

Applus Services, S.A.
Financial Statements
for the year ended 31 December 2015
and Directors' Report, together with
Auditors' Report

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 15). In the event of a discrepancy, the Spanish-language version prevails.

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The Directors of Applus Services, S.A. declare that, to the best of their knowledge, the financial statements of Applus Services, S.A. (comprising the balance sheet, statement of profit and loss, statement of changes in equity, statement of cash flows and notes to the financial statements) and the consolidated financial statements of Applus Services, S.A and Subsidiaries (comprising the consolidated statement of financial position, consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and explanatory notes to the consolidated financial statements) for the fiscal year ended at 31 December 2015, prepared by the Board of Directors at its meeting on 24 February 2016 in accordance with the accounting policies applicable present fairly the equity, financial position and results of Applus Services, S.A., and also for the Subsidiaries included in the scope of consolidation, taken as a whole, and that the management report accompanying the financial statements of Applus Services S.A. and the consolidated financial statements of Applus Services, S.A and Subsidiaries includes a fair analysis of the business' evolution, results and the financial position of Applus Services, S.A and Subsidiaries included in the scope of consolidation, taken as a whole, as well as a description of the principal risks and uncertainties they face.

Barcelona, 24 February 2016



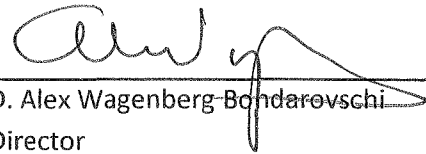
D. Christopher Cole
Chairman



D. Ernesto Gerardo Mata López
Director

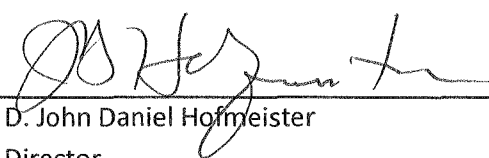
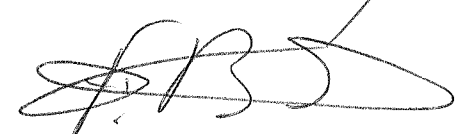


D. Pedro de Esteban Ferrer
Director



D. Alex Wagenberg-Bondarevski
Director

D. Mario Pardo Rojo
Director



D. John Daniel Hofmeister
Director

D. Fernando Basabe Armijo
Director



D. Richard Campbell Nelson
Director

D. Nicolás Villén Jiménez
Director

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 15). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the shareholders of
Applus Services, S.A.:

Report on the Financial Statements

We have audited the financial statements of Applus Services, S.A., which comprise the statement of financial position as at 31 December 2015 and the statement of profit or loss, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended.

Directors' Responsibility for the Financial Statements

The directors are responsible for preparing the accompanying financial statements so that they present fairly the equity, financial position and results of Applus Services, S.A. in accordance with the regulatory financial reporting framework applicable to the Company in Spain (identified in Note 2.1 to the accompanying financial statements) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of Applus Services, S.A. as at 31 December 2015, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

Report on Other Legal and Regulatory Requirements

The accompanying directors' report for 2015 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2015. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from Applus Services, S.A.'s accounting records.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Deloitte
Initialed for identification
purposes only

Raimon Ripoll

25 February 2016

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 15). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015
(Thousands of Euros)

ASSETS	Notes	31/12/15	31/12/14	EQUITY AND LIABILITIES	Notes	31/12/15	31/12/14
NON-CURRENT ASSETS:		1,589.060	1,590.934	EQUITY:		1.009.393	991.089
Non-current investments in Group companies and associates-		1.543.297	1.539.975	SHAREHOLDERS' EQUITY-	Note 7	1.009.393	991.089
Equity instruments	Note 5.1	1.110.503	1.106.734	Share capital		13.002	13.002
Loans to companies	Notes 5.1 & 11.2	432.794	433.241	Share premium		313.525	350.857
Deferred tax assets	Note 9.5	45.763	50.959	Reserves		655.966	650.679
				Treasury shares		(7.883)	(5.407)
				Prior years' losses		-	(31.649)
				Profit for the year		34.783	13.607
				NON-CURRENT LIABILITIES:		569.608	508.254
				Non-current payables-	Note 8	483.308	496.338
				Bank borrowings		483.308	496.338
				Non-current payables to Group companies and associates	Note 11.2	86.300	11.916
CURRENT ASSETS:		298.432	47.089	CURRENT LIABILITIES:		308.491	138.680
Trade and other receivables-		9.312	20.262	Current payables-	Note 8	35.168	5.887
Receivable from Group companies and associates	Note 11.2	4.056	13.771	Bank borrowings		28.583	480
Sundry accounts receivable		-	15	Derivatives	Note 6	6.585	5.407
Corporate income tax receivables	Note 9.1	5.256	6.476	Current payables to Group companies and associates	Note 11.2	261.317	119.809
Current investments in Group companies and associates-	Notes 5.2 & 11.2	279.782	25.804	Trade and other payables-		12.006	12.984
Short-term loans to Group companies and associates		271.343	19.404	Payable to suppliers		100	93
Other receivables		8.439	6.400	Sundry accounts payable		791	983
Cash and cash equivalents	Note 5.3	9.338	1.023	Remuneration payable		10.825	9.407
				Tax payables	Note 9.1	290	2.501
TOTAL ASSETS		1.887.492	1.638.023	TOTAL EQUITY AND LIABILITIES		1.887.492	1.638.023

The accompanying Notes 1 to 15 and Appendix I are an integral part of the statement of financial position as at 31 December 2015.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 15). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A.

STATEMENT OF PROFIT OR LOSS FOR 2015
(Thousands of Euros)

	Notes	2015	2014
CONTINUING OPERATIONS:			
Revenue-	Note 10.1	65.128	46.405
Services		65.128	46.405
Staff costs-	Note 10.2	(10.112)	(12.672)
Wages, salaries and similar expenses		(9.946)	(12.439)
Employee benefit costs		(166)	(233)
Other operating expenses-		(2.631)	(2.004)
Outside services		(2.219)	(1.279)
Taxes other than income tax		(412)	(725)
Other profit/(Loss)-	Note 10.4	-	(4.081)
Profit from operations		52.385	27.648
Finance income-		24	1.226
From marketable securities and other financial instruments of third parties		24	1.226
Finance costs-	Notes 10.3 & 11.1	(26.455)	(27.066)
On debts to Group companies and associates		(13.374)	(13)
On debts to third parties		(13.081)	(27.053)
Exchange differences		8.442	741
Financial loss		(17.989)	(25.099)
Profit before tax		34.396	2.549
Corporate income tax	Note 9	387	11.058
Profit for the year from continuing operations		34.783	13.607
DISCONTINUED OPERATIONS:			
Profit for the year from discontinued operations net of tax		-	-
PROFIT FOR THE YEAR		34.783	13.607

The accompanying Notes 1 to 15 and Appendix I are an integral part of the statement of profit or loss for 2015.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 15). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A.

STATEMENTS OF CHANGES IN EQUITY FOR 2015
A) STATEMENT OF RECOGNISED INCOME AND EXPENSE
 (Thousands of Euros)

	2015	2014
PROFIT PER INCOME STATEMENT (I)	34.783	13.607
Income and expense recognised directly in equity:		
Arising from cash flow hedges	-	-
Tax effect	-	-
Total income and expense recognised directly in equity (II)	-	-
Transfers to profit or loss:		
Arising from cash flow hedges	-	-
Tax effect	-	-
Total transfers to profit or loss (III)	-	-
Total recognised income and expense (I+II+III)	34.783	13.607

The accompanying Notes 1 to 15 and Appendix I are an integral part of the statement of recognised income and expense for 2015.

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APPLUS SERVICES, S.A.

STATEMENTS OF CHANGES IN EQUITY FOR 2015

B) STATEMENT OF CHANGES IN TOTAL EQUITY

(Thousands of Euros)

	Share capital	Share premium	Reserves	Treasury Shares	Prior years' losses	Profit (Loss) for the year	Total
BALANCE AT BEGINNING OF 2014	655.963	52.926	-	-	(133.632)	113.315	688.572
Total recognised income and expense	-	-	-	-	-	13.607	13.607
Allocation of 2013 profit	-	-	11.332	-	101.983	(113.315)	-
Transactions with shareholders (Note 7)							
- Capital increase	2.069	297.931	-	-	-	-	300.000
- Capital reduction with charge to reserves	(645.030)	-	645.030	-	-	-	-
- Capital Increase expenses with charge to Equity	-	-	(5.683)	-	-	-	(5.683)
- Transactions with treasury shares	-	-	-	(5.407)	-	-	(5.407)
2014 ENDING BALANCE	13.002	350.857	650.679	(5.407)	(31.649)	13.607	991.089
Total recognised income and expense	-	-	-	-	-	34.783	34.783
Allocation of 2014 profit	-	-	(3.295)	-	-	(13.607)	(16.902)
Transactions with shareholders (Note 7)							
- Offset of capital increase expenses	-	(5.683)	5.683	-	-	-	-
- Offset of prior years' losses	-	(31.649)	-	-	31.649	-	-
- Transactions with treasury shares	-	-	2.899	(2.476)	-	-	423
2015 ENDING BALANCE	13.002	313.525	655.966	(7.883)	-	34.783	1.009.393

The accompanying Notes 1 to 15 and Appendix I are an integral part of the statement of changes in total equity for 2015.

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Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 15). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A.

STATEMENT OF CASH FLOWS FOR 2015
(Thousands of Euros)

	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES (I):		36.063	(3.369)
Profit for the year before tax		34.396	2.549
Adjustments for-			
Dividend revenue	Note 11.1	(36.200)	(28.331)
Finance income	Note 10.3	(25.499)	(1.226)
Finance costs	Note 10.3	26.455	27.066
Exchange differences		(8.442)	(741)
Changes in working capital-			
Trade and other receivables		9.730	(10.773)
Trade and other payables		(1.131)	409
Other current liabilities		3.797	(1.265)
Other cash flows from operating activities-			
Dividends received		34.162	21.931
Interest paid		(19.457)	(28.368)
Interest received		22.472	16.487
Corporate Income tax paid		1.923	(1.107)
Other receivables and payables		(6.143)	-
CASH FLOWS FROM INVESTING ACTIVITIES (II):		(87.552)	(131.196)
Proceeds from disposal-			
Group companies and associates	Note 5.1 & 5.2	73.519	55.763
Other assets		-	1.100
Payments due to investment-			
Loans to Group companies and associates	Note 5.1	(161.071)	(188.059)
CASH FLOWS FROM FINANCING ACTIVITIES (III):		61.778	89.942
Proceeds and payments relating to equity instruments-			
Proceeds from equity instruments		-	291.880
Proceeds and payments relating to financial liability instruments-			
Proceeds from issue of bank borrowings	Note 8	25.322	497.143
Proceeds from issue of borrowings from Group companies and associates	Note 11.2	88.515	119.799
Repayment of bank borrowings	Note 8	(15.000)	(818.880)
Repayment and amortisation of borrowings with Group companies and associates		(20.157)	-
Dividend payments and remuneration of other equity instruments			
- Dividends	Nota 7	(16.902)	-
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV):		(1.974)	(501)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		8.315	(45.124)
Cash and cash equivalents at beginning of year		1.023	46.147
Cash and cash equivalents at end of year		9.338	1.023

The accompanying Notes 1 to 15 and Appendix I are an integral part of the statement of cash flows for 2015.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 15). In the event of a discrepancy, the Spanish-language version prevails.

Applus Services, S.A.

Notes to the financial statements for the year ended 31 December 2015

1. Company activities

Applus Services, S.A. (formerly Applus Technologies Holding, S.L., "the Company") was incorporated as a private limited liability company for an indefinite period of time on 5 July 2007 under the name of Libertytown, S.L.U., which was changed to Applus Technologies Holding, S.L on 10 July 2008 and to its current name on 4 March 2014. When the Company was incorporated its registered office was established at calle Aribau no. 171, Barcelona. On 29 November 2007, the registered office was moved to its current location at Campus de la UAB, Ronda de la Font del Carme s/n, Bellaterra, Cerdanyola del Vallès (Barcelona). On 4 March 2014, the shareholders at the Company's Annual General Meeting resolved to change the Company from a private limited liability company to a public limited liability company.

Since 29 November 2007 the Company has been the Parent of the Applus Group ("the Applus Group" or "the Group"). On 18 June 2015, the Company Annual General Meeting amended its company purpose.

The Company purpose is as follows:

- To provide services in relation to the transport sector and vehicle and highway safety (engineering processes, design, testing, approval and certification of used cars), as well as technical inspections in sectors other than the automotive sector, with a blanket exclusion of activities that are covered by special legislation.
- The technical audits of all types of installations for technical inspection or control of vehicles located anywhere in Spain or abroad, as well as any other type of technical inspection other than vehicles.
- The draw up and execution of all types of studies and projects in relation to the abovementioned activities: economic, industrial, property, information technology, market surveys and research, as well as the supervision, direction and provision of services and advice in the execution thereof. Provision of services, advice, administration, operation and management, whether technical, fiscal, legal or commercial.
- Business intermediation services, both locally and abroad.
- To provide all types of inspection services and quality and quantity control, regulatory inspection, collaboration with administration, consultancy, audit, certification, approval, personnel training and qualification, and technical assistance in general in order to improve the organization and management of quality, safety and environmental aspects.
- To carry out studies, works, measurements, tests, analyses and controls, in laboratories or in situ, and such other professional methods and actions considered necessary or advisable, in particular those related to manufacturing materials, equipment, products and installations, in the fields of mechanics, electricity, electronics and information technology, transport and communications, administrative organization and office automation, mining, food, environment, construction and civil works, performed during the stages of design, planning, manufacturing, construction and assembly and commissioning, maintenance and production for all types of companies and entities, both public and private, as well as before the Central State Administration, the Administrations of Autonomous Communities, Provinces and Municipalities, and all types of agencies, institutions and users, whether within the country or abroad.

- The purchase, holding and administration, whether direct or indirect, of shares, corporate interests, quota shares and any other form of holding or interest in the capital and/or securities granting right to the obtaining of shares, corporate interests, quota shares, or other holdings or interests in companies of any type, with or without legal personality, established in accordance with Spanish law or any other applicable legislation, in accordance with Article 108 of the Law 27/2014, of 27 November, on Corporate Income Tax, or by such legislation as may replace it, as well as the administration, management and guidance of such companies and entities, whether directly or indirectly, by means of the membership, attendance and holding of positions on any governing and management bodies of such companies or entities, carrying out the aforementioned advisory, management and guidance services making use of the corresponding organization of material and personnel means. An exception is made for those activities expressly reserved by law for Collective Investment Institutions, as well as for that expressly reserved by the Securities Market Act for investment service companies.

The aforementioned activities may be carried out either directly by the Company or through the ownership of shares or equity interest in other companies with an identical or related purpose, including the carrying out of all its activities in an indirect manner, therefore acting solely as a holding company.

All activities for which the law establishes special requirements that cannot be carried out by the Company are excluded from the corporate purpose. Should legal provisions require a professional qualification, administrative authorization, or registration with a public registry to be able to perform any of the activities included in the corporate purpose, such activities must be performed by persons who hold such professional qualifications, and such tasks shall not be able to commence until the administrative requirements have been met.

Since 9 May 2014 the shares of the Company are listed on the Madrid stock exchange.

In view of the business activities carried on by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in the notes to the financial statements.

2. Basis of presentation of the financial statements

2.1. Regulatory financial reporting framework applicable to the Company

These financial statements were formally prepared by the Directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

- a) The Spanish Commercial Code and all other Spanish corporate law.
- b) The Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations.
- c) The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.
- d) All other applicable Spanish accounting legislation.

2.2. Fair presentation

The accompanying financial statements, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2015. These financial statements, which were formulated by the Company's Directors, will be submitted for approval at the Annual General Meeting, and it is considered that they will be approved without any changes.

The financial statements for 2014 were approved at the Annual General Meeting held on 18 June 2015.

2.3. Going concern principle of accounting

At 31 December 2015, the Company had a working capital deficiency of EUR 10,059 thousand (31 December 2014: working capital deficiency of EUR 91,591 thousand). This could be considered as a factor that makes the going concern principle of accounting to be difficult to apply. However, there are various mitigating factors, namely the following:

- The working capital deficiency was generated as a result of a change in the Company's financial structure with its subsidiaries. On the one hand, in 2014 a new long-term loan was granted to a Group company and, on the other hand, from 1 January 2015 an assignment and offsetting of loans and receivables agreement was arranged between the subsidiary Applus Servicios Tecnológicos, S.L.U. and the Company (see Notes 5.1 and 11).
- On 13 May 2014, the Company arranged a new syndicated credit facility with Société Générale, Spanish branch, as the agent bank, and other lender banks with an initial total limit of EUR 850,000 thousand, divided into two financing tranches. On 26 June 2015, the Company refinanced its syndicated loan under an Amend-and-Extend agreement, improving the conditions under which the prior agreement was arranged. At 31 December 2015, the Company had not drawn the full amount of the credit facility and, accordingly, could have direct access to the undrawn amount of the aforementioned credit facility (see Note 8).
- The Company is the parent of a group of companies with solvency and liquidity, thereby receiving dividends from its subsidiaries is possible.

In this regard, the Company's Directors prepared these financial statements in accordance with the going concern principle of accounting, taking into consideration the financial resources available to the Company and the operating, commercial and, particularly, financial actions that the Company's shareholders might undertake in the future.

2.4. Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. Also, the Directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon.

All obligatory accounting principles were applied.

2.5. Key issues in relation to the measurement and estimation of uncertainty

In preparing the accompanying financial statements estimates were made by the Company's Directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The assessment of possible impairment losses on certain assets (see Note 4.1).
- The fair value of certain financial instruments (see Note 4.1).
- The calculation of certain provisions (see Note 4.5).
- The recovery of deferred tax assets (see Note 9.5).
- Corporate income tax (see Note 9).

Although these estimates were made on the basis of the best information available at 2015 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

2.6. Comparative information

The information relating to 2015 contained in these notes to the financial statements is presented for, comparison purposes, with information relating to 2014.

