

SÁNCHEZ MARCOS SEÑALIZACIÓN E IMAGEN,
S.A.

ANNUAL REPORT

2009

Num IS-5110

Date the 24th May 2010

PERFORMANCE :

Audit. Report on Abridged Annual
Accounts for the fiscal year 2009

ENTITY :

SANCHEZ MARCOS SEÑALIZACIÓN
E IMAGEN, S.A. "SMI, S.A."

DOMICILE :

18, San Severo St, 28042-Madrid

ENTRUSTED BY :

The Management by delegation of the
Directors

ADDRESSED TO :

The Shareholders

DOCUMENTS AUDITED :

Abridged Annual Accounts for the fiscal
year 2009

PERFORMED BY THE AUDITING
FIRM :

B. Tahoces Acebo
Nº 5625 of R.O.A.C.
Active Member of the Institute of
Auditors of Spain which is a member of
the FEE, IFAC and IASB

BERNARDO TAHOCES ACEBO
Auditor-Censor Jurado de Cuentas
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AUDIT REPORT OF ABRIDGED ANNUAL ACCOUNTS

To the Shareholders of:

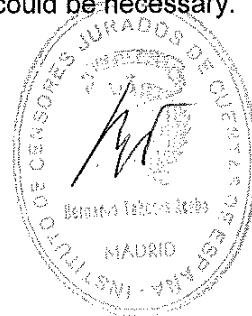
SANCHEZ MARCOS SEÑALIZACION E IMAGEN, S.A.
"SMI, S.A."

I have audited the Abridged Annual Accounts of SMI, S.A. that include the Balance Sheet as of 31st December 2009, the Profit and Loss Account, the Statement of Changes in the Net Worth and the Abridged Notes of the fiscal year then ended which is the responsibility of the Directors of the Company. This audit is performed by voluntary decision of the Directors since it is not legally obligatory due to the limited size of this company

My responsibility is to express an opinion on the cited Abridged Annual Accounts as a whole based on the work performed and conducted in accordance with the generally accepted auditing rules which require the examination by selected tests of the evidence to justify the transactions in the Annual Accounts and the evaluation of the presentation of the accounting principles used and of the estimates made.

The Directors of this company in keeping with the commercial regulations present of the purposes of comparison for each item in the Abridged Balance, Profit and Loss Account, Changes in Net Worth and the Notes, the amounts of the present fiscal year and those of the preceding year. My opinion is provided only in respect of the Abridged Annual Accounts of fiscal year 2009.

Elsamex, S.A. being shareholder of SMI, S.A. has informed of its intention to give financial support to this company in the extent and term which could be necessary.



IN MY OPINION, the enclosed Abridged Annual Accounts of 2009 fiscal year express in all significant aspects a fair view of the Shareholders and of the financial position of SMI, S.A. as of the 31st December 2009 and of the result of the operations, and the changes in the Net Worth and of the Abridged Notes corresponding to the 2009 fiscal year then ended and include the necessary and sufficient information for its interpretation and understanding in conformity with generally accepted accounting principles applicable in Spain.

Madrid, 24th May 2010



Bernardo Tahoces Acebo

SÁNCHEZ MARCOS SEÑALIZACIÓN E IMAGEN, S.A.

BALANCE SHEET AT 31 DECEMBER 2009 AND 2008

(Euros)

ASSETS	Report Notes	Period 2009	Period 2008	LIABILITIES	Report Notes	Period 2009	Period 2008
NON-CURRENT ASSETS							
Intangible fixed assets	Note 5	3,301	13,427	NET EQUITY		29,969	124,766
Technical installations and other tangible fixed assets		301	1,402	STOCKHOLDERS' EQUITY	Note 9	29,969	124,766
Long-term investments in the Group and associates	Note 6	3,000	12,025	Capital		150,000	150,000
Equity instruments		3,000	12,025	Registered capital		150,000	150,000
				Reserves		3,492	3,492
				Legal and statutory		538	349
				Other reserves		3,143	3,143
				Results from previous periods		(28,915)	(30,619)
				Negative results from previous periods		(28,915)	(30,619)
				Result of the period		(94,797)	1,893
CURRENT ASSETS							
Trade debts and other accounts receivable	Note 7	707,826	855,297	CURRENT LIABILITIES		681,158	743,957
Customers for sales and provisions of services		33,672	103,430	Short-term debt with group companies and associates	Note 13	651,241	331,247
Customers, Group companies and associates	Note 13	27,328	76,898	Trade creditors and other accounts payable		49,484	129,285
Personnel		1,748	2,205	Suppliers		123	248,046
Other credits with the Public Administrations	Note 10	-	215	Other debts with Public Administrations	Note 10	-	29,452
Short-term investment in Group companies and associates	Note 13	4,597	24,112	Advances from clients		310	5,927
Other financial assets		640,958	664,336	TOTAL NET EQUITY AND LIABILITIES		711,127	868,724
Other financial investments		640,958	664,336				
Other financial assets		22,069	76,749				
Cash and other equivalent liquid assets		11,127	10,782				
Treasury		11,127	10,782				
TOTAL ASSETS		711,127	868,724				

