Applus Services, S.A. and Subsidiaries

Consolidated Financial Statements for the year ended 31 December 2015, prepared in accordance with International Financial Reporting Standards (EU-IFRSs) as adopted by the European Union, and Consolidated Director's Report together with Auditor's Report

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 32). In the event of a discrepancy, the Spanish-language version prevails.

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

Barcelona, 24 February 2016

D. Christopher Cole
Chairman

D. Pedro de Esteban Ferrer
Director

D. Mario Pardo Rojo
Director

D. Fernando Basabe Armijo
Director

D. Nicolás Villén Jiménez
Director

D. Ernesto Gerardo Mata López
Director

D. Alex Wagenberg Bondarovschi
Director

D. John Daniel Hofmeister
Director

D. Richard Campbell Nelson
Director

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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 consolidated 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 32). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of
Apples Services, S.A. and Subsidiaries,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Applus Services, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

Directors' Responsibility for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the consolidated equity, consolidated financial position and consolidated results of Applus Services, S.A. and Subsidiaries in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain (identified in Note 2.a to the accompanying consolidated financial statements) and for such internal control as the directors determine is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Parent's directors of the consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of Applus Services, S.A. and Subsidiaries as at 31 December 2015, and their consolidated results and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Report on Other Legal and Regulatory Requirements

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

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purposes only

Raimon Ripoll

25 February 2016

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

(Thousands of Euros)

ASSETS	Notes	31/12/2015	31/12/2014	EQUITY AND LIABILITIES	Notes	31/12/2015	31/12/2014
NON-CURRENT ASSETS:				**EQUITY:**			
Goodwill	4	**527.988**	**497.268**	**Share capital and reserves**			
Other intangible assets	5	**581.549**	**592.147**	Share capital		11.770	11.770
Property, plant and equipment	7	**209.207**	**194.148**	Share premium		313.525	350.857
Non-current financial assets	8	**13.966**	**12.722**	Retained earnings and other reserves		281.617	239.837
Deferred tax assets	20.3	**85.355**	**85.921**	Net consolidated profit attributable to the Parent		38.244	23.761
Total non-current assets		1.418.065	1.382.206	Treasury Shares		(7.883)	(5.407)
				Valuation adjustments			
				Foreign currency translation reserve		(33.122)	(25.954)
				EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT		**604.151**	**594.864**
				NON-CONTROLLING INTERESTS	13	**47.145**	**38.709**
				Total equity	12	**651.296**	**633.573**
				NON-CURRENT LIABILITIES:			
				Non-current provisions	17 & 27	**28.888**	**29.329**
				Bank borrowings	14	**767.380**	**753.231**
				Other financial liabilities	15	**24.047**	**28.284**
				Deferred tax liabilities	20.4	**161.317**	**169.852**
CURRENT ASSETS:				**Other non-current liabilities**	18	**13.198**	**11.281**
Inventories	9	**10.106**	**7.878**	**Total non-current liabilities**		**994.830**	**991.977**
Trade and other receivables							
Trade and other receivables	10	374.228	363.520	**CURRENT LIABILITIES:**			
Trade receivables from related companies	10 & 28	9.779	8.351	**Current provisions**		**1.886**	**2.175**
Other receivables	10	23.378	30.145	**Bank borrowings**	14	**52.504**	**36.872**
Corporate income tax assets	20.2	12.305	14.380	**Trade and other payables**	19	**300.603**	**286.925**
Other current assets		13.183	10.216	**Trade and other payables to related companies**	19 & 28	**2.498**	**1.713**
Current financial assets	11	**4.258**	**4.646**	**Corporate income tax liabilities**	20.2	**15.693**	**13.676**
Cash and cash equivalents	11	**162.437**	**149.688**	**Other current liabilities**	18	**8.429**	**4.119**
Total current assets		609.674	588.824	Total current liabilities		381.613	345.480
TOTAL ASSETS		2.027.739	1.971.030	TOTAL EQUITY AND LIABILITIES		2.027.739	1.971.030

The accompanying Notes 1 to 32 and Appendices I and II are an integral part of the consolidated statement of financial position as at 31 December 2015.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 32), In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR 2015

(Thousands of Euros)

	Notes	2015	2014
CONTINUING OPERATIONS:			
Revenue	21.a	1.701.473	1.618.717
Procurements		(246.490)	(248.125)
Staff costs	21.b	(863.353)	(830.372)
Other operating expenses		(393.954)	(354.908)
Operating profit before depreciation, amortisation and others		**197.676**	**185.312**
Depreciation and amortisation charge	5 & 7	(97.128)	(91.867)
Impairment and gains or losses on disposal of non-current assets	23	126	2.972
Other results	21.c	(10.208)	(20.390)
OPERATING PROFIT:		**90.466**	**76.027**
Financial result	22	(24.628)	(36.588)
Share of profit of companies accounted for using the equity method		1.799	2.255
Profit before tax		**67.637**	**41.694**
Corporate Income tax	20	(19.705)	(10.587)
Net Profit from continuing operations		**47.932**	**31.107**
PROFIT FROM DISCONTINUED OPERATIONS NET OF TAX:		-	-
NET CONSOLIDATED PROFIT:		**47.932**	**31.107**
Profit attributable to non-controlling interests	13	9.688	7.346
NET CONSOLIDATED PROFIT ATTRIBUTABLE TO THE PARENT:		**38.244**	**23.761**
Profit per share (in euros per share):	12		
- Basic		**0,296**	**0,195**
- Diluted		**0,296**	**0,195**

The accompanying Notes 1 to 32 and Appendices I and II are an integral part of the consolidated statement of profit or loss for 2015.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 32). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2015
(Thousands of Euros)

	2015	2014
NET CONSOLIDATED PROFIT:	**47.932**	**31.107**
1. Other comprehensive income:		
a) Items that will not be transferred to profit or loss	-	-
b) Items that could be transferred to profit or loss:		
Exchange differences on translating foreign operations	(4.270)	(7.519)
Fair value gain on hedging instruments entered into for cash flow hedges	-	-
Income tax effect of other comprehensive income	-	-
2. Transfers to the statement of profit or loss:	-	-
Other comprehensive result	**(4.270)**	**(7.519)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**43.662**	**23.588**
Total comprehensive income for the year attributable to:		
- The Parent	31.076	15.751
- Non-controlling interests	12.586	7.837
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**43.662**	**23.588**

The accompanying Notes 1 to 32 and Appendices I and II are an integral part of the consolidated statement of comprehensive income for 2015.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 32), In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 2015

(Thousands of Euros)

(Notes 12 & 13)	Share capital	Share premium	Retained earnings and other reserves	Foreign currency translation reserve	Treasury shares	Profit / (loss) for the year attributable to the Parent	Non-controlling interests	Total equity
Balance at 31/12/2013	**654.731**	**52.926**	**(231.086)**	**(17.944)**	**-**	**(170.079)**	**34.701**	**323.249**
Changes in the scope of consolidation	-	-	826	-	-	-	378	**1.204**
Allocation of 2013 loss	-	-	(170.079)	-	-	170.079	-	**-**
Capital increase expenses charged to equity	-	-	(5.683)	-	-	-	-	**(5.683)**
Dividends paid	-	-	-	-	-	-	(4.302)	**(4.302)**
Capital reduction charged to reserves	(645.030)	-	645.030	-	-	-	-	**-**
Capital increase	2.069	297.931	-	-	-	-	-	**300.000**
Treasury shares	-	-	-	-	(5.407)	-	-	**(5.407)**
Other changes	-	-	829	-	-	-	95	**924**
2014 comprehensive income	-	-	-	(8.010)	-	23.761	7.837	**23.588**
Balance at 31/12/2014	**11.770**	**350.857**	**239.837**	**(25.954)**	**(5.407)**	**23.761**	**38.709**	**633.573**
Changes in the scope of consolidation	-	-	(3.123)	-	-	-	1.612	**(1.511)**
Allocation of 2014 profit	-	-	23.761	-	-	(23.761)	-	**-**
Dividends paid	-	-	(16.902)	-	-	-	(6.000)	**(22.902)**
Capital reduction charged to reserves	-	(37.332)	37.332	-	-	-	-	**-**
Treasury shares	-	-	3.485	-	(2.476)	-	-	**1.009**
Other changes	-	-	(2.773)	-	-	-	238	**(2.535)**
2015 comprehensive income	-	-	-	(7.168)	-	38.244	12.586	**43.662**
Balance at 31/12/2015	**11.770**	**313.525**	**281.617**	**(33.122)**	**(7.883)**	**38.244**	**47.145**	**651.296**

The accompanying Notes 1 to 32 and Appendices I and II are an integral part of the consolidated statement of changes in equity for 2015.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 32). In the event of a discrepancy, the Spanish-language version prevails.

APPLUS SERVICES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2015

(Thousands of Euros)

	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit from operating activities before tax		**67.637**	**41.694**
Adjustments of items that do not give rise to operating cash flows			
Depreciation and amortisation charge	5 & 7	97.128	91.867
Gain on disposal of subsidiaries		(2.188)	(4.048)
Changes in provisions and allowances		(4.954)	(1.572)
Financial result	22	24.628	36.588
Share of profit of companies accounted for using the equity method	8	(1.799)	(2.255)
Gains or losses on disposals of property, plant and equipment		246	1.039
Gains or losses on disposals of intangible assets		120	38
Profit from operations before changes in working capital (I)		**180.818**	**163.351**
Changes in working capital			
Changes in trade and other receivables		(2.488)	(10.822)
Changes in inventories	9	(2.228)	(612)
Changes in trade and other payables		11.430	(3.256)
Cash generated by changes in working capital (II)		**6.714**	**(14.690)**
Corporate Income tax		(27.956)	(25.486)
Cash flows from income tax (III)		**(27.956)**	**(25.486)**
NET CASH FLOW FROM OPERATING ACTIVITIES (A)= (I)+(II)+(III)		**159.576**	**123.175**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Business combinations		-	1.978
Payments due to acquisition of subsidiaries and other non-current financial assets		(57.722)	(25.676)
Proceeds from disposal of subsidiaries		1.000	13.192
Payments due to acquisition of one-off assets		(10.326)	(9.240)
Payments due to acquisition of intagible and tangible assets		(40.327)	(38.587)
Net cash flows used in investing activities (B)		**(107.375)**	**(58.333)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from equity instruments	12	-	291.880
Interest received		3.895	2.267
Interest paid		(21.364)	(27.196)
Net changes in non-current financing (proceeds and payments)		7.104	(363.071)
Net changes in current financing (proceeds and payments)	12	(11.644)	6.415
Dividends		(16.902)	-
Dividends paid by Group companies to non-controlling interests	13	(6.000)	(4.302)
Net cash flows used in financing activities (C)		**(44.911)**	**(94.007)**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (D)		**5.459**	**(2.024)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D)		**12.749**	**(31.189)**
Cash and cash equivalents at beginning of year		**149.688**	**180.877**
Cash and cash equivalents at end of year		**162.437**	**149.688**

The accompanying Notes 1 to 32 and Appendices I and II are an integral part of the consolidated statement of cash flows for 2015.

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Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 33). In the event of a discrepancy, the Spanish-language version prevails.

Applus Services, S.A. and Subsidiaries

Notes to the Consolidated Financial Statements for the year ended 31 December 2015

1. Group activities

Applus Services, S.A. (formerly Applus Technologies Holding, S.L. hereinafter -"the Parent"-) has been the Parent of the Applus Group ("the Applus Group" or "the Group") since 29 November 2007 and was incorporated on 5 July 2007 as a private limited liability company for an indefinite period of time under the name of Libertytown, S.L., which was changed to Applus Technologies Holding, S.L. on 10 July 2008. It adopted its current name on 4 March 2014. On 4 March 2014, the shareholders at the Parent's Annual General Meeting resolved to change the Parent from a private limited liability company to a public limited liability company.

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 18 June 2015, the Parent Annual General Meeting amended its company purpose. The Parent's company purpose is as follows:

- To provide services in relation to the transport sector and vehicle and highway safety (engineering processes, design, testing, approval and certification of used cars), as well as technical inspections in sectors other than the automotive sector, with a blanket exclusion of activities that are covered by special legislation.

- The technical audits of all types of installations for technical inspection or control of vehicles located anywhere in Spain or abroad, as well as any other type of technical inspection other than vehicles.

- The draw up and execution of all types of studies and projects in relation to the abovementioned activities: economic, industrial, property, information technology, market surveys and research, as well as the supervision, direction and provision of services and advice in the execution thereof. Provision of services, advice, administration, operation and management, whether technical, fiscal, legal or commercial.

- Business intermediation services, both locally and abroad.

- To provide all types of inspection services and quality and quantity control, regulatory inspection, collaboration with administration, consultancy, audit, certification, approval, personnel training and qualification, and technical assistance in general in order to improve the organization and management of quality, safety and environmental aspects.

- To carry out studies, works, measurements, tests, analyses and controls, in laboratories or in situ, and such other professional methods and actions considered necessary or advisable, in particular those related to manufacturing materials, equipment, products and installations, in the fields of mechanics, electricity, electronics and information technology, transport and communications, administrative organization and office automation, mining, food, environment, construction and civil works, performed during the stages of design, planning, manufacturing, construction and assembly and commissioning, maintenance and production for all types of companies and entities, both public and private, as well as before the Central State Administration, the Administrations of Autonomous Communities, Provinces and Municipalities, and all types of agencies, institutions and users, whether within the country or abroad.

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

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

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

On 29 November 2007, the Parent acquired all of the shares (100%) of Applus Servicios Tecnológicos, S.L.U., at that date the holding company of the Applus Group. From that date until 9 May 2014, the Applus Group became a wholly-owned investee of Azul Holding S.C.A. which, in turn, is an investee of funds managed by The Carlyle Group.

On 21 December 2012, the Velosi Group was acquired by the Applus Group. The transaction was carried out through the non-monetary contribution of the shares representing the entire share capital of Azul Holding 2 S.à r.l., sole shareholder of the Velosi Group, by Azul Holding, S.C.A., shareholder of the Parent.

On 7 May 2014, the Board of Directors, acting under powers delegated from the Parent's General Meeting of 25 March 2014, resolved unanimously to request admission to listing on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and the concomitant launch of an initial public offering of new shares on the Spanish Stock Exchanges, a process which was completed successfully. Therefore, the Parent's shares have been listed on the stock market since 9 May 2014 (see Note 12.a).

The subsidiaries and associates directly or indirectly owned by the Parent and included in the scope of consolidation are shown in Appendix I.

The subsidiaries and associates directly or indirectly owned by the Parent and excluded from the scope of consolidation either because they are dormant companies or because effective control over them is not exercised by the shareholders of the Applus Group are shown in Appendix II.

2. Basis of presentation and basis of consolidation

2.a Basis of presentation of the consolidated financial statements

a) Basis of presentation

These consolidated financial statements for 2015 were authorised for issue by the Parent's Directors at the Board of Directors Meeting held on 24 February 2016. The 2015 consolidated financial statements of the Group and the 2015 financial statements of the Group companies have not yet been approved by their shareholders at the respective Annual General Meetings. The Parent's Board of Directors considers that these financial statements will be approved without any changes. The Group's consolidated financial statements for 2014 were approved by the shareholders at the Parent's Annual General Meeting of 18 June 2015.

Since 2005 the Parent's Directors have prepared the Applus Group's consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs), in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council and taking into account all the mandatory accounting principles and rules and measurement bases and the Spanish Commercial Code, the Spanish Limited Liability Companies Law and other Spanish corporate law applicable to the Group. They were prepared from the separate accounting records of the Parent and of each of the consolidated companies (detailed in Appendix I) and, accordingly, they present fairly the Group's consolidated equity, consolidated financial position, consolidated results of operations, changes in consolidated equity and consolidated cash flows under EU-IFRSs and the regulatory financial reporting framework applicable to the Group.

The consolidated financial statements for 2015 were prepared from the separate accounting records of the Parent and of each of the consolidated companies (detailed in Appendix I). However, since the accounting policies and measurement basis used in preparing the Group's consolidated financial statements for 2015 (EU-IFRSs) occasionally differ from those used by the Group companies (local standards), all the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with the International Financial Reporting Standards adopted in Europe.

The accounting policies used to prepare these consolidated financial statements comply with all the EU-IFRSs in force at the date of their preparation. The EU-IFRSs provide for certain alternatives regarding their application. The alternatives applied by the Group are described in Notes 2 and 3.

The preparation of the consolidated financial statements for 2015 took into account all the mandatory accounting principles and rules and measurement bases with a material effect thereon, as well as the alternative treatments permitted by the relevant standards in this connection, which are specified in Note 3.

b) Comparative information

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

In 2015 the Group completed the measurement process at fair value of the assets and liabilities acquired on 29 October 2014 from Ingelog Group within the one-year deadline stipulated in IFRS 3, Business Combination, and consequently retrospectively recognised the goodwill arising from this business combination. Adjustments were therefore made to the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss, the consolidated statement of cash flows and the consolidated statement of changes in equity at 31 December 2014 (see Notes 3.a and 5).

The main changes for the year 2014 made as a result of the retrospective measurement at fair value of assets and liabilities acquired are as follows:

- Decrease in the goodwill of EUR 6,441 thousand.
- Increase in the net intangible assets associated with customer portfolio of EUR 8,332 thousand (gross value of EUR 8,426 thousand and an accumulated depreciation at 31 December 2014 amounting to EUR 94 thousand).
- Increase in the deferred tax liabilities of EUR 2,082 thousand (initial amount of EUR 2,106 thousand reduced by the tax effect of the amortisation for the year 2014 amounting to EUR 24 thousand).
- Increase in the other current financial assets of EUR 121 thousand.
- Increase in the loss for the year and reduction in equity of EUR 70 thousand (due to the amortisation of the intangible assets to which the goodwill was allocated and its related tax effect).

c) *Responsibility for the information and use of estimates*

The information in these consolidated financial statements is the responsibility of the Parent's Directors who are responsible for the preparation of the consolidated financial statements in accordance with the applicable regulatory financial reporting framework (see section a) above) and for the internal control measures that they consider necessary to make it possible to prepare the consolidated financial statements free from material misstatement.

In the Group's consolidated financial statements for 2015, estimates were made by the Group Executive Committee and of the consolidated companies, later ratified by their Directors, in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate mainly to the following:

- The measurement of goodwill (see Notes 3.a and 4)
- The impairment losses on certain assets (see Notes 3.d, 6 and 23)
- The recovery of deferred tax assets (see Note 20)
- The useful life of the property, plant and equipment and intangible assets (see Notes 3.b and 3.c)
- The assumptions used in measuring the fair value of the financial instruments and the assets and liabilities in the business combinations (see Note 3.m)
- Income from pending to be billed services (see Note 3.s)
- Provisions and contingent liabilities (see Notes 3.l, 17 and 27)
- Corporate income tax and deferred tax assets and liabilities (see Note 20)

Although these estimates were made on the basis of the best information available at 31 December 2015 on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in accordance with the requirements of IAS 8, recognising the effects of the change in estimates in the related consolidated statement of profit or loss or consolidated statement of changes in equity, as appropriate.

d) *Presentation currency*

These consolidated financial statements are presented in thousands of euros, since this is the currency of the main economic area in which the Group operates. Foreign operations are recognised in accordance with the policies described in Note 3.

e) Changes in accounting policies

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

f) Materiality

When determining the information to be disclosed in these notes to the consolidated financial statements on the various line items in the consolidated financial statements or on other matters, the Group took into account the materiality principle.

2.b Basis of consolidation and changes in the scope of consolidation

a) Subsidiaries

Subsidiaries are those entities over which the Applus Group 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. Also, in order to assess whether the Applus Group controls another entity the existence and the effect of the exercise or conversion of potential voting power is taken into consideration. The subsidiaries are consolidated from the date on which control is transferred to the Applus Group and are excluded from consolidation on the date that control ceases to exist. Appendix I discloses the most significant information about these entities.

The financial statements of the subsidiaries are fully consolidated with those of the Parent. Accordingly, all material balances and effects of the transactions between consolidated companies are eliminated on consolidation.

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

The businesses acquired are recognised using the acquisition method so that the assets, liabilities and contingent liabilities of a subsidiary are measured at their acquisition-date fair values. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill (see Notes 3.a and 4). Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit or loss on the acquisition date. The interest of non-controlling shareholders is stated at their proportion of the fair values of the assets and liabilities recognised.

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

- The equity of their subsidiaries is presented within the Group's equity under "Non-Controlling Interests" in the consolidated statement of financial position (see Note 13).

- The profit for the year is presented under "Profit Attributable to Non-Controlling Interests" in the consolidated statement of profit or loss (see Note 13).

The results of subsidiaries acquired during the year are included in the consolidated statement of profit or loss from the date of acquisition to year-end. Similarly, the results of subsidiaries disposed of during the year are included in the consolidated statement of profit or loss from the beginning of the year to the date of disposal only.

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

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

b) Associates

Associates are companies over which the Parent 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.

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

If as a result of losses incurred by an associate its equity were negative, the investment should be presented in the Group's consolidated statement of financial position with a zero value, unless the Group is obliged to give it financial support.

There are no jointly controlled entities that are proportionately consolidated.

c) Changes in accounting policies and in disclosures of information effective in 2015

In 2015 new accounting standards came into force and were therefore taken into account when preparing the accompanying consolidated financial statements.

The following standards have been applied in these consolidated financial statements, with no significant impact on the presentation here of and disclosures herein:

New standards, amendments and interpretations:	Content:	Obligatory application in annual reporting periods beginning on or after:
IFRIC 21, Levies (issued in May 2013)	This interpretation addresses the accounting for a liability to pay a levy that is triggered by an entity undertaking an activity on a specified date.	17 June 2014 (1)
Improvements to IFRSs, 2011-2013 cycle (issued in December 2013)	Minor amendments to a series of standards.	1 January 2015 (2)

(1) The EU endorsed IFRIC 21 (EU Gazette of 14 June 2014), changing the original effective date established by the IASB (1 January 2014) to 17 June 2014.

(2) The effective date of this standard established by the IASB was on or after 1 July 2014.

Since their entry into force on 1 January 2015, the Group has applied the aforementioned standards and interpretations which did not have any significant impacts on the preparation of the consolidated financial statements.

d) *Accounting policies issued but not yet in force in 2015*

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

New standards, amendments and interpretations		**Obligatory application in annual reporting periods beginning on or after:**
Approved for use in the European Union:		
Amendments to IAS 19, Defined Benefit Plans to the employee contributions	The amendments were issued to allow employee contributions to be deducted from the service cost in the same period in which they are paid, provided certain requirements are met.	1 February 2015
Improvements to IFRSs, 2010-2012 cycle	Minor amendments to a series of standards.	1 February 2015
Amendments to IAS 16 and IAS 38, Clarification of Acceptable Methods of Depreciation and Amortisation (issued in May 2014)	Clarify the acceptable methods of amortisation and depreciation of property, plant and equipment and intangible assets.	1 January 2016
Amendments to IFRS 11, Accounting for Acquisitions of Interests in Joint Operations (issued in May 2014)	Provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.	1 January 2016
Amendments to IASs 16 and 41: Bearer Plants (issued in June 2014)	Bearer plants shall be measured at cost rather than at fair value.	1 January 2016
Improvements to IFRSs, 2012-2014 cycle (issued in September 2014)	Minor amendments to a series of standards.	1 January 2016
Amendments to IFRS 1: Disclosure Initiative (Decembrer 1)	Various clarifications in relation to disclosures (materiality, aggregation, order of the notes, etc.).	1 January 2016
Amendments to IAS 27, Equity Method in Separate Financial Statements (issued in August 2014)	The amendments permit the use of the equity method in the separate financial statements of an investor.	1 January 2016
Not yet approved for use in the European Union at the date of publication of this document		
New standards		
IFRS 9, Financial Instruments (last phase issued in July 2014)	Replaces the requirements in IAS 39 relating to the classification, measurement, recognition and derecognition of financial assets and financial liabilities, hedge accounting and impairment.	1 January 2018
IFRS 15, Revenue from Contracts with Customers (issued in May 2014)	New revenue recognition standard (supersedes IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31).	1 January 2018
IFRS 16, Leases (issued in January 2016)	The new standard on leases, which supersedes IAS 17. Lessees are required to recognise all leases as though they were financed purchases.	1 January 2019
Amendments and interpretations		
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities	Clarification in relation to the exception from consolidation for investment entities.	1 January 2016
Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued in September 2014)	Clarification in relation to the gain or loss resulting from such transactions involving a business or assets.	Not defined date

The Parent's Directors have not considered the early application of the standards and interpretations detailed above and, in any event, application thereof will be considered by the Group once they have been approved, as the case may be, by the European Union.

In any case, the Parent's Directors have assessed the potential impact of applying these standards in the future and consider that their entry into force will not have a material effect on the Group's consolidated financial statements.

e) Changes in the scope of consolidation

e.1. Inclusions in the scope of consolidation in 2015:

In 2015 the following companies were included in the scope of consolidation:

- Companies acquired in 2015:
  - X-Ray Industries, Inc.
  - Composite Inspection Solutions, LLC
  - Thermalogix, LLC
  - XRI Nray Services, LLC
  - Arcadia Aerospace Industries, LLC
  - NRAY Services Inc.
  - NRay USA, Inc.
  - SKC Management Group Ltd.
  - SKC Engineering Ltd.
  - SKC Inspection and Non-Destructive Testing Inc.
  - James Allan Holdings Ltd.
  - MxV Engineering Inc.

- Companies incorporated in 2015:
  - Applus Velosi Kenya Limited
  - K2 Specialist Services FZE
  - Applus Santa Maria del Buen Ayre, S.A..
  - Precision for Engineering Services, Project Management, Vocational Training and Importation of Man Power LLC.
  - Libertytown USA 3, Inc.
  - Applus Management Services, Inc.
  - Applus Aerospace UK Limited.
  - Oman Inspection & Certification Services LLC.

e.1.1. Companies acquired in 2015

On 12 February 2015, the Group acquired from the US group IAG (Integrity Aerospace Group Inc.) all the share capital of X-Ray Industries, Inc., all the share capital of Composite Inspection Solutions, LLC, all the share capital of Thermalogix, LLC and 50% of the share capital of XRI Nray Services, LLC (X-Ray Industries Group), for a fixed amount of USD 36.2 million (approximately EUR 32.1 million). There is no earn-out in this acquisition.

On 12 February 2015, the Group acquired from the US group IAG (Integrity Aerospace Group Inc.) and other minority shareholders, 70% of the share capital of Arcadia Aerospace Industries, LLC (Arcadia) for USD 1 plus a capital contribution of USD 5 million (approximately EUR 4.4 million). Also, the agreement establishes a maximum earn-out of USD 20 million (approximately EUR 17.7 million) based on certain financial targets that should be achieved by Arcadia Aerospace Industries, LLC and Composite Inspection Solutions, LLC in 2014, 2015 and 2016. The Group considers that the conditions for the earn-out to be paid for an amount of USD 2 million (approximately EUR 1.8 million), will be met and, accordingly, it was considered when determining the acquisition cost of the ownership interest.

On 12 February 2015, the Group acquired from a family group all the share capital of the Canadian company NRAY Services, Inc., all the share capital of NRay USA, Inc. and 50% of the share capital of XRI NRay Services, LLC (N-Ray Group), for a fixed amount of USD 11.7 million (approximately EUR 10.3 million). There is no earn-out in this acquisition.

N-Ray and X-Ray Industries groups are integrated in the Applus+ RTD business division, and Arcadia Aerospace Industries, LLC and Composite Inspection Solutions, LLC are integrated in the Applus+ Laboratories business division.

On 30 November 2015, the Group acquired from the Canadian group SKC, all the share capital of SKC Management Group Ltd., SKC Engineering Ltd., SKC Inspection and Non-Destructive Testing Inc. and James Allan Holdings Ltd., and 50% of the share capital of MxV Engineering Inc., for CAD 2.1 million (approximately EUR 1.5 million). Also, the agreement includes a maximum earn-out of CAD 4 million (approximately EUR 2.7 million) based on certain financial targets that should be achieved by SKC Engineering Ltd., SKC Inspection and Non-Destructive Testing Inc. and MxV Engineering Inc. in 2015, 2016, 2017 and 2018. The Group considers that the conditions for the earn-out to be paid for an amount of CAD 2.1 million (approximately EUR 1.4 million) will be met and, accordingly, this amount was considered when determining the acquisition cost of the ownership interest. The SKC Group is integrated in the Applus+ RTD business division.

The most significant information on the aforementioned acquisitions is as follows (in thousands of euros):

	X-Ray Industries Group	N-Ray Group	Arcadia	SKC Group	Total
Non- current assets	17,116	8,620	4,487	481	**30,704**
Receivables	4,076	337	617	1,111	**6,141**
Cash and cash equivalents	69	58	292	104	**523**
Non- current liabilities	(3,700)	(2,189)	-	(668)	**(6,557)**
Current liabilities	(1,277)	(294)	(500)	(769)	**(2,840)**
Value of assets and liabilities acquired	**16,284**	**6,532**	**4,896**	**259**	**27,971**
% of ownership	**100%**	**100%**	**70%**	**100%(*)**	
Value of assets and liabilities acquired net of non-controlling interests	**16,284**	**6,532**	**3,427**	**250**	**26,493**
Acquisition cost	**32,067**	**10,327**	**6,192**	**2,939**	**51,525**
Goodwill (Note 4)	**15,783**	**3,795**	**2,765**	**2,689**	**25,032**

(*)The Group owns all share capital of SKC Group except MxV Engineering Society Inc., whose participation rate is 50%.

In the second half of the year, the Group's measurement at fair value of assets and liabilities of X-Ray Industries Group and N-Ray Group was completed. Therefore, the values presented in the Interim Condensed Consolidated Financial Statements of 30 June 2015 have retrospectively changed.

At the date of preparation of these Consolidated Financial Statements, the assets and liabilities' valuation process at fair market value of the SKC Group, has not been completed and the goodwill allocation is provisional. The Directors of the Parent Company consider that the assets and liabilities' valuation process and the goodwill allocation will be completed in 2016, and applied retrospectively as stated in IFRS 3 – Business Combinations.

e.1.2. Companies incorporated in 2015

On 12 January 2015, the investees Velosi Africa (Luxembourg) S.à r.l. and Velosi Industries Sdn Bhd have incorporated Applus Velosi Kenya Limited with a share capital of KES 100 thousand (approximately EUR 926).

On 15 May 2015, Velosi Industries Sdn Bhd has incorporated the company K2 Specialist Services FZE with a share capital of 150 thousand United Arab Emirates dirhams (approximately EUR 36 thousand).

On 18 June 2015, Applus Iteuve Argentina, S.A. has incorporated Applus Santa Maria del Buen Ayre, S.A. with a share capital of ARS 4 million (approximately EUR 404 thousand).

