

**Applus Technologies
Holding, S.L. and
Subsidiaries and Velosi S.à r.l.
and Subsidiaries**

Combined Special Purpose Financial Statements for the
years ended 31 December 2012 and 2011
("Combined Special Purpose Financial Statements")

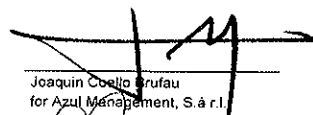
**APPLUS TECHNOLOGIES HOLDING, S.L. AND SUBSIDIARIES
AND VELOSI S.À.R.L. AND SUBSIDIARIES**


COMBINED SPECIAL PURPOSE BALANCE SHEET AT 31 DECEMBER 2012 AND 2011
(Thousands of Euros)

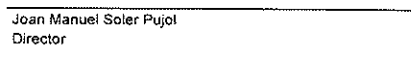
ASSETS	Notes	31/12/12	31/12/11	EQUITY AND LIABILITIES	Notes	31/12/12	31/12/11
NON-CURRENT ASSETS:				EQUITY:			
Goodwill	5	571,168	579,474	Share capital and reserves			
Other intangible assets	6	716,388	695,545	Share capital		600,825	31,807
Property, plant and equipment	7	196,566	179,241	Share premium		308,076	317,640
Non-current financial assets	8	13,163	15,252	Retained earnings and other reserves		(472,407)	(194,228)
Deferred tax assets	19.3	137,547	113,354	Foreign currency translation reserve		(9,032)	(10,219)
Total non-current assets		1,634,832	1,582,866	Loss for the year		(66,969)	(91,829)
				Valuation adjustments			
				Hedges		(4,882)	(18,999)
				EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENTS		355,611	34,172
				NON-CONTROLLING INTERESTS	13	34,788	33,360
				Total equity	12	390,399	67,532
				PARTICIPATING LOAN:	15 & 26	92,448	391,715
				NON-CURRENT LIABILITIES:			
				Long-term provisions	17 & 25	8,965	6,389
				Bank borrowings	14	1,080,580	1,024,778
				Other financial liabilities	15	28,030	26,600
				Long-term trade payables from related companies		-	2,329
				Deferred tax liabilities	19.4	241,335	235,071
				Other non-current liabilities		13,816	20,291
				Total non-current liabilities		1,372,726	1,315,458
CURRENT ASSETS:				CURRENT LIABILITIES:			
Inventories	9	7,898	5,405	Short-term provisions		2,139	1,770
Trade and other receivables	10	335,543	314,423	Bank borrowings	14	33,929	70,752
Trade receivables from related companies	10 & 26	5,106	5,081	Trade and other payables	18	241,780	201,787
Other receivables	10	26,174	20,181	Income tax liabilities	19.1	25,311	12,191
Income tax assets	19.1	14,600	13,834	Other current liabilities		11,123	8,316
Other current assets		1,453	4,114	Total current liabilities		314,282	294,816
Current financial assets	11	2,823	2,880				
Cash and cash equivalents	11	141,426	120,737	TOTAL EQUITY AND LIABILITIES		2,169,855	2,069,521
Total current assets		535,023	486,655				
TOTAL ASSETS		2,169,855	2,069,521				


The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the combined special purpose balance sheet at 31 December 2012 and 2011

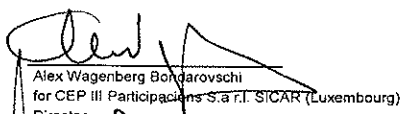
Barcelona, 25 March 2014

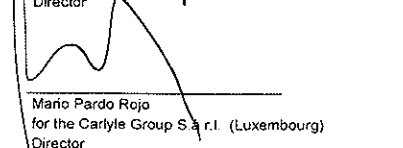

Joaquin Coello Brufau
for Azul Management, S.à r.l.
Chairman

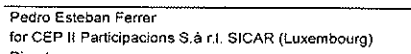

Ernesto Gerardo Mata López
Deputy Chairman

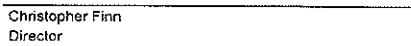

Joan Manuel Soler Pujol
Director

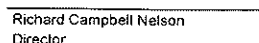

Carlos Kinder Espinosa
Director



Alex Wagenberg Bondarowski
for CEP III Participacions S.à r.l. SICAR (Luxembourg)
Director

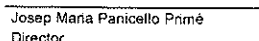

Mario Pardo Rojo
for the Carlyle Group S.à r.l. (Luxembourg)
Director


Pedro Esteban Ferrer
for CEP II Participacions S.à r.l. SICAR (Luxembourg)
Director


Christopher Finn
Director


Richard Campbell Nelson
Director


Fernando Basabe Armijo
Director


Josep Maria Panicello Primé
Director


John Daniel Hofmeister
Director

**APPLUS TECHNOLOGIES HOLDING, S.L. AND SUBSIDIARIES
AND VELOSI S.À.R.L. AND SUBSIDIARIES**


COMBINED SPECIAL PURPOSE INCOME STATEMENT FOR 2012 AND 2011

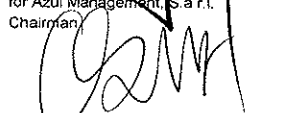
(Thousands of Euros)

	Notes	2012	2011
CONTINUING OPERATIONS:			
Revenues	20.a	1,464,998	1,179,585
Procurements		(216,626)	(153,879)
Gross profit		1,248,372	1,025,706
Staff costs	20.b	(739,756)	(603,373)
Other operating expenses		(337,544)	(280,282)
Operating Profit Before Depreciation, Amortization and Others		171,072	142,051
Depreciation and amortisation charge	6 & 7	(82,524)	(73,438)
Impairment and gains or losses on disposal of non-current assets	22	(19,817)	(22,754)
Other losses	20	(23,512)	(23,578)
OPERATING PROFIT:		45,219	22,281
Net financial expense	21	(117,448)	(113,644)
Share of profit of companies accounted for using the equity method		1,628	894
Loss before tax		(70,601)	(80,469)
Income tax	19	10,665	7,027
Net loss from continuing operations		(59,936)	(83,442)
LOSS FROM DISCONTINUED OPERATIONS NET OF TAX:	28	-	(2,464)
NET COMBINED LOSS:		(59,936)	(85,906)
Profit attributable to non-controlling interests	13	7,033	5,923
NET LOSS ATTRIBUTABLE TO THE PARENTS:		(66,969)	(91,829)
Applus Subgroup's Profit / (Loss) per share	12		
- Basic		(1,443)	(7,292)
- Diluted		(1,443)	(7,292)
Velosi Subgroup's Profit / (Loss) per share	12		
- Basic		0,0438	(0,0171)
- Diluted		0,0438	(0,0171)

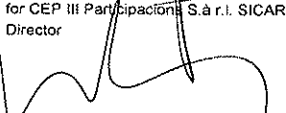
The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the combined special purpose income statement for 2012 and 2011

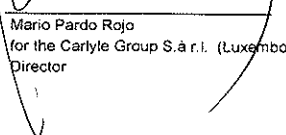
Barcelona, 25 March 2014



Joaquin Coello Brufau
for Azul Management, S.à r.l.
Chairman

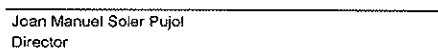

Ernesto Gerardo Mata López
Deputy Chairman



Alex Wagenberg Bondarovsky
for CEP III Participacions S.à r.l. SICAR (Luxembourg)
Director

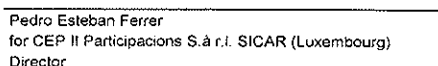

Mario Pardo Rojo
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Director

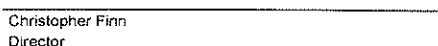

Richard Campbell Nelson
Director

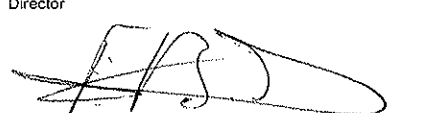

Josep Maria Panicello Primé
Director

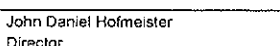

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John Daniel Hofmeister
Director

**APPLUS TECHNOLOGIES HOLDING, S.L. AND SUBSIDIARIES
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COMBINED SPECIAL PURPOSE STATEMENT OF COMPREHENSIVE INCOME FOR 2012 AND 2011

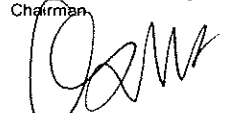
(Thousands of Euros)

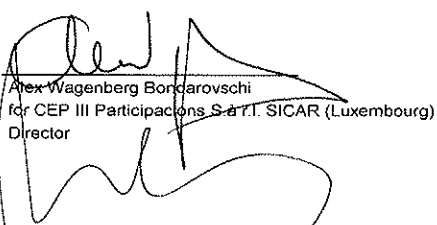
	Notes	2012	2011
Combined loss per income statement (I)		(59,936)	(85,906)
Total items that may be reclassified subsequently to profit and loss			
Exchange differences on translation foreign operations		1,051	(1,449)
Net fair value gain on hedging instruments entered into for cash flow hedges	16	20,167	14,983
Income tax effect of other comprehensive income/loss		(6,050)	(4,495)
Other comprehensive income for the year, net of income tax (II)		15,168	9,039
Total comprehensive income / (loss) (I+II)		(44,768)	(76,867)
Combined profit / (loss) for the year attributable to:			
Owners of the parents		(51,830)	(83,306)
Non-controlling interests		7,062	6,439
Total comprehensive income / (loss) (I+II)		(44,768)	(76,867)

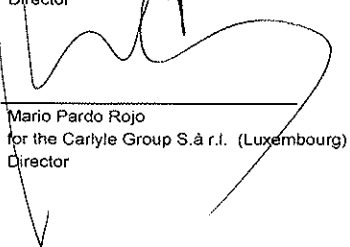
The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the combined special purpose statement of comprehensive income for 2012 and 2011.

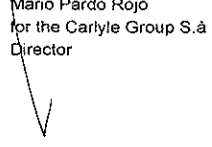
Barcelona, 25 March 2014

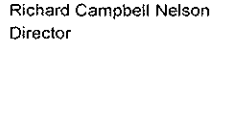

Joaquim Coello Brufau
for Azul Management S.à r.l.
Chairman

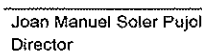

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Deputy Chairman



Alex Wagenberg Bondarovsky
for CEP III Participacions S.à r.l. SICAR (Luxembourg)
Director

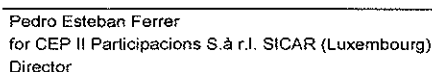

Mario Pardo Rojo
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Director

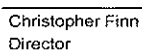

Richard Campbell Nelson
Director

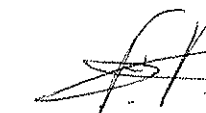

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Director


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**APPLUS TECHNOLOGIES HOLDING, S.L. AND SUBSIDIARIES
AND VELOSI S.À.R.L. AND SUBSIDIARIES**

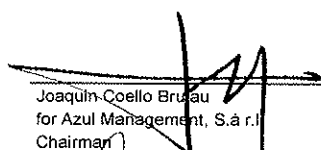
COMBINED SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY FOR 2012 AND 2011

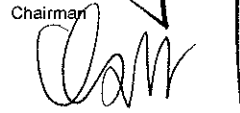
(Thousands of Euros)


(Notes 12 & 13)	Share capital	Share premium	Retained earnings and other reserves	Valuation adjustments	Foreign currency translation reserve	Loss for the year	Non-controlling interests	Total equity
Balance at 1/1/2011	11,807	137,588	(125,162)	(29,487)	(8,254)	(70,188)	27,823	(55,873)
Changes in the scope of consolidation (Subgroup)	-	-	1,174	-	-	-	562	1,736
Allocation of 2010 loss	-	-	(70,188)	-	-	70,188	-	-
Dividends paid	-	-	-	-	-	-	(1,464)	(1,464)
Capital increase	20,000	180,000	-	-	-	-	-	200,000
Other changes	-	52	(52)	-	-	-	-	-
2011 comprehensive income / (loss)	-	-	-	10,488	(1,965)	(91,829)	6,439	(76,867)
Balance at 31/12/11	31,807	317,640	(194,228)	(18,999)	(10,219)	(91,829)	33,360	67,532
Restatement	-	-	-	-	-	(3,508)	-	(3,508)
Balance at 1/1/2012	31,807	317,640	(194,228)	(18,999)	(10,219)	(95,337)	33,360	64,024
Changes in the scope of consolidation (Subgroup)	238,765	7,235	(143,787)	-	-	-	14,472	116,685
Elimination of Velosi Equity	(722)	(26,828)	(20,812)	-	165	-	(9,390)	(57,587)
Allocation of 2011 loss	-	-	(95,337)	-	-	95,337	-	-
Dividends paid	-	-	-	-	-	-	(5,166)	(5,166)
Capital increase	330,975	10,029	-	-	-	-	-	341,004
Other changes	-	-	(18,243)	-	-	-	(5,550)	(23,793)
2012 comprehensive income / (loss)	-	-	-	14,117	1,022	(66,969)	7,062	(44,768)
Balance at 31/12/12	600,825	308,076	(472,407)	(4,882)	(9,032)	(66,969)	34,788	390,399


The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the combined statement of changes in equity for 2012 and 2011


Barcelona, 25 March 2014


Joaquín Coello Brusau
for Azul Management, S.à r.l.
Chairman

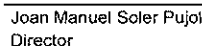

Ernesto Gerardo Mata López
Deputy Chairman

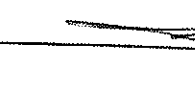

Alex Wagenberg Bondarowski
for CEP III Participacions S.à r.l. SICAR (Luxembourg)
Director

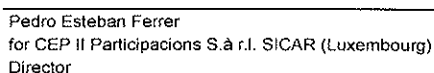

Mario Pardo Rojo
for the Carlyle Group S.à r.l. (Luxembourg)
Director

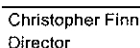

Richard Campbell Nelson
Director



Josep Maria Panicello Primé
Director

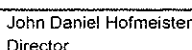

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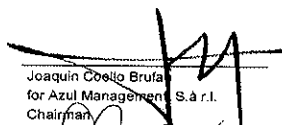
COMBINED SPECIAL PURPOSE STATEMENT OF CASH FLOWS FOR 2012 AND 2011

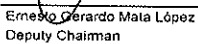
(Thousands of Euros)

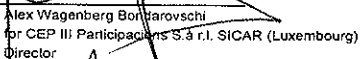
	Notes	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:			
Loss from operating activities before tax		(70,601)	(90,469)
Adjustments of items that do not give rise to operating cash flows-			
Depreciation and amortisation charge	6 & 7	82,524	73,438
Writedown of goodwill	22	18,101	18,000
Changes in provisions and allowances	22	916	4,136
Financial loss	21	117,448	113,644
Share of profit in associated companies		(1,628)	(694)
Gains or losses on disposals of property, plant and equipment	22	(39)	536
Gains or losses on disposals of intangible assets	22	839	22
Profit from operations before changes in working capital (I)		147,560	118,413
Changes in working capital-			
Changes in trade and other receivables		(24,419)	(36,715)
Changes in inventories		(2,493)	(1,045)
Changes in trade and other payables		43,302	39,156
Cash generated by changes in working capital (II)		16,390	1,398
Income tax		(10,670)	(6,318)
Cash flows from income tax (III)		(10,670)	(6,318)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)= (I)+(II)+(III)		153,280	113,491
CASH FLOWS FROM INVESTING ACTIVITIES:			
Business combinations	3.e.4.1	-	2,993
Payments due to acquisition of subsidiaries and other non-current financial assets		(23,000)	(24,552)
Payments due to acquisition of one-time fixed assets		(10,350)	(10,508)
Payments due to acquisition of fixed assets		(48,611)	(37,257)
Net cash flows used in investing activities (B)		(81,961)	(69,424)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest received	21	2,175	1,027
Interest paid		(65,534)	(64,774)
Changes in non-current financing (payments and proceeds)		40,426	21,809
Changes in current financing (payment and proceeds)		(22,531)	48,022
Dividends paid by Subgroup companies to non-controlling interests	13	(5,166)	(1,464)
Net cash flows used in financing activities (C)		(50,630)	4,620
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C)		20,689	48,687
Cash and cash equivalents at beginning of year		120,737	72,050
+ Cash and cash equivalents at end of year		141,426	120,737

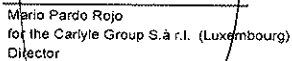
The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the combined special purpose statement of cash flows for 2012 and 2011

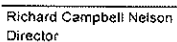
Barcelona, 25 March 2014

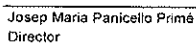

Joaquin Coste Brufa
for Azul Management S.à r.l.
Chairman

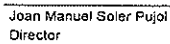

Ernesto Gerardo Mata López
Deputy Chairman

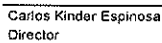

Alex Wagenberg Borsharowski
for CEP III Participacions S.à r.l. SICAR (Luxembourg)
Director

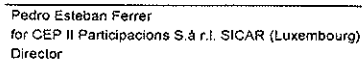

Mario Pardo Rojo
for the Carlyle Group S.à r.l. (Luxembourg)
Director

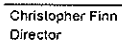

Richard Campbell Nelson
Director

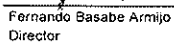

Josep Maria Panicello Primé
Director

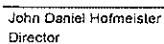

Joan Manuel Soler Pujol
Director


Carlos Kinder Espinosa
Director


Pedro Esteban Ferrer
for CEP II Participacions S.à r.l. SICAR (Luxembourg)
Director


Christopher Finn
Director


Fernando Basabe Armijo
Director


John Daniel Hofmeister
Director

Combined special purpose balance sheet at 31 December 2012 and 2011

Combined special purpose income statement for 2012 and 2011

Combined special purpose statement of comprehensive income for 2012 and 2011

Combined special purpose statement of changes in equity for 2012 and 2011

Combined special purpose statement of cash flows for 2012 and 2011

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Applus Technologies Holding, S.L. and Subsidiaries and Velosi S.à r.l. and Subsidiaries

Notes to the combined special purpose
financial statements for the years ended
31 December 2012 and 2011

1. Subgroup's activities

The combination scope as defined during the preparation of these special purpose combined financial statements consists of:

- Applus Technologies Holding, S.L. and subsidiaries ("Applus Subgroup") consolidated financial statements.
- Velosi S.à r.l. and Subsidiaries ("Velosi Subgroup") consolidated financial statements.

Applus Subgroup

Applus Technologies Holding, S.L. ("Parent of Applus") has been the Parent of the Applus Subgroup since 29 November 2007 and was incorporated on 5 July 2007 as a private limited liability company for an indefinite period of time under the name of Libertytown, S.L., which was changed to the present name on 10 July 2008.

On 29 November 2007 the registered office was moved to its current location at Campus de la UAB, carretera de acceso a la facultad de medicina s/n, Bellaterra, Cerdanyola del Vallès (Barcelona).

On 29 November 2007, Applus Technologies Holding, S.L. acquired all the shares of Applus Servicios Tecnológicos, S.L.U., at that date the holding company of Applus Subgroup. From that date, the aforementioned subgroup became part of Azul Holding S.C.A., a company, directly or indirectly owned by CEP II Participations S.à r.l. SICAR and CEP III Participations S.à r.l. SICAR, investment companies advised by The Carlyle Group LP, and other investors.

On 20 December 2012, Azul Holding S.C.A. (Lux), a shareholder of the Parent of Applus, contributed the issued share capital of Azul Holding 2 S.à r.l. (99.9%), and Azul Holding S.C.A. (0.1%) as a shareholders of Velosi Subgroup, to the Parent of Applus by means of a contribution in kind (see Notes 3.e.1 and 12).

The Applus Subgroup's activities are as follows:

- The provision of services related to the automotive industry and vehicle and road safety (engineering processes, design, testing, standardisation and certification of second-hand vehicles) and technical inspections for other non-automotive industries except for reserved activities subject to special legislation.
- The performance of technical audits of all manner of facilities used for vehicle roadworthiness or monitoring tests throughout Spain and abroad and any other type of non-vehicle inspections.
- The preparation and performance of all manner of studies and projects relating to the foregoing activities, whether of an economic, industrial or technical nature or relating to real estate, computing or market research, and the supervision, management and rendering of services and provision of counselling on the performance thereof.
- The provision of advisory, administration and management services of a technical, tax, legal or commercial nature.

- The provision of commercial intermediation services in Spain and abroad.
- The provision of all manner of quality and quantity inspection and control services, statutory inspections, cooperation with the public authorities, consulting, audit, certification and standardisation services, personnel training and skill-building and technical assistance in general aimed at enhancing quality, safety and environmental organisation and management.
- The performance of laboratory or in situ studies, work, measurements, trials, analyses and controls using the professional methods and means deemed necessary or appropriate and, particularly, relating to materials, equipment, products and industrial facilities in the mechanical, electrical, electronic and IT fields and the areas of transport, communications, administrative organisation, office computerisation, mining, foodstuffs, environment, construction and civil engineering at the design, project, manufacturing, construction, assembly and start-up phases and subsequent maintenance and production for all manner of companies and public and private entities including central government, autonomous community, provincial and municipal authorities and for all manner of bodies, institutions and users in Spain and abroad.
- The acquisition, holding and direct or indirect management of shares or other equity investments or ownership interests in share capital and/or securities entitling the holder to obtain shares, equity investments or ownership interests in companies of any kind and entities with or without legal personality incorporated under Spanish law or any other applicable legislation in accordance with Article 116 of the Consolidated Spanish Corporation Tax Law, approved by Legislative Royal Decree 4/2004, of 5 March, or any legal provisions that may replace such legislation, and the direct or indirect management of any such company or entity through the membership, attendance at or holding of positions on any governing or managing body of the aforementioned companies or entities, performing such advisory or management services through the related organisation of material and human resources. The activities expressly reserved by the Collective Investment Undertakings Law and by the Securities Market Law for securities brokers and dealers are excluded. These activities may be wholly or partially carried on by the Company indirectly through the ownership of shares or other equity interests in companies with an identical or similar company object.

Velosi Subgroup

Velosi S.à r.l. ("Parent of Velosi") is the Parent of the Velosi Subgroup and is a private limited company, incorporated previously in Jersey. On 18 December 2012, the Company changed its registered office from Jersey to Luxembourg and its legal form to a private limited company (S.à r.l.) as defined by Luxembourg Company law. At the same time, the Parent changes its name from Velosi Limited to Velosi S.à r.l.

The Velosi Subgroup's activities are as follows:

- Provision of quality assurance and control, general inspection, corrosion monitoring and manpower supply services to the oil and gas industry.
- Provision of industrial consultation services.
- Provision of management, marketing support, advisory and business development services to Subgroup Velosi companies.
- Provision of certification, technical, engineering and industrial services, onshore and offshore.
- Provision of specialised non destructive test inspection services and tube pipe and tank cleaning services.
- Vendor inspection services, testing, servicing, repairing and maintenance of control system, equipment, machinery, accessories and materials.

The subsidiaries and associates directly or indirectly owned by the Applus Subgroup and Velosi Subgroup as of 31 December 2012 and 2011 are shown in Appendix I (companies included in the scope of consolidation) and Appendix II (companies excluded from the scope of consolidation).

2. Basis of presentation of the combined special purpose financial statements

a) Basis of presentation

a.1) Basis of presentation of the combined special purpose financial statements

Azul Holding, S.C.A., that owns, directly or indirectly, the Applus Subgroup, purchased in January 2011 the 100% of Velosi Subgroup from a third party through its investee Azul Holding 2 S.à r.l. Applus Subgroup and Velosi Subgroup were under common control as of that date.

On 20 December 2012 Applus Technologies Holding, S.L. became the Parent company of Velosi Subgroup. As a consequence, the historical financial information of the current legal structure of Applus Technologies Holding, S.L. and its subsidiaries (the current Applus Group) is comprised of the consolidated financial statements for the year ended 31 December 2011, in which Velosi Subgroup is not integrated. However, consolidated financial statements for the year ended 31 December 2012 in which the consolidated balance sheet includes the integration of Velosi Subgroup but in which the income statement only includes 11 days of activity (from 20 December 2012).

On the other hand, the Applus consolidated financial statements for the year ended 31 December 2013, already include the complete effects of the Velosi Subgroup integration. In this context and considering the relevance of the contribution of Velosi Subgroup to Applus Group, it is suitable to include in a prospectus for a potential Initial Public Offering "IPO" of Applus Technologies Holding, S.L. (that was renamed on 4 March 2014 to Applus Services, S.A. for the purpose of the Initial Public Offering "IPO") in the Spanish Stock Market, combined special purpose financial statements from both Applus Subgroup and Velosi Subgroup for the years ended 31 December 2012 and 31 December 2011, with the aim to present homogeneous and comparable historical financial information to investors.

The accompanying combined special purpose financial statements have been prepared in order to show the combined activity of the Applus Subgroup and Velosi Subgroup in 2012 and 2011, during which time, even though both subgroups were under common control of their majority shareholder, they were not a consolidated Group for the purpose of consolidation. In this regard and in the context of the potential Initial Public Offering "IPO" of Applus Technologies Holding, S.L., the Applus Technologies Holding, S.L.'s Board of Directors have prepared these special purpose combined financial statements.

These combined special purpose financial statements do not include the financial statements of Azul Holding 2 S.à r.l. (the last Parent company of Velosi Subgroup) due to the fact that this company has no activity apart from being the holding company of Velosi Subgroup. Consequently, its balance sheet contains only the investment in Velosi Subgroup.

In 2012 and 2011 Applus Subgroup and Velosi Subgroup did not operate under the current legal structure, as the in kind contribution of Velosi Subgroup did not take place until 20 December 2012. These combined special purpose financial statements are therefore, not necessarily indicative of results that would have occurred if Applus Subgroup and Velosi Subgroup had operated under the same legal structure during the years presented, or of future results of the business. Accordingly, the combined special purpose financial statements may not be suitable for other purposes than the aforementioned.

This basis of presentation describes how the combined special purpose financial information has been prepared from the audited consolidated annual accounts of Applus Subgroup and Velosi Subgroup in accordance with International Financial Reporting Standard as adopted by the European Union (IFRS-EU). As of December 2012, the restructuring of Applus Group had already been finalized and the current Applus Group complies with the consolidation requirements according to IFRS - EU. So, the consolidated balance sheet has been included in the combined special purpose financial statements. On the other side, the allocation of goodwill done at 31 December 2012 and recognized on the consolidated balance sheet at that date, has not been reflected neither in the combined special purpose income statements for the periods ended 2012 and 2011, nor in the combined special purpose balance sheet as of 31 December 2011.

These combined special purpose financial statements for 2012 and 2011 were formally prepared considering the following financial information:

- i) Audited Applus Technologies Holding, S.L. and subsidiaries consolidated financial statements for the year ended 31 December 2011 prepared in accordance with IFRS-EU.
- ii) Audited Velosi S.à r.l. and subsidiaries consolidated financial statements for the year ended 31 December 2011 prepared in accordance with IFRS-IASB.
- iii) Audited Applus Technologies Holding, S.L. and subsidiaries consolidated financial statements for the year ended 31 December 2012 prepared in accordance with IFRS-EU.
- iv) Audited Velosi S.à r.l. and subsidiaries consolidated financial statements for the year ended 31 December 2012 prepared in accordance with IFRS-EU.

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, except for those related to Velosi Subgroup for the year ended 31 December 2011 which were prepared under IFRS as adopted by the IASB.

Separate auditors' reports were issued to the shareholders of Applus Technologies Holding, S.L. dated 31 May 2013 and 1 May 2012, respectively and separate auditors' report were issued to the shareholders of Velosi S.à r.l., dated 20 August 2013 and 5 November 2012, respectively. All of these four auditor's reports were issued with an unqualified audit opinion.

The combined special purpose financial statements were prepared with the following criteria:

- Aggregation of the two consolidated financial statements for the year ended 31 December 2011 mentioned above of each statement (balance sheet, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow), considering the proper elimination of the transactions and balances between Applus Subgroup and Velosi Subgroup.
- Aggregation of the two consolidated financial statements for the year ended 31 December 2012 mentioned above for the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flow, considering the proper elimination of the transactions and balances between Applus Subgroup and Velosi Subgroup. As mentioned before, the balance sheet for the year ended 31 December 2012 is not combined and consist of the consolidated balance sheet included in the Applus Technologies Holding, S.L. and subsidiaries consolidated financial statements for the year ended 31 December 2012 which included the Velosi S.à r.l. and subsidiaries.
- In 2012, Applus Subgroup assessed and recognised the provisional fair value of the assets and liabilities of the Velosi Subgroup acquired on 20 December 2012, recognising the provisional fair value of the assets and liabilities amounting to EUR 62,407 thousand (EUR 55,363 thousand net of the related tax effect). This valuation has been prospectively accounted for rather than retrospectively as of 1 January 2011. The total amount for the year of the depreciation of these assets is EUR 5,941 thousand net of the tax effect.

Additionally, in preparing the attached combined special purpose financial information, the Board of Directors of Applus Technologies Holding, S.L. have considered the Accounting Conventions Commonly Used in the Preparation of Historical Financial Information in Investment Circulars compiled by the Auditing Practice Board (APB) from a number of sources to describe conventions commonly used for the preparation of historical financial information intended to show a true and fair view for the purposes of an investment circular. These Conventions are presented as an Annexure to the Standard Investment Reporting (SIR) 2000 issued by the APB, which is part of the Financial Reporting Council (FCRC).

Specifically in relation to the treatment of subsequent events to the reference date of these combined special purpose financial statements, it is normal practice to consider events only up to the date on which the audit report on the relevant underlying financial statements was originally signed by the auditors, except in relation to the final period presented. Accordingly, it has been considered that the fiscal year ended 31 December 2013 is the end of the presented period, since the combined special purpose financial statements for the years ended 31 December 2011 and 31 December 2012 are complementary to the information included in the consolidated financial statements of the aforementioned year (see Note 31). In respect of this final presented period, it will be necessary for post financial statements events to be reflected up to the date on which the historical financial information to be presented in the investment circular is approved by the responsible party.

The balance sheet included in the combined special purpose financial statements for the year ended 31 December 2011 was prepared as follows (in thousand of euros):

ASSETS	CC.FF.SS. Applus	CC.FF.SS. Velosi	Elimination of intragroup balances	Combined 31.12.11	LIABILITIES	CC.FF.SS. Applus	CC.FF.SS. Velosi	Elimination of intragroup balances	Combined 31.12.11
NON-CURRENT ASSETS:					EQUITY:				
Goodwill	573,210	8,264		578,474	Share capital and reserves-				
Other intangible assets	689,770	5,775		695,545	Share capital	31,085	723		31,807
Property, plant and equipment	170,330	8,851		179,241	Share premium	290,812	26,828		317,640
Non-current financial assets	12,330	2,922		15,252	Reserves	(222,484)	28,256		(194,228)
Deferred tax assets	113,130	224		113,354	Translation differences	(8,731)	(1,488)		(10,219)
Total non-current assets	1,558,830	24,036	-	1,582,866	Loss for the year	(91,002)	(827)		(91,829)
					Valuation adjustments-				
					Hedges	(18,999)			(18,999)
					EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENTS	(19,319)	63,491		34,172
					NON-CONTROLLING INTERESTS	21,848	11,512		33,360
					Total equity	2,529	85,003		87,532
					PARTICIPATING LOAN:	391,715			391,715
					NON-CURRENT LIABILITIES:				
					Long-term provisions	4,666	1,724		6,389
					Bank borrowings	1,023,344	1,434		1,024,778
					Other financial liabilities	25,112	1,488		26,600
					Long-term trade payables from related companies		2,329		2,329
					Deferred tax liabilities	336,088	63		336,151
					Other non-current liabilities	20,280	2,216	(2,205)	20,291
					Total non-current liabilities	1,308,405	9,254	(2,205)	1,315,458
CURRENT ASSETS:					CURRENT LIABILITIES:				
Inventories	5,406			5,406	Short-term provisions	1,770			1,770
Trade and other receivables	241,585	73,161	(323)	314,423	Bank borrowings	87,585	3,167		90,752
Trade receivables from related companies	3,710	5,876	(4,305)	5,281	Trade and other payables	157,314	38,778	(4,305)	201,787
Other receivables	20,181			20,181	Income tax liabilities	9,012	3,179		12,191
Income tax assets	13,175	659		13,834	Other current liabilities	4,875	3,841		8,716
Other current assets	4,114			4,114	Total current liabilities	250,356	48,765	(4,305)	294,816
Current financial assets	4,762		(1,882)	2,880	TOTAL EQUITY AND LIABILITIES	1,363,009	123,022	(6,510)	2,069,521
Cash and cash equivalents	101,247	19,490		120,737					
Total current assets	394,179	98,386	(6,510)	486,055					
TOTAL ASSETS	1,953,009	123,022	(6,510)	2,069,521					

As mentioned before, the balance sheet included in the combined special purpose financial statements for the year ended 31 December 2012 is the consolidated balance sheet included in the Applus Technologies Holding, S.L. and subsidiaries consolidated financial statements for the year ended 31 December 2012.

The income statements included in the combined special purpose financial statements for the years ended 31 December 2012 and 2011 were prepared as follows:

	APPLUS CC.FF.SS 2011	VELOSI CC.FF.SS 2011	Elimination of intragroup transactions	Combined 2011
CONTINUING OPERATIONS:				
Revenues	980,919	201,340	(2,674)	1,179,585
Procurements	(71,911)	(81,968)	-	(153,879)
Gross profit	909,008	119,372	(2,674)	1,025,706
Staff costs	(529,219)	(74,155)	-	(603,374)
Other operating expenses	(255,890)	(27,065)	2,674	(280,281)
Operating Profit Before Depreciation, Amortization and Others	123,899	18,152	-	142,051
Depreciation and amortisation charge	(70,117)	(3,321)	-	(73,438)
Impairment and gains or losses on disposal of non-current assets	(22,744)	(10)	-	(22,754)
Other losses	(17,602)	(5,976)	-	(23,578)
OPERATING PROFIT:	13,436	8,845	-	22,281
Financial loss	(112,413)	(1,231)	-	(113,644)
Share of profit of companies accounted for using the equity method	-	894	-	894
Loss before tax	(98,977)	8,508	-	(90,469)
Income tax	11,268	(4,241)	-	7,027
Net loss from continuing operations	(87,709)	4,267	-	(83,442)
LOSS FROM DISCONTINUED OPERATIONS NET OF TAX:	(1,682)	(782)	-	(2,464)
NET COMBINED LOSS:	(89,391)	3,485	-	(85,906)
Profit attributable to non-controlling interests	(1,611)	(4,312)	-	(5,923)
NET LOSS ATTRIBUTABLE TO THE PARENTS:	(91,002)	(827)	-	(91,829)

	APPLUS CC.FF.SS 2012	VELOSI CC.FF.SS 2012 (*)	Elimination of intragroup transactions	Combined 2012
CONTINUING OPERATIONS:				
Revenues	1,192,647	278,414	(6,063)	1,464,998
Procurements	(101,083)	(115,543)	-	(216,626)
Gross profit	1,091,564	162,871	(6,063)	1,248,372
Staff costs	(640,077)	(99,679)	-	(739,756)
Other operating expenses	(305,952)	(37,655)	6,063	(337,544)
Operating Profit Before Depreciation, Amortization and Others	145,535	25,537	-	171,072
Depreciation and amortisation charge	(79,173)	(3,351)	-	(82,524)
Impairment and gains or losses on disposal of non-current assets	(19,932)	115	-	(19,817)
Other losses	(15,502)	(8,010)	-	(23,512)
OPERATING PROFIT:	30,928	14,291	-	45,219
Financial loss	(114,683)	(2,765)	-	(117,448)
Share of profit of companies accounted for using the equity method	-	1,628	-	1,628
Loss before tax	(83,755)	13,154	-	(70,601)
Income tax	17,512	(6,847)	-	10,665
Net loss from continuing operations	(66,243)	6,307	-	(59,936)
LOSS FROM DISCONTINUED OPERATIONS NET OF TAX:	-	-	-	-
NET COMBINED LOSS:	(66,243)	6,307	-	(59,936)
Profit attributable to non-controlling interests	2,914	4,119	-	7,033
NET LOSS ATTRIBUTABLE TO THE PARENTS:	(69,157)	2,188	-	(66,969)

(*) *Net profit from 1 January 2012 to 20 December 2012. The total net profit of Velosi Subgroup for the year ended 31 December 2012 was EUR 2,064 thousand. The net profit from 22 December 2012 to 31 December 2012 was already included in Applus Technologies Holding, S.L. and subsidiaries consolidated financial statements for the year ended 31 December 2012.*

a.2) Basis of general presentation of Applus Subgroup consolidated financial statements and Velosi Subgroup consolidated financial statements

These combined special purpose financial statements 2012 and 2011 have been approved by the Board of Directors of Applus Technologies Holding, S.L. at the meeting of its Board of Directors held on 25 March 2014.

