

ELSAMEX S.A.

FINANCIAL STATEMENTS

2013

Num -AT-0214

Date March 31, 2014

PERFORMANCE :

Audit. Report on Annual Accounts for the
fiscal year 2013

ENTITY :

ELSAMEX, S.A.

DOMICILE :

18, San Severo St, 28042 - Madrid

ENTRUSTED BY :

The General Shareholders Meeting

ADDRESSED TO :

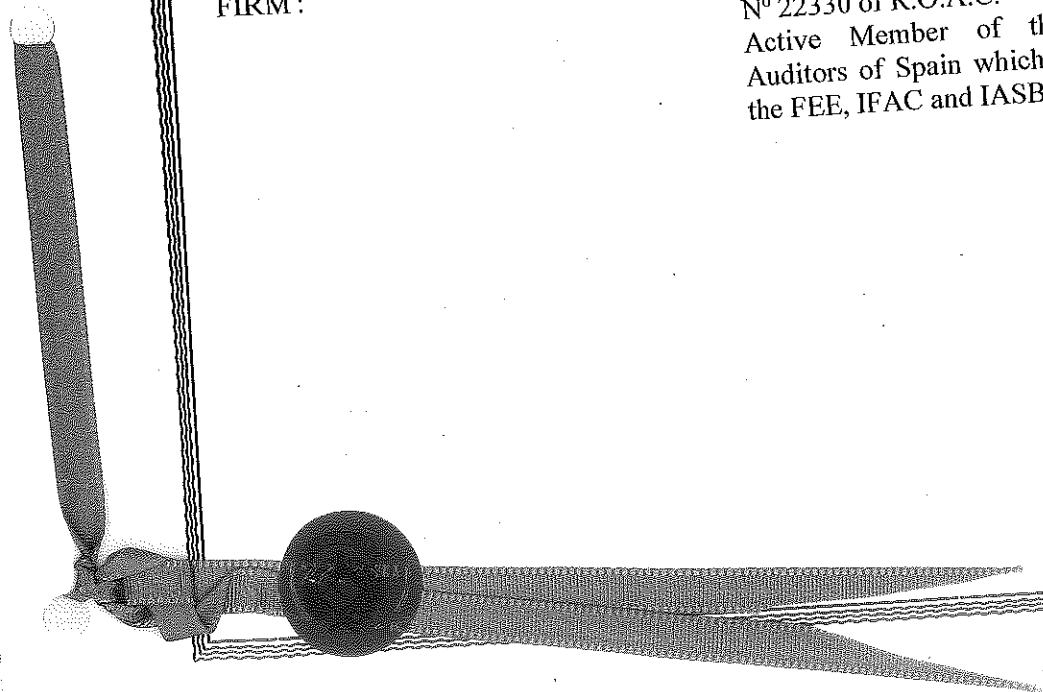
The Shareholder

DOCUMENTS AUDITED :

Annual Accounts
for the fiscal year 2013

PERFORMED BY THE AUDITING
FIRM :

L.I. Tahoces Escrivá de Romani
Nº 22330 of R.O.A.C.
Active Member of the Institute of
Auditors of Spain which is a member of
the FEE, IFAC and IASB



LAURA I. TAHOSES ESCRIVÁ DE ROMANÍ
Chartered Accountant
Nº 22.330 del ROAC
C/ Alcalá, 161
28009-Madrid

To the Board Directors of Elsamex, S.A.

AUDIT INFORM OF ANNUAL ACCOUNTS

We have audited the Annual Accounts of Elsamex S.A. that include the Balance Sheet as of December 31, 2013, the Profit and Loss Account, the Statement of Changes in the Shareholder's Equity, the Statement of Cash Flow and the Notes of the fiscal year then ended. The Directors of the Company are responsible to formulate the Annual Accounts in keeping with to the Regulatory Frame of Financial Information applicable to the entity (as indicated in Note 2) and in particular with the accounting principles therein contained. My responsibility is to express an opinion on the cited Annual Accounts as a whole based on the work performed that has been conducted in accordance with the rules which regulate the auditing activity in force in Spain which require the examination by selected tests of the evidence to justify the Annual Accounts and the evaluation of whether its presentation, the accounting principles used and the estimates made agree with the Regulatory Frame of Financial Information as applicable.

