



2015 First Quarter Results Announcement

7 May 2015

Applus Services, S.A. ("Applus+" or "the Group"), one of the world's leading companies in Testing, Inspection and Certification, today announces the results for the first quarter ("quarter") ended 31 March 2015.

Highlights of financial results for the quarter

- Robust results in a challenging market environment
- Revenue of €416.7 million up 9.8%
 - +1.7% at constant rates
 - -0.4% organic constant rates
- Adjusted¹ operating profit of €31.2 million up 6.0%
- Adjusted¹ operating margin of 7.5%, down 30 bps
- Profit before tax €12.4 million, up from €3.8 million
- Norcontrol-Velosi integration successfully completed and division performing well
- Recent acquisitions performing in line with expectations

1. Adjusted operating profit and margin are stated before amortisation of acquisition intangibles, IPO related costs, restructuring and impairment.

Fernando Basabe, Chief Executive Officer of Applus+, said:

"Revenue growth of 10% for the first quarter including flat organic, positive inorganic and a significant currency benefit, was robust, particularly given the challenging oil and gas market environment.

The adjusted operating profit margin was down 30 bps to 7.5% in the first quarter which is seasonally the weakest quarter of the year.

The increase in the profit before tax was mainly due to reduced finance costs in the period, following the reduction of the debt at the IPO during the second quarter of last year.

The integration of Norcontrol and Velosi is complete and the combined unit is performing well.

Whilst we expect to see a similar trend in Group revenue in the coming quarters and continued pressure on margins due to the impact of weaker oil and gas markets, our other divisions continue to perform well and the medium and long term growth prospects for the Group remain strong."



Conference call

There will be a webcast presentation on these results today at 3.00 pm Central European Summer Time. To access the webcast, visit the company website at www.applus.com under Investor Relations/Financial Reports. To listen by telephone dial one of the numbers below quoting the access code **7237583**.

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About Applus+ Group

Applus+ is one of the world's leading and most innovative companies in the Testing, Inspection and Certification sector. It provides solutions for customers in all types of industries to ensure that their assets and products meet quality, health & safety and environmental standards and regulations.

Headquartered in Barcelona, Spain, Applus+ operates in more than 70 countries and employs 20,000 people. Applus+ operates through five global divisions, all of which operate under the Applus+ brand name. In 2014, Applus+ recorded revenue of €1,619 million and adjusted operating profit of €158.8 million.

Applus+ is listed on the Barcelona, Bilbao, Madrid and Valencia stock exchanges. The total number of shares is 130,016,755.

ISIN: ES0105022000

Symbol: APPS

For more information go to www.applus.com/en

FIRST QUARTER REPORT 2015

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

Organic revenue and profit growth are calculated in this report by excluding acquisitions or disposals made in the prior twelve month period to the accounting date. Organic is stated at constant exchange rates, taking the current quarter average rates used for the income statements and applying them to the results in the prior period.

In the table below the adjusted results are presented alongside the statutory results showing the effect of those adjustments.

EUR Million	Q1 2015			Q1 2014			+/- % Adj. Results
	Adj. Results	Other results	Statutory results	Adj. Results	Other results	Statutory results	
Revenue	416.7	0.0	416.7	379.4	0.0	379.4	9.8%
EBITDA	43.9	(3.1)	40.8	40.8	0.0	40.8	7.6%
Operating Profit	31.2	(14.9)	16.3	29.4	(12.1)	17.3	6.0%
Net financial expenses	(4.5)	0.0	(4.5)	(14.4)	0.0	(14.4)	
Share of profit of associates	0.5	0.0	0.5	0.8	0.0	0.8	
Profit Before Taxes	27.3	(14.9)	12.4	15.9	(12.1)	3.8	71.6%

