

Applus Services, S.A.
Financial Statements
for the year ended 31 December 2014
and Directors' Report, together with
Auditors' Report

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

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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

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

Report on the Financial Statements

We have audited the financial statements of Applus Services, S.A., which comprise the balance sheet as at 31 December 2014 and the income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of Applus Services, S.A. as at 31 December 2014, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

Report on Other Legal and Regulatory Requirements

The accompanying directors' report for 2014 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2014. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from Applus Services, S.A.'s accounting records.

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

Ana Maria Gibert

25 February 2015

APPLUS SERVICES, S.A.
BALANCE SHEET AT 31 DECEMBER 2014
(Thousands of Euros)

	31.12.14	31.12.13		31.12.14	31.12.13	
ASSETS			EQUITY AND LIABILITIES			
NON-CURRENT ASSETS:			SHAREHOLDERS' EQUITY:			
Non-current investments in Group companies and associates-			Share capital	991,088	688,572	
Equity instruments	1,539,975	1,339,438	Share premium	991,089	688,572	Note 7
Loans to companies	1,106,734	1,105,404	Reserves	15,002	650,963	
Current financial assets-	433,241	227,241	Treasury shares	350,857	97,926	
Other financial assets	-	1,100	Prior years' losses	650,679	-	
Deferred tax assets	-	1,100	Profit (Loss) for the year	(31,649)	(133,632)	
	50,958	55,691		13,607	113,315	
			NON-CURRENT LIABILITIES:			
CURRENT ASSETS:			Non-current payables-	503,254	324,736	
Trade and other receivables-			Bank borrowings	496,338	813,957	Note 8
Receivable from Group companies and associates	20,262	141,502	Non-current payables to Group companies and associates	496,338	813,957	
Sundry accounts receivable	13,771	2,869		11,916	10,779	Note 11.2
Corporate income tax receivables	15	43	CURRENT LIABILITIES:			
Current income tax receivables	6,476	5,207	Current payables-	138,980	17,430	Note 8
Current investments in Group companies and associates-	25,804	86,697	Bank borrowings	5,887	4,923	
Short-term loans to Group companies and associates	19,404	86,697	Derivatives	480	4,923	Note 6
Other receivables	6,400	-	Current payables to Group companies and associates	5,407	-	Note 11.2
Current prepayments and accrued income	-	29	Trade and other payables-	116,809	10	
Cash and cash equivalents	1,023	46,147	Payable to suppliers	12,984	12,497	
			Sundry accounts payable	93	-	
			Remuneration payable	962	667	
			Tax payables	9,407	11,440	Note 9.1
				2,901	390	
TOTAL ASSETS	1,638,923	1,550,738	TOTAL EQUITY AND LIABILITIES	1,638,923	1,530,738	

The accompanying Notes 1 to 15 and Appendix I are an integral part of the balance sheet at 31 December 2014.

24 February 2015, Barcelona

D. Christopher Cole
Chairman

D. Ernesto Garrido Mata López
Board Member

D. Pedro de Estaban Ferrer
Board Member

D. Alex Wagemberg Bondanoschi
Board Member

D. Mario Pardo Rojo
Board Member

D. Richard Campbell Nelson
Board Member

D. Fernando Basabe Armijo
Board Member

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APPLUS SERVICES, S.A.

INCOME STATEMENT FOR 2014
(Thousands of Euros)

	Notes	2014	2013
CONTINUING OPERATIONS:			
Revenue-			
Services	Note 10.1	46.405	203.525
Staff costs-			
Wages, salaries and similar expenses	Note 10.2	(12.672)	(12.958)
Employee benefit costs		(12.439)	(12.812)
Other operating expenses-		(233)	(146)
Outside services		(2.004)	(960)
Taxes other than income tax		(1.279)	(958)
Other profit/(Loss)	Note 10.4	(725)	(2)
Profit from operations		(4.081)	-
		27.648	189.607
Finance income-		1.226	13
From marketable securities and other financial instruments of third parties		1.226	13
Finance costs-	Notes 10.3 & 11.1	(27.066)	(58.760)
On debts to Group companies and associates		(13)	(14.369)
On debts to third parties		(27.053)	(44.391)
Exchange differences		741	(404)
Financial loss		(25.099)	(59.151)
Profit (Loss) before tax		2.549	130.456
Corporate income tax	Note 9	11.058	(17.141)
Profit (Loss) for the year from continuing operations		13.607	113.315
DISCONTINUED OPERATIONS:			
Profit for the year from discontinued operations net of tax		-	-
PROFIT (LOSS) FOR THE YEAR		13.607	113.315
Profit (Loss) per share (EUR per share)			
- Basic		0,111	0,188
- Diluted		0,111	0,188

The accompanying Notes 1 to 15 and Appendix I are an integral part of the income statement for 2014.

24 February 2015, Barcelona

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Chairman

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Board Member

D. Pedro de Esteban Ferrer
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APPLUS SERVICES, S.A.

STATEMENTS OF CHANGES IN EQUITY FOR 2014
A) STATEMENT OF RECOGNISED INCOME AND EXPENSE
(Thousands of Euros)

	2014	2013
PROFIT (LOSS) PER INCOME STATEMENT (I)	13.607	113.315
Income and expense recognised directly in equity:		
Arising from cash flow hedges	-	51
Tax effect	-	(15)
Total income and expense recognised directly in equity (II)	-	36
Transfers to profit or loss:		
Arising from cash flow hedges	-	3.564
Tax effect	-	(1.069)
Total transfers to profit or loss (III)	-	2.495
Total recognised income and expense (I+II+III)	13.607	115.846

The accompanying Notes 1 to 15 and Appendix I are an integral part of the statement of recognised income and expense for 2014.

24 February 2015, Barcelona

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APPLUS SERVICES, S.A.

STATEMENTS OF CHANGES IN EQUITY FOR 2014
B) STATEMENT OF CHANGES IN TOTAL EQUITY
(Thousands of Euros)

	Share capital	Share premium	Reserves	Treasury Shares	Prior years' losses	Profit (Loss) for the year	Valuation adjustments	Total
2013 BEGINNING BALANCE	602,056	398,077	(143,787)	-	(237,991)	(59,931)	(2,531)	485,893
Total recognised income and expense	-	-	-	-	-	113,315	2,531	115,946
Allocation of 2012 loss	-	-	-	-	(59,931)	59,931	-	-
Business combinations (Note 5)	-	(308,077)	143,787	-	164,290	-	-	-
Capital increases (Note 7)	53,907	-	-	-	-	-	-	106,633
2013 ENDING BALANCE	655,963	52,926	-	-	(133,632)	113,315	-	688,572
ADJUSTED BALANCE AT BEGINNING OF 2014	655,963	52,926	-	-	(133,632)	113,315	-	688,572
Total recognised income and expense	-	-	-	-	-	13,607	-	13,607
Allocation of 2013 loss	-	-	11,332	-	101,963	(113,315)	-	-
Transactions with shareholders (Note 7)	2,069	297,931	-	-	-	-	-	300,000
- Capital increase	(645,039)	-	645,030	-	-	-	-	-
- Capital reduction with charge to reserves	-	-	(5,063)	-	-	-	-	(5,063)
- Capital increase expenses with charge to Equity	-	-	-	(6,407)	-	-	-	(6,407)
- Transactions with treasury shares	-	-	-	-	-	-	-	-
2014 ENDING BALANCE	13,002	350,857	650,679	(6,407)	(31,649)	13,607	-	991,085

The accompanying Notes 1 to 15 and Appendices I are an integral part of the statement of changes in total equity for 2014.

24 February 2015, Barcelona

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APPLUS SERVICES, S.A.

STATEMENT OF CASH FLOWS FOR 2014
(Thousands of Euros)

	Notes	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES (I):		(3.369)	162.315
Profit (Loss) for the year before tax		2.549	130.456
Adjustments for-			
Dividend revenue	Note 11.1	(28.331)	(190.000)
Finance income	Note 10.1	(1.226)	(13)
Finance costs	Note 10.3	27.066	58.760
Exchange differences		(741)	404
Changes in working capital-			
Trade and other receivables		(10.773)	(1.037)
Trade and other payables		409	8.812
Other current liabilities		(1.265)	-
Other cash flows from operating activities-			
Dividends received	Note 11.1	21.931	190.000
Interest paid		(28.368)	(31.746)
Interest received		16.487	13
Corporate Income tax paid		(1.107)	(3.334)
CASH FLOWS FROM INVESTING ACTIVITIES (II):		(131.196)	(112.502)
Proceeds from disposal-			
Group companies and associates	Note 5.1 & 5.2	55.763	-
Other assets	Note 5.1	1.100	1.474
Payments due to investment-			
Loans to Group companies and associates	Note 5.1	(188.059)	(113.976)
CASH FLOWS FROM FINANCING ACTIVITIES (III):		89.942	(3.916)
Proceeds and payments relating to equity instruments-			
Proceeds from equity instruments	Note 7	291.880	-
Proceeds and payments relating to financial liability instruments-			
Proceeds from issue of bank borrowings	Note 8	497.143	-
Proceeds from issue of borrowings from Group companies and associates	Note 11.2	119.799	57.858
Repayment of bank borrowings	Note 8	(818.880)	(3.916)
Repayment of borrowings from Group companies and associates		-	(57.858)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV):		(501)	-
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		(45.124)	45.897
Cash and cash equivalents at beginning of year		46.147	250
Cash and cash equivalents at end of year		1.023	46.147

The accompanying Notes 1 to 15 and Appendix I are an integral part of the statement of cash flows for 2014.

24 February 2015, Barcelona

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Applus Services, S.A.

Notes to the financial statements for the year ended 31 December 2014

1. Company activities

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

Since 29 November 2007 the Company has been the Parent of the Applus Group ("the Applus Group" or "the Group").

On 10 July 2008, the Company's then sole shareholder at that date amended its Company's object. The Company's object is now 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, electronics 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 Spanish Collective Investment Undertakings Law and by the Spanish 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.

The company will be able to partially or totally perform these activities, in an indirect manner, through the ownership of shares or the interest in entities with analogous or identical corporate purpose.

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

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

2. Basis of presentation of the financial statements

2.1. Regulatory financial reporting framework applicable to the Company

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

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

2.2. Fair presentation

The accompanying financial statements, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2014. These financial statements, which were formulated by the Company's directors, will be submitted for approval at the Annual General Meeting, and it is considered that they will be approved without any changes.

The financial statements for 2013 were approved at the Annual General Meeting held on 22 April 2014.

2.3. Going concern principle of accounting

At 31 December 2014, the Company had a working capital deficiency of EUR 91,591 thousand (31 December 2013: working capital of EUR 123,872 thousand). This could be considered as a factor that makes the going concern principle of accounting to be difficult to apply. However, there are various mitigating factors, namely the following:

- The working capital deficiency was generated as a result of a change in the Company's financial structure. On the one hand, a new long-term loan was granted to a Group company and, on the other, the Company acquired a creditor position in the cash-pooling arrangement with Group companies. However, the cash-pooling arrangement establishes that it will be automatically renewed unless one of the parties expressly requests otherwise (see Note 11.2).
- On 13 May 2014, the Company arranged a new syndicated credit facility with Société Générale, Spanish branch, as the agent bank, and other lender banks with an initial total limit of EUR 850,000 thousand, divided into two financing tranches. At 31 December 2014, the Company had not drawn down the full amount of the credit facility and, accordingly, could have direct access to the undrawn amount of the aforementioned credit facility (see Note 8)
- The Company is the parent of a group of companies with solvency and liquidity, thereby receiving dividends from its subsidiaries is possible.

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

2.4. *Non-obligatory accounting principles applied*

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

All obligatory accounting principles were applied.

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

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

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

Although these estimates were made on the basis of the best information available at 2014 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

2.6. *Comparative information*

The information relating to 2014 contained in these notes to the financial statements is presented for comparison purposes with that relating to 2013.

2.7. *Grouping of items*

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

2.8. *Changes in accounting policies*

In 2014 there were no changes in accounting policies with respect to those applied in 2013.

2.9. Correction of errors

In preparing the accompanying financial statements no errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2013.

3. Distribution of profit

The proposed distribution of the profit for the year that the Company's directors will submit for approval by the shareholders at the Annual General Meeting is as follows:

	Thousands of euros
To dividends	13,607
Total	13,607

The Parent's Board of Directors will propound to the next Shareholder's Meeting the allocation of the result of 2014, which amounts EUR 13,607 thousand, to dividends. In addition, the Board of Directors will propose the distribution of an extraordinary dividend with charge to reserves amounting EUR 3,295 thousand. The resulting amount will be EUR 0.13 per share for all outstanding shares (130,016,755 shares), thus the distribution of a gross dividend of EUR 16,902 thousand.

Additionally, the Parent's Board of Directors will present in the next shareholder's meeting the following proposals for its approval:

- Allocation of the result from the year ended 31 December 2014, amounting EUR 13,607 thousand to dividends.
- Distribution of extraordinary dividends with charge to reserves amounting EUR 3,295 thousand.
- Reduction of the legal reserve by EUR 8,731 thousand, to record it as voluntary reserves. It is noted that the amount reduced is equivalent to an excess of 20% of the company's capital. Consequently, the legal reserve will amount to EUR 2,600 thousand which is equivalent to the 20% of capital.
- Compensation of prior year results amounting EUR 31,649 thousand, and compensation of the negative reserve derived from the expenses related to the capital increase amounting EUR 5,863 thousand, against an equivalent amount of share premium. Following such compensation, the total amount of share premium will be EUR 313,525 thousand.

4. Accounting policies

The principal accounting policies used by the Company in preparing its financial statements for 2014, in accordance with the Spanish National Chart of Accounts, were as follows:

4.1. *Financial instruments*

Financial assets

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

- a) Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

- b) Equity investments in Group companies, associates and jointly controlled entities: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other venturers.

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

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

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

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

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

The effect of consolidation under International Financial Reporting Standards, in comparison with the separate financial statements, would be to increase assets, revenue and profit by EUR 330,995 thousand, EUR 1,572,312 thousand and EUR 10,224 thousand, respectively (2013: increase assets and revenue by EUR 493,142 thousand and EUR 1,376,976 thousand, respectively, and reduce profit by EUR 283,394 thousand) and a reduction in reserves of EUR 379,193 thousands, respectively (reduction of EUR 97,454 thousand in 2013).

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

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

Financial liabilities

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

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

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

Impairment of financial assets

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

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

Each year management prepares and updates its business plan by geographical market and line of business. The main components of this plan are: operating income and expense projections, investment projections and working capital projections. The business plan prepared by management includes the budget for 2015 together with the projections for 2016-2019.

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

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

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

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

Country	2014	2013
Spain	6.7% - 6.8%	7.6% - 8%
Finland	7.4%	7.7%
Ireland	7.6%	8%
Denmark	7.9%	7.9%
The Netherlands	8.5%	8.9%
Germany	8.3%	8.3%
UK	8.7%	8.3%
US	7% - 8.1%	6.9% - 8%
Canada	8.1%	7.6%
Australia	8%	8.4%
Malaysia	9.7%	9.6%

The projections are prepared on the basis of past experience and the best estimates available.

Derivative financial instruments and hedge accounting

The Company's activities expose it mainly to interest rate risk, due to the changes in the floating Euribor and Libor GBP rate to which its long-term borrowings are tied. To hedge these exposures, the Company uses derivative financial instruments in order to hedge interest rate risk (see Note 6), consisting exclusively of swaps and IRSs.

The Company opted to designate these instruments wherever possible (i.e. when they meet the requirements established in the Spanish National Chart of Accounts) as hedging instruments in hedging relationships. Pursuant to the new Spanish National Chart of Accounts, a financial derivative only qualifies for hedge accounting if it hedges one of the two following types of risk:

- Changes in the fair value of assets and liabilities due to fluctuations in the price, the interest rate to which the position or balance to be hedged is subject ("fair value hedge").
- Changes in the estimated cash flows arising from financial assets and liabilities, obligations and highly probable forecast transactions ("cash flow hedge").

The derivative must also effectively offset the exposure inherent in the hedged item or position throughout the expected term of the hedge, and there must be adequate documentation evidencing the specific designation of the financial derivative to hedge certain balances or transactions and how this effective hedge was intended to be achieved and measured.

Pursuant to the Spanish National Chart of Accounts, all financial instruments must be recognised as assets or liabilities in the balance sheet at their fair value and any changes in fair value must be recognised in profit and loss, unless, opting for hedge accounting, the effective portion of the hedging relationship must be recognised in equity.

Hedge accounting, if considered to be such, is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer meets the criteria for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in equity remains in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

As at 31 December 2014 the sole financial derivative product held by the Company, is the one related to treasury stock detailed in Note 4.12. In 2014 the Company did not arrange any other financial derivative products either.

4.2. Foreign currency transactions

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

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

4.3. Corporate income tax

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

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

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

Deferred tax liabilities are recognized for all temporary differences except for those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that does not affect neither the tax profit nor the accounting profit and is not a business combination.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those associated with investments in subsidiaries, branches and associates or interests in joint ventures, when the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

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

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

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

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

4.4. Revenue and expense recognition

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

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

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

4.5. Provisions and contingencies

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

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

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

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

4.6. Termination benefits

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

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

4.7. Environmental assets and liabilities

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

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

4.8. Transactions with Group companies, associates and related companies

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

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

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

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

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

4.9. Leases

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

Finance leases

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

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

At 31 December 2014 or 2013, the Company did not have any finance leases.

Operating leases

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

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

The Company only holds certain items of transport equipment under operating leases, and the related expense incurred in 2014 amounted to EUR 26 thousand (2013: EUR 26 thousand).

4.10. Current/Non-current classification

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

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

4.11. Employee benefit obligations

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

- a) Annual variable remuneration for certain Company personnel conditional upon the achievement of certain targets for 2014.

- b) Variable three-yearly remuneration for certain executives of the Company subject to the achievement by the Group of certain financial aggregates in 2014, 2015 and 2016 (see Note 11.3).
- c) Special incentive plan granted to two senior executives and the executive director of the Company that consists of conferring RSU's (convertibles in Company shares) in favour of the senior executive based on a continuing service for a determined period of time. The first delivery of shares will be made in May 2015 (see Notes 11.3).

4.12. Treasury shares

In October 2014 the Company arranged an equity swap with a bank to cover the acquisition cost of 550,000 treasury shares, of which a portion are to be delivered to Group executives in May 2015 (see Notes 6 and 7.5). Since such contract is an equity instrument the accounting principles described in Note 4.1, do not apply.

4.13. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the Parent by the weighted average number of ordinary shares outstanding in the year, excluding the average number of shares of the Parent held by the Group companies.

Diluted earnings per share are calculated by dividing net profit or loss attributable to ordinary shareholders adjusted by the effect attributable to the dilutive potential ordinary shares by the weighted average number of ordinary shares outstanding during the year, adjusted by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all the potential ordinary shares into ordinary shares of the Company. For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current year.

5. Financial assets (non-current and current)

5.1. Non-current financial assets

The changes in "Non-Current Financial Assets" in the balance sheet in 2014 and 2013 were as follows (in thousands of euros):

2014

	01/01/14	Acquisitions	Reductions	Change in exchange rate	31/12/14
Equity investments in Group companies, jointly controlled entities and associates (Appendix I)	1,105,404	1,330	-	-	1,106,734
Loans to Group companies (Note 11.2)	227,241	207,312	(3,384)	2,072	433,241
Other financial assets (Notes 11.3)	1,100	-	(1,100)	-	-
Total	1,333,745	208,642	(4,484)	2,072	1,539,975

2013

	01/01/13	Acquisitions	Reductions	Change in exchange rate	31/12/13
Equity investments in Group companies, jointly controlled entities and associates (Appendix I)	1,105,404	-	-	-	1,105,404
Loans to Group companies (Note 11.2)	168,821	62,842	(3,304)	(1,118)	227,241
Other financial assets (Note 11.3)	1,100	-	-	-	1,100
Total	1,275,325	62,842	(3,304)	(1,118)	1,333,745

Equity investments in Group companies, jointly controlled entities and associates:

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

On 21 December 2012, the shareholders increased the Company's share capital by EUR 238,765 through the issuance of 238,764,894 shares of EUR 1 par value each with a share premium of EUR 7,235 thousand, i.e. EUR 0.0303033 per share. Both the shares and the share premium were fully subscribed and paid by Azul Holding, S.C.A. through the non-monetary contribution of shares representing all the share capital of Azul Holding 2, S.à r.l. valued at EUR 246,000 thousand. Since this was a transaction with Group companies, the Company, as provided for in the Spanish National Chart of Accounts approved by Royal Decree 1514/2007, recognised the investment at the carrying amount at which Azul Holding, S.C.A. had recognised its investment in Azul Holding 2 S.à r.l., which amounted to EUR 102,213 thousand, giving rise to negative reserves of EUR 143,787 thousand (see Note 7).

None of the subsidiaries are listed on the stock market.

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

Loans to Group companies:

"Loans to Group Companies" in 2014 and 2013 related to:

- A loan granted by the Company on 29 November 2007 to Applus Servicios Tecnológicos, S.L.U. The loan matures on 29 November 2019 and earns interest at a fixed market rate. The balance receivable from Applus Servicios Tecnológicos, S.L.U. at 31 December 2014 amounted to EUR 87,715 thousand (31 December 2013: EUR 87,715 thousand).
- A loan of GBP 20,500 thousand granted by the Company on 21 April 2008 to Applus Servicios Tecnológicos, S.L.U., which was increased to GBP 24,964 thousand on 17 December 2008. The loan is repayable at one time in 2019 and earns annual interest at 6-month Libor plus a market spread. The balance receivable at 31 December 2014 amounted to EUR 31,452 thousand (2013: EUR 29,586 thousand).
- A loan granted by the Company on 29 July 2011 to Libertytown USA Finco, Inc. The loan is repayable at one time on 31 December 2020 and earns interest at a market rate. The balance receivable at both 31 December 2014 and 2013 amounted to USD 2,715 thousand (31 December 2014: EUR 2,179 thousand, 31 December 2013: EUR 1,973 thousand, respectively).
- On 1 September 2013, the subsidiary Applus Servicios Tecnológicos, S.L.U. was subrogated to the loan granted by the Company to Röntgen Technische Dienst Holding B.V. on 11 July 2011 for an amount of EUR 10,863 thousand. The aforementioned loan is repayable at one time on 31

December 2020 and earns interest at a market rate. At 31 December 2014 and 2013, the balance payable was EUR 10,863 thousand.

- A loan of EUR 62,480 thousand granted by the Company on 19 December 2013 to Applus Iteuve Technology, S.L.U. The loan is repayable at one time on 29 November 2019 and earns annual interest at a fixed market rate. The balance receivable at both 31 December 2014 and 2013 amounted to EUR 62,480 thousand.
- A loan of EUR 188,059 thousand granted by the Company to Arctosa Holding B.V. on 30 July 2014. The loan is repayable in a single instalment on 13 May 2019 so it is to be recovered in full at 31 December 2014 and earns interest at the same rate as that established in Facility A (see Note 8) plus a market spread.
- Accounts receivable from various Group companies arising from the Company's inclusion as the head of the consolidated tax group, amounting to EUR 50,493 thousand (2013: EUR 34,624 thousand) (see Notes 4.3. and 11.2.). In 2014 there were additions of EUR 19,253 thousand and reductions of EUR 3,384 thousand as a result of the filing of consolidated tax returns.

Other financial assets:

At 31 December 2013, the Company recognised as a non-current asset a loan of EUR 1,100 thousand granted to a member of the Board of Directors (see Note 11.3). On 30 May 2014, the loan was repaid early.

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

The detail of the balances of "Current Financial Assets" and "Current Investments in Group Companies and Associates" at 31 December 2014 and 2013 is as follows (in thousands of euros):

Categories	31/12/14	31/12/13
Loans to and receivables from Group companies	-	52,379
Short-term interest receivable from Group companies	19,404	34,528
Account receivable relating to dividends	6,400	-
Total current investments in Group companies and associates (Note 11.2)	25,804	86,907

5.3. Cash and cash equivalents

"Cash and Cash Equivalents" includes all the cash recognised in current accounts amounted to EUR 102 thousand and demand deposits which are convertible into cash and unrestricted and, when arranged, matured in less than three months amounted to EUR 921 thousand. The total balance at 31 December 2014 amounted to EUR 1,023 thousand (31 December 2013: EUR 46,147 thousand).

At 31 December 2014 and 2013, no amount recognised under "Cash and Cash Equivalents" had been pledged.

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

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

a) Credit risk:

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

The accounts receivable at 31 December 2014 and 2013 relate mainly to balances with Group companies for the provision of services by the Company.

The Company directors consider that there was no significant credit risk at 31 December 2014 and 2013.

b) Liquidity risk:

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

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

c) Market risk:

Both the Company's cash and its bank borrowings are exposed to interest rate risk, which could have an adverse effect on financial profit or loss and cash flows. Accordingly, this risk is considered to be significant and is therefore subject to close, ongoing monitoring by Company management.

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

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

c.1) Interest rate risk:

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

	2014	2013
Average interest rate	3.31%	3.88%
Average financial debt drawn down (thousands of euros)	614,577	822,595

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

	2014		2013	
Change in interest rate	0.50%	-0.50%	0.50%	-0.50%
Change in borrowing costs (thousands of euros)	3,073	(3,073)	3,066	(3,066)

c.2) Foreign currency risk:

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

	2014	2012
Financial debt subject to foreign currency risk (thousands of euros)	24,453	23,763
Average financial debt drawn down subject to foreign currency risk (thousands of euros)	24,852	24,104

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

	2014		2013	
	0.50%	-0.50%	0.50%	-0.50%
Change in exchange rate	0.50%	-0.50%	0.50%	-0.50%
Change in borrowing costs (thousands of euros)	124	(124)	120	(120)

6. Derivative financial instruments

The Company only arranges OTC derivative financial instruments with Spanish and international banks with high credit ratings.

The objective of these interest rate hedges was to mitigate, by arranging fixed-for-floating interest rate swaps, the fluctuations in cash outflows relating to payments tied to floating interest rates (Euribor) on the Company's borrowings.

In October 2014 the Company arranged an equity swap with a bank to hedge the acquisition cost of 550,000 treasury shares, of which a portion of these shares, the Company must bestow to certain executives. At 31 December 2014, this agreement had a fair value of EUR 5,407 thousand and maturity on 30 April 2015. On 9 May 2015, the Company must confer part of the aforementioned shares to certain executives (see Notes 4.12 and 7.5).

7. Equity and shareholders' equity

7.1. Share capital

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

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

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

On 21 December 2012, the shareholders increased the Company's share capital by EUR 238,765 thousand through the issuance of 238,764,894 shares of EUR 1 par value each with a share premium of EUR 7,235 thousand, i.e. EUR 0.0303033 per share. Both the shares and the share premium were fully subscribed and paid by Azul Holding, S.C.A. through the non-monetary contribution of shares representing all of the share capital of Azul Holding 2, S.à r.l. valued at EUR 246,000 thousand.

The aforementioned non-monetary contribution qualified for taxation under the special tax regime for mergers, spin-offs, asset contributions, security exchanges and changes of registered office of a European company or a European Cooperative Society from one EU Member State to another provided for in Chapter VIII of Title VII of Spanish Legislative Royal-Decree 4/2004, of 5 March, approving the Consolidated Spanish Corporation Tax Law, as a security exchange defined in Articles 83.5 and 87.

The Company recognised the investment at the carrying amount at which Azul Holding, S.C.A. had recognised the investment in Azul Holding 2 S.à r.l., which amounted to EUR 102,213 thousand, thereby giving rise to negative reserves of EUR 143,787 thousand.

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

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

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

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

1. Execution of a capital increase through a monetary contribution by issuing 20,689,655 new shares at a EUR 0.10 par value each and a share premium of EUR 14.40 per share, with the same rights and obligations as the previously existing shares. The total amount disbursed in capital and share premium is EUR 300 million.
2. Set the number of shares subject to the public offering: The 20,689,655 new shares will be offered as part of the sale and subscription offering, to qualified investors through the Global Coordinating Entities, having Blue Finance, S.à r.l. and Blue Holding S.C.A. (the "Shareholders sellers") renounced expressly and individually the right to subscribe for them. Additionally, 55,172,414 existing shares of Blue Finance S.à.r.l will be offered as part of the sale and subscription offer to qualified investors through the Global Coordinating Entities. Additionally, it is agreed to set the volume of the purchase option (over-allotment option) at 7,586,207 shares to be conferred by Blue Finance S.à r.l.
3. Set the price of the sale and subscription offer at EUR 14.50 per share.

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

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

Therefore, at 31 December 2014, the Company share capital was represented by 130,016,755 fully subscribed and paid ordinary shares of EUR 0.10 par value each.

Per the notifications of the number of shares submitted to the Spanish National Securities Market Commission (CNMV), the following shareholders owned significant direct and indirect interests in the Company's share capital (more than 3% of share capital) at 31 December 2014:

Company	% ownership
	31/12/2014
CEP III Participations, S.à r.l. SICAR	35.50%
GIC Private Limited	6.15%
Ameriprise Financial, INC	3.85%

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

7.2. Share premium

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

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

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

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

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

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

7.3. Legal reserve

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

At 31 December 2014, the Company has a legal reserve amounting to EUR 11,332 thousands.