On 18 June 2015, Applus RTD Gulf DMCC has incorporated Precision for Engineering Services, Project Management, Vocational Training and Importation of Man Power LLC. with a share capital of IQD 4,000,000 (approximately EUR 3,353).

On 19 October 2015, Röntgen Technische Dienst Holding B.V. has incorporated Libertytown USA 3, Inc. with a share capital of USD 1,000 (approximately EUR 924).

On 19 October 2015, Libertytown USA 3, Inc. has incorporated Applus Management Services, Inc. with a share capital of USD 1,000 (approximately EUR 924).

On 9 November 2015, Applus RTD UK Holding Limited has incorporated Applus Aerospace UK Limited with a share capital of GBP 1 (approximately EUR 1). This company has acquired certain assets of the British companies Material Measurements Limited and Caparo Engineering Limited, on 19 November 2015 (see Note 5).

On 15 December 2015, Velosi (HK) Ltd. and an external partner have incorporated Oman Inspection & Certification Services LLC., holding each one 50% of the share capital, which amounts to OMR 500 thousand (approximately EUR 209 thousand).

e.2. Changes in the scope of consolidation in 2015

On 1 January 2015, Libertytown USA 1, Inc. has acquired all the share capital held by Applus Servicios Tecnológicos, S.L.U. in Libertytown USA Finco, Inc. for USD 100 (approximately EUR 82).

On 1 January 2015, Libertytown Australia Pty Ltd has sold all the shares of John Davidson & Associates Pty Ltd and JDA Wokman Limited, to the Group company Velosi Industries Sdn Bhd for EUR 6 million.

On 1 January 2015, Velosi Industries Sdn Bhd has sold all the shares of Steel Test, Pty to the Group company Röntgen Technische Dienst Holding B.V. for EUR 3 million.

On 12 February 2015, the investees Ontario, Ltd. and NRAY Services, Inc. have merged.

On 17 April 2015, Applus Norcontrol, S.L.U. has sold all the shares of Novotec Consultores, S.A.U. to the Group company Applus Servicios Tecnológicos, S.L.U. for EUR 9,948 thousand.

On 18 June 2015, Applus Testing Norway, AS. has changed its company name to Applus Laboratories, AS.

On 18 June 2015, Norcontrol Panamá, S.A. has changed its company name to Applus Norcontrol Panamá, S.A.

On 31 December 2015, Applus RTD USA Aerospace Holding Inc. has sold all the shares of Composite Inspection Solutions LLC to the Group company Applus Laboratories USA Inc., for USD 90 thousand (approximately EUR 83 thousand).

On 15 December 2015, Velosi Project Management Limited has sold the 75% shares of Velosi Engineering Projects Pte Ltd to the Group company Velosi Industries Sdn Bhd. The transfer of shares was carried out by means of a distribution of dividends in kind, through which Velosi Project Management transferred 30,000 Velosi Engineering Projects Pte Ltd shares to Velosi Industries Sdn Bhd and to Mr Prasenjit Mukherjee on a pro-rata basis. The estimated value of this share transfer was USD 21.1 thousand (approximately EUR 19.5 thousand).

On 31 December 2015, NRAY Services Inc. has sold all the shares of NRAY USA Inc. to the Group company Applus RTD USA Aerospace Holding, Inc., for USD 52 thousand (approximately EUR 48 thousand).

e.3. Exclusions from the scope of consolidation in 2015

On 2 February 2015, Applus Lgai Belgelendirme ve Muayene, Ltd., which had been dormant, was liquidated, which did not have a material impact on the Group's consolidated statement of profit or loss.

On 9 March 2015, Applus RTD AG, which had been dormant, was liquidated, which did not have a material impact on the Group's consolidated statement of profit or loss.

On 20 April 2015, Applus RTD France Holding, S.A.S. sold the French company Applus RTD France, S.A.S. for EUR 1, which did not have a material impact on the Group's consolidated statement of profit or loss.

On 23 June 2015, the Company Rina-V Limited was liquidated, which did not have a material impact on the Group's consolidated statement of profit or loss.

On 31 July 2015, the Company Velosi (Vietnam) Co., Ltd., which had been dormant, was liquidated, which did not have a material impact on the Group's consolidated statement of profit or loss.

On 31 August 2015, Röntgen Technische Dienst Holding BV sold the Danish company Applus RTD Denmark, AS for EUR 1,926 thousand, which did not have a material impact on the Group's consolidated statement of profit or loss.

On 23 September 2015, the Company Applus Portugal, Ltda., which had been dormant, was liquidated, which did not have a material impact on the Group's consolidated statement of profit or loss.

On 4 October 2015, the Company Velosi Uruk, PFZ was liquidated, which did not have a material impact on the Group's consolidated statement of profit or loss.

On 18 December 2015, the Company Velosi Technical Services Limited., was liquidated, which did not have a material impact on the Group's consolidated statement of profit or loss.

On 31 December 2015 Applus RTD Canada Holding (2010) Inc. has transferred 0.1% interest in Applus RTD Canada LP to RTD Quality Services Inc. by way of dividend-in-kind. As a consequence, Applus RTD Canada LP is terminated and liquidated at 31 December 2015. These operations do not have a material impact on the Group's consolidated statement of profit or loss.

e.4. Inclusions in the scope of consolidation in 2014:

In 2014 the following companies were included in the scope of consolidation:

- Companies acquired in 2014 (all correspond to the Group Ingelog, except for Applus RTD, LLC):
  - Ingelog Consultores de Ingeniería y Sistemas, S.A.
  - Ingeandina Consultores de Ingeniería, S.A.S.
  - Ingelog Guatemala Consultores de Ingenieria y Sistemas, S.A.

- Ingelog Costa Rica, S.A.
- Ingelog Servicios Generales, Ltda.
- Applus RTD, LLC

• Companies incorporated in 2014:

- Applus K2 America, LLC
- Applus Velosi Egypt, LLC
- K1 Total, OY
- Applus RTD USA Aerospace Holding, Inc
- Applus Laboratories USA, Inc.
- 2445805 Ontario Ltd.
- Applus Velosi Angola, Limitada

e.4.1. Companies acquired in 2014

On 29 October 2014, the Group acquired all the share capital of the Chilean companies forming part of the Ingelog Group for a fixed amount of CLP 13,445,647 thousand (approximately EUR 17.4 million at that date). The agreement also includes an earn-out provision tied to certain financial goals to be achieved by the Ingelog Group. The Group considered that the earn-out to be satisfied amounted to CLP 1,282,508 thousand (EUR 1.7 million) and, accordingly, it was taken into account when determining the acquisition cost of the ownership interest. Of the companies acquired -Ingelog Servicios Generales, Ltda. and Ingelog Consultores de Ingeniería y Sistemas, S.A.(parent)- the latter forms a subgroup with three subsidiaries, Ingeandina Consultores de Ingenieria, S.A.S., Ingelog Costa Rica, S.A. and Ingelog Guatemala Consultores de Ingeniería y Sistemas, S.A.

The most significant information on the aforementioned acquisition, once already made the definitive fair value of assets and liabilities during the year 2015 (see Notes 2.b and 5), is as follows (in thousands of euros):

	Group Ingelog
Non- current assets	10,380
Trade and other payables	5,654
Cash and cash equivalents	1,928
Non- current liabilities	(4,693)
Current liabilities	(429)
Value of assets and liabilities acquired	**12,840**
% of ownership	**100%**
Value of assets and liabilities acquired net of non-controlling interests	**12,840**
Acquisition cost	**18,962**
Goodwill (Note 4)	**6,122**

On 24 December 2014, RTD Holding B.V. (99%) and Arctosa Holding B.V. (1%) acquired Applus RTD, LLC with a share capital of RUB 10 thousand (EUR 0.1 thousand).

e.4.2. Companies incorporated in 2014

On 23 June 2014, Applus Velosi America, LLC was incorporated Applus K2 America, LLC with a share capital of USD 1 thousand (EUR 833).

On 11 August 2014, Velosi Africa (Luxembourg) S.à r.l. and Velosi S.A. (Propietary) Ltd. was incorporated Applus Velosi Egypt, LLC with a share capital of EGP 200 thousand (EUR 21 thousand).

On 25 August 2014, Applus Iteuve Technology S.L.U. was incorporated K1 Total, OY with a share capital of EUR 2,500.

On 18 November 2014, the subsidiary Velosi Africa (Luxembourg), S.à r.l incorporated with another partner Applus Velosi Angola, Limited of which it holds 49% of the share capital amounting to AOA 191,404 (EUR 1,506).

On 25 November 2014, Libertytown USA 2, Inc. incorporated Applus RTD USA Aerospace Holding Inc. with a share capital of USD 1 (EUR 0.8).

On 25 November 2014, LGAI Technological Center, S.A. incorporated Applus Laboratories USA, Inc. with a share capital of USD 1 (EUR 0.8).

On 12 December 2014, RTD Holding B.V. incorporated 2445805 Ontario Ltd. with a share capital of CAD 1 (EUR 0.7).

e.5. Changes in the scope of consolidation in 2014

On 1 January 2014, the investees A-Inspektion, AS and Applus Denmark, S.A. merged. Also, the companies A-Inspektion Invest Aps and Synshallen Arhus havn Aps, that was a subsidiary of A-Inspektion, AS.

Additionally, Steel Test (PTY) Limited and Velosi SA (PTY) Ltd. incorporated Velosi Mozambique LDA on an equal-footing basis with a share capital of MZN 100 thousand (EUR 2 thousand).

The subsidiary John Davidson Australia, Pty. Limited incorporated Applus Velosi DRC, S.à r.l. through monetary contributions of USD 9 thousand (EUR 7 thousand), giving it an ownership interest of 90%. Also, on 28 February 2014 the non-controlling shareholder entered into an agreement to transfer 10% of the shares to John Davidson Australia, Pty. Ltd., making the latter the sole shareholder of Applus Velosi DRC, S.à r.l.

e.6. Exclusions from the scope of consolidation in 2014

On 26 February 2014, Applus RTD K.K., which was dormant, was liquidated, without significant impact on the Group's consolidated statement of profit or loss.

On 14 March 2014, the Group sold the agrofood business division owned partly by LGAI Technological Center, S.A., Applus Norcontrol, S.L., Applus Portugal, LTDA and Applus Quality Inspection Co, Ltd. for a total of EUR 10,394 thousand, and all of the ownership interest of Irtapplus, S.L. (including 75.42% of the shares of Applus Agroambiental, S.A.). A portion (EUR 8,244 thousand) of the price obtained from the sale of the food and agriculture business was collected when the purchase and sale agreement was executed, and the remaining EUR 2,150 thousand was deposited in the form of a guarantee by the buyer to cater for possible adjustments to the price, the deadline for payment of which is 30 June 2016. The impact of this sale on the consolidated statement of profit or loss for 2014 amounted to a gain of EUR 2.769 thousand.

On 30 September 2014, Röntgen Technische Dienst Holding, B.V. sold Röntgen Technische Dienst, N.V. for EUR 6 million. The impact of this sale on the consolidated statement of profit or loss for 2014 amounted to a gain of EUR 4,100.

3. Accounting policies

The principal accounting policies used in preparing the Group's consolidated financial statements, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, were as follows:

a) Goodwill

Goodwill represents the excess of the cost of the combination over the fair value of the interest in the net identifiable assets of a subsidiary, jointly controlled entity or acquired associate at the acquisition date. Goodwill relating to the acquisition of subsidiaries or jointly controlled entities is included in intangible assets and goodwill relating to the acquisition of associates is included in investments accounted for using the equity method.

The cost of a business combination is the aggregate of:

- The acquisition-date fair value of the assets acquired, the liabilities assumed and the equity instruments issued.

- The fair value of any contingent consideration that depends on future events or on the fulfilment of certain specified conditions.

The costs incurred to issue equity or debt securities given up in exchange for the items acquired are not included in the cost of a business combination.

Also, the cost of a business combination does not include the fees paid to legal advisers and other professionals involved in the combination or, clearly, any costs incurred internally in this connection. Such amounts are charged directly to profit or loss.

If the business combination is achieved in stages and, therefore, the acquirer already held an equity interest in the acquiree immediately before the acquisition date (the date on which control is obtained), the goodwill or gain on a bargain purchase is the difference between:

- The cost of the business combination, plus the acquisition-date fair value of any equity interest previously held by the acquirer in the acquiree; and

- The fair value of the identifiable assets acquired less the fair value of the liabilities assumed, determined as indicated above.

Any gain or loss resulting from the remeasurement at fair value of the previously held equity interest in the acquiree at its acquisition-date fair value on the date control is obtained is recognised in the consolidated statement of profit or loss. If the investment in this investee had previously been measured at fair value, any valuation adjustments not yet recognised in profit or loss will be transferred to the consolidated statement of profit or loss. Also, the cost of a business combination is presumed to be the best reference for estimating the acquisition-date fair value of any previously held equity interest.

Goodwill arising on the acquisition of companies with a functional currency other than the euro is measured in the functional currency of the acquirer and is translated to euros at the exchange rates prevailing at the consolidated statement of financial position date.

If, exceptionally, a gain on a bargain purchase arises from the business combination, it is recognised as income in the consolidated statement of profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete and the provisional amounts may be adjusted in the period required to obtain the necessary information. However, the measurement period shall not exceed one year from the acquisition date. The effects of the adjustments made in that period are recognised retrospectively and comparative information for prior periods must be revised as needed.

Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss, unless the consideration has been classified as equity, in which case subsequent changes in its fair value are not recognised.

If, subsequent to obtaining control, there are transactions to sell or purchase the shares of a subsidiary without losing control thereof, the impacts of these transactions not leading to a change in control are recognised in equity and the amount of goodwill arising on consolidation is not adjusted.

Pursuant to paragraph 81 of IAS 36, when goodwill cannot be allocated to an individual cash-generating unit, it is allocated to homogeneous groups of cash-generating units that correspond to the lowest level at which the goodwill can be monitored by the Directors for internal management purposes.

The assets and liabilities acquired on 29 October 2014 from Ingelog Group were measured provisionally at the end of 2014 as at the date upon which control of the company was acquired. The measurement carried out in 2014 was reviewed in 2015 pursuant to IFRS 3, Business Combinations. At 31 December 2015, the assets and liabilities acquired on 29 October 2014 from Ingelog Group were measured conclusively, and the goodwill generated on this acquisition was recognised retrospectively (see Notes 2.b and 5) by making adjustments to the prior period consolidated statements.

b) Other intangible assets

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

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

Intangible assets are measured and amortised as follows:

- Administrative concessions or similar items that have been acquired by onerous title are amortised on a straight-line basis over the concession term. The initial cost (fee) and, where applicable, the present value of the future payments which are deemed to be necessary when the assets are handed over to the grantor are included in this line item.

- Trademarks and trademark licence agreements are measured based on the future royalty income stream from their use. Trademarks and trademark licence agreements are considered to have a finite useful life and are amortised over 25 years, with the exception of the trademark and trademark licence agreement associated with the Velosi Group, which are being amortised over 10 years.

- The administrative authorisations relate to vehicle roadworthiness testing services in Spain (Catalonia) and abroad which the Group manages under this name. The main administrative authorisations relate to Spain and Finland (see Note 5). In the case of Spain, considering the opinion of the Group's advisers regarding the possible positioning of the Catalonia Autonomous Community Government regarding the renewal of the administrative authorisation of that Autonomous Community at finalization of the current established period, which ends in 2035, management decided in 2013 to start amortising the cost of the authorisation over the 23 years remaining to maturity, until 2035 (see Note 27.b). In the case of Finland, although the administrative authorisation has an indefinite useful life, it is estimated that the economic value of this authorisation will be recovered in 10 years and, therefore, it is being amortised over this period, until 2020.

- Customer portfolios are amortised based on the life of the agreements entered into with the customers.

- Asset usage rights relate to machinery and fixtures used by the Group in the performance of its business activity and are subject to reversal. They are amortised over the residual useful life of the assets to which they correspond, from the acquisition date of the right of use, based on an estimate by an independent valuer.

- Computer software is amortised on a straight-line basis over five years. Computer system maintenance costs are recognised with a charge to the consolidated statement of profit or loss for the year in which they are incurred.

c) *Property, plant and equipment*

Property, plant and equipment are recognised at acquisition or production cost.

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

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognised as additions to property, plant and equipment, and the items replaced or renewed are derecognised.

Periodic maintenance, upkeep and repair expenses are recognised in the consolidated statement of profit or loss on an accrual basis as incurred.

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

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

The assets that have to be handed over to the Government at the end of the concession term will have been fully depreciated at this date.

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment losses.

Assets held under finance leases (see Note 3.g) are recognised in the corresponding asset category and are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the lease agreement. At 31 December 2015, "Property, Plant and Equipment" in the consolidated statement of financial position included EUR 19,813 thousand (31 December 2014: EUR 19,520 thousand) relating to assets held under finance leases (see Note 7).

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

d) *Impairment of non-financial assets*

Intangible assets with an indefinite useful life or intangible assets that cannot be used are not amortised or depreciated and are tested for impairment annually. Assets that are amortised or depreciated are tested for impairment whenever an event or a change in circumstances indicates that their carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. For the purpose of impairment loss assessment, assets are grouped at the lowest levels for which there are largely independent separately identifiable cash inflows (cash-generating units (CGUs)). The cash-generating units defined by the Group are detailed in Notes 4 and 5.

Pursuant to paragraph 81 of IAS 36, when goodwill cannot be allocated to an individual cash-generating unit, it is allocated to homogeneous groups of cash-generating units that correspond to the lowest level at which the goodwill can be monitored by the Directors for internal management purposes. In these cases, as established in paragraphs 88 and 89 of IAS 36, these individual cash-generating units are tested for impairment to assess the recoverability of the intangible assets specifically associated with them (see Note 6). In this case, impairment losses on these intangible assets could arise even when the related goodwill is not impaired.

The impairment losses on non-financial assets recognised previously (other than goodwill) are reviewed for possible reversal at each reporting date.

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

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, without exceeding the carrying amount existing prior to the recognition of the impairment loss, less any depreciation or amortisation that should have been recognised. The reversal of an impairment loss on an asset is credited to the consolidated statement of profit or loss.

The method used by the Group to test impairment distinguishes between businesses with indefinite and definite lives. Five-year projections and a perpetuity rate of return from the sixth year are used for businesses with indefinite lives. Projections based on the actual term of the related contract are used for assets with finite lives relating to the rendering of services or concessions. In this case, the probability of their renewal was not considered in preparing the related cash flow projections.

In both cases the projections were based on reasonable and well-founded assumptions and were prepared in accordance with the Group's budget for 2016 and with the Group's strategic plan for 2017-2020 based on past experiencee e and the best estimates available at the date on which the related impairment tests were carried out using the market information available. The projections envisage growth in volume and improvements to margins arising solely from the organic growth that the Group Executive Committee 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.

Together with the impairment test on the various cash-generating units carried out at least at each year-end, the Group also performs a sensitivity analysis of the main assumptions affecting the calculation. The main assumptions used by the Group in testing for impairment and the results of the sensitivity analysis are described in Note 6.

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

e) Financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables.

The classification of financial assets depends on their nature and purpose at the time of their initial recognition. All acquisitions and sales of financial assets are recognised and derecognised at the transaction date.

At 2015 year-end the only financial assets the Group had were held-to-maturity investments (see Notes 8 and 11) and loans and receivables (see Note 10).

The effective interest method is used to measure the amortised cost of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of a financial instrument. However, given the nature of the assets classified under "Financial Assets", they are generally recognised at their original acquisition cost, since they mature within less than one year.

Upon completion of such impairment tests as might be required, any losses arising therefrom are recognised directly by reducing the amounts presented under "Non-Current Financial Assets" in the consolidated statement of financial position.

The Group 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, non-recourse factoring of trade receivables in which the Group does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinated debt, provide any kind of guarantee or assume any other kind of risk.

However, the Group does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of bill discounting and the recourse factoring.

Lastly, at least at each consolidated statement of financial position date, it is determined whether there is any indication that an asset or group of assets might have become impaired so that an impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their value in use.

f) Information on the environment

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

In view of the Group's business activity, at 31 December 2015 and 2014 it did not have any significant assets of this nature.

g) Operating and finance leases

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

Finance leases

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

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

Operating leases

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

Leases do not have grace periods or compensation clauses giving rise to a future payment obligation that could have a significant impact on these consolidated financial statements.

h) *Inventories*

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

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

i) *Trade and other receivables*

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

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

j) *Current financial assets, cash and cash equivalents*

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

The balance of cash and cash equivalents recognised in the consolidated statement of financial position as at 31 December 2015 and 2014 includes the bank balances, available cash and the current financial assets maturing within three months.

k) *Government grants*

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

a) Non-refundable grants, donations or legacies related to assets: these are measured at the fair value of the amount or the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the period depreciation taken on the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss, except for grants received from shareholders or owners, which are recognised directly in non-current liabilities and do not give rise to the recognition of any income.

b) Refundable grants: while they are refundable, they are recognised as a non-current liability.

c) Grants related to income: grants related to income are credited to income when granted, unless their purpose is to finance losses from operations in future years, in which case they are allocated to income in those years. If grants are received to finance specific expenses, they are allocated to income as the related expenses are incurred.

l) *Provisions and contingent liabilities*

When preparing the consolidated financial statements the Parent's Directors make a distinction between:

- Provisions:

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

- Contingent liabilities:

  Contingent liabilities are all the possible obligations that arise from past events and whose future existence and associated loss are estimated to be unlikely. In accordance with IFRS, the Group does not recognise any provision in this connection. However, as required, the contingent liabilities are disclosed in Note 27.b.

The Group's legal advisers and Directors consider that the outcome of litigation and claims will not have a material effect on the accompanying consolidated financial statements. Provisions are recognised when the Group has a present obligation, whether legal or constructive, as a result of past events with respect to which it is more likely than not to entail an outflow of resources to settle the obligation and when the amount thereof has been estimated reliably.

Provisions are recognised when the unavoidable costs of meeting the obligations under onerous contracts exceed the benefits expected to be received thereunder.

Provisions are measured at the present value of the amount necessary to settle the obligation at the consolidated statement of financial position date based on the best estimate available.

When it is expected that a portion of the disbursement necessary to settle the provision will be reimbursed by a third party, the reimbursed amount is recognised as an independent asset, provided that receipt thereof is virtually assured.

m) *Derivative financial instruments and hedge accounting*

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

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

The sole financial derivative product held by the Group at 31 December 2015, is the one related to treasury shares detailed in Note 3.z. In 2015 the Group did not arrange any other financial derivative products either.

n) *Pension obligations, post-employment benefits and other employee benefit obligations*

The defined benefit liability recognised in the consolidated statement of financial position relates to the present value of the defined benefit obligations existing at year-end, less the fair value at the aforementioned date of the plan assets.

The income or expense related to the defined benefit plans is recognised in the consolidated statement of profit or loss and is obtained as a result of the addition of the costs of services rendered in 2015 and the actuarial losses. The difference between the projected and actual performance of the plan assets forms part of the actuarial gains or losses. Also, the Group immediately recognises the past service cost as a period expense in the consolidated statement of profit or loss.

The present value of the defined benefit obligations, the cost of services rendered and past service costs, is calculated annually by independent actuaries in accordance with the projected unit credit method. The discount interest rate is determined based on the market rates of high-quality company bonds and debentures denominated in the currency in which the benefits will be paid and with terms and maturities similar to those of the related benefits.

The asset or liability for defined benefits is recognised as current or non-current based on the realisation period or maturity of the related benefits.

The Group recognises the contributions to the defined contribution plans while workers render their services. The amount of the contributions earned by the employees is registered as an expense in the consolidated statement of profit or loss and as a liability if the amounts paid are inferior to the expense. In case that the amounts paid are higher than the expense, the Group only recognizes assets in the way that can be used to offset the future payments, or can be settled in cash.

The contributions made are registered under the heading "Staff Costs" in the consolidated statement of profit or loss.

However, the Group's defined benefit and defined contribution pension and other post-employment benefit obligations are not material (see Note 17).

<u>*Other employee benefit obligations*</u>

The Group has established, with its key personnel, specific remuneration plans based on the following characteristics:

a) Annual variable remuneration to certain Group personnel subject to the achievement of certain financial targets in 2015.

b) Three-yearly variable remuneration to certain executive of the Group subject to the achievement of certain financial targets in 2014, 2015 and 2016 (see Notes 19 and 29).

c) Special incentive plan granted, related to the Group Initial Public Offering (IPO), to 10 Senior Executive of the Group that consists of conferring Restricted Stock Units (RSU) which are convertible to shares in the Parent, in favour of the Senior Executive based on a continuing service for a determined period of time. The first delivery of shares was made in May 2015. The next two deliveries of these shares will be made in May 2016 and May 2017 (see Notes 19 and 29).

d) Incentive plan granted in 2015 to certain executive and employees of the Group consisting of the delivery of RSUs (convertible into Parent's shares) to the executive or employee based on continuing service for a specified period of time. The first delivery of these shares will be made in March 2016 (see Notes 19 and 29).

o) Debts and current/non-current classification

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

p) *Financial liabilities*

Financial liabilities are classified into the following categories: financial liabilities at fair value through the consolidated statement of profit or loss and other financial liabilities. At 2015 year-end the Group only had other financial liabilities.

Other financial liabilities (including loans and trade and other payables) are recognised at amortised cost using the effective interest method.

Effective interest method

The effective interest method is used to measure the amortised cost of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of a financial instrument. The Group recognises trade payables at their nominal value, without any explicit interest accrual, since they mature within less than one year.

The Group derecognises financial liabilities only when the obligations are settled, cancelled or expire. The difference between the carrying amount of derecognised financial liabilities and the payment made is recognised in the consolidated statement of profit or loss.

q) *Transactions in currencies other than the euro*

The Group's functional currency is the euro. Therefore, all balances and transactions in currencies other than the euro are deemed to be "foreign currency transactions". At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates prevailing on the consolidated statement of financial position date. Any resulting gains or losses are recognised directly in the consolidated statement of profit or loss. The balances in the financial statements of the consolidated companies with a functional currency other than the euro are translated to euros as follows:

- Assets and liabilities are translated by applying the exchange rates prevailing at the closing date.

- Income, expenses and cash flows are translated at the average exchange rates for the year.

- Equity items are translated at the historical exchange rates.

- Translation differences arising as a consequence of the application of this method are presented under "Equity Attributable to Shareholders of the Parent - Foreign Currency translation reserve" in the accompanying consolidated statement of financial position.

The detail of the equivalent euro value of the main assets in foreign currency held by the Group at 31 December 2015 and 2014 is as follows (in thousands of euros):

Balances held in:		31/12/15	31/12/14
US dollar	USD	484,565	446,118
Canadian dollar	CAD	74,008	66,606
Pound sterling	GBP	66,580	55,854
Danish krone	DKK	54,493	55,593
Australian dollar	AUD	41,555	37,252
Chilean peso	CLP	41,213	39,220
Qatari riyal	QAR	24,826	22,213
Singapore dollar	SGD	23,089	21,219
Saudi riyal	SAR	21,872	13,687
Colombian peso	COP	20,520	19,620
United Arab Emirates dirham	AED	20,367	16,755
Chinese yuan	CNY	19,213	15,549
Brazilian real	BRL	15,336	15,821
Czech koruna	CZK	13,058	14,309
Indonesian rupiah	IDR	11,940	10,643
Malaysian ringgit	MYR	11,556	11,120
Mexican peso	MXN	10,227	7,145
Argentine peso	ARS	9,258	8,854
Norwegian krone	NOK	8,557	9,469
Guatemala quetzal	GTQ	5,787	5,001
Panamanian balboa	PAB	5,643	3,070
Papua New Guinean kina	PGK	4,754	5,784
Other		72,555	23,312
Total		**1,060,972**	**924,214**

The detail of the main foreign currency balances according to their nature at year end 2015 and 2014 is as follows:

2015

Nature of the balances	Thousands of euros					
	US dollar	Danish krone	Canadian dollar	Pound sterling	Australian dollar	Chilean peso
Non-current Assets	385,504	51,430	60,198	47,748	25,479	28,757
Current Assets	99,061	3,063	13,810	18,832	16,076	12,456
Liabilities – Equity	309,840	4,134	7,705	10,060	7,890	6,515

Nature of the balances	Thousands of euros					
	Brazilian real	Chinese yuan	Colombian peso	Norwegian krone	Singapore dollar	Qatari riyal
Non-current Assets	7,258	6,445	2,080	4,645	2,640	1,639
Current Assets	8,078	12,768	18,440	3,912	20,449	23,187
Liabilities – Equity	3,424	4,874	10,078	2,089	6,382	10,774

Nature of the balances	Thousands of euros					
	Malaysian ringgit	Papua New Guinean kina	Argentine peso	Saudi riyal	Indonesian rupiah	United Arab Emirates dirham
Non-current assets	2,148	155	1,398	909	308	1,147
Current assets	9,408	4,599	7,860	20,963	11,632	19,220
Liabilities – Equity	16,466	(25)	4,625	6,118	4,569	5,898

Nature of the balances	Thousands of euros				
	Czech koruna	Mexican peso	Panamanian balboa	Guatemala quetzal	Other
Non-current assets	6,727	2,203	446	432	7,756
Current assets	6,331	8,024	5,197	5,355	64,799
Liabilities – Equity	3,048	4,866	2,633	1,431	11,295

2014

Nature of the balances	Thousands of euros					
	US dollar	Danish krone	Canadian dollar	Pound sterling	Australian dollar	Chilean peso
Non-current assets	304,323	52,322	46,678	33,494	24,811	26,365
Current assets	141,795	3,271	19,928	22,360	12,441	12,855
Liabilities – Equity	298,318	4,680	5,185	9,890	6,783	4,304

Nature of the balances	Thousands of euros					
	Brazilian real	Chinese yuan	Colombian peso	Norwegian krone	Singapore dollar	Qatari riyal
Non-current assets	7,220	6,078	2,066	4,517	3,108	1,539
Current assets	8,601	9,471	17,554	4,952	18,111	20,674
Liabilities – Equity	3,641	3,924	8,600	2,738	4,490	7,635

Nature of the balances	Thousands of euros					
	Malaysian ringgit	Papua New Guinean kina	Argentine peso	Saudi riyal	Indonesian rupiah	United Arab Emirates dirham
Non-current assets	2,901	215	814	930	190	916
Current assets	8,219	5,569	8,040	12,757	10,453	15,839
Liabilities – Equity	31,910	2,147	3,351	5,306	6,237	4,825

Nature of the balances	Thousands of euros				
	Czech koruna	Mexican peso	Panamanian balboa	Guatemala quetzal	Other
Non-current assets	6,955	1,768	366	394	3,666
Current assets	7,354	5,377	2,704	4,607	19,646
Liabilities – Equity	4,541	2,842	1,407	1,371	4,961

The average and closing rates used in the translation to euros of the balances held in foreign currency for years 2015 and 2014 are as follows:

1 Euro		2015		2014	
		Average rate	Closing rate	Average rate	Closing rate
Danish krone	DKK	7.46	7.46	7.46	7.44
Norwegian krone	NOK	8.93	9.49	8.34	9.31
Czech koruna	CZK	27.28	27.03	27.55	27.63
United Arab Emirates dirham	AED	4.08	3.97	4.90	4.58
Canadian dollar	CAD	1.41	1.51	1.47	1.45
Singapore dollar	SGD	1.52	1.54	1.69	1.63
US dollar	USD	1.11	1.08	1.33	1.25
Papua New Guinean kina	PGK	3.00	3.16	3.52	3.33
Angolan kwanza	AOA	132.03	147.00	130.95	127.05
Pound sterling	GBP	0.73	0.73	0.81	0.79
Argentine peso	ARS	10.12	14.40	10.79	10.66
Chilean peso	CLP	724.28	764.68	758.04	771.80
Colombian peso	COP	3,028.57	3,621.00	2,655.94	3,064.00
Mexican peso	MXN	17.57	18.45	17.66	18.34
Brazilian real	BRL	3.67	4.20	3.12	3.40
Qatari riyal	QAR	4.05	3.95	4.86	4.54
Malaysian ringgit	MYR	4.32	4.66	4.35	4.34
Saudi riyal	SAR	4.17	4.06	5.00	4.68
Indonesian rupiah	IDR	14,825.90	15,180.00	15,773.61	15,857.60
Chinese yuan	CNY	6.97	7.01	8.20	7.64

r) Corporate income tax, deferred tax assets and deferred tax liabilities

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 Group 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 recognised for all taxable temporary differences, except for those associated to investments in subsidiaries, branches and associates, or with share in a joint venture, when the Group can control when to revert the temporary difference and it is considered probable that will not be reverted in a foreseeable future.

