Applus Services, S.A. ("Applus+" or "the Group"), one of the world’s leading and most innovative companies in Testing, Inspection and Certification, today announces the results for the year ended 31 December 2016 ("the period").

**Highlights**

- Improving organic\(^1\) revenue trend throughout the year, with Q4 at -4.1%
- Oil & Gas remains challenging but industry outlook stabilising
- Successful integration and restructuring of the Energy & Industry division mitigated the impact of weak Oil & Gas end markets
- Auto, IDIADA and Labs divisions performed well including three new contracts won by Auto and the IDIADA Government contract has been extended to 2024
- 2016 full year results:
  - Revenue of €1,586.5 million, down organic\(^1\) 5.5% (reported -6.8%)
  - Operating\(^2\) profit of €141.1 million, down organic\(^1\) 12.3% (reported -13.0%)
  - Operating\(^2\) profit margin of 8.9%, down 64 bps
  - Operating\(^2\) cash flow of €178.7 million, up 9.5%
  - Net\(^2\) profit €83.7 million, down 14.5% (reported €19.5 million, down 49.0%)
  - Earnings\(^2\) per share €0.64, down 14.5%
  - Net debt €63m lower and ratio to EBITDA 3.2x, similar to prior year
- Board proposes a dividend of €0.13 per share in line with last year

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1. Organic is stated at constant exchange rates
2. Adjusted operating profit, margin, cash flow, net profit and earnings per share are stated before Other results (see page 4)

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

"I am pleased to report the final quarter of the year continued to show gradual improvement in the organic revenue trend with a decline of 4.1% being the lowest quarterly decline of the year. The organic revenue declined by mid-single digits for the year and the adjusted operating profit margin by 64bps.

Since the end of 2014 when our largest market of Oil & Gas commenced a severe multi-year downturn, we have worked hard to maintain market share, grow in other areas and protect margins. This was accomplished again in 2016 and as we look into 2017 and beyond, the current challenging market conditions are showing signs of stabilising."
Good organic revenue growth in the mid-single digits was delivered by the 37% of the revenue of the Energy & Industry division that is not exposed to Oil & Gas. IDIADA and Laboratories divisions performed very well with organic revenue growing at double digits and for IDIADA the Government of Catalonia has extended the long term contract up to 2024. Automotive also performed well with organic revenue growth at low single digits in line with its historical performance and three new long term contract awards in the United States, Uruguay and Chile in the year.

The first full year of operation of the combined Energy & Industry division has been successful with substantial cost savings achieved and the back office and organisational integration progressing well and new growth opportunities opening up.

The reported net profit was around half of last year mainly due to the 13% reduction in adjusted operating profit and higher tax due to a change in legislation in Spain. Excluding this one-off and other relevant adjustments, the adjusted net profit and adjusted earnings per share were down 14.5%.

The operating and free cash flow remained strong in 2016 with a good final quarter cash flow and this allowed us to reduce the debt and maintain the financial leverage at a comfortable rate. In recognition of this and our confidence in the longer term earnings and cash flow potential, the Board will again propose a dividend of 13 cents per share in line with 2015.

In light of the continued challenging Oil & Gas market as well as continued good growth in the other businesses we expect our Group organic revenue at constant exchange rates and adjusted operating profit margin to be approximately flat in 2017.

As the global Oil & Gas industry emerges from this downturn and spending increases again, we are confident that the drivers supporting testing, inspection and certification in this and all of our industry lines will result in good revenue, profit and cash flow positively impacting shareholder value.”
Webcast
There will be a webcast and conference call presentation on these results today at 11.00 am CET. To access the presentation by webcast, use the link: http://edge.media-server.com/m/p/ak3hh2yf or via 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 8252213.