IN MY OPINION, the Annual Accounts of the fiscal year 2013, express in all significant aspects a fair view of the Shareholders Equity and of the financial position of Elsamex S.A. as of December 31, 2013 and as well as the result of the operations, and of the Cash Flow corresponding to the fiscal year then ended on that date, in conformity with the Regulatory Frame of Financial Information as applicable and in particular with the accounting principles therein contained.

Without qualifying my audit opinion, I draw the attention to the terms of Note 23 attached hereby, regarding arbitration award, that on March 21, 2013 we were informed that the Republic of Honduras finally has reopened the arbitration process before ICSID. The Company has not included in the Accounts any income from this concept.

I have been informed by the Company of the pending litigations, in favour and in contrary that they estimate could not have a significant effect in the accounts (Note 17).

Elsamex S.A. has informed of its intention to give financial support to the Group companies that need it with the extent and term which could be necessary.

The enclosed Management Report of the fiscal year 2013 comprises the explanations that the Directors consider appropriate regarding the situation of the Company, the evolution of the business and other matters, and is not a part of the Annual Accounts. We have verified that the accounting information therein contained is consistent with the Annual Accounts of fiscal year 2013. My work as Auditor is limited to the verification of the Management Report with the scope mentioned in this paragraph and does not include any review of information different from the one obtained from the accounting records of the Company.



Miembro ejerciente:

TAHOCES ESCRIVA DE
ROMANI LAURA INES

Año 2014 Nº 01/14/06568
COPIA GRATUITA

.....
Informe sujeto a la tasa establecida en el
artículo 44 del texto refundido de la Ley
de Auditoría de Cuentas, aprobado por
Real Decreto Legislativo 1/2011, de 1 de julio
.....



Madrid, March, 31th, 2014
Laura I. Tahoces Escrivá de Romani
Register Nº 22.330 ROAC

ELSAMEX, S.A.

BALANCE SHEET AS AT DECEMBER 31ST 2013-2012
(Euros)

ASSETS		Year 2013	Year 2012	EQUITY AND LIABILITIES		Year 2013	Year 2012
					Notes		
NON-CURRENT ASSETS				NET EQUITY	Note 13		
Intangible assets		59,603,888	58,932,851	STOCKHOLDERS' EQUITY			
Development		3,639,240	3,099,537	Capital		57,332,543	53,162,631
Concessions		883,298	-	Registered capital		56,891,174	52,983,372
Computer software		2,752,024	2,849,969	Share premium		20,264,625	20,264,625
Property, plant and equipment		203,918	249,588	Reserves		26,866,454	26,866,454
Land and buildings		7,686,847	7,189,716	Legal and statutory reserves		5,852,291	4,009,929
Technical installations and other items		1,006,653	1,016,680	Other reserves		1,751,450	1,567,214
Under construction and advances		3,902,421	4,649,042	Profit/(loss) for the year		4,100,841	2,442,715
Non-current investments in group companies and associates		2,777,773	1,523,994	VALUATION ADJUSTMENTS		3,907,804	1,842,363
Equity instruments		40,510,652	40,442,494	Hedging transactions	Note 11	441,368	179,259
Loans to companies		29,679,680	29,639,574	Foreign Exchange Fluctuation Reserve	Note 13.4	(32,482)	(65,437)
Loans to third parties		10,830,971	10,802,920			473,850	244,696
Other financial assets		4,184,494	5,093,414				
Deferred tax assets		517,162	559,581	NON-CURRENT LIABILITIES			
		3,667,332	4,533,833	Non-current payables	Note 14	59,079,367	59,158,345
		3,382,656	3,107,690	Debt with financial institutions		53,323,590	53,538,589
				Finance lease payables	Note 8	52,778,273	52,353,129
				Derivatives		-	93,482
				Other financial liabilities		6,250	6,250
				Group companies and associates, non-current	Notes 14 and 20	2,560,000	2,560,000
				Deferred tax liabilities	Note 16	1,875,707	1,712,828
				Non-current accruals		1,320,070	1,346,928
CURRENT ASSETS				CURRENT LIABILITIES			
Inventories		117,428,113	88,642,606	Current provisions		60,620,091	35,254,482
Raw materials and other supplies		2,446,707	2,107,419	Current payables	Note 14	1,452,901	1,295,766
Advances to suppliers		756,648	677,827	Debt with financial institutions	Note 8	14,939,280	5,720,643
Trade and other receivables		1,690,060	1,429,592	Finance lease payables	Note 11	13,133,213	4,425,308
Trade receivables		54,547,546	42,920,649	Derivatives	Note 11	602,166	697,410
Trade receivables from group companies and associates		44,499,365	34,161,007	Other financial liabilities	Note 14	48,403	-
Other receivables		944,388	388,611	Group companies and associates, current	Note 14	1,157,499	597,925
Personnel		7,159,822	6,983,696	Trade and other payables	Note 20	6,873,015	2,959,667
Current tax assets		70,264	58,892	Suppliers	Note 14	28,134,308	25,210,312
Current investments in group companies and associates		1,873,709	1,330,443	Suppliers, group companies and associates	Note 14	1,988,088	16,424,212
Other financial assets		43,409,898	39,965,325	Personnel(salaries payable)	Note 16	99,388	269,254
Current investments		43,409,898	36,965,325	Public entities, other	Note 16	2,464,664	2,366,494
Other financial assets		11,081,195	2,408,944	Advances from customers		4,749,667	6,023,316
Prepayments for current assets		1,002,671	774,084	Current accruals		18,780	68,094
Cash and cash equivalents		4,940,095	3,466,186				
Cash		4,940,095	3,466,186	TOTAL EQUITY AND LIABILITIES		177,032,001	147,575,457
TOTAL ASSETS		177,032,001	147,575,457				

