligned to the values of the company, based on offering products and services of the highest value.
- **Technical visits** and visits to repair equipment and services.

Prosegur aims to improve the quality of its services with its tools to manage customer experience.

- **Customers access portal** on Prosegur's website.
- **Customer service** call centres in the different countries in which Prosegur operates.
- **Corporate profiles and country-level profiles** on social networks; LinkedIn, Twitter, Facebook and YouTube.
- **Courses** for customers that require **training** on any of Prosegur's action areas, for example, Prevention of Money Laundering.
- **Claims and complaints management procedures.** In 2015, 90 per cent of the complaints received in the Integrated Security Solutions business have been satisfactorily resolved, 89 per cent in the Cash Management business and 70 per cent in the Alarms business. [G4-27]
- **Surveys and other methods for measuring customer satisfaction.**

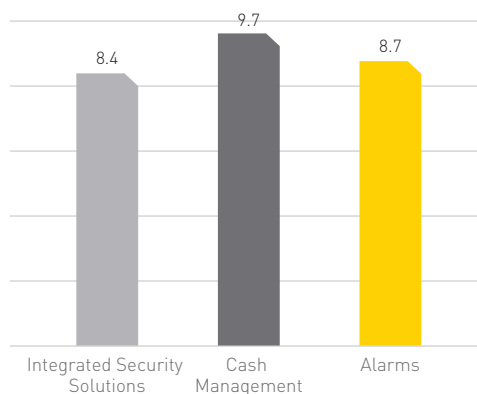
Prosegur conducts customer satisfaction surveys on a monthly basis. In addition, the Company is in the process of developing tools to gain a better understanding of customer satisfaction and customer experience.

Right Now: management of customer experience

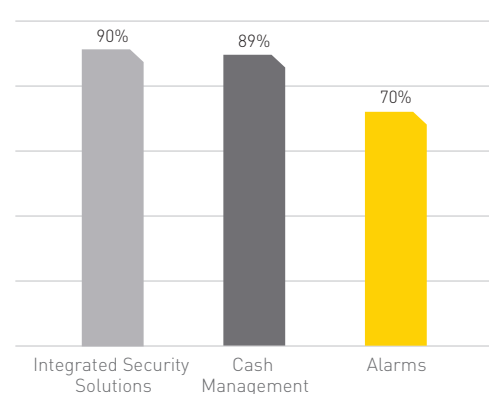
To adequately respond to the trust that its thousands of customers place in the Company, Prosegur is focusing on the development of methods and tools to facilitate continuous management of the customers' experience. The objective is to know their satisfaction level and customize products and services to their particular needs. [G4-26]

In this regard, in 2015 Prosegur has made significant progress in improving the customer experience management in the Alarms business. The business has made a pilot project to adapt its CRM (Customer Relationship Management software) to the new tool "Right

RATE OF CUSTOMERS SATISFIED OR VERY SATISFIED



PERCENTAGE OF COMPLAINTS SATISFACTORILY RESOLVED



Now", which allows the measurement of customer satisfaction right after service delivery in **five different contact points**:

- When the service contract is signed.
- Installation process.
- Alarm event / Immediate Response Service.
- Technical Servicing.
- Customer care service.

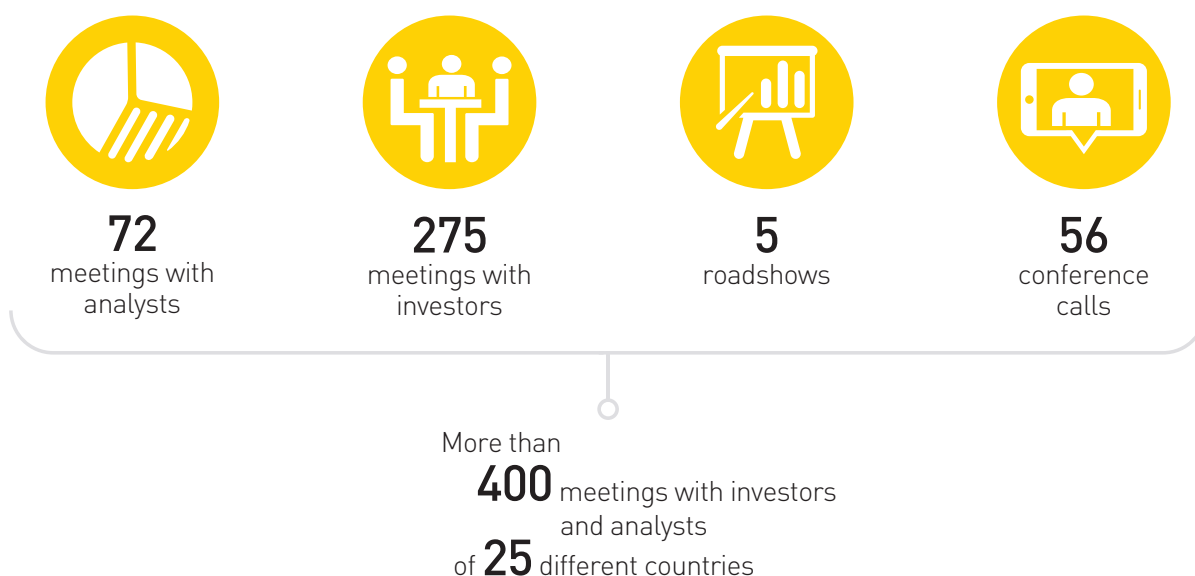
This pilot project was conducted in the

Alarms business in Spain. In 2016 the Company wants to implement the tool in all of the countries in which it is present with this business line.

Similarly, in 2015 the development of a platform to manage customer experience in the Integrated Security Solutions and the Cash Management business lines has been launched. The measurement points have been established in both the sales phase and at service delivery.



4.3. Shareholders and investors



In Prosegur it is believed that being perceived as an accessible and transparent company by its shareholders, investors and analysts, in addition to being part of its responsibility as a company, has a positive effect on economic performance. The Company therefore offers updated, clear and coherent information through the different channels of communication. [G4-26]

In order to give the financial information and to cover the largest possible audience without geographic limitations, Prosegur presents its results every quarter via the webcast of its web page. On a monthly basis, it also informs on the principal developments regarding the Company and the sector by means of a newsletter.

Similarly, through the "Shareholders and investors" section of the website (<http://www.prosegur.com/corpen/Investors-Shareholders/index.htm>), the investor community is given different tools so that they can follow the evolution of the share and to see updated information on events such as the payment of dividends, the quarterly presentation of results and participation in conferences.

In 2015, Prosegur increased its participation in forums and conferences on investment in order to consolidate its global relationships with analysts and investors. The Company took part in the following events:

LONDON

- BBVA Iberian Conferences 2015
- Latam Growth Opportunities Conferences BOFAML
- JP MORGAN Business Services Conference 2015
- Deutsche Bank - PANEURO SMALL AND MIDCAP CONFERENCE

MADRID

- BME LATIBEX Forum 2015 – BME
- 2015 BME MED-CAP Forum,
- Exane Spain Investors Day

LISBON

- BPI Iberian Conferences 2015

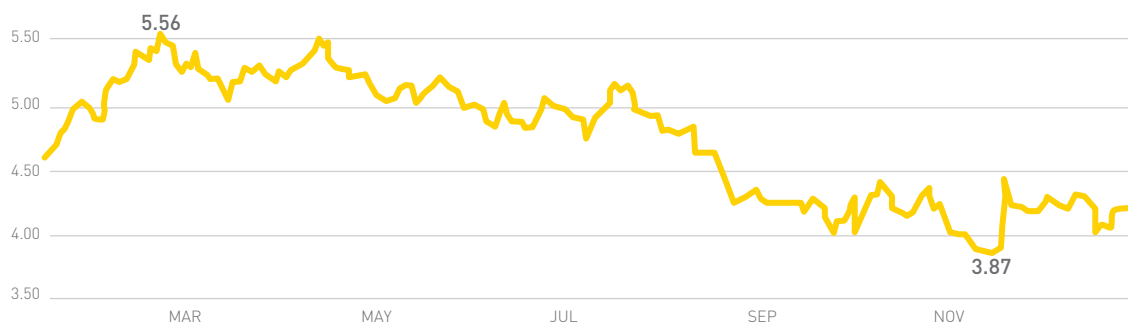
NEW YORK

- BME & JB CAPITAL Spanish Small & Mid Cap Conference

Share evolution

On 31 December 2015, the price of the Prosegur shares closed at EUR 4.25, the Company quotation falling by 11.09 per cent.

SHARE EVOLUTION



Main shareholders

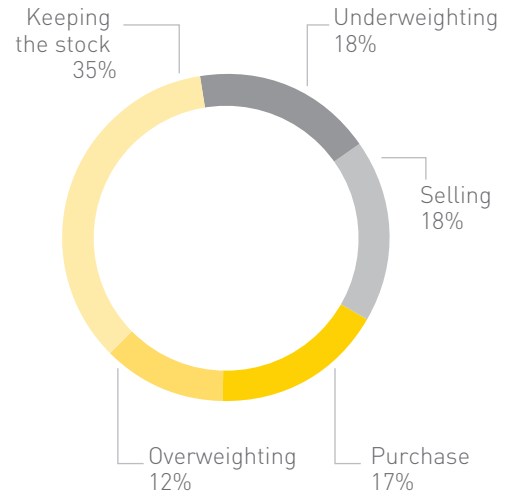
The shareholding of Prosegur reflects its solidity and stability. On 31 December 2015, 64.5 per cent of the Company share lay in the hands of significant shareholders, whereas the remaining 35.5 per cent was floating capital.

The strong presence of shareholders in the Board of Directors enables the governance bodies, and particularly the Executive Committee, to determine that the strategic lines and decisions are in line with the interests of all its shareholders.

Coverage of analysts and recommendations

A total of 17 investment firms monitored Prosegur's stock market performance over 2015. In their recommendations, 35 per cent advised on keeping the stock, 17 per cent advised its purchase, 12 per cent advised

ANALYST RECOMMENDATIONS



overweighting, further 18 per cent advised underweighting and only 18 per cent advised selling.

The target prices set for Prosegur ranged between EUR 3.8 of Haitong and EUR 6.1 of HSBC.

4.4. Suppliers and partners

Prosegur has commercial relationships with over **46,000 suppliers** for the procurement of the following materials or services:

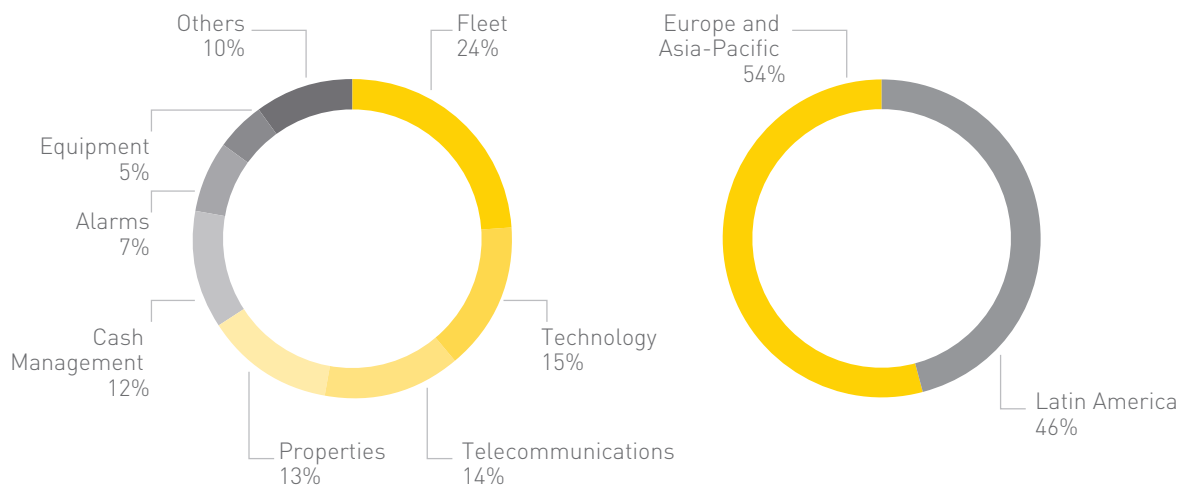
- **Fleet:** fuel, armoured vehicles for the transport of cash, operating leases and maintenance of vehicles.
- **Technology:** technological equipment and BPO.
- **Telecommunications:** devices, software, hardware and technical support.
- **Properties:** leases, construction, cleaning and maintenance.

- **Machines, material components for operations and maintenance for the Cash Management business.**
- **Material components for the Alarms business.**
- **Uniforms and equipment of direct staff.**
- **Other services:** trips, external advisors, marketing and training.

In 2015, total expenditure amounted to **EUR 532 million²**, distributed by procurement type and by geographical region (Latin America and Europe and Asia-Pacific) as shown in the following chart:

² Figure relating to the perimeter of purchases from commercial suppliers. It does not include "other operating expenses".

TOTAL VALUE OF PURCHASES AND EXPENDITURE BY PROCUREMENT TYPE AND REGION



The Company mainly receives collaboration from **local suppliers**, something which is fundamental in creating value in the country in which it operates. The purchasing expenditure of 2015 therefore went by more than 80 per cent to local and regional suppliers in most countries, a figure which exceeded 90 per cent in Argentina (98 per cent) and Chile (91 per cent).

Supply chain management

Prosegur has a **General Policy within the 3P Management System** which standardizes the management of the procurement of goods and/or services in all of its areas of operation, regardless of whether more restrictive criteria are applied in certain regions or countries.

Prosegur also establishes that the **selection** of its collaborators must be **independent, objective and transparent**, an aspect which must be reconciled with the Company's interest in obtaining the best possible commercial conditions. The Code of Ethics and Conduct expressly prohibits the contracting of

suppliers involved in cases of fraud, corruption or other crimes.

All of the suppliers of the Company must observe its **Code of Ethics and Conduct** from the moment they enter into an agreement with Prosegur. Furthermore, Prosegur has an **internal procedure of action** that determines the steps to be taken if there is a **conflict of interests** or possible **fraud** between a Prosegur employee and a supplier.

On the other hand, given the number of suppliers, **approval or classification** of suppliers is crucial. To do this, the Expenditure Management Department has a tool known as "**ABC of Suppliers**", to evaluate and classify suppliers in accordance with predefined criteria and all the information received from the countries. In 2015 more than 40,000 suppliers were analysed.

And lastly, Prosegur conducts **ad hoc audits** for the providers deemed critical. In 2015, visits to suppliers were conducted as part

of the plan to implement new uniforms throughout Europe. More modern high quality uniforms were delivered to more than 23,000 security guards. [G4-26]

Regional projects

In 2015, two regional projects launched

in 2014 have fully consolidated; on the one hand the **procurement office in Asia** (Strategic Sourcing Development in Asia SSDA), that has exceeded the purchasing volume expected for 2015; and on the other hand, the **logistics office in Miami**, that has managed to speed up the purchasing process in Latin America.

4.5. Society

EDUCATION



7 projects

16,255
beneficiaries /
participants

EUR 1,250,404
invested

LABOUR INCLUSION



5 projects

641
beneficiaries /
participants

EUR 108,156
invested

CORPORATE VOLUNTEERING



8 projects

1,350
beneficiaries /
participants

EUR 132,371
invested

PROMOTION OF CULTURE



5 projects

1,218
beneficiaries /
participants

EUR 226,733
invested

OTHER PROJECTS



3 projects

14,477
beneficiaries /
participants

EUR 633,752
invested

AREA OF ACTION



EDUCATION: With the conviction that education is the best tool for future development, the Prosegur Foundation drives initiatives in Europe, Latin America and Asia to strengthen the training of adults and children, as well as to recognize talent and personal effort.

PROJECTS

7 projects:

- Picitos Colorados
- Prosegur Foundation Talent Scholarships
- Summer camps for employees' children
- Playa Limpia (Clean Beach)
- Campo Limpio (Clean Countryside)
- Scholarships The Reina Sofía School of Music
- United World Colleges Grant

AREA OF ACTION	PROJECTS
 <p>LABOUR INCLUSION: Since 2007 Prosegur works on initiatives towards the inclusion of people with intellectual disabilities in the labour market, offering them the possibility of a more stable future through employment. All these initiatives create shared value for the Company and society.</p>	<p>5 projects</p> <ul style="list-style-type: none"> • Centro Especial de Empleo (CEE) Aprocor-Prosegur • Training center for labour inclusion - CICLO • Labour Inclusion Plan for People with Intellectual Disabilities in the Company Headquarters • Document Digitalization Department • Special Christmas campaign
 <p>CORPORATE VOLUNTEERING: The Prosegur Foundation carries out different volunteering projects to support the social commitment of the Company's employees.</p>	<p>8 projects:</p> <ul style="list-style-type: none"> • We Are All Picicitos Colorados • Volunteering project in Latin America with the Empieza por Educar (Teach for All) Foundation • Volunteering Project for Social Inclusion in Brazil, Chile and Peru • Solidarity trips in Argentina and Peru • Your Security, Our Commitment, with Red Cross • Volunteering with the Fundación Deporte y Desafío • Empieza por Educar (Teach for All) Foundation • Activities with the Down Syndrome Foundation and the Aprocor Foundation
 <p>PROMOTION OF CULTURE: The Prosegur Foundation drives young talent in the musical world and brings art to its clients, Company employees and their relatives.</p>	<p>5 projects:</p> <ul style="list-style-type: none"> • Concerts of the Fundación Albéniz • Christmas concert of the JMJ symphony orchestra and choir • Visits to the Prado Museum • Guided tour of the Museo Nacional Centro de Arte Reina Sofía • Cultural publications
 <p>OTHER PROJECTS: In accordance with local needs and relying on teamwork, the Prosegur Foundation promotes and channels other initiatives that enable it to be close less favoured groups of society.</p>	<p>3 projects:</p> <ul style="list-style-type: none"> • Support to the Santiago Masarnau Soup Kitchen • Christmas campaign (collection of clothes and food) • Financial support for employees' children with disabilities (Uruguay)

10 years building the future

The Prosegur Foundation promotes cultural and artistic activities since 1983 and in 2005 started to undertake major projects in the field of social action. In 2015, it has celebrated the tenth anniversary of this shift in focus. The Foundation Prosegur started then, without neglecting the promotion of culture, a new stage focusing mainly on social projects. The objective: to **contribute to the progress of the communities where the Company operates** through initiatives in the fields of education, inclusion and corporate volunteering.

With sensitivity to local needs and sharing the same approach, programs are progressively implemented in different countries based on **criteria of sustainability and replication of best practices**. Thanks to teamwork and the backing of Prosegur's organizational structure, the organization has directly or indirectly benefitted, in this decade of social action, more than **200,000 people** through **36 projects** in **10 countries** on **three continents**.

2015 has been a year for the consolidation of educational and inclusion initiatives, for the promotion of corporate volunteering and for continuous improvement. Actions which embody and strengthen Prosegur's social commitment:

- **Education.** In 2015, the Talent Scholarship program of the Prosegur Foundation that supports the training of employees and their children with outstanding academic records awarded **1,420 study grants in nine countries**. Since its launch in 2008, it has awarded more than 6,500 scholarships to recognize talent and personal effort.

With the aim of improving the education of children from vulnerable environments, the Development Cooperation project "Piecitos Colorados" continues to grow in Latin America. With **36 affiliated schools in seven countries**, the initiative is helping to improve the quality of life of more than **16,490 people** (students, families and educational communities), through infrastructure rehabilitation and the renovation of educational tools; promotion of nutritional education and self-sufficiency of the centres and the granting of scholarships so that children can continue their education.

Moreover, in Spain, **more than 2,480 children and youths** have participated in environmental education initiatives, "Playa Limpia" and "Campo Limpio", to raise awareness amongst the new generations on sustainable development, waste management and responsible care of the environment.

- **Inclusion.** The projects that promote the labour inclusion of people with intellectual disabilities have been reinforced in 2015 with new additions. These projects follow the methodology of Supported Employment; offering job with real content and with the support of institutions specialized in the field. Of note is the work of the Digitization of Documents Department in Madrid (Spain), which in 2015 has processed **two million paper documents**.

To share these inclusion initiatives that seek to generate shared value between businesses and society, Prosegur has been invited to participate as speaker at the forum "Youth and Disability: policies

The Prosegur Foundation is a non-profit organization that channels Prosegur's social and cultural actions to build a more caring society with less inequality.

for social inclusion, gender equality and prevention of sexual violence", organized by the United Nations Population Fund (UNFPA) in Uruguay.

- **Volunteering.** Thanks to the active commitment of the Company's professionals, the volunteering initiatives

of the Prosegur Foundation have reached more people. Projects related to education and inclusion have had a greater number of participants in 2015, both in Spain and Latin America. The new phase of "Your Security, Our Commitment" should be highlighted as a project that benefits from synergies between programs. In this volunteering project, the Red Cross and Prosegur team up to strengthen security, teaching accident prevention measures and first aid. The initiative, aimed at schools in Madrid, now also includes people with intellectual disabilities.





10 YEARS
BUILDING
FUTURE

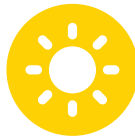
EDUCATION

4,386
students in
33
Piecitos Colorados
schools in
7
countries



50,560
school kits
provided

5,114
Talent Scholarship
awarded in
9
countries



1,675
attendees of
summer camps for employees' children

201,664
direct and
indirect
beneficiaries

Colombia

Peru

Chile

LABOUR INCLUSION



434
people with intellectual disabilities in
training and employment projects
1,961
beneficiaries of the different initiatives towards
the inclusion of people with disabilities

PROMOTION OF CULTURE

3,550
employees have enjoyed
180
guided visits
to different museums in Spain



Figures for the period 2005-2014



External evaluation of Piecitos Colorados

Piecitos Colorados is the **most relevant social action project** of the Prosegur Foundation, not only because of its geographical dimension but also because of the human and financial resources involved. It has been implemented in Argentina, Brazil, Chile, Colombia, Paraguay, Peru and Uruguay. The program aims at combating school absenteeism and early school leaving and promoting the development of communities through a comprehensive intervention model.

Schools act as a catalyst for change and to transform them Piecitos Colorados seeks the active involvement of families and school staff. The project is based on four phases: reconstruction of infrastructure and basic services, nutritional instruction, educational improvement and promotion of sports.

Piecitos Colorados distances itself from the welfare approach and ad hoc interventions. The initiative aims to achieve long-term **self-management** of schools and to **increase future opportunities** for students through training. Such an ambitious goal involves continuous on site monitoring of the actions in the various geographies.

After six years of implementation of the model, in 2015 another step towards continuous improvement has been taken. An **external impact assessment of the program** has been conducted in order to identify good practices and possible future improvements. The CODESPA Foundation, a Spanish organization with 30 years of experience in Development Cooperation, conducted the assessment, focusing on the schools in Colombia.

Taking into account the timeframe of the intervention in the country, an interim

evaluation has been made, with a sample of 139 people from different interest groups (students, teachers, staff, etc.) and a methodological approach focused on the impact on beneficiaries, on the company and the quality of the model. In addition, the criteria proposed by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) have been applied: relevance, impact, effectiveness, efficiency and sustainability.

Some of the main conclusions are set out below. [G4-27]:

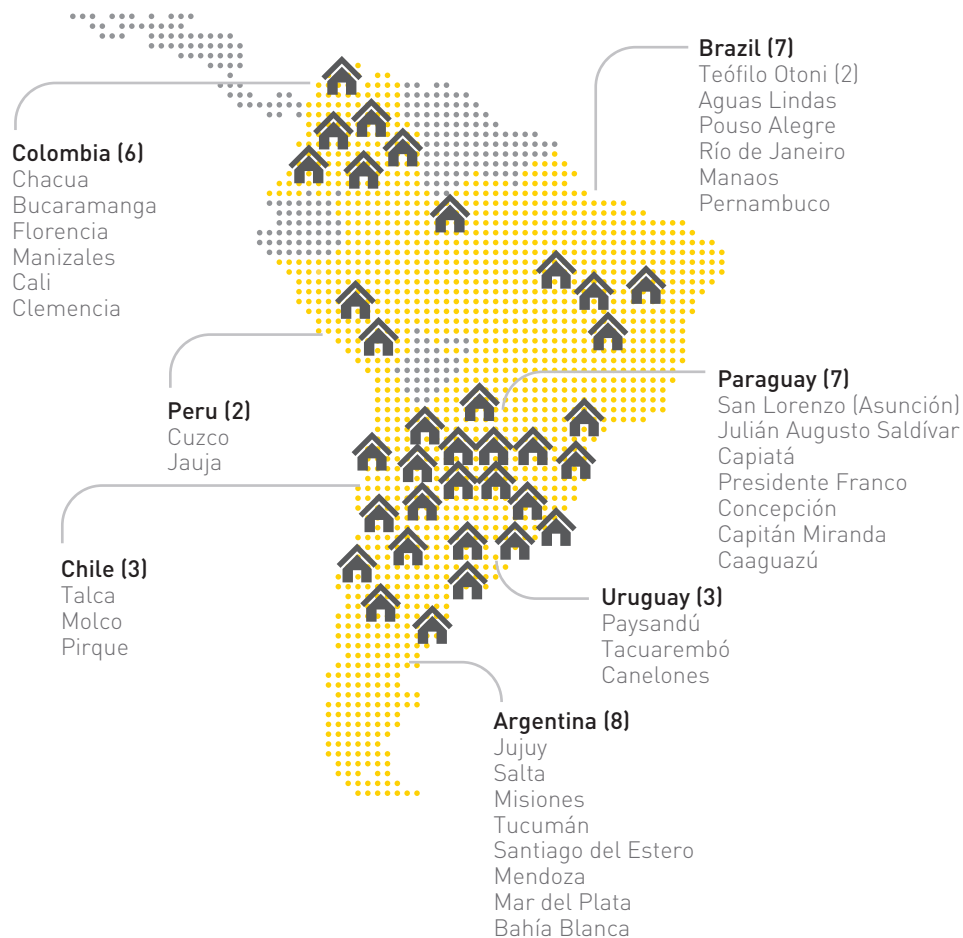
- The program **responds** to the infrastructure needs and to the improvement of hygienic and sanitary conditions. Both aspects were highly valued by the beneficiaries of the program.
- Thus, the **number of students per school increases** which positively impacts in their **quality of life and education**. With the improvement of the physical conditions of schools, students can concentrate better on their work.
- **Teachers feel supported** in their work and, with regard to parents, the impact focuses on the feeling of support and assistance in the educational process.
- The positive effects on the students mainly focus on the possibility of building a **life project**: students are able to visualize a better future where they fully develop their capabilities. And, thanks to the Talent Scholarships, the first Piecitos Colorados are already enrolled in University.
- The commitment to building farms, greenhouses and vegetable gardens is having a positive effect on **self-sufficiency** and on **improved nutrition**.
- As a result of the work carried out so far by Piecitos Colorados, students' attitude with regard to their sense of **responsibility**

and commitment to the school has changed.

- To a large extent, the student's commitment has generated thanks to the involvement of Prosegur's employees in the process. Volunteers are a **reference of values and behaviour for the students**.
- The involvement of the employees of the Company in Picetos Colorados is one of the features that make the model of this program **unique**.
- In this regard, the evaluation has found that the involvement of employees in the

project has had positive impacts such as **greater cohesion among members of the team, sense of belonging and as an element of integration**.

- Both the delegates in charge of the management of the program and the volunteers are very satisfied with their contribution, and said that they would recommend the program to others.
- The evaluation determined that the allocated budget is **appropriate and efficient** in relation to the results achieved.



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- INTERNET
- LIVE CHAT
- MEDIA
- PHOTOS
- VIDEOS
- MUSIC



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SELECT CATEGORY

- CULTURE
- ECONOMIC
- FINANCE
- BUSINESS
- MEDIA
- PEOPLE
- CREATIVE
- TUTORIALS
- INVESTMENT
- NETWORKING

MEDIA

- VIDEO
- MUSIC
- FILMS
- SEARCH
- CONTACTS
- MESSAGES



COUPLE
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STRATEGY
PLAN
INVESTMENT
INCOME
MONEY



5. About this report

5.1. Scope of the Annual Report

The information included in the Annual Report 2015 refers to all of the activities carried out by **Prosegur Compañía de Seguridad, S.A.** and its subsidiaries from 1 January 2015 to 31 December of the same year.

The report covers the financial and non-financial effort of the Company as a company

specialized in security services, with the geographic scope including **all countries** in which Prosegur operated during the period: Argentina, Australia, Brazil, Chile, China, Colombia, France, Germany, India, Luxembourg, Mexico, Paraguay, Peru, Portugal, Singapore, Spain and Uruguay. [G4-23]

5.2. Reference standards

The Annual Report 2015 was drawn up following the principles established in the Guidelines for the preparation of sustainability reports of the **Global Reporting Initiative (GRI)**, version G4. The balanced and reasonable presentation of the organization's work in 2015 requires the application of the following principles: [G4-18]

- Principles to determine the content of the report: participation of stakeholders, context of sustainability and exhaustiveness.
- Principles to determine the quality of the

report: balance, comparability, precision, regularity, clarity and reliability.

Prosegur has drawn up the Annual Report 2015 in accordance with the GRI option of “**exhaustive**” conformity, thus covering all indicators related to the material aspects of the Company that were defined in the materiality analysis.

Prosegur has also used the **IIRC Framework** (International Integrated Reporting Council) as a reference for drawing up integrated Annual Reports.

5.3. Materiality analysis

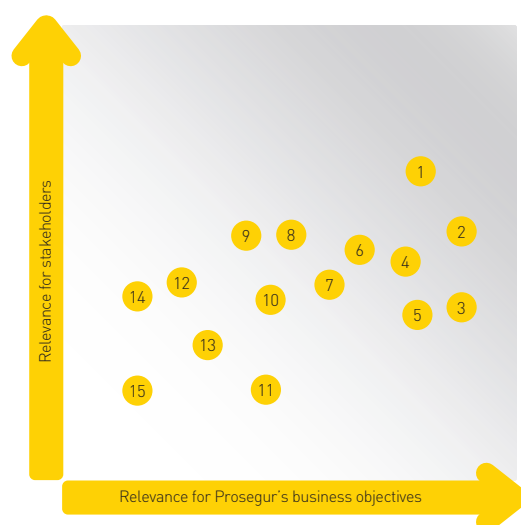
Prosegur's main purpose for drawing up the Annual Report is to provide **relevant information on the company's performance**; the main social, environmental and economic impacts of its activity. In this regard, the GRI G4 Guidelines stresses that Companies have to publish information that is material or relevant for business development and stakeholders. [G4-18]

In order to determine which issues are relevant for Prosegur, the Company updated its **materiality study** with internal and external factors following the steps below:

1. Analysis of the main material issues for the private security industry based on:
 - Issues included in the GRI G4 Guidelines.
 - International bodies and selective stock market indexes (CDP, DJSI, FTSE4good, etc.).

- Annual Reports of three international competitors of the Company.
 - Industry-related matters considered controversial that have taken place in 2015.
2. Analysis of the conclusions drawn from the **materiality study** of the 2014 Annual Report.
 3. In-depth **interviews** conducted with representatives of the following stakeholders of the Company: **customers and financial analysts**. [G4-26]
 4. In depth **interviews** with 15 heads of different areas of the Company.
 5. Materiality **assessment** to prioritize the identified **issues** taking into account a dual basis: the importance for stakeholders and the importance for fulfilling business strategy.

As a result of this assessment, a list was drawn up with the 15 key topics and concerns for Prosegur. [G4-19] [G4-20] [G4-21] [G4-23]



Key topics and concerns

1. Corruption
2. Financial performance
3. Customer security
4. Reputation and brand
5. Ethics and integrity
6. Service quality
7. Good governance
8. Innovation
9. Occupational health and safety of employees
10. Relations between employer and employee
11. Qualification of employees
12. External communication
13. Human rights management
14. Internal communication
15. Diversity and equality

5.4. Contact details

For any queries on the Annual Report 2015 and on the information contained in it, contact the following e-mail address: accionistas@prosegur.com.



Annex I

Main products and services



INTEGRATED SECURITY SOLUTIONS

SECURITY CONSULTING SERVICES

Prosegur detects each customer's specific security needs as a first step to establishing a specialised solution: security audit and assessment, emergency and evacuation management, security plans, information security (LOPD, ISO 27,000), etc.

MANNED GUARDING

Prosegur offers active guarding services: armed/unarmed manned guarding, guards accompanied by K9, internal and perimeter rounds, access control. The Company also offers mobile surveillance services (dynamic guarding, response services or key custody).

ELECTRONIC SECURITY SYSTEMS

Prosegur implements the electronic security system that each customer needs with control centres that integrate access management systems, CCTV, video smart analysis and interior and perimeter alarm systems, amongst other things.

AUXILIARY SERVICES

In order to cover areas of the security cycle not covered by the security services themselves, Prosegur offers its clients multi-sector solutions and resources such as receptionists, hostesses, shop assistants, store attendants and inventory controllers.

