ANNUAL REPORT

2015

Applus+

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01

Applus+ AT A GLANCE

INTRODUCTION TO Applus+

The Testing, Inspection and Certification (TIC) industry comprises companies and organisations that provide services to help manage risk, enhance the quality and safety of products, assets and operations, comply with applicable standards and regulations and optimise industrial processes.

These services are mainly provided through testing, inspection and certification, but also by offering related services such as auditing, outsourcing, training and quality assurance. TIC companies provide services focussed on demonstrating that a certain product, asset or process meets specific voluntary or mandatory standards, requirements or regulations.

Applus+ is one of the major global TIC players – recognised as a benchmark for quality and integrity. It enjoys a significant global presence and a leading position in its targeted markets and geographical areas.

With more than 18,700[1] employees and over 350 offices and laboratories across 70 countries, Applus+ is ideally placed to serve its clients consistently and on a global basis whilst opening up growth opportunities across geographical areas.

Applus+ is accredited by major international organisations and operates under the 'Applus+' brand to provide a range of services across the areas of testing, inspection and certification.

The Applus+ Group focusses its operations on the markets it leads, taking advantage of market conditions, the attractive competitive landscape and growth opportunities. The structural drivers supporting testing, inspection and certification activities in its industry lines put Applus+ in a strong position to benefit from these opportunities in the future.

The Applus+ Group has established a strong brand and reputation based on its commitment to innovation and quality and its highly motivated and skilled employees.

[1] Employees from Applus+ Velosi Oman, Brunei and Malaysia Associate Companies are not considered in the employee count.

2015 – KEY FIGURES

€1.7 billion
Total revenue

+5.1%

€162 million
Adjusted operating profit

+2.2%

€163 million
Adjusted operating cash flow

+3.5%

€38 million
Net profit

+60.5%

€0.75
Adjusted earnings per share

+11.6%

02 LETTER FROM THE CHAIRMAN AND THE CEO

Christopher Cole
Chairman of the Board of Directors

Fernando Basabe
Chief Executive Officer (CEO)

We are pleased to provide the Applus+ Group's second annual report since our listing on the Spanish stock exchange in 2014.

The Group performed well in 2015 with an all-time high level of revenue, profit and cash flow. This was against challenging conditions in our largest end market of oil and gas whilst we had good growth from our other businesses. With the benefit of active and timely measures taken to reduce costs, there was a limited impact on the operating profit margin. The business will continue to respond to market conditions as appropriate and will be well positioned for when the oil and gas market recovers, whilst we remain focused on strategic opportunities to increase shareholder value.

What we do

Applus+ is a diverse organisation, providing vital services to a wide range of customers in many different industries and countries.

The testing, inspection and certification services we provide are technically sophisticated, regulatory-driven and mission-critical for the energy, industrial, infrastructure, aerospace and automotive sectors. As examples, it is through the hard work and dedication of the people at Applus+ that we can rest assured that oil pipelines are welded together properly and therefore the risk of spillages is reduced; refinery owners can feel confident that their infrastructure can withstand the high temperatures and pressures at which they continuously operate; utility owners know their power grids are monitored for overheating or circuit breaks; new aerospace components have been thoroughly tested for breaking points; periodic safety checks are carried out on cars and new cars released to market have been thoroughly tested for physical and electronic safety systems. A responsible manufacturer or owner of an asset must undertake proper testing before assets are launched in the consumer or industrial space. Whether this testing is carried out by the asset owner or by specialist companies like Applus+ is often discretionary.

For this reason, we work hard to prove ourselves worthy of being chosen as a testing and inspection partner. We hope this report will help you understand why we are a good choice.

2015 financial performance

WE REPORTED AN ALL-TIME HIGH REVENUE, PROFIT AND CASH FLOW IN 2015.

The majority of the Group performed well but the oil and gas exposed parts faced increasingly difficult market conditions resulting in a low-single-digit decline in the group's organic revenue. Positive growth from acquisitions and favourable foreign exchange resulted in total revenue increasing by over 5% on the previous year to €1.7 billion.

Our adjusted operating profit margin of 9.5% (-30bps) demonstrated the resilience of the business and our ability to adjust the cost base to respond to the reduced and increasingly competitive business environment.

Net profit increased by over 60% due to the reduced finance costs in the period as well as reduced one-off costs in 2014. Adjusted earnings per share increased by 11.6%.

The operating and free cash flow was again strong in 2015 and we are pleased to have re-financed on improved terms during the year.

Syndicated debt facility

During 2015, we took advantage of more favourable credit market conditions to amend and extend our banking facilities. We reduced the interest margin we pay on the debt and extended the maturity as well as the step-down of the financial covenant. This has resulted in reduced financial charges on debt and has increased our level of comfort by having a single-bullet maturity at June 2020 and a net debt to last twelve months adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) covenant of 4.5x in place until June 2017 and thereafter from the first test in December 2017 it will fall to 4.0x. We are grateful to the strong syndicate of lending banks that have supported us since the IPO and in the 'amend and extend' agreement.

Acquisitions and disposals

Over the course of the year we made two acquisitions and two non-core disposals. We purchased Caparo Testing Technologies in the UK, which came with 76 professionals focussed on aerospace and SKC Engineering in Canada with a workforce of 30 professionals mainly working in power and civil infrastructure. In the first quarter of 2016, we also purchased Aerial Photography Specialist in Australia, a small but highly specialised company that adds UAVs (Unmanned Aerial Vehicles) to our complement of inspection techniques. We welcome these more than 100 new employees to our Group. The disposals were of Applus+ RTD in France and Applus+ RTD Denmark that no longer fit our strategy. The total net cash outflow in the year for acquisitions and disposals was €57 million of which €13 million related to Caparo and SKC and the rest is mainly the acquisition from Integrity Aerospace Group (IAG) announced in 2014 but closed in 2015.

Customers

> "As a customer-driven organisation, we adapt and learn according to their requirements."

Our customers range from large globally integrated organisations to small local companies and government entities. We enjoy high retention rates, with the majority of our top 50 customers (mainly well recognised global names) having been customers for over 10 years. Our customers' specific needs and high expectations continually push us to achieve greater and

The Applus+ Group has approximately 18,700 people working for its customers in more than 70 countries across the world.

greater things, in terms of both technology and service delivery. We pride ourselves on consistently being able to meet these demands and must continue to do so if we are to maintain our reputation in the field. In the current challenging oil and gas markets, our customers have asked us to respond appropriately by supporting them in providing the minimum services required at the minimum cost. We have had to adapt in order to rise to this challenge at the same time as limiting the impact on our own profitability.

Integration of divisions

At the end of 2014, the timing was right to merge Applus+ Velosi and Applus+ Norcontrol. These two divisions had a similar working culture and complementary business lines allowing considerable scope for revenue and cost synergies. One year on, we can confidently say this merger has been a success, bringing tangible benefits.

Off the back of the success of this integration, and given the changing environment in the oil and gas market, the timing was right to take the next step and integrate these two divisions with Applus+ RTD. We announced this merger in November 2015 and immediately began planning such that by 1st January 2016, the merger of these businesses

Energy & Industry Division

70% revenue

12,620 employees

Automotive Division

17% revenue

3,400 employees

IDIADA Division

10% revenue

1,980 employees

Laboratories Division

3% revenue

700 employees

was underway. It will take time to fully integrate the local and regional businesses, but early indications are positive and we are confident that the new Energy & Industry division will be a highly efficient and leading global business.

The Group now comprises 4 divisions, with Energy & Industry being split into 4 regions.

Business strategy

We have been successful in putting our vision into practice and, in particular, in differentiating ourselves from our competitors through technology, specialisation and a continuous investment in innovation. We expect, with the resources and management team at our disposal, to be able to continue this trend. In summary, our business strategy is as follows:

- Lead the field in each of our key segments
- Use technology and innovate to be relevant and useful to our customers
- Strive for operational excellence, enhancing our reputation for quality and integrity
- Integrate sustainability into our everyday business and through our interactions with our customers
- Expand geographically in growing markets
- Make good use of the balance sheet, generating growth through acquisitions

Our people

The Applus+ Group has approximately 18,700 people working for its customers in more than 70 countries across the world. They are mostly local employees with a diverse range of skills and backgrounds, and they are all focussed on meeting their customers' needs. It is through their expertise, dedication and loyalty that we are, and will continue to be, such a successful organisation and we work hard to ensure they can develop and enjoy job satisfaction. On behalf of the Board of Directors and Executive Committee, we would like to express our sincere thanks to all members of the Applus+ team.

The Board of Directors

In 2015, our first full year as a listed company, the Board underwent some changes. One Director, Josep Maria Panicello Primé, a non-executive proprietary member who represented the minority shareholders that invested alongside The Carlyle Group, resigned part way through the year following the reduction in investment in 2015 from The Carlyle Group and these minority shareholders. On behalf of the Board, we would like to thank Mr Panicello Primé for his contribution over the time he was with us. In October 2015, following a thorough and open search using an external agency, we appointed Nicolás Villén to the Board. Mr Villén was chosen thanks to his high-level experience in a variety of roles in world-class Spanish and international companies. His strong financial background will be of particular support to the Audit Committee, of which he has been made a member.

In May 2016, three more non-executive proprietary members resigned from the Board following a further reduction in investment from The Carlyle Group and the same minority shareholders. They were Alex Wagenberg, Pedro de Esteban and Mario Pardo. These directors have been with Applus+ since The Carlyle Group bought the company in 2007 and have contributed to the growth and international expansion of the Group. The Board of Directors appreciates the personal dedication and the professional contribution since they joined the Board. Following these most recent changes, we are recruiting new independent directors, which we expect will increase our diversity and skill base.

The Board Committees remain the same, except for the

We perceive Corporate Social Responsibility not only as a core business element in our daily agenda, but as a source of opportunities for the future.

strengthening of the Group Ethics Committee, which has been integrated into the Corporate Social Responsibility Committee. Further information on this will be provided later in this annual report.

Following the latest Board changes we will review the role and function of the Supervisory Committee.

The Executive Committee

The Executive Committee comprises 12 members: the CEO plus divisional, regional and functional heads. They meet on a regular basis and review all aspects of the business.

The Energy & Industry division has four regional heads, each directly reporting to the Group CEO. Two are new appointments to the Executive Committee: Phillip Morrison, who looks after North America, and Sytze Voulon, Northern Europe. At the end of 2015, when the new structure took effect, Iain Light retired. During Mr Light´s four-year leadership of the Applus+ RTD division, the business went from strength to strength, growing both organically and by acquisition to become the leading supplier of non-destructive-testing services to the global oil and gas industry. The Board of Directors express their sincere gratitude to Mr Light for his substantial contribution to the Group and wish him well in his retirement.

Corporate social responsibility

As one of our achievements in 2015, we are proud to say that we have commenced the process of placing Corporate Social Responsibility (CSR) at the heart of our business and daily agenda. This process started with the approval of a global Group CSR Policy by the Board of Directors, setting out our strategic lines and initiatives to integrate these issues into our operations as well as the mechanisms to ensure the policy's efficient management, monitoring and communication. Within this initiative we

have incorporated Business Ethics and strengthened its application.

To support this process, we have appointed a new CSR Committee at Board level, which is responsible for setting the Group's goals and targets and approving the initiatives required to fulfil them. We welcome this new Committee and express our confidence that it will provide long-term value for Applus+ and our stakeholders.

We perceive Corporate Social Responsibility not only as a core business element in our daily agenda, but as a source of opportunities for the future. It fits seamlessly into our culture of listening and learning in order to improve. We are on a journey of discovery to find out what we can do better, and it is our intention to make progress year on year in this respect.

Dividends

The Board of Directors will propose at the Annual General Meeting (AGM) of shareholders to be held on 22nd June 2016, a dividend of 13 cents per share. This is equivalent to €16.9 million and represents 17.3% of the adjusted net income of €97.9 million. If approved at the AGM, this dividend will be paid on the 15th July 2016.

Summary

Despite the short term challenges in our largest market, we were able to protect profit and cash flow. In the long term, the services we provide in the industries we serve have solid growth drivers that Applus+ will benefit from. We are confident that this will generate strong financial performance and create shareholder value.

We thank all our stakeholders for continuing to support the company, especially our employees, customers, lenders and shareholders, and we hope to be able to continue to enjoy these valuable relationships in the long term.