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

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

Certain Group companies with registered office in Spain file consolidated tax returns as part of tax group 238/08 of which Applus Services, S.A. is the Parent. The Spanish consolidated tax Group comprises the following companies:

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

The Group also files consolidated tax returns in other countries such as the Netherlands, Australia, Finland, the US and Germany.

s) *Revenue recognition*

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

Revenue associated with the rendering of services is also recognised by reference to the percentage of completion of the transaction at the consolidated statement of financial position date, provided the outcome of the transaction can be estimated reliably. In particular, revenue from projects in progress related to the multi-industry certification or engineering business is recognised by the Group on the basis of the percentage of completion of each individual project, giving rise to a balancing entry consisting of an asset for the difference between the amount billed and the amount yet to be billed for each project.

A part of the Group's activity consists of the execution of work under contract for which a firm agreement generally exists.

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

t) *Expense recognition*

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

An expense is recognised immediately when a disbursement does not give rise to future economic benefits or when the requirements for recognition as an asset are not met.

Also, an expense is recognised when a liability is incurred and no asset is recognised, as in the case of a liability relating to a guarantee.

u) *Discontinued operations*

A discontinued operation is a business segment that it has been decided to abandon and/or dispose of in full whose assets, liabilities and net profit or loss can be distinguished physically, operationally and for financial reporting purposes.

Pursuant to IFRS 5, the revenue and expenses of discontinued operations are presented separately in the consolidated statement of profit or loss and the net assets and net liabilities are presented separately in consolidated current assets and consolidated current liabilities, respectively, for the current period only.

The Group did not discontinue any significant operation in 2015 or 2014.

v) *Segment information*

The business segments broken down in the notes to the consolidated financial statements are consistently included by the Parent's Directors on the basis of the available internal information.

The operating segments are the components of the Applus Group that involve business activities from which income is generated and expenses are incurred, including ordinary income and expenses arising from transactions with other Group components. Financial information on segments is regularly disclosed and operating results are reviewed by the Group's Directors with a view to deciding on the resources that should be allocated to the segments and evaluating their performance.

The Parent's Directors considered the following segments in these consolidated financial statements of the Applus Group: Applus+ RTD, Applus+ Velosi-Norcontrol, Applus+ Laboratories, Applus+ Automotive, Applus+ IDIADA and Others.

The Applus+ Velosi and Applus+ Norcontrol business segments completed their integration by 1 January 2015, therefore the financial information by segment is presented jointly in 2015 and 2014 (see Note 25).

w) *Consolidated statement of cash flows*

The following terms are used in the consolidated statements of cash flows:

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

x) *Equity*

The share capital is represented by ordinary shares.

The costs relating to the issuance of new shares or options, net of taxes, are recognised directly in equity as a reduction of reserves.

Dividends on ordinary shares are recognised as a decrease in equity when approved by the shareholders of the Parent.

*y) **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 Parent. 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.

*z) **Treasury shares***

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

In July 2015, the Group arranged an equity swap with a bank to cover the acquisition cost of 750,000 treasury shares, to be delivered to Group executive in March and May 2016 and whose initial value rise to EUR 7,321 thousand (see Notes 12 and 16). The accounting principles described in Note 3.m do not apply since such contract is an equity instrument.

4. Goodwill

The detail, by cash-generating unit, of the goodwill at the end of 2015 and 2014 is as follows:

Cash-generating unit	Thousands of euros					
	31/12/15			31/12/14		
	Gross value	Accumulated impairment losses	Net value	Gross value	Accumulated impairment losses	Net value
Auto Spain (*)	170,972	-	170,972	170,972	-	170,972
RTD Europe	138,404	(36,101)	102,303	139,287	(36,101)	103,186
RTD US and Canada	93,694	-	93,694	66,142	-	66,142
IDIADA	56,130	-	56,130	56,433	-	56,433
Velosi	28,144	-	28,144	26,888	-	26,888
Norcontrol Spain	21,708	(11,370)	10,338	21,708	(11,370)	10,338
Laboratories	32,129	-	32,129	29,239	-	29,239
RTD Asia and Pacific	27,912	(15,674)	12,238	27,490	(15,674)	11,816
Auto Denmark	7,501	(642)	6,859	7,501	(642)	6,859
Auto US (*)	23,274	(17,133)	6,141	23,274	(17,133)	6,141
Norcontrol LatAm	7,759	-	7,759	8,104	-	8,104
Auto Finland	52,782	(52,782)	-	52,782	(52,782)	-
Other	1,281	-	1,281	1,150	-	1,150
Total goodwill	**661,690**	**(133,702)**	**527,988**	**630,970**	**(133,702)**	**497,268**

(*) Includes the aggregate business of various concessions and administrative authorisations (see Notes 3.d and 5).

The changes in 2015 and 2014 were as follows:

	Thousands of euros
Balance at 1 January 2014	**487,882**
Changes in the scope of consolidation (Note 2.b.e.4)	6,122
Translation differences	3,264
Balance at 31 December 2014	**497,268**
Changes in the scope of consolidation (Note 2.b.e.1)	25,032
Translation differences	6,571
Disposal	(883)
Balance at 31 December 2015	**527,988**

The changes in the scope of consolidation in 2015, are mainly related to the acquisition of X-Ray Industries Group, N-Ray Group, Arcadia Aerospace Industries, LLC and SKC Group for EUR 15,783, EUR 3,795, EUR 2,765 and EUR 2,689 thousand respectively (see Note 2.b.e.1).

In 2015, the goodwill associated with Applus RTD France, SAS which was disposed during the year, has been derecognised (see Note 2.b.e.2).

The changes in the scope of consolidation in 2014 were related mainly to the acquisition of the Ingelog Group (see Note 2.b and 5).

The assumptions used in the tests to determine the impairment recognised in 2015 and 2014 are detailed in Note 6.

5. Other intangible assets

The changes in 2015 and 2014 in intangible asset accounts and in the related accumulated amortisation and impairment losses were as follows:

	2015 - Thousands of euros						
	Balance at 1 January 2015	Changes in the scope of consolidation (Note 2.b.e.1)	Additions or charge for the year	Disposals or reductions	Transfers (Note 7)	Changes in exchange rates and other	Balance at 31 December 2015
Cost:							
Administrative concessions	112,164	-	-	-	-	1	112,165
Patents, licences and trademarks	272,732	(154)	4	-	-	95	272,677
Administrative authorisations	259,910	-	-	-	-	-	259,910
Customer portfolio	148,369	23,542	-	-	-	640	172,551
Computer software	55,695	(1)	5,535	(1,453)	108	1,370	61,254
Goodwill acquired	9,685	(110)	10,062	-	-	178	19,815
Asset usage rights	72,960	-	-	-	-	-	72,960
Other	30,166	(2)	5,345	(81)	372	(127)	35,673
Total cost	**961,681**	**23,275**	**20,946**	**(1,534)**	**480**	**2,157**	**1,007,005**
Accumulated amortisation:							
Administrative concessions	(58,665)	-	(6,269)	-	-	-	(64,934)
Patents, licences and trademarks	(73,199)	154	(12,568)	-	-	(41)	(85,654)
Administrative authorisations	(49,095)	-	(15,838)	-	-	-	(64,933)
Customer portfolio	(55,893)	(269)	(10,736)	-	-	(132)	(67,030)
Computer software	(47,720)	1	(4,287)	1,291	2	(414)	(51,127)
Goodwill acquired	(78)	-	(1)	-	-	-	(79)
Asset usage rights	(32,530)	-	(2,568)	-	-	(9)	(35,107)
Other	(14,472)	-	(4,179)	36	-	(95)	(18,710)
Total accumulated amortisation	**(331,652)**	**(114)**	**(56,446)**	**1,327**	**2**	**(691)**	**(387,574)**
Total impairment losses (Note 6)	**(37,882)**	-	-	-	-	-	**(37,882)**
Total net value	**592,147**	**23,161**	**(35,500)**	**(207)**	**482**	**1,466**	**581,549**

On 19 November 2015, the Group, through its subsidiary Applus Aerospace UK Limited, purchased the assets of the UK companies Material Measurements Limited and Caparo Engineering Limited, related to the non-destructive testing business in the aerospace industry, for GBP 7,050 thousand (approximately EUR 9,960 thousand at the transaction date), see Note 2.e.1.2.

	2014 - Thousands of euros						
	Balance at 1 January 2014	Changes in the scope of consolidation (Note 2.b.e.4)	Additions or charge for the year	Disposals or reductions	Transfers (Note 7)	Changes in exchange rates and other	Balance at 31 December 2014
Cost:							
Administrative concessions	112,164	-	-	-	-	-	112,164
Patents, licences and trademarks	271,970	-	1,779	-	(1,086)	69	272,732
Administrative authorisations	259,910	-	-	-	-	-	259,910
Customer portfolio	139,501	8,426	-	-	-	442	148,369
Computer software	49,932	(541)	3,637	(448)	2,215	900	55,695
Goodwill acquired	12,132	(160)	-	(2,616)	1	328	9,685
Asset usage rights	72,960	-	-	-	-	-	72,960
Other	37,919	(437)	3,502	(11,203)	(1,789)	2,174	30,166
Total cost	**956,488**	**7,288**	**8,918**	**(14,267)**	**(659)**	**3,913**	**961,681**
Accumulated amortisation:							
Administrative concessions	(49,690)	-	(6,269)	-	-	(2,706)	(58,665)
Patents, licences and trademarks	(60,273)	-	(12,697)	-	(353)	124	(73,199)
Administrative authorisations	(33,257)	-	(15,994)	-	-	156	(49,095)
Customer portfolio	(47,026)	-	(8,610)	-	(184)	(73)	(55,893)
Computer software	(43,777)	594	(3,334)	433	(1,109)	(527)	(47,720)
Goodwill acquired	(105)	27	-	-	-	-	(78)
Asset usage rights	(29,470)	-	(3,052)	-	13	(21)	(32,530)
Other	(22,313)	141	(4,689)	11,203	2,433	(1,247)	(14,472)
Total accumulated amortisation	**(285,911)**	**762**	**(54,645)**	**11,636**	**800**	**(4,294)**	**(331,652)**
Total impairment losses (Note 6)	**(37,882)**	-	-	-	-	-	**(37,882)**
Total net value	**632,695**	**8,050**	**(45,727)**	**(2,631)**	**141**	**(381)**	**592,147**

Identification and measurement of intangible assets in business combinations

At 31 December 2015 the Group's measurement at fair value of the assets and liabilities of the SKC Group, acquired on 30 November 2015, was being performed and the fair value of the assets and liabilities acquired as part of the aforementioned business combination was provisionally recognised.

In 2015 the Group's measurement at fair value of the assets and liabilities of X-Ray Industries Group, acquired on 12 February 2015 was completed and the fair value of the assets and liabilities acquired was definitively and retrospectively recognised. In the measurement of assets and liabilities, intangible assets were identified amounting to EUR 14,620 thousand (EUR 10,966 thousand net of the related tax effect at the date of valuation) relating to a customer portfolio, which are being amortised over 15 years.

In 2015 the Group's measurement at fair value of the assets and liabilities of N-Ray Group, acquired on 12 February 2015 was completed and the fair value of the assets and liabilities acquired was definitively and retrospectively recognised. In the measurement of assets and liabilities, intangible assets were identified amounting to EUR 8,576 thousand (EUR 6,432 thousand net of the related tax effect at the date of valuation) relating to a customer portfolio, which are being amortised over 15 years.

In 2015 the Group completed the process of measuring at fair value the assets and liabilities of Arcadia Aerospace Industries, LLC acquired on 12 February 2015 without identifying any changes in its fair value.

In 2015 the Group's measurement at fair value of the assets and liabilities of Ingelog Group, acquired on 29 October 2014 was completed and the fair value of the assets and liabilities acquired was definitively and retrospectively recognised. In the measurement of assets and liabilities at fair value, the gross value of the intangible assets identified amounted to EUR 8,426 thousand (EUR 6,320 thousand net of the related tax effect at the date of valuation) relating to a customer portfolio, which are being amortised over 15 years.

In 2014 the Group completed the process of measuring at fair value the assets and liabilities of Applus Velosi OMS Co Ltd. and Testex Inspection LLC, acquired on 12 December 2013, registering, definitely and retroactively, the fair value of assets and liabilities associated with business combination. The measurement of the assets and liabilities did not disclose any intangible assets.

The total assets and liabilities identified in the business combinations are as follows:

	Thousands of euros	
	31/12/15	31/12/14
Administrative authorisations	259,910	259,910
Applus and RTD trademarks	228,441	228,441
Administrative concessions	102,319	102,319
RTD customer portfolio	67,949	67,949
Rights of use	57,515	57,515
Quality and Valley customer portfolio	24,354	24,354
Velosi trademark	26,183	26,183
Velosi customer portfolio	19,012	19,012
Norcontrol contract	18,822	18,822
Velosi trademark licence agreement	16,939	16,939
X-Ray Industries customer portfolios	14,620	-
N-Ray customer portfolios	8,576	-
Ingelog customer portfolios	8,426	8,426
Assinco, BKW and Kiefner customer portfolios	5,577	5,577
Velosi databases	273	273
Total allocation of goodwill to assets	**858,916**	**835,720**

The most significant assumptions used to measure at fair value the assets identified in the business combinations were as follows:

- The income approach and specifically the multi-period excess earnings method, whereby the value of the asset is the present value of the projected flows from that asset over the useful life assigned to the related contract, was used to calculate the fair value of Administrative Authorisations.

- The royalty relief method, whereby the value of the asset is the present value of future royalty income from the use of the trademarks by the licensees, was used to calculate the value of the trademarks and trademark licence agreements.

- The income approach and specifically the multi-period excess earnings method, taking into account the useful lives of the customers and the discounted revenue they account for was used to calculate the value of the customer portfolios.

- The income approach and specifically the multi-period excess earnings method, whereby the value of the asset is the present value of the projected flows over the useful life assigned to the related contract, was used to calculate the fair value of administrative concessions and rights of use. The possibility of contract renewals for cash-generating units with finite lives was not considered.

The main intangible assets are as follows:

- Administrative authorisations and concessions:

  The administrative authorisations relate to vehicle roadworthiness testing services, managed solely by the Group, in Spain (Catalonia) and Finland. In the case of Spain (Catalonia), considering the opinion of the Group's advisers regarding the possible positioning of the Catalonia Autonomous Community Government regarding the renewal of the administrative authorisation of that Autonomous Community at finalization of the current established period, which ends in 2035, management decided in 2013 to start amortising the cost of the authorisation over the 23 years remaining to maturity, until 2035. (See Note 27.b). In the case of Finland, although the administrative authorisation has an indefinite useful life, it is estimated that the economic value of this authorisation will be recovered in ten years and, therefore, it is being amortised over this period, until 2020.

  Administrative Concessions includes mainly the operating rights for vehicle roadworthiness testing facilities for a specified period of time. At 31 December 2015, the Applus Group was managing various administrative concessions relating to vehicle roadworthiness testing services, mainly in the US, Spain (Alicante, Aragon, the Basque Country and Menorca), Ireland, Argentina and Chile. These administrative concessions, which are amortised on the basis of their useful life, expire on various dates from 2019 to 2024.

  For the specific case of the CGUs of Auto Spain and Auto USA, even though intangible assets classified, on an individual basis, as concessions and administrative authorisations subject to impairment tests measured individually (based on Autonomous Community in Spain, and on states in North America, respectively), the business synergies relating to the different concessions and authorisations in both countries are also taken into account. In this regard, the goodwill is allocated to the smallest identifiable group of assets that generates cash inflows that are independent of the cash inflows from other assets since, in the Applus+ Automotive segment, geographical location is taken into account as the main factor for determining CGUs, since geographical areas involve the same applicable legislation and regulations in a regulated industry, a common currency and macroeconomic variables that are closely linked to the capacity to generate economic flows and, therefore, to growth capacity. In addition, all of the authorisations and concessions managed in the various countries are unified under one single management. The purpose of this unified management is, inter alia, to manage the various risks and relationships with regulators more efficiently and in a more coordinated manner.

  With respect to the intangible assets, each of the concessions or authorisations is granted by means of a concession tender process or regulatory resolution, the existence of a tender process or resolution being common at Autonomous Community level in the case of Spain, or at a State level in the case of the US.

- Patents, licences and trademarks:

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

- Customer portfolio:

The customer portfolio relates to the value of the various contracts entered into by the various Group companies. For the purposes of valuation, the probability of renewal and contract term were taken into account. The contracts are being amortised over the estimated useful life thereof, as follows:

	Years of estimated useful life
RTD Europe and Asia-Pacific customer portfolio	25
RTD US and Canada customer portfolio	15-25
Velosi customer portfolio	5
Laboratories Customer portfolio	15
Norcontrol LatAm customer portfolio	15

- Asset usage rights:

These include mainly the carrying amounts of the usage rights transferred by Laboratori General d'Assaig i Investigació (now the Catalonia Autonomous Community Government) on the incorporation of LGAI Technological Center, S.A. and the carrying amount of the assets assigned by Institut d'Investigació Aplicada de l'Automòbil (now Empresa de Promoció i Localització Industrial de Catalunya (AVANÇSA)) to IDIADA Automotive Technology, S.A., relating basically to machinery and other fixtures. These usage rights are amortised over the shorter of the useful life of the assets and the estimated useful life of the licensing agreements, which last until 2024 (IDIADA) and 2033 (Laboratories).

Intangible assets by cash-generating unit

The detail, by cash-generating unit, of the intangible assets at year end 2015 and 2014 are as follows:

	2015 - Thousands of Euros													
	Auto Spain	RTD Europe	Auto Finland	Velosi	RTD US and Canada	IDIADA	Norcon-trol Spain	Labora-tories	RTD Asia and Pacific	Auto US	Norcon-trol LatAm	Auto Denmark	Others	**Total**
Cost:														
Administrative concessions	94,102	-	-	-	-	-	182	-	-	17,881	-	-	-	**112,165**
Patents, licences and trademarks	18,598	89,400	10,144	43,122	28,210	12,294	40,096	8,772	15,440	6,457	-	-	143	**272,676**
Administrative authorisations	165,986	-	93,924	-	-	-	-	-	-	-	-	-	-	**259,910**
Customer portfolio and other	-	41,532	-	19,012	71,555	-	18,822	4,487	8,119	-	9,025	-	-	**172,552**
Computer software	3,395	6,878	13	3,455	741	4,963	6,721	3,509	375	8,528	1,929	1,929	18,818	**61,254**
Goodwill acquired	-	9,913	769	-	3,418	4,002	1,381	265	-	-	-	69	-	**19,817**
Asset usage rights	1,241	-	-	-	-	36,729	3	34,987	-	-	-	-	-	**72,960**
Other	908	13,160	529	-	-	13,754	3,516	1,714	-	1,132	20	938	-	**35,671**
Total cost	**284,230**	**160,883**	**105,379**	**65,589**	**103,924**	**71,742**	**70,721**	**53,734**	**23,934**	**33,998**	**10,974**	**2,936**	**18,961**	**1,007,005**
Accumulated amortisation:														
Administrative concessions	(54,918)	-	-	-	-	-	(182)	-	-	(9,834)	-	-	-	**(64,934)**
Patents, licences and trademarks	(6,019)	(27,144)	(3,148)	(12,937)	(9,121)	(3,989)	(13,104)	(2,836)	(4,992)	(2,220)	-	-	(144)	**(85,654)**
Administrative authorisations	(20,711)	-	(44,222)	-	-	-	-	-	-	-	-	-	-	**(64,933)**
Customer portfolio and other	-	(13,430)	-	(11,407)	(18,341)	-	(18,822)	(1,572)	(2,625)	-	(833)	-	-	**(67,030)**
Computer software	(3,050)	(5,373)	(13)	(1,575)	(568)	(3,808)	(5,842)	(2,789)	(258)	(7,048)	(1,388)	(1,830)	(17,585)	**(51,127)**
Goodwill acquired	-	(1)	-	-	-	-	(71)	(7)	-	-	-	-	-	**(79)**
Asset usage rights	(1,222)	-	-	-	-	(13,495)	(3)	(20,387)	-	-	-	-	-	**(35,107)**
Other	(363)	(5,011)	(230)	-	-	(8,347)	(2,310)	(1,631)	-	(818)	-	-	-	**(18,710)**
Total accumulated amortisation	**(86,283)**	**(50,959)**	**(47,613)**	**(25,919)**	**(28,030)**	**(29,639)**	**(40,334)**	**(29,222)**	**(7,875)**	**(19,920)**	**(2,221)**	**(1,830)**	**(17,729)**	**(387,574)**
Total impairment losses	**(7,051)**	**(16,744)**	**(8,115)**	-	-	-	-	-	-	**(5,972)**	-	-	-	**(37,882)**
Total net value	**190,896**	**93,180**	**49,651**	**39,670**	**75,894**	**42,103**	**30,387**	**24,512**	**16,059**	**8,106**	**8,753**	**1,106**	**1,232**	**581,549**

	2014 - Thousands of Euros													
	Auto Spain	RTD Europe	Auto Finland	Velosi	RTD US and Canada	IDIADA	Norcon-trol Spain	Labora-tories	RTD Asia and Pacific	Auto US	Norcon-trol LatAm	Auto Denmark	Others	**Total**
Cost:														
Administrative concessions	94,102	-	-	-	-	-	182	-	-	17,880	-	-	-	**112,164**
Patents, licences and trademarks	18,598	89,550	10,144	43,122	28,210	12,294	40,096	8,772	15,440	6,361	-	-	145	**272,732**
Administrative authorisations	165,985	-	93,925	-	-	-	-	-	-	-	-	-	-	**259,910**
Customer portfolio and other	-	41,532	-	19,012	47,718	-	18,822	4,142	8,119	-	9,024	-	-	**148,369**
Computer software	3,275	5,934	13	2,178	651	4,567	6,175	3,212	254	7,524	1,832	1,962	18,118	**55,695**
Goodwill acquired	-	111	769	-	3,555	3,538	1,381	265	-	-	-	66	-	**9,685**
Asset usage rights	1,241	-	-	-	-	36,729	3	34,987	-	-	-	-	-	**72,960**
Other	702	10,084	353	273	-	11,733	3,387	1,699	-	990	4	941	-	**30,166**
Total cost	**283,903**	**147,211**	**105,204**	**64,585**	**80,134**	**68,861**	**70,046**	**53,077**	**23,813**	**32,755**	**10,860**	**2,969**	**18,263**	**961,681**
Accumulated amortisation:														
Administrative concessions	(49,193)	-	-	-	-	-	(182)	-	-	(9,290)	-	-	-	**(58,665)**
Patents, licences and trademarks	(5,276)	(24,602)	(2,810)	(8,624)	(7,993)	(3,498)	(11,509)	(2,485)	(4,375)	(1,885)	-	-	(142)	**(73,199)**
Administrative authorisations	(13,447)	-	(35,648)	-	-	-	-	-	-	-	-	-	-	**(49,095)**
Customer portfolio and other	-	(11,767)	-	(7,605)	(14,216)	-	(18,822)	(951)	(2,300)	-	(232)	-	-	**(55,893)**
Computer software	(2,881)	(5,201)	(13)	(1,454)	(453)	(3,297)	(5,439)	(2,515)	(205)	(6,097)	(1,382)	(1,903)	(16,880)	**(47,720)**
Goodwill acquired	-	-	-	-	-	-	(71)	(7)	-	-	-	-	-	**(78)**
Asset usage rights	(1,196)	-	-	-	-	(11,826)	(3)	(19,505)	-	-	-	-	-	**(32,530)**
Other	(253)	(3,596)	(144)	(109)	-	(6,610)	(1,704)	(1,445)	-	(610)	(1)	-	-	**(14,472)**
Total accumulated amortisation	**(72,246)**	**(45,166)**	**(38,615)**	**(17,792)**	**(22,662)**	**(25,231)**	**(37,730)**	**(26,908)**	**(6,880)**	**(17,882)**	**(1,615)**	**(1,903)**	**(17,022)**	**(331,652)**
Total impairment losses	**(7,051)**	**(16,744)**	**(8,115)**	-	-	-	-	-	-	**(5,972)**	-	-	-	**(37,882)**
Total net value	**204,606**	**85,301**	**58,474**	**46,793**	**57,472**	**43,630**	**32,316**	**26,169**	**16,933**	**8,901**	**9,245**	**1,066**	**1,241**	**592,147**

In 2015, the amortisation charge associated with the aforementioned revalued assets recognised in the accompanying consolidated statement of profit or loss amounted to EUR 47,534 thousand (2014: EUR 45,414 thousand).

Impairment of intangible assets

The main assumptions used in the impairment tests are detailed in Note 6.

Other matters

At 31 December 2015, fully amortised intangible assets in use amounted to EUR 60,387 thousand (31 December 2014: EUR 48,476 thousand). The Group did not have any temporarily idle items at 31 December 2015 or 2014.

At 31 December 2015 and 2014, the Group had no material firm intangible asset purchase commitments.

Certain Group companies have intangible assets that must be handed over to the Government at the end of the related concession terms. The detail of the carrying amount of the assets subject to reversion at 31 December 2015 and 2014 is as follows:

	2015 – Thousands of euros		
	Gross cost	Accumulated amortisation/ provisions	Net cost
Applus Iteuve Euskadi, S.A.U.	996	(977)	19
LGAI Technological Center, S.A.	14,200	(13,925)	275
Total	**15,196**	**(14,902)**	**294**

	2014 – Thousands of euros		
	Gross cost	Accumulated amortisation/ provisions	Net cost
Applus Iteuve Euskadi, S.A.U.	996	(952)	44
LGAI Technological Center, S.A.	14,200	(13,842)	358
Total	**15,196**	**(14,794)**	**402**

6. Impairment of assets

Group Executive Committee reviews the business performance by business type and geographical area. As a result of these tests, no impairment losses have been recognised in 2015 and 2014.

When conducting the impairment test the Parent's Directors considered the impact of the current economic environment on their future estimates, specifically and mainly the current decrease in the actual and future estimates of oil prices, which could have a negative impact on the cash-generating units relating to the Applus+ RTD and Applus+ Velosi-Norcontrol divisions. The Directors do not consider that the other cash-generating units of the Group are affected by any commodity prices.

As a result of the lower future oil price levels considered compared to prior years, margins for the cash-generating units relating to the Applus+ RTD and Applus+ Velosi-Norcontrol divisions were reduced; however, no impairment losses are to be recognised considering the margins still expected to be in place.

Impairment test assumptions

The key assumptions to determine value in use that were used to test for impairment were as follows:

a) Perpetuity growth rate:

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 (see following table).

The growth forecast in each industry in the geographical area in which the Group operates is estimated to be very similar to the growth rate expected in that area as the industries in which the Group operates are the most representative core industries in each area and largely determine their performance; the data were obtained from the long-term inflation projections published by the "Economist Intelligence Unit".

b) Discount rate:

The discount rates were calculated using the weighted average cost of capital (WACC) measured after tax based on the following assumptions:

- The time value of money or risk-free interest rate of each country or geographical area (weighted average of the main countries where the Group operates in these geographical areas) relates to the return on ten-year sovereign bonds in the related country (or the average of the geographical area).
- The estimated risk premium based on the estimated betas for comparable companies in the industry and a market risk premium for each country, which are observable variables, after tax.
- The average financing structure and conditions for comparable companies in the industry.

The detail of the discount rate (WACC) and of the perpetuity growth rate in 2015 and 2014 by business and geographical area is as follows:

- By business:

2015

Business	Discount rate before tax (WACC)	Discount rate after tax (WACC)	Discount rate considered in calculating the terminal value (g)
Auto	8.2%-10.7%	6.8%-7.2%	1.5%-2.4%
RTD	9.8%-12%	7.6%-8.0%	1.7%-2.5%
Velosi	12.8%	10.0%	2.4%
Norcontrol	10.1%-17.8%	7.8%-12.6%	1.5%-3.0%
Laboratories	9.6%	7.4%	1.5%
IDIADA	11.4%	8.7%	1.5%

2014

Business	Discount rate before tax (WACC)	Discount rate after tax (WACC)	Discount rate considered in calculating the terminal value (g)
Auto	8.8%-10.9%	6.8%-7.6%	1.1%-2.2%
RTD	10.5%-12.4%	8.0%-8.4%	1.5%-2.5%
Velosi	12.0%	9.7%	2.0%
Norcontrol	8.1% -15.7%	6.7% - 11.8%	1.1%-3%
Laboratories	8.1%	6.4%	1.1%
IDIADA	10.5%	8.0%	1.1%

- Country/geographical area:

2015

Country/geographical area:	Discount rate before tax (WACC)	Discount rate after tax (WACC)	Discount rate considered in calculating the terminal value (g)
Spain	9.5%-10.1%	7.2%-7.8%	1.5%
Rest of Europe	8.2%-9.8%	6.8%-7.6%	1.7%-2.0%
US and Canada	10.7%-12%	7.0%-7.8%	2.4%
Latin America	17.8%	12.6%	3.0%
Asia and Pacific	10.6%	8.0%	2.5%

2014

Country/geographical area:	Discount rate before tax (WACC)	Discount rate after tax (WACC)	Discount rate considered in calculating the terminal value (g)
Spain	8.1%-9.0%	6.7%-7.0%	1.1%
Rest of Europe	8.8%-11.0%	7.4%-8.4%	1.5%-2.2%
US and Canada	10.9%-12.4%	7.0%-8.1%	2.0%
Latin America	15.7%	11.8%	3.0%
Asia and Pacific	10.5%	8.0%	2.5%

c) Five-year EBITDA projections:

Group Executive Committee prepares and updates a business plan by geographical market and line of business. The main components of this plan are projections on operating income and expenses, investments and working capital. The business plan includes the 2016 budget approved by the Board of Directors of the Parent together with the projections for 2017-2020.