Notes 1 to 14 of the attached Report form an integral part of the balance sheet as at 31 December 2009

SÁNCHEZ MARCOS SEÑALIZACIÓN E IMAGEN, S.A.

PROFIT AND LOSS ACCOUNTS FOR ACCOUNTING PERIOD

ENDED DECEMBER 31 2009 AND 2008

(Euros)

	Report Notes	Period 2009	Period 2008
CONTINUING OPERATIONS			
Net amount of the annual turnover		332	90,781
Rendering of services		332	90,781
Provisions			
Works carried out by other companies	Note 11	(68,030)	(84,433)
Other income from operations		23,875	-
Current additional income and other from management		23,875	-
Other operating expenditure	Note 11	(4,297)	(2,631)
External services		(4,154)	(2,631)
Taxes		(143)	-
Amortization of fixed assets	Note 5	(1,101)	(1,201)
Other results		(45,576)	(623)
RESULT FROM OPERATIONS		(94,797)	1,893
RESULT BEFORE TAXES		(94,797)	1,893
Tax on profits		-	-
Result of the year coming from ongoing operations		(94,797)	1,893
RESULT FOR THE PERIOD		(94,797)	1,893

Notes 1 to 14 of the attached Report form an integral part of the profit and loss account for the accounting period of 2009

SÁNCHEZ MARCOS SEÑALIZACIÓN E IMAGEN, S.A.

STATEMENT OF CHANGE IN THE NET WORTH OF THE ACCOUNTING PERIODS OF 2009 AND 2008

A) STATEMENT OF ASSIGNED INCOME AND EXPENDITURE

(Euros)

	Report Notes	Tax Year 2009	Tax Year 2008
RESULT FOR THE PROFIT AND LOSS ACCOUNT (I)		(94.797)	1.893
TOTAL ASSIGNED INCOME AND EXPENDITURE (I+II+III)		(94.797)	1.893

Notes 1 to 14 of the attached Report form an integral part of the statement of acknowledged income and expenditure for the accounting period of 2009

SÁNCHEZ MARCOS SEÑALIZACIÓN E IMAGEN, S.A.

STATEMENT OF CHANGE IN THE NET WORTH OF THE ACCOUNTING PERIODS OF 2009 AND 2008

B) STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euros)

	Capital	Reserves	Results for previous periods	Result for the period	TOTAL
BALANCE AT THE CLOSE OF PERIOD 2007	150.000	3.492	-	(30.619)	122.873
Application of 2007 result	-	-	(30.619)	30.619	-
Result of year 2008 (Profit)	-	-	-	1.893	1.893
FINAL BALANCE FOR PERIOD 2008	150.000	3.492	(30.619)	1.893	124.766
Application of 2008 result	-	189	1.704	(1.893)	-
Result of year 2009 (Losses)	-	-	-	(94.797)	(94.797)
FINAL BALANCE FOR PERIOD 2009	150.000	3.681	(28.915)	(94.797)	29.969

Notes 1 to 14 of the attached Report form an integral part of the statement of changes in total net worth for the accounting period of 2009

Sánchez Marcos Señalización e Imagen, S.A.

Abridged report for the
annual period ending on
31st December 2009

1. Constitution and activity

Constitution

Sánchez Marcos Señalización e Imagen, S.A. (henceforth, the Company), was formed as a public limited company (*sociedad anónima*) for an indefinite time on 6 September 1999, with the name of Grusamar, S.A. On the date of 7 April 2003, it changed its business name to the current name. Its head offices are in calle San Severo 18, 28042 Madrid.