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

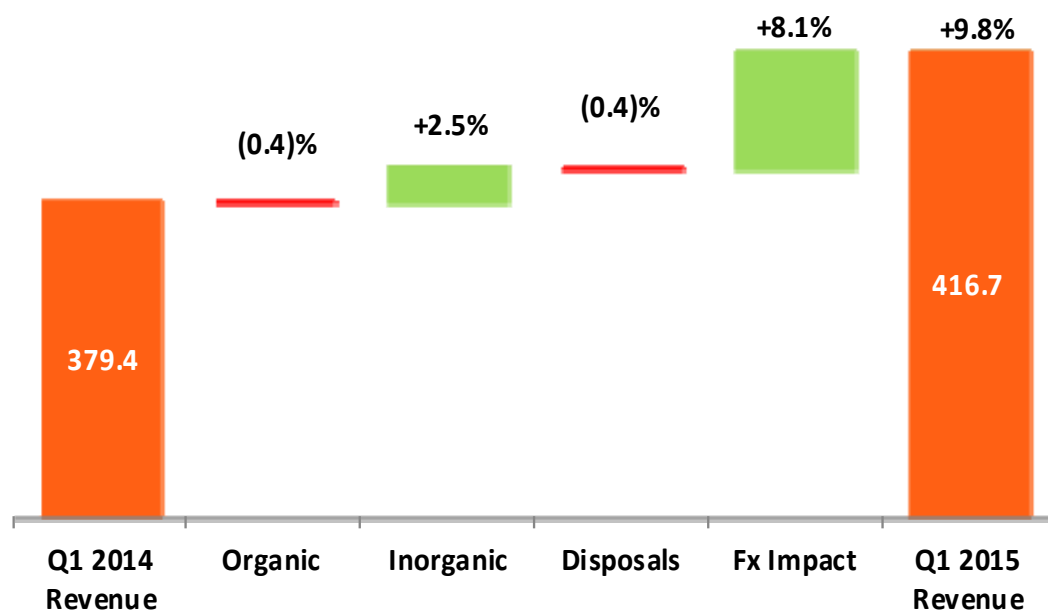
Other results of €14.9 million (2014: €12.1m) in the Operating Profit represent €3.1 million (2014: €0.0m) for the charge of Management Incentive Plan related to the IPO affecting EBITDA, amortisation of acquisition intangibles of €11.3 million (2014: €11.3m), costs related to the acquisitions of €0.4 million (2014: €0.0m) and other items of €0.1 million (2014: €0.8m).

Overview of performance

Revenue increased by 9.8% to €416.7 million in the three month period ended 31 March 2015 compared to the same period in the prior year. Organic revenue was down 0.4%.

The increase in revenue for the quarter came from inorganic revenue growth from the two recent acquisitions announced in 2014 in Chile and North America plus significant foreign currency translation benefit mainly due to the weak euro against the US dollar and a number of other currencies in which the Group has subsidiaries. This growth was partially offset by a slight decline in organic revenue plus the effect of the disposal made in 2014 of RTD+ Belgium.

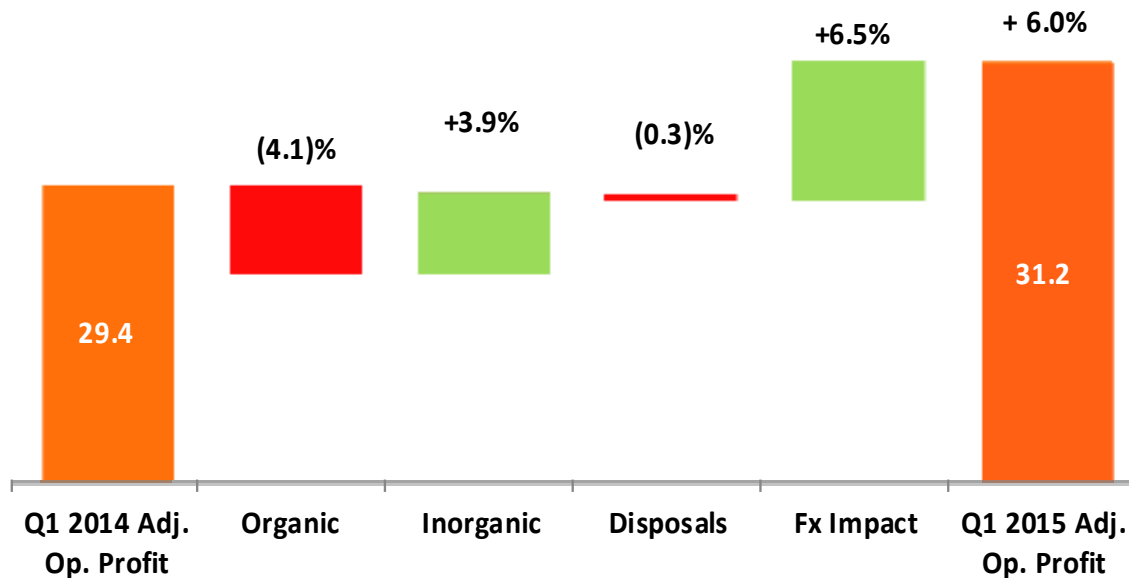
The revenue growth bridge for the quarter is shown below.