In order to calculate the recoverable amount of each asset the present value of its cash flows was determined using the budget and the business plan for 2017-2020 prepared by the Group Executive Committee.

The business plan and, consequently, the projections were prepared on the basis of past experience and on the best estimates available. Consequently, sales and margins reflect best estimates available on the developments expected in the industries in which the Applus Group is present.

d) Capex, working capital, corporate income tax and other assumptions:

The only investments in assets taken into account in the projections were those involving maintenance of the present assets.

The working capital considered in the projections is a percentage of sales that is consistent with the historical figure for the last three years without, in any circumstances, taking into account any significant improvements therein.

The financial projections took into account the payment of corporate income tax (or the equivalent tax in each country). In the case of Spain a tax rate of 25%.

Justification of key assumptions

As mentioned in Note 1, the Group's main activity is the provision of services by its professional staff. The Business Plan prepared by the Group Executive Committee and approved by the Parent's Board of Directors is based on a detailed sales plan broken down mainly by industry, geographical area and customer. Due to the specific nature of the Group, the existence of multiproducts and multiservices, multiple industries and geographical areas, as well as very diverse customers in certain cases, the Group considers EBITDA to be the main key business assumption and management variable. As a result, this variable is the main aggregate used by the Directors to monitor the business.

In the past five years, the global variances between the actual EBITDA figures and the budgeted figures were generally positive. The negative variances that arose per individual business did not exceed 10%. Therefore, a sensitivity analysis was performed, combining changes of +/- 5% and +/- 10% in EBITDA.

In addition, sensitivity to changes in the perpetuity growth rate and changes in the discount rate were taken into account. See below.

Sensitivity analysis

If the recoverable amounts calculated based on the values in use were subject to an analysis of the sensitivity of changes in the different variables; the discount rate ("WACC"), the perpetual growth rate ("g") or the cash flow projections (EBITDA), the changes, by cash-generating unit, in the Group's consolidated statement of profit or loss (excluding the tax effect) would be as follows:

a) Change in discount rate (WACC) after tax of 0.5 or 1.0 points (thousands of euros):

-1.0 WACC	-0.5 WACC	Cash-generating unit	+0.5 WACC	+1.0 WACC
-	-	Auto Spain	-	-
-	-	Auto Denmark	-	-
7,952	3,532	Auto Finland	(2,887)	(5,292)
-	-	RTD Europe (*)	-	(9,884)
-	-	Velosi	-	-
-	-	RTD US and Canada	-	-
-	-	IDIADA	-	-
-	-	Norcontrol Spain	-	-
-	-	Laboratories	-	-
-	-	RTD Asia and Pacific	-	-
730	387	Auto US	-	-
-	-	Norcontrol LatAm	-	-
8,682	**3,919**	**Total**	**(2,887)**	**(15,176)**

b) Change in the perpetuity growth rate (g) of 0.2 or 0.8 points (thousands of euros):

+0.8 g	+0.2 g	Cash-generating unit	-0.2 g	-0.8 g
-	-	Auto Spain	-	-
-	-	Auto Denmark	-	-
5,175	1,131	Auto Finland	(1,044)	(3,741)
-	-	RTD Europe (*)	-	-
-	-	Velosi	-	-
-	-	RTD US and Canada	-	-
-	-	IDIADA	-	-
-	-	Norcontrol Spain	-	-
-	-	Laboratories	-	-
-	-	RTD Asia and Pacific	-	-
-	-	Auto US	-	-
-	-	Norcontrol LatAm	-	-
5,175	**1,131**	**Total**	**(1,044)**	**(3,741)**

c) Change in EBITDA of 5% or 10% (thousands of euros):

+10% EBITDA	+5% EBITDA	Cash-generating unit	-5% EBITDA	-10% EBITDA
4,661	4,219	Auto Spain	-	-
-	-	Auto Denmark	-	-
3,379	1,690	Auto Finland	(1,689)	(3,379)
-	-	RTD Europe (*)	-	(10,151)
-	-	Velosi	-	-
-	-	RTD US and Canada	-	-
-	-	IDIADA	-	-
-	-	Norcontrol Spain	-	-
-	-	Laboratories	-	-
-	-	RTD Asia and Pacific	-	-
1,234	642	Auto US	-	-
-	-	Norcontrol LatAm	-	-
9,274	**6,551**	**Total**	**(1,689)**	**(13,530)**

(*) The impairment disclosed at the RTD Europa CGU in 2013 was related to the trademark and, therefore, although there are minor variances in WACC, g and EBITDA, they would not give rise to additional impairment since the fair value of the trademark is calculated based on a percentage of revenue.

The combined effect of these sensitivities would be similar to the aggregation of the net individual effects, except for the positive effects of applying the intangible asset impairment charge, which would only be reversed up to the limit of the amount recognised (see Note 5).

For the carrying amount to equal the recoverable amount, the extent of the impairment arising from reductions in the percentage of EBITDA, WACC after tax and the perpetuity rate of return with respect to the cash-generating units that were not impaired in the sensitivity test previously performed, would be as follows:

Cash-generating unit	EBITDA reduction which would give rise to impairment	WACC after tax which would give rise to impairment	Perpetuity rate of return (g) which would give rise to impairment
Auto Spain	17.0%	8.8%	<0%
Auto Denmark	32.5%	10.6%	<0%
Velosi	34.0%	15.2%	<0%
RTD US and Canada	19.3%	10.1%	<0%
IDIADA	40.3%	17.6%	<0%
Laboratories	13.0%	8.9%	<0%
RTD Asia and Pacific	10.0%	9.0%	0.2%
Norcontrol LatAm	11.2%	14.9%	<0%
Auto US	16.8%	8.5%	<0%
Auto Finland	4.2%	7.3%	1.9%
RTD Europe	7.0%	8.3%	0.7%
Norcontrol Spain	29.5%	12.6%	<0%

The Parent's Directors consider that, in view of the current margins, any possible negative outcome of the lawsuits filed against Auto Spain (especially those referring to authorisations in Catalonia see Note 27.b) would not significantly affect the impairment of the net assets associated with the aforementioned cash-generating unit.

7. Property, plant and equipment

The changes in 2015 and 2014 in the various property, plant and equipment accounts and in the related accumulated amortisation and provision were as follows:

	2015 – Thousands of euros						
	Balance at 1 January 2015	Changes in the scope of consolidation (Note 2.b.e.1)	Additions or charge for the year	Disposals or reductions	Transfers (Note 5)	Changes in exchange rates and other	Balance at 31 December 2015
Cost:							
Land and buildings	143,626	583	6,291	(301)	4,260	6,991	161,450
Plant and machinery	213,701	4,180	18,785	(7,622)	1,601	6,609	237,254
Other fixtures, tools and furniture	63,965	(163)	3,434	(658)	(343)	825	67,060
Other items of property, plant and equipment	69,088	(80)	4,099	(6,665)	441	4,777	71,660
Advances and property, plant and equipment in the course of construction	7,349	2,235	7,142	(46)	(6,850)	(91)	9,739
Grants	(440)	-	-	292	-	(1)	(149)
Total cost	**497,289**	**6,755**	**39,751**	**(15,000)**	**(891)**	**19,110**	**547,014**
Accumulated amortisation:							
Land and buildings	(49,860)	-	(5,127)	293	48	(1,357)	(56,003)
Plant and machinery	(139,104)	1,154	(22,517)	7,212	197	(4,612)	(157,670)
Other fixtures, tools and furniture	(48,057)	106	(3,916)	638	473	(594)	(51,350)
Other items of property, plant and equipment	(64,944)	123	(8,372)	5,956	(309)	(3,743)	(71,289)
Total accumulated amortisation	**(301,965)**	**1,383**	**(39,932)**	**14,099**	**409**	**(10,306)**	**(336,312)**
Provision	**(1,176)**	-	**(750)**	**474**	-	**(43)**	**(1,495)**
Total net value	**194,148**	**8,138**	**(931)**	**(427)**	**(482)**	**8,761**	**209,207**

	2014 – Thousands of euros						
	Balance at 1 January T2014	Changes in the scope of consolidation (Note 2.b.e.4)	Additions or charge for the year	Disposals or reductions	Transfers (Note 5)	Changes in exchange rates and other	Balance at 31 December 2014
Cost:							
Land and buildings	134,371	(902)	5,138	(351)	1,505	3,865	143,626
Plant and machinery	229,436	(5,005)	17,750	(37,646)	1,712	7,454	213,701
Other fixtures, tools and furniture	61,849	(2,473)	3,974	(451)	540	526	63,965
Other items of property, plant and equipment	67,616	1,264	5,089	(7,462)	(1,131)	3,712	69,088
Advances and property, plant and equipment in the course of construction	3,909	(39)	6,958	(532)	(2,972)	25	7,349
Grants	(646)	-	-	206	-	-	(440)
Total cost	**496,535**	**(7,155)**	**38,909**	**(46,236)**	**(346)**	**15,582**	**497,289**
Accumulated amortisation:							
Land and buildings	(45,559)	638	(4,453)	164	67	(717)	(49,860)
Plant and machinery	(153,714)	3,311	(20,139)	37,255	108	(5,925)	(139,104)
Other fixtures, tools and furniture	(46,070)	1,696	(3,667)	381	9	(406)	(48,057)
Other items of property, plant and equipment	(60,045)	(447)	(8,506)	6,828	21	(2,795)	(64,944)
Total accumulated amortisation	**(305,388)**	**5,198**	**(36,765)**	**44,628**	**205**	**(9,843)**	**(301,965)**
Provision	**(1,697)**	-	**(457)**	**978**	-	-	**(1,176)**
Total net value	**189,450**	**(1,957)**	**1,687**	**(630)**	**(141)**	**5,739**	**194,148**

In 2015 the additions are related to the Group's normal course of operations.

The changes in exchange rates gave rise to a positive impact on the cost of the assets (same in prior year), which was due mainly to changes in the exchange rates of the US dollar and the Pound Sterling.

The gross value of fully depreciated items of property, plant and equipment in use at 31 December 2015 amounted to EUR 165,853 thousand (31 December 2014: EUR 147,924 thousand). The Group did not have any temporarily idle items at 31 December 2015 or 2014.

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

At 31 December 2015 and 2014, the Group did not have any significant firm property, plant and equipment purchase commitments.

No borrowing costs had been capitalised to property, plant and equipment at the end of 2015 and 2014 and no disbursements made or advances granted at 31 December 2015 or 2014.

Certain Group companies have property, plant and equipment items that must be handed over to the Government at the end of the related concession term. The detail of the carrying amount of the assets subject to reversion at 31 December 2015 and 2014 is as follows:

	2015 - Thousands of euros		
	Gross cost	Accumulated depreciation/ Impairment losses	Carrying amount
Applus Iteuve Technology, S.L.U.	45,664	(39,951)	5,713
IDIADA Automotive Technology, S.A.	39,863	(21,373)	18,490
Applus Iteuve Euskadi, S.A.U.	2,429	(1,799)	630
Total	**87,956**	**(63,123)**	**24,833**

	2014 - Thousands of euros		
	Gross cost	Accumulated depreciation/ Impairment losses	Carrying amount
Applus Iteuve Technology, S.L.U.	41,377	(36,474)	4,903
IDIADA Automotive Technology, S.A.	34,690	(20,140)	14,550
Applus Iteuve Euskadi, S.A.U.	2,429	(1,715)	714
Total	**78,496**	**(58,329)**	**20,167**

The detail of the items of property, plant and equipment located outside Spain at 31 December 2015 and 2014 is as follows:

	Thousands of euros	
	31/12/15	31/12/14
Cost:		
Land and buildings	85,741	75,834
Plant and machinery	116,873	97,080
Other fixtures, tools and furniture	13,265	11,426
Other items of property, plant and equipment	51,962	49,949
Advances and property, plant and equipment in the course of construction	6,746	2,820
Total cost	**274,587**	**237,109**
Total Accumulated depreciation	**(152,790)**	**(128,529)**
Total net value	**121,797**	**108,580**

The detail of the main assets held by the Group under finance leases at 31 December 2015 and 2014 is as follows:

	Average lease term (years)	Average number of years elapsed	2015 – Thousands of euros									
			Original cost including purchase option	Lease payments paid		Lease payments outstanding	2016	2017	2018	2019	Rest	Value of purchase option
				Prior years	2015							
Building	1	1	240	-	240	-	-	-	-	-	-	-
Plant and machinery	3.5	1.5	325	110	113	102	91	11	-	-	-	-
Furniture	3	2	189	105	69	15	15	1	-	-	-	-
Computer hardware	4	-	3,297	2,957	340	-	-	-	-	-	-	-
Transport equipment	4	3	15,762	10,070	3,560	2,132	1,851	266	12	3	-	-
Other items of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Total assets held under finance lease			**19,813**	**13,242**	**4,322**	**2,249**	**1,957**	**278**	**12**	**3**	-	-

	Average lease term (years)	Average number of years elapsed	2014 – Thousands of euros									
			Original cost including purchase option	Lease payments paid		Lease payments outstanding	2015	2016	2017	2018	Rest	Value of purchase option
				Prior years	2014							
Building	1	1	-	-	-	-	-	-	-	-	-	-
Plant and machinery	5	2	1,374	971	185	218	113	98	7	-	-	-
Furniture	3	1	201	51	62	88	73	15	-	-	-	-
Computer hardware	3	1	2,880	1,672	910	298	298	-	-	-	-	-
Transport equipment	4	2	15,050	7,092	3,459	4,499	2,622	1,597	235	34	11	-
Other items of property, plant and equipment	3	-	15	15	-	-	-	-	-	-	-	-
Total assets held under finance lease			**19,520**	**9,801**	**4,616**	**5,103**	**3,106**	**1,710**	**242**	**34**	**11**	-

At 31 December 2015 and 2014, no significant property, plant and equipment were subject to restrictions or pledged as security for liabilities.

8. Non-current financial assets

The changes in the various non-current financial asset accounts in 2015 and 2014 were as follows:

	2015 – Thousands of euros				
	Balance at 1 January 2015	Additions or charge for the year	Disposals, transfers or dividend distribution	Change in exchange rate	Balance at 31 December 2015
Investments in other companies	5,183	1,799	(1,930)	437	5,489
Non-current receivables	865	8	(404)	(21)	448
Deposits and guarantees	7,274	2,236	(1,231)	350	8,629
Impairment losses	(600)	-	-	-	(600)
Total	**12,722**	**4,043**	**(3,565)**	**766**	**13,966**

	2014 - Thousands of euros				
	Balance at 1 January 2014	Additions or charge for the year	Disposals, transfers or dividend distribution	Change in exchange rate	Balance at 31 December 2014
Investments in other companies	5,897	2,255	(3,510)	541	5,183
Fixed-income securities	10	-	(10)	-	-
Non-current receivables	1,309	773	(1,200)	(17)	865
Deposits and guarantees	7,281	1,241	(1,305)	57	7,274
Impairment losses	(666)	-	66	-	(600)
Total	**13,831**	**4,269**	**(5,959)**	**581**	**12,722**

Investments in other companies

In 2015 the Group recognised additions under "Investments in other companies" relating to the effect of associates accounted for using the equity method earning profits of EUR 1,799 thousand in 2015 (2014: EUR 2,255 thousand).

The main financial information on "Investments in Other Companies" at the end of 2015 and 2014 is as follows:

	2015 – Thousands of Euros				
	Velosi LLC	Velosi (B) Sdn Bhd	Kurtec Pipeline Services Ltd.	Kurtec Pipeline Services, LLC	Total
Country	Oman	Brunei	Luxembourg	UAE	
Percentage of ownership	50%	50%	45%	45%	
Non-current assets	1,448	240	38	-	**1,726**
Current assets	17,698	2,271	4	183	**20,156**
Liabilities	(12,088)	(765)	(79)	(4,937)	**(17,869)**
Net assets	**7,058**	**1,746**	**(37)**	**(4,754)**	4,013
Revenue	**38,266**	**3,854**	-	-	**42,120**
Profit after tax	**2,823**	**398**	-	**419**	**3,640**
Value of the investment	**3,499**	**874**	-	**183**	**4,556**

	2014 – Thousands of Euros				
	Velosi LLC	Velosi (B) Sdn Bhd	Kurtec Pipeline Services Ltd.	Kurtec Pipeline Services, LLC	Total
Country	Oman	Brunei	Luxembourg	UAE	
Percentage of ownership	50%	50%	45%	45%	
Non-current assets	1,797	282	33	-	**2,112**
Current assets	15,199	3,720	-	307	**19,226**
Liabilities	(11,310)	(1,475)	(66)	(4,800)	**(17,651)**
Net assets	**5,686**	**2,527**	**(33)**	**(4,493)**	3,687
Revenue	**31,672**	**4,822**	-	**10**	**36,504**
Profit after tax	**2,661**	**1,851**	**(11)**	**(1,797)**	**2,704**
Value of the investment	**2,965**	**1,289**	-	-	**4,254**

Deposits and guarantees

At 31 December 2015, "Deposits and Guarantees" included EUR 4.4 million (2014: EUR 4.0 million) relating to restricted cash deposits to secure certain contracts entered into.

9. Inventories

The detail of the Group's inventories at 31 December 2015 and 2014 is as follows:

	Thousands of euros	
	31/12/15	31/12/14
Goods held for resale	9,588	7,274
Raw materials and other supplies	518	604
Total inventories	**10,106**	**7,878**

These inventories relate mainly to X-Ray material used in non-destructive testing by the RTD division, reagents, fungibles and chemical compounds used in laboratory or field tests by the Laboratories division and spare parts and items used at the vehicle roadworthiness testing centres of the automotive division.

Obsolete, defective or slow-moving inventories are reduced to realisable value.

The Group estimates that the inventories will be realised in less than twelve months.

The Group did not recognise any inventory write-downs since inventories are derecognised when they are found to be defective or obsolete.

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

The detail of these current asset headings in the accompanying consolidated statement of financial position as at 31 December 2015 and 2014 is as follows:

	Thousands of euros	
	31/12/15	31/12/14
Trade receivables for sales and services	301,194	295,343
Work in progress	100,877	90,812
Provision for doubtful debts	(27,843)	(22,635)
Trade receivables for sales and services	**374,228**	**363,520**
Trade receivables from related companies (Note 28)	9,779	8,351
Other receivables	16,647	20,623
Other accounts receivable from public authorities	6,731	9,522
Total trade and other receivables	**407,385**	**402,016**

The Group's average collection period for services rendered was 53 days in 2015 (2014: 53 days).

The Group does not charge interest on receivables maturing within one year. The fair value and the nominal value of these assets do not differ significantly.

The detail of the age of the debt under "Trade Receivables for Sales and Services" is as follows:

	Thousands of euros	
	31/12/15	31/12/14
Not due	175,171	181,662
0-30 days	41,893	43,449
31-90 days	30,870	25,130
91-180 days	15,758	14,819
181-360 days	17,648	13,310
More than 360 days	19,854	16,973
Total trade receivables for sales and services	**301,194**	**295,343**
Provision for doubtful debts	**(27,843)**	**(22,635)**
Total trade receivables for sales and services, net	**273,351**	**272,708**

"Work in progress" relates to the valuation at the selling price of completed units of output not yet certified and pending to be billed to customers, for which Group Executive Committee considers that there is reasonable assurance of their billing (see Note 3.s).

Credit risk

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

The Group's credit risk is therefore mainly attributable to its trade receivables. The amounts presented in the consolidated statement of financial position are net of allowances for doubtful debts, estimated by Group Executive Committee based on prior experience and its assessment of the current economic environment.

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

However, the Group Executive Committee considers credit risk to be key to day-to-day management of the business and focuses its efforts on controlling and supervising receivables and doubtful debts, particularly in the industries with a higher risk of insolvency. In 2015 and 2014 particular attention was paid to monitoring and recovering past-due receivables and a detailed analysis of customers with associated insolvency or default risks was performed.

The Group has established a customer acceptance policy based on the periodic evaluation of liquidity and solvency risks and the establishment of credit limits for its debtors. The Group also periodically analyses the age of its trade receivables in order to cover possible bad debts.

The changes in 2015 and 2014 in the provision for doubtful debts were as follows:

	Thousands of euros
Balance at 1 January 2014	**20,025**
Additions	7,072
Amounts used	(2,023)
Disposals	(3,478)
Effect of exchange rate changes	1,039
Balance at 31 December 2014	**22,635**
Additions	11,646
Amounts used	(2,507)
Disposals	(5,129)
Effect of exchange rate changes	1,198
Balance at 31 December 2015	**27,843**

In 2015 the Group derecognised EUR 5,129 thousand of provisioned accounts receivable (2014: EUR 3,478 thousand) since they were considered to be uncollectible.

11. Current financial assets, cash and cash equivalents

Current financial assets

At 31 December 2015, the amount included as short-term deposits and guarantees amounting to EUR 4,253 thousand (31 December 2014: EUR 4,633 thousand) and other financial assets of EUR 5 thousand (31 December 2014: EUR 13 thousand).

Cash and cash equivalents

At 31 December 2015 and 2014, the amount classified as "Cash and Cash Equivalents" in the accompanying consolidated statement of financial position related in full to cash, except for EUR 3,391 thousand (2014: EUR 4,015 thousand) that related to 5 deposits with a term of less than three months.

12. Equity

The changes in 2015 and 2014 in "Equity" in the accompanying consolidated statement of financial position were as follows:

	Thousands of euros	
	2015	2014
Beginning balance	**633,573**	**323,249**
Share capital and share premium increases:		
Capital reduction with a charge to reserves	-	(645,030)
Capital increases and share premium	-	300,000
Treasury shares	(2,476)	(5,407)
Capital increase expenses	-	(5,683)
Offset of prior years' losses and other	(37,332)	-
Changes in retained earnings and other reserves	18,019	646,685
Changes in foreign currency translation reserve	(7,168)	(8,010)
Consolidated net profit for the year	38,244	23,761
Changes in non-controlling interests	8,436	4,008
Balance at 31 December	**651,296**	**633,573**

a) Share capital

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

On 29 November 2007 the Parent increased share capital by EUR 12,312,500 through the issuance of 12,312,500 shares of EUR 1 par value each with a share premium of EUR 110,812,500, i.e. EUR 9 per share. The shares and the share premium were fully subscribed and paid by the sole shareholder at that date, Azul Holding, S.C.A., through a monetary contribution. Transfer tax on the capital increase amounted to EUR 1,231,250 and was recognised as a deduction from share capital.

On 29 December 2011 the Parent 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 through the non-monetary contribution of a portion of the participating loan that Azul Finance, S.à r.l. had granted to the Parent. The value of the amount of the aforementioned loan converted into capital corresponds to its fair value, on the basis of reports prepared by independent valuers and, therefore, this transaction did not have any impact on the consolidated statement of profit or loss.

On 21 December 2012 the shareholders increased the Parent'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 the 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 Legislative Royal-Decree 4/2004, of 5 March, approving the Consolidated Spanish Corporation Tax Law, as a security exchange defined in Articles 83.5 and 87. All of the information relating to this process is disclosed in the separate financial statement of the Parent in such year.

On 21 December 2012 the Parent 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 through the non-monetary contribution of a portion of the participating loan that Azul Finance, S.à r.l. had granted to the Parent. The value of the amount of the aforementioned loan converted into capital was its fair value, on the basis of reports prepared by independent valuers and, therefore, this transaction did not have any impact on the consolidated statement of profit or loss.

On 20 December 2013 the Parent increased 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 Parent Company. The value of the amount of the aforementioned loan converted into capital was its fair value on the basis of reports prepared by independent valuers and, therefore, this transaction did not have any impact on the consolidated statement of profit or loss.

On 4 April 2014 the shareholders at the Parent's Annual General Meeting resolved unanimously to reduce capital by EUR 645,029,932 through the redemption and writing-off of 645,029,932 ordinary shares of EUR 1 par value each of which 398,112,474 were held by Azul Finance, S.à r.l. and 246,917,458 by Azul Holding, S.C.A., respectively, with a charge to unrestricted reserves. Also, on that sale date the Parent'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 Parent's Board of Directors acting under powers delegated from the Parent'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 Azul Finance, S.à.r.l. and Azul Holding S.C.A. (the "Shareholders sellers") renounced expressly and individually the right to subscribe for them. Additionally, 55,172,414 existing shares of Azul 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 Azul 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 Parent's shares (130,016,755 shares) to trade on the Stock Exchange.

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

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

Per the notifications of the number of shares submitted to the CNMV, the shareholders owning significant direct and indirect interests in the share capital of the Parent representing more than 3% of the total share capital at 31 December 2015, were as follows:

Company	% share
	31/12/15
CEP III Participations, S.à r.l. SICAR	23.97%
Ameriprise Financial, Inc.	5.32%
Harris Associates L.P	5.11%
Government of Singapore Investment Corporation Pte LTD	4.00%
FTIF-Franklin European Growth Fund	3.05%

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

In April 2015 the Group executed the agreed equity swap in 2014 acquiring 550,000 shares and delivered to two Board of Directors members and Senior Executive a total of 492,801 shares (see Note 29). Additionally, in July 2015 the Group arranged an equity swap with a bank for the acquisition cost of 750,000 treasury shares, to be delivered in March and May 2016 (see Notes 3.z and 16) and whose value amount to EUR 7,321 thousand.

At 31 December 2015, the Group owns or has arranged a total of 807,199 treasury shares: 57,199 treasury shares at an average cost of EUR 9.83 per share and 750,000 treasury shares, arranged by an equity swap, at an average cost of EUR 9.76 per share. The value of these treasury shares amounts to EUR 7,883 thousand and is recognised at 31 December 2015 under "Treasury Shares" in the accompanying consolidated statement of financial position (see Note 3.z.).

b) Reserves and share premium

On 18 June 2015, the shareholders at the Parent's Annual General Meeting approved the reduction of the legal reserve by EUR 8,731 thousand, and to record it as unrestricted reserves. The amount reduced is equivalent to an excess of 20% of the company's capital.

Consequently, the legal reserve at 31 December 2015 amounts to EUR 2,600 thousand which is equivalent to 20% of capital.

On 18 June 2015, the shareholders at the Parent's Annual General Meeting approved the distribution of dividends charged to the Parent Company's 2014 profits which amounts to EUR 13,607 thousand. Additionally, it has also approved an extraordinary dividend charged to reserves amounting to EUR 3,295 thousand.

The resulting amount was therefore, a dividend of 0.13 euros per share for all outstanding shares (i.e., on 130,016,755 shares), making a total gross dividend of EUR 16,902 thousand.

On 15 July 2015, this dividend was paid.

On the same date, the shareholders at the Parent's Annual General Meeting resolved to offset prior years' losses amounting to EUR 31,649 and the negative reserve arising from the capital increase expenses amounting to EUR 5,683 thousand, against an equal amount to the share premium. Following this offset, the total amount of share premium at 30 December 2015 is EUR 313,525 thousand.

c) *Profit per share*

The profit per share is calculated on the basis of the profit attributable to the shareholders of the Parent divided by the average number of ordinary shares outstanding in the year. At 31 December 2015 and 2014 the profit per share is as follows:

	2015	2014
Number of shares	130,016,755	130,016,755
Average number of shares	130,016,755	122,817,889
Net consolidated profit attributable to the Parent (thousands of euros)	38,244	23,761
Number of treasury shares	807,199	550,000
Number of shares in circulation	130,016,755	130,016,755
Profit per share (in euros per share)		
- Basic	0.296	0.195
- Diluted	0.296	0.195

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

d) *Foreign currency translation reserve*

The detail of "foreign currency translation reserve" in the consolidated statement of financial position as at 31 December 2015 and 2014 is as follows:

	Thousands of euros	
	31/12/15	31/12/14
Applus+ RTD	(9,421)	(5,949)
Applus+ Velosi-Norcontrol	12,517	3,049
Applus+ Laboratories	134	240
Applus+ Automotive	(44,735)	(23,933)
Applus+ IDIADA	1,064	708
Other	7,319	(69)
Total	**(33,122)**	**(25,954)**

e) Capital risk management

The Group manages its capital to ensure that its subsidiaries can continue operating in accordance with the going-concern principle of accounting. The Group is also committed to maintain leverage levels that are consistent with its growth, solvency and profitability objectives.

The data relating to the financial leverage ratios at the end of 2015 and 2014 are as follows:

	Thousands of euros	
	31/12/15	31/12/14
Bank borrowings (Note 14)	819,884	790,103
Other financial liabilities (Note 15)	24,047	28,284
Current financial assets (Note 11)	(4,258)	(4,646)
Cash and cash equivalents (Note 11)	(162,437)	(149,688)
Net financial debt	**677,236**	**664,053**
Total equity and participating loan	**651,296**	**633,573**
Leverage (Net financial debt / Net debt + equity)	**51%**	**51%**

13. Non-controlling interests

"Non-controlling interests" in the accompanying consolidated statement of financial position reflects the equity of the non-controlling shareholders in the consolidated companies. Also, the balance of "Profit Attributable to Non-Controlling Interests" in the accompanying consolidated statement of profit or loss reflects the share of these non-controlling interests in the consolidated profit or loss for the year.