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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 approximately 19,000 people. Applus+ operates through four global divisions, all of which operate under the Applus+ brand name. For the full year of 2016, Applus+ recorded revenue of €1,587 million and adjusted operating profit of €141.1 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-MC

For more information go to www.applus.com/en
FULL YEAR REPORT 2016

Overview of Performance

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

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

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

<table>
<thead>
<tr>
<th>EUR Million</th>
<th>FY 2016</th>
<th></th>
<th></th>
<th>FY 2015</th>
<th></th>
<th></th>
<th>+/- % Adj. Results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Adj. Results</td>
<td>Other results</td>
<td>Statutory results</td>
<td>Adj. Results</td>
<td>Other results</td>
<td>Statutory results</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>1,586.5</td>
<td>1,586.5</td>
<td></td>
<td>1,701.5</td>
<td>-</td>
<td>1,701.5</td>
<td>(6.8)%</td>
</tr>
<tr>
<td>Ebitda</td>
<td>187.9</td>
<td>(11.1)</td>
<td>176.8</td>
<td></td>
<td>211.9</td>
<td>(14.2)</td>
<td>197.7</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>141.1</td>
<td>(63.8)</td>
<td>77.3</td>
<td></td>
<td>162.2</td>
<td>(71.7)</td>
<td>90.5</td>
</tr>
<tr>
<td>Net financial expenses</td>
<td>(18.6)</td>
<td>(18.6)</td>
<td></td>
<td></td>
<td>(24.6)</td>
<td>0.0</td>
<td>(24.6)</td>
</tr>
<tr>
<td>Share of profit of associates</td>
<td>1.7</td>
<td>1.7</td>
<td></td>
<td></td>
<td>1.8</td>
<td>0.0</td>
<td>1.8</td>
</tr>
<tr>
<td>Profit Before Taxes</td>
<td>124.3</td>
<td>(63.8)</td>
<td>60.5</td>
<td></td>
<td>139.4</td>
<td>(71.7)</td>
<td>67.6</td>
</tr>
<tr>
<td>Income tax (1)</td>
<td>(31.6)</td>
<td>11.1</td>
<td>(20.5)</td>
<td></td>
<td>(31.8)</td>
<td>12.1</td>
<td>(19.7)</td>
</tr>
<tr>
<td>Extraordinary income tax</td>
<td>0.0</td>
<td>(11.4)</td>
<td>(11.4)</td>
<td></td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Non controlling interests</td>
<td>(9.0)</td>
<td>(9.0)</td>
<td></td>
<td></td>
<td>(9.7)</td>
<td>0.0</td>
<td>(9.7)</td>
</tr>
<tr>
<td>Net Profit</td>
<td>83.7</td>
<td>(64.1)</td>
<td>19.5</td>
<td></td>
<td>97.9</td>
<td>(59.6)</td>
<td>38.2</td>
</tr>
<tr>
<td>Number of Shares</td>
<td>130,016,755</td>
<td>130,016,755</td>
<td></td>
<td></td>
<td>130,016,755</td>
<td>130,016,755</td>
<td></td>
</tr>
<tr>
<td>EPS, in Euros</td>
<td>0.64</td>
<td>0.15</td>
<td></td>
<td></td>
<td>0.7</td>
<td>0.29</td>
<td></td>
</tr>
<tr>
<td>Income Tax (2)/PBT</td>
<td>(25.4)%</td>
<td>(34.0)%</td>
<td></td>
<td></td>
<td>(22.8)%</td>
<td>(29.1)%</td>
<td></td>
</tr>
</tbody>
</table>

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

Other results of €63.8 million (2015: €71.7m) in the operating profit represent €11.1 million (2015: €14.2m) charge of the historical management incentive plan as disclosed at the IPO affecting EBITDA, amortisation of acquisition intangibles of €47.6 million (2015: €47.5m), restructuring costs of €5.3 million (2015: €10.9m) and other items that net to a gain of €0.2 million (2015: €0.8m gain). Tax of €11.1 million (2015: €12.1m) relates to the positive tax impact on Other results. There was a further Extraordinary tax charge of €11.4 million in 2016 due to tax legislation changes in Spain.

4
Revenue for the year of €1,586.5 million was lower by 6.8% compared to the previous year.

Revenue bridge in € million:

At constant exchange rates, revenue was down by 5.1% made up of organic revenue decrease of 5.5% and a positive net contribution from acquisitions and disposals of 0.4%. The negative impact of currency translation reduced reported revenue by a further 1.7% mainly as a result of the weak Latin American currencies as well as the Canadian dollar and British pound against the Euro.

In the final quarter of the year, revenue was down 3.7% mainly as a result of a decline in organic revenue of 4.1%. The revenue decline in the final quarter was the lowest quarterly decline in the year and follows a trend of gradually reducing decline throughout the year.

The organic revenue decline during the year was a result of a decline in the largest division of Energy & Industry that is highly exposed to the oil and gas industry where conditions have been extremely challenging. The other divisions of the Group grew well.