Corporate objective

The company's objective consists of the following:

- a. Rendering all types of services to third parties, both private individuals and bodies corporate, including services of commercial management, evaluation of workplace risks, quality, safety and public relations.
- b. Maintaining and preserving office buildings, industrial buildings, and any premises used for various activities, commerce, trade fairs, palaces, residences and gardens, as well as any other upon which maintenance may be performed.
- c. Replacing and remodelling façades, roofs, constructions works in general, inside and outside of those which are habitual, water, gas and electricity ducts, individual and collective antennas, down-flowing pipes, wiring of any type, including optical fibre, the management and maintenance of various plants for production, purification, composting and any others which require maintenance.
- d. Services of Concierges, Controllers, Couriers, Drivers, Hostesses, Promoters, Telephone Operators, Receptionists, Merchandising, Repairmen, Doormen, Cleaning Staff and any others which are required.
- e. Designing, production, maintenance and sale of corporate image items, and elements for signposting, demarcation, defence and urban furnishings.

The activities comprising the objective expressed may be developed totally or partially in an indirect manner by means of holding stocks or shares in other companies that have an identical or analogous objective.

The Company forms part of the Elsamex Group, the ultimate parent company of which is Elsamex, S.A., the corporate headquarters of which is located at calle San Severo, 18 Madrid, and this is the company which files the consolidated financial statements. The consolidated annual accounts of the group Elsamex, S.A. for the 2008 period have been prepared by the Directors, meeting with their Board on 14th May 2009 and were placed on record at the Madrid Commercial Registry. In turn, the Elsamex Group is controlled by an international group whose ultimate controlling company is "Infrastructure Leasing & Financial Services Limited (IL&FS)", whose address is in Bombay (India) Bandra – Kurla Complex.

2. Presentation principles for the abridged annual accounts

2.1 True picture

The attached abridged annual accounts have been obtained from the Company's accounts registers and are presented in accordance with R.D. 1514/2007 by which the General Accountancy Plan is approved, so as to show the true picture of the assets, the financial situation, the Company Balance Sheet and the cash flows during the corresponding period. These abridged annual accounts, which have been prepared by the Company Directors, are to be submitted for the approval of the General Ordinary Shareholders' Board, and are expected to be approved without any amendment.

Pursuant to Article 175 of the Law on Public Limited Companies, amended by Law 16/2007, in force as of 1 January 2008, the Company files abridged annual accounts.

In accordance with the current mercantile regulations in force, Sánchez Marcos Señalización e Imagen, S.A. is not required to subject its abridged annual accounts to an audit, though, with the sole purpose of improving the transparency of its financial information, the Administrative Body has deemed it appropriate to subject these annual accounts for the financial year of 2009 to the verification of an external auditor. At a later time, they will be subjected to the approval of the General Shareholders' Board, and they are expected to be approved without any amendment whatsoever.

2.2 Non-obligatory accounting principles

Non-obligatory accounts principles have not been applied. In addition, the Directors have prepared these annual accounts taking into consideration all the obligatory accounting principles and standards of application that have a significant effect on the said abridged annual accounts. There is no obligatory accounting principle that has not been applied.

2.3 Critical aspects of valuation and estimation of uncertainty

In the preparation of the attached abridged annual accounts estimations have been used that have been made by the Company's Administrators in order to evaluate some of the assets, liabilities, incomes, expenditure and commitments that appear in them. Basically these estimations refer to the useful life of the intangible and tangible assets, degradation of customer invoices and the calculation of the supplies through creditor invoices pending receipt.

In spite of these estimations having been done on the basis of the best information available at the close of the 2009 accounting period, it is possible that future events may require them to be amended (upwards or downwards) in the next periods, which would be done, if required, prospectively.

The Company has incurred losses which have led to a significant decrease in its equity and the existence of a negative working capital figure of a significant amount, factors which cast doubt on compliance with the accounting principle of an operating company and, as a result, the Company's ability to liquidate assets and liabilities in the amounts and in accordance with the classification which appear in the attached balance sheet, which was drafted under the assumption that said activity will continue. There are several factors which tend to reduce or eliminate the doubt cast on the Company's ability to continue as an operating business. These factors include the shareholders' financial support, as well as the possibility of reducing expenses without decreasing the Company's ability to operate, as can be concluded from both the budget for the financial year of 2010 and the business plan approved by Company's Directors. Said business plan is based on certain hypotheses and market trends which mainly include: a commercial market expansion plan which focuses on certain market niches; seeking out clients outside of the group; the management of works in all types of markets; and the plan foresees earning sufficient revenue to achieve a positive result in the financial year of 2010, as well as generating positive cash flows in the same financial year.