CYBERSECURITY

In the area of cybersecurity, Prosegur provides the following services:

- Logical security.
- Digital surveillance.
- Cyberintelligence.

FIRE PROTECTION

Prosegur offers to design, install and maintain fire detection systems, extinguishing systems with or without water and maintenance services.

CLOSE PROTECTION

Prosegur has security escorts selected and assessed in demanding processes and with a high level of training, highly skilled teams and specialized structures. All supported by new technologies and complementary products associated with close protection.



CASH MANAGEMENT

TRANSPORT OF VALUABLES

Prosegur provides door-to-door transport services of goods such as currencies, coins and valuables such as gold, precious stones, jewellery, works of art, etc.

EXPORT – IMPORT (AIR TRANSPORT)

Prosegur is the only security company in Spain that is an accredited member of the International Air Transport Association (IATA), which allows the Company to transport valuables nationally and internationally.

PROCESSING OF CASH, CURRENCIES AND VALUABLES

The Company counts and classifies cash collected from bank offices, retailers, ATMs, etc. certifying, on a daily basis, all movements in accordance with the strictest security controls.

INTEGRAL ATM MANAGEMENT

Prosegur provides fully managed end to end services for bank branch ATMs. The Company maximizes ATM availability by forecasting cash needs, balancing, counting and loading of cash in the ATM, technical assistance and ATM maintenance.

CASH AUTOMATION

Prosegur provides end to end services for the management of cash based on the automation of process. These models entail outsourcing the cash value chain of the business to specialized staff, structure and technology. The cash automation offering includes back office solutions (counting, tracking, procedural control and storage of collections), front office (point of sales kiosks and point of sales solutions) and cash centres for shopping centres.

OUTSOURCING OF CASH BALANCING PROCESSES

Outsourcing of administrative processes to Prosegur; balancing and reconciliation of cash in cashpoint networks at the client's premises and with his IT tools or with Prosegur's IT tools and premises. This service includes the identification of imbalances identified when comparing the actual data, accounted for in the vault and the accounting data of the company, and correcting the same.

STAFF SPECIALIZED IN THE MANAGEMENT OF CASH

Prosegur has highly qualified professionals for the management and handling of cash and places at the client's disposal teller and back office staff.

PROSEGUR BPO

Prosegur offers outsourcing services to banks. Outsourcing cash management services allows banking institutions to generate internal savings and focus on commercial activity.



ALARMS

TRIPLE SECURITY: ANTI-INTRUSION, ANTI-INHIBIT AND ANTI-SABOTAGE ALARMS

Triple Security is the only alarm system in the market that offers three-level protection to its customers: in the event of someone breaking in to your house or business, the alarm will send a GPRS signal to the ARC; if the intruder tries to inhibit the GPRS signal, the IP signal is automatically triggered so that the alarm can send images; and lastly, in the event of sabotage by means of a power cut, an external battery guarantees that the IP signal functions properly. .

MOBILITY ALARMS

The Company has an alarm service which makes it possible to locate vehicles and people at any time and place with customizable warning systems (SOS button, speeding, etc.).

MEDICAL ALARMS

Prosegur designs alarms for immediate notification of a medical emergency through the activation of emergency push buttons.

FIRE PROTECTION

Prosegur installs and services fire protection systems (detection and extinguishing).

TECHNICAL LEAK ALARMS

Prosegur has systems to detect water, gas, smoke or CO2 leaks and an alarm service in the case of power cuts.

FOGGERS

Prosegur offers high-technology small-sized devices that expel active dry fog at high pressure and speed when the security system detects any intrusion.

ADDITIONAL SERVICES

Prosegur offers other services for its alarm clients: personal assistance in the event of emergencies, robbery or fire insurance of premises and assistance towards compliance with the data protection law.

Annex II

Industry associations

Germany	<ul style="list-style-type: none"> • National Association of the Cash In Transit Industry (BDGW) • German Vending Federation (BDV)
Argentina	<ul style="list-style-type: none"> • Argentine Chamber of Research and Safety Companies (CAESI) • Argentine Chamber of CIT Services Companies (CETCA) • Argentine Federation of Cargo Carriers (FADEEAC) • Chamber of Cargo Carrier Companies (CEAC) • Chamber of Private Security Training Centres • Chamber of Security Companies of Buenos Aires (CAESBA)
Australia	<ul style="list-style-type: none"> • Australian Security Industry Association (ASIAL)
Brazil	<ul style="list-style-type: none"> • Brazilian Transport of Valuables Association (ABTV) • National Federation of Surveillance, Security and CIT Companies (FENAVIST)
Chile	<ul style="list-style-type: none"> • Associations of Private Security and CIT Companies (ASEVA) • Chilean Association of Alarm System Companies (ACHEA) • National Association of Security Professionals (ANASEP) • National Association of Security Companies of Chile (EMPRORSE)
China	<ul style="list-style-type: none"> • Shanghai Security Association
Colombia	<ul style="list-style-type: none"> • Colombian Federation of Surveillance and Private Security Companies (FEDESEGURIDAD) • Surveillance and Private Security Companies Committee of the National Federation of Tradesmen (FENALCO)

Spain	<ul style="list-style-type: none"> • Professional Association of Private Security Companies of Spain (APROSER) • Spanish Association of Security Companies (AES)
France	<ul style="list-style-type: none"> • Association of Private Security Companies (USP) • Federation of Fiduciary Security Companies (FEDEFI) • Logistics Intelligence Association of Southern Europe (PILES)
India	<ul style="list-style-type: none"> • Association of Cash Management of India (CLAI)
Mexico	<ul style="list-style-type: none"> • Mexican Association of Private Security Companies (AMESP)
Paraguay	<ul style="list-style-type: none"> • Paraguayan Chamber of Transport of Valuables and Security Companies (CAPATRAVALSEP) • Paraguayan Chamber of Professional Security Companies
Peru	<ul style="list-style-type: none"> • National Security Society of Peru (SNS)
Portugal	<ul style="list-style-type: none"> • Association of Private Security Companies (AES) • Portuguese Association of Electronic Security and Fire Protection (APSEI)
Singapore	<ul style="list-style-type: none"> • Security Association of Singapore (SAS) • Association of Certified Security Agencies (ACSA)
Uruguay	<ul style="list-style-type: none"> • Uruguayan Chamber of Cash in Transit (CUETRACA) • Uruguayan Chamber of Professional Installers of Electronic Security Systems (CIPSES) • Uruguayan Chamber of Security Companies (CUES)

Annex III

Performance indicators

The following table includes the main performance indicators of Prosegur for the years 2014 and 2015. The scope indicates the level of information reported for each indicator, weighted according to turnover by country. For example, Spain, with a turnover of EUR 895.9 million on a total turnover of Prosegur of EUR 3,959.4 million, represents 22.6% of the scope in 2015. [G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
FINANCIAL PERFORMANCE INDICATORS					
G4-EC1	Economic value generated and distributed by the company				
	Economic value generated (EVG) (million euros)	3,782.6	100.0%	3,959.4	100.0%
	Sales	3,782.6		3,959.4	
	Other operating income	-		-	
	Economic value distributed (EVD) (million euros)	3,454.6		3,999.7	
	Employees (Employee wages and expenses)	2,515.3		2,712.8	
	Current Suppliers (Other operating expenses)	704.4		1,050.4	
	Public Administration (taxes)	90.7		104.5	
	Capital providers	141.9		129.6	
	Society investments (Community Investments)	2.3		2.4	
	Economic value retained (EVR) (million euros)	328.0		-40.3	
	Reserves	209.5		-164.4	
Amortisation and depreciation	118.5	124.1			
G4-9	Main results				
	Sales (million euros) by region	3,782.6	100.0%	3,959.4	100.0%
	Latin America	2,201.3		2,361.1	
	Europe and Asia-Pacific	1,581.3		1,598.3	
	Sales (million euros) by business line	3,782.6		3,959.4	
	Integrated Security Solutions	1,936.7		1,984.6	
	Cash Managements	1,664.5		1,766.3	
	Alarms	181.4		208.5	
	EBITDA (million euros)	425.7		448.4	
EBIT (million euros)	307.2	324.2			

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
G4-9	Consolidated Net Profit (million euros)	158.4	100.0%	183.4	100.0%
	Equity (million euros)	864.1		699.6	
	Capex (million euros)	184.6		215.2	
	Current ratio (current assets / current liabilities)	1.3		1.1	
	Net Debt / Shareholders' equity	0.7		0.8	
	Net Debt (million euros)	564.4		579.6	
	Net Debt / EBITDA	1.3		1.3	
	Net financial expenses (million euros)	58.1		36.3	
	EBITDA / Financial Expenses	7.3		12.4	
	EV (million euros)	3,477.2		3,202.4	
G4-EC4	Significant financial assistance received from government		51.8%		100.0%
	Tax relief / tax credits (thousands of euros)	4,257.3		2,158.4	
	Subsidies (thousands of euros)	71.0		171.6	
	Investment or research and development grants and other relevant financial aid (thousands of euros)	1,134.0		1,580.4	
	Monetary awards (thousands of euros)	0.0		0.0	
	Time-limited exemption on payment of licences (thousands of euros)	32.7		31.3	
	Financial incentives (thousands of euros)	0.0		5.3	
Other financial benefits received or receivable from any public administration for any operation (thousand euros)	439.0	306.9			
	Investment in RD&I (million euros)				
	Investment in RD&I (million euros)	9,1	100.0%	8.1	100.0%

ETHICS AND COMPLIANCE

G4-S03	Report the number and percentage of centres that have assessed risks related to corruption	ND	0.0%	ND	0.0%
	Total number of centres	ND		ND	
	Number of centres that have assessed risks related to corruption.	ND		ND	
G4-S04	Employees that have received training on anti-corruption policies and procedures		100.0%		100.0%
	Employees in management positions that have received training on anti-corruption (%)	ND		ND	
	Total number of employees in management positions	ND		ND	
	Number of employees in management positions that have received training on anti-corruption	191		199	
	Employees in non-managerial positions that have received training on anti-corruption (%)	ND		ND	
	Total number of employees in non-managerial positions	ND		ND	
Number of employees in non-managerial positions that have received training on anti-corruption	2,082	2,738			

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
Actions taken in response to incidents of corruption					
G4-S05	Total number of incidents in which employees were dismissed or disciplined for corruption	458	100.0%	367	100.0%
	Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.	ND		ND	
Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services					
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services	0	0.0%	0	43.3%
Incidents of non-compliance with regulations and voluntary codes concerning marketing communications					
G4-PR7	Number of incidents of non-compliance with regulations resulting in a fine or penalty	121	88.7%	3	43.3%
	Number of incidents of non-compliance with voluntary codes	0		0	
Customer complaints					
G4-PR8	Total number of complaints regarding breaches of customer privacy and losses of customer data	0	88.7%	0	43.3%
Fines concerning the provision and use of products and services					
G4-PR9	Number of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services of the organization	0	88.7%	2	43.3%
	Total monetary value of fines (thousands of euros)	0		52,455.1	
Anti-competitive behaviour and monopoly practices					
G4-S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	1	88.7%	1	43.3%
Significant fines and non-monetary sanctions for noncompliance with laws and regulations					
G4-S08	Total monetary value of significant fines (thousands of euros)	1,036,139.34	88.7%	1,073,456.5	43.3%
	Number of non-monetary sanctions	1		0.0	
	Claims against the organization promoted to arbitration bodies	1		0.0	
Grievances about Human Rights					
G4-HR12	Total number of grievances about human rights impacts filed through formal grievance mechanisms (Whistleblower Channel) during the reporting period.	ND	100.0%	ND	100.0%
	Total number of grievances about human rights impacts that were resolved during the reporting period.	ND		ND	
	Total number of grievances about human rights impacts filed prior to the reporting period that were resolved during the reporting period.	ND		ND	

QUALITY

	Investments on quality improvements (million euros)	0.4	47.0%	0.3	68.7%
	Number of quality audits performed	212	92.9%	172	68.7%

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
CUSTOMERS AND USERS					
G4-PR5	Percentage of "satisfied" or "very satisfied" customers (Integrated Security Solutions)	ND	0.0%	84.1%	60.6%
	Total number of surveys completed by clients	ND		929	
	Number of surveys to customers whose overall result is "satisfied" or "very satisfied"	ND		781	
	Complaints (Integrated Security Solutions)				
	Number of complaints received from customers	ND	0.0%	1,533	62.5%
	Number of complaints handled	ND		1,321	
Number of complaints resolved satisfactorily	ND	1,377			
G4-PR5	Percentage of "satisfied" or "very satisfied" customers (Cash Management)	ND	0.0%	96.8%	65.0%
	Total number of surveys completed by clients	ND		847	
	Number of surveys to customers whose overall result is "satisfied" or "very satisfied"	ND		820	
	Complaints (Cash Management)				
	Number of complaints received from customers	ND	0.0%	10,957	67.1%
	Number of complaints handled	ND		10,799	
Number of complaints resolved satisfactorily	ND	9,761			
G4-PR5	Percentage of "satisfied" or "very satisfied" customers (Alarms)	ND	0.0%	87.5%	54.2%
	Total number of surveys completed by clients	ND		26,060	
	Number of surveys to customers whose overall result is "satisfied" or "very satisfied"	ND		22,801	
	Complaints (Alarms)				
	Number of complaints received from customers	ND	0.0%	45,985	62.2%
	Number of complaints handled	ND		43,299	
Number of complaints resolved satisfactorily	ND	32,280			
SUPPLIERS AND PARTNERS					
	Number of suppliers	46,855	99.2%	35,797	93.5%
	Suppliers related expenses (million euros)	1,075.0	99.2%	1,050.4	100.0%
EMPLOYEES					
G4-10	Total number of employees	158,038	100.0%	161,822	100.0%
G4-10	Number of employees by gender		100.0%		100.0%
	Men	134,745		137,675	
	Women	23,293		24,147	

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
G4-10	Workforce by country and type of contract				
	Germany	4,051	99.2%	4,143	100.0%
	Men	3,316		3,408	
	Indefinite	2,773		2,882	
	Temporary	543		526	
	Women	735		735	
	Indefinite	579		604	
	Temporary	156		131	
	Argentina	17,805		18,374	
	Men	16,172		16,719	
	Indefinite	16,160		16,686	
	Temporary	12		33	
	Women	1,633		1,655	
	Indefinite	1,633		1,655	
	Temporary	0		0	
	Australia	1,058		1,000	
	Men	730		691	
	Indefinite	730	691		
	Temporary	0	0		
	Women	328	309		
	Indefinite	328	309		
	Temporary	0	0		
	Brazil	52,524	50,764		
	Men	45,209	43,424		
	Indefinite	45,146	43,365		
	Temporary	63	59		
	Women	7,315	7,340		
	Indefinite	7,246	7,250		
	Temporary	69	90		
	Chile	7,581	7,678		
	Men	6,116	6,292		
	Indefinite	5,254	5,363		
	Temporary	862	929		
Women	1,465	1,386			
Indefinite	1,245	1,181			
Temporary	220	205			

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
G4-10	China	2,275	99.2%	511	100.0%
	Men	2,113		459	
	Indefinite	2,079		1	
	Temporary	34		458	
	Women	162		52	
	Indefinite	162		0	
	Temporary	0		52	
	Colombia	9,746		9,237	
	Men	8,012		7,471	
	Indefinite	884		838	
	Temporary	7,128		6,633	
	Women	1,734		1,766	
	Indefinite	408		385	
	Temporary	1,326		1,381	
	Spain	24,975		27,703	
	Men	20,046		21,723	
	Indefinite	14,845		15,211	
	Temporary	5,201		6,512	
	Women	4,929		5,980	
	Indefinite	3,557		4,123	
	Temporary	1,372		1,857	
	France	5,325		5,441	
	Men	4,618		4,686	
	Indefinite	4,276		4,189	
	Temporary	342		497	
	Women	707		755	
	Indefinite	650		673	
	Temporary	57		82	
	India	5,489		10,522	
	Men	5,156		10,458	
Indefinite	ND	10,458			
Temporary	ND	0			
Women	333	64			
Indefinite	ND	64			
Temporary	ND	0			
Mexico	2,76	2,614			
Men	2,181	2,084			
Indefinite	2,181	2,084			
Temporary	0	0			

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
G4-10	Women	579	99,2%	530	100,0%
	Indefinite	579		530	
	Temporary	0		0	
	Paraguay	1,447		1,392	
	Men	1,346		1,273	
	Indefinite	1,346		1,273	
	Temporary	0		0	
	Women	101		119	
	Indefinite	101		119	
	Temporary	0		0	
	Peru	11,180		11,155	
	Men	9,567		9,596	
	Indefinite	3,682		3,963	
	Temporary	5,885		5,633	
	Women	1,613		1,559	
	Indefinite	537		604	
	Temporary	1,076		955	
	Portugal	6,986		6,829	
	Men	5,708		5,501	
	Indefinite	5,075		4,785	
	Temporary	633		716	
	Women	1,278		1,328	
	Indefinite	1,000		955	
	Temporary	278		373	
	Singapore	1,613		1,609	
	Men	1,535		1,328	
	Indefinite	1,535		826	
	Temporary	0		502	
	Women	78		281	
	Indefinite	78		211	
	Temporary	0		70	
	Uruguay	3,223		2,850	
	Men	2,920		2,562	
Indefinite	2,920	2,562			
Temporary	0	0			
Women	303	288			
Indefinite	303	288			
Temporary	0	0			

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
G4-10	Workforce by working day type and gender	150,936	99.2%	161,822	100.0%
	Man	128,054		137,675	
	Full-time	120,529		128,495	
	Part time	7,525		9,180	
	Women	22,882		24,147	
	Full-time	20,399		21,438	
	Part time	2,483		2,709	
G4-10	Workforce by age	152,549	100.0%	161,822	100.0%
	Under 30	36,105		37,537	
	Between 30 and 50 years	97,198		102,731	
	More than 50 years	19,246		21,554	
G4-10	Workforce by employee category and age group	152,549	100.0%	151,300	100.0%
	Managers	776		813	
	Under 30	37		44	
	Between 30 and 50 years	629		653	
	More than 50 years	110		116	
	Heads	4,029		3,955	
	Under 30	227		208	
	Between 30 and 50 years	3,089		3,033	
	More than 50 years	713		714	
	Administrative personnel	7,488		6,804	
	Under 30	1,887		1,625	
	Between 30 and 50 years	4,855		4,483	
	More than 50 years	746		696	
	Operations personnel	140,256		139,728	
	Under 30	33,954		31,018	
Between 30 and 50 years	88,625	89,357			
More than 50 years	17,677	19,353			
G4-10	Workforce by employee category and gender	152,549	100.0%	161,822	100.0%
	Directors	776		813	
	Men	593		628	
	Women	183		185	
	Heads	4,029		3,979	
	Men	3,416		3,333	
	Women	613		646	
	Administrative personnel	7,488		7,093	
	Men	4,426		4,053	
	Women	3,062		3,040	

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
G4-10	Operations personnel	140,256		149,937	
	Men	121,154	100.0%	129,661	100.0%
	Women	19,102		20,276	
	Employees with disabilities				
	Number of employees with disabilities	758	100.0%	968	100.0%
	Percentage of employees with disabilities	0.5%		0.6%	
	Immigrant workforce				
	Number of immigrants in the workforce	2,730	100.0%	2,577	100.0%
	Percentage of immigrants in the workforce	1.8%		1.6%	
G4-EC6	Management hired from the local community				
	Number of senior management hired from the local community	248	100.0%	249	100.0%
	Total number of senior managers	275		284	
Senior management hired from the local community	90.2%	87.7%			
G4-LA13	Average salary of men and women by employee category (euros)				
	Directors		99.4%		100.0%
	Men	101,887.8		110,711.7	
	Women	68,285.3		65,030.4	
	Heads				
	Men	41,504.1		38,875.3	
	Women	36,901.6		37,739.9	
	Administrative personnel				
	Men	19,934.7		19,235.9	
	Women	16,893.3		16,544.5	
Operations personnel					
Men	13,412.1	11,269.7			
Women	12,707.9	10,365.2			
G4-11	Trade union representation				
	Number of employees covered by collective bargaining agreements	123,581	93.9%	124,148	94.6%
	Percentage of employees covered by collective bargaining agreements	81.0%		76.7%	
G4-LA9	Número total de horas de formación impartidas	2,282,020.9	100.0%	1,792,590.5	100.0%
	By employee category		100.0%		100.0%
	Directors	8,108.2		6,652.5	
	Heads	46,615.7		33,915.1	
	Administrative personnel	171,386.6		109,329.8	
Operations personnel	2,055,910.4	1,642,693.2			

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
G4-LA9	By gender				
	Men	1,948,541.0	100.0%	1,538,004.9	100.0%
	Women	333,480.2		254,586.2	
G4-LA9	Average number of hours of training	15.0	100.0%	11.8	100.0%
	By employee category		100.0%		100.0%
	Directors	10.9		8.5	
	Heads	11.9		8.8	
	Administrative personnel	23.1		16.1	
	Operations personnel	14.8	11.8		
	By gender		100.0%		100.0%
	Men	15.0		12.1	
Women	14.5	10.6			
G4-HR7	Training on human rights		54.3%		90.2%
	Number of employees who have received training on human rights	20,949		15,169	
	Percentage of employees who have received training on human rights	26.4%		10.4%	
	Hours of training on human rights	53,158.0	24,389.0		
	Training investment		92.7%	8.2	100.0%
	Investment on employees training	10.2			
G4-LA11	Employees receiving regular performance and career development reviews		93.3%		94.5%
	Number of employees receiving regular performance and career development reviews	29,764		20,759	
	Men	24,185		17,507	
	Women	5,579		3,252	
	Percentage of employees receiving regular performance and career development reviews	20.5%		13.3%	
	Men	19.7%		13.2%	
	Women	25.3%		13.9%	
G4-LA3	Total number of employees that were entitled to parental leave	4,374	95.9%	4,062	95.6%
	Men	3,386		3,279	
	Women	988		783	
	Total number of employees who returned to work after parental leave ended	4,278	95.9%	3,913	95.6%
	Men	3,340		3,207	
	Women	938		706	
	Number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work	3,587	87.3%	3,257	90.2%
	Men	2,842		2,653	
	Women	745		604	

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
G4-LA1	Total number and rate of new employee hires during the reporting period	42,693	99.4%	43,067	100.0%
	By gender				
	Men	34,521	99.4%	34,975	100.0%
	Women	8,172		8,092	
	By age				
	Under 30	20,745	99.4%	18,753	100.0%
	Between 30 and 50 years	19,619		19,574	
	More than 50 years	2,329		2,475	
	By Country				
	Germany	1,176		526	
	Argentina	3,782		3,290	
	Australia	146		158	
	Brazil	10,873		9,636	
	Chile	4,270		4,276	
	China	ND		308	
	Colombia	3,617		3,115	
	Spain	5,269	99.4%	6,627	100.0%
	France	3,338		4,426	
	India	ND		2,265	
	Mexico	1,437		1,620	
	Paraguay	362		240	
	Peru	5,639		3,405	
	Portugal	764		781	
	Singapore	444		1,429	
	Uruguay	1,576		965	
	Total number and rate of employee turnover during the reporting period	25.7%	89.4%	29.7%	100.0%
	By gender				
	Men	23.1%	71.0%	25.5%	93.9%
	Women	22.4%		21.9%	
	By age				
	Under 30	34.1%	71.0%	32.4%	93.9%
	Between 30 and 50 years	18.1%		22.2%	
	More than 50 years	11.0%		12.6%	
	By Country				
	Germany	10.9%		9.3%	
	Argentina	17.1%	89.4%	16.6%	100.0%
	Australia	ND		11.0%	
	Brazil	20.5%		20.6%	

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
G4-LA1	Chile	ND	89.4%	62.7%	100.0%
	China	ND		49.0%	
	Colombia	58.0%		57.9%	
	Spain	8.3%		10.0%	
	France	26.1%		32.7%	
	India	ND		22.8%	
	Mexico	61.1%		67.6%	
	Paraguay	22.7%		20.8%	
	Peru	ND		38.0%	
	Portugal	11.8%		12.7%	
	Singapore	1.2%		7.3%	
	Uruguay	45.0%		35.8%	
G4-LA6	Number of days worked by all employees of Prosegur	37,738,629	95.3%	40,857,297	95.5%
	Men	32,044,632		35,179,408	
	Women	5,693,997		5,677,889	
	Total number of lost days	1,768,318		2,028,664	
	Men	1,402,833		1,761,286	
	Women	272,713		267,379	
	Absenteeism rate (AR)	4.7%		5.0%	
	Men	4.4%		5.0%	
	Women	4.8%		4.7%	
	By Country				
G4-LA6	Germany		95.3%		95.5%
	Number of days worked by all employees of Prosegur	715,848		957,496	
	Total number of lost days	86,268		194,937	
	Absenteeism rate (AR)	12.1%		20.4%	
	Argentina				
	Number of days worked by all employees of Prosegur	4,146,660		4,409,760	
	Total number of lost days	272,593		249,718	
	Absenteeism rate (AR)	6.6%		5.7%	
	Australia				
	Number of days worked by all employees of Prosegur	148,411		147,274	
	Total number of lost days	14,318		13,913	
	Absenteeism rate (AR)	9.6%		9.4%	
Brazil					
Number of days worked by all employees of Prosegur	12,897,500	12,990,142			
Total number of lost days	656,398	695,116			
Absenteeism rate (AR)	5.1%	5.4%			

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
G4-LA6	Chile				
	Number of days worked by all employees of Prosegur	2,491,426		1,942,519	
	Total number of lost days	247,096		105,710	
	Absenteeism rate (AR)	9.9%		5.4%	
	China				
	Number of days worked by all employees of Prosegur	ND		ND	
	Total number of lost days	ND		ND	
	Absenteeism rate (AR)	ND		ND	
	Colombia				
	Number of days worked by all employees of Prosegur	2,827,080		2,752,585	
	Total number of lost days	33,008		31,188	
	Absenteeism rate (AR)	1.2%		1.1%	
	Spain				
	Number of days worked by all employees of Prosegur	8,261,870		8,903,472	
	Total number of lost days	238,670		258,377	
	Absenteeism rate (AR)	2.9%		2.9%	
	France				
	Number of days worked by all employees of Prosegur	1,506,561		1,438,392	
	Total number of lost days	111,247		118,778	
	Absenteeism rate (AR)	7.4%	95.3%	8.3%	95.5%
	India				
	Number of days worked by all employees of Prosegur	ND		3,198,688	
	Total number of lost days	ND		171,917	
	Absenteeism rate (AR)	ND		5.4%	
	Mexico				
	Number of days worked by all employees of Prosegur	717,600		679,640	
	Total number of lost days	10,501		12,289	
	Absenteeism rate (AR)	1.5%		1.8%	
	Paraguay				
	Number of days worked by all employees of Prosegur	433,208		434,304	
Total number of lost days	5,039		7,500		
Absenteeism rate (AR)	1.2%		1.7%		
Peru					
Number of days worked by all employees of Prosegur	ND		ND		
Total number of lost days	ND		ND		
Absenteeism rate (AR)	ND		ND		
Portugal					
Number of days worked by all employees of Prosegur	2,224,574		1,802,856		
Total number of lost days	92,772		115,719		
Absenteeism rate (AR)	4.2%		6.4%		

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
G4-LA6	Singapore				
	Number of days worked by all employees of Prosegur	403,416		345,169	
	Total number of lost days	0		34,383	
	Absenteeism rate (AR)	0.0%		10.0%	
	Uruguay		95.3%		95.5%
	Number of days worked by all employees of Prosegur	964,475		855,000	
	Total number of lost days	408		19,119	
Absenteeism rate (AR)	0.0%		2.2%		
G4-LA5	Formal Health and Safety Committees				
	Total number of employees	141,343		151,300	
	Number of employees represented in formal health and safety committees	44,251	95.9%	53,607	99.9%
	Percentage of employees represented in formal health and safety committees	31.3%		35.4%	
G4-LA7	Injury rate by gender				
	Number of hours worked by all Prosegur employees	317,104,794.4		311,440,781.0	
	Men	245,380,994.8		268,284,009.0	
	Women	71,723,799.6		43,156,772.0	
	Number of workplace injuries	5,124		5,064	
	Men	4,443	99.4%	4,368	99.9%
	Women	681		696	
	Injury rate (IR)	3.2		3.3	
	Men	3.6		3.3	
	Women	1.9		3.2	
	Occupational diseases rate by gender				
Total number of cases of occupational diseases	92		86		
Men	56		38		
Women	36		48		
Occupational diseases rate (ODR)	0.1	93.3%	0.1	99.9%	
Men	0.0		0.0		
Women	0.1		0.2		
Rate of days lost by gender					
Total number of lost days	134,620		112,182		
Men	113,885		91,883		
Women	20,735		20,299		
Lost day rate (IDR)	84.9	99.4%	72.0	99.9%	
Men	92.8		68.5		
Women	57.8		94.1		

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
G4-LA7	Fatalities				
	Number of fatalities	18	92.5%	10	100.0%
	Men	18		7	
	Women	0		3	
G4-LA9	Imparted training in OHS				
	Number of training hours on OHS	84,153	71.9%	114,399	100.0%
	Men	69,912		93,524	
	Directors	127		127	
	Heads	650		415	
	Administrative personnel	2,653		3,054	
	Operative personnel	66,482		89,928	
	Women	14,241	71.9%	20,875	100.0%
	Directors	37		37	
	Heads	166		134	
	Administrative personnel	1,539		1,763	
	Operative personnel	12,499		18,941	
	Investment in health and safety in the workplace				
	Investment in health and safety in the workplace (millions of euros)	1.1	57.3%	1.4	63.8%
ENVIRONMENTAL COMMITMENT					
G4-EN1	Materials used				
	Paper (t)	466.4	91.7%	470.9	63.9%
	Toner (t)	4.3		3.5	
	Plastic consumables (t)	2,067.4		1,129.7	
G4-EN2	Materials used that are recycled input materials				
	Number of uniforms reused each year	48,479.0	55.2%	48,600.0	63.9%
	Number of uniforms distributed each year	534,929.5		888,277.0	
G4-EN3 G4-EN4	Direct and indirect energy consumption				
	Fuel + diesel consumption (million litres)	45.0	94.1%	23.5	63.9%
	Natural gas consumption (m3)	358,806.4		140,471.6	
Electricity consumption (MWh)	122,249.8	36,835.1			
G4-EN8 G4-EN10	Water consumption				
	Obtained from the public network (m³)	315,344.4	87.3%	204,738.0	63.9%
	From other sources (m³)	1,132.2		0.0	
	Total (m³)	316,476.6		204,738.0	
	Volume of water recycled/reused (m³)	0.0		0.0	
	Percentage of water consumption recycled/reused (m³)	0.0%		0.0%	

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
	Direct and indirect emissions of greenhouse gases				
G4-EN15	Direct emissions (t CO ₂ eq)	81,191.8	83.5%	58,848.3	54.1%
G4-EN16	Indirect emissions (t CO ₂ eq)	16,840.2		15,490.5	
G4-EN17	Total emissions (t CO ₂ eq)	98,032.0		74,338.8	
	Waste managed				
G4-EN23	Waste generation (t)	1,123.6	54.9%	1,141.9	58.5%
	Hazardous waste (t)	160.9		206.1	
	Non-hazardous waste (t)	962.7		935.8	
	Paper and cardboard (t)	162.3		143.5	
	Plastics (t)	305.1		322.2	
	Other (t)	495.3		470.1	
	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations				
G4-EN29	Number of environmental incidents	3	93.2%	4	57.6%
	Number of environmental incidents with disciplinary proceedings	0		0	
	Cost of fines for disciplinary proceedings	0.0		0.0	
	Environmental protection expenditures and investments				
G4-EN31	Environmental investments (thousands of euros)	1,296.3	59.5%	335.1	57.6%
	Environmental expenditures (thousands of euros)	7,838.3		23,153.5	
	Environmental audits				
	Number of environmental audits carried out	16	66.5%	17	58.5%

SOCIAL ACTION

	Report number of projects developed in social action by action areas	26		28	
	Education	5	100.0%	7	100.0%
	Labour inclusion	5		5	
	Promotion of culture	4		5	
	Corporate Volunteering	7		8	
	Other	5		3	
	Beneficiaries / project participants	32,052			
	Education	12,673	100.0%	16,255	100.0%
	Labour inclusion	566		641	
	Promotion of culture	3,263		1,218	
	Corporate Volunteering	715		1,350	
	Other	14,835		14,477	

[G4-20] [G4-21] [G4-23]

G4 Equivalence	Indicator	2014	2014 Scope	2015	2015 Scope
	Social investment by area of activity (euros)	2,305,000.0		2,351,416.0	
	Education	970,238.0	100.0%	1,250,403.8	100.0%
	Labour inclusion	98,177.1		108,156.0	
	Promotion of culture	262,770.0		226,733.0	
	Corporate Volunteering	113,719.8		132,371.2	
	Other	860,095.1		633,752.0	