2.7. Grouping of items

Certain items in the statement of financial position, statement of profit or loss, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

2.8. Changes in accounting policies

In 2015 there were no changes in accounting policies with respect to those applied in 2014.

2.9. Correction of errors

In preparing the accompanying financial statements no errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2014.

3. Distribution of profit

The proposed allocation of the Company's net profit, formulated by the Board of Directors and will be presented at the next Company's Annual General Meeting of the Shareholders, for 2015 is as follows:

	Thousands of euros
To dividends	16,902
To unrestricted reserves	17,881
Total	34,783

The Parent's Board of Directors will present a proposal at the next Shareholders Annual General Meeting, to distribute ordinary dividends allocated from the 2015 profit, amounting to EUR 16,902,178.15 and corresponding to a gross dividend of EUR 0.13 per share on the number of shares in issue at the time.

Additionally, the Company's Board of Directors will present the following proposal for approval at the next Annual General Meeting of the Shareholders: the allocation of the profit on 31 December 2015 of an amount of EUR 34,783 thousand, the distribution of an ordinary dividend for an amount of EUR 16,902 thousand and a provision of unrestricted reserves for an amount of EUR 17,881 thousand.

4. Accounting policies

The principal accounting policies used by the Company in preparing its financial statements for 2015, in accordance with the Spanish National Chart of Accounts, were as follows:

4.1. Financial instruments

Financial assets

The financial assets held by the Company are classified in the following categories:

- a) Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.
- b) Equity investments in Group companies, associates and jointly controlled entities: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other venturers.

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

Loans, receivables and held-to-maturity investments are measured at amortised cost.

Investments in Group companies and associates and interests in jointly controlled entities are measured at cost net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement, including goodwill.

In the case of equity investments in Group companies affording control over the subsidiary, since 1 January 2010 the fees paid to legal advisers and other professionals relating to the acquisition of the investment have been recognised directly in profit or loss.

The Company has majority ownership interests in the share capital of certain companies. The financial statements do not reflect the increases or decreases in the value of the Company's ownership interests which would arise from the application of consolidation methods. It should also be noted that the Company will prepare consolidated financial statements separately under International Financial Reporting Standards.

The effect of consolidation under International Financial Reporting Standards, in comparison with the separate financial statements, would be to increase assets, revenue and profit by EUR 140,247 thousand, EUR 1,636,345 thousand and EUR 3,461 thousand, respectively and a reduction in reserves of EUR 374,349 thousands, respectively.

At least at each reporting date the Company tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the statement of profit or loss.

The Company derecognises a financial asset when the rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset have also been transferred, such as in the case of firm asset sales or factoring of trade receivables in which the Company does not retain any credit or interest rate risk.

Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial substance, cannot be classed as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

Impairment of financial assets

At the end of each reporting period, whenever there are indications of impairment, the Company tests its financial assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

Recoverable amount is the higher of fair value less costs to sell and value in use.

Each year management prepares and updates its business plan by geographical market and line of business. The main components of this plan are: operating income and expense projections, investment projections and working capital projections. The business plan prepared by management includes the budget for 2016 together with the projections for 2017-2020.

In order to calculate the recoverable amount of each asset the present value of its cash flows was determined by using the business plan prepared by Company management. As a general rule, indefinite useful life projections for a projected period of five years and a perpetuity rate of return from the sixth year onwards were used. From the sixth year onwards it was considered that the cash flows generated by each asset grow at a rate equal to the growth of each industry in the geographical area in which it operates.

Therefore, the projections were prepared on the basis of past experience and of the best estimates available at the date on which the impairment tests were carried out using the market information available. The projections envisage growth in volume and improvements in the margins as a result of the organic growth which management expects for the coming years. Consequently, the possible acquisitions or mergers that might take place in the future were not taken into account in the projections and impairment tests.

As a general rule, for the assets for which the need to perform an impairment test was not detected, a sensitivity analysis was carried out on the main aggregates to verify that there are no indications of the need to perform such tests. These sensitivity analyses consisted in measure the impact of the increases expected in income and EBITDA margins, increasing the discount rate up to one percentage point and reducing the perpetuity growth rate up to one percentage point. Applying these changes to the assumptions similarly does not disclose any need to recognise impairment losses on the financial assets.

The main average discount rates after tax used in each of the Company's geographical areas were as follows:

Country/geographical area:	2015	2014
Spain	7.2%-7.8%	6.7%-7.0%
Rest of Europe	6.8%-7.6%	7.4%-8.4%
US and Canada	7.0%-7.8%	7.0%-8.1%
Latin America	12.6%	11.8%
Asia and Pacific	8.0%	8.0%

Derivative financial instruments

The Company's activities expose it mainly to interest rate risk, due to the changes in the floating Euribor and Libor GBP rate to which its long-term borrowings are tied. To hedge these exposures, the Company uses derivative financial instruments in order to hedge interest rate risk consisting exclusively of swaps and IRSs.

At 31 December 2015 the sole financial derivative product held by the Company, is the one related to treasury stock detailed in Note 4.12. In 2015 the Company did not arrange any other financial derivative products either.

4.2. Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the statement of profit or loss in the year in which they arise.

4.3. Corporate income tax

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current corporate income tax expense is the amount payable by the Company as a result of corporate income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current corporate income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the corporate tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognized for all temporary differences except for:

- a) Those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that does not affect neither the tax profit nor the accounting profit and is not a business combination.
- b) Those associated with investments in subsidiaries, branches and associates or interests in joint ventures, when the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for temporary differences to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax asset can be utilised. The other deferred tax assets (tax credits for tax losses carryforwards and other tax credits) are only recognised if it is considered probable that the consolidated companies will have sufficient future taxable profits against which they can be utilised.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

The Company is the head of the Applus Group, which files consolidated tax returns as part of tax group number 238/08, and the tax base for the year is determined as if individual returns were being filed, net of such tax credits and tax relief as might be deductible under the consolidated tax regime. The Company manages the accounts receivable or payable that arise in this connection.

The Spanish consolidated tax group is comprised by the following companies:

Companies	
Applus Services, S.A.	LGAI Technological Center, S.A.
Applus Servicios Tecnológicos, S.L.U.	Applus Energy, S.L.
IDIADA Automotive Technology, S.A.	Ringal Invest, S.L.
Applus Norcontrol, S.L.U.	Applus Automotive Services, S.L.U.
Novotec Consultores, S.A.U.	Applus Iteuve Technology, S.L.U.

4.4. Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

Interest revenue from financial assets is recognised using the effective interest method and dividend revenue is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as revenue.

4.5. Provisions and contingencies

When preparing the financial statements the Company's Directors made a distinction between:

1. Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations; and
2. Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

The financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as financial cost on an accrual basis.

4.6. Termination benefits

Under current legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken and a valid expectation regarding termination is created on the part of third parties.

The accompanying financial statements do not include any significant provision in this connection, since no situations of this nature are expected to arise.

4.7. Environmental assets and liabilities

Environmental assets are deemed to be assets used on a lasting basis in the Company's operations whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

Because of their nature, the Company's business activities do not have a significant environmental impact.

4.8. Transactions with Group companies, associates and related companies

For the purposes of the presentation of the financial statements, Group companies are considered to be those entities over which the Company directly or indirectly controls the financial and operating policies, exercises power over the relevant activities, maintains exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of the investor's returns. This is generally because it holds more than 50% of the voting power.

Associates are companies over which the Company is in a position to exercise significant influence, but not control or joint control. Normally this capacity exists because the Group holds -directly or indirectly- 20% or more of the voting power of the subsidiary.

For the purposes of the information in this section, related parties are considered to be:

- The significant shareholders of the Company, understood to be shareholders holding directly or indirectly 3% or more of the shares, and shareholders which, without being significant, have exercised the power to propose the appointment of a member of the Board of Directors.
- The Directors and Senior Executive of any Applus Group company, as well close members of those persons' family. "Director" means a member of the Board of Directors and "Senior Executive" means persons reporting directly to the Board or to the CEO of the Group.

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's Directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

4.9. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Finance leases

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the statement of financial position, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the statement of profit or loss for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned or, if shorter, over the lease term.

At 31 December 2015 or 2014, the Company did not have any finance leases.

Operating leases

Lease income and expenses from operating leases are recognised in income on an accrual basis.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

The Company only holds certain items of transport equipment under operating leases, and the related expense incurred in 2015 amounted to EUR 26 thousand (2014: EUR 26 thousand).

4.10. Current/Non-current classification

Current assets are assets associated with the normal operating cycle, which in general is considered to be one year; other assets which are expected to mature, be disposed of or be realised within twelve months from the end of the reporting period; financial assets held for trading, except for financial derivatives that will be settled in a period exceeding one year; and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current assets.



Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities held for trading, except for financial derivatives that will be settled in a period exceeding one year; and, in general, all obligations that will mature or be extinguished at short term. All other liabilities are classified as non-current liabilities.

4.11. Employee benefit obligations

The Company has established with its key personnel specific remuneration plans, with the following characteristics:

- a) Annual variable remuneration for certain Company personnel conditional upon the achievement of certain targets in 2015.
- b) Three-yearly variable remuneration to certain executive of the Company subject to the achievement of certain financial targets in 2014, 2015 and 2016 (see Note 11.3).
- c) Special incentive plan granted, related to the Group Initial Public Offering (IPO), to 2 executives of the Company and his Executive Director that consists of conferring Restricted Stocks Units (RSU) (convertibles in Company shares) in favour of the Senior Executive based on a continuing service for a determined period of time. The first delivery of shares was made in May 2015. The next two deliveries of these shares will be made in May 2016 and May 2017(see Notes 11.3).
- d) Incentive plan granted in 2015 to certain executives and employees of the Company consisting of the delivery of RSUs (convertible into shares of the Company) to the executive or employee based on continuing service for a specified period of time. The first delivery of these shares will be made in March 2016 (see Note 11.3).

4.12. Treasury shares

Acquisitions of treasury shares are recognised at acquisition cost, reducing equity until they are sold. The gains and losses obtained on the disposal of treasury shares are recognised in "Reserves" in the accompanying statement of financial position.

In July 2015, Company arranged an equity swap with a bank to cover the acquisition cost of 750,000 treasury shares, to be delivered to Company executives in March and May 2016 and whose initial value rise to EUR 7,321 thousand (see Notes 6 and 7.5). Since such contract is an equity instrument the accounting principles describes in Note 4.1 do not apply.

5. Financial assets (non-current and current)

5.1. Non-current financial assets

The changes in "Non-Current Financial Assets" in the statement of financial position in 2015 and 2014 were as follows (in thousands of euros):

2015

	01/01/15	Acquisitions	Reductions	Change in exchange rate	31/12/15
Equity investments in Group companies, jointly controlled entities and associates (Appendix I)	1,106,734	3,769	-	-	1,110,503
Loans to Group companies (Note 11.2)	433,241	59,715	(64,171)	4,009	432,794
Total	1,539,975	63,484	(64,171)	4,009	1,543,297

2014

	01/01/14	Acquisitions	Reductions	Change in exchange rate	31/12/14
Equity investments in Group companies, jointly controlled entities and associates (Appendix I)	1,105,404	1,330	-	-	1,106,734
Loans to Group companies (Note 11.2)	227,241	207,312	(3,384)	2,072	433,241
Other financial assets	1,100	-	(1,100)	-	-
Total	1,333,745	208,642	(4,484)	2,072	1,539,975

Equity investments in Group companies, jointly controlled entities and associates

On 29 November 2007, the Company acquired all the shares of Applus Servicios Tecnológicos, S.L.U. and its subsidiaries.

On 21 December 2012, the shareholders increased the Company's share capital through the non-monetary contribution of the Azul Holding 2, S.à r.l share (see note 7).

The value of direct shareholdings are as follow:

Subsidiary	31/12/15	31/12/14
Applus Servicios Tecnológicos, S.L.U.	1,008,291	1,004,522
Azul Holding 2 S.à r.l	102,212	102,212
Total equity investments in group companies, joint ventures and associates	1,110,503	1,106,734

None of the subsidiaries are listed on the stock market.

The subsidiaries and associates directly and indirectly owned by the Company are shown in Appendix I.

Loans to Group companies

On 1 January 2015, the loans and credits granted by Applus Servicios Tecnológicos, S.L.U. to the Company were transferred and offset. Additionally, this transfer meant an offset of the existing loans and debts between Applus Servicios Tecnológicos, S.L.U. and the Company, creating one single loan from the Company to Applus Servicios Tecnológicos, S.L.U. amounting to EUR 52,313 thousand. This loan has a single maturity on 31 December 2016 and can be tacitly extended annually, generating a fixed market interest rate. The aforementioned loan is recognized in the balance line "Short-term loans to Group companies and associates" (see notes 5.2 and 11.2)

Taking the last paragraph into consideration, "Non-Current Loans to Group Companies" for 2015 includes the following loans:

Subsidiary	Maturity	Amount (thousands)	Local Currency	Amount (thousands of euro)	Interest rate
Libertytown USA Finco, Inc.	13/05/2019	36,000	USD	31,732	Fixed market
LGAI Technological Center, S.A.	13/05/2019	1,650	USD	1,524	Fixed market
RTD Holding, B.V.	13/05/2019	11,714	USD	10,821	Fixed market
RTD Holding, B.V.	21/10/2019	17,425	GBP	24,005	Libor + spread
RTD Holding, B.V.	15/12/2019	3,794	GBP	5,227	Libor + spread
Libertytown USA Finco, Inc.	31/12/2020	2,715	USD	2,508	Libor + spread
Applus Iteuve Technology, S.L.U.	29/11/2019	62,480	EUR	62,480	Fixed market
Applus Iteuve Technology, S.L.U.	17/01/2020	70,000	EUR	70,000	Fixed market
Applus Iteuve Technology, S.L.U.	01/01/2020	1,950	EUR	1,950	Euribor + spread
Arctosa Holding B.V.	13/05/2019	188,059	EUR	188,059	Libor + spread
IDIADA Automotive Technology, S.A.	08/09/2019	3,500	EUR	3,500	Euribor
Libertytown Australia PTY, Ltd	31/12/2019	6,403	EUR	6,403	Fixed market
Libertytown Australia PTY, Ltd	31/12/2019	2,144	EUR	973	Fixed market
Libertytown Australia PTY, Ltd	31/12/2019	1,453	EUR	1,453	Fixed market
Others		191	EUR	191	
Total				410,826	

Additionally, "Loans to Group companies" includes accounts receivable from various Group companies arising from the Company's inclusion as the head of the consolidated tax group, amounting to EUR 21,968 thousand (2014: EUR 50,493 thousand) (see Notes 4.3. and 11.2.).

5.2. Current financial assets and current investments in Group companies and associates

The detail of the balances of "Current Financial Assets" and "Current Investments in Group Companies and Associates" at 31 December 2015 and 2014 is as follows (in thousands of euros):

Categories	31/12/15	31/12/14
Loans to and receivables from Group companies	248,911	-
Short-term interest receivable from Group companies	22,432	19,404
Account receivable relating to dividends	8,439	6,400
Total current investments in Group companies and associates (Note 11.2)	279,782	25,804

"Loans to and receivables from Group companies" includes the balance receivable of EUR 78,903 thousand at 31 December 2015 relates to the Group's cash centralisation and pooling operations, held in 2014 by the subsidiary Applus Servicios Tecnológicos, S.L.U.

Additionally, "Loans to and receivables from Group companies" includes the loans transferred by Applus Servicios Tecnológicos, S.L.U. (see Note 5.1) and the new current loans granted in 2015 to certain Group companies (see Note 11.2).

5.3. Cash and cash equivalents

"Cash and Cash Equivalents" includes all cash recognised in current accounts, which amounted to EUR 1,781 thousand, as well as credit lines with receivable balances, which amounted to EUR 3,464 thousand. The total balance on 31 December 2015 is EUR 5,245 thousand (31 December 2014: EUR 1,023 thousand).

"Cash and Cash Equivalents" also includes balances receivable recognised as a result of a banking product arranged in 2015, the "Single Entity Cash Pooling Agreement", which allows the Company to obtain liquidity in seven different currencies and which amounted to EUR 4,093 thousand at 31 December 2015.

At 31 December 2015 and 2014, no amount recognised under "Cash and Cash Equivalents" had been pledged.

5.4. Information on the nature and level of risk of financial instruments

The Company's financial risk management is centralised in the Financial Department of the Applus Group, which has established the mechanisms required to control exposure to interest rate and exchange rate fluctuations and credit and liquidity risk. The main financial risks affecting the Company are as follows:

a) Credit risk:

In general, the Company holds its cash and cash equivalents at banks with high credit ratings.

The accounts receivable at 31 December 2015 and 2014 relate mainly to balances with Group companies for the provision of services by the Company.

The Company Directors consider that there was no significant credit risk at 31 December 2015 and 2014.

b) Liquidity risk:

The Company, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its statement of financial position, together with credit and financing facilities.

The Company manages liquidity risk prudently by maintaining sufficient cash, current financial assets and marketable securities and through the availability of financing in the form of committed credit facilities and sufficient capacity to settle market positions.

c) Market risk:

Both the Company's cash and its bank borrowings are exposed to interest rate risk, which could have an adverse effect on financial profit or loss and cash flows.

In 2015 the Company's Directors decided not to arrange interest rate hedges, although this is considered to be a significant risk that Company management should monitor closely on a continuous basis.

In addition, a portion of the financial debt and of some of the balances with Group companies are in foreign currencies.