2.4 Comparison of information

The information contained in this report relating to the 2009 accounting period is presented for purposes of comparison with the information for the 2008 accounting period.

2.5 Grouping of entries

Specific items from the abridged balance sheet, profit and loss account, statement of changes in the net assets and cash flow statement are presented in a grouped format in order to facilitate comprehension and, insofar as it is significant, the information has been broken down in the corresponding notes in the report. There are no asset items entered in two or more entries.

2.6 Changes in accounting principles

During the 2009 accounting period no changes in accounting principles have arisen with respect to the principles applied in the 2008 accounting period.

2.7 Correction of errors

In the preparation of the attached annual accounts no significant error has been detected that might presuppose the re-expression of the amounts included in the annual accounts of the 2008 accounting period.

3. Application of results

The proposal for the application of the results of the period prepared by the Company's Directors and to be submitted for the approval of the General Shareholders' Board is to apply the accounting period loss of 94,797 euros to the negative results of prior accounting periods.

4. Standards for recording and evaluation

The principal recording and evaluation standards used by the Company in the preparation of their annual accounts, in accordance with those set out by the General Accounting Plan, were the following:

4.1 Intangible fixed assets

The assets grouped under this heading are valued by their acquisition price or cost of production and subsequently reduced by the corresponding accrued amortization and losses through impairment, should there be any.

Although there are loss of value indices, the Company estimates by means of the "Impairment test" the possible losses of value that reduce the redeemable value of the said assets to an amount less than their book value.

The Company amortises the fixed tangible assets in accordance with the linear method, applying annual amortization percentages calculated as a function of the estimated years of useful life of the respective assets.

The expenses for servicing and maintaining the different items comprising the tangible fixed assets are allocated to the profit and loss account of the period in which they are incurred. However, the amounts invested in improvements that contribute to increasing the capacity or efficiency or lengthening the useful life of the said assets is entered as a major cost of the same.

	Percentage
Technical installations, equipment and movable assets	10
Computer equipment	25

4.2 Financial instruments

Classification -

The capital assets that the Company has are classified into the following categories:

- a) Loans and items receivable: financial assets originating in the sale of goods or in the provision of services through the company's trading operations, or those that do not have a commercial origin, are not equity instruments or derivatives and the charges of which are a fixed or specific amount and are not negotiated in an active market.
- b) Investments in the equity of the companies of the group, associates and multi-group: those companies considered to be part of the group are those connected to the Company through a relationship of control, and associated companies are those over which the Company exerts significant influence. In addition, within the multi-group category those companies are included over which, under an agreement, control is exercised in conjunction with one or more partners.

Initial valuation -

The financial assets are entered initially at the reasonable value of the consideration delivered plus the transaction costs that may be directly attributable.

Subsequent valuation -

Loans, items receivable and investments held up to maturity are valued by their amortized cost.

Investments in the group's companies, associates and multi-group are valued by their cost, reduced, if required, by the amount accrued from the corrections to value through impairment. These corrections are calculated as the difference between their book value and the amount redeemable, this being understood as the larger amount between their reasonable value minus the costs of sale and the actual value of the future cash flow resulting from the investment. Unless there is better evidence of the amount redeemable, the net equity of the participating entity is taken into consideration, corrected by the capital gains implied on the date of valuation (including any goodwill there may be).

At the close of the period at least, the Company carries out an impairment test for the financial assets that are not entered at reasonable value. It is considered that there is objective evidence of impairment if the redeemable value of the financial asset is less than its book value. When it occurs, the entry of this impairment is made in the profit and loss account.

The Company discharges the financial assets when they expire or their rights over the cash flow of the corresponding financial asset have been assigned and the risks and benefits inherent in their ownership have been substantially transferred.

On the other hand, the Company does not discharge the financial assets, and enters a financial debit for an amount equal to the consideration received, in assignments of financial assets in which the risks and benefits inherent in their ownership may be substantially retained.

4.2.2 Financial liabilities

Financial liabilities are those debits and items payable that the Company has and that have originated in the purchase of goods and services through the company's trading operations, or also those that cannot be considered as derived financial instruments as they do not have a commercial origin.

The debits and items payable entries are valued initially at the reasonable value of the consideration received, adjusted by the directly attributable transaction costs. Subsequently, the said liabilities are valued in accordance with their amortized cost.

The Company discharges the financial liabilities when the obligations they have generated have been wiped out.

4.2.3 Equity instruments

An equity instrument represents residual sharing in the Company Equity, once all its liabilities have been deducted.