Annex IV

Index of GRI G4 indicators



General basic contents

G4 Indicators	Page / Information (Omissions)	External Assurance
STRATEGY AND ANALYSIS		
G4-1 Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Letter from the Chairman and Message from the Chief Executive Officer pp. 6-11	No
G4-2 Provide a description of key impacts, risks, and opportunities	3.4 Risk management and opportunities pp. 60-65	No
ORGANIZATIONAL PROFILE		
G4-3 Report the name of the organization	Prosegur Compañía de Seguridad, S.A.	No
G4-4 Report the primary brands, products, and services	1.2. Business lines and main products and services p. 14 Annex I: Main products and services pp. 94-97	No
G4-5 Report the location of the organization's headquarters	Pajaritos, 24, Madrid, Spain	No
G4-6 Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	1.4 Differentiating factors (Prosegur, a multinational company) pp. 16-19	No
G4-7 Report the nature of ownership and legal form.	Prosegur Compañía de Seguridad, S.A.	No
G4-8 Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	1.4 Differentiating factors (Prosegur, a multinational company) pp. 16-19, 54-59	No
G4-9 Report the scale of the organization, including: - Total number of employees - Total number of operations - Net sales (for private sector organizations) or net revenues (for public sector organizations) - Total capitalization broken down in terms of debt and equity (for private sector organizations) - Quantity of products or services provided	1.4 Differentiating factors (Prosegur, a multinational company) pp. 16-19 3.2. Financial performance p. 51 2.1. Corporate Governance p. 36 Annex I: Main products and services pp. 94-97	No

G4 Indicators		Page / Information (Omissions)	External Assurance
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)	4.1. Employees pp. 69-73 Annex III. Performance indicators (Employees) pp. 103-114	No
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	Annex III. Performance indicators (Employees) pp. 103-114	No
G4-12	Describe the organization's supply chain	4.4. Suppliers and partners pp. 80-82	No
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	2.1. Corporate Governance pp. 35-38	No
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	3.4 Management of risk and opportunities pp. 60-65	No
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	1.4 Differentiating factors (Prosegur, a responsible company, Belonging to associations and organizations of the sector) p. 28 2.2 Ethics and compliance pp. 39-42 Annex II. Industry associations pp. 98-99	No
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization participates.	1.4 Differentiating factors (Prosegur, a responsible company, Belonging to associations and organizations of the sector) p. 28 Annex II: Industry associations pp. 98-99	No
MATERIAL ASPECTS AND BOUNDARIES			
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	2015 Consolidated Financial Statements Report - Annex I - Subsidiaries included in the consolidation perimeter. pp. 249-259 Available on www.prosegur.com/corpen/index.htm	No
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	5. About this Report pp. 91-92	No
G4-19	List all the material Aspects identified in the process for defining report content.	1.5. Relationship with the environment (Key topics) p. 30 5. About this Report p. 92	No

G4 Indicators		Page / Information (Omissions)	External Assurance
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	5. About this Report p. 92 Annex III. Performance indicators pp. 100-116	No
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	5. About this Report p. 92 Annex III. Performance indicators pp. 100-116	No
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	The information provided in any of the previous Reports has not been restated	No
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	5. About this Report pp. 91-92 Annex III. Performance indicators pp. 100-116	No
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organization	1.5. Relationship with the environment pp. 30-31	No
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Stakeholder groups are identified as those having an impact on Prosegur's activities. (see section 1.5. Relationship with the environment) pp. 30-31	No
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	pp. 30-31, 69, 75-76, 78, 82	No
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	pp. 30, 32, 76, 88	No
REPORT PROFILE			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	2015	No
G4-29	Date of most recent previous Report (if any).	2014	No
G4-30	Reporting cycle (such as annual, biennial).	Annual	No
G4-31	Provide the contact point for questions regarding the Report or its contents.	5.4. Contact Details p. 93	No
G4-32	a. Report the "in accordance" option that the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured.	5.2. Reference standards p. 91	No

G4 Indicators		Page / Information (Omissions)	External Assurance
G4-33	<p>a. Report the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.</p> <p>c. Report the relationship between the organization and the assurance providers.</p> <p>d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</p>	The Annual Report is not verified externally (the Annual Financial Statements are externally audited)	No
GOVERNANCE			
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	2.1. Corporate Governance pp. 35-38	No
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm	No
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm	No
G4-37	Describe the process of consultation among stakeholders and the highest governance body regarding economic, environmental and social issues. If such consultation is delegated, point to whom and describe the process of information exchange with the highest governance body.	1.5. Relationship with the environment pp. 30-31 2.1. Corporate Governance pp. 35-38 2.2. Ethics and compliance (Whistleblower channel) p. 40	No
G4-38	Report the composition of the highest governance body and its committee	2.1. Corporate Governance pp. 35-38	No
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	2.1. Corporate Governance pp. 35-38 Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm	No
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm	No
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm	No
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm	No
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm	No

G4 Indicators		Page / Information (Omissions)	External Assurance
G4-44	<p>a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.</p> <p>b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.</p>	<p>Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm</p>	No
G4-45	<p>a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.</p> <p>b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.</p>	<p>3.4 Risk management and opportunities pp. 60-65</p> <p>2.1. Corporate Governance pp. 35-38</p> <p>Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm</p>	No
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	<p>3.4 Risk management and opportunities pp. 60-65</p> <p>Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm</p>	No
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	<p>3.4 Risk management and opportunities pp. 60-65</p>	No
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	The Annual Report is reviewed and ultimately approved by the Board of Directors.	No
G4-49	Report the process for communicating critical concerns to the highest governance body.	<p>2.2. Ethics and compliance (Code of Ethics and Conduct and Whistleblower channel) p. 40</p> <p>Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm</p>	No
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	<p>2.2. Ethics and compliance (Code of Ethics and Conduct and Whistleblower channel) p. 40</p> <p>Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm</p>	No
G4-51	<p>a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration.</p> <p>b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.</p>	<p>Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm</p>	No
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	<p>Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm</p>	No
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	In 2015, no query on this issue has been received in any of the communication channels available in the Company.	No
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	<p>Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm</p> <p>Report on Compensation of Directors Available on www.prosegur.com/corpen/index.htm</p>	No

G4 Indicators		Page / Information (Omissions)	External Assurance
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Annual Corporate Governance Report Available on www.prosegur.com/corpen/index.htm Report on Compensation of Directors Available on www.prosegur.com/corpen/index.htm	No
ETHICS AND INTEGRITY			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	1.1 Mission, vision and values p. 13 2.2. Ethics and compliance (Code of Ethics and Conduct and Whistleblower channel) p. 40	No
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	2.2. Ethics and compliance (Code of Ethics and Conduct and Whistleblower channel) p. 40	No
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	2.2. Ethics and compliance (Code of Ethics and Conduct and Whistleblower channel) p. 40	No

Specif standard disclosures

CATEGORY: ECONOMIC

MATERIAL ASPECT: ECONOMIC PERFORMANCE

G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	3.2. Financial performance pp. 51-59	No
G4-EC1	a. Report the direct economic value generated and distributed on an accruals basis b. To better assess local economic impacts, report the direct economic value generated and distributed separately at country, regional, or market levels, where significant. Report the criteria used for defining significance.	1.3 Social cash-flow p. 15	No
G4-EC2	Report risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure.	3.4 Management of risks and opportunities pp. 60-65	No
G4-EC3	a. Where the plan's liabilities are met by the organization's general resources, report the estimated value of those liabilities. b. Where a separate fund exists to pay the plan's pension liabilities, report: The extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them; The basis on which that estimate has been arrived at; When that estimate was made. c. Where a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage. d. Report the percentage of salary contributed by employee or employer. e. Report the level of participation in retirement plans (such as participation in mandatory or voluntary schemes, regional or country-based schemes, or those with financial impact).	Not applicable. There is no employee benefit plan.	No

G4 Indicators		Page / Information (Omissions)	External Assurance
G4-EC4	a. Report the total monetary value of financial assistance received by the organization from governments during the reporting period. b. Report the information above by country. c. Report whether, and the extent to which, the government is present in the shareholding structure.	Annex III. Performance indicators (Financial performance) pp. 100-101	No
CATEGORY: SOCIAL PERFORMANCE / SUB-CATEGORY: LABOUR PRACTICES AND DECENT WORK			
MATERIAL ASPECT: EMPLOYMENT			
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	4.1. Employees pp. 69-75	No
G4-LA1	a. Report the total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Report the total number and rate of employee turnover during the reporting period, by age group, gender and region.	Annex III. Performance indicators: Employees pp. 103-114	No
G4-LA2	a. Report the benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. b. Report the definition used for «significant locations of operation».	The Company does not offer different social benefits to full-time employees	No
G4-LA3z	a. Report the total number of employees that were entitled to parental leave, by gender. b. Report the total number of employees that took parental leave, by gender. c. Report the total number of employees who returned to work after parental leave ended, by gender. d. Report the total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work, by gender. e. Report the return to work and retention rates of employees who took parental leave, by gender.	Annex III. Performance indicators (Employees) pp. 103-114	No
MATERIAL ASPECT: LABOUR/MANAGEMENT RELATIONS			
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	4.1. Employees pp. 69-75	No
G4-LA4	a. Report the minimum number of weeks' notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them. b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.	Annex III. Performance indicators (Employees) pp. 103-114	No
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	4.1. Employees: Health and Safety pp. 73-75	No

G4 Indicators		Page / Information (Omissions)	External Assurance
G4-LA5	a. Report the level at which each formal joint management-worker health and safety committee typically operates within the organization. b. Report the percentage of the total workforce represented in formal joint management-worker health and safety committees.	Annex III. Performance indicators (Employees) pp. 103-114	No
G4-LA6	a. Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities, for the total workforce (that is, total employees plus supervised workers), by: Region and Gender. b. Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities for independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by: Region and Gender. c. Report the system of rules applied in recording and reporting accident statistics.	Annex III. Performance indicators: Employees pp. 103-114	No
G4-LA7	Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.	No professional activities have been identified as at risk of diseases.	No
G4-LA8	a. Report whether formal agreements (either local or global) with trade unions cover health and safety. b. If yes, report the extent, as a percentage, to which various health and safety topics are covered by these agreements.	The information is included in the collective bargaining agreements of the different countries in which the Company operates, but the percent range thereof is not available at present.	No
MATERIAL ASPECT: TRAINING AND EDUCATION			
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	4.1. Employees: Employee´s Training pp. 70-75	No
G4-LA9	a. Report the average hours of training that the organization´s employees have undertaken during the reporting period, by: Gender and Employee category.	4.1. Employees: Employee´s Training pp. 70-75 Annex III. Performance indicators (Employees) pp. 103-114	No
G4-LA10	a. Report on the type and scope of programs implemented and assistance provided to upgrade employee skills. b. Report on the transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	4.1. Employees: Employee´s Training pp. 70-75	No
G4-LA11	Report the percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	4.1. Employees (Professional development and recognition of effort) p. 72	No
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	4.1. Employees pp. 69-75	No

	G4 Indicators	Page / Information (Omissions)	External Assurance
G4-LA12	<p>a. Report the percentage of individuals within the organization's governance bodies in each of the following diversity categories: Gender; Age group: under 30 years old, 30-50 years old, over 50 years old; Minority groups; Other indicators of diversity where relevant.</p> <p>b. Report the percentage of employees per employee category in each of the following diversity categories: Gender; Age group: under 30 years old, 30-50 years old, over 50 years old; Minority groups; Other indicators of diversity where relevant.</p>	<p>2.1 Corporate governance (Board of Directors and Committees) pp. 36-38 Annex III. Performance indicators: Employees pp. 103-114</p>	No
MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN			
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	<p>4.1. Employees p. 69 Annex III. Performance indicators (Employees) pp. 103-114</p>	No
G4-LA13	<p>a. Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.</p> <p>b. Report the definition used for 'significant locations of operation'.</p>	<p>Annex III. Performance indicators (Employees) pp. 103-114</p>	No
CATEGORY: SOCIAL PERFORMANCE / SUB-CATEGORY: HUMAN RIGHTS			
MATERIAL ASPECT: INVESTMENT			
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	<p>2.2. Ethics and compliance pp. 39-42</p>	No
G4-HR1	<p>a. Report the total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.</p> <p>b. Report the definition of «significant investment agreements» used by the organization.</p>	<p>2.2. Ethics and compliance (Code of Ethics and Conduct and Whistleblower channel) p. 40</p>	No
G4-HR2	<p>a. Report the total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p> <p>b. Report the percentage of employees in the reporting period trained in human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p>	<p>2.2. Ethics and compliance (Code of Ethics and Conduct and Whistleblower channel) p. 40 4.1. Employees (Employee's Training) pp. 70-75 Annex III. Performance indicators (Employees) pp. 103-114</p>	No
MATERIAL ASPECT: NON-DISCRIMINATION			
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	<p>2.2. Ethics and compliance pp. 39-42</p>	No
G4-HR3	<p>a. Report the total number of incidents of discrimination during the reporting period.</p> <p>b. Report the status of the incidents and the actions taken.</p>	<p>2.2. Ethics and compliance (Whistleblower channel) p. 40</p>	No

G4 Indicators		Page / Information (Omissions)	External Assurance
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	4.1. Employees (Management of Labour Relations) pp. 69-70	No
G4-HR4	a. Report operations and suppliers in which employee rights to exercise freedom of association or collective bargaining may be violated or at significant risk. b. Report measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.	4.1. Employees (Management of Labour Relations) pp. 69-70 Annex III. Performance indicators (Employees) pp. 103-114	No
MATERIAL ASPECT: SECURITY PRACTICES			
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	2.2. Ethics and compliance pp. 39-42	No
G4-HR7	a. Report the percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security. b. Report whether training requirements also apply to third party organizations providing security personnel.	2.2. Ethics and compliance (Respect for Human Rights) pp. 41-42 4.1. Employees (Employee 's Training) pp. 70-75 Annex III. Performance indicators (Employees) pp. 103-114	No
MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS			
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	2.2. Ethics and compliance pp. 39-42	No
G4-HR12	a. Report the total number of grievances about human rights impacts filed through formal grievance mechanisms during the reporting period. b. Of the identified grievances, report how many were: Addressed during the reporting period; Resolved during the reporting period. c. Report the total number of grievances about human rights impacts filed prior to the reporting period that were resolved during the reporting period.	2.2. Ethics and compliance (Whistleblower channel) p. 40 Annex III. Performance indicators (Ethics and compliance) pp. 101-102	No
CATEGORY: SOCIAL PERFORMANCE / SUB-CATEGORY: SOCIETY			
MATERIAL ASPECT: ANTI-CORRUPTION			
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	2.2. Ethics and compliance pp. 39-42	No
G4-S03	a. Report the total number and percentage of operations assessed for risks related to corruption. b. Report the significant risks related to corruption identified through the risk assessment.	Annex III. Performance indicators (Ethics and compliance) pp. 101-102	No

G4 Indicators	Page / Information (Omissions)	External Assurance
G4-S04	a. Report the total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region. b. Report the total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. c. Report the total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. d. Report the total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Report the total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	Annex III. Performance indicators (Ethics and compliance) pp. 101-102 No
G4-S05	a. Report the total number and nature of confirmed incidents of corruption. b. Report the total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c. Report the total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Report public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	Annex III. Performance indicators (Ethics and compliance) pp. 101-102 No
MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOUR		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	2.2. Ethics and compliance pp. 39-42 No
G4-S07	a. Report the total number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant. b. Report the main outcomes of completed legal actions, including any decisions or judgments.	Annex III. Performance indicators (Ethics and compliance) pp. 101-102 No
MATERIAL ASPECT: COMPLIANCE WITH LAWS AND REGULATIONS		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	2.2. Ethics and compliance pp. 39-42 No
G4-S08	a. Report significant fines and non-monetary sanctions. b. If the organization has not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient. c. Report the context against which significant fines and non-monetary sanctions were incurred.	Annex III. Performance indicators (Ethics and compliance) pp. 101-102 No

G4 Indicators		Page / Information (Omissions)	External Assurance
CATEGORY: SOCIAL PERFORMANCE / SUB-CATEGORY: PRODUCT RESPONSIBILITY			
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY			
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	Prosegur, in accordance with its corporate purpose, assesses the impact on the health and safety of customers in all phases in the lifecycle of its products and services	No
G4-PR1	Report the percentage of significant product and service categories for which health and safety impacts are assessed for improvement	3.4 Management of risks and opportunities (The risk in daily work: operational and regulatory compliance risks) pp. 60-65 1.4 Differentiating factors (Prosegur, an innovative company) pp. 20-25	No
G4-PR2	a. Report the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services within the reporting period. b. If the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement of this fact is sufficient.	No incidents have been reported in this area	No
MATERIAL ASPECT: COMPLIANCE WITH LAWS AND REGULATIONS			
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	2.2. Ethics and compliance pp. 39-42	No
G4-PR9	a. Report the total monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. b. If the organization has not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient.	Annex III. Performance indicators (Ethics and compliance) pp. 101-102	No

Annex V

Compliance with the United Nations Global Compact

HUMAN RIGHTS		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	2.2. Ethics and compliance (Respect for Human Rights) pp. 41-42
Principle 2	Businesses should make sure they are not complicit in Human Rights abuses.	2.2. Ethics and compliance (Respect for Human Rights) pp. 41-42
LABOUR PRACTICES		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	4.1. Employees (Management of Labour relations) pp. 69-70
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	4.4. Suppliers and partners (Management of Suppliers) pp. 81-82
Principle 5	Businesses should uphold the effective abolition of child labour	4.4. Suppliers and partners (Management of Suppliers) pp. 81-82
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	4.1. Employees pp. 69-70
ENVIRONMENTAL		
Principle 7	Businesses should support a precautionary approach to environmental challenges	3.5. Environmental management pp. 66-67
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	3.5. Environmental management pp. 66-67
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	3.5. Environmental management pp. 66-67
ANTI-CORRUPTION		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	2.2. Ethics and compliance (Corporate Compliance Program) pp. 39-40

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CA

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CA Consolidated Annual Accounts

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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.

KPMG Auditores S.L., a limited liability Spanish company
and a member firm of the KPMG network of independent
member firms affiliated with KPMG International Cooperative
("KPMG International"), a Swiss entity.

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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

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)
Gross profit		932,586	876,109
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)
Operating profit/loss (EBIT)		324,245	307,247
Finance income	7	27,358	17,855
Finance expenses	7	(63,687)	(75,930)
Net financial expenses		(36,329)	(58,075)
Profit before tax		287,916	249,172
Income tax	27	(104,547)	(90,744)
Post-tax profit from continuing operations		183,369	158,428
Consolidated profit for the year		183,369	158,428
Attributable to:			
Owners of the parent		183,378	158,715
Non-controlling interests		(9)	(287)
Earnings per share from continuing operations attributable to the owners of the parent (Euros per share)			
— Basic	8	0.3065	0.2654
— Diluted	8	0.3065	0.2636

Notes included on pages 140 to 248 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
Profit/loss for the year		183,369	158,428
Other comprehensive income:			
Items which are not reclassified to profit and loss			
Actuarial gains (losses) on defined benefit plans	22	635	(180)
		635	(180)
Items which are reclassified to profit and loss			
Translation differences of financial statements of foreign operations	22	(269,361)	(17,661)
		(269,361)	(17,661)
Total comprehensive income for the year, net of tax		(85,357)	140,587
Attributable to:			
— Owners of the parent		(85,348)	139,716
— Non-controlling interests		(9)	871
		(85,357)	140,587

Notes included on pages 140 to 248 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
ASSETS			
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
Non-current assets		1,481,513	1,614,749
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
Current assets		1,293,629	1,397,533
Total assets		2,775,142	3,012,282
EQUITY			
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
Equity attributable to equity holders of the Parent		699,956	852,653
Non-controlling interests	22	(330)	11,408
Total equity		699,626	864,061
LIABILITIES			
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
Non-current liabilities		912,569	1,066,206
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
Current liabilities		1,162,947	1,082,015
Total liabilities		2,075,516	2,148,221
Total equity and liabilities		2,775,142	3,012,282

Notes included on pages 140 to 248 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							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 reser- ves (Note 22)	Non- controlling interests (Annex III)	
Balance on 1 January 2014	37,027	25,472	(125,180)	3,171	(226,337)	940,700	(329)	654,524
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	—	10,931
Balance at 31 December 2014	37,027	25,472	(53,493)	3,401	(245,156)	1,085,402	11,408	864,061
Total comprehensive income for the year	—	—	—	—	(269,361)	184,013	(9)	(85,357)
Dividends	—	—	—	—	—	(65,947)	—	(65,947)
Other movements	—	—	132	(3,401)	—	1,999	(11,729)	(13,131)
Balance at 31 December 2015	37,027	25,472	(53,493)	—	(514,517)	1,205,467	(330)	699,626

Notes included on pages 140 to 248 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
Cash flows from operating activities			
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
Changes in working capital, net of the effect of acquisitions and translation differences			
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
Cash from operating activities			
Interest paid		(27,791)	(43,280)
Income tax paid		(115,921)	(97,694)
Net cash from operating activities		298,695	247,152

Notes included on pages 140 to 248 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
Cash flows from investing activities			
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)
Net cash from investing activities		(195,238)	(189,647)
Cash flows from financing activities			
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)
Net cash from financing activities		(37,601)	(55,004)
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)
Cash and cash equivalents at the end of the period		316,434	285,056

Notes included on pages 140 to 248 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 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.

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
Total revenues	3,959,384	3,782,583

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
Total costs to sell		3,026,798	2,906,474
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
Total sale and administrative expenses		599,968	560,839

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
Total employee benefits expense		2,712,829	2,515,334

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

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	—	—
Total liabilities for employee benefits	1,803	3,007	4,023	4,948

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)
Total other expenses		(14,176)	(16,294)

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
Interest paid:		
– 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)
	(32,303)	(32,877)
Interest received:		
– Loans and other investments	5,608	5,820
	5,608	5,820
Other results		
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)
	(9,634)	(31,018)
Net financial expenses	(36,329)	(58,075)
Total finance income	27,358	17,855
Total finance costs	(63,687)	(75,930)
	(36,329)	(58,075)

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
Basic earnings per share	0.3065	0.2654

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
Diluted earnings per share	0.3065	0.2636

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%
Total sales	1,598,258	1,581,283	2,361,126	2,201,300	3,959,384	3,782,583

Details of EBITDA and EBIT by segment are as follows:

Thousands of euros						
	Europe & Asia-Pacific		LatAm		Total	
	2015	2014	2015	2014	2015	2014
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)
EBIT	70,804	65,074	253,441	242,173	324,245	307,247

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)
Profit for the year attributable to owners of the parent	183,378	158,715

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

Thousands of euros				
	Revenue		Non-current assets allocated to segments	
	2015	2014	2015	2014
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
	3,959,384	3,782,583	1,389,511	1,556,593

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

Thousands of euros								
	Europe & Asia-Pacific		LatAm		Not allocated to segments		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Assets allocated to segments	920,180	982,108	1,445,787	1,678,521	—	—	2,365,967	2,660,629
Other unallocated assets	—	—	—	—	409,175	351,653	409,175	351,653
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
	920,180	982,108	1,445,787	1,678,521	409,175	351,653	2,775,142	3,012,282

“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:

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

11. Property, plant and equipment

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

Thousands of euros						
	Land and buildings	Technical installations and machinery	Other installations and furniture	Other property, plant and equipment	Advances and assets under construction	Total
Cost						
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)
Balance at 31 December 2014	234,245	110,819	286,566	331,750	43,584	1,006,964
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)	—
Balance at 31 December 2015	219,463	110,043	290,854	310,687	34,256	965,303

Thousands of euros

	Land and buildings	Technical installations and machinery	Other installations and furniture	Other property, plant and equipment	Advances and assets under construction	Total
Amortisation and impairment						
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)
Balance at 31 December 2014	(47,988)	(59,208)	(177,772)	(215,457)	—	(500,425)
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)
Balance at 31 December 2015	(48,290)	(59,485)	(181,514)	(208,913)	—	(498,202)
Carrying amount						
At 01 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
At 01 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)
Carrying value	27,722	34,492

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)
Carrying value	36,244	31,415

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)
Net book value	3,341	2,132	21	13,225	18,719

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)
Net book value	3,989	2,555	43	21,318	27,905

12. Goodwill

Details of movement in goodwill are as follows:

Thousands of euros		
	2015	2014
Balance at 1 January	532,219	515,959
Combinaciones de negocio (Nota 30)	1,420	6,395
New additions	221	13,798
Write offs	(2,502)	(1,541)
Translation differences	(37,207)	(2,392)
Balance at 31 December	494,151	532,219

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

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

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

	Country	2014	
		% ownership	Thousands of euros
Evttec 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
			6,395

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	2015
		Thousands of euros
Transvig-Transporte de Valores e Vigilancia LTDA	(Brazil)	221
		221

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

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
Subtotal Europe & Asia-Pacific	218,835	219,807
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
Subtotal LatAm	275,316	312,412
Total	494,151	532,219

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 ⁽¹⁾	1.80%	7.89%	1.74%	6.93%
Discount rate ⁽²⁾	5.56%	20.49%	5.62%	16.54%

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

⁽²⁾ 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
Cost					
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
Balance at 31 December 2014	101,917	390,442	42,085	27,384	561,828
Translation differences	(9,722)	(65,715)	(5,815)	(2,437)	(83,689)
CBusiness Combinations (Nota 30)	14	672	8,877	—	9,563
New additions	16,906	—	—	3,448	20,354
Write offs	(1,146)	—	(14,956)	—	(16,102)
Balance at 31 December 2015	107,969	325,399	30,191	28,395	491,954
Amortisation and impairment					
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)
Balance at 31 December 2014	(61,494)	(134,488)	(22,030)	(19,543)	(237,555)
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)
Balance at 31 December 2015	(66,404)	(136,419)	(20,524)	(22,635)	(245,982)
Carrying amount					
At 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
At 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			Remaining useful life
	Cost	Amortisation and impairment	Carrying amount	
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
	188.137	(50.700)	137.437	

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

	2014			Remaining useful life
	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
	240,809	(52,326)	188,483	

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

Thousands of euros	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)	—	—
	672	8,877	—

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:

Thousands of euros	Client portfolios	Trademarks and licences	Other intangible assets
Chubb Security Services Pty Ltd (Australia)	195	—	—
Evttec Management Services Pte Ltd (Singapore)	1,663	—	—
Chorus Group (Germany)	843	—	—
Transvig – Transporte de Valores e Vigilancia LTDA (Brazil)	3,056	—	—
	5,757	—	—

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	
Cost	
Balance at 1 January 2014	—
Translation differences	1,672
New additions	45,267
Balance on 1 January 2015	46,939
Translation differences	(33,203)
New additions	71,315
Balance at 31 December 2015	85,051
Amortisation and impairment	
Balance at 1 January 2014	—
Translation differences	(15)
Amortisation for the year	(395)
Balance at 1 January 2015	(410)
Translation differences	519
Amortisation for the year	(1,482)
Balance at 31 december 2015	(1,373)
Carrying amount	
At 1 January 2014	—
At 31 December 2014	46,529
At 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:

Thousands of euros	
Investment property	Fair Value
Bouchard 551 (Planta 7º, 8º, 9º, 10º y 11º)	41,759
Torre Intercontinental, Moreno 845/847/87 Alsina 880 y Tacuari 242/292	48,302
	90,061

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	—	—
	6,687	4,810

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
	18,328	12,580
Thousands of euros	2015	2014
Balance at 1 January	12,580	6,120
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
Balance at 31 December	18,328	12,580

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)
Balance at 31 December	18,328	12,580

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 con-

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
Assets:		
Non-current assets	482	7
Current assets	19,851	4,057
	20,333	4,064
Liabilities:		
Non-current liabilities	—	—
Current liabilities	20,333	(4,064)
	20,333	(4,064)
Net profit:		
Income	75,230	22,707
Expenses	(76,378)	(23,238)
Net loss	(1,148)	(531)

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
	8,324	11,627

Available-for-sale financial assets

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

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

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
	3,775		35,426

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
	6,639		35,263

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
Balance at 1 January	1,035	1,943
New additions	290	651
Write offs	(195)	(1,462)
Translation differences	(145)	(97)
Balance at 31 December	985	1,035

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)
	69,695	59,646

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
Balance at 1 January	(3,429)	(2,867)
Additions	(2,015)	(1,115)
Applications and other	(241)	553
Translation differences	325	—
Balance at 31 December	(5,360)	(3,429)

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
Current	838,312	949,615

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
	339,781	372,429

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
Balance at 1 January	(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
Balance at 31 December	(58,596)	(63,429)

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
Balance at 1 January	8,441	1,202
New additions	745	7,444
Write offs	(8,441)	(1,202)
Translation differences	(6)	997
Balance at 31 December	739	8,441

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
				739

Description	Date of issue	Matures on	Main	Balance on 31/12/2014
Fixed-term deposit	2/2/2014	2/2/2015	7.240	8.237
Other financial assets			204	204
				8.441

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
	316,434	285,056

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:

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

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 ⁽¹⁾	309,240,330	309,240,330
Oppenheimer Acquisition Corporation ⁽²⁾	34,957,437	34,957,437
Mrs Mirta Giesso Cazenave ⁽³⁾	34,778,187	34,716,130
Cantillon Capital Management LLC ⁽⁴⁾	18,821,350	18,821,350
FMR LLC ⁽⁵⁾	—	29,908,843
Other	219,327,336	189,480,550
	617,124,640	617,124,640

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

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

⁽³⁾ Both directly and via AS Inversiones, S.L.

⁽⁴⁾ Through a series of managed funds.

⁽⁵⁾ 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
Balance on 1 January 2014	43,685,484	125,180
Sale of own shares	(24,882,749)	(71,555)
Other distributions	(45,845)	(132)
Balance at 31 December 2014	18,756,890	53,493
Sale of own shares	—	—
Other distributions	—	—
Balance at 31 December 2015	18,756,890	53,493

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
Balance at 1 January	3,401	3,171
Share-based incentives accrued during the year	—	1,865
Share-based payments exercised	—	(1,635)
Transfers	(3,401)	
Balance at 31 December	—	3,401

22.3. Cumulative translation differences

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

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

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
Balance at 1 January 2014	7,406	165	933,129	940,700
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
Balance at 31 December 2014	7,406	165	1,077,831	1,085,402
Total comprehensive income for the year	—	—	184,013	184,013
Distribution of Profit	—	—	(65,947)	(65,947)
Other movements	—	—	1,999	1,999
Balance at 31 December 2015	7,406	165	1,197,896	1,205,467

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
Basis of allocation		
Profit/loss for the year	68,924	68,941
	68,924	68,941
Allocation		
Voluntary reserves	735	2,994
Dividends	68,189	65,947
	68,924	68,941

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
Balance at 1 January 2015	113,476	9,996	18,180	15,270	3,659	67,083	227,664
Provisions charged to income statement	54,091	6,749	—	(412)	4,852	32,449	97,729
Reversals credited to income statement	(4,903)	(3,524)	(1,823)	—	—	(2,089)	(12,339)
Applications	(49,904)	(2,726)	(12,536)	(74)	(5,877)	(14,924)	(86,041)
Reversal posted to Net Equity	—	—	—	(961)	—	—	(961)
Transfers	(4,126)	—	—	(6,697)	3,401	12,391	4,969
Translation differences	(24,360)	(1,582)	—	(687)	—	(17,819)	(44,448)
Balance at 31 December 2015	84,274	8,913	3,821	6,439	6,035	77,091	186,573
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 Transpev 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
		617,291	338,249	712,222	251,634

Thousands of euros						
	Currency	Year of maturity	2015		2014	
			Non-current	Current	Non-current	Current
Debentures and other negotiable securities	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
			617,291	338,249	712,222	251,634

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
	653,365	570,188

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:

Thousands of euros				
Repayment date	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)
	20,322	35,251

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

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
Evttec 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
		23,471	27,456	54,280	39,224

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
	692,677	681,235

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:

Thousands of euros	2015		2014	
	Non-current	Current	Non-current	Current
	Revenues received in advance	—	28,451	18
Other liabilities	—	12,712	—	6,303
	—	41,163	18	38,672

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	2015	2014
Current tax	127,517	102,839
Deferred tax	(22,970)	(12,095)
	104,547	90,744

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

Miles de euros	2015	2014
From year	116,872	99,184
Adjustments from previous years	455	906
Loss without recognised deferred tax	10,190	2,749
	127,517	102,839

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

Thousands of euros	2015	2014
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
	(22,970)	(12,095)

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

Thousands of euros	2015	2014
Profit before income tax	287,916	249,172
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)
Income tax expense	104,547	90,744

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:

Thousands of euros		
Tax rate	2015	2014
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)	(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)	93	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
	—	(327)	—	93

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)
	25,149	(3,986)

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
Total	163,959	(116,838)	180,982	(148,491)

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:

Thousands of euros			
Year	Total	Not capitalised	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
	244,030	109,647	134,383

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
Total	244,030	1,208	4,198	238,624

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

Thousands of euros		
	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
Total	134,383	109,647

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 Distribuçao e Servicos 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 Promoçao e Comercialiçao 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 Serviçios Aeroportuarios Ltda from Prosegur Compañía de Seguridad, S.A. to Prosegur Global SIS, S.L.U.
 - Contribution of 100% of the shares of SES Serviçios 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 guarantees	130,355	153,848
	260,957	233,144

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
	13,531	12,876

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
	28,400	42,155	13,162

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	—
	27,320	57,566	5,365

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
Subsidiaries						
Call Centre and Back Office activity line ⁽¹⁾	Europe & Asia-Pacific	2,186	—	2,186	1,058	1,128
Nanjing Zhong Dun Security Services ⁽¹⁾	Europe & Asia-Pacific	88	176	264	162	102
Centro Informático de Vigo S.A. ⁽¹⁾	Europe & Asia-Pacific	283	—	283	93	190
		2,557	176	2,733	1,313	1,420

⁽¹⁾ 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.