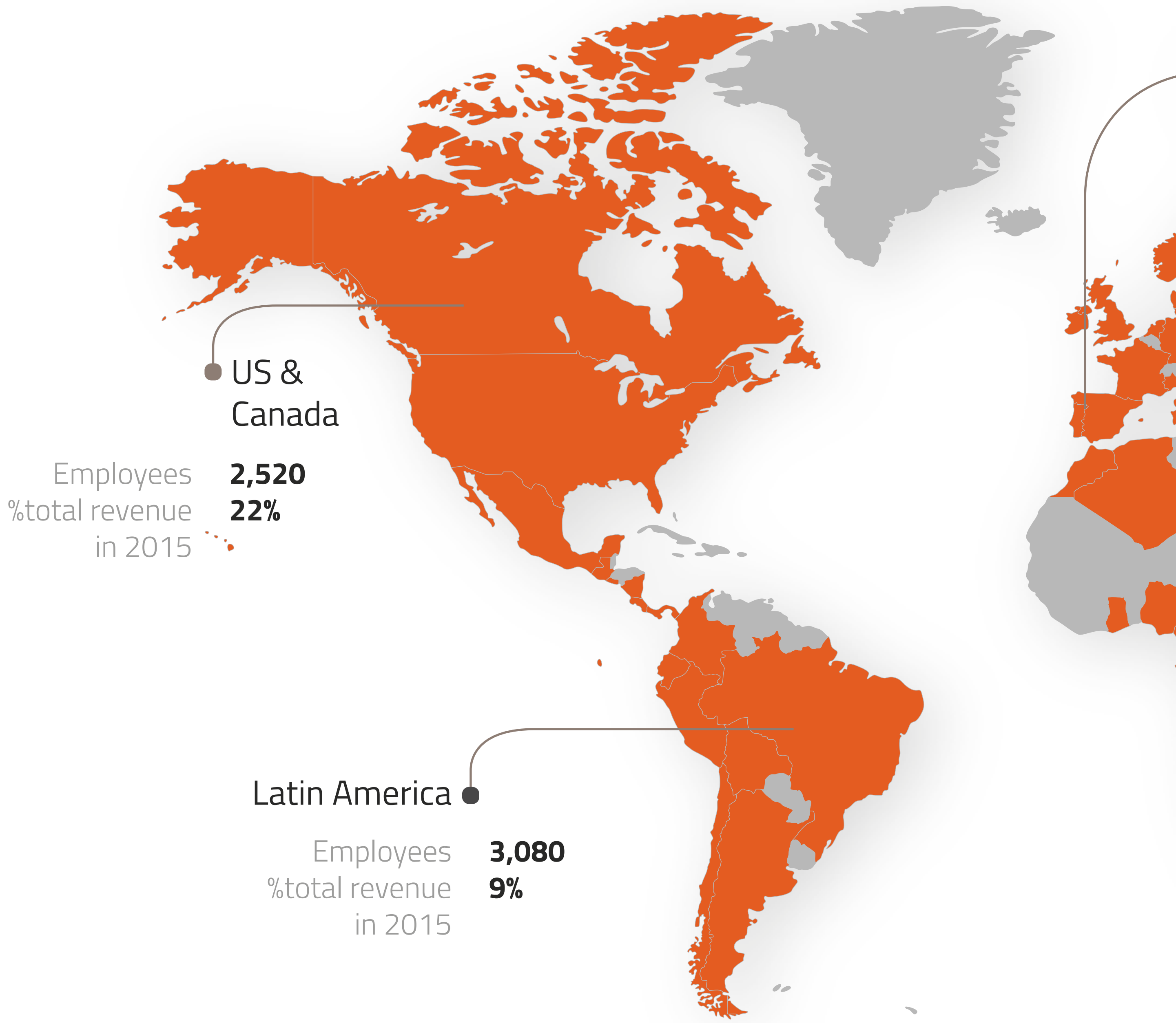
Christopher Cole
Chairman of the Board of Directors

Fernando Basabe
Chief Executive Officer (CEO)

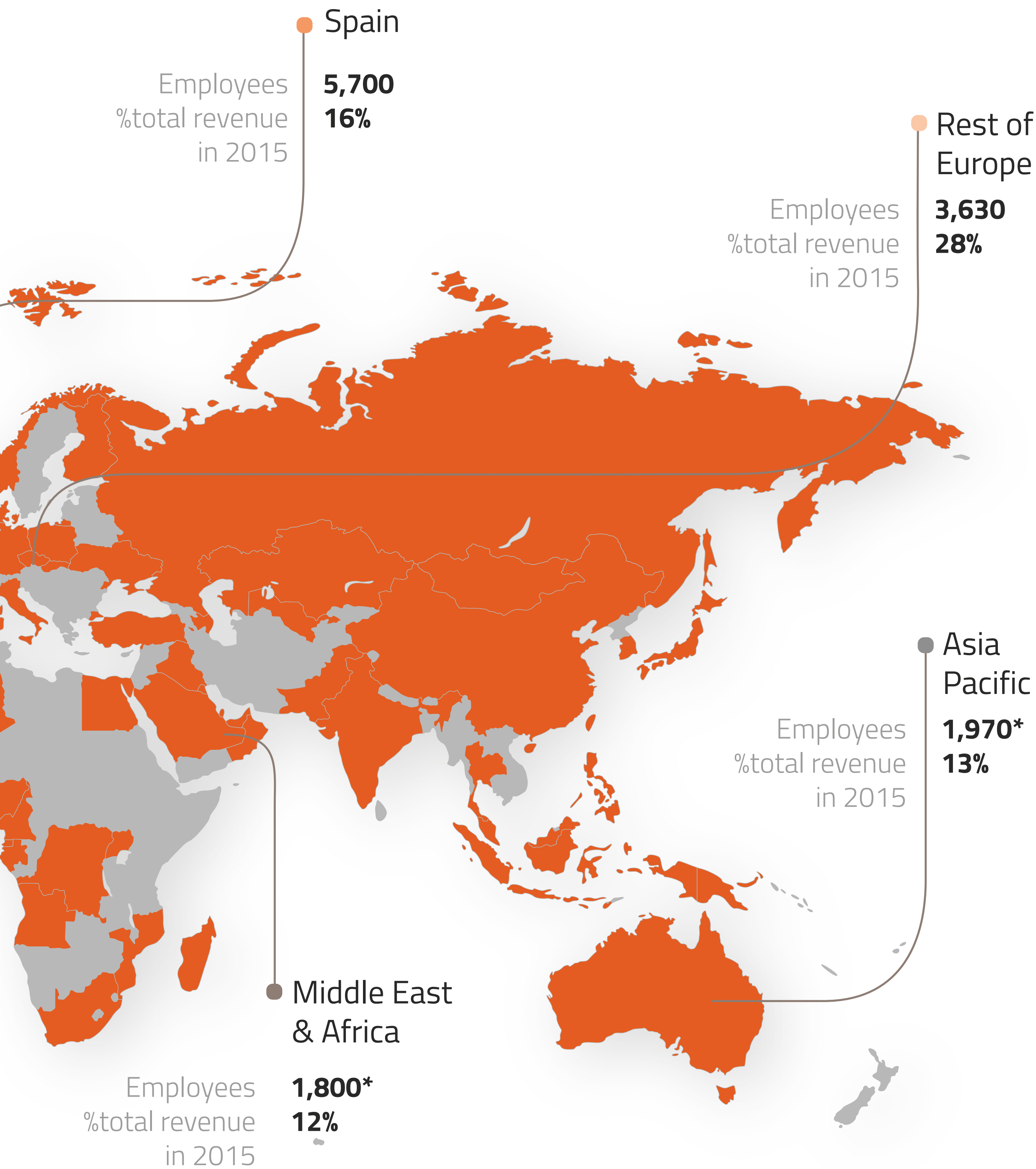
03

THE Applus+ GROUP

GLOBAL PRESENCE



· ALGERIA
· ANDORRA
· ANGOLA
· ARGENTINA
· AUSTRALIA
· AZERBAIJAN
· BAHRAIN
· BOLIVIA
· BRAZIL
· BRUNEI
· CAMEROON
· CANADA
· CHILE
· CHINA
· COLOMBIA
· COSTA RICA
· CZECH REPUBLIC
· DEMOCRATIC REPUBLIC OF CONGO
· DENMARK
· ECUADOR
· EGYPT
· EL SALVADOR
· EQUATORIAL GUINEA
· FINLAND
· FRANCE
· GABON
· GERMANY
· GHANA
· GUATEMALA
· INDIA
· INDONESIA
· IRAQ
· IRELAND
· ITALY
· JAPAN
· KAZAKHSTAN
· KUWAIT
· MADAGASCAR
· MALAYSIA



· MEXICO	· OMAN	· PORTUGAL	· SPAIN	· USA
· MOROCCO	· PAKISTAN	· QATAR	· TAIWAN	· UZBEKISTAN
· MONGOLIA	· PANAMA	· RUSSIA	· THAILAND	
· MOZAMBIQUE	· PAPUA NEW GUINEA	· SAUDI ARABIA	· TURKEY	
· NETHERLANDS	· PERU	· SINGAPORE	· UKRAINE	
· NICARAGUA	· PHILIPPINES	· SLOVAKIA	· UNITED ARAB EMIRATES	
· NIGERIA	· POLAND	· SOUTH AFRICA	· UGANDA	
· NORWAY		· SOUTH KOREA	· UK	

*Employees from Applus+ Velosi Oman, Brunei and Malaysia Associate Companies are not considered in the employee count.

OUR HISTORY

	1996 - 2003			2004 - 2007	
Shareholding	Agbar Group 100%			Agbar Group 53% UNION FENOSA 25% CAJA MADRID 22%	
Milestones	Establishment of **Agbar Automotive**	**IDIADA** Contract Awarded (est 1971)	**Laboratories** contract awarded (est 1907)	Acquisition of **NORCONTROL** (est 1981)	Acquisition of **RTD** (est 1937)
Revenue (€ Million)	€200M			€675M	
Countries	17			36	
Employees	3,300			9,900	

* The Carlyle Group and Financial Institutions and other shareholders invests through Azul Holding SCA who reduced from 24% to 14% in April 2016

2008 - 2013		2014 - 2015	
The Carlyle Group 70%		The Carlyle Group 17%	
Financial Institutions and other shareholders 30%		Financial Institutions and other shareholders 7%	
		Free Float 76%	
Acquisition of 20 businesses	Acquisition of **VELOSI** (est 1982)	The **IPO** of Applus⊕	New **Energy & Industry** division formed
€1,581M		€1,702M	
60		70	
19,000		18,700	

KEY PILLARS OF OUR BUSINESS

Our business is geared towards achieving continuous and sustainable growth based on the following pillars:

Leadership

We aim to be consistently ranked in a leading position in each of our areas of operation, with a focus on high-growth end-markets with superior growth potential.

Expansion into new markets

We will continue to expand into new markets both through organic means into new geographies and by making selective, value enhancing acquisitions. In doing so we accelerate our growth, enhance our existing portfolio, increase our scale, acquire new capabilities and improve our client reach.

Using technology and innovation to maintain our leadership position

To be at the forefront of technological leadership, we rely on a sound commitment to technological development and innovation. We work to develop the most advanced technological solutions and to integrate them into both our own services portfolio and our clients' operations, thereby making us not only a technical service supplier but a technological point of reference as well.

Striving for best-in-class operations

We are committed to offering the highest quality across our services portfolio and to retaining our position as a partner of choice. We aim to foster long-term relationships by maintaining and improving upon our operational excellence and by enhancing our reputation for quality and cutting-edge services.

REVIEW OF THE MAIN ACHIEVEMENTS OF 2015

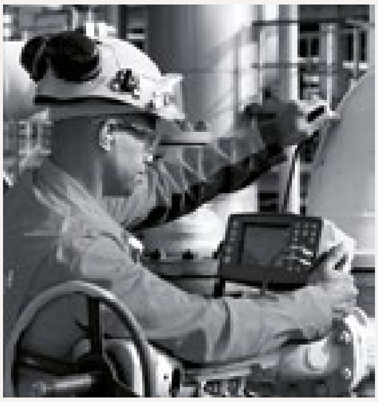
- All-time-high revenue, profit and cash flow.
- Revenue of €1.7 billion (up 5.1%), adjusted operating profit of €162.2 million (up 2.2%).
- Adjusted operating profit margin of 9.5% (down 30 bps).
- Adjusted earnings per share of €0.75 (up 11.6%).
- Dividend proposal of €0.13 per share (in line with last year's dividend).
- Good performance across all Applus+ Automotive, Applus+ IDIADA, Applus+ Laboratories, Applus+ RTD and Applus+ Velosi-Norcontrol services except for oil & gas.
- Good performance of acquisitions made in 2014 and 2015, with a further bolt-on acquisition in Q1 2016 in Australia.
- Amendment and extension of bank debt completed with improved terms, lower costs and extended maturity.
- Launch of RTD and Velosi-Norcontrol merger, creating the new Energy & Industry division at the beginning of 2016.
- Approval of the Group's CSR policy and creation of the CSR Committee.

OUR Applus+ DIVISIONS

In 2015, the Applus+ Group was structured across five divisions. Each of these divisions focuses on providing cutting-edge services in different areas of the TIC sector and operates in multiple locations and countries worldwide.

With a view to maximising our growth opportunities, generating revenue synergies, effectively managing our cost base and cementing our leadership position in our markets, we find ourselves in an ongoing process of strategic, structural change. This process started last year with the integration of Applus+ Velosi and Applus+ Norcontrol into one sole division.

RTD division



€544.0m revenue

3,900 employees

Non-destructive testing and inspection services worldwide.

Advanced NDT and corrosion-analysis technologies.

Velosi-Norcontrol division

€642.9m revenue

8,720 employees

Quality assurance and control, testing and inspection.

Vendor surveillance, third-party inspection, site inspection, certification, asset integrity and technical staffing.

WITH EFFECT FROM 1ST JANUARY 2016, THE NEW ENERGY & INDUSTRY DIVISION BECAME OPERATIONAL, INTEGRATING Applus+ RTD AND Applus+ VELOSI-NORCONTROL.

Laboratories division

€54.7m revenue

700 employees

Testing, product development, quality control and certification.

Multidisciplinary laboratories.

Automotive division

€297.5m revenue

3,400 employees

Statutory vehicle inspection services for safety and emissions.

IDIADA division

€162.2m revenue

1,980 employees

Proving ground, design, engineering, testing and homologation services to the automotive industry worldwide.