The capital instruments issued by the Company are entered in the net equity as the amount received, net of costs of issue.

4.3 Corporate tax

The expenditure or income for tax on profits comprises the part relating to the expenditure or income for the current tax and the part corresponding to the expenditure or income for deferred tax.

The current tax is the amount the Company meets as a consequence of the fiscal payments of tax on profits relating to an accounting period. The deductions and other tax advantages in the tax quota, excluding retentions and down payments, as well as the compensable fiscal losses of previous periods and applied effectively in this one, give rise to a lower amount of current tax.

The expenditure or income for deferred tax corresponds to the entry and cancellation of assets and liabilities for deferred tax. These include temporary discrepancies that are identified as those amounts that are anticipated to be payable or recoverable, derived from the differences between the book amounts of the assets and liabilities and their fiscal value, as well as the negative tax bases pending compensation and the credits for tax credit not fiscally applied. These amounts are entered by applying a temporary difference or credit which corresponds to the rate of levy at which it is expected to recover or pay.

Liabilities are included for deferred taxes for all temporary taxable discrepancies, except those derived from the initial entry of goodwill or other assets or liabilities in an operation which does not affect either the fiscal result or the accounting result and is not a combination of businesses, as well as those related to investments in dependent companies, partners businesses in which the Company can control the reversion time and it is probable that they will not revert in the foreseeable future.

However, the assets for deferred taxes are only entered insofar as it is considered probable that the Company is going to have future fiscal gains against which they can be offset.

The assets and liabilities for deferred taxes that originate from operations with direct charges or payments into equity accounts are also accountable with a contra-entry in net equity.

4.4 Environment

Assets of environmental nature are those used long-term in the Company's activity. Their main purpose is the minimization of environmental impact and the protection and improvement of the environment, including the reduction or elimination of future contamination.

Due to its nature, the Company's activity does not have a significant environmental impact.

4.5 Revenue and expenditure

Revenue and expenditure are allocated in accordance with the amount accrued principle, i.e. when the actual flow of goods and services they represent takes place, independently of the time in which the cash or financial flow derived from them takes place. This revenue and expenditure are valued by the reasonable value of the consideration received or given, once the discounts and taxes, incorporated interests or similar items have been deducted.

In order to adjust the revenue in the period in which it is accrued, the Company adopts the principle of provisioning those projects in progress at the close of the period, in accordance with their advancement, independently of the date of issue of the invoice.

4.6 Provisions and contingencies

In preparing the annual accounts, the Company Directors differentiates between:

- a) Provisions: credit balances that cover current obligations derived from past events, the cancellation of which is likely to cause an outflow of resources, although they are undetermined with regard to their amount and/or time of cancellation.
- b) Contingent liabilities: possible obligations arising as a consequence of past events, the future materialization of which is conditional on the occurrence, or not, of one or more future events, independent of the Company's will and which are not reasonably calculable.

The abridged annual accounts assemble all the provisions with respect to which it is deemed that the probability of having to meet the obligation is higher the reverse. The contingent liabilities are not included in the abridged annual accounts, but the information about them can be found in the report notes, insofar as they are not considered remote.

The provisions are valued by the current value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into account the information available about this event and its consequences, and entering any adjustments that may arise through updating these provisions as a financial expense as it accrues.

Compensation receivable from a third party at the time the obligation is settled, provided that there are no doubts as to whether this reimbursement should be made, is entered as a credit, unless there is a legal link by which the risk part has been externalised and under which the Company is not obliged to respond. In this situation, the compensation is to be taken into account for estimating the amount in which, if relevant, the corresponding provision is to appear.

4.7 Principles used in transactions between related parties

One party is considered linked to another when one of them or a group acting together, exercises or has the power to exercise directly or indirectly or in accordance with agreements between shareholders or participants, control over another or has significant influence over the other in the making of financial or operational decisions.

In any case, the related parties are:

- a) The companies that are considered to be a company of the group, associates or multi-group, in accordance with article 42 of the Commercial Code.
- b) Individuals who, directly or indirectly, have participation in the voting rights of the Company, or in its dominant entity, to enable them to exercise a significant influence over one or another. The close relatives of these physical persons are also included.

c) The key staff of the Company or of its dominant entity, which means the individuals with authority and responsibility over the planning, management and control of the Company's activity, either directly or indirectly, amongst whom are included the administrators and managers. The close relatives of these individuals are also included.

d) The companies over which any of the persons mentioned in b) and c) above can exercise a significant influence.

e) The companies that share any board member or director with the Company, unless this person does not exercise a significant influence in the financial and operational policies of both.

f) The persons who are regarded as close relatives of the Company administration's agent, whenever this person is a legal entity.

g) The pension plans for the employees of the Company or of any other which is a party linked to this.