Additional revenue of 0.5% in the year came from the last three acquisitions made within the Energy & Industry division. Caparo Testing Technologies in the UK and SKC Engineering in Canada were acquired in the final quarter of 2015 and Aerial Photography Specialist in Australia was acquired in the first quarter of 2016. The revenue reduction of 0.1% relates to a disposal made in 2015 of the non-core Oil & Gas business in Denmark.
Adjusted operating profit for the year was €141.1 million, a decrease of 13.0% on the prior year.

Adjusted Operating Profit bridge in € million:

At constant exchange rates, adjusted operating profit decreased by 11.3% made up of an organic decline of 12.3% plus a contribution from acquisitions of 1.0%. Operating profit was negatively impacted in the year to the same degree as revenue at 1.7% as a result of the weaker foreign currencies against the Euro.

The resulting adjusted operating profit margin was 8.9%, which was down by 64 bps from 9.5% in the prior year. The margin decrease was mainly as a result of the very challenging conditions faced by the Energy & Industry division in its oil and gas exposed business.

The net financial expense in the profit and loss fell from €24.6 million in 2015 to €18.6 million in 2016 due to a full year benefit of the reduced interest rate margin from the amendment negotiated in 2015 and due to a foreign exchange benefit of €1.0 million in 2016 compared to a foreign exchange charge of €2.8 million in 2015.

Profit before tax on an adjusted and reported basis were both lower than for the previous year due to the lower adjusted and reported operating profit. Adjusted profit before tax for the year was €124.3 million (2015: €139.4m) or 10.8% lower. Reported profit before tax was €60.5 million (2015: €67.6m) or 10.5% lower.
In December 2016, the Spanish Government introduced new tax legislation accelerating the reversal of impairment losses on subsidiaries that were deductible before 2013. According to the new legislation, the Group must return these deductions to the tax authority in the next five years in equal proportions, commencing in 2016. The Group has recognised in 2016 the total amount to return resulting in an €11.4 million charge in 2016 as a one-off exceptional tax expense to cancel the benefits received in previous years. No further expense is expected under this legislation. Excluding this impact and the tax related to Other results, the effective tax charge on the adjusted profit before tax was €31.6 million (2015: €31.8m) giving a rate of 25.4% (2015: 22.8%). The rate on the adjusted operating profit was 22.4% (2015: 19.6%).

The adjusted earnings per share was €0.64 which was 14.5% lower than the prior year. This was mainly due to the decrease in the adjusted operating profit.

The net profit of €19.5 million and reported earnings per share of €0.15 were both down by 49.0% from 2015. Without the €11.4 million extraordinary charge from the change in tax legislation, the net profit would have been €30.9 million and reported earnings per share would have been €0.24, both down by 19.1%.

Capital expenditure on expansion of existing and into new facilities was €53.7 million (2015: €50.7m) which represented 3.4% (2015: 3.0%) of Group revenue. This was slightly higher than the previous year due to additional long term investment opportunities the Group has secured mainly in Auto and IDIADA divisions.

2016 was another year of strong working capital performance, following equally strong performances in both 2014 and 2015 and this supported good cash flow generation despite the reduction in profit. The adjusted operating cash flow (after capital expenditure) was €178.7 million, up 9.5% on last year and equivalent to 95% of adjusted EBITDA (earnings before interest, tax, depreciation and amortisation), an improvement on the rate of 77% last year. The adjusted free cash flow was €129.1 million up 9.6% from last year.

The strong cash flow enabled the Group to substantially reduce the bank borrowings in the year. The Net Debt, as defined by the Group’s financial leverage covenant, reduced by €63.1 million to €602.2 million at the end of 2016. The resulting financial leverage ratio calculated by Net Debt divided by EBITDA was 3.2x (2015: 3.1x), using the definitions in the bank leverage covenant. The covenant is tested every six months at the end of June and December and has an agreed limit of 4.5x for this ratio and this falls to 4.0x for the test in December 2017 and every six months thereafter until the maturity of the debt in June 2020. The financial leverage ratio was approximately stable throughout 2016 and is at a comfortable level both in absolute terms and with respect to the bank covenant.
In recognition of the strong cash flow, comfortable financial leverage and future earnings and cash flow potential, the Board will propose to shareholders at the forthcoming Annual General Meeting, a dividend of 13 cents per share in line with the amount declared in the previous two financial years. This is equivalent to €16.9 million (2015: €16.9m) and is 20.2% of the adjusted net income of €83.7 million (2015: €97.9m) as shown in the summary financial results table above. The Board will aim to continue to propose and pay an annual dividend distribution of approximately 20% of the annual adjusted net income.