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

	2015 - Thousands of euros		
	Share capital and reserves	Profit (Loss)	Total
LGAI Technological Center, S.A. subgroup	12,644	912	13,556
IDIADA Automotive Technology, S.A. subgroup	7,221	3,228	10,449
Arctosa Holding B.V. subgroup	2	93	95
Velosi S.à r.l. subgroup	17,524	5,301	22,825
Applus Iteuve Technology, S.L.U. subgroup	66	154	220
Total non-controlling interests	**37,457**	**9,688**	**47,145**

	2014 - Thousands of euros		
	Share capital and reserves	Profit (Loss)	Total
LGAI Technological Center, S.A. subgroup	10,953	(51)	10,902
IDIADA Automotive Technology, S.A. subgroup	6,571	2,681	9,252
Arctosa Holding B.V. subgroup	(4)	7	3
Velosi S.à r.l. subgroup	13,777	4,564	18,341
Applus Iteuve Technology, S.L.U. subgroup	66	145	211
Total non-controlling interests	**31,363**	**7,346**	**38,709**

The changes in "Non-Controlling Interests" in 2015 and 2014 are summarised as follows:

	Thousands of euros	
	2015	2014
Beginning balance	**38,709**	**34,701**
Changes in the scope of consolidation (Note 2.b.e)	1,612	378
Dividends	(6,000)	(4,302)
Translation differences	2,898	491
Other differences	238	95
Profit for the year	9,688	7,346
Ending balance	**47,145**	**38,709**

14. Bank borrowings

The detail, by maturity, of the bank borrowings in the accompanying consolidated statement of financial position at 31 December 2015 and 2014 is as follows:

	2015 - Thousands of euros						
	Limit	**Current maturity**	Non-current maturity				
			2017	2018	2019	2020	**Total**
Syndicated loan	**850,000**	**1,854**	-	-	-	764,946	**764,946**
Other loans	-	**3,775**	2,112	30	-	-	**2,142**
Credit facilities	**147,919**	**38,333**	-	-	-	-	-
Obligations under finance leases	-	**1,957**	277	12	3	-	**292**
Treasury shares	-	**6,585**	-	-	-	-	-
Total	**997,919**	**52,504**	**2,389**	**42**	**3**	**764,946**	**767,380**

	2014 - Thousands of euros						
	Limit	**Current maturity**	Non-current maturity				
			2016	2017	2018	2019	**Total**
Syndicated loan	**850,000**	**731**	-	-	-	746,874	**746,874**
Other loans	-	**21,450**	1,485	1,484	1,390	-	**4,359**
Credit facilities	**41,671**	**6,178**	-	-	-	-	-
Obligations under finance leases	-	**3,105**	1,710	242	34	12	**1,998**
Treasury shares	-	**5,408**	-	-	-	-	-
Total	**891,671**	**36,872**	**3,195**	**1,726**	**1,424**	**746,886**	**753,231**

a) *Syndicated loan*

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

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

The refinancing costs at the date of these consolidated financial statements amounted to EUR 3,415 thousand, which have been adjusted to the carrying amount of the financial liability in accordance with IAS 39.

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

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

The financial structure of the syndicated loan is as follows:

2015

	Thousands of euros		
Tranche	Limit	Amount drawn + interest added to principal	Maturity
Facility A	700,000	695,733	26/06/2020
Facility B	150,000	20,000	26/06/2020
Effect of exchange rate changes	-	58,321	
Interest	-	1,854	
Debt arrangement expenses	-	(9,108)	
Total	**850,000**	**766,800**	

2014

	Thousands of euros		
Tranche	Limit	Amount drawn + interest added to principal	Maturity
Facility A	700,000	695,733	13/05/2019
Facility B	150,000	35,000	13/05/2019
Effect of exchange rate changes	-	23,412	
Interest	-	731	
Debt arrangement expenses	-	(7,271)	
Total	**850,000**	**747,605**	

At 31 December 2015, the Group had drawn from the Facility A tranche a portion of the principal in US dollars -USD 268 million - (approximately EUR 247 million), a portion of the principal in Pound Sterling - GBP 20 million - (approximately EUR 28 million), which totals EUR 700 million, and a portion of the nominal amount in euros totalling EUR 479 million.

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

a.1) Obligations and restrictions relating to the syndicated loan:

The syndicated loan agreement contains a financial covenant relating to the achievement of a financial leverage ratio, defined as consolidated net financial debt/consolidated EBITDA, that must not exceed the values set for each half year throughout the term of the loan and detailed below:

- Up to 4.5 times until 30 June 2017 (inclusive)
- Up to 4.0 times from 31 December 2017 (inclusive)

Therefore as at 31 December 2015, the financial leverage ratio must be lower than 4.5 times. The actual ratio as defined in the syndicated loan agreement and based on the consolidated financial statements as at 31 December 2015 is 3.1.

The Parent's Directors expect the financial leverage ratio covenant to be met in the coming years.

The Group also has certain obligations under the syndicated loan agreement which relate mainly to disclosure requirements concerning its financial statements and negative undertakings to not to perform certain transactions without the lender's consent, such as certain mergers, changes of business activity or certain assignments (see Note 27).

a.2) Guarantees given

Shares of certain Applus Group subsidiaries have been pledged to secure the syndicated loan (see Note 27.a).

b) Credit facilities and other loans

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

The detail of the main current and non-current bank borrowings at 31 December 2015 and 2014, by currency, is as follows:

	2015 - Thousands of euros						
	Euro	US dollar	Pound sterling	Malaysian ringgit	Colombian peso	Others	Total
Syndicated loan	494,020	245,129	27,651	-	-	-	766,800
Other loans	-	-	97	5,820	-	-	5,917
Credit facilities	28,769	-	(424)	6,637	3,141	210	38,333
Finance leases	108	1,738	8	143	-	252	2,249
Treasury shares	6,585	-	-	-	-	-	6,585
Total	**529,482**	**246,867**	**27,332**	**12,600**	**3,141**	**462**	**819,884**

	2014 - Thousands of euros						
	Euro	US dollar	Pound sterling	Malaysian ringgit	Colombian peso	Others	Total
Syndicated loan	508,977	213,339	25,289	-	-	-	747,605
Other loans	7	3	91	25,708	-	-	25,809
Credit facilities	921	-	(34)	2,246	2,262	783	6,178
Finance leases	158	4,099	16	395	-	435	5,103
Treasury shares	5,408	-	-	-	-	-	5,408
Total	**515,471**	**217,441**	**25,362**	**28,349**	**2,262**	**1,218**	**790,103**

On 17 December 2014, the Group entered into a non-recourse factoring agreement for the assignment of outstanding trade receivables from 31 customers for a maximum amount of EUR 20 million, bearing interest at a market rate. At 2015 year end EUR 9,593 thousand had been factored.

15. Other non-current financial liabilities

The detail of the related headings in the accompanying consolidated statement of financial position at 31 December 2015 and 2014 is as follows:

	Thousands of Euros	
	31/12/15	31/12/14
Payable due to reversion (Note 27.a)	16,025	16,025
Other non-current financial liabilities	8,022	12,259
Total other non-current financial liabilities	**24,047**	**28,284**

"Payable due to reversion" for 2015 and 2014 includes the provisions for the guarantees covering the reversion of land on which certain vehicle roadworthiness testing centres are located in Catalonia, amounting to EUR 16,025 thousand (see Note 27.a). The payment period relating to these guarantees will not be known until the proceeding described in Note 27.b has ended.

"Other financial liabilities" includes mainly various loans with favourable terms and conditions that the subsidiaries have been granted by various public bodies, mainly the Centre for Industrial Technological Development (CDTI) and Institut Català de Finances (ICF). These loans mature between 2017 and 2023.

16. Financial risks and derivative financial instruments

Financial risk management policy

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

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

The Group hedges all significant and intolerable risk exposures as long as there are adequate instruments for this purpose and the hedging cost is reasonable.

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

Following is a description of the main financial risks to which the Group is exposed and the practices established:

a) *Foreign currency risk*

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

To manage foreign currency risk, the Group takes the following measures:

- If the financial market of the country in which the investment is made allows for adequate financing to be obtained in terms of timing and cost, hedging is naturally obtained through financing taken in the same currency as that of the investment.

- If the above is not possible, the Group determines asset and liability sensitivity to exchange rate fluctuations on the basis of the extent and severity (volatility) of the risk exposure.

In relation to foreign currency risk, the estimated sensitivity in the Group's consolidated statements of profit or loss for 2015 and 2014 to a change of +/-5% in the exchange rates against the euro of the main currency in which the Group operates, US Dollar, would entail approximately a +/-1% variation of the Group's revenues.

b) *Interest rate risk*

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

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

Net debt at floating rates is generally tied to Euribor for the debt in euros and to Libor for the debt in US dollars.

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

	2015	2014
Average interest rate	2.04%	3.06%
Average financial debt drawn (thousands of euros)	792,199	861,268

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

	2015		2014	
Change in interest rate	0.50%	(0.50%)	0.50%	(0.50%)
Change in borrowing costs (thousands of euros)	3,961	(3,961)	4,306	(4,306)

c) *Liquidity risk*

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

The Group takes various preventative measures to manage liquidity risk:

- The capital structure of each company is established taking into account the degree of volatility of the cash generated by it.

- Debt repayment periods and schedules are established on the basis of the nature of the needs being financed.

- The Group diversifies its sources of financing through continued access to financing and capital markets.

- The Group secures committed credit facilities for sufficient amounts and with sufficient flexibility.

Hedging instruments arranged

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

In July 2015 the Group arranged an equity swap with a bank for the acquisition cost of 750,000 treasury shares, to be delivered in March and May 2016. This agreement gave rise to an initial cost of EUR 7,321 thousand, a portion of which was amortised in 2015 (see Note 12). At 31 December 2015, this agreement had a fair value of EUR 6,585 thousand and maturity on 29 February 2016. On 9 March 2016 and 9 May 2016, the Parent must deliver part of the aforementioned shares to certain executive (see Notes 12 and 3.z).

17. Non-current provisions

The detail of "Non-Current Provisions" in 2015 and 2014 is as follows (in thousands of euros):

	31/12/15	31/12/14
Long-term employee obligations	7,686	5,596
Other	21,202	23,733
Non-Current provisions	**28,888**	**29,329**

The changes in "Non-Current Provisions" in 2015 and 2014 are as follows:

	Thousands of euros
Balance at 1 January 2014	**12,761**
Additions	19,522
Amounts used	(3,325)
Effect of exchange rate changes	371
Balance at 31 December 2014	**29,329**
Additions	3,578
Amounts used	(4,692)
Effect of exchange rate changes	673
Balance at 31 December 2015	**28,888**

The provisions recognised constitute a fair and reasonable estimate of the effect on the Group's equity that could arise from the resolution of the lawsuits, claims or potential obligations that they cover. They were quantified by the Group Executive Committee and of the subsidiaries, with the assistance of their advisers, considering the specific circumstances to each case.

a) *Long-term employee obligations:*

Long term employee obligations contain pension plans and other obligations to employees of Velosi-Norcontrol amounting to EUR 5,689 thousand (2014: EUR 3,812 thousand) and to employees of RTD amounting to EUR 1,997 thousand (2014: 1,784 thousand).

The pension plans of RTD relate to loyalty bonuses with current employees of the companies located in the Netherlands and Germany. These plans include the provision to pay one monthly salary payment to current employees upon completing 25 years of service and two monthly salaries payments upon completing 40 years of service.

The pension plans at Velosi-Norcontrol also relate to loyalty bonuses of current employees at companies located, mainly, in the Middle East and Italy.

b) *Other provisions:*

Other provisions mainly contain:

- Litigation in progress due to alleged breach by one of the subsidiaries of an agreement with a third party. A provision of EUR 1,500 thousand was recognised relating to the risk estimated by the Directors and their legal advisers arising from the outcome of this litigation.
- An arbitral award ordering a Group subsidiary to pay USD 3,347 thousand to a third party and ordering a third party to pay USD 2,220 thousand to a Group subsidiary due to discrepancies in the final outcome of work performed on a project. The Group has recognised a provision of EUR 1,429.
- EUR 16,940 million for certain tax contingencies to which the Group is exposed (see Note 20.1).
- EUR 1,333 thousand related to other provisions.

See Notes 20.6 and 27.b for the most significant litigation and contingencies for which the Group is exposed.

18. Other current and non-current liabilities

The detail of "Other Non-Current Liabilities" and "Other Current Liabilities" in 2015 and 2014 is as follows (in thousands of euros):

	31/12/15	31/12/14
Variable price of the acquisition of ownership interest payable at long term (earn outs)	5,056	10,154
Other non-current liabilities	8,142	1,127
Other non-current liabilities	**13,198**	**11,281**
Variable price of the acquisition of ownership interest payable at short term (earn outs)	3,884	-
Other current liabilities	4,545	4,119
Other current liabilities	**8,429**	**4,119**
Total other liabilities	**21,627**	**15,400**

In 2015 the Group has recognised as a non-current liability a provision for the earn-out of the acquisition of Arcadia Aerospace Industries LLC, amounting to USD 2,000 thousand (EUR 1,848 thousand) and SKC Group, amounting to CAD 2,054 thousand (EUR 1,361 thousand), respectively (see Note 2.b.e.1.1). Payment is scheduled for 2017 and 2019 respectively.

In 2014 the Group recognised as a non-current liability a provision for the earn-out of the acquisition of the company Ingelog Consultores de Ingeniería y Sistemas, S.A., amounting to CLP 1,283 million (EUR 1,680 thousand). Payment is scheduled for 2016.

Also, at 31 December 2015 it included EUR 2,204 thousand relating to the deferred payment on the acquisition of the subsidiary IDIADA Automotive Technology, S.A. and USD 2,000 thousand (EUR 1,847 thousand) relating to the deferred payment on the acquisition of the subsidiary Applus OMS Co Ltd., payable in 2016 and 2017, respectively.

"Other Current Liabilities" includes accrual accounts of EUR 2,394 thousand and other financial payables not relating to bank borrowings amounting to EUR 2,151 thousand (2014: EUR 2,801 thousand and EUR 1,318, respectively).

19. Trade and other payables

The detail of trade and other payables in 2015 and 2014 is as follows:

	Thousands of euros	
	31/12/15	31/12/14
Trade and other payables	179,467	172,876
Trade and other payables with related companies (Note 28)	2,498	1,713
Remuneration payable	66,185	58,297
Tax payable	54,951	55,752
Total	**303,101**	**288,638**

The difference between the reasonable and nominal value does not differ significantly.

The Group's average payment period in 2015 was 51 days (2014: 48 days).

"Remuneration Payable" mainly relates to ordinary remuneration payable as annual bonus and; extra-pay and holidays accruals.

On 24 February 2015, the Appointments and Compensation Committee approved, and the Parent's Board of Directors ratified, the delivery of Restricted Stock Units (RSUs) to certain employees. In total, these new RSUs will amount to 183 thousand RSUs, which will become Applus Group shares according to the following vesting schedule: 30% in March 2016, 30% in March 2017 and 40% in March 2018. Out of the 183 thousand RSUs, 64 thousand correspond to Senior Executive. Vesting of the shares (each RSU will be exchanged, for no consideration, for one ordinary share of the Company) is subject mainly to the employees continuing their employment relationship (with the exceptions established in the agreement). The annual impact of the new plan at the end of the fiscal year on the consolidated statement of profit or loss is not significant (see Note 29).

Additionally, "Remuneration Payable" includes the following amounts:

a) EUR 10,050 thousand (31 December 2014: EUR 8,277 thousand) corresponding to the incentives derived from the initial public offering to be received in RSUs by 10 Senior Executive of the Group (see Note 29).

b) EUR 536 thousand relating to the incentive receivable in RSUs by certain Senior Executive and employees (see Note 29).

c) EUR 1,666 thousand (31 December 2014: EUR 833 thousand) relating to the incentives receivable by some Group Senior Executive if the Group achieves certain financial targets in 2014, 2015 and 2016 (see Note 29).

In "Tax Payable" the Group recognised the amounts payable of value added taxes, social security taxes and personal income tax withholdings (or equivalent taxes in each country).

Disclosures on the payment periods to suppliers. Additional Provision Three. "Disclosure obligation" provided for in Law 15/2010, of 5 July 2010.

The Group companies with tax residence in Spain adapted their payment periods in line with Additional Provision Three "Disclosure Obligation" of Law 15/2010, of 5 July 2010 (amended by Final Provision Two of Law 31/2014, of 3 December 2014). Detailed below are the disclosures required by the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 to be included in notes to the financial statements in relation to average payment periods to suppliers in commercial transactions.

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

	2015
	Days
Average payment period to suppliers	54
Ratio of transactions settled	55
Ratio of transactions not yet settled	36
	Amount (thousands of euros)
Total payments made	90,981
Total payments outstanding	6,217

The data shown in the table above relates exclusively to the Spanish companies, which are those with a payment period that is greater than the Group average of 51 days. The data shown in the table in relation to payments to suppliers relate, pursuant to the ICAC Resolution, to commercial transactions relating to goods supplied and services provided since the entry into force of Law 31/2014, of 3 December 2014.

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

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

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

20. Corporate income tax

20.1 Corporate income tax expense recognised in the consolidated statement of profit or loss

The detail of the corporate income tax expense recognised in 2015 and 2014 is as follows (in thousands of euros):

	2015	2014
Current tax:		
For the year	33,360	29,398
Prior years	116	18,101
	33,476	47,499
Deferred tax:		
For the year	(8,220)	(12,094)
Prior years	(5,551)	(10,307)
Adjustments due to changes in corporate income tax rates and laws	-	(14,511)
	(13,771)	(36,912)
Corporate Income tax expense	**19,705**	**10,587**

The current tax expense of prior years' registered in 2014 related mainly to the provision for tax contingencies described in Note 20.6.

The deferred tax benefit of prior years' registered in 2014 arose mainly from the tax audit initiated in March 2013 at the Group's Parent in relation to corporate income tax for 2008 to 2011. On 24 July 2014, an assessment was received, which became final 30 days later, and led to the regularisation of certain tax assets and liabilities amounting to EUR 8.8 million (see Note 20.6).

The adjustments due to changes in corporate income tax rates and laws reflect the impact of revaluing the deferred tax assets and liabilities of the consolidated tax group headed by the Group's Parent based on the reduction of the standard corporate income tax rate to 28% for 2015 and to 25% for subsequent years (see Note 20.6).

The detail of the changes in deferred taxes, recognised as corporate income tax expense/(benefit) in the consolidated statement of profit or loss, is as follows:

	2015	2014
Tax credits for tax loss carry forwards	(1,193)	16,492
Withholding taxes and other unused tax credits	(1,130)	390
Temporary differences		
Amortisation of intangible assets recognized at fair value	(12,041)	(36,122)
Other provisions - Spanish companies	(355)	(2,926)
Finance costs - Spanish companies	5,266	1,971
Spanish Companies Goodwill	135	(16,021)
Spanish depreciation and amortisation charge	(593)	(1,197)
Measurement and depreciation of fixed assets - Foreign companies	(2,844)	3,666
Provisions - Foreign companies and others	(1,016)	(3,165)
Deferred corporate income tax expense (benefit)	**(13,771)**	**(36,912)**

The corporate income tax expense is calculated in 2015 and 2014 as follows (in thousands of euros):

	2015	2014
Profit before tax	**67,637**	**41,694**
Consolidated corporate income tax rate at 28% (*)	**18,938**	**12,508**
Tax effect of:		
Differences due to corporate income tax rates in different countries	8,483	4,496
Non-deductible expenses	1,877	1,911
Tax-exempt income	(1,859)	(1,186)
Deduction of unrecognised tax assets and others	(2,299)	(425)
Adjustment of prior years' corporate income tax	(5,435)	7,794
Adjustments due to changes in corporate income tax rates and laws	-	(14,511)
Corporate income tax expense	**19,705**	**10,587**

(*) 30% in 2014

20.2 Current corporate income tax receivables and payables

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

	31/12/15	31/12/14
Current corporate income tax receivables	**12,305**	**14,380**
Corporate income tax prepayments	12,305	14,380
Current corporate income tax payable	**15,693**	**13,676**
Corporate income tax payables	15,693	13,676

20.3 Deferred tax assets

The detail of "Deferred Tax Assets" at the end of 2015 and 2014 is as follows:

	Thousands of Euros	
	31/12/15	31/12/14
Tax losses of Spanish companies	33,439	34,645
Tax losses of US companies	9,039	7,760
Tax losses Other foreign companies	2,701	1,581
Tax credits for tax loss carry forwards	**45,179**	**43,986**
Tax credits of Spanish companies	2,357	5,371
Tax credits and Withholding taxes of Foreign companies	9,154	5,010
Withholding taxes and other tax credits	**11,511**	**10,381**
Temporary differences due to the non-deductibility of finance expenses as provided for in Royal Decree-Law 12/2012	11,244	16,510
Other temporary differences - Spanish companies	6,576	7,910
Other temporary differences - Foreign companies	10,845	7,134
Total temporary differences	**28,665**	**31,554**
Total deferred tax assets	**85,355**	**85,921**

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

At the end of each year the Parent's Directors analyse the recoverability of the deferred tax assets and only recognise those that they consider will probably be recovered, assessing all the circumstances and in accordance with the best possible estimate of the Parent's future results, including certain tax planning initiatives.

Pursuant to the new tax legislation, namely Law 27/2014, of 27 November 2014, the Spanish companies do not have any time limit to offset the aforementioned tax losses. However, a specific time horizon has been considered in the recognition of a tax credit for a tax loss. In this regard, at 31 December 2015 the tax credits for tax loss that are recognised are those which the Parent's Directors consider that would be probably offset over a time period of less than ten years through the achievement of sufficient future profits.

The factors taken into consideration to recognise as a deferred tax asset, including tax credit for tax loss carryforwards, withholding taxes and tax credits for temporary differences at 31 December 2015, which support their future recoverability, are as follows:

- The Budget for 2016 and the Group's business plan for 2017-2020 envisages profit for 2016 and subsequent years, which will be sufficient to offset all the tax losses over the coming 6 years.

- In 2015 the consolidated Group in Spain obtained taxable income of EUR 29,093 thousand (2014: EUR 4,271 thousand) which enabled it to use unrecognised tax losses from prior years amounting to EUR 2,963 thousand in 2015 (2014: EUR 1,423 thousand).

- A mandate was issued by the Board of Directors to Group Executive Committee to execute all of the initiatives envisaged in the business plan and it is considered highly probable that it will be met in light of the experience of prior years.

The prior years' tax loss carryforwards of the companies at the end of 2015 and 2014 are as follows:

2015

Year incurred	Thousand of Euros	
	Recognised	Not recognised
2003	-	12
2004	-	50
2005	-	9,120
2006	-	1,769
2007	382	33,271
2008	203	1,201
2009	39,379	470
2010	59,859	1,253
2011	51,506	2,155
2012	3,680	10,746
2013	2,173	5,232
2014	1,946	7,591
2015	10,335	15,665
Total	**169,463**	**88,535**

2014

Year incurred	Thousand of Euros	
	Recognised	Not recognised
2004	-	122
2005	-	11,252
2006	-	2,586
2007	382	35,495
2008	203	2,411
2009	43,801	1,268
2010	58,254	2,029
2011	55,541	3,477
2012	3,352	10,020
2013	1,640	8,132
2014	3,722	7,342
Total	**166,895**	**84,134**

Most of the Group's tax losses arose from the Spanish companies' consolidated tax group (EUR 134,271 thousand recognised and EUR 35,016 thousand not recognised).

The detail of the Spanish companies' unused tax credits at the end of 2015 and 2014 is as follows:

Year	Thousands of Euros			
	2015		2014	
	Recognised	Not recognised	Recognised	Not recognised
1999	-	82	-	-
2000	-	187	-	187
2002	-	613	-	613
2003	-	77	-	77
2004	-	88	-	106
2005	-	357	-	357
2006	-	290	-	290
2007	-	338	-	338
2008	-	1,035	1,015	1,114
2009	-	1,820	-	2,080
2010	-	1,923	-	2,164
2011	-	1,983	-	2,183
2012	-	2,378	-	2,740
2013	2,357	27,978	4,356	34,362
2014	-	6,573	-	-
Total	**2,357**	**45,722**	**5,371**	**46,611**

Of the total recognised and unrecognised tax credits at 31 December 2015, EUR 12,968 thousand relate to incentive to certain activities (mainly investment in R&D+i expenditure), EUR 32,731 thousand relate to double taxation credits and EUR 2,380 thousand to the reinvestment of gains at 31 December 2015.

Of the total recognised and unrecognised tax credits at 31 December 2014, EUR 10,565 thousand related to investment in R&D+i expenditure, EUR 32,551 thousand to double taxation credits and EUR 2,114 thousand to the reinvestment of gains.

The foreign companies' unused tax credits not recognised in the accompanying consolidated statement of financial position are not material.

20.4 Deferred tax liabilities

"Deferred Tax Liabilities" on the liability side of the accompanying consolidated statement of financial position as at 31 December 2015 and 2014 includes mainly the following:

- A deferred tax liability associated with the recognition at fair value of the assets identified upon the acquisition of the Applus Servicios Tecnológicos, S.L.U. subgroup, amounting to EUR 110,513 thousand (31 December 2014: EUR 120,356 thousand, see Note 5).

- A deferred tax liability associated with the recognition at fair value of the assets identified when the other five business combinations of other Group companies, amounting to EUR 15,695 thousand, took place (31 December 2014: EUR 12,093 thousand, see Note 5).

- The tax effect of the amortisation of goodwill paid on the acquisition of foreign companies amounting to EUR 3,440 thousand (31 December 2014: EUR 3,305 thousand).

- Deferred tax liabilities of EUR 25,480 thousand (31 December 2014: EUR 27,352 thousand) arising as a result of differences in the amortisation/depreciation of assets, measurement of assets, and goodwill for tax and accounting purposes.

- Other deferred tax liabilities amounting to EUR 6,189 thousand at 31 December 2015 (31 December 2014: EUR 6,746 thousand).

20.5 Corporate Income Tax rates applicable to the Group

Each company calculates its corporate income tax expense in accordance with its respective legislation. The main corporate income tax rates applicable to the Group are as follows:

Country	Tax rate	Country	Tax rate	Country	Tax rate
Spain	28% (*)	UK	21%	Angola	30%
US	40%	Germany	30%	United Arab Emirates	-
Finland	20%	Australia	30%	Luxembourg	29.2%
Ireland	12.5%	Italy	27.5%	Kuwait	15%
Canada	26.5%	Brazil	34%	Malaysia	25%
Norway	27%	Argentina	35%	Singapore	17%
Denmark	23.5%	Chile	22.5%	Qatar	10%
Netherlands	25%	Colombia	34%	Saudi Arabia	20%
Mexico	30%				

(*) 25% for 2016 and forward

20.6 Years open for review and tax audits

The Spanish companies have 2012 and subsequent years open for review by the tax authorities for all of the applicable taxes. The foreign companies have the last few years open for review in accordance with the legislation in force in each of their respective countries. The Parent's Directors do not expect any additional significant liabilities to arise in the event of a tax audit.

Following is a detail of the main tax audits that are ongoing and the main tax contingencies to which the Group is exposed:

In August 2010 the Canadian tax authorities ordered a Group company to provide them with information in relation to the tax benefits arising from the financial reorganisation of the Group. On 21 February 2013, the tax authorities notified the company of the commencement of a tax audit in relation to the tax treatment of the borrowing costs of a loan of CAD 27 million received by the Parent. The tax authorities were claiming the application of a 5% tax withholding from the nominal value of the loan received (CAD 1.9 million, EUR 1.3 million at 31 December 2015). The Group proceeded to make the payment of the amount claimed and made the accounting provision for the related tax expense. Also, the Canadian tax authorities questioned the company's equity for tax purposes. On 16 July 2015, the Canadian tax authorities have notified the refund of CAD 0.33 million (EUR 0.22 million at 31 December 2015) relating to a portion of the amount paid by the Group in 2010 related to fines and interests. In the notification the tax authorities also accepted the company's equity for tax purposes and, therefore, the tax risk arising from this contingency is resolved.

In October 2010 and December 2011, the Finnish tax authorities filed a challenge before the Tax Correction Board and Administrative Court relating to the tax returns for 2008 and 2009 filed by the branch that the Group has in Finland, in which it questioned the deductibility for tax purposes of interest arising from the transfer of costs for accounting purpose. In relation to those years, in May 2014 the Group received a decision from the Administrative Court dismissing the appeal but an appeal has been filed at the Supreme Court. In 2013 the Finnish tax authorities extended the appeal to cover the tax returns relating to 2010, 2011 and 2012, the decision from the Tax Correction Board dismissing the appeal having been received on 5 June 2014, which has been appealed by the Group at the Administrative Court. In November of 2014 and November 2015, the Finnish tax authorities have broaden the object of the inspection to the tax returns corresponding to 2013 and 2014, respectively, which at the date of authorisation of these Consolidated Financial Statements, await the Tax Correction Board's decision. The possible economic consequences for the Group, based on the years audited and the open years, total EUR 11.1 million, for which a provision was recognised under "Non-Current Provisions" in the accompanying consolidated financial statements.

On 30 August 2011, Chile's Internal Revenue Service notified the Group of its disagreement with the tax returns filed in 2008 by a Group company due to alleged breaches of the Chilean Corporate Income Tax Law, totalling CLP 1,172 million (31 December 2015: approximately EUR 1,533 thousand), including penalties and late-payment interest. The Group initiated a claim process in which it has contested these amounts. In 2013 Chile's Internal Revenue Service reduced the amount claimed to disagreement with the tax returns filed in 2010 for a total of CLP 933 million (31 December 2015: EUR 1,220 thousand), including penalties and late-payment interest. There are EUR 2,500 thousand provisioned for such fiscal risk.

In 2014 the tax audit of certain of the Group's Spanish companies, Applus Services, S.A., Applus Servicios Tecnológicos, S.L.U., IDIADA Automotive Technology, S.A., LGAI Technological Center, S.A. and Applus Iteuve Technology, S.L.U. was completed, and in 2014 the Group received tax assessments totalling EUR 3,260 thousand (excluding income tax) which it signed on an uncontested basis and paid. With respect to income tax, in the tax assessments the tax authorities queried various aspects that had already been regularised by the Group for accounting purposes at 31 December 2013, which gave rise to an income tax benefit of EUR 8.8 million for 2014.

The tax authorities have not imposed 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 reasonably.

In Spain, the Law 27/2014, of 27 November 2014, reforming corporate income tax legislation came into force. These reforms include, inter alia, the reduction of the standard income tax rate to 28% for 2015 and to 25% for 2016 and subsequent years. Accordingly, the Group adjusted its tax assets based on these new future corporate income tax rates, giving rise to a negative impact of EUR 11.8 million as a result of the adjustment of its deferred tax assets and a positive impact of EUR 26.1 million as a result of the adjustment of its deferred tax liabilities, which had a net positive impact of EUR 14.3 million on the consolidated statement of profit or loss for 2014.

In addition, in 2015 certain Group subsidiaries were notified by the tax authorities of the countries in which they operate that some of their taxes filed are open for review. At 31 December 2015, the process was still in a preliminary phase and no conclusions had been received from the tax authorities which could have a significant impact on the accompanying consolidated financial statements.