The accounting policies used to prepare these combined special purpose financial statements comply with all the IFRSs in force at the date of their preparation. The EU-IFRSs provide for certain alternatives regarding their application. The alternatives applied by Applus Subgroup and Velosi Subgroup are described in Notes 3 and 4.

The Applus Subgroup and Velosi Subgroup consolidated financial statements for 2012 and 2011 were formally prepared:

- By the Parent's Board of Directors of Applus Subgroup at their Board of Directors Meeting held on 29 March 2013 and 31 March 2012, respectively. The Applus Subgroup's consolidated financial statements for 2012 and 2011 were approved by the shareholders at the Annual General Meeting of their own on 30 June 2013 and 30 June 2012, respectively.
- By the Parent's Board of Directors of Velosi Subgroup at their Board of Directors Meeting held on 25 July 2013 and 30 September 2012, respectively. The Velosi Subgroup's consolidated financial statements for 2012 and 2011 were approved by the sole shareholder at the Annual General Meeting of their own Parent on 7 November 2013 and 30 September 2012, respectively.
- On the basis of the accounting records kept by Applus Technologies Holding, S.L. and by the other subgroup companies, so that they present fairly the Subgroup's consolidated equity and financial position at 31 December 2012 and 2011, and the results of its operations, the changes in combined special purpose equity and the combined special purpose cash flows in 2012 and 2011.
- On the basis of the accounting records kept by Velosi S.à r.l. and by their subsidiaries, so that they present fairly the Subgroup's consolidated equity and financial position at 31 December 2012 and 2011, and the results of its operations, the changes in combined special purpose equity and the combined special purpose cash flows in 2012 and 2011.

However, since the accounting policies and measurement bases used in preparing both Subgroup's consolidated financial statements for 2012 and 2011 (IFRS - EU, except for the Velosi Subgroup's consolidated financial statements for the year ended 31 December 2011, that were prepared under IFRS issued by the IASB) differ from those used by both Subgroup companies (local standards), all the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with the International Financial Reporting Standards adopted in Europe.

In the elaboration of these combined special purpose financial statements, all accounting principles and mandatory valuation criteria that have a significant effect on the combined special purpose financial statements have been considered, as well as the alternatives of the policies in this regard, and are described in Note 3. In particular, regarding the evaluation of the application of the principle of going concern, financial resources available to the Subgroups, as well as the operational, commercial and financial actions started or planned for the future have been considered (See Note 30).

b) Responsibility for the information and use of estimates

The information contained in these combined special purpose financial statements for the years ended 31 December 2012 and 31 December 2011 is the responsibility of the Applus Technologies Holding, S.L.'s Board of Directors in accordance with elaboration criteria of the combined special purpose financial statements mentioned on the same note. Furthermore, the Applus technologies Holding, S.L.'s Board of Directors is responsible for the elaboration and content of the consolidated financial statements for the years ended 31 December 2012 and 31 December 2011 of Applus Technologies Holding, S.L. and subsidiaries which have been the basis for the special purpose combined financial statements, such as the internal control considered necessary to permit preparation of financial statements free of material misstatement.

In the combined special purpose financial statements for the years ended 31 December 2012 and 31 December 2011, estimates were occasionally made by management of Applus Subgroup and Velosi Subgroup and of the consolidated companies, later ratified by the Applus Technologies, S.L.'s Board of Directors, in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate, basically, to the following:

- The impairment losses on certain assets (see Notes 4.d and 22)
- The useful life of the property, plant and equipment and intangible assets (see Notes 4.b and 4.c)
- The measurement of goodwill (see Notes 4.a and 5)
- The assumptions used in measuring the fair value of the financial instruments (see Note 4.m)
- Income from unbilled services (see Note 4.t)
- Provisions and contingent liabilities (see Notes 4.l, 17 and 25)

Although these estimates were made on the basis of the best information available at 31 December 2012 and 2011 on the events analysed, 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 in accordance with the requirements of IAS 8.

c) Applus Subgroup and Velosi Subgroup currency

These combined special purpose financial statements are presented in thousand of euros, since this is the currency of the main economic area in which Applus Subgroup and Velosi Subgroup operate. Foreign operations are recognised in accordance with the policies described in Note 4.

3. Basis of consolidation and changes in the scope of consolidation for Applus Subgroup and Velosi Subgroup

a) Subsidiaries

"Subsidiaries" are defined as companies over which the two Parents have the capacity to exercise effective control; control is, in general but not exclusively, presumed to exist when the Parents own directly or indirectly half or more of the voting power of the subsidiary or, even if this percentage is lower or zero, when there are agreements with other shareholders of the subsidiary that give the Parents control. Under IAS 27, control is the power to govern the financial and operating policies of a company so as to obtain benefits from its activities. Appendix I and Appendix II to these notes to the combined special purpose financial statements contains the most significant information on these companies as of 31 December 2012 and 31 December 2011.

The financial statements of the subsidiaries are fully consolidated with those of Applus Technologies Holding, S.L. and Velosi S.à r.l. Accordingly, all material balances and effects of the transactions between consolidated companies are eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of the subsidiaries to adapt the accounting policies used to those applied by Applus Subgroup and Velosi Subgroup.

The businesses acquired are recognised using the acquisition method so that the assets, liabilities and contingent liabilities of a subsidiary are measured at their acquisition-date fair values. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill (see Notes 4.a and 5). Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. a bargain purchase) is credited to profit or loss on the acquisition date. The interest of non-controlling shareholders is stated at their proportion of the fair values of the assets and liabilities recognised.

Also, with respect to the share of third parties, the following must be taken into account:

- The equity of their subsidiaries is presented within each subgroup's equity under "Non-Controlling Interests" in the combined special purpose balance sheet (see Note 13).
- The profit for the year is presented under "Profit Attributable to Non-Controlling Interests" in the combined special purpose income statement.

The results of subsidiaries acquired during the year are included in the combined special purpose income statement from the date of acquisition to year-end. Similarly, the results of subsidiaries disposed of during the year are included in the combined special purpose income statement from the beginning of the year to the date of disposal only.

The foreign companies' financial statements were translated to euros by applying the year-end exchange rate method, whereby the companies' equity is measured at the historical exchange rates, the income statement items at the average exchange rates for the year and the assets, rights and obligations at the year-end exchange rates. Translation differences are charged or credited, as appropriate, to "Equity - Translation Differences" in the combined special purpose balance sheet.

Also, in accordance with standard practice, the accompanying combined special purpose financial statements do not include the tax effects that might arise as a result of the inclusion of the results and reserves of the consolidated companies in those of the Parents, since it is considered that no transfers of reserves will be made that are not taxed at source and that such reserves will be used as means of financing at each company.

b) Associates

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

In the combined special purpose financial statements, investments in associates are accounted for using the equity method, i.e. at the Velosi Subgroup's share of net assets of the subsidiary, after taking into account the dividends received there from and other equity eliminations. In the case of transactions with an associate, the related profits and losses are eliminated to the extent of the Velosi Subgroup's interest in the associate.

If as a result of losses incurred by an associate its equity were negative, the investment should be presented in the combined special purpose balance sheet with a zero value, unless Velosi Subgroup is obliged to give it financial support.

There are no joint-ventures in Applus Subgroup and Velosi Subgroup that should be accounted using the proportional consolidation method.

c) Changes in accounting policies and in disclosures of information effective in 2012 and 2011

In 2012 new accounting standards came into force and were therefore taken into account when preparing the accompanying combined special purpose financial statements.

The following standards have been applied in these combined special purpose financial statements but did not have a significant impact on the presentation hereof and disclosures herein:

New standards, amendments and interpretations:	Content:	Obligatory application in annual reporting periods beginning on or after:
Amendments to IAS 1, Presentation of Items of Other Comprehensive Income (issued in June 2011)	Minor amendments relating to the presentation of items of other comprehensive income	Annual reporting periods beginning on or after 1 July 2012
Amendments to IFRS 7, Financial Instruments: Disclosures - Transfers of Financial Assets (issued in October 2010)	Extends and reinforces the disclosures on transfers of financial assets.	Annual reporting periods beginning on or after 1 July 2011

In 2011 new accounting standards came into force and were therefore taken into account when preparing the accompanying combined special purpose financial statements.

The following standards have been applied in these combined special purpose financial statements but did not have a significant impact on the presentation hereof and disclosures herein:

New standards, amendments and interpretations:	Content:	Obligatory application in annual reporting periods beginning on or after:
Amendment to IAS 32, Financial Instruments: Presentation - Classification of Rights Issues	Amends the accounting treatment of rights, options and warrants denominated in a currency other than the functional currency.	Annual reporting periods beginning on or after 1 February 2010
Revision of IAS 24, Related Party Disclosures	Amends the definition of "related party" and provides a partial exemption from the disclosure requirements for entities that are related parties only because they are under the control, joint control or significant influence of the same government	Annual reporting periods beginning on or after 1 January 2011
Improvements to IFRSs (published in May 2010)	Amendments to a series of standards.	Mostly obligatory for reporting periods beginning on or after 1 January 2011; some are obligatory for reporting periods beginning on or after 1 July 2010.
Amendment of IFRIC 14, Prepayments of a Minimum Funding Requirement	The prepayment of minimum funding requirement contributions may give rise to an asset.	Annual reporting periods beginning on or after 1 January 2011
IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments	Treatment of the extinguishment of financial liabilities through the issue of equity instruments.	Annual reporting periods beginning on or after 1 July 2010

d) Accounting policies issued but not yet in force in 2012 and 2011

At the date of these combined special purpose financial statements, the following standards and interpretations had been published by the International Accounting Standards Board (IASB) but had not yet come into force, either because their effective date is subsequent to the date of the combined special purpose financial statements or because they had not yet been adopted by the European Union (IFRS - EU):

New standards, amendments and interpretations:		Obligatory application in annual reporting periods beginning on or after:
Approved for use in the European Union		
IFRS 9, Financial Instruments: Classification and Measurement (issued in November 2009 and October 2010)	Replaces the IAS 39 classification, measurement and derecognition requirements for financial assets and liabilities	Annual reporting periods beginning on or after 1 January 2015
Amendments to IAS 12, Income Taxes - Deferred Taxes Arising From Investment Property (issued in December 2010)	On the measurement of deferred taxes arising from investment property using the fair value model in IAS 40	Annual reporting periods beginning on or after 1 January 2013
IFRS 10, Consolidated financial statements (issued in May 2011)	Supersedes the requirements relating to consolidated financial statements in IAS 27	Annual reporting periods beginning on or after 1 January 2014
IFRS 11, Joint Arrangements (issued in May 2011)	Supersedes the current IAS 31, Joint Ventures.	Annual reporting periods beginning on or after 1 January 2014
IFRS 12, Disclosure of Interests in Other Entities (issued in May 2011)	Single IFRS presenting the disclosure requirements for interests in subsidiaries, associates, joint arrangements and unconsolidated entities	Annual reporting periods beginning on or after 1 January 2014
IFRS 13, Fair Value Measurement (issued in May 2011)	Sets out a framework for measuring fair value	Annual reporting periods beginning on or after 1 January 2013
IAS 27 (Revised) Separate Financial Statements (issued in May 2011)	The IAS is revised, since as a result of the issue of IFRS 10 it applies only to the separate financial statements of an entity	Annual reporting periods beginning on or after 1 January 2014
IAS 28 (Revised), Investments in Associates and Joint Ventures (issued in May 2011)	Revision in conjunction with the issue of IFRS 11, Joint Arrangements	Annual reporting periods beginning on or after 1 January 2014
Amendments to IAS 19, Employee Benefits (issued in June 2011)	The amendments affect mainly defined benefit plans since one of the major changes is the elimination of the "corridor"	Annual reporting periods beginning on or after 1 January 2013
Amendments to IFRS 9 and IFRS 7, Mandatory Effective Date and Transition Disclosures (issued in December 2011)	Deferral of the effective date of IFRS 9 and amendments to transition requirements and disclosures	Annual reporting periods beginning on or after 1 January 2015
Amendments to IAS 32, Offsetting Financial Assets and Financial Liabilities (issued in December 2011)	Additional clarifications to the rules for offsetting financial assets and financial liabilities under IAS 32 and introduction of the related new disclosures IFRS 7.	Annual reporting periods beginning on or after 1 January 2014
Amendments to IFRS 7, Offsetting Financial Assets and Financial Liabilities (issued in December 2011)		Annual reporting periods beginning on or after 1 January 2013
Improvements to IFRSs, 2009-2011 cycle (issued in May 2012)	Minor amendments to a series of standards.	Annual reporting periods beginning on or after 1 January 2013
Transition rules: Amendments to IFRS 10, 11 and 12 (issued in June 2012)	Clarification of the rules for transition to these standards	Annual reporting periods beginning on or after 1 January 2013
IFRIC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine (issued in October 2011)	The International Financial Reporting Interpretations Committee addresses the accounting treatment of the stripping costs in surface mines.	Annual reporting periods beginning on or after 1 January 2013

Applus Technologies Holding, S.L. has not applied the new and revised IFRS's that have been issued but are not yet effective. The Board of Directors of Applus Technologies Holding, S.L. will consider them once adopted by the European Union (IFRS - EU).

Applus Technologies S.L.'s Board of Directors has assessed the potential impact of the future application of the aforementioned standards, amendments and interpretations and concluded that their entry into force will not have a material effect on Applus Subgroup and Velosi Subgroup combined special purpose financial statements.

e) Changes in the scope of consolidation of Subgroups

e.1. Inclusions in the scope of consolidation in 2012:

In 2012 the following companies were included in the scope of consolidation:

- Companies acquired in 2012:
 - Azul Holding 2 S.à r.l. and subsidiaries (Velosi Subgroup).
 - Dijla & Furat Quality Assurance LLC
 - Velosi Certification Services LLC
 - Velosi Philipinnes Inc.
 - Steel Test Secunda (Proprietary) Ltd.
 - Velosi LLC
 - Velosi Ukraine LLC
 - Velosi Malta I Ltd.
 - Velosi Malta II Ltd.
- Companies incorporated in 2012:
 - Applus Testing Norway, AS

e.1.1. Companies acquired in 2012

Acquisition of Azul Holding 2 S.à r.l. and subsidiaries (Velosi Subgroup)

The transaction was carried out through the in kind contribution of the shares representing the entire share capital of Azul Holding 2 S.à r.l., the sole shareholder of Velosi Subgroup, by Azul Holding, S.C.A., shareholder of Applus Technologies, S.L.

Velosi Subgroup engages in the provision of the following services (in relation to the oil and gas, power generation, chemicals, industrial processing and refrigeration industries):

- Asset integrity management
- Quality control, maintenance and inspection
- Training/hiring of specialised personnel
- Quality control management of engineering projects and services
- Underwater services
- Assurance and contracting services

Velosi Subgroup operates in five large geographical markets (the Americas, Europe, the Middle East, Africa and Australasia) with 70 offices located in 40 countries.

The economic reasons for its acquisition by Applus Subgroup relate mainly to the quest to optimise Velosi Subgroup's management by Applus Subgroup's management and the interest in generating synergies through the integration processes.

On 20 December 2012, Applus Technologies Holding, S.L.'s shareholders increased capital by EUR 238,764,894 thousand through the issuance of 238,764,894 shares of EUR 1 per 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 contribution in kind of the shares representing all of the share capital of Azul Holding 2 S.à r.l. valued at EUR 246,000 thousand.

The cost of this business combination amounted to EUR 102,213 thousand, giving rise to negative reserves of EUR 143,787 thousand for Applus Technologies Holding, S.L. (see Note 12).

Therefore, the assets and liabilities of the Velosi Subgroup acquired and assumed, respectively, were recognised at their acquisition-date fair value, the detail being as follows (in thousands of euros):

	Fair value		Fair value
NON-CURRENT ASSETS:		Non-controlling interests	14,472
Intangible Assets	62,407	NON-CURRENT LIABILITIES:	
Property, plant and equipment	9,279	Long-term provisions	2,696
Non-current financial assets	3,638	Non-current payables	12,347
Deferred tax assets	329	Other financial liabilities	7,223
Total non-current assets	75,653	Deferred tax liabilities	7,071
		Total non-current liabilities	29,337
CURRENT ASSETS:		CURRENT LIABILITIES:	
Inventories	-	Current payables	14,309
Trade and other receivables	91,968	Trade and other payables	52,320
Cash and cash equivalents	28,867	Other financial liabilities	3,229
Total current assets	120,835	Total current liabilities	69,858
	196,488		113,667

Therefore, the goodwill that arose on the business combination made by Applus Technologies Holding, S.L. is summarised as follows:

	Thousands of euros
Assets at fair value	196,488
Liabilities at fair value	(113,667)
Net assets acquired	82,821
Cost of the combination	102,213
Goodwill	19,392

Based on the measurement of the assets acquired and liabilities assumed at fair value, intangible assets were identified whose fair value exceeded by EUR 54,352 thousand from its book value, mainly in relation to the trademark, the trademark licence agreement and the customer relationships, and, as a result, the intangible assets recognised in the Applus Subgroup and Velosi Subgroup consolidated balance sheet amount to EUR 62,407 thousand (EUR 55,363 thousand net of the related tax effect). Also, the impact of this measurement in the non-controlling interests was an increase by EUR 5,081 thousand and in the deferred tax liabilities as an increase by EUR 6,819 thousand. Note 6 provides an explanation of the principal assumptions applied in the calculation of the purchase price allocation. The accounting for the business combination effected in 2012 was provisional.

Other companies incorporated in 2012

The most significant information on the companies incorporated in 2012 was as follows:

- Dijla & Furat Quality Assurance LLC

Dijla & Furat Quality Assurance LLC is a company located in Iraq whose principal activity is the provision of quality assurance and training to related industries.

- Velosi Certification Services LLC

Velosi Certification Services LLC is a company located in Uzbekistan whose principal activity is the provision of inspection, certification, monitoring and other type of entrepreneurial activity.

- Velosi Philipinnes Inc.

Velosi Philipinnes Inc. is a company located in Philipinnes whose principal activity is the provision of business process outsourcing.

- Steel Test Secunda (Proprietary) Ltd.

Steel Test Secunda (Proprietary) Ltd. is a company located in South Africa whose principal activity is the provision of testing of pipes and steel thickness.

- Velosi LLC

Velosi LLC is a company located in Azerbaijan whose principal activity is the provision of ancillary services in the oil and natural gas sector.

- Velosi Ukraine LLC

Velosi Ukraine LLC is a company located in Ukraine whose principal activity is the provision of ancillary services in the oil and natural gas sector.

- Velosi Malta I Ltd & Velosi Malta II Ltd

Velosi Malta I Ltd & Velosi Malta II Ltd are two holding companies located in Malta.

e.1.2. Companies incorporated in 2012

The most significant information on the only company incorporated in 2012, namely Applus Testing Norway, AS, was as follows:

The company was incorporated on 25 October 2012 with a share capital of 30 thousand shares with a par value of NOK 1 each (approximately, EUR 4 thousand at the date of incorporation).

e.2. Changes in the scope of consolidation in 2012

On 24 April 2012, Applus Servicios Tecnológicos, S.L.U. sold its 100% ownership interests in Idiada CZ, AS. and Idiada Automotive Technology UK, Ltd. to Idiada Automotive Technology S.A for EUR 4,357 thousand and EUR 384 thousand, respectively.

On 8 November 2012, Contrôles Techniques Services, S.A.S. was merged with Applus RTD France, S.A.S.

On 31 December 2012, Applus Technologies, Inc. was merged with Applus Inc. and Applus Autologic Inc.

e.3. Exclusions from the scope of consolidation in 2012

On 28 December 2012, Applus Iteuve Technology, S.L.U. sold Applus Bilprovning AB to a non-Group third party for SEK 11 million (EUR 1,254 thousand at the date of sale), giving rise to a gain of EUR 842 thousand.

e.4. Inclusions in the scope of consolidation in 2011:

In 2011 the following companies were included in the scope of consolidation:

- Companies acquired in 2011
 - RTD Brazil subgroup:
 - RTD Brasil Investimentos, Ltda.
 - Qualitec Engenharia da Qualidade, Ltda.
 - Kiefner & Associates, Inc.
 - Applus Norcontrol Perú, S.A.C.
 - JDA subgroup:
 - John Davidson & Associates PTY, Ltd.
 - JDA Wokman Limited.
 - PT JDA Indonesia.
 - Assinco - Assessoria, Inspeção e Controle, Ltda.
 - LGAI Germany subgroup:
 - Applus LGAI Germany, GmbH.
 - BK Werkstofftechnik – Prüfstelle Für Werkstoffe, GmbH.
 - Burek und Partner GbR.
 - Velosi Uruk FZC
 - PDE Inovasi Sdn Bhd
 - Velosi Gabon Private Limited
- Companies incorporated in 2011
 - Applus LGAI Maroc S.à r.l., A.U.
 - Idiada Automotive Technology UK, Ltd.
 - Applus RTD GULF DMCC.
 - Idiada Investimentos Do Brasil, Ltda.
 - Applus Norcontrol Consultorías e Ingenierías, S.A.S.

e.4.1. Companies acquired in 2011

The most significant information on the main other acquisitions in 2011 was as follows (in thousands of euros):

	RTD Brazil subgroup	Kiefner & Associates, Inc.	JDA subgroup	Assinco – Assessoria, Inspeção e Controle, Ltda.	LGAI Germany subgroup
Non-current assets	988	55	234	-	898
Other non-current assets	790	-	142	-	-
Receivables and other	1,383	945	2,024	41	554
Cash and cash equivalents	869	274	1,102	26	622
Other non-current liabilities	-	-	(453)	-	(382)
Fair value of net assets acquired	4,030	1,274	3,049	67	1,692
Acquisition cost	10,656	3,615	3,058	793	5,350
Goodwill (Note 5)	6,626	2,341	9	726	3,658

Acquisition of RTD Brazil subgroup

On 24 March 2011, Applus Subgroup acquired the Brazilian company RTD Brasil Investimentos, Ltda. for BRL 742 thousand (approximately EUR 307 thousand at the acquisition date).

On 9 June 2011, RTD Brasil Investimentos, Ltda. acquired Qualitec Engenharia da Qualidade, Ltda. for BRL 18,400 thousand (approximately EUR 8,104 thousand at the acquisition date), plus a variable amount (earn-out). The purchase and sale agreement established a maximum purchase price of BRL 52,400 thousand (approximately EUR 21,672 thousand at the reporting date). In 2011 Applus Subgroup recognised an earn-out of BRL 10,795 thousand (approximately EUR 4,754 thousand at the reporting date) based on the best possible estimate, which was recognised as an addition to the cost of acquisition.

Acquisition of Kiefner & Associates, Inc.

On 16 November 2011, Applus Subgroup acquired the US company Kiefner & Associates, Inc. for USD 2,208 thousand (approximately EUR 1,653 thousand at the acquisition date), of which USD 222 thousand (approximately EUR 166 thousand at the acquisition date) had to be deposited in an escrow account. The amount deposited will not be released until certain contingencies occur. The purchase and sale agreement established an estimated earn-out of USD 2,400 thousand (approximately EUR 1,796 thousand at the reporting date) based on EBITDA for 2011 and 2012. The earn-out was recognised as an addition to the acquisition cost.

Acquisition of the JDA subgroup

On 30 November 2011, Applus Subgroup acquired 70% of the Australian company John Davidson & Associates Pty, Ltd., and 70% of the Papua New Guinea company JDA Wokman Limited, operating in the same specialised recruitment sector as RTD subgroup, for an initial amount of AUD 2,000 thousand (approximately EUR 1,456 thousand at the acquisition date). The purchase and sale agreement established a maximum earn-out of AUD 4,000 thousand (approximately EUR 2,919 thousand at the reporting date) based on EBITDA for 2011 and 2012. Applus Subgroup decided to recognise a provision of AUD 2,200 thousand (EUR 1,602 thousand at the acquisition date) for the aforementioned earn-out at 31 December 2011, which was recognised as an addition to the acquisition cost.

Acquisition of Assinco - Assessoria, Inspeção e Controle, Ltda.

On 9 June 2011, Applus Subgroup acquired Assinco - Assessoria, Inspeção e Controle, Ltda. for BRL 1,800 thousand (approximately EUR 793 thousand at the acquisition date).

Acquisition of the LGAI Germany subgroup

On 21 July 2011, Applus Subgroup acquired 100% of the German holding company Applus LGAI Germany, GmbH for an initial amount of EUR 25 thousand.

On 27 July 2011, Applus LGAI Germany, GmbH acquired all the shares of BK Werkstofftechnik – Prüfstelle Für Werkstoffe, GmbH and 99% of the shares of Burek und Partner GbR. LGAI Technological Center, S.A. acquired the remaining 1% for an initial amount of EUR 3,528 thousand.

Acquisition of Applus Norcontrol Perú, S.A.C.

On 28 November 2011, Applus Subgroup acquired Applus Norcontrol Perú, S.A.C. for PEN 1,000 (approximately EUR 279 at the acquisition date).

e.4.2. Companies on which a call option was exercised in 2011

On 1 January 2010, Applus Subgroup arranged a call option on the Brazilian company Idiada Tecnologia Automotiva Ltda. (formerly High End CAD/CAE/CAM, S.A.), which engages in the vehicle standardisation and certification industry, for BRL 2,500 thousand (approximately EUR 1,007 thousand at the acquisition date).

On 28 December 2011, Applus Subgroup exercised the call option that it had acquired in 2010, renegotiating the terms and conditions agreed upon in the prior agreement and finally paying a total amount of BRL 4,887 thousand (EUR 2,009 thousand at the acquisition date).

This transaction gave rise to the derecognition of a portion of the goodwill associated with High End CAD/CAE/CAM, S.A., amounting to EUR 4,565 thousand at 31 December 2010, and the definitive goodwill recognised at 31 December 2011 amounted to EUR 2,189 thousand.

e.4.3. Companies incorporated in 2011

The most significant information on the companies incorporated in 2011 is as follows:

- Applus LGAI Maroc S.à r.l., AU.

This company was incorporated on 4 February 2011 with a share capital of 100 shares with a par value of MAD 100 each (approximately EUR 887 at the date of incorporation). The company increased capital on 4 August 2011 by 33,681 shares with a par value of MAD 100 each (approximately, EUR 297 thousand at the date of the capital increase).

- Applus RTD GULF DMCC.

This company was incorporated on 16 January 2011 with a share capital of 300 shares with a par value of MAD 1,000 each (approximately EUR 60 thousand).

- Idiada Automotive Technology UK, Ltd.

This company was incorporated on 22 February 2011 with a share capital of GBP 1. On 31 March 2011, capital was increased by GBP 335 thousand.

- Idiada Investimentos Do Brasil, Ltda.

Idiada Tecnologia Automotiva, Ltda. was incorporated on 28 November 2011 with a share capital of 1,000 shares with a par value of BRL 1 each (approximately EUR 363 at the date of incorporation). On 9 March 2012, the company's name was changed to Idiada Investimentos do Brasil, Ltda.

- Applus Norcontrol Consultorías e Ingenierías, S.A.S.

This company was incorporated on 30 November 2011 with a share capital of COP 262 thousand (approximately EUR 98).

e.5. Changes in the scope of consolidation in 2011

On 28 October 2011, Applus Norcontrol, S.L.U. absorbed its subsidiary Ambitec, Laboratorio Medioambiental, S.A.U.

On 30 November 2011, LGAI Technological Center, S.A. absorbed its subsidiary Abac Ingeniería, S.L.U.

e.6. Exclusions from the scope of consolidation in 2011

There were no exclusions from the scope of consolidation in 2011.

4. Accounting policies

The principal accounting policies used to prepare Applus Subgroup and Velosi Subgroup combined special purpose financial statements, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, were as follows:

a) Goodwill

Goodwill arising on business combinations represents the excess of the cost of acquisition over the Applus and Velosi Subgroup's interest in the fair value of the identifiable assets and liabilities of a subsidiary or jointly controlled entity at the date of the combination. The goodwill related to the acquisitions of subsidiaries or joint ventures is included under intangible assets caption and the goodwill related to acquisitions of associates is included under non-current financial assets caption as investments in other companies accounted for using the equity method.

The cost of the combination is determined by the aggregation of:

- The fair value of the transferred assets on the acquisition date, the liabilities incurred or assumed and the equity instruments emitted.
- The fair value of any of the contingent considerations depends on the future events or the compliance with the predetermined conditions.

Costs related with the emission of equity instruments or financial liabilities exchanged for the acquired assets are not part of the combination costs.

Additionally, fees paid to legal advisors or other professionals that have intervened in the combination, and of course those costs generated internally with the same nature, are not considered part of the combination costs. Instead, these costs are directly attributed to the combined special purpose income statement.

If the business combination is done in different stages, in such a way that before the acquisition date (obtaining the effective control) it already existed an investment, goodwill or the negative difference will be obtained by computing the difference between:

- The cost of the business combination, plus the fair value on the acquisition date of any previous share of the acquiring company in the acquired company, and,
- The value of the identifiable acquired assets minus the liabilities assumed, determined according to what was indicated previously.

Any profit or loss incurred as a consequence of the valuation at fair value on the date in which effective control is obtained over the shares of the acquired company, is recognized in the combined special purpose income statement. If the investment has been valued previously according to its fair value, the valuation adjustments pending to be included in the year's result is transferred into the combined special purpose income statement. On the other hand, it is presumed that the cost of the business combination is the best reference point to estimate the fair value on the acquisition date of any previously issued share.

Goodwill arising on the acquisition of companies with a functional currency other than the euro is measured in the functional currency of the acquiree and is translated to euros at the exchange rates prevailing at the balance sheet date.

In the exceptional event that a badwill difference arises in this business it is recognized in the combined special purpose income statement.

If, at the close of the period in which the business combination occurs, the assessment processes required of the acquisition method described above have not been completed, then the company has up to one year to adjust its preliminary figures. If any such adjustments are made, they have to be posted retroactively.

Subsequent changes in the fair value of the contingent consideration are recognised in the combined special purpose income statement, unless such consideration has been classified as equity, in which case subsequent changes in fair value are not recognized.

If, subsequent to obtaining control, additional sales or purchase transactions are made with no subsequent control's change, then the impact of these transactions is recognized in equity and without variation in the goodwill amount.

According to the provisions of paragraph 81 of IAS 36 when the goodwill can not be allocated to a generating unit individually effective, it is assigned to homogeneous groups of cash generating units that correspond to the minimum level at which the Directors may manage and monitor goodwill.

b) Other intangible assets

Other intangible assets are identifiable non-monetary assets without physical substance which arise as a result of a legal transaction or which are developed internally by Applus Subgroup and Velosi Subgroup consolidated companies. Only assets whose cost can be estimated reasonably objectively and from which Applus Subgroup and Velosi Subgroup consolidated companies consider it probable that future economic benefits will be generated are recognised.

Intangible assets are recognised initially at acquisition or production cost, which includes the allocation of the value of goodwill as a result of the business combinations, where applicable, and are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are measured and amortised as follows (see Note 6):

- Administrative concessions or similar items that have been acquired for consideration and are recognised for the amount of the expenses paid to the concession grantor to obtain the concession are amortised on a straight-line basis over the concession term. The initial cost (fee) and, where applicable, the present value of the future payments which are deemed to be necessary when the assets are handed over to the grantor are included in this line item.
- Trademarks and trademark licence agreements are measured using the royalty relief valuation method, based on the future royalty income stream from their use. Trademarks and trademark licence agreements are considered to have a finite useful life and are amortised over 25 years, with the exception of the trademark and trademark licence agreement associated with Velosi Subgroup, which are being amortised over 10 years.

- The administrative authorisations relate to vehicle roadworthiness testing services in Spain and abroad which Applus Subgroup manages under this name. The main administrative authorisations are located in Spain and Finland (see Note 6). The administrative authorisations for the inspections of Spanish vehicles are not amortised. The administrative authorisations for the inspections of Finnish vehicles were being amortised over 15 years. The related useful lives of these authorisations were re-estimated on 1 January 2012 and the carrying amount at that date are now being amortised over 10 years.
- Customer portfolios are amortised based on the life of the agreements entered into with the customers.
- Rights of use on asset relate to machinery and fixtures used by Applus Subgroup in the performance of its business activity and are subject to reversion. They are amortised over the residual useful life of the assets to which they correspond, from the acquisition date of the right of use, based on an estimate by an independent valuer.
- Computer software is amortised on a straight-line basis over 5 years. Computer system maintenance costs are recognised with a charge to the combined special purpose income statement for the year in which they are incurred.

c) Property, plant and equipment

Property, plant and equipment are stated at acquisition or production cost, revalued in accordance with various legal provisions including Royal Decree Law 7/1996, of 7 June (see Note 7), including the allocation of any goodwill arising as a result of the business combinations that may be applicable, based on the related independent valuations.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognised as additions to property, plant and equipment, and the items replaced or renewed are derecognised. Periodic maintenance, upkeep and repair expenses are recognised in the combined special purpose income statement on an accrual basis as incurred.

The companies depreciate their property, plant and equipment using the straight-line method on the basis of the remaining years of estimated useful life of the various items, the detail being as follows:

	Years of estimated useful life
Buildings	20 to 40
Plant	3 to 12
Machinery and tools	3 to 10
Furniture	2 to 10
Computer hardware	4
Transport equipment	3 to 10

The assets that have to be handed over will have been fully depreciated by the end of the concession term.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment losses.

Assets held under finance leases (see Note 4.g) are recognised in the corresponding asset category and are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease. At 31 December 2012, "Property, Plant and Equipment" in the combined special purpose balance sheet included EUR 17,166 thousand (31 December 2011: EUR 12,219 thousand) relating to assets held under finance leases (see Note 7).

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the combined special purpose income statement.

d) Non-financial asset impairment

The carrying amounts of the property, plant and equipment, intangible assets and goodwill are analysed at the reporting date to determine if there is any indication that they have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the impairment loss suffered. For assets included in the analysis that do not generate cashflow, but are independent from those other assets, Applus Subgroup and Velosi Subgroup estimate the fair value of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful lives are not systematically amortised, but rather are tested for impairment annually or whenever there is an indication that the asset has suffered an impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In order to estimate value in use, the future cash flows of the asset analysed (or of the cash-generating unit to which it belongs) are discounted to their present value using a discounted rate that reflects market conditions and the risk specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, an impairment loss is recognised for the amount of the difference with a charge to the combined special purpose income statement.

According to the paragraph 81 of IAS 36 when the goodwill can not be allocated to a generating unit individually effective, it is assigned to homogeneous groups of cash generating units, which correspond to the minimum level at which the Board of Directors can manage and monitor goodwill. In these cases, as it is described in the paragraphs 88 and 89 of IAS 36, these individualized cash-generating units are subject to impairment tests to evaluate the recoverability of intangible assets that are specifically associated (see Note 5). In this circumstance impairments could be demonstrated on intangible assets even if their associated goodwill is not impaired.

For the purpose of carrying out tests for impairment, goodwill acquired in a business combination is allocated to each cash-generating unit, or groups of cash generating units, that are expected to benefit from synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill for internal management controls.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, without exceeding the carrying amount existing prior to the recognition of the impairment loss, less any depreciation or amortisation that should have been recognised. The reversal of an impairment loss on an asset is credited to the combined special purpose income statement. Goodwill impairment cannot be reverted.

The method used by Applus Subgroup and Velosi Subgroup to test impairment distinguishes between businesses with indefinite and definite lives. 25-year projections are used for businesses with indefinite lives (similar to using four-year time frames and a perpetuity return).

Projections in accordance with the actual term of the related contract are used for businesses with finite lives. In both cases the projections are based on reasonable and well-founded assumptions.

The main assumptions used in the impairment test are described in Note 5.

e) Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit and loss (FVTPL), held to maturity investments, available for sale (AFS) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade basis.

Applus Subgroup and Velosi Subgroup only have financial assets of the following categories: held to maturity investments (see Notes 8 and 11) and loans and receivables (see Note 10). Income is recognised on an effective interest basis.

The effective interest method is a method of calculating the amortized cost of a debt instrument. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, a shorter period, to the net carrying amount on initial recognition. However, given the nature of the financial assets, whose terms are usually less than a year, Applus Subgroup and Velosi Subgroup generally recognise them at their original acquisition cost.