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	—	2,186
Nanjing Zhong Dun Security Services	China	88	(6)	82
Centro Informático de Vigo S.A.	Spain	283	(18)	265
		2,557	(24)	2,533

"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)
Identifiable net assets acquired	86	1,058

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)
Identifiable net assets acquired	8	162

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)
Identifiable net assets acquired	64	93

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	Carrying amount of the acquiree	Fair value
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)
Identifiable net assets acquired	418	2,213

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		
	Carrying amount of the acquiree	Fair value
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)
Identifiable net assets acquired	(432)	6,072

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
Evttec Management Services PTE LTD	Asia-Pacific	2,098	2,183	4,281	2,783	1,498
Grupo Chorus	Europe	1,689	—	1,689	277	1,412
		3,787	2,183	5,970	3,060	2,910

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
Evttec Management Services PTE LTD	Singapore	2,098	(537)	1,561
Chorus Group	Germany	1,689	(96)	1,593
		3,787	(633)	3,154

Evttec Management Services PTE LTD

On 23 January 2014, Prosegur acquired 100% of Evttec 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 Evttec 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
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)
Identifiable net assets acquired	1,403	2,783

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
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)
Identifiable net assets acquired	(315)	277

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 Committee	710	717
Per diems	206	190
Life insurance premiums	53	51
	2,853	2,779

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
	5,073	5,525

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 amount 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
Total non-current assets	33,508	91	—	—	—	—	33,599
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
Total current assets	696,945	33,937	—	—	13	13,426	744,321
Financial Liabilities	546,920	204	—	—	—	—	547,124
Non-current liabilities	546,920	204	—	—	—	—	547,124
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
Current liabilities	799,338	38,847	3,205	2,727	1,144	3,854	849,115
Net position	(615,805)	(5,023)	(3,205)	(2,727)	(1,131)	9,572	(618,319)

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
Total non-current assets	38,266	7,619	—	—	—	—	45,885
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
Total current assets	638,034	22,219	—	—	15	—	660,268
Financial Liabilities	536,001	173	3,775	389	—	—	540,338
Non-current liabilities	536,001	173	3,775	389	—	—	540,338
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
Current liabilities	660,193	58,486	1,421	2,828	1,146	684	724,758
Net position	(519,894)	(28,821)	(5,196)	(3,217)	(1,131)	(684)	(558,943)

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

	2015		2014	
	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

	Increase in exchange rate		Drop in exchange rate	
	Net worth	Profit/loss	Net worth	Profit/loss
31 December 2015				
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)
31 December 2014				
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
Counterparty		
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.

Thousands of euros							
	Carrying amount	2015					
		Contractual cash flows	6 months or less	6 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Non-derivative financial liabilities							
Debentures and other marketable securities	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	—	—	—	—
	1,481,433	1,543,773	723,811	160,645	64,304	592,980	2,033

Thousands of euros							
	Carrying amount	2014					
		Contractual cash flows	6 months or less	6 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Non-derivative financial liabilities							
Debentures and other marketable securities	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	—	—	—	—
	1,468,807	1,579,014	667,800	102,962	118,701	686,665	2,886

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
On 31 December 2015					
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
	157,061	149,064	589,012	1,662	896,799
On 31 December 2014					
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
	111,294	90,896	653,356	2,303	857,849

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:

Thousands of euros

	Total debt	Hedged debt	Debt exposure
On 31 December 2015			
Europe & Asia-Pacific	819,487	519,853	299,634
LatAm	136,053	22,429	113,624
	955,540	542,282	413,258
On 31 December 2014			
Europe & Asia-Pacific	782,697	524,095	258,602
LatAm	181,159	32,358	148,801
	963,856	556,453	407,403

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
Total capital	1,279,252	1,428,413
Gearing ratio	45.31%	39.51%
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
Financial assets recognised at fair value									
Investments and other assets	—	—	—	—	—	—	—	—	—
	—	—	—	—	—				
Financial assets not measured at fair value									
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				
Financial liabilities recognised at fair value									
Contingent payments	—	—	(142)	—	(142)	—	—	(142)	(142)
	—	—	(142)	—	(142)				
Financial liabilities not measured at fair value									
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 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
Financial assets recognised at fair value									
Investments and other assets	3,027	—	—	—	3,027	—	—	3,027	3,027
	3,027	—	—	—	3,027				
Financial assets not measured at fair value									
Deposits and guarantees	—	3,953	—	—	3,953				
Deposits	—	13,088	—	—	13,088				
Trade and other receivables	—	837,474	—	—	837,474				
Cash and cash equivalents	—	285,056	—	—	285,056				
	—	1,139,571	—	—	1,139,571				
Financial liabilities recognised at fair value									
Contingent payments	—	—	(1,191)	—	(1,191)	—	—	(1,191)	(1,191)
	—	—	(1,191)	—	(1,191)				
Financial liabilities not measured at fair value									
Financial liabilities by bonds issue	—	—	—	(507,486)	(507,486)	(534,814)	—	—	(534,814)
Financial liabilities from financial institutions	—	—	—	(350,363)	(350,363)	—	(351,079)	—	(351,079)
Other financial liabilities	—	—	—	(104,816)	(104,816)	—	(104,816)	—	(104,816)
Trade and other payables	—	—	—	(504,951)	(504,951)				
	—	—	—	(1,467,616)	(1,467,616)				

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	Discounted cash flows: 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

33. Other information

The average headcount of Prosegur is as follows:

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

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
	325	253

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
	136,549	25,273	134,745	23,293

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
	17	4	21	6

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	—	—
	669	511

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
	2,099	2,815

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
	29	278

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, including 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.

Appendix I

Consolidated Subsidiaries

Information at 31 December 2015 [G4-17]

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	Prosegur Cia de Seguridad, S.A.	a	5	A
		95	Prosegur Intenational Handels GmbH			
Juncadella Prosegur Internacional SA	Pajaritos, 24 (MADRID)	68,79	Armor Acquisition SA	a	5	A
		31,21	Prosegur Intenational Handels GmbH			
Prosegur International CIT 1, SL	Pajaritos, 24 (MADRID)	0,03	Prosegur Cia de Seguridad, S.A.	a	5	B
		99,97	Prosegur Global CIT SLU			
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 GmbH	Poststrabe, 33 (HAMBURG)	100	Malcoff Holding BV	a	5	B

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding	Company			
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	Prosegur Gestión de Activos SLU	a	5	B
		0	Prosegur Investments Verwaltungs GmbH	a	5	A
Prosegur Berlin SL & Co KG	Kokkolastrasse 5, 40882 Ratingen	100	Prosegur Global CIT ROW SLU	a	2	B
		0	Prosegur Berlin SLU	a	5	A
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 Saint Priest	95	Prosegur Cia de Seguridad, S.A.	a	6	B
		5	Prosegur Gestion de Activos International SL	a	5	A
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 SA	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 FRÉRE 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

Information at 31 December 2015 [G4-17]

Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding Company				
Prosecur Traitemet de Valeurs Azur, SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100	Prosecur Participations, S.A.S.	a	2	A
Prosecur Logistique de Valerus Azur, SA	1267 Ave Pierre et Marie Curie - Z.I. Secteur C - 06700 SAINT-LAURENT DU VAR	100	Prosecur Participations, S.A.S.	a	2	A
Prosecur Traitement de Valeurs Provence SAS	604 Avenue du Col de l'Ange - ZA des Plaines de Jouques - 13420 GEMENOS	100	Prosecur Participations, S.A.S.	a	2	B
Malcoff Holdings BV	Schouburgplein, 30-34 (ROTTERDAM)	100	Prosecur Cia de Seguridad, S.A.	a	5	B
Luxpai Holdo S.A.R.L.	23, Avenue Monterey - 2163 Luxembourg	100	Prosecur Cia de Seguridad, S.A.	a	5	B
Pitco Reinsurance	Avenue Monterey, L-2163 Luxemburg	100	Luxpai Holdo S.A.R.L.	a	7	A
Luxpai CIT SARL	23, Avenue Monterey - 2163 Luxembourg	100	Prosecur Global CIT ROW SLU	a	5	B
Prosecur Gestao de Activos Imobiliarios SA	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosecur Cia de Seguridad, S.A.	a	6	B
Prosecur Companhia de Seguranca, Ltda.	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosecur Cia de Seguridad, S.A.	a	4	A
Prosecur Distribucao e Servicos, Ltda.	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosecur Global SIS ROW SLU	a	1	B
Prosecur Agencia Promocao e Comercializacao de Productos e Servicios Unipessoal LDA	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosecur Alarmas Espanha SLU	a	3	B
Prosecur Logistica e Tratamento de Valores Portugal Unipessoal Ltda	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosecur Cia de Seguridad, S.A.	a	2	B
Prosecur Alarmes Dissuasao Potugal Unipessoal Ltda	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosecur Cia de Seguridad, S.A.	a	3	B
Prosecur SES Servicos Especiais de Seguranca Unipessoal Lda	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosecur Global SIS ROW SLU	a	1	B
Prosecur ESSPP Empresa de Servicos Partilhados Unipessoal Lda	Av.Infante Dom Henrique, 326 (LISBOA)	100	Prosecur 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	Prosecur Cia de Seguridad, S.A.	a	2	B
		49	Rosegur, S.A.			
Transportadora de Caudales de Juncadella SA	Tres Arroyos 2835 Ciudad de Buenos Aires	92,15	Juncadella Prosecur Internacional S.A.			
		4,85	Armor Acquisition SA	a	2	A
		2,85	Prosecur Inversiones Argentina S.A.			
		0,15	Prosecur Argentina Holding S.A.			
Prosecur Seguridad, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94,05	Juncadella Prosecur Internacional S.A.			
		4,95	Armor Acquisition SA	a	1	C
		0,05	Prosecur Argentina Holding S.A.			
		0,95	Prosecur Inversiones Argentina, S.A.			

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding Company				
Prosegur Argentina Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95	Juncadella Prosegur Internacional S.A.	a	5	C
		5	Armor Acquisition SA			
Prosegur Inversiones Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95	Juncadella Prosegur Internacional S.A.	a	5	C
		5	Armor Acquisition SA			
Prosegur Vigilancia Activa, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94,05	Juncadella Prosegur Internacional S.A.	a	1	C
		4,95	Armor Acquisition SA			
		0,05	Prosegur Argentina Holding S.A.			
		0,95	Prosegur Inversiones Argentina, S.A.			
Servicios Auxiliares Petroleros, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94,05	Juncadella Prosegur Internacional S.A.	a	1	C
		4,95	Armor Acquisition SA			
		0,05	Prosegur Argentina Holding S.A.			
		0,95	Prosegur Inversiones Argentina, S.A.			
Xiden, S.A.C.I.	Tres Arroyos 2835 Ciudad de Buenos Aires	7,86	Prosegur Cia de Seguridad, S.A.	a	1	C
		92,14	Juncadella Prosegur Internacional S.A.			
Prosegur Tecnología Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95	Juncadella Prosegur Internacional S.A.	a	1	C
		5	Prosegur Cia de Seguridad, S.A.			
General Industries Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90	Prosegur Cia de Seguridad, S.A.	a	1	C
		10	Juncadella Prosegur Internacional S.A.			
Tellex, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95	Prosegur Cia de Seguridad, S.A.	a	1	C
		5	Armor Acquisition SA			
Prosegur Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90	Prosegur Global Alarmas SLU	a	5	C
		10	Prosegur Cia de Seguridad, S.A.			
Prosegur Inversiones, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90	Prosegur Global Alarmas SLU	a	5	C
		10	Prosegur Cia de Seguridad, S.A.			
Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90	Prosegur Holding, S.A.	a	3	B
		10	Prosegur Inversiones, SA			
Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	39,53	Juncadella Prosegur Internacional S.A.	a	1	A
		59,47	Armor Acquisition SA			
		0,95	Prosegur Inversiones Argentina S.A.			
		0,05	Prosegur Argentina Holding S.A.			

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding	Company			
TC Interplata, S.A.	Perú, 1578, Ciudad de Buenos Aires	95	Transportadora de Caudales de Juncadella SA	a	2	C
		4	Juncadella Prosegur Internacional S.A.			
		1	Prosegur Inversiones Argentina S.A.			
Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	94,05	Juncadella Prosegur Internacional S.A.	a	1	C
		4,95	Armor Acquisition SA			
		0,95	Prosegur Inversiones Argentina S.A.			
		0,05	Prosegur Argentina Holding S.A.			
TSR Participacoes Societarias SA	Avenida Thomas Edison, 813 - 1º andar- Barra Funda - CEP 01140-001 São Paulo - SP	47,08	Juncadella Prosegur Internacional S.A.	a	5	C
		52,92	Prosegur Global CIT SLU			
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	Prosegur Global SIS SLU	a	1	C
		43,8	Prosegur International SIS SLU			
CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - CEP 88134 - 100 Palhoça	99,62	Prosegur Brasil SA Transportadora de Valores e Segurança	a	7	D
		0,38	Prosegur Sistemas de Segurança Ltda			
Prosegur Administração de Recebíveis Ltda	Avenida Thomas Edison, 813 - Barra Funda - CEP 01140-001 São Paulo - SP	99,79	Prosegur Global SIS SLU	a	7	D
		0,21	Prosegur Sistemas de Segurança Ltda			
Prosegur Tecnologia em Sistemas de Segurança Eletrônica e Incendios Ltda.	Rua Barao do Brnanal, 1301, Vila Pompeia Sao Paulo 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 Tecnologia 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 Aeroportuários 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.			

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding	Company			
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 Internacional CIT 1, SLU			
		6,84	Prosegur Internacional 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 Internacional 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 Internacional Handels GmbH			
Servicios de Seguridad Prosegur Regiones Limitada	Los Gobelinos 2567 Of. 203, Renca, Santiago	99	Prosegur Chile, S.A.	a	1	D
		1	Juncadella Prosegur Group Andina SA			
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 Internacional 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 Internacional 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 Internacional 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 Internacional Alarmas SLU			
		0,00	Formacion Seleccion y Consultoria SA			
		0,00	ESC Servicios Generales SLU			

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding Company				
Prosegur Procesos SAS	Avda. De las Américas, 42-25 Bogotá	100	Compañía Transportadora de Valores 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.			

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding	Company			
Prosegur Cajeros SA	La Chira, 103 - Surco - Lima	52	Juncadella Prosegur Internacional SA	a	2	D
		48	Transportadora de Caudales de Juncadella SA			
Prosegur Tecnología Perú SA	La Chira, 103 - Surco - Lima	99	Prosegur Cia de Seguridad, S.A.	a	1	D
		1	Prosegur Global Alarmas SLU			
Proseguridad Perú SA	AV. LOS PROCERES NRO. 250 URB. SAN ROQUE CIVIL (PRIMER PISO MZ 0 LT.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.			
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.	55,032	Prosegur Mexico S de RL de CV	a	2	B
		44,968	Prosegur Cia de Seguridad, S.A.			
		0,000	Prosegur Compañía de Seguridad SA de CV			
Prosegur Seguridad Privada SA de CV	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	99,99	Prosegur Mexico S de RL de CV	a	1	C
		0,01	Prosegur Compañía de Seguridad SA de CV			

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding	Company			
Prosegur Consultoria y Servicios Administrativos S de RL de CV	Norte 79 B No. 77 Colonia Sector Naval. 02080 MEXICO D.F.	99,9998	Prosegur Mexico S de RL de CV	a	4	C
		0,0002	Prosegur Compañía de Seguridad SA de CV			
Prosegur Servicios de Seguridad Privada Electrónica SA de CV	Distrito Federal, Azcapotzalco, Hogar y Seguridad, calle Piña-297	99,9998	Prosegur Mexico S de RL de CV	a	2	C
		0,0002	Prosegur Compañía de Seguridad SA de CV			
Prosegur Custodias, S.A. de CV	Estado de Mexico, Tlalnepanla de Baz, Los Reyes Industrial, calle Alfredo Nobel-21	99,99991	Prosegur Mexico S de RL de CV	a	1	C
		0,00009	Prosegur Compañía de Seguridad SA de CV			
Grupo Mercurio de Transportes SA de CV	Distrito Federal, Azcapotzalco, Sector Naval, AV De las Granjas -76	0,002	Prosegur Custodias, S.A. de CV	a	2	C
		99,998	Grupo Tratamiento y Gestion de Valores SAPI de CV			
Prosegur Tecnologia SA de CV	Distrito Federal, Azcapotzalco, Hogar y Seguridad, calle Piña-297	99,9998	Prosegur Mexico S de RL de CV	a	1	C
		0,0002	Prosegur Compañía de Seguridad SA de CV			
Grupo Tratamiento y Gestión de Valores SAPI de CV	Distrito Federal, Azcapotzalco, Sector Naval, calle Norte 79 B	80	Prosegur Cia de Seguridad, S.A.	a	5	C
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			
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	Prosegur SA	a	5	D
Prosegur Transportadora de Caudales SA	Guarani 1531 (Montevideo)	99,91	Juncadella Prosegur Internacional SA	a	2	C
		0,09	Armor Acquisition SA			
Transportadora de Valores Silviland SA	Guarani 1531 (Montevideo)	100	Prosegur Transportadora de Caudales SA	a	2	A
Prosegur Activa Uruguay, S.A.	Guarani 1531 (Montevideo)	100	Prosegur Global Alarmas SLU	a	3	A
Nautiland, SA	MICHELINI, ZELMAR 1121 - MALDONADO	100	Prosegur Activa Uruguay, S.A.	a	3	B
Blindados, SRL	Guarani 1531 (Montevideo)	99	Prosegur Transportadora de Caudales SA	a	3	B
		1	Prosegur Global CIT SLU			
Genper, S.A.	Guarani 1531 (Montevideo)	100	Prosegur Global SIS SLU	a	1	A
Prosegur Uruguay Compañía de Seguridad, S.A.	Guarani 1531 (Montevideo)	90	Prosegur Uruguay BV SA	a	2	A
		10	Prosegur Global SIS SLU			
GSM Telecom SA	Del pino, Simon 1055, Piriapolis, Maldonado	100	Prosegur Activa Uruguay, S.A.	a	3	B

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding	Company			
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	3	A
Roytronic SA	Guarani 1531 (Montevideo)	100	Prosegur Activa Uruguay, S.A.	a	4	B
Pitco Shanghai Trading Co Ltd	North Shanxi Road 1438, Room 308 Shanghai 200060, China	100	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	Luxpai Holdo SARL	a	7	B
Imperial Dragon Security Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	100	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	Luxpai Holdo SARL	a	5	C
		0,05	Imperial Dragon Security Ltd			
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	Roon 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 Pted 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 Alarmas ROW SLU	a	5	B

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding Company				
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	Luxpai Holdo SARL	a	7	B
		0,01	Pitco Asia Pacific Ltd			
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	Prosegur Cia de Seguridad, S.A.	a	8	B
		40,02	Esta Service SAS			
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	Prosegur Cia de Seguridad, S.A.	a	8	B
		95,2	Esta Service SAS			

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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/ Pisuerga, 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			

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding	Company			
Juncadella Prosegur Internacional SA	Pajaritos, 24 (MADRID)	69,00	Armor Acquisition SA	a	5	A
		31,00	Prosegur Intenational Handels GmbH	a	5	A
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 Sécurité 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 Traitemet 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 Serruries 57070 Metz	100,00	Prosegur France SAS	a	1	A

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding	Company			
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 Luxemburg	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 Seguranca, Lda.	Av. Infante Dom Henrique, 326 (LISBOA)	100,00	Prosegur Cia de Seguridad, S.A.	a	4	A
Rosegur Cash Services SA	Bulevardul Ghica Tei , Nr. 64-70, Sector 2, Cod 023708, Bucuresti, Romania	51,00	Prosegur Cia de Seguridad, S.A.	a	2	B
		49,00	Rosegur, S.A.			
Transportadora de Caudales de Juncadella SA	Tres Arroyos 2835 Ciudad de Buenos Aires	91,10	Juncadella Prosegur Internacional S.A.	a	2	A
		4,90	Armor Acquisition SA			
		2,90	Prosegur Inversiones Argentina S.A.			
		0,10	Prosegur Argentina Holding S.A.			
Prosegur Seguridad, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94,05	Juncadella Prosegur Internacional S.A.	a	1	A
		4,95	Armor Acquisition SA			
		0,95	Prosegur Inversiones Argentina S.A.			
		0,05	Prosegur Argentina Holding S.A.			
Prosegur Argentina Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95,00	Juncadella Prosegur Internacional S.A.	a	5	A
		5,00	Armor Acquisition SA			
Prosegur Inversiones Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95,00	Juncadella Prosegur Internacional S.A.	a	5	A
		5,00	Armor Acquisition SA			
Prosegur Vigilancia Activa, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94,05	Juncadella Prosegur Internacional S.A.	a	1	A
		4,95	Armor Acquisition SA			
		0,95	Prosegur Inversiones Argentina S.A.			
		0,05	Prosegur Argentina Holding S.A.			
Servicios Auxiliares Petroleros, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	94,05	Juncadella Prosegur Internacional S.A.	a	1	A
		4,95	Armor Acquisition SA			
		0,95	Prosegur Inversiones Argentina S.A.			
		0,05	Prosegur Argentina Holding S.A.			

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding Company				
Xiden, S.A.C.I.	Tres Arroyos 2835 Ciudad de Buenos Aires	7,90	Prosegur Cia de Seguridad, S.A.	a	3	A
		92,10	Juncadella Prosegur Internacional S.A.			
Prosegur Tecnología Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95,00	Juncadella Prosegur Internacional S.A.	a	3	A
		5,00	Prosegur Cia de Seguridad, S.A.			
General Industries Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90,00	Prosegur Cia de Seguridad, S.A.	a	3	A
		10,00	Juncadella Prosegur Internacional S.A.			
Tellex, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	95,00	Prosegur Cia de Seguridad, S.A.	a	3	A
		5,00	Armor Acquisition SA			
Prosegur Holding, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90,00	Prosegur Activa Holding S.A	a	5	A
		10,00	Prosegur Cia de Seguridad, S.A.			
Prosegur Inversiones, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90,00	Prosegur Activa Holding S.A	a	5	A
		10,00	Prosegur Cia de Seguridad, S.A.			
Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	90,00	Prosegur Holding, S.A.	a	3	A
		10,00	Prosegur Inversiones, SA			
Prosegur, S.A.	Tres Arroyos 2835 Ciudad de Buenos Aires	39,53	Juncadella Prosegur Internacional S.A.	a	1	A
		59,47	Armor Acquisition SA			
		0,95	Prosegur Inversiones Argentina S.A.			
		0,05	Prosegur Argentina Holding S.A.			
TC Interplata, S.A.	Perú, 1578, Ciudad de Buenos Aires	95,00	Transportadora de Caudales de Juncadella SA	a	2	A
		4,00	Juncadella Prosegur Internacional S.A.			
		1,00	Prosegur Inversiones Argentina S.A.			
Servin Seguridad, S. A.	Montevideo 666, piso 3º, oficina 302. Buenos Aires.	94,05	Juncadella Prosegur Internacional S.A.	a	1	A
		4,95	Armor Acquisition SA			
		0,95	Prosegur Inversiones Argentina S.A.			
		0,05	Prosegur Argentina Holding S.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

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding Company				
Prosegur Sistemas de Segurança Ltda	Guaratã, 667 - Prado - Belo Horizonte - MG	98,80	TSR Participacoes Societarias SA	a	4	A
		0,20	Prosegur Activa Alarmes S.A.			
		1,00	Prosegur Brasil SA Transportadora de Valores e Segurança			
CTP Centro de Treinamento Prosegur Ltda	Estrada Geral S/N Bairro Passa Vinte - CEP 88134 - 100 Palhoça	99,62	Prosegur Brasil SA Transportadora de Valores e Segurança	a	2	A
		0,38	Prosegur Sistemas de Segurança Ltda			
Prosegur Administração de Recebíveis Ltda	Avenida Thomas Edison, 813 - Barra Funda - CEP 01140-001 São Paulo - SP	99,79	Prosegur Brasil SA Transportadora de Valores e Segurança	a	2	A
		0,21	Prosegur Sistemas de Segurança Ltda			
Prosegur Tecnologia em 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	3	A
		0,01	TSR Participacoes Societarias SA			
Setha Indústria Eletrônica Ltda.	Rua Alvaro de Macedo, 134 e 144, Parada de Lucas, CEP.: 21.250-620 Rio de Janeiro/RJ	99,60	Prosegur Tecnologia em Sistemas de Segurança Eletrônica e Incendios Ltda.	a	3	A
		0,40	TSR Participacoes Societarias SA			
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- SP	99,90	Prosegur Cia de Seguridad, S.A.	a	8	B
		0,10	TSR Participacoes Societarias SA			
Prosegur Gestao de Ativos Ltda.	Avenida Thomas Edison, 813 - Barra Funda - CEP 01140-001 São Paulo- SP	99,99	Prosegur Gestion de Activos, S. L.	a	7	A
		0,01	Prosegur Cia de Seguridad, S.A.			
Transvig - Transporte de Valores e Vigilancia Ltda	Avenida Sao Paolo 568 - Boa Vista	100,00	Prosegur Brasil SA Transportadora de Valores e Segurança	a	4	B
Juncadella Prosegur Group Andina	Los Gobelinos 2567 Of. 203, Renca, Santiago	99,99	Juncadella Prosegur Internacional S.A.	a	5	A
		0,01	Armor Acquisition SA			

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding	Company			
Capacitaciones Ocupacionales Sociedad Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	83,07	Prosegur Cia de Seguridad, S.A.	a	7	A
		6,84	Prosegur International Handels GmbH			
		10,09	Juncadella Prosegur Group Andina			
Servicios Prosegur Ltda	Los Gobelinos 2567 Of. 203, Renca, Santiago	99,98	Prosegur Cia de Seguridad, S.A.	a	2	A
		0,01	Juncadella Prosegur Group Andina			
		0,01	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			
		20,72	Prosegur International Handels GmbH			
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

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding	Company			
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 Juncadella SA			
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 Juncadella SA			
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 Juncadella SA			
Proseguridad SA	AV. LOS PROCERES NRO. 250 LIMA - LIMA - SANTIAGO DE SURCO	38,04	Juncadella Prosegur Internacional 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 Juncadella SA			
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.			
Proseguridad Perú SA	AV. LOS PROCERES NRO. 250 URB. SAN ROQUE CIVIL (PRIMER PISO MZ O LT.B1) LIMA - LIMA - SANTIAGO DE SURCO	84,86	Proseguridad SA	a	1	A
		14,28	Inversiones RB, SA			
		0,86	Compañía de Seguridad Prosegur SA.			

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding	Company			
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 SA.			
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 SA.			
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 Custodías, 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

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding	Company			
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 Formación Prosegur Asociación 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 Caudales SA	a	8	C
		1,00	Prosegur Uruguay Compañía de Seguridad, S.A.			
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
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

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Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding Company				
Weldon Technology Co Ltd	Suite 1201 Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	99,95	Luxpai Holdo SARL	a	5	C
		0,05	Imperial Dragon Security Ltd			
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	Roon 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 Prosecur 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	111Geylang 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
Evttec Management Services Pted LTD	3 NEW INDUSTRIAL ROAD. #04-01 KIMLY BUILDING SINGAPORE (536197)	100,00	Singpai Pte Ltd	a	1	C
Prosec Cash Services Pte Ltd	111Geylang 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 110001 - India	99,99	Singpai Pte Ltd	a	5	B
		0,01	Luxpai Holdo S.A.R.L.			
Prointrans LLC	1200 Brickell Avenue, Suite 1950, Miami, Florida 33131	100,00	Prosecur Cia de Seguridad, S.A.	a	5	C
Prosecur Australia Holdings PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100,00	Singpai Pte Ltd	a	5	A
Prosecur Australia Investments PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100,00	Prosecur Australia Holdings PTY Limited	a	5	A
Prosecur Australia PTY Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100,00	Prosecur Australia Investments PTY Limited	a	2	A
Prosecur Technology Pty Limited	Level 2, Building B, 112 Talavera Rd, Macquarie Park NSW 2113	100,00	Prosecur Australia Investments PTY Limited	a	2	A
Prosecur Securite [Ex Bac Securite]	18 Av. Morane Saulnier (Velizy Villacoublay)	100	Prosecur Cia de Seguridad, S.A.	a	8	B

Information at 31 December 2014

Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of nominal Shareholding Company				
Securite Europeenne de L'Espace Industriel SA	15 Rue de Louvres (Chennevieres Les Louvres)	59,98	Prosegur Cia de Seguridad, S.A.	a	8	B
		40,02	Esta Service SAS			
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	Prosegur Cia de Seguridad, S.A.	a	8	B
		95,2	Esta Service SAS			

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.

Appendix II

Details of Joint Arrangements

Information on 31 December 2015 - Joint Ventures

Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of Nominal	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

Information on 31 December 2015 - Joint Operations. Joint Ventures

Business Name	Registered offices	Shareholding		Notes	Activity
		% of Nominal	Partner company in joint business		
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 MNTD. 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

Information on 31 December 2015 - Joint Operations. Joint Ventures

Business Name	Registered offices	Shareholding		Notes	Activity
		% of Nominal	Partner company in joint business		
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
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)	Principe 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	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of Nominal	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

Information on 31 December 2014 - Joint Ventures

Business Name	Registered offices	Shareholding		Instance when it is consolidated	Activity	Auditor
		% of Nominal	Shareholding Company			
SIS Prosegur Holdings Private Limited	Annapurna Bhawan, Thelehone Exchange Road, Kurji, Patna 800001 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	FERROSSER	d	1

Information on 31 December 2014 - Joint Operations. Joint Ventures

Business Name	Registered offices	Shareholding		Notes	Activity
		% of Nominal	Partner company in joint business		
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 (Gov. 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
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

Information on 31 December 2014 - Joint Operations. Joint Ventures

Business Name	Registered offices	Shareholding		Notes	Activity
		% of Nominal	Partner company in joint business		
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
Consortio 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	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
Unión 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

- Active Joint Venture.
- Dormant Joint Venture.
- 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

Thousands of Euros						
	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
Percentage of non-controlling participation	45%	45%	36%	31%		
Information from financial statement						
Non-current assets	17,533	214	–	163		17,910
Non-current liabilities	(4,331)	–	–	–		(4,331)
Total net non-current assets	13,202	214	–	163		13,579
Current assets	7,024	8,858	908	113		16,902
Current liabilities	(1,481)	(2,877)	(729)	557		(4,530)
Total net current assets	5,543	5,981	178	670		12,372
Net assets	18,746	6,194	178	833		25,951
Carrying amount of non-controlling shares	8,436	2,787	64	254	(133)	11,408
Information from profit and loss account						
Revenue	542	21,266	700	–		22,508
Profit/loss for the year	(733)	357	53	(154)		(477)
Other comprehensive income						–
Total comprehensive income	(733)	357	53	(154)		(477)
Consolidated result allocated to non-controlling shares	(330)	161	19	(47)	1,068	871
Information on cash flow statement						
Cash flows from operating activities	(3,982)	(1,726)	179	–		(5,529)
Cash flows from investing activities	1,572	(482)	17	–		1,107
Cash flows from financing activities, before dividends paid to non-controlling shares	1,388	5,231	32	–		6,651
Net increase (decrease) in cash and cash equivalents	(1,022)	3,023	228	–		2,229

Appendix IV

Financial 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
Information from financial statement					
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
Information from profit and loss account					
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 Technological Security Solutions LLC	Total
Information from financial statement								
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
Information from profit and loss account								
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

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

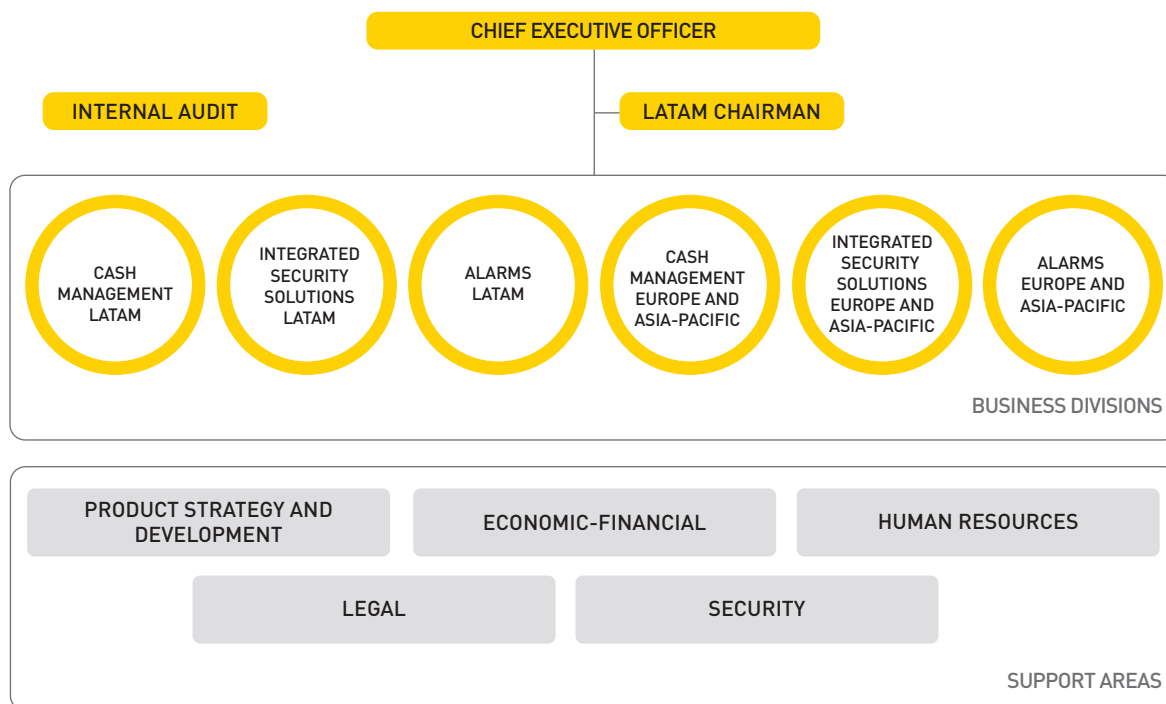
The organisational structure of Prosegur is designed to improve business processes and offer added value to our clients. Its flexibility allows for a permanent adaptation to an ever-changing environment and the evolution of Prosegur as a business group. In addition, it fosters transversal knowledge of 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 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.