Notes 1 to 25 of the attached Report form an integral part of the balance sheet as at 31 December 2013

ELSAMEX, S.A.

INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31ST 2013-2012

(Euros)

	Notes	Year 2013	Year 2012
CONTINUING OPERATIONS			
Revenue	Note 18 a)	79,223,243	64,911,003
Services rendered		79,223,243	64,911,003
Work carried out by the company for assets	Note 6	2,638,312	761,422
Supplies	Note 18 b)	(38,288,274)	(26,370,151)
Raw material and other consumables used		(11,506,559)	(9,518,929)
Subcontracted works		(26,781,715)	(16,851,222)
Other operating income		880,282	56,259
Non-trading and other operating income		880,282	56,259
Personnel expenses	Note 18 c)	(25,119,361)	(25,365,975)
Salaries and wages		(19,865,724)	(20,114,397)
Employee benefits expense		(5,253,638)	(5,251,578)
Other operating expenses	Note 18 d)	(12,685,206)	(9,507,231)
External services		(12,349,253)	(9,405,953)
Taxes		(243,833)	(339,406)
Losses, impairment and changes in trade provisions	Note 9.2	(86,315)	246,630
Other operating expenses		(5,805)	(8,502)
Amortisation and depreciation	Notes 5 and 6	(2,389,811)	(2,510,607)
Impairment and gains/(losses) on disposal of fixed assets		(3,855)	(6,846)
Impairments and losses	Note 6	(3,855)	(6,846)
Gain/(losses) on disposal and others		(33,351)	230,342
RESULTS FROM OPERATING ACTIVITIES		4,221,979	2,198,216
Finance income		3,454,219	4,192,364
Dividends	Note 20	549,771	989,214
- Group companies and associates		549,771	989,214
Marketable securities and other financial instruments		2,904,448	3,203,150
- Group companies and associates		2,612,813	2,797,892
- Other		291,635	405,258
Finance expenses	Notes 14 and 20	(3,004,331)	(3,609,312)
Group companies and associates		(210,164)	(152,483)
Other		(2,794,167)	(3,455,009)
Exchange gains/(losses)		(121,301)	(1,820)
NET FINANCE INCOME/(EXPENSE)		328,587	583,052
PROFIT/(LOSS) BEFORE INCOME TAX		4,550,566	2,781,268
Income tax expenses	Note 16	(642,762)	(938,905)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		3,907,804	1,842,363
PROFIT/(LOSS) FOR THE PERIOD		3,907,804	1,842,363