Therefore, the main market risks to which the Company is exposed are interest rate and foreign currency risk.

c.1) Interest rate risk:

The detail of the average interest rate and of the average financial debt drawn is as follows:

	2015	2014
Average interest rate	1.98%	3.31%
Average financial debt drawn (thousands of euros)	513,966	614,577

On the basis of the financial debt drawn, the impact on borrowing costs of a change of half a point in the average interest rate would be as follows:

	2015		2014	
Change in interest rate	0.50%	-0.50%	0.50%	-0.50%
Change in borrowing costs (thousands of euros)	2,570	(2,570)	3,073	(3,073)

c.2) Foreign currency risk:

The financial debt (syndicated loan) subject to foreign currency risk is denominated only in pounds sterling and is as follows:

	2015	2014
Financial debt subject to foreign currency risk (thousands of euros)	27,652	24,453
Average financial debt drawn subject to foreign currency risk (thousands of euros)	27,655	24,852

On the basis of the financial debt in foreign currency, the impact on borrowing costs of a change of half a point in the average exchange rate would be as follows:

	2015		2014	
Change in exchange rate	0.50%	-0.50%	0.50%	-0.50%
Change in borrowing costs (thousands of euros)	138	(138)	124	(124)

6. Derivative financial instruments

Company's policy is to only arrange OTC derivative financial instruments with Spanish and international banks with high credit ratings.

In October 2014 the Company arranged an equity swap with a bank to hedge the acquisition cost of 550,000 treasury shares that the Group must hand over to two Board of Director members and certain executives. This agreement matured in April 2015, and in May 2015 the Company delivered a total of 492,801 shares.

In July 2015 the Company arranged a new equity swap with a bank for the acquisition cost of 750,000 treasury shares, to be delivered to Group executives in March and May 2016. This agreement gave rise to an initial cost of EUR 7,321 thousand (see Note 4.12), a portion of which was amortised in 2015. On 31 December 2016 this contract has a cost of EUR 6,585 thousand and will mature on 29 February 2016. On 9 March 2016 and 9 May 2016, the Company must confer part of the aforementioned shares to certain executives (see Notes 4.12 and 7.5).

7. Equity and shareholders' equity

7.1. Share capital

The Company was incorporated on 5 July 2007 with a share capital of EUR 3,100, divided into 3,100 equal, cumulative and indivisible fully subscribed and paid shares of EUR 1 par value each fully, subscribed and paid by Azul Holding, S.C.A.

On 29 November 2007, the Company increased share capital by EUR 12,312,500 through the issuance of 12,312,500 shares of EUR 1 par value each with a share premium of EUR 110,812,500, i.e. EUR 9 per share. The shares and the share premium were fully subscribed and paid by Azul Holding, S.C.A. through a monetary contribution.

On 29 December 2011, the Company increased its share capital by EUR 20,000 thousand through the issuance of 20 million new shares of EUR 1 par value each with a share premium of EUR 180,000 thousand, i.e. EUR 9 per share. This capital increase was carried out by converting into capital a portion of the participating loan that Azul Finance, S.à r.l. had granted to the Company.

On 21 December 2012, the shareholders increased the Company's share capital by EUR 238,765 thousand through the issuance of 238,764,894 shares of EUR 1 par value each with a share premium of EUR 7,235 thousand, i.e. EUR 0.0303033 per share. Both the shares and the share premium were fully subscribed and paid by Azul Holding, S.C.A. through the non-monetary contribution of shares representing all of the share capital of Azul Holding 2, S.à r.l. valued at EUR 246,000 thousand. The aforementioned non-monetary contribution qualified for taxation under the special tax regime for mergers, spin-offs, asset contributions, security exchanges and changes of registered office of a European company or a European Cooperative Society from one EU Member State to another provided for in Chapter VIII of Title VII of Spanish Legislative Royal-Decree 4/2004, of 5 March, approving the Consolidated Spanish Corporation Tax Law, as a security exchange defined in Articles 83.5 and 87. The Company recognised the investment at the carrying amount at which Azul Holding, S.C.A. had recognised the investment in Azul Holding 2 S.à r.l., which amounted to EUR 102,213 thousand, thereby giving rise to negative reserves of EUR 143,787 thousand.

Also, on 21 December 2012 the Company increased share capital by EUR 330,975 thousand through the issuance of 330,975,863 new shares of EUR 1 par value each with a share premium of EUR 10,029 thousand, i.e. EUR 0.0303033 per share. This capital increase was carried out by converting into capital a portion of the participating loan that Azul Finance, S.à r.l. had granted to the Company.

On 20 December 2013, the Company increased its share capital by EUR 53,906 thousand through the issuance of 53,906,285 new shares of EUR 1 par value each with a share premium of EUR 52,926 thousand, i.e. EUR 0.9818 per share. This capital increase was carried out by converting into capital the outstanding amount of EUR 106,832 thousand of the participating loan that Azul Finance, S.à r.l. had granted to the Company.

On 4 April 2014, the shareholders at the Company's Annual General Meeting resolved unanimously to reduce capital by EUR 645,029,932 through the redemption and writing-off of ordinary shares of EUR 1 par value each of which 398,112,474 were held by Azul Finance, S.à r.l. and 246,917,458 by Azul Holding, S.C.A., respectively, with a charge to unrestricted reserves. Also, on that sale date the Company's Annual General Meeting resolved unanimously to reduce the par value of each outstanding share to EUR 0.10, leaving the share capital at EUR 10,932,710 represented by 109,327,100 shares.

On 7 May 2014, the Board of Directors, acting under powers delegated from the Company's General Meeting of 25 March 2014, approved unanimously the public offering of subscription and sale of shares in the Spanish Stock Exchange agreeing with the following:

1. Execution of a capital increase through a monetary contribution by issuing 20,689,655 new shares at a EUR 0.10 par value each and a share premium of EUR 14.40 per share, with the same rights and obligations as the previously existing shares. The total amount disbursed in capital and share premium is EUR 300 million.

2. Set the number of shares subject to the public offering: The 20,689,655 new shares will be offered as part of the sale and subscription offering, to qualified investors through the Global Coordinating Entities, having Blue Finance, S.à r.l. and Blue Holding S.C.A. (the "Shareholders sellers") renounced expressly and individually the right to subscribe for them. Additionally, 55,172,414 existing shares of Blue Finance S.à r.l. will be offered as part of the sale and subscription offer to qualified investors through the Global Coordinating Entities. Additionally, it is agreed to set the volume of the purchase option (over-allotment option) at 7,586,207 shares to be conferred by Blue Finance S.à r.l.
3. Set the price of the sale and subscription offer at EUR 14.50 per share.

On 9 May 2014, the Spanish National Securities Market Commission (CNMV) allowed the total amount of the Company's shares (130,016,755 shares) to trade on the Stock Exchange.

The shares subject to the initial public offering (75,862,069 shares) were sold entirely in the stock market for a price of EUR 14.50 and on 20 May 2014, the Global Coordinating Entities exercised the option granted by Azul Finance, S.à r.l. to purchase 7,586,207 shares for a price of EUR 14.50 per share.

Therefore, at 31 December 2015, the Company share capital was represented by 130,016,755 fully subscribed and paid-up common shares of EUR 0.10 par value each.

Per the notifications of the number of shares submitted to the Spanish National Securities Market Commission (CNMV), the following shareholders owned significant direct and indirect interests in the Company's share capital (more than 3% of share capital) at 31 December 2015:

Company	% ownership
	31/12/2015
CEP III Participations, S.à r.l. SICAR	23.97%
Ameriprise Financial, Inc.	5.32%
Harris Associates L.P	5.11%
Government of Singapore Investment Corporation Pte LTD	4.00%
FTIF-Franklin European Growth Fund	3.05%

The Company's Directors are not aware of any other ownership interests of 3% or more of the share capital or voting rights of the Company, or of any lower ownership interests that might permit the holder to exercise a significant influence over the Company.

7.2. Share premium

The balance of "Share Premium" arose originally as a result of the capital increase carried out on 29 November 2007 with a share premium of 8.75% (EUR 110,813 thousand).

In 2011 the share premium increased by EUR 180,000 thousand (EUR 9 per share) due to the capital increase through the conversion of a portion of the aforementioned participating loan into capital.

Also, in 2012 the share premium increased by EUR 17,264 thousand (EUR 0.03 per share), due to the capital increases indicated in Note 7.1.

Effective from 20 December 2013, as a result of the capital increase carried out in 2013, the share premium increased by EUR 52,926 thousand (EUR 0.9818 per share) through the conversion into capital of a portion of the participating loan granted by Azul Finance, S.à r.l. and the concomitant issuance of 53,906 thousand new shares.

On 19 December 2013, the share premium was reduced by EUR 308,077 thousand with a charge to reserves and prior year's losses of EUR 143,787 thousand and EUR 164,290 thousand, respectively.

On 7 May 2014, the Board of Directors, acting under powers delegated from the Company's Annual General Meeting on 25 March 2014, unanimously resolved to launch an initial public offering of new shares. At that date the Company issued 20,689,655 new shares of EUR 0.10 par value each with a share premium of EUR 14.40 per share, all with the same rights and obligations as the existing shares. This transaction gave rise to the recognition of a share premium of EUR 297,931 thousand.

Lastly, on 18 June 2015, the shareholders at the Company's Annual General Meeting also resolved to offset prior years' losses amounting to EUR 31,649 and to offset the negative reserve arising from the capital increase expenses amounting to EUR 5,683 thousand, against an amount equal to the share premium. Following such compensation, the total amount of share premium at 31 December 2015 is EUR 313,525 thousand.

7.3. Legal reserve

Under the Spanish Limited Liability Companies Law, the Company must transfer 10% of net profit for each year to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

On 18 June 2015, the shareholders at the Company's Annual General Meeting have approved the reduction of the legal reserve by EUR 8,731 thousand, to record it as unrestricted reserves. It is noted that the amount reduced is equivalent to an excess of 20% of the company's capital. Consequently, the legal reserve at 31 December 2015 amounts to EUR 2,600 thousand which is equivalent to the 20% of capital.

7.4. Other reserves

On 4 April 2014, share capital was reduced by EUR 645,030 thousand which were taken to unrestricted reserves. This reserve is unavailable.

On 18 June 2015, the shareholders at the Company's Annual General Meeting have resolved to allocate EUR 13,607 thousand of the Company's profit for 2014 to dividends. In addition, it has also been approved the distribution of an extraordinary dividend out of reserves in the amount of EUR 3,295 thousand.

7.5. Treasury shares

In April 2015 the Company executed the agreed equity swap in 2014 acquiring 550,000 shares and delivered to two Board of Directors members and Senior Executive a total of 492,801 shares (see Note 11.3). Additionally, in July 2015 the group arranged an equity swap with a bank for the acquisition cost of 750,000 treasury shares, to be delivered to Group executives in March and May 2016 and whose value amount to EUR 7,321 thousand.

At 31 December 2015, the Company owns or has arranged for a total of 807,199 treasury shares: 57,199 treasury shares at an average cost of EUR 9.83 per share and 750,000 treasury shares, arranged by an equity swap, at an average cost of EUR 9.76 per share. The value of these treasury shares amounts to EUR 7,883 thousand and is recognised at 31 December 2015 under "Treasury Shares" in the accompanying statement of financial position.

8. Non-current and current payables

The detail of "Non-Current Payables" and "Current Payables" is as follows (in thousands of euros):

Categories	Thousands of euros	
	Bank borrowings	
	31/12/15	31/12/14
Long-term loans	483,308	496,338
Total non-current payables	483,308	496,338
Short-term loans	27,008	-
Other short-term interest	1,575	480
Treasury shares (Note 7.5)	6,585	5,407
Total current payables	35,168	5,887

On 13 May 2014, the Group arranged a new syndicated loan with a number of banks with Société Générale, Spanish Branch, as the agent bank, for a total initial limit of EUR 850,000 thousand, divided into two tranches. The two tranches had a single maturity on 13 May 2019.

On 26 June 2015, the Company refinanced this syndicated loan under an Amend and Extend agreement, improving the conditions of the prior agreement. The refinancing was entered into due to the improved credit market conditions since the loan was placed in May 2014. The main changes in the financing are the reduction in the interest rate margin, the covenant and the maturity. The covenant on the financial leverage ratio (being defined as consolidated net financial debt/consolidated EBITDA) of up to a maximum of 4.5 times was extended for the next two years until June 2017. The extension of the maturity of the debt was by one year to June 2020. The reduction in the interest rate margin was between 50 and 60 basis points, depending on the financial leverage ratio and at the current leverage it reduced from 2.25% to 1.65% with the current financial ratio.

The refinancing costs at 31 December 2015 amounted to EUR 2,371 thousand, which have been adjusted to the carrying amount of the financial liability.

The interest rate of the loan is Euribor for tranches in Euros and Libor for tranches in foreign currencies plus a margin depending on the level of debt, which currently stands at 1.65% percentage points.

The two tranches have a single maturity on 26 June 2020.

The financial structure of the syndicated loan is as follows:

2015

Tranche	Thousands of euros			Maturity
	Limit	Drawn + capitalized	Drawn by the Group	
Facility A	700,000	466,324	695,733	26/06/2020
Facility B	150,000	20,000	20,000	26/06/2020
Effect of exchange rate changes	-	3,194	58,321	
Accrued interest	-	1,575	1,854	
Debt arrangement expenses	-	(6,210)	(9,108)	
Total	850,000	484,883	766,800	

2014

Tranche	Thousands of euros			Maturity
	Limit	Drawn + capitalized	Drawn by the Group	
Facility A	700,000	466,324	695,733	13/05/2019
Facility B	150,000	35,000	35,000	13/05/2019
Effect of exchange rate changes	-	832	23,412	
Accrued interest	-	480	731	
Debt arrangement expenses	-	(5,818)	(7,271)	
Total	850,000	496,818	747,605	

Within the Facility A tranche of EUR 700 million, at 31 December 2015, the Company had drawn a portion of the nominal amount in pounds sterling (GBP 20 million equal to EUR 27.7 million at 31 December 2015) and another portion of the nominal amount in euros (EUR 441.8 million).

The amount drawn of EUR 20 million from the Facility B tranche, which totals EUR 150 million, is entirely in euros at 31 December 2015.

The new syndicated loan agreement establishes the achievement of a financial ratio - consolidated net financial debt/consolidated EBITDA - that must not exceed the values set for each first half throughout the term of the loan and detailed below:

- Up to 4.5 times until 30 June 2017 (included)
- Up to 4 times from 31 December 2017 (included)

Therefore, on 31 December 2015, the aforementioned ratio should be lower than 4.5. The real ratio based on the consolidated financial statements at 31 December 2015 is 3.1.

The Company's Directors expect the aforementioned financial ratio to be achieved in the coming years.

The Company also has certain obligations under the financing agreement which relate mainly to disclosure requirements concerning its financial statements and negative undertakings not to perform certain transactions without the lender's consent, such as certain mergers, changes of business activity or certain assignments.

Shares of certain subsidiaries have been pledged to secure the aforementioned loan.

The interest rates on the credit facilities and loans are tied to Euribor and Libor, plus a market spread.

The detail, by maturity, of "Non-Current Payables" and "Current Payables" is as follows (in thousands of euros):

2015

	2016	2017	2018	2019	2020	Total
Bank borrowings	27,008	-	-	-	483,308	510,316
Short-term interest	1,575	-	-	-	-	1,575
Treasury shares (see Note 6)	6,585	-	-	-	-	6,585
Total	35,168	-	-	-	483,308	518,476

2014

	2015	2016	2017	2018	2019	Total
Bank borrowings	-	-	-	-	496,338	496,338
Short-term interest	480	-	-	-	-	480
Treasury shares (see Note 6)	5,407	-	-	-	-	5,407
Total	5,887	-	-	-	496,338	502,225

9. Tax matters

9.1. Tax receivables and payables

The detail of the current and non-current tax receivables and payables at the end of 2015 and 2014 is as follows (in thousands of euros):

2015

	Tax receivables	Tax payables
Non-current balances (Note 9.5):		
Deferred tax assets	13,035	-
Tax loss carryforwards	30,371	-
Tax credit carryforwards	2,357	-
Total non-current balances	45,763	-
Current balances:		
Accrued social security taxes payable	-	10
VAT payable	-	189
Personal income tax withholdings payable	-	91
Income tax withholdings receivables	1,300	-
Tax withholdings and prepayments	3,956	-
Total current balances	5,256	290

2014

	Tax receivables	Tax payables
Non-current balances (Note 9.5):		
Deferred tax assets	18,701	-
Tax loss carryforwards	27,902	-
Tax credit carryforwards	4,356	-
Total non-current balances	50,959	-
Current balances:		
Accrued social security taxes payable	-	10
VAT payable	51	2,205
Personal income tax withholdings payable	-	286
Income tax withholdings receivables	5,074	-
Tax withholdings and prepayments	1,351	-
Total current balances	6,476	2,501

9.2. Reconciliation of the accounting profit to the taxable profit

The reconciliation of the accounting profit (loss) to the taxable profit (tax loss) for corporate income tax purposes is as follows (in thousands of euros):

	2015	2014
Accounting profit before tax	34,396	2,549
Permanent differences	(35,263)	(28,328)
Temporary differences	(23,893)	(13,794)
Tax loss	(24,760)	(39,573)
Taxable profits of subsidiaries	56,787	51,327
Tax losses of subsidiaries	(2,934)	(10,337)
Tax base before tax consolidation adjustments	29,093	1,417
Offset of tax losses recognised and not recognised	(7,273)	(354)
Taxable profit	21,820	1,063
Tax charge	6,110	319
Offset of tax losses and tax credits of subsidiaries	(6,110)	(319)
Tax withholdings and prepayments	3,956	1,351
Corporate Income tax refundable	3,956	1,351

The permanent differences relate mainly to the application of Article 30.6 of the Consolidated Spanish Corporate Income Tax Law, whereby the dividends received from subsidiaries are tax deductible. In application of this article, reductions were made to a part of the dividend, amounting to EUR 23,481 thousand, paid by the subsidiary Applus Servicios Tecnológicos, S.L.U. amounting to EUR 27,761 thousand (see Note 11.1). Additionally, the remaining part of the aforementioned dividend amounting to EUR 4,280 thousand and the dividend received by Azul Holding, S.C.A. amounting to EUR 8,439 thousand in accordance with article 21 of the Spanish Corporation Tax Law (TRLIS), as well as other non-deductible costs amounting to EUR 937 thousand, are also classified as permanent differences.

The temporary differences relate mainly to the amount of prior years' deductible borrowing costs amounting to EUR 23,504 thousand recognised in 2015 pursuant to Royal Decree-Law 12/2012, of 30 March and to non-tax-deductible provisions amounting to EUR 389 thousand (see note 7.4).