04

Applus+ PERFORMANCE

GROUP RESULTS - 2015

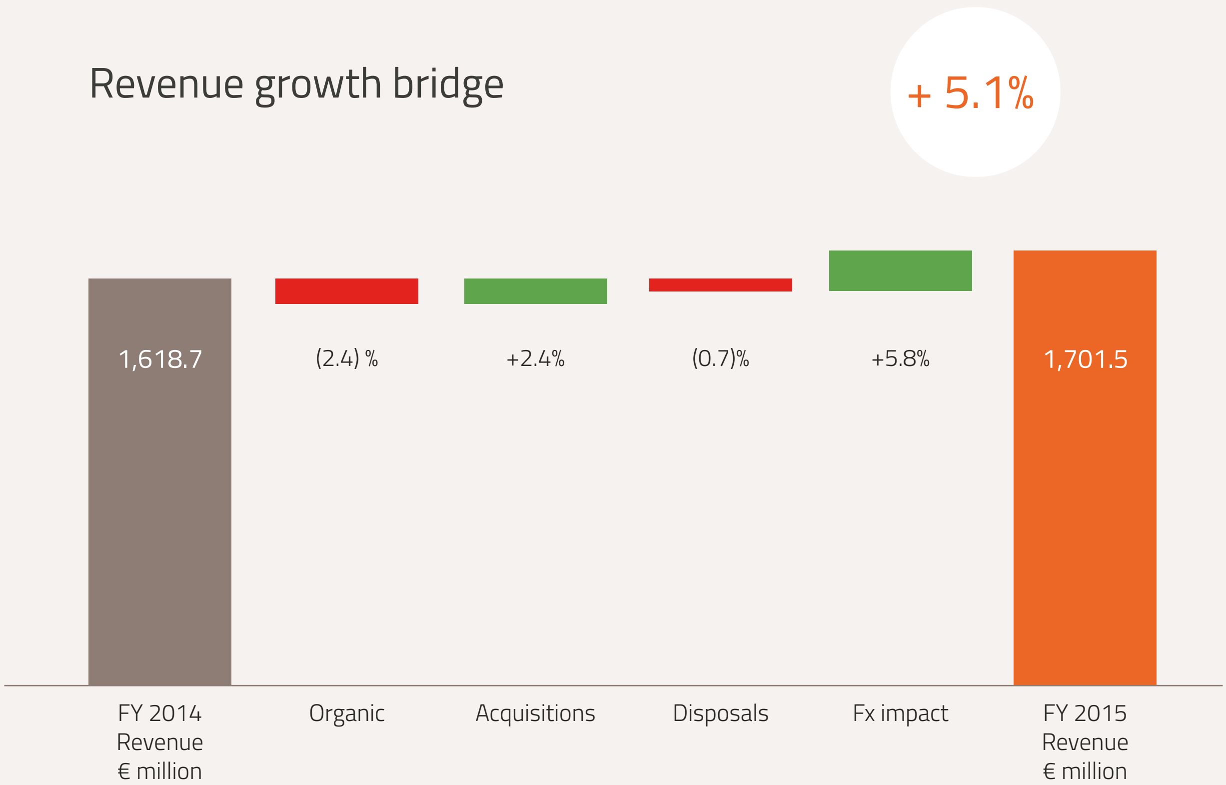
Revenue for the year of €1,701.5 million was €82.8 million higher than the previous year, an increase of 5.1%. At constant exchange rates, revenue decreased by 0.7% made up of organic revenue down 2.4%, the contribution from acquisitions of 2.4% and less disposals of 0.7%. Additional revenue growth of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

Adjusted operating profit(1) 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% that more than offset the contribution from acquisitions of 3.5%. Additional operating profit growth of 3.9% came from favourable exchange rates.

The resulting adjusted operating profit(1) 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.

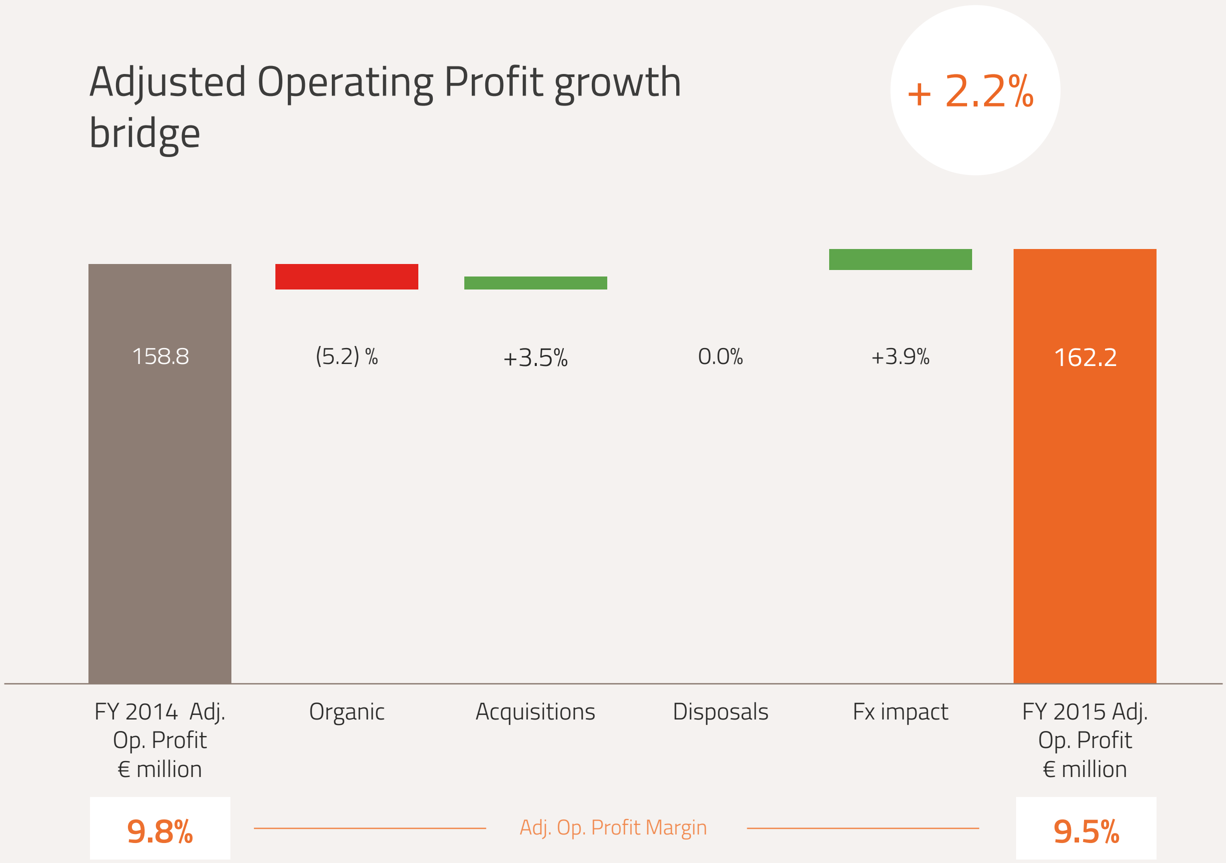
The reported operating profit increased by 18.8% to €90.5 million in the year, compared to €76.1 million in the previous year. The main reason for

Revenue growth bridge



(1) Adj. Op. Profit stated as Operating Profit before amortisation of acquisition intangibles, IPO related costs, restructuring, impairment and transaction & integration costs.

Adjusted Operating Profit growth bridge



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 in 2014 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.

Summary Income Statement
EUR Million

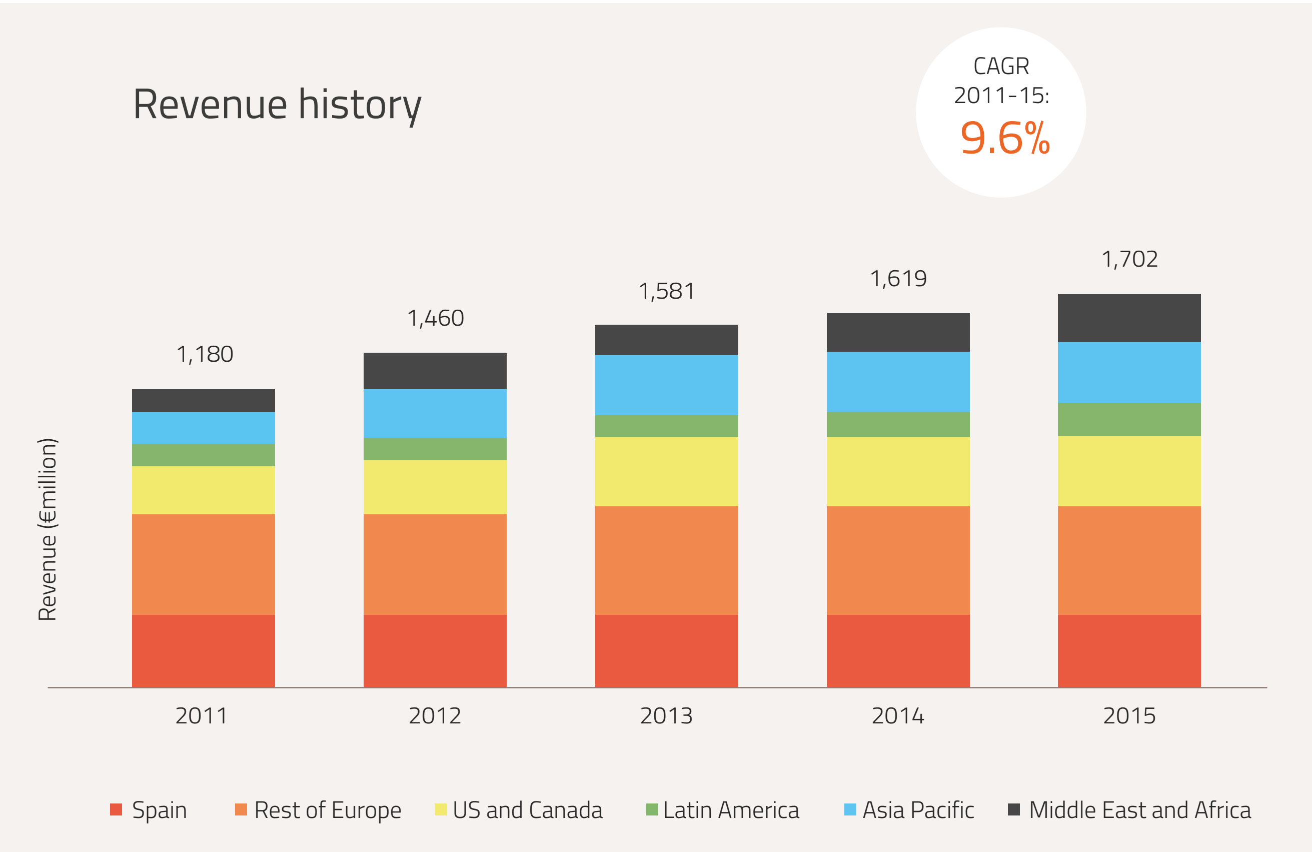
	FY		
	2015	2014	CHANGE
Revenue	**1,701.5**	**1,618.7**	**5.1%**
Adj. Operating Profit (1)	**162.2**	**158.8**	**2.2%**
Adj. Op. Profit Margin	***9.5%***	***9.8%***	***-28 bps***
PPA Amortisation	(47.5)	(45.3)	
Other results	(24.3)	(37.3)	
Operating profit	**90.5**	**76.1**	**18.8%**
Finance result	(24.6)	(36.6)	
Associates	1.8	2.3	
Profit before tax	**67.6**	**41.8**	**61.9%**
Income taxes	(19.7)	(10.6)	
Net Profit	**47.9**	**31.2**	**53.8%**
Minorities	(9.7)	(7.3)	
Net Profit Group	**38.2**	**23.8**	**60.5%**
Adjusted Net Profit Group (2)	**97.9**	**87.7**	**11.6%**
EPS in €	**0.29**	**0.18**	**60.5%**
Adjusted EPS (3) in €	**0.75**	**0.67**	**11.6%**

(1) Adj. Op. Profit stated as Operating Profit before amortisation of acquisition intangibles, IPO related costs, restructuring, impairment and transaction & integration costs
(2) Adj. Net Profit stated as Net Profit plus Operating Profit Adjustments, Pre-IPO arrangement fees write off and the related tax impact
(3) Adj. EPS stated as Adj. Net Profit divided by 130 million shares. 2014 Adj. EPS using pro-forma finance expenses was €0.72

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 specialising 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 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 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.



Revenue for 2011 and 2012 are Proforma for acquisitions within the relevant acquisition year

Summary of Cash Flow Statement
EUR Million

	FY		
	2015	2014	CHANGE
Adjusted EBITDA [1]	**211.9**	**205.2**	**3.2%**
Decrease in working capital	2.0	0.4	
Capex	(50.7)	(47.8)	
Adjusted Operating Cash Flow	**163.2**	**157.7**	**3.5%**
Cash Conversion rate	*77.0%*	*76.9%*	
Taxes Paid	(28.0)	(25.5)	
Interest Paid	(17.5)	(24.9)	
Adjusted Free Cash Flow	**117.8**	**107.3**	**9.8%**
Dividend paid to non controlling interests	(6.0)	(4.3)	
Applus+ Dividend	(16.9)	0.0	
MIP & IPO related costs	(9.5)	(50.1)	
Acquisitions/Disposals of subsidiaries	(56.7)	(12.5)	
Others	(11.4)	(23.1)	
Cash flow increase	**17.3**	**17.4**	
Changes in financing	(4.5)	(48.5)	
Cash increase (decrease)	**12.7**	**(31.2)**	

(1) Adjusted EBITDA is stated as Operating Profit before depreciation, amortisation and Other results

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 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 amortisation), the same rate as in 2014. The adjusted free cash flow was €117.8 million up 9.8% from last year.