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

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

21. Income and expenses

a) Revenue

The breakdown, by geographical market, of the Company's revenue for 2015 and 2014 is as follows:

	Thousands of Euros	
	2015	2014
Spain	276,405	258,782
Rest of Europe	467,134	458,885
US and Canada	367,830	369,353
Asia and Pacific	226,896	224,017
Middle East and Africa	209,083	184,467
Latin America	154,125	123,213
Total	**1,701,473**	**1,618,717**

b) Staff costs

The detail of "Staff Costs" in the accompanying consolidated statement of profit or loss is as follows:

	Thousands of euros	
	2015	2014
Wages, salaries and similar expenses	680,769	655,119
Severances	10,918	5,209
Employee benefit costs	93,045	90,912
Other staff costs	78,621	79,132
Total	**863,353**	**830,372**

The average number of employees at the Group, by professional category and gender, is as follows:

	Average number of employees		
	2015		
Professional category	Men	Women	Total
Top management	154	26	180
Middle management	340	76	416
Supervisors	1,122	248	1,370
Operational employees & others	13,026	3,131	16,157
Total	**14,642**	**3,481**	**18,123**

Professional category	Average number of employees		
	2014		
	Men	Women	Total
Top management	190	31	221
Middle management	455	145	600
Supervisors	1,272	280	1,552
Operational employees & others	13,267	2,959	16,226
Total	**15,184**	**3,415**	**18,599**

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

Professional category	No. of employees end of year		
	2015		
	Men	Women	Total
Top management	148	25	173
Middle management	336	74	410
Supervisors	1,100	244	1,344
Operational employees & others	13,084	3,145	16,229
Total	**14,668**	**3,488**	**18,156**

Professional category	No. of employees end of year		
	2014		
	Men	Women	Total
Top management	194	29	223
Middle management	450	145	595
Supervisors	1,226	276	1,502
Operational employees & others	13,147	2,953	16,100
Total	**15,017**	**3,403**	**18,420**

c) Other results

The detail of the other results for 2015 relates mainly to start-up costs, extraordinary termination benefits due to restructuring and changes in fair value of considerations in business combinations. The expenses under "Other results" of 2014 corresponded mainly to extraordinary expenses relating to the Group's IPO (Initial Public Offering) in May 2014.

d) Fees paid to auditors

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

2015

	Fees for services provided by the principal auditor	Fees charged by other audit firms
Audit services	1,832	330
Other attest services	225	-
Total audit and related services	**2,057**	**330**
Tax advice	124	
Other services	12	
Total professional services	**2,193**	

2014

	Fees for services provided by the principal auditor	Fees charged by other audit firms
Audit services	1,727	305
Other attest services	214	-
Total audit and related services	**1,941**	**305**
Tax advice	98	
Other services	930	
Total professional services	**2,969**	

The "Other services" of 2014 corresponded mainly to services relating to the Group's IPO (Initial Public Offering).

22. Financial result

The detail of the financial loss in 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Total finance income	**3,895**	**2,267**
Finance costs:		
Borrowing costs relating to syndicated loan (Note 14)	(16,885)	(27,550)
Other finance costs paid to third parties	(8,815)	(10,257)
Exchange differences	(2,823)	(1,048)
Total finance costs	**(28,523)**	**(38,855)**
Financial result	**(24,628)**	**(36,588)**

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

"Impairment and gains or losses on disposals of non-current assets" relates to sales or derecognition of assets which took place in 2015 totalling EUR 126 thousand (2014: EUR 2,972 thousand).

24. Proposal of allocation of profit/loss

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

	Thousands of euros
Basis of allocation:	
Profit for the year	34,783
	34,783
Allocation:	
To dividends	16,902
To unrestricted reserves	17,881
Total	**34,783**

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

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

25. Segmented information

At 31 December 2015, the Group operates through five operating divisions and a holding division, each of which is considered to be a segment for financial reporting purposes.

In 2014 the Group operated through six divisions. However, the integration of two of the divisions, Applus+ Velosi and Applus+ Norcontrol, was completed at the beginning of 2015, therefore the segment is presented on a joint basis from 1 January 2015 and for comparison purposes for prior reporting periods. The five operating segments are as follows:

- Applus+ RTD: global provider of non-destructive testing services mainly to the oil industry. It also provides services to companies in the energy, aerospace and civil infrastructure industries. Applus+ RTD's services enable its customers to verify the mechanical, structural and physical integrity of assets without causing damage to them, either when they are installed or during their useful lives.

- Applus+ Velosi-Norcontrol: provides comprehensive solutions for technical assistance, supervision, inspection, quality control testing, certification and consulting services mainly in relation to industrial, electrical, oil and telecommunications facilities. In addition, it is a global provider of inspection, quality control, certification and technical personnel recruitment services mainly for the oil industry. Applus+ Velosi-Norcontrol's services enable its customers to ensure compliance with the specifications defined during infrastructure procurement, construction and operation processes.

- Applus+ Laboratories: offers a wide range of laboratory testing, system certification and product development services across various industries, including the aerospace, industrial and consumer goods sectors.

- Applus+ Automotive: offers obligatory vehicle roadworthiness testing services, verifying vehicles' compliance with safety and emissions regulations in force in the various countries in which it operates.

- Applus+ IDIADA: offers design, engineering, testing and certification services mainly to car manufacturers.

The Parent's Directors have identified the foregoing segments based on the following criteria:

- It carries on business activities whereby it can obtain ordinary revenue and incur expenses (including ordinary expenses and expenses arising from transactions with other components of the same entity),

- Its operating results are reviewed regularly by the Group Executive Committee who take operating and management decisions at the entity in order to decide on the resources to be allocated to the segment and evaluate its performance, and

- Separate financial information is available.

These criteria used to identify the business segments comply with IFRS 8.

In November 2015 the Group initiated the integration process of the Applus+ RTD division with the Applus+ Velosi-Norcontrol division, which will foreseeably become effective on 1 January 2016. The new division will be called Applus+ Energy & Industry.

a) Financial information by segment:

The financial information, by segment, in the consolidated statement of profit or loss for 2015 and 2014 is as follows (in thousands of euros):

2015

	Applus + RTD	**Applus + Velosi-Norcontrol**	**Applus + Laboratories**	**Applus + Automotive**	**Applus + IDIADA**	**Other**	**Total**
Revenue	544,008	642,879	54,651	297,528	162,229	178	**1,701,473**
Operating expenses	(480,764)	(577,583)	(46,109)	(227,097)	(135,043)	(37,201)	**(1,503,797)**
Profit/Loss from operations before amortisation, impairment and other gains or losses	**63,244**	**65,296**	**8,542**	**70,431**	**27,186**	**(37,023)**	**197,676**
Depreciation and amortisation charge	(30,518)	(18,584)	(5,455)	(32,709)	(9,089)	(773)	**(97,128)**
Impairment and gains or losses on disposal of non-current assets	1,177	(381)	(363)	(5)	(5)	(297)	**126**
Other results	(7,979)	592	(540)	(1,772)	(352)	(157)	**(10,208)**
Profit/(Loss) from operations	**25,924**	**46,923**	**2,184**	**35,945**	**17,740**	**(38,250)**	**90,466**

2014

	Applus+ RTD	Applus+ Velosi-Norcontrol	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	Total
Revenue	547,799	598,412	46,946	279,738	145,480	342	**1,618,717**
Operating expenses	(484,174)	(538,386)	(40,752)	(209,824)	(121,497)	(38,772)	**(1,433,405)**
Profit/Loss from operations before amortisation, impairment and other gains or losses	**63,625**	**60,026**	**6,194**	**69,914**	**23,983**	**(38,430)**	**185,312**
Depreciation and amortisation charge	(27,324)	(17,989)	(5,619)	(32,595)	(7,591)	(749)	**(91,867)**
Impairment and gains or losses on disposal of non-current assets	4,232	1,623	(2)	(87)	(134)	(2,660)	**2,972**
Other results	(4,085)	(5,218)	(718)	(1,638)	(365)	(8,366)	**(20,390)**
Profit/(Loss) from operations	**36,448**	**38,442**	**(145)**	**35,594**	**15,893**	**(50,205)**	**76,027**

The "Other" segment includes the financial information corresponding to the Applus Group's holding activity.

The finance costs were allocated mainly to the "Other" segment as it is the holding divisions that have bank borrowings (see Note 14).

The non-current assets and liabilities, by business segment, at the end of 2015 and 2014 are as follows (in thousands of euros):

2015

	Applus+ RTD	Applus+ Velosi-Norcontrol	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	Total
Goodwill	208,235	46,241	32,129	183,972	56,130	1,281	527,988
Other intangible assets	185,133	78,810	24,512	249,759	42,103	1,232	581,549
Property, plant and equipment	53,525	28,470	12,167	94,628	20,070	347	209,207
Non-current financial assets	735	9,862	126	1,991	879	373	13,966
Deferred tax assets	11,960	12,383	899	9,719	1,945	48,449	85,355
Total non-current assets	**459,588**	**175,766**	**69,833**	**540,069**	**121,127**	**51,682**	**1,418,065**
Total liabilities	**126,838**	**166,809**	**26,041**	**151,630**	**64,678**	**840,447**	**1,376,443**

2014

	Applus+ RTD	Applus+ Velosi-Norcontrol	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	Total
Goodwill	181,144	45,330	29,239	183,972	56,433	1,150	**497,268**
Other intangible assets	159,706	88,354	26,169	273,047	43,630	1,241	**592,147**
Property, plant and equipment	54,078	28,783	6,955	86,078	17,893	361	**194,148**
Non-current financial assets	1,191	8,082	46	2,183	880	340	**12,722**
Deferred tax assets	5,300	13,170	1,507	10,736	840	54,368	**85,921**
Total non-current assets	**401,419**	**183,719**	**63,916**	**556,016**	**119,676**	**57,460**	**1,382,206**
Total liabilities	**114,745**	**179,609**	**27,676**	**156,020**	**66,196**	**793,211**	**1,337,457**

The bank borrowings were allocated to the "Other" segment as it is the holding divisions that have bank borrowings (see Note 14).

The additions to intangible assets and also to property, plant and equipment, by business segment, in 2015 and 2014 are as follows (in thousands of euros):

	Applus+ RTD	Applus+ Velosi-Norcontrol	Applus+ Laboratories	Applus+ Automotive	Applus+ IDIADA	Other	Total
Capex 2015	15,784	8,844	3,800	12,624	8,607	994	**50,653**
Capex 2014	16,908	8,719	2,428	11,615	7,395	762	**47,827**

b) Financial information by geographic segment:

Since the Group has presence in several countries, the information has been grouped geographically.

The sales, by geographical area, in 2015 and 2014, were as follows:

	Thousands of euros	
	2015	2014
Spain	276,405	258,782
Rest of Europe	467,134	458,885
US and Canada	367,830	369,353
Asia and Pacific	226,896	224,017
Middle East and Africa	209,083	184,467
Latin America	154,125	123,213
Total	**1,701,473**	**1,618,717**

The non-current assets, by geographical area, in 2015 and 2014, are as follows (in thousands of euros):

Total non-current assets	Spain	Rest of Europe	US and Canada	Middle East and Africa	Asia-Pacific	Latin America	Total
31 December 2015	601,206	335,196	297,910	9,871	123,802	50,080	**1,418,065**
31 December 2014	693,961	299,317	213,596	7,246	127,976	40,110	**1,382,206**

26. Operating leases

The Group holds the right of use of certain assets through finance leases (see Note 7) and operating leases. The most significant operating leases relate to the lease of premises and vehicles and to royalties payable for the various concessions operated by the Group.

The expenses incurred by the Group in 2015 in relation to rent and royalties amounted to EUR 103,934 thousand (2014: EUR 89,281 thousand).

At the end of 2015 and 2014 the Group had contracted with lessors for the following minimum lease payments, based on the leases currently in force, without taking into account the charging of common expenses, future increases in the Consumer Price Inflation (CPI) or future contractual lease payment revisions (in thousands of euros), not including the expenses for royalties available to the Group:

Operating leases	2015	2014
Within one year	48,010	43,679
Between one and five years	130,561	110,632
After five years	20,066	15,133
Total	**198,637**	**169,444**

The accompanying table does not include the amounts of the royalties committed for the next few years since these are generally subject to a percentage of the revenue or the investments made. In 2015 the expense relating to royalties totalled EUR 42,251 thousand (2014: EUR 34,769 thousand).

27. Obligations acquired and contingencies

a) Guarantees and obligations acquired

The Group has provided guarantees totalling EUR 7.7 million (2014: EUR 7.7 million) to the Generalitat de Catalunya (Catalonia Autonomous Community Government) in connection with the incorporation of the subsidiaries IDIADA Automotive Technology, S.A. and LGAI Technological Center, S.A.

The Group has also provided other guarantees to the Catalonia Autonomous Community Government for the management of the vehicle roadworthiness testing services, amounting to EUR 10.5 million (31 December 2014: EUR 10.5 million), primarily to secure payment of the rent and to guarantee the reversion value of the leased premises in which the companies provide vehicle roadworthiness testing services. The companies that provided these guarantees are Applus Servicios Tecnológicos, S.L.U. and Applus Iteuve Technology, S.L.U. for EUR 3.0 million and EUR 7.5 million (31 December 2014: EUR 3.0 million and EUR 7.5 million), respectively. In addition, other guarantees have been provided to the Catalonia Autonomous Community Government amounting to EUR 154 thousand (31 December 2014: EUR 144 thousand) as guarantee of part of the obligations and commitments assumed under the administrative authorisation system.

The total amount reserved for the reversion of the vehicle roadworthiness testing centres in Catalonia was EUR 16,025 thousand (31 December 2014: EUR 16,025 thousand), see Note 15.

In addition, the Group has arranged other guarantees required for the operating activities of various Group companies totalling EUR 78.9 million (31 December 2014: EUR 52.6 million).

The Group also has certain obligations under the financing agreement (see Note 14) which relate mainly to disclosure requirements concerning its financial statements and negative undertakings not to perform certain transactions without the lender's consent, such as certain mergers, changes of business activity or certain assignments, as well as the obligation to achieve certain financial ratios.

The Parent Company's Directors do not expect any material liabilities as a result of the transactions described in this Note and in addition to those recognised in the accompanying consolidated statement of financial position.

b) Contingencies

b.1. Auto Catalonia

Two third parties filed an appeal for judicial review against certain Articles of Decree 30/2010, of 2 March, implementing Catalan Industrial Safety Law 12/2008, of 31 July and against the whole of Decree 45/2010, of 30 March, approving the territorial plan for new vehicle roadworthiness testing centres in Catalonia for 2010-2014. The appeal challenged the regime under which roadworthiness testing centres should operate in Catalonia, and claims a free market regime should operate. The legislation provides for an administrative authorisation regime until 2035.

In relation to the above, the Group is involved in another appeal for judicial review filed by a third party against the decision of 22 June 2010 that granted administrative authorisations to Applus Iteuve Technology, S.L. and Applus ECA-ITV, S.A. as vehicle roadworthiness testing centre concession operators, and against the decision handed down on 21 July 2010 granting an administrative authorisation to Revisions de Vehicles, S.A. as a vehicle roadworthiness testing centre concession operator.

Also within this context, another third-party filed an appeal for judicial review before the Catalonia High Court of Justice against the public call for tender for the operation of new vehicle roadworthiness testing centres envisaged in the Territorial Plan by the Generalitat de Catalunya and against the resolution of 4 November 2010, which resulted in the award of contracts 1 and 2. The Group is not a party to such proceedings.

The aforementioned litigation proceedings were unanimously decided at first instance by the Catalonia High Court of Justice by means of various court decisions that accepted the appellants' claims and declared null and void the provisions and acts which had been challenged. Consequently, the judgments of the Catalonia High Court of Justice were handed down on 25 April 2012 (in the appeal in relation to Decree 30/2010 and Decree 45/2010, in which the Group is an appellant), on 13 July 2012 (in the appeal of the public call for tender for the award of the two Territorial Plan contracts), on 13 September 2012 (in the appeal in relation to the authorisations granted to the Group) and the judgment of 21 March 2013 (in the appeal against the resolution of the award of the public calls for tender).

These judgements declared null and void the regulatory framework and the authorisations granted (including those granted to the Group) since it was considered that Decree 30/2010, of 2 March, implementing Catalan Industrial Safety Law 12/2008, of 31 July, and Decree 45/2010, of 30 March, approving the Territorial Plan for new vehicle roadworthiness test centres in Catalonia for 2010-2014 and the subsequent acts implementing them- infringed Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market.

The Group, amongst others, filed cassation appeal before the Spanish Supreme Court against the judgments (25 April and 13 September 2012). The initial effect was that the judgments of the High Court of Justice of Catalonia are not final and consequently, at the reporting date, they are not enforceable. It should be noted that the aforementioned cassation appeals argue that the judgments of the Catalonia High Court of Justice do not adequately take into account the no applicability to the activity of vehicle roadworthiness testing of the regime established by Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market (Services Directive). The Group and its advisors consider that the activity of vehicle roadworthiness testing is a service which is included in the area of transport.

On 20 March 2014 the Spanish Supreme Court applied for a preliminary ruling from the Court of Justice of the European Union.

It is important to note in this regard that on 3 April 2014 the new directive on periodic roadworthiness tests for motor vehicles (Directive 2014/45/EU), repealing the former Directive 2009/40 with effect from 20 May 2018, was approved. Article 31 states that Directive 2006/123/EC excludes from its scope services of general interest in the field of transport.

After the publication of the Advocate General's conclusions on 3 June 2015, the European Court of Justice ruled in its 25 October 2015 decision, that technical inspection services for vehicles are excluded from the Directive 2006/123/EC (Services Directive), and that they are governed by article 49 of the European Union Treaty (freedom of establishment), therefore an authorization scheme such as the one in Catalonia is compatible with the EU law, which is a point of view defended by the Group., The Spanish Supreme Court has announced it will vote and decide on the above cassation appeals on 29 March 2016.

Lastly, it should be noted that:

a) The Group's licence to carry on the activity of vehicle roadworthiness testing in Catalonia is based specifically on Law 12/2008, of 31 July and, therefore, in any case, the content and value thereof are maintained in full force as the decrees implementing the Law are currently subject to appeal but

b) The outcome of the aforementioned litigation proceedings is not expected to result in any fine or penalty for the Group.

Consequently, the Directors view favourably the most recent rulings which will maintain the status quo in Catalonia with respect to the Group's authorisations during the course of the proceedings.

b.2 Other contingencies

Certain Brazilian subsidiaries of the Group are facing a number of lawsuits from former employees regarding the amount of hours of over-time worked. The Group believes these claims are unfounded. These subsidiaries are currently presenting their respective defence documents, thus the Group believes it is premature to determine their outcome as well as to quantify the potential impact on the Group. In any case, the impact would not be significant for the attached consolidated financial statements. The Parent Company's Directors consider that the outcome of all above proceedings will not entail material additional liabilities to those foreseen in the consolidated financial statements at 31 December 2015.

During the year 2015, effective November 2016, the Group has received confirmation of a new eight year contract to include Auto inspection in the State of Illinois until 2025. This commences immediately after an existing contract within the State of Illinois ends.

At 2015 year-end, the Parent Company's Directors were not aware of any significant claims brought by third parties or of any ongoing legal proceedings against the Group other than those described above and that, in their opinion, could have a material impact on these consolidated financial statements.

b.3 Other proceedings with possible positive impact on the Group

b.3.1. Auto Canarias

The Group disputed the Royal Decree 93/2007 as it established an administrative authorisation concession regime in the Autonomous Community of the Canary Islands where previously an administrative concession regime was in place. On 29 January 2013, the Canary Islands High Court dismissed the claim filed by the Group. A cassation appeal was filed against this decision on 7 March 2013 before the Spanish Supreme Court. However AECA ITV (Spanish Association of Entities working with the Government on Vehicle Roadworthiness Testing) also filed an appeal against Royal Decree 93/2007 and obtained a precautionary measure suspending the execution of the Royal Decree. The Canary Islands Autonomous Community Government filed an appeal against this precautionary measure. The Canary Islands Autonomous Community Government has begun processing authorisation applications in relation to the opening of vehicle roadworthiness testing centres in the Canary Islands. The Group has filed an appeal against most of the applications for new centres. On 11 February 2014, the Canary Islands High Court dismissed the appeal for judicial review filed by AECA against Decree 93/2007 of the Canary Islands Autonomous Community Government, upholding that the regime of administrative authorisation for the provision of vehicle roadworthiness testing services in the Canary Islands Autonomous Community is in accordance with the law.

As a consequence from such change of regime and despite challenging it,, the Group has claimed on 6 June 2014 a refund from the Canary Islands Department for Employment, Industry and Commerce for the amounts already paid in relation to the applicable charges under the former concession regime -charge per vehicle (variable charge) and per inspection line (fixed charge) - for 2007-2013 totalling approximately EUR 3 million. On 13 February 2015, a ruling was obtained whereby the Group received EUR 982 thousand relating to charges paid in 2011, 2012 and 2013, plus the corresponding late-payment interest. As of July 15th 2015 the Spanish Supreme Court ruled against Applus position in the proceeding nº 1173/2013 and confirmed the validity of the authorization regime; the Group strategy herein described remains in place. On 31 December 2015, the Group had two ongoing judicial claims: one against the Canary Islands Autonomous Community Government's ruling in which the remaining amount of the charges is claimed and another one for the loss of profit.

b.3.2. Auto Euskadi

The Group filed a cassation appeal before the Spanish Supreme Court and against the Basque Country High Court ruling 20 July 2001, which annulled the awards of the tender process for roadworthiness in the Basque Country. On 26 December 2007, the Spanish Supreme Court handed down a judgement partially dismissing the Basque Country High Court decision and taking the administrative proceedings back to a date prior to the awards and requesting the Basque Autonomous Community Government to carry out a new evaluation. Following the new evaluation, which maintained the Group as the company awarded "Lote 3" (including two centers), the Basque Country High Court handed down a judgement establishing that the 2007 Spanish Supreme Court decision had not been properly executed, and requested the Basque Government to conduct a new evaluation that resulted in the change of the ratings of "Lote 3", placing Ita Asua in first place and the Group in second place. On 12 July 2012, the Basque Country High Court delivered an Order, establishing that the decision on the second appraisal had been appropriately executed and launching the execution of the decision and later on 30 September 2013, it awarded the concession of "Lote 3" to Ita Asua, obligating the Group to abandon the stations that it had managed since 1994. The Group appealed in cassation against both the Order of 23 June 2011 (Appeal 539/2012) and the Order of 12 July 2012 (Appeal 2134/2013), adding the suspensory effect for the second appeal. Cassation Appeal number 539/2012 was dismissed by the Spanish Supreme Court in a decision dated 15 July 2015. Cassation Appeal 2134/2013 was approved by the Spanish Supreme Court in a decision date 21 December 2015, by recognising the suspensory effect of the cassation, and therefore annulling Order 12 July 2012. The opposing party has filed a motion to dismiss, which is still awaiting judgement.

In addition, the Group has filed a contentious administrative appeal against the decision of the Basque Government of 30 September 2013, which awarded the concession of the Basque roadworthiness service from "Lote 3" to Ita Asua, which is currently in the final stages for conclusion.

28. Transactions and balances with related companies

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

- The significant shareholders of Applus Services, S.A., are 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 Parent's Board of Directors.

- The Directors and Senior Executive of any Applus Group company, as well close members of those persons' family. "Director" means a member of the Board of Directors and "Senior Executive" means persons reporting directly to the Board or to the Chief Executive Officer (CEO) of the Group.

- Associates of the Group.

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

The transactions between the Group and its related companies disclosed below, are performed at arm's length and in line with market conditions.

Transactions with related companies

In 2015 and 2014 the Parent and its subsidiaries performed the following transactions with related companies:

	Thousands of Euros							
	2015				2014			
	Operating revenue	Procurements	Personnel Expenses	Other expenses	Operating revenue	Other revenues	Procurements	Financial income
Velosi LLC	5,437	673	3	31	3,959	43	188	-
Kurtec Pipeline Services LLC	-	-	-	-	1	-	-	-
Velosi (B) Sdn Bhd	-	-	-	-	-	-	-	10
Velosi (M) Sdn Bhd	7,595	923	-	-	14,302	-	1,208	-
Total	**13,032**	**1,596**	**3**	**31**	**18,262**	**43**	**1,396**	**10**

The transactions with related companies correspond to commercial transactions. The Group also has an agreement with Velosi (M) Sdn Bhd for the use of the Velosi brand.

The transactions and balances between the Applus Group and related parties (Directors and Senior Executive) are detailed in Note 29.

During 2015 there have not been any transactions nor are there any significant amounts outstanding at year end, with significant shareholders.

Balances with related companies

a) Receivables from related companies:

	Thousands of euros	
	Trade receivables from related companies	
	31/12/15	31/12/14
Velosi LLC	1,805	964
Velosi (B) Sdn Bhd	132	333
Kurtec Pipeline Services Ltd.	80	66
Kurtec Pipeline Services LLC	78	608
Velosi (M) Sdn Bhd.	7,684	6,380
Total	**9,779**	**8,351**

b) Payables to related companies:

	Thousands of Euros	
	Trade and other payables to related companies	
	31/12/15	31/12/14
Velosi LLC	613	45
Velosi (B) Sdn Bhd	3	-
Kurtec Pipeline Services LLC	-	73
Velosi (M) Sdn Bhd	1,882	1,595
Total	**2,498**	**1,713**

29. Disclosures on the Board of Directors and Senior Executive

Remuneration of and obligations to the Board of Directors

In 2015 the remuneration and other benefits earned by the members of the Board of Directors of the Parent amounted to EUR 1,536 thousand (2014: EUR 2,260 thousand) mainly, in relation to the Executive Director's and Board Members' compensation. In 2014 this included the termination payment and incentive arising from the termination of the services of the former Chairman of the Group, amounting EUR 830 thousand.

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

The Executive Director is a beneficiary of the "Financial Incentive Plan". This remuneration is composed of the (i) "Financial Incentive Plan", paid in 2014; and the (ii) "Financial Incentive in RSU", which envisages the delivery, for no consideration, of a given number of restricted stock units ("RSU").

The Financial Incentive in RSU was delivered at the time the remuneration system was granted (i.e. 9 May 2014) and the RSU are exchangeable for shares of the Parent pursuant to the vesting schedule agreed upon with the beneficiary of the remuneration system. The RSU do not confer rights (dividend or voting) of any kind over the Parent and are non-transferrable. Each RSU will be exchanged, for no consideration, for one ordinary share of the Parent 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 RSU and their consequent exchange for shares of the Parent.

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

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

- 392,989 RSU on 9 May 2015;

- 392,989 RSU on 9 May 2016; and

- 392,990 RSU on 9 May 2017.

In accordance with the remuneration schedule, on 9 May 2015 the Executive Director received a net amount of 209,817 shares as a result of withholding income tax corresponding to the gross amount agreed upon of 392,989 RSU convertible into shares.

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

Should it not be possible to deliver the shares of the Parent on the vesting date of the RSU 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 Parent should have been delivered; multiplied by (ii) the number of shares that should have been delivered in that year pursuant to the Financial Incentive Plan.

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

Pursuant to IFRS 2, the impact on the consolidated statement of profit or loss relates to the gross number of RSU multiplied by the value of the share when the plan was arranged (on IPO), i.e. at a value of EUR 14.5 per share. Therefore the annual cost amounts to EUR 5,798 thousand. The difference between the shares' fair value and their purchase value is recognised in equity.

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

Appointments and Compensation Committee	Audit Committee	Group Ethics Committee
50	34	50

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

As at 31 December 2015 there are no other advances or loans granted to members of the Board of Directors of the Parent.

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

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

Remuneration of and obligations to Senior Executive

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

The remuneration received by the Management during the year 2015, amounts EUR 3,387 thousand (2014: EUR 4,861 thousand), and is as following:

2015

	Thousands of euros				
	Fixed Remuneration	Variable Remuneration	Other Amounts	Severance	Pension Plan
Management Team	2,051	690	306	297	43

2014

	Thousands of euros				
	Fixed Remuneration	Variable Remuneration	Other Amounts	Severance	Pension Plan
Management Team	2,407	1,207	922	285	40

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

- In May 2014 the Group agreed and signed with the Executive Director and 9 other dependant Senior Executives a new incentive plan ("Incentive Agreement"), of which part of it was paid in cash at the time of the initial public offering amounting EUR 18.7 million (included the amount received by the Executive Director), and the remaining part was deferred to be received through 2,569 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 executive.

  In accordance to IFRS 2, the fair value of the shares to be bestowed after the 3 year period, at the initial public offering price of EUR14.50 would amount to EUR 37 million (taking into account that all executive remain in the Group for the next 3 years), that the Group provisions each year on a linear basis in the consolidated statement of profit or loss. The expense incurred for this concept of deferred compensation during 2015 amounts EUR 12,415 thousand, figure provisioned under "remuneration payable" (see Note 19). These amounts relate to remuneration payable to the nine executive and to the Executive Director; the extraordinary EUR 100 thousand payable to the Chairman is not included.

  In accordance with the remuneration payable schedule, on 9 May 2015 the Group's executive received 272 thousand shares as per the Incentive Plan. This amount of 272 thousand shares is the result of applying to each executive the withholding tax corresponding to the gross amount agreed upon in the Incentive Plan of 463,256 RSU convertible into shares on 9 May 2015.

  In accordance with IFRS 2, the impact on consolidated statement of profit or loss relates to the gross number of RSU multiplied by the value of the share when the plan was arranged (on IPO), which was EUR 14.5 per share. Therefore, the annual impact amounts to EUR 6,717 thousand. The difference between the annual expense amounting to EUR 12,515 thousand, considering the Board of Directors and Senior Executive, and the actual cost for the company of the acquisition of the shares delivered is accounted for in equity as higher reserves, in this case EUR 3,540 thousand.

In addition, in 2015 provisions of EUR 1,774 thousand were recognised relating to the pending three-yearly Incentive Plan for one of the Group's executive who notified the Group of his departure on 1 January 2016 (see Note 31) and who has been part of the three-yearly Incentive Plan. The amount provisioned relates to the amounts accrued in 2016 and 2017 under the three-year Incentive Plan, and the delivery timetable originally set remains the same.

- Other Senior Executives of the Group earn variable remuneration subject to the achievement by the Group of certain financial targets in 2014, 2015 and 2016, to be paid in 2017 amounting to EUR 2.1 million for the three years. The expense incurred and provisioned for the variable remuneration as at 31 December 2015 amounts to EUR 702 thousand, being the accumulated provision for 2014 and 2015 of EUR 1,405 thousand (see Note 19).

- On 24 February 2015, the Appointments and Compensation Committee approved, and the Parent's Board of Directors ratified, the delivery of 64 thousand Restricted Stock Units (RSU) more to Senior Executive, related to the new incentive plan described in Note 21.