Notes 1 to 25 of the attached Report form an integral part of the profit and loss account as at 31 December 2013

ELSAMEX, S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31ST, 2013-2012
A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD ENDED DECEMBER 31ST, 2013-2012

(Euros)

	Report Notes	Year 2013	Year 2012
PROFIT AND LOSS FOR THE PERIOD (I)		3,907,804	1,842,363
Income and expenses recognised directly in equity			
- Cash flow hedges	Note 11	47,080	(4,247)
- Other adjustments		229,154	497,196
- Tax effect	Note 11	(14,124)	1,274
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (II)		262,110	494,223
Amounts transferred to the income statement (III)			
- Cash flow hedges		-	140,482
- Tax effect		-	(42,145)
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT (III)		-	98,337
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		4,169,913	2,434,923

Notes 1 to 25 of the attached Report form an integral part of the assigned income and expenditure in relation to accounting period 2013

ELSAMEX, S.A.

STATEMENT OF CHANGE IN THE NET WORTH OF THE YEAR ENDED DECEMBER 31ST, 2013-2012

B) STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euros)

	Capital	Issue premium	Reserves	Result for the period	Adjustments for changes in value	TOTAL
CLOSING BALANCE FOR PERIOD 2011	20,264,625	26,866,454	2,960,473	2,006,050	(413,031)	51,684,571
Adjustments for errors and prior periods	-	-	(2,808)	-	-	(2,808)
ADJUSTED BALANCE AT THE BEGINNING OF PERIOD 2012	20,264,625	26,866,454	2,957,665	2,006,050	(413,031)	51,681,763
Total recognise income and expense	-	-	-	1,842,363	592,290	2,434,653
Increase (decrease) in equity resulting from a business combination	-	-	(953,787)	-	-	(953,787)
Other transactions with equity holders and owners	-	-	2,006,050	(2,006,050)	-	-
CLOSING BALANCE FOR PERIOD 2012	20,264,625	26,866,454	4,009,928	1,842,362	179,259	53,162,629
Adjustments for errors and prior periods	-	-	-	-	-	-
ADJUSTED BALANCE AT THE BEGINNING OF PERIOD 2013	20,264,625	26,866,454	4,009,928	1,842,362	179,259	53,162,629
Total recognise income and expense	-	-	-	3,907,804	262,110	4,169,914
Other transactions with equity holders and owners	-	-	1,842,362	(1,842,362)	-	-
CLOSING BALANCE FOR PERIOD 2013	20,264,625	26,866,454	5,852,290	3,907,804	441,369	57,332,542

Notes 1 to 25 of the attached Report form an integral part of the statement changes in total net worth relating to period 2013

ELSAMEX S.A.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31ST, 2013-2012

(Euros)