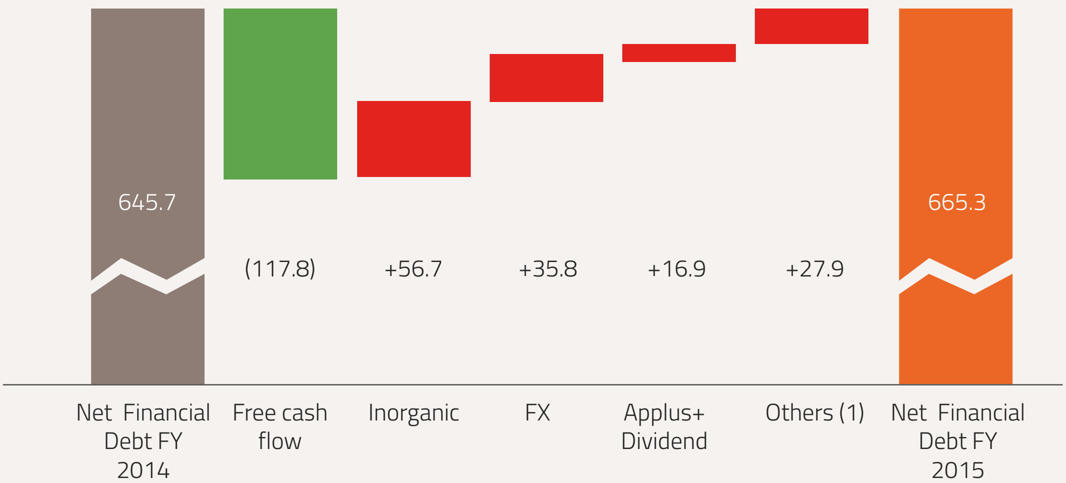
The Board will propose to shareholders at the Annual General Meeting a dividend of 13 cents per share in line with the amount paid last year. This is equivalent to €16.9 million (2014: €16.9m) and is 17.3% of the adjusted net income of €97.9 million as shown in the Summary Income Statement.

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 June 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.

Net Financial Debt growth bridge

EUR Million



LTM EBITDA (*)	207.0	212.8
Net Debt/EBITDA	3.1x	3.1x

Bank covenant for Net Debt to EBITDA at <4.5x until June 2017. Thereafter <4.0x

(*) LTM EBITDA includes proforma annual results from acquisitions
(1) Others includes dividends to minorities, purchase of Restricted Stock Units and restructuring costs

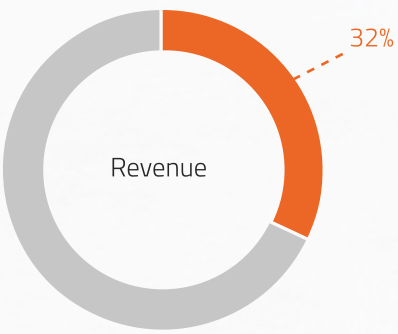
Applus+ RTD DIVISION

The Applus+ RTD division is a leading global provider of Non-Destructive Testing services to clients in the oil and gas, power utilities, aerospace and civil infrastructure industries. Our remit is to inspect and test the mechanical, structural and materials integrity of critical assets such as pipelines, pressure vessels and storage tanks, either at the time of construction or when in use, without causing damage to those assets.

The division has a workforce of

3,900 EMPLOYEES

18 and is **active** in COUNTRIES




Applus
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FINANCIAL PERFORMANCE

Applus+ RTD REVENUE FELL BY 0.7% TO €544.0 MILLION AND ADJUSTED OPERATING PROFIT FELL BY 4.1% TO €46.2 MILLION.

From the begining of 2016, the RTD division and the Velosi-Norcontrol division have been integrated to form the new Energy & Industry division.

At constant exchange rates, organic revenue was 11.4% lower for the period.

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 due to 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.

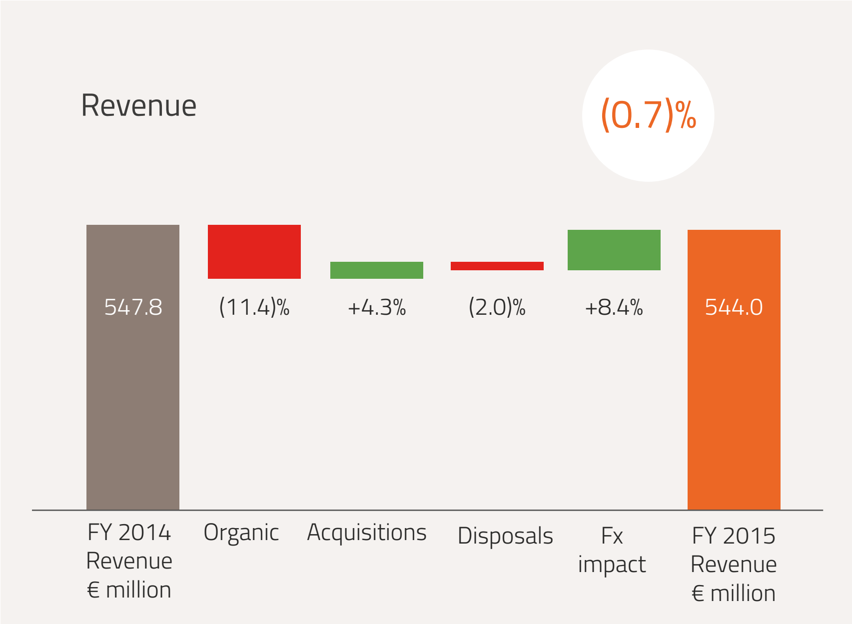
The adjusted operating profit margin decreased by 30 bps to 8.5% with the organic margin decline offset by good performance from the acquisitions. The organic margin decline was a result of the fall in revenue and a more competitive pricing environment. This margin pressure has been largely mitigated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

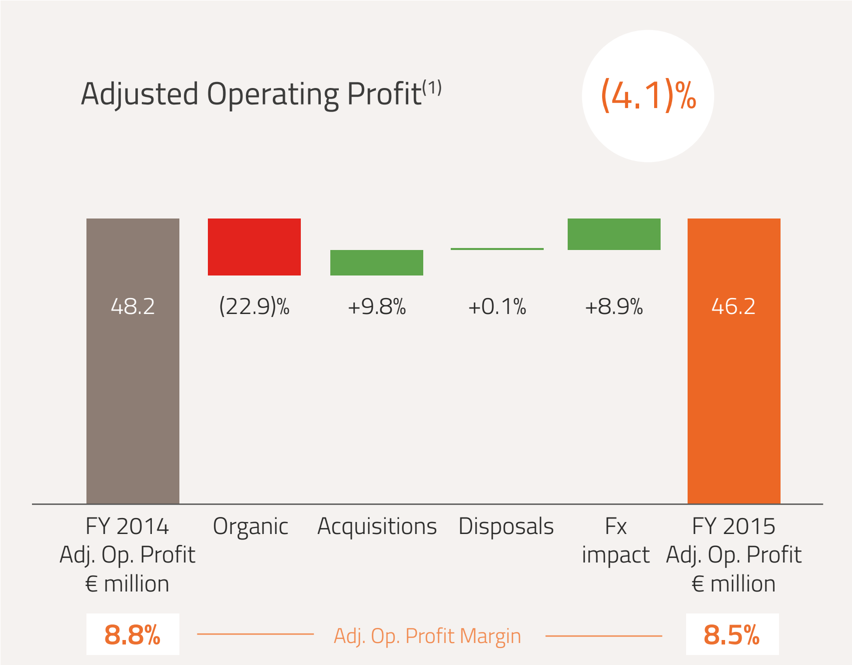
Market conditions in the oil and gas market, in which 84% of Applus+ RTD division revenue is exposed, deteriorated during the year materially impacting the performance of the division.

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.

Revenue and adjusted operating profit growth bridges





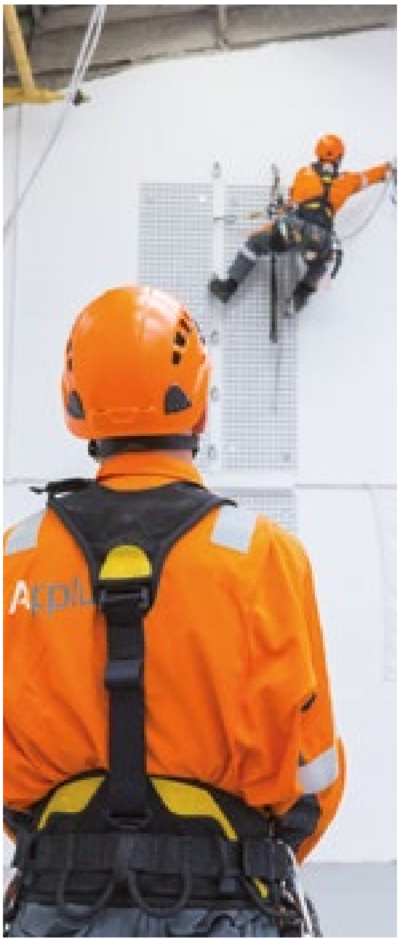
(1) Adj. Op. Profit stated as Operating Profit before amortisation of acquisition intangibles, IPO related costs, restructuring, impairment and transaction & integration costs

MAIN OUTCOMES FOR THE DIVISION IN 2015

PROJECTS AND SERVICES

The Applus+ RTD division is well known for its innovative, patented non-destructive-testing (NDT) technology and is strongly committed to developing innovative projects to help its clients.

In North America, the division offered a variety of inspection and NDT services, such as the inspection of crude-oil pipelines for energy infrastructure, using advanced technologies including ultrasonic RTD Rotoscan or the Real Time Digital Radiography Rayscan.



Additional achievements in the region included the launching of a 3-year, advanced NDT project to support the construction of liquefaction and export facilities for an existing LNG terminal and several new construction projects in the Gulf of Mexico serving both subsea- and surface-production facilities.

Other international pipeline-integrity projects were performed to support customers with critical seam-weld anomalies. The commercial IWEX longitudinal seam-weld project for a major crude oil operator was delivered, providing anomaly discrimination and sizing.

MAIN OUTCOMES FOR THE DIVISION IN 2015

INNOVATION AND EXPANSION

The division worked on several new projects, launching some of its solutions in its services portfolio over the course of the year.

Some of the most significant projects undertaken in 2015 were a continuation of work from the previous year, with a particular focus on pipeline safety conditions.

RTD IWEX (Inverse Wave Field Extrapolation) is an emerging ultrasonic testing technique that provides a real time system for real-defect imaging. The technology is 3rd party qualified and based on a patented hardware design, which enables unique data processing capabilities. This results in a system which is now introduced into different fields of industry: Pipeline new construction and In-Service. Specifically for the

Electric Resistance (ERW) seam welded pipes, IWEX will provide pipeline operators with a tool to help them qualifying their integrity assessment through In-Line Inspection (ILI) technologies.

RTD Rayscan is a Real-time Radiography system. The range of applications has greatly been expanded in 2015 due to scanner designs for large diameter pipelines and LNG storage tanks. The application of Rayscan on new-constructed storage tanks is unique in the industry, has increased project safety and has been proven to introduce significant scheduling benefits on LNG storage tank production projects.

RTD Rotoscan is a mature mechanised inspection concept for new-construction pipelines. Due to the changing market, rejuvenation of the technology is required for today's demand with regard to CRA (Corrosion Resistant Alloy) pipe materials. For that, AFLS (Adaptive Focal Law System) has been implemented to reduce construction cost and increase system flexibility. This technology is 3rd party qualified and used for seamless pipes, mainly off-shore.

In addition, several investments have been made to increase the quality of the services (work preparation modules, improved lens designs, quality dashboard and dual encoder).

The Stress Corrosions Cracks (SCC) Scan technology is being developed to help in the characterisation of stress corrosion cracks and enhance pipelines safety condition.

The DTI (Difficult to Inspect) Trekscan tool is an ultrasonic ILI tool with pinhole scanning resolution. The system is developed for 6" and 8" pipelines and can manoeuvre through complex pipeline configurations. Special attention is given to data acquisition and data processing algorithms, such that inspection reports can be generated rapidly to enable prompt availability of inspection results.

These services and technologies will increase safety, certainty and reliability of the assets, whilst reducing the cost of ownership.

In terms of geographical expansion, the division opened new facilities in USA in Corpus Christi, Texas, and in Charlotte, North Carolina.

Applus+ VELOSI-NORCONTROL DIVISION

The Velosi-Norcontrol division provides a wide range of services including quality assurance and control, testing and inspection, vendor surveillance, third-party inspection, site inspection, certification, asset integrity and technical staffing to the utilities, telecommunications, oil and gas, minerals and civil-infrastructure sectors. In addition, it also provides environmental and health & safety services.

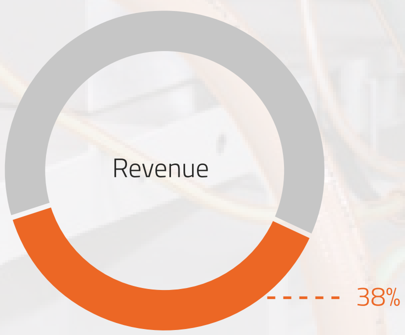
2015 was the first year of operation for this new division formed from the integration of the former Applus+ Velosi and Applus+ Norcontrol divisions.

The division has a workforce of

8,720 EMPLOYEES

and is **active** in **more than**

60 COUNTRIES




Applus
Applus

FINANCIAL PERFORMANCE

REVENUE GROWTH WAS OF 7.4% TO €642.9 MILLION AND ADJUSTED OPERATING PROFIT OF 10.0% TO €57.1 MILLION.

The acquisition in Chile made in 2014 performed well and this was accretive to the margin.

Applus+ Velosi-Norcontrol organic revenue at constant exchange rates declined by 0.6% in the year.

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.

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.

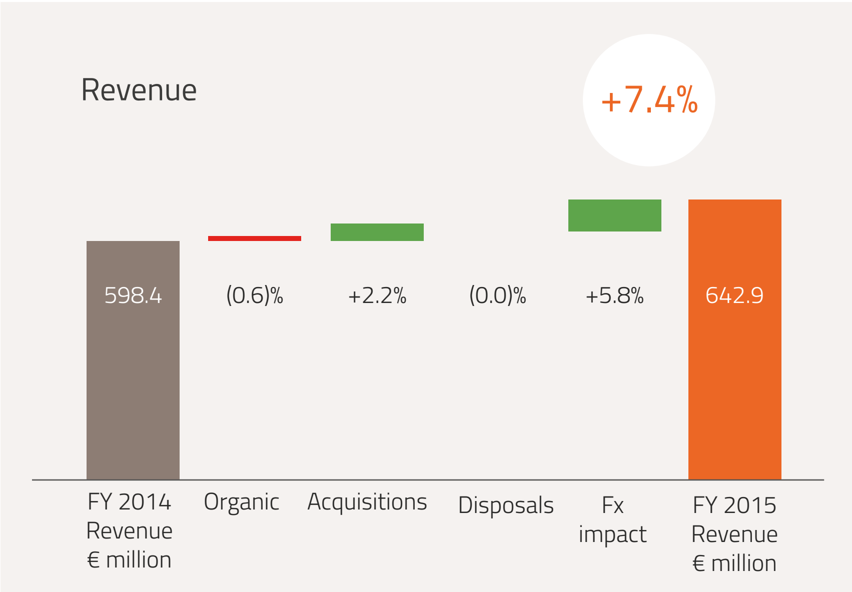
Within Europe, the business performed well especially in Spain, which is the largest country by revenue accounting for around one fifth of the division, as a result of the improving economic environment.