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	3,782.60	4.7%
EBITDA	448.4	425.7	5.3%
Margin	11.3%	11.3%	
Depreciation of property, plant and equipment	-81.1	-70.6	
Depreciation of other intangible assets	-43.1	-47.8	
EBIT	324.2	307.3	5,5%
Margin	8.2%	8.1%	
Financial results	-36.3	-58.1	
Profit before tax	287.9	249.2	15,5%
Margin	7.3%	6.6%	
Taxes	-104.5	-90.7	
Tax rate	-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:

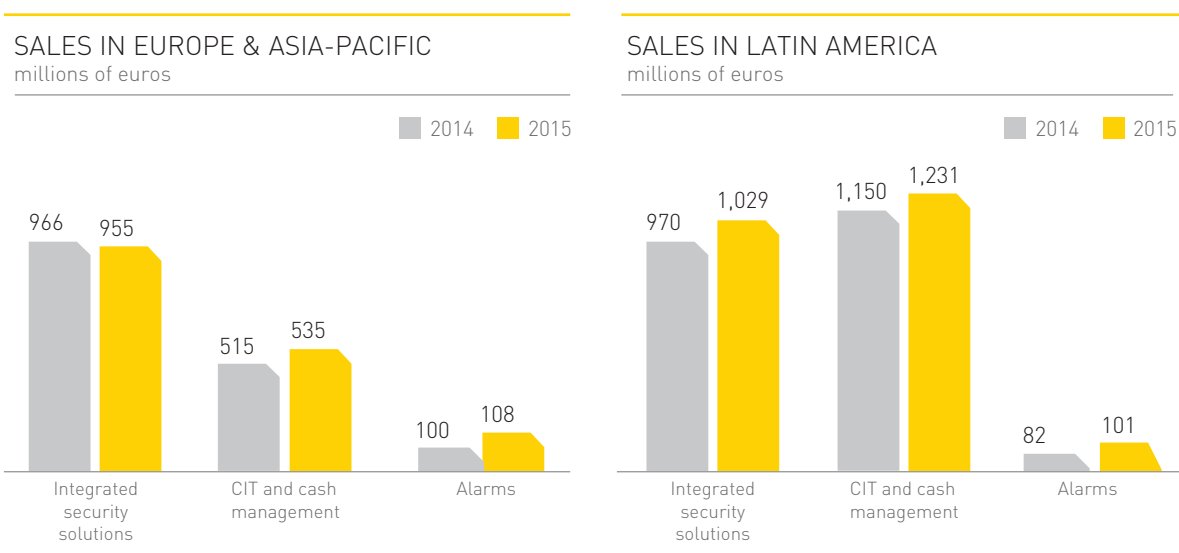
(millions of euros)			
	2015	2014	Variation
Europe & Asia-Pacific	1,598.3	1,581.30	1.1%
LatAm	2,361.1	2,201.30	7.3%
Total Prosegur	3,959.40	3,782.60	4.7%

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	1,984.60	1,936.70	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%	
Total Prosegur	3,959.4	3,782.6	4.7%

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%

As 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
Total	133.2	96.2

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 RAEEs, 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
Total Prosegur	118,285	148,579	154,514	155,138	159,208

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, of-

fering 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:

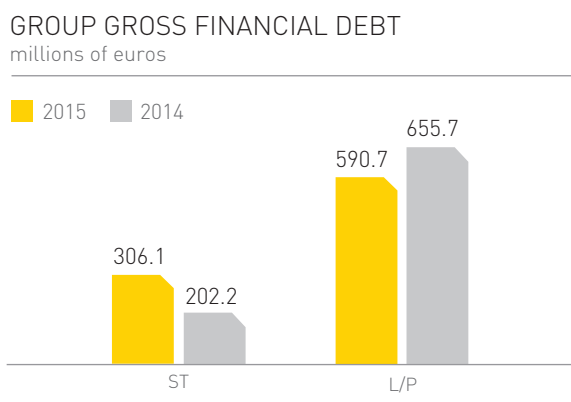
- a) Debenture issued in Brazil in 2012 whose remaining amount on 31 December 2015 was EUR 16.5 million (equivalent to: BRL 70.9 million).
- b) On 2 April 2013 simple bonds were issued for a nominal amount of EUR 500 million, expiring in 2018. The bonds will accrue interest of 2.75% annually payable upon expired annuities and quoted on the Irish Stock Exchange. Market listing on 31 December 2015 is of 0.855%.
- c) 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).
- d) 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).

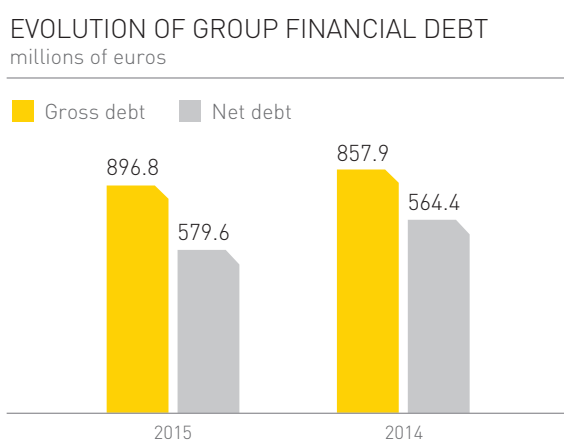
The current and non-current maturities of gross financial debt are distributed as follows:



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
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
	358.6	657.2	2.0	1,017.8

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.

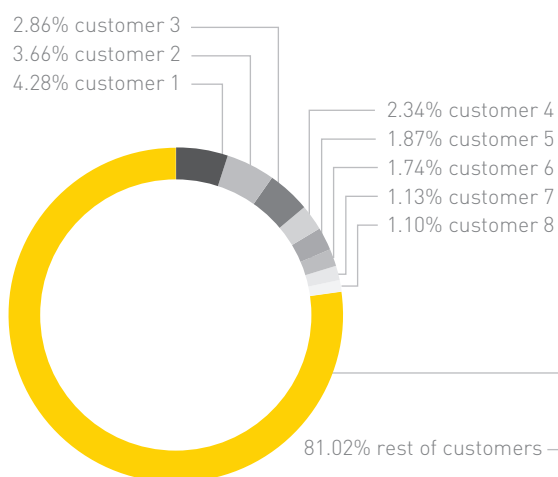
It is worth mentioning the monitoring task carried out by the Corporate Security Division over control and monitoring processes for the traceability of operations carried out in transport, handling and storage of cash. Furthermore, additional assistance is provided for claims or discrepancies in the 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:

CLIENT CONCENTRATION



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.

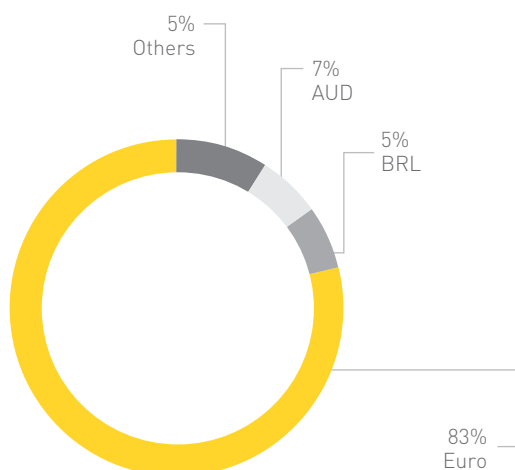
During financial year 2015, Prosegur has maintained a natural hedging policy, holding debts in the currencies of the main countries where Prosegur operates in order to minimise exposure to currency risk in countries such as Australia or Brazil.

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:

GROUPS FINANCIAL DEBT

**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.

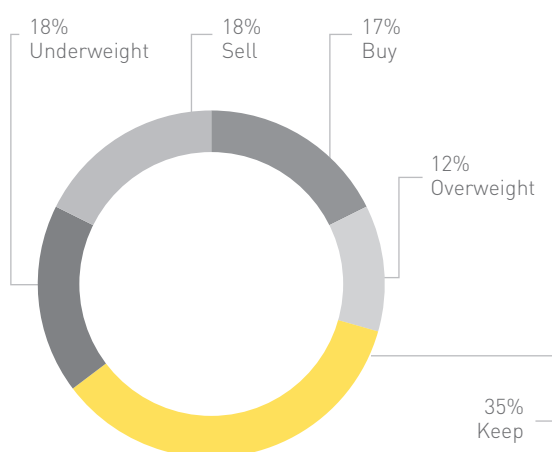
The Prosegur shareholder and investor relations policy aims to establish a communication that is direct, personal and stable over time. The Company has a close relationship with its shareholders, private and institutional investors and with the main stock analysts, to whom it provides detailed information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

ANALYSTS COVERAGE



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.

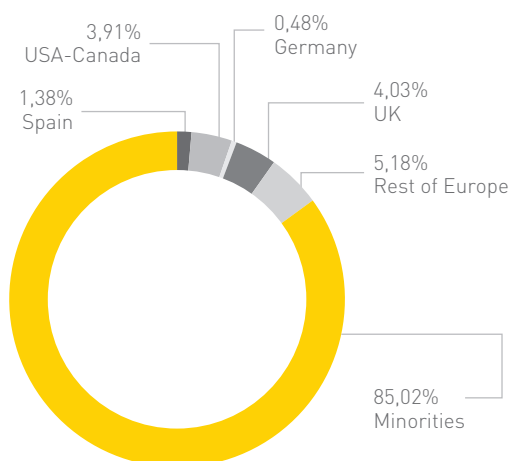
On 31 December 2015, 64.5% of the capital of the Company was held by significant shareholders. The remaining 35.5% was floating capital.

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.

GEOGRAPHICAL DISTRIB FREE FLOAT



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 Giesso 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

AR

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Annual Corporate Governance Report

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Annual Corporate Governance Report for listed corporations

A. Structure of the property

A.1 Complete the following table regarding the company's share capital:

Date of last modification	Share capital (euros)	Number of shares	Nº of voting rights
06/07/2012	37,027,478.40	617,124,640	617,124,640

State if there are different categories of shares with different associated rights:

No

A.2 Details of direct and indirect owners of significant shareholdings, of company at year end, excluding directors:

Name or business name of shareholder	Nº of direct voting rights	Nº of indirect voting rights	% of total voting rights
GUBEL, S.L.	309,026,930	0	50.08%
AS INVERSIONES, S.L.	32,879,867	0	5.33%
OPPENHEIMER INTERNATIONAL GROWTH FUND	30,969,685	0	5.02%
CANTILLON CAPITAL MANAGEMENT LLC	0	18,821,350	3.05%
OPPENHEIMER ACQUISITION CORPORATION	0	34,957,437	5.66%

Name or business name of the indirect owner of the share	Via: Name or business name of the direct owner of the share	Nº of voting rights
GUBEL, S.L.	GUBEL, S.L.	0
AS INVERSIONES, S.L.	AS INVERSIONES, S.L.	0
OPPENHEIMER INTERNATIONAL GROWTH FUND	OPPENHEIMER INTERNATIONAL GROWTH FUND	0
CANTILLON CAPITAL MANAGEMENT LLC	MISCELLANEOUS FUNDS	18,821,350
OPPENHEIMER ACQUISITION CORPORATION	MISCELLANEOUS FUNDS	34,957,437

State the most significant changes to the share structure during the financial year:

Name or business name of shareholder	Date of the transaction	Description of the transaction
FIDELITY INVESTMENT TRUST	17/03/2015	Share capital has decreased 3%
FMR LLC	16/04/2015	Share capital has decreased 3%

A.3 Complete the following tables regarding members of the company board of directors who have rights to vote from company shares:

Name or business name of director	Nº of direct voting rights	Nº of indirect voting rights	% of total voting rights
MS HELENA IRENE REVOREDO DELVECCHIO	0	309,240,330	50.11%
MR PEDRO GUERRERO GUERRERO	1,000	330,000	0.05%
MR CHRISTIAN GUT REVOREDO	885,430	0	0.14%
MS MIRTA MARIA GIESSO CAZENAVE	1,898,320	32,879,867	5.64%

Name or business name of the indirect owner of the share	Via: Name or business name of the direct owner of the share	Nº of voting rights
MS HELENA IRENE REVOREDO DELVECCHIO	GUBEL, S.L.	309,026,930
MS HELENA IRENE REVOREDO DELVECCHIO	PROREVOSA, S.L.	213,400
MR PEDRO GUERRERO GUERRERO	VALORES DEL DARRO, SICAV, S.A.	330,000
MR CHRISTIAN GUT REVOREDO	MR CHRISTIAN GUT REVOREDO	0
MS MIRTA MARIA GIESSO CAZENAVE	AS INVERSIONES, S.L.	32,879,867
% total voting rights in the hands of the board of directors		55.94%

Complete the following tables regarding members of the company board of directors who have rights over company shares:

Name or business name of director	Nº of direct voting rights	Nº of indirect voting rights	Nº of equivalent shares	% of total voting rights
MR CHRISTIAN GUT REVOREDO	956,856	0	956,856	0.16%

A.4 State, where applicable, relationships of a familiar, commercial, contractual or business kind existing between owners of significant shareholdings, insofar as they are known to the company, except where they are scarcely relevant or derive from ordinary commercial traffic or business:

A.5 State, where applicable, relationships of a familiar, commercial, contractual or business kind existing between owners of significant shareholdings, and the company and/or its group, except where they are scarcely relevant or derive from ordinary commercial traffic or business:

Name or business name related parties

PROACTINMO, S.L.U.

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.

Type of relationship: Commercial.

Short description:

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

Name or business name related parties

PROACTINMO, S.L.U.

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Type of relationship: Commercial.

Short description:

Two property leases for EUR 1,314 thousand.

Name or business name related parties

EUROFORUM ESCORIAL S.A.

PROSEGUR COMPAÑÍA DE SEGURIDAD S.A.

Type of relationship: Commercial

Short description:

Hotel services for EUR 495 thousand.

A.6 State whether the company has been notified of shareholder agreements that affect it as stipulated in articles 530 and 531 of the Spanish Companies Act. Where applicable, describe them briefly and list the shareholders related to the agreement:

No

State whether the company knows of the existence of joint actions between its shareholders. Where applicable, describe them briefly:

No

Where there was any change to or termination of these agreements or joint actions during the financial year, expressly state it:

N/A

A.7 State whether there is any natural person or legal entity that exercises or may exercise control over the company in accordance with article 4 of Securities Market Law. Where applicable, identify it:

Yes

Name or company name

MS HELENA IRENE REVOREDO DELVECCHIO

Observations

Via the company GUBEL, S.L.

A.8 Complete the following tables regarding the company's treasury stock:

At year end:

Nº of direct shares	Nº of indirect shares (*)	Total % of share capital
14,756,890	4,000,000	3.04%

(*) Via:

Name or business name of the direct owner of the share	Nº of direct shares
SOLUCIONES INTEGRALES EN SEGURIDAD PROSEGUR PARAGUAY S.A.	4,000,000
Total	4,000,000

List any significant changes occurring during the year, in accordance with the provisions of Royal Decree 1362/2007:

Explain the significant variations	There was no variation in the total number of own shares during the year.
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A.9 State the conditions and term of the mandate issued by the shareholders' meeting to the board of directors for issuing, buying back or transferring treasury shares.

The Ordinary General Meeting of Shareholders of Prosegur Compañía de Seguridad, S.A., held on 27 June 2011, resolved to renew the authorisation granted at the General Shareholders' Meeting (on 28 June 2010) for the derivative acquisition of treasury shares directly or via group companies, in the terms literally transcribed below:

1. To authorise the derivative acquisition of shares in Prosegur Compañía de Seguridad, S.A. by the Company and its subsidiaries pursuant to the provisions of the Spanish Companies Act, in compliance with the requirements stipulated in applicable legislation at all times and in the following conditions:
 - a) The shares may be acquired directly by the Company or indirectly via its subsidiaries, in the form of sale and purchase, exchange or any other legally valid transaction.
 - b) The par value of the shares acquired, plus, where applicable, that of those already held, directly or indirectly, must not exceed the maximum legally allowed at any given time.
 - c) The purchase price per share shall be, at least, the par value and, at most, the market value on the day of the purchase plus 10%.
 - d) This authorisation is granted for a period of five years.

It is expressly stated that this authorisation may be used in full or in part for the acquisition of treasury shares to be delivered or transferred to directors or employees of the Company or companies belonging to its group, either directly or as a result of their exercising option rights, all within the framework of remuneration systems linked to the market value of shares in Prosegur Compañía de Seguridad, S.A.

2. To empower the Board of Directors, with express powers to sub-delegate and in the broadest possible terms, to exercise this authorisation and to perform the rest of the provisions contained herein.
3. To terminate, in the part not used, the authorisation granted in point five of the agenda for the Ordinary General Shareholders' Meeting held on 28 June 2010.

A.9.2 Estimated floating capital:

	%
Estimated Floating Capital	35.54

A.10 State whether there is any restriction on the transfer of shares and/or any restriction on voting rights. In particular, the existence of any type of restriction that may make a takeover of the company through acquisition of shares on the market difficult will be notified.

No

A.11 State whether the General Shareholders' Meeting has agreed to adopt neutralisation measures in the event of a takeover bid pursuant to the provisions of Act 6/2007.

No

Where applicable, explain the measures approved and the terms in which the restrictions shall cease to be efficient:

A.12 State whether the company has issued securities that are not traded in a regulated EU market.

No

Where applicable, state the different types of shares and, for each category of share, the rights and obligations they entail.

B. General shareholders' meeting

B.1 State whether there are any differences from the minimum requirements of the Spanish Companies Act (LSC) regarding the quorum for constituting the general shareholders' meeting and, where applicable, give details of the same.

No

B.2 State whether there are any differences from the requirements of the Spanish Companies Act (LSC) for adopting company agreements and, where applicable, give details of the same.

No

Describe how it differs from the requirements of the LSC.

B.3 State the rules that apply to changing company bylaws. In particular, the majorities required for changing bylaws and, where applicable, the rules for safeguarding the rights of partners when changing bylaws will be notified.

The board of directors submits the proposals for changing or adding to the company bylaws to the general shareholders' meeting with the corresponding directors' report on those changes to the bylaws.

All the documentation relating to the changes to bylaws is made available to shareholders when the general shareholders' meeting is announced where the changes are approved.

The announcement of the general shareholders' meeting gives details of the shareholders' right to examine and obtain all the documentation in this regard at the company's registered address, and also to request it to be sent to them immediately and free of charge.

With regard to majorities, article 17.2 of the regulations of the General Shareholders' Meeting stipulates that, for the General Shareholders' Meeting to validly approve a change to the bylaws, shareholders holding at least fifty per cent (50%) of the subscribed capital with a right to vote must be present or represented at the first meeting announced. The attendance of shareholders holding twenty-five per cent (25%) of this capital will be sufficient at the second meeting.

When shareholders representing less than (50%) of subscribed capital with a right to vote attend, the agreements mentioned in the above paragraph may only be adopted validly with the vote in favour of two thirds (2/3) of the capital present or represented at the general shareholders' meeting.

B.4 State the details of attendance at general shareholders' meetings held during the year that this report refers to and those held the previous year:

Date of general shareholders	Details of attendance				
	% present physical	% represented	% remote voting		
			E-vote	Other	Total
28/04/2015	55.95%	30.57%	0,00%	0,00%	86.52%

B.5 State whether there is any restriction in the bylaws that stipulates a minimum number of shares required for attending the general shareholders' meeting:

Yes

Number of shares required for attending the general shareholders' meeting	1,000
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B.6 Section revoked.

B.7 State the URL and way to access the company website for information on corporate governance and other information on general shareholders' meetings that should be available to shareholders on the company website.

URL: www.prosegur.com/corpen/index.htm

Way to access corporate governance content: Home page/Investors & Shareholders/Corporate governance and Home page/Investors & Shareholders/General Ordinary Shareholders' Meeting

C. Structure of the company administration

C.1 Board of directors

C.1.1 Maximum and minimum number of directors provided for in the company bylaws:

Maximum number of directors	15
Minimum number of directors	5

C.1.2 Complete the following table with the members of the board:

Name or business name of director	Representative	Category of the director	Role on the board	Date first appointment	Date last appointment	Election procedure
MR EDUARDO PARAJA QUIROS		Independent	Director	26/04/2004	28/04/2015	General shareholders' meeting agreement
MR EUGENIO RUIZ-GALVEZ PRIEGO		Independent	Director	27/06/2005	30/06/2014	General shareholders' meeting agreement
MS HELENA IRENE REVOREDO DELVECCHIO		Nominee	Presidente	30/06/1997	29/04/2013	General shareholders' meeting agreement
MR PEDRO GUERRERO GUERRERO		Independent	Director	29/03/2005	30/06/2014	General shareholders' meeting agreement
MR ISIDRO FERNANDEZ BARREIRO		Independent	Vice chairman	19/06/2002	29/04/2013	General shareholders' meeting agreement
MR CHRISTIAN GUT REVOREDO		Executive	Managing Director	30/06/1997	29/04/2013	General shareholders' meeting agreement
MR FERNANDO VIVES RUIZ		Independent	Director	29/05/2012	28/04/2015	General shareholders' meeting agreement
MS MIRTA MARIA GIESO CAZENAVE		Nominee	Director	09/05/2000	29/04/2013	General shareholders' meeting agreement
MS CHANTAL GUT REVOREDO		Nominee	Director	30/06/1997	29/04/2013	General shareholders' meeting agreement

Total number of directors

9

State the resignations from the board of directors during the reporting period:

C.1.3 Complete the following tables regarding the members of the board and their different categories:

Executive directors

Name or business name of director	Role in the company's organisational table
MR CHRISTIAN GUT REVOREDO	MANAGING DIRECTOR
Total number of executive directors	1
% of the total board	11.11%

External proprietary directors

Name or business name of director	Name of the significant shareholder he or she represents or how proposed his or her appointment
MS HELENA IRENE REVOREDO DELVECCHIO	GUBEL, S.L.
MS MIRTA MARIA GIESO CAZENAVE	AS INVERSIONES, S.L.
MS CHANTAL GUT REVOREDO	GUBEL, S.L.
Total number of proprietary directors	3
% of the total board	33.33%

External independent directors

Name or business name of director:

MR EDUARDO PARAJA QUIROS

Profile:

Law degree. MBA from Houston University.

Prosecur director since 2004. Managing Director of Prosegur from 2004 to 2008.

CEO of Metrovacesa from 2009 to 2013.

Member of the board of management of the Prosegur Foundation.

Name or business name of director:

MR EUGENIO RUIZ-GALVEZ PRIEGO

Profile:

Civil Engineer. MBA from Stanford University.

CEO of the Uralita Group since 1993 and vice chairman from 1997 to 2002.
 Director of Ebro Foods (formerly Azucarera Ebro Agrícolas and then Ebro Puleva) since 2000.
 CEO of Azucarera Ebro from 2000 and 2010.
 Prosegur director since 2005.

Name or business name of director:

MR PEDRO GUERRERO GUERRERO

Profile:

Law degree from the Complutense University of Madrid.
 Public prosecutor, foreign exchange dealer and Madrid notary (not practising).
 He was chairman of the Sociedad Rectora de la Bolsa de Madrid and the Sociedad de Bolsas.
 He was a founding partner and vice chairman of A.B. Asesores Bursátiles and chairman of A.B. Gestión and A.B. Asesores Red. He is chairman of Bankinter, S.A., of which he has been a director since 2000. Additionally, he is chairman of the executive committee of the same.
 Prosegur director since 2005.

Name or business name of director:

MR ISIDRO FERNANDEZ BARREIRO

Profile:

MBA industrial engineer from IESE Vice chairman of Prosegur since 2008 and director since 2002.
 Director of ACS between 2003 and 2008.
 Director of Corporación Financiera Alba since 1994 and 2nd vice chairman from 2006 to 2013

Name or business name of director:

MR FERNANDO VIVES RUIZ

Profile:

Doctor of Law, Comillas Pontifical University (ICADE).
 Degree in Economics and Business Science, Comillas Pontifical University (ICADE).
 Chairman and Managing Partner of the legal firm JA Garrigues, S.L.P.
 Professor of Business Law, Comillas Pontifical University (ICADE).
 Member of the Consultative Committee of the National Securities Market Commission.
 Prosegur director since 2012.

Total number of independent directors	5
total % of the board	55.56%

State whether any director qualified as independent receives any amount or benefit from the company, or from its group, for a concept other than director's remuneration, or maintains or has maintained, during the last financial year, a business relationship with the company or with any company in its group, whether on his or her own behalf or as a significant shareholder, director or senior management of an entity that maintains or has maintained that relationship.

Name or business name of director: Fernando Vives Ruiz.

Description of the relationship: Managing director of the law firm J&A Garrigues, S.L.P., which provides legal and tax advisory services to the Company of a recurrent and ordinary nature.

Reasoned statement: The firm J&A Garrigues, S.L.P. has been providing Prosegur Group, in a recurring manner and since long before the appointment of Fernando Vives as a director of the Company, legal and tax advisory services, within the ordinary course of business and in market conditions. The Prosegur Group 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 the Prosegur Group are not significant for the firm in material terms, as they represent less than 1% of the total turnover, nor do they represent a significant amount in the Prosegur Group accounts. 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 the Prosegur Group. Therefore, the Board of Directors considers that the business relationship between the firm J&A Garrigues, S.L.P. and the Prosegur Group, 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. In addition, Prosegur provides surveillance services at the Garrigues head office on Calle Hermosilla in Madrid.

The amount is not significant for Prosegur.

Where applicable, a reasoned statement by the board will be included regarding the reasons it considers that the director may perform his or her duties as an independent director.

Other external directors

The other external directors will be identified and details will be given of the reasons why they may not be considered proprietary or independent and their connections, whether with the company, its directors or its shareholders:

State the variations, where applicable, that occurred during the period in the category of each director:

Name or business name of director	Date of change	Previous category	Current category
MS CHANTAL GUT REVOREDO	15/09/2015	Executive	Nominee

C.1.4 Complete the following table with information relating to the number of female directors over the past 4 years, and the nature of these directors:

	Nº of female directors				% of the total directors of each type			
	Financial year 2015	Financial year 2014	Financial year 2013	Financial year 2012	Financial year 2015	Financial year 2014	Financial year 2014	Financial year 2012
Executive	0	1	2	1	0.00%	50.00%	66.67%	50.00%
Nominee	3	2	1	2	100.00%	100.00%	100.00%	66.67%
Independent	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Other External	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total	3	3	3	3	33.33%	33.33%	33.33%	33.33%

C.1.5 Explain the measures that, where applicable, have been adopted to try to include a number of women on the board of directors that ensures a balanced presence of men and women.

Explanation of the measures

N/A

C.1.6 Explain the measures that, where applicable, have been agreed by the appointments committee so that the selection procedures do not suffer from implicit biases that hinder the selection of female directors, and so that the company deliberately searches for and includes women with the desired professional profile among potential candidates:

Explanation of the measures

N/A

When, in spite of the measures that, where applicable, have been adopted, the number of female directors is low or null, give reasons to justify this:

Explanation of reasons

N/A

C.1.6 bis Explain the conclusions of the appointments committee regarding verification of compliance with the policy for selecting directors. And, in particular, regarding how that policy is promoting the objective of the number of female directors representing, at least, 30% of the total members of the board of directors by 2020.

Explanation of conclusions

Prosegur female directors already represent 33% of the members of the board of directors.

C.1.7 Explain how shareholders with significant shareholdings are represented on the board of directors.

Gubel, S.L. has two proprietary directors. As Inversiones S.L. has one proprietary director. Mr Christian Gut Revoredo is an executive director proposed by Gubel S.L.

C.1.8 Explain, where applicable, the reasons why proprietary directors have been appointed at the request of shareholders whose shareholdings are less than 3% of the capital:

Name or business name of shareholder:

Justification:

N/A

State whether formal requests have not been answered for a presence on the board from shareholders whose shareholdings are equal to or more than those of others at whose request proprietary directors have been appointed. Where applicable, give the reasons why they were not answered:

No

C.1.9 State whether any director has resigned before the end of his or her mandate, if he or she gave reasons and by which means, to the board and, if they were given in writing to the board as a whole, explain the reasons given, at least, below:

C.1.10 State what authority, if any, the managing director/s has/have:

Name or business name of director:

MR CHRISTIAN GUT REVOREDO

Short description:

The managing director has all the authority of the board of directors in his or her favour, except for those that may not be delegated by Law, by the bylaws or by the regulations of the board of directors.

C.1.11 Identify, where applicable, the members of the board that assume administrative or management roles in other companies that form part of the listed company's group: C.1.12 Give details, where applicable, of the company directors that are members of the board of directors of other companies listed on official stock markets other than those of its group, that have been notified to the company:

Name or business name of director	Business name of the group company	Role
MR EUGENIO RUIZ-GALVEZ PRIEGO	EBRO FOODS. S.A.	DIRECTOR
MS HELENA IRENE REVOREDO DELVECCHIO	BANCO POPULAR ESPAÑOL. S.A.	DIRECTOR
MS HELENA IRENE REVOREDO DELVECCHIO	ENDESA, S.A.	DIRECTOR
MR HELENA IRENE REVOREDO DELVECCHIO	MEDIASET ESPAÑA COMUNICACIÓN. S.A.	DIRECTOR
MR PEDRO GUERRERO GUERRERO	BANKINTER. S.A.	CHAIRMAN

C.1.13 State and, where applicable, explain whether the company has stipulated rules regarding the number of boards on which its directors may sit:

No

C.1.14 Section revoked.