Financial assets are addressed for indicators of impairment at the end of each reporting period. Upon completion of such impairment tests as might be required, any losses arising therefrom are recognised directly by reducing the amounts presented under "Non-Current Financial Assets" in the combined special purpose balance sheet.

f) Information on the environment

Environmental assets are considered assets used on a lasting basis in the operations of Applus Subgroup and Velosi Subgroup companies whose main purpose is to minimise adverse environmental effects and to protect and enhance the environment, including the reduction or elimination of the pollution caused in the future by Applus Subgroup and Velosi Subgroup operations.

The Applus Subgroup and Velosi Subgroup's business activities, at 31 December 2012 and 2011 did not have any significant assets of this nature.

g) Operating and finance leases

Applus Subgroup and Velosi Subgroup have been assigned the right to use certain assets under leases. Leases that transfer substantially all the risks and rewards of ownership to Applus Subgroup and Velosi Subgroup are classified as finance leases; otherwise they are classified as operating leases.

Finance leases

At the commencement of the finance lease term, Applus Subgroup and Velosi Subgroup recognise an asset and a liability for the lower of the fair value of the leased asset and the present value of the minimum lease payments. The initial direct costs are included as an increase in the value of the asset. The minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period in the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are recognised as an expense when it is probable that they will be incurred.

These assets are depreciated using similar criteria to those applied to the items of property, plant and equipment owned or, if shorter, over the lease term.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, unless some other systematic basis of allocation is more representative of the time pattern of the benefits generated.

h) Inventories

Inventories are stated at weighted average cost, which comprises materials and, where applicable, direct labour costs and other costs that have been incurred in bringing the inventories to their present location and condition.

Applus Subgroup and Velosi Subgroup assess the net realisable value of the inventories at the end of each year, and recognises the appropriate loss if the inventories are overstated. When the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

i) Trade and other receivables

Trade and other receivables are recognised at their recoverable amount, i.e. reduced, as appropriate, by the adjustments required to cover balances of a certain age (generally more than one year old), in the event that they can reasonably be classified as doubtful receivables in the circumstances.

The heading also includes the balances of projects in progress yet to be billed in relation to the execution of work to order for which a firm agreement generally exists.

j) Current financial assets, cash and cash equivalents

Current financial assets relate mainly to cash surpluses invested in short-term fixed-income securities that are generally held to maturity and are recognised at acquisition cost. Interest income is calculated on a time proportion basis in the year in which it accrues.

The cash balance and the cash equivalents recognised in the combined special purpose balance sheets at 31 December 2012 and 2011 includes the bank balances, available cash and the current financial assets maturing within three months.

k) Government grants

Government grants related to property, plant and equipment are treated as deferred income and are taken to income over the expected useful lives of the assets concerned. In addition, Applus Subgroup and Velosi Subgroup account for other grants, donations and legacies received as follows:

- a) Non-refundable grants, donations or legacies related to assets: these are measured at the fair value of the amount or the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the period depreciation taken on the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss, except for grants received from shareholders or owners, which are recognised directly in non-current liabilities and do not give rise to the recognition of any income.
- b) Refundable grants: while they are refundable, they are recognised as a non-current liability.
- c) Grants related to income: grants related to income are credited to income when granted, unless their purpose is to finance losses from operations in future years, in which case they are allocated to income in those years. If grants are received to finance specific expenses, they are allocated to income as the related expenses are incurred.

l) Provisions and contingent liabilities

When preparing the combined special purpose financial statements the Applus Technologies Holding, S.L.'s Board of Directors makes a distinction between:

- Provisions:

Applus Subgroup and Velosi Subgroup recognise a provision where it has an obligation or liability to a third party arising from past events the settlement of which will give rise to an outflow of economic benefits whose amount and/or timing are not known with certainty but can be reasonably reliably estimated. Provisions are quantified on the basis of the best information available on the event and the consequences of the event and are reviewed and adjusted at the end of each reporting period. The provisions made are used to cater for the specific risks for which they were originally recognised, and are fully or partially reversed when such risks cease to exist or are reduced.

- Contingent liabilities:

Contingent liabilities are all the possible obligations that arise from past events and whose future existence and associated loss are estimated to be unlikely. In accordance with IFRS, Applus Subgroup and Velosi Subgroup do not recognise any provision in this connection. However, as required, the contingent liabilities are disclosed in Note 25.

Provisions are recognised when Applus Subgroup or Velosi Subgroup has a present legal or implicit obligation as a result of past events, which will likely lead to an outflow of funds in order to meet the obligation, and when the amount can be reliably estimated.

Provisions are recorded when the unavoidable costs of meeting the liabilities in an onerous contract for valuable consideration exceed the profits expected to be obtained from them.

Provisions are stated at current value of the amount necessary to settle the liability at the balance sheet date, according to the best estimation available.

When it is expected that part of the disbursement necessary to settle the provision is refundable by a third party, the reimbursement is recognised as a separate asset, provided that its receipt is practically assured.

m) Derivative financial instruments and hedge accounting

Applus Subgroup uses financial derivatives to eliminate or significantly reduce certain interest rate and foreign currency risks relating to its assets. Applus Subgroup does not use derivative financial instruments for speculative purposes.

The Applus Subgroup's use of financial derivatives is governed and included by its policies, which provide guidelines for their use (see Note 16).

Applus Subgroup uses derivative financial instruments exclusively as hedging instruments as it considers that they meet the requirements of IAS 39. The accounting treatment of cash flow hedges is as follows:

- Changes in the market value of the ineffective portion of derivative financial instruments that are designated as hedges are recognised in the combined special purpose income statement.
- Changes in the effective portion of a hedge are recognised under "Valuation Adjustments" and "Translation Differences", respectively, in the accompanying combined special purpose balance sheet.
- The cumulative gain or loss in these reserves is transferred to the combined special purpose income statement under the same heading as that affected by the hedged item as the underlying affects net profit or loss or in the year in which the hedged item is disposed of.
- When hedge accounting is discontinued, any cumulative gain or loss recognised under "Valuation Adjustments" at that date is retained until the hedged transaction occurs, at which time they are added to the gain or loss on this transaction. If a hedged transaction is no longer expected to occur, the cumulative gain or loss recognised under this heading is transferred to profit or loss.

The market value of the various financial instruments relates to their market price at the end of the reporting period.

Velosi Subgroup does not use derivative instruments.

n) Pension, post-employment benefit and other personnel obligations

The defined benefit post-employee plan recognized in the combined special purpose balance sheet is the present value of the defined benefit obligations at the balance sheet date less the fair value at that date of plan assets.

The revenue or the expense registered for defined benefit plan is recorded in the combined special purpose income statement and is obtained as a result of the addition of the net amount of current cost services and actuarial losses. The difference between the expected return on plan and the real return is the part of actuarial gains or losses.

Applus Subgroup and Velosi Subgroup also recognize past service cost as an expense of the year in the combined special purpose income statement.

The present value of the defined benefit plans, the cost for services rendered and the past service cost is calculated annually by independent actuaries using the projected unit credit method. The discounted rate is determined based on market rates for bonds and high quality corporate bonds in the currency in which the benefits plan will be paid.

For the combined special purpose statements it was considered the amendment to IAS 19, although the amendment had no important impact as Applus Subgroup and Velosi Subgroup defined benefit plans are not significant.

The asset or the liability for defined benefit plans is recognized as current or noncurrent based on the term of realization or maturity of the corresponding benefits.

Other personnel obligations

There are specific remuneration plans for certain executives of Applus Subgroup and Velosi Subgroup with the following features:

- i. Variable remuneration to certain Velosi Subgroup senior executives based on the achievement of certain financial aggregates by this subgroup in 2011, 2012 and 2013 (see Notes 18 and 27).
- ii. Variable remuneration to other senior executives of Applus Subgroup based on the achievement of certain financial aggregates in 2011, 2012 and 2013 (see Notes 18 and 27).
- iii. Other specific remuneration plans for certain executives of Applus Subgroup and Velosi Subgroup: 11 executives of the Subgroup Applus and Subgroup Velosi have a specific remuneration plan based on the profitability that the shareholder will obtain in case of divestment, including any process of admission to trading shares of the Parents Company. The remuneration consists of a fixed amount from the minimum level of profitability and increases in stages depending on the multiple. In case of partial divestment, remuneration shall be calculated in proportion of the percentage alienated. The compensation arises at the moment of the divestment and in the case that the executive has not voluntarily withdrawn within one year of the change of the shareholder (See Note 27).

o) Debts and classification between current and non-current

Debts are recognised at their present value and are classified on the basis of their maturity at the reporting date, i.e. debts due to be settled within twelve months are classified as current liabilities and those due to be settled within more than twelve months are classified as non-current liabilities.

p) Financial liabilities

Financial liabilities are classified either financial liabilities at fair value through profit and loss (FVTPL) or other financial liabilities.

Applus Subgroup and Velosi Subgroup only have other financial liabilities (including bank borrowings, trade payable and other payables). Other financial liabilities are recognized with the effective interest method.

The effective interest method is a method of calculating the amortized cost of a debt instrument. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Applus Subgroup and Velosi Subgroup usually use the net carrying amount on initial recognition, because its term is less than a year.

Due to the nature and term (less than one year) of Applus Subgroup and Velosi Subgroup trade payables and other payables, they are generally recognised at their original acquisition cost.

Applus Subgroup and Velosi subgroup derecognise financial liabilities when, and only when, the obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payables is recognized in the combined special purpose income statement.

q) *Transactions in currencies other than the euro*

The combined special purpose financial statements's functional currency is the euro. Therefore, all balances and transactions in currencies other than the euro are deemed to be "foreign currency transactions". At each closing date, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates prevailing on the balance sheet date. Any resulting gains or losses are recognised directly in the income statement. The balances in the financial statements of Applus Subgroup and Velosi Subgroup consolidated companies with a functional currency other than the euro are translated to euros as follows:

- Assets and liabilities are translated by applying the exchange rates prevailing at the reporting date.
- Income, expenses and cash flows are translated at the average exchange rates for the year.
- Equity items are translated at the historical exchange rates.
- Translation differences arising as a consequence of the application of this method are presented under "Equity Attributable to Shareholders of the Parent - Translation Differences" in the accompanying combined special purpose balance sheet.

The detail of the equivalent euro value of the main assets in foreign currency held by Applus Subgroup and Velosi Subgroup at 31 December 2012 and 2011 was as follows (in thousands of euros):

Balances held in:	31/12/2012	31/12/2011
US dollar	375,238	345,839
Canadian dollar	67,430	59,979
Australian dollar	58,968	51,364
Danish krone	58,840	57,264
Pound sterling	52,217	47,429
Colombian peso	22,445	21,285
Singapore dollar	20,386	12,996
Qatari riyal	19,055	16,867
United Arab Emirates dirham	15,732	12,669
Chilean peso	15,292	14,610
Brazilian real	14,504	22,637
Czech koruna	12,232	11,049
Chinese yuan	10,840	3,141
Indonesian rupiah	9,726	5,414
Saudi riyal	9,283	5,518
Malaysian ringgit	8,795	7,870
Mexican peso	8,563	4,916
Norwegian krone	8,358	9,009
Argentine peso	8,294	5,911
Kuwaiti dinar	5,819	3,829
Guatemalan quetzal	5,133	6,014
Papua New Guinean kina	4,704	4,199
Panamanian balboa	3,912	3,432
South African rand	3,711	3,510
Indian rupee	1,858	958
Nigerian naira	1,799	1,576
Others	2,268	5,640
Total	825,402	741,100

The detail of the main foreign currency balances was as follows:

2012

Nature of the balances	Thousands of euros						
	US dollars	Danish krone	Canadian dollar	Pound sterling	Australian dollar	Chilean peso	Czech koruna
Non-current assets	275,702	52,928	50,508	31,858	28,022	9,674	7,416
Current assets	99,536	5,912	16,922	20,359	30,946	5,618	4,816
Liabilities excluding Equity	293,770	4,900	4,289	9,562	19,385	2,021	2,012

Nature of the balances	Thousands of euros						
	Brazilian real	Colombian peso	Norwegian krone	Qatari riyal	Singapore dollar	Chinese yuan	Argentine peso
Non-current assets	6,515	4,630	4,413	2,199	2,969	2,126	1,651
Current assets	7,989	17,815	3,945	16,856	17,417	8,714	6,643
Liabilities excluding Equity	4,828	11,188	1,875	6,650	7,243	1,515	3,759

Nature of the balances	Thousands of euros						
	South African rand	United Arab Emirates dirham	Mexican peso	Saudi riyal	Indian rupee	Malaysian ringgit	Others
Non-current assets	1,596	1,207	1,152	948	890	721	2,382
Current assets	2,115	14,525	7,411	8,335	968	8,074	30,979
Liabilities excluding Equity	410	6,940	2,258	5,361	49	20,493	11,791

2011

Nature of the balances	Thousands of euros						
	US dollar	Danish krone	Canadian dollar	Pound sterling	Australian dollar	Brazilian real	Chilean peso
Non-current assets	271,427	54,061	47,756	30,179	26,406	11,595	9,645
Current assets	74,412	3,203	12,223	17,250	24,958	11,042	4,965
Liabilities excluding Equity	292,628	4,472	3,846	9,379	13,545	7,043	2,088

Nature of the balances	Thousands of euros						
	Czech koruna	Colombian peso	Norwegian krone	Singapore dollar	Malaysian ringgit	Qatari riyal	Argentine peso
Non-current assets	5,677	4,347	3,353	2,682	2,285	2,076	1,947
Current assets	5,372	16,938	5,656	10,314	5,585	14,791	3,964
Liabilities excluding Equity	2,075	12,764	2,325	4,490	2,366	3,984	3,156

Nature of the balances	Thousands of euros						
	South African rand	United Arab Emirates dirham	Mexican peso	Chinese yuan	Saudi riyal	Polish zloty	Others
Non-current assets	1,928	1,291	1,237	1,090	1,088	606	2,035
Current assets	1,582	11,378	3,679	2,051	4,430	176	24,420
Liabilities excluding Equity	592	5,586	1,629	656	2,036	78	9,398

The average and closing rates used in the translation to euros of the balances held in foreign currency were as follows:

EUR	2012		2011	
	Average rate	Closing rate	Average rate	Closing rate
Thai baht	40.11	40.33	42.75	41.49
Panamanian balboa	1.31	1.35	1.42	1.33
Ghanaian cedi	23,935.68	25,044.10	21,726.92	21,635.40
Costa Rican colon	657.86	670.41	707.46	651.17
Nicaraguan cordoba	30.70	32.46	31.76	30.41
Danish krone	7.44	7.46	7.45	7.43
Norwegian krone	7.49	7.39	7.80	7.78
Swedish krona	8.71	8.77	9.04	9.04
Bahreini dinar	0.49	0.50	0.53	0.49
Kuwaiti dinar	0.36	0.37	0.39	0.36
United Arab Emirates dirham	4.72	4.84	5.13	4.79
Moroccan dirham	11.20	11.29	11.35	11.30
Australian dollar	1.24	1.25	1.35	1.31
Canadian dollar	1.28	1.30	1.38	1.36
Brunei dollar	1.63	1.63	1.78	1.72
Hong Kong dollar	9.97	10.20	10.87	10.16
Singapore dollar	1.61	1.61	1.75	1.70
US dollar	1.28	1.32	1.40	1.30
New Zealand dollar	1.59	1.56	1.76	1.71
Vietnamese dong	27,039.26	27,631.40	29,000.96	27,667.50
Papua New Guinean kina	2.70	2.75	3.34	2.86
Czech koruna	25.16	25.25	24.57	25.40
Angolan kwanza	122.85	126.41	131.13	124.47
Egyptian pound	7.84	8.14	8.33	7.87
Pound sterling	0.81	0.81	0.87	0.84
Nigerian naira	205.68	209.64	219.27	213.62
Peruvian nuevo sol	3.44	3.43	3.89	3.56
Argentine peso	5.84	6.44	5.76	5.59
Chilean peso	627.06	625.99	674.97	677.13
Colombian peso	2,326.09	2,365.64	2,600.68	2,555.02
Mexican peso	16.92	16.80	17.28	18.12
Guatemalan quetzal	10.25	10.55	11.06	10.34
South African rand	10.54	11.32	10.08	10.97
Brazilian real	2.51	2.75	2.33	2.42
Omani rial	0.50	0.51	0.54	0.50
Qatari riyal	4.69	4.80	5.09	4.75
Yemeni rial	278.81	284.30	304.46	288.99
Malaysian ringgit	3.98	4.03	4.27	4.14
Saudi riyal	4.82	4.94	5.24	4.89
Russian rouble	40.03	40.60	40.95	41.98
Indian rupee	68.96	71.98	65.52	70.69
Pakistani rupee	120.61	129.69	121.25	117.89
Indonesian rupiah	12,061.64	12,704.70	12,276.93	11,839.30
South Korean won	1,454.37	1,422.16	1,545.14	1,510.76
Japanese yen	102.32	110.45	111.39	101.50
Chinese yuan	8.12	8.28	9.04	8.35
Polish zloty	4.19	4.09	4.12	4.52

r) *Income tax, deferred tax assets and deferred tax liabilities*

The income tax expense represents the sum of the current tax expense and the effect of the changes in deferred tax assets and liabilities and reported tax loss and tax credit carryforwards.

The current income tax expense is calculated by aggregating the current tax arising from the application of the tax rate to the taxable profit (tax loss) for the year, after deducting the tax credits allowable for tax purposes, plus the change in deferred tax assets and liabilities, and any tax loss and tax credit carryforwards.

Certain Applus Subgroup's companies domiciled in Spain file consolidated tax returns as part of tax group 238/08 of which Applus Technologies Holding, S.L. is the Parent.

Deferred tax assets and liabilities 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 tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, unless, in general, the temporary difference arises from the initial recognition of goodwill. Deferred tax assets are recognised for temporary differences to the extent that it is considered probable that Applus Subgroup and Velosi Subgroup 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 loss and tax credit carryforwards) are only recognised if it is considered probable that Applus Subgroup and Velosi Subgroup consolidated companies will have sufficient future taxable profits against which they can be utilised.

The deferred tax assets and liabilities recognised are reassessed at each balance sheet date in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

s) *Revenue recognition*

Revenue is recognised at the fair value of the consideration received or receivable and represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, VAT (or equivalent tax) and other sales-related taxes.

Revenue associated with the rendering of services is also recognised by reference to the stage of completion of the transaction at the balance sheet date, provided the outcome of the transaction can be estimated reliably.

A great part of the Applus Subgroup and Velosi Subgroup activities are revenues from projects in progress related to the multi-industry certification or engineering business with a signed contract.

A part of the Applus Subgroup and Velosi Subgroup activity consists of the execution of work to order for which a firm agreement generally exists.

As regards work units completed for production, each year the Applus Subgroup and Velosi Subgroup recognises as profit or loss the difference between period production and the costs incurred during the year. Production each year is measured at the selling price of the units completed in the year that, since they are covered by the contract entered into with the owners, do not give rise to any reasonable doubts regarding their final billing.

t) Expense recognition

An expense is recognised in the income statement when there is a decrease in the future economic benefit related to a reduction of an asset, or an increase in a liability, which can be measured reliably. This means that an expense is recognised simultaneously to the recording of the increase in a liability or the reduction of an asset.

An expense is recognised immediately when a disbursement does not give rise to future economic benefits or when the requirements for recognition as an asset are not met. Also, an expense is recognised when a liability is incurred and no asset is recognised, as in the case of a liability relating to a guarantee.

u) Discontinued operations

A discontinued operation is a business segment that has been decided to abandon and/or dispose of in full whose assets, liabilities and net profit or loss can be distinguished physically, operationally and for financial reporting purposes. Pursuant to IFRS 5, the revenue and expenses of discontinued operations are presented separately in the combined special purpose income statement and the net assets and net liabilities are presented separately in combined special purpose current assets and combined special purpose current liabilities, respectively, for the current period only.

The combined special purpose statement of cash flows does not include the cash flows from discontinued operations in 2012 or 2011. In 2011 Applus Subgroup decided to discontinue the "Tracker" and "Security" programmes of the subsidiary Applus Autologic Inc., which had incurred losses of EUR 1,682 thousand during that year (see Note 28). Applus Subgroup and Velosi Subgroup did not decide to discontinue any significant operation in 2012.

v) Segment reporting

Operating segments are reported in a manner consistent with the internal information reported to Applus Subgroup Management. The operating segments are the components of Applus Technologies, S.L. that involve business activities from which revenues are obtained and expenses are incurred, including ordinary incomes and expenses from transactions with other components of the same subgroup. With regards to these segments, the financial information is separated and operating results are reviewed regularly by Applus Management in order to decide what resources have to be assigned to the segment and to evaluate its performance.

Velosi Subgroup has only one segment of components.

So these combined special purpose financial statements have been prepared considering the following segments: Applus+ RTD, Applus+ Velosi, Applus+ Norcontrol, Applus+ Laboratories, Applus+ Automotive, Applus+ IDIADA and Others (see Note 23).

w) Combined special purpose statement of cash flows

The following terms are used in the combined special purpose statement of cash flows:

- Cash flows: inflows and outflows of cash and equivalent financial assets, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the Applus Subgroup and Velosi Subgroup's principal revenue-producing activities and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the equity and borrowings of Applus Subgroup and Velosi Subgroup companies that are not operating activities.

5. Goodwill

The detail of the goodwill, by cash-generating unit (CGU), at the end of 2012 and 2011 was as follows:

Cash-generating unit	Thousands of euros	
	31/12/12	31/12/11
AUTO Spain	170,972	170,972
Idiada	54,900	54,900
AUTO Finland	52,782	52,782
RTD US and Canada	47,874	47,702
RTD Netherlands	34,164	34,164
RTD Germany	29,364	47,465
RTD UK	28,453	27,599
LGAI	27,996	27,996
AUTO US	25,209	25,602
Norcontrol	21,708	21,708
Velosi (Note 3.e.1)	19,392	6,264
RTD Australia	16,257	15,854
RTD other	9,886	9,886
AUTO Denmark	6,701	6,849
Valley Industrial X-Ray and Inspection Services, Inc.	5,551	4,142
JAN-X	5,298	5,345
Technico Inc.	4,161	4,161
RTD Brazil	3,873	2,768
Idiada Tecnologia Automotiva (formerly High End CAD/CAE/CAM, S.A.)	1,927	2,189
Quality Inspection Services, Inc.	1,840	3,164
LGAI Germany (BKW)	1,243	3,662
Kiefner & Associates, Inc.	335	2,397
Other	1,282	1,903
Total goodwill on consolidation	571,168	579,474

The changes in 2012 and 2011 were as follows:

	Thousands of euros
Balance at 1 January 2011	585,893
Additions	11,751
Translation differences	2,161
Disposals	(2,331)
Write-downs (Note 22)	(18,000)
Balance at 31 December 2011	579,474
Restatement	(1,287)
Balance at 1 January 2012	578,187
Changes in the scope of consolidation (Note 3.e.1)	13,128
Translation differences	388
Disposals	(2,434)
Write-downs (Note 22)	(18,101)
Balance at 31 December 2012	571,168

The additions in 2011 related, basically, to the business combinations described in Note 3.e for the following amounts (in thousands of euros):

Company	2011
BK Werkstofftechnik - Prüfstelle Für Werkstoffe (Lgai Germany)	3,658
Qualitec Engenharia da Qualidade, Ltda. (RTD Brazil)	2,956
Kiefner & Associates, Inc.	2,341
Applus Norcontrol, S.L.U.	820
Assinco - Assessoria, Inspeção e Controle, Ltda.	725
Velosi Subgroup acquisitions	1,305
Change in exchange rates	(54)
Total	11,751

The assets and liabilities acquired on 9 June 2011 of Assinco - Assessoria, Inspeção e Controle, Ltda., on 27 July 2011 of BK Werkstofftechnik - Prüfstelle Für Werkstoffe, GmbH. and on 16 November 2011 of Kiefner & Associates, Inc. were temporarily measured at the end of 2011 at the date upon the control of the companies was acquired. The resulting fair values have been revised in 2012 pursuant to IFRS 3, Business Combinations. At 31 December 2012, the assets and liabilities acquired on 9 June 2011 of Assinco - Assessoria, Inspeção e Controle, Ltda. on 27 July 2011 of BK Werkstofftechnik - Prüfstelle Für Werkstoffe, GmbH. and on 16 November 2011 of Kiefner & Associates, Inc. have been definitively measured, and the goodwill generated on the acquisitions was recognised retrospectively (see Note 6).

Impairment test (write-down)

In 2012 and 2011 Applus Subgroup and Velosi Subgroup tested goodwill for impairment by calculating the present value of the expected future cash flows of each cash-generating unit. The main assumptions used in the impairment test were as follows:

- Time horizon of 25 years (very similar to using four-year time frames and a perpetuity return) or duration of the contract for cash generating units with a finite life.
- Exclusion from the calculation of perpetual returns at the end of the 25 years.
- The figures included in the budget approved by Applus Subgroup and Velosi Subgroup management were taken into account in the cash flows projected for 2013.

- Increases in revenue of between 0% and 5% for 24 years from 2013 onwards.
- Constant EBITDA margins (except for certain cash generating units where margins were increased as the amounts were not considered recurrent in 2012).
- Constant Capex and working capital over the 25 projected years.
- The main discounted rates, before taxes, used in each of the geographical areas were as follows:

Country	2012 (%)	2011 (%)
Spain	9.9	10.4
Ireland	12.1	15.1
US and Canada	8.1	6.8
Finland	8.1	7.5
Denmark	8.6	7.1
Netherlands	8.2	7.4
Germany	8.1	7.1
Australia	7.9	8.6
UK	8.5	8.1
Malaysia	8.0	8.0

Writedown of EUR 18,101 thousand in 2012 (EUR 18,000 thousand in 2011) related in full to a portion of the goodwill of the RTD Germany cash-generating unit.

At 31 December 2012 the accumulated goodwill write-down is EUR 52,417 thousand (31 December 2011: EUR 34,316 thousand).

According to the estimates and projections available, forecasts of profit attributable to the investments with associated goodwill individually exceed their combined special purposes carrying amount; therefore no write-downs additional to those already made in the year are required.

Sensitivity analysis

The main variables with the greatest impact on the impairment test performed by Applus Subgroup and Velosi Subgroup management are as follows:

- Discounted rate (WACC) before taxes.
- EBITDA
- Revenue growth

A 1% increases in the discounted rate, a 1% reduction in the EBITDA, or a 1% reduction in expected revenue growth would have a significant negative impact for Applus Subgroup and Velosi Subgroup in the impairment test to be performed.

However, a 1% reductions in the discounted rate, a 1% increases in the EBITDA or a 1% increases in the expected revenue growth would not have a positive significant impact since there are no significant impairment losses on property, plant and equipment and intangible assets and the impairment loss on goodwill may not be reversed.

The Applus Technologies Holding, S.L.'s Board of Directors consider that the assumptions used in the impairment test at 31 December 2012 and 2011 are reasonable and do not expect any significant negative changes thereto.

6. Other intangible assets

The changes in 2012 and 2011 in intangible asset accounts and in the related accumulated amortisation were as follows:

	2012 - Thousands of euros								
	Balance at 31 December 2011	Restatement	Balance at 1 January 2012	Changes in the scope of consolidation in Applus Subgroup and Velosi Subgroup	Additions or charge for the year	Disposals or reductions	Transfers	Changes in exchange rates and other	Balance at 31 December 2012
Cost:									
Administrative concessions	135,919	-	135,919	-	-	-	-	-	135,919
Patents, licences and trademarks	243,911	-	243,911	35,124	4,192	-	-	(34)	283,193
Administrative authorisations	236,155	-	236,155	-	-	-	-	-	236,155
Customer portfolio	116,585	5,577	122,162	17,308	-	-	-	31	139,501
Computer software	42,530	-	42,530	196	2,329	(1,246)	81	19	43,909
Goodwill acquired	9,603	-	9,603	-	-	(488)	-	219	9,334
Asset usage rights	73,080	-	73,080	-	-	(120)	-	-	72,960
Other	18,819	-	18,819	-	1,951	(113)	36	(151)	20,542
Total cost	876,602	5,577	882,179	52,628	8,472	(1,967)	117	84	941,513
Accumulated amortisation	(181,057)	(148)	(181,205)	1,724	(47,107)	796	395	272	(225,125)
Total net	695,545	5,429	700,974	54,352	(38,635)	(1,171)	512	356	716,388

	2011 - Thousands of euros						
	Balance at 1 January 2011	Changes in the scope of consolidation in Applus Subgroup and Velosi Subgroup	Additions or charge for the year	Disposals or reductions	Transfers	Changes in exchange rates and other	Balance at 31 December 2011
Cost:							
Administrative concessions	135,919	-	-	-	-	-	135,919
Patents, licences and trademarks	239,519	-	1,600	-	2,646	146	243,911
Administrative authorisations	236,155	-	-	-	-	-	236,155
Customer portfolio	116,623	-	-	-	(30)	(8)	116,585
Computer software	43,331	54	2,741	(2,765)	(932)	101	42,530
Goodwill acquired	9,740	-	-	(68)	2	(71)	9,603
Asset usage rights	73,080	-	-	-	-	-	73,080
Other	15,911	6	2,525	-	(123)	500	18,819
Total cost	870,278	60	6,866	(2,833)	1,563	668	876,602
Accumulated amortisation	(141,093)	(10)	(40,680)	2,043	(649)	(668)	(181,057)
Total net	729,185	50	(33,814)	(790)	914	-	695,545

Identification and valuation of intangible assets in business combinations

In 2012 the Applus Subgroup's assessment at fair value of the assets and liabilities of Assinco - Assessoria, Inspeção e Controle, Ltda. acquired on 9 June 2011, of BK Werkstofftechnik - Prüfstelle Für Werkstoffe, GmbH. acquired on 27 July 2011 and of Kiefner & Associates, Inc. acquired on 16 November 2011 were completed and the fair value of the assets and liabilities acquired was definitively and retrospectively recognised. In the measurement of assets and liabilities intangible assets were identified amounting to EUR 5,577 thousand (EUR 3,796 thousand net of the related tax effect) relating to a customer portfolio, which are being amortised over 15 years.

In 2012, based on an independent valuation, Applus Subgroup carried out the assessment at fair value of the assets and liabilities of Velosi Subgroup contributed in Applus Subgroup on 20 December 2012, recognising the temporary fair value of the assets and liabilities associated with the aforementioned business combination. Intangible assets amounting to EUR 62,407 thousand (EUR 55,363 thousand net of the related tax effect) were identified as of 20 December 2012 when measuring the aforementioned assets and liabilities, and the detail was as follows:

	Amount (in thousands of euros)
Trademark	26,183
Customer portfolio	19,012
Trademark licence agreement	16,939
Databases	273
Total	62,407

Based on the measurement of the assets acquired and liabilities assumed at fair value, intangible assets were revalued in EUR 54,352 thousand, mainly in relation to the trademark, the trademark licence agreement and the customer relationships. The deferred tax liability of this process was EUR 7,044 thousand, with a tax rate of 13%, due to the fact that the customer portfolio is mainly from Middle Eastern countries with very low or non-existent tax rate, the trademark licence agreement is mainly from a Malaysian company with a tax rate of 25% and the trademark is from Velosi S.à r.l. whose registered office is located in Luxembourg where the tax rate for this intangible asset is only a 6%.

In 2011 the Applus Subgroup's assessment of the assets and liabilities of Quality Inspection Services, Inc. acquired on 26 February 2010 and of Valley Industrial X-Ray and Inspection Services, Inc. acquired on 9 April 2010 was completed and the goodwill generated on these acquisitions was definitively and retrospectively recognised. In the measurement of assets and liabilities, intangible assets were identified amounting to EUR 24,354 thousand (EUR 17,048 thousand net of the related tax effect) relating to a customer portfolio.

In 2008, based on an independent valuation, the assessment of the Applus Subgroup assets and liabilities acquired by Applus Technologies Holding, S.L. on 29 November 2007 was completed and the fair value of the assets and liabilities arising from the acquisition was definitively and retrospectively recognised. Assets of EUR 734,957 thousand (EUR 514,470 thousand net of the related tax effect) were identified when measuring the assets and liabilities.

The assets and liabilities identified in the above referred processes are as follows:

	Thousands of euros	
	31/12/12	31/12/11
Administrative authorisations	259,910	259,910
Applus and RTD trademarks	228,441	228,441
Administrative concessions	102,319	102,319
RTD customer portfolio	67,949	67,949
Rights of use	57,516	57,516
Quality and Valley customer portfolio	24,354	24,354
Velosi trademark	26,183	-
Velosi customer portfolio	19,012	-
Norcontrol customer portfolio	18,822	18,822
Velosi trademark licence agreement	16,939	-
Assinco, BKW and Kiefner customer portfolio	5,577	-
Velosi databases	273	-
Total identification of assets	827,295	759,311

The most significant assumptions used to allocate the aforementioned valuations on assets were as follows:

- The income approach and specifically the multi-period excess earnings method, whereby the value of the asset is the present value of the projected flows from that asset, was used to calculate the fair value of administrative authorisations.
- The income approach and specifically the multi-period excess earnings method, whereby the value of the asset is the present value of the projected flows over the useful life assigned to the related contract, was used to calculate the fair value of administrative concessions and rights of use. The possibility of contract renewals for cash-generating units with finite lives was not considered.
- The royalty relief method, whereby the value of the asset is the present value of future royalty income from the use of the trademarks by the licensees, was used to calculate the value of the trademarks and trademark licence agreements.
- The income approach and specifically the multi-period excess earnings method, taking into account the useful lives of the customer portfolios and its discounted revenue was used to calculate the value of the customer's portfolios.

The description of the main assets included under this heading is as follows:

- Administrative authorisations and administrative concessions:

The administrative authorisations relate to vehicle roadworthiness testing services in Spain and abroad which Applus Subgroup manages under this name. Administrative authorisations are mainly located in Spain and Finland. The administrative authorisations for the inspections of Catalonian vehicles are not amortised. The administrative authorisations for the inspections of Finnish vehicles had been amortised over 15 years. The related useful lives of this authorisations were re-estimated on 1 January 2012 and the carrying amount at that date is now being amortised over 10 years.

An administrative concession mainly includes the operating rights for vehicle roadworthiness testing facilities. On 31 December 2012 and 2011, Applus Subgroup is managing various administrative concessions relating to vehicle roadworthiness testing services, mainly in the US, Spain (Alicante, Aragon, the Basque Country and Menorca), Ireland, Argentina and Chile. These administrative concessions, which are amortised on the basis of their useful life, expire on various dates from 2014 to 2023 and are depreciated during its useful life.

- Patents, licences and trademarks:

"Patents, licences and trademarks" includes the Applus, RTD and Velosi trademarks and Velosi trademark licence agreement. The three trademarks are considered to have a finite useful life. The first two are being amortised over 25 years while the Velosi trademark and the trademark licence's agreement are being amortised over 10 years.

- Customer portfolios:

Customer portfolios relates to the carrying amount of certain contracts of several subsidiaries of Applus Subgroup and Velosi Subgroup. The contract term and its probability of renewal have been considered to conclude about its fair value. Customer portfolios amortization is calculated according to the contract term as follows:

	Useful live years
RTD Europe and Asia Pacific	25
RTD United States and Canada	15
Velosi	5
Lgai	15
Norcontrol	15

- Asset usage rights:

These mainly include the carrying amounts of the usage rights transferred by Laboratori General d'Assaig i Investigació (now Catalonia Autonomous Community Government) on the incorporation of the Applus Subgroup company LGAI Technological Center, S.A. and the carrying amount of the assets assigned by Institut d'Investigació Aplicada de l'Automòbil (now Empresa de Promoció i Localització Industrial de Catalunya (AVANÇSA)) to Idiada Automotive Technology, S.A., relating, basically, to machinery and other fixtures. These rights of use are amortised over the useful life of the contract granting use of these assets (Idiada with term in 2029 and LGAI with term in 2033) or the useful life of the assets, the minor.

In 2012 the amortisation charge associated with the aforementioned revalued assets recognised in the accompanying combined special purpose income statement amounted to EUR 34,855 thousand (2011: EUR 29,842 thousand).

Impairment test (write-down)

The main assumptions used in the impairment test are described in Note 5.

At 31 December 2012, fully amortised intangible assets in use amounted to EUR 33,106 thousand (31 December 2011: EUR 29,850 thousand). Applus Subgroup and Velosi Subgroup did not have any temporarily idle items at 31 December 2012 or 2011.

At 31 December 2012 and 2011, Applus Subgroup and Velosi Subgroup had no material firm intangible asset purchase commitments.