9.3. Reconciliation of the accounting profit to the corporate income tax expense (benefit)

The reconciliation of the accounting profit to the corporate income tax expense (benefit) for 2015 and 2014 is as follows (in thousands of euros):

	2015	2014
Accounting profit before tax	34,396	2,549
Permanent differences	(35,263)	(28,328)
Taxable accounting loss	(867)	(25,779)
Tax charge	(243)	(7,734)
Adjustments to and derecognition of tax credits and others	1,037	1,032
Deductions	(1,181)	(4,356)
Total corporate income tax expense (benefit) recognised in profit or loss	(387)	(11,058)

9.4. Breakdown of corporate income tax benefit (expense)

The breakdown of the corporate income tax (benefit) expense is as follows:

	Thousands of euros	
	2015	2014
Current tax:		
Continuing operations	4,809	(6,326)
Discontinued operations	-	-
Deferred tax:		
Continuing operations	(5,196)	(4,732)
Discontinued operations	-	-
Total tax expense (benefit)	(387)	(11,058)

9.5. Deferred tax assets recognised

The deferred tax assets indicated above were recognised because the Company's Directors considered that, based on their best estimate of the Company's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

Pursuant to the new tax legislation, namely Law 27/2014, of 27 November 2014, the Spanish companies do not have any time limit for offsetting the aforementioned tax losses. However, until 2015, there was a general limitation of 25% of the tax base for the offset of tax losses. Solely for the fiscal year 2016, this limitation is established at 60% and at 70% from 2017 onwards.

However, on specific time horizon has been considered in the recognition of a tax credit for a tax loss. In this regard, at 31 December 2015 the tax credits for tax loss that are recognised are those which the Company's Directors consider that would be probably offset over a time period of less than ten years through the obtainment of sufficient future profits.

At 31 December 2015 and 2014, the last years for deduction of the tax loss carryforwards recognised in the accompanying statement of financial position were as follows:

2015

	Thousands of euros			
	Tax loss carryforwards - Company	Tax loss carryforwards - Group	Consolidated tax loss carryforwards	Tax asset recognised
2009	35,536	-	35,536	8,884
2010	51,715	-	51,715	12,929
2011	34,230	-	34,230	8,558
Total	121,481	-	121,481	30,371

2014

	Thousands of euros			
	Tax loss carryforwards - Company	Tax loss carryforwards - Group	Consolidated tax loss carryforwards	Tax asset recognised
2009	40,366	(3,270)	37,096	9,274
2010	51,715	(5,475)	46,240	11,560
2011	34,230	(5,958)	28,272	7,068
Total	126,311	(14,703)	111,608	27,902

"Deferred Tax Assets" on the asset side of the accompanying statement of financial position as at 31 December 2015 includes the deferred tax assets amounting to EUR 11,244 thousand (31 December 2014: EUR 16,510 thousand) relating to finance costs that were not tax-deductible, as provided for in Royal Decree-Law 12/2012, of March 30. This heading also includes other sundry positive temporary differences amounting to EUR 1,791 thousand in 2015 and EUR 2,191 thousand in 2014.

Additionally, "Deferred Tax Assets" includes EUR 2,357 thousand corresponding to the activation of deductions for domestic double taxation (EUR 4,356 thousand in 2014)

The factors taken into consideration for the maintenance of deferred tax assets due to tax credits in the current tax year and loss tax carryforwards and deductions on 31 December 2015 (the future recoverability of which is supported) were as follows:

- The business plan of the Company and its Spanish subsidiaries, approved by management, envisages earnings for 2016 and subsequent years, which earnings will be sufficient to offset all the tax losses over the next 6 years.
- In 2015 the consolidated Group in Spain obtained taxable income of EUR 29,093 thousand (2014: EUR 4,271 thousand) which enabled it to offset unrecognised deferred tax assets for loss tax carryforwards amounting to EUR 2,963 thousand in 2015 (2014: EUR 1,423 thousand).
- A mandate was issued by the Board of Directors to the Company's management to implement all the measures envisaged in the business plan and it is considered highly probable that it will be met in light of the experience of prior years and the Company's performance in the first two months of 2016.

9.6. Deferred tax assets not recognised

The Company did not recognise certain deferred tax assets in the accompanying statement of financial position because it considered that the requirements in the applicable accounting legislation regarding the probability of their future recoverability were not met.

The detail of the undeducted tax losses not recognised in the accompanying statement of financial position as at 31 December 2015 and 2014 is as follows (in thousands of euros):

2015

	Thousands of euros			
	Undeducted tax losses - Company	Undeducted tax losses - Group	Consolidated tax group unused tax losses	Tax assets not recognised
2007	5,077	-	5,077	1,269
2009	520	-	520	130
Total	5,597	-	5,597	1,399

2014

	Thousands of euros			
	Undeducted tax losses - Company	Undeducted tax losses - Group	Consolidated tax group unused tax losses	Tax assets not recognised
2007	5,077	-	5,077	1,269
Total	5,077	-	5,077	1,269

The detail of the tax credits not recognised in the accompanying statement of financial positions at 31 December 2015 and 2014 is as follows (in thousands of euros):

Year	Description	31/12/15	31/12/14
2008	Incentive deduction for certain activities	-	89
2009	Incentive deduction for certain activities	-	977
2010	Incentive deduction for certain activities	-	1,033
2011	Incentive deduction for certain activities	-	1,118
2012	Incentive deduction for certain activities	-	1,602
2013	Incentive deduction for certain activities	-	1,151
2010	Domestic double taxation tax credit	-	97
2009	International double taxation tax credit	-	189
2010	International double taxation tax credit	-	107
2011	International double taxation tax credit	-	92
2012	International double taxation tax credit	-	277
2013	Domestic double taxation tax credit	26,047	34,362
2014	Domestic double taxation tax credit	4,313	-
2014	International double taxation tax credit	1	-
	Total	30,361	41,094

9.7. Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the statute-of-limitations period has expired.

In 2014 the tax audit of the Company was completed and tax assessments were received in 2014 totalling EUR 1,632 thousand (excluding income tax) which the Company signed on an uncontested basis and paid. With respect to income tax, in the tax assessments the tax authorities queried various aspects that had already been regularised by the Group for accounting purposes at 31 December 2013, which gave rise to an income tax benefit for 2014 of EUR 8.8 million. The impact on the Company consisted of income of EUR 7.6 million as the remainder was recognised in the income tax of the subsidiaries that make up the consolidated Spanish tax group.

Lastly, it should be mentioned that the tax authorities did not impose penalties in relation to all the items adjusted in the aforementioned tax audits, since they considered that all the companies audited had interpreted the applicable tax legislation in a reasonable fashion.

Also, Law 27/2014, of 27 November, reforming corporate income tax legislation came into force in 2014. These reforms include, inter alia, the reduction of the standard corporate income tax rate to 28% for 2015 and to 25% for 2016 and onwards. Accordingly, the Company adjusted its tax assets based on these new future corporate tax rates, giving rise to a net expense of EUR 10 million on the statement of profit or loss for 2014.

The Company's Directors, in agreement with their tax advisers, consider that the tax returns have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying consolidated financial statements.

These notes to the financial statements do not include the information referred to in Article 42 bis of Royal Decree 1065/2007 in relation to persons resident in Spain, whether legal entities that are beneficiaries or holders of accounts abroad or individuals from the Company who are authorised representatives for accounts abroad held by a Company subsidiary non-resident in Spain, since such information is duly recorded and detailed in the Company's accounting records pursuant to Article 42 bis 4.b of Royal Decree 1065/2007.

10. Income and expenses

10.1. Revenue

The Company's revenue for 2015 and 2014 relates in full to transactions carried out with Group companies (see Note 11.1.).

The detail of the revenue for 2015 and 2014 is as follows (in thousands of euros):

	2015	2014
Dividend revenue	36,200	28,331
Finance revenue	25,499	15,010
Management fee revenue	3,429	3,064
Total	65,128	46,405

10.2. Staff costs

The detail of "Staff Costs" in the statement of profit or loss for 2015 and 2014 is as follows (in thousands of euros):

	2015	2014
Wages and salaries	9,946	12,439
Employer social security costs	103	97
Other employee benefit costs	63	136
Total	10,112	12,672

The average number of employees in 2015 and 2014, by category and gender, was as follows:

2015

Category	Men	Women	Total
Top management	6	-	6
Middle management	1	-	1
Supervisors	-	1	1
Total	7	1	8

2014

Category	Men	Women	Total
Top management	5	-	5
Middle management	1	-	1
Supervisors	-	1	1
Total	6	1	7

Also, the breakdown of the workforce, by gender and category, at the end of 2015 and 2014 is as follows:

2015

Category	Men	Women	Total
Top management	6	-	6
Middle management	1	-	1
Supervisors	-	1	1
Total	7	1	8

2014

Category	Men	Women	Total
Top management	6	-	6
Middle management	1	-	1
Supervisors	-	1	1
Total	7	1	8

On 24 February 2015, the Appointments and Compensation Committee approved, and the Company's Board of Directors ratified the delivery of Restricted Stock Units (RSUs) to certain Company employees. There are a total of 26 thousand new RSUs, 30% of which can be converted into Company shares during March 2016, another 30% during March 2017 and 40% during March 2018. A total of 15 thousand of the new RSUs correspond to the Company executives. Vesting of the shares (each RSU will be exchanged, for no consideration, for one ordinary share of the Company) is subject mainly to the executives continuing their employment relationship (with the exceptions established in the agreement). The annual impact of the new plan at the end of the fiscal year on the statement of profit or loss amounts is not significant (see Note 11.3).

10.3. Finance costs and finance income

The main finance costs for 2015 relate to:

- Borrowing costs of EUR 12,317 thousand relating to the syndicated loan granted on 13 May 2014 and refinanced on 26 June 2015 by Société Générale, as the agent bank. The detail of this amount is as follows: EUR 1,294 thousand relate to the deferral of the arrangement fee, EUR 10,183 thousand relate to the interest on the new loan and EUR 840 thousand relate to other fees and commissions associated with this loan.
- EUR 13,374 thousand on finance costs with Group companies (see notes 5.1 and 5.2).
- Other finance costs amounting to EUR 764 thousand.

The main finance costs for 2014 relate to:

- Borrowing costs of EUR 17,870 thousand relating to the syndicated loan granted on 27 November 2007 and refinanced on 21 November 2012 by Société Générale, as the agent bank. The detail of this amount is as follows: EUR 12,894 thousand in interest expense, EUR 796 thousand relate to the deferral of the arrangement fee, EUR 3,982 thousand relate to the derecognition of the remaining arrangement fee capitalised due to the early repayment of this loan on 13 May 2014, and EUR 198 thousand relate to other fees and commissions associated with this loan.
- Borrowing costs of EUR 9,187 thousand relating to the syndicated loan granted on 13 May 2014 by Société Générale, as the agent bank. The detail of this amount is as follows: EUR 821 thousand relate to the deferral of the arrangement fee, EUR 7,662 thousand relate to the interest on the new loan and EUR 704 thousand relate to other fees and commissions associated with this loan.
- Other finance costs amounting to EUR 9 thousand.

10.4. Other income/loss

In 2014 the Company recognised extraordinary expenses related to the IPO of new shares on 7 May 2014, amounting to EUR 4,081 thousand. In 2015 there are not extraordinary expenses.

11. Transactions and balances with Group and related companies

11.1. Transactions with Group and related companies

The detail of the transactions with Group and related companies in 2015 and 2014 is as follows:

2015

	Thousands of euros			
	Dividend revenue	Finance Income	Finance Cost	Services rendered
Applus Servicios Tecnológicos, S.L.U.	27,761	3,047	37	3,429
Azul Holding, S.C.A	8,439	-	-	-
Applus Iteuve Technology, S.L.U.	-	10,130	4,066	-
Arctosa Holding, B.V.	-	4,533	-	-
Röntgen Technische Dienst Holding, B.V.	-	2,274	4,214	-
Libertytown USA Finco, Inc.	-	2,198	-	-
Ringal Invest, S.L.U.	-	860	-	-
Libertytown Australia, PTY, Ltd.	-	697	-	-
SAST International, Ltd.	-	646	-	-
Velosi Industries Sdn Bhd.	-	334	-	-
Applus RTD Pty, Ltd.	-	131	-	-
Velosi Europe, Ltd.	-	118	33	-
Libertytown RTD Germany, GmbH.	-	93	-	-
Röntgen Technische Dienst, B.V.	-	83	328	-
LGAI Technological Center, S.A.	-	66	1,508	-
Applus Norcontrol, S.L.U.	-	-	1,564	-
Applus Car Testing Services, Ltd.	-	-	624	-
Applus Iteuve Euskadi, S.A.U.	-	-	542	-
RTD Quality Services Canada, Inc.	-	-	121	-
Other	-	289	337	-
Total	36,200	25,499	13,374	3,429

2014

	Thousands of euros			
	Dividend revenue	Finance Income	Finance Cost	Services rendered
Applus Servicios Tecnológicos, S.L.U.	28,331	8,040	13	3,064
Arctosa Holding, B.V.	-	2,164	-	-
Applus Iteuve Technology, S.L.U	-	4,751	-	-
Libertytown USA Finco, Inc.	-	55	-	-
Total	28,331	15,010	13	3,064

On 31 May 2015, the subsidiary Applus Servicios Tecnológicos, S.L.U. declared an interim dividend totalling EUR 7,761 thousand with a charge to its profit for 2014. Subsequently, on 7 December 2015, the same subsidiary approved a new distribution of dividends to 2015 with a charge profit totalling EUR 20,000 thousand.

On 8 October 2015, the subsidiary Azul Holding 2, S.à r.l. declared an interim dividend totalling EUR 8,439 thousand with a charge to its profit for 2014.

On 30 June 2014, the subsidiary Applus Servicios Tecnológicos, S.L.U. declared an interim dividend totalling EUR 21,931 thousand with a charge to its profit for 2013. Subsequently, on 31 December 2014, the same subsidiary approved a new distribution of dividends to 2014 with a charge profit totalling EUR 6,400 thousand.

Also, the Company has a “Management fee” agreement with Applus Servicios Tecnológicos, S.L.U. under which the Company charges the management, analysis and business plan development services and, overheads, among others. The amount payable under this agreement was established on the basis of a report prepared by an independent expert and is in line with market prices.

11.2. Balances with Group and related companies

The detail of the balances with related companies reflected in the statement of financial position as at 31 December 2015 and 2014 is as follows:

2015

	Thousands of Euros				
	Long-term loans (Note 5.1)	Short-term loans (Note 5.2)	Non-current payables	Current payables	Trade receivables
Arctosa Holding, B.V.	188,059	8,948	-	-	-
Applus Iteuve Technology, S.L.U.	151,694	6,785	-	102,789	-
Applus Servicios Tecnológicos, S.L.U.	-	89,421	5,697	3,649	1,371
RTD Holding B.V.	40,244	37,624	55,000	13,523	-
Libertytown Usa Finco, Inc.	34,240	28,144	-	-	2,509
Libertytown Australia Pty, Ltd.	8,830	647	-	-	-
IDIADA Automotive Technology, S.A.	7,170	7	-	-	-
LGAI Technological Center, S.A.	1,546	23	24,881	13,035	-
Novotec Consultores, S.A.U.	993	-	-	4,406	-
Applus Norcontrol, S.L.U.	18	-	244	50,207	-
Sast International Ltd.	-	31,970	-	-	-
Ringal Invest, S.L.	-	23,437	327	-	-
Velosi Industries Sdn Bhd.	-	14,493	-	-	-
Azul Holding 2, S.à r.l.	-	8,678	-	-	-
Libertytown Applus Rtd Germany, Gmbh.	-	7,540	-	-	142
Velosi Europe Ltd.	-	6,834	-	3,628	-
Applus RTD Pty Ltd.	-	4,237	-	-	-
RTD, B.V.	-	3,268	-	20,370	34
Applus Energy, S.L.	-	1,727	141	-	-
Applus Euskadi Holding, S.L.	-	1,651	-	-	-
Norcontrol Guatemala, S.A.	-	1,063	-	-	-
Applus RTD Norway, As.	-	1,002	-	2	-
Applus Norcontrol Peru, S.A.C.	-	878	-	-	-
Applus Car Testing Service, Ltd.	-	-	-	14,547	-
Applus Iteuve Euskadi, S.A.U.	-	-	-	13,747	-
RTD Holding Deutschland, Gmbh.	-	-	-	4,614	-
Applus RTD Canada, Lp.	-	-	-	3,193	-
K1 Kasastajat, OY	-	200	-	2,899	-
Applus RTD Uk, Ltd.	-	-	-	2,262	-
Applus RTD Deutschland Inspektionsgesellschaft, Gmbh.	-	-	-	2,146	-
Applus Technologies, Inc.	-	-	-	2,135	-
Norcontrol Inspección, S.A. (México)	-	-	-	1,617	-
Applus Velosi Canada Ltd.	-	-	-	1,230	-
Other	-	1,205	10	1,318	-
Total	432,794	279,782	86,300	261,317	4,056

2014

	Thousands of euros				
	Long-term loans (Note 5.1)	Short-term loans (Note 5.2)	Non-current payables	Current payables	Trade receivables
Applus Servicios Tecnológicos, S.L.U.	136,951	15,666	3,315	119,809	9,933
Libertytown USA Finco, Inc.	2,178	1,189	-	-	3,484
LGAI Technological Center, S.A.	4,840	-	117	-	-
Applus Iteuve Technology, S.L.U.	96,418	1,276	1,597	-	-
Arctosa Holding, B.V.	188,059	7,673	-	-	-
Applus Norcontrol, S.L.U.	-	-	6,553	-	-
Novotec Consultores, S.A.U.	1,074	-	-	-	-
IDIADA Automotive Technology, S.A.	3,719	-	-	-	-
Other	2	-	334	-	354
Total	433,241	25,804	11,916	119,809	13,771

On 1 January 2015, the loans and credits granted by Applus Servicios Tecnológicos, S.L.U. to the Company were transferred and offset (see Note 5.1).