C.1.15 State the global remuneration for the board of directors:

State the global remuneration of the board of directors (thousands of EUR)	2,853
Amount of global remuneration that corresponds to the pension rights accumulated by directors (thousands of EUR)	0
Amount of global remuneration that corresponds to the pension rights accumulated by former directors (thousands of EUR)	2,853

C.1.16 Identify those senior officers that are not also executive directors, and state their total remuneration accrued in the year:

Name or company name	Role
MR JAVIER TABERNEIRO DA VEIGA	GENERAL MANAGER OF SIS
MR FERNANDO ABOS PUEYO	GLOBAL DIRECTOR OF SECURITY
MR JOSE ANTONIO LASANTA LURI	GLOBAL DIRECTOR OF STRATEGY AND BUSINESS DEVELOPMENT
MR ANTONIO RUBIO MERINO	CHIEF FINANCIAL OFFICER
MR GONZAGA HIGUERO ROBLES	REGIONAL DIRECTOR ROW CIT
MR FRANCISCO JAVIER POVEDA GIL	INTERNAL AUDIT DIRECTOR
MR RODRIGO ZULUETA GALILEA	CHAIRMAN PROSEGUR LATAM
MS SAGRARIO FERNÁNDEZ BARBE	HEAD OF LEGAL ADVICE
MR MIGUEL ÁNGEL BANDRÉS GUTIÉRREZ	GLOBAL DIRECTOR OF HUMAN RESOURCES
MR ALEJANDRO ADELARDI	REGIONAL DIRECTOR ALARMS LATAM
MR JUAN COCCI	REGIONAL DIRECTOR LATAM CIT
MR RAFAEL ROS MONTERO	REGIONAL DIRECTOR ALARMS ROW
Total remuneration of senior management (thousands of EUR)	5,073

C.1.17 State, where applicable, the identities of the members of the Board of Directors who are, at the same time, members of the Board of Directors of companies that are significant shareholders and/or companies belonging to the same group:

Name or business name of director	Business name of significant shareholder	Role
MS HELENA IRENE REVOREDO DELVECCHIO	GUBEL, S.L.	CHAIRMAN
MR CHRISTIAN GUT REVOREDO	GUBEL, S.L.	DIRECTOR
MS MIRTA MARIA GIESSO CAZENAVE	AS INVERSIONES, S.L.	CHAIRMAN
MS CHANTAL GUT REVOREDO	GUBEL, S.L.	SECRETARY DIRECTOR

State, where applicable, the significant relationships other than those envisaged in the previous section, of members of the Board of Directors that relate them to significant shareholders and/or companies belonging to their group:

Name or business name of related director

MS HELENA IRENE REVOREDO DELVECCHIO

Name or business name of related significant shareholder:

GUBEL, S.L.

Description of the relationship:

SHAREHOLDER INDIVIDUALLY HAVING CONTROL

Name or business name of related director

MR CHRISTIAN GUT REVOREDO

Name or business name of related significant shareholder:

GUBEL, S.L.

Description of the relationship:

SHAREHOLDER WITH NON-CONTROLLING MINORITY SHAREHOLDING

Name or business name of related director

MS MIRTA MARIA GIESSO CAZENAVE

Name or business name of related significant shareholder:

AS INVERSIONES, S.L.

Description of the relationship:

SHAREHOLDER INDIVIDUALLY HAVING CONTROL

Name or business name of related director

MS CHANTAL GUT REVOREDO

Name or business name of related significant shareholder:

GUBEL, S.L.

Description of the relationship:

SHAREHOLDER WITH NON-CONTROLLING MINORITY SHAREHOLDING

C.1.18 State whether there have been any changes in the regulations of the board of directors during the financial year:

Yes

Description of the changes

- Art. 5. (General supervisory role: incorporate the new functions of the board of directors that may not be delegated)
- Art. 8. (Qualitative composition: to adhere, with regard to the definition of the categories of directors, to the provisions of the law)
- Art. 10. (Chair of the board of directors: to contain the regulation for the figure of the coordinating director, in case the chairman is also an executive director)
- Art. 16 (Audit Committee: to incorporate the new provisions regarding its composition and authority)

-
- Art. 17. (Appointments and Remuneration Committee: to incorporate the new provisions regarding its composition and authority)
 - Art. 18. (Meetings of the Board of Directors: to contain the new provision that the board of directors must meet once a quarter, and in relation to performance evaluation)
 - Art. 19. (The meetings: to reflect that non-executives may only designate their representation to another non-executive director, by law)
 - Art. 20. (Appointment of directors: update in accordance with the provisions of the new article 529. 10 LSC, emphasising that these new items equally affect the re-election of directors)
 - Art. 22. (Proposals for the re-election of directors: the same rules contained in article 20 must be adhered to)
 - Art. 28. (Remuneration for directors: to incorporate a reference to the annual accounts)
 - Art. 30. (General duties of directors: to complete the regulation on directors' duties)
 - Art. 31. (Duty of confidentiality of directors: to complete the regulation on directors' duties)
 - Art. 33. (Conflicts of interest: to complete the regulation on directors' duties)
 - Art. 34. (Use of corporate assets: to complete the regulation on directors' duties)
 - Art. 39. Related-party transactions: incorporate imperative regulations in relation to this type of transaction).
-

C.1.19 State the procedures for the selection, appointment, re-election, evaluation and removal of directors. List the competent bodies, the necessary steps and the criteria used in each of the procedures.

(ii) Appointment

The Company bylaws provide that the Board of Directors shall comprise, at least, five and, at most, fifteen members to be appointed at the General Shareholders' Meeting.

The appointment of directors at the company is subject to the decision of the General Shareholders' Meeting. Only on certain occasions, when it is indispensable due to vacancies having arisen since the General Shareholders' Meeting, in accordance with the provisions of the Spanish Companies Act, may directors be appointed through co-option, and this decision is then ratified at the next General Shareholders' Meeting.

Meanwhile, pursuant to the provisions of its Regulations, the Board of Directors, in exercising its powers of proposal to the General Shareholders' Meeting and of co-option to fill vacancies, shall seek to ensure that external directors constitute a majority over executive directors, and to reduce the number of executive directors to the minimum necessary in accordance with the complexity of the Company.

In accordance with the provisions of article 20 of the Regulation of the Board of Directors, proposals for the appointment of directors which the Board of Directors decides to submit to the General Shareholders' Meeting and the decisions that the latter adopts regarding appointments by virtue of its powers of co-option must be subject to the corresponding proposal (in the case of independent directors) or report (in the case of other directors) issued by the Appointments and Remuneration Committee.

The proposals must always be submitted with a justification report by the Board of Directors which evaluates the competence, experience and merit of the candidate. This report will be added to the minutes of the General Share-

holders' Meeting or the Board itself. Any proposal for appointing or re-electing a non-independent director must also be preceded by a report from the Appointments and Remuneration Committee. The foregoing also applies to natural persons that have been appointed representatives of directors that are legal entities. In this regard and in accordance with the duties assigned to the Appointments and Remuneration Committee, the latter must report, using criteria of objectivity and adaptation to company interests, on the proposals for appointment, re-election and resignation of Company directors, evaluating the skills, knowledge and experience required by the candidates to fill the vacancies.

In any event, proposals for the re-election of directors which the Board of Directors decides to submit to the General Shareholders' Meeting for approval must entail a formal preparation process, necessarily involving a report issued by the Appointments and Remuneration Committee, evaluating the quality of the work and professional dedication of the directors proposed during the previous term.

Lastly, the Board of Directors and the Appointments and Remuneration Committee, within the sphere of their duties, shall seek to ensure that the candidates are chosen from among persons of recognised solvency, competence and experience; the utmost rigour must be applied with regard to those called upon to fill posts of independent directors as provided by Article 8 of the Regulations of the Board of Directors.

(iii) Re-election

Directors are appointed for a term of three years, and may be re-elected once or more times for equal periods.

Notwithstanding the above, independent directors may not remain in the post for a term of more than twelve consecutive years, unless they become proprietary, executive or other external directors.

Like proposals for appointment, proposals for the re-election of directors which the Board of Directors decides to submit to the General Shareholders' Meeting for approval must entail a formal preparation process, necessarily involving a report issued by the Appointments and Remuneration Committee, evaluating the quality of the work and professional dedication of the directors proposed during the previous term.

(iv) Evaluation

In accordance with the provisions of article 10 of the Regulations of the Board of Directors, the Chairman shall organise and coordinate with the chairpersons of the Appointments and Remuneration and Audit Committees, the periodic evaluation of the Board of Directors, and, in the event, the chief executive.

(v) Resignation

Directors will cease to hold their post when their appointment's term elapses and when it is so decided by the Shareholders' Meeting or the Board of Directors pursuant to their legal or bylaw-based powers.

Notwithstanding the above, the Board of Directors shall not propose the removal of any independent director except on the grounds of breach of duties and when the Appointments and Remuneration Committee has issued a report in this regard.

C.1.20 Explain to what extent the annual evaluation of the board has given rise to significant changes in its internal organisation and the procedures applicable to its activities:

Description of the changes	It has not given rise to changes as they were not considered necessary.
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C.1.20.2 Describe the evaluation process and the areas evaluated by the board of directors, assisted—where applicable— by an external consultant, with regard to the diversity of its composition and duties, operations and the composition of its committees, the performance of the chairman of the board of directors and the Company's chief executive and the performance and contribution of each director.

In accordance with Article 7 of the Regulations of the Board of Directors, one of the main responsibilities of the Board is to exercise the duty of supervision, emphasising the determination of the policy for evaluating senior management.

Likewise, the Chairman of the Board of Directors shall organise and coordinate with the chairpersons of the Appointments and Remuneration and Audit Committees, the periodic assessment of the Board of Directors, and the chief executive. The Company has not external consultant so the Board of Directors will perform the duty of assessment without assistance.

C.1.20.3 List, where applicable, the business relationships that the consultant or any company in its group maintains with the Company or any company in its group.

N/A

C.1.21 State the scenarios in which directors are obliged to resign.

In accordance with Article 24.2 of the Regulations of the Board, directors must offer their resignation to the Board of Directors and, if deemed necessary by the latter, present their resignation formally in the following cases:

- a) When they leave the executive posts associated with their appointment as directors.
- b) When they meet any of the legally define criteria for incompatibility or prohibition.
- c) When they are taken to court for a suspected crime or are the object of disciplinary proceedings initiated by the supervisory authorities due to a serious or very serious incident.
- d) When they are seriously disciplined by the Audit Commission as a result of having breached their obligations as directors.
- e) When their remaining on the Board of Directors could jeopardise the interests of the Company or when the reasons for their appointment no longer apply (for example, when a proprietary director sells his stake in the Company).

C.1.22 Section revoked.

C.1.23 Are strengthened majorities required, other than legal ones, for any kind of decision?:

No

Where applicable, describe the differences.

C.1.24 Explain whether there are specific requirements, other than those relating to directors, for the appointment of the chairman of the board of directors.

No

C.1.25 State whether the chairman has a quality vote:

Yes

Matters where there is a quality vote	In accordance with article 23.6 of the Company Bylaws. Notwithstanding legal provisions relating to majorities, resolutions are adopted by an outright majority of the Directors attending the meeting. In the event of deadlock, the Chairman has the casting vote.
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C.1.26 State whether the bylaws or regulations of the board of directors stipulates any limit on the age of directors:

No

C.1.27 State whether the bylaws or the regulations of the board of directors stipulate a term limit for independent directors, other than the one stipulated in regulations:

Yes

Maximum number of years in term

12

C.1.28 State whether the bylaws or the regulations of the board of directors stipulate specific rules for delegating votes to the Board of Directors, how this is done and, in particular, the maximum number of proxies that can be held by one director, as well as whether there is any limit to the number of categories that can be made proxy, other than the limitations imposed by law. In the event, give a brief outline of these rules.

Article 23 of the Company's Bylaws stipulates that, when absent, directors may arrange to be represented at meetings of the Board of Directors by other directors via written proxy, which, to the extent possible, should contain voting instructions. In any event, non-executive directors may only delegate their representation to another non-executive director.

Furthermore, in accordance with the provisions of Article 19 of the Regulations of the Board, directors shall make every effort to attend meetings of the Board of Directors and, when they cannot attend personally, they shall try to ensure that their representation is conferred upon another member of the same group and includes the relevant instructions. In any event, non-executive directors may only delegate their representation to another non-executive director.

C.1.29 State the number of meetings held by the Board of Directors during the financial year. Where applicable, state the number of times the Board has met without the chairman in attendance. Include attendance with representation involving specific instructions.

Number of Board meetings	5
Number of Board meetings without the chairman in attendance	1

If the chairman is an executive director, state the number of meetings held without the attendance or representation of any executive director and chaired by the coordinating director.

Number of meetings	0
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State the number of meetings held in the year by the various committees of the board:

Commission	Nº of meetings
EXECUTIVE OR DELEGATED COMMITTEE	11
AUDIT COMMITTEE	5
APPOINTMENTS AND REMUNERATION COMMITTEE	2

C.1.30 State the number of meetings held by the Board of Directors with all members in attendance during the financial year. Include attendance with representation involving specific instructions:

Number of meetings with all members in attendance	4
% of attendance out of total votes during the year	80.00%

C.1.31 State whether the individual and consolidated annual financial statements presented to the board for approval are previously certified:

Yes

Identify, where applicable, the person/persons who has/have certified the company's individual and consolidated annual financial statements, for their formulation by the board:

Name	Role
MR ANTONIO RUBIO MERINO	CHIEF FINANCIAL OFFICER

C.1.32 Explain, if applicable, the mechanisms stipulated by the Board of Directors to prevent the individual and consolidated accounts it prepares from being presented at the general shareholders' meeting with a qualified auditor's report.

The Company's Finance Department operates stringent controls over the individual and consolidated accounts to ensure that they are in line with generally accepted accounting principles in Spain and IFRS, and all Prosegur companies are audited by the same auditor: KPMG Auditores, S.L.

Among other duties, the Audit Committee monitors relations with external auditors and, as part of these duties, must supervise the opinion in the audit report on the annual accounts to ensure that it is not qualified, holding any necessary talks with the auditors while the accounts are being prepared.

Lastly, Article 44 of the Regulations of the Board stipulates that the Board of Directors shall seek to provide a final version of the accounts with no scope for qualification in the auditor's opinion. However, when the Board of Directors considers that its own criterion should prevail, it shall publicly explain the content and scope of the discrepancy.

C.1.33 Is the Secretary to the Board of Directors a director?

No

If the Secretary is not a director, complete the following table:

Name or business name of secretary	Representative
MS SAGRARIO FERNANDEZ BARBE	

C.1.34 Section revoked.

C.1.35 State whether the company has stipulated mechanisms to maintain the independence of external auditors, financial analysts, investment banks and rating agencies.

The Audit Committee monitors the independence of external auditors, and when it considers it advisable, it requests their presence at its meetings.

In this regard, Article 44 of the Regulations of the Board stipulates that the Board of Directors shall refrain from hiring the services of audit firms whose fees, for all items, are higher than five percent of its total revenues during the last financial year, and it must publicly disclose the global fees which Prosegur has paid to the audit firm for any services other than auditing.

Prosegur has always conducted itself with the utmost transparency in this matter, guided by the principles of professionalism, solvency and independence of criteria.

C.1.36 State whether, during the year, the Company has changed its external auditor. If so, identify the incoming and outgoing auditor:

No

If there was a disagreement with the outgoing auditor, describe it:

C.1.37 State whether the audit firm performs work for the company and/or its group other than auditing and, if so, state the fees received for such work and those fees as a percentage of total fees billed to the company and/or its group:

Yes

	Company	Group	Total
Fees for work other than auditing (thousands of EUR)	300	343	643
Fees for work other than auditing/Total fees billed by the audit firm (%)	11.00%	12.00%	23.00%

C.1.38 State whether the audit report on the annual financial statements for the previous year contained reservations or qualifications. Where applicable, state the reasons given by the chairperson of the Audit Committee to explain the content and scope of said reservations or qualifications.

No

C.1.39 State the number of consecutive financial years that the current auditing firm has been auditing the annual accounts for the company and/or its group Likewise, state the percentage represented by the number of financial years audited by the current auditing firm out of the total number of financial years that the annual accounts have been audited:

	Company	Group
Number of consecutive years	6	6
Nº of years audited by the current audit firm/No. of years that the company has been audited (%)	20.69%	20.69%

C.1.40 State whether there is a procedure to provide directors with external advice and, if so, give details:

Yes

Provide details of the procedures

The procedures are described in detail in Article 27 of the Regulations of the Board.

External directors may request that legal, accounting, financial advisers or other experts be hired, payable by the Company. The experts must be commissioned to work on specific problems that are relatively important and complex. The decision to engage the services of experts must be notified to the Chairman and may be vetoed by the Board of Directors if it is proven that

- a) It is not necessary for the proper performance by external directors of their assigned duties;
- b) Its cost is not reasonable in light of the importance of the problem and the assets and revenues of the Company; or
- c) The technical assistance required may be adequately provided by the Company's own experts.

C.1.41 State whether there is a procedure for directors to obtain the necessary information to prepare meetings with management bodies sufficiently in advance, and, if so, give details:

Yes

Provide details of the procedures

In accordance with the provisions of Article 18.2 of the Regulations of the Board, ordinary meetings will be announced by letter, fax, telegram or e-mail and will be authorised with the signature of the Chairman. The call shall be sent at least three days in advance and shall always include the meeting's agenda and any relevant information.

Lastly, in accordance with the provisions of Article 26 of the Regulations of the Board, directors shall have the broadest powers to be informed in regard to any aspect of the Company, to examine its books, records, documents and other background for corporate operations and to inspect its facilities. The right of information applies to subsidiary companies both domestic and foreign. In addition, the second section of the aforementioned article stipulates that the right of information shall be channelled through the Chairman of the Board of Directors, the Secretary of the Board or the Company's Financial Officer. They will respond to the directors' requests by providing information directly, placing them in contact with the right person within the organisation or coordinating the measures that allow them to examine and inspect on-site.

C.1.42 State whether the company has stipulated rules to oblige directors to report and, in the event, resign, in scenarios that might damage the credit and reputation of the company, and, if so, give details:

Yes

Explain the rules

In accordance with the provisions of Article 24.2 of the Rules and Regulations of the Board, directors must offer their resignation to the Board of Directors and, if deemed necessary by the latter, present their resignation formally in the following cases: a) When they leave the executive posts associated with their appointment as directors. b) When they meet any of the legally define criteria for incompatibility or prohibition. c) When they are taken to court for a suspected crime or are the object of disciplinary proceedings initiated by the supervisory authorities due to a serious or very serious incident. d) When they are seriously disciplined by the Audit Commission as a result of having breached their obligations as directors. e) When their remaining on the Board of Directors could jeopardise the interests of the Company or when the reasons for their appointment no longer apply (for example, when a proprietary director sells his stake in the Company).

C.1.43 State whether any member of the Board has notified the Company that he/she is involved in legal proceedings or has been indicted in respect of any of the offences listed in Article 213 of the Spanish Companies Act:

No

State whether or not the Board of Directors has analysed the case. If so, explain the reasoning behind the decision on whether or not the director should remain in his/her post and, where applicable, explain the Board of Directors' actions to date or planned actions.

C.1.44 List any significant agreements entered into by the Company which come into force, are amended or terminate in the event of a change of control of the company due to a takeover bid, and their effects.

Credit agreement for EUR 400 million, between Prosegur Compañía de Seguridad, S.A. and a syndicate of credit institutions, with last novation dated 18 March 2015. At 31 December 2015, the capital drawn down amounted to EUR 50 million. In the event of a change of control, creditors would no longer be obliged to make the arranged amounts available to the Company and they would be entitled to request early repayment. Issuance of bonds by Prosegur Compañía de Seguridad, S.A. on 2 April 2013, in the amount of EUR 500 million, maturing on 2 April 2018. In the event of a change of control, bondholders would be entitled to request the retrospective sale of the bonds. The syndicated loan contract for AUD 70 million, dated 12 December 2013. At 31 December 2015, the drawn down capital amounted to AUD 70 million. In the event of a change of control of Prosegur Compañía de Seguros, S.A., creditors would no longer be obliged to make the arranged amounts available to the Company and they would be entitled to request early repayment. The Debenture issued in Brazil in 2012, whose outstanding balance on 31 December 2015 was BRL 70.9 million. In the event of a change of control of Prosegur Compañía de Seguros, S.A., creditors may request early repayment.

C.1.45 List and provide details of any agreements between the company and its management or employees that envisage severance payments, guarantee or golden parachute clauses, when they resign or are dismissed improperly, or when the contractual relationship ends because of a takeover bid or other kind of transaction.

Number of beneficiaries: 0

Type of beneficiary: N/A

Description of the agreement: N/A

State whether these contracts must be notified to and/or approved by the governing bodies of the company or its group:

	Board of Directors	General Shareholders' Meeting
Body authorising the clauses	Yes	No
Is the General Shareholders' Meeting informed about the clauses?		No

C.2 Board of Directors' committees

C.2.1 Provide details of all the committees of the Board of Directors, their members and the proportion of executive, proprietary, independent and other external directors they comprise:

Executive or delegated committee

Name	Role	Category
MR EUGENIO RUIZ-GALVEZ PRIEGO	MEMBER	Independent
MS HELENA IRENE REVOREDO DELVECCHIO	CHAIRMAN	Nominee
MR PEDRO GUERRERO GUERRERO	MEMBER	Independent
MR ISIDRO FERNANDEZ BARREIRO	MEMBER	Independent
MR CHRISTIAN GUT REVOREDO	MEMBER	Executive
MR FERNANDO VIVES RUIZ	MEMBER	Independent
MS CHANTAL GUT REVOREDO	MEMBER	Nominee
% of executive directors		14.29%
% of proprietary directors		28.57%
% of independent directors		57.14%
% of other external directors		0.00%

Explain the duties assigned to this committee, describe the organisational and operational procedures and rules for the same and summarise its most important actions during the financial year.

By virtue of the provisions of article 14 of the Regulations of the Board of Directors, the committees will regulate their own operations and they will meet when announced by the Chairman. If no specific provisions have been made, the operational rules herein shall apply on condition that they are compatible with the committee's nature and function.

In accordance with Article 15 of the Regulations of the Board:

1. The Executive Committee consists of between three and seven directors.
2. Members of the Executive Committee shall be appointed with the favourable votes of at least two thirds of the Board members.
3. The Chair of the Board of Directors shall act as Chair of the Executive Committee and the Secretary of the Board shall act as Secretary of the Committee. The Secretary may be assisted by the Vice Secretary.
4. Permanent delegation of powers by the Board of Directors to the Executive Committee shall refer to all of the Board's powers except for the powers which may not be delegated for legal reasons or pursuant to the corporate bylaws, or powers that may not be delegated due to the provisions herein.
5. The Executive Committee shall hold at least seven ordinary sessions every year.
6. If the Chair or three members of the Executive Committee consider that the topic's importance so requires, the decisions made by the Executive Committee shall be submitted for ratification to the full session of the Board of Directors. The same applies to matters that the Board of Directors has forwarded to the Executive Committee for analysis but reserves final decision thereon. In any other case, the decisions made by the Executive Committee shall be valid and binding without subsequent ratification by the full session of the Board of Directors.
7. The Executive Committee must inform the Board of Directors of any matters discussed and decisions made. Additionally, the Committee's minutes must be available to the directors.

State whether the delegated or executive composition reflects the participation of the different directors on the board depending on their category:

Yes

Audit committee

Name	Role	Category
MR EUGENIO RUIZ-GALVEZ PRIEGO	MEMBER	Independent
MR ISIDRO FERNANDEZ BARREIRO	MEMBER	Independent
MR PEDRO GUERRERO GUERRERO	CHAIRMAN	Independent
% of proprietary directors		0.00%
% of independent directors		100.00%
% of other external directors		0.00%

Explain the duties assigned to this committee, describe the organisational and operational procedures and rules for the same and summarise its most important actions during the financial year.

In accordance with Article 16 of the Regulations of the Board:

1. The Audit Committee will comprise, at least, three and, at most, five non-executive directors.
2. The Board of Directors shall appoint the Chair of the Audit Committee from among the independent directors that are part of the Committee. The role of Chairman is elected for a term of up to four years. At the end of this period, the Chairman may not be re-elected until at least one year has elapsed since his/her term without prejudice to the possibility of holding his/her post as a Committee member or being re-elected as one.
3. The Audit Committee shall perform the following basic duties:
 - a) Report to the General Shareholders' Meeting on questions raised by shareholders regarding areas of their competence.
 - b) Supervise the efficiency of the Company's internal control, internal auditing and risk management systems, including tax risk.
 - c) Supervise internal auditing services annually, their work schedule, incidents and a report on their activities.
 - d) Know the financial information process and the internal control systems and, identify the types and levels of risk, measures for mitigating the impact of identified risk and control systems, information and risk management.
 - e) Supervise the process for drawing up and submitting mandatory financial information.
 - f) Review the Company accounts, ensure compliance with legal requirements and the correct application of generally accepted accounting principles.
 - g) Bring proposals for the selection, appointment, re-election and replacement of the external auditor before the Board of Directors.
 - h) Establish adequate relationships with the external auditor so as to receive information about any issues that may pose a threat to the auditor's independence and any other information in relation to account auditing, and any other communications stipulated in the account auditing legislation and auditing rules.
 - i) Be a channel for communication between the Board of Directors and the auditors.
 - j) Supervise compliance with the audit contract.
 - k) Issue an annual report, before the account audit report, in which it expresses an opinion on the auditor's independence.
 - l) Review offering prospectuses and any other relevant information that the Board of Directors must supply to the markets and its supervisory bodies.
 - m) Examine compliance with internal codes of conduct, this Regulation and, in general, the Company's rules of corporate governance and make the necessary proposals for improvement.
 - n) Establish a mechanism whereby staff can report, confidentially, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the company; and
 - o) Report to the Board of Directors, in particular, regarding:
 1. financial information that the Company must publish periodically, and
 2. the creation or acquisition of shares in entities for a special purpose or registered in countries or territories that are considered tax havens.
4. The Audit Committee shall meet periodically depending on the needs and at least four times a year.
5. Any member of the Company's or Group's management team or staff required to do so must attend the Audit Committee meetings and collaborate and provide access to the information they have access to. The Audit Committee may also require that account auditors attend its sessions.
6. To better perform its duties, the Audit Committee may request advice from external professionals. In this event, Article 27 herein shall apply. Furthermore, when performing its duties, the Audit Committee may invite any of the Company's employees or executives to its meetings.

7. The Chair of the Audit Committee must inform the Board of Directors of the topics discussed and the decisions made by the Committee during the first Board meeting after the Committee's session. Additionally, the Audit Committee's minutes must be available to the directors.

Identify the director on the audit committee who was appointed taking into account his or her knowledge and experience in the area of accountancy, audit or in both and report on the number of years that the Chairman of this committee has been in the role.

Name of the director with experience	MR PEDRO GUERRERO GUERRERO
No. of years the Chairman in role	4

Appointments and remuneration committee

Name	Role	Category
MR EUGENIO RUIZ-GALVEZ PRIEGO	CHAIRMAN	Independent
MS HELENA IRENE REVOREDO DELVECCHIO	MEMBER	Nominee
MR PEDRO GUERRERO GUERRERO	MEMBER	Independent
MR ISIDRO FERNANDEZ BARREIRO	MEMBER	Independent
MR FERNANDO VIVES RUIZ	SECRETARY	Independent
% of proprietary directors		20.00%
% of independent directors		80.00%
% of other external directors		0.00%

Explain the duties assigned to this committee, describe the organisational and operational procedures and rules for the same and summarise its most important actions during the financial year.

In accordance with Article 16 of the Regulations of the Board:

1. The Appointments and Remuneration Committee will comprise, at least, three and, at most, five non-executive directors. At least two of them must be independent directors.
2. The Board of Directors shall appoint the Chair of the Appointments and Remuneration Committee from among the independent directors that are part of the Committee. The Committee shall choose a Secretary who does not need to be a director or a member of the Committee.
3. Without prejudice to the duties assigned by the Board of Directors, the Appointments and Remuneration Committee shall perform the following basic duties:
 - a) Assess the skills, knowledge and experience required in the Board of Directors.
 - b) Submit proposals for appointments to the Board of Directors (for appointment by co-option or submission to the General Shareholders' meeting) for independent directors, and submit proposals for re-electing or dismissing these directors to be decided by the General Shareholders' Meeting.

- c) Submit proposals for appointments of other directors for appointment by co-option or submission to the General Shareholders' meeting, and submit proposals for re-electing or dismissing these directors to be decided by the General Shareholders' Meeting.
 - d) Report on the proposed appointments and removal of senior management and the basic conditions of their contracts.
 - e) Draw up and review the criteria that must be followed to make up the Board of Directors and for selecting candidates; reporting on the proposed appointment of Company directors and senior management and those of their subsidiaries, evaluating the skills, knowledge and experience required by the candidates to fill the vacancies. To this end, the Committee shall define the necessary duties and skills that the candidates must possess to fill the vacancy. The Committee must also determine the time and dedication necessary for effectively performing their duties and any director may submit possible candidates for the consideration of the Board for filling the vacancies.
 - f) Examine and organise the succession of the Chairman of the Board and the chief executive of the Company and, when appropriate, make proposals to the Board of Directors so that the succession is orderly and planned.
 - g) Submit a proposal to the Board of Directors for the remuneration policy for directors and general managers or senior managers that are directly subordinate to the Board, to executive committees or managing directors; and submit a proposal for individual remuneration and other contractual terms and conditions for executive directors and ensure compliance therewith.
 - h) Propose the members that should make up each of the committees to the Board of Directors.
 - i) Periodically review remuneration programmes, weighing up their appropriateness and their performance.
 - j) Report on transactions that involve or may involve conflicts of interest and, in general, on the issues listed in Chapter 9 of these Regulations.
 - k) Inform the Board of Directors about matters in connection with gender diversity and set a representation objective for the least represented gender in the Board of Directors and draw up guidelines for achieving this objective.
4. The Appointments and Remuneration Committee must consider the suggestions from the Chair, the members of the Board of Directors, executives or shareholders.
 5. The Appointments and Remuneration Committee shall meet every time the Board of Directors or its Chair request a report or that proposals be adopted and, in any event, whenever it is advisable for correct performance of its duties. In any case, it shall meet once a year to prepare information about remuneration for directors to be approved by the Board of Directors and include in its annual public documentation.
 6. The Chair of the Appointments and Remuneration Committee shall inform the Board of Directors about any issues discussed and decisions made by the Committee. Additionally, the Committee's minutes must be available to the directors.

C.2.2 Complete the following table with information on the number of women directors sitting on the Board of Directors' committees over the past four years:

	No. of female directors							
	Financial year 2015		Financial year 2014		Financial year 2013		Financial year 2012	
	Number	%	Number	%	Number	%	Number	%
EXECUTIVE OR DELEGATED COMMITTEE	2	28.00%	2	28.00%	2	28.00%	2	33.00%
AUDIT COMMITTEE	0	0.00%	0	0.00%	1	25.00%	1	25.00%
APPOINTMENTS AND REMUNERATION COMMITTEE	1	20.00%	1	20.00%	1	20.00%	1	33.00%

C.2.3 Section revoked.

C.2.4 Section revoked.

C.2.5 State, where applicable, the existence of regulations of the Board of Directors' Committees, the location where they may be consulted, and any changes made during the year. State whether an annual report on the activities of each committee has been drafted voluntarily.

APPOINTMENTS AND REMUNERATION COMMITTEE

The organisation and operation of the Board of Directors' committees are regulated by the Bylaws and specifically by the Regulations of the Board of Directors; both these documents are available for consultation on the Company's website, and on the website of the Spanish Securities Market Commission (CNMV).

EXECUTIVE OR DELEGATED COMMITTEE

The organisation and operation of the Board of Directors' committees are regulated by the Bylaws and specifically by the Regulations of the Board of Directors; both these documents are available for consultation on the Company's website, and on the website of the Spanish Securities Market Commission (CNMV).

AUDIT COMMITTEE

The organisation and operation of the Board of Directors' committees are regulated by the Bylaws and specifically by the Regulations of the Board of Directors; both these documents are available for consultation on the Company's website, and on the website of the Spanish Securities Market Commission (CNMV).

C.2.6 Section revoked.

D. Related-party and intra-group transactions

D.1 Explain, where applicable, the procedure for approving related-party and intra-group transactions.

Procedure for approving related-party transactions

Under no circumstances shall the Board of Directors authorise a related-party transaction with a shareholder unless a report has previously been issued by the Appointments and Remuneration Committee, assessing the operation from the standpoints of equal treatment of shareholders and market conditions.

Nevertheless, the Board's authorisation shall not be necessary if the transactions fulfil the following three conditions: (i) they are conducted in connection with contracts whose conditions are standardised and apply to many customers; they are conducted at general prices or rates set by the good or service providers; and their value does not exceed one percent of the Company's annual revenue in accordance with the audited financial statement regarding the last closed financial year as of the date of the transaction.