7.4. Other reserves

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

Additionally, as mentioned in Note 7.1, on 7 May 2014, the initial public offering of new shares was agreed upon, causing the Company to incur issuance costs of EUR 5,683 thousand net of tax effect, recognised in equity as a reduction of the Company's reserves.

7.5. Treasury shares

In October 2014 the Company signed an equity swap agreement with a financial institution to set the price for the acquisition of 550,000 shares of the Applus Group that the Company will get on 30 April 2015. The set price is EUR 5,407 thousand, amount that has been registered at 31 December 2014 in the "treasury shares" epigraph of the attached Balance Sheet.

7.6. Profit/(Loss) per share

The profit or loss per share is calculated on the basis of the loss attributable to the shareholders of the Company divided by the average number of ordinary shares outstanding in the year. At 31 December 2014 and 2013 the loss per share was as follows:

	2014	2013
Number of shares	130,016,755	655,962,642
Average number of shares	122.817.889	603,828,618
Consolidated net loss attributable to the Company (thousands of euros)	13,607	113,315
Number of treasury shares	550,000	-
Number of shares outstanding	130,016,755	655,962,642
Loss per share (in euros per share)		
- Basic	0.111	0.188
- Diluted	0.111	0.188

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

8. Non-current and current payables

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

Categories	Thousands of euros	
	Bank borrowings	
	31/12/14	31/12/13
Long-term loans	496,338	813,957
Total non-current payables	496,338	813,957
Short-term loans	-	4,788
Other short-term interest	480	135
Treasury shares (Note 7)	5,407	-
Total current payables	5,887	4,923

On 27 November 2007, the Company 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 a total maximum amount of EUR 1,085,000 thousand, against which at 31 December 2013 the Group had drawn down EUR 1,074,730 thousand and the Company had drawn down EUR 818,745 thousand divided into various different limits and financing tranches.

On 21 November 2012, the Company refinanced 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.

On 13 May 2014, the Company repaid early the amount drawn down of the loan granted on 27 November 2007 and refinanced on 21 November 2012. On that same date the Company then arranged a new syndicated loan with Société Générale, Spanish branch, as the agent bank and with Caixabank, S.A., BNP Paribas Fortis S.A. N.V., Banco Santander, S.A., Crédit Agricole Corporate and Investment Bank, sucursal España, RBC Capital Markets (Royal Bank of Canada), London Branch, Sumitomo Mitsui Finance Dublin Limited, Mizuho Bank Ltd., The Bank of Tokyo-Mitsubishi UFJ Ltd., UBS Limited, J.P. Morgan Limited and

Citigroup Global Markets Limited as the subscribing banks, for a total initial limit of EUR 850,000 thousand, divided into two financing tranches. The two tranches have a single maturity on 13 May 2019.

The financial structure of the syndicated loan is as follows:

2014

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

2013

Tranche	Thousands of euros			Maturity
	Group limit	Drawn down by the Company at 31/12/13	Drawn down by the Group at 31/12/13	
Senior B	610,000	428,160	610,000	29/05/16
Second Lien Facility (Senior D)	100,000	100,000	100,000	29/05/17
Revolving Facility 1	10,500	3,080	5,281	29/11/14
Revolving Facility 2	64,500	18,920	32,441	25/05/16
Capex Facility 1	5,800	1,649	2,900	29/05/14 - 29/11/14
Capex Facility 2	117,750	69,051	117,750	25/05/16
Mezzanine Facility	150,000	150,000	150,000	29/11/17
Interest added to principal – Mezzanine Facility		53,539	53,539	
Effect of exchange rate changes		(876)	8,665	
Debt arrangement expenses		(4,778)	(5,846)	
Total	1,058,550	818,745	1,074,730	

Within the Facility A tranche of EUR 700 million, at 31 December 2014, the Company had drawn down a portion of the nominal amount in pounds sterling (GBP 20 million equal to approximately EUR 24 million at 31 December 2014) and another portion of the nominal amount in euros (EUR 442 million).

The amount drawn down of EUR 35 million from the Facility B tranche, which totals EUR 150 million, is entirely in euros at 31 December 2014.

The new syndicated loan agreement establishes the achievement of a financial ratio - consolidated net financial debt/consolidated EBITDA - that must not exceed certain values set for each six-month period throughout the term of the loan, with the ratio becoming lower than 4 from 2016 onwards. At 31 December 2014, the aforementioned ratio had to be lower than 4.50. The actual ratio based on the accompanying consolidated financial statements at 31 December 2014 is 3.12.

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

The Company also has certain obligations under the financing agreement which relate mainly to disclosure requirements concerning its financial statements and business plans; positive undertakings to carry out certain actions, such as guaranteeing the accounting closes, guaranteeing compliance with the legislation in force, etc. and negative undertakings not to perform certain transactions without the lender's consent, such as certain mergers, changes of business activity or certain assignments.

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

The interest rate of the loan is Euribor (for tranches in Euros) / Libor (for tranches in foreign currencies) and a spread depending on the level of debt, which currently stands at 2.25 percentage points.

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

2014

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

2013

	2014	2015	2016	2017 and subsequent years	Total
Bank borrowings	4,788	-	511,353	302,604	818,745
Short-term interest	135	-	-	-	135
Total	4,923	-	511,353	302,604	818,880

9. Tax matters

9.1. Tax receivables and payables

The detail of the current and non-current tax receivables and payables at the end of 2014 and 2013 is as follows (in thousands of euros):

2014

	Tax receivables	Tax payables
Non-current balances (Note 9.5):		
Deferred tax assets	18,701	-
Tax loss carryforwards	27,902	-
Tax credit carryforwards	4,356	-
Total non-current balances	50,959	-
Current balances:		
Accrued social security taxes payable	-	10
VAT payable	51	2,205
Personal income tax withholdings payable	-	286
Tax withholdings and prepayments	6,425	-
Total current balances	6,476	2,501

2013

	Tax receivables	Tax payables
Non-current balances (Note 9.5):		
Deferred tax assets	18,481	-
Tax loss carryforwards	37,210	-
Total non-current balances	55,691	-
Current balances:		
Accrued social security taxes payable	-	8
VAT payable	-	204
Personal income tax withholdings payable	-	178
Tax withholdings and prepayments	5,199	-
Other tax receivables and payables	8	-
Total current balances	5,207	390

9.2. Reconciliation of the accounting profit (loss) to the taxable profit (tax loss)

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

	2014	2013
Accounting profit (loss) before tax	2,549	130,456
Permanent differences	(28,328)	(179,341)
Temporary differences	(13,794)	26,815
Tax loss	(39,573)	(22,070)
Taxable profits of subsidiaries	51,327	46,907
Tax losses of subsidiaries	(10,337)	(1,774)
Tax base before tax consolidation adjustments	1,417	23,063
Offset of tax losses	(354)	(5,766)
Taxable profit	1,063	17,298
Tax charge at 30%	319	5,189
Offset of tax losses and tax credits of subsidiaries	(319)	(5,189)
Tax withholdings and prepayments	1,351	5,199
Corporate Income tax refundable	1,351	5,199

The permanent differences relate mainly to the application of Article 30.6 of the Consolidated Spanish Corporate Income Tax Law, whereby the dividends received from subsidiaries are tax deductible. In this case, a deduction was taken for the dividend of EUR 28,331 thousand distributed by the subsidiary Applus Servicios Tecnológicos, S.L.U., as described in Note 11.1.

The temporary differences relate mainly to the amount of prior years' deductible borrowing costs amounting to EUR 2,698 thousand recognised in 2014 pursuant to Royal Decree-Law 12/2012, of 30 March, to non-tax-deductible provisions amounting to EUR 2,978 thousand and to expenses of EUR 8,118 thousand recognised directly in equity (see Note 7.4).

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

The reconciliation of the accounting profit (loss) to the corporate income tax expense (benefit) for 2014 and 2013 is as follows (in thousands of euros):

	2014	2013
Accounting profit (loss) before tax	2,549	130,456
Permanent differences	(28,328)	(179,341)
Taxable accounting loss	(25,779)	(48,885)
Tax charge at 30%	(7,734)	(14,666)
Adjustments to and derecognition of tax credits	1,032	31,807
Deductions	(4,356)	-
Total corporate income tax expense (benefit) recognised in profit or loss	(11,058)	17,141

The adjustments and derecognition of tax assets are due mainly to the resolution of tax assessments received on 24 July 2014 and signed on an uncontested basis by the Company and to the entry into force of the new Law 27/2014, of 27 November, which provides for, inter alia, the lowering of the standard Spanish corporate income tax rate to 28% in 2015 and to 25% in 2016 (see Note 9.7).

Also, in 2014 the Company recognised domestic double taxation tax credits amounting to EUR 4,356 thousand (see Note 9.5).

9.4. Breakdown of corporate income tax benefit (expense)

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

	Thousands of euros	
	2014	2013
Current tax:		
Continuing operations	(6,326)	2,124
Discontinued operations	-	-
Deferred tax:		
Continuing operations	(4,732)	15,017
Discontinued operations	-	-
Total tax expense (benefit)	(11,058)	17,141

9.5. Deferred tax assets recognised

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

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

However, the recognition of the tax assets for accounting purposes took into consideration a specified time horizon. In this regard, at 31 December 2014 the tax assets that continued to be recognised were those which the Company's directors considered would be probably offset over a time period of less than ten years through the obtainment of sufficient future profits, taking into account for the recovery of the tax assets the criteria established in Law 27/2014, of 27 November 2014.

At 31 December 2014 and 2013, the last years for deduction of the tax loss carryforwards recognised in the accompanying balance sheet were as follows:

2014

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

2013

	Thousands of euros			
	Tax loss carryforwards - Company	Tax loss carryforwards - Group	Consolidated tax loss carryforwards	Tax asset recognised
2009	50,673	(3,280)	47,393	14,218
2010	51,324	(7,329)	43,995	13,199
2011	37,280	(4,637)	32,643	9,793
Total	139,277	(15,246)	124,031	37,210

"Deferred Tax Assets" on the asset side of the accompanying balance sheet at 31 December 2014 includes the deferred tax assets amounting to EUR 16,510 thousand (31 December 2013: EUR 17,185 thousand) relating to finance costs that were not tax-deductible in 2014 and 2013 because the financial loss exceeded 30% of the profit from operations of the consolidated tax group, as provided for in Royal Decree-Law 12/2012, of March 30. This heading also includes other sundry positive temporary differences amounting to EUR 2,192 thousand in 2014 and EUR 1,296 thousand in 2013.

In 2014 the Company recognised domestic double taxation tax credits for 2014 amounting to EUR 4,356 thousand. The factors taken into consideration for the recognition of these tax credits and also for retaining tax loss carryforwards at 31 December 2014 (the future recoverability of which is supported), were as follows:

- The business plan of the Company and its Spanish subsidiaries, approved by management, envisages the same trend of growth in earnings experienced to date for 2015 and subsequent years, which earnings will be sufficient to offset all the tax losses over the next 7 years, taking into consideration the new Corporate Income Tax Law 27/2014, of 27 November.
- In 2014 the consolidated Group in Spain obtained taxable income of EUR 1,417 thousand (2013: EUR 34,259 thousand) which enabled it to offset unrecognised deferred tax assets amounting to EUR 354 thousand in 2014 (2013: EUR 10,277 thousand).
- A mandate was issued by the Board of Directors to the Company's management to implement all the measures envisaged in the business plan and it is considered highly probable that it will be met in light of the experience of prior years and the Company's performance in the first two months of 2015.

9.6. *Deferred tax assets not recognised*

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

The detail of the undeducted tax losses not recognised in the accompanying balance sheet at 31 December 2014 and 2013 is as follows (in thousands of euros):

2014

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

2013

	Thousands of euros			
	Undeducted tax losses - Company	Undeducted tax losses - Group	Consolidated tax group unused tax losses	Tax assets not recognised
2007	6,111	-	6,111	1,833
2008	22,337	(15,745)	6,592	1,978
2009	33,094	-	33,094	9,928
2010	13,014	-	13,014	3,904
Total	74,556	(15,745)	58,811	17,643

The reduction in the tax bases not recognised in the accompanying balance sheet is a result of the tax assessments signed on an uncontested basis (see Note 9.7).

The detail of the tax credits not recognised in the accompanying balance sheets at 31 December 2014 and 2013 is as follows (in thousands of euros):

Year	Description	31/12/14	31/12/13
2008	Incentive deduction for certain activities	89	89
2009	Incentive deduction for certain activities	977	977
2010	Incentive deduction for certain activities	1,033	1,033
2011	Incentive deduction for certain activities	1,118	1,118
2012	Incentive deduction for certain activities	1,602	1,544
2013	Incentive deduction for certain activities	1,151	1,300
2010	Domestic double taxation tax credit	97	97
2009	International double taxation tax credit	189	189
2010	International double taxation tax credit	107	107
2011	International double taxation tax credit	92	92
2012	International double taxation tax credit	277	277
2013	Domestic double taxation tax credit	34,362	-
	Total	41,094	6,823

9.7. Years open for review and tax audits

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

In March 2013 the tax agency gave the Company notice of the commencement of review and investigation procedures on the following matters:

- Corporate 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.

With regard to the aforementioned procedures, the inspection was completed in 2014, and at 24 July 2014 the assessments relating to all the taxes of the Company under review had been received. The total amount of the assessments signed on an uncontested basis was EUR 1,632 thousand, which was paid by the Company (without taking into consideration the corporate income tax mentioned below).

In the tax assessments relating to the tax audits issued against the Spanish consolidated tax group of which Company is the Parent, the tax authorities questioned three matters relating to the corporate income tax of the Spanish consolidated tax group:

- The tax authorities questioned certain of the tax losses reported by the Spanish consolidated tax group for 2008, 2009, 2010 and 2011 totalling EUR 97 million (tax asset of EUR 29.1 million). Provisions had been recognised for certain of these tax assets, amounting to EUR 21.7 million, at 31 December 2013. Therefore, the tax assets recognised for tax loss carryforwards reported by the group were overstated by EUR 7.4 million.
- The tax authorities also challenged the deductibility of the amortisation of the goodwill paid on the acquisition of foreign companies and concluded that the associated deferred tax liability was overstated by EUR 12.7 million.
- In addition, for 2012 and 2013, which were not open for review, the Group decided to apply the conclusions set forth in the tax assessments for 2008-2011 and also regularised the deferred tax asset relating to the non-deductibility of borrowing costs and concluded that it had wrongly recognised deferred tax assets amounting to EUR 3.5 million. At 2013 year-end the Company had recognised provisions for deferred tax assets amounting to EUR 7 million and, therefore, at the end of 2014 it recognised an income tax benefit of EUR 3.5 million as a result of the excessive provision recognised in 2013.

Therefore, the result of the tax assessments had a positive impact on the corporate income tax of Spanish consolidated tax group expense for 2014 of EUR 8.8 million. This resulted in an impact on the Company of EUR 7.6 million, since the remainder was included in the recognition of corporate income tax of the subsidiaries which form part of the Spanish consolidated tax group.

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

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

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

10. Income and expenses

10.1. Revenue

The Company's revenue for 2014 and 2013 relates in full to transactions carried out with Group companies (see Note 11.1.).

The detail of the revenue for 2014 and 2013 is as follows (in thousands of euros):

	2014	2013
Dividend revenue	28,331	190,000
Finance revenue	15,010	11,266
Management fee revenue	3,064	2,259
Total	46,405	203,525

10.2. Staff costs

The detail of "Staff Costs" in the income statements for 2014 and 2013 is as follows (in thousands of euros):

	2014	2013
Wages and salaries	12,439	12,812
Employer social security costs	97	83
Other employee benefit costs	136	63
Total	12,672	12,958

The increase in "Wages and Salaries" corresponds to the bonus recognised in 2014 for certain senior executives as a consequence of the flotation process initiated by the Company (see Notes 11.3).

The average number of employees in 2014 and 2013, by category and gender, was as follows:

2014

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

2013

Category	Men	Women	Total
Top management	4	-	4
Middle management	1	-	1
Supervisors	1	1	2
Total	6	1	7

Also, the breakdown of the workforce, by gender and category, at the end of 2014 and 2013 is as follows:

2014

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

2013

Category	Men	Women	Total
Top management	4	-	4
Middle management	1	-	1
Supervisors	1	1	2
Total	6	1	7

10.3. Finance costs and finance income

The main finance costs for 2014 relate to:

- Borrowing costs of EUR 17,870 thousand relating to the syndicated loan granted on 27 November 2007 and refinanced on 21 November 2012 by Société Générale, as the agent bank, and the other banks detailed in Note 8. The detail of this amount is as follows: EUR 12,894 thousand in interest expense, EUR 796 thousand relate to the deferral of the arrangement fee, EUR 3,982 thousand relate to the derecognition of the remaining arrangement fee capitalised due to the early repayment of this loan on 13 May 2014, and EUR 198 thousand relate to other fees and commissions associated with this loan.
- Borrowing costs of EUR 9,187 thousand relating to the syndicated loan granted on 13 May 2014 by Société Générale, as the agent bank, and the other banks detailed in Note 8. The detail of this amount is as follows: EUR 821 thousand relate to the deferral of the arrangement fee, EUR 7,662 thousand relate to the interest on the new loan and EUR 704 thousand relate to other fees and commissions associated with this loan.
- Other finance costs amounting to EUR 9 thousand.

The main finance costs for 2013 relate to:

- Borrowing costs of EUR 35,192 thousand relating to the syndicated loan granted November 2007 and refinanced on 21 November 2012 by Société Générale as agent bank and other banks as detailed in Note 8.
- Borrowing costs of EUR 14,672 thousand relating to the participating loan granted by Azul Finance, S.à r.l. The aforementioned participating loan was converted into capital in full on 20 December 2013.

- Finance costs of EUR 3,110 thousand relating to the derivative financial instruments arranged by the Company but which were subsequently rebilled to the subsidiary Arctosa Holding, B.V., included under "Revenue - Finance Revenue".
- Finance costs of EUR 3,587 thousand relating to the derivative financial instruments arranged by the Company which are considered to qualify for hedge accounting.
- Other finance costs amounting to EUR 2,199 thousand.

10.4. Other income/loss

In 2014 the Company recognised extraordinary expenses related to the IPO of new shares on 7 May 2014, amounting to EUR 4,081 thousand.

11. Transactions and balances with Group and related companies

11.1. Transactions with Group and related companies

The detail of the transactions with Group and related companies in 2014 and 2013 is as follows:

2014

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

2013

	Thousands of euros				
	Interest received	Finance costs	Rebilling - derivatives	Finance revenue	Services rendered
Applus Servicios Tecnológicos, S.L.U.	190,000	7,688	-	18	2,259
Azul Finance, S.à r.l.	-	-	-	14,351	-
Arctosa Holding, B.V.	-	-	3,110	-	-
Applus Iteuve Technology, S.A.	-	169	-	-	-
Röntgen Technische Dienst Holding, B.V.	-	237	-	-	-
Libertytown USA Finco, Inc.	-	62	-	-	-
Total	190,000	8,156	3,110	14,369	2,259

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

On 19 December 2013, the subsidiary Applus Servicios Tecnológicos, S.L.U. declared dividends totalling EUR 190,000 thousand with a charge to reserves and its profit for 2013.

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

11.2. Balances with Group and related companies

The detail of the balances with related companies reflected in the balance sheets at 31 December 2014 and 2013 is as follows:

2014

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

2013

	Thousands of euros				
	Long-term loans and derivatives (Note 5.1)	Short-term loans and derivatives (Note 5.2)	Non-current payables	Current payables	Trade receivables
Applus Servicios Tecnológicos, S.L.U.	128,791	61,068	2,136	10	1,359
Libertytown USA Finco, Inc.	1,973	1,115	-	-	1,607
LGAI Technological Center, S.A.	4,643	-	2	-	-
Applus Iteuve Technology, S.L.U.	87,887	169	1,598	-	-
Arctosa Holding, B.V.	-	24,555	-	-	-
Applus Norcontrol, S.L.U.	-	-	6,894	-	-
Applus RTD UK, Ltd.	-	-	-	-	3
Novotec Consultores, S.A.U.	554	-	-	-	-
Idiada Automotive Technology, S.A.	3,384	-	-	-	-
Other	9	-	149	-	-
Total	227,241	86,907	10,779	10	2,969

On 30 July 2014, the Company granted a loan of EUR 188,059 thousand to the Group company Arctosa Holding, B.V. The loan bears interest at the same rate as that established in Facility A plus a spread of 0.25%.

The cash pooling arrangement entered into with Applus Servicios Tecnológicos, S.L.U. is recognised under "Current Liabilities - Current Payables to Group Companies" for an amount of EUR 119,809 thousand.

11.3. Information on directors and senior executives

Remuneration of and obligations to the Board of Directors

In 2014 the remuneration and other benefits earned by the members of the Board of Directors of the Company amounted to EUR 2,260 thousand (2013: EUR 280 thousand). The main difference between 2014 and 2013 is that in 2014 the remuneration of the executive director, including the exceptional incentive granted to it on the occasion of the initial public offering, is deemed to be remuneration of the Board, not management, and it also includes the termination payment and incentive arising from the termination of the services of the former Chairman of the Group, amounting EUR 830 thousand.

This amount does not include the exceptional incentive granted to the executive director explained in further paragraphs, which is quantified under Remuneration of and obligations to senior executives.

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

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

The executive director has received 1,178,968 RSUs under the Financial Incentive Plan which, if the RSUs were to be exchanged for shares of the Company at the date of this report, would represent 0.91% of the Company's voting power.

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

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

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

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

The President of the Board of Directors is the beneficiary of a compensation plan referred to as *RSU Award Agreement*. The remuneration plan consists of conferring 6,897 RSUs to the Chairman of the Board taking effect from the date the remuneration plan was granted (that is, 9 May 2014). The RSUs do not confer rights (dividend or voting) of any kind over the Company and are non-transferrable. Each RSU will be exchanged, for no consideration, for one ordinary share of the Company on the planned vesting date, pursuant to the terms and conditions of the *RSU Award Agreement*. The value of the financial incentive will therefore depend on the market price of the shares on the vesting date of the RSUs and their consequent exchange for shares of the Company. The Chairman of the Board has received 6,897 RSUs under the agreement referred to as *RSU Award Agreement* which, if the RSUs were to be exchanged for shares of the Company at the date of this report, would represent 0.005% of the Company's voting power.

The vesting of the RSUs will take effect one year from the date of conferring the financial incentive. The Chairman's right to exchange his RSUs for shares of the Company under the *RSU Award Agreement* will remain in force provided he is still discharging the duties of his position when the RSUs vest, subject to occurrence of events that would cause the RSUs to vest early (death, permanent disability, change of control).

The remunerations received by the members of the Board of Directors for participating in the various committees delegated by the Board of Directors in 2014 have been as follows:

Committee of Designation and Remuneration	Internal Audit Committee	Corporate Governance Committee
32	19	32

These remunerations for members of the various board committees are part of the total compensation for 2014 to the Board of Directors referred to in the first paragraph.

As at 31 December 2013 a member of the Board of Directors had a mortgage amounting EUR 1,100 thousand plus interest, that has been amortized prior to its maturity during the year 2014, not existing as at December 31, 2014 any other advances or loans granted to members of the Board of Directors of the Company.

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

At 31 December 2014, the Company's Board of Directors was made up of 9 men (8 men and 4 legal entities represented by men at 31 December 2013).

Remuneration of and obligations to senior executives

It has been defined as Management, those executives who were members of the Executive Committee in 2014, thus being directly dependent on the Company's executive director, and also, the internal auditor, in accordance to the definition borne in the current accounting rules and specially in the "Report of the Special Working Group on Good Governance of Listed Companies" published by the Spanish regulator CNMV on 16 May of 2006.

The remuneration received by the Management during the year 2014, including severance payments, amounts EUR 866 thousand (2013: EUR 1,980 thousand), and is as following:

Exercise 2014

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

Exercise 2013

	Thousands of euros				
	Fixed Remuneration	Variable Remuneration	Other Concepts	Severance	Pension Plan
Team Management	1,187	731	50	-	12

The remuneration shown in the preceding tables does not include the following 2 incentive plans:

- In May 2014 the Company has agreed and signed with the executive director and two other dependant senior executives a new incentive plan ("Incentive Agreement"), of which part of it was paid in cash in the moment of the initial public offering amounting EUR 12.2 million (includes the amount received by the executive director), and the remaining part has been deferred to be received through 1.626 thousand of "Restricted Stock Units" that can be exchanged, for no consideration, for ordinary shares of the Company, according to a linear calendar, subject to the tenure of the executive for 3 years (in exception to bad-leaver and good-leaver clauses envisaged in the contract), to be proportionally paid in May of each of the next 3 years, according to the May and July 2014 agreements with such executives. The fair value of the shares to be bestowed after the 3 year period, at the initial public offering price would amount to EUR 24 million (taking into account that all executives remain in the Company for the next 3 years), which the Company provisions each year on a linear basis in the Income Statement of the consolidated financial statements. The difference between the fair value and the acquisition cost of such shares shall be registered in shareholder's equity. The expense incurred for this concept of deferred compensation during 2014, without considering the amount already paid in cash, amounts EUR 5.2 million, figure provisioned under "remuneration payable".

The total expense in 2014 for this incentive amounts EUR 6.7 million that corresponds to EUR 12.2 million paid in cash, the accrual of EUR 5.2 million derived from the RSU's, less the EUR 10.7 million that were provisioned during the prior year for the same concept. These amounts correspond to the executive director and the 2 other executives.

- Other senior executives of the Company earn variable remuneration subject to the achievement by the Group of certain financial aggregates in 2014, 2015 and 2016, to be paid in 2017 amounting to EUR 650 thousand. The expense incurred and provisioned for the aforementioned variable remuneration at 31 December 2014 amounts EUR 217 thousand.

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

At 31 December 2014 no advances or loans were granted to any senior executives.

At 31 December 2014 the Group's senior management was composed of 2 men.

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

The executive director is classified as remuneration of the Board of Directors in 2014 but is classified as remuneration to senior executives in 2013.

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

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

12. Foreign currency balances and transactions

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

	2014	2013
Loans granted	32,342	31,559
Loans received	24,458	23,763
Income	1,876	1,003
Finance costs	693	721
Services received	243	202

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

13. Other disclosures

13.1. Fees paid to auditors

In 2014 and 2013 the fees for financial audit and other services provided by the Company's auditor were as follows (in thousands of euros):

2014

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

2013

	Services provided by the auditor and by related firms
Audit services	126
Other services	-
Total audit and related services	126
Tax advisory services	-
Other services	7
Total	133

13.2. Obligations and other guarantees

At 31 December 2014, the Company had not pledged any shares.

At 31 December 2014, no banks had provided the Company with guarantees to third parties.

13.3. Disclosures on the payment periods to suppliers

Under Additional Provision Three "Disclosure obligation" of Law 15/2010, of 5 July, amending Law 3/2004, on combating late payment in commercial transactions, the Company is required to establish a maximum payment period of 60 days in new agreements entered into with Spanish suppliers after 6 July.

Set forth below are the disclosures required by Additional Provision Three of Law 15/2010, of 5 July:

	2014		2013	
	Amount (Thousands of euros)	%	Amount (Thousands of euros)	%
Paid in the maximum payment period	10,354	60%	1,621	66%
Remainder	6,815	40%	844	34%
Total payments made in the year	17,169	100%	2,465	100%
Weighted average period of late payment (days)	87 days		110 days	
Weighted average period of late payment (days)	27 days		49 days	
Payments at year-end not made in the maximum payment period	521		2	

The figures shown in the foregoing table in relation to payments to suppliers relate to suppliers which, because of their nature, are trade creditors for the supply of goods and services and, therefore, they include the figures relating to "Payable to Suppliers", "Payable to Suppliers - Group Companies" and "Sundry Accounts Payable" under "Current Liabilities" in the balance sheet.

Weighted average period of late payment was calculated as the quotient whose numerator is the result of multiplying the payments made to suppliers outside the maximum payment period by the number of days of late payment and whose denominator is the total amount of the payments made in the year outside the maximum payment period. The maximum payment period applicable to the Spanish companies under Law 3/2004, of 29 December, on combating late payment in commercial transactions, was 60 days. The maximum legal payment period in 2013 was 60 days.

However, most of this pending payment at year end has been paid during the first 30 days of the year 2015.

14. Events after the reporting period

Effective 12 February 2015, the Applus Group, which Company is the Parent, acquired the US IAG Group (Integrity Aerospace Group Inc.) and other non-controlling interests, all the share capital of the US companies X-Ray Industries Inc., Thermalogix LLC., XRI N-Ray Services LLC, Composites Inspections Solutions LLC and N-Ray USA Inc., the Canadian company NRAY Services Inc. and a majority interest that includes a call option on 100% of the US company Arcadia Aerospace Industries LLC for USD 52.726 million (EUR 42.303 thousand) and an Earn Out that will be met depending on future years' results.