"Non-Current Payables" includes accounts payable to various Group companies arising from the Company's inclusion as the head of the consolidated tax group, amounting to EUR 6,576 thousand (2014: EUR 11,916 thousand) (see Note 4.3.).

In addition, under "Current Receivables" and "Current Payables", amounts of EUR 79,887 thousand and EUR 240,987 thousand are recognised, respectively, in relation to the cash-pooling agreement maintained with the other Group companies (see Note 5.1)

11.3. Disclosures on Directors and Senior Executive

Remuneration of and obligations to the Board of Directors

In 2015 the remuneration and other benefits earned by the members of the Board of Directors of the Company amounted to EUR 1,536 thousand (2014: EUR 2,260 thousand). In 2014 included the termination payment and incentive arising from the termination of the services of the former Chairman of the Group, amounting EUR 830 thousand.

This amount does not include the exceptional incentive granted to the Executive Director explained in further paragraphs.

As regards the remuneration of the Executive Director, the latter is a beneficiary of the so-called "Financial Incentive Plan". This remuneration is composed of (i) the so-called "Financial Incentive Plan", paid in 2014; and (ii) the so-called "Financial Incentive in RSUs", which envisages the delivery, for no consideration, of a given number of *restricted stock units* ("RSUs").

The Financial Incentive in RSUs was delivered at the time the remuneration system was granted (i.e. 9 May 2014) and the RSUs are exchangeable for shares of the Company pursuant to the vesting schedule agreed upon with the beneficiary of the remuneration system. The RSUs do not confer rights (dividend or voting) of any kind over the Company and are non-transferrable. Each RSU will be exchanged, for no consideration, for one ordinary share of the Company on the planned vesting date, pursuant to the terms and conditions of the Financial Incentive Plan. The value of the financial incentive will therefore depend on the market price of the shares on the vesting date of the RSUs and their consequent exchange for shares of the Company.

The Executive Director has received 1,178,968 RSUs under the Financial Incentive Plan.

In particular, the RSUs delivered to Executive Director under the Financial Incentive Plan will be exchangeable for shares of the Company in accordance with the following vesting schedule:

- 392,989 RSUs on 9 May 2015;
- 392,989 RSUs on 9 May 2016; and
- 392,990 RSUs on 9 May 2017.

In accordance with the aforementioned remuneration schedule, on 9 May 2015 the Executive Director received 210 thousand shares. This amount of 210 thousand shares is the result of applying the withholding tax corresponding to the gross amount agreed upon of 392,989 RSUs convertible into shares.

The beneficiary's right to exchange his RSUs for shares of the Company under the Financial Incentive Plan will remain in force provided he is still discharging the duties of his position when the RSUs vest, subject to occurrence of events that would cause the RSUs to vest early (death, permanent disability, change of control) and *the bad-leaver and good-leaver* clauses envisaged in the contract.

Should it not be possible to deliver the shares of the Company on the vesting date of the RSUs for reasons attributable to the Company, he will be entitled to receive payment in cash instead of the delivery of shares for an amount equal to (i) the weighted average market price of the shares at the close of all the trading sessions in the calendar quarter prior to the date on which the shares of the Company should have been delivered; multiplied by (ii) the number of shares that should have been delivered in that year pursuant to the Financial Incentive Plan.

Additionally and exceptionally, on 9 May 2015 the Chairman of the Company's Board of Directors received six thousand shares in a single vested payment relating to a remuneration plan called the RSU Award Agreement. The remuneration system consisted of the free delivery of 6,897 RSUs to the Chairman of the Board of Directors with effect from the time of granting the remuneration system (i.e. 9 May 2014). The RSUs did not grant rights of any type in the Company (neither dividend nor voting rights) and were non-transferrable. Each RSU was freely exchangeable for an ordinary share of the Company on the scheduled vesting date, in accordance with the terms and conditions of the RSU Award Agreement. The value of the remuneration system was dependent on the market price of the shares on the vesting date of the RSUs and on the consequent exchange thereof for the Company's shares. This amount of six thousand shares is the result of applying the withholding tax corresponding to the gross amount agreed upon of 6,897 RSUs convertible into shares.

The remunerations received by the members of the Board of Directors for participating in the various committees delegated by the Board of Directors in 2015 have been as follows:

Appointments and Compensation Committee	Audit Committee	Group Ethics Committee (GEC)
50	34	50

These remunerations for members of the various board committees are part of the total compensation to the Board of Directors referred to in the first paragraph.

As at 31 December 2015 do not exist any other advances or loans granted to members of the Board of Directors of the Company.

The Group does not have any significant pension or life insurance obligations to the Company's Directors.

At 31 December 2015, the Company's Board of Directors was made up of 9 men (9 men at 31 December 2014).

Remuneration of and obligations to Senior Executive

It has been defined as Management, those executives who were members of the Executive Committee in 2015, thus being directly dependent on the Company's Executive Director, and also, the internal auditor, in accordance to the definition borne in the current accounting rules and specially in the "Report of the Special Working Group on Good Governance of Listed Companies" published by the Spanish regulator CNMV on 16 May of 2006.

The remuneration received by the Management during the year 2015, amounts EUR 739 thousand (2014: EUR 866 thousand), and is as following:

Exercise 2015

	Thousands of euros				
	Fixed Remuneration	Variable Remuneration	Other Concepts	Severance	Pension Plan
Team Management	489	166	72	-	12

Exercise 2014

	Thousands of euros				
	Fixed Remuneration	Variable Remuneration	Other Concepts	Severance	Pension Plan
Team Management	459	159	236	-	12

The remuneration shown in the preceding tables does not include the following 3 incentive plans:

- In May 2014 the Group agreed and signed with the Executive Director and 2 other dependant Senior Executive a new incentive plan ("Incentive Agreement"), of which part of it was paid in cash in the moment of the initial public offering amounting EUR 12.2 million (included the amount received by the Executive Director), and the remaining part was deferred to be received through 1,626 thousand of "Restricted Stock Units" that can be exchanged, for no consideration, for ordinary shares of the Company, according to a linear calendar, subject to the tenure of the executive for 3 years (in exception to bad-leaver and good-leaver clauses envisaged in the contract), to be proportionally paid in May of each of the next 3 years, according to the May and July 2014 agreements with such executives. The fair value of the shares to be bestowed after the 3 year period, at the initial public offering price would amount to EUR 24 million (taking into account that all executives remain in the Company for the next 3 years), which the Company provisions each year on a linear basis in the statement of profit or loss of the consolidated financial statements. The expense incurred for this concept of deferred compensation during 2015 amounts EUR 7.9 million, figure provisioned under "remuneration payable". These amounts relate to remuneration payable to the two executives and to the Executive Director; the extraordinary EUR 100 thousand payable to the Chairman are not included.

In accordance with the aforementioned remuneration payable schedule, on 9 May 2015 the Group's executives received 82 thousand shares as per the Incentive Plan. This amount of 82 thousand shares is the result of applying to each executive the withholding tax corresponding to the gross amount agreed upon in the Incentive Plan of 149,111 RSUs convertible into shares on 9 May 2015.

- Other Senior Executive of the Company earn variable remuneration subject to the achievement by the Group of certain financial aggregates in 2014, 2015 and 2016, to be paid in 2017 amounting to EUR 650 thousand for the three years. The accrued expense during 2015 was EUR 217 thousand, while the accumulated provision for 2014 and 2015 amounted to EUR 434 thousand.
- On 24 February 2015, the Appointments and Compensation Committee approved, and the Company's Board of Directors ratified, the delivery of 15 thousand Restricted Stock Units (RSUs) more to Senior Executive, related to the new incentive plan described in Note 10.2.

Life insurance policies have been taken out for certain Senior Executive, although the amount thereof is not material. Such costs are classified under "Other concepts" in the preceding tables.

At 31 December 2015 and 2014, the Company's senior management was composed of 2 men (2 men at 31 December 2014).

The internal auditor has also been included in terms of retribution.

11.4. Information relating to conflict of interest on the part of the Directors

It is hereby stated that the Directors, their individual representatives and the persons related thereto do not hold any investments in the share capital of companies engaging in identical, similar or complementary activities to those of the Company or hold positions or discharge duties thereat, other than those held or discharged at the Applus Group companies, that could give rise to a conflict of interest as established in Article 229 of the Spanish Limited Liability Companies Law.

12. Foreign currency balances and transactions

The detail of the most significant balances and transactions in foreign currency, valued at the year-end exchange rates and the average exchange rates for the year, respectively, is as follows (in thousands of euros):

	2015	2014
Loans granted	171,525	33,631
Interests receivable	4,289	2,613
Loans received	43,027	24,458
Interests payable	259	-
Finance income	5,015	1,051
Finance costs	1,373	693
Services received	343	243

The loans granted and received by the Company are denominated mainly in pounds sterling and US dollars.

13. Other disclosures

13.1. Fees paid to auditors

In 2015 and 2014 the fees billed for financial audit and other services provided by the auditor of the Company, Deloitte, S.L., and companies related to these auditors as a result of a relationship of control, common ownership or common management, were as follows (in thousands of euros):

2015

	Services provided by the auditor and by related firms
Audit services	146
Other attest services	83
Total audit and related services	229
Tax counselling services	-
Other services	-
Total professional services	229

2014

	Services provided by the auditor and by related firms
Audit services	126
Other attest services	180
Total audit and related services	306
Tax counselling services	-
Other services	-
Total professional services	306

13.2. Obligations and other guarantees

At 31 December 2015, the Company had not pledged any shares.

At 31 December 2015, no banks had provided the Company with guarantees to third parties.

13.3. Disclosures on the payment periods to suppliers

Detailed below is the information required by the Additional Provision Three "Disclosure Obligation" of Law 15/2010, of 5 July (amended by Final Provision Two of Law 31/2014, of 3 December), which was prepared in accordance to the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on information to be incorporated in notes to the financial statements in relation to average payment periods to suppliers in commercial transactions.

As provided for in the Single Additional Provision of the aforementioned ruling, no comparative information is presented since this year is the first in which it is applicable.

	2015
	Days
Average payment period to suppliers	44
Ratio of transactions settled	46
Ratio of transactions not yet settled	7
Amount (thousands of euros)	
Total payments made	3,333
Total payments outstanding	110

The data shown in the foregoing table in relation to payments to suppliers relate, pursuant to the ICAC Resolution, to commercial transactions relating to goods supplied and services provided since the entry into force of Law 31/2014, of 3 December.

Suppliers, solely for the purpose of disclosing the information provided for in this resolution, are considered to be trade creditors for the supply of goods and services and are included under "Current Liabilities - Trade and Other Payables" in the accompanying statement of financial position.

"Average Payment Period to Suppliers" is understood to be the period between the supply of the goods or the provision of the services on the supplier's account and the effective payment of the transaction.

The maximum payment period applicable to the Spanish consolidated companies under Law 3/2004, of 29 December, on combating late payment in commercial transactions, is 30 days. This period may be extended by agreement between the parties, but under no circumstances should be superior to 60 natural days (same legal period in 2014).

However, most of this pending payment at year end has been paid during the first 30 days of the year 2016.

14. Events after the reporting period

On 21 January 2016 the Applus Group, which Company is the Parent, purchased Aerial Photography Specialists Pty Ltd, an Australian company specialised in conducting inspections using unmanned aerial vehicles (drones), for AUD 3,150 thousand (EUR 1,982 thousand) plus an earn-out which will be paid on the basis of future years' profits.

15. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2.1). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Applus Services, S.A.

Directors' Report for the year ended 31 December 2015

Formally prepared by the directors of Applus Services, S.A. in relation to the year ended 31 December 2015.

Dear Shareholders:

We are pleased to submit to you this report on the Company's performance in 2014 and on its progress up to the present date.

Company performance and earnings

The income of the Company has increased by 40.3% over the prior year due to receiving more dividends from its subsidiaries and due to the financial income resulting from the cash centralization and pooling operations, held in 2014 by the subsidiary Applus Servicios Tecnológicos, S.L.U.

Also the net financial expenses decreased significantly in the period, from EUR 25,1 million to EUR 18,0 million due to the favorable currency rates exchange.

In the final quarter of 2015, the Group bought the non-destructive testing business of Caparo Testing Technologies in the UK. This business with over 50 years of history is one of the few independent non-destructive testing companies specializing in the aerospace industry in the UK as well as serving some other end markets. It consists of a team of over 76 professionals, 4 laboratories and two more co-locations embedded within customers' own manufacturing facilities.

Also in the final quarter of the year, the Group purchased SKC Engineering (SKC) located in Vancouver, Canada. This company provides inspection and non-destructive testing services through its workforce of 30 people and in a wide and diversified client base in sectors such as power and civil infrastructure. With more than half of SKC's activity in consulting for material, welding and structural engineering and the remainder in non-destructive testing services, SKC complements the current North American portfolio of activity.

The Board will propose to shareholders at the Annual General Meeting a dividend of 13 cents per share in line with the amount paid last year. This is equivalent to €16.9 million (2014: €16.9m).

The new five year debt facilities entered into by the Group at the time of the IPO and refinanced in 2015 taking advantage of better credit market conditions and an extension of one additional year are sufficient to ensure good liquidity for the medium and longer term

Outlook

In the absence of a further change in oil and gas end-market demand, it is expected that the Group organic revenue growth at constant exchange rates will be down mid-single digits in 2016. This is expected to be driven by continued good growth in the automotive, aerospace, power, industrial infrastructure and other end markets whilst oil and gas, which will continue to decline. Consistent with this fall in revenue, and after the cost savings from the integration of Applus+ Velosi-Norcontrol with Applus+ RTD, the margin in 2016 is expected to continue to be under pressure.

Main risks

The main risks to which the Company is exposed are those typically faced by a holding company and the industry in which its subsidiaries operate, in particular the risk posed by the growth that the Applus Group is currently experiencing.

The policy of the directors is to take the decisions that they may consider appropriate in order to mitigate any kind of risk related to the Company's activities.

Environment

In view of the Company's business activities, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in the notes to the financial statements.

Research and development activities

The Company did not perform any research and development activities in 2015.

Treasury share transactions

In April 2015 the Group executed the agreed Equity Swap in 2014 acquiring 550,000 shares and delivered to two Board of Directors members and Senior Executive a total of 492,801 shares. Additionally, in July 2015 the group arranged an equity swap with a bank for the acquisition cost of 750,000 treasury shares, to be delivered to Group executive in March and May 2016 and whose value arise to EUR 7,321 thousand.

At 31 December 2015, the Group owns or has arranged a total of 807,199 treasury shares: 57,199 treasury shares at an average cost of EUR 9.83 per share and 750,000 treasury shares, arranged by an Equity Swap, at an average cost of EUR 9.76 per share. The value of these treasury shares amounts to EUR 7,883 thousand.

Use of financial instruments

The Company uses financial derivatives to eliminate or significantly reduce certain interest rate and foreign currency risks relating to its assets. During 2015 the Company has not acquired any financial derivative instruments, in exception to the equity swap agreement explained in the "Treasury share transactions" of this report.

Significant events after the reporting period

On 21 January 2016 the Group made an acquisition of a company in Australia called Aerial Photography Specialist (APS) that specialises in unmanned aerial vehicle (drones) inspection for a fixed amount of Australian dollar 3,150 thousand (approximately EUR 1,982 thousand). The agreement also includes an earn-out provision tied to certain financial goals to be achieved.

Disclosures on the payment periods to suppliers

Detailed below is the information required by the Additional Provision Three "Disclosure Obligation" of Law 15/2010, of 5 July (amended by Final Provision Two of Law 31/2014, of 3 December), which was prepared in accordance to the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on information to be incorporated in notes to the financial statements in relation to average payment periods to suppliers in commercial transactions.

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Suppliers, solely for the purpose of disclosing the information provided for in this resolution, are considered to be trade creditors for the supply of goods and services and are included under "Current Liabilities - Trade and Other Payables" in the accompanying statement of financial position.

"Average Payment Period to Suppliers" is understood to be the period between the supply of the goods or the provision of the services on the supplier's account and the effective payment of the transaction.

The maximum payment period applicable to the Spanish consolidated companies under Law 3/2004, of 29 December, on combating late payment in commercial transactions, is 30 days. This period may be extended by agreement between the parties, but under no circumstances should be superior to 60 natural days (same legal period in 2014).

However, most of this pending payment at year end has been paid during the first 30 days of the year 2016.

Annual Corporate Governance Report

The Annual corporate Governance report which is part of the Management Report can be consulted on the "Comisión Nacional del Mercado de Valores" (CNMV) web page or on the Applus Group web page.

www.cnmv.es

www.applus.com

Applus Services, S.A.

**Preparation of the Financial Statement and
management report for the year ended 2015**

In accordance with the provisions of article 253 of the Spanish Corporate Enterprises Act, the Directors of the Company have formulated the financial statements (comprising the foregoing (statement of financial position, statement of profit and loss, statement of changes in equity, statement of cash flows and notes to the financial statements) and the management report for 2015. The aforementioned documents were approved by the Board of Directors at its meeting this 24 February 2016. All the Directors of the Company sign the abovementioned documents by signing this sheet.

Barcelona, 24 February 2016



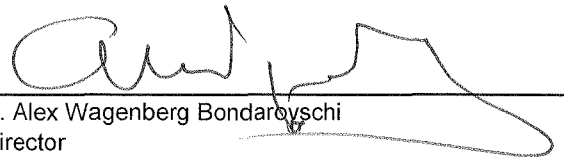
D. Christopher Cole
Chairman



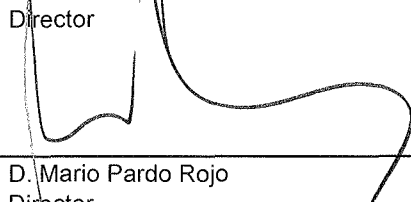
D. Ernesto Gerardo Mata López
Director



D. Pedro de Esteban Ferrer
Director



D. Alex Wagenberg Bondarovsky
Director



D. Mario Pardo Rojo
Director



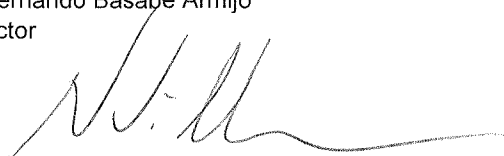
D. John Daniel Hofmeister
Director



D. Fernando Basabe Armijo
Director



D. Richard Campbell Nelson
Director



D. Nicolás Villén Jiménez
Director

For identification purposes, the copies of the Applus Services S.A. financial statements and the management report approved by the Board of Directors are initialized by the Secretary of the Board of Directors, Mr. Vicente Conde Viñuelas.