For the purposes of this rule, close relatives are understood to be those who could exercise influence in, or be influenced by, this person in his/her decisions relating to the Company. Amongst them are included:

a) The spouse or person with an analogous relationship;

b) The ascendants, descendants and siblings and the respective spouses or persons with an analogous relationship;

c) The ascendants, descendants and siblings of the spouse or persons with an analogous relationship;

d) Persons for whom the spouse or person with an analogous relationship is responsible for or with an analogous relationship;

The Company carries out all its operations with entities linked to market values. In addition, the transfer prices are adequately supported so that the Company Directors consider that there are no significant risks related to this aspect from which liabilities for future consideration could be derived. The Company is currently preparing the documentation required in article 16 of the Revised Corporate Tax Act and its Regulations in order to withstand the transfer prices applied in the transactions between linked entities.

5. Intangible fixed assets

The movements occurring under this heading of the balance sheet during accounting periods 2009 and 2008 are the following:

Accounting period 2009

	Euros		
	31-12-08	Additions	31-12-09
Cost:			
Movable goods	13,568	-	13,568
	13,568	-	13,568
Accrued amortization:			
Movable goods	(12,166)	(1,101)	(13,267)
	(12,166)	(1,101)	(13,267)
Net value	1,402	(1,101)	301

Accounting period 2008

	Euros		
	31-12-07	Additions	31-12-08
Cost:			
Movable goods	13,568	-	13,568
	13,568	-	13,568
Accrued amortization:			
Movable goods	(10,965)	(1,201)	(12,166)
	(10,965)	(1,201)	(12,166)
Net value	2,603	(1,201)	1,402

The Company's policy is to contract insurance policies to cover the risks to which the various items in its fixed tangible assets are exposed. The Company's Directors estimate that the coverage of these risks on 31 December 2009 and 2008 was adequate.

At the end of the 2009 and 2008 accounting periods, the Company had a fully amortized fixed tangible asset figure valued at 1,554 euros.

6. Group, multi-group and associated companies

Accounting period 2009

Participant company	Address	Activity	% Partici- pation	Euros			
				Amount	Participant company	Address	Activity
Proyectos y Promociones Inmobiliarias Sanchez Marcos, S.L.	San Severo 18, 28042 Madrid Spain	Services	99.67	3,000	3,010	(549,928)	(29,162)
TOTAL			99.67	3,000	3,010	(549,928)	(29,162)

Accounting period 2008

Participant company	Address	Activity	% Partici- pation	Euros			
				Amount	Participant company	Address	Activity
Proyectos y Promociones Inmobiliarias Sanchez Marcos, S.L.	San Severo 18, 28042 Madrid Spain	Services	99.67	3,000	3,010	(545,586)	(4,342)
Servicios de Ingeniería y Mantenimiento Canarios, S.A.	Muro 35001 Las Palmas de Gran Canaria	Services	60.00	9,025	-	-	-
TOTAL			99.67	12,025	3,010	(545,586)	(4,342)

7 Short-term financial assets

Credits and items receivable

The detail of the abridged balance sheet at 31st December 2009 and 2008 is as follows:

	Euros	
	2009	2008
Customers for sales and provisions of services:		
Customers	27,328	76,898
Delinquent customers	31,240	31,240
Impairment of value of credits for commercial operations	(31,240)	(31,240)
	27,328	76,898
Customers, Group businesses current accounts:	642,706	666,541
Other financial assets:	22,069	76,749
Total	692,103	820,188

8. Information about the nature of and level of risk of financial instruments

The Management of the financial risks of the Company is centralized in Financial Management, which has established the necessary mechanisms to control exposure to variations in the interest rates, as well as to the credit and liquidity risks. The main financial risks that impact on the Company are mentioned below:

a) Credit risk:

In general, the Company holds its treasury and equivalent liquid assets in financial bodies with a high credit level.

b) Liquidity risk:

In order to guarantee the liquidity and to be able to fulfil all the payment commitments deriving from its activity, the Company relies on the Treasury shown on its balance sheet.

c) Market risks:

Both the Treasury and the short-term financial investments of the Company are exposed to the interest rate risk, which could have an adverse effect on the financial results and on the cash flow. Therefore the Company follows the policy of investing in financial assets that are practically not exposed to interest rate risks.