X-Ray Industries Inc., Thermalogix LLC., XRI N-Ray Services LLC, N-Ray USA Inc. and NRAY Services Inc. form part of the RTD division in order to reinforce the Applus+ Group's position in the US market for testing in the aeronautics and other industrial sectors, while Arcadia Aerospace Industries LLC and Composites Inspections

Solutions LLC form part of the Applus + Laboratories division and represent that division's first incursion into the US market, as a supplier of testing services in aeronautical components and materials.

15. Explanation added for translation to English

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

Barcelona, 24 February 2015

D. Christopher Cole
Chairman

D. Ernesto Gerardo Mata López
Director

D. Pedro de Esteban Ferrer
Director

D. Alex Wagenberg Bondarovschi
Director

D. Mario Pardo Rojo
Director

D. John Daniel Hofmeister
Director

D. Josep Maria Panicello Primé
Director

D. Richard Campbell Nelson
Director

D. Fernando Basabe Armijo
Vocal

Diligence extended by the Secretary of the Board of Directors to certify that the Directors D. Pedro de Esteban Ferrer and D. Josep Maria Panicello not sign this document due to excused absence for professional reasons and without prejudice to the need into account its favorable vote, having being represented and voting by the Directors D. Alex Wagenberg Bondarovschi and D. Mario Pardo Rojo, respectively.

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

Applus Services, S.A.

Directors' Report for the year ended 31 December 2014

Formally prepared by the directors of Applus Services, S.A. in relation to the year ended 31 December 2014.

Dear Shareholders:

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

Company performance and earnings

Although the income of the Company has decreased over the prior year due to receiving less dividends from its subsidiaries, it is important to point out that the net financial expenses decreased significantly in the period, from EUR 59.2 million to EUR 25.1 million, after reducing financial debt with the proceeds from the initial public offering (IPO). At the time of the IPO the debt was refinanced to lower rates than the previous agreed rates.

In North America, Applus+ purchased three companies with revenue of €22 million from IAG and other third party shareholders: X-Ray Industries, N-Ray Services and Arcadia Aerospace which are the premier suppliers of Non Destructive Testing to the aerospace market and gas turbine industry. The companies, with 74 years of history, have over 200 employees and operate primarily from 7 locations across the USA and Canada and a further 10 co-locations embedded within customer facilities. X-Ray Industries and N-Ray Services will form part of the Applus+ RTD division and will reinforce the division's strong presence in the North American market. Arcadia Aerospace will be part of Applus+ Laboratories and will be this division's first entry into the US market. The acquisition closed at the start of 2015 following the receipt of the necessary approvals from the US authorities.

In Latin America, Applus+ purchased Ingelog, a supplier of engineering and project management services to the civil and private infrastructure industries in the region. This acquisition of the leading provider of these services in Chile will support the strong growth and development of Applus+ Norcontrol in Latin America and is expected to add initial annual revenue of €18 million. The acquisition closed at the end of October 2014.

As a recently listed company, the Board will propose at the Group's first annual general meeting of shareholders (AGM) on the 18 June 2015, the payment of a dividend of €0.13 per share. This is equivalent to €16.9 million and is 19.3% of the Adjusted Net Income of €87.7 million as shown in the summary financial results table above. This is in line with the guidance given at the time of the IPO. The dividend, if approved by the shareholders at the AGM will be paid within 30 days of this meeting.

The new five year debt facilities entered into by the Group at the time of the IPO are sufficient to ensure good liquidity for the medium and longer term.

Outlook for the Company

The longer term drivers in the various industries served by Applus+ are favourable. The current uncertainty on the oil and gas industry will inevitably have some impact on Group revenue in the short term, but the continuing and longer term demand for verification of energy assets must increase due to the global requirement for more energy infrastructure as well as the ageing of the existing asset base. The parts of the Group unrelated to oil and gas also hold favourable long term growth drivers, from increased demand for safety and quality services and the increased expansion of the Applus+ network into new territories.

Main risks

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

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

Environment

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

Research and development activities

The Company did not perform any research and development activities in 2014.

Treasury share transactions

In 2014 the Company recognised under "Equity" treasury shares amounting EUR 5,407 thousand arising from an equity swap agreement with a financial institution to hedge the acquisition cost of 550,000 treasury shares to be physically-settled, and that the Company must partially deliver to certain executives. This agreement matures on 30 April 2015, date in which the Company will receive the shares from the financial institution. Consequently, on 9 May 2015 the Parent must deliver some of the aforementioned shares to the various executives.

Significant events after the reporting period

Effective 12 February 2015, the Applus Group acquired the US IAG Group (Integrity Aerospace Group Inc.) and other non-controlling interests, all the share capital of the US companies X-Ray Industries Inc., Thermalogix LLC., XRI N-Ray Services LLC, Composites Inspections Solutions LLC and NRay USA Inc., the Canadian company NRAY Services Inc. and a majority interest that includes a call option on 100% of the US company Arcadia Aerospace Industries LLC for USD 52.726 million (EUR 42.303 thousand) and an Earn Out that will be met depending on future years' results.

Use of financial instruments

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

During 2014 the Company has not acquired any financial derivative instruments, in exception to the equity swap agreement explained in the "Treasury share transactions" of this report.

During 2014 all of the interest rate derivatives acquired in prior years have matured, and management has decided not to acquire new ones.

Disclosures on the payment periods to suppliers

Under Additional Provision Three "Disclosure obligation" of Law 15/2010, of 5 July, amending Law 3/2004, on combating late payment in commercial transactions, the Company is required to establish a maximum payment period of 60 days in new agreements entered into with Spanish suppliers after 6 July.

Set forth below are the disclosures required by Additional Provision Three of Law 15/2010, of 5 July:

	2014		2013	
	Amount (Thousands of euros)	%	Amount (Thousands of euros)	%
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Payments at year-end not made in the maximum payment period	521		2	

The figures shown in the foregoing table in relation to payments to suppliers relate to suppliers which, because of their nature, are trade creditors for the supply of goods and services and, therefore, they include the figures relating to "Payable to Suppliers", "Payable to Suppliers - Group Companies" and "Sundry Accounts Payable" under "Current Liabilities" in the balance sheet.

Weighted average period of late payment was calculated as the quotient whose numerator is the result of multiplying the payments made to suppliers outside the maximum payment period by the number of days of late payment and whose denominator is the total amount of the payments made in the year outside the maximum payment period. The maximum payment period applicable to the Spanish companies under Law 3/2004, of 29 December, on combating late payment in commercial transactions, was 60 days. The maximum legal payment period in 2013 was 60 days.

However, most of this pending payment at year end has been paid during the first 30 days of the year 2015.

The Company is gradually adapting its payment to the latest changes of the current regulations. Also in this year, the Company has received from its suppliers invoices of significant amount at a very close date to its expiration. Due to this the Company has had to adjust their payment date according to the cash forecast, resulting, therefore, a period exceeding the 60 days counting from the date of invoice

Barcelona, 24 February 2015

D. Christopher Cole
Chairman

D. Ernesto Gerardo Mata López
Director

D. Pedro de Esteban Ferrer
Director

D. Alex Wagenberg Bondarovschi
Director

D. Mario Pardo Rojo
Director

D. John Daniel Hofmeister
Director

D. Josep Maria Panicello Primé
Director

D. Richard Campbell Nelson
Director

D. Fernando Basabe Armijo
Vocal

Diligence extended by the Secretary of the Board of Directors to certify that the Directors D. Pedro de Esteban Ferrer and D. Josep Maria Panicello not sign this document due to excused absence for professional reasons and without prejudice to the need into account its favorable vote, having being represented and voting by the Directors D. Alex Wagenberg Bondarovschi and D. Mario Pardo Rojo, respectively.



ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

ISSUER IDENTIFICATION

END OF THE FINANCIAL YEAR OF REFERENCE

31/12/2014

Tax Identification Code

A-64622970

REGISTERED NAME

APPLUS SERVICES, S.A.

REGISTERED ADDRESS

CAMPUS UAB, RONDA DE LA FONT DEL CARME, S/N, 08193, BELLATERRA,
BARCELONA

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

A. OWNERSHIP STRUCTURE

A.1. Complete the following table about the share capital of the company:

Date of last change	Share capital (€)	Number of shares	Number of Voting rights
8/05/2014	13,001,675.50	130,016,755	130,016,755

State whether there are different classes of shares with different rights attaching thereto:

Yes No

A.2. Breakdown of direct and indirect holders of significant shareholdings in the company as of the end of the financial year, excluding directors:

Individual or company name of the shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
AMERIPRISE FINANCIAL, INC	0	5.000.000	3,85%
GIC PRIVATE LIMITED	8.000.000	0	6,15%
CEP III PARTICIPATIONS, S.à r.l. SICAR	0	46.161.582	35,50%

Individual or company name of the indirect shareholder	Individual or company name of the direct shareholder	Number of voting rights
AMERIPRISE FINANCIAL, INC	THREADNEEDLE ASSET MANAGEMENT HOLDINGS LIMITED	5.000.000
CEP III PARTICIPATIONS, S.à r.l. SICAR	AZUL HOLDING, S.C.A.	46.161.582

State the most significant changes in the shareholding structure that have occurred during the financial year:

Individual or company name of the shareholder	Date of transaction	Description of transaction
CEP III Participations S.à r.l SICAR	9/05/2014	It has decreased below 40% in the capital stock
Morgan Stanley	26/05/2014	It has decreased below 10% in the capital stock
Carmignac Gestión, S.A.	23/06/2014	It has decreased below 3% in the capital stock

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UBS AG	10/07/2014	It has decreased below 3% in the capital stock
Deutsche Bank AG	06/10/2014	It has decreased below 3% in the capital stock
Credit Suisse Group AG	10/12/2014	It has decreased below 3% in the capital stock

A.3. Complete the following tables about members of the board of directors of the company who have voting rights attaching to shares of the company:

Individual or company name of the director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
MR. FERNANDO BASABE ARMIJO	344.828	0	0,27
MR. CHRISTOPHER COLE	6.897	0	0,01

Total percentage of voting rights held by the board of directors:	0.27%
--	--------------

Complete the following tables about members of the company's board of directors who hold rights over the company's shares:

- A.4 State, if applicable, the family, commercial, contractual, or corporate relationships between significant shareholders, to the extent known to the company, unless they are immaterial or result from the ordinary course of business:**
- A.5 State, if applicable, the commercial, contractual, or corporate relationships between significant shareholders and the company and/or its group, unless they are immaterial or result from the ordinary course of business:**
- A.6 State whether any shareholders' agreements affecting the company pursuant to the provisions of sections 530 and 531 of the Companies Act (*Ley de Sociedades de Capital*) have been reported to the company. If so, briefly describe them and list the shareholders bound by the agreement:**

Yes No

State whether the company is aware of the existence of concerted actions among its shareholders. If so, briefly describe them:

Yes No

Expressly state whether any of such agreements, arrangements or concerted actions have been modified or terminated during the financial year:

N/A

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A.7 State whether there is any individual or legal entity that exercises or may exercise control over the company pursuant to article 4 of the Securities Market Act (*Ley del Mercado de Valores*). If so, identify it:

Yes No

Individual or company name
CEP II Participations S.à r.l. SICAR and CEP III Participations S.à r.l. SICAR
Comments
Given that CEP II Participations S.à r.l. SICAR and CEP III Participations S.à r.l. SICAR still directly or indirectly hold a material number of shares of the company, although they represent less than half the capital stock, they continue to exercise a certain influence over the decisions approved by the company's General Shareholders Meeting and Board of Directors.

A.8 Complete the following tables about the company's treasury shares:

As of year-end:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
0	0	0%

(*)Through:

Describe any significant changes, pursuant to the provisions of Royal Decree 1362/2007, which have occurred during the financial year:

A.9 Describe the terms and conditions and the duration of the mandate currently in force given by the shareholders to the board of directors in order to issue, repurchase or transfer the shares of the company:

The General Shareholders Meeting of 25 March 2014 unanimously agreed to "authorise the Company's Board of Directors so it may proceed with a derivative acquisition of its own shares, both directly by the Company itself and indirectly by its controlled companies, in the terms established below:

- The acquisition may be made as a sale and purchase, swap or dation in payment, once or several times, provided that the shares acquired, when added to those already held by the Company, do not exceed 10% of the capital stock;
- The price or countervalue will range between the face value of the shares and 110% of their listed price; and
- The authorisation will remain valid until the approval of the annual accounts for the financial year ending 31 December 2014.

Furthermore and for the purposes of article 146.1, paragraph two, of the Companies Act, the General Shareholders Meeting hereby unanimously agrees to grant an express authorisation to acquire Company shares in favour of any of the controlled companies, in the same terms resulting from this resolution.

For the necessary purposes, it is hereby expressly noted that any shares acquired as a result of this authorisation may be used both for disposal or redemption, or towards the remuneration systems foreseen in article 146.1, paragraph three, of the Companies Act.

This authorisation will be effective as of the date the Company shares are officially listed on the Stock Exchange Markets of Madrid, Barcelona, Bilbao and Valencia".

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NOTE: In turn, the Board of Directors at its meeting held on 28 July 2014 unanimously agreed to establish an ad hoc committee in order to determine the date and number of own shares to be acquired, pursuant to the terms and conditions included in the Incentives Plan and for any other purpose that may be beneficial for the corporate interest.

- A.10 State whether there are any restrictions on the transfer of securities and/or any restriction on voting rights. In particular, disclose the existence of any restrictions that might hinder a takeover of the company through the acquisition of its shares in the market.**

Yes No

NOTE: As it is market practice in initial public offerings operations, on 7 May 2014, before its shares were listed on the stock exchange markets of Madrid, Barcelona, Bilbao and Valencia, the company executed an Underwriting Agreement whereby both the company and Azul Holding S.C.A and Azul Finance S.à r.l., then shareholders of the company, undertook not to transfer their shares in the company over a period of 180 days following the listing date of its shares, without the consent of the global coordinators of the issue. Furthermore, the Chairman of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer of the company will not be able to transfer their shares over a period of 360 days following the listing date of the company shares, without the consent of the global coordinators of the issue.

- A.11 State whether the general shareholders' meeting have approved the adoption measures to neutralize a public takeover bid, pursuant to the provisions of Law 6/2007:**

Yes No

If applicable, describe the approved measures and the terms on which the restrictions will become ineffective:

- A.12 State whether the company has issued securities that are not traded on a regulated market within the European Community.**

Yes No

If applicable, state the different share classes and, for each of them, the rights and obligations.

B. GENERAL SHAREHOLDERS' MEETING

- B.1 State and, if applicable, explain whether there are differences with the minimum requirements set out in the Companies Act in connection with the quorum needed to hold a valid general shareholders' meeting.**

Yes No

- B.2 State and, if applicable, explain any differences from the rules set out in the Companies Act for the adoption of corporate resolutions:**

Yes No

Describe how they differ from the rules provided by the Companies Act.

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B.3 State the rules applicable to the amendment of the by-laws of the company. In particular, disclose the majorities provided for amending the by-laws, and any rules provided for the protection of the rights of the shareholders in the amendment of the by-laws.

COMPANY BY-LAWS

Article 19.2 of the company By-laws provides that all resolutions will be adopted with the favorable vote of more than half the voting shares, present or represented at a General Shareholders Meeting, unless a qualified majority is required by the Act or the Company By-laws. The General Meeting Regulations will describe the procedures and systems used to calculate the votes issued on any proposed resolutions.

GENERAL SHAREHOLDERS MEETING REGULATIONS

In order for a General Meeting to validly convened, if an amendment of the By-laws is intended, article 16.8 (b) of the Regulations will apply, whereby it will be necessary the assistance of shareholders, present or represented at first call that hold at least fifty per cent (50%) of the voting capital stock subscribed. At second call, it will suffice for twenty-five per cent (25%) of the capital stock to attend.

In order for the General Shareholders Meeting to adopt resolutions that entail an amendment of the By-laws, at least two thirds (2/3) of the voting capital stock in attendance must vote in favour, as foreseen in article 21.1 (b) of the General Shareholders Meeting Regulations.

B.4 State the data on attendance at the general shareholders' meetings held during the financial year referred to in this report and those of the prior financial year:

Date of General Shareholders' Meeting	Attendance data				
	% of shareholders present in person	% of shareholders represented by proxy	% absentee voting		Total
			Electronic voting	Other	
4 March 2014	100%	0%	0%	0%	100%
25 March 2014	100%	0%	0%	0%	100%
4 April 2014	100%	0%	0%	0%	100%
22 April 2014	100%	0%	0%	0%	100%
7 May 2014	100%	0%	0%	0%	100%

B.5 State whether there are any By-law restrictions requiring a minimum number of shares to attend the general shareholders' meeting.

Yes No

B.6 State whether it has been resolved that certain decisions involving a structural modification of the company ("subsidiarisation", purchase/sale of core operating assets, transactions equivalent to the liquidation of the company, etc.) must be submitted for approval by the shareholders at a general shareholders' meeting, even if not expressly required by Commercial Laws.

Yes No

B.7 State the address and method for accessing the company's website to access

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information regarding corporate governance and other information regarding general shareholders' meetings that must be made available to the shareholders through the company's website.

The corporate website is available at www.applus.com. At the top, under "Investor Relations", full information is provided on corporate governance and General Meetings. Specifically, through the following links- <http://www.applus.com/es/InvestorRelations/Corporate-governance> and <http://www.applus.com/es/InvestorRelations/Shareholders-meetings> - direct access is provided to information on corporate governance and General Meetings, respectively.

C. STRUCTURE OF THE COMPANY'S MANAGEMENT

C.1 Board of directors

C.1.1 Maximum and minimum number of directors set forth in the By-laws:

Maximum number of directors	9
Minimum number of directors	7

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

Individual or company name of the director	Representative	Position on Board	Date of first appointment	Date of last appointment	Election procedure
MR. CHRISTOPHER COLE	N/A	CHAIRMAN	07/05/2014	07/05/14	GENERAL SHAREHOLDERS MEETING RESOLUTION
MR. FERNANDO BASABE ARMIJO	N/A	DIRECTOR	01/02/2011	04/03/2014	GENERAL SHAREHOLDERS MEETING RESOLUTION
MR. RICHARD CAMPBELL NELSON	N/A	DIRECTOR	01/10/2009	04/03/2014	GENERAL SHAREHOLDERS MEETING RESOLUTION
MR. PEDRO DE ESTEBAN FERRER	N/A	DIRECTOR	27/09/2007	04/04/2014	GENERAL SHAREHOLDERS MEETING RESOLUTION
MR. JOHN DANIEL HOFMEISTER	N/A	DIRECTOR	1/07/2013	04/03/2014	GENERAL SHAREHOLDERS MEETING RESOLUTION
MR. ERNESTO MATA LÓPEZ	N/A	DIRECTOR	29/11/2007	04/03/2014	GENERAL SHAREHOLDERS MEETING RESOLUTION
MR. JOSEP MARÍA PANICELLO PRIME	N/A	DIRECTOR	08/10/2013	04/03/2014	GENERAL SHAREHOLDERS MEETING RESOLUTION
MR. MARIO PARDO ROJO	N/A	DIRECTOR	27/09/2007	04/04/2014	GENERAL SHAREHOLDERS MEETING RESOLUTION
MR. ALEX WAGENBERG BONDAROVSKI	N/A	DIRECTOR	27/09/2007	04/04/2014	GENERAL SHAREHOLDERS MEETING RESOLUTION

Total number of directors	9
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State the vacancies on the board of directors during the reporting period:

Individual or company name of the director	Status of the director at time of vacancy	Date of vacancy
AZUL MANAGEMENT S.À R.L.	Proprietary	4 April 2014
THE CARLYLE GROUP (LUXEMBOURG), S.À R.L.	Proprietary	4 April 2014
CEP II ADVISOR, S.À R.L.	Proprietary	4 April 2014
CEP III ADVISOR, S.À R.L.	Proprietary	4 April 2014
MR. CARLOS KINDER ESPINOSA	Proprietary	4 April 2014
MR. CHRISTOPHER FINN	Proprietary	4 April 2014
MR. JUAN MANUEL SOLER PUJOL	Proprietary	4 April 2014
MR. JOAQUÍN COELLO BRUFAU	Proprietary	7 May 2014

C.1.3 Complete the following table about the members of the board and each member's status:

EXECUTIVE DIRECTORS

Individual or company name of director	Committee that has reported on the director's appointment	Position within the company's structure
MR. FERNANDO BASABE ARMIJO	APPOINTMENTS AND REMUNERATION COMMITTEE	CHIEF EXECUTIVE OFFICER

Total number of executive directors	1
Total % of the board	11.11%

EXTERNAL PROPRIETARY DIRECTORS

Individual or company name of director	Committee that has reported on the director's appointment	Individual or company name of the significant shareholder represented by the director or that has proposed the director's appointment
MR. PEDRO DE ESTEBAN FERRER	APPOINTMENTS AND REMUNERATION COMMITTEE	Azul Holding, S.C.A.
MR. ALEX WAGENBERG BONDAROVSKI	APPOINTMENTS AND REMUNERATION COMMITTEE	Azul Holding, S.C.A.

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MR. MARIO PARDO ROJO	APPOINTMENTS AND REMUNERATION COMMITTEE	Azul Holding, S.C.A.
MR. JOSEP MARIA PANICELLO PRIME	APPOINTMENTS AND REMUNERATION COMMITTEE	Azul Holding, S.C.A.

Total number of proprietary directors	4
Total % of the board	44.44%

EXTERNAL INDEPENDENT DIRECTORS

Individual or company name director	Profile
See description below	Ditto

Director's identity or name: MR. CHRISTOPHER COLE

Profile: Mr. Cole holds a Degree in Environmental Engineering from Borough Polytechnic (University of South Bank) and is an associate engineer in the United Kingdom. Furthermore, Mr. Cole completed an Executive Management Course at INSEAD, France, in 1999. Mr. Cole founded WSP Group Plc, a professional services company that was listed on the London Stock Exchange in 1987. Mr. Cole held the post of Chief Executive Officer (CEO) of the company until it merged with Genivar, Inc. in 2012, whereupon he was appointed non-executive chairman of the entity resulting from the merger, WSP Global Inc., whose shares were listed on the Toronto Stock Exchange. Currently, Mr. Cole is also non-executive chairman of Ashtead Group Plc, senior independent director of Infinis Energy Plc and non-executive chairman of Tracsis Plc.

Director's identity or name: MR. ERNESTO GERARDO MATA LÓPEZ

Profile: Mr. Mata López holds a Degree in Economics and MA from the University of Geneva and an MBA from IESE (Barcelona). Mr. Mata López has developed extensive experience in the energy and capital markets sectors. He was a director of Unión Fenosa, S.A. (now Gas Natural SDG, S.A.), Unión Fenosa Soluziona, S.A., Compañía Española de Petróleos, S.A. and Abertis Infraestructuras, S.A., where he was the chairman of the audit committee. Currently, Mr. Mata López is a member of the advisory board of Abertis Infraestructuras, S.A., chairman of the board of Pagaralia, S.L., Senior Advisor to Matlin Patterson Global Advisers LLC, member of the board of Factor Energía, S.A., Toro Finance, S.L. and a member of the advisory board of Herbert Smith Freehills LLP (Spain).

Director's identity or name: MR. JOHN DANIEL HOFMEISTER

Profile: Mr. Hofmeister holds a Bachelor's and Master's Degree in Political Science from Kansas State University. In May 2010 he was awarded an honorary doctorate from the University of Houston. In May 2014 he was awarded an honorary doctorate from Kansas State University. Mr. Hofmeister was the President of Shell Oil Company in the US from 2005 to 2008 and prior to that he was the Group Director of Human Resources at Royal Dutch Shell in the Netherlands. Mr.

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Hofmeister founded and heads the not for profit membership association, Citizens for Affordable Energy. Mr. Hofmeister is a key member of the US Energy Security Council, a bipartisan not for profit group in Washington, DC that includes several dozen former Presidential Appointees and Fortune 100 CEO's who focus on US national security through energy security. Mr. Hofmeister has also held executive positions at General Electric, Nortel Networks and AlliedSignal (now Honeywell International). Mr. Hofmeister serves as a non-executive director of Hunting plc (London, UK) and CAMAC Energy, Inc. (Houston, Texas).

Director's identity or name: MR. RICHARD CAMPBELL NELSON

Profile: Mr. Nelson is a fellow of the Institute of Chartered Accountants in England and Wales and holds a Master of Science Degree in Economics at the London Business School. Mr. Nelson was a director of Transcontinental Services Inc. from 1972 and CEO from 1982 to the date of its acquisition by Inchcape Plc in 1985. He was nominated to the same position in Inchcape Plc which combined Transcontinental Services Inc. with its consumer goods testing and minerals testing businesses to become Inchcape Testing Services NA, Inc. In 1996, Inchcape Testing Services NA, Inc. was acquired by a private equity firm and became Intertek Group Limited of which Mr. Nelson was the executive chairman until 2002, when the company floated on the London Stock Exchange. At this time, Mr. Nelson became the CEO of Intertek Group Limited (an ICT sector company) until he retired in 2006.

Total number of independent directors	4
Total % of the board	44.44%

State whether any director classified as independent receives from the company or its group any amount or benefit for items other than director remuneration, or maintains or has maintained during the last financial year a business relationship with the company or with any company of its group, whether in the director's own name or as a significant shareholder, director or senior officer of an entity that maintains or has maintained such relationship.

Note: Prior to the listing of the company shares on the stock exchange markets of Madrid, Barcelona, Bilbao and Valencia on 9 May 2014, the services agreements indicated below were terminated and all outstanding remuneration paid. Currently, there is no Independent Director receiving payment for any item other than Director's remuneration.

Individual or company name of the director: Ernesto Mata López
Description of the relationship: Consultancy Services Agreements
Reasoned statement: N/A

Individual or company name of the director: Richard Campbell Nelson
Description of the relationship: Consultancy Services Agreements
Reasoned statement: N/A

Individual or company name of the director: John Daniel Hofmeister
Description of the relationship: Consultancy Services Agreements
Reasoned statement: N/A

If applicable, include a reasoned statement of the director regarding the reasons for which it is believed that such director can carry out the duties thereof as an independent director.

OTHER EXTERNAL DIRECTORS

Describe the reasons why they cannot be considered proprietary or independent directors as well as their ties, whether with the company, its management, or its shareholders.

State the changes, if any, in the type of director during the period:

C.1.4 Complete the following table with information regarding the number of female directors for the last 4 financial years, as well as the type of such female directors:

	Number of female directors				% of total female directors each class			
	Year 2013	Year 2012	Year 2011	Year 2010	Year 2013	Year 2012	Year 2011	Year 2010
Executive	0	0	0	0	0%	0%	0%	0%
Proprietary	0	0	0	0	0%	0%	0%	0%
Independent	0	0	0	0	0%	0%	0%	0%
Other external	0	0	0	0	0%	0%	0%	0%
Total:	0	0	0	0	0%	0%	0%	0%

C.1.5 Describe any measures adopted to include on the board of directors a number of women that allows for a balanced presence of men and women.

Description of measures
<p>At present, no woman belongs to the Company's Board of Directors. Nevertheless, the Company confirms that:</p> <ul style="list-style-type: none"> a) The selection process for new Company members is free of implicit biases that hinder the selection of women to cover any vacancies. b) The Company will make a concise effort to include women, with the necessary professional qualifications, amongst the candidates applying to join the Board of Directors.

C.1.6 Describe any measures approved by the remuneration in order for selection procedures to be free of implicit biases that hinder the selection of female directors, and in order for the company to deliberately search for women who meet the professional profile that is sought and include them among potential candidates:

Description of measures

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The Appointments and Remuneration Committee has been expressly assigned this task, gathered in article 40.3.(a)(viii) of the Regulations of the Board of Directors:

“To report to the Board of Directors on the issues of gender diversity, and safeguard that, when filling new vacancies, the selection procedure does not suffer from implicit biases that might hinder the selection of female Directors; and so that the Company deliberately searches for, and includes among potential candidates, women who meet the sought after professional profile”.

If there are few or no female directors despite any measures adopted, describe the reasons for such result:

Description of reasons
Since the company's shares were listed on the stock exchange markets of Madrid, Barcelona, Bilbao and Valencia last 9 May 2014, no vacancies have arisen to date on the Board of Directors, which is why no selection process has been carried out. Nevertheless, in any future selection procedures the Appointments and Remuneration Committee will ensure that women meeting the professional profile sought are included amongst the potential candidates, so no implicit biases that hinder the selection of female directors exist in the selection procedures.

C.1.7 Explain the form of representation on the board of shareholders with significant holdings.

Currently, the following Proprietary External Directors are acting on behalf of Azul Holding, S.C.A., indirectly owned by CEP II Participations, S.à r.l. SICAR and CEP III Participations, S.à r.l. SICAR: Mr. Josep Maria Panicello Primé, Mr. Pedro de Esteban Ferrer, Mr. Alex Wagenberg Bondarovschi and Mr. Mario Pardo Rojo.