7. Property, plant and equipment

The changes in 2012 and 2011 in the various property, plant and equipment accounts and in the related accumulated depreciation and impairment losses were as follows:

	2012 - Thousands of euros						
	Balance at 1 January 2012	Changes in the scope of consolidation in Applus Subgroup and Velosi Subgroup	Additions or charge for the year	Disposals or reductions	Transfers	Changes in exchange rates and other	Balance at 31 December 2012
Cost:							
Land and buildings	133,805	(334)	4,247	(459)	(1,189)	113	136,183
Plant and machinery	190,189	(346)	24,344	(862)	2,041	246	215,612
Other fixtures, tools and furniture	71,190	(65)	6,225	(2,613)	(1,163)	185	73,759
Other items of property, plant and equipment	46,988	(6)	13,282	(1,909)	2,980	(77)	61,258
Advances and property, plant and equipment in the course of construction	6,349	-	4,811	(44)	(3,493)	(22)	7,601
Grants	(2,253)	-	138	94	824	-	(1,197)
Total cost	446,268	(751)	53,047	(5,793)	-	445	493,216
Impairment losses	(270)	-	(405)	-	(405)	(612)	(1,692)
Accumulated depreciation	(266,757)	181	(35,013)	6,096	226	309	(294,958)
Total	179,241	(570)	17,629	303	(179)	142	196,566

	2011 - Thousands of euros						
	Balance at 1 January 2011	Changes in the scope of consolidation in Applus Subgroup and Velosi Subgroup	Additions or charge for the year	Disposals or reductions	Transfers	Changes in exchange rates and other	Balance at 31 December 2011
Cost:							
Land and buildings	127,854	7	6,552	(3,180)	1,831	741	133,805
Plant and machinery	169,471	1,537	18,239	(2,541)	1,834	1,649	190,189
Other fixtures, tools and furniture	65,163	973	7,443	(2,186)	(423)	220	71,190
Other items of property, plant and equipment	41,072	2,112	6,504	(2,003)	(1,181)	484	46,988
Advances and property, plant and equipment in the course of construction	7,748	2,174	-	(12)	(3,702)	141	6,349
Grants	(2,332)	-	(328)	407	-	-	(2,253)
Total cost	408,976	6,803	38,410	(9,515)	(1,641)	3,235	446,268
Impairment losses	(247)	-	(23)	-	-	-	(270)
Accumulated depreciation	(239,235)	(1,620)	(32,736)	7,351	1,545	(2,062)	(266,757)
Total	169,494	5,183	5,651	(2,164)	(96)	1,173	179,241

In 2012 the additions related, basically, to plant and machinery amounting to EUR 24,344 thousand, which were acquired in the course of Applus Subgroup's and Velosi Subgroup's normal operations. Also, additions to land and buildings amounting to EUR 4,247 thousand were recognised, of which EUR 2,242 thousand relate to land and buildings acquired in Spain by the Applus Subgroup company Applus ITV Technology, S.L.U. in the autonomous community of Madrid for vehicle roadworthiness testing.

Additions to "Other Items of Property, Plant and Equipment" amounting to EUR 13,282 thousand related, mainly, to the acquisition of items of transport equipment totalling EUR 7,472 thousand.

In 2011, the additions related, basically, to plant and machinery amounting to EUR 18,239 thousand, which were acquired in the course of the Applus Subgroup and Velosi Subgroup's normal operations. Also, additions to land and buildings amounting to EUR 6,552 thousand were recognised, of which EUR 5,714 thousand were related to land acquired in Spain by the Applus Subgroup company, Applus ITV Technology, S.L.U., for vehicle roadworthiness testing.

The gross value of fully depreciated items of property, plant and equipment in use at 31 December 2012 amounted to EUR 118,939 thousand (31 December 2011: EUR 96,949 thousand). Applus Subgroup and Velosi Subgroup did not have any temporarily idle items at 31 December 2012 or 2011.

Applus Subgroup and Velosi Subgroup have taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

At 31 December 2012 and 2011, Applus Subgroup and Velosi Subgroup did not have any significant firm property, plant and equipment purchase commitments.

Certain Applus Subgroup's companies have property, plant and equipment items that have to be handed over to the Government at the end of the related concession terms. The detail of the carrying amount of the assets subject to reversion at 31 December 2012 and 2011 was as follows:

	2012 - Thousands of euros		
	Gross cost	Accumulated depreciation/ Impairment losses	Carrying amount
Applus Iteuve Technology, S.L.U.	40,882	(35,608)	5,274
Idiada Automotive Technology, S.A.	26,886	(14,843)	12,043
Applus Iteuve Euskadi, S.A.U.	5,703	(4,208)	1,495
L.GAI Technological Center, S.A.	14,200	(12,289)	1,911
Total	87,671	(66,948)	20,723

	2011 - Thousands of euros		
	Gross cost	Accumulated depreciation/ Impairment losses	Carrying amount
Applus Iteuve Technology, S.L.U.	38,344	(34,261)	4,083
Idiada Automotive Technology, S.A.	22,865	(13,391)	9,474
Applus Iteuve Euskadi, S.A.U.	6,930	(4,251)	2,679
L.GAI Technological Center, S.A.	14,200	(11,295)	2,905
Total	82,339	(63,198)	19,141

The detail of the most significant items of property, plant and equipment located outside Spain at 31 December 2012 and 2011 was as follows:

2012

	Amounts at closing exchange rate (in thousands of euros) in:					
	US dollar	Danish krone	Chilean peso	Australian dollar	Pound sterling	Qatari rial
Cost:						
Land and buildings	44,512	13,443	9,330	773	1,706	-
Plant and machinery	73,028	4,296	2,911	6,501	3,496	-
Other fixtures, tools and furniture	4,055	297	192	707	394	2,368
Other items of property, plant and equipment	28,582	1,285	862	2,436	128	2,014
Advances and property, plant and equipment in the course of construction	881	56	-	-	-	-
Total cost	151,058	19,377	13,295	10,417	5,724	4,382
Accumulated depreciation	(88,482)	(7,170)	(4,570)	(7,575)	(3,306)	(2,190)
Total carrying amount	62,576	12,207	8,725	2,842	2,418	2,192

	Amounts at closing exchange rate (in thousands of euros) in:					
	Chinese yuan	Canadian dollar	Czech koruna	Colombian peso	Brazilian real	Singapore dollar
Cost:						
Land and buildings	-	395	236	-	-	-
Plant and machinery	1,149	6,862	3,447	2,344	1,263	2,170
Other fixtures, tools and furniture	488	538	43	521	198	1,133
Other items of property, plant and equipment	479	862	1,540	1,477	1,117	461
Advances and property, plant and equipment in the course of construction	490	-	-	-	-	-
Total cost	2,606	8,657	5,266	4,342	2,578	3,764
Accumulated depreciation	(478)	(6,700)	(3,349)	(2,675)	(1,162)	(2,457)
Total carrying amount	2,128	1,957	1,917	1,667	1,416	1,307

	Amounts at closing exchange rate (in thousands of euros) in:					
	United Arab Emirates dirham	Argentine peso	Saudi riyal	Norwegian krone	South African rand	Malaysian ringgit
Cost:						
Land and buildings	-	1,465	-	-	264	-
Plant and machinery	929	624	29	1,088	2,574	1,676
Other fixtures, tools and furniture	853	73	659	47	93	1,128
Other items of property, plant and equipment	558	739	968	85	248	365
Advances and property, plant and equipment in the course of construction	-	-	-	-	-	-
Total cost	2,340	2,901	1,656	1,220	3,179	3,169
Accumulated depreciation	(1,137)	(1,743)	(712)	(301)	(2,272)	(2,451)
Total carrying amount	1,203	1,158	944	919	907	718

2011

	Amounts at closing exchange rate (in thousands of euros) in:					
	US dollar	Danish krone	Chilean peso	Australian dollar	Pound sterling	Qatari rial
Cost:						
Land and buildings	44,933	13,461	8,625	738	1,627	-
Plant and machinery	66,741	4,164	2,667	5,617	3,196	-
Other fixtures, tools and furniture	3,977	255	104	1,406	269	1,772
Other items of property, plant and equipment	19,137	1,274	286	1,554	-	2,142
Advances and property, plant and equipment in the course of construction	2,358	6	-	-	-	-
Total cost	137,146	19,160	11,682	9,315	5,092	3,914
Accumulated depreciation	(80,884)	(6,442)	(3,191)	(6,575)	(2,633)	(1,839)
Total carrying amount	56,262	12,718	8,491	2,740	2,459	2,075

	Amounts at closing exchange rate (in thousands of euros) in:					
	Czech koruna	Canadian dollar	Brazilian real	Colombian peso	Argentine peso	United Arab Emirates dirham
Cost:						
Land and buildings	235	104	-	1,893	1,679	-
Plant and machinery	3,235	5,893	1,082	477	688	665
Other fixtures, tools and furniture	43	480	199	-	82	624
Other items of property, plant and equipment	1,415	1,009	1,382	1,205	796	549
Advances and property, plant and equipment in the course of construction	-	-	-	-	10	-
Total cost	4,928	7,486	2,663	3,575	3,255	1,838
Accumulated depreciation	(2,892)	(5,861)	(1,123)	(2,083)	(1,825)	(695)
Total carrying amount	2,036	1,625	1,540	1,492	1,430	1,143

	Amounts at closing exchange rate (in thousands of euros) in:				
	South African rand	Chinese yuan	Singapore dollar	Saudi riyal	Malaysian ringgit
Cost:					
Land and buildings	267	687	-	-	-
Plant and machinery	2,499	224	1,651	29	1,590
Other fixtures, tools and furniture	84	-	872	411	925
Other items of property, plant and equipment	214	328	447	980	355
Advances and property, plant and equipment in the course of construction	-	-	-	-	-
Total cost	3,064	1,239	2,970	1,420	2,870
Accumulated depreciation	(1,966)	(160)	(1,898)	(412)	(2,021)
Total carrying amount	1,098	1,079	1,072	1,008	849

The detail of the main assets held by Applus Subgroup and Velosi Subgroup under finance leases at 31 December 2012 and 2011 was as follows:

	Thousands of euros			
	2012		2011	
	Original cost including purchase option	Lease payments paid	Original cost including purchase option	Lease payments paid
Plant and machinery	1,181	309	744	142
Computer hardware	2,769	22	2,704	234
Transport equipment	13,216	1,964	8,771	1,211
Total	17,166	2,295	12,219	1,587

The amounts payable under finance lease liabilities as of 31 December 2012 amounted to EUR 11,319 thousand (31 December 2011: EUR 6,799 thousand) (see Note 14).

8. Non-current financial assets

The changes in the various non-current financial asset accounts in 2012 and 2011 were as follows:

	2012 - Thousands of euros						
	Balance at 31 December 2011	Restatement	Balance at 1 January 2012	Additions or charge for the year	Disposals	Translation differences	Balance at 31 December 2012
Investments in other companies	4,196	-	4,196	1,583	(991)	(83)	4,705
Fixed-income securities	1	-	1	9	-	-	10
Non-current receivables	195	-	195	1,053	-	-	1,248
Deposits and guarantees	11,528	(3,670)	7,858	1,503	(1,493)	-	7,868
Impairment losses	(668)	-	(668)	-	-	-	(668)
Total	15,252	(3,670)	11,582	4,148	(2,484)	(83)	13,163

	2011 - Thousands of euros				
	Balance at 1 January 2011	Additions or charge for the year	Disposals	Translation differences	Balance at 31 December 2011
Investments in other companies	3,709	1,206	(794)	75	4,196
Fixed-income securities	3	-	(2)	-	1
Non-current receivables	304	7	(108)	(8)	195
Deposits and guarantees	8,497	3,031	-	-	11,528
Impairment losses	(668)	-	-	-	(668)
Total	11,845	4,244	(904)	67	15,252

Investments in other companies

The "Investments in other companies" relates, basically, to the ownership interest of between 45% and 50% in Velosi (B) Sdn Bhd, Velosi LLC, Rina-V Ltd, Rina-V Projects Certification L.L.C, Kurtec Pipeline Services Ltd, and Kurtec Pipeline Services L.L.C. over which the Velosi Subgroup does not exercise control.

Deposits and guarantees

At 31 December 2012, "Deposits and Guarantees" included EUR 4.4 million (31 December 2011: EUR 3.6 million) relating to restricted cash deposits to secure certain contracts entered into.

9. Inventories

The detail of Applus Subgroup's inventories at 31 December 2012 and 2011 was as follows:

	Thousands of euros	
	31/12/2012	31/12/2011
Laboratories and other materials	7,081	4,713
Raw materials and other supplies	817	692
Total inventories	7,898	5,405

These inventories related, mainly, to X-ray material used in non-destructive testing by the RTD subgroup; reagents, fungibles and chemical compounds used in laboratory or field tests by Lgai subgroup and parts and elements used in vehicle roadworthiness testing facilities.

Obsolete, defective or slow-moving inventories were reduced to realisable value. The inventories will be realised in less than twelve months.

10. Trade receivables for sales and services, related companies and other receivables

The detail of these current asset headings in the accompanying combined special purpose balance sheets at 31 December 2012 and 2011 was as follows:

	Thousands of euros	
	31/12/2012	31/12/2011
Trade receivables for sales and services	358,207	333,508
Work in progress	(22,664)	(19,085)
Trade receivables for sales and services	335,543	314,423
Trade receivables from related companies (Note 26)	5,106	5,081
Current tax assets	10,363	7,676
Other receivables	15,811	12,505
Total trade and other receivables	366,823	339,685

Under "Work in Progress" caption, are included all units of work that have not yet been billed to the final client valued at the sale price by Applus Subgroup and Velosi Subgroup. Applus Subgroup and Velosi Subgroup management considers there is certainty about its final billing (see Note 3.s).

Applus Technologies Holding, S.L.'s, Board of Directors considers that the carrying amount of trade and other receivables approximates their fair value.

The Applus Subgroup and Velosi Subgroup's average credit period for services rendered was approximately 56 days in 2012 (2011: 65 days). Subgroups do not charge interest on receivables with current maturity.

The accounts receivable that were past-due by more than twelve months amounted to EUR 16,762 thousand (31 December 2011: EUR 20,740 thousand). Write-downs have been recognised for most of these amounts.

The Applus Technologies Holding, S.L.'s Board of Directors considers that the carrying amount of trade and other receivables approximates their fair value.

Credit risk

The Applus Subgroup and Velosi Subgroup's main financial assets are cash and cash equivalents, trade and other receivables and investments, which represent the Applus Subgroup and Velosi Subgroup's maximum exposure to credit risk in relation to financial assets.

The Applus Subgroup and Velosi Subgroup's credit risk is principally attributable to trade receivables. The amounts presented in the combined special purpose balance sheet are net of allowances for doubtful debts, estimated by Applus Subgroup and Velosi Subgroup management based on prior experience and its assessment of the current economic environment.

The Applus Subgroup and Velosi Subgroup does not have a significant concentration of credit risk, with exposure spread over a large number customers, business lines, markets and geographical areas.

However, the Applus Subgroup and Velosi Subgroup's financial management considers credit risk to be key to day-to-day management of the business and focuses its efforts on controlling and supervising receivables and doubtful debts, particularly in the industries with a higher risk of insolvency. In 2012 and 2011 particular attention was paid to monitoring and recovering past-due receivables and a detailed analysis of customers with associated insolvency or default risks was performed.

Before accepting any new customer, Applus Subgroup and Velosi Subgroup use an external credit scoring system to assess the potential customer's credit quality and define credit limits by customer. Besides, Applus Subgroup and Velosi Subgroup review the recoverability of the accounts receivable periodically.

Applus Subgroup entered into a non-recourse factoring agreement on 9 November 2007, which expired on 31 December 2012 and was not renewed. The maximum amount of the financing was EUR 10,000 thousand. At 31 December 2012, the Applus Subgroup had not derecognised any factored collection rights from the combined special purpose balance sheet (31 December 2011: EUR 7,960 thousand).

Included in the Velosi Subgroup's trade and other receivables is an amount of EUR 1,498 thousand (31 December 2011: EUR 2,244 thousand) pledged as security for bank overdraft facilities for a subsidiary company.

The changes in 2012 and 2011 in the allowance for doubtful debts were as follows:

	Thousands of euros
Balance at 1 January 2011	15,446
Additions	8,852
Amounts used	(2,573)
Disposals	(2,640)
Balance at 31 December 2011	19,085
Additions	12,751
Amounts used	(4,607)
Disposals	(4,565)
Balance at 31 December 2012	22,664

In 2012 Applus Subgroup and Velosi Subgroup derecognised EUR 4,565 thousand of provisioned accounts receivable (2011: EUR 2,640 thousand) since they were considered to be uncollectible.

11. Current financial assets and cash and cash equivalents

Current financial assets

The changes in "Current financial assets" in 2012 and 2011 were as follows:

	Thousands of euros				
	Balance at 1 January	Additions or charge for the year, net	Disposals	Exchange differences	Balance at 31 December
2012	2,880	-	(87)	30	2,823
2011	2,885	1,014	(1,019)	-	2,880

At 31 December 2012, the amount included in short-term deposits and guarantees amounted to EUR 1,864 thousand (31 December 2011: EUR 801 thousand) and other assets of EUR 959 thousand (31 December 2011: EUR 2,079 thousand).

Cash and cash equivalents

At 31 December 2012 and 2011, the amount classified as "Cash and Cash Equivalents" in the accompanying combined special purpose balance sheet related in full to cash, except for EUR 5,665 thousand (at 31 December 2011 EUR 34,806 thousand) that related to three deposits with a term of less than three months.

12. Equity

The changes in 2012 and 2011 in "Equity" in the accompanying combined special purpose balance sheet were as follows:

	Thousands of euros	
	31/12/2012	31/12/2011
Beginning balance	67,532	(55,873)
Restatement	(3,508)	-
Restated beginning balance	64,024	(55,873)
Capital increases and share premium		
Conversion of loans into capital	341,004	200,000
Net impact of business combinations – contribution of Velosi Subgroup (Note 3.e.1.)	102,213	52
Elimination of Velosi Subgroup Equity for combined special purposes	(48,362)	-
Changes in retained earnings and other reserves	(18,243)	1,122
Changes in foreign currency translation reserve	1,187	(1,965)
Adjustments due to the re-measurement of derivatives (Applus Subgroup)	14,117	10,488
Combined special purpose net loss for the year (Applus Subgroup and Velosi Subgroup)	(59,936)	(85,906)
Changes in non-controlling interests (Applus Subgroup and Velosi Subgroup)	(5,605)	(386)
Balance at 31 December	390,399	67,532

a) Share capital and share premium

The share capital and share premium of Applus Subgroup and Velosi Subgroup combined special purpose financial statements were as follows (in thousands of euros).

	Applus Subgroup		Velosi Subgroup		Total Combined	
	31/12/12	31/12/11	31/12/12	31/12/11	31/12/12	31/12/11
Share capital	600,825	31,085	-	722	600,825	31,807
Share premium	308,076	290,812	-	26,828	308,076	317,640
Total	908,901	321,897	-	27,550	908,901	349,447

a.1) Applus Subgroup

At 31 December 2012 and 2011, the shareholders of Applus Technologies Holding, S.L. were as follows:

Company	31/12/12	31/12/11
Azul Finance S.à r.l.	58.30%	61.89%
Azul Holding S.C.A.	41.70%	38.11%
Total	100%	100%

Applus Technologies Holding, S.L. was incorporated on 5 July 2007 with a share capital of EUR 3,100, divided into 3,100 equal, cumulative and indivisible shares of EUR 1 par value each, fully subscribed and paid.

On 29 November 2007, Applus Technologies Holding, S.L. 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 the sole shareholder at that date, Azul Holding S.C.A., through a monetary contribution. Stamp duty on the capital increase amounted to EUR 1,231,250 and was recognised as a deduction from share capital.

On 29 December 2011, Applus Technologies Holding, S.L. 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 in kind contribution of a portion of the principal and interests of the participating loan that Azul Finance S.à r.l. had granted to Applus Technologies Holding, S.L. (see Note 15). The value of the amount of the aforementioned loan converted into capital corresponds to its fair value, on the basis of reports prepared by independent valuers and, therefore, this transaction did not have any impact on the combined special purpose income statement.

On 20 December 2012, the shareholders increased the Applus Technologies Holding, S.L.'s share capital by EUR 238,764,894 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 in kind contribution of the shares representing all of the share capital of Azul Holding 2 S.à r.l. valued at EUR 246,000 thousand.

The cost of this business combination amounted to EUR 102,213 thousand, giving rise to negative reserves of EUR 143,787 thousand for Applus Technologies Holding, S.L.

The aforementioned in kind 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 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.

All of the information relating to this process is disclosed in the separate financial statement of Applus Technologies Holding, S.L. for 2012.

Also on 20 December 2012, Applus Technologies Holding, S.L. increased share capital by EUR 330,975 thousand through the issuance of 330,975 thousand 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 means of in a kind contribution of a portion of the principal and interests of the participating loan that Azul Finance S.à r.l. had granted to the Applus Technologies Holding, S.L. (see Note 15). The value of the amount of the loan converted into capital relates to its fair value, based on the reports by independent valuers and, therefore, the aforementioned transaction did not have any impact on the combined special purpose income statement.

After these transactions, the share capital of Applus Technologies Holding, S.L. at 31 December 2012 amounted to EUR 602,056,357, represented by 602,056,357 fully subscribed and paid indivisible and cumulative shares of EUR 1 par value each, numbered sequentially from 1 to 602,056,357, inclusive, less the associated expenses of EUR 1,231,250.

At 31 December 2012, a total of 32,315,600 of the Applus Technologies Holding, S.L.'s shares (31 December 2011: 12,315,600 shares) had been pledged as security for the bank loan granted to the Applus Subgroup (see Note 14).

a.2) Velosi Subgroup

At 31 December 2011, the shareholders of the Velosi S.à r.l. were Azul Holding 2 S.à r.l. (99.9%) and Azul Holding S.C.A. (0.1%).

The issued share capital at 31 December 2011 was USD 968 thousand (EUR 722 thousand) divided into 48,384,548 equal, cumulative and indivisible shares of USD 0.02 par value each, fully subscribed and paid.

The share premium of USD 35,977 thousand (EUR 26,828 thousand) arose from the premium on the issuance of new ordinary shares in prior financial years and also share-based payment transactions for options already exercised by employees being reclassified from the equity compensation reserve.

b) Valuation adjustments

At 31 December 2012, "Valuation Adjustments" included EUR 4,882 thousand (31 December 2011: EUR 18,999 thousand) relating to the impact of the measurement at fair value, net of the related tax effect, of the derivative financial instruments arranged by the Applus Subgroup (see Note 16).

c) Profit / (Loss) per share

Profit / (Loss) per share is calculated by dividing the profit / loss attributable to the net equity holders of each Parent Company by the average number of ordinary shares circulating during the period:

c.1) Applus Subgroup

	2012	2011
Number of shares	602,056,357	32,315,600
Average number of shares	47,924,936	12,479,984
Profit / (loss) attributable to the parent company (thousand of euros)	(69,157)	(91,002)
Number of treasury shares	-	-
Number of shares in circulation	602,056,357	32,315,600
Profit per share (Euros per share)		
- Basic	(1.443)	(7.292)
- Diluted	(1.443)	(7.292)

c.2) Velosi subgroup

	2012	2011
Number of shares	48,384,548	48,384,548
Average number of shares	48,384,548	48,384,548
Profit (loss) attributable to the parent company (thousand Euros)	2,188	(827)
Number of treasury shares	-	-
Number of shares in circulation	48,384,548	48,384,548
Profit per share (Euros per share)		
- Basic	0.0438	(0.0171)
- Diluted	0.0438	(0.0171)

There are no financial instruments that could dilute the profit per share.

d) Capital risk management

Applus Subgroup and Velosi Subgroup manage its capital to ensure that their subsidiaries can continue to operate in accordance with the going-concern principle of accounting. Applus Subgroup and Velosi Subgroup are also committed to maintaining leverage levels that are consistent with its growth, solvency and profitability objectives.

The data relating to the financial leverage ratios at the end of 2012 and 2011 were as follows:

	Thousands of euros	
	31/12/12	31/12/11
Bank borrowings (long and short term)	1,114,509	1,095,530
Other financial liabilities	28,030	26,600
Current financial assets	(2,823)	(2,880)
Cash and cash equivalents	(141,426)	(120,737)
Net financial debt	998,290	998,513
Equity	390,399	64,024
Participating loan	92,448	391,715
Total equity and participating loan	482,847	455,739
Leverage (Net financial debt / Net financial debt + equity+ participating loan)	67%	69%

13. Non-controlling interests

"Non-controlling interests" in the accompanying combined special purpose balance sheet reflects the equity of the non-controlling shareholders in the Applus Subgroup and Velosi Subgroup's consolidated companies. Also, the balance of "Profit attributable to non-controlling interests" in the accompanying combined special purpose income statement reflects the share of these non-controlling interests in the combined special purpose profit or loss for the year.

The detail of the non-controlling interests of Applus Subgroup and Velosi Subgroup fully consolidated companies in which ownership is shared with third parties was as follows:

	2012 - Thousands of euros		
	Share capital and reserves	Profit (Loss)	Total
LGAI Technological Center, S.A. and subsidiaries	11,459	(36)	11,423
Applus Iteuve Technology, S.L.U. and subsidiaries	144	(116)	28
Idiada Automotive Technology, S.A. and subsidiaries	4,426	2,593	7,019
RTD, B.V. and subsidiaries	1,373	328	1,701
Velosi, S.à r.l. and subsidiaries	14,472	145	14,617
Total non-controlling interests Applus Subgroup	31,874	2,914	34,788
Total non-controlling interests Velosi Subgroup	(4,119)	4,119	-
Total non-controlling interests	27,755	7,033	34,788

	2011 - Thousands of euros		
	Share capital and reserves	Profit (Loss)	Total
LGAI Technological Center, S.A. and subsidiaries	11,728	(189)	11,539
Applus Iteuve Technology, S.L.U. and subsidiaries	145	-	145
Idiada Automotive Technology, S.A. and subsidiaries	6,988	1,895	8,883
RTD, B.V. and subsidiaries	1,376	(95)	1,281
Total non-controlling interests Applus Subgroup	20,237	1,611	21,848
Total non-controlling interests Velosi Subgroup	7,200	4,312	11,512
Total non-controlling interests	27,437	5,923	33,360

The changes in "Non-Controlling Interests" in 2012 and 2011 were summarised as follows:

	Thousands of euros			
	2012		2011	
	Applus	Velosi	Applus	Velosi
Beginning balance	21,848	11,512	18,642	9,181
Changes in the scope of consolidation	14,472	(9,390)	1,296	(734)
Other changes	(436)	(5,114)	-	-
Dividends	(4,000)	(1,166)	-	(1,464)
Foreign currency translation	(10)	39	299	217
Profit for the year	2,914	4,119	1,611	4,312
Ending balance	34,788	-	21,848	11,512

14. Bank borrowings

The detail, by maturity, of the bank borrowings in the accompanying combined special purpose balance sheets at 31 December 2012 and 2011 was as follows:

	2012 - Thousands of euros						
	Limit	Current maturity	Non-current maturities				Total
			2014	2015	2016	Other	
Syndicated loan	1,058,550	3,029	8,146	-	771,037	293,509	1,072,692
Other loans	-	7,134	24	24	24	586	658
Credit facilities	37,134	10,660	-	-	-	-	-
Obligations under finance leases	-	4,089	3,430	2,404	1,237	159	7,230
Other financial liabilities	-	2,267	-	-	-	-	-
Hedging instruments (Note 16)	-	6,750	-	-	-	-	-
Total	1,095,684	33,929	11,600	2,428	772,298	294,254	1,080,580

	2011 - Thousands of euros						
	Limit	Current maturity	Non-current maturities				Total
			2013	2014	2015	Other	
Syndicated loan	1,085,000	48,298	48,298	48,298	-	909,139	1,005,735
Other loans	-	2,043	249	249	249	641	1,388
Credit facilities	13,000	5,343	-	-	-	-	-
Obligations under finance leases	-	599	314	314	314	5,258	6,200
Other financial liabilities	-	2,349	-	-	-	-	-
Hedging instruments (Note 16)	-	12,120	11,455	-	-	-	11,455
Total	1,098,000	70,752	60,316	48,861	563	915,038	1,024,778

On 27 November 2007, Applus Subgroup arranged a syndicated loan with Société Générale, London Branch, as the agent bank, and Barclays Capital; Bayerische Hypo-und Vereinsbank, AG, London Branch; Catalunya Caixa; Caixa Bank; Bankia; Calyon, Sucursal en España; Commerzbank Aktiengesellschaft; Landsbanki Islands h.f. and Mizuho Corporate Bank, Ltd. as the participating lenders for an initial total maximum amount of EUR 1,085,000 thousand, divided into various tranches of financing.

The tranches have a single maturity at the end of the related term and may be repaid early, except for the Capex Facility, the amount drawn down against which is being repaid in six equal half-yearly instalments from May 2012.

On 21 November 2012, Applus Subgroup refinanced a portion of its bank borrowings, renegotiating the terms and conditions of 95% of the Capex Facility and 85% of the Revolving Facility, extending the term of both tranches by two years to 25 May 2016 and establishing a single maturity at the end of the related term, which also applies to the Capex Facility.

As a result, two tranches were created in the Capex Facility and in the Revolving Facility: tranche 1 with the same terms and conditions as those established on 27 November 2007, while tranche 2 has the terms and conditions established in the refinancing agreement entered into on 21 November 2012.

The financial structure of the aforementioned syndicated loan was, therefore, as follows:

2012

Tranche	Thousands of euros		Interest rate	Maturity
	Limit	Amount drawn down + interest added to principal		
Facility B	610,000	610,000	Euribor + spread	29/05/16
Second Lien Facility (Senior D)	100,000	100,000	Euribor + spread	29/05/17
Revolving Facility 1	10,500	5,281	Euribor + spread	29/11/14
Revolving Facility 2	64,500	32,441	Euribor + spread	25/05/16
Capex Facility 1	5,800	5,800	Euribor + spread	29/05/12 - 29/11/14
Capex Facility 2	117,750	117,750	Euribor + spread	25/05/16
Mezzanine Facility	150,000	150,000	Euribor + spread	29/11/17
Interest added to principal– Mezzanine Facility	-	43,599		
Effect of exchange rate changes	-	19,598		
Debt arrangement expenses	-	(8,748)		
Total	1,058,550	1,075,721		

2011

Tranche	Thousands of euros		Interest rate	Maturity
	Limit	Amount drawn down + interest added to principal		
Facility B	610,000	610,000	Euribor + spread	29/05/16
Second Lien Facility (Senior D)	100,000	100,000	Euribor + spread	29/05/17
Revolving Facility	75,000	-	Euribor + spread	29/11/14
Capex Facility	150,000	150,000	Euribor + spread	29/05/12 - 29/11/14
Mezzanine Facility	150,000	150,000	Euribor + spread	29/11/17
Interest added to principal– Mezzanine Facility	-	34,157		
Effect of exchange rate changes	-	21,512		
Debt arrangement fees	-	(11,636)		
Total	1,085,000	1,054,033		

At 31 December 2012 and 2011, Applus Subgroup had drawn down a portion – USD 215 million (approximately 31 December 2012: EUR 163 million and 31 December 2011: EUR 165 million) against the principal in USD of the Facility B tranche, which totals EUR 610 million.

At 31 December 2012 and 2011, Applus Subgroup had drawn down a portion against the principal of the Capex Facility tranche in USD: USD 69.5 million and USD 84.2 million, respectively (approximately, 31 December 2012: EUR 52.8 million and 31 December 2011: EUR 64.5 million) and in GBP: GBP 20.5 million at 31 December 2012 and GBP 24.9 million at 31 December 2011 (approximately, 31 December 2012: EUR 25.3 million and 31 December 2011: EUR 29.8 million).

The syndicated loan agreement establishes certain covenants including most notably the obligation to achieve certain financial ratios based on the consolidated figures of certain companies, which were being achieved at 31 December 2012 and 2011.

The main financial ratios to be achieved by Applus Group are as follows:

- The consolidated EBITDA/consolidated net financial expenses ratio must exceed certain values set for each quarter throughout the term of the loan. The ratio set for each quarter is increasingly restrictive. At 31 December 2012, the aforementioned ratio had to exceed 1.88.
- The net consolidated debt/consolidated EBITDA ratio must not exceed certain values set for each quarter throughout the term of the loan. The ratio set for each quarter is increasingly restrictive. At 31 December 2012, the aforementioned ratio had to be lower than 6.79.

The agreement also established restrictions on the payment of dividends, the incorporation or acquisition of companies, the arrangement of additional borrowings, transactions with financial derivatives and the disposal or acquisition of assets. Applus Technologies Holding, S.L. arranged certain interest rate hedges for the aforementioned loan. The information on Applus Subgroup's financial hedging instruments is disclosed in Note 16.

To secure compliance with the obligations associated with the aforementioned loan, a share pledge was granted (i) over 32,315,600 shares of Applus Technologies Holding, S.L., representing 5.37% of its share capital; and (ii) over the shares of certain subsidiaries of Applus Subgroup (see Note 12).

Included in other loans and credit facilities were EUR 7,222 thousand secured by a floating and fixed charge over all assets of a subsidiary, Velosi Corporate Services Sdn Bhd. Office buildings, trade and other receivables being pledged as security for banking facilities. Office buildings, trade and other receivables being pledged as security for banking facilities are disclosed in Note 7 and 10 respectively.

The interest rates on the credit facilities and loans were mainly tied to Euribor and Libor.

The detail of the main current and non-current bank borrowings at 31 December 2012 and 2011, by currency and excluding hedging instruments, was as follows:

	2012 - Thousands of euros						
	Euros	United States Dollar	British Pound	Malaysian Ringgit	Colombian Peso	Others	Total
Syndicated loan	820,428	230,026	25,267	-	-	-	1,075,721
Other loans	181	231	-	7,044	-	336	7,792
Credit facilities	505	-	-	7,104	2,796	255	10,660
Obligations under finance leases	35	10,351	-	608	54	271	11,319
Other financial liabilities	2,267	-	-	-	-	-	2,267
Total	823,416	240,608	25,267	14,756	2,850	862	1,107,759

	2011 - Thousands of euros						
	Euros	United States Dollar	British Pound	Malaysian Ringgit	Colombian Peso	Others	Total
Syndicated loan	794,851	229,401	29,781	-	-	-	1,054,033
Other loans	1,200	-	-	-	-	2,231	3,431
Credit facilities	191	-	-	-	3,402	1,750	5,343
Obligations under finance leases	847	5,297	-	-	44	611	6,799
Other financial liabilities	2,349	-	-	-	-	-	2,349
Total	799,438	234,698	29,781	-	3,446	4,592	1,071,955

15. Participating loan and other non-current financial liabilities

The detail of the related headings in the accompanying combined special purpose balance sheets at 31 December 2012 and 2011 was as follows:

	Thousands of euros	
	31 December 2012	31 December 2011
Participating loan	92,172	169,375
Interest on participating loan	276	222,340
Total participating loan	92,448	391,715
Payable due to reversion (Note 25.a)	16,025	16,025
Other non-current financial liabilities	12,005	10,575
Total other non-current financial liabilities	28,030	26,600
Total	120,478	418,315

"Participating loan" relates to a participating loan for an initial amount of EUR 369,375 thousand granted to Applus Technologies Holding, S.L. on 29 November 2007 by Azul Finance S.à r.l. and maturing on 27 November 2019.

As indicated in Note 12, on 29 December 2011, Applus Technologies Holding, S.L. increased 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. The aforementioned capital increase was carried out by converting into capital a portion of the principal and the interests of the participating loan granted by Azul Finance S.à r.l. to the Applus Technologies Holding, S.L. amounting to EUR 200,000 thousand.

As indicated in Note 12, on 20 December 2012, Applus Technologies Holding, S.L. increased share capital by EUR 330,975 thousand through the issuance of 330,975 thousand new shares of EUR 1 par value each with a share premium of EUR 10,029 thousand, i.e. EUR 0.0303033 per share. The aforementioned capital increase was carried out by an in kind contribution of a portion of the principal and interests of the participating loan granted by Azul Finance S.à r.l. to Applus Technologies Holding, S.L. and accrued interest amounting to EUR 77,196 thousand and EUR 263,808 thousand, respectively. The value of the amount of the aforementioned loan converted into capital corresponds to its fair value, on the basis of reports prepared by independent valuers and, therefore, this transaction did not have any impact on the combined special purpose income statement.

Therefore, the nominal amount of the loan at 31 December 2012 was EUR 92,172 thousand plus the accrued interest payable arising therefrom up to 31 December 2012, which amounts to EUR 276 thousand.