9. Stockholders' equity

9.1 Share capital

At the end of the accounting period of 2009, the Company's share capital amounted to 150,000 euros, represented by 2,500 nominative shares of 60 euros of nominal value each, totally subscribed and paid in accordance with the following breakdown:

	% Share
Elsamex, S.A.	99.99%
Centro de Investigación Elpidio Sánchez Marcos, S.A.	0.01%
	100.00%

The Company's shares are not traded on the stock market.

9.2 Legal reserve

In accordance with the Revised Corporations Act, a figure equal to 10% of the period's profit must be allocated to the legal reserve until this reaches, at least, 20% of the share capital. The legal reserve may be used to increase the capital in the part of its balance that exceeds 10% of the capital already increased. Except for the above mentioned purpose, and while it does not exceed 20% of the share capital, this reserve may only be assigned to the compensation of losses and provided that there are no other sufficient reserves available for this purpose.

10. Public Administrations and fiscal situation

The composition of this section of the attached balance sheet at 31st December 2009 and 2008 is as follows:

	Euros		
	2009	2008	
	Debtors' Balances	Debtors' Balances	Creditors' Balances
Public Treasury, debtor for VAT	4,597	24,112	-
Public Treasury, creditor for VAT	-	-	28,998
Public Treasury, creditor for IRPF	-	-	454
Short-term balances with Public Administrations	4,597	24,112	29,452

Accounting reconciliation and taxable base result

The reconciliation between the accounting result and the taxable base for Corporation Tax is as follows:

Accounting Period 2009

	Euros
Net result of accounting period - losses	94,797
Tax base (fiscal result)	94,797

On 31 December 2009, the Company had negative tax bases to be offset in the amount of 64,954 euros.

Accounting Period 2008

	Euros
Net result of accounting period - profit	1,893
Tax base (fiscal result)	1,893

In accordance with the provisions of the prevailing legislation, taxes may not be considered to be finally settled until the returns presented have been inspected by the fiscal authorities or the four year time limit has elapsed. At the end of the 2009 accounting period, the Company was not subject to any inspections. The Directors believe that the settlements of the aforementioned taxes have been completed properly, and therefore, in the event of a tax inspection, and assuming that discrepancies arise in the regulatory interpretation currently in force with respect to the fiscal treatment given to the transactions, the potentially resulting liabilities, should they materialise, would not have a significant effect on the abridged annual accounts herein.

11. Revenue and expenditure

a) Provisions

The breakdown of this section of the profit and loss account for the accounting period ending on 31st December 2009 and 2008 is as follows:

	Euros	
	2009	2008
Works carried out by other businesses	68,030	70,128
Works carried out group business	-	14,305
	68,030	84,433

All of the purchases were made from suppliers were within national territory.

b) Other operating expenses

The detail for this section of the attached profit and loss account for accounting periods 2009 and 2008 is as follows:

	Euros	
	2009	2008
Independent professional services	1,282	624
Bank services and other similar	2,307	1,143
Other services	565	864
Other taxes	143	-
	4,297	2,631

12. Environmental aspects

Given the activities to which the Company dedicates itself, it has no responsibilities, expenses, assets or provisions or contingencies of an environmental nature that could be significant in relation to the equity, financial situation and results. For this reason, they are not included in the specific breakdowns in this report.

The Company's Directors consider that there are no contingencies related to the protection and improvement of the environment and do not consider it necessary to enter any resource to the provision for risks and expenses of an environmental nature as at 31st December 2009 and 2008 in the annual accounts.

13. Operations with related parties

The detail of the balances and transactions made during the 2009 and 2008 accounting periods between the Company and the "Elsamex Group" companies is the following:

2009	Euros				
	Accounts receivable		Accounts payable		Expenditure
	For provision of services	Credits	For provision of services	Loans	Services received
Elsamex, S.A.	1,269	-	123	483,168	38,187
Elsamex Internacional, S.R.L.				52,000	
Control 7, S.A.		149,925	-	-	-
Instituto técnico de la Vialidad y el Transporte, S.A.	139	-	-	21,755	-
Centro de Investigación Elpidio Sánchez Marcos, S.A.	70	-	-	68,233	-
Proyectos de Gestión, Sistemas, Cálculo y Análisis S.A.	-	367,851	-	-	-
Atenea Seguridad y Medio Ambiente, S.A.	-	-	-	6,085	-
Señalización Viales e Imagen S.A.U.	-	116,585	-	-	-
Grusamar Ingeniería y Consulting, S.L.	270	6,597	-	-	-
TOTAL	1,748	640,959	123	631,241	38,187