C.1.8 Describe, if applicable, the reasons why proprietary directors have been appointed at the proposal of shareholders whose shareholding interest is less than 5% of share capital.

State whether there has been no answer to formal petitions for presence on the board received from shareholders whose shareholding interest is equal to or greater than that of others at whose proposal proprietary directors have been appointed. If so, describe the reasons why such petitions have not been answered:

Yes No

C.1.9 State whether any director has withdrawn from the position as such before the expiration of the director's term of office, whether the director has given reasons to the board and by what means, and in the event that the director gave reasons in writing to the full board, describe at least the reasons given thereby:

Name of the director	Reason for withdrawal

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Azul Management S.à r.l.	Listing of the company shares on official markets in Madrid, Barcelona, Bilbao and Valencia
The Carlyle Group (Luxembourg), S.à r.l.	Listing of the company shares on official markets in Madrid, Barcelona, Bilbao and Valencia
CEP II Advisor, S.à r.l.	Listing of the company shares on official markets in Madrid, Barcelona, Bilbao and Valencia
CEP III Advisor, S.à r.l.	Listing of the company shares on official markets in Madrid, Barcelona, Bilbao and Valencia
Mr. Carlos Kinder Espinosa	Listing of the company shares on official markets in Madrid, Barcelona, Bilbao and Valencia
Mr. Christopher Finn	Listing of the company shares on official markets in Madrid, Barcelona, Bilbao and Valencia
Mr. Juan Manuel Soier Pujol	Listing of the company shares on official markets in Madrid, Barcelona, Bilbao and Valencia
Mr. Joaquín Coello Brufau	Listing of the company shares on official markets in Madrid, Barcelona, Bilbao and Valencia

C.1.10 State any powers delegated to the chief executive officer(s):

C.1.11 Identify any members of the board who are directors or officers of companies within the listed company's group:

Individual or company name of the director	Company name of the group member	Post
MR. FERNANDO BASABE ARMIJO	IDIADA AUTOMOTIVE TECHNOLOGY, S.A.	DIRECTOR's REPRESENTATIVE
MR. FERNANDO BASABE ARMIJO	APPLUS SERVICIOS TECNOLÓGICOS, S.L.U.	SOLE DIRECTOR's REPRESENTATIVE
MR. FERNANDO BASABE ARMIJO	LGAI TECHNOLOGICAL CENTER, S.A.	DIRECTOR's REPRESENTATIVE
MR. FERNANDO BASABE ARMIJO	APPLUS ITEUVE TECHNOLOGY, S.L.U.	SOLE DIRECTOR's REPRESENTATIVE
MR. FERNANDO BASABE ARMIJO	LIBERTYTOWN USA 1, INC.	CHAIRMAN

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MR. FERNANDO BASABE ARMIJO	LIBERTYTOWN USA FINCO, INC	CHAIRMAN
MR. FERNANDO BASABE ARMIJO	APPLUS TECHNOLOGIES, INC.	CHAIRMAN
MR. FERNANDO BASABE ARMIJO	K1 KATSASTAJAT OY	DIRECTOR
MR. FERNANDO BASABE ARMIJO	AZUL HOLDING 2 S.à r.l.	MANAGER
MR. FERNANDO BASABE ARMIJO	VELOSI INTERNATIONAL HOLDING COMPANY B.S.C. CLOSED	DIRECTOR
MR. MARIO PARDO ROJO	IDIADA AUTOMOTIVE TECHNOLOGY, S.A.	DIRECTOR's REPRESENTATIVE
MR. MARIO PARDO ROJO	LGAI TECHNOLOGICAL CENTER, S.A.	DIRECTOR's REPRESENTATIVE

C.1.12 Identify the directors of your company, if any, who are members of the board of directors of other companies listed on official stock exchanges other than those of your group that have been reported to your company:

Individual or company name of the director	Name of listed company	Position
MR. CHRISTOPHER COLE	ASHTEAD GROUP, PLC.	NON-EXECUTIVE CHAIRMAN
MR. CHRISTOPHER COLE	INFINIS ENERGY, PLC.	SENIOR INDEPENDENT DIRECTOR
MR. CHRISTOPHER COLE	WSP GLOBAL, INC	NON-EXECUTIVE CHARIMAN
MR. CHRISTOPHER COLE	TRAC SIS, PLC	NON-EXECUTIVE CHAIRMAN
MR. JOHN DANIEL HOFMEISTER	HUNTING, PLC	NON-EXECUTIVE DIRECTOR
MR. JOHN DANIEL HOFMEISTER	CAMAC ENERGY, INC	NON-EXECUTIVE DIRECTOR

C.1.13 State and, if applicable, explain whether the company has established rules regarding the number of boards of which its directors may be members:

Yes No

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C.1.14 Indicate the company's general policies and strategies reserved for approval by the full board:

	Yes	No
Investment and financing policy	X	
Design of the structure of the group of companies	X	
Corporate governance policy	X	
Corporate social responsibility policy	X	
Strategic or business plan, as well as management objectives and annual budgets	X	
Policy for the remuneration and evaluation of performance of senior management	X	
Risk control and management policies, as well as the periodic monitoring of the internal information and control systems	X	
Dividend policy, as well the treasury share policy and, especially, the limits thereto	X	

C.1.15 State the overall remuneration of the board of directors:

Remuneration of the board of directors (thousands of euros)	12,210
Amount of total remuneration corresponding to pension rights accumulated by the directors (thousands of euros)	0
Overall remuneration of the board of directors (thousands of euros)	12,210

C.1.16 Identify the members of the company's senior management who are not executive directors and state the total remuneration accruing to them during the financial year:

Individual or company name	Position(s)
MR. JORGE LLUCH ZANON	CORPORATE DEVELOPMENT & COMMUNICATIONS SENIOR VICE PRESIDENT
MR. JOAN AMIGÓ I CASAS	CHIEF FINANCIAL OFFICER
MR. AITOR RETES AGUADO	AUTOMOTIVE EXECUTIVE VICE PRESIDENT
MR. JORDI BRUFAU REDONDO	LABORATORIES EXECUTIVE VICE PRESIDENT
MR. RAMÓN FERÁNDEZ ARMAS	NORCONTROLS ESPAÑA & VELOSI EXECUTIVE VICE PRESIDENT

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MR. PABLO SANJUAN SARDE	NORCONTROL LATAM EXECUTIVE VICE PRESIDENT
MR. JOSÉ DELFIN PÉREZ FERNÁNDEZ	HUMAN RESOURCES SENIOR VICE PRESIDENT
MS. EVA ARGILÉS MALONDA	GENERAL COUNSEL
MR. CARLES GRASAS ALSINA	IDIADA EXECUTIVE VICE PRESIDENT
MR. IAIN LIGHT	RTD EXECUTIVE VICE PRESIDENT
MR. ALEIX RIBAS AGUILERA	INTERNAL AUDIT MANAGER
MR. ARNE WILERSLEV	FORMER AUTOMOTIVE INTERNATIONAL EXECUTIVE VICE PRESIDENT
MR. NABIL ABDUL JALIL	FORMER VELOSI EXECUTIVE VICE PRESIDENT
Total senior management remuneration (in thousands of euros)	17.107

C.1.17 State the identity of the members of the board, if any, who are also members of the board of directors of significant shareholders and/or in entities of their group:

Individual or company name of the director	Company name of the significant shareholder	Position
D. PEDRO DE ESTEBAN FERRER	THE CARLYLE GROUP ESPAÑA, S.L.	PRESIDENTE
D. MARIO PARDO ROJO	TELECABLE CAPITAL HOLDING, S.L	JOINT CHIEF EXECUTIVE OFFICER

Describe any significant relationships, other than the ones contemplated in the prior item, of the members of the board of directors linking them to significant shareholders and/or companies within their group:

Individual or company name of the director	Individual or company name of related significant shareholder	Description of relationship
D. PEDRO DE ESTEBAN FERRER	THE CARLYLE GROUP ESPAÑA, S.L	EMPLOYEE
D. ALEX WAGENBERG-BONDAROVSKI	THE CARLYLE GROUP ESPAÑA, S.L	EMPLOYEE
D. MARIO PARDO ROJO	THE CARLYLE GROUP ESPAÑA, S.L	EMPLOYEE

C.1.18 State whether the regulations of the board have been amended during the financial year:

Yes No

Description of amendments
<p>During the financial year, two changes were made to the Regulations of the Board of Directors:</p> <ul style="list-style-type: none">• The first informed by the Audit Committee at its meeting of 28 July 2014 and unanimously approved by the Board of Directors at its meeting likewise held on said date, amended article 38 in order to enable Executive Committee meetings to be held without necessarily requiring that the Board Secretary be also Secretary of the Executive Committee.• The second was informed by the Audit Committee on 30 October 2014 and unanimously approved by the Board of Directors at its meeting likewise held on said date. Article 7 was amended in order to determine, for internal organization purposes, the scope of competences and to define, as necessary, the powers of the Board of Directors, Executive Committee and Chief Executive Officer. <p>Further to article 4.5 of the Regulations of the Board of Directors, the Board of Directors will inform the shareholders of these amendments at the next general meeting.</p>

C.1.19 State the procedures for the selection, appointment, re-election, evaluation, and removal of directors. List the competent bodies, the procedures to be followed, and the criteria applied in each of such procedures.

Appointment

According to article 23 of the company By-laws, the members of the Board of Directors shall be appointed by the General Shareholders' Meeting, notwithstanding the possibility of co-opting members as established in the Spanish Companies Act. It is not necessary to be a shareholder to be elected member of the Board, except in the case of co-option. Individual or legal entities covered by any of the prohibitions established by current legislation for reasons of incapacity or incompatibility shall be disqualified from Board membership.

According to article 14 of the Regulations of the Board of Directors, proposals for the appointment of Directors submitted by the Board of Directors to the consideration of the General Shareholders' Meeting and appointment decisions adopted by the Board of Directors pursuant to its interim appointment authority shall be made subject to the prior report by the Appointments and Remuneration Committee (in the case of executive and proprietary Directors), and subject to a proposal from the Appointments and Remuneration Committee (in the case of independent Directors).

Term of office (article 23.3 of the Company By-laws)

Tenure of office shall be six (6) years as from the date of acceptance, being able to be re-elected one or more times for periods of equal duration. However, it is expected the first General Shareholder's Meeting held in 2015 to approve the amendment, amongst others, of the article of the by-laws regarding the tenure of office, in order to adapt it to a four (4) years term, in accordance with Law 31/2014 of December 3 which amends the Companies Act.

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Article 15.2 of the Regulations of the Board of Directors provides that directors appointed by interim appointment shall remain in their posts until the date of the first General Shareholders' Meeting. This period will not be included in calculations for the purposes of point 15.1 above.

Re-appointment (article 16 of the Regulations of the Board of Directors)

Before the reappointment of Directors is proposed to the General Shareholders' Meeting, the Appointments and Remuneration Committee shall issue a report evaluating the work and dedication of the Directors proposed during the previous term in office.

Self-assessment (article 36 of the Regulations of the Board of Directors)

The Board of Directors shall dedicate the first meeting of the year to an assessment of its operation during the previous financial year, evaluating the quality of its work, assessing the effectiveness of its regulations, and if appropriate, correcting those aspects that were found not to be functional. Furthermore, the Board of Directors shall assess the performance of its duties through the Chairman of the Board of Directors and the senior executive of the Company, based on the report issued by the Appointments and Remuneration Committee, as well as the operation of the Board of Directors Committees, based on their reports.

Removal (article 17 of the Regulations of the Board of Directors)

Directors shall be removed from their post once the term for which they were appointed has lapsed or when so decided by the General Shareholders' Meeting pursuant to the powers conferred upon them by law and in the by-laws, with no need for said decision to be included in the agenda of the General Shareholders' Meeting. The Board of Directors shall not propose the removal of any independent Director before the end of the statutory term for which they have been appointed, except where the Board of Directors considers that sufficient grounds for such action exist, based on a report by the Appointments and Remuneration Committee. In particular, sufficient grounds will be deemed to exist when the Director has failed to fulfil the duties of its position or is affected by one or more of the circumstances that would have prevented its appointment as an independent Director, in accordance with applicable legal provisions.

C.1.20 State whether the board of directors has performed an evaluation of its activities during the financial year:

Yes No

If so, explain the extent to which the self-evaluation has given rise to significant changes in its internal organisation and regarding the procedures applicable to its activities:

C.1.21 State the circumstances under which the resignation of directors is mandatory

According to article 17.2 of the Regulations of the Board of Directors, "Directors must tend their resignation to the Board of

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Directors and, where considered appropriate by the Board, formalize the appropriate resignation in the following circumstances:

- (a) When they cease in the positions, posts, or functions related with their appointment as executive Directors;
- (b) In the case of proprietary Directors, when the shareholder whose interests they represent transfers all of their shares, or that they do it in the corresponding number in case said shareholder reduces its holding in the Company;
- (c) When they are affected by any of the incompatibility or prohibition provisions legally established;
- (d) If they are severely reprimanded by the Board of Directors on the basis of a report by the Appointments and Remuneration Committee as a result of having breached their duties as Directors; or
- (e) When their continuance on the Board of Directors may jeopardize the interests of the company”.

C.1.22 State whether the powers of the top executive of the company are vested in the chair of the board. If so, describe the measures that have been taken to mitigate the risks of accumulation of powers in a single person:

Yes No

State and, if applicable, explain whether rules have been established whereby one of the independent directors is authorised to request that a meeting of the board be called or that new items be included on the agenda, to coordinate and hear the concerns of external directors and to direct the evaluation by the board of directors.

Yes No

Description of rules
Article 32.3 of the Regulations of the Board of Directors.- Vice-chairmen. Delegations. “When the Chairman of the Board of Directors is also the Chief Executive Officer of the Company, one (1) independent Director shall be vested by the Board of Directors to request, as it deems appropriate, that a meeting of the Board of Directors shall be convened and that new items be included on the agenda.”

C.1.23 Are qualified majorities, different from the statutory majorities, required to adopt any type of decision?

Yes No

If so, describe the differences:

C.1.24 Explain whether there are specific requirements, other than the requirements relating to directors, to be appointed chairman of the board of directors.

Yes No

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

Yes No

C.1.26 State whether the by-laws or the regulations of the board set forth any age limit for directors:

Yes No

C.1.27 State whether the by-laws or the regulations of the board establish any limit on the term of office for independent directors that is different than the term provided by regulatory provisions:

Yes No

C.1.28 State whether the by-laws or the regulations of the board establish any specific rules for proxy-voting at meetings of the board of directors, the manner of doing so, and particularly the maximum number of proxies that a director may hold, as well as whether proxies must be given to a director of the same class. If so, briefly describe such rules.

Article 27.2 of the company By-laws provides that directors may only be represented at meetings of the Board of Directors by another director. In any case, representation shall be granted by a letter addressed to the chairman or by other means detailed in the Regulations for the Board of Directors.

Article 19 of the Regulations of the Board of Directors provides the obligations that Directors must fulfil when in office. Specifically, article 19.2.(a) establishes that directors shall attend meetings of bodies of which they are part and actively participate in deliberations, so that it can effectively contribute to the decision-making process. Furthermore, said article also provides that if any director cannot be present at sessions to which they have been called to attend, they must instruct the director who they have appointed as representative.

C.1.29 State the number of meetings that the board of directors has held during the financial year. In addition, specify the number of times the board has met, if any, at which the chairman did not attend. Proxies granted with specific instructions shall be counted as attendance.

Number of meetings of the board	10
Number of meetings of the board at which the chairman did not attend	0

State the number of meetings held by the different committees of the board of directors during the financial year:

Number of meetings of the executive committee	5
Number of meetings of the audit committee	2
Number of meetings of the appointments and remuneration committee	3

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C.1.30 State the number of meetings that the board of directors has held during the financial year with the attendance of all of its members. Proxies granted with specific instructions shall be counted as attendance:

Attendance of the directors	10
% in attendance of total votes during the financial year	100%

C.1.31 State whether the annual individual accounts and the annual consolidated accounts that are submitted to the board for approval are previously certified:

Yes No

Identify, if applicable, the person/persons that has/have certified the annual individual and consolidated accounts of the company for preparation by the board:

C.1.32 Explain the mechanisms, if any, adopted by the board of directors to avoid any qualifications in the audit report on the annual individual and consolidated accounts prepared by the board of directors and submitted to the shareholders at the general shareholders' meeting.

Article 13.3 of the Regulations of the Board of Directors establishes that: *"The Board of Directors shall attempt to formulate definitive financial information so that there is no scope for qualifications or reservations on the part of the auditor. However, when the Board of Directors is of the view that it must sustain its criteria, the Chairman of the Audit Committee (and the auditors) shall explain to the shareholders the content and scope of said reservations and qualifications"*.

In accordance with article 39 of the Regulations of the Board of Directors, the Audit Committee is in charge of, amongst others, ensuring the efficiency of the internal audit and reviewing the internal control and risk management systems, as well as discussing with external auditors any significant weak points in the internal control system. .

C.1.33 Is the secretary of the board a director?

Yes No

C.1.34 Describe the procedures for appointment and removal of the secretary of the board, stating whether the appointment and removal thereof have been reported upon by the appointments committee and approved by the full board.

Procedure for appointment and removal
Pursuant to article 33.4 of the Regulations of the Board of Directors <i>"The appointment and removal of the Secretary shall be subject to a report by the Appointments and Remunerations Committee, and shall be approved by the full Board of Directors"</i> .

	Yes	No
Does the appointments committee report on the appointment?	X	
Does the appointments committee report on the removal?	X	
Does the full board approve the appointment?	X	
Does the full board approve the removal?	X	

Is the secretary of the board especially responsible for ensuring compliance with good governance recommendations?

Yes No

Comments
Article 33.3 of the Regulations of the Board of Directors provides that: <i>"The Secretary shall take particular care to ensure that the Board of Directors is duly adjusted to the letter and the spirit of the laws and regulations (including that approved by the regulatory entities); that they conform to the By-laws and the Regulations of the General Meeting and the Board of Directors and any other corporate rules; and take into account the recommendations for good governance accepted by the Company"</i> .

C.1.35 State the mechanisms, if any, established by the company to preserve the independence of external auditors, financial analysts, investment banks and rating agencies.

Article 39.7(b) (iii) of the Regulations of the Board of Directors provides that the Audit Committee, will *"monitor the independence of the external auditor, to which end, the company shall:*

- *Notify any change of auditor to the CNMV as a relevant fact, accompanied by a statement of any disagreements arising with the outgoing auditor and, should this be the case, their content.*
- *Ensure that the company and the auditor comply with current regulations on the provision of non-audit services, the limits on the auditor's business concentration, the regulations referring to the requirement to rotate the auditor issuing the audit report, and in general, any other provisions established in order to ensure the independence of the auditors.*

The Audit Committee shall issue a report annually, in which it shall express its opinion on the auditors' independence. This report shall refer in any case to the provision of additional services provided by the auditors to the company or to any entity associated with the company, whether directly or indirectly.

To this end, the Audit Committee shall receive the auditors' written confirmation of their independence in respect of the company, and any of its associated entities, whether directly or indirectly, as well as any information on additional services of any kind that they have provided to the company or any of its associated entities, whether directly or indirectly.

- *In the event that the external auditor withdraws, the circumstances motivating this withdrawal shall be examined."*

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

Yes No

If there has been any disagreement with the outgoing auditor, provide a description thereof:

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C.1.37 State whether the audit firm performs other non-audit work for the company and/or its group. If so, state the amount of the fees paid for such work and the percentage they represent of the aggregate fees charged to the company and/or its group:

Yes No

	Company	Group	Total
Amount of other non-audit work (thousands of euros)	180	1,062	1,242
Amount of non-audit work / Aggregate amount billed by the audit firm (%)	59%	36%	42%

C.1.38 State whether the audit report on the annual accounts for the prior financial year has observations or qualifications. If so, state the reasons given by the chair of the audit committee to explain the content and scope of such observations or qualifications.

Yes No

C.1.39 State the consecutive number of years for which the current audit firm has been auditing the annual accounts of the company and/or its group. In addition, state the percentage represented by such number of financial years audited by the current audit firm with respect to the total number of financial years in which the annual accounts have been audited:

	Company	Group
Number of continuous financial years	8	8
Number of years audited by the current audit firm/ Number of years in which the company has been audited (%)	100.00%	100.00%

C.1.40 State whether there is any procedure for directors to hire external advisory services, and if so, describe it:

Yes No

Describe the procedure
<p>Article 26 of the Regulations of the Board of Directors expressly states that <i>“for the purpose of assisting the Directors in the performance of their duties, the external Directors may request the company to hire legal, accounting or financial advisers or any other experts, whose services shall be paid by the Company.</i></p> <p><i>Such engagement shall necessarily address specific problems of certain significance and complexity, arising in the context of the performance of their duties.</i></p> <p><i>2. The request for contracting advisers or external experts should be addressed to the Chairman of the Board of Directors and shall be authorized by the Board of Directors if, in its opinion:</i></p>

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- (a) *it is necessary to ensure the effective performance of the duties entrusted to the independent Directors;*
- (b) *the cost of this assistance is reasonable, in view of the importance of the issue and given the assets and income of the Company; and*
- (c) *the technical assistance sought cannot be provided adequately by Company experts and specialists.*

3. *In the event that the request for expert assistance were made by any of the Committees of the Board of Directors, it may not be refused, unless the majority of Directors considers that the circumstances established in paragraph 2 of this article do not apply."*

C.1.41 State whether there is any procedure for directors to obtain sufficiently in advance the information required to prepare for meetings of governing bodies and, if so, describe it:

Yes No

Describe the procedure

Article 25 of the Regulations of the Board of Directors provides that *"the Directors may be informed of any aspect of the Company and companies of the Applus+ Group, whether Spanish or foreign. To this end, he/she may examine the documentation he/she deems appropriate, contact with the heads of the relevant departments, and visit the corresponding facilities.*

In order to avoid disrupting the normal management of the Applus+ Group, the exercise of the faculties of information shall be channelled through the Chairman, who shall address the Director's requests, providing him/her with the information directly or making him/her available the appropriate interlocutors at the relevant level of the organization.

In the event that the information request is declined, delayed, or not properly addressed, the Director requesting the information may reiterate his/her request to the Audit Committee which, having heard the Chairman, and the Director, shall decide accordingly.

The information requested may only be refused when, in the opinion of the Chairman and the Audit Committee, it is unnecessary or prejudicial to the corporate interests. Such refusal shall not be possible when the request is supported by the majority of the Directors."

Article 31.3 of the Regulations of the Board of Directors provides that *"As the Chairman of the Board of Directors is responsible for the effective operation and functioning of the Board of Directors, it shall be required to ensure that the Directors are provided with sufficient information beforehand; (...)"*

C.1.42 State whether the company has established any rules requiring directors to inform the company—and, if applicable, resign from their position—in cases in which the credit and reputation of the company may be damaged, and if so provide a detailed description:

Yes No

Describe the rules

Article 17.2 of the Regulations of the Board of Directors provides

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that

"Directors must tend their resignation to the Board of Directors and, where considered appropriate by the Board, formalize the appropriate resignation in the following circumstances:

(a) ...;

(b) ...;

(c) When they are affected by any of the incompatibility or prohibitions provisions legally established;

(d) If they are severely reprimanded by the Board of Directors on the basis of a report by the Appointments and Remuneration Committee as a result of having breached their duties as Directors; or

(e) When their continued presence on the Board of Directors may jeopardize the interests of the Company.

When a Director is removed from its office before the end of the term of office following its resignation or for whatever other reason, the Director shall explain the reasons for doing so in a letter addressed to all the members of the Board of Directors. Even if said removal is communicated as a relevant fact, the reasons for said removal will be included in the Annual Corporate Governance Report."

- C.1.43 State whether any member of the board of directors has informed the company that such member has become subject to an order for further criminal prosecution upon indictment or that an order for the commencement of a bench trial has been issued against such member for the commission of any of the crimes contemplated in section 213 of the Companies Act:**

Yes No

State whether the board of directors has analysed the case. If so, provide a duly substantiated explanation of the decision adopted regarding whether or not the director should remain in office or, if applicable, describe the actions taken by the board of directors through the date of this report or that it plans to take.

- C.1.44 Describe the significant agreements entered into by the company that go into effect, are amended, or terminate in the event of a change in control at the company as a result of a takeover bid, and effects thereof.**

The Multicurrency Facilities Agreement signed by the Company on 7 May 2014 with certain financial institutions includes early maturity clauses in the event of a change in control, in standard terms for contracts of this kind.

Furthermore, as reflected in the Prospectus for the listing of the Company shares, the plan to deliver restricted stock units ("RSUs") in favour of certain executives of the Company's group (the "RSU Plan") foresees that, in the event of a change in control in the Company's group, all units to which these executives are entitled under said RSU Plan will be delivered in advance.

- C.1.45 Identify on an aggregate basis and provide a detailed description of the agreements between the company and its governing bodies, management or employees that provide for indemnities, guarantee or "golden parachute" clauses upon resignation or termination without cause, or if the labour relationship is**

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terminated as a result of a takeover bid or other type of transaction.

Number of beneficiaries: 8

Type of beneficiary

Chief Executive Officer and managers who report to him

Description of agreement

The company has entered into severance payment arrangements ("*blindajes*") with the Chief Executive officer and seven (7) members of the senior management team who report to him. The amounts payable to senior management pursuant to the severance payment arrangements may be determined by reference to one of the three following parameters, as applicable: (i) a compensation equal to twice the gross annual compensation received by the relevant senior manager in the year immediately preceding termination of employment; (ii) a gross compensation equal to twice the net annual monetary compensation received by the relevant senior manager in the year immediately preceding termination of employment after withholding taxes; or (iii) a compensation (net of tax) equal to the greater of (x) twice the net annual monetary compensation received by the relevant senior manager in the year immediately preceding termination of employment, and (y) the amount equal to 45 days of salary received by the relevant senior manager per year of employment with a 42 month limit.

Pursuant to the arrangements entered into by the group, certain senior managers (including the CEO) are entitled to severance payments in case: (i) their employment is terminated by the group at will, except in case of fair disciplinary dismissal ("*despido disciplinario procedente*") declared by a final judgment; in some of the cases (not including the CEO): (ii) in the event they decide to early terminate their employment with the group, except in case of resignation ("*dimisión*").

In addition to these 8 managers, there are others in the company, who do not report directly to the CEO and have severance payment arrangements ("*blindaje*").

State whether such agreements must be reported to and/or approved by the decision-making bodies of the company or its group:

	Board of directors	General shareholders 'meeting
Decision-making body approving the provisions	NO	NO

	YES	NO
Is information about these provisions provided to the shareholders at the general shareholders' meeting?		X

C.2 Committees of the board of directors

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C.2.1 Describe all of the committees of the board of directors, the members thereof, and the proportion of proprietary and independent directors of which they are comprised:

EXECUTIVE COMMITTEE

Name	Position	Class
MR. CHRISTOPHER COLE	CHAIRMAN	INDEPENDENT
MR. FERNANDO BASABE ARMIJO	MEMBER	EXECUTIVE
MR. ALEX WAGENBERG BONDAROVSKI	MEMBER	PROPRIETARY
MR. PEDRO DE ESTEBAN FERRER	MEMBER	PROPRIETARY

% executive directors	25.00%
% proprietary directors	50.00%
% independent directors	25.00%
% other external	0.00%

AUDIT COMMITTEE

Name	Position	Class
MR. ERNESTO GERARDO MATA LÓPEZ	CHAIRMAN	INDEPENDENT
MR. JOSEP MARIA PANICELLO PRIMÉ	MEMBER	PROPRIETARY
MR. MARIO PARDO ROJO	MEMBER	PROPRIETARY

% executive directors	0.00%
% proprietary directors	67.00%
% independent directors	33.00%
% other external	0.00%

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Class
MR. JOHN DANIEL HOFMEISTER	CHAIRMAN	INDEPENDENT
MR. RICHARD CAMPBELL NELSON	MEMBER	INDEPENDENT
MR. ALEX WAGENBERG BONDAROVSKI	MEMBER	PROPRIETARY

% executive directors	0.00%
% proprietary directors	33.00%
% independent directors	67.00%
% other external	0.00%

C.2.2 Complete the following table with information regarding the number of female directors comprising the committees of the board of directors for the last four financial years:

	Number of female directors							
	Year 2014		Year 2013		Year 2012		Year 2011	
	Number	%	Number	%	Number	%	Number	%
Executive Committee	0	0,00%	0	0,00%	0	0,00%	0	0,00%
Audit Committee	0	0,00%	0	0,00%	0	0,00%	0	0,00%

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Appointments and Remuneration Committee	0	0,00%	0	0,00%	0	0,00%	0	0,00%
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C.2.3 State whether the audit committee has the following duties:

	Yes	No
Supervise the process of preparation and the integrity of the financial information relating to the company and, if applicable, to the group, monitoring compliance with legal requirements, the proper delimitation of the scope of consolidation, and the correct application of accounting principles.	X	
Periodically review the internal control and risk management systems, in order for the main risks to be properly identified, managed and made known.	X	
Ensure the independence and effectiveness of the internal audit area; make proposals regarding the selection, appointment, re-election, and withdrawal of the head of the internal audit area; propose the budget for such area; receive periodic information regarding its activities; and verify that senior management takes into account the conclusions and recommendations contained in its reports.	X	
Establish and supervise a mechanism whereby the employees may give notice, on a confidential basis and, if deemed appropriate, anonymously, of any potentially significant irregularities, especially of a financial and accounting nature, that they notice at the company.	X	
Submit to the board proposals for the selection, appointment, re-election, and replacement of the external auditor, as well as the contractual terms under which it should be hired.	X	
Regularly receive from the external auditor information regarding the audit plan and the results of the implementation thereof, and verify that senior management takes its recommendations into account.	X	
Ensure the independence of the external auditor	X	

C.2.4 Describe the rules of organisation and operation of, and the duties assigned to, each of the board committees.