Adjusted operating profit increased by 6.0% to €31.2 million in the three month period ended 31 March 2015 compared to the same period in the prior year. Organic operating profit was down 4.1%.

The adjusted operating profit margin decreased by 30 bps to 7.5% for the three month period. The first quarter of the year has the lowest margin due to seasonal effects.

The operating profit growth bridge for the quarter is shown below.



The net financial expense reduced significantly in the period from €14.4 million in the first quarter of 2014 to €4.5 million this quarter, following the reduction of debt from the net proceeds out of the primary offering of the initial public offering (IPO). In addition, the debt facilities were refinanced at the same time as the IPO at lower rates than the prior debt facility.

The financial leverage of the group measured as Net Debt to last twelve months adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) increased slightly to 3.3x at 31 March 2015 compared to 3.1x at 31 December 2014. The main reason for this was the increase in debt following the payment in February 2015 for the acquisition of X-Ray, N-Ray and Arcadia Aerospace for €41.5 million.

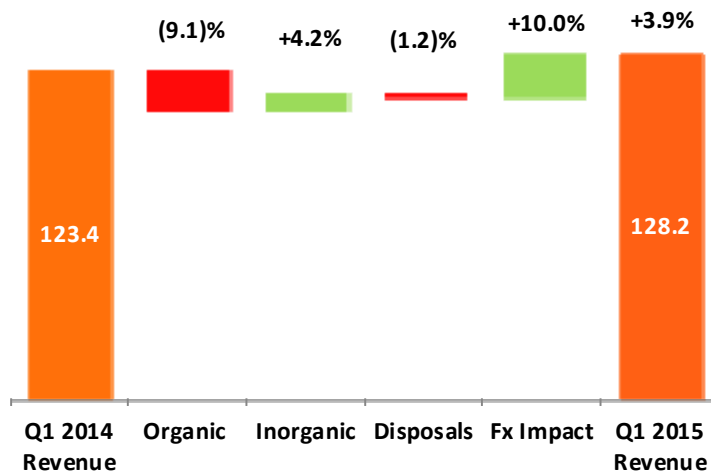
Outlook

Whilst the Group expects to see a similar trend in Group revenue in the coming quarters and continued pressure on margins due to the impact of weaker oil and gas markets, the other divisions continue to perform well and the medium and long term growth prospects for the Group remain strong.

Operating review by division

Applus+ RTD

Applus+ RTD is a leading global provider of Non Destructive Testing services to clients in the oil and gas industry.



Applus+ RTD at constant exchange rates had organic revenue decline of 9.1% for the quarter. Inorganic growth of 4.2% came from the acquisition announced in 2014 of X-Ray and N-Ray which provide Non Destructive Testing services to the aerospace industry in North America. 1.2% of revenue decline in the quarter was from the disposal of the Applus+ RTD Belgium business, disposed of on 30 September 2014. There was a significant foreign currency translation benefit on the quarter's results due to the weak euro against the US dollar and a number of other currencies in which the division has subsidiaries.