This loan bears interest at a fixed rate of 5% of the nominal value plus the accrued interest payable and interest at a floating rate tied to the individual or consolidated EBIT of the Applus Technologies Holding, S.L. or of Applus Subgroup, respectively. The interest payable may never exceed the maximum percentage of 16% of the amount outstanding.

This loan matures on 27 November 2019 and the interest is paid on maturity.

The effective interest rate in 2012 was 10.89% (2011: 6.51%).

"Payable due to reversion" included the provisions for the guarantees covering the reversion of land on which certain vehicle roadworthiness testing centres were located, amounting to EUR 16,025 thousand (see Note 25.a).

"Other non-current financial liabilities" relates mainly to various loans that the subsidiaries have been granted by various public-sector entities.

16. Financial risks and derivative financial instruments

Financial risk management policy

The main purpose of Applus Subgroup and Velosi Subgroups financial risk management activity is to assure the availability of funds for the timely fulfilment of financial obligations and to protect the value in euros of Applus Subgroup and Velosi Subgroup's economic flows and assets and liabilities.

This management is based on the identification of risks, the determination of tolerance to each risk, the hedging of financial risks, and the control of the hedging relationships established.

Applus Subgroup's policy hedges all significant and intolerable risk exposures as long as there are adequate instruments for this purpose and the hedging cost is reasonable.

The Applus Subgroup and Velosi Subgroup's financial risks are managed on a single and integrated basis, which enables it to identify the existence of natural hedges between and within the various lines of business and to thus optimise the arrangement of hedges in markets. All external hedges, including those relating to subsidiaries and those arranged on their behalf, must be authorised and arranged on a centralised basis at Applus Subgroup and Velosi Subgroup level.

Following is a description of the main financial risks to which Applus Subgroup and Velosi Subgroup are exposed and the practices established:

a) Foreign currency risk

The increased volatility of currency markets with respect to other markets (such as the interest rate market) and the significant international activity of Applus Subgroup and Velosi Subgroup as a long-term investor in countries outside of the eurozone make foreign currency risk (loss of value in euros of long-term investments in countries whose currency is not the euro) the most significant financial risk for Applus Subgroup and Velosi Subgroup.

To manage foreign currency risk, Applus Subgroup and Velosi Subgroup take the following measures:

- If the financial market of the country in which the investment is made allows for adequate financing to be obtained in terms of timing and cost, hedging is naturally obtained through financing taken in the same currency as that of the investment.
- If the above is not possible, Applus Subgroup and Velosi Subgroup determine asset and liability sensitivity to exchange rate fluctuations on the basis of the extent and severity (volatility) of the risk exposure.

b) Interest rate risk

Interest rate risk relates to the effect on profit or loss of rises in interest rates that increase borrowing costs. Exposure to this risk is significantly mitigated by the natural hedging offered by businesses in which inflation and/or interest rates are factors which are part of the periodical tariff and price revision process. The other exposure is assessed periodically and, taking into consideration the projected interest rate fluctuations in the main borrowing currencies, the desirable fixed-rate protection levels and periods are determined.

The structure thus established is achieved by means of new financing and/or the use of interest rate derivatives.

Net debt in euros at floating rates is tied to Euribor and net debt in pounds sterling at floating rates is tied to Libor. See sensitivity analysis in the section on "Hedging Instruments Arranged".

c) Liquidity risk

Liquidity risk relates to the possibility of adverse situations in the capital markets preventing Applus Subgroup and Velosi Subgroup from financing, at reasonable market prices, its obligations relating to both non-current financial assets and working capital requirements, or of Applus Subgroup or Velosi Subgroup being unable to implement its business plans using stable financing sources.

Applus Subgroup and Velosi Subgroup take various preventative measures to manage liquidity risk:

- The capital structure of each company is established taking into account the degree of volatility of the cash generated by it.
- Debt repayment periods and schedules are established on the basis of the nature of the needs being financed.
- Applus Subgroup and Velosi Subgroup diversify its sources of financing through continued access to financing and capital markets.
- Applus Subgroup and Velosi Subgroup secure committed credit facilities for sufficient amounts and with sufficient flexibility.

Hedging instruments arranged

Applus Subgroup arranges over-the-counter derivative financial instruments with Spanish and international banks with high credit ratings. Velosi Subgroup has no derivative financial instruments as of 31 December 2012 and 2011.

In 2012 the only derivatives arranged by Applus Subgroup were interest rate derivatives.

The detail of the balances at 31 December 2012 and 2011 reflecting the valuation of the derivative financial instruments at those dates was as follows:

	Thousands of euros			
	31 December 2012		31 December 2011	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Cash flow hedges (Note 14)	6,750	-	12,120	11,455
Total	6,750	-	12,120	11,455

2012

The detail of hedges summary that Applus Subgroup had arranged at 31 December 2012 was as follows:

	Thousands of euros		Thousands of units		Thousands of euros	
	Fair value		Notional amounts		Notional maturity	
	Current liabilities	Non-current liabilities	Currency hedged	Equivalent euro value	2013	2014 and subsequent years
Interest rate hedges:						
Cash flow hedges-						
Euro IRSs	6,750	-	280,000	280,000	280,000	-
Derivative financial hedging instruments	6,750	-	280,000	280,000	280,000	-

The financial instruments arranged by Applus Subgroup (all of which relate to the Applus Technologies Holding, S.L.) and in force at 31 December 2012 were as follows:

Financial instrument	Start date	Maturity	Notional amount	Currency hedged	Fair value (in thousands of euros)	Nominal outstanding 2013	Fixed rate	Floating rate
IRS	01/10/10	01/10/13	180,000	EUR	(4,287)	180,000	3.33%	90-day Euribor
IRS	01/10/10	01/10/13	100,000	EUR	(2,463)	100,000	3.43%	90-day Euribor
Total					(6,750)			

2011

The detail of hedges summary that Applus Subgroup had arranged at 31 December 2011 was as follows:

	Thousands of euros		Thousands of units		Thousands of euros	
	Fair value		Notional amounts		Notional maturity	
	Current liabilities	Non-current liabilities	Currency hedged	Equivalent euro value	2012	2013
Interest rate hedges:						
Cash flow hedges-						
US dollar IRSs	3,976	-	180,000	137,963	137,963	
Pound sterling IRSs	258	-	20,000	23,824	23,824	-
Euro IRSs	7,886	11,455	700,000	700,000	420,000	280,000
Derivative financial hedging instruments	12,120	11,455	900,000	861,787	581,787	280,000

The financial instruments arranged by Applus Technologies Holding, S.L. and in force at 31 December 2011 were as follows:

Financial instrument	Start date	Maturity date	Notional amount	Currency hedged	Fair value (in thousands of euros)	Nominal outstanding 2012	Nominal outstanding 2013	Fixed rate	Floating rate
IRS	31/12/07	28/09/12	150,000	EUR	(3,938)	150,000	-	4.61%	90-day Euribor
IRS	01/10/10	01/10/13	180,000	EUR	(7,246)	180,000	180,000	3.33%	90-day Euribor
IRS	01/10/10	01/10/12	170,000	EUR	(2,563)	170,000	-	3.13%	90-day Euribor
IRS	01/10/10	01/10/13	100,000	EUR	(4,208)	100,000	100,000	3.43%	90-day Euribor
IRS	01/10/10	01/10/12	100,000	EUR	(1,385)	100,000	-	2.97%	90-day Euribor
IRS	30/06/09	30/06/12	20,000	GBP	(258)	20,000	-	3.25%	90-day Euribor
Total					(19,598)				

The detail of the hedges arranged by other Applus Subgroup companies and in force at 31 December 2011 was as follows:

Financial instrument	Start date	Maturity	Notional amount	Currency hedged	Fair value (in thousands of euros)	Nominal outstanding 2012	Fixed rate	Floating rate
IRS	31/12/07	31/12/12	40,000	USD	(1,314)	40,000	4.89%	90-day Libor
IRS	31/12/10	31/12/12	140,000	USD	(2,662)	140,000	3.11%	90-day Libor
Total					(3,976)			

The objective of these interest rate hedges was to mitigate, by arranging swaps in which a fixed rate was paid and a floating rate was received, the fluctuations in cash outflows in respect of payments tied to floating interest rates (Euribor and USD Libor) on the Applus Subgroup's borrowings. Financial instruments opted to account for hedges as permitted under IFRSs, designating in the appropriate manner the hedging relationships in which the derivatives were hedges of net investments in foreign operations that neutralise changes in value due to the spot rate of the foreign currency.

The cash flow hedging relationships designated with these foreign currency hedges were estimated to be highly effective and, accordingly, Applus Subgroup recognised the fair value thereof in equity. Since the effectiveness of all the hedges has been verified, no amounts were recognised in relation to ineffective hedges in profit or loss for either 2012 or 2011.

The estimate of the sensitivity of financial profit or loss to interest rate fluctuations over a full year, with the net borrowings structure at each year-end, in thousands of euros, was as follows:

	Increase in interest rate	Yearly impact (thousands of euros)	
		2012	2011
Euribor	+ 10 b.p.	805	174

17. Long-term provisions

The changes in "Long-term provisions" in 2012 and 2011 were as follows:

	Thousands of euros
Balance at 1 January 2011	5,984
Foreign exchange translation difference	51
Provision for retirement benefit	796
Disposal of subsidiary	(24)
Retirement benefit paid	(418)
Balance at 31 December 2011	6,389
Foreign exchange translation difference	(268)
Provision for retirement benefit	1,606
Retirement benefit paid	1,238
Balance at 31 December 2012	8,965

Recognised provisions constitute a fair and reasonable estimate of the effect on the combined special purpose equity that could arise from the resolution of the lawsuits, claims or potential obligations that they cover. They were quantified by the management of Applus Subgroup and Velosi Subgroup, with the assistance of their advisers, considering the circumstances specific to each case.

The main items recognised in this caption, arising in both 2012 and prior years, at 31 December 2012 were as follows:

a) Personnel obligations

- Pension plans and other commitments with of Velosi Subgroup's employees amounting to EUR 2,696 thousand (31 December 2011: EUR 1,724 thousand) and with of RTD Subgroup employees amounting to EUR 1,556 thousand (31 December 2011: EUR 1,268 thousand), respectively (see Note 4.n).

b) Other long term provisions

- Guarantee of EUR 1,500 thousand provided for a subsidiary for the risk estimated by subsidiary's management and their external legal counsel in relation to the outcome of a litigation in respect of a purported breach of contract entered into with a third party.
- Additionally, there was an arbitral award ordering a subsidiary to pay USD 3,347 thousand to a third party and ordering a third party to pay USD 2,220 thousand to the same subsidiary, due to discrepancies in the final outcome of work performed in a project. In 2012 Applus Subgroup recognised a provision of EUR 1,000 thousand in addition to the EUR 429 thousand provisioned at 31 December 2011.

See Note 19 for the main tax litigation and Note 25.b for other more significant contingencies to which Applus Subgroup and Velosi Subgroup are exposed.

18. Trade and other payables

The detail of trade and other payables in 2012 and 2011 was as follows:

	Thousands of euros	
	31/12/12	31/12/11
Trade payables and other payables	150,423	134,127
Remuneration payable	45,196	29,731
Current tax payables	46,161	37,929
Total	241,780	201,787

The Applus Subgroup and Velosi Subgroup's average payment period in 2012 for the services received was 48 days (2011: 50 days).

"Remuneration payable" included USD 10 million (31 December 2012: approximately EUR 7,784 thousand) relating to the maximum amount of the incentive that certain Velosi Subgroup's senior executives earn based on the achievement of certain financial aggregates by this subgroup in 2012 and 2013. In addition, "Remuneration payable" included EUR 2,154 thousand relating to the incentives that other senior executives of the Applus Subgroup earn based on the achievement of certain financial aggregates in 2011, 2012 and 2013 (see Note 27).

"Current tax payables" included the Applus Subgroup current tax payables.

19. Tax matters

19.1 Current tax receivables and payables

The detail of current tax receivables and payables at 31 December 2012 and 2011 was as follows:

2012

	Balances receivable	Balances payable
Current balances:		
Income tax refundable/payable	14,600	25,311
Total current balances	14,600	25,311

2011

	Balances receivable	Balances payable
Current balances:		
Income tax refundable/payable	13,834	12,191
Total current balances	13,834	12,191

19.2 Reconciliation of the accounting loss to the income tax benefit

The reconciliation of the accounting loss to the income tax benefit in 2012 and 2011 was as follows:

	2012	2011
Accounting loss before tax	(70,601)	(90,469)
Permanent differences	37,950	39,205
Taxable accounting loss	(32,651)	(51,264)
Tax charge	(6,500)	(13,568)
Consolidation adjustments	(4,165)	6,541
Total income tax benefit recognised in the combined special purpose income statement	(10,665)	(7,027)

19.3 Deferred tax assets

The detail of "Deferred tax assets" at the end of 2012 and 2011 was as follows:

	Thousands of euros	
	31/12/12	31/12/11
Tax loss carryforwards of the Spanish companies	89,309	90,920
Tax loss carryforwards of the US companies	10,243	-
Tax loss carryforwards of other foreign companies	1,212	96
Tax loss carryforwards	100,764	91,016
Tax credits of the Spanish companies	463	639
Tax credits of foreign companies	4,396	4,666
Unused tax credits	4,859	5,305
Temporary difference for financial costs	15,855	-
Temporary difference for financial costs derivatives	1,868	7,470
Others tax assets	14,201	9,563
Temporary differences	31,924	17,033
Total deferred tax assets	137,547	113,354

The deferred tax assets indicated above were recognised because Applus Technologies Holding, S.L.'s Board of Directors considered that, based on their best estimate of the Applus Subgroup and Velosi Subgroup's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

At the end of each reporting period, deferred tax assets are reviewed for impairment (i.e. reduction in its recoverable amount to below its carrying amount) considering all the circumstances and the best possible estimation for future results and, if there is any impairment, the deferred tax assets were written down with an impact to the combined special purpose income statement.

The prior years' tax loss carryforwards of the Spanish companies were as follows:

2012

Year incurred	Thousands of euros		
	Recognised	Not recognised	Last year for offset
1998	-	43	2016
1999	-	354	2017
2000	-	441	2018
2001	-	51	2019
2002	-	133	2020
2003	-	1,576	2021
2004	375	-	2022
2005	14,793	-	2023
2006	-	261	2024
2007	40,769	285	2025
2008	25,955	-	2026
2009	94,619	-	2027
2010	78,324	-	2028
2011	42,861	-	2029
Total	297,696	3,144	

2011

Year incurred	Thousands of euros		
	Recognised	Not recognised	Last year for offset
1998	43	-	2016
1999	354	-	2017
2000	441	-	2018
2001	51	-	2019
2002	2,313	-	2020
2003	1,633	-	2021
2004	375	-	2022
2005	18,065	-	2023
2006	-	261	2024
2007	40,769	228	2025
2008	25,955	-	2026
2009	94,619	-	2027
2010	78,455	-	2028
2011	39,994	-	2029
Total	303,067	489	

As regards foreign companies, the tax assets recognised at 31 December 2012 amounted to EUR 11,455 thousand. These tax assets corresponded to tax loss carryforwards related mainly to the Libertytown USA 1, Inc. and subsidiary, amounting to EUR 25,611 thousand, the detail were as follows:

	Thousands of euros	Last year for offset
2005	266	2020
2007	766	2022
2008	5,497	2023
2009	1,908	2024
2010	3,849	2025
2011	13,325	2026
Total	25,611	

The detail, by year, of the unused tax credits of the Spanish companies were as follows:

	Thousands of euros			
	2012		2011	
	Recognised	Not recognised	Recognised	Not recognised
1999	-	82	-	82
2000	-	187	-	187
2001	-	-	-	422
2002	87	555	87	560
2003	50	71	50	91
2004	39	251	39	636
2005	60	423	60	1,051
2006	85	688	85	4,369
2007	60	1,062	60	1,692
2008	-	5,330	-	5,231
2009	82	2,277	258	2,271
2010	-	2,180	-	2,186
2011	-	2,177	-	1,266
2012	-	1,300	-	-
Total	463	16,583	639	20,044

EUR 8,137 thousand related to tax credits for investment in R&D+i, EUR 6,371 thousand to double taxation tax credits and EUR 2,116 thousand to tax credits for the reinvestment of profits out of the total recognised and unrecognised tax credits.

In relation to foreign companies, tax credits amounting to EUR 4,396 thousand were recognised at 31 December 2012 (31 December 2011: EUR 4,666 thousand).

The detail, by year, of the prior years' tax loss carryforwards and the unused tax credits of Velosi Subgroup was as follows:

	Thousands of euros			
	2012		2011	
	Recognised	Not recognised	Recognised	Not recognised
1996	-	-	-	33
1997	-	-	-	39
1998	-	-	-	37
1999	-	-	-	84
2000	-	-	-	149
2001	-	-	-	135
2002	-	-	-	31
2003	-	-	-	25
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
2007	-	182	-	182
2008	-	-	-	-
2009	-	2,505	-	2,505
2010	-	1,270	-	1,222
2011	-	1,125	-	1,223
2012	-	392	-	-
Total	-	5,474	-	5,665

The temporary differences amounting to EUR 31,924 thousand (31 December 2011: EUR 17,033 thousand) were related, basically, to the following:

- Deferred tax assets amounting to EUR 15,855 thousand (31 December 2011: EUR 0) relating to finance costs that were not tax-deductible in 2012 because the net financial expense exceeded 30% of the profit from operations of the consolidated Spanish tax Applus group, as provided for in Royal Decree-Law 12/2012, of March 30.
- Deferred tax assets relating to the recognition in equity of derivative financial instruments amounting to EUR 1,868 thousand (31 December 2011: EUR 7,470 thousand) (see Note 16).
- Other temporary differences amounting to EUR 14,201 thousand (31 December 2011: EUR 9,563 thousand), relating mainly to deferred taxes arising from impairment losses recognised on financial assets.

19.4 Deferred tax liabilities

"Deferred tax liabilities" on the liability side of the accompanying combined special purpose balance sheets at 31 December 2012 and 2011 included the following:

- A deferred tax liability associated with the recognition at fair value of the assets identified upon the acquisition of the Applus Servicios Tecnológicos, S.L.U. and subsidiary, amounting to EUR 176,334 thousand (31 December 2011: EUR 188,876 thousand) (see Note 5).
- A deferred tax liability associated with the recognition at fair value of the assets identified upon the acquisition of other Group companies, amounting to EUR 14,626 thousand (31 December 2011: EUR 6,441 thousand) (see Note 5).
- The tax effect of the amortisation of goodwill paid on the acquisition of foreign companies amounting to EUR 18,709 thousand (31 December 2011: EUR 18,067 thousand).

- Deferred tax liabilities of EUR 10,506 thousand (31 December 2011: EUR 9,744 thousand) arising at the subsidiary Applus, Inc. basically as a result of differences in the amortisation/depreciation of assets for tax and accounting purposes.
- Other deferred tax liabilities amounting to EUR 21,160 thousand at 31 December 2012 (31 December 2011: EUR 11,943 thousand).

19.5 Tax rates applicable to ApplusSubgroup and Velosi Subgroup

Various companies calculated their income tax expense in accordance with their respective legislation. The main tax rates applicable to Applus Subgroup and Velosi Subgroup were as follows:

Country	Tax rate	Country	Tax rate	Country	Tax rate
Spain	30%	UK	26%	Angola	35%
US	40%	Germany	30%	United Arab Emirates	-
Finland	28%	Australia	30%	Luxembourg	21%
Ireland	12%	Italy	27.5%	Kuwait	15%
Canada	27%-32%	Brazil	34%	Malaysia	25%
Norway	28%	Argentina	35%	Singapore	17%
Denmark	25%	Chile	17%	Qatar	10%
Netherlands	25%	Colombia	33%	Saudi Arabia	20%

19.6 Years open for review and tax inspections

The Spanish companies have opened for review by tax authorities the last five years for income tax and the last four years for all the other taxes applicable to them. The foreign companies have the last few years open for review in accordance with the legislation in force in each of their respective countries. The Applus Technologies, S.L.'s Board of Directors do not expect any additional material liabilities to arise in the event of a tax audit.

Following there is a detail of the main ongoing tax audits and the main tax contingencies to which Applus Subgroup was exposed:

In August 2010 the Canadian tax authorities ordered a subsidiary to provide them with information in relation to the structure reorganisation of the Canadian entities in 2007. On 21 February 2013, the tax authorities notified on their decision, which claimed the application of a 5% withholding tax on the nominal value of the sale price of the Canadian entity in 2007 and challenging the deductibility of interest arising from the loan granted for structure reorganization, amounting to EUR 2,3 million. Applus presented their appeal on this decision. The Applus Technologies, S.L.'s Board of Directors relied on their external tax advisors opinion which classified the risk loss as not probable, accordingly, no provision was recognised in this regard.

In October 2010 and December 2011 the Finnish tax authorities filed a claim with the Tax Correction Board relating to the tax returns for 2008 and 2009 filed by the branch that a subsidiary has in Finland, in which they challenged the deductibility for tax purposes of interest arising from the transfer of costs for accounting purposes. The total amount claimed by the tax authorities was EUR 4.7 million (including the penalty and late-payment interest). The Applus Technologies, S.L.'s Board of Directors and their external tax advisors classified the risk loss as not probable and, accordingly, no provision was recognised in this regard.

On 30 August 2011, Chile's Internal Revenue Service notified the Applus Subgroup subsidiary of their disconformity with the Income Tax Returns filed in 2008 due to alleged breaches of the Chilean Income Tax Law, in total of CLP 1,172,354 thousand (31 December 2012: approximately EUR 1,732 thousand), including penalties and late-payment interest. The Applus Technologies, S.L.'s Board of Directors and their external legal advisors considered there was no probable risk in this connection and, accordingly, no provision was recognised in this regard.

In 2012, the Dutch tax authorities requested to review the transfer pricing documentation related to the operations of Arctosa Holding B.V. and its subsidiaries relating to Financial Years of 2010 up to 2012. Tax Authorities agreed upon the Corporate Tax Returns filed and no adjustment in taxable income was required. The Applus Technologies, S.L.'s Board of Directors and their external tax advisors considered that there was remote risk in this connection and, accordingly, no provision was recognised in this regard.

In 2012, the German tax authorities notified the commencement of a tax audit in relation to Corporate Income Tax and VAT of Financial Years of 2008 up to 2011, also, required to verify Libertytown Germany GmbH's wage tax payments of Financial Years 2010 and 2011. The Applus Technologies, S.L.'s Board of Directors and their external advisors considered that the risk of this tax audit giving rise to liabilities for the Applus Subgroup was remote and, accordingly, no provision was recognised in this connection.

As regards the above-mentioned tax audits, Applus Technologies, S.L.'s Board of Directors consider that the tax returns presented were prepared correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation, such liabilities that might arise from such audits would not have a material effect on the accompanying combined special purpose financial statements.

Velosi Subgroup did not have significant ongoing tax audits or tax contingencies derived from tax audits to which the exposure was material.

In these notes, as per the Annual Accounts Reports, there is no mention to the information referred to in Article 42 bis of Royal Decree 1065/2007, referred to tax residents in Spain, which are legal entities whether beneficiaries or holders of bank accounts abroad, also, individuals who are duly authorized as representatives of bank accounts abroad related to a non-resident entity in Spain. This information is duly posted and detailed in the Applus Subgroup's accounting records pursuant to Article 42 bis 4.b of Royal Decree 1065/2007.

20. Operating income and expenses

a) Revenue

The distribution of revenue, by geographical market, was as follows:

	Thousands of euros	
	2012	2011
Spain	282,568	292,854
Rest of Europe	389,339	361,859
United States and Canada	297,706	206,307
Asia Pacific	236,859	126,155
Middle East and Africa	159,256	111,043
Latin America	99,270	81,367
Total	1,464,998	1,179,585

The distribution of revenue, by business line, was as follows:

	Thousands of euros	
	2012	2011
RTD - Non-destructive testing	499,644	402,615
VELOSI - Asset management and certification	340,661	200,304
AUTO - Vehicle roadworthiness testing	266,391	245,025
NORCONTROL - Inspection services and technical assistance	190,695	187,686
IDIADA -Engineering and vehicle testing	116,505	94,211
Laboratories - Certification services	55,852	52,090
Others	(4,750)	(2,346)
Total	1,464,998	1,179,585

The "others" caption includes the revenues of Applus Technologies Holding, S.L. and the intercompanies' eliminations between Applus Subgroup and Velosi Subgroup (2012: EUR 6,063 thousand and 2011: EUR 2,674 thousand).

b) Staff costs

The detail of "Staff costs" in the accompanying combined special purpose income statements was as follows:

	Thousands of euros	
	2012	2011
Wages, salaries and similar expenses	609,347	490,809
Employee benefit costs	84,155	72,536
Other staff costs	46,254	40,028
Total	739,756	603,373

The average number of employees at Applus Subgroup and Velosi Subgroup, by professional category and gender, was as follows:

Professional category	Average number of employees		
	2012		
	Men	Women	Total
Management and university graduates	2,471	720	3,191
Further education college graduates	1,809	399	2,208
Middle management	1,146	232	1,378
Skilled employees	4,272	704	4,976
Assistants, manual workers and service personnel	2,972	862	3,834
Total	12,670	2,917	15,587

Professional category	Average number of employees		
	2011		
	Men	Women	Total
Management and university graduates	2,181	586	2,767
Further education college graduates	1,709	551	2,260
Middle management	1,315	222	1,537
Skilled employees	3,570	701	4,271
Assistants, manual workers and service personnel	2,396	856	3,252
Total	11,171	2,916	14,087

c) Other losses

The detail of other losses in the accompanying combined special purpose income statements was as follows:

	Thousands of euros	
	2012	2011
Termination benefits	8,108	11,710
Incentives to employees (Note 27)	8,010	-
Other non-recurring losses	7,394	11,868
Total	23,512	23,578

This caption includes mainly non-recurring losses.

d) Fees paid to auditors

The fees for financial audit services provided to the various companies composing Applus Subgroup and Velosi Subgroup by the principal auditor in 2012 amounted to EUR 1,545 thousand (2011: EUR 1,470 thousand). The fees in this connection paid to other auditors amounted to EUR 99 thousand in 2012 (2011: EUR 70 thousand).

Also, the fees relating to other professional services provided to the various Applus Subgroup and Velosi Subgroup companies by the principal auditor and by other entities related to the auditor in 2012 amounted to EUR 173 thousand (2011: EUR 106 thousand), of which EUR 12 thousand related to other attest services (2011: EUR 9 thousand) and the remainder to other services.

21. Net financial expense

The detail of the net financial expense in 2012 and 2011 was as follows:

	Thousands of euros	
	2012	2011
Financial income:		
Other financial income from third parties	2,175	950
Income from long-term loans to associates	-	77
Total financial income	2,175	1,027
Financial expense:		
Financial expenses arising from derivatives transactions (Note 16)	(20,585)	(20,690)
Borrowing expenses relating to syndicated loan (Note 14)	(45,863)	(50,451)
Borrowing expenses relating to participating loan (Notes 15 and 26)	(41,740)	(36,166)
Other financial expenses paid to third parties	(8,528)	(5,950)
Exchange differences	(2,907)	(1,414)
Total financial expense	(119,623)	(114,671)
Net financial expense	(117,448)	(113,644)

22. Impairment and gains or losses on disposal of non-current assets

The detail of the impairment losses and the gains and losses on asset disposals was as follows:

	Thousands of euros	
	2012	2011
Impairment losses on property, plant and equipment	-	(60)
Impairment losses on goodwill (Note 5)	(18,101)	(18,000)
Total impairment losses	(18,101)	(18,060)
Disposal or derecognition of intangible assets	(839)	(22)
Disposal or derecognition of property, plant and equipment	39	(536)
Other gains or losses on disposals	(916)	-
Total disposals or derecognitions	(1,716)	(558)
Provision for amounts payable due to reversion	-	(4,136)
Total net loss	(19,817)	(22,754)

23. Segment information

Applus Subgroup and Velosi Subgroup operates through six global divisions plus the holding division, each of which is also reported as a segment for financial reporting purposes, but all operate under the Applus+ umbrella brand name. The six segments are the following:

- Applus+ RTD: global provider of non-destructive testing services to clients in the upstream, midstream and downstream oil and gas industry. It also provides services to the power utilities, aerospace and civil infrastructure industries. Applus RTD's services provide the Group's clients with tools and solutions to inspect and test the mechanical, structural and materials integrity of critical assets without causing damage to those assets, either at the time of installation or during the assets' working lives.
- Applus+ Velosi: global provider of inspection, quality control, certification and recruitment of technical staff mainly for the oil industry. Applus Velosi services enable its customers to ensure compliance with the specifications defined during provisioning processes, construction and operation of infrastructure.
- Applus+ Norcontrol: provides comprehensive solutions for technical assistance, supervision, and inspection, quality control, testing and consulting mainly concerning industrial, power, oil and telecommunications.
- Applus+ Laboratories: offers a wide range of laboratory testing services, system certification and product development services, operating in various sectors, including aerospace, industrial and consumer goods sectors.
- Applus+ Automotive: provides statutory vehicle inspection, checking compliance of vehicles with safety regulations and current issues in the various countries in which it operates.
- Applus+ IDIADA: provides design, engineering, testing and homologation.

Applus Technologies, S.L.'s Board of Directors has identified the segments above considering that an operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- For which financial information is available.

These considerations used to identify these business segments comply with IFRS 8 (former IAS 14).

a) **Format for presentation of business segment reporting:**

The financial information by segment of the accompanying consolidated income statement is as follows (in thousand of euros):

2012

	Applus+ RTD	Applus+ Velosi	Applus+ Norcontrol	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Others	Total
Revenues	499,644	340,661	190,695	55,852	266,391	116,505	(4,750)	1,464,998
Operating expenses	(447,369)	(311,729)	(172,828)	(48,851)	(197,424)	(97,672)	(18,053)	(1,293,926)
Operating Profit Before Depreciation, Amortization and Others	52,275	28,932	17,867	7,001	68,967	18,833	(22,803)	171,072
Depreciation and amortisation charge	(25,987)	(3,417)	(6,529)	(5,605)	(32,611)	(5,862)	(2,513)	(82,524)
Impairment and gains or losses on disposal of non-current assets	(18,620)	115	(938)	(84)	412	817	(1,519)	(19,817)
Other losses	(1,551)	(8,119)	(6,029)	(611)	(2,155)	(670)	(4,377)	(23,512)
OPERATING PROFIT	6,117	17,511	4,371	701	34,613	13,118	(31,212)	45,219

2011

	Applus+ RTD	Applus+ Velosi	Applus+ Norcontrol	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Others	Total
Revenues	402,615	200,304	187,686	52,090	245,025	94,211	(2,346)	1,179,585
Operating expenses	(363,321)	(183,426)	(170,630)	(46,360)	(177,971)	(79,063)	(16,763)	(1,037,534)
Operating Profit Before Depreciation, Amortization and Others	39,294	16,878	17,056	5,730	67,054	15,148	(19,109)	142,051
Depreciation and amortisation charge	(24,851)	(3,328)	(6,589)	(5,080)	(25,724)	(5,527)	(2,339)	(73,438)
Impairment and gains or losses on disposal of non-current assets	(18,079)	(4)	(23)	14	(4,592)	(5)	(65)	(22,754)
Other losses	(3,734)	(5,976)	(8,061)	(1,917)	(1,855)	(447)	(1,588)	(23,578)
OPERATING PROFIT:	(7,370)	7,570	2,383	(1,253)	34,883	9,169	(23,101)	22,281

The others caption includes, basically, the Holding division.

The Net financial expense was allocated, basically, to the Holding division due to the fact that the Holding divisions were the ones with borrowings from banks (see Note 15) and from one of its shareholders (see Note 26).

The assets and liabilities by business segment were as follows (in thousand of euros):

2012

	Applus+ RTD	Applus+ Velosi	Applus+ Norcontrol	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Others	Total
Goodwill	183,183	19,392	25,581	29,239	255,664	56,827	1,282	571,168
Other intangible assets	189,431	62,396	37,522	31,155	348,617	43,383	3,884	716,388
Property, plant and equipment	56,428	9,874	20,593	9,483	86,530	13,099	559	196,566
Non-current financial assets	84	5,211	4,922	38	1,760	487	661	13,163
Deferred tax assets	2,224	472	22,595	11,760	21,087	612	78,797	137,547
Total non-current assets	431,350	97,345	111,213	81,675	713,658	114,408	85,183	1,634,832
Total liabilities	150,528	105,902	66,499	31,089	173,519	46,309	1,205,610	1,779,456

2011

	Applus+ RTD	Applus+ Velosi	Applus+ Norcontrol	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Others	Total
Goodwill	201,879	6,264	24,476	31,658	256,205	57,089	1,903	579,474
Other intangible assets	199,428	5,775	38,857	29,925	371,536	44,991	5,033	695,545
Property, plant and equipment	46,773	9,194	19,884	7,339	84,468	11,145	438	179,241
Non-current financial assets	64	3,135	5,858	58	1,918	322	3,897	15,252
Deferred tax assets	1,772	224	23,515	11,974	9,628	1,040	65,201	113,354
Total non-current assets	449,916	24,592	112,590	80,954	723,755	114,587	76,472	1,582,866
Total liabilities	152,139	57,028	76,173	29,085	169,923	37,510	1,480,131	2,001,989

The additions for intangible assets and tangible assets during 2012 and 2011 by business segment were the following (in thousand of euros):

	Applus+ RTD	Applus+ Velosi	Applus+ Norcontrol	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Others	Total
Capex FY 2012	23,864	6,858	5,250	5,295	12,540	6,996	716	61,519
Capex FY 2011	17,309	3,691	4,065	3,886	14,867	3,241	(1,783)	45,276

b) Format for presentation of financial information according to geographic segments

Due to the Applus and Velosi Subgroup's presence in various countries, information is grouped by continental geographic actions. The Applus and Velosi Subgroup's registered office, where its main operations are carried-out, is currently in Spain and Malaysia, respectively.

Net turnover by geographic area is set out below:

	Thousands of euros	
	2012	2011
Spain	282,568	292,854
Rest of Europe	389,339	361,859
United States and Canada	297,706	206,307
Asia Pacific	236,859	126,155
Middle East and Africa	159,256	111,043
Latin America	99,270	81,367
Total	1,464,998	1,179,585

The non current assets by geographic segment were as follows (in thousand of euros):

Total non current assets	Spain	Rest of Europe	United States and Canada	Middle East and Africa	Asia Pacific	Latin America	Total
31 December 2012	796,751	586,634	119,824	10,475	93,909	27,239	1,634,832
31 December 2011	806,986	613,830	107,159	6,441	22,588	25,862	1,582,866

24. Operating Leases

Applus Subgroup and Velosi Subgroup have obtained the use of certain assets through finance leases (see Note 7) and operating leases. The most significant operating leases held by Applus Subgroup and Velosi Subgroup related to the lease of premises and vehicles and to royalties payable.

The expenses incurred by Applus Subgroup and Velosi Subgroup in 2012 in relation to operating leases and royalties amounted to EUR 89,886 thousand (2011: EUR 86,561 thousand).

A similar amount is expected to be incurred in future years in relation to operating leases and royalties, increasing mainly in line with the rise in the inflation rate (leases) and by changes in billings by various Applus Subgroup and Velosi Subgroup's subsidiaries (royalties).

25. Obligations acquired and contingencies

a) Guarantees and obligations acquired

Applus Subgroup has arranged the following guarantees:

- Guarantees totalling EUR 7.7 million (2011: EUR 7.7 million) to the Catalonia Autonomous Community Government in connection with the incorporation of the subsidiaries Idiada Automotive Technology, S.A. and LGAI Technological Center, S.A.
- Guarantees to the Catalonia Autonomous Community Government for the management of the vehicle roadworthiness testing services, amounting to EUR 10 million, primarily to secure payment of the royalty and to guarantee the reversion value of the leased premises in which the companies provide vehicle roadworthiness testing services. The companies for which these guarantees were provided are Applus Servicios Tecnológicos, S.L.U. and Applus Iteuve Technology, S.L.U. for EUR 2.6 million and EUR 7.4 million (same amounts in 2011), respectively. In addition, other guarantees have been provided to the Catalonia Autonomous Community Government amounting to EUR 715 thousand (31 December 2011: EUR 890 thousand) to guarantee a portion of the administrative authorisation system concession obligations and commitments. The total amount provisioned for the reversion of the vehicle roadworthiness testing centres in Catalonia was EUR 16,025 thousand (see Note 15).
- Guarantees for the vehicle roadworthiness testing concession in Ireland amounting to EUR 4 million (31 December 2011: EUR 9.4 million);
- Guarantees required for the business activities of the Velosi Subgroup company: Velosi Certificación Llc. amounting to EUR 3.5 million (31 December 2011: EUR 3.3 million);

- Guarantees required for the business activities of the Mexican subsidiary amounting to EUR 3 million (31 December 2011: EUR 2.5 million);

Other guarantees required for the operating activities of various Applus Subgroup companies amounting to EUR 3 million (31 December 2011: EUR 3.4 million). Various banks provided guarantees to third parties for the subsidiaries Applus Norcontrol, S.L.U., LGAI Technological Center, S.A. and IDIADA Automotive Technology, S.A. amounting to EUR 11,821 thousand, EUR 2,115 thousand and EUR 5,153 thousand, respectively (31 December 2011: EUR 14,913 thousand, EUR 3,093 thousand and EUR 5,599 thousand, respectively). These guarantees were given to companies or public agencies as a provisional or definitive guarantee for the tendering of bids or to secure contracts awarded.