SUPERVISORY COMMITTEE

It consists of at least three members and no more than five, to be chosen amongst and by the Board of Directors, which may permanently delegate to it all the Board's powers, except for those which according to the law, the By-laws or the Regulations of the Board of Directors are its exclusive competencies. As an exception, the Supervisory Committee may take decisions in relation to the matters contained in article 7.2 sections (b) and (c) of the Regulations of the Board of Directors, when there are reasons of urgency, and with subsequent ratification by the full Board of Directors.

AUDIT COMMITTEE

The members of the Audit Committee are appointed by the Board of Directors. The Audit Committee will consist of three to five members of the Board of Directors, based on their knowledge and experience in

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accounting, auditing and risk management matters.

The Audit Committee will be in charge of:

- Informing the General Shareholders meeting on the matters amongst its competence that shareholders may bring up in them.
- Supervising the preparation of annual accounts and management reports, both individual and consolidated, in order to be drawn up by the Board of Directors according to law.
- Informing the Board of Directors, in order to be drawn up according to law, about the accuracy and reliability of the annual accounts and management reports, both individual and consolidated, including any periodic financial data forwarded to the markets.
- Issuing any reports and proposals requested by the Board of Directors or its Chairman, and others deemed pertinent for the adequate performance of its tasks.
- Supervising compliance with all internal codes of conduct and corporate governance rules, particularly the Regulations of the Board of Directors, in the terms provided therein.
- Ensuring that the company and auditor uphold current rules on the provision of non-audit services, limits on the auditor's workload, rules regarding the need for a turnover in the signatory auditor of the auditing report and, in general, all other provisions established to guarantee the auditors' impartiality.
- The Audit Committee will issue a report each year, giving its opinion about the auditors' impartiality. This report, in any case, will refer to the provision of additional services by the auditors to the company or to any other entity directly or indirectly related thereto.

APPOINTMENTS AND REMUNERATION COMMITTEE

It consists of at least three and a maximum of five Directors, appointed by the Board of Directors for a period not exceeding their term as Directors and without prejudice to being re-elected, insofar as they are also Directors. The Board of Directors will designate the members of the Appointments and Remuneration Committee, based on the knowledge, skills and experience of the Directors and the tasks entrusted to the Appointments and Remuneration Committee.

The Appointments and Remuneration Committee will be in charge of:

- Reporting any proposed appointments and re-elections of Executive and Proprietary Directors, making proposals to appoint Independent Directors.
- Reporting any proposed removals of members of the Board of Directors.
- Verifying the nature of each Director, checking that requirements are met to be classified as executive, independent or proprietary.
- Evaluating the competences, knowledge and necessary experience on the Board of Directors, consequently defining the necessary candidate tasks and skills to cover each vacancy, evaluating the necessary time and dedication in order to adequately perform their task.
- Examining or arranging, as deemed adequate, the succession of the Chairman and top executive and, if necessary, making proposals to the Board of Directors in order for this succession to take place in an orderly and well planned manner.
- Annually reporting on performance of tasks by the

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Chairman of the Board of Directors and top executive of the Company.

- Reporting any appointments and removals of the Secretary of the Board of Directors and senior executives proposed by the top executive to the Board of Directors.
- Providing information to the Board of Directors about any gender diversity matters, ensuring that when new vacancies arise, selection procedures have no implicit biases that hinder the selection of female directors; ensuring that the company deliberately searches for, and includes amongst potential candidates, women who meet the professional profile sought.
- Preparing and keeping a record of situations involving Directors and senior executives of the company, receiving and safeguarding in this register any personal details provided by Directors, as provided in article 29 of the Regulations of the Board of Directors.
- Receiving any information provided by Directors.
- Proposing to the Board of Directors a remuneration policy for Directors and senior executives.
- Proposing to the Board of Directors the individual remuneration of executive Directors and other contractual conditions.
- Proposing to the Board of Directors the basic conditions of senior executive contracts.
- Ensuring that the remuneration policy established by the company is followed.

C.2.5 State, if applicable, the existence of regulations of the board committees, where such regulations may be consulted and the amendments made during the financial year. Also state if any annual report of the activities performed by each committee has been voluntarily prepared.

Rules for Board Committees are included in the Regulations of the Board of Directors, which establish their competences, composition, procedures, etc.; these are available for consultation both on the CNMV website and the www.applus.com corporate website, and may be directly accessed through the following link: <http://www.applus.com/es/InvestorRelations/Corporate-governance>.

See details in section C.1.18 regarding amendments of articles 7 and 38 of the Regulations of the Board of Directors.

C.2.6 State whether the composition of the executive committee reflects the participation of the different directors within the board based on their category:

Yes No

D. RELATED-PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS

D.1. Identify the competent body and describe any procedures for approving related-party and intragroup transactions.

Competent body for approving related-party transactions
The Board of Directors, as per Article 7.2(c) of the Regulations of the Board of Directors.

Procedure for the approval of related-party transactions	
Further to article 22.4 of the Regulations of the Board of Directors, "transactions between the Company and Directors, significant shareholders, and shareholders represented on the Board of Directors, or with persons associated with them, must be authorized by the Board of Directors on the basis of a prior report by the Audit Committee. However, the authorization of the Board of Directors and of the report of the Audit Committee will not be necessary for Related-Party Transactions that meet the following three conditions:	
i	
n	(a) They are carried out under the terms of contracts whose conditions are standardized and applied to a large number of clients;
w	
h	(b) They are implemented at prices or rates generally set by the person supplying the good or service in question; and
e	
t	
h	(c) The value of these transactions does not exceed 1% of the annual turnover of the Company.
e	
r	
2. The Board of Directors shall decide on Related-Party Transactions on the basis of a prior report by the Audit Committee. In addition to refraining from exercising or delegating their vote, Directors affected by said transactions must leave the meeting room while the Board of Directors deliberates and votes on them."	

a
approval of related-party transactions has been delegated, and if so, state the body or persons to which the delegation has been made.

Article 7.2 of the Regulations of the Board of Directors foresees that the competencies of the Board of Directors set forth paragraphs (b) and (c) of said article, which include related-party transactions, may be adopted in urgent cases by the Supervisory Committee, and subsequently ratified by the full Board of Directors

D.2. Describe those transactions that are significant due to the amount or subject-matter thereof between the company or entities of its group and the company's significant shareholders:

D.3. Describe those transactions that are significant due to the amount or subject-matter thereof between the company or entities of its group and the company's directors or officers:

D.4. Report the significant transactions made by the company with other entities belonging to the same group, provided they are not eliminated in the preparation of the consolidated accounts and they are not part of the ordinary course of business of the company as to their purpose and conditions.

In any case, report any intragroup transaction with entities established in countries or territories considered to be tax havens:

D.5. State the amount of transactions with other related parties.

0 (thousands of Euros)

D.6. Describe the mechanisms used to detect, determine, and resolve potential conflicts of interest between the company and/or its group, and its directors, officers, or significant shareholders.

Article 22 of the Regulations of the Board of Directors specifically regulates conflicts of interest:

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"1. Directors must abstain from attending and intervening in deliberations in relation to issues in which they have a personal interest, and from voting the corresponding resolutions.

2. A Director will be considered to have a personal interest when the issue affects the Director itself or:

(a) The spouse of the Director or a person related to the Director up to fourth (4th) degree of kinship, inclusive; or

(b) A company in which it has a significant shareholding. A shareholding will be considered significant when the Director, either in its own name, or jointly with persons with whom it has a relationship such as that described in (a) above, holds more than five per cent (5%) of voting or economic rights or in which, while not meeting this requirement, can appoint at least one member of their management body.

3. The Director must provide the Board of Directors with due notice of any situation that could constitute a conflict of interest with the interests of the Company or of other companies from the Applus+ Group.

4. Transactions between the Company and Directors, significant shareholders, and shareholders represented on the Board of Directors, or with persons associated with them, must be authorized by the Board of Directors on the basis of a prior report by the Audit Committee. However, the authorization of the Board of Directors and of the report of the Audit Committee will not be necessary for Related-Party Transactions that meet the following three conditions:

(a) They are carried out under the terms of contracts whose conditions are standardized and applied to a large number of clients;

(b) They are implemented at prices or rates generally set by the person supplying the good or service in question; and

(c) The value of these transactions does not exceed 1% of the annual turnover of the Company.

5. The Board of Directors shall decide on Related-Party Transactions on the basis of a prior report by the Audit Committee. In addition to refraining from exercising or delegating their vote, Directors affected by said transactions must leave the meeting room while the Board of Directors deliberates and votes on them.

6. In any event, relevant transactions of any nature between a Director of the Company and of companies within the Applus+ Group must be recorded in the Annual Corporate Governance Report. This requirement also applies to relevant transactions between the Company and its significant shareholders. The notes to the annual accounts must also include transactions conducted by Directors with the Company and companies within the Applus+ Group when said transactions are not related to the ordinary course of business of the Company, or do not take place under normal market conditions."

D.7. Is more than one company of the group listed in Spain?

Yes No

Identify the subsidiaries listed in Spain: N/A

Listed subsidiary

Identify if each activity areas and eventual business relationships have ben public and accurately, as well as those of the listed subsidiary with the other companies of the group:

Define the business relationships between listed parent Company and listed subsidiary, and between the latter and other companies of the group.

Identify the mechanisms foreseen to resolve potential interest conflicts between the listed subsidiary and other companies of the group:

Mechanisms foreseen to resolve potential interest conflicts

E. RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Explain the scope of the company's Risk Management System.

The company has a Corporate Risk Map, where critical risks which from a strategic, governance, compliance and financing reporting point of view may affect the achievement of strategic objectives have been identified.

This risk map has incorporated critical factors, based on the group's lines of activity, geographical areas where it operates and business divisions as well as the risks factors considered as critical in connection with the scope of the support functions, such as finance, human resources and legal services.

Critical risks have been identified by prioritizing matters based on the volume of business affected, the possibility of stopping transactions due to risk materialization and potential reputational damage in the event of an incident.

The Board of Directors is assisted by the Audit Committee which periodically reviews the internal control systems and risk management and supervises and informs on the adequacy of the system to evaluate and internally control relevant risks.

E.2 Identify the decision-making bodies of the company responsible for preparing and implementing the Risk Management System.

In accordance with article 7.2 (vii) of its Regulations, the Board of Directors of the company is the responsible of defining risk strategy and control policy, as well as periodic monitoring of the internal information and control systems, by optimizing a cost-benefit ratio, in order to:

- Reach medium-term strategic objectives
- Safeguard shareholders value
- Guarantee the group's results and reputation
- Defend the interests of company shareholders and interest groups

The Audit Committee, in accordance with article 39.7 (a) of the Regulations of the Board of Directors, is responsible of periodically reviewing the internal control systems and to manage the risks, so main risks are identified, processed and informed appropriately as well as discussing with auditors the significant weak points of the internal control system outlined during the audit process. To that purpose, the Commission relies on the supervision tasks carried out by the company's Internal Audit Management. Supervision of the risk control systems includes approval of a model and a periodic follow-up, which will depend on criticality and importance.

Risk management is made by the Chief Executive Officer, the heads of the corporate functional areas, and the Executive Vice President of each business division in accordance with their scope of activity, according to acceptable risk levels for the Company.

The Internal Audit Management is in charge of supervising compliance with risk tolerance levels, the effectiveness of control measures associated to critical risks and supervised implementation of the necessary action/response plans, which will be monitored as applicable initially at a corporate level by the affected functions.

E.3 Point out the principal risks that could affect the achievement of business goals.

The risk map of the company contemplates those risks that can have a significant impact on the results of the company and its group, to their best knowledge. The risks referred to in said risk map can be grouped in different types:

1. risks arising from the group's organizational model
2. risks which are inherent to business activities
3. risks related to regulatory compliance in the countries where the group operates (scope: legal, tax and human resources, etc).
4. financial risks

With regards to the first one, the main risk arising from the particular group 's organizational model would be the risk of non-compliance by the responsible of the group's subsidiaries with the Delegation of Authority internal Policy (predefined scope for decision-making)

With regards to the second one, the main business risks group would be:

- Adequate monitoring of businesses entered into by the group based on long-term contracts such as concessions in the business of vehicle inspection in Spain, Europe and America.
- Adequate supervision of formal and quality standards of the service, when provided according to approved qualifications. In this sense, group has defined an insurance strategy, which includes coverage of third-party damages arising as a consequence of the services rendered by the group in all sectors in which it operates.
- Risks related to economic, social and political situation in the geographical areas in which the Company operates and the main macroeconomic indicators that may impact in the future short and medium term in the results of the group, particularly considering its wide geographical implementation.
- Retention of key staff for the group.

In respect of financials, the Company manages and monitors risks that may impact the results of the group.

- Liquidity risk and leverage of the group.
- Risk of overvaluing certain significant assets of the group, such as goodwill, intangible assets generated by inorganic growth and tax assets.
- Exchange rate risk derived from relevant international activity.
- Interest rate risk (which could increase the cost of its debt).

E.4 Identify whether the entity has a risk tolerance level.

Tolerance levels are defined in the risk valuation matrix, constituting the starting point to assess risks qualified as inherent and residual.

Tolerance levels are defined according to the following parameters :

- Sustained quality standards for the group
- Business volume affected and potential impact on business sustainability
- Impact on reputation and business continuity
- Compliance with applicable law
- Probable materialization

For risks considered as critical, given the impact of their potential materialization on the achievement of the group's objectives, specific tolerance levels are defined indicating action guidelines, achievement timeframe, managers, follow-up indicators; furthermore, the frequency and content are defined of the information provided to the governing bodies for supervision and decision-making.

E.5 State what risks have materialize during the financial year.

The risks which have materialized during year 2014 and resulted in a significant impact on the group's results are:

- As a result of completing in 2014 certain contracts in the oil & gas sector, along with a slow-down in certain client investments and a fall in the Brent barrel price, income and profit growth in divisions focusing on the oil & gas sector (RTD and Velosi) has been affected.
- In the year 2014, the accreditation in Spain for environment, quality and management systems certification has been temporarily suspended. Suspension does not allow issuance of new certificates, meaning certificates to new clients or existing clients who need to renew their certificates (duration is of three years). Consequently, the monitoring activities have continued and the impact in the turnover of the group has not been significant. It is foreseen that said accreditation will be recovered during the first four month period of the year 2015.

Events occurred in 2014 related to risks covered by the group which have not had a significant impact on the group's results are:

- The group was considering the risk involved in the succession of the Executive Vice President of the Velosi Division, who had announced plans for retirement. Ramón Fernández Armas, Executive Vice President of Norcontrol, also became the senior manager of Velosi's business. Mr. Fernández, with more than 20 years in the group, will guarantee this succession.
- Given the economic scenario in Spain, the group, as in previous years, has continued to implement action plans aimed at cost optimization. However, the weight of group's business in Spain is currently no longer as relevant as in the past, as it does not represent more than 16% of the group's total turnover figure.
- The Company performed impairment tests for all cash generating units in relation to goodwill and intangibles

assets concluding that the record of additional impairment was not necessary in 2014.

The group has not been immersed in further litigation that could have a significant impact on its results and still open litigations have not led to events which could have forced to modify previous fiscal years' accounting estimates.

E.6 Describe the plans for responding to and supervising the entity's main risks.

The group has an updated risk map that foresees relevant risks from a strategic, governance, compliance and financial reporting point of view that may affect the achievement of strategic objectives, including the risk of fraud.

To this end, the Applus group has implemented mitigating measures to said risks, in order to try to minimize its potential impact. Furthermore, for all other risks not yet covered an action plan has been designed, assigning managers of each initiative and an execution timetable, in order to start up the necessary measures to reduce any potential impact should they materialize.

These measures are generally executed by the group's Management. The Audit Committee and company's Board of Directors, eventually, are the bodies in charge of supervising and approving the measures conducted.

In addition, the Company has defined an appropriate insurance strategy, which includes coverage of third-party damages arising as a consequence of the services rendered by the Company and its subsidiaries in sectors in which they operate.

F. INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN CONNECTION WITH THE PROCESS OF ISSUING FINANCIAL INFORMATION (ICFR)

F.1.1 What bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective internal control system over financial reporting (ICFR); (ii) the implementation thereof; and (iii) oversight thereof.

The Internal Control System over Financial Reporting ("ICFR") of the company and its group is part of its general internal control system and is configured as the set of processes that the Board of Directors, Audit Committee, Management and group staff carry out to provide reasonable security as regards the reliability of financial information published by the markets.

The company has implemented an internal control and risk management tool (GRC Applus+) to enable the continuous monitoring and supervision of the action plans and incidents identified when drawing up and reviewing this financial information.

Supervision of the ICFR is within the functions of the Audit Committee and is carried out through supervision actions conducted by the Corporate Internal Audit Management. Since 2011, an Internal Control Model over financial reporting is being developed in order to guarantee its reliability.

The Corporate Financial Management of the company carries out the following tasks in relation to Internal Control over financial reporting:

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- To review and approve accounting Policies and Manuals incorporated into the group's Financial Management intranet.
- To establish and provide information on the necessary procedures to ensure an adequate internal control of financial reporting.
- To establish and maintain internal controls over financial reporting, in order to guarantee its reliability and ensure that all reports, facts, transactions or other relevant items are communicated in due time and form.

The internal control model for financial information of the group has three separate areas of control: (i) self-evaluation of the persons in charge of critical processes and control measures, (ii) review of the financial evaluation process by the Financial Managements in each division and by the Corporate Financial Management in the consolidation process, and (iii) evaluation of the efficiency and effectiveness of risk control and identification measures by the Corporate Internal Audit Management.

F.1.2. Whether any of the following are in place, particularly as regards the financial information preparation process:

- **Departments and/or mechanisms in charge of: (i) the design and revision of the organisational structure; (ii) clearly defining the lines of responsibility and authority, with an appropriate distribution of work and duties; and (iii) ensuring that there are sufficient procedures for the proper dissemination thereof at the entity.**

Initially the Company's Chief Executive Officer and the Corporate Financial Management are in charge of designing and reviewing the organisational structure for the presentation of financial information; the Management will be responsible for changing such information if deemed appropriate.

Likewise, the lines of authority and responsibility of its relevant processes have been defined by formalizing a Standard Model for Authority and Responsibility Delegation, which includes all of the group's critical decisions that may eventually affect the drafting and review of financial information. Furthermore, the Corporate Financial Management has a functional flowchart of the Financial Management to cover all of the group's business divisions.

As regards the process to prepare financial information, instructions are issued by the Corporate Financial Management, establishing specific guidelines and responsibilities for each financial closing, as well as closing procedures reflected in the Internal IFRS Manual, covering a description and accounting plan of the company's financial reporting system.

- **Code of conduct, body that approves it, degree of dissemination and instruction, principles and values included (indicating whether the recording of transactions and the preparation of financial information are specifically mentioned), body in charge of reviewing breaches and of proposing corrective actions and penalties.**

The company has a Code of Ethics and an Anti-Corruption Policy, approved by the Board of Directors, which specifically refers to the registration of operations and drawing up of financial information, as well as compliance with the law and accounting policies of the group, inter alia. Both have been signed by the Management, intermediate managers and practically all of the group's employees.

Furthermore, the Code of Ethics includes a commitment to strictly

comply with the obligation to provide reliable financial information, prepared according to applicable regulations, as well as the responsibility binding employees and officers, to ensure that this is so, both by adequately executing their tasks and by informing the governing bodies of any circumstance that may affect this commitment.

All employees are aware of the Code of Ethics through periodical training sessions.

On 2012 the Group Ethics Committee (GEC) was created, which meets every quarter and, amongst other matters, manages and processes any reports received through the whistleblowing channel, including any other incident related to ethical matters. It is the body in charge of analysing infringements of the mentioned regulations and proposing where applicable corrective actions and disciplinary sanctions. Furthermore, in 2014 a Chief Compliance Officer has been appointed, effective 1st January 2015, to reinforce the correct implementation of the Code of Ethics within the group and the commitments of the GEC.

• Whistleblowing channel that makes it possible to report any irregularities of a financial or accounting nature to the Audit Committee, as well as any possible breach of the code of conduct and irregular activities at the organisation, specifying, if appropriate, whether it is confidential.

The company has established an internal whistleblowing channel which allows employees or third parties to report any facts that may be contrary to integrity and professional ethics, covered by the principles of the Code of Ethics.

All communications are received, analysed and followed through by the Group Ethics Committee (GEC) and by the Chief Compliance Officer. All reports and their processing are handled on a confidential basis. There is a unique whistleblowing channel for the entire group and is available on the corporate Intranet.

• Regular training and update programmes for personnel involved in the preparation and review of financial information, as well as in the evaluation of the internal control system over financial reporting, covering at least accounting standards, auditing, internal control and risk management.

In order to periodically recycle and train the staff involved in the preparation and review of financial information, continuous correspondence is held with external auditors and other independent professionals (advisors) on relevant matters in corporate terms (basically accounting regulations and the preparation of financial information, as well as tax laws).

Any training needs detected and provided at a corporate level are extended to all other Chief Financial Officers in the group's subsidiaries, through the Finance Community Meeting held each year, where training is a key point of the agenda; individual meetings are also held with local financial representatives if deemed appropriate.

F.2 Risk assessment of financial information indicates at least the following:

F.2.1. What are the main features of the risk identification process, including the process of identifying the risks of error or fraud, with respect to:

• Whether the process exists and is documented.

The group has developed risk matrixes and control measures for relevant business processes (sales, purchases, fixed assets, treasury, human resources and payrolls, etc.), specifically for each subsidiary, which are relevant for the consolidated statements of the group. In particular, this has been carried out for subsidiaries which, in aggregate, represent more than 80% of the sales of the group.

• **Whether the process covers all the objectives of financial information (existence and occurrence; completeness; assessment; presentation, breakdown and comparability, and rights and obligations), whether it is updated and how often.**

The methodology used to select the risks to be taken into account is COSO (Committee of Sponsoring Organizations for the Treadway Commission).

The criteria used to locate the most relevant processes are quantitative (materiality) and qualitative (business risk and visibility amongst third parties), based on the most relevant accounting items and notes included in the Annual Report. All identified risks are prioritized in the professional's opinion, following a series of variables (level of process automation, whether the process is known and/or whether it is necessary to use judgments and estimates). The risk of fraud is indirectly identified insofar as material errors may arise in the financial information.

Once the most relevant risks are selected, the necessary control measures are selected and designed for their mitigation of management, and the necessary action plans are established to improve control surroundings; critical control measures are systematically supervised and reviewed by the Corporate Internal Audit Department.

Any risks classified as relevant are reviewed at least once a year, further to the certification/evaluation of effective internal control carried out by the persons in charge. This review intends to adjust the risks to changing circumstances in which the group is operating, particularly if there are changes in the organisation, computer systems, regulations, products or the market situation.

• **The existence of a process for the identification of the scope of consolidation, taking into account, among other matters, the possible existence of complex corporate structures, holding entities or special purpose entities.**

Furthermore, at the last corporate instance, the possibility is contemplated of errors in certain processes not connected to specific types of transactions with impact on a subsidiary, which may be relevant when preparing financial information, such as the closing process in each subsidiary and, particularly, in consolidated statements. In the consolidation process, the group has considered all inherent risks, ensuring that the process is adequately configured and executed, as well as an adequate definition of the consolidation perimeter.

• **Whether the process takes into account the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.) to the extent that they affect the financial statements.**

The process to locate possible errors in financial information takes into account the effects of other risk typologies, which are evaluated and managed by various corporate units. Nevertheless,

in order to identify financial information risks these other typologies are not expressly identified.

• **What corporate governance body of the entity supervises the process.**

The Management Body that supervises the ICFR is the Audit Committee, which is supported by the Internal Audit Management when executing its tasks.

The group has implemented the Applus GRC tool for internal control management at various levels. The following advantages are provided by this tool in SCIIF matters:

- Availability, in centralized form, of all ICFR documentation and management for the group, in a homogenous manner.
- Internal Control system over financial reporting is integrated into business and corporate processes, enabling each organizational unit in charge to periodically evaluate its control, to provide the necessary evidence and to annually execute the ICFR internal certification process.
- Automatic workflows are used to manage control activities and to execute action plans.
- It constitutes a back-up tool for the ICFR supervision and testing process carried out by the Internal Audit Department.
- It allows the necessary information for ICFR reporting to be obtained and supported.

F.3 Control activities

Indicate whether at least the following are in place and describe their main features:

F.3.1 Procedures for review and authorisation of financial information, and description of the internal financial information control system to be published in the securities market, indicating the persons or divisions responsible therefor, as well as documentation describing the flows of activities and controls (including those relating to risk of fraud) of the various types of transactions that could materially affect the financial statements, including the closing process and the specific review of significant judgements, estimates, assessments, and projections.

At first instance, responsibility for preparing monthly, quarterly, six-monthly and annual financial information is entrusted to the Chief Financial Officer in each Applus group subsidiary.

The persons in charge of reviewing and authorising the financial information are the Financial Management in each Division and the Corporate Consolidation Management.

The Audit Committee, with support from the Internal Audit Management, supervises the ICFR internal control model and forwards to the Board of Directors the conclusions obtained in this process.

ICFR documentation and evidence of execution and supervision, as well as significant facts and action plans, are managed through an internal control and risk management tool of the Applus group (Applus GRC). As indicated in F.2.1 above, in each subsidiary the activity and control directly related to transactions that may have a material effect on the financial statements are provided with a

description of implemented control measures. Control matrixes by process document the foregoing, and information is provided on the control activity, the risk covered, the person in charge of execution and the frequency of control. These matrixes are managed through a corporate tool (Applus GRC) which enables an annual certification that the control matrix is still being updated, as well as a periodic evaluation by the persons in charge of executing the control measures on their execution and effectiveness.

In each subsidiary, the following information is available for critical processes in relation to each control activity:

- Description of the process and sub-process
- Description of financial information risks associated to various processes, sub-processes and control objectives
- Definition of control activities designed to mitigate the risks identified
- Description of the process managers, risks and control activities
- Classification of control activities already implemented or outstanding (action plans)
- Level of automation of control activities (manual or automatic)
- Classification of control activities distinguishing between preventive or detective.
- Definition of control execution frequency
- Definition of evaluation frequency by the Internal Audit Department
- Definition of the evidence required

Each one of the closing processes carried out in the various divisions is treated as a single process. The same applies to all the closing activities conducted within the corporation, in relation to the consolidation process and drafting of annual accounts.

A specific review of any judgments, estimates, valuations, provisions and projections that are relevant to quantify certain assets, liabilities revenues and expenses itemized in the annual accounts involves the continuous supervision of the Corporate Financial Management of the Applus group.

The control measures used to mitigate or manage possible risks in financial information include some related to the most relevant computer applications, such as control over user access permits or the integrity of information when it is transferred from one application to another.

F.3.2 Policies and procedures of internal control of information systems (including, among others, security of access, control of changes, operation thereof, operational continuity and segregation of duties) that provide support for the significant processes of the entity in connection with the preparation and publication of financial information.

The group uses SAP BPC as a common consolidation and reporting system. This software is being used by all group subsidiaries, irrespective of the degree to which each subsidiary uses SAP R3 as a financial system, or uses another system.

When identifying the risk of material errors in financial information two control levels apply: (i) in each subsidiary, as part of the ICFR, control measures are used to ensure that all information reported through SAP BPC is consistent with local information systems, if different from SAP; (ii) in corporate terms, there are automatic and manual measures to control the main application in order to

generate financial information in SAP BPC, guaranteeing that the consolidation process is correct.

In addition, as regards the security of information, the Corporate Systems Management has established policies to operate information and data security systems (including availability parameters due to their impact on business continuity and data integrity), containing minimum requirements to be met by any Applus group system.

The following security policies have been established by the group:
i) Classification of information; ii) Management of system access; iii) Prevention of Data Leaks; iv) Identification and maintenance of critical applications; v) Back-Up Copies; vi) Restrictions on Internet and e-mail use; vii) Data encryption; viii) Agreements with third parties; ix) Protection of equipment; x) Legal compliance; xi) Notification of incidents; and xii) Infrastructure licences and use.

These policies have enabled Applus to implement a Data Security Policy.