Appendix I

Name	Applus Servicios Tecnológicos, S.L.*	Azul Holding 2, Sarl.	Applus Iteuve Argentina, S.A. *	Applus Santa Maria del Buen Ayre, S.A.*	Applus Technologies, Inc. *	Janx Holding, Inc	Libertytown USA 1, Inc.	Libertytown USA Finco, Inc.
Registered office	Campus de la UAB, Ronda de la Font del Carme s/n, 08193 Bellaterra-Cerdanyola del Vallès. Barcelona (España)	7, rue Robert Stümper L-2557-Luxembourg (Grand Duchy of Luxembourg)	Reconquista 661 – Piso 2, C 1003 Ciudad de Buenos Aires (Argentina)	Jurisdicción de la Ciudad autónoma de Buenos Aires	444 North Michigan Ave, Suite 1110, Chicago, IL 60611	1209 Orange Street, New Castle County, Wilmington, Delaware 19801 (USA)	615, Dupont Highway, Kent County Dover, State of Delaware (USA)	615, Dupont Highway, Kent County Dover, State of Delaware (USA)
Line of business	Holding company	Holding company	Vehicle roadworthiness testing	Right and compliance of the obligations corresponding to public services concessions relating to the obligatory Technical Verification of Vehicles	Vehicle roadworthiness testing	Certification services through non-destructive testing	Holding company	Holding company
Net participation:	1.008.291	102.212	124 23.089	135 875	191.978		59.736	
Applus Services, S.A. Applus Servicios Tecnológicos, S.L., Sociedad Unipersonal Applus Iteuve Technology, S.L., Sociedad Unipersonal Applus Iteuve Argentina, S.A. Libertytown USA 1, Inc.								
Ownership interest held by Group companies:								
Direct	100%	100%						
Indirect	-		100%	100%	100%	100%	100%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	508.979	110.820	11.064	1.097	124.752	66.847	266.541	336.956
Liabilities	116.643	8.694	6.525	602	69.780	37.481	202.759	339.097
Equity	392.336	102.126	4.539	495	54.972	29.366	63.782	(2.141)
Profit (Loss)	28.552	8.742	4.832	(383)	7.714	2.957	(2.685)	(894)

* Audited company

Name	Applus Iteuve Technology, S.L.U *	IDIADA Automotive Technology, S.A *	Applus Argentina, S.A. *	IDIADA Fahrzeugtechnik, GmbH.*	CTAG-Idiada Safety Technology, S.L. *	Applus Chile, S.A. *	Applus Iteuve Euskadi, S.A., Sociedad Unipersonal *	Applus Revisiones Técnicas de Chile, S.A. *
Registered office	Campus de la UAB, Ronda de la Font del Carne s/n, 08193 Bellaterra-Cerdanyola del Vallès. Barcelona (España)	L'Albornar, s/n PO BOX 20,43710 Sta Oliva. Tarragona (España)	Reconquista 661 – Piso 2, C 1003 Ciudad de Buenos Aires (Argentina)	Manfred Hochstatter Strasse 2, 85055 Ingolstadt (Alemania)	Polígono A Granxa, Parcelas 249-250. 36410 Porriño, Pontevedra (España)	Avenida Américo Vespucio 743 - Huechuraba - Santiago de Chile (Chile)	Polígono Ugaldeguren I Parcela 8, 48710 Zamudio, Vizcaya (España)	Avenida Américo Vespucio 743 - Huechuraba - Santiago de Chile (Chile)
Line of business	Vehicle roadworthiness testing	Engineering, testing and certification	Holding company	Engineering, testing and certification	Engineering, testing and certification	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing
Net participation:								
Applus Technologies Holding, S.L.								
Applus Euskadi Holding, S.L.								
Idiada Automotive Technology, S.A								
Applus Servicios Tecnológicos, S.L., Sociedad Unipersonal	115.377	15.096	584	250	150	104	39.000	34
Applus Iteuve Technology, S.L., Sociedad Unipersonal			25			2.888		410
Libertytown USA 1, Inc.								
Ownership interest held by Group companies:								
Direct								
Indirect	100%	80%	100%	80%	40%	100%	100%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	261.783	104.366	773	7.914	3.073	17.131	14.087	2.936
Liabilities	205.318	54.055	315	7.675	1.114	2.153	5.920	706
Equity	56.465	50.311	458	239	1.959	14.978	8.167	2.230
Profit (Loss)	17.423	14.001	264	(45)	655	997	1.349	339

* Audited company

Name	Applus Denmark, A/S*	IDIADA CZ, A.S. *	K1 Kasastajat, OY *	Inspecció Tècnica de vehicles i serveis, S.A.	K1 Total, Oy*	Idiada Automotive Technology India PVT, Ltd *	Shanghai IDIADA Automotive Technology Services Co. Ltd *	Applus Euskadi Holding, S.L.
Registered office	Korsolalsvej, 111 2610 Rodoure (Dinamarca)	Prazska 320/8, 500 04, Hradec Králové (Czech Republic)	Tuotekat 8B, 21200 Raisio (Finlandia)	Ctra de Bixessarri s/n, Aixovall AD600 (Andorra)	Tuotekatu 8B, 21200 Raisio, Finland	Unit no. 206, 2nd Floor, Sai Radhe Building Raja Bahadur Mill Road, off Kennedy Road, Pune 411 001 - India	Jucheng Pioneer Park, Building 23, 3999 Xiu Pu Road, Nan Hui 201315 Shanghai (Pudong District) - China	Polígono Ugaldeguren, 1 parcela 8, Zamudio, Vizcaya (España)
Line of business	Vehicle roadworthiness testing	Engineering, testing and certification	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Engineering, testing and certification	Engineering, testing and certification	Holding company
Net participation: Applus Euskadi Holding, S.L. Idiada Automotive Technology, S.A Applus Servicios Tecnológicos, S.L.U Applus Iteuve Technology, S.L., Sociedad Unipersonal Libertytown USA 1, Inc.	60.627	8.400	91.930	11	53	1.272 17	6.285	2.744
Ownership interest held by Group companies: Direct								
Indirect	100%	80%	100%	50%	100%	61%	80%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	47.388	5.878	7.309	618	2.072	2.314	15.821	24.112
Liabilities	18.468	2.581	2.998	177	931	1.954	6.452	16.907
Equity	28.920	3.297	4.311	441	1.141	360	9.369	7.205
Profit (Loss)	218	1.156	193	309	99	(281)	976	332

* Audited company

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Name	Applus Car Testing Services, Ltd. *	Idiada Tecnologia Automotiva, Ltda. *	Idiada Automotive Technology UK, Ltd.	LGAI Technological Center, S.A. *	Applus México, S.A. de C.V. *	LGAI Chile, S.A.*	Applus Costa Rica, S.A	Applus Norcontrol, S.L., Sociedad Unipersonal *
Registered office	Arthur Cox Building, Earlsfort Terrace, Dublin (Ireland)	Cidade de São Bernardo do Campo, Estado de São Pulo, na Rua Continental, nº 342, Vila Margarida, CEP 09750-060 (Brasil)	St Georges Way Bermuda Industrial Estate, Nuneaton, Warwickshire CV10 7JS - UK	Campus de la UAB, Ronda de la Font del Carme, s/n, 08193 Bellaterra-Cerdanyola del Vallès. Barcelona (España)	Blvd. Manuel Avila Camacho 184, Piso 4-A, Col. Reforma Social, C.P. 11650 México D.F. (México)	Monseñor Sotero Sanz, 100-8º, Comuna de Providencia, Santiago de Chile (Chile)	Oficentro Holland House, Oficina 47 y 48 300 mts Sur de Rotonda de la Bandera Barrio Escalante, San Pedro San José (Costa Rica)	Crta. Nacional VI-Km 582, 15168, Sada, A Coruña (España)
Line of business	Vehicle roadworthiness testing	Engineering, testing and certification	Engineering, testing and certification	Certificate	Quality system audit and certification	Quality system audit and certification	Quality system audit and certification	Inspection, quality control and consultancy services
Net participation: LGAI Technological Center, S.A. Applus Servicios Tecnológicos, S.L.U Applus Iteuve Technology, S.L., Sociedad Unipersonal Applus Norcontrol, S.L., Sociedad Unipersonal IDIADA Automotive Technology, S.A	3.087	4.838	613	114.139	838 13	115	15	161.534
Ownership interest held by Group companies: Direct Indirect	100%	80%	80%	95%	95%	95%	95%	95%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	25.451	3.891	2.400	289.403	1.258	502	335	143.466
Liabilities	17.002	693	1.981	41.382	490	302	77	115.391
Equity	8.449	3.198	419	248.021	768	200	258	28.075
Profit (Loss)	4.158	334	(281)	2.608	158	94	29	(1.863)

* Audited company

Name	Novotec Consultores, S.A., Sociedad Unipersonal *	Applus Panamá, S.A	Applus Norcontrol Panamá, S.A. *	Norcontrol Chile, S.A.*	Norcontrol Inspección, S.A. de C.V. – México *	Applus Norcontrol Guatemala, S.A.	Applus Norcontrol Colombia, Ltda *	Norcontrol Nicaragua, S.A.
Registered office	Parque Empresarial Las Mercedes, C/Campezo, 1. Ed.3, 28022, Madrid (España)	Urbanización Obarrio-C/ José Agustín Arando, Edificio Victoria Plaza, Piso 2 Local A, Ciudad de Panamá (Panamá)	Urbanización Obarrio, C/José Agustín Arando, Edificio Victoria Plaza, Piso 2 Local A. Ciudad de Panamá (Panamá)	Monseñor Sotero Sanz, 100-8º, Comuna de Providencia, Santiago de Chile (Chile)	Bvd. Manuel Avila Camacho 184, Piso 4-B, Col. Reforma Social, C.P. 11650 México, D.F (México)	1ª, Calle 1-35, Zona 3, Don Justo, Fraijanes, Km 16.5 Carretera a El Salvador, Departamento de Guatemala (Guatemala)	Calle 17, núm. 69-46 Bogotá (Colombia)	Colonia Los Robles, Km. 6,500 Carretera Masaya, Managua (Nicaragua)
Line of business	Services related to quality and safety in industrial plants, buildings, etc.	Certification	Inspection, quality control and consultancy services in the industry and services sector	Inspection, quality control and consultancy services in the industry and services sector	Inspection, quality control and consultancy services in the industry and services sector	Inspection, quality control and consultancy services in the industry and services sector	Inspection, quality control and consultancy services in the industry and services sector	Inspection, quality control and consultancy services in the industry and services sector
Net participation:								
LGAI Technological Center, S.A.	9.948	107						
Applus Servicios Tecnológicos, S.L.U			223	2.805	5.875	1.019	898	74
Applus Iteuve Technology, S.L., Sociedad Unipersonal							4.913	
Applus Norcontrol, S.L., Sociedad Unipersonal								
Ownership interest held by Group companies:								
Direct								
Indirect	100%	95%	95%	95%	95%	95%	96%	95%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	17.571	36	6.296	4.652	13.496	5.816	22.132	737
Liabilities	11.389	120	2.738	3.692	6.736	5.841	12.414	330
Equity	6.182	(84)	3.558	960	6.760	(25)	9.718	407
Profit (Loss)	1.385	11	665	316	2.257	369	1.614	139

* Audited company

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Name	Röntgen Technische Dienst Holding BV	Applus Centro de Capacitación, S.A.	RTD Quality Services, SRO *	Applus RTD France Holding, S.A.S*	Applus RTD Deutschland inspektions-Gesellschaft, Gmbh *	Röntgen Technische Dienst B.V. *	RTD Quality Services Canada, Inc	RTD Quality Services Nigeria Ltd. *
Registered office	Delftweg 144, 3046 NC Rotterdam (Holanda)	Monseñor Sotero Sanz, 100-8º, Comuna de Providencia, Santiago de Chile (Chile)	U Stadionu 89, 530 02 Pardubice (República Checa)	129, Rue Servient, 69326 Lyon Cedex 03 (Francia)	Industriestraße 34 b, 44894 Bochum (Germany)	Delftweg 144, 3046 NC Rotterdam (Holanda)	3200 Telus House, South Tower, 10020 - 100 Street Edmonton AB T5J 0N3 (Canada)	Warri Boat Yard, 28 Warri/Sapele Road, Warri, Delta State (Nigeria)
Line of business	Holding company	Provision of training services	Certification services through non-destructive testing	Holding company	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing
Net participation: RTD Holding Deutschland, GmbH Röntgen Technische Dienst Holding, B.V. Applus Servicios Tecnológicos, S.L.U Norcontrol Chile, S.A. Applus Norcontrol, S.L., Sociedad Unipersonal ARCTOSA Holding, B.V.	118.958	19	2.800	5.373	1.639	28.000	21.758	48
Ownership interest held by Group companies: Direct								
Indirect	100%	95%	100%	100%	100%	100%	100%	78%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	306.083	245	2.578	4	12.910	103.030	82.173	3.897
Liabilities	93.540	225	500	1.264	7.962	63.491	59.169	3.464
Equity	212.543	20	2.078	(1.260)	4.948	39.539	23.004	433
Profit (Loss)	(3.767)	-	618	(355)	(797)	10.616	(3.354)	411

* Audited company

AN

Name	RTD Quality Services USA, LLC (Group)	RTD Holding Deutschland, GmbH	Applus RTD UK Holding, Ltd *	Applus RTD PTE, Ltd (Singapore) *	Applus Colombia, Ltda. *	Applus (Shanghai) Quality inspection Co, Ltd *	Applus RTD Certification, B.V.	Applus RTD PTY, Ltd (Australia) *
Registered office	13131 Dairy Ashford Road, Suite 230, Sugar Land, TX 77478, (USA)	Industriestraße 34b, D, D-44894 Bochum	Unit 2, Blocks C and D, West Mains Industrial Estate, Grangemouth, FK3 8YE, Scotland (UK)	70 Kian Teck Singapore 628798 (Singapore)	Calle 17, núm 69-46, Bogotá (Colombia)	Jucheng Industrial Park, Building 23, 3999 Xiu Pu Rd, Nan Hui, Shanghai 201315 (China)	Rivium 1e straat 80, 2909 LE, Cappelle a/d IJssel (The Netherlands)	94 Discovery Drive, Bibra Lake WA 6163 (Australia)
Line of business	Certification services through non-destructive testing	Holding company	Holding company	Certification services through non-destructive testing	Certification	Inspection services in quality processes, production processes, technical assistance and consultancy	Certification services through non-destructive testing	Certification services through non-destructive testing
Net participation:			4.644	431		1.063		
Röntgen Technische Dienst Holding, B.V. RTD Holding Deutschland, GmbH RTD, B.V. LGAI Technological Center, S.A. Applus RTD PersonalService, GmbH. Libertytown Australia PTY, Ltd. Libertytown USA 2, Inc.	1	1.000			97			26.038
Ownership interest held by Group companies:								
Direct								
Indirect	100%	100%	100%	100%	95%	95%	100%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	12.934	14.739	45.732	4.149	583	5.278	220	21.030
Liabilities	6.435	18	40.030	883	83	3.542	842	9.736
Equity	6.499	14.721	5.702	3.266	500	1.736	(622)	11.294
Profit (Loss)	(4.722)	(784)	(401)	2.609	11	255	(107)	(151)

* Audited company

Name	Applus RTD Norway, AS *	Arctosa Holding, B.V.	Libertytown USA 2, Inc.	Libertytown Australia, PTY, Ltd. *	Applus RTD UK, Ltd *	Applus RTD GmbH (Austria)	Applus RTD SP, z.o.o.	Applus Energy, S.L.U.
Registered office	Notberget 19, 4029 Stavanger (Norway)	Delftweg 144, 3046 NC Rotterdam (Holanda)	615, Dupont Highway, Kent County Dover, State of Delaware (USA)	94 Discovery Drive, Bibra Lake WA 6163 (Australia)	Unit 2, Blocks C and D, West Mains Industrial Estate, Grangemouth, FK3 8YE, Scotland (UK)	Hauptstraße 26, 7201 Nuedörfli an der Leitha (Austria)	Raclawicka, 19, 41-506 Chorzów, Poland	Campus de la UAB, Ronda de Font del Carme, s/n, 08193 Bellaterra-Cerdanyola del Vallès. Barcelona (España)
Line of business	Certification services through non-destructive testing	Holding company	Holding company	Holding company	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Provision of advisory services and auditing in the energy sector
Net participation: Applus RTD PersonalService, GmbH. Röntgen Technische Dienst Holding, B.V. Applus RTD UK Holding, Ltd. Libertytown Australia PTY, Ltd. RTD, B.V. Applus Servicios Tecnológicos, S.L., Sociedad Unipersonal	4.113	114.489	2.637	18.400	29.272	1.313	1.501	3.435
Ownership interest held by Group companies: Direct Indirect	100%	100%	100%	100%	100%	100%	100%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	3.217	341.798	120.288	30.588	12.765	23	31	3.843
Liabilities	2.292	238.441	114.044	14.162	5.833	-	-	1.973
Equity	925	103.357	6.244	16.426	6.932	23	31	1.870
Profit (Loss)	(1.299)	(7.464)	(4.942)	(1.173)	1.192	1	(34)	(69)