**Outlook**

In light of the continued challenging Oil & Gas market as well as continued good growth in the other businesses it is expected the Group organic revenue at constant exchange rates and adjusted operating profit margin will be approximately flat in 2017.

As the global Oil & Gas industry emerges from this downturn and spending increases again, the drivers supporting testing, inspection and certification in this and all of the Group’s industry lines will result in good revenue, profit and cash flow growth which will ultimately produce long term growth in shareholder value.
Operating review by division

The Group operates through four global business divisions: Energy & Industry division, Automotive division, IDIADA division and Laboratories division, and the respective shares of 2016 revenue and adjusted operating profit are shown below.

<table>
<thead>
<tr>
<th>2016 revenue split</th>
<th>2016 adjusted operating profit split</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy &amp; Industry</td>
<td>66%</td>
</tr>
<tr>
<td>Automotive</td>
<td>19%</td>
</tr>
<tr>
<td>Laboratories</td>
<td>4%</td>
</tr>
<tr>
<td>IDIADA</td>
<td>11%</td>
</tr>
<tr>
<td>Energy &amp; Industry</td>
<td>48%</td>
</tr>
<tr>
<td>Automotive</td>
<td>35%</td>
</tr>
<tr>
<td>Laboratories</td>
<td>4%</td>
</tr>
<tr>
<td>IDIADA</td>
<td>13%</td>
</tr>
</tbody>
</table>

Energy & Industry

The Energy & Industry division is a leading global provider of non-destructive testing, inspection, quality assurance and control, project management, vendor surveillance, site inspection, certification and asset integrity services as well as manpower services to the oil and gas, aerospace, power, utilities, telecommunications, minerals and civil infrastructure sectors.

The division was formed at the start of 2016 by the integration of RTD and Velosi-Norcontrol divisions. These were originally three separate divisions that had operated independently, but with the increasing overlap of a number of end markets and customers and a complementary geographic and service portfolio, the Group can maximise the growth opportunities through aligned marketing, business line and key account managers. The division is organised into geographic regions that report to one divisional leader who was appointed at the end of 2016.

Revenue for Energy & Industry division for the year of €1,052.6 million was lower by 11.4% compared to the previous year.
At constant exchange rates, revenue was down by 10.1% made up of organic revenue decrease of 10.7% and a positive net contribution from acquisitions less disposals of 0.6%. The negative impact of currency translation reduced reported revenue by a further 1.3% mainly as a result of the weak British pound, Canadian dollar and some Latin American currencies against the Euro.

In the final quarter of the year, reported revenue was down 6.7% mainly due to the decline in organic revenue of 8.4%. The reported and organic revenue decline in the final quarter was the lowest quarterly decline in the year and follows a trend of gradually reducing decline throughout the year. This trend is expected to continue in 2017.

The inorganic revenue of 0.6% in the year relates to the previous three acquisitions made in 2015 and 2016 less a disposal made in 2015. Caparo Testing Technologies in the UK and SKC Engineering (SKC) located in Vancouver, Canada were acquired at the end of 2015 and Aerial Photography Services (APS) located in Australia was acquired at the start of 2016. The disposal was of a non-strategic oil and gas business in Denmark.

Adjusted operating profit for the year was €79.8 million, a decrease of 22.8% on the prior year.
Adjusted Operating Profit bridge in € million:

At constant exchange rates, adjusted operating profit decreased by 22.9% made up of an organic decline of 24.6% plus a net inorganic contribution of 1.7%.

The margin decrease in the year was 110bps from 8.7% to 7.6% as a result of lower revenue leading to even lower profit from the negative operating leverage as well as a number of customer initiatives to reduce prices for new and renewed contracts in the oil and gas market. The margin fall was contained as a result of the significant actions taken to reduce cost and improve efficiency with the fall in the second half being less than in the first as the full effect of the actions took hold.