At 31 December 2012, Applus Subgroup and Velosi Subgroup had restricted cash deposits amounting to EUR 4.4 million, of which EUR 1.5 million related to Velosi Subgroup companies.

At 31 December 2012, Velosi Subgroup had guarantees amounting to EUR 5.7 million (31 December 2011: EUR 4.7 million).

The agreement entered into between the Irish government and Applus Car Testing Services Limited for the provision of vehicle roadworthiness testing services in Ireland provides for variable remuneration to the Irish government in the event that the expected returns envisaged in the agreed-upon business plan, which is reviewed every three years, are exceeded.

Applus Subgroup also has certain obligations under the financing agreement (see Note 15). These obligations include reporting obligations relating to the Subgroup's financial statements and business plans; the obligation to take certain measures such as guaranteeing accounting closes, compliance with current legislation, etc.; the obligation to refrain from performing certain transactions without the consent of the lender, such as mergers, changes of business activity, assignments, payment of dividends, share redemptions, etc.; and the obligation to achieve certain financial ratios.

Applus Technologies, S.L.'s Board of Directors do not expect any material liabilities additional to those recognised in the accompanying combined special purpose balance sheet to arise as a result of the transactions described in this Note.

b) Contingencies

Two third parties filed an appeal for judicial review requesting to render null and void (i) certain provisions of Decree 30/2010, of 2 March, which approve the implementation of Catalan Industrial Safety Law 12/2008, of 31 July, and (ii) all of Decree 45/2010, of 30 March, approving the territorial plan for new vehicle roadworthiness testing centres in Catalonia for 2010-2014. The aim of the appeal was to challenge the framework for the regulation of vehicle roadworthiness testing services in Catalonia: the two third parties claiming that no administrative authorization was needed in a market that should, according to them, be liberalized. On 25 April 2012, the Catalan High Court handed down a judgment against Applus Subgroup interests, amongst others. Applus Subgroup filed a cassation appeal (Supreme Court) against that judgment on July 2012. Although the two third parties requested for provisional enforcement to the Catalan High Court, the latter rejected the request, subject to the Supreme Court's decision.

In relation to the previous issue, the Applus Subgroup is also involved in another appeal for judicial review filed by a third party against (i) the decision handed down on 22 June 2010 granting administrative authorisations to Applus Iteuve Technology, S.L.U. and Applus ECA-ITV, S.A. as vehicle roadworthiness testing centre concession operators, and (ii) against the decision handed down on 21 July 2010 granting an authorisation to Revisions de Vehicles, S.A. as a vehicle roadworthiness testing centre concession operator. The Catalan High Court handed down a judgment against Applus Subgroup interests against which a cassation appeal was filed by Applus Subgroup before the Supreme Court.

Also, a subsidiary of Applus filed cassation appeal no. 634/2002 before the Supreme Court against the judgment of the Basque Country High Court of 20 July 2001 in relation to the award of the contract for the management of vehicle roadworthiness inspection services in the Basque Country. The Basque Country High Court performed a new assessment of the case and requested the authorities to review the valuation and scoring of all the lots and all the items, not only those covered by the Supreme Court's decision. Applus Subgroup and the Basque Autonomous Community Government, considering that the Basque Country High Court's decision was beyond aspects the Supreme Court dealt with, filed another cassation appeal against the order of the Basque Country High Court. Decision is pending by the Supreme Court.

Additionally, A subsidiary filed an appeal against Decree 93/2007 establishing the administrative authorisation regime in the Autonomous Community of the Canary Islands (previously the regime was an administrative concession). On 29 January 2013, the Canary Islands High Court dismissed the claim filed by the Applus Subgroup. A cassation appeal (Supreme Court) was filed against this decision on 7 March 2013 at the Supreme Court. AECA ITV (Spanish Association of Entities working with the Government on Vehicle Roadworthiness Testing) also filed an appeal against Decree 93/2007 and obtained a precautionary measure suspending execution of the Decree. An appeal was filed against this precautionary measure by the Canary Islands Autonomous Community Government. However, the Canary Islands Autonomous Community Government (in accordance with Decree 93/2007) has begun to process certain authorisations in relation to the opening of vehicle roadworthiness testing centres. Applus Subgroup has filed several appeals against all said individual applications for new centres.

Applus Technologies, S.L.'s Board of Directors considers that the outcome of all aforementioned proceedings will not give rise to liabilities in addition to those already recognised in the combined special purpose financial statements at 31 December 2012. At 2012 year-end, the Applus Technologies, S.L.'s Board of Directors was not aware of any significant claims by third parties or any ongoing legal proceedings against the Group, other than those described above or otherwise recognised in the combined special purpose financial statements that, in its opinion, could have a material impact on the same.

26. Transactions and balances with related parties

The transactions between the Parents and its investees were eliminated on consolidation and are not disclosed in this Note.

The transactions between Applus Subgroup or Velosi Subgroup and its associates and related companies are disclosed below.

Transactions with associates and related companies

In 2012 and 2011 Applus Subgroup and Velosi Subgroup companies performed the following transactions with associates and related parties that did not form part of the subgroups:

	Thousands of euros	
	Financial expenses (Note 21)	
	2012	2011
Azul Finance S.à r.l.	41,740	36,166

	Thousands of euros	
	Operating expenses and income	
	2012	2011
Velosi LLC	1,815	1,579
Kurtec Pipeline Services LLC	430	-
Velosi (M) Sdn Bhd	5,738	2,252

These transactions are operating transactions, except for the financial expenses for the Azul Finance S.à r.l. participating loan and the synergy fees that Velosi (M) Sdn Bhd invoices to Velosi Subgroup in relation to the Velosi trademark agreement.

All these transactions have been performed considering normal market conditions.

Balances with associates and related companies

a) Payables to associates and related companies

The detail of payables to associates and related parties at 31 December 2012 and 2011 were as follows:

	Thousands of euros	
	Long-term loan and interest (Note 15)	
	31 December 2012	31 December 2011
Azul Finance S.à r.l.	92,448	391,715
Azul Holding 2 S.à r.l.	-	2,329

This balance corresponds to the participating loan with Azul Finance S.à r.l.

b) Receivables from associates and related companies

	Thousands of euros	
	Trade receivables from related companies and associates	
	31 December 2012	31 December 2011
Velosi (M) Sdn Bhd	1,684	2,644
Kurtec Pipeline Services LLC	2,569	1,787
Velosi LLC	453	102
Velosi (B) Sdn Bhd	355	374
Kurtec Pipeline Services Ltd	45	39
Rina-V Ltd	-	135
Total	5,106	5,081

These balances are mainly related to commercial transactions.

27. Disclosures on the Board of Directors and senior executives

Remuneration of and obligations to the Board of Directors

In 2012 the remuneration and other benefits earned by the members of the Board of Directors of Applus Technologies Holding, S.L. and Velosi S.à r.l. amounted to EUR 1,018 thousand (2011: EUR 1,520 thousand).

One Board member had been granted loans amounting to EUR 1,100 thousand (31 December 2011: EUR 1,100 thousand).

Applus Technologies Holding, S.L. and Velosi S.à r.l. did not have any significant life insurance or other obligations to any member of its Board of Directors in 2012 or 2011.

At 31 December 2012, Applus Technologies Holding, S.L.'s Board of Directors was made up of eight men and four legal entities represented by men (31 December 2011: eight men and four legal entities represented by men).

At 31 December 2012, Velosi, S.à r.l.'s Board of Directors was made up of three men (31 December 2011: six men).

Remuneration of and obligations to senior executives

The remuneration paid to the Applus Subgroup and Velosi Subgroup's senior executives in 2012 amounted to EUR 4,562 thousand (2011: EUR 4,467 thousand), the detail of which is as follows:

2012

	Thousands of euros		
	Fixed remuneration	Variable remuneration	Other
Senior executives	3,254	1,000	307

2011

	Thousands of euros		
	Fixed remuneration	Variable remuneration	Other
Senior executives	2,962	366	1,139

Certain Velosi Subgroup's senior executives earn variable remuneration based on the achievement by this subgroup of certain financial aggregates in 2012 and 2013. The amount provisioned for the aforementioned variable remuneration at 31 December 2012 was USD 10 million (approximately EUR 7,784 thousand) (2011: EUR 0), relating to the maximum amount payable if all the targets were achieved in 2012 (see Note 18).

Other senior executives of the Applus Subgroup earn variable remuneration subject to the achievement by the Group of certain financial aggregates in 2011, 2012 and 2013. The amount provisioned for the aforementioned variable remuneration at 31 December 2012 was EUR 2,154 thousand, including the amounts accrued in 2011 and 2012 (see Note 18), relating to the maximum amount payable if the 100% of the targets were achieved in 2011 and 2012.

Additionally, as indicated in Note 4.n, the Company established a remuneration plan for eleven Applus Technologies, S.L.'s Board of Directors, based on the proceeds that the majority shareholder would obtain in the event of a divestment, including any Initial Public Offering process. The remuneration provided for under the aforementioned plan consists of a fixed amount subject to the obtainment of a minimum level of proceeds and increases on a scaled basis depending on the multiple achieved, being zero if the minimum level of proceeds is not achieved. In the event of a partial divestment, the remuneration would be calculated in proportion to the percentage disposed of. The right to receive the remuneration described above arises when the aforementioned divestment becomes effective, provided that the employee has not resigned within the 12-month period following the date on which the change of shareholder took place, when the plan would expire.

In accordance with IAS 19, the Applus Technologies, S.L.'s Board of Directors did not recognise any provisions in the accompanying special purpose financial statements since they considered that they were not legally obliged to meet these obligations and, at this date, no reasonable estimate of the proceeds that the shareholder would obtain in the case of a divestment can be made and, accordingly, nor can the total cost relating to these obligations be estimated. However, the Board of Directors of Applus Technologies Holding, S.L. consider that the potential commitment for the year 2014 would be between 10 to 20 million EUR, considering the available information regarding the expected return for shareholders and the percentage of share placement.

Life insurance policies have also been taken out for certain senior executives, although the amount thereof is not material.

In 2012 and 2011 no advances or loans were granted to any senior executives.

At 31 December 2012, Applus Subgroup and Velosi Subgroup's senior management was made up of fourteen men (31 December 2011: thirteen men). In 2012 and 2011 one of the senior executives was also a member of the Applus Technologies, S.L.'s Board of Directors although his remuneration was included within that of senior executives.

Information relating to conflicts of interest on the part of the Board of Directors

It is hereby stated that the Applus Technologies, S.L.'s Board of 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 Group 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.

28. Discontinued operations

In 2012 Applus Subgroup and Velosi Subgroup did not discontinue any of its operations.

In 2011 Applus Subgroup decided to discontinue the activities carried on by the "Tracker" and "Security" business lines that formed part of the vehicle roadworthiness testing division in the US. As a result, these activities were classified as a discontinued operation. This was the main discontinued operation in 2011.

The income, expenses and results of these activities recognised in the 2011 combined special purpose income statement were as follows:

Detail of income and expenses from discontinued operations (Thousands of euros)

	2011
Revenue	9
Staff costs	(1,469)
Other operating expenses	(1,343)
Loss from operations	(2,803)
Financial profit	-
Loss before tax from discontinued operations	(2,803)
Income tax	1,121
Loss for the year from discontinued operations	(1,682)

29. Information on the environment

Applus Subgroup and Velosi Subgroup did not have any environmental liability, expense, asset, provisions or contingencies, due to the nature of its business activities that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues were included in these notes to the combined special purpose financial statements.

The Applus Technologies Holding, S.L.'s Board of Directors considered that the environmental risks that might arise from its activities were minimal and, in any case, were adequately covered, and they did not expect any additional liabilities to arise from the aforementioned risks.

Applus Subgroup and Velosi Subgroup did not incur any expenses or received any grants related to environmental matters in 2012 and 2011.

30. The Group as a going concern

Applus Subgroup has incurred significant losses in recent years. These losses were incurred mainly as a result of the Applus Subgroup's borrowings from banks (see Note 15) and from one of its shareholders (see Note 26), which gave rise to a net financial expense of EUR 117,448 thousand in 2012 (2011: EUR 113,644 thousand).

These losses were also highly motivated by the amortization charge and impairment of the goodwill and intangible assets identified in the acquisition of the Applus Subgroup by Carlyle Group (see Note 5). The amortization charge and impairment of these assets amounted to EUR 52,855 thousand in 2012 (2011: EUR 47,943 thousand).

Certain of the financial expenses in 2012, amounting to EUR 41,740 thousand (2011: EUR 36,166 thousand), related mainly to interest on the loan which was being added to the principal loan and will be paid on maturity and therefore had not entailed any cash outflow for the Applus Subgroup.

In addition, in 2012 significant capital increases were carried out (see Note 12), which gave rise to a total equity of EUR 390,399 thousand at 31 December 2012, which contributes, very significantly, to the improvement of the Applus Subgroup and Velosi Subgroup ratios and earnings in the coming years.

Furthermore, at 31 December 2012 Applus Subgroup and Velosi Subgroup combined special purpose financial statements had positive working capital of EUR 220,741 thousand (31 December 2011: EUR 191,839 thousand).

Besides, the cash flows were positive in 2012 and 2011 and the cash flows expected for 2013 are even more positive.

In this respect, Applus Technologies, S.L.'s Board of Directors prepared these combined special purpose financial statements in accordance with the going-concern principle of accounting, taking into consideration the financial resources available to the Group and the operating, commercial and, particularly, financial actions that might be undertaken in the future.

31. Events after the reporting period

The most significant events occurred after the reporting period are detailed below:

Changes in accounting estimates-

During the year 2013 new events have taken place which brought changes in some accounting estimates performed by Applus Technologies Holding, S.L.'s Board of Directors. These changes have been applied prospectively in accordance with the requirements of IAS 8, affecting the 2013 consolidated income statement. The most significant changes in accounting estimates and the events that precipitated them are as follows:

- a) Reassessment of the recoverable amount of the goodwill and the intangible assets, that results in a write-down of EUR 81.3 and 37.8 million, respectively. The Group Management has reassessed the recoverable of these assets as a consequence of the expected performance and future cash-flows of the businesses in AUTO division (Finland, Spain and US), Norcontrol and RTD Europe.
- b) Reassessment of the recoverable value of the deferred tax assets, recognising them for an amount of EUR 54.8 million. This amount relates to the best estimate of the tax assets which the Applus Technologies Holding, S.L.'s Board of Directors considers are likely to be recovered, considering the circumstances and based on the best estimate of the Group's future earnings.

- c) Reassessment of the useful life of the administrative authorisation of the Catalonia vehicle inspection. At the beginning of 2013, the Applus Technologies Holding, S.L.'s Board of Directors decided to amortize the cost of the authorization over the remaining 23 years until 2035, on the basis of the opinion of certain Group's advisers on the possible outcome of the renewal of the administrative authorization of the Catalan Government at the end of the currently established period, which concludes in 2035.

Other events-

In March 2013 the tax authorities notified to the Group companies Applus Technologies Holding, S.L., Applus Servicios Tecnológicos, S.L.U., Idiada Automotive Technology, S.A., LGAI Technological Center, S.A. and Applus Iteuve Technology, S.L.U. of the commencement of a tax audit in relation to the following:

- Income tax for 2008, 2009 2010 and 2011.
- VAT for 2009, 2010 and 2011.
- Personal income tax withholdings and prepayments for 2009, 2010 and 2011.
- Tax withholdings and prepayments relating to income from movable capital for 2009, 2010 and 2011.
- Tax withholdings and prepayments relating to property income for 2009, 2010 and 2011.
- Non-resident income tax withholdings and prepayments for 2009, 2010 and 2011.

On 31 December 2013 the security interest over the shares of Applus Technologies Holding, S.L. to secure compliance with the obligation associated with the syndicated loan (See Note 14), was extended from 32,315,600 shares to 602,056,357 shares, and currently represents 91.78% of the share capital.

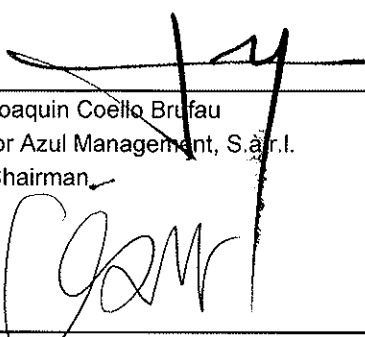
In relation to the litigation referred to Catalonia's roadworthiness testing regime, on 11 and 18 February 2014 the Supreme Court issued interlocutory orders to postpone the deliberation date. The Court postponed its decision in favor of, first, determining the adequacy to address a preliminary ruling to the EU First Instance Court on the compatibility of Catalanian roadworthiness testing regime with European Union law. Company does not foresee that the Supreme Court will submit the application for preliminary ruling before the end of March or middle of April 2014. Due to the described status, the Applus Technologies Holding, S.L.'s Board of Directors, remain positive that the statu quo, regarding Applus's authorizations in Catalonia, will remain in place throughout the litigation period, of approximately two years.

In October 2013 the Basque Autonomous Community Government enforced the judgment provisionally in a decision issued on 30 September 2013, awarding the Luybas concession (which consists of the Vitoria and Bergara centres) to the competitor in the tender and reverting the concession assets. Therefore, although the Applus Group has appealed the decision, from that date it ceased to operate the concession. The income generated by that concession in the nine months of 2013 totalled EUR 4,214 thousand.

On 4 March 2014 the Board of Directors of Applus Technologies Holding, S.L. decide to rename the Parent company of Applus Subgroup, Applus Technologies Holding, S.L. to Applus Services, S.A. for the purpose of the Initial Public Offering "IPO".

As stated in the Note 2 a.1) the effects of these subsequent events at 31 December 2011 and 2012 have been considered, if applicable, in the Applus Technologies Holding, S.L. and subsidiaries consolidated financial statements for the year ended 31 December 2013, last jointly presented period with these special purpose combined financial statements which are complementary to the consolidated information of Applus Group.

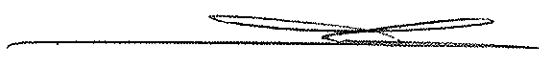
Barcelona, 25 March 2014



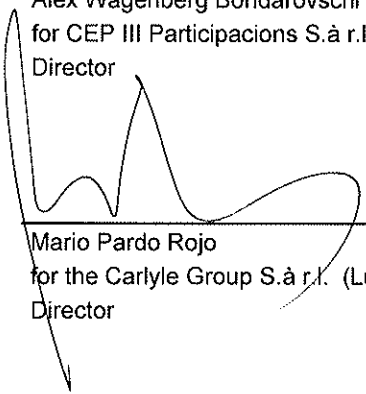
Joaquin Coello Brufau
for Azul Management, S.à r.l.
Chairman

Ernesto Gerardo Mata López
Deputy Chairman

Joan Manuel Soler Pujol
Director



Carlos Kinder Espinosa
Director



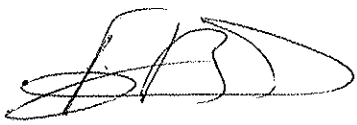
Alex Wagenberg Bondarovschi
for CEP III Participacions S.à r.l. SICAR (Luxembourg)
Director

Mario Pardo Rojo
for the Carlyle Group S.à r.l. (Luxembourg)
Director

Pedro Esteban Ferrer
for CEP II Participacions S.à r.l. SICAR (Luxembourg)
Director

Christopher Finn
Director

Richard Campbell Nelson
Director



Fernando Basabe Armijo
Director

Josep Maria Panicello Primé
Director

John Daniel Hofmeister
Director

Appendix I - Companies included in the scope of consolidation

Name	Applus Technologies Holding, S.L.*	Applus Servicios Tecnológicos, S.L.*	IDIADA Automotive Technology, S.A.*	Applus Technologies, Inc.*	IDIADA Fahrzeugtechnik GmbH
Registered office	Campus de la UAB, carretera d'accés a la facultat de medicina S/N, 08193 Bellaterra Cerdanyola del Vallès, Barcelona (Spain)	Campus de la UAB, carretera d'accés a la facultat de medicina S/N, 08193 Bellaterra Cerdanyola del Vallès, Barcelona (Spain)	L'Albomar, s/n BOX 20, 43710 Sta Oliva, Tarragona (Spain)	615 South Dupont City of Dover, County of Kent, Delaware, (US)	Hochsauer Strasse 2 85055 Ingolstadt (Germany)
Line of business	Holding company	Holding company	Engineering, testing and certification	Vehicle roadworthiness testing	Engineering, testing and certification
Ownership interest held by Group companies:	-	100%	80%	100%	80%
Direct	-	-	-	-	-
Indirect	-	-	-	-	-
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012
Other company information (in thousands of euros):					
Assets	1.309,088	946,037	76,565	118,866	4,037
Liabilities	929,819	361,629	42,729	71,694	3,940
Equity	461,169	584,408	33,636	(138,533)	97
Profit (Loss)	(63,285)	28,852	8,807	(396)	90

* *Affiliated Company*

Name	Registered office	Line of business	Ownership interest held by Group companies: Direct Indirect Method used to account for the investment Date of the financial statements Other company information (in thousands of euros): Assets Liabilities Equity Profit/(Loss)	Applus Invern. S.L.U.*	Applus Invern. S.L.U.*	Applus Invern. S.L.U.*	Applus Invern. S.L.U.*	Applus Invern. S.L.U.*	Applus Invern. S.L.U.*	Applus Invern. S.L.U.*													
Libertyown USA 1, Inc.	615 Dupont Highway, Kent County Dover, State of Delaware (US)	Holding company	100% Full consolidation 31/12/2012 211,174 159,646 51,528 (3,866)	K1 Kasatijaj, OY*	Tuohelan 8B, 21200 Raisio (Finland)	Vehicle roadworthiness testing	100% Full consolidation 31/12/2012 12,516 5,304 7,212 150	Applus Agroambiental, S.A.*	Partida Sotzams, s/n 22222 Sidamon, Lleida (Spain)	Certificate	62.63% Full consolidation 31/12/2012 2,317 1,356 761 (53)	Applus Invern. Technology, S.L.U.*	Campus de la UAB, carretera d'accés a la facultat de medicina S/N, 08193 Bellaterra Catalunya del Vallès, Barcelona (Spain)	Vehicle roadworthiness testing	100% Full consolidation 31/12/2012 309,994 192,220 117,774 21,072	Applus Invern. Andaluca, S.A.	Parque Empresarial San Isidro, c/ Graham Bell - Edificio San Isidro 18100 Armilla, Granada (Spain)	Inactive	57.5% Full consolidation 31/12/2012 66 (1) 67 (274)	Applus Portugal, Ltda.*	Rua Hernano Neves, 18, Esplanada 7, Freguesia do Lumiar, Concelho Lisbon (Portugal)	Certificate	93% Full consolidation 31/12/2012 268 255 15 5

* Affiliate Company

Name	Avai Holding 2, S.a.r.l.	LGA1 Technological Comer. S.A.*	Applus Automotive Services, S.L., Sole-Shareholder Company	Applus Danmark, A/S*	Applus Iteave Argentina, S.A.*	Applus Argentina, S.A.*
Registered office	2 avenue Charles de Gaulle, L-1653 Luxembourg	Campus de la UAB, carretera d'accés a la facultat de medicina S/N, 08193 Bellaterra Cerdanyola del Vallès, Barcelona (Spain)	Campus de la UAB, carretera d'accés a la facultat de medicina S/N, 08193 Bellaterra Cerdanyola del Vallès, Barcelona (Spain)	Korsølsvej, 111 2610 Roskilde (Denmark)	Reconquista 661 - Piso 2, C 1003 Ciudad de Buenos Aires (Argentina)	Reconquista 661 - Piso 2, C 1003 Ciudad de Buenos Aires (Argentina)
Line of business	Holding company	Certification	Lease of vehicles	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Holding company
Ownership interest held by Group companies:						
Direct	100%	95%	100%	100%	100%	100%
Indirect						
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012
Other company information (in thousands of euros):						
Assets	102,105	296,876	760	49,919	8,886	831
Liabilities	155	48,645	2	19,431	4,375	523
Equity	101,950	248,231	758	30,487	4,510	307
Profit (Loss)	(12)	319	(8)	(1,350)	2,602	131

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies:	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit (Loss)
Applus Chile, S.A. *	Monsieur Sotero Sanz, 100 - 8ª Comuna de Providencia, Santiago de Chile (Chile)	Vehicle roadworthiness testing	100%	-	100%	Full consolidation	31/12/2012	13,218	1,295	11,924	1,944	
Applus Revisores Técnicas de Chile, S.A. *	Monsieur Sotero Sanz, 100 - 8ª Comuna de Providencia, Santiago de Chile (Chile)	Vehicle roadworthiness testing	100%	-	100%	Full consolidation	31/12/2012	2,096	238	1,858	446	
Applus México, S.A. de C.V. *	Bvtd. Manuel Avila Camacho 184, Piso 4, Col. Reforma Social, C.P. 11650 State of Mexico (Mexico)	Quality system audit and certification	95%	-	95%	Full consolidation	31/12/2012	1,353	656	897	272	
Applus Serviços Tecnológicos do Brasil, Ltda.	Rua Dom José de Barros, nº 177, 6º andar, conjunto 601, sala 602, Vila Biarraque, CEP 01038-100, São Paulo, São Paulo State (Brazil)	Inactive	100%	-	100%	Full consolidation	31/12/2012	2,853	109	2,744	(3)	
Applus Panamá, S.A.	Urbanización Obarrío - C/ José Agustín Atencio - Edificio Victoria Plaza, Piso 2 Local A. Panama City (Panama)	Certification	95%	-	95%	Full consolidation	31/12/2012	25	175	(150)	(3)	
Norcontrol Guatemala, S.A. *	1ª Calle 1-35, Zona 3, Don Justo, Frigües, Km 16,5 Carretera a El Salvador, Departamento de Guatemala (Guatemala)	Certification	95%	-	95%	Full consolidation	31/12/2012	5,152	6,082	(930)	(997)	
Röngon Technische Dienst Holding BV*	Deilweg 144, 3046 NC Rotterdam, (The Netherlands)	Holding company	100%	-	100%	Full consolidation	31/12/2012	267,025	60,778	206,247	8,879	

* Audited Company

Name	Registered office	Line of business	Norcontrol Panamá, S.A.*	Norcontrol Chile, S.A.*	Norcontrol Inspección, S.A. de C.V. – Mexico*
			Urbanización Obarrio, C/ José Agustín Aranda, Edificio Victoria Plaza, Piso 2 Local A, Panamá City, (Panama)	Monseñor Sotero Sanz, 100 – 8ª Comuna de Providencia, Santiago de Chile (Chile)	Bld. Manuel Ávila Camacho, 184 Piso 4-B, Col. Reforma Social, C.P. 11650 Mexico City (Mexico)
			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
Overship interest held by Group companies:			95%	95%	95%
Direct			-	-	-
Indirect			-	-	-
Method used to account for the investment			Full consolidation	Full consolidation	Full consolidation
Date of the financial statements			31/12/2012	31/12/2012	31/12/2012
Other company information (in thousands of euros):					
Assets			4,116	6,232	6,984
Liabilities			2,655	5,372	3,564
Equity			1,461	860	3,42
Profit (Loss)			304	(317)	(151)

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies:	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit
Applus Norcontrol Perú, S.A.C.	Calle Marconi, num 163, Distrito San Isidro, Provincia y Departamento de Lima (Peru)	Inspection, quality control and consultancy services in the industry and services sector	95%	Full consolidation	31/12/2012	326	112	214	213			
Applus Norcontrol Colombia, Ltda *	Calle 17, num 69-46 Bogotá (Colombia)	Inspection, quality control and consultancy services in the industry and services sector	95%	Full consolidation	31/12/2012	22,940	11,984	16,955	1,459			
Norcontrol Nicaragua, S.A.	Colonial Los Robles, num 55 Masnagua (Nicaragua)	Inspection, quality control and consultancy services in the industry and services sector	95%	Full consolidation	31/12/2012	646	468	178	3			
Applus Colombia, Ltda. *	Calle 17, num 69-46 Bogotá (Colombia)	Certification	95%	Full consolidation	31/12/2012	1,274	795	479	264			
CTAG-Iñidea Safety Technology, S.L. *	Poligono Industrial A. Granva, Parcelas 299-250 Pomiño, Pontevedra (Spain)	Engineering, testing and certification	40%	Full consolidation	31/12/2012	1,713	501	1,212	319			
Applus Iteue Euskadi, S.A. - Sole-Shareholder Company.*	Poligono Ugaldereuren I Parceba 8, 48710 Zamuola, Vizcaya (Spain)	Vehicle roadworthiness testing	100%	Full consolidation	31/12/2012	15,170	6,552	8,618	1,800			
Itapplus, S.L. *	Campus UAB, Carretera d'access a la Facultat de Medicina, s/n. 08192 Bellaterra Barcelona (Spain)	Provision and marketing of search and development services for the agricultural industry.	83.04%	Full consolidation	31/12/2012	1,096	6	1,090	(41)			

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):
Appplus (Shanghai) Quality Inspection Co., Ltd.	Zhang Jiang Hi-Tech Park, First Shanghai Centre Phase II, 180 Zhang Heng Rd, Building 2, 3 rd Floor, Shanghai 201204 (China)	Inspection services in quality processes, production processes, technical assistance and consultancy.	95%	Full consolidation	31/12/2012	3,910 2,162 1,748 459
Appplus RTD Norway, AS*	Dusavikboasen, Bygg 13, 4029 Stavanger (Norway)	Certification services through non-destructive testing	100%	Full consolidation	31/12/2012	4,210 2,537 1,673 477
Inspecció Tècnica de vehicles i serveis, S.A.	C/ Babes Camp, 12, Andorra la Vella (Andorra)	Vehicle roadworthiness testing	53%	Proportionately consolidated	31/12/2012	445 86 359 237
Libertytown USA FINCO, Inc.	615 Dupont Highway, Kent County Dover (State of Delaware), US	Holding company	100%	Full consolidation	31/12/2012	231,545 231,984 (439) (110)
Libertytown USA 2, Inc.	615 Dupont Highway, Kent County Dover (State of Delaware), US	Holding company	100%	Full consolidation	31/12/2012	67,683 59,889 7,795 (954)
Libertytown Australia PTY, Ltd.*	Unit 761, Walters Drive Osborne Park, WA 6017, Australia	Holding company	100%	Full consolidation	31/12/2012	34,493 17,186 17,307 (215)
RTD Quality Services USA, Inc (Group)	San Houston Parkway W., Suite 200, Houston, TX 77031-2360, US	Certification services through non-destructive testing	100%	Full consolidation	31/12/2012	15,136 8,270 6,866 910

* Aviatel Company

Name	RTD Quality Services SRO*	RTD Belgium N.V. *	Applus RTD UK Holding, Ltd*	RTD Quality Services Canada, Inc*	Applus Centro de Capacitación, S.A.	Applus RTD France Holding, S.A.S. *	Applus RTD France, S.A.S.*	Applus RTD PTY, Ltd (Australia) *
Registered office	U Stadionu 89 330 02 Pardubice (Czech Republic)	Engelstein 10r, 2050 Kapellen, Belgium	Unit 2, Blocks C and D, West Mains Industrial Estate, Grangemouth, FK3 8YE, UK	10035, 105 Street Suite, 1000, Edmonton (Alberta), T3J3T2 Canada	Monseñor Socro Saiz, Num 100, 8º Piso, Comandada de Providencia, Santiago (Chile)	14 rue André Semuc, 69200 Venissieux, France	14 rue André Semuc, 69200 Venissieux, France	Unit 7-61, Walters Drive Osborne Park, WA 6017, Australia
Line of business	Certification services through non-destructive testing	Certification services through non-destructive testing	Holding company	Certification services through non-destructive testing	Provision of training services	Holding company	Certification services through non-destructive testing	Certification services through non-destructive testing
Overship interest held by Group companies:								
Direct:								
Indirect:								
Method used to account for the investment	100%	100%	100%	100%	95%	100%	100%	100%
Date of the financial statements	Full consolidation 31/12/2012	Full consolidation 31/12/2012	Full consolidation 31/12/2012	Full consolidation 31/12/2012	Full consolidation 31/12/2012	Full consolidation 31/12/2012	Full consolidation 31/12/2012	Full consolidation 31/12/2012
Other company information (in thousands of euros):								
Assets	3,233	3,153	32,652	70,549	284	1,008	6,996	26,765
Liabilities	484	2,641	27,949	42,303	260	3,285	6,572	17,333
Equity	2,769	512	4,703	28,246	24	(2,277)	424	9,232
Profit/(Loss)	389	202	1,256	3,153	-	(269)	(202)	142

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies:	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit (Loss)
				100%			31/12/2012		82,094	40,565	41,529	4,004
	RTD B.V. *	Delftweg 141, 3046 NC Rotterdam (The Netherlands)	Certification services through non-destructive testing	100%			31/12/2012		1,842	1,682	160	(55)
	RTD Quality Services Nigeria Ltd. *	B&B GOS Yard, NPA Express Way, Ekpem Wari, Delta State, Nigeria	Certification services through non-destructive testing	78%			31/12/2012		1	4	(3)	(2)
	RTD Slovakia, s.r.o. *	Viečie Hrdlo, 824 Bratislava, Slovakia	Certification services through non-destructive testing	100%			31/12/2012		19,11	1,673	17,437	2
	RTD Holding Deutschland, GmbH	Industriestr. 34, D-44894 Bochum, Germany	Holding company	100%			31/12/2012		16,42	8,703	7,717	2,005
	Applus RTD Deutschland inspektions-Gesellschaft, GmbH*	Elisabethstr. 8, D-50226 Flethen, Germany	Certification services through non-destructive testing	100%			31/12/2012		3,216	5,346	(2,130)	58
	Applus RTD PTE, Ltd (Singapore)	70 Kian Teck, Singapore 628798, Singapore	Certification services through non-destructive testing	100%			31/12/2012		80,131	64,201	15,930	(1,185)
	Libertytown Germany, GmbH*	Industriestr. 34, D-44894 Bochum, Germany	Holding company	100%			31/12/2012		348,002	234,947	113,055	2,384
	Arctosa Holding, B.V.	Gusta, Malletstraat 10, 102PP Amsterdam (The Netherlands)	Holding company	100%			31/12/2012					

* Audited Company

Name	Idada Automotive Technology India PVT. Ltd	Applus RTD GmbH (Austria)*	Applus RTD SP. z o o.	Applus Energy, S.L.	Technico, inc. (Group)	Jans Holding, Inc	Applus RTD KK	Applus Euskladi Holding, S.L.
Registered office	Vaikka Triangle, 6th floor block -A Susham, LOK-I, Mehrauli, CGN Road, Gurgaon	Hauptstr. 26	Rachawicka, 19	Campus LAB, Carretera d'access a la Facultat de Medicina s/n	Suite 600, 570, Queen Street, Fredericton	1209 Orange Street, New	4-3-9 Nihonbashi Muromachi,	Pol. Uspaldeguren, I paracela 8, Zamudio (Vizcaya)
Line of business	Engineering, testing and certification	A - 7201 Neudorf Austria	Poland	Belaterra - Cerdanyola del Valles, Barcelona (Spain)	New Brunswick, Canada	Certification services through non-destructive testing	Certification services through non-destructive testing	Holding company
Ownership interest held by Group companies:								
Direct	61%	100%	100%	100%	100%	100%	100%	100%
Indirect								
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012
Other company information (in thousands of euros)								
Assets	1,94	565	96	2,902	2,008	52,630	1,323	43,826
Liabilities	1,155	1,346	110	563	1,390	34,167	2,792	33,44
Equity	784	(781)	(14)	2,339	618	18,463	(1,469)	10,386
Loss	(148)	(12)	(894)	(265)	(202)	5,981	(1,398)	252