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

As at 31 December 2015 and 2014 the Group's Senior Executive was composed of 9 men and 1 woman .

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

Information relating to conflicts 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 Group or hold positions or discharge duties thereat, other than those held or discharged at the Applus Group companies, that could give rise to a conflict of interest as established in Article 229 of the Spanish Limited Liability Companies Law.

30. Information on the environment

In view of the Group'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. Consequently, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

The Parent's Directors consider that the environmental risks that might arise from its activities are minimal and, in any case, are adequately covered, and they do not expect any additional liabilities to arise from the aforementioned risks. The Group did not incur any expenses or receive any grants related to environmental matters in 2015 and 2014.

31. Events after the reporting period

On 1 January 2016, Applus+ RTD and Applus+ Velosi-Norcontrol have been integrated into a single division called Applus+ Energy&Industry (see Note 25). On that date, the Executive Vice-President of Applus+ RTD retired (see Note 29).

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

32. Explanation added for translation to English

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2.a). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Overview of Performance

The financial performance of the Group is presented in an "adjusted" format alongside the statutory ("reported") results. The adjustments are made in order that the underlying financial performance of the business can be viewed and compared to prior periods by removing the financial effects of other results.

Where stated, organic revenue and profit is adjusted for acquisitions or disposals in the prior twelve month period and is stated at constant exchange rates, taking the current year average rates used for the income statements and applying them to the results in the prior period.

In the table below the adjusted results are presented alongside the statutory results.

	FY 2015			FY 2014			
EUR Million	Adj. Results	Other results	Statutory results	Adj. Results	Other results	Statutory results	+/- % Adj. Results
Revenue	**1,701.5**	**-**	**1,701.5**	**1,618.7**	**-**	**1,618.7**	**5.1%**
Ebitda	**211.9**	**(14.2)**	**197.7**	**205.2**	**(19.9)**	**185.3**	**3.3%**
Operating Profit	**162.2**	**(71.7)**	**90.5**	**158.8**	**(82.7)**	**76.1**	**2.2%**
Net financial expenses	(24.6)	0.0	(24.6)	(32.6)	(4.0)	(36.6)	
Share of profit of associates	1.8	0.0	1.8	2.3	0.0	2.3	
Profit Before Taxes	**139.4**	**(71.7)**	**67.6**	**128.4**	**(86.6)**	**41.8**	**8.5%**
Income tax	(31.8)	12.1	(19.7)	(33.4)	22.8	(10.6)	
Non controlling interests	(9.7)	0.0	(9.7)	(7.3)	0.0	(7.3)	
Net Profit	**97.9**	**(59.6)**	**38.2**	**87.7**	**(63.9)**	**23.8**	**11.6%**
EPS, in Euros	**0.75**		**0.29**	**0.67**		**0.18**	**11.6%**

The figures shown in the table above are rounded to the nearest €0.1 million

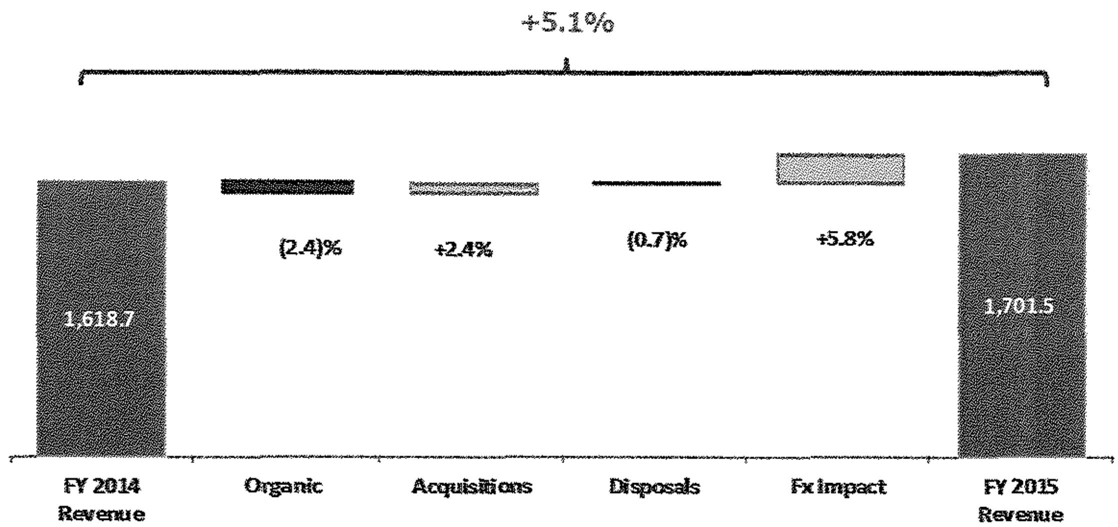
Other results of €71.7 million (2014: €82.7m) in the operating profit represent amortisation of acquisition intangibles of €47.5 million (2014: €45.3m), charge of the historical management incentive plan as disclosed at the IPO of €14.2 million (2014: €19.9m), restructuring costs of €10.9 million (2014: €8.9m), other items that net to a gain of €0.8 million (2014: €0.2m loss) and in 2014 only further IPO transaction costs of €8.4 million.

Other results in the net financial expenses of €4.0m in 2014 are the write-off of the brought forward un-amortized portion of arrangement fees for the pre-IPO debt.

Revenue for the year of €1,701.5 million was €82.8 million higher than the previous year, an increase of 5.1%. At constant exchange rates, revenue decreased by 0.7% made up of organic revenue down 2.4%, the contribution from acquisitions of 2.4% less disposals of 0.7%. Additional revenue growth of 5.8% came from favorable exchange rates and in particular the strong average US dollar rate in the year against the euro.

In the final quarter of the year, revenue was down 1.5% mainly as a result of a decline in organic revenue of 5.5%.

Revenue growth bridge in € million:

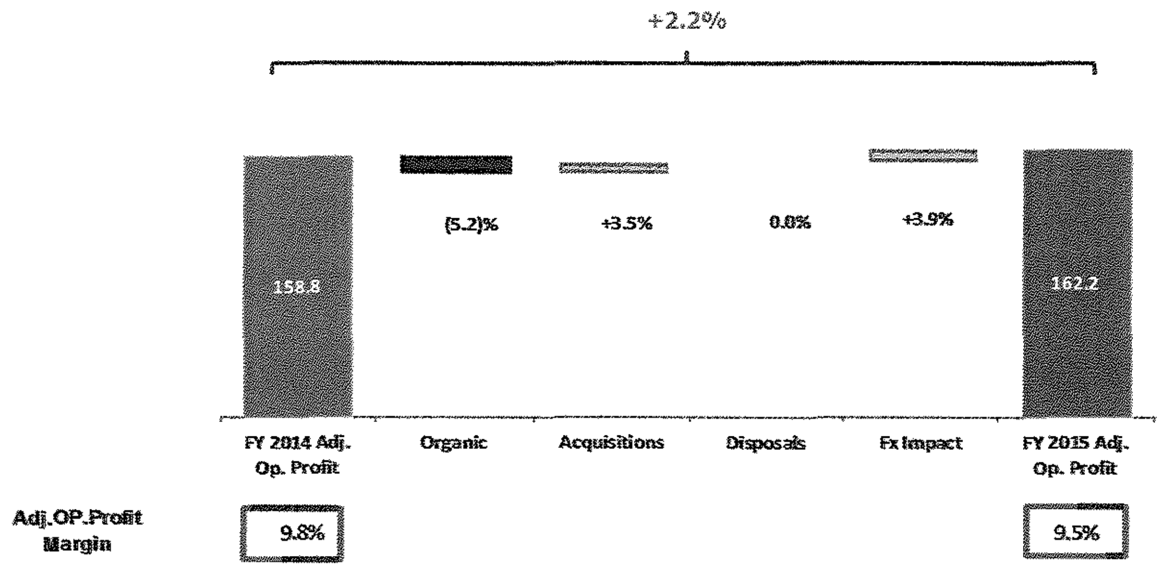


Q4 2015	(5.5)%	2.1%	(0.4)%	2.3%	(1.5)%

Adjusted operating profit for the year was €162.2 million, an increase of 2.2% on the prior year. At constant exchange rates, adjusted operating profit decreased by 1.7% made up of an organic decline of 5.2% more than offset by the contribution from acquisitions of 3.5%. Additional operating profit growth of 3.9% came from favorable exchange rates.

The resulting adjusted operating profit margin was 9.5%, which was down from 9.8% in the prior year. The margin decrease was mainly due to the organic revenue decline and currency dilution but was enhanced by the acquisitions and disposals made during the year.

Adjusted Operating Profit growth bridge in € million:



Q4 2015	(10.0)%	2.8%	0.9%	1.3%	(5.0)%

The reported operating profit was up 18.8% to €90.5 million, compared to €76.1 million in the previous year. The main reason for the increase was the reduction in the one-off costs relating to the initial public offering (IPO) in May of 2014 as well as the increase in adjusted operating profit.

The net financial expense reduced significantly in the period from €36.6 million in 2014 to €24.6 million in 2015, following the reduction of debt last year from the proceeds of the IPO and also benefiting from a reduction in the margin part way through the year when the facility was amended and extended.

The effective tax charge on the adjusted profit before tax was €31.9m (2014: €33.4m) giving a rate of 22.9% (2014: 26.0%). The rate on the adjusted operating profit was 19.7% (2014: 21.0%). The reported tax charge was €19.7 million (2014: €10.6m) and this rate on the reported profit before tax was 29.1% (2014: 25.4%).

The adjusted earnings per share (using the number of shares outstanding at year end) was €0.75 which is an increase of 11.6% on the prior year. This was mainly due to the increase in the adjusted operating profit, lower interest and taxes.

During the year, the Group made two acquisitions and two disposals for net consideration of €12.9 million. In addition, there was cash outflow of €43.8 million relating to an acquisition announced in 2014 of an aerospace testing business in North America. The total net cash outflow in the year on acquisitions less the proceeds from the disposals was therefore €56.7 million.

In the final quarter of 2015, the Group bought the non-destructive testing business of Caparo Testing Technologies in the UK. This business with over 50 years of history is one of the few independent non-destructive testing companies specializing in the aerospace industry in the UK as well as serving some other end markets. It consists of a team of over 76 professionals, 4 laboratories and two more co-locations embedded within customers' own manufacturing facilities. Annual revenue for 2015 was €7 million of which €0.6 million was consolidated into Applus+ Group results. The business has joined the Applus+ Energy & Industry division.

Also in the final quarter of the year, the Group purchased SKC Engineering (SKC) located in Vancouver, Canada. This company provides inspection and non-destructive testing services through its workforce of 30 people and in a wide and diversified client base in sectors such as power and civil infrastructure. With more than half of SKC's activity in consulting for material, welding and structural engineering and the remainder in non-destructive testing services, SKC complements the current North American portfolio of activity. Annual revenue for 2015 was €3.5 million of which €0.5 million was consolidated into Applus+ Group results. The business has also joined the Applus+ Energy & Industry division.

In the second and third quarters of the year, the Group disposed of two non-core businesses; Applus+ RTD in France and Applus+ RTD Denmark. These businesses accounted for €9 million of revenue in 2014.

Subsequent to the year end, the Group made an acquisition of a company in Australia called Aerial Photography Specialist (APS) that specialises in unmanned aerial vehicle (drones) inspection. There is an increasing demand for drone inspection as a complement or alternative to more traditional forms of inspection across a range of industries including energy, power, mining and other industrial plants and infrastructure. Aerial Photography Specialist's 2015 annual revenue was around €1 million and the business will join the Applus+ Energy & Industry division.

Capital expenditure on expansion of existing and into new facilities was €50.7 million (2014: €47.8m) which represented 3.0% (2014: 3.0%) of Group revenue.

2015 was another year of strong working capital performance, following an exceptional performance in 2014 and this supported good cash flow generation. The adjusted operating cash flow (after capital expenditure) was €163.2 million, up 3.5% on last year and equivalent to 77% of adjusted EBITDA (earnings before interest, tax, depreciation and amortization), the same rate as in 2014. The adjusted free cash flow was €117.8 million up 9.8% from last year.

The Board will propose to shareholders at the Annual General Meeting a dividend of 13 cents per share in line with the amount paid last year. This is equivalent to €16.9 million (2014: €16.9m) and is 17.3% of the adjusted net income of €97.9 million as shown in the summary financial results table above.

During the year, the Group successfully refinanced its €850 million bank debt facility through an amendment and extension agreement with its syndicate of leading international banks on improved terms. The amendment and extension was entered into in order to take advantage of improved credit market conditions since May of 2014 when the facility was initially placed. Key changes to the facility are a reduction in the margin and an extension of the maturity and financial leverage covenant. The margin was reduced by between 50 bps and 60 bps depending on the level of leverage. At the current level of leverage, the reduction is equal to 60 bps from 225 bps to 165 bps over EURIBOR or LIBOR. The maturity of the facility was extended by one year to May 2020 and the financial leverage covenant, being Net Debt to last twelve months adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) at 4.5x has been extended by two years to June 2017 and thereafter from the first test in December 2017, it falls to 4.0x.

The net debt position at the end of the year was €665.3 million (2014: €645.7m) as defined by the bank leverage covenant and the financial leverage of the Group was 3.1x at the same level as at 31 December 2014 and comfortably lower than the covenant.

Outlook

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

Longer term the structural drivers supporting testing, inspection and certification in all industry lines are expected to overcome the cyclical pressures some businesses periodically feel and Applus+ is well positioned to benefit from the resulting growth in revenue, profit and cash flow which will deliver shareholder value.

Organizational change

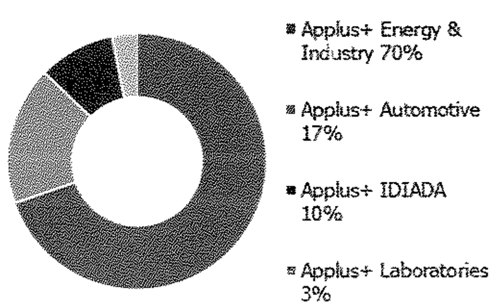
With effect from 1 January 2016, Applus+ RTD and Applus+ Velosi-Norcontrol were integrated into one division called Applus+ Energy & Industry. The division is sub-divided into 4 geographic regions, each led by an Executive Vice-President reporting to the Group Chief Executive Officer. The four regions are: North America; Latin America; Northern Europe; and Southern Europe, Africa, Middle East and Asia Pacific.

By integrating these businesses that have end markets and a number of customers in common and a complementary geographic and service portfolio, the Group will be able to maximise the growth opportunities through aligned marketing and branding, business line managers and key account managers. The re-organization will also provide simplification, immediate cost savings and further longer term cost efficiencies. Already identified are €10 million of cost savings in 2016 and €12 million of annual cost savings from 2017 onwards. The cost to achieve this reduction is estimated to be €9 million which has been provided within Other results in the 2015 profit and loss. Further cost efficiencies are expected to arise over the longer term as the businesses integrate fully.

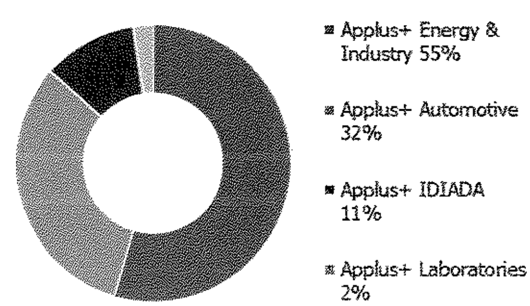
Iain Light, the Executive Vice-President of Applus+ RTD retired at the end of last year. During Mr. Light's leadership of the Applus+ RTD division over the last four years, the business has grown significantly, both organically and by acquisition and is regarded as the leading supplier of non-destructive testing services to the global oil and gas industry. The Board of Directors expresses their sincere gratitude to Mr. Light for his substantial contribution to the Group and wishes him well in his retirement.

The Group is now operating through four global business divisions: Applus+ Energy & Industry, Applus+ Automotive, Applus+ IDIADA and Applus+ Laboratories, and the respective shares of 2015 revenue and adjusted operating profit are shown below.

2015 revenue split



2015 adjusted operating profit split



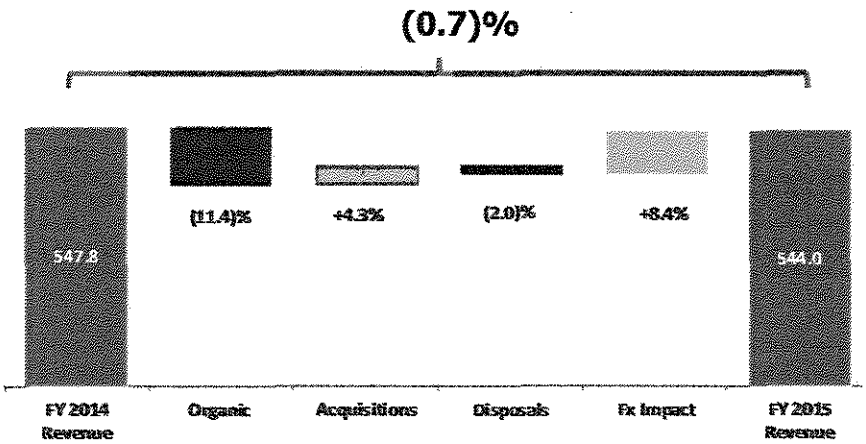
2015 operating review by division

Applus+ RTD

Applus+ RTD is a leading global provider of non-destructive testing services to clients in the oil and gas, power utilities, aerospace and civil infrastructure industries. Services and tools provided by the division are to inspect and test the mechanical, structural and materials integrity of critical assets either at the time of construction or when in use, such as pipelines, pressure vessels and storage tanks without causing damage to those assets.

Applus+ RTD revenue fell by 0.7% to €544.0 million and adjusted operating profit fell by 4.1% to €46.2 million.

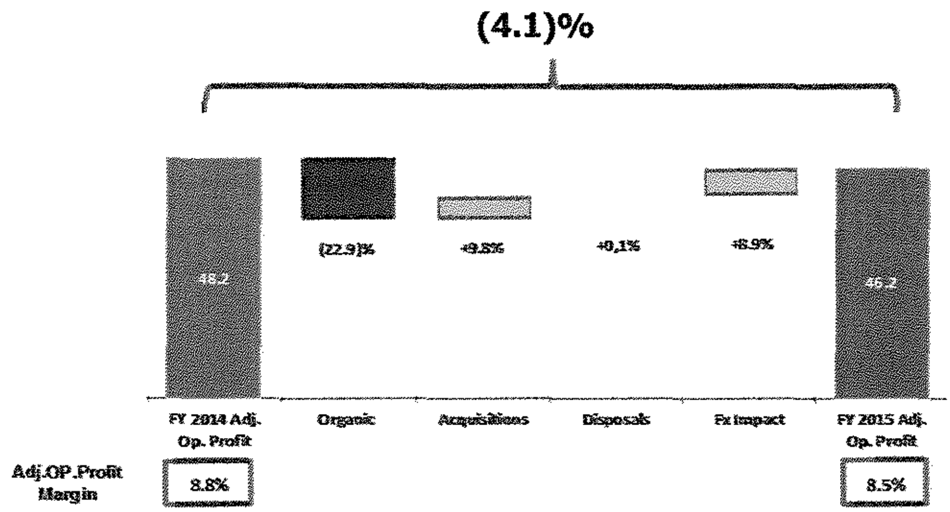
Revenue growth bridge in € million:



At constant exchange rates, organic revenue was 11.4% lower for the period, with a decline of 17.2% in the final quarter of the year.

Revenue growth for the year from acquisitions of 4.3% is mainly from the acquisition that closed at the start of 2015, of X-Ray and N-Ray, which provide non-destructive testing services to the aerospace industry in North America, plus revenue from the acquisitions closed at the end of 2015 of Caparo Testing Technologies in the UK and SKC Engineering (SKC) located in Vancouver, Canada. Revenue decline of 2.0% is from the disposals of the non-strategic businesses in France and Denmark during the year as well as the disposal made in 2014 of a business in Belgium. There was a significant foreign currency translation benefit on the year's results which was a result of the weak euro against the US dollar and a number of other currencies in which the division has subsidiaries.

Adjusted Operating Profit growth bridge in € million:



The adjusted operating profit margin decreased by 30 bps to 8.5% with the organic margin decline offset by good performance from the acquisitions. The organic margin decline was a result of the fall in revenue and a more competitive pricing environment. This margin pressure has been largely mitigated by the positive effect of cost reductions and efficiency measures that are taking hold.

Market conditions in the oil and gas market in which 84% of Applus+ RTD division revenue is exposed, deteriorated during the year materially impacting the performance of the division.

In North America, which accounts for just under half the division revenue, the oil and gas business was down around 20% due to sharp oil capex reductions, increased competition and a cautious new construction pipeline environment. The cost base in North America was significantly reduced in-line with this lower activity. In the European business, there was a mixed performance, however despite downstream contracts renewing at lower prices and new contracts at reduced rates and scope, overall revenue for the region held up well. This was largely due to very strong performance in some large one-off global offshore pipeline projects that were managed and booked out of Europe. In Asia Pacific, the business continued to grow strongly due to some large offshore pipeline and liquid natural gas (LNG) projects commencing in the year.

The Aerospace business accounting for 4% of the revenue in the year and other parts of the division un-related to the oil and gas industry performed well.

From the beginning of 2016, the Applus+ RTD division has been integrated into Applus+ Velosi-Norcontrol to form a new division called Applus+ Energy & Industry.

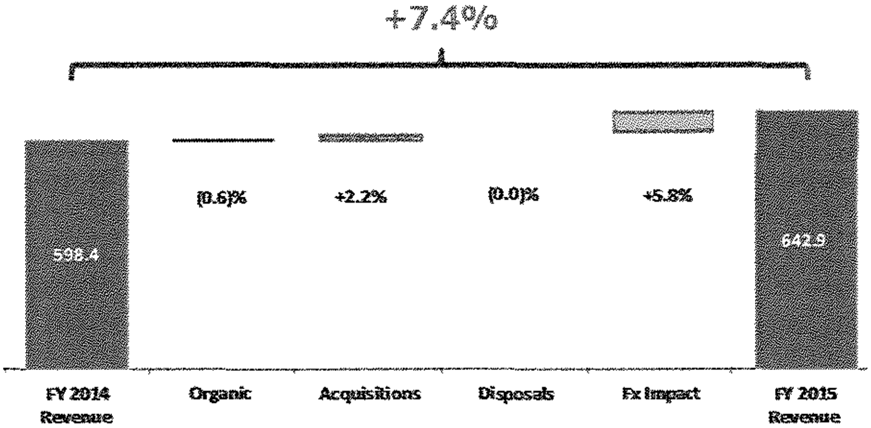
Applus+ Velosi-Norcontrol

Applus+ Velosi-Norcontrol provides quality assurance and control, testing and inspection, project management, vendor surveillance, site inspection, certification and asset integrity services as well as manpower services to the utilities, telecommunications, oil and gas, minerals and civil infrastructure sectors.

2015 was the first full year of this combined division formed by the integration of the Applus+ Velosi and Applus+ Norcontrol divisions.

Applus+ Velosi-Norcontrol grew revenue by 7.4% to €642.9 million and adjusted operating profit by 10.0% to €57.1 million.

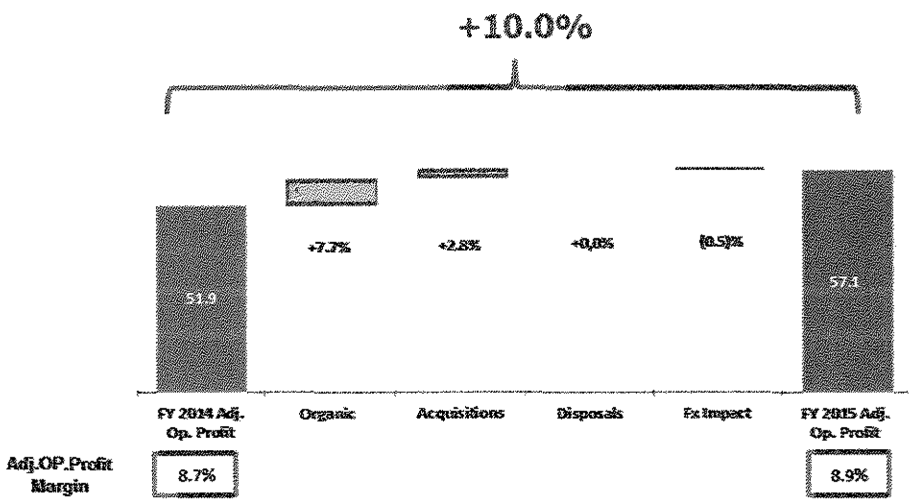
Revenue growth bridge in € million:



Applus+ Velosi-Norcontrol organic revenue at constant exchange rates declined by 0.6% in the year with a decline of 8.3% in the final quarter.

Growth of 2.2% for the year came from the acquisition of Ingelog in Chile, made in the final quarter of 2014. Ingelog is a supplier of engineering and project management services to the civil and private infrastructure industries in the Latin America region. There was a foreign currency translation benefit to the period's results due to the weak euro against the US dollar and a number of other currencies in which the division has subsidiaries.

Adjusted Operating Profit growth bridge in € million:



The adjusted operating profit margin increased by 20 bps to 8.9%. This margin increase came mostly from good organic revenue and profit growth in Spain and some countries in Latin America as well as effective cost control and efficiency measures across the division especially in the oil and gas exposed areas. The acquisition in Chile made in 2014 performed well and this was accretive to the margin. The margin increase was offset by the weakening emerging market currencies, especially in Latin America.

Approximately half of this division is exposed to oil and gas which declined in the year, following deteriorating conditions throughout the year. This was balanced by good growth in the other half of the division exposed to power, telecoms and industrial infrastructure sectors. The integration that took place at the start of the year of Applus+ Velosi with Applus+ Norcontrol resulted in some new contracts in several regions helping to offset the pressure in the oil and gas segments.

Within Europe, the business performed well especially in Spain, which is the largest country by revenue accounting for around one fifth of the division, as a result of the improving economic environment.

The business in Latin America that has grown very strongly over the last few years has continued this trend benefiting from strong infrastructure spending in power, civil infrastructure and oil and gas and in 2015 Latin America accounted for 17% of the division revenue.

The US, Canada and Asia Pacific that combined accounted for 23% of the division by revenue and are the regions with a higher oil and gas capex exposure, have been significantly impacted following the completion, re-phasing and work-load reductions on projects and fewer new projects coming to market to replace those that naturally come to an end.

The Middle East and Africa region, also with a high level of oil and gas exposure and accounting for approximately 28% of division by revenue had a very strong first half followed by a decline in the second half due to a reduction in scope on some projects.

Applus+ Laboratories

Applus+ Laboratories provides a range of laboratory-based product testing, management system certification and product development services to clients in a wide range of industries including the aerospace, oil & gas and electronic payment sectors.

Applus+ Laboratories grew revenue by 15.6% to €54.7 million and more than doubled adjusted operating profit to €4.5 million. The acquisition in North America closed at the start of 2015 of Arcadia Aerospace added 4.3% to revenue and favorable currency rates added 0.8%.

Eur Million	FY 2015	FY 2014 Proforma (*)	FY2014
Revenue	**54.7**	**47.3**	**46.9**
% Change		*15.6%*	*16.4%*
Adj. Op. Profit	**4.5**	**1.7**	**2.0**
% Change		*163.5%*	*127.6%*
Margin	**8.3%**	**3.6%**	**4.2%**

The figures shown in the table are rounded for clarity of presentation. The percentage changes and margins are calculated from the un-rounded numbers.

* FY 2014 Proforma is restated at constant exchange rates

Applus+ Laboratories had an excellent result reflecting favourable market conditions and the benefit of prior year investments.

Double digit organic revenue growth of 11.3% was generated in the year including 14.0% in the final quarter and across most business lines and countries. Aerospace, Building Products and Electronic Payment security testing were the major contributors to this growth. The division was pleased to receive a Silver Boeing Performance Excellence Award for 2015 in recognition of superior performance to Boeing. This comes only three years after the decision to target the US aerospace market.

The doubling of the adjusted operating profit was due to the strong revenue growth, reduced start-up losses from new investments and the turnaround of underperforming areas.

Applus+ Automotive

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Applus+ Automotive is a leading provider of statutory vehicle inspection services globally. The Group provides vehicle inspection and certification services across a number of jurisdictions in which periodic vehicle inspections for compliance with technical safety and environmental specifications are mandatory. The Group carried out more than 11 million vehicle inspections in 2015 across Spain, Ireland, Denmark, Finland, the United States, Argentina, Chile and Andorra.

Applus+ Automotive grew revenue by 6.4% to €297.5 million and adjusted operating profit grew 1.3% to €60.8 million. Favorable currency rates added 3.2% to revenue and 2.0% to adjusted operating profit. There were no acquisitions or disposals in the current or prior period.

Eur Million	FY 2015	FY 2014 Proforma (*)	FY2014
Revenue	**297.5**	**288.3**	**279.7**
% Change		*3.2%*	*6.4%*
Adj. Op. Profit	**60.8**	**61.2**	**60.0**
% Change		*(0.7)%*	*1.3%*
Margin	**20.4%**	**21.2%**	**21.5%**

The figures shown in the table are rounded for clarity of presentation. The percentage changes and margins are calculated from the un-rounded numbers.

* FY 2014 Proforma is restated at constant exchange rates

Applus+ Automotive organic revenue growth at constant exchange rates was 3.2% of which 8.7% was generated in the final quarter. The adjusted operating profit margin declined 110 bps to 20.4%.

The division had good revenue performance in Spain, Argentina and Ireland offset by reduced revenue in Chile under the new contract regime and increased competition in Finland. Denmark and the ongoing contracts in the US were flat, although the US no longer had the benefit of the one–off sales of the proprietary equipment sales in California.

The margin decline was mainly due to a one off revenue shortfall following a capacity constraint issue the business suffered in Ireland in the first half of the year. New capacity has been added to avoid a repeat and the second half margin was in line with prior year.

During the year, the Group received confirmation of a new eight year contract to start in Illinois in November of 2016 commencing straight after the ending of the existing contract. Also in the US, several other small new contract awards were made and more opportunities are expected to arise during the current year. The new programme with two new stations to start in Argentina will likely be in the second half of the year.

In Spain, a favorable judgement from the European Court of Justice was heard relating to the Catalonia contract. The final ruling related to this from the Spanish Supreme court is expected at the end of March this year.

Applus+ IDIADA

Applus+ IDIADA provides services to the world's leading vehicle manufacturers. These include safety and performance testing, engineering services and homologation (Type Approval). The Group also operates what it believes is the world's most advanced independent proving ground near Barcelona and has a broad client presence across the world's car manufacturers.