The part of the division that provides services to oil and gas infrastructure has faced extremely challenging conditions since the end of 2014 when the oil and gas industry commenced a severe multi-year downturn. This part fell at a double digit rate, reducing its share of the division by revenue from 68% at the end of 2015 to 63% at the end of 2016.

The other part of this division that provides services to infrastructure in the power generation and distribution industry, utilities, telecom, mining and civil as well as non-destructive testing services to the aerospace industry each performed very well at an average growth rate for the year in the mid-single digits and at a similar rate to the prior year. Growth opportunities for these business lines have increased following the integration of the three former divisions that make up the Energy & Industry division.
North America accounting for one quarter of the division by revenue in the year and mainly exposed to the upstream and pipeline oil and gas market was the toughest market environment with a considerable reduction in new capital projects, reduced volumes and scope for in-service projects and severe pricing pressure. The revenue declined less in the second half of the year than the first and there are signs of improving market conditions.

In Latin America accounting for 10% of the division by revenue and where there is a good mix of services to different end markets, there was growth of mid-single digits for the year, although with a slower pace of growth in the second half due to some large oil and gas projects ending. Other end markets in the region continue to perform well.

In Northern Europe accounting for 16% of the division by revenue where there is a higher level of recurrent operational expenditure exposed business to the oil and gas industry, the revenue nevertheless fell in the year due to fewer and smaller refinery shut-down projects, reduced upstream work in the North Sea and severe pricing pressure on the renewal of service contracts. There was a good performance from the aerospace, power and infrastructure business in the region.

In Southern Europe, Africa, Middle East, Asia & Pacific accounting for almost half of the division by revenue in the period there was a mixed performance. In Africa and in Asia & Pacific, revenue decreased. The largest single impact came from the reduction in scope on a major African “opex” oil services contract. This contract is currently in a tender process as it is up for renewal in the middle of 2017. In Asia & Pacific, revenue was down due to the ending of some very large offshore capex contracts. Good growth opportunities now exist following the agreement to operate an inspection programme on behalf of a major energy company in Australia. In the Middle East revenue was stable, although following the extension to the end of the year of two material contracts, one has been renewed and one has been lost. In Southern Europe growth was very good at high single digits in the year with Power and Construction services in Spain and vendor surveillance from Italy leading the growth in this region.
Laboratories

The Laboratories division 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.

Revenue for Laboratories division for the year of €60.7 million was 11.1% higher than the previous year of which organic revenue at constant exchange rates was 12.0% reduced by an impact of 0.9% from currency movements. The adjusted operating profit grew at 34.0% to €6.1 million resulting in a margin improvement of 170bps to 10.0%.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Revenue</td>
<td>60.7</td>
<td>54.2</td>
<td>54.7</td>
</tr>
<tr>
<td>% Change</td>
<td></td>
<td>12.0%</td>
<td>11.1%</td>
</tr>
<tr>
<td>% Change</td>
<td></td>
<td>38.0%</td>
<td>34.0%</td>
</tr>
<tr>
<td>Margin</td>
<td>10.0%</td>
<td>8.1%</td>
<td>8.3%</td>
</tr>
</tbody>
</table>

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

* FY 2015 Proforma is restated at constant exchange rates

Applus+ Laboratories had another strong performance with good delivery of projects in healthy market conditions.

The Industrial Labs segment, accounting for half of the division revenue, grew very well. It was supported by several very large aerospace projects, especially at the end of the year driving the final quarter divisional revenue growth to 19.4%. Electro-magnetic compatibility and electrical testing for new car models also generated good revenue growth for the segment.

Other parts of the division also performed well, especially fire testing of residential and commercial building products for the UK and Middle East construction industry and testing and certification of electronic payment systems.

The significant increase in the adjusted operating profit margin was due to good operational gearing benefiting from the strong revenue growth as well as higher margin from the several large aerospace projects.
Automotive

The Automotive division 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 Group carried out 11 million vehicle inspections in 2016 across Spain, Ireland, Denmark, Finland, the United States, Argentina, Chile and Andorra and programme managed a further 5 million inspections carried out by third parties.

Revenue of €293.3 million was 1.4% lower than the previous year.