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies:	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):
Applus RTD UK, Ltd*	Block 2, Units C and D, West Mains Industrial Estate, Grangemouth, Stirlingshire FK3 8YE, Scotland, UK	Certification services through non-destructive testing	100%	Full consolidation	31/12/2012	Assets 10,874 Liabilities 4,498 Equity 6,377 Profit/(Loss) 2,321
Applus RTD AG	Aeschenvorstadt 71, CH - 4051 Basel (Switzerland)	Certification services through non-destructive testing	100%	Full consolidation	31/12/2012	Assets 23 Liabilities 671 Equity (648) Profit/(Loss) (52)
Shanghai IDIADA Automotive Technology Services Co. Ltd.*	Area D, 2nd floor, No. 23, Lane 3999, Xupu Road, Kangqiao Town, Pudong New Area, Shanghai (China)	Engineering, testing and certification	80%	Full consolidation	31/12/2012	Assets 7,794 Liabilities 1,620 Equity 6,174 Profit/(Loss) (70)
Applus Car Testing Services, Ltd.*	Arthur Cox Building, Earlsfort Terrace Dublin, Ireland	Vehicle roadworthiness testing	100%	Full consolidation	31/12/2012	Assets 16,709 Liabilities 9,272 Equity 7,437 Profit/(Loss) 3,271
Applus RTD Certifying, B.V.	Ravium 1e straat 80, 2909 LE, Capelle a/d IJssel, The Netherlands	Certification services through non-destructive testing	-	Full consolidation	31/12/2012	Assets (1,115) Liabilities 823 Equity (1,938) Profit/(Loss) (1,557)
Applus RTD Gulf DMCC*	Dubai Multi Commodities Center Dubai (United Arab Emirates)	Certification services through non-destructive testing	-	Full consolidation	31/12/2012	Assets 5,775 Liabilities 4,051 Equity 1,723 Profit/(Loss) 2,322
RTD Brasil Investimentos, Ltda.	Cidade de São Bernardo do Campo, Estado De São Paulo, na Rua Continental, nº 342 - Parc, Vila Margareta, CEP 09750-060 (Brazil)	Certification services through non-destructive testing	-	Full consolidation	31/12/2012	Assets 4,617 Liabilities 3,530 Equity 1,087 Profit/(Loss) (2,558)
Quality Assurance LABS, Inc. (US)	One william Street Portland, US	Certification services through non-destructive testing	100%	Full consolidation	31/12/2012	Assets 2,123 Liabilities 1,150 Equity 973 Profit/(Loss) 274

* Auditor Company

<p>Name Registered office</p>	<p>Idhada Tecnologia Automotiva, Ltda. Cidade de São Bernardo do Campo, Estado de São Paulo, na Rua Comarcial, nº 342, Vila Margareida, CEP 09750-060 (Brazil)</p>	<p>Applus RTD Canada, LP 100 King Street West, suite 6100, Toronto, M5X 1B8 (Canada)</p>	<p>Applus RTD Denmark, AS* Sløjssgade, 1 6700 Esbjerg (Denmark)</p>	<p>Quality Inspection Services, Inc. Suite 400, Cathedral Park Tower, 37 Franklin Street, Buffalo, New York 14202 (US)</p>	<p>Kieffer & Associates Inc. 385 Scherers Court, Worthington, Franklin County, Ohio, 43085 (US)</p>	<p>John Davidson & Associates PTY, Ltd* JETSTREAM BUSINESS PARK, UNIT A3.3 GREVILLEA PLACE, EAGLE FARM QLD 4009 (Australia)</p>	<p>JDA Wokman* C/- HLB Niugini Registered Public Accountants & Auditors, Level 7, ADF HAUS Masgrave Street, Port Moresby, National Capital District (Papua New Guinea)</p>	<p>PT, JDA Indonesia Plaza Aminta, 7th floor, Jl. TB Sinaupang, Kav. 10, South Jakarta (Indonesia)</p>
<p>Line of business</p>	<p>Engineering, testing and certification</p>	<p>Certification services through non-destructive testing</p>	<p>Certification services through non-destructive testing</p>	<p>Certification services through non-destructive testing</p>	<p>Certification services through non-destructive testing</p>	<p>Certification services through non-destructive testing</p>	<p>Certification services through non-destructive testing</p>	<p>Certification services through non-destructive testing</p>
<p>Ownership interest held by Group companies:</p>	<p>100%</p>	<p>100%</p>	<p>100%</p>	<p>100%</p>	<p>100%</p>	<p>70%</p>	<p>70%</p>	<p>70%</p>
<p>Direct Method used to account for the investment</p>	<p>Full consolidation 31/12/2012</p>	<p>Full consolidation 31/12/2012</p>	<p>Full consolidation 31/12/2012</p>	<p>Full consolidation 31/12/2012</p>	<p>Full consolidation 31/12/2012</p>	<p>Full consolidation 31/12/2012</p>	<p>Full consolidation 31/12/2012</p>	<p>Full consolidation 31/12/2012</p>
<p>Date of the financial statements</p>	<p>31/12/2012</p>	<p>31/12/2012</p>	<p>31/12/2012</p>	<p>31/12/2012</p>	<p>31/12/2012</p>	<p>31/12/2012</p>	<p>31/12/2012</p>	<p>31/12/2012</p>
<p>Other company information (in thousands of euros):</p>	<p>2.659</p>	<p>7.385</p>	<p>2.519</p>	<p>11.991</p>	<p>2.414</p>	<p>2.232</p>	<p>5.417</p>	<p>5.387</p>
<p>Assets</p>	<p>1.887</p>	<p>1.187</p>	<p>1.432</p>	<p>11.959</p>	<p>315</p>	<p>1.451</p>	<p>1.526</p>	<p>4.313</p>
<p>Liabilities</p>	<p>(773)</p>	<p>6.196</p>	<p>1.087</p>	<p>32</p>	<p>2.098</p>	<p>781</p>	<p>3.921</p>	<p>1.074</p>
<p>Equity</p>	<p>(300)</p>	<p>583</p>	<p>(156)</p>	<p>384</p>	<p>1.11</p>	<p>(285)</p>	<p>1.17</p>	<p>248</p>
<p>Profit/(Loss)</p>								

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies:	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit/(Loss)
Valley Industrial X-Ray and Inspection Services, Inc.	6201 Knasden Drive, Bakersfield, CA (US)	Certification services through non-destructive testing	100%	-	100%	Full consolidation	31/12/2012	15,065	7,414	7,641	1,091	
Applus RTD Personalservice, GmbH	Industrie Strasse 34 b, 44894 Bochum (Germany)	Certification services through non-destructive testing	100%	-	100%	Full consolidation	31/12/2012	26	3	23	(2)	
Applus Bilprovning, AB	Murmansvägen 43, 127 35 Starholmen, Stockholm (Sweden)	Vehicle roadworthiness testing	100%	-	100%	Full consolidation	31/12/2012	0	410	0	(1,133)	
Applus Lgati Belgelendirme ve Maliyet, Ltd.	Istanbul, Şişli County, Maslak Region, Dereboyu Cd. Zümrüt Sk. No 5 K.3 Şişli - Maslak / Istanbul (Turkey)	Certification	95%	-	95%	Full consolidation	31/12/2012	55	(355)	(169)		
Applus Lgati Maroc, Sari	INDUSPARC Module N° 11BD AHL LOGHLAM Route de T11 Mellil Chemin Tertiaire 10,5 Sidi Moumen 20400 Casablanca (Morocco)	Certification	95%	-	95%	Full consolidation	31/12/2012	278	423	(145)	(276)	
Applus Lgati Germany, GmbH	Zur Amundswiede 2, 28279 Bremen (Germany)	Certification	95%	-	95%	Full consolidation	31/12/2012	7,036	6,648	388	321	

* Annual Company

Name	Registered office	Line of business	Qualific Engenharia de Qualidade, Ltda	BK Werkstofftechnik, Profiteille Für Werkstoffe, GmbH	Burek und Partner, Obr.	Asinco-Assessoria Inspecao e Controle, Ltda	Applus Testing Norway, A.S.	Idrada Automotive Technology UK, Ltd *	Idrada Investimentos do Brasil, Ltda	APP Management, S. de R.L. de C.V. *
	Cidade de Ibiraci, Estado de Minas Gerais, na Rua Perovale, quadra 01, lote 10, integrante da area B, n° 450, Bairro Distrito Industrial, Maril, CEP 32.400-000 (Brazil)	Certification services through non-destructive testing	Zur Aumandswiede 2, 28279 Bremen (Germany)	Zur Aumandswiede 2, 28279 Bremen (Germany)	Zur Aumandswiede 2, 28279 Bremen (Germany)	Rua Oliveira, n° 203, Bairro Jardim das Rosas, CEP 32400-000 Cidade de Ibiraci, Estado de Minas Gerais (Brazil)	Nordlysvegen 1 4340 BRYNE (Norway)	3 Jackbrell Road, Dodswell's Bridge Industrial Estate, Leicestershire LE10 3BS (UK)	Cidade de São Bernardo do Campo, Estado De São Paulo, na Rua Continental, n° 342 - Parte, Via Marganda, CEP 09750-000 (Brazil)	Mexico City (Mexico)
			Certification	Certification	Certification	Certification services through non-destructive testing	Certification	Engineering, testing and certification	Engineering, testing and certification	Inspection, quality control and consultancy services in the industry and services sector
			100% Full consolidation 31/12/2012	100% Full consolidation 31/12/2012	100% Full consolidation 31/12/2012	100% Full consolidation 31/12/2012	95% Full consolidation 31/12/2012	80% 31/12/2012	80% 31/12/2012	95% 31/12/2012
			7.4	2.369	185	135	700	937	4.327	603
			2.096	2.369	13	392	787	509	0	496
			5.303	1.559	172	(239)	(88)	428	4.327	107
			1.501	608	(4)	(208)	(91)	60	(13)	77

Ownership interest held by Group companies:

Direct

Indirect

Method used to account for the investment

Date of the financial statements

Other company information (in thousands of euros):

Assets

Liabilities

Equity

Profit (Loss)

* Audited Company

Name	Velosi Sarl*	PDE International Ltd*	SAST International Ltd*	Velosi Asset Integrity Ltd*	Velosi Project Management Ltd*	K2 International Ltd*	Kurtes Inspection Services Sdn Bhd*	Velosi Plant Design Engineers Sdn Bhd*	K2 Specialist Services Pte Ltd*
Registered office	2, Avenue Charles de Gaulle, L-1653 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	C/o AGL Management Associates Sdn Bhd, No. 152-3 IKA, Kompleks Maluri, Jalan Ipoh, Taman Maluri, 55100 Kuala Lumpur, Malaysia	C/o AGL Management Associates Sdn Bhd, No. 152-3 IKA, Kompleks Maluri, Jalan Ipoh, Taman Maluri, 55100 Kuala Lumpur, Malaysia	521 Bukit Barok Street 23, Unit 5E, Excel Building, 659544 Singapore, Singapore.
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	Holding company	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	Provision of non-destructive testing (specialised NDT) services, inspection of guided wave long range ultrasonic testing (LRUT) and remote visual inspection	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
Ownership interest held by Group companies:	100%	100%	100%	80%	75%	100%	65%	100%	100%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012
Other company information (in thousands of euros):									
Assets	41,597	815	37,475	3,851	655	1,72	877	868	11,917
Liabilities	16,329	209	7,756	2,289	201	447	128	2,361	5,567
Equity	27,067	438	31,509	910	228	1,201	559	(1,165)	4,447
Profit/(Loss)	(1,799)	178	(1,770)	652	226	72	190	(328)	1,904

* Audited Company

Name	Velosi America (Luxembourg) Ltd	Velosi Asia (Luxembourg) Ltd	Velosi Africa (Luxembourg) Ltd	Velosi Europe (Luxembourg) Ltd
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	2, Avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg, Luxembourg
Line of business	Holding company	Provision of management, sales support, advisory and business development services	Holding company	Holding company
Ownership interest held by Group companies:	-	-	-	-
Direct	100%	100%	100%	100%
Indirect	-	-	-	-
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2012	31/12/2012	31/12/2012	31/12/2012
Other company information (in thousands of euros):				
Assets	84	930	1,014	624
Liabilities	-	615	88	305
Equity	91	961	1,081	299
Profit (Loss)	(6)	(645)	(155)	29

* Audited Company

Name	Registered office	Velosi Europe Ltd*	Velosi Certification Bureau Ltd*	Incec (UK) Ltd*	IES - Velosi Norge AS*	Velosi LLC*	Velosi Specialised Inspection Sdn Bhd*
	04-203 Warszawa ul Bonifrancska 17, Vj 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 Perceval Way, Heysham, Lancashire, LA3 2LZ, LA3 2UZ Lancashire, United Kingdom.	Dalsjøen, 86, Post Box, 2096 N-3541 Kollnes, Kongsberg, Norway.	Azadij Avenue 189, Apt 61, AZ1130 Baku, Azerbaijan.	C/o AGL Management Associates Sdn Bhd, No 152-3, 18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia
Line of business	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	Quality control, maintenance and inspection	Provision of quality assurance and quality control, inspection, skilled labor, certification and legal inspection, asset integrity management services and training for oil and gas companies	Provision of engineering and inspection services
Ownership interest held by Group companies:							
Direct							
Indirect							
Method used to account for the investment							
Date of the financial statements							
Other company information (in thousands of euros):							
Assets	100%	100%	60%	60%	60%	100%	100%
Liabilities	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Equity	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012
Profit/(Loss)	15	17,168	887	5,352	596	10	1,245
	217	14,615	1,447	2,179	227	12	1,724
	(138)	1,312	(530)	2,525	126	8	(765)
	(66)	1,240	(11)	647	243	(9)	287

* Affiliated Company

Name	Registered office	Line of business	Ownership interest held by Group companies:	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit/(Loss)
				80%		Full consolidation	31/12/2012	3,647	3,039	491	117	
	Velosi International Italy Srl 23807 Merate (LC), via De Gasperi, 113, Merate, Italy	Provision of technical, engineering and industrial services		80%		Full consolidation	31/12/2012	6,397	3,721	1,723	952	
	Velosi-PSC Srl* Dalmine (BG), via Cinquantenario, 8, Dalmine, Italy	Quality control, maintenance and inspection		50-40%		Full consolidation	31/12/2012	74	199	25	(149)	
	Velosi TK Govetim Hizmetleri Limited Sirketi 1042, Caddé 1319, Sokak No. 9/5 Oveeler, Ankara, Turkey	Quality control, maintenance and inspection		100%		Full consolidation	31/12/2012	22,101	19,550	1,859	692	
	Velosi Industries Sdn Bhd* C/o AGL Management Associates Sdn Bhd, No. 132-3/18A, Kompleks Mahuri, Jalan Jepak, Taman Mahuri, 55100 Kuala Lumpur, Malaysia	Investments, investment property and provision of engineering services		65%		Full consolidation	31/12/2012	370	22	454	(106)	
	Kunec Inspection Services Pte Ltd* 21, Bukit Bakri Crescent, Unit #25-82, WCEGA Tower, 638665 Singapore, Singapore	Specialised provision of non-destructive testing, which includes remote visual inspection, pipe inspection and inspection of guided wave long range ultrasonic testing		100%		Full consolidation	31/12/2012	645	181	484	(20)	
	Velosi (HK) Ltd* C/o United Secretaries, 20th Floor, Sunning Plaza, 10 Hysan Avenue, Causeway Bay, Hong Kong	Provision of management services, sales support, advisory and business development services to related companies		100%		Full consolidation	31/12/2012					

* Audited Company

Name	Registered office	Line of business	Velosi (B) Sdn Bhd*	Velosi (PNG) Ltd	Velosi China Ltd*	Velosi Project Services Pte Ltd	Velosi (Vietnam) Co Ltd*	Velosi Saudi Arabia Co Ltd*	K2 Do Brasil Services Ltda*
	Office 103, First Floor Business City Building-Homy Electronics, King Abdulaziz St., Al Zohar Area, Dammam, 31462, 31462 Dammam, Kingdom of Saudi Arabia	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	Lot 3211, Sgg. 357, Jln Maalana, KA 2081 Kuala Belat, Negara Brunei Darussalam.	Level 3, Pacific Place, Corner Musgrave Street & Champion Parade, Port Moresby, NCD, Papua New Guinea.	RM1502, No.2 HuiYang Building, 1139 Lane, Pudong Avenue, PRC 200135 Shanghai, China.	C/o Tan & The, 1 Commonwealth Lane, #07-52 One Commonwealth, 149544 Singapore, Singapore.	Suae 250 Petro Tower, 8 Hoang Dieu Street, Vung Tau City, Vietnam.	Office 103, First Floor Business City Building-Homy Electronics, King Abdulaziz St., Al Zohar Area, Dammam, 31462, 31462 Dammam, Kingdom of Saudi Arabia	Avenida Nossa Senhora da Gloria, 2427, Sobreljo, Sala 01, Cavaleiros, Macae - RJ, CEP27920-360, Macae, Brazil
			Provision of quality control and engineering services for the oil and gas industries	Architecture and engineering, technical services and related technical consultancy	Provision of consultancy for oil engineering management, technical consultancy for mechanical engineering and business management consultancy	Provision of management and consultancy services. The company has been inactive 2008	Provision of projection inspection services and certification, verification and inspection of the machinery, platforms, cranes and drilling equipment (through non- destructive testing) and recruitment services	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 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.
Ownership interest held by Group companies:			50%	100%	100%	100%	100%	60%	100%
Method used to account for the investment			Accounted for using the equity method	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements			31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012
Other company information (in thousands of euros):									
Assets			1,526	36	152	-	858	9,471	699
Liabilities			1,127	44	246	-	798	7,089	1,360
Equity			233	-	(120)	(233)	33	606	(125)
Profit (Loss)			166	(8)	26	233	26	1,826	(535)

* Audited Company

Name	Velost Certification Services Co Ltd*	Velost Siam Co Ltd*	Velost Technical Services Ltd*	Velost Integrity & Safety- Pakistan (Pvt) Ltd*	Velost Philippines Inc*	Steel Test (Pty) Ltd*
Registered office	36 Siam Rd, Yada Building, Fl 9/903, Surayawongse, Bangkok, 10500 Bangkok, Thailand	36 Siam Rd, Yada Building, Fl 9/903, Surayawongse, Bangkok, 10500 Bangkok, Thailand	C/o United Secretaries, 29th Floor, Sunning Plaza, 10 Hsian Avenue, Causeway Bay, Hong Kong	Office No. 401, 4th Floor, Business Centre, Block 6, P.E.C.H.S. Society, 74000 Karachi, Pakistan	4/F Claude Commercial Center, M.L. Quezon Avenue, Casuarangan, Mandaue City, Philippines	28 Senator Road, 1930 Vereeniging, Republic Of South Africa
Line of business	Provision of engineering and technical services	Holding company	Inactive	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 plans and access engineering	Provision of business process outsourcing	Pipe and steel thickness testing
Ownership interest held by Group companies:						
Direct						
Indirect	98.29%	96.65%	100%	70%	99.9%	100%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012
Other company information (in thousands of euros):						
Assets	832	253	1,517	341	118	3,241
Liabilities	243	244	310	298	108	1,496
Equity	558	21	1,208	16	-	1,091
Profit (Loss)	31	(12)	(1)	26	9	653

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies:	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):
Velosi (Ghana) Ltd*	P.O. Box OS 0684, OSU, ACCRA, Ghana.	Provision of inspection, quality control and certification services	100%	Full consolidation	31/12/2012	750 864 (188) 74
Velosi Certification Services LLC	17, Chirchik Street, Mirabod District, 100029 Tashkent, Uzbekistan	Provision of inspection, certification, monitoring and other types of business activity	80%	Full consolidation	31/12/2012	3 0 7 (4)
Velosi Ukraine LLC	4M, Hirnetchka Street, 3038 Kyiv, Ukraine	Provision of ancillary services in the oil and natural gas industries	100%	Full consolidation	31/12/2012	38 - 38 -
Velosi Superintendant Nigeria Ltd*	C/o The Law Union, 10 Balafabe Musa Crescent, Victoria Island, Lagos, Nigeria	Provision of services (quality assurance and control, general inspection, corrosion control and supply of labor) for the oil and gas industries	80%	Full consolidation	31/12/2012	3,747 6,265 (2,167) (652)
Velosi SA (Pty) Ltd*	1st Floor, AMR Building 1, Concorde Road East, Bedfordview, 2008 Gauteng, South Africa	Provision of services related with the quality of the oil and gas industries	100%	Full consolidation	31/12/2012	394 1,153 (711) (48)

* Auditor's Company

Name	Velosi LLC*	Velosi Malta I Ltd	Velosi Malta II Ltd	Velosi America LLC*	Velosi Unak FZC	Velosi Bahrain WLL*	Velosi Certification WLL*	Velosi Certification Services LLC*
Registered office	Block No: 227, Stella Building # 5279, Post Box # 231, Hamriya, Way No: 2748, POSTAL CODE: 131 Hamriya, Sultanate of Oman.	Level 5, The Mall Complex, The Mall, Floriana, Malta.	Level 5, The Mall Complex, The Mall, Floriana, Malta.	222 Penbright, Suite 230, Houston, 77094 Texas, United States of America.	C/o Equilibrium FZE, PB No. 49561, Hamriyah Free Zone, Sharjah, UAE.	Fat 25, Building 44B, Road 359, Block 321, Al-Qadhibiyah, Kingdom of Bahrain.	Office # 118 & 20, Elh France Café Building, Ramada Junction, P. O. Box 3408 Doha, Qatar.	# 201 & 205, Block B, Abu Dhabi Business Hub, ICAD-1, Mussafah, PO Box 427 Abu Dhabi, United Arab Emirates.
Line of business	Provision of quality assurance and quality control certification for the oil and gas industries	Holding company.	Holding company.	Provision of labor supply services for the oil and gas industries	Business and management consultancy	Provision of industrial inspection services, services for the management of facilities, quality and service issuance certificates	Provision of inspection and analysis and technical services in the area of qualified technical jobs	Provision of construction project quality management services, management system certification, quality management of the maintenance of existing facilities and equipment and mandatory inspection services
Ownership interest held by Group companies:	Direct 50%	100%	100%	100%	60%	100%	75%	100%
Method used to account for the investment	Accounted for using the equity method	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012
Other company information (in thousands of euros):	Assets 12,286	24,684	6,581	7,722	153	288	19,598	14,247
	Liabilities 5,276	1,079	-	8,425	71	262	11,410	7,527
	Equity 3,999	23,605	6,581	(386)	(22)	31	8,188	4,885
Profit (Loss)	3,011	-	-	(517)	104	(5)	-	1,855

* Auditor Company

Name	Registered office	Line of business	Ownership interest held by Group companies: Direct Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):
Velosi Quality Management International LLC*	# 201 & 205, Block B, Abu Dhabi Business Hub, ICAD-1, Mussafah, PO Box 427 Abu Dhabi, United Arab Emirates	Provision of certification, engineering and inspection, onshore and/or offshore services	60%	Full consolidation	31/12/2012	409 537 (147) 18
Velosi CBL (M) Sdn Bhd*	C/o AGL Management Associates Sdn Bhd, No. 152-3/15A, Kompleks Maluri, Jalan Jagaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia	Provision of equipment inspection services	60%	Full consolidation	31/12/2012	354 254 24 95
Velosi LLP	Suite 22, Building 56, Almayy Block 6, Kazakhstan	Inactive	80%	Full consolidation	31/12/2012	70 50 (1) 20
Rina-V Projects Certification LLC	c/o #201, Block "B", Abu Dhabi Business Hub, ICAD-1, Mussafah, P.O. Box: 114182 Abu Dhabi, United Arab Emirates	Certification, engineering services and inspection controls	50%	Accounted for using the equity method	31/12/2012	- - - -
Rina-V Ltd*	Unit 1703, 17th Floor, Golden Centre, 188 Des Voeux Road Central, Hong Kong, Hong Kong	Holding company	50%	Accounted for using the equity method	31/12/2012	- 290 (284) (6)
Kurtec Pipeline Services LLC*	# 201 & 205, Block B, Abu Dhabi Business Hub, ICAD-1, Mussafah, PO Box 427 Abu Dhabi, United Arab Emirates	Quality control, maintenance and inspection	45%	Accounted for using the equity method	31/12/2012	2,803 4,467 (1,474) (189)
Kurtec Pipeline Services Ltd	Equity Trust House, 28-30 The Parade, St Heller, JEI 1EQ Jersey, Channel Islands	Provision of specialised inspection services, management, sales support, advisory and business development services	45%	Accounted for using the equity method	31/12/2012	31 45 (7) (6)
Velosi Do Brasil Ltda	Praia Do Flamengo 312, 9 Andar Parte Flamengo, Rio De Janeiro, Brazil	Inactive	98%	Full consolidation	31/12/2012	- - - -
Velosi (S) Pte Ltd	C/o Tan & The, 1 Commonwealth Lane, #07-32 One Commonwealth, 149544 Singapore, Singapore	Provision of services of inspection, testing, maintenance, repair and maintenance of control systems, equipment, machinery, accessories and materials. The company discontinued operations in 2011	70%	Full consolidation	31/12/2012	24 11 (61) 74

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies:	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit/(Loss)
Velosi Australia Pty Ltd	Newcombe Clifton Atkins, 9, Bishop Street, Leighton, 6014 Western Australia, Australia	Holding company	100%	100%	Full consolidation	31/12/2012	6,996	6,157	472	367	-	-
QA Management Services Pty Ltd*	Suite 5/202 Hampden Rd, 6009 Notland, W.A., Australia	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	100%	100%	Full consolidation	31/12/2012	8,218	2,599	2,726	2,892	-	-
Velosi Canada Ltd	P.O. Box 273, 305-4625 Varsity Drive NW, Calgary, T3A 0Z9 Alberta, Canada	Inactive	100%	100%	Full consolidation	31/12/2012	92	196	(78)	(26)	-	-
Velosi Angola Prestacao de Servicos Ltda *	Rua Marica Ngouabi, 37, 5th Floor, Apt 35, Maizanga, Luanda, Angola	Provision of quality control and assurance services	75%	75%	Full consolidation	31/12/2012	16,858	9,294	4,346	3,218	-	-
Velosi LLC	Yuzhno-Sakhalinsk, Kommunistichesky Prospekt, 32, Suite 610, Sakhalin, Russia	Inactive	100%	100%	Full consolidation	31/12/2012	0	140	(140)	-	-	-
Velosi PromService LLC	8-B Milyevskaya Str., office 105a, 692000 Yuzhno-Sakhalinsk, Russia	Provision of quality assurance and control, general inspection, corrosion control and services for the supply of labor for the oil and gas industries	99%	99%	Full consolidation	31/12/2012	1,277	136	593	548	-	-
PDE Inovasi Sdn Bhd*	C/o AGL Management Associates Sdn Bhd, No. 152-3 18A, Kompleks Mahuri, Jalan Ipoh, Taman Mahuri, 55100 Kuala Lumpur, Malaysia	Provision of consultancy and engineering services for the design, construction and engineering of the works of the plant	100%	100%	Full consolidation	31/12/2012	20	19	1	-	-	-
PT Java Velosi Mandiri*	Plaza Tanjung Mas Raya B1/27, Tj. Barat, 12530 Jakarta, Indonesia	Provision of engineering consultancy services, such as quality control and non-destructive testing (NDT) inspection services, provision of skilled labor with vocational training	70%	70%	Full consolidation	31/12/2012	4,380	2,649	1,131	601	-	-
Kurtec Tube Inspection Sdn Bhd*	C/o AGL Management Associates Sdn Bhd, No. 152-3 18A, Kompleks Mahuri, Jalan Ipoh, Taman Mahuri, 55100 Kuala Lumpur, Malaysia	Provision of specialised non-destructive testing (NDT) inspection and cleaning of pipes and tanks	82.5%	82.5%	Full consolidation	31/12/2012	296	8	278	9	-	-

* Audited Company

Name	Velosi Corporate Services Sdn Bhd*	Velosi International Holding Company BSC (c)*	Velosi Certification WLL*	K2 Specialist Services Middle East FZ-LLC	SEA Term Solutions (M) Sdn Bhd *	Velosi Engineering Projects Pte Ltd*	Velosi Energy Consultants Sdn Bhd*
Registered office	C/o AGL Management Associates Sdn Bhd, No. 132-3, 18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia	Fir 25, Building 44B, Road 339, Block 321, Al-Qadabiyah, Kingdom of Bahrain.	28, 1st Floor, Bulyan Complex, Dhajji Farwaniya, Kuwait, P.O. Box - 1589, 22016 Salamiya, Kuwait.	Al Jazeera Al Hamra, PO Box 31291, Ras Al Khaimah, United Arab Emirates.	C/o AGL Management Associates Sdn Bhd, No. 132-3, 18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia	21, Bukit Bukit Crescent, Unit #25-82, WCEGA Tower, 658662 Singapore, Singapore.	C/o AGL Management Associates Sdn Bhd, No. 132-3, 18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.
Line of business	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 industrial consultancy	Provision of industrial facilities and inspection and safety consultancy services	Training/hiring of specialised staff	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 refueling vessels, oil platforms, platforms, petrochemical plants and the supply of qualified labor
Ownership interest held by Group companies:							
Direct	100%	100%	100%	65%	100%	75%	100%
Indirect	-	-	-	-	-	-	-
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012	31/12/2012
Other company information (in thousands of euros):							
Assets	9,385	10,449	5,979	36	11	4,549	2,514
Liabilities	9,012	42	3,472	74	-	1,570	1,676
Equity	820	7,844	2,507	(25)	12	301	128
Profit (Loss)	(448)	2,563	-	(13)	(1)	2,678	709

* Audited Company

Appendix II - Companies not included in the scope of consolidation

Name	Registered office	Line of business	Ownership interest held by Group companies:	Method used to account for the investment	Date of the financial statements	Other company data (in thousands of euros):
Appplus II Meio Ambiente Portugal, Ltda.	Rua Hermano Neves nº 18, Escriatório 7 Distrito	Inspection, quality control and consultancy services	100%	1	31/12/2012	-
Velosi Uganda Ltd	C/o PWC Ltd, P.O. Box 5083, Kampala, Kampala, Uganda.	Inactive	99.9%	-	31/12/2012	-
Velosi Cameroun Sarl	P.O. Box 15805 Akwa, Douala, Cameroon.	Inactive	100%	-	31/12/2012	-
Velosi Gabon Pte Ltd Co (Sarl)	Cita Shell BP 2 267, Port Gentil, Gabon.	Inactive	100%	-	31/12/2012	-
Steel Test Secunda (Pty) Ltd	11 Viscourt Road, Bedfordview, 2007, South Africa.	Inactive	100%	-	31/12/2012	-
Dijla & Furat Quality Assurance LLC	Ramadan Area, District 623-S, No.11, Baghdad, Iraq.	Inactive	100%	-	31/12/2012	-

* Audited Company

Appendix I - Companies included in the scope of consolidation

Name	Registered office	Line of business	Ownership interest held by Group companies	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit (Loss)
Applus Technologies Holding, S.L.*	Campus de la UAB, carretera d'accés a la facultat de medicina S/N, 08193 Bellaterra-Cerdanyola del Vallès, Barcelona (Spain)	Holding company	-	-	-	Full consolidation	31/12/2011	1.282.825	1.216.443	66.382	(58.344)	
Applus Servicios Tecnológicos, S.L.*	Campus de la UAB, carretera d'accés a la facultat de medicina S/N, 08193 Bellaterra-Cerdanyola del Vallès, Barcelona (Spain)	Holding company	100%	-	-	Full consolidation	31/12/2011	963.873	402.496	561.377	25.437	
IDIAADA Automotive Technology, S.A.*	L'Albormar, s/n BOX 20, 43710 Sta Oliva Tarragona (Spain)	Engineering, testing and certification	80%	-	-	Full consolidation	31/12/2011	68.465	26.901	41.564	8.438	
Applus, Inc	2711 Centerville Road, Suite 400 City of Wilmington, County of Newcastile, Delaware (US)	Holding company	100%	-	-	Full consolidation	31/12/2011	57.149	45.791	11.357	(4)	
Applus Technologies, Inc.*	4525 E. Skyline drive, Suite 121 City of Tucson, USA	Vehicle roadworthiness testing	100%	-	-	Full consolidation	31/12/2011	52.316	12.785	39.532	(2.399)	
Applus Autologic, Inc	South Corporate Circle, Suite no. 2 Sussex, Wisconsin 53089 (US)	Rendering of services	100%	-	-	Full consolidation	31/12/2011	5.325	5.143	182	(1.525)	
IDIAADA Fahrzeugtechnik, GmbH	Hochstatter Strasse 2 85055 Ingolstadt (Germany)	Engineering, testing and certification	80%	-	-	Full consolidation	31/12/2011	2.010	2.003	7	114	

* Audited Company

Name	Registered office	Line of business	Ownership interest held by: Group companies: Direct Indirect Method used to account for the investment Date of the financial statements Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit (Loss)
Libertytown USA 1, Inc.	615 Dupont Highway, Kent County, Dover, State of Delaware (US)	Holding company	100% Full consolidation 31/12/2011	214,798	159,267	55,532	(2,583)
IDIADA CZ, A.S.*	Havlíčkova 57 508 01 Hrovice (Czech Republic)	Engineering, testing and certification	100% Full consolidation 31/12/2011	4,825	1,700	3,125	823
K I Kaasitejat, OY*	Tuotekat 8B, 21200 Raasio (Finland)	Vehicle roadworthiness testing	100% Full consolidation 31/12/2011	14,087	5,982	8,105	1,393
Applus Agroumbiental, S.A.*	Sidamon (Lleida)	Certification	62.63% Full consolidation 31/12/2011	2,299	1,475	824	(43)
Applus Iteuve Technology, S.L.U.*	Campus de la UAB, carretera d'accés a la facultat de medicina S/N, 08193 Bellaterra-Cerdanyola del Vallès, Barcelona (Spain)	Vehicle roadworthiness testing	100% Full consolidation 31/12/2011	301,320	183,837	117,484	21,306
Applus Iteuve Andaluçia, S.A.	Parque Empresarial San Isidro, c/ Graham Bell - Edificio San Isidro 18100 Armilla, Granada (Spain)	Inactive	57.5% Full consolidation 31/12/2011	343	2	341	1
Applus Portugal, Lda.*	Largo da Lagoa, no. 15-H, Linda a Velha, concelho de Ostras, Portugal	Certification	95% Full consolidation 31/12/2011	330	355	(25)	5

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies:	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit (Loss)
	Applus Holding 2, S.à.r.l. 2 avenue Charles de Gaulle, L-1653 Luxembourg.	Holding company	100%	-	-	Full consolidation	31/12/2011	105.225 89.656 15.569 (250)				
	L-GAI Technological Center, S.A.* Campus de la UAB, carretera d'accés a la facultat de medicina S/N, 08193 Bellaterra-Cerdanyola del Vallès, Barcelona (Spain)	Certification	92%	-	-	Full consolidation	31/12/2011	292.387 63.234 229.153 2.381				
	Applus Automotive Services, S.L., Sole-Shareholder Company Campus de la UAB, carretera d'accés a la facultat de medicina S/N, 08193 Bellaterra-Cerdanyola del Vallès, Barcelona (Spain)	Lease of vehicles	100%	-	-	Full consolidation	31/12/2011	768 2 766 4				
	Applus Denmark, A/S* Masnedegade, 23, 2100 Copenhagen (Denmark)	Vehicle roadworthiness testing	100%	-	-	Full consolidation	31/12/2011	49.891 30.040 19.851 (1.499)				
	Applus Iteve Argentina, S.A.* Reconquista 661 – Piso 2, C 1043 Ciudad de Buenos Aires (Argentina)	Vehicle roadworthiness testing	100%	-	-	Full consolidation	31/12/2011	6.921 2.768 4.154 1.766				
	Applus Argentina, S.A.* Reconquista 661 – Piso 2, C 1043 Ciudad de Buenos Aires (Argentina)	Holding company	100%	-	-	Full consolidation	31/12/2011	789 570 219 -43				