Applus+ IDIADA grew revenue by 11.5% to €162.2 million and adjusted operating profit by 10.1% to €20.9 million. Favorable currency rates added 1.0% to revenue and 1.1% to adjusted operating profit. There were no acquisitions or disposals in the current or prior period.

Eur Million	FY 2015	FY 2014 Proforma (*)	FY2014
Revenue	**162.2**	**146.8**	**145.5**
% Change		*10.5%*	*11.5%*
Adj. Op. Profit	**20.9**	**19.2**	**19.0**
% Change		*9.0%*	*10.1%*
Margin	**12.9%**	**13.1%**	**13.1%**

The figures shown in the table are rounded for clarity of presentation. The percentage changes and margins are calculated from the un-rounded numbers.

* FY 2014 Proforma is restated at constant exchange rates

Applus+ IDIADA had another year of excellent organic revenue growth of 10.5% at constant exchange rates and in the final quarter of the year, the organic revenue growth was 19.3%. The adjusted operating profit margin decreased by 20 bps to 12.9% due to increased depreciation from recent investments to add capacity.

Revenue growth came from all the business lines with IDIADA's strong market position benefiting from good market conditions. The body and passive safety testing business line that includes crash testing generated the majority of the growth for the division. Homologation and chassis and powertrain testing also grew strongly benefiting from increased testing for emissions following the high profile issues that arose in the year in this area.

Main risks facing the Group

The main business risks facing the Group are those typical of the businesses and countries in which it operates and of the current macroeconomic environment. The Group actively manages the main risks and considers that the controls designed and implemented to that effect are effective in mitigating the impact of these risks when they materialise.

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

Management is focused on the identification of risks, the determination of tolerance to each risk, the hedging of financial risks, and the control of the hedging relationships established.

The Group's policy hedges all significant and intolerable risk exposures as long as there are adequate instruments for this purpose and the hedging cost is reasonable. The main financial risks to which the Group is exposed and the practices established are detailed in the corresponding notes to the consolidated financial statements.

Quality, environment, risk prevention and innovation

Applus's business model is based on the premise that all its processes must be sustainable and responsible, and on the basis of its strategy and policies, it publicly and voluntarily undertakes its commitment to safety, quality and respect and protection of the environment within the scope of its business management, projects, products and services.

Our business activities are carried out in accordance with strict environmental criteria, adopted and developed within the quality, prevention and environmental policy reviewed and approved in 2014 by the CEO and President of Applus+. We have implemented quality, environment and prevention systems certified according to international standards (ISO 9001 for quality, ISO 14001 for the environment and ISO 18001 for prevention of occupational hazards) in most of the countries where we operate. Furthermore, we have developed best environmental practices guides for the rest of our activities with the aim of establishing processes that guarantee continued improvement of the impact our activity has on the environment.

In 2015 different actions have been implemented aimed at identifying and reducing greenhouse gas emissions produced throughout activities, which basically consist of energy consumption at our offices and business trips, and also reducing and improving waste management.

From the point of view of prevention, Applus has developed a corporate standard that establishes the common criteria and methodology concerning occupational hazard prevention, including its associate companies. Applus has established a global reporting and monitoring system which permits defining a number of indicators which are reported back to the company's Executive Committee on a monthly basis, including preventive indicators meaning we are able to anticipate and avoid situations that could trigger incidents in the future, such as reporting incidents and conducting field inspections by supervisors and managers.

At Applus we believe that developing a preventive culture shared by the whole company is vital to be able to achieve our objectives. Consequently, we work on projects to enhance awareness among all our employees and collaborators. This year the initiative we started in 2014 known as "Safety Day" has been consolidated. It is a world event that promotes and drives preventive culture, and which this year served to deploy the 11 Golden Rules of Applus Safety in order to focus on specific improvement programmes to help reduce the accident rate and attain our goal of zero accidents. In addition to this campaign, we have carried out other initiatives related to training and awareness concerning "safe driving" or load handling, since both subjects are the most serious cause of accidents among our employees. In this process to promote safety we bring attention to the initiatives "Safety ACE Award" and the safety discussions. Through this programme the entire company has been acknowledged by our customers and other organisations recognising our commitment to safety.

Our commitment to sustainability is also visible through the numerous R&D&I projects we are constantly carrying out through our different divisions. The vision by Applus+ in the field of innovation is not to just be service provider, but rather a strategic partner for our customers, conferring added value to the services we provide thanks to technical training, development and implementation of cutting edge technology and also creating advanced services in line with the global requirements of our customers. In this sense, Applus+ undertakes considerable innovation activity, very often in cooperation with our customers, which has grown year after year in line with Applus' s business strategy.

In 2015 the lines of work proposed in the previous years centring on project development were consolidated, which not only cover the technological needs of industries such as the automobile industry, gas and oil industry and the aeronautical industry, but they are also considered under the viewpoint of sustainability. In this sense Applus is taking part in 19 European projects through its divisions, 8 national and regional projects in Spain and in its own projects. The projects we take part in are developing concepts such as energy safety and efficiency.

With regards to safety, we have a development line in the automobile field which we call integrated safety which includes active and passive vehicle safety and interaction with highway infrastructures and vulnerable users. Nevertheless, this concept of safety is also applied to other sectors such as oil and gas where we develop the cleanest, safest END technologies to detect defects and leaks in facilities in the industry or, in the information technology sector where we perform hardware and software safety projects - advanced attacks, mobile security, NFC technology and cyber security applied to transport.

In the field of energy efficiency, we are carrying out projects to seek efficiency and reduction of the use of fossil fuels, whether through the use of lightweight materials in aeronautics o developments in the "Green Vehicle" field which mainly involves engineering and testing of electric vehicles and alternative drive systems (gas ,biofuel, hydrogen).

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Treasury share transactions

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

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

Events after the reporting period

On 21 January 2016 the Group made an acquisition of a company in Australia called Aerial Photography Specialist (APS) that specialises in unmanned aerial vehicle (drones) inspection for a fixed amount of Australian dollar 3,150 thousand (approximately EUR 1,982 thousand). The agreement also includes an earn-out provision tied to certain financial goals to be achieved. There is an increasing demand for drone inspection as a complement or alternative to more traditional forms of inspection across a range of industries including energy, power, mining and other industrial plants and infrastructure.

With effect from 1 January 2016, Applus+ RTD and Applus+ Velosi-Norcontrol were integrated into one division called Applus+ Energy & Industry. The division is sub-divided into 4 geographic regions, each led by an Executive Vice-President reporting to the Group Chief Executive Officer. The four regions are: North America; Latin America; Northern Europe; and Southern Europe, Africa, Middle East and Asia Pacific.

By integrating these businesses that have end markets and a number of customers in common and a complementary geographic and service portfolio, the Group will be able to maximise the growth opportunities through aligned marketing and branding, business line managers and key account managers. The re-organization will also provide simplification, immediate cost savings and further longer term cost efficiencies. That are expected to arise as the businesses integrate fully.

Use of financial instruments

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

Disclosures on the payment periods to suppliers

The Group companies with tax residence in Spain adapted their payment periods in line with Additional Provision Three "Disclosure Obligation" of Law 15/2010, of 5 July (amended by Final Provision Two of Law 31/2014, of 3 December). Detailed below are the disclosures required by the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 to be included in notes to the financial statements in relation to average payment periods to suppliers in commercial transactions.

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

	2015
	Days
Average payment period to suppliers	54
Ratio of transactions settled	55
Ratio of transactions not yet settled	36
	Amount (thousands of euros)
Total payments made	90,981
Total payments outstanding	6,217

The data shown in the foregoing table relates exclusively to the Spanish companies, which are those with a payment period that is greater than the Group average of 51 days. The data shown in the foregoing table in relation to payments to suppliers relate, pursuant to the ICAC Resolution, to commercial transactions relating to goods supplied and services provided since the entry into force of Law 31/2014, of 3 December.

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

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

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

Annual Corporate Governance Report

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

www.cnmv.es

www.applus.com

Applus Services, S.A.
and Subsidiaries

Preparation of the Consolidated Financial Statements and management report for the year ended 2015

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

Barcelona, 24 February 2016

D. Christopher Cole
Chairman

D. Ernesto Gerardo Mata López
Director

D. Pedro de Esteban Ferrer
Director

D. Alex Wagenberg Bondarovschi
Director

D. Mario Pardo Rojo
Director

D. John Daniel Hofmeister
Director

D. Fernando Basabe Armijo
Director

D. Richard Campbell Nelson
Director

D. Nicolás Villén Jiménez
Director

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

Appendix I - Companies included within the scope of consolidation

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

*Audited company

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

*Audited company

Name	Applus 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*	Applus Euskadi Holding, S.L.U.
Registered office	Korsolalsvej, 111 2610 Rodoure (Dinamarca)	Prazska 320/8, 500 04, Hradec Králové (Czech Republic)	Tuotekat 8B, 21200 Raisio (Finlandia)	Ctra de Bixessarri s/n, Aixovall AD600 (Andorra)	Tuotekatu 8B, 21200 Raisio, Finland	Unit no. 206, 2nd Floor,Sai Radhe Building Raja Bahadur Mill Road, off Kennedy Road, Pune 411 001 - India	Jucheng Pioneer Park, Building 23, 3999 Xiu Pu Road, Nan Hui 201315 Shanghai (Pudong District) - China	Polígono Ugaldeguren, 1 parcela 8, Zamudio, Vizcaya (España)
Line of business	Vehicle roadworthiness testing	Engineering, testing and certification	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Vehicle roadworthiness testing	Engineering, testing and certification	Engineering, testing and certification	Holding company
Ownership interest held by Group Companies:								
Direct								
Indirect	100%	80%	100%	50%	100%	61%	80%	100%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	47.388	5.878	7.309	618	2.072	2.314	15.821	24.112
Liabilities	18.468	2.581	2.998	177	931	1.954	6.452	16.907
Equity	28.920	3.297	4.311	441	1.141	360	9.369	7.205
Profit (Loss)	218	1.156	193	309	99	(281)	976	332

*Audited company

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

*Audited company

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

*Audited company

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

*Audited company

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

*Audited company

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

*Audited company

Name	RTD Slovakia, s.r.o.	Technico, Inc. (Group)	Applus Automotive Services, S.L., Sociedad Unipersonal	Quality Assurance LABS, Inc. (USA)	Quality Inspection Services, Inc.	Valley Industrial X-Ray and Inspection Services, Inc.	APP Management, S. de R.L. de C.V.
Registered office	Bratislava, RuŽinovská ul. c. 8, PSC 820 09 Bratislava 29,P.O. Box 26 (Eslovaquía)	299 McIlveen Drive, E2J 4Y6, Saint John, New Brunswick	Campus de la UAB, Ronda de la Font del Carme s/n, 08193 Bellaterra-Cerdanyola del Vallès. Barcelona (España)	80 Pleasant Ave SO PORTLAND, ME 0416 (USA)	Suite 400, Cathedral Park Tower, 37 Franklin Street, Buffalo, New York 14202 (USA)	6201 Knusden Drive, Bakersfield, CA (USA)	Blvd. Manuel Avila Camacho 184, Piso 4-A, Col. Reforma Social, C.P. 11650 México D.F. (México)
Line of business	Certification services through non-destructive testing	Certification services through non-destructive testing	Provision of services related to the automotive industry and vehicle and road safety, process engineering, training design, testing, accreditation, etc.	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification services through non-destructive testing	Provision of professional, technical, administrative and human resources services
Ownership interest held by Group Companies:							
Direct							
Indirect	100%	100%	100%	100%	100%	100%	100%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):							
Assets	1	1.454	649	2.826	7.586	10.553	865
Liabilities	1	422	12	200	3.463	1.448	674
Equity	-	1.032	637	2.625	4.123	9.106	191
Profit (Loss)	1	309	33	286	(779)	(2.937)	28

*Audited company

Name	Libertytown Applus RTD Germany Gmbh	Applus Norcontrol Maroc, S.à r.l.	Applus RTD Gulf DMCC.*	Qualitec Engenharia de Qualidade, Ltda.	Applus Lgai Germany, Gmbh	BK Werstofftechnik-Prufstelle Für Werkstoffe, Gmbh	Ringal Brasil Investimentos, Ltda.	Burek und Partner, Gbr.
Registered office	Industrie Strasse 34 b, 44894 Bochum, Alemania	INDUSPARC Module N°11BD AHL LOGHLAM Route de Tit Mellil Chemin Tertiaire 1015 Sidi Moumen 20400, Casablanca (Marruecos)	16th Floor, Office 1601, Swiss Tower, Jumeirah Lake Towers, PO Box 337201, (Emiratos Árabes)	Cidade de Ibirité, Estado de Minas Gerais, na Rua Petrovale, quadra 01, lote 10, integrante da área B, nº450, Bairro Distrito Industrial Marsil, CEP 32.400-000 (Brasil)	Zur Aumundswiede 2, 28279 Bremen, Germany	Zur Aumundswiede 2, 28279 Bremen, Germany	Cidade de São Bernardo do Campo, Estado De São Paulo, na Rua Continental, nº 342 – Parte, Vila Margarida, CEP 09750-060 (Brasil)	Zur Aumundswiede 2, 28279 Bremen, Germany
Line of business	Holding company	Inspection, quality control and consultancy services	Certification services through non-destructive testing	Certification services through non-destructive testing	Certification	Certification	Holding company	Certification
Ownership interest held by Group Companies:								
Direct								
Indirect	100%	95%	100%	100%	95%	95%	100%	95%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	62.216	131	6.446	10.760	8.305	2.614	6.821	174
Liabilities	67.119	38	1.398	6.576	6.686	1.074	4.154	10
Equity	(4.903)	92	5.048	4.183	1.619	1.540	2.667	164
Profit (Loss)	(2.334)	52	(640)	(213)	333	-	(1.077)	(4)

*Audited company

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

*Audited company

Name	Applus Laboratories, AS.	Applus Arabia L.L.C*	Applus II Meio Ambiente Portugal, Lda	Ringal Invest, S.L.U	Applus Velosi DRC, S.à r.l.	Ingelog Consultores de Ingeniería y Sistemas, S.A.*	Ingelog Servicios Generales, Ltda (Sergen)*	Ingelog Guatemala Consultores de Ingeniería y Sistemas, S.A.
Registered office	Langmyra 11, 4344 Bryne, Norway	Prince mohamed bin abdulaziz road, P.O. Box 68631, Riyadh 11537	Rua Hermano Neves n.º 18, escritório 7, freguesia do Lumiar, Concelho de Lisboa. Portugal	Campus UAB, Ronda de la Font del Carme, s/n, Bellaterra-Cerdanyola del Vallès, (Barcelona)	Lubumbashi, Avenue Lumumba, Nº 1163, Quartier Industriel, Commune Kampemba, Congo	Calle Alberto Henckel, 2317, Santiago de Chile	Alberto Henckel 2317, Providencia, Santiago de Chile, Chile	Guatemala
Line of business	Certification	Certification	Certification	Certification	Counseling and provision of personnel	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Providing shuttle service and car rental	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.
Ownership interest held by Group Companies:								
Direct								
Indirect	95%	48%	95%	100%	100%	100%	100%	100%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	1.129	2.377	1.628	28.332	328	9.827	737	-
Liabilities	1.561	2.079	365	25.117	289	1.749	571	-
Equity	(432)	298	1.263	3.215	39	8.078	166	-
Profit (Loss)	37	340	519	(582)	3	1.256	182	-

*Audited company

Name	Ingeandina Consultores de Ingeniería, S.A.S.*	Ingelog Costa Rica S.A.	NRAY Services, Inc.	Applus RTD USA Aerospace Holding, Inc.	X-RAY Industries, Inc.	Composite Inspection Solutions, LLC.	Thermalogix, LLC	XRI NRAY Services, Llc.
Registered office	Calle 17 Nº 69 46 Zona Industrial Montevideo, Bogotá, Colombia	San José de Costa Rica, calle treinta y uno, avenidas nueve y once, Barrio Escalante	56A Head Street, Dundas, ON L9H 3H7 Canada	Address: 615 S. DuPont Highway, Kent County, Dover, Delaware 19901, USA	1961 Thunderbird, Troy Michigan USA 48084	1961 Thunderbird, Troy Michigan USA 48084	1961 Thunderbird, Troy Michigan USA 48084	1961 Thunderbird, Troy Michigan USA 48084
Line of business	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Counseling and consulting services in the areas of engineering, infrastructure, environment, etc.	Inspection of the based neutron radiation services	Holding company	Purchase of equipment and refills, installation, reparation and maintainance of the equipment, engineering services and development of scientific investigation	Certification services through non-destructive testing	Non-destructive testing services for the manufacturers of blades turbine engines in the plane engines and the gas turbine industries	Inspection of the based neutron radiation services
Ownership interest held by Group Companies:								
Direct								
Indirect	100%	100%	100%	100%	100%	100%	100%	100%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	964	-	12.221	39.049	9.645	153	277	278
Liabilities	127	-	8.565	38.562	2.010	6	-	32
Equity	837	-	3.656	488	7.635	148	277	246
Profit (Loss)	161	-	(330)	475	2.433	50	-	145

*Audited company

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

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

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

*Audited company

Name	Velosi Asia (Luxembourg) S.à r.l.	Velosi Africa (Luxembourg) S.à r.l.	Velosi Europe (Luxembourg) S.à r.l.	Velosi Poland Sp z.o.o.	Velosi Europe Ltd*	Velosi Certification Bureau, Ltd*	Intec (UK) Ltd*	Velosi International Italy Srl
Registered office	7, rue Robert Stümper | L-2557 Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg, Luxembourg.	7, rue Robert Stümper | L-2557 Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg, Luxembourg.	7, rue Robert Stümper | L-2557 Luxembourg, Grand Duchy of Luxembourg, L-1653 Luxembourg, Luxembourg.	00-203 Warszawa, ul. Bonifraterska 17, VI p, Polska, 00-203 Warszawa, Poland.	Unit 4 Bennet Court, Bennet Road, Reading, Berkshire, RG2 0QX Bershire, United Kingdom.	Unit 4 Bennet Court, Bennet Road, Reading, Berkshire, RG2 0QX Bershire, 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
Ownership interest held by Group Companies:								
Direct								
Indirect	100%	100%	100%	100%	100%	85%	60%	80%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	1.021	2.263	1.209	223	20.631	900	4.560	3.594
Liabilities	1.910	1.385	701	363	17.884	1.556	(281)	304
Equity	(889)	878	508	(140)	2.747	(656)	4.841	3.290
Profit (Loss)	(461)	(82)	100	(21)	432	92	258	1.435

*Audited company

Name	Velosi-PSC Srl*	IES - Velosi Norge AS*	Velosi TK Gozetim Hizmetleri Limited Sirketi	Velosi LLC	Velosi Malta I Ltd*	Velosi Malta II Ltd*	Applus Velosi Czech Republic, s.r.o.	Velosi Turkmenistan
Registered office	Via Cinquantenario, 8 - 24044 Dalmine, Bergamo (BG), Italy.	Dølevegen, 86, Post Box. 2096 N-5541 Kolnes, Kongsberg, Norway.	1042. Cadde 1319.Sokak No.9/5 Ovecler, Ankara, Turkey.	Azadliq Avenue 189, Apt 61, AZ1130 Baku, Azerbaijan.	Level 5, The Mall Complex, The Mall, Floriana VLT 16, Malta.	Level 5, The Mall Complex, The Mall, Floriana VLT 16, Malta.	Prague 9, Ocelářská 35/1354, Postal Code 190 00 , Czech Republic.	Ashgabat City, Kopetdag District, Turkmenbashy, Avenue, No. 54, Turkmenistan.
Line of business	Quality control, maintenance and inspection	Quality control, maintenance and inspection	Quality control, maintenance and inspection	Provision of auxiliary services for oil and gas companies	Holding Company	Holding Company	Manufacturing, trade and services not listed in Appendix 1-3 of the Trade License Activity	No line of business
Ownership interest held by Group Companies:								
Direct								
Indirect	80%	60%	50%	100%	100%	100%	100%	100%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	8.547	1.084	258	47	29.092	8.821	220	-
Liabilities	4.876	466	251	481	135	248	140	-
Equity	3.671	618	7	(434)	28.957	8.573	80	-
Profit (Loss)	917	266	17	(90)	(10)	884	40	-

*Audited company

Name	Velosi Specialised Inspection Sdn Bhd	Velosi Industries Sdn Bhd	Kurtec Inspection Services Sdn Bhd	Kurtec Inspection Services Pte Ltd	Kurtec Tube Inspection Sdn Bhd	Velosi Plant Design Engineers Sdn Bhd	K2 Specialist Services Pte Ltd	SEA Team Solutions (M) Sdn Bhd
Registered office	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	1 Commonwealth Lane # 07-32 One Commonwealth Singapore 149544	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	521 Bukit Batok Street 23 Unit 5E, Excel Building,659544, Singapore	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.
Line of business	Provision of engineering and inspection services	Investments, investment property and provision of engineering services	Provision of non-destructive testing (specialised NDT) services, inspection of guided wave long range ultrasonic testing (LRUT) and remote visual inspection	Specialised provision of non-destructive testing, which includes remote visual inspection, pipe inspection and inspection of guided wave long range ultrasonic testing	Provision of specialised non-destructive testing (NDT) inspection and cleaning of pipes and tanks	Provision of consultancy and engineering services for the design of plants, construction and engineering and the investment that they possess	Provision of specialised services in the area of repair of ships, tankers and other high sea vessels, and provision of rope access, testing and technical analyses for the oil and gas industries	Training/hiring of specialised staff
Ownership interest held by Group Companies:								
Direct								
Indirect	100%	100%	65%	65%	83%	100%	100%	100%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	1.750	61.762	754	222	239	2.883	14.678	4
Liabilities	1.847	59.664	73	-	14	2.965	5.281	5
Equity	(97)	2.098	681	222	225	(82)	9.397	(1)
Profit (Loss)	238	(1.056)	63	1	(111)	(32)	(1.834)	(6)

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

*Audited company

Name	Velosi Integrity & Safety Pakistan (Pvt) Ltd	Velosi Corporate Services Sdn Bhd*	Velosi International Holding Company BSC ©*	Velosi Certification Services LLC*	Velosi Certification WLL*	PT Java Velosi Mandiri*	Velosi Certification WLL*	Velosi PromService LLC
Registered office	Office No. 401, 4th Floor, Business Centre, Block 6, P.E.C.H.S. Society, 74000 Karachi, Pakistan.	C/o AGL Management Associates Sdn Bhd, No. 152-3-18A, Kompleks Maluri, Jalan Jejaka, Taman Maluri, 55100 Kuala Lumpur, Malaysia.	Al Adiya, Manama, Block 327, Road 2757,Building 2291, Bahrain	# 201 & 205, Block B, Abu Dhabi Business Hub, ICAD-1, Mussafah, PO Box 427 Abu Dhabi, United Arab Emirates.	Block 9, Building 24, Office 21, Ground Floor, East Ahmadi, Industrial Area, P O Box # 1589, Salmiya – 22016, Kuwait.	Roxy Mas, Blok E.I. No. 5, Jl. K.H. Hasyim Ashari, Cideng Gambir, Jakarta Pusa.	Building No 121340, First Floor New Salata, C Ring Road, P.O. Box 3408, Doha, Qatar.	Sadovnicheskaya Street 22/15, Building 1, 1st Floor, Office 2, 115035 Moscow, Russian Federation.
Line of business	Provision of support engineering services, inspections based on risk, reliability centred maintenance, assessment of the safety integrity level, suitability for management services studies, corrosion studies, development of data management control systems, quality management system certification, specialised non-destructive testing services, approval of the design review, third-party inspection services and inspection of plants and access engineering	Provision of general management, business planning, coordination, corporate finance advisory, training and personnel management services	Holding company of a group of commercial, industrial and service companies	Provision of construction project quality management services, management system certification, quality management of the maintenance of existing facilities and equipment and mandatory inspection services	Provision of industrial consultancy	Provision of engineering consultancy services, such as quality control and non-destructive testing (NDT) inspection services, provision of skilled labor with vocational training	Provision of inspection and analysis and technical services in the area of qualified technical jobs	Provision of quality assurance and control, general inspection, corrosion control and services for the supply of labor for the oil and gas industries
Ownership interest held by Group Companies:								
Direct								
Indirect	70%	100%	100%	100%	100%	70%	75%	100%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	1.814	18.332	23.048	18.820	4.039	4.859	28.051	3.952
Liabilities	1.151	22.529	723	9.817	2.265	3.665	16.746	2.804
Equity	663	(4.197)	22.325	9.003	1.774	1.194	11.305	1.148
Profit (Loss)	232	(466)	1.904	(726)	(234)	1	2.997	32

*Audited company

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

Name	Velosi Uruk FZC	Velosi Certification Services LLC*	Velosi Philippines Inc	Velosi Ukraine LLC	Dijla & Furat Quality Assurance, LLC.	ApplusVelosi OMS Co. Ltd	Steel Test (Pty) Ltd*	Velosi (Ghana) Ltd
Registered office	E-LOB Office No E2-119G-13. Hamriyah Free Zone, Sharjah, UAE.	17, Chimkent Street, Mirobod District, 100029 Tashkent, Uzbekistan.	1004, 10F, Pagibig WT Tower, Cebu Business Park, Ayala, Cebu City, Philippines.	5-A Piterska Str., Kyiv, 03087, Ukraine	Ramadan Area, District 623-S, No.1, Baghdad, Iraq.	108, Jin-ha, Seo-sang, Ulju, Ulsan, Republic of Korea.	28 Senator Rood Road, 1930 Vereeniging , Republic Of South Africa.	P.O.Box OS 0854, OSU, ACCRA, , Ghana.
Line of business	Business and management consultancy	Provision of inspection, certification, monitoring and other types of business activity	Provision of business process outsourcing	Provision of ancillary services in the oil and natural gas industries	Provision of inspection, quality control and certification services	Provision of inspection, quality control and certification services	Pipe and steel thickener testing	Provision of inspection, quality control and certification services
Ownership interest held by Group Companies:								
Direct								
Indirect	60%	80%	100%	100%	100%	67%	100%	100%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	786	43	391	8	8	1.449	1.848	5.639
Liabilities	701	428	351	207	1.298	1.093	229	5.739
Equity	85	(385)	40	(199)	(1.290)	356	1.619	(100)
Profit (Loss)	(2)	(129)	(44)	(107)	(294)	188	(75)	(14)

*Audited company

Name	Velosi Angola Prestacao de Servicos Ltda	Velosi Superintendend Nigeria Ltd*	Velosi Uganda LTD	Velosi SA (Pty) Ltd*	Applus Velosi Egypt, LLC	Velosi Mozambique LDA	Applus Velosi Angola, Lda.*	K2 Do Brasil Services Ltda
Registered office	Rua Marien Ngouabi, 37, 5th Floor, Apt 53, Maianga, Luanda, Angola.	3, Alhaji Bashorun Street Off Norman Williams Street S.W. Ikoyi, Lagos, Nigeria	C/o Deloitte, 3rd Floor, Rwenzori House, Plot 1, Lumumba Avenue, PO Box 10314 Kampala, Uganda.	1st Floor, AMR Building 1, Concorde Road East, Bedforview, 2008 Gauteng, South Africa.	5 A Khaled Abn El Walid Street Sheraton Nozha Cairo, Egypt	Avenida Kim Il Sung, 961 - Bairro Sommershield - Distrito Urbano 1, Maputo Cidade - Moçambique.	Rua Marechal Brós Tito, n.º 35-37 Piso 13, Fracção B Edificio Escom Angola	Avenida Nossa Senhora da Gloria, 2427, Sobreloja, Sala 01, Cavaleiros, Macae - RJ, CEP27920-360, Macae, Brazil.
Line of business	Provision of quality assurance and control, inspection, supply of technical manpower, certification and regulatory inspection, NDE specialised services and engineering	Provision of services (quality assurance and control, general inspection, corrosion control and supply of labor) for the oil and gas industries	Provision of business consulting and management	Provision of services related with the quality of the oil and gas industries	Provision of engineering consultancy in the oil sector, the maritime business, power generation and mining, as well as management consulting	Provision of consultancy services and technical assistance in the oil and gas industries, such as labor force services, and other specialized services in non-destructive trials, controls, quality inspections and asset integrity	Provision of quality assurance and control, inspection, supply of technical manpower, certification and specialised services in NDT and engineering.	Provision of updating, repair, modification and control of onshore and offshore oil facilities, inspection and development of design services, manufacture of components and machinery structures and supply of qualified labor
Ownership interest held by Group Companies:								
Direct								
Indirect	75%	80%	100%	100%	100%	100%	49%	100%
Method used to account for the investment	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation
Date of financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):								
Assets	15.949	2.007	3	3.786	-	45	41.983	1.358
Liabilities	5.560	6.131	120	6.392	-	39	38.509	2.144
Equity	10.389	(4.124)	(117)	(2.606)	-	6	3.474	(786)
Profit (Loss)	(1.962)	(749)	(112)	(1.433)	-	2	2.187	(578)

*Audited company

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

Note: the % ownership of Group companies reported corresponds to the effective interest

Appendix II

Name	Velosi Cameroun S.à r.l.	Velosi Gabon PTE LTD CO (S.à r.l.)	Applus Velosi Kenya Limited	Steel Test Secunda (PTY), LTD.	K2 Specialist Services FZE	Oman Inspection & Certification Services LLC	Precision for Engineering Services, Project Management, Vocational Training and Importation of Man Power LLC
Registered office	Douala, PO Box 15805, Akwa, Cameroon	Cité Shell, Port-Gentil in Gabon, BP: 2 267, Gabon.	3rd floor, Kiganjo House, Rose Avenue Off Denis Pritt Road L.R No 1/1870, Nairobi P.O.Box 50719 - 00200, Nairobi	11 Viscount, Road Bedfordview 2007, South Africa.	P.O. Box 5480, Fujairah, U.A.E	P.O. Box 15, Postal code 105 South Alkhuwar/Bawshar/Muscat	Al-Shamasiyah District Section No. 316 Street 15 house 37|1
Line of business	No line of business	Provision of safety and environmental (HSE) services, quality control and engineering in the oil and gas sector	Provision of quality control services, technic engineering in labor force and consulting services, non-destructive trials and certification, electrical inspection, project management and engineering and construction services supervision	Pipe and steel thickener testing	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	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	Buy, lease, ownership of personal property, intellectual property and the sale of said goods
Ownership interest held by Group Companies:							
Direct							
Indirect	100%	100%	100%	100%	100%	100%	100%
Date of financial statements	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
Other company information (in thousands of euros):							
Assets	-	-	-	-	-	-	-
Liabilities	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-
Profit (Loss)	-	-	-	-	-	-	-