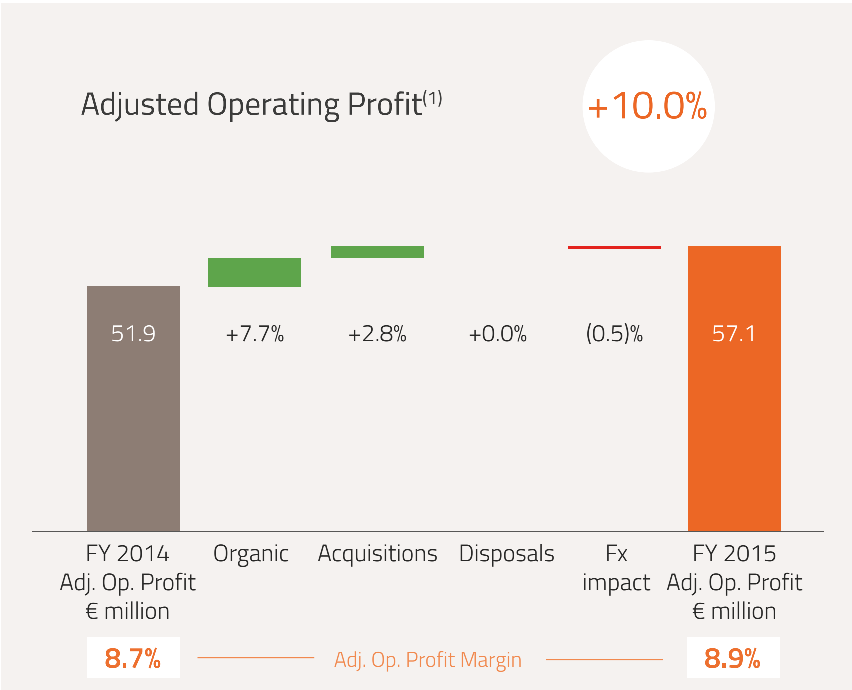
The business in Latin America that has grown very strongly over the last few years has continued this trend benefiting from strong infrastructure spending in power, civil infrastructure and oil and gas and in 2015 Latin America accounted for 17% of the division revenue.

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.

Revenue growth bridge and adjusted Operating Profit growth bridge





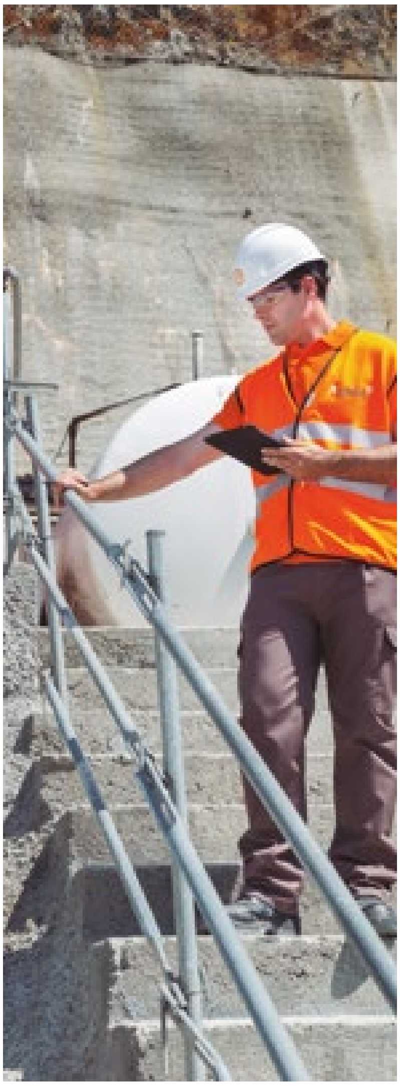
(1) Adj. Op. Profit stated as Operating Profit before amortisation of acquisition intangibles, IPO related costs, restructuring, impairment and transaction & integration costs

MAIN OUTCOMES FOR THE DIVISION IN 2015

PROJECTS AND SERVICES

The division was awarded with a variety of contracts ranging from providing civil infrastructure supervision and inspection services of wind farms to QA QC of energy projects, health and safety consulting, and technical staffing.

Significant projects were awarded in the oil and gas industries, linked to OPEX activities and expansion of critical new gas pipelines in Latin America.



New generation projects have been awarded in the power industry. These projects include both conventional (supervision, inspection and quality control in the systems and equipment rehabilitation of two hydroelectric plants in Nicaragua) and renewable generation (construction management and inspection services in several wind farms in Mexico).

The division has also been involved in several transmission and distribution projects. The division participated in a noteworthy interconnection project between France and Spain. This project achieved various technological milestones at a global level and is the largest underground electric interconnection ever performed at 2,000 MW capacity.

In the telecommunication sector, the division won several contracts related to network design and supervision for new construction projects for some of the main operators in Latin America. In addition, an annual consultancy contract for optical fibre maintenance services for a railway operator in Spain was won.

Other projects include road design, project management and construction, and rehabilitation services such as; the contract to rehabilitate 17.5 km of sewer pipelines in Qatar using an innovative combination of technologies that do not require excavation work; the improvement of drinking water and sewer systems in Peru; and the real estate project management and school construction management projects in Panama.

MAIN OUTCOMES FOR THE DIVISION IN 2015

INNOVATION AND EXPANSION

The division has been involved in several innovation projects, a highlight of which is the "Norcontrol Mobility" project.

The Mobility project involves the implementation of absolute mobility and connectivity in all operations through data field collection on a mobile device, data unity and avoidance of input errors, friendly field interfaces and immediate data transfer to both systems and databases.

Other work includes the HTHA (High Temperature Hydrogen Attack) project, developed in collaboration with Applus+ RTD and the ITMA Foundation, with a focus on crack detection in materials that support hydrogen attacks at high temperatures, such as are found in refineries and petrochemical plants. And the RUMAG project, focused on the design, development, fabrication and patent of a magnetic wheel for the 'Rovion Robot', which allows the robot to climb on ferromagnetic sloping surfaces.

The division has consolidated its position and extended some of its business lines in several countries. The business model for 'Vendor Inspection' has been consolidated in Spain and has good development prospects for the future, while the scope for statutory inspection services and laboratory services has been extended in Portugal.
In addition, power and construction business lines are being developed in many countries due to new contracts in Turkey, Africa, North and South America.

The division has expanded its presence in Africa through new contracts in Mauritania and Algeria and launched new activities in Peru and Ecuador in its first year on site, at the same time as consolidating its presence elsewhere, such as by offering pavement-maintenance services through new contracts in the USA. The division has also strengthened its presence in Asia and Oceania.

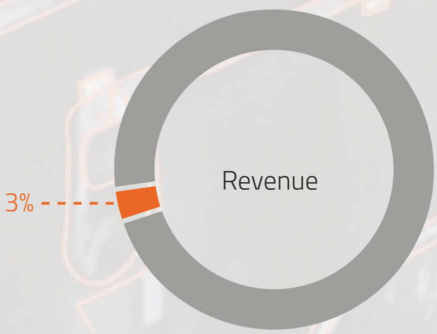
Applus+ LABORATORIES DIVISION

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

The division has a workforce of

700 EMPLOYEES

12 and is **active** in COUNTRIES



FINANCIAL PERFORMANCE

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 favourable currency rates added 0.8%.

The Laboratories division 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 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.

Eur Million	FY 2015	FY 2014 Proforma (*)	FY 2014
Revenue	54.7	47.3	46.9
% Change		*15.6%*	*16.4%*
Adj. Op. Profit (1)	4.5	1.7	2.0
% Change		*163.5%*	*127.6%*
Margin	**8.3%**	**3.6%**	**4.2%**

(1) Adj. Op. Profit stated as Operating Profit before amortisation of acquisition intangibles, IPO related costs, restructuring, impairment and transaction & integration costs.
(*) LY restated on a constant currency basis

MAIN OUTCOMES FOR THE DIVISION IN 2015

PROJECTS AND SERVICES

The division won several contracts for aerospace materials testing, process engineering and test-bench development, as well as IT security evaluations.

Applus+ Laboratories developed a new forming process for aircraft structural carbon-fibre reinforcements. As a result, Applus+ has patented its new Glideforming Technology, providing higher flexibility and productivity for a lower investment.

The division also conducted wing-panel structural tests for a new commercial aircraft programme. In recent years, Applus+ Laboratories has conducted this type of validation campaign for the main commercial aircraft manufacturers, confirming its global key position in high-load structural testing for the aerospace industry.

Additionally, Applus+ Laboratories started providing an NDT quality-control service for carbon-fibre fuselage of a new jet programme. Applus+ was chosen as the sole supplier for this project thanks to its state-of-the-art automated inspection systems for composite material parts and its commitment to delivery times.

In payments and mobile security, the division won contracts with key global chip manufacturers and software developers. Applus+ provided security evaluation services for several certification schemes such as Common Criteria, EMVCo, Visa, MasterCard, AMEX and Discover.

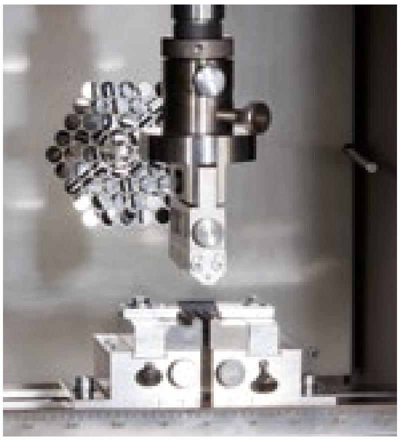
MAIN OUTCOMES FOR THE DIVISION IN 2015

INNOVATION AND EXPANSION

The division was involved in 20 projects in 2015, many of them resulting in the development of innovative and successful services.

Applus+ Laboratories participated in the development of radiofrequency testing services to characterise and evaluate the upcoming automatic vehicle emergency call system according to European (e-call) and Russian (ERA GLONASS) regulation.

The division also conducted an R&D project on new security penetration attacks on Android mobile applications. Thanks to this project, Applus+ Laboratories was able to develop new security evaluation services for payment applications, positioning itself as a cutting edge laboratory for mobile application.



Applus+ Laboratories expanded its fire testing facilities in 2015, with a significant increase in revenue as well as products tested. The division also achieved record revenue and volume in both certified products and calibrated measurement equipment.

The Chinese laboratories achieved several key accreditations and client approvals in order to provide specialist and high-added-value services for the aerospace and IT product industries.

Finally, thanks to its recent acquisition, the division continued its geographical expansion, consolidating its position in the US.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Applus+ AUTOMOTIVE DIVISION

Applus+ Automotive is a leading provider of statutory vehicle-inspection services globally. The division 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.

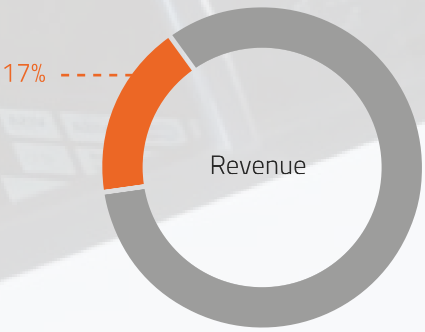
The division **carried out** more than

11 MILLION

vehicle inspections in 2015

across Spain, Ireland, Denmark, Finland, the United States, Argentina, Chile and Andorra and employs

3,400 EMPLOYEES




Applus

FINANCIAL PERFORMANCE

Applus+ AUTOMOTIVE GREW REVENUE BY 6.4% TO €297.5 MILLION AND ADJUSTED OPERATING PROFIT GREW 1.3% TO €60.8 MILLION.

Favourable 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.

Applus+ Automotive organic revenue growth at constant exchange rates was 3.2%. 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 revenue 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 previous year.

Eur Million	FY 2015	FY 2014 Proforma (*)	FY 2014
Revenue	297.5	288.3	279.7
% Change		*3.2%*	*6.4%*
Adj. Op. Profit (1)	60.8	61.2	60.0
% Change		*(0.7)%*	*1.3%*
Margin	**20.4%**	**21.2%**	**21.5%**

(1) Adj. Op. Profit stated as Operating Profit before amortisation of acquisition intangibles, IPO related costs, restructuring, impairment and transaction & integration costs.
(*) LY restated on a constant currency basis

During the year, the Group received confirmation of a new eight year contract due to commence in Illinois in November of 2016, this contract will be a follow on from the current existing contract. Also in the US, a number of other small new contracts were awarded and it is expected that more potential opportunities will arise during the year. In Argentina, a new program consisting of an additional two new stations will more than likely commence operations in the second half of the year.

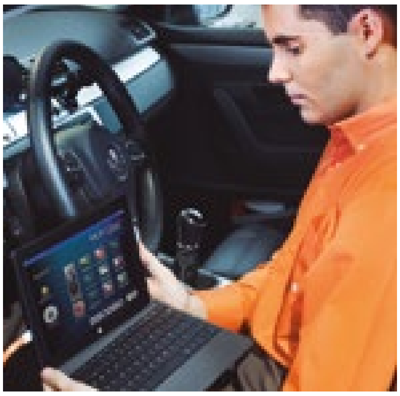
In Spain, a favourable judgement from the European Court of Justice was heard in relation to the Catalonia contract. The final ruling from the Spanish Supreme court on their decision was delivered on April of 2016, in line with the ECJ judgement and with a positive outcome for Applus as it has overall confirmed the Catalan auto inspection regime and the validity of our authorization contracts.