In operating continuity terms, the group has improved the already high level of availability of its central data systems, held in a Main Datacenter in Madrid, with a Disaster Recovery (DR) solution. This DR is hosted in a Secondary Datacenter in Barcelona, which is connected through a high-speed line to the Main Datacenter. Thanks to a constant replica of data, the DR may provide, in a matter of hours, the most critical applications for the business, in the unlikely case of an event of force majeure (fire, flood, earthquake, etc.) that renders the Main Datacenter inoperative.

Additionally, a series of key supplementary control measures are defined and executed by members of the consolidation team, in order to strengthen the trust in the data systems used to generate financial information.

The group has a plan to improve and monitor information systems as regards the segregation of functions, as well as to incorporate in the Audit Plan the supervision of these internal control systems as regards the segregation of functions in financial information systems.

F.3.3 Internal control policies and procedures designed to supervise the management of activities outsourced to third parties, as well as those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect the accounts.

In the group, third party activities that may be relevant to the information generation process basically reside in the business conducted in Spain. The group has outsourced its administration and back-office tasks for its Spanish subsidiaries (except for the IDIADA division subsidiaries). In order to supervise outsourced activities, it has appointed a manager in the Corporate Financial Management. In this contractual relationship service level agreements (SLA's) are defined to evaluate service quality and integrity. Furthermore, the corporate accounting department in charge of Spain has been assigned monthly tasks to review the financial statements of any subsidiaries operating in Spain.

In the rest of the group, outsourced activities are sporadic or highly centralized in very specific processes or sub-processes, such as payroll preparation. These factors are considered a risk in the ICFR model for these companies, for which there is efficient and effective associated control.

Whenever necessary, the group hires reports from independent experts in order to obtain greater trust in matters that may have a significant effect on the financial statements, such as Purchase Price Allocation reports related to wide-ranging acquisitions, the valuation of financial instruments and advice in impairment tests conducted on goodwill and intangible assets, which the group has entered as assets. In all these cases, when hiring these services, the group determines as part of the selection criteria the absence of any doubt as to the supplier's competence, qualifications, reputation and independence.

F.4 Information and communication

Indicate whether at least the following are in place and describe their main features:

- F.4.1 A specific function charged with defining and updating accounting policies (accounting policy area or department) and with resolving questions or conflicts arising from the interpretation thereof, maintaining fluid communications with those responsible for operations at the organisation, as well as an updated accounting policy manual that has been communicated to the units through which the entity operates.**

The Corporate Financial Management is in charge of defining, updating and disseminating accounting policies in order to draw up financial information under IFRS-EU, and resolve any interpretation doubts or conflicts. It keeps a communication flow with the managers of operations and financial representatives in its various divisions and subsidiaries.

The accounting Manual is updated each year and is published on the Financial Management intranet, accessible by all the staff involved in the drafting and review of financial information. Furthermore, at meetings held with corporate Chief Financial Officers, division and subsidiary managers, training sessions are provided on the interpretation and application of any novelties. Finally, the Corporate Financial Management, through the consolidation department, is entrusted with handling any doubts the subsidiaries may have when applying their account reporting rules, IFRS-EU.

In addition, the group's external auditor, both of consolidated statements and of the most representative subsidiaries of the consolidated statements, will request that the financial information reported by these subsidiaries be reviewed further to the principles gathered in the group's Accounting Manual, i.e. IFRS-EU, both in the 12-month audit and the limited six-monthly review.

- F.4.2. Mechanisms to capture and prepare financial information with standardised formats, to be applied and used by all units of the entity or the group, supporting the principal accounts and the notes thereto, as well as the information provided on the internal control system over financial reporting.**

The capture and preparation of information backing up the main financial statements of the Applus group uses the SAP-BPC consolidation tool, which is integrated into transactional systems of each subsidiary through automatic and occasionally manual systems for capture and validation. There is a single monthly reporting, based on a homogenous accounting plan for all companies. In addition, monthly reporting incorporates other information necessary for the management of the Applus group, also necessary to draw up notes on the consolidated Financial Statements issued at the closing of the financial year and at the end of the first six months. Consequently, the monthly reporting of

all subsidiaries in SAP-BPC already automatically controls the validation of financial statements reported and any additional details requested.

The ICFR internal control system, as already indicated, incorporates an evaluation of control activities both in the closing process designed for each subsidiary, and control activities related to the closing process conducted by the Consolidation Department of the group.

F.5 Supervision of the operation of the system

Indicate and describe the main features of at least the following:

- F.5.1.** The activities of supervision of the internal control system over financial reporting performed by the audit committee, as well as whether the entity has an internal audit function whose duties include providing support to the committee in its work of supervising the internal control system, including the internal control system over financial reporting. Information is also to be provided concerning the scope of the assessment of the internal control system over financial reporting performed during the financial year and on the procedure whereby the person or division charged with performing the assessment reports the results thereof, whether the entity has an action plan in place describing possible corrective measures, and whether the impact thereof on financial information has been considered.

The Audit Committee has approved the ICFR design criteria for the group. At least once a quarter it supervises the outcome of all ICFR reviews conducted by the Internal Audit Department and, each year, by the external auditor. Ultimately, it reviews ICFR information gathered by the group in the Annual Corporate Governance Report.

In the Applus group, the Audit Committee uses the Internet Audit function to supervise adequate operation of the internal control system, including the ICFR, and ensures its independence.

The Internal Audit Management permanently supervises the action plans agreed with various subsidiaries to remedy any defects detected and to jointly agree on suggestions for improvement. All reviews, including on-site audits, enable the Internal Audit function to evaluate the internal control system- both in terms of design and operation- and to issue an opinion on the effectiveness of internal control measures in order to guarantee the reliability of financial information; this is forwarded to the Audit Committee further to the meetings that are periodically held.

The Internal Audit Management periodically informs the Financial Management and Audit Committee of any significant weaknesses in internal control discovered during ICFR reviews and in internal audits of processes carried out over the year, as well as the level of implementation of action plans and any mitigation measures established.

Any future weaknesses in internal control identified in internal audit reviews are catalogued according to criticality as high, medium or low, based on the effect they may have if an error materializes in the financial statements. These weaknesses are managed through the Applus GRC application, for which a manager and timeframe are established in order to implement an action plan, as well as follow-up plans by the Internal Audit Department.

- F.5.2. Whether it has a discussion procedure whereby the auditor (as provided in the Technical Auditing Standards), the internal audit function, and other experts can inform senior management and the audit committee or the directors of the entity of the significant internal control weaknesses detected during the review of the annual accounts or such other reviews as may have been entrusted to them. Information shall also be provided on whether it has an action plan to seek to correct or mitigate the weaknesses found.**

The Audit Committee meets at least one a quarter and, in order to fulfil its responsibilities, it convenes at least the following persons:

- Group's Chief Financial Officer: the senior manager in charge of drafting financial information to explain the performance of the main financial magnitudes occurring in the period in question, transactions and most relevant impact in the period and communication of the main estimates made.
- Internal Audit Department, in charge of supervising the internal control model, including the ICFR, provides information on the state of any future weaknesses located as well as the outcome of any reviews conducted according to the planning approved by the Audit Committee for the ongoing year.
- External Auditors, in order to understand and share auditing planning or a review, to be carried out in the ongoing year, over consolidated and six-monthly annual accounts. If control weaknesses are identified and not considered by the Internal Audit Department these will also be communicated, as well as any other matter deemed appropriate for the Audit Committee.

In turn, the group, both from the Corporate Finance Department and the Audit Committee, represented by the Internal Audit Department, encourages full collaboration and coordination with the external accounts auditors. Consequently, the external accounts auditor of the group may directly access the Management, holding periodic meetings both to obtain the necessary information to carry out its task and to communicate any control weaknesses identified further to its auditing work.

F.6 Other significant information

There is no other significant information regarding the Internal Control System applicable to the Company's financial information.

F.7 External audit report

Report on:

- F.7.1 Whether the information on the internal control system over financial reporting has been reviewed by the external auditor, in which case the entity should include the respective report as an exhibit. Otherwise, it should provide the reasons therefor.**

Furthermore, the group has presented the ICFR information included in this 2014 Corporate Governance Report to the external auditor, for its review. To this end, the scope of the auditor's review procedures has followed Circular E14/2013, of 19 July 2013, issued by the Spanish Institute of Chartered Accountants, which publishes

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the Action Guide and standard auditor's report, regarding information on the internal control system over financial reporting (ICFR) used by listed companies in Spain.

Attached as an annex is a copy of the external auditor's report.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

State the company's degree of compliance with the recommendations of the Unified Code on corporate governance.

If the company does not comply with a recommendation or does it partially, a detailed explanation of the reasons should be given so that shareholders, investors and the market in general have sufficient information to assess the company's course of action. Generalised explanations will not be acceptable.

1. The by-Laws of listed companies do not limit the maximum number of votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of the acquisition of its shares on the market.

See sections: A.10, B.1, B.2, C.1.23 and C.1.24.

Complies x Explain

2. When both the parent company and a company controlled by it are listed companies, they both provide detailed public disclosure on:

a) Their respective areas of activity, and any business dealings between them, as well as between the controlled listed company and other companies belonging to the group;

b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies Complies in part Explain Not applicable x

3. Even if not expressly required under applicable commercial laws, transactions involving a structural change of the company and, in particular, the following, are submitted for general shareholders' meeting approval:

a) The transformation of listed companies into holding companies through "subsidiarisation", i.e. reallocating to controlled entities core activities that were previously carried out by the company itself, even if the latter retains full ownership of the former;

b) The acquisition or disposal of key operating assets, when it involves an actual change in the object of the company;

c) Transactions whose effect is tantamount to the liquidation of the company.

See section: B.6

Complies x Complies in part Explain

4. Detailed proposals of the resolutions to be adopted at the general shareholders' meeting, including the information to which recommendation 27 refers, are made public at the time of publication of the announcement of the call to the general shareholders' meeting.

Complies x Explain

5. Matters that are substantially independent are voted on separately at the general shareholders' meeting, in order to allow the shareholders to express their voting preferences separately. This rule applies, in particular:

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- a) To the appointment or ratification of directors, which shall be voted on individually;
- b) In the event of amendments of the By-Laws, to each article or group of articles that are substantially independent of one another.

Complies x Explain

6. Companies allow split votes so financial intermediaries who are recorded as having shareholder status but act for the account of different clients can divide their votes in accordance with the instructions given by such clients.

Complies x Explain

7. The board performs its duties with a unity of purpose and independent judgement, affording equal treatment to all shareholders in furtherance of the corporate interest, which shall be understood to mean the optimisation, in a sustained fashion, of the financial value of the company.

It likewise ensures that in its dealings with groups of interest (stakeholders), the company abides by the laws and regulations, fulfils its obligations and contracts in good faith, respects the customs and good practices of the industries and territories in which it carries on its business, and upholds any other social responsibility standards to which it has voluntarily adhered.

Complies x Complies in part Explain

8. The board assumes responsibility, as its core mission, for approving the company's strategy and the organisation required to put it into practice, and to ensure that Management meets the objectives set while pursuing the company's interest and the object of the company. As such, the full Board reserves for itself the right to approve:

- a) The company's policies and general lines of strategy, and in particular:

- (i) Strategic or business plan, as well as management objectives and annual budgets;
- (ii) Investment and financing policy;
- (iii) Definition of the structure of the group of companies;
- (iv) Corporate governance policy;
- (v) Corporate social responsibility policy;
- (vi) Policy regarding remuneration and evaluation of performance of senior management;
- (vii) Risk control and management policy, as well as the periodic monitoring of the internal information and control systems.
- (viii) Dividend policy, as well the treasury share policy and, especially, the limits thereto.

See sections: C.1.14, C.1.16 and E.2

- b) The following decisions:

- i. At the proposal of the company's top manager, the appointment and, if applicable, the removal of senior officers, as well as their severance provisions.
- ii. The remuneration of directors and, in the case of executive directors, the additional remuneration for their executive duties and other terms and conditions that must be included in their contracts.

- iii. The financial information that the company must periodically make public due to its status as listed company.
 - iv. Investments or transactions of all kinds which are strategic in nature due to the large amount or special characteristics thereof, unless approval thereof falls upon the shareholders at the general shareholders' meeting.
 - v. The creation or acquisition of interests in special-purpose entities or entities registered in countries or territories regarded as tax havens, as well as any other transactions or operations of a similar nature whose complexity might impair the transparency of the group.
- c) Transactions made by the company with directors, with significant shareholders or shareholders with Board representation, or with other persons related thereto ("related-party transactions").

However, board authorisations need not be required in connection with related-party transactions that simultaneously meet the following three conditions:

- 1°. They are governed by standard-form agreements applied on an across-the-board basis to a large number of clients;
- 2°. They are conducted at prices or rates generally set by the party acting as supplier of the goods or services in question;
- 3°. The amount thereof is no more than 1% of the company's annual revenues.

It is recommended that related-party transactions only be approved by the board upon a prior favourable report of the audit committee or such other committee handling the same function; and that the directors affected thereby should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes on the transaction.

It is recommended that the powers granted herein to the board are conferred without the power of delegation, except for those mentioned under b) and c) above, which may, for urgent reasons, be adopted by the executive committee subject to subsequent ratification by the full board.

See sections: D.1 and D.6

Complies x Complies in part Explain

9. In order to operate effectively and in a participatory manner, the board ideally is comprised of no fewer than five and no more than fifteen members.

See section: C.1.2

Complies x Explain

10. External directors, proprietary and independent, occupy an ample majority of the board and the number of executive directors is the minimum necessary number, bearing in mind the complexity of the corporate group and the percentage interest held by the executive directors in the company's share capital.

See sections: A.3 and C.1.3

Complies x Complies in part Explain

11. Among external directors, the relation between the number of proprietary

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directors and independent directors reflects the proportion existing between the share capital of the company represented by proprietary directors and the rest of its capital.

This strict proportionality standard can be relaxed so that the weight of proprietary directors is greater than would correspond to the total percentage of the share capital that they represent:

- 1°. In large cap companies where few or no equity stakes attain the legal threshold as significant, but there are shareholders holding interests with a high absolute value.
- 2°. In companies with a plurality of unrelated shareholders represented on the board.

See sections: A.2, A.3 and C.1.3

Complies

Explain x

NOTE: To the extent the Board of Directors is a small operating model (9 members), it is impossible in practice for the number of Proprietary and Independent Directors to reflect the proportion existing in the Company's share capital. However, the proportion of Independent Directors (44.44%) exceeds Recommendation 12 of the Unified Code for Corporate Governance, which recommends that independent directors represent a third.

- 12. The number of independent directors represents at least one-third of the total number of directors.**

See section: C.1.3

Complies x

Explain

- 13. The status of each director is explained by the board at the general shareholders' meeting at which the shareholders are to make or ratify their appointment and such status is confirmed or reviewed, as the case may be, annually in the Annual Corporate Governance Report, after verification by the appointments committee. Said report also discloses the reasons for the appointment of proprietary directors at the proposal of shareholders controlling less than 5% of the share capital, as well as the reasons for not having accommodated formal petitions, if any, for presence on the board from shareholders whose equity stake is equal to or greater than that of others at whose proposal proprietary directors have been appointed.**

See sections: C.1.3 and C.1.8

Complies x

Complies in part

Explain

- 14. When the number of female director is scant or nil, the appointments committee takes steps to ensure that when new vacancies are filled:**

- a) Selection procedures do not have an implied bias that hinders the selection of female directors;
- b) The company deliberately looks for women with the target professional profile and includes them among the potential candidates.

See sections: C.1.5, C.1.6, C.2.2. and C.2.4

Complies X

Complies in part

Explain

- 15. The Chairman, as the person responsible for the effective operation of the board, ensures that directors receive adequate information in advance of board meetings; promotes debate and the active involvement of directors during board meetings; safeguards their rights to freely take a position and express their opinion; and, working with the chairs of the appropriate committees, organises and coordinates regular evaluations of the Board and, where appropriate, the chief executive officer or top manager.**

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See sections: C.1.19 and C.1.41

Complies x Complies in part Explain

16. **When the Chairman of the Board is also the chief executive or top manager of the company, one of the independent directors is authorised to request the call to a board meeting or the inclusion of new business on the agenda; to coordinate and hear the concerns of external directors; and to lead the board's evaluation of the chair.**

See section: C.1.22

Complies Complies in part Explain Not applicable x

17. **The Secretary of the Board takes particular care to ensure that the board's actions:**

- a) **Adhere to the letter and the spirit of laws and their implementing regulations, including those approved by the regulatory authorities;**
- b) **Comply with the company's By-Laws and the Regulations for the general shareholders' meeting, the Regulations of the board and other regulations of the company;**
- c) **Are informed by those corporate governance recommendations included in this Unified Code as the company has subscribed to.**

And, in order to safeguard the independence, impartiality and professionalism of the Secretary, the appointment and removal thereof are reported by the appointments committee and approved by the full board; and that such appointment and removal procedures are set forth in the regulations of the board.

See section: C.1.34

Complies x Complies in part Explain

18. **The Board meets with the frequency required to perform its duties efficiently, in accordance with the calendar and agendas set at the beginning of the financial year, and each director is entitled to propose items of the agenda that were not originally included therein.**

See section: C.1.29

Complies x Complies in part Explain

19. **Directors' absences are limited to unavoidable cases and quantified in the Annual Corporate Governance Report. And when there is no choice but to grant a proxy, it is granted with instructions.**

See sections: C.1.28, C.1.29 and C.1.30

Complies x Complies in part Explain

20. **When Directors or the Secretary express concerns about a proposal or, in the case of the directors, regarding the running of the company, and such concerns have not been resolved at a board meeting, such concerns are recorded in the minutes at the request of the person expressing them.**

Complies x Complies in part Explains Not applicable

21. **The full Board evaluates the following on a yearly basis:**

- a) **The quality and efficiency of the Board's operation;**

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- b) **On the basis of a report submitted to it by the appointments committee, the performance of the Chairman of the Board and the top manager duties;**
- c) **The performance of its committees, on the basis of the reports furnished by them.**

See sections: C.1.19 and C.1.20

Complies x Complies in part Explain

- 22. All Directors are able to exercise the right to request any additional information they require on matters within the board's purview. Unless the By-laws or the regulations of the board provide otherwise, such requests are addressed to the Chairman or the Secretary of the Board.**

See section: C.1.41

Complies x Explain

- 23. All Directors are entitled to ask the company for the advice they need to carry out their duties. The company provides suitable channels for the exercise of this right, which, in special circumstances, may include external advice at the company's expense.**

See section: C.1.40

Complies x Explain

- 24. Companies organise induction programmes for new directors to rapidly and adequately acquaint them with the company and its corporate governance rules. Directors are also offered refresher training programmes when circumstances so advise.**

Complies x Complies in part Explain

- 25. Companies require that Directors devote sufficient time and effort to perform their duties efficiently, and, as such:**

- a) **Directors apprise the appointments committee of their other professional duties, in case they might detract from the necessary dedication;**
- b) **Companies lay down rules about the number of boards on which their directors may sit.**

See sections: C.1.12, C.1.13 and C.1.17

Complies Complies in part X Explain

NOTE: The Company has no rules about the number of boards of directors to which its directors belong; this information is not deemed relevant to appraise their dedication. In any case, the Appointments and Remuneration Committee of the Company is entrusted with ensuring that directors are suitable, qualified and available to adequately fulfil their duties.

- 26. The proposal for the appointment or re-election of directors that the board submits to the shareholders at the general shareholders' meeting, as well as the interim appointment of directors to fill vacancies, are approved by the board:**

- a) **At the proposal of the appointments committee, in the case of independent directors.**
- b) **Subject to a prior report from the appointments committee, in the case of other directors.**

See section: C.1.3

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Complies x Complies in part Explain

27. Companies post the following information regarding its Directors on their websites, and keep such information updated:

- a) **Professional and biographical profile;**
- b) **Other boards of directors of listed or unlisted companies on which they sit;**
- c) **Other boards of director's classification, specifying, for proprietary directors, the shareholder they represent or to whom they are related.**
- d) **Date of their first and subsequent appointments as a company director; and**
- e) **Shares held in the company and options thereon held by them.**

Complies x Complies in part Explain

28. Proprietary directors tender their resignation when the shareholder they represent sells its entire shareholding interest and also, an appropriate number of them, when such shareholder reduces its interest to a level that requires a reduction in the number of its proprietary directors.

See section: C.1.3

Complies x Complies in part Explain

29. The Board of Directors does not propose the removal of any independent director prior to the expiration of the term set by the by-laws for which such director was appointed, except where good cause is found by the Board upon a prior report of the Appointments Committee. In particular, good cause shall be deemed to exist whenever the director has failed to perform the duties inherent in the position held thereby or comes under any of the circumstances causing the director to no longer be independent pursuant to the provisions of Order ECC/461/2013.

The removal of independent directors may also be proposed as a result of takeover bids, mergers or other similar corporate transactions that entail a change in the equity structure of the company, when such changes in the structure of the board follow from the proportionality standard mentioned in Recommendation 11.

See section: C.1.2, C.1.9, C.1.19 and C.1.27

Complies Explain x

NOTE: Directors were removed during the 2014 financial year, in the context of listing its shares on the stock exchange markets of Madrid, Barcelona, Bilbao and Valencia, in order to reduce the number of Directors and render the Board of Directors more operative, as well as to include a new Chairman on the Board, acting as Independent Director.

30. Companies establish rules obliging directors to report and, if appropriate, to resign in those instances as a result of which the credit and reputation of the company might be damaged and, in particular, they require that such directors report to the Board any criminal charges brought against them, and the progress of any subsequent proceedings.

If a director is indicted or tried for any of the crimes described in section 213 of the Companies Act, the board examines the matter as soon as practicable and, in view of the particular circumstances thereof, decides whether or not it is appropriate for the director to continue to hold office. And the board provides a substantiated account thereof in the Annual Corporate Governance Report.

See sections: C.1.42 and C.1.43

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Complies x Complies in part Explain

31. All directors clearly express their opposition when they feel that any proposed resolution submitted to the board might be contrary to the best interests of the company. And in particular, independent directors and the other directors not affected by the potential conflict of interest do likewise in the case of decisions that could be detrimental to the shareholders lacking Board representation.

When the Board adopts material or reiterated resolutions about which a director has expressed serious reservations, such director draws the pertinent conclusions and, if such director chooses to resign, sets out the reasons in the letter referred to in the next recommendation.

This Recommendation also applies to the Secretary of the Board, even if the Secretary is not a director.

Complies x Complies in part Explain Not applicable

32. Directors who give up their position before their tenure expires, through resignation or otherwise, explain the reasons in a letter sent to all members of the board. Without prejudice to such withdrawal being communicated as a significant event, the reason for the withdrawal is explained in the Annual Corporate Governance Report.

See section: C.1.9

NOTE: The letters of resignation provided by Directors who were removed during 2014 are a consequence of a prior agreement with the Company, which is why this recommendation is not applicable. However, in the future it is expected that any Directors giving up their post will explain the relevant reasons in their respective letters of resignation.

Complies Complies in part Explain Not applicable x

33. Remuneration paid by means of delivery of shares in the company or companies that are members of the group, share options or instruments indexed to the price of the shares, and variable remuneration linked to the company's performance or pension schemes in confined to executive directors.

This recommendation shall not apply to the delivery of shares when such delivery is subjected to the condition that the directors hold the shares until they cease to hold office as directors.

Complies Explain x

NOTE: As part of the remuneration package assigned to the Chairman of the company's Board of Directors, who acts as an Independent External Director, on 7 May 2014 the General Shareholders Meeting agreed, on an exceptional and non-recurring basis, to grant RSUs for an amount of 100,000 euros.

34. The remuneration of external directors is such as is necessary to compensate them for the dedication, qualifications, and responsibility required by their position, but is not so high as to compromise their independence.

Complies x Explain

35. The remuneration linked to company earnings takes into account any qualifications included in the external audit report that reduce such earnings.

Complies x Explain Not applicable

36. In the case of variable remuneration, remuneration policies include technical limits and safeguards required to ensure that such remuneration reflects the professional performance of the beneficiaries thereof and not simply the general performance of the markets or of the industry in which the company does

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business or circumstances of this kind.

Complies x Explain Not applicable

37. **When there is an executive committee (hereinafter, "Executive Committee"), the breakdown of its members by director category is similar to that of the board, and its secretary is the secretary of the board.**

See sections: C.2.1 and C.2.6

Complies Complies in part x Explain Not applicable

NOTE: Article 38 of the Regulations of the Company's Board of Directors allows the possibility of the Board Secretary not necessarily belonging to the Executive Committee.

38. **The board is always kept informed of the matters dealt with and the resolutions adopted by the executive committee, and all members of the Board receive a copy of the minutes of the meetings of the executive committee.**

Complies x Explain Not applicable

39. **In addition to the audit committee mandatory under the Securities Market Act, the board of directors forms a single appointments and remuneration committee as a separate committee of the board, or an appointments committee and a remuneration committee.**

The rules governing the make-up and operation of the audit committee and the appointments and remuneration committee or committees are set forth in the regulations of the board, and include the following:

- a) **The board appoints the members of such committees, taking into account the background knowledge, qualifications, and experience of the directors and the responsibilities of each committee, discusses its proposals and reports, and receives a report, at the first meeting of the full board following the meetings of such committees, on their activities and the work done.**
- b) **These committees are formed exclusively of external directors and have a minimum of three members. The foregoing is without prejudice to the attendance of executive directors or senior officers, when expressly resolved by the members of the committee.**
- c) **Committee chairs are independent directors.**
- d) **They may receive external advice, whenever they feel this is necessary for the discharge of their duties.**
- e) **Minutes are prepared of their meetings, and a copy is sent to all board members.**

See sections: C.2.1 and C.2.4

Complies x Complies in part Explain

40. **Supervising compliance with internal codes of conduct and corporate governance rules is entrusted to the audit committee, the appointments committee or, if they exist separately, to the compliance or corporate governance committee.**

See sections: C.2.3 and C.2.4

Complies x Explain

41. **The members of the audit committee and, particularly, the chair thereof, are appointed taking into account their background knowledge and experience in accounting, auditing, and risk management matters.**

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Complies x Explain

42. Listed companies have an internal audit function which, under the supervision of the audit committee, ensures the smooth operation of the information and internal control systems.

See section: C.2.3

Complies x Explain

43. The head of internal audit presents an annual work plan to the audit committee; reports to it directly on any issues arising in the execution of such plan; and submits an activities report to it at the end of each financial year.

Complies x Complies in part Explain

44. The risk control and management policy specifies at least:

- a) The different types of risk (operational, technological, financial, legal, reputational, etc.) the company is exposed to, including contingent liabilities and other off-balance sheet risks among financial or economic risks;
- b) The determination of the risk level the company sees as acceptable;
- c) The measures planned in order to mitigate the impact of identified risks in the event that they materialise;
- d) The internal reporting and control systems to be used to monitor and manage the above risks, including contingent liabilities and off-balance sheet risks.

See section E

Complies x Complies in part Explain

45. The audit committee's role is to:

1° With respect to the internal control and reporting systems:

- a) Properly manage and disclose the main risks, if any, identified as a result of supervising the effectiveness of the internal control of the company and internal auditing.
- b) Ensure the independence and effectiveness of the internal audit area; make proposals regarding the selection, appointment, re-election, and withdrawal of the head of the internal audit area; propose the budget for such area; receive periodic information regarding its activities; and verify that senior management takes into account the conclusions and recommendations contained in its reports.
- c) Establish and supervise a mechanism whereby the employees may give notice, on a confidential basis and, if deemed appropriate, anonymously, of any potentially significant irregularities, especially of a financial and accounting nature, that they notice at the company.

2° With respect to the external auditor:

- a) Regularly receive from the external auditor information regarding the audit plan and the results of the implementation thereof, and verify that senior management takes its recommendations into account.
- b) Ensure the independence of the external auditor, to which end:
 - i. The company reports a change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements with the outgoing auditor and the reasons for the

same.

- ii. In the event of resignation of the external auditor, the committee investigates the circumstances that may have given rise thereto.

See sections: C.1.36, C.2.3, C.2.4 and E.2

Complies x Complies in part Explain

46. The audit committee may cause any company employee or officer to appear before it, and even order their appearance without the presence of any other officer.

Complies x Explain

47. The audit committee reports to the board, prior to the adoption thereby of the corresponding decisions, on the following matters specified in Recommendation 8:

- a) The financial information that the company must periodically make public due to its status as listed company. The committee should ensure that interim accounts are prepared under the same accounting standards as the annual accounts and, to this end, consider whether a limited review by the external auditor is appropriate.
- b) The creation or acquisition of interests in special-purpose entities or entities registered in countries or territories regarded as tax havens, as well as any other transactions or operations of a similar nature whose complexity might impair the transparency of the group.
- c) Related-party transactions, unless such prior reporting duty has been assigned to another supervision and control committee.

See sections: C.2.3 and C.2.4

Complies x Complies in part Explain

48. The board of directors seeks to present the accounts to the shareholders at the general shareholders' meeting without reservations or qualifications in the audit report and, in the exceptional instances where they do exist, both the chair of the audit committee and the auditors give a clear account to the shareholders of the content and scope of such reservations or qualifications.