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<thead>
<tr>
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<tbody>
<tr>
<td>Revenue</td>
<td>293.3</td>
<td>286.4</td>
<td>297.5</td>
</tr>
<tr>
<td>% Change</td>
<td>2.4%</td>
<td>(1.4)%</td>
<td></td>
</tr>
<tr>
<td>Adj. Op. Profit</td>
<td>57.4</td>
<td>57.5</td>
<td>60.8</td>
</tr>
<tr>
<td>% Change</td>
<td>(0.2)%</td>
<td>(5.7)%</td>
<td></td>
</tr>
<tr>
<td>Margin</td>
<td>19.6%</td>
<td>20.1%</td>
<td>20.4%</td>
</tr>
</tbody>
</table>

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

* FY 2015 Proforma is restated at constant exchange rates

Organic revenue at constant exchange rates grew well and in line with its historical performance, at 2.4%. Due to a full year impact of the devaluation of the Argentinian peso at the end of 2015 this revenue was reduced by 3.8%. The adjusted operating profit of €57.4 million was lower than the previous year by 5.7% most of which was due to same adverse currency movement, resulting in a margin decline of 80bps to 19.6%. At constant exchange rates, the adjusted operating profit was flat and had a 50bps lower margin impacted by a weaker country mix.

The exclusive concession in Ireland, which is the largest one in the division by revenue, had very good growth in the period due to a higher volume of cars to inspect under the core periodic inspection programme and as a result of an unusually high volume of imported cars from the UK to inspect since the weakening of the British pound in the second half of the year.
In Spain, revenue was flat overall with the lower revenue in the Canary Islands as a result of new competition entering the recently liberalised market, offset by growth elsewhere. Finland also continues to suffer an increasing number of competitors entering the market, but this has now stabilised. Revenue from the liberalised programme in Denmark grew after years of flat or declining revenue as a result of successful marketing initiatives and absorption of smaller players.

The revenue from the various contracts in the US was approximately flat overall. The new eight year contract in Illinois has started well.

In Latin America, the revenue from the old contract in Argentina continued to grow very well with good growth in inspection volume. The new ten year contract in Buenos Aires city started several months late in 2016 where the costs for maintaining the stations were incurred without corresponding revenue. This is expected to generate around €8 million per annum and is now almost fully ramped up. In Chile, the contracts have performed well in the year with the renewal of existing concessions now almost complete. The new eight year concession won last year in Chile for around €2 million revenue per year will start during 2018.

There were two other contract awards made in 2016. A six year contract in Massachusetts, with a potential to extend to fifteen years, with revenue of around €6 million per annum is expected to start operations at the end of 2017. A five year concession in Uruguay for approximately €5 million revenue per year is expected to start operations in the first half of 2018.

There is a pipeline of further opportunities that are being pursued.
IDIADA

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

Revenue of €179.6 million for the year was 10.7% higher than the previous year and adjusted operating profit of €22.2 million was 6.3% higher, resulting in a margin of 12.4%, 50bps lower. At constant exchange rates, the organic revenue grew by 11.4%.

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<tbody>
<tr>
<td>Revenue</td>
<td>179.6</td>
<td>161.3</td>
<td>162.2</td>
</tr>
<tr>
<td>% Change</td>
<td></td>
<td>11.4%</td>
<td>10.7%</td>
</tr>
<tr>
<td>% Change</td>
<td></td>
<td>5.5%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Margin</td>
<td>12.4%</td>
<td>13.1%</td>
<td>12.9%</td>
</tr>
</tbody>
</table>

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

* FY 2015 Proforma is restated at constant exchange rates

The division continued its strong growth record with another year of double digit organic revenue growth. All business lines grew very well although growth of use of the Proving Ground is at a lower rate than the rest of the division due to capacity constraints. This has had the effect of reducing the margin for the division as it operates at a much higher margin.

IDIADA has been able to capture the favourable market conditions in the global Automotive engineering and research & development industry and through investment in the current and previous years ensured revenue growth has continued to be strong. Within the segment of Chassis & Powertrain, there has been considerable interest, leading to projects on electric vehicles, and electronic and advance driver assistance systems. The increased technological content of cars and the investment into self-driving and co-operative driving has led IDIADA to form partnerships with specialised companies and invest in this high growth area.

The Government of Catalonia has recently extended the contract to operate the IDIADA business until 2024.
End of 2016 Full Year Results Announcement. This summary announcement is taken from the Consolidated Financial Statements as at 31 December 2016.

This announcement is an extract and translation of the full year 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.