MAIN OUTCOMES FOR THE DIVISION IN 2015

PROJECTS AND SERVICES

The division was awarded a number of new contracts including new concessions in Argentina and Chile to conduct regular vehicle inspections

Other contracts were awarded in the USA, such as the Vehicle Emissions Testing contract renewal for the State of Illinois and the Road Test System contract for the New York State Department of Motor Vehicles to develop and host a fully automated system providing the scheduling, validation and scoring of road tests.



In Denmark, the division is conducting lease-vehicle inspections and has launched a new customer-focussed website including advanced features such as the possibility of online inspection booking and geo-tagging of the 143 available inspection stations. In Ireland, the division achieved a record number of vehicle inspections (with over 2.2 million vehicles inspected) as a result of legislation changes.

In Ireland, the division won the contract to act as the approvals authority for automotive approvals; this contract involves carrying out a technical inspection in accordance with EU/UNECE approvals and Ireland's national motor-vehicle approvals standards.

MAIN OUTCOMES FOR THE DIVISION IN 2015

INNOVATION AND EXPANSION

Applus+ Automotive was involved in several innovation projects throughout 2015.

The division announced the recertification of its Smog DADdyTM products by the California Bureau of Automotive Repair. This is a next-generation, on-board diagnosis device developed to perform emissions inspections. These inspections will be carried out on most year 2000 and newer gasoline models, and 1998 and newer diesel-powered light- and medium-duty vehicles. This technology allows Applus+ to offer the same technological advances to its current and potential new customers within the global inspection market.

In its Spanish facilities, the division has developed an innovative system for taximeter metrological control via GPS and the T-Premium Card project. This is a digital system that allows vehicle owners to pay for both car inspections and other services provided by service stations through a smart card linked to a web portal in which vehicle owners can check their car's inspection history and recharge their card to pay for future services, while service stations are able to collect and gather data from their clients.

In terms of expansion, the division is building two new stations in the city of Buenos Aires as a result of newly awarded contracts for two concessions to conduct regular vehicle inspections. Thanks to these new contracts, the division is strengthening its presence in two of the most important jurisdictions in Argentina, comprising more than 54% of the country's vehicle fleet.

In addition, the division has opened 5 new service stations in Denmark (in and around Copenhagen and Vejle), thereby increasing its services nationwide and adding capacity for a further 20,000 vehicle inspections per year to its current service provision.

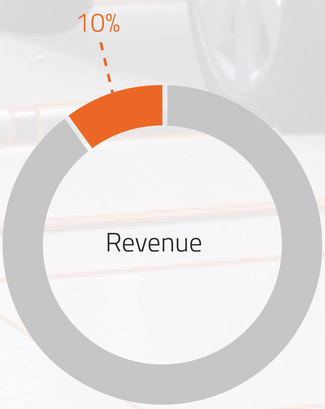
Applus+ IDIADA DIVISION

The Applus+ IDIADA division provides services to the world's leading vehicle manufacturers. These include comprehensive design, engineering and testing services for turnkey vehicle development projects, as well as one of the world's most comprehensive proving grounds located near Barcelona. It also provides homologation services of all types of vehicles and systems in accordance to European EC Directives and ECE Regulation.

The division has a workforce of

1,980 EMPLOYEES

23 and is **active** in COUNTRIES




AVL-ZÖLLNER

FINANCIAL PERFORMANCE

Applus+ IDIADA GREW REVENUE BY 11.5% TO €162.2 MILLION AND ADJUSTED OPERATING PROFIT BY 10.1% TO €20.9 MILLION.

Favourable 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.

Applus+ IDIADA had another year of excellent organic revenue growth of 10.5% at constant exchange rates. 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.

Eur Million	FY 2015	FY 2014 Proforma (*)	FY 2014
Revenue	162.2	146.8	145.5
% Change		*10.5%*	*11.5%*
Adj. Op. Profit (1)	20.9	19.2	19.0
% Change		*9.0%*	*10.1%*
Margin	**12.9%**	**13.1%**	**13.1%**

(1) Adj. Op. Profit stated as Operating Profit before amortisation of acquisition intangibles, IPO related costs, restructuring, impairment and transaction & integration costs.
(*) LY restated on a constant currency basis

MAIN OUTCOMES FOR THE DIVISION IN 2015

PROJECTS AND SERVICES

The division started a significant project to fully develop a new Sport Utility Vehicle (SUV) for an OEM[2] over the next four years. In addition, the division won large development contracts involving 2-year duration periods and budgets of over a million euros with various leading automotive groups.

[2] Original Equipment Manufacturer

MAIN OUTCOMES FOR THE DIVISION IN 2015

INNOVATION AND EXPANSION

The division remains closely involved in the development of new services and solutions in the areas of testing, engineering and homologation in the automotive sector.

The division maintains its involvement in European R&D programmes such as the Seventh Framework Program or the Horizon 2020 Program. Within these initiatives, the division is participating in a range of projects focussing on the development, optimisation and testing of advanced two-fuelled and natural-gas-powered engines; the improved efficiency of active security systems for Vulnerable Users through early detection, proactive situation analysis and the development of new intervention strategies for collision prevention; and the development of cooperative mobility technologies to supervise autonomous vehicles, aimed at improving fuel efficiency and security in goods transportation.

Applus+ IDIADA's creativity-management tool – after its first implementation year – has collected 93 ideas from its staff, leading to 17 internal innovation projects and 34 improvement opportunities. One such field of work is that of test virtualisation, looking at the development of a 'virtual proving ground' or virtual tools to characterise tyres.

The project to build a new proving-ground complex in the Shandong province of China has been successfully completed and the complex is due to commence operations at the end of 2016.

ORGANISATIONAL CHANGES: THE NEW ENERGY & INDUSTRY DIVISION

With effect from 1st January 2016, Applus+ RTD and Applus+ Velosi-Norcontrol were integrated into one division to be known as 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 maximise its growth opportunities through aligned marketing and branding, business line managers and key account managers. The re-organisation 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 estimated cost of achieving this reduction is €9 million, which has been included 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, Executive Vice-President of Applus+ RTD, retired at the end of 2015. Under Mr Light´s 4-year leadership, the Applus+ RTD division 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 express their sincere gratitude to Mr Light for his substantial contribution to the Group and wish him well in his retirement.

The Group is now operating through four global business divisions: Energy & Industry, Applus+ Automotive, Applus+ IDIADA and Applus+ Laboratories.

05

CORPORATE SOCIAL RESPONSIBILITY AT Applus+

Applus+ CSR POLICY

Applus+ has formalised its commitment to sustainability through a global CSR policy, which has been defined and approved by the Board of Directors and rolled out across all Applus+ divisions and geographical regions. This policy has been crafted in accordance with our principles of integrity, impartiality, independence and responsibility, and serves as a basis for our global CSR strategy. The Applus+ CSR policy establishes five strategic pillars:

INVESTMENT IN HUMAN CAPITAL

Our people are our greatest asset, and we are firmly committed to investing in their considerable expertise so as to maintain our competitive edge. Safety, continuous training and professional development are core principles for our business. Applus+ fosters adequate working conditions through the implementation of effective health & safety programmes and the right to affiliation; Applus+ will promote all necessary means in order to exercise it; delivering continuous training to improve existing skills and acquire those new capabilities required; and developing a fair, competitive working environment to offer our people a sound professional career within the Group. We strongly encourage internal promotion as a means of motivating our employees.

CORPORATE GOVERNANCE AND BUSINESS ETHICS

Responsible governance is essential for us. We have therefore implemented a clear set of regulations and a corporate-governance model to ensure a long-term vision of good governance based on the principles of compliance, independence and transparency. Our Code of Ethics has been embedded across all our divisions to ensure the observance of ethical business behaviour by all our employees and partners.

FOCUS ON INNOVATION

Innovation is present throughout our entire value chain and is integrated into each of our processes and activities across all our business units. Innovation opens up and drives our business, contributing to the Group's growth and ongoing development.

CLEAR MARKET FOCUS

We have a clear, client-oriented business strategy based on understanding and foreseeing our clients' needs as well as on continuously developing our services portfolio to make us the best-value proposition in the market, and the service partner of reference. In addition, we work to create and improve open communication channels so that we can respond quickly and effectively to our stakeholders' requirements and expectations.

COMMITMENT TO THE ENVIRONMENT

We work actively to prevent and limit any potential climate or other environmental impact of our operations and those of our suppliers and contractors through the creation and implementation of adequate policies and management systems.

PROMOTE CORPORATE GOVERNANCE AND BUSINESS ETHICS

At Applus+, any business worthy of the name must be linked to the pillars of integrity, ethics and responsibility. The Group is therefore governed by a set of regulations ensuring compliance with our core values, principles and ethical standards, which go much further than protecting the image and reputation of our brand or avoiding legal problems.

The Applus+ corporate governance model draws on best practice and, under the leadership of the Board, we will be striving for continuous improvement. As an example, our first Annual General Meeting of Shareholders led us to increase efforts in enhancing dialogue with key shareholders on corporate-governance matters. During 2015, one of our Board members stepped down and a new independent director was appointed, increasing the proportion of independent directors in line with best practices.

The Board of Directors' approval of the Group's CSR policy and creation of the CSR Committee was a major milestone in terms of corporate governance in 2015. This policy serves as a cornerstone of our global CSR strategy, while the CSR Committee is responsible for ensuring the adoption and effective implementation and monitoring of CSR practices across the organisation. This committee has taken on all tasks related to the awareness of and compliance with the Group's Code of Ethics (which were previously undertaken by the Groups Ethics Committee, or GEC). In addition, our global Anti-corruption Policy and Procedures provide additional safeguard.

Our commitment to business ethics is also transferred to our value chain – in particular to our suppliers – through the promotion of local procurement and certain other CSR criteria.

Furthermore, as a listed company, we have focussed our corporate resources on complying with specific regulations and standards, transparency expectations and internal controls in both financial and corporate governance reporting as well as risk-management and monitoring practices.

Several measures have been implemented or improved to ensure internal compliance. These include updating the Group's risk map, bringing in external consultants to support on foreseeable risks and the

measures to mitigate them, defining a risk map specifically focussed on mitigating criminal corruption and bribery risks, developing a Compliance Management System (CMS), and adopting best practice in corporate governance, with particular reference to the Good Governance Code of Listed Companies.

In 2015, we created the new role of Chief Compliance Officer (CCO), charged with ensuring that all our staff observe and comply with our Code of Ethics and Anti-corruption Policy, along with other internal policies and procedures. This role is supported by regional compliance managers.

We have also established an internal whistleblowing channel allowing a member of staff or any other third party to report any incident that may constitute a breach of our Code of Ethics. Details of this Group channel (unique for the Group) can be found on the Applus+ corporate intranet and the public website. The CCO holds responsibility for investigating and following up – in strict confidentiality – all the communications received via the whistleblowing channel.

During 2015 there were 44 reported cases of non-compliance that required investigation. All claims were reported to the CSR Committee.

We pursue and assure operational independence in all our services through the observance of international standards, such as ISO 17020 and ISO 17065, as well as internal procedures, such as training our technical staff in the importance of independence and impartiality, clearly defining remuneration policies and setting criteria for allocation and boundaries of responsibility to ensure the elimination of potential incompatibilities.

REDUCING RISKS FOR ASSETS AND PEOPLE

As a company in the TIC sector, many of our projects help our clients to reduce the environmental impact of their work on the communities in which they operate, as well as to increase the occupational safety of their staff and people in general.

Some of our projects are specifically linked to environmental services such as pollution reduction or environmental monitoring (we have, for example, collaborated with a waste-management company and the Dutch Government to recycle 1,400 km of undersea telecommunications cabling and 125 repeaters). Our environmental contribution also includes the development of innovative techniques to improve our clients' service performance and avoid abnormal function in their operations, as well as providing services to sustainable-energy-generation plants and mobility solutions (we are collaborating in the world's largest solar-plant project, located in Morocco, as well as developing several projects related to electric vehicles and alternative fuel technologies).

TESTING, INSPECTION AND CERTIFICATION SERVICES ARE ALSO CLOSELY LINKED TO SAFETY,

in particular to reducing potential health and safety risks affecting our own staff, our clients' employees or society in general. Our on-site testing services help our clients to increase safety conditions at work while our statutory vehicle-inspection services contribute positively to ensuring safety for both drivers and pedestrians. Some of our services also contribute to improved safety more generally in urban environments.

As a global Group with touch points in many locations and industries, it is our desire to act in a responsible manner towards the environment, local communities and our employees. Applus+ sets out its environmental commitment in a specific HSQE policy, which has been defined at the highest level and rolled out across the divisions through management systems that meet the international ISO 14001 standard.

Within our operations, we are constantly striving for improved sustainability, adopting measures to prevent or reduce any undesirable environmental effects resulting from our activities. Our offices are obliged to observe a series of general rules related to waste reduction using the 3R approach (Reduce,

Reuse and Recycle) and to the optimisation of resources and energy consumption.

Moreover, we have launched a global project to gather a series of environmental key performance indicators (KPIs) which will aid us in setting targets for the Group. Throughout 2015, we have worked to collect data from all our divisions on energy consumption and business-travel-related GHG emissions (with a reporting rate of 86.1% across the whole company).

Over the past year, we have also undertaken a series of projects to reduce our environmental footprint, with a particular focus on the areas of energy efficiency, sustainable mobility and waste reduction.

SKILLED, MOTIVATED AND SAFE PEOPLE

Our business growth, global expansion and recognition as one of the key global TIC players is all thanks to our highly skilled, motivated and committed staff who help us every day to build our reputation as a service partner of excellence.