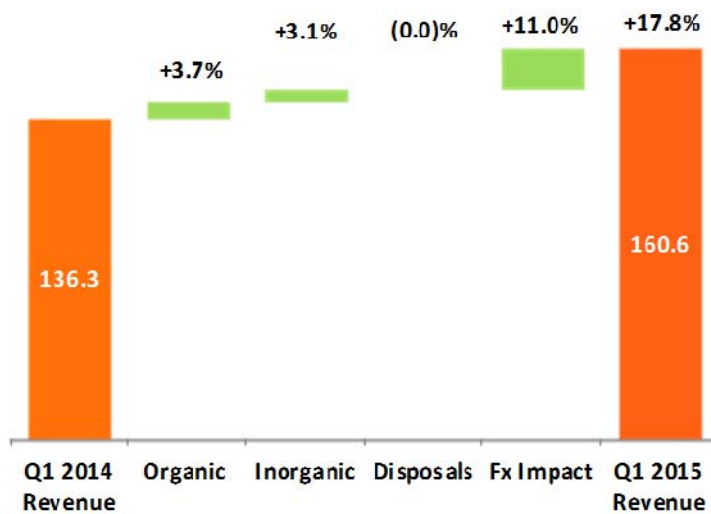
The first quarter result was against a strong comparative period in the prior year. North America was weaker due to significant capex spending reductions by customers in the oil & gas segment. All other regions performed better, with Europe especially the Netherlands and the UK performing well, along with Africa, the Middle East and Asia Pacific. As the comparatives ease and the benefit of new contracts come through, revenue in the coming quarters is expected to be down on an organic constant currency basis, but by less than reported in this first quarter.



Applus+ Norcontrol-Velosi

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

The newly enlarged division was formed by the integration of the Applus+ Norcontrol and Applus+ Velosi divisions from the start of the current year.



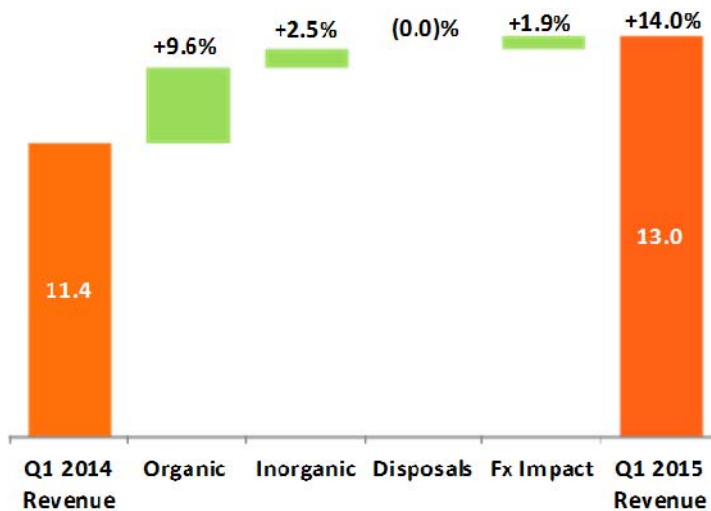
Applus+ Norcontrol-Velosi organic revenue at constant exchange rates grew by 3.7% in the quarter. This comprised Applus+ Norcontrol growth of 8.8% and Applus+ Velosi growth of 1.4%. Inorganic growth of 3.1% came from the acquisition made in the final quarter of 2014 of Ingelog in Chile, a supplier of engineering and project management services to the civil and private infrastructure industries in the region. There was a significant foreign currency translation benefit on the quarter's results due to the weak euro against the US dollar and a number of other currencies in which the division has subsidiaries.

Spain and Latin America grew well with the continued recovery in the Spanish economy supporting growth and Latin America growing strongly with the benefit of new contract wins in the current and previous periods. Africa and Middle East grew strongly with the continued ramp-up of recently started contracts, but Asia Pacific and North America declined following completion of some large multi-year contracts in Asia and fewer new projects.

The growth trend for the division seen in the first quarter is expected to continue.

Applus+ Laboratories

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



Applus+ Laboratories at constant exchange rates had organic revenue growth of 9.6% for the quarter. Inorganic growth of 2.5% came from the acquisition announced in 2014 of Arcadia Aerospace which provides testing services to the aerospace industry in North America.