See section: C.1.38

Complies x Complies in part Explain

49. The majority of the members of the appointments committee -or of the appointments and remuneration committee, if one and the same- are independent directors.

See section: C.2.1

Complies x Explain Not applicable

50. The appointments committee has the following duties, in addition to those stated in the preceding recommendations:

- a) To assess the qualifications, background knowledge and experience necessary to sit on the Board, defining, accordingly, the duties and qualifications required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.
- b) To examine or organise, in the manner it deems appropriate, the succession of the chair and the chief executive and, if appropriate, make

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proposals to the board for such succession to take place in an orderly and well-planned manner.

- c) To report on senior officer appointments and removals that the chief executive proposes to the board.
- d) To report to the board on the gender diversity issues discussed in Recommendation 14 of this Code.

See section: C.2.4

Complies x Complies in part Explain Not applicable

51. The appointments committee consults with the company's president and the chief executive, especially on matters relating to executive directors.

And that any board member may request that the appointments committee consider possible candidates to fill vacancies for the position of director, if it finds them suitably qualified.

Complies x Complies in part Explain Not applicable

52. The remuneration committee is responsible for the following duties, in addition to those set forth in the earlier recommendations:

- a) To propose to the board of directors:
 - i. The remuneration policy for directors and senior officers;
 - ii. The individual remuneration of executive directors and other terms of their contracts.
 - iii. The basic terms and conditions of the contracts with senior officers.
- b) To ensure compliance with the remuneration policy set by the company.

See section: C.2.4

Complies x Complies in part Explain Not applicable

53. The remuneration committee consults with the Chairman and the top manager of the company, especially on matters relating to executive directors and senior officers.

Complies x Not comply

H. OTHER INFORMATION OF INTEREST

1. If there are any significant aspects regarding corporate governance at the company or at entities of the group that is not included in the other sections of this report, but should be included in order to provide more complete and well-reasoned information regarding the corporate governance structure and practices at the entity or its group, briefly describe them.
2. In this section, you may also include any other information, clarification, or comment relating to the prior sections of this report to the extent they are relevant and not repetitive.

Specifically, state whether the company is subject to laws other than Spanish laws regarding corporate governance and, if applicable, include such information as the company is required to provide that is different from the information required in this report.

3. The company may also state whether it has voluntarily adhered to other

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international, industrial or other codes of ethical principles or good practices. If so, identify the code in question and the date of adherence thereto.

N/A

This annual corporate governance report was approved by the Board of Directors of the company at its meeting 24/02/2015.

State whether any directors voted against or abstained in connection with the approval of this Report.

Yes No

APPENDIX

Name	Applus Servicios Tecnológicos, S.L.*	Azul Holding 2, Sarl.	Applus Iteuve Argentina, S.A.*	Applus Technologies, Inc.*	Jamx Holding, Inc	Libertytown USA 1, Inc.	Libertytown USA Finco, Inc.
Registered office	Campus de la UAB, Ronda de la Font del Carme s/n, 08193 Bellaterra-Cerdanyola del Vallès, Barcelona (Spain)	7, rue Robert Stümper L-2557 Luxembourg (Grand Duchy of Luxembourg)	Reconquista 661 – Piso 2, C 1003 Ciudad de Buenos Aires (Argentina)	615, Dupont Highway, Kent County Dover, State of Delaware (USA)	1209 Orange Street, New Castle County, Wilmington, Delaware 19801 (USA)	615, Dupont Highway, Kent County Dover, State of Delaware (USA)	615, Dupont Highway, Kent County Dover, State of Delaware (USA)
Line of business	Holding company	Holding company	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Certification services through non-destructive testing	Holding company	Holding company
Net participation:	1,004,522	102,212	124 23,089	166,734		59,736	
Applus Technologies Holding, S.L.	100%	100%	100%	100%	100%	100%	100%
Applus Servicios Tecnológicos, S.L., Sociedad Unipersonal	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Applus Iteuve Technology, S.L., Sociedad Unipersonal	833,000	102,050	9,846	105,004	59,678	234,268	257,426
Libertytown USA 1, Inc.	453,144	225	3,226	64,135	36,809	176,480	258,488
Ownership interest held by Group companies:	379,856	101,825	6,619	40,869	22,869	57,787	(1,062)
Direct	6,404	(53)	3,334	(1,646)	5,196	(4,033)	(680)
Indirect							
Date of the financial statements							
Other company information (in thousands of euros):							
Assets							
Liabilities							
Equity							
Profit (Loss)							

* Audited company

Name	Applus Iteuve Technology, S.L.U	Applus Argentina, S.A. *	IDIADA Automotive Technology, S.A. *	Applus Chile, S.A. *	Applus Iteuve Euskadi, S.A., Sociedad Unipersonal *	Applus Revisiones Técnicas de Chile, S.A. *
Registered office	Campus de la UAB, Ronda de la Font del Carme s/n, 08193 Bellaterra - Cerdanyola del Vallés. Barcelona (Spain)	Reconquista 661 – Piso 2, C 1003 Ciudad de Buenos Aires (Argentina)	L'Albormar, s/n PO BOX 20,43710 Sta Oliva. Tarragona (Spain)	Avenida Américo Vespucio 743 - Huechuraba - Santiago de Chile (Chile)	Poligono Ugaldeguren I Parcela 8, 48710 Zamudio, Vizcaya (Spain)	Avenida Américo Vespucio 743 - Huechuraba - Santiago de Chile (Chile)
Line of business	Vehicle roadworthiness testing	Holding company	Engineering, testing and certification	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing
Net participation:	115,377	584 25	250	104 2,888	39,000	34 410
Direct	100%	100%	80%	100%	100%	100%
Indirect						
Date of the financial statements	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Other company information (in thousands of euros):						
Assets	271,424	690	7,716	15,571	14,006	2,084
Liabilities	215,577	314	7,433	1,667	5,998	193
Equity	55,847	376	283	13,904	8,008	1,891
Profit (Loss)	(9,453)	107	64	2,181	1,190	246

* Audited Company

Name	Applus Danmark, A/S*	IDIADA CZ, A.S.*	K1 Kasastajat, OY *	Inspecció Tècnica de vehicles i serveis, S.A.	K1 Total, Oy	Idiada Automotive Technology India PVT, Ltd *	Shangai IDIADA Automotive Technology Services Co. Ltd * Jucheng Pioneer Park, Building 23, 3999 Xiu Pu Road, Nan Hui 201315 Shanghai (Pudong District) – (China)	Applus Euskadi Holding, S.L.
Registered office	Korsølsvej, 111 2610 Rødovre (Denmark)	Pražska 320/8, 500 04, Hradec Králové (Czech Republic)	Tuotekat 8B, 21200 Raisio (Finland)	Ctra de Bixessarri s/n, Aixovall AD600 (Andorra)	Tuotekatu 8B, 21200 Raisio, (Finland)	Unit no. 206, 2nd Floor, Sai Radhe Building Raja Bahadur Mill Road, off Kennedy Road, Pune 411 001 – (India)	Poligono Ugaldeguren, 1 parcela 8, Zamudio, Vizcaya (Spain)	
Line of business	Vehicle roadworthiness testing	Engineering, testing and certification	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Engineering, testing and certification	Engineering, testing and certification	Holding company
Net participation:	60,627	8,400	91,928	11	53	1,272 17	6,285	2,744
Applus Euskadi Holding, S.L.								
Idiada Automotive Technology, S.A								
Applus Servicios Tecnológicos, S.L.U								
Applus Itelive Technology, S.L., Sociedad Unipersonal Libertytown USA 1, Inc.								
Ownership interest held by Group companies:								
Direct								
Indirect								
Date of the financial statements	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Other company information (in thousands of euros):								
Assets	47,283	7,666	8,395	490	317	2,707	13,439	24,248
Liabilities	18,502	4,477	3,204	68	348	2,131	5,727	17,375
Equity	28,781	3,189	5,191	422	(31)	576	7,712	6,873
Profit (Loss)	(693)	1,106	58	291	(84)	(384)	401	16,115

* Audited company

Name	Idiada Automotiva, Ltda. *	Idiada Automotive Technology UK, Ltd. *	LGAI Technological Center, S.A. *	Applus Portugal, Ltda. *	Applus México, S.A. de C.V. *	LGAI Chile, S.A. *
Registered office	Cidade de São Bernardo do Campo, Estado de São Paulo, na Rua Continental, nº 342, Vila Margarida, CEP 09750-060 (Brasil)	St Georges Way Bermuda Industrial Estate, Nuneaton, Warwickshire CV10 7JS – (UK)	Campus de la UAB, Ronda de la Font del Carme, s/n, 08193 Bellaterra-Cerdanyola del Valles. Barcelona (Spain)	Rua Hermoso Neves, 18, Escritório 7, freguesia do Lumiar, Concelho, Lisboa (Portugal)	Bvd. Manuel Avila Camacho 184, Piso 4-A, Col. Reforma Social, C.P. 11650 México D.F. (México)	Monseñor Sotero Sanz, 100-8º, Comuna de Providencia, Santiago de Chile (Chile)
Line of business	Engineering, testing and certification	Engineering, testing and certification	Certificate	Certificate	Quality system audit and certification	Quality system audit and certification
Net participation:		613	114,139	2	838	115
Direct				176	13	
Indirect						
Date of the financial statements	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Other company information (in thousands of euros):						
Assets	4,518	1,072	293,313	276	977	422
Liabilities	933	432	48,072	21	356	296
Equity	8,081	640	245,241	255	621	126
Profit (Loss)	5,063	(74)	3,138	229	20	50

* Audited company

Name	Norcontrol Inspección, S.A. de C. V. – México *	Norcontrol Chile, S.A.*	Norcontrol Panamá, S.A. *	Applus Panamá, S.A	Novotec Consultores, S.A., Sociedad Unipersonal *	Applus Norcontrol, S.L., Sociedad Unipersonal *	Applus Costa Rica, S.A	Norcontrol Guatemala, S.A. *
Registered office	Bvd. Manuel Avila Camacho 184, Piso 4-B, Col. Reforma Social, C.P. 11650 México, D.F (México)	Monseñor Sotero Sanz, 100-8º, Comuna de Providencia, Santiago de Chile (Chile)	Urbanización Obarrio, C/José Agustín Arando, Edificio Victoria Plaza, Piso 2 Local A, Ciudad de Panamá (Panamá)	Urbanización Obarrio- C/ José Agustín Arando- Edificio Victoria Plaza, Piso 2 Local A, Ciudad de Panamá (Panamá)	Parque Empresarial Las Mercedes, C/Campezo, 1. Ed.3, 28022, Madrid (Spain)	Crta. Nacional VI-Km. 582, 15168, Sada, A Coruña (Spain)	Oficentro Holland House, Oficina 47 y 48 300 mts Sur de Rotonda de la Bandera Barrio Escalante, San Pedro San José (Costa Rica)	1º, Calle 1-35, Zona 3, Don Justo, Fraijanes, Km 16.5 Carretera a El Salvador, Departamento de Guatemala (Guatemala)
Line of business	Inspection, quality control and consultancy services in the industry and services sector	Inspection, quality control and consultancy services in the industry and services sector	Inspection, quality control and consultancy services in the industry and services sector	Certification	Services related to quality and safety in industrial plants, buildings, etc.	Inspection, quality control and consultancy services	Quality system audit and certification	Inspection, quality control and consultancy services in the industry and services sector
Net participation:	1,019	2,805	223	107	12,420	161,534	15	1,019
IDIADA AT, S.A.	95%	95%	95%	95%	95%	95%	95%	95%
LGAI Technological Center, S.A.	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/1/2/2014	31/12/2014	31/12/2014
Applus Servicios Tecnológicos, S.L.U	5,875	8,932	3,942	21	15,154	149,085	348	5,007
Applus Itueve Technology, S.L., Sociedad Unipersonal	8,932	4,294	1,445	103	10,380	119,313	168	5,351
Applus Norcontrol, S.L., Sociedad Unipersonal	4,294	6,179	2,497	(82)	4,774	29,772	180	(344)
Ownership interest held by Group companies:	714	(41)	456	2	1,136	(2,015)	111	685
Direct								
Indirect								
Date of the financial statements								
Other company information (in thousands of euros):								
Assets								
Liabilities								
Equity								
Profit (Loss)								

* Audited company

Name	Applus Norcontrol Colombia, Ltda *	Norcontrol Nicaragua, S.A.	Röntgen Technische Dienst Holding BV	Applus Centro de Capacitación, S.A.	RTD Quality Services, SRO *	Applus RTD France Holding, S.A.S*
Registered office	Calle 17, núm. 69-46 Bogotá (Colombia)	Colonia Los Robles, Km. 6,500 Carretera Masaya, Managua (Nicaragua)	Deftweg 144, 3046 NC Rotterdam (Holand)	Monseñor Sotero Sanz, 100-9 ^o , Comuna de Providencia, Santiago de Chile (Chile)	U Stadionu 89, 530 02 Pardubice (Czech Republic)	14 rue André Sentuc, 69200, Venissieux (France)
Line of business	Inspection, quality control and consultancy services in the industry and services sector	Inspection, quality control and consultancy services in the industry and services sector	Holding company	Provision of training services	Certification services through non-destructive testing	Holding company
Net participation:						
Indirect	898	74	211,176	19	2,800	5,373
Date of the financial statements	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Other company information (in thousands of euros):						
Assets	20,288	467	297,419	221	2,353	(39)
Liabilities	10,399	227	86,243	201	531	866
Equity	9,888	239	211,176	19	1,821	(905)
Profit (Loss)	2,337	135	18,894	-	750	(963)

* Audited company

Name	Applus RTD France, S.A.S *	Applus RTD Deutschland inspektions-Gesellschaft, GmbH *	Röntgen Technische Dienst B.V. *	RTD Quality Services Canada, Inc *	RTD Quality Services Nigeria Ltd. *	RTD Quality Services USA, Inc (Group)	RTD Holding Deutschland, GmbH*	Applus RTD UK Holding, Ltd *
Registered office	14 rue André Sentuc, 69200, Venissieux (France)	Industriestraße 34 b, 44894 Bochum (Germany)	Delftweg 144, 3046 NC Rotterdam (Holand)	10035, 105 Street Suite, 1000, Edmonton (Alberta), T5J3T2 (Canada)	Warri Boat Yard, 28 Warri/Sapele Road, Warri, Delta State (Nigeria)	13131 Dairy Ashford Road, Suite 230, Sugar Land, TX 77478, (USA)	Industriestr. 34, D-44894, Bochum (Germany)	Unit 2, Blocks C and D, West Mains Industrial Estate, Grangemouth, FK3 8YE, Scotland (UK)
Line of business	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Holding company	Holding company
Net participation:								
Röntgen Technische Dienst Holding, B.V.			28,000	21,758	48			4,644
RTD Holding Deutschland, GmbH							1,000	
RTD, B.V.								
Applus RTD France Holding, S.A.S.	5,165					1		
Applus RTD Personal Service, GmbH.								
Libertytown USA 2, Inc.								
Ownership interest held by Group companies:								
Direct								
Indirect								
Date of the financial statements	100% 31/12/2014	100% 31/12/2014	100% 31/12/2014	100% 31/12/2014	78% 31/12/2014	100% 31/12/2014	100% 31/12/2014	100% 31/12/2014
Other company information (in thousands of euros):								
Assets	4,589	16,146	87,539	68,132	2,462	11,727	18,220	32,558
Liabilities	4,328	9,928	42,066	40,934	2,448	1,874	2,251	26,976
Equity	261	6,218	45,473	27,198	14	9,852	15,969	5,581
Profit/(Loss)	(949)	490	(70)	995	32	1,296	481	736

* Audited company

Name	Libertytown USA 2, Inc.	Arctosa Holding, B.V.	Applus RTD Norway, AS *	Applus RTD PTY, Ltd (Australia) *	Applus RTD Certificering, B.V.	Applus (Shanghai) Quality inspection Co, Ltd	Applus Colombia, Ltda. *	Applus RTD PTE, Ltd (Singapore) *	
Registered office	615, Dupont Highway, Kent County Dover, State of Delaware (USA)	Delftweg 144, 3046 NC Rotterdam (Holand)	Nothberget 19, 4029 Stavanger (Norway)	94 Discovery Drive, Bibra Lake WA 6163 (Australia)	Rivium i e straat 80, 2909 LE, Cappelle a/d Ijssel (The Netherlands)	Jucheng Industrial Park, Building 23, 3999 Xiu Pu Rd, Nan Hui, Shanghai 201315 (China) Inspection services in quality processes, production processes, technical assistance and consultancy.	Calle 17, núm 69-46, Bogotá (Colombia)	70 Kian Teck Singapore 628798 (Singapore)	
Line of business	Holding company	Holding company	Certification services through non- destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing		Certification	Certification services through non-destructive testing	
Net participation:									
Applus RTD Personal Services, GmbH									
Rönnigen Technische Dienst Holding, B.V.									
LGAI Technological Center, S.A.									
Libertytown Australia PTY, Ltd.									
RTD, B.V.									
Applus Servicios Tecnológicos, S.L., Sociedad Unipersonal									
Ownership interest held by Group companies:									
Direct									
Indirect									
Date of the financial statements									
Other company information (in thousands of euros):									
Assets									
Liabilities									
Equity									
Profit (Loss)									

* Audited company

Name	Libertytown Australia, PTY, Ltd. *	Applus RTD UK, Ltd *	Applus RTD AG	Applus RTD GmbH (Austria) *	Applus RTD SP, Z.o.o.	Applus Energy, S.L.U.	RTD Slovakia, s.r.o.*
Registered office	94 Discovery Drive, Bibra Lake WA 6163 (Australia)	Unit 2, Blocks C and D, West Mains Industrial Estate, Grangemouth, FK3 8YE, Scotland (UK)	Aeschenvorstadt, 71, CH - 4051, Basel (Switzerland)	Hauptstr. 26, 7201, Neudorf (Austria)	Raclawicka, 19, 41-506 Chorzów, Poland	Campus de la UAB, Ronda de Font del Carme, s/h, 08193 Bellaterra-Cerdanyola del Vallés, Barcelona (Spain)	Vicie Hrdlo, 824, Bratislava (Slovakia)
Line of business	Holding company	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Provision of advisory services and auditing in the energy sector	Certification services through non-destructive testing
Net participation:	23,261	29,272	62	1,313	1,461	3,435	5
Applus Servicios Tecnológicos, S.L., Sociedad Unipersonal Röntgen Technische Dienst Holding, B.V.	100%	100%	100%	100%	100%	100%	100%
RTD B.V.	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Applus RTD UK Holding, Ltd.	36,256	11,075	4	511	28	3,720	1
Vantage NDT, B.V.	14,157	5,355	-	7	4	1,781	2
Ownership interest held by Group companies:	22,099	5,720	4	504	24	1,939	(1)
Direct	(46)	1,640	(1)	(26)	(35)	(344)	3
Indirect							
Date of the financial statements							
Other company information (in thousands of euros):							
Assets							
Liabilities							
Equity							
Profit (Loss)							

* Audited company

Name	Technico, Inc. (Group)	Quality Assurance LABS, Inc. (USA)	Quality Inspection Services, Inc.	Applus RTD Canada, LP	Applus Lgai Belgeन्द्रime ve Muayene, Ltd.	Applus RTD Denmark, AS *	Valley Industrial X-Ray and Inspection Services, Inc.
Registered office	Suite 600, 570, Queen Street, E3B 6Z6 Fredericton New Brunswick (Canada)	80 Pleasant Ave SO PORTLAND, ME 04116 (USA)	Suite 400, Cathedral Park Tower, 37 Franklin Street, Buffalo, New York 14202 (USA)	100 King Street West, suite 6100, Toronto, MSX 1B8 (Canada)	Maslak Mah. Dereboyu Cad. Meydan Sok. Beybi Giz Plaza No:1 K:5 - Maslak / Istanbul (Turkey)	Skippergade 1, 6700, Esbjerg (Denmark)	6201 Knusden Drive, Bakersfield, CA (USA)
Line of business	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services	Certification services through non-destructive testing	Certification services through non-destructive testing
Net participation:	3,665	151	8,270	4,032	5	1,572	11,535
Applus Servicios Tecnológicos, S.L., Sociedad Unipersonal	838	100%	100%	100%	95%	100%	100%
RTD Quality Services Canada, Inc							
RTD B.V.	1						
RTD Holding, B.V							
Libertytown USA 2 Inc.							
Lgai Technological Center, S.A.							
Vantage NDT, B.V							
Ownership interest held by Group companies:							
Direct							
Indirect							
Date of the financial statements	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Other company information (in thousands of euros):							
Assets	1,082	2,132	8,892	7,786	-	1,285	12,934
Liabilities	310	107	9,964	290	-	412	2,409
Equity	772	2,025	(1,072)	7,497	-	874	10,526
Profit (Loss)	331	159	41	1,266	(16)	(233)	4,255

* Audited company

Name	APP Management, S. de R.L. de C.V. *	Libertytown Applus RTD Germany GmbH	Applus Lgai Maroc, Sarl	Applus RTD Gulf DMCC. *	Qualitec Engenharia de Qualidade, Ltda.	Applus Lgai Germany, GmbH	BK Werstofftechnik- Prüfsstelle Für Werkstoffe, GmbH	RTD Brasil Investimentos, Ltda. *
Registered office	Bivd Manuel Avila Camacho 184, Piso 4-A, Col. Reforma Social, C.P. 11650 México D.F. (México)	Industrie Strasse 34 b, 44894 Bochum, Alemania	INDUSPARC Module N°11BD AHL LOGHL/AM Route de Tit Mellil Chemin Terriare 1015 Sidi Moumen 20400, Casablanca (Marruecos)	16th Floor, Office 1601, Swiss Tower, Jumeirah Lake Towers, PO Box 337201, (Emiratos Árabes)	Cidade de Ibirité, Estado de Minas Gerais, na Rua Petrovale, quadra 01, lote 10, integrante da área B, n°450, Bairro Distrito Industrial Marsil, CEP 32.400- 000 (Brasil)	Zur Aumundswiede 2, 28279 Bremen, Germany	Zur Aumundswiede 2, 28279 Bremen, Germany	Cidade de São Bernardo do Campo, Estado De São Paulo, na Rua Continental, n° 342 – Parte, Vila Margarida, CEP 09750-060 (Brasil)
Line of business	Inspection, quality control and consultancy services in the industry and services sector	Holding company	Inspection, quality control and consultancy services	Certification services through non- destructive testing	Certification services through non-destructive testing	Certification	Certification	Holding company
Net participation:	30	25,635		59	4,293	25	5,644	4,043
Applus Servicios Tecnológicos, S.L., Sociedad Unipersonal	100%	100%	95%	100%	100%	95%	95%	100%
RTD Quality Services Canada, Inc	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
RTD Holding, B.V								
Libertytown USA 2 Inc.								
Röntgen Technische Dienst Holding, B.V.								
RTD Brasil Investimentos, Ltda								
Applus Lgai Germany, GmbH								
Capital Ringal Invest, S.L.								
Lgai Technological Center, S.A								
Ownership interest held by Group companies:								
Direct								
Indirect								
Date of the financial statements	834	63,024	40	7,392	9,856	8,516	2,655	6,310
Other company information (in thousands of euros):	670	65,584	1	2,437	6,044	7,224	1,109	1,857
Assets	164	(2,560)	39	4,955	3,812	1,292	1,546	4,453
Liabilities	73	(1,668)	(6)	1,292	(381)	407	-	213
Equity								
Profit (Loss)								

* Audited company

Name	Burek und Partner, Gbr.	Assimco-Assesoria Inspeção e Controle, Ltda	Applus Norcontrol Perú, S.A.C.	Kiefner & Associates Inc.	Jonh Davidson & Associates PTY, Ltd	JDA Wokman *	PT JDA Indonesia	Applus Norcontrol Consultoria e Engenharia, SAS
Registered office	Zur Amundswiede 2, 28279 Bremen, (Germany)	Rua Petrovale, quadra 01, lote 10, integrante da area B, nº 450, Bloco 2 - 1º andar, Bairro Distrito Industrial Marsil, EP 32400-000 Cidade de Ibitiré, Estado de Minas Gerais (Brasil)	Parque Hernan Velarde, 52 Urb. Santa Beatriz Cercado de Lima (Peru)	585 Scherers Court, Worthington, Franklin County, Ohio 43085 (USA)	Jeistream Business Park, Unit A3, 5 Grevillea Place, Eagle Farm QLD 4009 (Australia)	Level 2 ADF Haus, Musgrave Street, Port Moresby, National Capital District (Papua New Guinea)	Plaza Aminta 7th floor, Jl. TB Simatupang Kav. 10, South Jakarta, (Indonesia)	Calle 17, núm. 69-46 Bogotá (Colombia)
Line of business	Certification	Inspection, quality control and consultancy services in the industry and services sector	Inspection, quality control and consultancy services in the industry and services sector	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Inspection, quality control and consultancy services in the industry and services sector
Net participation:	187	592		3,349	3,282		183	98
Applus Servicios Tecnológicos, S.L., Sociedad Unipersonal	95%	100%	96%	100%	100%	100%	100%	95%
Libertytown Australia PTY	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Applus Lgai Germany, GmbH.	206	420	1,394	4,702	2,966	7,227	6,932	506
Lgai Technological Center, S.A	39	683	898	593	4,533	3,383	4,466	202
Applus Norcontrol, S.L.U.	167	(264)	496	4,109	(1,566)	3,845	2,467	303
Applus Servicios Tecnológicos do Brasil, Ltda	(2)	-	282	959	(1,097)	31	692	187
Libertytown USA 2, Inc.								
John Davidson & Associates PTY, Ltd								
Ownership interest held by Group companies:								
Direct								
Indirect								
Date of the financial statements								
Other company information (in thousands of euros):								
Assets								
Liabilities								
Equity								
Profit (Loss)								

* Audited company

Name	Ingelog Consultores de Ingeniería y Sistemas, S.A.	Applius Velosi DRC, Sarr.	Ringal Invest, S.L.	Applius II Meio Ambiente Portugal, Lda	Applius Arabia L.L.C	Applius Testing Norway, AS.	Applius Velosi Mongolia, LLC	
Registered office	Santiago de Chile (Chile)	c/o Lambert S Djunga, Djunga & Risasi, 07 Avenue Lodja, (Kinshasa/Gome, DRC)	Campus UAB, Ronda de la Font del Carme, s/n, Bellaterra-Cerdanyola del Vallés, (Spain)	Rua Hermano Neves n.º 18, escritório 7, freguesia do Lumiar, Concelho de Lisboa (Portugal)	Dammam, Kingdom of Saudi Arabia	Langmyra 11, 4344 Bryne, (Norway)	Sun Business center, floor 3, Sukhbaatar district, Prime Minister Amar street-29, (Ulaanbaatar)	
Line of business	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Counseling and provision of personnel	Holding company	Inspection services, in quality processes, production processes, technical assistance and consultancy	Certification	Certification	Certification services through non-destructive testing	
Net participation:		7	4,046	1	100	104	64	
Applius Servicios Tecnológicos, S.L.								
Applius Itueve Technology, S.L., Sociedad Unipersonal								
Applius Norcontrol, S.L.U.								
John Davidson & Associates PTY, Ltd								
Applius Lgai Germany, GmbH.								
Lgai Technological Center, S.A								
Applius Servicios Tecnológicos do Brasil, Ltda								
Ringal Invest, S.L.								
Libertytown USA 2, Inc.								
Ownership interest held by Group companies:								
Direct	100%	100%	100%	95%	48%	95%	100%	
Indirect								
Date of the financial statements	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	
Other company information (in thousands of euros):								
Assets	8,577	264	26,643	1,137	1,553	1,131	170	
Liabilities	1,770	233	22,846	393	1,992	1,592	654	
Equity	6,806	31	3,797	744	(439)	(461)	(484)	
Profit (Loss)	1,402	22	(245)	386	(611)	(24)	(305)	

* Audited company

Name	Ingeiog Servicios Generales, Ltda (Sergen)	Ingeiog Guatemala Consultores de Ingenieria y Sistemas, S.A.	Ingeandina Consultores de Ingenieria, S.A.S.	Ingeiog Costa Rica S.A.	Applus Servicios Tecnológicos do Brasil, Ltda.
Registered office	Santiago de Chile (Chile)	Guatemala	Bogotá D.C. (Colombia)	San José de Costa Rica, calle treinta y uno, avenidas nueve y once, Barrio Escalante	Av. Das Nações Unidas, 1255 7º andar, 04578-903 Ruam Dom José de Barros, nº 177, 6º andar, conjunto 601, sala 602, Vila Buarque, CEP 01038-100, Sao Paulo (Brasil)
Line of business	Providing shuttle service and car rental	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Holding
Net participation:	1,656				10,571 3
Applus Servicios Tecnológicos, S.L.					
Applus Iteuve Technology, S.L., Sociedad Unipersonal					
Applus Norcontrol, S.L. U.					
John Davidson & Associates PTY, Ltd					
Applus Legal Germany, GmbH.					
Legal Technological Center, S.A					
Applus Servicios Tecnológicos do Brasil, Ltda					
Ringal Invest, S.L.					
Libertytown USA 2, Inc.					
Ownership interest held by Group companies:					
Direct					
Indirect					
Date of the financial statements	100% 31/12/2014	100% 31/12/2014	100% 31/12/2014	100% 31/12/2014	100% 31/12/2014
Other company information (in thousands of euros):					
Assets	1,365	-	593	-	2,147
Liabilities	1,371	-	8	-	120
Equity	(6)	-	585	-	2,027
Profit (Loss)	93	-	(52)	-	(49)