2008	Euros				
	Accounts receivable		Accounts payable		Expenditure
	For provision of services	Credits	For provision of services	For provision of services	Credits
Elsamex, S.A.	1,926	-	246,463	194,667	14,305
Elsamex Internacional S.R.L.	-	-	-	52,000	-
Control 7, S.A.	-	149,925	-	-	-
Instituto técnico de la Vialidad y el Transporte, S.A.	209	-	-	9,735	-
Centro de investigación E.S.M, S.A.	70	-	-	68,233	-
Proyectos de Gestión, Sistemas, Cálculo y Análisis S.A.	-	369,471	1,583	-	-
Atenea Seguridad y Medio Ambiente, S.A.	-	-	-	6,613	-
Señalización Viales e Imagen S.A.U.	-	116,515	-	-	-
Grusamar Ingeniería y Consulting, S.L	-	5,157	-	-	-
Grupo ESM, S.A.	-	-	-	-	70,128
TOTAL	2,205	664,336	248,046	331,247	84,433

The nature of the transactions that occur between the different companies of the Elsamex Group is the following:

- Financial operations: there are monetary transactions between the entities of the Elsamex Group that occur insofar as the companies require liquidity. These intragroup transactions accrue interest.

- Administration, financial and human resource services: Elsamex S.A., from its central offices in Madrid, provides administrative, legal and fiscal services to the rest of the group entities.

The method for setting the transfer pricing policy is different dependant on the type of transaction made:

a) For transactions consisting of the provision of services (subcontracting) between the different entities of the group, the "resale price" method is used, by which from the sale price of the item is subtracted the usual margin in identical or similar operations with independent persons or entities or, failing this, the margin that independent persons or entities apply to comparable operations making, if required, the corrections necessary to obtain the equivalence and in consideration of the particularities of the operation.

b) For financial transactions and administration services between the different group entities the "comparable free price" method is used, by which the price of the goods or service is compared in an operation between connected persons or entities with the price of identical goods or services or of a similar nature in an operation between independent persons or entities in comparable circumstances making, if required, the corrections necessary to obtain the equivalence and in consideration of the particularities of the operation.

The total of the live balances that exist between the connected entities at 31st December 2009 and 2008 are liquid, past due date and demandable.

The Company is currently completing all the documentation required by fiscal regulations (art. 16 of the Regulations for Corporation Tax) in order to discover the different services provided and received and to withstand the transfer prices applied in the transactions carried out between the different Elsamex Group entities.

Detail of shares in companies with similar activities and carried out on their own or another's behalf of similar activities on the part of the administrative body

In compliance with the provisions of Article 127 ter.4 of the Corporations Act, introduced by Law 26.2003 of 17th July, by which is amended Law 24/1988 of 28 July, of the Securities Market, and the Revised Corporation Act, for the purpose of reinforcing corporate transparency, it is advised that at the close of accounting periods 2009 and 2008 the members of the Elsamex S.A. board have not held shares in the capital of companies with the same, analogous or complementary type of activity to that constituting the corporate objective of the companies that make up the Elsamex Group. Similarly, activities have not been carried out nor are being carried out on their own or another's behalf with the same, analogous or complementary type of activity to those constituting the Company's corporate objective.

During accounting periods 2009 and 2008 the members of the Company's Board of Directors did not receive any remuneration in consideration of their responsibility.

The Company has not contracted any obligation in matters of pensions, warranties, guarantees, life assurance or of any other type in the favour of the members of the Company's Board of Directors.

There are no advance payments, credits or any obligations assumed by the Company on behalf of the members of the Company's Board of Directors.

14. Subsequent facts

Subsequent to the close of the period, and up to the date of preparation of these annual account, no significant subsequent facts have occurred that are worthy of mention.

Declaration of Submission of Abridged Annual Accounts

In compliance with the rules stipulated in the Corporations Act, the Board of Directors of Sánchez Marcos Señalización e Imagen, S.A., on the date of xx xxx 2010, submitted the abridged annual accounts for the accounting period of 2009, which shall be submitted for the approval of the General Shareholders' Board.

Mr. Sachin Baldeoprasad Gupta

Mr. Ramchand Karunakaran

Mr. Arun Kumar Saha