* Audited company

Name	RTD Slovakia, s.r.o.	Technico, Inc. (Group)	Applus Automotive Services, S.L., Sociedad Unipersonal	Quality Assurance LABS, Inc. (USA)	Quality Inspection Services, Inc.	Valley Industrial X-Ray and Inspection Services, Inc.	APP Management, S. de R.L. de C.V.
Registered office	Bratislava, Ružinovská ul. c. 8, PSC 820 09 Bratislava 29, P.O. Box 26 (Eslovaquia)	299 McIveen Drive, E2J 4Y6, Saint John, New Brunswick	Campus de la UAB, Ronda de la Font del Carme s/n, 08193 Bellaterra-Cerdanyola del Vallès. Barcelona (España)	80 Pleasant Ave SO PORTLAND, ME 0416 (USA)	Suite 400, Cathedral Park Tower, 37 Franklin Street, Buffalo, New York 14202 (USA)	6201 Knusden Drive, Bakersfield, CA (USA)	Blvd. Manuel Avila Camacho 184, Piso 4-A, Col. Reforma Social, C.P. 11650 México D.F. (México)
Line of business	Certification services through non-destructive testing	Certification services through non-destructive testing	Provision of services related to the automotive industry and vehicle and road safety, process engineering, training design, testing, accreditation, etc.	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Provision of professional, technical, administrative and human resources services
Net participation:							
Applus Servicios Tecnológicos, S.L., Sociedad Unipersonal	5		838				30
Röntgen Technische Dienst Holding, B.V.		3.665		151	8.270	11.535	
RTD Quality Services Canada, Inc		1					
Libertytown USA 2 Inc.							
Lgai Technological Center, S.A.							
Ownership interest held by Group companies:							
Direct							
Indirect	100%	100%	100%	100%	100%	100%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):							
Assets	1	1.454	649	2.825	7.586	10.554	865
Liabilities	1	422	12	200	3.463	1.448	674
Equity	-	1.032	637	2.625	4.123	9.106	191
Profit (Loss)	1	309	33	286	(779)	(2.937)	28

* Audited company

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Name	Libertytown Applus RTD Germany Gmbh	Applus Norcontrol Maroc, Sarl	Applus RTD Gulf DMCC. *	Qualitec Engenharia de Qualidade, Ltda.	Applus Lgai Germany, Gmbh	BK Werstofftechnik- Prüfstelle Für Werkstoffe, Gmbh	Ringal Brasil Investimentos, Ltda.	Burek und Partner, Gbr.
Registered office	Industrie Strasse 34 b, 44894 Bochum, Alemania	INDUSPARC Module N°11BD AHL LOGHLAM Route de Tit Mellil Chemin Tertiaire 1015 Sidi Moumen 20400, Casablanca (Marruecos)	16th Floor, Office 1601, Swiss Tower, Jumeirah Lake Towers, PO Box 337201, (Emiratos Árabes)	Cidade de Ibirité, Estado de Minas Gerais, na Rua Petrovale, quadra 01, lote 10, integrante da área B, nº450, Bairro Distrito Industrial Marsil, CEP 32.400-000 (Brasil)	Zur Aumundswiede 2, 28279 Bremen, Germany	Zur Aumundswiede 2, 28279 Bremen, Germany	Cidade de São Bernardo do Campo, Estado De São Paulo, na Rua Continental, nº 342 – Parte, Vila Margarida, CEP 09750- 060 (Brasil)	Zur Aumundswiede 2, 28279 Bremen, Germany
Line of business	Holding company	Inspection, quality control and consultancy services	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification	Certification	Holding company	Certification
Net participation:				4.194				
Applus Servicios Tecnológicos, S.L., Sociedad Unipersonal								
Ringal Brasil Investimentos, Ltda								
RTD B.V.								
Röntgen Technische Dienst Holding, B.V.	25.635		59					
Lgai Technological Center, S.A.					25			
Ringal Invest, S.L.U.							4.043	
Applus Lgai Germany, Gmbh.						5.644		183
Ownership interest held by Group companies:								
Direct								
Indirect	100%	95%	100%	100%	95%	95%	100%	95%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	62.216	130	6.446	10.759	8.305	2.614	6.821	174
Liabilities	67.119	38	1.398	6.576	6.686	1.074	4.154	10
Equity	(4.903)	92	5.048	4.183	1.619	1.540	2.667	164
Profit (Loss)	(2.334)	52	(640)	(213)	333	-	(1.077)	(4)

* Audited company

Name	Assinco-Assesoria Inspeção e Controle, Ltda	Applus Norcontrol Perú, S.A.C.	Kiefner & Associates Inc.	John Davidson & Associates PTY, Ltd *	JDA Wokman Limited *	PT JDA Indonesia *	Applus Norcontrol Consultoria e Ingeniería, SAS	Applus Velosi Mongolia, LLC
Registered office	Rua Petrovale, quadra 01, lote 10, integrante da area B, nº 450, Bloco 2 - 1º andar, Bairro Distrito Industrial Marsil, EP 32400-000 Cidade de Ibitiré, Estado de Minas Gerais (Brasil)	Avenida San Borja Sur Nro. 1170, Urb. San Borja, San Borja, Lima.	585 Scherers Court, Worthington, Franklin County, Ohio 43085 (USA)	Jetstream Business Park, Unit A3, 5 Grevillea Place, Eagle Farm, QLD 4009, Brisbane, Australia	c/o HLB Niugini, Level 2 ADF Haus, Musgrave Street, Port Moresby, National Capital District (Papua Nueva Guinea)	Plaza Aminta 9th floor, Jl. TB Simatupang Kav. 10, South Jakarta, Indonesia	Calle 17, núm. 69-46 Bogotá (Colombia)	3a planta, San Business Centre, Sukhbaatar District, 8th Khoroo, Baga toiruu, Street 29 of Prime Minister Amar, Ulaanbaatar, Mongolia
Line of business	Inspection, quality control and consultancy services in the industry and services sector	Inspection, quality control and consultancy services in the industry and services sector	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Inspection, quality control and consultancy services in the industry and services sector	Certification services through non-destructive testing
Net participation:	480	255	3.349	693	4.365	184	517	65
Applus Servicios Tecnológicos do Brasil, Ltda Velosi Industries Sdn Bhd. Libertytown USA 2 Inc. Applus Norcontrol Colombia, Ltda. Applus Norcontrol, S.L.U. John Davidson & Associates PTY, Ltd								
Ownership interest held by Group companies:								
Direct								
Indirect	100%	96%	100%	100%	100%	100%	95%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	566	4.515	6.153	3.179	5.505	7.582	791	304
Liabilities	819	3.207	959	6.385	3.327	4.390	381	1.148
Equity	(253)	1.308	5.194	(3.206)	2.178	3.192	410	(844)
Profit (Loss)	(44)	544	451	(1.681)	(1.971)	629	184	(310)

* Audited company

Name	Applus Laboratories, AS	Applus Arabia L.L.C *	Applus II Meio Ambiente Portugal, Lda	Ringal Invest, S.L	Applus Velosi DRC, Sarl.	Ingellog Consultores de Ingeniería y Sistemas, S.A. *	Ingellog Servicios Generales, Ltda (Sergen) *	Ingellog Guatemala Consultores de Ingeniería y Sistemas, S.A.
Registered office	Langmyra 11, 4344 Bryne, Norway	Prince mohamed bin abdulaziz road, P.O. Box 68631, Riyadh 11537	Rua Hermano Neves n.º 18, escritório 7, freguesia do Lumiar, Concelho de Lisboa. Portugal	Campus UAB, Ronda de la Font del Carme, s/n, Bellaterra-Cerdanyola del Vallès, (Barcelona)	Lubumbashi, Avenue Lumumba, Nº 1163, Quartier Industriel, Commune Kampemba, Congo	Calle Alberto Henckel, 2317, Santiago de Chile	Alberto Henckel 2317, Providencia, Santiago de Chile, Chile	Guatemala
Line of business	Certification	Certification	Certification	Certification	Counseling and provision of personnel	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Providing shuttle service and car rental	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.
Net participation:				4.046		18.095	17	
Applus Servicios Tecnológicos, S.L., Sociedad Unipersonal	104	328	1					
Applus Lgai Germany, Gmbh.								
Lgai Technological Center, S.A								
Applus Norcontrol, S.L.U.								
Ringal Invest, S.L.								
John Davidson & Associates PTY, Ltd					7			
Ownership interest held by Group companies:								
Direct								
Indirect	95%	48%	95%	100%	100%	100%	100%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	1.129	2.375	1.628	28.332	328	9.827	737	-
Liabilities	1.561	2.077	365	25.117	289	1.749	571	-
Equity	(432)	298	1.263	3.215	39	8.078	166	-
Profit (Loss)	37	340	519	(582)	3	1.256	182	-

* Audited company

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Name	Ingeandina Consultores de Ingeniería, S.A.S. *	Ingelog Costa Rica S.A.	NRAY Services, Inc.	Applus RTD USA Aerospace Holding, Inc.	X-RAY Industries, Inc.	Composite Inspection Solutions, LLC.	Thermalogix, LLC	XRI NRAY Services, Llc.
Registered office	Calle 17 N° 69 46 Zona Industrial Montevideo, Bogotá, Colombia	San José de Costa Rica, calle treinta y uno, avenidas nueve y once, Barrio Escalante	56A Head Street, Dundas, ON L9H 3H7 Canada	Address: 615 S. DuPont Highway, Kent County, Dover, Delaware 19901, USA	1961 Thunderbird, Troy Michigan USA 48084	1961 Thunderbird, Troy Michigan USA 48084	1961 Thunderbird, Troy Michigan USA 48084	1961 Thunderbird, Troy Michigan USA 48084
Line of business	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Inspection of the based neutron radiation services	Holding company	Purchase of equipment and refills, installation, repair and maintenance of the equipment, engineering services and development of scientific investigation	Certification services through non-destructive testing	Non-destructive testing services for the manufacturers of blades turbine engines in the plane engines and the gas turbine industries	Inspection of the based neutron radiation services
Net participation:	907		4.257	437	7.634	83	277	246
Ingelog Consultores de Ingeniería y Sistemas, S.A. Röntgen Technische Dienst Holding, B.V. Libertytown USA 2, Inc. Applus RTD USA Aerospace Holding, Inc. Applus Laboratories USA, Inc. NRAY USA, Inc.								47
Ownership interest held by Group companies:								
Direct								
Indirect	100%	100%	100%	100%	100%	100%	100%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	964	-	12.221	39.050	9.645	154	277	278
Liabilities	127	-	8.565	38.562	2.010	6	-	32
Equity	837	-	3.656	488	7.635	148	277	246
Profit (Loss)	161	-	(330)	475	2.433	50	-	145

* Audited company

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Name	Applus Laboratories USA, Inc.	Arcadia Aerospace Industries, Llc.	Applus RTD Llc.	NRAY USA, Inc.	Applus RTD USA Services, Inc.	Libertytown USA 3, Inc.	Applus Management Services, Inc.	Applus Aerospace UK, Limited
Registered office	13131 Dairy Ashford Road Suite 230, Sugar Land, Texas 77478	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	Khokhlovskiy side-street 13, building 1, 109028 Moscow, Russian Federation	13131 Dairy Ashford Road Suite 230 Sugar Land, TX 77478, USA	1999 Bryan St., Ste. 900, Dallas, TX 75201.	13131 Dairy Ashford Road Suite 230 Sugar Land, TX 77478, USA.	13131 Dairy Ashford Road Suite 230 Sugar Land, TX 77478, USA	Unit 2, Blocks C and D, West Mains Industrial Estate, Grangemouth, FK3 8YE, Scotland (UK)
Line of business	Holding company	Industrial contract and inspection services	Purchase of equipment and refills, installation, repair and maintenance of the equipment, engineering services and development of scientific investigation	Holding company	Right and compliance of the obligations corresponding to public services concessions relating to the obligatory Technical Verification of Vehicles	Any lawful act or activity in order for companies to organise themselves under the Delaware General Corporation Law	The provision of professional, technical, administrative and human resources services	Non-destructive services from the aerospace business
Net participation: Lgai Technological Center, S.A Applus Laboratories USA, Inc. Applus RTD USA Aerospace Holding, Inc. Röntgen Technische Dienst Holding, B.V.	1.459	3.582	100	50				
Ownership interest held by Group companies: Direct Indirect	100%	67%	100%	100%	100%	100%	100%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	6.555	5.995	252	50	-	-	-	11.332
Liabilities	5.197	940	287	-	-	-	-	1.594
Equity	1.358	5.055	(35)	50	-	-	-	9.738
Profit (Loss)	(162)	(60)	(130)	-	-	-	-	26

* Audited company

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Name	SKC Management Group, Ltd	James Allan Holdings, Ltd	SKC Inspection and Non Destructive Testing, Inc	SKC Engineering, Ltd	MxV Engineering, Ltd	Applus Serviços Tecnológicos do Brasil, Ltda.
Registered office	19165 94th Avenue, City of Surrey British Columbia V4N 3S4	19165 94th Avenue, City of Surrey British Columbia V4N 3S4	19165 94th Avenue, City of Surrey British Columbia V4N 3S4	19165 94th Avenue, City of Surrey British Columbia V4N 3S4	19165 94th Avenue, City of Surrey British Columbia V4N 3S4	Av. Das Nações Unidas, 1255 7º andar 04578-903 Ruam Dom José de Barros, nº 177, 6º andar, conjunto 601, sala 602, Vila Buarque, CEP 01038-100, Sao Paulo (Brasil)
Line of business	Holding company	Holding company	Inspection and non-destructive trials	Ensure quality, training, inspection, proof and design and welding engineering services.	Dielectric tests, inspections of cranes, stability tests and preventive maintenance	Holding company
Net participation: Applus Iteuve Technology, S.L., Sociedad Unipersonal RTD Canada, inc. Ownership interest held by Group companies: Direct Indirect Date of the financial statements Other company information (in thousands of euros): Assets Liabilities Equity Profit (Loss)						10.571 100% 31/12/2015 839 571 268 40
	100%	100%	100%	100%	50%	100%
	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
	-	-	-	-	-	1.735
	-	-	-	-	-	132
	-	-	-	-	-	1.603
	-	-	-	-	-	(45)

* Audited company

Name	Velosi S.à r.l.*	PDE International Ltd	SAST International Ltd	Velosi Asset Integrity Ltd *	Velosi Project Management Ltd	Kurtec Pipeline Services Ltd	K2 International Ltd *	Velosi America (Luxembourg) S.à r.l.
Registered office	7, rue Robert Stümper L-2557-Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg, Luxembourg.	Equity Trust House, 28-30 The Parade, St Helier, JE1 1EQ Jersey, Channel Islands.	Equity Trust House, 28-30 The Parade, St Helier, JE1 1EQ Jersey, Channel Islands.	Equity Trust House, 28-30 The Parade, St Helier, JE1 1EQ Jersey, Channel Islands.	Equity Trust House, 28-30 The Parade, St Helier, JE1 1EQ Jersey, Channel Islands.	Equity Trust House, 28-30 The Parade, St Helier, JE1 1EQ Jersey, Channel Islands.	Equity Trust House, 28-30 The Parade, St Helier, JE1 1EQ Jersey, Channel Islands.	2, Avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg, Luxembourg.
Line of business	Holding company	Provision of consultancy and engineering services for the design of plants, construction and engineering	Provision of consultancy and engineering services	Provision of specialised asset integrity management services for the oil, gas and petrochemical industries at worldwide level	Provision of specialised management and consultancy services	Provision of specialised inspection services, management, sales support, advisory and business development services	Provision of specialised services in the area of repair of ships, tankers and other high sea vessels, and provision of rope access, testing and technical analyses	Holding company
Net participation: Azul Holding 2, Sarl. Velosi Industries Sdn Bhd Velosi Malta I, Ltd. Velosi Malta II, Ltd. Velosi Sarl	102.002		1 28.699 8.000	2	8		1.515	123
Ownership interest held by Group companies: Direct Indirect	100%	100%	100%	80%	75%	45%	100%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	64.100	1.924	88.624	7.796	121	41	4.491	98
Liabilities	35.709	1.388	55.972	3.082	49	79	310	680
Equity	28.391	536	32.652	4.714	72	(38)	4.181	(582)
Profit (Loss)	1.552	(90)	1.634	1.137	1.265	-	956	(569)

* Audited company

Name	Velosi Asia (Luxembourg) S.à r.l.	Velosi Africa (Luxembourg) S.à r.l.	Velosi Europe (Luxembourg) S.à r.l.	Velosi Poland Sp z.o.o.	Velosi Europe Ltd *	Velosi Certification Bureau Ltd *	Intec (UK) Ltd *	Velosi International Italy Srl
Registered office	2, Avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg, Luxembourg.	2, Avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg, Luxembourg.	2, Avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg, Luxembourg.	00-203 Warszawa, ul. Bonifraterska 17, VI p, Polska, 00-203 Warszawa, Poland.	Unit 4 Bennet Court, Bennet Road, Reading, Berkshire, RG2 0QX Berkshire, United Kingdom.	Unit 4 Bennet Court, Bennet Road, Reading, Berkshire, RG2 0QX Berkshire, United Kingdom.	Brunel House, 9 Penrod Way, Heysham, Lancashire, LA3 2UZ, United Kingdom.	23807 Merate (LC), via De Gasperi, 113, Merate, Italy.
Line of business	Holding company	Holding company	Holding company	Publishing of other programmes	Provision of technical, engineering and industrial services	Provision of technical, engineering and industrial services	Provision of consultancy, training and human resources services	Provision of technical, engineering and industrial services
Net participation: Velosi Sarl Velosi Europe (Luxembourg) Ltd Velosi Europe Ltd.	2.191	1.708	855	1			3.091	9
Ownership interest held by Group companies: Direct								
Indirect	100%	100%	100%	100%	100%	85%	60%	80%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	1.021	2.263	1.209	223	20.631	900	4.560	3.594
Liabilities	1.910	1.385	701	363	17.884	1.556	(281)	304
Equity	(889)	878	508	(140)	2.747	(656)	4.841	3.290
Profit (Loss)	(461)	(82)	100	(21)	432	92	258	1.435