We have more than 18,700 people operating in more than 350 locations across 70 countries. As a Group, we grow by recruiting the professionals we need wherever we need them, reinforcing our presence in our strategic markets through acquisitions to strengthen our human capital.

We recruit and retain talent by providing a positive working environment and a fair reward system that provides opportunities for professional development. We strongly encourage internal promotion to fill internal vacancies and we firmly believe that this leads to enhanced staff performance and motivation.

> "We have first class staff training programmes."

Our cutting-edge expertise and know-how give us a competitive advantage against our peers and we promote these through specialist training, certification and accreditation courses delivered by third parties. We provided our staff approximately 360,000 hours of training in 2015 (an average of 19 training hours per employee) on a wide range of topics related to managerial or technical skills, language learning, or health and safety, quality and environmental issues.

In some areas, staff expertise is tracked through 'knowledge maps' that evaluate specific knowledge areas and help us to build knowledge levels across our services, create efficient training plans for our staff and certify our expertise in those areas.

Employees by organisation level and gender

LEVEL	% MALE	% FEMALE	% TOTAL
Senior management	86%	14%	1%
Middle management	82%	18%	2%
Supervisors	82%	18%	8%
Operational employees & others	81%	19%	89%
Total	**81%**	**19%**	**100%**

Health and safety is not only essential for our staff but also a core principle of our business. We are committed to ensuring our employees' health and safety both in their main place of work and in our clients' facilities. We achieve this aim using management systems that meet the international OSHAS 18001 standard and an HSQE Policy that is in force across all the Group's divisions.

The health and safety of our people is the joint responsibility of line managers and the individuals themselves. All incidents must be recorded and reported to the designated Health and Safety Representative for the division and region in question who, in turn, reports to the Applus+ Group. This enables us to take targeted action to reduce health and safety risks to our employees, clients and others.

Health & Safety Indicators

INDICATOR	VALUE
Number of occupational fatalities	0
Lost-time injuries rate(1)	0.73
Recordable cases rate(2)	1.05

We organise an annual, global 'Safety day' event across all our divisions to increase staff awareness and knowledge of health and safety issues. Under the slogan 'Keeping us safe', the event held in 2015 served to involve all Applus+ staff in a variety of lectures, debates, workshops and games aimed at educating them on the importance of safety in their day-to-day activities.

In 2015, we also developed the Applus+ 'Golden Safety Rules', a set of guidelines designed to mitigate or eliminate the risks associated with the eleven activities that have historically given rise to the highest number of incidents or more serious injuries.

(1) Rate refers to the number of lost-time injuries occurring per 200,000 hours worked. Lost time injury is an accident which results in the employee being unable to work on any day after the day of occurrence of the occupational injury
(2) Rate refers to the number of recordable cases occurring per 200,000 hours worked. Recordable Cases: Number of lost time injury, restricted duty, medical treatment incidents per 200,000 hours worked

QUALITY OF SERVICES AND PRODUCTS

One of our primary aims is to offer our clients the highest quality of service while complying with all relevant regulations and standards. This commitment is built upon our extensive knowledge and expertise as well as on an in-depth understanding of our clients' current and future needs and the ability to provide a quick and effective response to their concerns and requirements.

ACCREDITATION AND CERTIFICATION PLAY A KEY ROLE IN OUR ACTIVITIES.

They prove our expertise and reinforce our clients' trust in us as their service partner. Applus+ was awarded with new client approvals, accreditations and certifications from both clients and regulators in 2015, while upholding all relevant accreditations acquired previously.

Applus+ Laboratories obtained Visa, MasterCard and American Express recognition to evaluate cloud-based payment solutions using Host-Card Emulation technology. Our Velosi-Norcontrol division has been approved as a 'Guided Waves Testing' partner by some of the main oil and gas companies (including Repsol and BP) and the IDIADA division has been awarded the Euro NCAP accreditation to test automotive safety.

This year, Applus+ Velosi-Norcontrol was named one of the five safest companies in Chile, our RTD division in the UK received the RosPA[3] award for 19 years of excellence in health and safety issues and our Laboratories division was delighted 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 was taken to target the US aerospace market.

In addition, we are an active member of associations and organisations both at a local and international level with a view to promoting and sharing best practice and technical knowledge on a range of topics including service quality and health and safety.

> "At Applus+, we understand the importance of communicating with our stakeholders and we aim to be an open and accesible company for all interested parties."

Our active engagement with our customers is ensured through the use of both conventional communications channels (social networks, customer-satisfaction questionnaires, regular meetings and frequent email and telephone communication) and 'non-conventional' channels (such as open houses, 'lunch & learn' lessons, roadshows, conferences and technical forums).

We strive to give our shareholders every possible opportunity to understand our business and, to this end, we have a dedicated Investor Relations function that manages our communication with stakeholders.

In addition to this, 19 equity analysts from Spain, the UK, France and Portugal actively follow the company and write research.

[3] Royal Society for Prevention of Accidents

FOCUS ON INNOVATION

Applus+ services would not be what they are without innovation. Innovation is a key element which is present throughout our entire value chain and is integrated into each of our processes and activities, opening up and driving our business and contributing to growth and ongoing development within Applus+.

IN 2015, Applus+ UNDERTOOK 133 R&D PROJECTS (55 PROJECTS AT Applus+ IDIADA, 21 AT Applus+ RTD, 20 AT Applus+ LABORATORIES, 18 AT Applus+ VELOSI - NORCONTROL AND 10 AT Applus+ AUTOMOTIVE) PLUS NINE ADDITIONAL IT PROJECTS DEVELOPED AT CORPORATE LEVEL.

Some of the main innovation projects undertaken focussed on the automotive, aerospace and oil & gas sectors. Projects for the automotive sector included the development of radiofrequency testing methods to evaluate the forthcoming European automatic vehicle emergency-call system; the development of the "T-Premium Card" to enable people to pay for vehicle inspections electronically; and research into cooperative-mobility technologies to monitor autonomous vehicles with a view to improving the fuel efficiency and safety of goods' transportation. In the aerospace sector, we have developed and patented a new forming process (Applus+ Glideforming) to improve the production of carbon-fibre aerospace parts. For the oil and gas industry, we are working on the development of thermofusion welding in polyethylene pipelines as well as on the design of intelligent technologies to improve pipeline-testing procedures through the use of ultrasonic testing devices.

Our internal innovation projects involved 434 Applus+ staff and around 266,880 hours of work in 2015 (with a further 23,562 subcontracted hours worked on projects carried out in collaboration with external bodies).

Applus+ collaborates actively with external organisations such as technological centres, universities, research institutes and innovative companies to explore new technological solutions for our clients and expand our knowledge base for our operations. In 2015, Applus+ entered into agreements with 97 entities.

One of our goals in terms of innovation is to be at the cutting-edge of technology; a benchmark in our field. To this end, and as a direct result of our innovation process, over the course of 2015, Applus+ took part in 78 events worldwide and contributed to the publication of 53 technical papers and the running of 38 training sessions. The Group's efforts in 2015 demonstrate our strong investment in innovation and our firm belief that it is a strategic asset and foundation for future growth, thereby supporting our global expansion and leadership goals.

06

CORPORATE GOVERNANCE

CORPORATE STRUCTURE

Governance framework

Good corporate governance is critical to Applus+. We know that it drives value generation, improves economic efficiency and increases investors' trust. We are sensitive to changes in laws and trends in this area and the Group, as a listed company, is working hard to improve transparency as one of its key management principles.

Accordingly, Applus+ is now governed by a set of regulations which define our current corporate-governance model and ensure a long-term vision for good governance. You will find all the Group's policies concerning corporate governance on our website. In addition, good corporate governance is ensured at Applus+ through a series of internal structures created for this very purpose:

Applus+ BOARD OF DIRECTORS

this body reports to the general shareholders' meeting and is vested with broad powers and the authority to define the general strategies and policies of the Applus+ Group and to supervise their implementation by the Executive Director and his management team. It also assumes ultimate responsibility for the supervision, management, control and representation of Applus+ whilst striving to maximise the Group's value over time. The Applus+ Board is composed of a majority of independent directors, with a (professional) independent director chairing the Board as well as each of its Committees, in line with corporate-governance best practice.

THE AUDIT COMMITTEE

a body that primarily supports the Board in all its monitoring tasks, conducting regular reviews to ensure the reliability and accuracy of the financial information disclosed by the Group, including overseeing auditor independence and monitoring the risk-management and internal-control systems.

THE APPOINTMENTS AND REMUNERATION COMMITTEE

a body reporting to the Board of Directors on proposals for the appointment of directors. This committee also evaluates directors and members of the Board, as well as proposing and overseeing the company's remuneration policy. In 2015, this committee led the selection process for a new independent director.

Compensation and remuneration – Applus+ ensures the transparency of its directors' remuneration as one of the basic principles of its corporate-governance model. The Appointments and Remuneration Committee is the body in charge of setting and ensuring compliance with the Group's remuneration policy. The remuneration policy is approved at the Annual General Meeting.

THE SUPERVISORY COMMITTEE

the Supervisory Committee was created immediately prior to the listing of the company's shares, when the company had a main shareholder. While Board responsibilities that could be delegated were formally delegated to the Supervisory Committee, the latter does not, in practice, exercise such a role, instead working as an internal monitoring committee whose decisions are always submitted to the Board for approval. The Supervisory Committee's minutes are shared with the entire Board and its Chairman, who is also the Chairman of the Board, keeps the Board informed about the content of any Supervisory Committee meetings held.

Following the reduction in investment from this main shareholder and the subsequent resignation of the Non-Executive Proprietary Members, the role and function of the Supervisory Committee will be reviewed.

THE CSR COMMITTEE

the body in charge of the promotion of the Group's CSR strategy, ensuring the adoption and effective implementation of good CSR practices, good governance, ethics and transparency. This committee also promotes the Group's CSR policy and assesses, reviews and monitors its development and implementation. Finally, it is responsible for the coordination of all processes linked to the reporting of non-financial information.

BOARD OF DIRECTORS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Non-Executive Independent Members

1. Christopher Cole (Chairman)
2. Ernesto Gerardo Mata López
3. John Daniel Hofmeister
4. Richard Campbell Nelson
5. Nicolas Villén

Executive Members

6. Fernando Basabe Armijo

Non-Executive Proprietary Members

Pedro de Esteban Ferrer
(resigned on 9th May 2016)
Alex Wagenberg Bondarovschi
(resigned on 9th May 2016)
Mario Pardo Rojo
(resigned on 9th May 2016)

Secretary (Non-Director)

José Luis Blanco Ruiz
(until 14th December 2015)
7. Vicente Conde Viñuelas
(from 28th January 2016)

Non-executive independent members:

CHRISTOPHER COLE

Mr Cole holds a degree in Environmental Engineering from Borough Polytechnic (University of South Bank) and is a chartered engineer in the United Kingdom. He also attended an INSEAD Executive Management Course in France in 1999.

Currently, Mr Cole is also the non-executive chairman of Ashtead Group Plc., WSP and of Tracsis Plc. Mr Cole was appointed as non-executive independent chairman of Applus+ on 07/05/2014 and presides over its Corporate Social Responsibility Committee. He currently holds 12,415 shares, which represent 0.010% of the share capital of the company.

ERNESTO GERARDO MATA LÓPEZ

Mr Mata holds a degree in Economics from the University of Geneva and an MBA from IESE (Barcelona).

Currently, he is a member of the advisory board of Abertis Infraestructuras, S.A., chairman of the board of Pagaralia, S.L., senior advisor to Matlin Patterson Global Advisers LLC, member of the board of Factor Energía, S.A., Toro Finance, S.L. and a member of the advisory board of Herbert Smith Freehills LLP (Spain). Mr Mata was initially appointed as a director of Applus+ on 29/11/2007 and he was reappointed on 04/03/2014.

JOHN DANIEL HOFMEISTER

Mr Hofmeister holds a Bachelors and Master's Degree in Political Science from Kansas State University. In May 2010, he was awarded an honorary doctorate from the University of Houston, and in 2014 he was appointed as Doctor of Letters at the Kansas State University.

Currently, he serves as non-executive director of Hunting Plc, London (United Kingdom) and chairman of the board of Erin Energy, Inc., Houston (USA). He was initially appointed as a director of Applus+ on 01/07/2013 and was reappointed on 04/03/2014. He currently holds 10,000 shares, which represent 0.008% of the share capital.

RICHARD CAMPBELL NELSON

Mr Nelson is a fellow of the Institute of Chartered Accountants in England and Wales and holds a Master of Science Degree in Economics from the London Business School.

He is currently chairman of the International Federation of Inspection Agencies (IFIA). Mr Nelson was initially appointed as a director of Applus+ on 01/10/2009 and he was reappointed on 04/03/2014. He is also a member of its Corporate Social Responsibility Committee. He currently holds 47,125 shares, which represent 0.036% of the share capital.

NICOLÁS VILLÉN

Mr Villén holds a degree in Industrial Engineering from the Universidad Politécnica de Madrid, a Master's in Electrical Engineering from Florida University (Fulbright Scholar) and an MBA from Columbia University.

Currently, he is an external advisor to IFM Investors (an Australian infrastructure fund) and Airports of Regions (a Russian airport-management group), as well as being a Board Member of ACR Grupo and Banca March. Mr Villén was appointed as an independent member of the Applus+ Board of Directors on 27/10/2015.

Executive members:

FERNANDO BASABE ARMIJO

Mr Basabe holds a degree in Law from the Universidad de Madrid and an MBA from IESE (Barcelona).

Mr Basabe was initially appointed as an executive director of Applus+ on 01/02/2011 and was reappointed on 04/03/2014. He is also a member of its Corporate Social Responsibility Committee. He currently holds 628,675 shares, which represent 0.484% of the share capital.