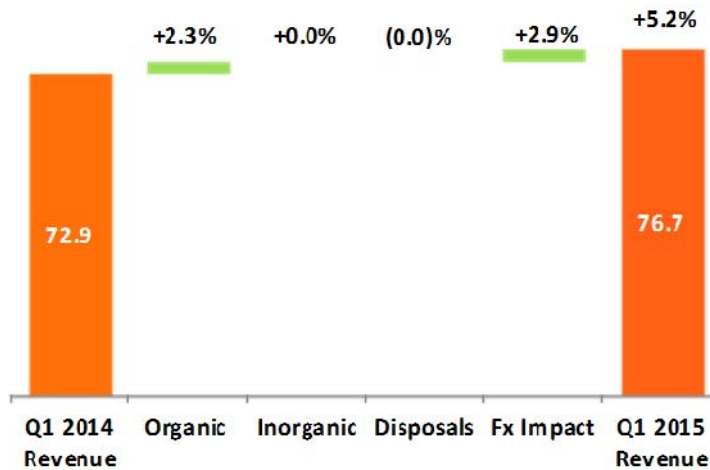
The division performed well across a number of business lines and in particular testing and support for the aerospace industry and fire and structural testing for the Spanish export industry for building products and materials.

Growth in the division is expected to continue at a strong pace, although slightly lower than seen in the first quarter.



Applus+ Automotive

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



Applus+ Automotive at constant exchange rates had organic revenue growth of 2.3% for the quarter. This came from growth in underlying volume in Latin America, Ireland and USA. Revenue from the contracts in Spain was down slightly on the prior year's first quarter due to lower price on a particular test on the Alicante contract and new competitors in the Canary Islands. Denmark and Finland continue to suffer the effect of increased competition.

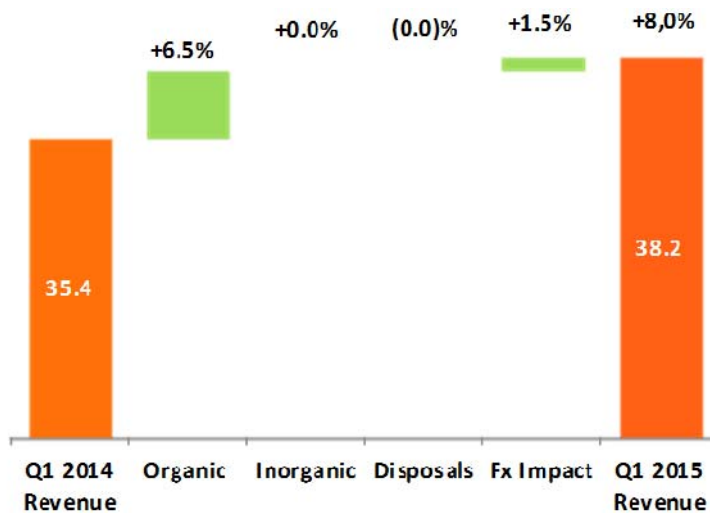
In Chile, there has been a successful renewal of contracts for a further eight years, although these will be at lower margins for the first few years. The contract that was meant to end at the end of April in Illinois has been extended for a period of 18 months and a new tender process will begin.

The growth trend for the division seen in the first quarter is expected to continue to the end of the year.



Applus+ IDIADA

Applus+ IDIADA provides services to the world's leading vehicle manufacturers. These include safety and performance testing, engineering services and homologation (regulatory approval).



Applus+ IDIADA at constant exchange rates had organic revenue growth of 6.5% for the quarter. This growth came from most of the countries with operations and in all business units with very strong growth from regulatory approvals for both cars and tyres. Investment into expanding these facilities will continue to ensure capacity exists to maintain good growth in revenue.

The growth trend for the division seen in the first quarter is expected to continue to the end of the year.

This announcement is a translation of the first quarter financial results announcement as filed with the Spanish regulator, Comisión Nacional del Mercado de Valores (CNMV). In cases of discrepancy, the Spanish version filed with the CNMV will prevail.