* Audited company

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Name	Velosi-PSC Srl *	IES - Velosi Norge AS *	Velosi TK Gozetim Hizmetleri Limited Sirketi	Velosi LLC	Velosi Malta I Ltd *	Velosi Malta II Ltd *	Applus Velosi Czech Republic, s.r.o.	Velosi Turkmenistan
Registered office	Via Cinquantenario, 8 - 24044 Dalmine, Bergamo (BG), Italy.	Dølevægen, 86, Post Box. 2096 N-5541 Kolnes, Kongsberg, Norway.	1042. Cadde 1319.Sokak No.9/5 Ovecler, Ankara, Turkey.	Azadliq Avenue 189, Apt 61, AZ1130 Baku, Azerbaijan.	Level 5, The Mall Complex, The Mall, Floriana VLT 16, Malta.	Level 5, The Mall Complex, The Mall, Floriana VLT 16, Malta.	Prague 9, Ocelárská 35/1354, Postal Code 190 00 , Czech Republic.	Ashgabat City, Kopetdag District, Turkmenbashi, Avenue, No. 54, Turkmenistan.
Line of business	Quality control, maintenance and inspection	Quality control, maintenance and inspection	Quality control, maintenance and inspection	Provision of auxiliary services for oil and gas companies	Holding Company	Holding Company	Manufacturing, trade and services not listed in Appendix 1-3 of the Trade License Activity	No line of business
Net participation:	3.200	250	180	9	29.469	7.878	9	
Velosi International Italy Srl								
Velosi Europe (Luxembourg) Ltd								
Velosi International Holding Company BSC ©								
Velosi Sarl								
Velosi Industries Sdn Bhd								
Velosi Malta II LTD								
Ownership interest held by Group companies:								
Direct								
Indirect	80%	60%	50%	100%	100%	100%	100%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	9.663	1.044	263	21	30.086	9.671	338	-
Liabilities	6.895	529	114	604	164	461	200	-
Equity	2.768	515	149	(583)	29.922	9.210	138	-
Profit (Loss)	1.466	199	167	(221)	(21)	1.229	97	-

* Audited company

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Name	Velosi Specialised Inspection Sdn Bhd *	Velosi Industries Sdn Bhd *	Kurtec Inspection Services Sdn Bhd *	Kurtec Inspection Services Pte Ltd	Kurtec Tube Inspection Sdn Bhd *	Velosi Plant Design Engineers Sdn Bhd *	K2 Specialist Services Pte Ltd *	SEA Team Solutions (M) Sdn Bhd
Registered office	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	45 Cantonment Road, 089748, Singapore.	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	521 Bukit Batok Street 23 Unit 5E, Excel Building, 659544, Singapore	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.
Line of business	Provision of engineering and inspection services	Investments, investment property and provision of engineering services	Provision of non-destructive testing (specialised NDT) services, inspection of guided wave long range ultrasonic testing (LRUT) and remote visual inspection	Specialised provision of non-destructive testing, which includes remote visual inspection, pipe inspection and inspection of guided wave long range ultrasonic testing	Provision of specialised non-destructive testing (NDT) inspection and cleaning of pipes and tanks	Provision of consultancy and engineering services for the design of plants, construction and engineering and the investment that they possess	Provision of specialised services in the area of repair of ships, tankers and other high sea vessels, and provision of rope access, testing and technical analyses for the oil and gas industries	Training/hiring of specialised staff
Net participation: Velosi Industries Sdn Bhd Kurtec Inspection Services Sdn Bhd Velosi Project Management Ltd Velosi Sari	215	749	640			2.190	7.874	
Ownership interest held by Group companies: Direct Indirect	100% -	100% -	65% -	65% -	83% -	100% -	100% -	100% -
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	1.750	61.762	754	222	239	2.883	14.678	4
Liabilities	1.847	59.664	73	-	14	2.965	5.281	5
Equity	(97)	2.098	681	222	225	(82)	9.397	(1)
Profit (Loss)	238	(1.056)	63	1	(111)	(32)	(1.834)	(6)

* Audited company

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Name	Velosi Engineering Projects Pte Ltd *	Velosi Energy Consultants Sdn Bhd *	Kurtec Pipeline Services LLC	Velosi (HK) Ltd	Velosi Saudi Arabia Co Ltd *	Velosi China Ltd *	Velosi Siam Co Ltd *	Velosi Certification Services Co Ltd *
Registered office	21, Bukit Batok Crescent, Unit #25-82, WCEGA Tower, 658065 Singapore, Singapore	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	# 205, Block B, Abu Dhabi Business Hub, ICAD -1, Mussafah, P.O Box 114182, Abu Dhabi, UAE	Level 12, 28 Hennessey Road, Wanchai, Hong Kong.	P.O. Box-6743, Unit No. 1, Al-Qusur, Talal Al-Doha Building, Sub of Prince Mohammad bin Fahd Road, Dhahran, 34247-3229, Kingdom of Saudi Arabia.	Room 2501-2503, World Center Block A, No.18 Tao lin Road, Pudong, Shanghai PRC 200135.	56 Silom Rd, Yada Building Fl.9/905, Suriyawongse, Bangrak, 10500 Bangkok , Thailand.	56 Silom Rd, Yada Building Fl.9/905, Suriyawongse, Bangrak, 10500 Bangkok , Thailand.
Line of business	Provision of third-party inspection services	Provision of consultancy services for all engineering activities and the supply of local and foreign experts for the generation of oil and gas energy, marine, energy conservation, mining and all other industries, together with the engineering and maintenance of refining vessels, oil platforms, platforms, petrochemical plants and the supply of qualified labor	Quality control, maintenance and inspection	Provision of management services, sales support, advisory and business development services to related companies	Provision of maintenance testing, fixing, examination of the welding and quality control for the pipes, machinery, equipment and other buildings in oil, gas and petrochemical facilities and to issue related certificates	Provision of consultancy for oil engineering management, technical consultancy for mechanical engineering and business management consultancy	Holding Company	Provision of engineering and technical services
Net participation:		107		6	122	140	28	274
Velosi Industries Sdn Bhd								
Velosi Sarl								
Velosi (HK) Ltd								
Velosi Asia (Luxembourg) Ltd								
Kurtec Pipeline Services LTD			38					
Velosi Project Management Ltd	19							261
Velosi Siam Co Ltd								
Ownership interest held by Group companies:								
Direct								
Indirect	75%	100%	45%	100%	60%	100%	97%	98%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	4.022	2.241	(1.188)	3.267	19.718	1.024	263	973
Liabilities	1.239	3.006	3.565	481	8.207	621	346	283
Equity	2.783	(765)	(4.753)	2.786	11.511	403	(83)	690
Profit (Loss)	1.694	(313)	419	1.432	5.506	323	(43)	21

* Audited company

Name	Velosi Integrity & Safety Pakistan (Pvt) Ltd	Velosi Corporate Services Sdn Bhd *	Velosi International Holding Company BSC (c) *	Velosi Certification Services LLC *	Velosi Certification WLL *	PT Java Velosi Mandiri *	Velosi Certification WLL *	Velosi PromService LLC
Registered office	Office No. 401, 4th Floor, Business Centre, Block 6, P.E.C.H.S. Society, 74000 Karachi, Pakistan.	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	Al Adiya, Manama, Block 327, Road 2757, Building 2291, Bahrain	# 201 & 205, Block B, Abu Dhabi Business Hub, ICAD-1, Mussafah, PO Box 427 Abu Dhabi, United Arab Emirates.	Block 9, Building 24, Office 21, Ground Floor, East Ahmadi, Industrial Area, P O Box # 1589, Salmiya – 22016, Kuwait.	Roxy Mas, Blok E.I. No. 5, Jl. K.H. Hasyim Ashari, Cideng Gambir, Jakarta Pusa.	Building No 121340, First Floor New Salata, C Ring Road, P.O. Box 3408, Doha, Qatar.	Sadovnicheskaya Street 22/15, Building 1, 1st Floor, Office 2, 115035 Moscow, Russian Federation.
Line of business	Provision of support engineering services, inspections based on risk, reliability centred maintenance, assessment of the safety integrity level, suitability for management services studies, corrosion studies, development of data management control systems, quality management system certification, specialised non-destructive testing services, approval of the design review, third-party inspection services and inspection of plants and access engineering	Provision of general management, business planning, coordination, corporate finance advisory, training and personnel management services	Holding company of a group of commercial, industrial and service companies	Provision of construction project quality management services, management system certification, quality management of the maintenance of existing facilities and equipment and mandatory inspection services	Provision of industrial consultancy	Provision of engineering consultancy services, such as quality control and non-destructive testing (NDT) inspection services, provision of skilled labor with vocational training	Provision of inspection and analysis and technical services in the area of qualified technical jobs	Provision of quality assurance and control, general inspection, corrosion control and services for the supply of labor for the oil and gas industries
Net participation:								
Velosi International Holding Company BSC ©	15						39	
Velosi Asia (Luxembourg) Ltd								7
Applus Velosi America, LLC.		1.312						
Velosi Malta I, Ltd.			2.877					
Velosi Sarl				75				
Velosi Certification Services LLC					11			
Velosi Malta II, Ltd.								
Ownership interest held by Group companies:								
Direct								
Indirect	70%	100%	100%	100%	100%	70%	75%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	2.201	22.906	25.729	19.910	4.744	6.024	28.813	3.146
Liabilities	1.386	23.268	913	10.917	2.656	4.637	17.168	2.262
Equity	815	(362)	24.816	8.993	2.088	1.387	11.645	884
Profit (Loss)	378	3.264	3.645	(334)	27	222	5.240	(7)

* Audited company

Name	Velosi LLC	PDE Inovasi Sdn Bhd	Velosi Bahrain WLL	Velosi LLC	Velosi Quality Management International LLC *	Velosi CBL (M) Sdn Bhd *	Velosi LLC	Velosi (B) Sdn Bhd
Registered office	Yuzhno-Sakhalinsk, Kommunistichesky Prospect, 32, Suit 610, Sakhalin, Russia.	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	Al Adiya, Manama, Block 327, Road 2757,, Building 2291, Bahrain	Block No. 227, Stella Building 5279, Post Box 231, Hamriya, Way No. 2748, Oman.	205, Block B, Abu Dhabi Business Hub, ICAD-1, Mussafah, PO Box 427 Abu Dhabi, United Arab Emirates.	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	Suite 22, Building 56, Almaty Block 6, Kazakhstan.	Lot 5211, Spg. 357, Jin Maulana, KA 2931 Kuala Belait, Negara Brunei Darussalam.
Line of business	Holding Company	Provision of consultancy and engineering services for the design, construction and engineering of the works of the plant	Equipment certification engineering and inspection controls	Provision of industrial inspection services, services for the management of facilities, quality and service issuance certificates	Provision of certification, engineering and inspection, onshore and/or offshore services	Provision of equipment inspection services	Provision of services in the area of industrial safety	Provision of quality control and engineering services for the oil and gas industries
Net participation: Velosi Malta II, Ltd. Velosi Certification Bureau Ltd Velosi Plant Design Engineers Sdn Bhd		2	49		32	1		
Ownership interest held by Group companies: Direct Indirect	100%	100%	100%	50%	85%	85%	80%	50%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	218	9	815	19.146	81	171	82	2.511
Liabilities	171	8	1.057	12.088	287	89	62	765
Equity	47	1	(242)	7.058	(206)	82	20	1.746
Profit (Loss)	-	(5)	(53)	2.823	(87)	(6)	(38)	398

* Audited company

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Name	Velosi Uruk FZC	Velosi Certification Services LLC *	Velosi Philippines Inc	Velosi Ukraine LLC	Dijla & Furat Quality Assurance, LLC.	ApplusVelosi OMS Co. Ltd	Steel Test (Pty) Ltd *	Velosi (Ghana) Ltd
Registered office	E-LOB Office No E2-119G-13, Hamriyah Free Zone, Sharjah, UAE.	17, Chimkent Street, Mirobod District, 100029 Tashkent, Uzbekistan.	1004, 10F, Pagibig WT Tower, Cebu Business Park, Ayala, Cebu City, Philippines.	5-A Piterska Str., Kyiv, 03087, Ukraine	Ramadan Area, District 623-S, No.1, Baghdad, Iraq.	108, Jin-ha, Seo-sang, Uiju, Ulsan, Republic of Korea.	28 Senator Road Road, 1930 Vereeniging, Republic Of South Africa.	P.O.Box OS 0854, OSU, ACCRA, , Ghana.
Line of business	Business and management consultancy	Provision of inspection, certification, monitoring and other types of business activity	Provision of business process outsourcing	Provision of ancillary services in the oil and natural gas industries	Provision of inspection, quality control and certification services	Provision of inspection, quality control and certification services	Pipe and steel thickener testing	Provision of inspection, quality control and certification services
Net participation: Velosi Certification Bureau Ltd Velosi International Holding Company BSC © Velosi Europe (Luxembourg) Ltd . Velosi Asia (Luxembourg), Ltd. Velosi Africa (Luxembourg), Ltd. Velosi Industries Sdn Bhd RTD Holding, B.V.	5	7	52	64		1.464	1.977	65
Ownership interest held by Group companies: Direct								
Indirect	60%	80%	100%	100%	100%	67%	100%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	786	43	391	8	8	1.449	1.848	5,639
Liabilities	701	428	351	207	1.298	1,093	229	5,739
Equity	85	(385)	40	(199)	(1.290)	356	1.619	(100)
Profit (Loss)	(2)	(129)	(44)	(107)	(294)	188	(75)	(14)

* Audited company

Name	Velosi Angola Prestacao de Servicos Ltda	Velosi Superintendend Nigeria Ltd *	Velosi Uganda LTD	Velosi SA (Pty) Ltd *	Applus Velosi Egypt, LLC	Velosi Mozambique LDA	Applus Velosi Angola, Lda.	K2 Do Brasil Services Ltda
Registered office	Rua Marien Nguoubi, 37, 5th Floor, Apt 53, Maianga, Luanda, Angola.	3, Alhaji Bashorun Street Off Norman Williams Street S.W. Ikoyi, Lagos, Nigeria	C/o Deloitte, 3rd Floor, Rwenzori House, Plot 1, Lumumba Avenue, PO Box 10314 Kampala, Uganda.	1st Floor, AMR Building 1, Concorde Road East, Bedfordview, 2008 Gauteng, South Africa.	5 A Khaled Abn El Watid Street Sheraton Nozha Cairo, Egypt	Avenida Kim II Sung, 961 - Bairro Sommersfield - Distrito Urbano 1, Maputo Cidade - Moçambique.	Rua Marechal Brós Tito, n.º 35-37 Piso 13, Fracção B Edifício Escom Angola	Avenida Nossa Senhora da Gloria, 2427, Sobreloja, Sala 01, Cavaleiros, Macae - RJ, CEP27920-360, Macae, Brazil.
Line of business	Provision of quality assurance and control, inspection, supply of technical manpower, certification and regulatory inspection, NDE specialised services and engineering	Provision of services (quality assurance and control, general inspection, corrosion control and supply of labor) for the oil and gas industries	Provision of business consulting and management	Provision of services related with the quality of the oil and gas industries	Provision of engineering consultancy in the oil sector, the maritime business, power generation and mining, as well as management consulting	Provision of consultancy services and technical assistance in the oil and gas industries, such as labor force services, and other specialized services in non-destructive trials, controls, quality inspections and asset integrity	Provision of quality assurance and control, inspection, supply of technical manpower, certification and specialised services in NDT and engineering.	Provision of updating, repair, modification and control of onshore and offshore oil facilities, inspection and development of design services, manufacture of components and machinery structures and supply of qualified labor
Net participation: Velosi Industries Sdn Bhd Velosi Africa (Luxembourg) Ltd Steel Test (Pty) Ltd Applus Velosi America LLC	19	954				3		131
Ownership interest held by Group companies: Direct Indirect								
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	15.949	2.007	3	3.786	-	45	41.983	1.358
Liabilities	5.560	6.131	120	6.392	-	39	38.509	2.144
Equity	10.389	(4.124)	(117)	(2.606)	-	6	3.474	(786)
Profit (Loss)	(1.962)	(749)	(112)	(1.433)	-	2	2.187	(578)

* Audited company

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Name	Applus Velosi America LLC	Applus Velosi Canada Ltd	Velosi Do Brasil Ltda	Testex Inspection, LLC	Applus K2 America, LLC	Velosi (PNG) Ltd	Velosi Australia Pty Ltd	QA Management Services Pty Ltd *
Registered office	222 Pennbriht, Suite 230, Houston, 77090 Texaz, United States of America.	c/o Merani Reimer LLP, Suite 300, 714, 1st Street SE, Calgary, Alberta, T2G 2G8, Canada	Praia Do Flamengo 312, 9 Andar Parte Flamengo, Rio De Janeiro, Brazil.	222 Pennbriht, Suite 230, Houston, TX 77090, USA	222 Pennbriht, Suite 230, Houston, TX 77090, USA	Level 3, Pacific Place, Corner Musgrave Street & Champion Parade, Port Moresby, NCD, Papua New Guinea.	Jetstream Business Park' suite a3 5 Grevillea Place Eagle Farm qld 4009	Suite 5/202 Hampden Rd, 6009 Nedlands, WA , Australia.
Line of business	Provision of labor supply services for the oil and gas industries	Provision of labor supply services for the oil and gas industries	No line of business	Provision of labor supply services for the oil and gas industries	Providing solutions for owners and operators of drilling rigs and FPSO in America, including inspection services, repair and maintenance, structural design and analysis and training services	Architecture and engineering technical services and related technical consultancy	Holding company	Provision of quality assurance services, such as worldwide inspection and ISO 9000 Quality Management Consultancy, training courses, quality control software packages and specialised labor services
Net participation: Velosi Africa (Luxembourg) Ltd Velosi Australia Pty, Ltd. Velosi International Holding Company BSC (c) Applus Velosi America LLC		1.055		14.995	554			5.447
Ownership interest held by Group companies: Direct Indirect	100%	100%	98%	100%	100%	100%	100%	100%
Date of the financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	34.497	2.454	-	6.509	877	32	8.313	4.370
Liabilities	32.044	2.154	-	1.496	851	61	7.376	174
Equity	2.453	300	-	5.013	26	(29)	937	4.196
Profit (Loss)	3.920	(346)	-	191	(359)	(6)	(658)	(65)

* Audited company