* Audited company

Nombre	Velosi S.à r.l.* 7, rue Robert Stumper L-2557 Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg, Luxembourg.	PDE International Ltd * Equity Trust House, 28-30 The Parade, St Helier, JE1 1EQ Jersey, Channel Islands.	SAST international Ltd * Equity Trust House, 28-30 The Parade, St Helier, JE1 1EQ Jersey, Channel Islands.	Velosi Asset Integrity Ltd * Equity Trust House, 28-30 The Parade, St Helier, JE1 1EQ Jersey, Channel Islands.	Velosi Project Management Ltd * Equity Trust House, 28-30 The Parade, St Helier, JE1 1EQ Jersey, Channel Islands.	Kurtec Pipeline Services Ltd Equity Trust House, 28-30 The Parade, St Helier, JE1 1EQ Jersey, Channel Islands.	K2 International Ltd * Equity Trust House, 28-30 The Parade, St Helier, JE1 1EQ Jersey, Channel Islands.	Velosi America (Luxembourg) S.à r.l. 2, Avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg, Luxembourg.
Registered office								
Line of business	Holding company	Provision of consultancy and engineering services for the design of plants, construction and engineering	Provision of consultancy and engineering services	Provision of specialised asset integrity management services for the oil, gas and petrochemical industries at worldwide level	Provision of specialised management and consultancy services	Provision of specialised inspection services, management, sales support, advisory and business development services	Provision of specialised services in the area of repair of ships, tankers and other high sea vessels, and provision of rope access, testing and technical analyses	Holding company
Net participation:		1	1	1	9		1,628	107
Velosi Industries Sdn Bhd			24,925					
Velosi Malta I, Ltd.			6,948					
Velosi Malta II, Ltd.								
Velosi Sari								
Ownership interest held by Group companies:								
Direct								
Indirect								
Date of the financial statements		31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Other company information (in thousands of euros):								
Assets	49,726	1,703	59,866	6,786	303	33	2,937	111
Liabilities	18,802	1,158	31,498	3,714	235	66	158	109
Equity	30,923	546	28,368	3,072	68	(33)	2,779	2
Profit (Loss)	10,232	7	(1,250)	925	2,603	(11)	1,523	(15)

* Audited company

Name	Velosi Asia (Luxembourg) S.à r.l.	Velosi Africa (Luxembourg) S.à r.l.	Velosi Europe (Luxembourg) S.à r.l.	Velosi Poland Sp.z.o.o.	Velosi Europe Ltd *	Velosi Certification Bureau Ltd *	Intec (UK) Ltd *	Velosi International Italy Srl
Registered office	2, Avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg, L- 1653 (Luxembourg)	2, Avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg, L- 1653(Luxembourg)	2, Avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg, L- 1653 (Luxembourg)	00-203 Warszawa, ul. Bonifraterska 17, V1 p. Polska, 00-203 Warszawa, (Poland)	Unit 4 Bennet Court, Bennet Road, Reading, Berkshire, RG2 0QX Berkshire, (United Kingdom)	Unit 4 Bennet Court, Bennet Road, Reading, Berkshire, RG2 0QX Berkshire, (United Kingdom)	Brunel House, 9 Penrod Way, Heysham, Lancashire, LA3 2UZ, (United Kingdom)	23807 Merate (LC), via De Gasperi, 113, Merate, (Italy)
Line of business	Holding company	Holding company	Holding company	Publishing of other programmes	Provision of technical, engineering and industrial services	Provision of technical, engineering and industrial services	Provision of consultancy, training and human resources services	Provision of technical, engineering and industrial services
Net participation:	1,903	1,483	742	1			2,827	8
Direct								
Indirect								
Date of the financial statements	100% 31/12/2014	100% 31/12/2014	100% 31/12/2014	100% 31/12/2014	100% 31/12/2014	60% 31/12/2014	60% 31/12/2014	80% 31/12/2014
Other company information (in thousands of euros):								
Assets	1,058	2,080	928	255	11,046	672	5,423	3,699
Liabilities	1,419	1,245	576	376	9,087	1,356	1,044	344
Equity	(361)	835	352	(122)	1,959	(685)	4,378	3,355
Profit (Loss)	(545)	(60)	67	(24)	311	(64)	373	1,750

* Audited Company

Name	Velosi-PSC Srl *	IES - Velosi Norge AS *	Velosi TK Gozetim Hizmetleri Limited Sirketi	Velosi LLC *	Velosi Malta I Ltd *	Velosi Malta II Ltd *	Appius Velosi Czech Republic, s.r.o.	Velosi Industries Sdn Bhd *	Velosi Specialised Inspection Sdn Bhd *
Registered office	Via Cinqantenario, 8 - 24044 Dalmine, Bergamo (BG), (Italy)	Delevegen, 86, Post Box. 2096 N-5541 Kolnes, Kongsberg, (Norway)	1042. Caddde 1319.Sokak No.9/5 Ovecler, Ankara, (Turkey)	Azadlig Avenue 189, Apt 61, AZ1130 Baku, (Azerbaijan)	Level 5, The Mall Complex, The Mall, Floriana, (Malta)	Level 5, The Mall Complex, The Mall, Floriana, (Malta)	Prague 9, Ocelarska 35/1354 - (Czech Republic)	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, (Malaysia)	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, (Malaysia)
Line of business	Quality control, maintenance and inspection.	Quality control, maintenance and inspection	Quality control, maintenance and inspection	Provision of auxiliary services for oil and gas companies	Holding company	Holding company	Manufacturing, trade and services not listed in Appendix 1-3 of the Trade License Activity	Investments, investment property and provision of engineering services	Provision of engineering and inspection services
Net participation:	3,200	217	180	8	6,810	6,810	8	651	231
Velosi International Italy Srl	80%	60%	50%	100%	100%	100%	100%	100%	100%
Velosi Europe (Luxembourg) Ltd	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Velosi International Holding Company BSC ©	7,788	729	249	33	26,124	7,123	297	57,684	1,470
Velosi Sarl	5,034	180	259	343	118	219	258	54,378	1,811
Velosi Industries Sdn Bhd	2,754	549	(10)	(310)	26,006	6,904	39	3,306	(341)
Velosi Malta II LTD	1,512	330	(17)	(241)	(28)	(22)	32	(419)	62
Ownership interest held by Group companies:									
Direct									
Indirect									
Date of the financial statements									
Other company information (in thousands of euros):									
Assets									
Liabilities									
Equity									
Profit/(Loss)									

* Audited company

<p>Name</p> <p>Registered office</p>	<p>Kurtec Inspection Services Sdn Bhd *</p> <p>C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, (Malaysia)</p>	<p>Kurtec Inspection Services Pte Ltd</p> <p>45 Cantonment Road, 089748, (Singapore)</p>	<p>Kurtec Tube Inspection Sdn Bhd *</p> <p>C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, (Malaysia)</p>	<p>Velosi Plant Design Engineers Sdn Bhd *</p> <p>C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, (Malaysia)</p>	<p>K2 Specialist Services Pte Ltd *</p> <p>521 Bukit Batok Street 23 Unit 5E, Excel Building, 659544, (Singapore)</p>	<p>SEA Team Solutions (M) Sdn Bhd *</p> <p>C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, (Malaysia)</p>	<p>Velosi Engineering Projects Pte Ltd *</p> <p>21, Bukit Batok Crescent, Unit #25-82, WCEGA Tower, 658065 (Singapore)</p>
<p>Line of business</p>	<p>Provision of non-destructive testing (specialised NDT) services, inspection of guided wave long range ultrasonic testing (LRUT) and remote visual inspection</p>	<p>Specialised provision of non-destructive testing, which includes remote visual inspection, pipe inspection and inspection of guided wave long range ultrasonic testing</p>	<p>Provision of specialised non-destructive testing (NDT) inspection and cleaning of pipes and tanks</p>	<p>Provision of consultancy and engineering services for the design of plants, construction and engineering and the investment that they possess</p>	<p>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</p>	<p>Training/hiring of specialised staff</p>	<p>Provision of third-party inspection services</p>
<p>Net participation:</p> <p>Velosi Industries Sdn Bhd</p> <p>Kurtec Inspection Services Sdn Bhd</p> <p>Velosi Project Management Ltd</p> <p>Ownership interest held by Group companies:</p> <p>Direct</p> <p>Indirect</p> <p>Date of the financial statements</p> <p>Other company information (in thousands of euros):</p> <p>Assets</p> <p>Liabilities</p> <p>Equity</p> <p>Profit (Loss)</p>	<p>688</p> <p>65%</p> <p>31/12/2014</p> <p>799</p> <p>129</p> <p>670</p> <p>(201)</p>	<p>52</p> <p>65%</p> <p>31/12/2014</p> <p>215</p> <p>6</p> <p>209</p> <p>(77)</p>	<p>83%</p> <p>31/12/2014</p> <p>371</p> <p>18</p> <p>352</p> <p>49</p>	<p>923</p> <p>100%</p> <p>31/12/2014</p> <p>2,194</p> <p>3,681</p> <p>(1,487)</p> <p>(78)</p>	<p>8,461</p> <p>100%</p> <p>31/12/2014</p> <p>14,360</p> <p>3,772</p> <p>10,588</p> <p>132</p>	<p>100%</p> <p>31/12/2014</p> <p>6</p> <p>1</p> <p>5</p> <p>(1)</p>	<p>17</p> <p>75%</p> <p>31/12/2014</p> <p>2,945</p> <p>678</p> <p>2,268</p> <p>1,348</p>

* Audited Company

<p>Name</p> <p>Registered office</p>	<p>Velosi Energy Consultants Sdn Bhd *</p> <p>C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur (Malaysia)</p>	<p>Velosi (HK) Ltd *</p> <p>Level 12, 28 Hennessey Road, Wanchai, (Hong Kong)</p>	<p>Velosi Saudi Arabia Co Ltd *</p> <p>P.O. Box-6743, Unit No. 1, Al-Qusur, Talal Al-Doha Building, Sub of Prince Mohammad bin Fahd Road, Dhahran, 34247-3229, (Kingdom of Saudi Arabia)</p>	<p>Velosi (Vietnam) Co Ltd</p> <p>Suite 250 Petro Tower, 8 Hoang Dieu Street, Vung Tau City, (Vietnam)</p>	<p>Velosi China Ltd *</p> <p>Room 2501-2503, World Center Block A, No.18 Tao lin Road, Pudong, Shanghai PRC 200135, (China)</p>	<p>Velosi Technical Services Ltd *</p> <p>Level 12, 28 Hennessey Road, Wanchai, Hong Kong, (China)</p>
<p>Line of business</p>	<p>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</p>	<p>Provision of management services, sales support, advisory and business development services to related companies</p>	<p>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</p>	<p>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</p>	<p>Provision of consultancy for oil engineering management, technical consultancy for mechanical engineering and business management consultancy</p>	<p>Technical services and consultancy</p>
<p>Net participation:</p> <p>Velosi Industries Sdn Bid</p> <p>Velosi Sari</p> <p>Velosi (HK) Ltd</p> <p>Velosi Asia (Luxembourg) Ltd</p> <p>Kurtec Pipeline Services LTD</p> <p>Ownership interest held by Group companies:</p> <p>Direct</p> <p>Indirect</p>	<p>115</p>	<p>6</p>	<p>106</p>	<p>16</p>	<p>121</p>	<p>6</p>
<p>Date of the financial statements</p> <p>Other company information (in thousands of euros):</p> <p>Assets</p> <p>Liabilities</p> <p>Equity</p> <p>Profit (Loss)</p>	<p>100%</p> <p>31/12/2014</p> <p>3,198</p> <p>3,709</p> <p>(510)</p> <p>(803)</p>	<p>100%</p> <p>31/12/2014</p> <p>1,163</p> <p>19</p> <p>1,144</p> <p>1,510</p>	<p>60%</p> <p>31/12/2014</p> <p>12,182</p> <p>7,117</p> <p>5,065</p> <p>4,141</p>	<p>100%</p> <p>31/12/2014</p> <p>352</p> <p>597</p> <p>(245)</p> <p>(102)</p>	<p>100%</p> <p>31/12/2014</p> <p>347</p> <p>271</p> <p>76</p> <p>19</p>	<p>100%</p> <p>31/12/2014</p> <p>1,640</p> <p>339</p> <p>1,301</p> <p>31</p>

* Audited company

Name	PT Java Velosi Mandiri *	Velosi Certification WLL *	Velosi Certification Services LLC *	Velosi International Holding Company BSC (c) *	Velosi Corporate Services Sdn Bhd *	Velosi Integrity & Safety Pakistan (Pvt) Ltd*	Velosi Certification Services Co Ltd *	Velosi Siam Co Ltd *	
Registered office	Roxy Mas, Blok E.I. No. 5, Jl. K.H. Hasyim Ashari, Cideng Gambir, (Jakarta Pusa)	Block 9, Building 24, Office 21, Ground Floor, East Ahmadi, Industrial Area, P O Box # 1589, Salmiya - 22016, (Kuwait)	# 201 & 205, Block B, Abu Dhabi Business Hub, ICAD-1, Musstafah, PO Box 427 Abu Dhabi, (United Arab Emirates)	Al Adiya, Manama, Block 327, Road 2831, Building 2291, (Bahrain)	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, (Malaysia)	Office No. 401, 4th Floor, Business Centre, Block 6, P.E.C.H.S. Society, 74000 Karachi (Pakistan)	56 Silom Rd, Yada Building Fl.9/905, Suriyawongse, Bangrak, 10500 Bangkok, (Thailand)	56 Silom Rd, Yada Building Fl.9/905, Suriyawongse, Bangrak, 10500 Bangkok, (Thailand)	
Line of business	Provision of engineering consultancy services, such as quality control and non-destructive testing (NDT) inspection services, provision of skilled labor with vocational training	Provision of industrial consultancy	Provision of construction project quality management services, management system certification, etc.	Holding de un grupo de empresas comerciales, industriales o de servicios	Holding company of a group of commercial, industrial and service companies	Provision of general management, business planning, coordination, corporate finance advisory, training and personnel management services	Provision of engineering and technical services	Holding company	
Net participation:		9	65	2,498	1,139	13	238 248	24	
Indirect									
Date of the financial statements	70% 31/12/2014	100% 31/12/2014	100% 31/12/2014	100% 31/12/2014	100% 31/12/2014	70% 31/12/2014	98% 31/12/2014	97% 31/12/2014	
Other company information (in thousands of euros):									
Assets	4,936	4,883	18,062	18,887	10,596	1,213	859	125	
Liabilities	3,692	3,023	8,529	658	14,234	825	328	163	
Equity	1,244	1,860	9,534	18,229	(3,642)	387	531	(38)	
Profit (Loss)	271	203	1,115	5,944	(838)	157	86	(23)	

* Audited company

<p>Name</p> <p>Registered office</p>	<p>Velosi Certification WLL *</p> <p>Building No 121340, First Floor New Salata, C Ring Road, P.O. Box 3408, Doha, (Qatar)</p>	<p>Velosi PromService LLC</p> <p>Sadovnicheskaya Street 22/15, Building 1, 1st Floor, Office 2, 115035 Moscow, (Russian Federation)</p>	<p>PDE Inovasi Sdn Bhd *</p> <p>C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maturi, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, (Malaysia)</p>	<p>Velosi LLC *</p> <p>Post Box 261, POSTAL CODE : 131 Hamriyah, (Sultanate of Oman)</p>	<p>Velosi Bahrain WLL *</p> <p>Al Adiya, Manama, Block 327, Road 2831, Building 2291, (Bahrain)</p>	<p>Velosi Quality Management International LLC *</p> <p>205, Block B, Abu Dhabi Business Hub, ICAD-1, Mussafah, PO Box 427 Abu Dhabi, (United Arab Emirates)</p>	<p>Velosi LLC</p> <p>Yuzhno-Sakhalinsk, Kommunistichesky Prospekt, 32, Suit 610, Sakhalin, (Russia)</p>	<p>Velosi Uganda LTD</p> <p>3rd Floor, Rwenzori House, Plot 1, Lumumba Avenue, PO Box 10314 Kampala, (Uganda)</p>	<p>Line of business</p> <p>Provision of inspection and analysis and technical services in the area of qualified technical jobs</p> <p>Provision of quality assurance and control, general inspection, corrosion control and services for the supply of labor for the oil and gas industries</p> <p>Provision of consultancy and engineering services for the design, construction and engineering of the works of the plant</p> <p>Equipment certification engineering and inspection controls</p> <p>Provision of industrial inspection services, services for the management of facilities, quality and service issuance certificates</p> <p>Provision of engineering and inspection, onshore and/or offshore services</p> <p>Holding company</p> <p>Provision of business consulting and management</p>	<p>34</p> <p>75%</p> <p>31/12/2014</p> <p>25,860</p> <p>17,119</p> <p>8,741</p> <p>3,744</p>	<p>99%</p> <p>31/12/2014</p> <p>3,319</p> <p>2,489</p> <p>830</p> <p>791</p>	<p>100%</p> <p>31/12/2014</p> <p>13</p> <p>7</p> <p>6</p> <p>(1)</p>	<p>50%</p> <p>31/12/2014</p> <p>16,996</p> <p>11,311</p> <p>5,686</p> <p>2,661</p>	<p>100%</p> <p>31/12/2014</p> <p>271</p> <p>434</p> <p>(163)</p> <p>(166)</p>	<p>60%</p> <p>31/12/2014</p> <p>101</p> <p>203</p> <p>(102)</p> <p>(10)</p>	<p>100%</p> <p>31/12/2014</p> <p>189</p> <p>148</p> <p>41</p> <p>177</p>	<p>100%</p> <p>31/12/2014</p> <p>2</p> <p>5</p> <p>(3)</p> <p>(2)</p>
<p>Net participation:</p> <p>Velosi International Holding Company BSC (c)</p> <p>Velosi Certification Bureau Ltd</p> <p>Velosi Plant Design Engineers Sdn Bhd</p> <p>Ownership interest held by Group companies:</p> <p>Direct</p> <p>Indirect</p> <p>Date of the financial statements</p> <p>Other company information (in thousands of euros):</p> <p>Assets</p> <p>Liabilities</p> <p>Equity</p> <p>Profit (Loss)</p>																	

* Audited company

<p>Name</p> <p>Registered office</p> <p>Line of business</p>	<p>Velosi CBL (M) Sdn Bhd *</p> <p>C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, (Malaysia)</p> <p>Provision of equipment inspection services</p>	<p>Velosi LLC</p> <p>Suite 22, Building 56, Alimaty Block 6, (Kazakhstan)</p> <p>Provision of services in the area of industrial safety</p>	<p>Rima-V Ltd</p> <p>Unit 1703, 17/F, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong, (China)</p> <p>Holding company</p>	<p>Velosi (B) Sdn Bhd *</p> <p>Lot 5211, Spg. 357, Jin Maulana, KA 2931 Kuala Belait, (Negara Brunei Darussalam)</p> <p>Provision of quality control and engineering services for the oil and gas industries</p>	<p>Velosi Urak FZC</p> <p>E-LOB Office No E2-119G-13, Hamriyah Free Zone, Sharjah, (UAE)</p> <p>Business and management consultancy</p>
<p>Net participation:</p> <p>Velosi Certification Bureau Ltd</p> <p>Velosi International Holding Company BSC ©</p> <p>Ownership interest held by Group companies:</p> <p>Direct</p> <p>Indirect</p> <p>Date of the financial statements</p> <p>Other company information (in thousands of euros):</p> <p>Assets</p> <p>Liabilities</p> <p>Equity</p> <p>Profit (Loss)</p>	<p>1</p> <p>60%</p> <p>31/12/2014</p> <p>158</p> <p>64</p> <p>94</p> <p>3</p>	<p>80%</p> <p>31/12/2014</p> <p>209</p> <p>158</p> <p>51</p> <p>(19)</p>	<p>50%</p> <p>31/12/2014</p> <p>-</p> <p>-</p> <p>-</p>	<p>50%</p> <p>31/12/2014</p> <p>4,002</p> <p>1,475</p> <p>2,526</p> <p>1,851</p>	<p>4</p> <p>60%</p> <p>31/12/2014</p> <p>683</p> <p>608</p> <p>75</p> <p>(7)</p>

* Audited company

Name	Velosi Certification Services LLC	Velosi Philippines Inc *	Velosi Ukraine LLC	Dija & Furat Quality Assurance, LLC.	AppiusVelosi OMS Co. Ltd *	Steel Test (Pty) Ltd *	Velosi (Ghana) Ltd *	Velosi Angola Prestacao de Servicos Ltda *
Registered office	17, Chinkent Street, Mirobod District, 100029 Tashkent, (Uzbekistan)	1004, 10F, Pagbig WT Tower, Cebu Business Park, Ayala, Cebu City, (Philippines)	4Mykoly, Hrinchenka Street, 03680 Kyiv, (Ukraine)	Ramadan Area, District 623-S, No.1, Baghdad, (Iraq)	108, Jin-ha, Seosang, Uiju, Ulsan, (Republic of Korea)	28 Senator Rood Road, 1930 Vereeniging, (Republic Of South Africa)	P.O.Box OS 0854, OSU, ACCRA,, (Ghana)	Rua Marien Ngouabi, 37, 5th Floor, Apt 53, Malanga, Luanda, (Angola)
Line of business	Provision of inspection, certification, monitoring and other types of business activity	Provision of business process outsourcing	Provision of ancillary services in the oil and natural gas industries	Provision of inspection, quality control and certification services	Provision of inspection, quality control and certification services	Pipe and steel thickener testing	Provision of inspection, quality control and certification services.	Provision of quality assurance and control, inspection, supply of technical manpower, certification and regulatory inspection, NDE specialised services and engineering
Net participation:	6	100%	56	100%	1,574	3,685	56	17
Velosi Europe (Luxembourg) Ltd.	80%	100%	100%	100%	67%	100%	100%	75%
Velosi Europe Ltd.	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Velosi Industries Sdn Bhd	8	285	75	177	786	3,272	1,689	29,729
Velosi Africa (Luxembourg) Ltd	262	259	203	1,034	583	1,365	1,763	18,958
Appius Velosi America LLC	(254)	26	(128)	(858)	203	1,907	(74)	10,771
Ownership interest held by Group companies:	(153)	20	(112)	(489)	10	133	26	341
Direct								
Indirect								
Date of the financial statements								
Other company information (in thousands of euros):								
Assets								
Liabilities								
Equity								
Profit/(Loss)								

* Audited company

Name	Velosi Superintendend Nigeria Ltd *	Velosi SA (Pty) Ltd *	Velosi Mozambique LDA	K2 Do Brasil Services Ltda *	Applus Velosi America LLC *	Applus Velosi Canada Ltd	Testrex Inspection, LLC *
Registered office	C/o The Law Union, 10 Balarabe Musa Crescent, Victoria Island, Lagos, Nigeria.	1st Floor, AMR Building I, Concorde Road East, Bedfordview, 2008 Gauteng, South Africa.	Avenida Kim Il Sung, 961 - Bairro Sommershield - Distrito Urbano I, Maputo Cidade - Moçambique.	Avenida Nossa Senhora da Gloria, 2427, Sobrelaja, Sala 01, Cavaleiros, Macae - RJ, CEP27920-360, Macae, Brazil.	222 Pennbriht, Suite 230, Houston, TX 77090 Texaz, United States of America.	c/o Merani Reimer LLP, Suite 300, 714, 1st Street SE, Calgary, Alberta, T2G 2G8, Canada	222 Pennbriht, Suite 230, Houston, TX 77090, USA
Line of business	Provision of services (quality assurance and control, general inspection, corrosion control and supply of labor) for the oil and gas industries	Provision of services related with the quality of the oil and gas industries	Provision of consultancy services and technical assistance in the oil and gas	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	Provision of labor supply services for the oil and gas industries	Provision of labor supply services for the oil and gas industries	Provision of labor supply services for the oil and gas industries
Net participation:	829	100%	100%	100%	100%	100%	100%
Velosi Africa (Luxembourg) Ltd		31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014	31/12/2014
K2 International Ltd							
Velosi International Holding Company BSC (c)							
Applus Velosi America LLC							
Ownership interest held by Group companies:							
Direct							
Indirect							
Date of the financial statements							
Otros datos(en Miles de Euros):							
Assets	2,051	2,091	-	1,511	32,875	919	5,181
Liabilities	4,965	3,658	-	1,857	34,238	1,304	996
Equity	(2,914)	(1,567)	-	(346)	(1,363)	(385)	4,184
Profit (Loss)	122	(597)	-	82	(153)	(323)	445

* Audited company

<p>Name</p> <p>Registered office</p> <p>Line of business</p>	<p>Velosi (PNG) Ltd</p> <p>Level 3, Pacific Place, Corner Musgrave Street & Champion Parade, Port Moresby, NCD, (Papua New Guinea)</p> <p>Architecture and engineering technical services and related technical consultancy</p>	<p>Velosi Australia Pty Ltd *</p> <p>Jetstream Business Park, suite a3 5 Grevillea Place Eagle Farm qld 4009</p> <p>Holding company</p>	<p>QA Management Services Pty Ltd *</p> <p>Suite 5/202 Hampden Rd, 6009 Nedlands, WA, (Australia)</p> <p>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</p>	<p>Velosi Turkmenistan</p> <p>Ashgabat City, Kopetdag District, Turkmenbashi, Avenue, No. 54, (Turkmenistan)</p> <p>No line of business</p>	<p>Velosi Do Brasil Ltda</p> <p>Praia Do Flamengo 312, 9 Andar Parte Flamengo, Rio De Janeiro, (Brazil)</p> <p>No line of business</p>
<p>Net participation:</p> <p>Appius Velosi America LLC</p> <p>Velosi Australia Pty Ltd</p> <p>Steel Test (Pty) Ltd</p> <p>Ownership interest held by Group companies:</p> <p>Direct</p> <p>Indirect</p> <p>Date of the financial statements</p> <p>Other company information (in thousands of euros):</p> <p>Activos</p> <p>Liabilities</p> <p>Equity</p> <p>Profit (Loss)</p>	<p>100%</p> <p>31/12/2014</p> <p>30</p> <p>53</p> <p>(23)</p> <p>(7)</p>	<p>100%</p> <p>31/12/2014</p> <p>7,959</p> <p>6,388</p> <p>1,571</p> <p>597</p>	<p>5,428</p> <p>100%</p> <p>31/12/2014</p> <p>4,926</p> <p>682</p> <p>4,244</p> <p>143</p>	<p>100%</p> <p>31/12/2014</p> <p>-</p> <p>-</p> <p>-</p>	<p>98%</p> <p>31/12/2014</p> <p>-</p> <p>-</p> <p>-</p>

* Audited company

<p>Name</p>	<p>Applus K2 America, LLC</p>	<p>Applus K2 America, LLC 222 Pembright, Suite 230, Houston, TX 77090, (USA)</p>	<p>Applus K2 America, LLC</p>	<p>Providing solutions for owners and operators of drilling rigs and FPSO in America, including inspection services, repair and maintenance, structural design and analysis and training services.</p>
<p>Registered office</p>	<p>Applus Velosi Angola, Lda. *</p>	<p>Rua Marechal Brós Tito, n.º 35-37 Piso 13, Fracção B Edifício Escom (Angola)</p>	<p>Applus Velosi Angola, Lda. *</p>	<p>Provision of quality assurance and control, inspection, supply of technical manpower, certification and specialised services in NDT and engineering.</p>
<p>Line of business</p>	<p>Applus Velosi Egypt, LLC *</p>	<p>5 A Khaled Abn El Walid Street Sheraton Nozha Cairo, (Egypt)</p>	<p>Applus Velosi Egypt, LLC *</p>	<p>Provision of engineering consultancy in the oil sector, the maritime business, power generation and mining, as well as management consulting</p>
<p>Net participation:</p>	<p>Applus Velosi America LLC Velosi Australia Pty Ltd Steel Test (Pty) Ltd</p>	<p>100% 100% 100%</p>	<p>31/12/2014 31/12/2014 31/12/2014</p>	<p>100% 100% 100%</p>
<p>Ownership interest held by Group companies:</p>	<p>Direct Indirect</p>	<p>- -</p>	<p>- -</p>	<p>181 319</p>
<p>Date of the financial statements</p>	<p>Other company information (in thousands of euros):</p>	<p>Assets</p>	<p>Liabilities</p>	<p>Equity</p>
<p>Profit (Loss)</p>	<p>1,617</p>	<p>1,730</p>	<p>26,835 25,105</p>	<p>(139) (130)</p>

* Audited company