D.2 Provide details of transactions that are significant either because of their amount or their content, between the company or group companies and significant shareholders in the company:

Name or business name of significant shareholder	Name or business name of company or member of its group	Nature of the relationship	Type of transaction	Amount (thousands of EUR)
GUBEL, S.L.	PROACTINMO, S.L.	Comercial	Operating leases	1,314
GUBEL, S.L.	EUROFORUM ESCORIAL, S.A.	Comercial	Provision of services	495

D.3 Provide details of transactions that are significant either because of their amount or their content, between the company or group companies and the directors or executives of the company:

Name or business name of the directors or executives of the company	Name or business name of related party	Relationship	Nature of the transaction	Amount (thousands of EUR)
MS HELENA IRENE REVOREDO DELVECCHIO	PROACTINMO, S.L.U.	Controls PROACTINMO, S.L.U.	Operating leases	1,314
MR CHRISTIAN GUT REVOREDO	PROACTINMO, S.L.U.	Its parent controls PROACTINMO, S.L.U.	Operating leases	1,314
MS CHANTAL GUT REVOREDO	PROACTINMO, S.L.U.	Its parent controls PROACTINMO, S.L.U.	Operating leases	1,314
MS HELENA IRENE REVOREDO DELVECCHIO	EUROFORUM ESCORIAL, S.A.	It controls EUROFORUM ESCORIAL, S.A.	Provision of services	495
MR CHRISTIAN GUT REVOREDO	EUROFORUM ESCORIAL, S.A.	Its parent controls EUROFORUM ESCORIAL, S.A.	Provision of services	495
MS CHANTAL GUT REVOREDO	EUROFORUM ESCORIAL, S.A.	Its parent controls EUROFORUM ESCORIAL, S.A.	Provision of services	495
MS HELENA IRENE REVOREDO DELVECCHIO	PROACTINMO, S.L.U.	Controls PROACTINMO, S.L.U.	Sale of property, plant and equipment	12,700
MR CHRISTIAN GUT REVOREDO	PROACTINMO, S.L.U.	Its parent controls PROACTINMO, S.L.U.	Sale of property, plant and equipment	12,700
MS CHANTAL GUT REVOREDO	PROACTINMO, S.L.U.	Its parent controls PROACTINMO, S.L.U.	Sale of property, plant and equipment	12,700

D.4 Provide details of transactions that are significant executed by and between the company and other companies of the same group, provided they are not removed during the process of preparing the consolidated financial statements and are not part of the company's normal business in respect of their purpose and terms.

In any event, any intra-group transaction performed with companies located in countries considered to be tax havens shall be notified:

D.5 State the amount of transactions conducted with other related parties.

D.6 Describe the mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or the group and its directors, executives or significant shareholders.

In accordance with the provisions of article 33 of the Regulations of the Board of Directors, the director must notify the Board of Directors, through the Chairman or Secretary to the Board, of any situation of conflict of interest, direct or indirect, he/she finds himself/herself in.

To detect, determine and resolve possible conflicts of interest with directors, the Regulations of the Board of Directors of Prosegur Compañía de Seguridad, S.A. establish certain mechanisms:

- Disclosure obligations: in accordance with Article 38 of the aforementioned Rules and Regulations, the directors must notify the Company of all the posts they hold and all the activities they perform at other companies or entities and, in general, of any other fact or situation that may prove relevant for their actions as administrator of the Company.
- Obligations to abstain: in accordance with article 33 of the Regulations of the Board of Directors: unless they have obtained the waiver stipulated in Article 230 of the Spanish Companies Act, directors must refrain from:
 - a) performing transactions with the Company except for ordinary operations under standard conditions for the customers that are not very relevant; this means transactions whose information is not necessary to present fairly the company's assets, financial situation and P&L;
 - b) obtaining advantages or remuneration from third parties outside of the Company and its group in connection with their duties, except for simple gestures of courtesy; and
 - c) in general, attending and participating in decision-making and voting that affect matters which place them in a position of conflict of interest.

With regard to significant shareholders, Article 39 of the Rules and Regulations of the Board stipulates that it is up to said body to be informed of any transaction by the Company with a significant shareholder and/or with any other related party in accordance with applicable regulations, and no transactions may be authorised unless a report has previously been issued by the Appointments and Remuneration Committee, assessing the transaction from the standpoints of equality of treatment of shareholders and market conditions.

D.7 Is more than one of the Group's companies listed in Spain?

No

Identify subsidiaries that are listed in Spain:

Listed subsidiary

State whether the respective areas of activity and possible business relations between them have been publicly and accurately defined, as well as those of the listed dependent company with the other companies in the group;

Define the potential business relations between the parent company and the listed subsidiary, and between the latter and the rest of the companies in the group

Identify the mechanisms in place to solve possible conflicts of interest between the listed subsidiary and the other companies in the group:

Mechanisms to solve potential conflicts of interest

E. Risk management and control systems

E.1 Outline the scope of the Company's Risk Management System, including tax risk.

Prosegur considers that the efficient management of risks is key to ensure the creation of value and to guarantee the Company's success. For this purpose, it has a robust risk management and control system implemented in its various areas of activity. The Company analyses, controls and assesses the relevant factors that might affect its daily management to meet its business objectives. Accordingly, it safeguards the assets and interests of customers, employees and shareholders.

Prosegur's Risk Management System works comprehensively and continuously, consolidating management by area, business unit, activity, subsidiaries, geographical areas and areas of support at corporate level.

E.2 Identify which corporate bodies are responsible for preparing and executing the Risk Management System, including tax risk.

Board of Directors, Audit Committee, Corporate Risk Committee and the internal risk management and control function.

E.3 State the main risks, including tax risk, that might affect the achievement of the business objectives.

1. Transactions in markets with a temporary reduction in the demand for security services. Target volumes not met for organic business.
2. Transactions in highly competitive markets. Pressure on prices and margins.
3. Difficulty obtaining expected results for alarms business.

4. Inadequate management of indirect costs.
5. Adverse regulatory changes. Increase in the intervention of governments or regulators.
6. Transactions in highly regulated markets. Risk of non-compliance with regulations, including applicable tax regulations in each market and/or as a group.
7. Failures or incidents in the IT infrastructure.
8. Incidents involving assets held or loss of cash.
9. Loss or theft of own or customers' confidential information. Cyberattacks and computer and security faults.
10. Decline in liquidity generation or in cash management.
11. Reputational risks. Negative publicity regarding name. Loss of brand value.

E.4 Identify whether the company has a risk tolerance level, including tax risk.

Prosegur has defined a model for the identification of critical risk and a procedure for the evaluation and supervision of its management through key risk indicators. The identification of critical risks and their prioritisation is updated annually according to a model that, basically, considers the risks related to Prosegur's main business and corporate objectives.

The indicators-based evaluation model identifies significant parameters (indicators) that provide a useful measure of how each risk is managed. The indicators are chosen considering that (i) they may be applied consistently in all countries, (ii) they allow measurable comparisons to be made over time and between countries, and (iii) they allow the persons responsible to evaluate risk management and anticipate situations of non-compliance with objectives that are relevant for Prosegur.

According to the above criteria, the indicators are usually:

- Values that may be easily obtained from accountancy or other similarly reliable records.
- Magnitudes budgeted, which allows limits to be defined for the indicator.

As a general rule, the tolerance levels (acceptable risk level) are defined considering a percentage of the limit of the indicator in each country. These tolerance levels are consistent with economic indicators used in the application of local and corporate incentive programmes.

In the case of risks that do not allow the identification of indicators with the general criteria that has been defined, the party responsible for their management proposes alternative methods for the assessment and supervision of their management that are validated by the Corporate Risk Committee.

E.5 State what risks, including tax risk, have materialised during the year.

Risks that have materialised during the year are circumstantial to the business model, Prosegur's activity and the markets in which it operates, mainly due to incidents involving assets held, so that they tend to recur in each financial year. The risk control and mitigation systems planned for these risks have worked adequately, and consequently none of them has had a significant impact either on Prosegur's activity or on its results.

E.6 Explain the response and supervision plans for the company's main risks, including tax risk.

Prosegur periodically and repeatedly identifies, evaluates and prioritises the risks it considers to be critical, considering their impact on relevant objectives, in particular.

Depending on the type of risk and its relevance, Prosegur management and the parties directly responsible for its management have established appropriate procedures to allow the effects of any risk that may materialise to be prevented, detected, avoided, mitigated, compensated or shared.

The results of risk management and control are periodically reviewed and analysed by the Corporate Risk Committee. The whole risk management system and its results are supervised by the Audit Committee.

F. Internal risk management and control systems in relation to the process of financial reporting (ICFR)

Describe the mechanisms that make up the risk management and control systems in relation to the process of financial reporting (ICFR) of the company.

F.1 The company's framework of control.

State the main characteristics of, at least:

F.1.1. What bodies and/or functions are responsible for: (i) the existence and maintenance of proper and effective ICFR; (ii) its implementation; and (iii) its supervision.

Article 5 of the Regulations of the Board of Directors stipulates that said body has a general supervisory function. Except for the matters which are reserved for the General Shareholders' Meeting, the Board of Directors is the Company's top decision-making body.

For this purpose, Article 5 of the Regulations of the Board of Directors of Prosegur stipulates that one of its duties that cannot be delegated is the approval of "the Company's general policies and strategies and, in particular, the risk management and control policy, including tax risk, as well as the periodic monitoring of internal information and control systems."

Article 16 of the Regulations stipulates that the Audit Committee shall have, among others, the responsibility of "supervising the efficacy of the Company's internal control, internal audit and risk management systems, including for tax risk, verifying that they are adequate and complete, and reviewing the appointment and removal of those responsible for them and also discussing, with the auditor, the significant weaknesses detected in the internal control system during the audit"; "knowing the process of financial reporting and internal control systems and, for this purpose, identifying the types and levels of risk, the measures for mitigating the impact of the risks identified and the control, reporting and risk management systems"; and "supervising the process of drawing up and submitting mandatory financial information".

F.1.2. Whether, most notably in relation to the process of financial reporting, the following elements are in place:

- Departments and/or mechanisms involved: (i) design and review of organisational structure; (ii) clear definition of lines of responsibility and authority, with adequate distribution of tasks and duties; and (iii) sufficient procedures for their proper dissemination inside the company.

Pursuant to its regulations, the Board of Directors of Prosegur undertakes, in particular, to directly exercise the power to approve the appointment and possible removal of senior executives at the proposal of the chief executive of the Company, as well as their indemnity clauses.

The design and review of the organisational structure and definition of the lines of responsibility and authority are proposed by the Managing Director and validated by the Appointments and Remuneration Committee.

The responsibilities or duties, as well as the profile and skills necessary for each post are defined by each direct superior and approved by the area managers with the help of experts from the Human Resources Department and approved by the corresponding Human Resources Division.

The description and evaluation of the post (and therefore the review of the organisational structure, job map and job descriptions) are performed and updated when those in charge of the post notify the Human Resources Division.

This organisational structure is represented in a chart showing the relationships between the various departments, businesses and support activities belonging to Prosegur. An organisation chart of the Company is located on the corporate Intranet and accessible by the personnel it affects.

- Code of Conduct, approval body, degree of dissemination and instruction, principles and values included (indicating whether there are specific references to the record of operations and preparation of financial information), body in charge of analysing non-compliances and proposing corrective actions and penalties.

Prosegur's Board of Directors approved a Code of Ethics and Conduct applicable to all companies belonging to the Prosegur group in all businesses and activities performed by Prosegur in all the countries where it operates. It is binding upon all members of the governing bodies, executives and personnel of Prosegur.

The Code of Ethics and Conduct provides a guideline on how all Prosegur professionals should conduct themselves. It evidences the company's commitment to conduct itself, at all times, in line with common principles and standards in its relations with stakeholders affected by its activities: employees, shareholders, customers and users, suppliers and associates, authorities, public administrations and regulatory bodies, competitors and the civilian society in which it operates. At the proposal of the Audit Committee, on 28 October 2013, a revised version of the Code of Ethics and Conduct was approved by the Board of Directors of Prosegur.

All Prosegur's professionals are obliged to know, subscribe to and comply with the Code of Ethics and Conduct, and to collaborate in facilitating its implementation, as well as to notify possible non-compliances of which they are aware.

The Code stipulates that, whomsoever, by action or omission, breaches the Code of Ethics and Conduct, shall be subject to the disciplinary measures that, in accordance with current labour regulations and internal policies and procedures, are applicable in each case. All reported non-compliances shall be analysed through an enquiry

process conducted by a team of impartial experts led by the compliance official, who will present his/her findings and, in the event, propose any corrective measures to be implemented, notifying the persons who have identified or reported the non-compliance.

Within the legal compliance section of the Code of Ethics and Conduct, express reference is made to the preparation of financial information in a thorough, clear and accurate manner, using the appropriate accounting records, and its dissemination through transparent communication channels that enable the market and, in particular, Prosegur's shareholders and investors to permanently access it.

Likewise, the section concerning the use and protection of resources refers to the need to ensure that all economically significant transactions performed on Prosegur's behalf are listed clearly and accurately in the appropriate accounting records representing a true and fair view of the transactions performed, and that they are available to the internal and external auditors.

The Code of Ethics and Conduct is available on Prosegur's corporate website and has been disseminated to all Prosegur workers through numerous actions aimed at spreading awareness of it and having employees sign it.

In 2014, a plan to implement and disseminate the Code of Ethics and Conduct was developed, including the following actions:

- Approval of a new, revised version of the Code of Ethics and Conduct by the governing bodies of all the group companies in countries where Prosegur operates.
- Announcement to disseminate the new version of the Code of Ethics and of Conduct to all Prosegur employees through various media: Intranet, website, corporate magazines, noticeboards, e-mail, etc.
- Signing of the Code of Ethics and Conduct by all employees through various means.
- Continuing in-person training on the courses imparted by the Regulatory Compliance and Human Resources Departments and online through courses run by Prosegur Corporate University.

In 2015, dissemination and training actions in relation to the Code of Ethics and of Conduct continued in all the countries where Prosegur operates.

- Complaints channel, allowing the audit committee to be notified of financial and accounting irregularities, in addition to potential breaches of the Code of Conduct and irregular activities within the organisation, stating, where applicable, whether this is confidential in nature.

Prosegur has a Complaints Channel in place to enable any person to safely and confidentially report any acts that are irregular, unlawful or which contravene the ethics and conduct code of Prosegur of which they may become aware, including any of a financial and accounting nature which take place in the performance of the activities of the Company.

The Complaints Channel consists in a form that is available on the website www.prosegur.com/corpen/index.htm, which is permanently open, allowing the confidentiality required for each situation and the necessary anonymity to protect persons using it.

The Internal Audit Department confidentially manages communications received and conveys its findings to the Audit Committee.

- Training and periodic continuing learning programmes for personnel involved in preparing and revising financial information, and evaluation of ICFR, covering at least accounting standards, auditing, internal control and risk management.

Prosegur pays particular attention to continuing training and the development of its professionals for the proper performance of their functions.

Specifically, personnel belonging to the Finance Department (mainly the tax and financial reporting section), and the Audit Department continually attend training sessions to keep abreast of regulatory and legal changes.

The Company has cooperation agreements with other organisations that allow it to constantly refresh the knowledge of employees involved in preparing and revising the financial information.

Prosegur's management of training processes is centralised through the Prosegur Corporate University. The University hosts the Financial Community, aimed at professionals who form part of the financial and economic areas in the countries where the Company has a presence. The main objectives of the Financial Community are to standardise financial processes and to update the criteria for accounting, tax, financial and control and risk management, and international standards.

In 2015, persons involved in the preparation, review and reporting of financial information received various updates and attended courses on new regulatory developments that took place throughout the year.

F.2 Evaluation of financial reporting risks.

State, at least:

F.2.1. What the main characteristics of the risk identification process are, including the risk of error or fraud, with regard to:

- Whether such a process exists and is documented.
Every year, the Finance Department identifies, using the ICFR scope matrix, the risks affecting financial reporting from the standpoint of accounting records and potential non-compliance with accounting standards and, after analysis of these risks, it documents the design of controls to mitigate the same along with the corresponding evidence.
- Whether the process covers all the financial reporting objectives (existence and occurrence; completeness; valuation; presentation, breakdown and comparability; and rights and obligations), and whether and how often it is updated.

The ICFR scope matrix is aimed at identifying the accounts and entries that have significant risk associated with them, whose potential impact on financial reporting is material and, which therefore require special attention. In this regard, in the process of identifying the significant accounts and breakdowns a series of quantitative variables (balance of the account) and qualitative variables (complexity of transactions; changes and complexity of regulations; need to use estimates or projections; application of judgement and qualitative importance of the information) are considered.

This ICFR scope matrix is based on the balance sheet and consolidated income statement included in the latest audited Consolidated Financial Statements that are available. Said matrix is updated every year, after the Consolidated Financial Statements are prepared. In 2015, the scope matrix was last updated based on the figures contained in the Financial Statements on 31 December 2014.

For each of these significant accounts and breakdowns included in the scope matrix, the associated critical processes and sub-processes have been defined, and the risks that might generate errors and/or fraud in financial reporting have been identified, covering all the financial reporting objectives (existence and occurrence; completeness; valuation; presentation, breakdown and comparability; and rights and obligations).

- The existence of a process of identification of the consolidation scope, considering, among other aspects, the possible existence of complex corporate structures, or instrumental or special purpose vehicles.

The identification of the consolidation perimeter is carried out each month. The changes in the consolidation perimeter are recorded in the Group consolidation software system, where the map of the structure of ownership of the companies within the perimeter is permanently updated.

The Legal Department Management along with the Business Development Management are responsible for reporting to the Economic and Financial Management the transactions carried out within this scope and which affect the structure of the group and the consolidation perimeter.

The Finance Department, through the Tax Department, keeps a record of all the entities included in the consolidation perimeter, the means of control or influence, the legal format and the type of direct or indirect participation of all the companies. It is continuously updated and allows historical changes in the perimeter to be tracked.

- Whether the process takes into account the effects of other risk types (operating, technological, financial, legal, reputational, environmental, etc.) to the extent they affect the financial statements.

Prosegur has a Corporate Risk Committee that reports to the Audit Committee the results of the regular assessment of critical risk management. Prosegur identifies and prioritises all kinds of critical risks every year (operational, financial, strategic, regulatory compliance, technological and others) that, were they to materialise, might have an adverse effect on the achievement of relevant objectives for the Company.

- Which of the company's governing bodies supervises the process?

Supervision of ICFR is the responsibility of the Audit Committee. The Internal Audit Management Department uses specific programs to verify the internal control of financial information under the supervision of the Audit Committee.

F.3 Control activities.

State, indicating their main characteristics, whether there are at least:

F.3.1. Review and authorisation procedures for financial reporting and the description of ICFR, to be published in securities markets, indicating those responsible for them, and documentation describing the flows of activities and controls (including those relating to the risk of fraud) of the various group of transactions that might have a material impact on the financial statements, including the procedure for account closure and the specific review of relevant judgements, estimates, valuations and projections.

The parent company's annual financial statements, Prosegur's consolidated annual financial statements and the half-yearly financial reports are all reviewed by the Audit Committee prior to being prepared by the Board of Directors, in accordance with Article 16 of their Regulations.

The Audit Committee reviews any other relevant information prior to publication through the regulatory bodies.

The Board of Directors approves and, where applicable, formulates the financial information presented, which is later published via the Spanish Securities Markets Commission and presented to third parties.

Prosegur conducts periodic reviews of the financial information it prepares, as well as the description of ICFR, in accordance with various levels of responsibility in order to ensure information quality. The Finance Department is in charge of preparing the description of ICFR in coordination with the departments involved. This process culminates in the review by the Audit Committee and it is, therefore, also approved in the Annual Corporate Governance Report, validated by the full Board of Directors.

The Finance Department has described the flow of activities and controls on significant transactions which affect the financial statements. The documentation of these flows defines the applicable rules of action and the information systems used for the process of closing accounts. Personnel involved in the process of preparing financial information are continuously trained and informed with regard to the procedures for the accounting closure of Individual and Consolidated Financial Statements and Accounts. The documents detail the basic areas for preparing, reviewing and approving consolidated accounting closures and accounting closures for companies belonging to the Group.

Prosegur discloses financial information to the securities markets on a quarterly basis. The Finance Department is ultimately responsible for financial reporting. In the description of the flow of activities in the accounting closure process, the control activities that ensure the reliability of the information are defined. The corporate areas within the Finance Department analyse and supervise the information prepared.

The Finance Department has documented the risk of error or fraud in financial reporting and the controls that affect all critical processes/sub-processes. These processes cover the various kinds of transaction that may have a material impact on the financial statements (acquisitions, sales, personnel expenses, etc.), and the specific consolidation and reporting process.

In this regard, Prosegur has identified all the processes necessary to prepare the financial information, in which it has used relevant judgements, estimates, valuations and projections, considering all of them to be critical.

The documentation of each of these critical processes comprises:

- A description of each of the sub-processes linked to each process.
- Details of the information systems affecting sub-processes.
- Details of the internal procedures and rules approved by the Department, and regulating said sub-processes.
- Description of the key and non-key controls mitigating each of the risk identified.

For each control, the following have been identified:

- Organisational structures and/or functions of persons in charge of each of the key and non-key controls identified.
- Frequency of the controls.

- Level of automation of the controls.
- Type of control: preventive or detective.

The specific review of the relevant judgements, estimates and valuations for quantifying goods, rights and obligations, revenues and expenses and any other commitments listed in the Individual and Consolidated Annual Financial Statements is performed by the Financial Department with the collaboration of the rest of Prosegur's Support Departments Assumptions based on business performance are analysed jointly with the Business Departments.

The Chief Financial Officer and the Managing Director analyse the reports issued and approve financial information before it is presented to the Audit Committee and the Executive Committee of the Board of Directors.

F.3.2. Internal control policies and procedures concerning information systems (including access security, tracking of changes, operation thereof, operating continuity and segregation of functions) that underpin the company's significant processes in relation to the preparation and publication of financial information.

One of the specific functions of the Risk Management Department is the continuous evaluation of the part of the internal control system linked to information systems, which include support to the issuance of financial information.

There is an Information Security Committee which is a management body comprising representatives from all the substantive areas of Prosegur.

This Committee is responsible for:

- Aligning the information security objectives with the main strategic business lines
- Approaching Prosegur's information security as a global activity integrated within the business
- Coordinating and approving the proposals received for projects linked to information security
- Providing the necessary resources for developing information security initiatives
- Identifying and evaluating security risks in respect of business needs

The Information Security Committee monitors all these functions through a Master Plan. The 2015–2017 Information Security Master Plan was designed in 2015.

Control of access to information systems is managed by assigning a personalised user name and password. Internal audits are conducted on the process for controlling access to the systems at least once a year.

A procedure is in place to control access to the Prosegur data processing centre; access is restricted to authorised personnel and all access is recorded.

There is a process in place for managing changes to software applications before the systems are put into production.

Prosegur systems and information are backed up and in a redundant infrastructure that allows business continuity.

As part of its continuous improvement, Prosegur will continue to strengthen the information security management process in all countries and systems with financial impact.

F.3.3. Internal control policies and procedures aimed at supervising the management of activities outsourced to third parties, and those aspects of evaluation, calculation or valuation commissioned to independent experts that might have a material impact on the financial statements.

The recurring activities in the process of preparation of financial information are not outsourced by Prosegur. Occasionally Prosegur requests advice from independent experts in situations of the following kind:

- a) Evaluation of the tax impact of corporate restructuring transactions.
- b) Tax advice for subsidiaries in preparing tax returns subject to specific regulations.
- c) Estimates of the fair value of certain assets, branches of activity or business.
- d) Verification of the efficacy of the money laundering prevention system.
- e) Valuation of the allocation of the purchase price of the new companies.

When hiring external advisers, depending on the amounts involved, decision-making processes involve the consideration of at least three proposals from the cost and professional qualification standpoints. Prosegur only uses the services of experts for work that underpins valuations, judgements or accounting calculations when they are registered with the relevant collegiate or similar bodies, and when they are from companies of recognised prestige in the market. The corporate Finance and Legal Departments supervise the results of evaluations, calculations or valuations performed by third parties in the accounting, legal and tax areas. In addition, the relevant departments of Prosegur have adequate personnel to validate the conclusions of the reports issued.

F.4 Reporting and communication.

State, indicating their main characteristics, whether there are at least:

F.4.1. A specific function for defining and refreshing accounting policies (accounting policy department or area) and resolving doubts or conflicts deriving from their interpretation, maintaining a fluid communication with the persons responsible for the operations within the organisation, and an up-to-date accounting policies manual, communicated to the business units through which the company operates.

The Corporate Financial Reporting Department, which is an integral part of the Finance Department, is responsible for preparing, issuing, publishing and later implementing the Accounting Standards applicable to Prosegur under the internal certification of the 3P process management system (Prosegur's Policies and Processes). It also analyses and resolves the queries, doubts or conflicts regarding the interpretation and appropriate application of each of the policies.

Among the functions of the Corporate Financial Reporting Department is the analysis of International Accounting Standards, in order to comply with:

- The establishment of Support Standards or procedures to help personnel in relation to the process of preparing financial information.
- The analysis of transactions requiring specific accounting treatment.
- The resolution of queries regarding the application of specific accounting standards.
- The evaluation of possible future impacts on the financial statements, as a result of new developments or changes to international accounting standards.

- The list of external auditors in relation to the criteria applied, and the accounting estimates and judgements.
- The resolution of any doubt arising from the various interpretations of the standards.

Prosegur's accounting manual is updated annually. There is good communication with all of the managers involved in preparing financial information and updates made after the latest changes to regulations are also distributed and made available to employees with accounting duties.

F.4.2. Mechanisms to compile and prepare financial information with standardised formats, for application and use by all units of the company or group which support the main financial statements and the notes thereto, as well as detailed information on ICFR.

The process of compiling and preparing consolidated financial information is centralised. The first phase of this process begins at the subsidiaries of the Prosegur Group, based on enterprise resource planning (ERP) platforms under the supervision of the Financial Department, which ensures that the financial information of the companies is reliable, complete and consistent. Based on the subsidiaries' financial statements, and through IT systems programmed to extract and aggregate data, the individual and consolidated financial statements are compiled and analysed.

There is a half-yearly reporting process for obtaining the necessary information for the line items of the consolidated annual accounts and half-yearly report. Prosegur's Accounting Plan is applied at all Prosegur's subsidiaries for the purposes of compiling information for the consolidation of financial statements.

F.5 Supervision of the system's operation.

State the main characteristics of, at least:

F.5.1 The ICFR supervisory activities performed by the audit committee and whether the company has an internal audit function that supports the committee in its oversight of the internal control system, including ICFR. There is also information on the scope of the evaluation of ICFR in the year and the procedure for the person in charge of the evaluation to convey the findings, whether the company has a plan of action detailing the possible corrective measures, and whether the impact on financial reporting has been considered.

In accordance with the provisions of Article 16.3 of the Regulations of the Board of Directors, among the basic responsibilities of the Audit Committee are the following:

- To review Prosegur's accounts, ensuring the correct application of the main generally-accepted accounting principles, and to report proposed modifications to accounting principles and criteria suggested by the management of Prosegur.
- To be a communications channel between the Board of Directors and the auditors, to evaluate the result of each audit and the responses of the management team to the auditors' recommendations, and to mediate in the event of a discrepancy between the two in relation to the principles and criteria applicable in preparing the financial statements, and to discuss with the accounts auditor any significant weaknesses in the internal system detected during the audit.
- To supervise the efficacy of the Company's internal control, internal audit and risk management systems (including for tax risk), checking that they are suitable and complete, and to review the appointment and replace-

ment of managers and to discuss with the accounts auditor any significant weaknesses in the internal system detected during the audit.

- To supervise compliance with the audit contract, ensuring that the opinion on the annual accounts and the main content of the audit report are written clearly and accurately.
- To review any relevant information which the Board of Directors must provide to the markets and their supervisory bodies.
- To know the financial information process and the internal control systems and, for this purpose, to identify the types and levels of risk, measures for mitigating the impact of identified risk and control systems, information and risk management.
- Supervise the process for drawing up and submitting mandatory financial information.
- To supervise the company's internal auditing services, for which purposes the internal audit manager must submit its work plan, its incidents and an activity report to the committee every year.

Prosegur has an internal audit department that is functionally dependent upon the Audit Committee. Its objectives and functions include (i) assisting the Audit Committee in the objective compliance with its responsibilities, (ii) verifying the adequate management of risks, and (iii) ensuring the completeness and reliability of accounting information

The internal audit department has prepared a programme for revision of ICFR which is executed over a three-year period and integrated in the annual work schedules submitted for approval to the Audit Committee.

The internal audit department continuously updates its verification programs to adapt them to the changes that the Financial Reporting Department makes to ICFR.

In 2015, significant processes were reviewed in relation to financial information in Spain and other European and Latin American subsidiaries. The verification carried out in 2015 was the start of the plan for supervising the operation of ICFR, which will end in 2016.

The internal audit department verifies the state of execution of the recommendations included in its audit reports, including those concerning ICFR verification. In 2015, two half-yearly reports were issued on the state of execution of the guidelines issued to the members of the Audit Committee.

Additionally, the internal audit department conducts quarterly evaluations of critical risk management, which may include financial reporting risk, based on key risk indicators, their comparison with the established limits and their performance over time. The results are presented to the Corporate Risk Committee for analysis and to the Audit Committee for supervision of their management. During 2015, the evaluation model was updated.

F.5.2. Whether there is a discussion procedure in which the auditor (in accordance with technical auditing standards), the internal auditing role and other experts may convey to senior management and the audit committee or directors of the company any significant weaknesses in the internal control they have discovered during the review process of the annual accounts or other reviews they have been commissioned to perform. State also if there is an action plan to correct or mitigate the weaknesses observed.

In 2015, the external auditors attended two Audit Committee meetings for the review of conclusions on the auditing of annual accounts and of the agreed procedures performed regarding the interim half-yearly financial statements. At the same time, external auditors report on possible weaknesses in internal control and opportunities for improvement identified during the course of their work.

In addition, the Chief Financial Officer, responsible for preparing the annual accounts and the intermediate financial information that Prosegur provides to the markets and its supervisory bodies, attends the meetings of the Audit Committee, in order to review and discuss any relevant issue that might arise during the process of preparation and presentation of the regulated financial information.

At each Audit Committee meeting, the Internal Audit Director regularly presents the conclusions of his or her work verifying the operation and efficacy of the procedures in ICFR, the control weaknesses identified, the recommendations made and the status of execution of the action plans agreed for mitigation thereof. The Chief Financial Officer and the Internal Audit Director attended all five meetings of the Audit Committee in 2015.

F.6 Other significant information.

N/A

F.7 External auditor's report.

State:

F.7.1. Whether the ICFR information sent to the markets has been reviewed by the external auditor, in which case the company must include the relevant report as an appendix. Otherwise, it should explain why.

Prosegur has submitted the ICFR information sent to the markets for the financial year 2015 for review by the external auditor, whose report is attached to this document as appendix I. The scope of the auditor's review procedures was in accordance with the Guidelines for Action and the model auditor's report referring to information concerning the internal control system on financial reporting of listed companies in July 2013 (updated in December 2015), issued by the Spanish Auditors' Institute (Instituto de Censores Jurados de Cuentas de España).

G. Degree of implementation of corporate governance guidelines

State the degree to which the company has adhered to the recommendations of the Good Governance Code of Listed Companies. If any guideline is not followed or only partially followed, a detailed explanation must be included so that shareholders, investors and the market in general have enough information to assess the company's action. General explanations are not acceptable.

1. The Bylaws of listed companies should not limit the maximum number of votes that a single shareholder may cast, or contain other restrictions that hamper taking control of the company through the acquisition of its shares in the market.

Compliant

2. When the parent company and a subsidiary of it are both listed, they should both publicly and accurately define:
- The respective areas of activity and possible business relations between them, and those of the listed subsidiary with other companies in the group.
 - The mechanisms in place to resolve potential conflicts of interest.

Not applicable

3. At the general shareholders' meeting, in addition to the written dissemination of the annual corporate governance report, the chairman of the board of directors verbally informs the shareholders, in sufficient detail, of the most relevant aspects of the company's corporate governance and, in particular:
- Any changes that have taken place since the previous general shareholders' meeting.
 - The specific reasons why the Company is not following any of the Corporate Code of Governance guidelines and, if applicable, any alternative rules it applies in this area.

Explain

This recommendation was not implemented at the general shareholders' meeting in April 2015, however, it will be at the next general shareholders' meeting

4. The Company should define and promote a policy of communication and contact with shareholders, institutional investors and advisors on voting that fully respects rules against market abuse and applies equal treatment to shareholders in the same position.

The Company should publish this policy on its website, including information in relation to the way in which it has been put into practice and identifying the contact persons or parties responsible for carrying it out.

Compliant

5. The board of directors should not submit to the general shareholders' meeting a proposal for delegation of powers for issuing shares or convertible bonds excluding the right to preferential subscription, for an amount greater than 20% of the capital at the time of delegation.

When the board of directors approves any issuing of shares or convertible bonds excluding the right to preferential subscription, the Company should immediately publish the reports on its website regarding this exclusion, which are referred to by commercial legislation.

Compliant

6. Listed companies that prepare the reports listed below should, whether in a mandatory or voluntary manner, publish them on their website sufficiently in advance of the general shareholders' meeting, although it is not compulsory to disseminate them:

- a) Report on the auditor's independence.
- b) Reports on the operation of the audit and appointments and remuneration committees.
- c) Report by the audit committee on related-party transactions.
- d) Report on the corporate social responsibility policy.