Non-executive proprietary members (until 9 May 2016):

As a result of the recent reduction of Azul Holding, S.C.A.'s stake in the share capital of Applus+, Mr. Pedro de Esteban, Mr. Alex Wagenberg and Mr. Mario Pardo, nominee directors representing such shareholder, resigned on 9 May 2016 as members of the Board of Directors of Applus+.

PEDRO DE ESTEBAN FERRER (resigned 9 May 2016)

Dr de Esteban was initially appointed as a director of Applus+ on 27/09/2007. Between 2007 and 2014, he was a legal representative ("representante persona física") of several companies that have served as directors of Applus+ during this period. Dr. de Esteban was again appointed as director on 04/04/2014. Dr de Esteban represented Azul Holding, S.C.A., an indirect subsidiary of CEP II Participations, S.à r.l. SICAR and CEP III Participations, S.à r.l. SICAR.

ALEX WAGENBERG BONDAROVSCHI (resigned 9 May 2016)

Mr Wagenberg was initially appointed as a director of Applus+ on 27/09/2007. Between 2007 and 2014, Mr Wagenberg was also a legal representative of different companies that have served as directors of Applus+ during said period. Mr Wagenberg was again appointed as director on 04/03/2014. Mr Wagenberg represented Azul Holding, S.C.A., an indirect subsidiary of CEP II Participations, S.à r.l. SICAR and CEP III Participations, S.à r.l. SICAR.

MARIO PARDO ROJO (resigned 9 May 2016)

Mr Pardo was initially appointed as a director of Applus+ on 27/09/2007. Between 2007 and 2014, Mr Pardo was also a legal representative of different companies that have served as directors of Applus+ during said period. Mr Pardo was again appointed as director on 04/03/2014. Mr Pardo represented Azul Holding, S.C.A., an indirect subsidiary of CEP II Participations, S.à r.l. SICAR and CEP III Participations, S.à r.l. SICAR.

Secretary (non-director):

JOSÉ LUIS BLANCO RUIZ (until 14 December 2015)

VICENTE CONDE VIÑUELAS (from 28 January 2016)

Supervisory Committee

In 2015, the Supervisory Committee was comprised of 4 members: 1 executive director (Fernando Basabe), 2 non-executive proprietary members (Pedro de Esteban and Alex Wagenberg) and 1 non-executive independent director (Christopher Cole). Christopher Cole is the chairman of the committee.

Following the resignation of two of these members in May 2016, the role and function of the Supervisory Committee will be reviewed.

Audit Committee

In 2015, the Audit Committee was comprised of 3 members: 1 non-executive proprietary member (Mario Pardo) and 2 non-executive independent members (Ernesto Gerardo Mata López and Nicolas Villén). Ernesto Gerardo Mata is the chairman of the committee.

Appointments and Remuneration Committee

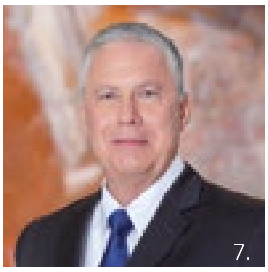
In 2015, the Appointments and Remuneration Committee was comprised of 3 members: 2 non-executive independent members (John Daniel Hofmeister and Richard Nelson) and 1 non-executive proprietary member (Alex Wagenberg). John Daniel Hofmeister is the chairman of the committee.

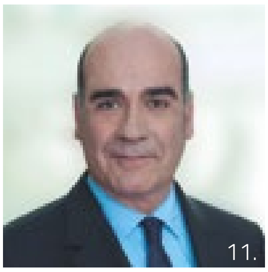
CSR Committee

The CSR Committee comprises 3 members: 2 non-executive independent directors (Christopher Cole and Richard Campbell Nelson) and 1 executive director (Fernando Basabe). Christopher Cole is the chairman of the committee.

The Board of Directors has already initiated the directors' selection process further to the resignation of the non-executive proprietary directors as of May 9th 2016.

EXECUTIVE TEAM





CEO
1. Fernando Basabe – Chief Executive Officer

Corporate Senior Executives
2. Joan Amigó – Chief Financial Officer (CFO)
3. José Delfin – Senior Vice-President Human Resources
4. Jorge Lluch – Senior Vice-President Corporate Development & Communications
5. Eva Argilés – General Counsel

Division Executive Vice – Presidents
6. Ramón Fernández Armas – Energy & Industry – Southern Europe, Africa, Middle East, Asia & Pacific
7. Phillip Morrison – Energy & Industry – North America
8. Pablo San Juán – Energy & Industry – Latin America
9. Sytze Voulon – Energy & Industry – Northern Europe
10. Jordi Brufau – Applus+ Laboratories
11. Carles Grasas – Applus+ IDIADA
12. Aitor Retes – Applus+ Automotive

07

SHAREHOLDER INFORMATION

CAPITAL AND SHAREHOLDER STRUCTURE

On 31st December 2015, the share capital of the head company of the Group amounted to €13,001,675.50, represented by 130,016,755 shares each with a value of €0.10.

Since 9th May 2014, the Group has been listed on the Barcelona, Bilbao, Madrid and Valencia stock exchanges, providing a partial exit for funds controlled by The Carlyle Group and raising an additional €300 million of new equity that was used to reduce bank debt.

On 13th April 2015, Azul Holdings S.C.A. (Azul) the investment company through which The Carlyle Group and other minority shareholders hold their investment in Applus+, sold 11.5% of the company's share capital in an Accelerated Bookbuild Offering, reducing their overall interest to 24% of the total shares outstanding. On 21st April 2016, there was a further sell-down by Azul in an Accelerated Bookbuild Offering of 10.0% of the company´s share capital. At the time of publishing this report, Azul holds 14.0% of the share capital of the Group. The remaining 86% of the shares outstanding comprise mostly the free float of the equity.

DIVIDEND INFORMATION

On 22nd June 2016, at the Group's Annual General Meeting of Shareholders (AGM), the Board will propose the payment of a dividend of €0.13 per share in line with the amount paid last year. This is equivalent to €16.9 million (2014: €16.9 million) and represents 17.3% of the adjusted net income of €97.9 million. If approved by shareholders at the AGM, the dividend will be paid on 15th July 2016.

FINANCIAL CALENDAR

Q1 2016 Results Announcement	**9th May 2016**
Annual General Meeting of Shareholders	**22nd June 2016**
H1 2016 Results Announcement	**26th July 2016**
Q3 2016 Results Announcement	**3rd November 2016**
Q4 and Full Year 2016 Results Announcement	**28th February 2017**

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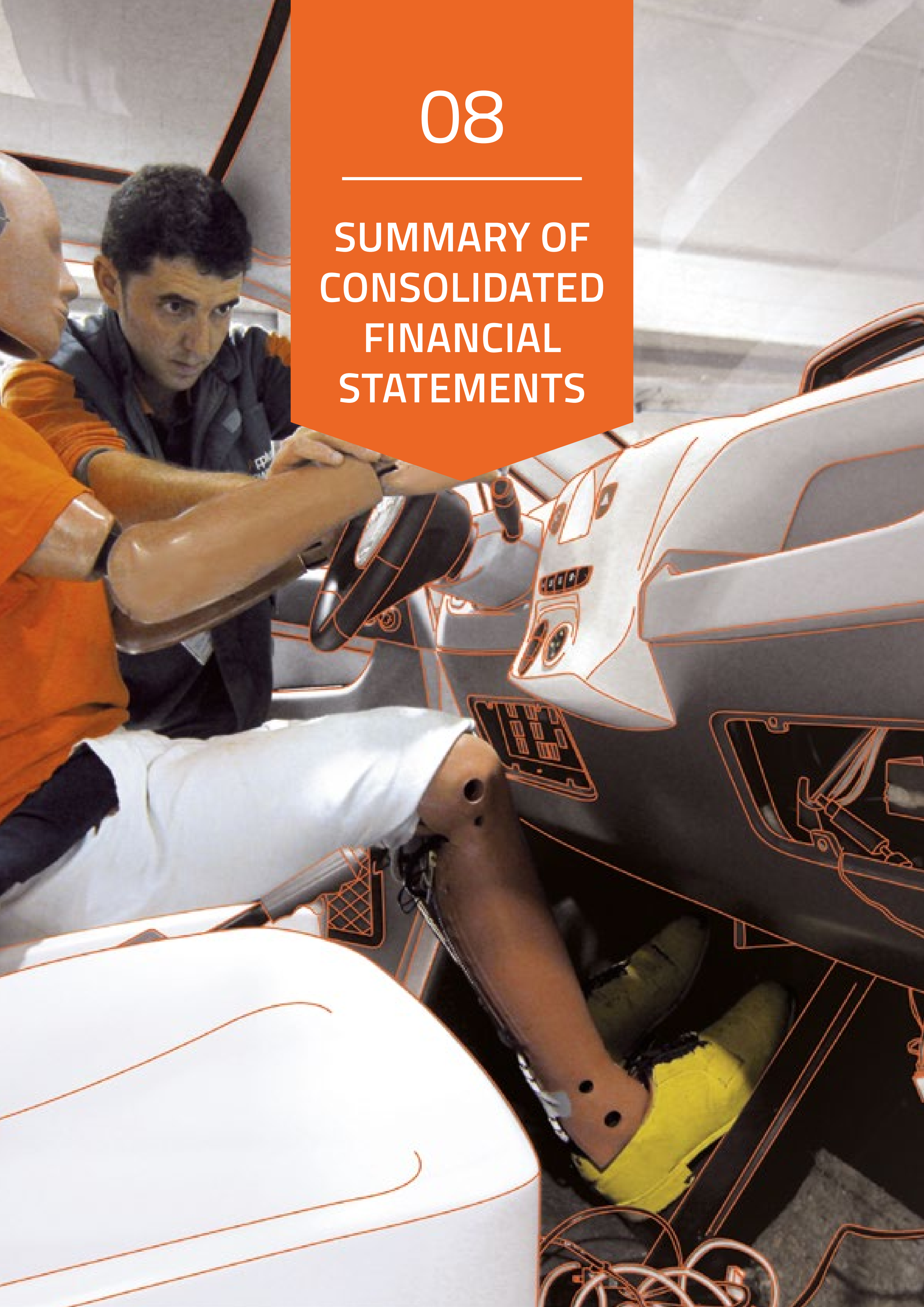
Security number: 79396
ISIN: ES0105022000
CIF: A64622970
Shares issued as of the date of this report:
130,016,755
Listed on the Barcelona, Bilbao, Madrid and Valencia
stock exchanges within Mercado Continuo.
Ticker Symbol: APPS-MC

08

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS



Consolidated Statement of Financial Position as at 31st December 2015
(Thousands of euros)

ASSETS	31/12/2015	31/12/2014
NON-CURRENT ASSETS:		
Goodwill	527,988	497,268
Other intangible assets	581,549	592,147
Property, plant and equipment	209,207	194,148
Non-current financial assets	13,966	12,722
Deferred tax assets	85,355	85,921
Total non-current assets	**1,418,065**	**1,382,206**
CURRENT ASSETS:		
Inventories	10,106	7,878
Trade and other receivables	374,228	363,520
Trade receivables from related companies	9,779	8,351
Other receivables	23,378	30,145
Corporate income tax assets	12,305	14,380
Other current assets	13,183	10,216
Current financial assets	4,258	4,646
Cash and cash equivalents	162,437	149,688
Total current assets	**609,674**	**588,824**
TOTAL ASSETS	**2,027,739**	**1,971,030**

EQUITY AND LIABILITIES	31/12/2015	31/12/2014
EQUITY:		
Share capital and reserves		
Share capital	11,770	11,770
Share premium	313,525	350,857
Retained earnings and other reserves	281,617	239,837
Net consolidated profit attributable to the Parent	38,244	23,761
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	47,145	38,709
Total equity	**651,296**	**633,573**
NON-CURRENT LIABILITIES:		
Non-current provisions	28,888	29,329
Bank borrowings	767,380	753,231
Other financial liabilities	24,047	28,284
Deferred tax liabilities	161,317	169,852
Other non-current liabilities	13,198	11,281
Total non-current liabilities	**994,830**	**991,977**
CURRENT LIABILITIES:		
Current provisions	1,886	2,175
Bank borrowings	52,504	36,872
Trade and other payables	300,603	286,925
Trade and other payables to related companies	2,498	1,713
Corporate income tax liabilities	15,693	13,676
Other current liabilities	8,429	4,119
Total current liabilities	**381,613**	**345,480**
TOTAL EQUITY AND LIABILITIES	**2,027,739**	**1,971,030**

Consolidated Statement of Profit or Loss for 2015
(Thousands of euros)

	2015	2014
CONTINUING OPERATIONS:		
Revenue	1,701,473	1,618,717
Procurements	(246,490)	(248,125)
Staff costs	(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	(97,128)	(91,867)
Impairment and gains or losses on disposal of non-current assets	126	2,972
Other results	(10,208)	(20,390)
OPERATING PROFIT:	**90,466**	**76,027**
Financial result	(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	(19,705)	(10,587)
Net Profit from continuing operations	**47,932**	**31,107**
NET CONSOLIDATED PROFIT:	**47,932**	**31,107**
Profit attributable to non-controlling interests	9,688	7,346
NET CONSOLIDATED PROFIT ATTRIBUTABLE TO THE PARENTS:	**38,244**	**23,761**
Profit per share (in euros per share):		
- Basic	**0.296**	**0.195**
- Diluted	**0.296**	**0.195**

Consolidated Statement of Cash Flows for 2015
(Thousands of euros)

	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	97,128	91,867
Gain on disposal of subsidiaries	(2,188)	(4,048)
Changes in provisions and allowances	(4,954)	(1,572)
Financial result	24,628	36,588
Share of profit of companies accounted for using the equity method	(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	(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 intangible 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	-	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)	(11,644)	6,415
Dividends	(16,902)	-
Dividends paid by Group companies to non-controlling interests	(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**

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