* Audited Company

Name	Registered office	Line of business	Ownership interest held by: Group companies:	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit (Loss)
Applus Chile, S.A.*	Monseñor Sotero Sanz, 100 – 8ª Comuna de Providencia, Santiago de Chile (Chile)	Vehicle roadworthiness testing	100%	-	-	100%	31/12/2011	10,464 1,241 9,223 1,591	-	-	-	-
Applus Revisiones Técnicas de Chile, S.A.*	Monseñor Sotero Sanz, 100 – 8ª Comuna de Providencia, Santiago de Chile (Chile)	Vehicle roadworthiness testing	100%	-	-	100%	31/12/2012	1,518 213 1,305 255	-	-	-	-
Applus México, S.A. de C.V.*	Bldv. Manuel Avila Camacho 184, Piso 4. A. Col. Reforma Social, C.P. 11650 State of Mexico (Mexico)	Quality system audit and certification	95%	-	-	95%	31/12/2011	1,037 443 504 50	-	-	-	-
Applus Servicios Tecnológicos do Brasil, Ltda.	Av. Das Nações Unidas, 1255 7º andar, 04578-903 Sao Paulo	Inactive	100%	-	-	100%	31/12/2011	8,423 75 8,348 178	-	-	-	-
LCAL Panamá, S.A.	Ciudad de Panamá	Certification	95%	-	-	95%	31/12/2011	64 213 (149) (1)	-	-	-	-
Norecontrol Guatemala, S.A.*	1ª Calle 1-35, Zona 3, Don Justo, Fraijanes, Km. 16.5 Carretera a El Salvador, Departamento de Guatemala (Guatemala)	Certification	95%	-	-	95%	31/12/2011	6,034 5,994 -40 (113)	-	-	-	-
Rontgen Technische Dienst Holding BV*	Dalftweg 144, 3046 NC Rotterdam, (The Netherlands)	Holding company	100%	-	-	100%	31/12/2011	259,862 63,656 196,206 1,901	-	-	-	-

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies:	Direct	Indirect
Norcontrol Inspeccion, S.A. de C.V. – Mexico*	Blvd Manuel Ávila Camacho, 184 Piso 4-B, Col. Reforma Social, C.P. 11650 Mexico City (Mexico)	Inspection, quality control and consulting services in the manufacturing and services industries	-	95%	Full consolidation 31/12/2011 3,648 3,136 512 (1,231)
Norcontrol Chile, S.A.	Monseñor Sotero Sanz, 100 – 8ª Comuna de Providencia, Santiago de Chile (Chile)	Inspection, quality control and consulting services in the manufacturing and services industries	-	95%	Full consolidation 31/12/2011 6,614 5,423 1,191 (487)
Norcontrol Panama, S.A. *	Urbanización Obrarío, C/ José Agustín Ariando, Edificio Victoria Plaza, Piso 2 Local A, Panama City (Panama)	Inspection, quality control and consulting services in the manufacturing and services industries	-	95%	Full consolidation 31/12/2011 3,617 2,44 1,177 203
Novotec Consultores, S. A., Sole-Shareholder Company*	Parque Empresarial Las Mercedes, C/ Campezo, 1. Ed. 3.28022, Madrid (Spain)	Services related to quality and safety in industrial plants, buildings, etc.	-	95%	Full consolidation 31/12/2011 16,368 13,555 2,813 482
Applus Norcontrol, S. L., Sole-Shareholder Company*	Ctra. Nacional VI- Km 382, 15168, Sada, A Coruña (Spain)	Inspection, quality control and consultancy services	-	95%	Full consolidation 31/12/2011 151,734 116,959 34,775 (6,163)
LGAI Centro América y Caribe, S.A.	San Pedro Montes de Oca, Contiguo al Aparthotel Los Yoses, Edificio Centro Hispánico, 2 Piso, San José (Costa Rica)	Audits and certification of quality systems	-	95%	Full consolidation 31/12/2011 185 138 48 33
LGAI Chile, S.A. *	Monseñor Sotero Sanz, 100 – 8ª Comuna de Providencia, Santiago de Chile (Chile)	Audits and certification of quality systems	-	95%	Full consolidation 31/12/2011 241 173 68 22

* Audited Company

Assets

Liabilities

Equity

Profit (Loss)

Method used to account for the investment
Date of the financial statements
Other company information (in thousands of euros):

Name	Applus Norcontrol Colombia Ltda *	Norcontrol Nicaragua, S.A.	Applus Colombia, Ltda. *	CTAG-Idiada Safety Technology, S.L. *	Applus Iteuve Euskadi, S.A. - Sole-Shareholder Company**	Irrapplus, S.L. *
Registered office	Calle 17, núm 69-46 Bogotá (Colombia)	Masaya (Nicaragua)	Calle 17, núm 69-46 Bogotá (Colombia)	Polígono Industrial A Granza, Parcelas 249-250, Porriño, Pontevedra (Spain)	Polígono Egaldaguren I Parcela 8, 48710 Zamudio, Vizcaya (Spain)	Campus UAB, Carretera d'accés a la Facultat de Medicina, s/n, 08193 Bellaterra Barcelona (Spain)
Line of business	Inspection, quality control and consulting services in the manufacturing and services industries	Inspection, quality control and consulting services in the manufacturing and services industries	Certification	Engineering, testing and certification	Vehicle roadworthiness testing	Provision and marketing of search and development services for the agricultural industry
Ownership interest held by Group companies:						
Direct	95%	95%	98%	40%	100%	85.04%
Indirect						
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011
Other company information (in thousands of euros):						
Assets	22,165	657	551	1,494	13,021	1,111
Liabilities	13,184	484	225	602	4,351	(22)
Equity	8,980	173	325	892	8,670	1,133
Profit (Loss)	689	49	359	298	1,852	52

* Audited Company

Name	Appius (Shanghai) Quality Inspection Co., Ltd	Vantage NDT, B.V. (Netherlands)	Appius RTD Norway, AS*	Inspecció Tècnica de vehicles i serveis, S.A.	Applus RTD PTY, Ltd (Australia) *	Acciosa Holding, B.V.
Registered office	Room 1811, No. 1238, Yuyuan Road, Changning District, Shanghai	2617 CT Naaldwijk, Industriestraat 48, Naaldwijk.	Dusavikbaasen, Byggt 13, 4029 Stavanger (Norway)	C/ Babot Camp, 12, Andorra la Vella (Andorra)	Unit 7-6L, Walters Drive Osborne Park, WA 6017, Australia	Gustav Mahlerlaan 10, 102PP Amsterdam (The Netherlands)
Line of business	Inspection services in quality and production processes, technical assistance and consulting	Certification services through non-destructive testing	Certification services through non-destructive testing	Vehicle roadworthiness testing	Certification services through non-destructive testing	Holding company
Ownership interest held by Group companies						
Direct	-	-	-	-	-	-
Indirect	95%	100%	100%	33%	100%	100%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Proportionately consolidated	Full consolidation	Full consolidation
Date of the financial statements	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2012	31/12/2011
Other company information (in thousands of euros):						
Assets	2,498	(76)	5,359	496	22,254	344,370
Liabilities	1,158	423	4,415	174	13,577	226,002
Equity	1,340	(499)	945	322	8,677	118,368
Profit	379	(423)	427	203	563	(9,293)

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit (Loss)
			RTD Quality Services, SRO*	100%	-	Full consolidation	31/12/2011	3,581	623	2,958	703	
	U Stadionu 89, 530 02 Pardubice (Czech Republic)	Certification services through non-destructive testing	RTD Belgium, N.V.*	100%	-	Full consolidation	31/12/2011	3,608	2,048	1,560	445	
	Energiehain 10a, 2950 Kapellen, Belgium	Certification services through non-destructive testing	Applus RTD UK Holding, Ltd.*	100%	-	Full consolidation	31/12/2011	31,267	27,926	3,341	(1,66)	
	Commercial House, 2 Rubislaw Terrace, Aberdeen, UK	Holding company	RTD Quality Services Canada, Inc*	100%	-	Full consolidation	31/12/2011	63,262	39,328	23,934	(695)	
	1431-70 Avenue, Edmonton Alberta T6P 1N5	Certification services through non-destructive testing	Applus Centro de Capacitación, S.A	95%	-	Full consolidation	31/12/2012	276	254	22	-	
	Monseñor Solero Sanz, Núm 100, 8º Piso, Comunidad de Providencia, Santiago (Chile)	Provision of training services	Applus RTD France Holding, S.A.S.*	100%	-	Full consolidation	31/12/2011	(933)	4,137	(5,070)	(2,144)	
	14 rue André Sentuc, 69200 Venissieux, France	Holding company	Applus RTD France, S.A.S.*	100%	-	Full consolidation	31/12/2011	3,788	5,932	(2,144)	(464)	
	14 rue André Sentuc, 69200 Venissieux, France	Certification services through non-destructive testing										

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies:	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit (Loss)
RTD B.V. *	Delftweg 144, 3046 NC Rotterdam, (The Netherlands)	Certification services through non-destructive testing	100%	-	100%	Full consolidation	31/12/2011	90,771	53,799	36,972	4,687	
RTD Quality Services Nigeria Ltd. *	B&B GOS Yard, NPA Express Way, Ekpan, Warri, Delta State, Nigeria	Certification services through non-destructive testing	78%	-	78%	Full consolidation	31/12/2011	1,618	1,498	209	(28)	
RTD Slovakia, s.r.o. *	Vicie Hrdlo, 824 Bratislava, Slovakia	Certification services through non-destructive testing	100%	-	100%	Full consolidation	31/12/2011	3	4	(1)	(2)	
RTD Holding Deutschland, Gmbh	Industriestr. 34, D-44894 Bochum, Germany	Holding company	100%	-	100%	Full consolidation	31/12/2011	17,190	1,384	15,806	385	
Appius RTD Deutschland inspektions-Gesellschaft, Gmbh*	Elisabethstr. 8, D-50226 Frechen, Germany	Certification services through non-destructive testing	100%	-	100%	Full consolidation	31/12/2011	15,103	8,955	6,148	394	
Appius RTD PTE, Ltd (Singapore)	23 Tuas View Close, Trading Park, 637481 Singapore	Certification services through non-destructive testing	100%	-	100%	Full consolidation	31/12/2011	3,341	5,386	(2,046)	(594)	
Libertytown Germany, Gmbh*	Industriestr. 34, D-44894 Bochum, Germany	Holding company	100%	-	100%	Full consolidation	31/12/2011	78,441	61,325	17,116	(2,758)	

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies:	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit (Loss)
Libertytown USA FINCO, Inc.	615 Dupont Highway, Kent County, Dover (State of Delaware), US	Holding company	100%	241,722	238,503		31/12/2011	2,819	(45)			
Libertytown USA 2, Inc	615 Dupont Highway, Kent County, Dover (State of Delaware), US	Holding company	100%	67,391	58,863		31/12/2011	8,528	1,608			
Libertytown Australia PTY, Ltd *	2 Thorpe Way, Kwinana WA 6167, Australia	Holding company	100%	32,777	16,055		31/12/2011	16,721	(39)			
RTD Quality Services USA, Inc. (Group)	10540 Rockley Road, Suite 308, Houston Texas 77059	Certification services through non-destructive testing	100%	17,143	11,112		31/12/2011	6,031	332			
Jank Holding, Inc	1209 Orange Street, New Castle County, Wilmington, Delaware 19801, US	Certification services through non-destructive testing	100%	40,138	27,402		31/12/2011	12,735	2,687			
Apphus RTD KK	4-2-9 Nihonbashi Muromachi, Chuo-ku, Tokyo (Japan)	Certification services through non-destructive testing	100%	1,935	2,125		31/12/2011	(190)	(25)			
Applus Euskadi Holding, S.L.	Zarautio (Vizcaya), Pol. Ugaldeguren, parcela 8	Holding company	100%	41,355	31,221		31/12/2011	10,134	256			

* Audited Company

Name	Idiada Automotive Technology India PVT. Ltd	Applus RTD GmbH (Austria)*	Applus RTD SP. z.o.o.	Appius Energy, S.L.	Contrôlas Techniques Services S.A.S. *	Technicos, Inc. (Group)	Quality Assurance LABS, Inc (US)
Registered office	Vaika Triangle, 6th floor, block - A Sushant LOK-1 Mehrauli, GGN Road, Gurgaon Haryana, India	Wiener Strasse, 113 objekt 2.1 Austria	Radawicka, 19 Poland	Campus UAB, Carretera d'access a la Facultat de Medicina s/n Bellaterra - Cerdanyola del Valles, Barcelona, (Spain)	9, ZA Les Pielletes Le Roeu, France	Suite 600, 570, Queen Street, Fredericton New Brunswick, Canada	One William Street Portland, US
Line of business	Engineering, testing and certification	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing
Ownership interest held by Group companies:	Direct 61%	100%	100%	100%	100%	100%	100%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011
Other company information (in thousands of euros):	Assets 1,051	269	864	2,364	1,182	3,268	2,032
Liabilities	533	1,06	1,326	1,685	1,828	2,483	1,319
Equity	518	(791)	(461)	679	(646)	785	713
Loss	(74)	(431)	(240)	(588)	(344)	(392)	(39)

* Audited Company

Name	Applus RTD UK, Ltd*	Applus RTD AG	Shanghai IDIADA Automotive Technology Services Co. Ltd.*	Applus Car Testing Services, Ltd.*
Registered office	Block 2, Units C and D, West Mains Industrial Estate, Grangemouth, Shifeshire FK3 8YE, Scotland, UK	Aeschenvorstadt 71, CH - 4051 Basel (Switzerland)	Room 1811, No. 1238, Yuyuan Road, Changning District, Shanghai	Arthur Cox Building, Earlsfort Terrace Dublin, Ireland
Line of business	Certification services through non-destructive testing	Certification services through non-destructive testing	Engineering, testing and certification	Vehicle roadworthiness testing
Ownership interest held by Group companies:				
Direct	-	-	-	-
Indirect	100%	100%	80%	100%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2011	31/12/2011	31/12/2011	31/12/2011
Other company information (in thousands of euros):				
Assets	13,308	123	814	13,448
Liabilities	7,534	733	414	9,220
Equity	5,774	(610)	400	4,228
Profit/(Loss)	1,397	(37)	172	2,324

* Audited Company

Name	High Ent. Ltda	Applus RTD Canada, LP	Applus RTD Denmark, AS *	Quality Inspection Services, Inc.
Registered office	Cidade de São Bernardo do Campo, Estado de São Paulo,	100 King Street West, suite 6100, Toronto, M5X 1B8	Skippesgade, 1 6700 Esbjerg (Denmark)	Suite 400, Cathedral Park Tower, 37 Franklin Street,
Line of business	Engineering, testing and certification	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing
Ownership interest held by Group companies:	100%	100%	100%	100%
Indirect	-	-	-	-
Direct	-	-	-	-
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2011	31/12/2011	31/12/2011	31/12/2011
Other company information (in thousands of euros):				
Assets	3,194	6,574	682	11,604
Liabilities	4,779	1,192	944	11,950
Equity	(1,586)	5,381	(262)	(346)
Profit/(Loss)	(983)	593	22	(189)

* Attributed Company

Name	Valley Industrial X-Ray and Inspection Services, Inc.	Applus RTD Personalservice GmbH	Applus Bilprovning, AB	Applus Lga Belgelemdime ve Muayene, Ltd	Applus Lga Maroc, Sazi	Assinco-Assessoria Inspecao e Controle, Ltda
Registered office	6201 Knusden Drive, Bakersfield, CA (US)	Industrie Strasse 34 b, 44894 Bochum (Germany)	Murråstervägen 43, 127 35 Skarholmen, Stockholm (Sweden)	Istanbul, Şişli County, Maslak Region, Derebeyi Cd, Zumrütü Sk. No:3 K:3 Şişli – Maslak / Istanbul (Turkey)	INDUSPARC Module N° 11BD AHL LOCHLAM Route de Tti Mellil Chemin Teritiare 1015 Sidi Moumen 29400 Casablanca (Morocco)	Rua Oliveira, nº 703, Bairro Jardim das Rosas, CEP 32400-000 Cidade de Ibitiê, Estado de Minas Gerais (Brazil)
Line of business	Certification services through non-destructive testing	Certification services through non-destructive testing	Technical inspection of vehicles	Certification	Certification	Certification services through non-destructive testing
Ownership interest held by Group companies:						
Direct	100%	100%	100%	95%	95%	100%
Indirect						
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011
Other company information (in thousands of euros):						
Assets	11,686	26	541	122	387	181
Liabilities	5,053	6	1,211	295	248	260
Equity	6,634	20	(670)	(172)	139	(79)
Profit (Loss)	2,393	(5)	(946)	(129)	(160)	(149)

* - Affiliated Company

Name	Registered office	Line of business	Ownership interest held by Group companies:	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit/(Loss)	
				100%		Full consolidation	31/12/2011	1,448	137	1,311	6		
John Davidson & Associates PTY, Ltd	JETSTREAM BUSINESS PARK, UNIT A3, 5 GREVILLE PLACE, EAGLE FARM QLD 4009 (Australia)	Certification services through non-destructive testing	100%		Full consolidation	31/12/2011	2,024	1,264	760	98			
JDA Wolmar*	C/- HLB Niuginj Registered Public Accountants & Mergers Street, Port Moresby, National Capital District (Papua New Guinea)	Certification services through non-destructive testing	100%		Full consolidation	31/12/2012	4,164	1,708	2,456	49			
PT JDA Indonesia*	Plaza Aminta 7th floor, Jl. TB Simanung Kav. 10, South Jakarta (Indonesia)	Certification services through non-destructive testing	100%		Full consolidation	31/12/2011	2,853	1,953	900	(443)			
Qualitec Engenharia de Qualidade, Ltda.	Cidade de Ibirité, Estado de Minas Gerais, na Rua	Certification services through non-destructive testing	100%		Full consolidation	31/12/2011	8,557	981	7,576	379			
BK Werstofftechnik-Prüfstelle Für Werkstoffe, GmbH	Zur Aumundswiede 2, 28279 Bremen (Germany)	Certification services through non-destructive testing	100%		Full consolidation	31/12/2011	2,302	595	1,707	609			
Burek und Partner, Gbr	Zur Aumundswiede 2, 28279 Bremen (Germany)	Certification services through non-destructive testing	100%		Full consolidation	31/12/2011	260	86	174	(1)			

* Audited Company

Name	Velosi Surl*	PDE International Ltd*	SAST International Ltd*	Velosi Asset Integrity, Ltd*	Velosi Project Management Ltd*	K2 International Ltd*	Kunsec Inspection Services Sdn Bhd*
Registered office	PO Box 498, 28-34 Hill Street, St Helier, Jersey, JE4 5TF, Channel Islands.	PO Box 498, 28-34 Hill Street, St Helier, Jersey, JE4 5TF, Channel Islands.	PO Box 498, 28-34 Hill Street, St Helier, Jersey, JE4 5TF, Channel Islands.	PO Box 498, 28-34 Hill Street, St Helier, Jersey, JE4 5TF, Channel Islands.	PO Box 498, 28-34 Hill Street, St Helier, Jersey, JE4 5TF, Channel Islands.	PO Box 498, 28-34 Hill Street, St Helier, Jersey, JE4 5TF, Channel Islands.	C/o AGL Management Associates Sdn Bhd, No. 152-3/18A, Kompleks Mallu, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.
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	Holding company	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	Provision of non-destructive testing (specialised NDT) services, inspection of guided wave long range ultrasonic testing (LRUT) and remote visual inspection
Ownership interest held by Group companies:	100%	100%	51%	80%	75%	65%	65%
Direct							
Indirect							
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011
Other company information (in thousands of euros):							
Assets	41,587	464	584	2,561	1,219	1,781	828
Liabilities	16,686	33	-	1,643	15	569	288
Equity	24,901	432	584	919	1,204	1,212	540
Profit (Loss)	(6,216)	37	(5)	497	(86)	(314)	59

* Attributed Company

Name	Registered office	Line of business	Ownership interest held by Group companies	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):	Assets	Liabilities	Equity	Profit (Loss)
Velosi America (Jersey) Ltd	PO Box 498, 28-34 Hill Street, St Helier, Jersey, JE4 5TF, Channel Islands.	Holding company.	100%	15	26	(11)	(4)					
Velosi Asia (Jersey) Ltd	PO Box 498, 28-34 Hill Street, St Helier, Jersey, JE4 5TF, Channel Islands.	Provision of management, sales support, advisory and business development services	100%	407	1,255	(848)	(584)					
Velosi Africa (Jersey) Ltd	PO Box 498, 28-34 Hill Street, St Helier, Jersey, JE4 5TF, Channel Islands.	Holding company.	100%	888	1,214	(326)	(172)					
Velosi Europe (Jersey) Ltd	PO Box 498, 28-34 Hill Street, St Helier, Jersey, JE4 5TF, Channel Islands.	Holding company.	100%	214	622	(408)	(132)					
Velosi Plant Design Engineers Sdn Bhd*	C/o AGL Management Associates Sdn Bhd, No. 152-3/18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	Provision of consultancy and engineering services for the design of plants, construction and engineering and the investment that they possess	100%	456	1,563	(1,127)	(481)					
K2 Specialist Services Pte Ltd*	521 Bukit Batok Street 23, Unit 2E, Excel Building, 659544 Singapore, Singapore.	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	65%	7,807	3,608	4,198	973					

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):
				Direct	31/12/2011	
	Velosi Poland Sp z o.o. 00-203 Warszawa, ul. Bonifraterska 17, VI p, Polska, 00-203 Warsaw, Poland	Publishing of other programmes	100%	Full consolidation	31/12/2011	10 132 (122) (81)
	Velosi Europe Ltd* Unit 1 Woodside Business Park, Whitley Wood Lane, Reading, Berkshire RG2 8LW, United Kingdom	Provision of technical, engineering and industrial services	100%	Full consolidation	31/12/2011	8,442 7,290 1,152 93
	Velosi Certification Bureau Ltd* Unit 1 Woodside Business Park, Whitley Wood Lane, Reading, Berkshire RG2 8LW, United Kingdom	Provision of technical, engineering and industrial services	60%	Full consolidation	31/12/2011	672 1,202 (530) (303)
	Intec (UK) Ltd* Brunel House, 9 Perrod Way, Hesham, Lancashire, LA3 2UZ, LA3 2UZ Lancashire, United Kingdom	Provision of consultancy, training and human resources services	60%	Full consolidation	31/12/2011	4,66 2,238 2,472 187
	IES - Velosi Norge AS* Dolevegen, 8G, Post Box, 2096 N-5541 Kohnes, Kongsberg, Norway	Quality control, maintenance and inspection	60%	Full consolidation	31/12/2011	1,108 689 420 364
	Velosi Specialised Inspection Sdn Bhd* C/o AGL Management Associates Sdn Bhd, No. 132-3 18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	Provision of engineering and inspection services	100%	Full consolidation	31/12/2011	804 1,530 (746) (50)

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):
Velosi International Italy Srl	23807 Merate (LC), via De Gasperi, 113, Merate, Italy	Provision of technical, engineering and industrial services	89%	Full consolidation	31/12/2011	3,846 3,362 484 323
Velosi-PSC Srl*	Dalmine (BG), via Cinquantenario, 8, Dalmine, Italy	Quality control, maintenance and inspection	80%	Full consolidation	31/12/2011	6,002 4,180 1,822 562
Velosi TK Hizmetleri Limited Sirketi	1042. Caddesi 1319. Sokak No. 9/5 Oveçler, Ankara, Turkey	Quality control, maintenance and inspection	50.40%	Full consolidation	31/12/2011	104 79 25 1
Velosi Industries Sdn Bhd*	C/o AGL Management Associates Sdn Bhd, No. 152-3 18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia	Investments, investment property and provision of engineering services	100%	Full consolidation	31/12/2011	11,652 9,856 1,796 784
Kurtes Inspection Services Pte Ltd*	45 Cantonment Road, Singapore 089748	Specialised provision of non-destructive testing, which includes remote visual inspection, pipe inspection and inspection of guided wave long range ultrasonic testing	65%	Full consolidation	31/12/2011	550 121 429 231
Velosi (HK) Ltd*	Unit 1628, 16th Floor, Man Yee Building, 60-68 Des Voeux Road, Central, Hong Kong	Provision of management services, sales support, advisory and business development services to related companies	100%	Full consolidation	31/12/2011	622 136 486 (44)

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies: Direct Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):
Velost Saudi Arabia Co Ltd*	Office 103, First Floor Business City Building-Hornby Electronics, King Abdulaziz St., Al Zohr Area, Dammam 31462, 31462 Dammam, Kingdom of Saudi Arabia.	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	60%	Full consolidation	31/12/2011	Assets 5,750 Liabilities 3,319 Equity 2,431 Profit (Loss) 1,701
Velost (Vietnam) Co Ltd*	Suite 250 Petro Tower, 8 Hoang Dieu Street, Vung Tau City, Vietnam.	Provision of projection inspection services and certification, verification and inspection of the machinery, platforms, cranes and drilling equipment (through non- destructive testing) and recruitment services	100%	Full consolidation	31/12/2011	705 672 33 (136)
Velost Project Services Pte. Ltd	C/o Tan & The, 1 Commonwealth Lane, #07-32 One Conventwealth, 49544 Singapore, Singapore	Provision of management and consultancy services. The company has been inactive 2008	100%	Full consolidation	31/12/2011	0 225 (225) (6)
Velost China Ltd*	RXW502, No.2 Hui Yang Building, 1130 Lanchi Road, Avenue, PRC, 200135 Shanghai, China.	Provision of consultancy for oil engineering, management, technical consultancy for mechanical engineering and business management consultancy	100%	Full consolidation	31/12/2011	84 204 (120) (198)
Velosi (PNG) Ltd	Level 3, Pacific Place, Corner Magsara Street & Champion Parade, Port Moresby, NCD, Papua New Guinea.	Architecture and engineering technical services and related technical consultancy	100%	Full consolidation	31/12/2011	35 34 1 8
Velosi (B) Sdn Bhd*	Lot 5211, Sgg. 357, Jin Maulana, KA 2931 Kuala Belait, Negara Brunei Darussalam.	Provision of quality control and engineering services for the oil and gas industries	50%	Accounted for using the equity method	31/12/2011	1,528 1,341 286 (1)
K2 Do Brasil Services Ltda*	Avenida Nossa Senhora da Gloria, 2427, Sobrelaja, Sala 01, Cavaleros, Maceae - RJ, CEP7920-360, Maceae, Brazil.	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.	65%	Full consolidation	31/12/2011	1,127 1,309 (182) 28

* Audited Company

Name	Registered offices	Velosi Certification Services Co Ltd*	Velosi Siam Co Ltd*	Velosi Technical Services Ltd*	Velosi Integrity & Safety Pakistan (Pvt) Ltd*	Steel Test (Pty) Ltd*
Line of business	Provision of engineering and technical services	Holding company	Inactive	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	Pipe and steel thickness testing	
Ownership interest held by Group companies:	98.29%	96.65%	100%	70%	51%	
Direct						
Indirect						
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011
Other company information (in thousands of euros)	765	247	1,517	78	2,618	2,618
Assets	220	226	304	59	1,517	1,517
Liabilities	545	20	1,212	20	1,101	1,101
Equity	118	(15)	(18)	(24)	24	24
Profit (Loss)						

* Audited Company

Name	Registered office	Line of business	Velosi SA (Pty) Ltd*	Velosi (S) Pe Ltd	PT Java Velosi Mandiri*	Kurtes Tube Inspection Sdn Bhd*
	P.O. Box OS 0934, OSU, ACCRA, Ghana.	Provision of inspection, quality control and certification services	C/o The Law Union, 10 Balarabe Musa Crescent, Victoria Island, Lagos, Nigeria.	C/o Tan & The, 1 Commonwealth Lane, #07-32 One Commonwealth, 149544 Singapore, Singapore.	Plaza Tanjung Mas Raya B1/27, Tj Barat, 12530 Jaksel, Indonesia.	C/o AGL Management Associates Sdn Bhd, No. 152-3 18A, Kompleks Miatari, Jalan Hejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.
			Provision of services (quality assurance and control, general inspection, corrosion control and supply of labor) for the oil and gas industries	Provision of services of inspection, testing, maintenance, repair and maintenance of control systems, equipment, machinery, accessories and materials. The company discontinued operations in 2011	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 specialised non-destructive testing (NDT) inspection and cleaning of pipes and tanks
Ownership interest held by Group companies:			100%	100%	100%	58%
Direct						
Indirect						
Method used to account for the investment			Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011
Other company information (in thousands of euros)						
Assets	145	5,557	345	32	2,596	276
Liabilities	334	7,763	1,062	91	1,564	6
Equity	(189)	(2,186)	(717)	(59)	1,231	270
Profit (Loss)	37	(152)	(238)	(19)	198	56

* Audited Company

Name	Velosi LLC *	Velosi America LLC*	Velosi Uruk FZC	Velosi Bahrain WLL *	Velosi Certification WLL *	Velosi Certification Services LLC*	Velosi Do Brasil Ltda
Registered office	PO Box 261, PC 131, Hamriyah, Sultanate of Oman	222 Pennbriqhal, Suite 230, Houston, 77090 Texas, United States of America.	C/o Equilibrium FZE, PB No. 49561, Hamriyah Free Zone, Sharjah, U.A.E.	Flat 25, Building 44B, Road 359, Block 321, Al-Qudairyah, Kingdom of Bahrain.	Office # 1,18 & 20, Eli France Cafe Building, Ramada Junction, P. O. Box 3408 Doha, Qatar.	# 201 & 205, Block B, Abu Dhabi Business Hub, ICAD-1, Mussalah, PO Box 427 Abu Dhabi, United Arab Emirates.	Prata Do Flamengo 312, 9 Andar Parte Flamengo, Rio De Janeiro, Brazil.
Line of business	Provision of quality assurance and quality control certification for the oil and gas industries	Provision of labor supply services for the oil and gas industries	Business and management consultancy	Provision of industrial inspection services, services for the management of facilities, quality and service issuance certificates	Provision of inspection and analysis and technical services in the area of qualified technical jobs	Provision of construction project quality management services, management system certification, quality management of the maintenance of existing facilities and equipment and mandatory inspection services	Inactive
Ownership interest held by Group companies:	50%	100%	60%	100%	75%	100%	98%
Direct	Accounted for using the equity method	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Indirect	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011
Method used to account for the investment							
Date of the financial statements							
Other company information (in thousands of euros):							
Assets	3,391	6,658	57	59	16,941	11,877	-
Liabilities	1,220	7,048	79	27	8,124	6,949	-
Equity	2,171	(399)	(22)	32	8,817	4,928	-
Profit (Loss)	117	(657)	(25)	(2)	(621)	1,915	-

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies: Direct Indirect	Method used to account for the investment	Date of the financial statements Other company information (in thousands of euros):	Assets Liabilities Equity Profit (Loss)
Velosi Quality Management International LLC*	PO Box 113316< Dubai, United Arab Emirates.	Provision of certification, engineering and inspection, onshore and/or offshore services	60%	Full consolidation	31/12/2011	282 430 (148) 26
Velosi CBL (M) Sdn Bhd*	C/o AGL Management Associates Sdn Bhd, No. 152-3 18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	Provision of equipment inspection services	60%	Full consolidation	31/12/2011	221 198 22 0
Velosi LLP	Suite 22, Building 56, Almayah Block 6, Kazakhstan.	Inactive	80%	Full consolidation	31/12/2011	102 104 (2) 5
Rina-V Projects Certification LLC	PO Box: 427, Abu Dhabi, United Arab Emirates.	Certification, engineering services and inspection controls	50%	Accounted for using the equity method	31/12/2011	- - -
Rina-V Ltd *	Unit 1703, 17th Floor, Golden Centre, 188 Des Voeux Road Central, Hong Kong, Hong Kong.	Holding company	50%	Accounted for using the equity method	31/12/2011	- 287 (287) (8)
Kursee Pipeline Services LLC*	PO Box 127867, Abu Dhabi, United Arab Emirates	Quality control, maintenance and inspection	45%	Accounted for using the equity method	31/12/2011	6,346 11,291 (4,944) 231
Kursee Pipeline Services Ltd	PO Box 498, 28-34 Hill Street, St Helier, Jersey, JE4-5TF, Channel Islands.	Provision of specialised inspection services, management, sales support, advisory, and business development services	45%	Accounted for using the equity method	31/12/2011	- 31 39 (7) (4)

* Audited Company

Name	Registered office	Line of business	Ownership interest held by Group companies	Direct	Indirect	Method used to account for the investment	Date of the financial statements	Other company information (in thousands of euros):
Velosi Corporate Services Sdn Bhd*	C/o AGL Management Associates Sdn Bhd, No. 152-3 J8A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	Provision of general management, business planning, coordination, corporate finance advisory, training and personnel management services	100%	100%	Full consolidation	31/12/2011	948 147 802 139	
Velosi International Holding Company BSC (c)*	Fiat 25, Building 44B, Road 359, Block 321, Al-Qudsiyah, Kingdom of Bahrain	Holding company of a group of commercial, industrial and service companies	100%	100%	Full consolidation	31/12/2011	8,153 2,552 5,601 32	
Velosi Certification WLL*	Block No. A1, Al Dajeej, Building No. 72, Office No. 28, Farwaniya, Kuwait	Provision of industrial consultancy	100%	100%	Full consolidation	31/12/2011	4,161 2,319 1,842 (321)	
K2 Specialist Services Middle East FZ-LLC	Al Jazeera Al Hamra, PO Box 31291, Ras Al Khaimah, United Arab Emirates.	Provision of industrial facilities and inspection and safety consultancy services	42.25%	100%	Full consolidation	31/12/2011	64 89 (26) 25	
SEA Team Solutions (M) Sdn Bhd*	121-A, Jalan Suera, Taman Sentosa, 80150 Johor Bahru, Johor, Malaysia	Training/hiring of specialised staff	100%	100%	Full consolidation	31/12/2011	14 2 12 (4)	
Velosi Engineering Projects Pte Ltd*	21, Bukit Batok Crescent, Unit #25-82, WCEGA Tower, 658065 Singapore, Singapore.	Provision of third-party inspection services	75%	100%	Full consolidation	31/12/2011	1,503 1,282 221 344	
Velosi Energy Consultants Sdn Bhd*	C/o AGL Management Associates Sdn Bhd, No. 152-3 J8A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	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	100%	100%	Full consolidation	31/12/2011	1,174 1,059 116 80	

* Audited Company

Name	Velosi Australia Pty Ltd	QA Management Services Pty Ltd*	Velosi Canada Ltd	Velosi Angola Prestacao de Servicos Ltda	Velosi LLC	Velosi PromService LLC	PDE Inovasi Sdn Bhd*
Registered office	Newcombe Clifton Atkins, 9, Bishop Street Johimont, 6014 Western Australia, Australia.	Suite 5/202 Hampden Rd, 6009 Nedlands, W.A, Australia	P.O. Box 273, 305-4625 Varsity Drive NW, Calgary, T3A 0Z9 Alberta, Canada.	Rua Marian Nguoubi, 37, 5th Floor, Api 53, Maranga, Luanda, Angola.	Yuzhno-Sakhalinsk, Kommunistichesky Prospekt, 32, Suit 610, Sakhalin, Russia.	Russian Federation, 115035 Moscow, Sadovnicheskaya Street 22/15, Building 1, 1st Floor, Office 2	C/o AGL Management Associates Sdn Bhd, No. 152-3/18A, Kompleks Maluri, Jalan Jajaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.
Line of business	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	Inactive	Provision of quality control and assurance services	Inactive	Provision of quality assurance and control, general inspection, corrosion control and services for the supply of labor for the oil and gas industries	Provision of consultancy and engineering services for the design, construction and engineering of the works of the plant
Ownership interest held by Group companies:							
Direct	100%	51%	100%	75%	100%	99%	100%
Indirect							
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of the financial statements	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011	31/12/2011
Other company information (in thousands of euros):							
Assets	860	6,201	85	10,855	-	717	21
Liabilities	409	2,727	139	6,471	142	137	19
Equity	451	3,474	(74)	4,384	(141)	580	2
Profit/(Loss)	156	1,688	(32)	1,836	-	261	(4)

* Audited Company

Appendix II - Companies not included in the scope of consolidation

Name	Velosi Uganda Ltd	Velosi Cameroun Sarl	Velosi Gabon Pte Ltd Co (Sarl)
Registered office	C/o PWC Ltd, P.O. Box 5083, Kampala, Uganda.	Douala, P.O.Box 15805 Akwa, Cameroun.	Cité Shell BP 2 267, Port Gentil, Gabon.
Line of business	Inactive	Inactive	Inactive
Ownership interest held by Group companies:			
Direct	-	-	-
Indirect	99,90%	100%	100%
Method used to account for the investment			
Date of the financial statements	31/12/2011	31/12/2011	31/12/2011
Other company data (in thousands of euros):			
Assets	-	-	-
Liabilities	-	-	-
Equity	-	-	-
Profit (Loss)	-	-	-