Compliant

7. The Company should broadcast the general shareholders' meeting on its website in real time.

Explain

The Company considers that, to date, the dissemination systems currently used are sufficient, without broadcasting it over the website.

8. The audit committee should ensure that the board of directors seek to present a financial statement to the general shareholders' meeting based on an audit report with no qualifications or reservations. In the exceptional event of reservations, both the chairperson of the audit committee and the auditors must explain the content and scope of these limitations and reservations to the shareholders.

Compliant

9. The Company must permanently publish, on its website, the requirements and procedures that it will accept for certifying ownership of shares, the right to attend the general shareholders' meeting and for using or delegating voting rights.

And these requirements and procedures should favour shareholders attending and using their rights and be applied in a non-discriminatory manner.

Compliant

10. When any legitimate shareholder has exercised the right to complete the agenda or submit new proposals for agreement, before the general shareholders' meeting, the Company:

- a) Immediately disseminates these additional points and new proposals for agreement.
- b) Publishes the attendance card model or proxy voting or remote voting form with the required changes so that the new points on the agenda and alternative proposals may be voted on under the same conditions as those proposed by the board of directors.
- c) Submits all of these points and alternative proposals to the vote and applies the same voting rules as for those proposed by the board of directors, including, in particular, assumptions or deductions regarding the voting.
- d) After the general shareholders' meeting, give the breakdown of the voting on these additional points or alternative proposals.

Compliant

11. If the Company plans to pay bonuses for attendance at the general shareholders' meeting, it should establish a general policy regarding these bonuses in advance and this policy should be stable.

Not applicable

12. The board of directors should perform its duties with the same aim in mind and using independent judgement and should apply equal treatment to shareholders in the same position. The board of directors should be guided by the corporate interest, i.e. a business that is profitable and sustainable in the long term which promotes business continuity and maximisation of the Company's economic value.

And, while striving for the corporate interest, besides observing applicable regulations and acting in good faith, ethically and in compliance with the commonly accepted customs and good practices, it should try to balance the corporate interest with, as appropriate, the legitimate interests of its employees, providers, customers and other affected stakeholders, and also the impact of Company activities on the community as a whole as well as the environment.

Compliant

13. The board of directors should be the right size to manage to operate in an efficient and participative manner, which makes it advisable for it to have between five and fifteen members.

Compliant

14. The board of directors should approve a policy for selecting directors that:

- a) Is specific and attestable.
- b) Ensures that the proposed appointments or re-elections are based on prior analysis of the needs of the board of directors.
- c) Favours diversity of knowledge, experience and gender.

The result of the prior analysis of the needs of the board of directors should be contained in the appointment committee's justification report, which should be published along with the announcement for the general shareholders' meeting to which the ratification, appointment or re-election of each director will be submitted.

And the policy for selecting directors should promote the objective of the number of female directors representing, at least, 30% of the total members of the board of directors by 2020.

On an annual basis, the appointments committee will verify compliance with the policy for selecting directors and report thereon in the annual corporate governance report.

Compliant

15. There should be an ample majority of independent and proprietary directors on the board of directors and there should be the bare minimum of executive directors, taking into account the complexity of the company group and the percentage of shareholdings belonging to executive directors in the company capital.

Compliant

16. Among the total non-executive directors, the percentage of proprietary directors should not be greater than the proportion of company capital represented by those directors in comparison with the remainder of the capital..

These criteria may be minimised:

- a) In companies with high capitalisation where there are few shareholdings that are legally considered significant.
- b) When we are dealing with companies where there are many shareholders represented on the board of directors and there are not relationships between them.

Compliant

17. The number of independent directors should represent, at least, half the total directors.

However, when the company does not have high capitalisation or when, even when it does, it has one or several shareholders acting together, who control more than 30% of the business capital, the number of independent directors should represent, at least, a third of the total directors.

Compliant

18. Companies should publish the following information on directors on their websites, and keep it updated:

- a) Professional profile and biography.
- b) Other boards of directors that he or she sits on, whether or not they are listed companies, and also any other paid activities he or she performs, whatever their nature.
- c) State the category of director he or she is, indicating the shareholder, in the case of proprietary directors, that he or she represents or with whom he or she is connected.
- d) Date of first appointment as director of the company, and those of subsequent re-elections.
- e) Company shares, and options regarding the same, that they own.

Compliant

19. In the annual corporate governance report, after verification by the appointments committee, the reasons should be explained why proprietary directors have been appointed at the request of shareholders whose shareholdings are less than 3% of capital; and the reasons should be given why formal requests have not been answered for a presence on the board from shareholders whose sha-

reholdings are equal to or more than those of others at whose request proprietary directors have been appointed.

Compliant

20. Proprietary directors should resign when the shareholder they represent disposes of its entire shareholding. And they should also resign when the shareholder whose interests they represent reduces its stake to such a level that its number of proprietary directors should be reduced.

Compliant

21. The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the Board, based on a proposal from the appointments committee. In particular, just cause shall be said to exist if the director assumes new posts or obligations that prevent him/her from dedicating the necessary time to his/her duties as director, fails to fulfil duties inherent to his/her post or incurs in any of the circumstances that cause him/her to cease to be independent, in accordance with the provisions of applicable legislation.

It shall also be possible to propose the removal of independent directors as a result of takeover bids, mergers or other similar corporate operations, which imply a change in the company's capital structure, when such changes in the board of directors are triggered by the criterion of proportionality set forth in Recommendation 16.

Compliant

22. Companies should establish rules to oblige directors to report and, in the event, resign, in scenarios that might damage the credit and reputation of the company, and, in particular, to oblige them to report to the Board any criminal proceedings for which they are indicted, as well as the subsequent developments of these proceedings.

And, if a director is investigated or indicted for any of the offences listed in the Spanish Companies Act, the board of directors should examine the case as soon as possible and, in light of the specific circumstances, decide whether or not the director should continue in his/her post. The Board should disclose all such determinations in the Annual Corporate Governance Report.

Compliant

23. All directors should clearly express their opposition when they consider a proposal submitted to the board of directors to be contrary to the interests of the company. The same applies, in particular to independent and other directors not affected by the potential conflict of interest, when the decision could jeopardise the interests of shareholders not represented on the board of directors.

When the Board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she should draw the pertinent conclusions and, if he or she chooses to resign, he or she should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary to the board of directors, whether a director or not.

Compliant

24. When, due to resignation or any other reason, a director leaves his/her post before the end of his/her term, he/she should explain why in a letter to all members of the board of directors. And, without prejudice to its being notified as a relevant fact, the reason for the termination should be explained in the annual corporate governance report.

Compliant

25. The appointments committee should ensure that non-executive directors have enough time to correctly perform their duties.

The regulations of the board should establish the maximum number of company boards of directors that its directors may sit on.

Compliant

26. The board of directors should meet as frequently as necessary to perform their duties effectively and, at least, eight times a year, following the calendar and topics established at the start of the financial year, and each director may, individually, propose other points for the agenda that were not initially planned.

Partially compliant

The only item that has not been met is the minimum requirement of eight meetings a year, although we consider that the board meets frequently enough to perform its duties effectively.

27. Director absences should be kept to the bare minimum and quantified in the annual corporate governance report. When directors have no choice but to delegate their vote, they should do so with instructions.

Compliant

28. When the directors or the secretary is concerned regarding a proposal or, in the case of directors, regarding the company's progress, and these concerns are not resolved by the board of directors, they will be recorded in the minutes at the request of the party who stated them.

Compliant

29. The Company should provide adequate channels for directors to comply with their duties, which in special circumstances may include external advisory services paid for by the Company.

Compliant

30. Regardless of the knowledge required of directors for performing their duties, the companies should also offer refresher programmes when circumstances so advise.

Compliant

31. The meeting agenda should clearly state the points on which the board of directors must adopt a decision or agreement so that the directors can study or gather the information they need, in advance, for adopting it.

When, exceptionally, for reasons of urgency, the chairman wishes to submit decisions or agreements for approval by the board of directors that are not on the agenda, most of the directors present must first expressly agree therewith. Their consent shall be noted down in the minutes.

Compliant

32. The directors should be regularly informed of movements in the shareholding and of the opinion that the significant shareholders, the investors and the rating agencies have of the Company and its group.

Compliant

33. The chairman, as the party responsible for the efficient operation of the board of directors, besides performing the duties attributed to him by law and the bylaws, should prepare and submit to the board of directors a calendar and topics to be dealt with; should organise and coordinate the regular evaluation of the board and also, where applicable, of the Company's chief executive; should be responsible for managing the board and for the effectiveness of its operation; should ensure that sufficient time is spent discussing matters of strategy, and should agree on and review the programmes for updating knowledge for each director, when required by circumstances.

Compliant

34. When there is a coordinating director, besides the powers legally bestowed on him or her, the bylaws or the regulations of the board of directors should attribute the following to him or her: to chair the board of directors when the chairman and the vice chairmen, if there are any, are absent; to voice the concerns of the non-executive directors; to maintain contact with investors and shareholders and discover their points of view for the purpose of forming an opinion on their concerns, in particular, in relation to the corporate governance of the Company; and to coordinate the succession plan for the chairman.

Compliant

35. The secretary of the board of directors should ensure, in particular, that the board of directors take any good governance guidelines contained in this Code of Good Governance that are applicable to the Company into account in their actions and decisions.

Compliant

36. The plenary of the board of directors should evaluate and adopt, where applicable, an action plan once a year, to correct any deficiencies detected with regard to:
- The quality and efficiency of the operation of the board of directors.
 - The operation and composition of its committees.
 - Diversity in the composition and duties of the board of directors.
 - The performance of the chairman of the board of directors and the Company's chief executive.
 - The performance and contribution of each director, paying special attention to the parties responsible for the different board committees.

The different committees shall be evaluated based on the report that they submit to the board of directors and the latter shall be evaluated based on the report submitted to it by the appointments committee.

Every three years, the board of directors shall be helped to perform the evaluation by an external consultant, whose independence shall be verified by the appointments committee.

The business relationships that the consultant or any company in its group maintains with the Company or any company in its group must be listed in the annual corporate governance report.

The process and areas evaluated shall be described in the annual corporate governance report.

Compliant

37. When there is an executive committee, the share structure of the different categories of director shall be similar to that of the board of directors and its secretary should be the secretary to the board of directors.

Compliant

38. The board of directors should always be aware of the matters dealt with and the decisions adopted by the executive committee and all members of the board of directors should receive a copy of the minutes of the meetings of the executive committee.

Compliant

39. The members of the audit committee and, in particular, its chairperson should be appointed taking into account their knowledge and experience in the area of accounting, auditing or risk management, and the majority of those members should be independent directors.

Compliant

40. Under the supervision of the audit committee, there should be a unit that assumes the internal audit function, ensures the appropriate operation of internal control and information systems and reports to the non-executive chairman of the board or of the audit committee.

Compliant

41. The manager of the unit that assumes the internal audit function should submit his or her annual work plan to the audit committee, should directly report any incidents that occur while carrying it out and should submit an activity report at year end.

Compliant

42. Besides those stipulated by law, the following functions correspond to the audit committee:

1. In relation to the internal control and information systems:

- a) Oversee the preparation and integrity of the financial information about the company and, where applicable, the group, review compliance with regulations, and ensure correct delimitation of the consolidation perimeter and the correct application of accounting criteria.
- b) Guarantee that the unit that assumes the function of internal auditing is independent; propose the selection, appointment, re-election and termination of appointment of the manager of the internal audit service; propose the budget for the service; approve the focus and its work plans, ensuring that its activity is focussed mainly on relevant risks for the company; receive periodic information about its activities; and verify that senior management takes the conclusions and recommendations in its reports into account.
- c) Establish and oversee a mechanism that allows employees to report potentially relevant irregularities, particularly financial and accounting irregularities, within the company. This mechanism must be confidential and, if possible and appropriate, anonymous.

2. As for the external auditor:

- a) If the external auditor resigns, examine the circumstances behind this resignation.
- b) Ensure that the external auditor's remuneration for his or her work does not compromise its quality or independence.
- c) Ensure that the company notifies the CNMV of the change of auditor as a relevant fact and accompanies the notification with a statement on the possible existence of disagreements with the outgoing auditor and, if this is the case, of the content of the same.
- d) Ensure that the external auditor meets with the plenary board of directors to report to it on the work done and on the progress of the company's risk and accountancy situation.
- e) Ensure that the company and the external auditor respect current regulations on providing services other than those of auditing, the limits on the auditor's concentration of business and, in general, other regulations regarding the independence of auditors.

Compliant

43. The audit committee should be able to invite any of the company's employees or executives to its meetings and it may even determine that no other executive shall be present.

Compliant

44. The audit committee should be informed of operations that involve structural and corporate changes that have been planned by the company for analysis and a preliminary report to the board of directors regarding their economic conditions and their accounting impact and, in particular, where applicable, regarding the proposed exchange ratio.

Compliant

45. The risk management and control policy should, at least, identify:
- a) The various types of risk (operating, technological, financial, legal, reputational, etc.) to which the company is exposed, including among the financial risks, contingent liabilities and other off-balance-sheet risks.
 - b) The establishment of the risk level the company sees as acceptable.
 - c) Measures in place to mitigate the impact of risk events should they occur.
 - d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Compliant

46. Under the direct supervision of the audit committee or, where applicable, of a specialist committee of the board of directors, there should be an internal risk management and control function performed by one of the company's internal departments or units, to which the following functions are expressly attributed:
- a) Ensure the correct operation of the risk management and control systems and, in particular, that they appropriately identify, manage and qualify all the important risks affecting the company.
 - b) Participate actively in the preparation of the risk strategy and in important decisions on risk management.
 - c) Ensure that the risk management and control systems appropriately mitigate risk as part of the policy defined by the board of directors.

Compliant

47. The members of the appointment and remuneration committee —or the appointment committee and the remuneration committee, if they are separate— should be appointed with the appropriate knowledge, skills and experience for the functions that they are to perform and the majority of these members should be independent directors.

Compliant

48. Companies with high capitalisation should have a separate appointments committee and remuneration committee.

Not Applicable

49. The appointments committee should consult with the chairman of the board of directors and the company's chief executive, especially in matters relating to the executive directors and senior executives.

Any director should be able to request that the appointments committee consider potential candidates for director positions in case they find them suitable, in their judgement.

Compliant

50. The remuneration committee should perform its duties independently and, besides the duties it is attributed by law, should also be responsible for the following:

- a) Make proposals to the board of directors regarding the standard conditions for senior officer employment contracts.
- b) Check that the company's remuneration policy is complied with.
- c) Periodically review the remuneration policy for directors and senior executives, including remuneration schemes with company shares and the application thereof; and ensure that their individual remuneration is proportional to the remuneration of other company directors and senior executives.
- d) Ensure that possible conflicts of interest do not compromise the independence of external advisory services provided, when appropriate, to the committee.
- e) Check the information about remuneration for directors and senior executives in corporate documents, including the annual report on remuneration for directors.

Compliant

51. The remuneration committee should consult with the chairman and the company's chief executive, especially in matters relating to the executive directors and senior executives.

Compliant

52. The rules for the composition and operation of the supervision and control committees figure in the regulations of the board of directors and should be consistent with those applicable to the committees that are mandatory in accordance with the above recommendations, including:

- a) They should be exclusively comprised of non-executive directors, with a majority of independent directors.
- b) Their chairpersons should be independent directors.
- c) The board of directors should appoint the members of these committees taking the knowledge, skills and experience of the directors and duties of each committee into account, deliberate on their proposals and reports, and account for their activity and answer for the work done at the first plenary of the board of directors after their meetings.
- d) The committees should be able to receive external advice, when deemed necessary for the performance of their duties.
- e) Minutes should be kept of their meetings, which shall be available to all directors.

Compliant

53. The job of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility should be entrusted to the various committees of the board of directors, such as the audit committee, the appointments committee, the corporate social responsibility committee, if there is one, or a specialist committee that the board of directors, exercising its powers of self-organisation, decides to create for the purpose, to which the following minimum functions are entrusted:
- a) Supervision of compliance with the company's internal codes of conduct and corporate governance rules.
 - b) Supervision of the strategy for communicating and maintaining relationships with shareholders and investors, including small- and medium-sized shareholders.
 - c) Regular evaluation of the suitability of the company's corporate governance system, in order for it to comply with its mission of promoting company interests and take into account, as applicable, the legitimate interests of the remaining stakeholders.
 - d) The review of the company's corporate responsibility policy, ensuring that it is focussed on the creation of value.
 - e) Monitoring corporate social responsibility practices and strategy and evaluating the degree to which it is complied with.
 - f) Supervision and evaluation of relationship processes with the different stakeholders.
 - g) Evaluation of all matters in relation to the Company's non-financial risks, including operational, technological, legal, social, environmental, political and reputational risks.
 - h) Coordination of the process for reporting non-financial information and information about diversity according to the applicable regulations and the leading international standards.

Compliant

54. The corporate social responsibility policy should include the principles or commitments that the company voluntarily assumes in its relationship with the different stakeholders and identify at least:
- a) The objectives of the corporate social responsibility policy and the development of support instruments.
 - b) Corporate strategy in relation to sustainability, the environment and social issues.
 - c) Specific practices in matters relating to: shareholders, employees, customers, providers, social issues, the environment, diversity, tax liability, respect for human rights and prevention of illegal conduct.
 - d) Methods and systems for monitoring the results of applying the specific practices stated in the letter above, the associated risk and management of the same.
 - e) Mechanisms for supervision of non-financial risk, ethics and business conduct.
 - f) Channels of communication, participation and dialogue with the stakeholders.
 - g) Responsible communication practices that prevent the manipulation of information and protect integrity and honour.

Compliant

55. The company should report, in a separate document or in the management report, on matters relating to corporate social responsibility, using any of the internationally accepted methods to do so.

Compliant

56. Directors' remuneration should be sufficient to attract and retain directors with the desired profile and to compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise the independence of criteria of non-executive directors.

Compliant

57. Remuneration for executive directors should be limited to variable remuneration linked to the company's results and personal performance, and also to remuneration through shares, options on or rights over shares or instruments indexed to the share price, and long-term savings plans, such as pension plans, retirement plans or other welfare systems.

Shares may be contemplated as remuneration for non-executive directors when it is conditional upon the directors holding them until they leave their post. The above will not apply to shares that the director needs to sell, where applicable, to pay for costs relating to their purchase.

Compliant

58. In the case of variable remuneration, remuneration policies should incorporate the precise necessary technical ceilings and precautions to ensure that it is in line with the professional performance of its beneficiaries and does not simply derive from the general performance of the markets or the company's business sector or other similar circumstances.

In particular, the variable components of the remuneration should:

- a) Be linked to predetermined and measurable performance criteria and those criteria should be considered the risk assumed for obtaining a result.
- b) Promote the sustainability of the company and include non-financial criteria that are appropriate for the creation of value in the long term, such as compliance with the company's internal rules and procedures and with its risk management and control policies.
- c) Be based on a balance between meeting objectives in the short, medium and long term that allow for remuneration of performance through continuous effort over a sufficient period for its contribution to the sustainable creation of value to be appreciated, so the elements for measuring this performance are not based only on specific, occasional or special events.

Compliant

59. The payment of a relevant part of the variable components of the remuneration is deferred for a sufficient minimum period of time to check that the performance conditions established previously have been met.

Compliant

60. Remuneration relating to company results should take into account the possible reservations contained in the report by the external auditor and reduce those results.

Compliant

61. A relevant percentage of the executive directors' variable remuneration is linked to the delivery of shares or financial instruments indexed to their value.

Compliant

62. Once the shares or options on or rights over shares corresponding to the remuneration systems are attributed, directors may not transfer ownership of a number of shares equal to twice their annual set remuneration, or exercise options or rights until, at least, three years after they are attributed.

The above will not apply to shares that the director needs to sell, where applicable, to pay for costs relating to their purchase.

Explain

The Company has not felt it necessary to include this limitation so far.

63. Contracts and agreements should include a clause that allows the company to claim a refund of the variable components of the remuneration when the payment was not been adapted to performance conditions or when it was paid taking into account data that later proved to be erroneous.

Compliant

64. Payment for termination of contract should not exceed a set amount equal to two years of total annual payment and it should not be paid until the company has been able to check that the director complied with previously established performance criteria.

Compliant

H. Other information of interest

1. If there are any relevant aspects of corporate governance in the company or group companies that have not been discussed in other sections of this report, but which it is necessary to include in order to offer more thorough and reasoned information on the structure and practices of governance in the company or its group, briefly outline them.
2. In this section, any other information, clarification or nuance relating to the previous sections of the report may be included, provided they are relevant and not repetitive.

Specifically, state whether the company is subject to corporate governance legislation other than Spanish legislation and, if so, include such information as is obligatory and different from the information presented herein.

3. The company may also state whether it has voluntarily subscribed to other international, sector-specific codes of ethics or good practices, or codes pertaining to other spheres. If applicable, the code in question must be identified and the date of subscription stated.

GENERAL CLARIFICATION: It is hereby certified that the data contained in this Report refer to the financial year ended 31 December 2015, except in those matters specifically and expressly referring to another date.

EXPLANATORY NOTE TO SECTION A.3: The number of shares in the table under the heading 'equivalent number of shares', refers to the maximum number of shares which there is an option to receive, although the number of shares actually received will depend on compliance with the terms and conditions provided in the Long-Term Incentives Plan approved at the General Shareholders' Meeting held on 28 April 2015.

EXPLANATORY NOTE TO SECTION A.8: Treasury stock may only change ownership during restructuring of the company.

This annual corporate governance report has been approved by the Board of Directors of the company, at its meeting on 24/02/2016.

State whether there were directors who voted against or who abstained from approving this Report.

No



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

Auditors' Report on the "Information concerning the System of Internal Control over Financial Reporting (ICFR)" of Prosegur Compañía de Seguridad, S.A. for 2015

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

To the Directors
Prosegur Compañía de Seguridad, S.A.

As requested by the Board of Directors of Prosegur Compañía de Seguridad, S.A. (the "Company") and in accordance with our proposal letter dated 25 January 2016, we have applied certain procedures to the "Information concerning the ICFR" attached in section F of the Annual Corporate Governance Report of Prosegur Compañía de Seguridad, S.A. for 2015, which summarises the Company's internal control procedures for annual financial reporting.

The Board of Directors is responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and oversight of an adequate system of internal control, the development of improvements to that system and the preparation and definition of the content of the information concerning the ICFR attached.

In this respect, it should be borne in mind that irrespective of the quality of the design and operation of the internal control system adopted by the Company in relation to annual financial reporting, the system may only provide reasonable, but not absolute assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Company's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures. Consequently, the scope of our evaluation of the internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the efficiency of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the *Action Guide referring to the Auditors' Report on Information on Internal Control over Financial Reporting for listed entities*, published on the website of the Spanish Securities Market Commission (CNMV), which defines the work to be performed, the minimum scope of the work and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on its effectiveness or design or operational efficiency, with respect to the Company's annual financial reporting for 2015 described in the attached Information concerning the ICFR. Consequently, had additional procedures been applied to those defined in the Action Guide, or an audit or review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.

KPMG Auditores S.L., sociedad española de responsabilidad limitada y firma miembro de la red KPMG de firmas independientes afiliadas a KPMG International Cooperative ("KPMG International") sociedad suiza.

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N.I.F. B-78510153

Moreover, as this special engagement does not constitute an audit of accounts nor is it subject to the current Audit Law in Spain, we do not express an audit opinion in the terms envisaged in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the attached information prepared by the Company in relation to the ICFR – disclosures included in the directors' report – and evaluation of whether it covers all the information required, taking into account the minimum content described in Section F, concerning the ICFR description, of the standard Annual Corporate Governance Report pursuant to CNMV Circular 7/2015 of 22 December 2015.
2. Inquiries of personnel responsible for preparing the information detailed in point 1 above in order to: (i) gain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the Company.
3. Review of explanatory documentation supporting the information detailed in point 1 above, and which will mainly include that made directly available to those responsible for preparing the descriptive information on the ICFR. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit committee.
4. Comparison of the information detailed in point 1 above with the understanding of the Company's ICFR gained as a result of the procedures performed within the framework of the audit work on the annual accounts.
5. Reading of the minutes of the meetings of the Board of Directors, audit committee and other committees of the Company for the purposes of assessing the consistency of the matters discussed at these meetings in relation to the ICFR with the information detailed in point 1 above.
6. Procurement of a representation letter concerning the work performed, duly signed by those responsible for preparing and drawing up the information detailed in point 1 above.

As a result of the procedures applied to the Information concerning the ICFR, no inconsistencies or incidents have come to light that could affect it.

This report has been prepared exclusively in the context of the requirements established in Article 540 of the Spanish Companies Act and CNMV Circular 7/2015 of 22 December 2015 for the purposes of describing ICFR in the Annual Corporate Governance Reports.

KPMG Auditores, S.L.
(Signed on original in Spanish)

Bernardo Rucker-Emden

24 February 2016

Audit Committee Activity Report for Fiscal Year 2015

1. Introduction

Regulation

The Audit Committee of the Prosegur Security Company was created in 2003.

Its regulations are contained in articles 27 of the Company Bylaws and article 16 of the Regulations of the Board of Directors.

Duties

The duties of the Audit Committee include the following:

- To report to the General Shareholders' Meeting on questions raised by shareholders regarding areas of their competence.
- To supervise the efficacy of the Company's internal control, internal audit and risk management systems (including for tax risk), checking that they are suitable and complete, and to review the appointment and replacement of managers and to discuss with the accounts auditor any significant weaknesses in the internal system detected during the audit.
- To supervise the company's internal auditing services, for which purposes the internal audit manager must submit its work plan, its incidents and an activity report to the committee every year.
- To know the financial information process and the internal control systems and, for this purpose, to identify the types and levels of risk, measures for mitigating the impact of identified risk and control systems, information and risk management.
- To supervise the process for drawing up and submitting mandatory financial information.
- To review Company accounts, ensuring the correct application of the main generally-accepted accounting principles, and to report proposed modifications to accounting principles and criteria suggested by the management.
- To submit proposals to the Board of Directors for the selection, appointment, re-election and replacement of the external auditor, along with his or her contractual terms and conditions, and regularly collect information from this auditor regarding the audit plan and its execution, and also preserve his or her independence in the performance of his or her duties.
- To establish adequate relationships with the external auditor so as to receive information about any issues that may pose a threat to his or her independence, for examination by the Committee, and any other information in relation to account auditing, and any other communications stipulated in account auditing legislation and in auditing policies. In any case, the Audit Committee must receive

an annual declaration from the account auditor regarding his or her independence from the company or companies that are directly or indirectly linked to it, along with information about any additional services that have been provided by the auditor and paid for by these companies or by individuals or companies linked to the latter pursuant to the provisions of legislation on account auditing.

- To be a communications channel between the Board of Directors and the auditors, to evaluate the results of each audit and the management team's response to the auditors' recommendations, and to mediate in the event of a discrepancies between the former and the latter in relation to the principles and criteria applicable for preparing the financial statements, and to discuss with the accounts auditor any significant weaknesses detected in the internal system during the audit.
- To supervise compliance with the audit contract, ensuring that the opinion on the annual accounts and the main content of the audit report are written clearly and accurately.
- To issue an annual report, before the account audit report, in which it expresses an opinion on the auditor's independence. In all events, this report must contain an assessment of the provision of the additional services mentioned above (considered individually and as a group), other than legal auditing and in relation to the system of independence or to auditing regulations.
- To review offering prospectuses and any other relevant information that the Board of Directors must supply to the markets and its supervisory bodies.
- To examine compliance with internal codes of conduct, these regulations and, in general, the Company's rules of corporate governance and make the necessary proposals for improvement. Specifically, the Audit Committee must receive information and, when appropriate, generate a report about (i) the actions and decisions made by the Regulatory Compliance Division when performing its duties pursuant to the Company's internal code of conduct; and (ii) the disciplinary measures which must be applied, when appropriate, to members of the Company's senior executive team;
- If deemed suitable, to establish and, where applicable, to supervise a system that allows employees to confidentially and, if appropriate, anonymously report potentially relevant irregularities, particularly financial and accounting irregularities, within the company; and
- To inform the Board of Directors, in advance, of any matters under the Committee's scope of responsibility as defined by law, corporate bylaws and these regulations, specifically:
 1. financial information that the Company must publish periodically; and
 2. the creation or acquisition of shares in entities for a special purpose or registered in countries or territories that are considered tax havens. Composición de la Comisión y asistencia a sus reuniones en 2015

Composition of the Committee and attendance at its meetings in 2015.

The Audit Committee is a committee appointed by the Board of Directors and, therefore, it is made up of Company directors.

At 31 December 2015, the composition of the Audit Committee was as follows:

Name	Type of director
Mr Pedro Guerrero (Presidente)	Independent
Mr Isidro Fernández Barreiro	Independent
Mr Eugenio Ruiz-Gálvez Priego	Independent
Secretary to the Committee (not a member):	Ms Sagrario Fernández Barbé

The Committee, in accordance with its regulations, meets as often as it is convened by agreement of the Board of Directors, of the Committee itself or of its Chairman, and at least 4 times a year. 5 meetings were held in 2015.

Attendance at Audit Committee meetings in 2015 was as follows:

Mr Pedro Guerrero Guerrero	5 meetings
Mr Isidro Fernández Barreiro	5 meetings
Mr Eugenio Ruiz-Gálvez Priego	5 meetings

Depending on the agenda for the Committee meeting, external advisors and management also attended these meetings, including the external auditors who are asked to come and report to the Committee at least twice a year.

Minutes are taken at Audit Committee meetings and are available to members of the Board of Directors.

2. Activities in 2015

1. Financial information

The Committee paid special attention to the review —performed before the one performed and disseminated by the Executive Committee and the Board of Directors— of the Prosegur Group's and the Company's annual accounts, and also of the quarterly financial information and six-monthly financial statements and other information made available to the market and supervisory bodies.

At meetings in fiscal year 2015, the periodic public information that the Company sends to CNMV was reviewed.

2. Account auditing

At the meeting of 30 November, it was agreed to make a proposal to the Board of Directors, who would in turn make a proposal to the General Shareholder's Meeting, for the re-election of KPMG Auditores

S.L. as the auditor of the individual and consolidated accounts of the Prosegur Group and the companies comprising the Group for fiscal year 2016.

The account auditors attended meetings held on 23 February to present their conclusions regarding the accounts audit for fiscal year 2014, and on 28 July to present the results of the procedures agreed upon for the financial statements on 30 June 2015.

3. Codes of conduct

The Audit Committee is responsible for examining compliance with codes of conduct and with rules of corporate governance in general.

In 2015, the Audit Committee supervised this compliance, especially with regard to internal regulations on conduct and the Code of Ethics and Conduct.

The Committee agreed to issue a favourable report to the Board of Directors with reference to the related-party transaction submitted in 2015.

Modification to the regulations of the board of directors

At its meeting on 23 February, the Committee unanimously agreed to issue a favourable report with regard to the proposed agreement for adoption by the Board of Directors on the modification to the following articles in the Regulations of the Board of Directors in order to adapt them to the new Spanish Companies Act (LSC 30/2014): art. 5 (General Supervisory Role), art. 8 (Qualitative Composition), art. 10 (Chair of the Board of Directors), art. 16 (Audit Committee), art. 17 (Appointments and Remuneration Committee), art. 18 (Meetings of the Board of Directors), art. 19 (The Meetings), art. 20 (Appointment of Directors), art. 28 (Remuneration for Directors), art. 30 (General Duties of Directors), art. 31 (Duty of Confidentiality of Directors), art. 33 (Conflicts of Interest), art. 34 (Use of Corporate Assets) and art. 39 (Related-Party Transactions).

4. Risk management and internal control

The duties of the Audit Committee include supervising Prosegur's risk management and internal control procedures.

On 23 February 2015, the Internal Audit Director submitted the activity report for 2014 for approval, along with the work schedule for 2015, drawn up (i) in accordance with certain regulatory requirements, (ii) in accordance with the plan established for verifying internal controls regarding financial information, and (iii) considering weaknesses in internal control identified during the external audit process and other procedures for identifying risk. The Internal Audit Director has regularly reported on the execution of the work schedule during participation at Audit Committee meetings.

The following are the most noteworthy activities performed by the internal audit department and supervised by the Audit Committee:

- Conclusion of the projects contained in the work schedule for 2015.
- Receipt and analysis of notifications received through the report channel.
- Drawing up six-monthly monitoring reports for recommendations agreed upon in audits performed. For each recommendation, a formal document of commitment is defined with the audited area, specifying an action plan, the party responsible for execution of the plan, the planned date of compliance and, when possible, quantification of the result obtained.

The Committee received the results of the critical risk assessment performed quarterly by the Risk Committee.

Monitoring the group's occupational contingencies

At all meetings, the Committee was informed of the corporate-level monitoring of the group's occupational risk with the aim of improving management of the same, reducing the costs associated with it and its likelihood through preventive actions and actions for influencing regulatory change.



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