	Report Notes	Year 2013	Year 2012
CASH FLOW FOR OPERATING ACTIVITIES (I)		(5,192,666)	6,879,614
Profit/(loss) for the period before tax		4,550,566	2,781,268
Adjustments for:		1,960,828	1,782,865
- Amortisation and depreciation (+)	Notes 5 and 6	2,389,811	2,510,607
- Valuation allowances for impairment losses (+/-)	Note 9	86,315	(246,630)
- Proceeds from disposals of fixed assets (+/-)	Note 6	(219,666)	6,846
- Finance income (-)		(3,454,219)	(4,192,364)
- Finance expenses (+)	Note 14	3,004,331	3,607,491
- Exchange gains/(losses) (+/-)		121,301	1,820
- Change in fair value of financial instruments (+/-)		32,955	95,095
Changes in operating assets and liabilities		(12,068,983)	1,481,527
- Inventories (+/-)		(339,289)	(1,137,010)
- Trade and other receivables (+/-)		(11,713,213)	4,192,102
- Other current assets (+/-)		(16,024,509)	(5,553,097)
- Trade and other payables (+/-)		16,039,151	3,114,125
- Other current liabilities (+/-)		107,821	634,595
- Other non-current assets and liabilities (+/-)		(138,945)	230,812
Other cash flows from operating activities		364,923	833,954
- Interest paid (-)	Note 14	(3,125,632)	(3,609,311)
- Dividend received (+)		549,771	989,214
- Interest received (+)		2,904,448	3,203,150
- Income tax received (paid) (+/-)		36,336	250,901
CASH FLOW FOR INVESTING ACTIVITIES (II)		(2,566,216)	(6,585,459)
Payments for investments (-)		(2,838,970)	(6,713,910)
- Group companies and associates		(68,157)	(41,000)
- Intangible assets	Note 5	(50,797)	(47,574)
- Property, plant and equipment	Note 6	(3,628,936)	(4,426,476)
- Other financial assets		908,920	(2,198,860)
Proceeds from sale of investments (+)		272,754	128,451
- Intangible fixed assets		57	-
- Property, plant and equipment	Note 6	272,697	128,451
CASH FLOW FOR FINANCING ACTIVITIES (III)		9,003,638	(802,578)
Proceeds from and payments for equity instruments	Note 13	-	5,644
- Issue of equity instruments (+)		-	10,469
- Redemption of equity instruments (-)		-	(4,825)
Proceeds and payments for financial liability instruments		9,003,638	(808,222)
- Issue of debt with financial institutions (+)	Note 14	13,236,280	4,723,825
- Redemption and repayment of debt with financial institutions (-)		(4,745,136)	(3,725,083)
- Debts with specific characteristics (+/-)		512,494	(136,235)
- Redemption and repayment of other debts (-)		-	(1,670,729)
EFFECT OF EXCHANGE RATE FLUCTUATIONS (IV)		229,154	497,196
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		1,473,910	(11,227)
Cash and cash equivalents at beginning of period		3,466,186	3,477,413
Cash and cash equivalents at end of the period		4,940,095	3,466,186

Notes 1 to 25 of the attached Report form an integral part of the statement changes in total net worth relating to period 2013

Elsamex S.A.

Notes for the period ending
31st December 2013

1. Incorporation and activity

Incorporation

Elsamex, S.A. (hereinafter, the Company), was incorporated as a public limited company for an indefinite time on the 9th of December 1977. The Company's registered office is at calle San Severo 18, Madrid, Spain.

Statutory Activity

The Company's operations are:

- a. Drafting projects, quality control and technical management of all types of public and private works, whether industrial, agricultural, civil engineering, railways or highways.
- b. Technical assistance in general and especially in matters of management and protection of the environment, including inspection, testing, surveillance and diagnostics in matters of environmental quality, business advice and the management and administration of all types of businesses, companies or ventures; the transfer of technology of all types of construction products and systems, transport and management of dangerous waste, excluding all activities for the performance of which the Law makes special requirements that the Company does not fulfil.
- c. The purchase, sale and hiring of construction or works materials, vehicles and equipment.
- d. The subscription, acquisition, holding and transfer of stocks and shares in the assets of companies of all types, whether civil or commercial and, all this on their own behalf and excluding activities regulated by the Law of Collective Investment and Security Market Institutions.
- e. The provision of administrative services, as auxiliary services for administrative or archive work or similar, payment collection management services, meter reading, organization and promotion of conferences, fairs and exhibitions, specialist services, cleaning, disinfection, rodent and insect extermination, service and operation of security installations, forest fire prevention and species protection services; professional services for works of art restoration; servicing and maintenance of real estate; filter system maintenance; maintenance and repair services for equipment and installations, in particular, electrical, electronic, plumbing, water and gas pipes, heating and air conditioning, electro-medicine, security and fire prevention, office machinery and equipment, elevators and horizontal moving equipment; machinery maintenance and repair services; installation, generally, of all types; transport services; waste and rubbish treatment services; PR services, in particular advertising, radio, television and news agency services; general cleaning, laundry and dry cleaning services; storage and travel agency; IT and communication technology services; and, telecommunication services; excluding all activities for the performance of which the Law makes special requirements that the Company does not fulfil. If the Law demands a professional qualification for these activities, such activities shall be carried out through a person who holds the required qualification.
- f. The construction, in general, of all types of works both for building and also for public, agricultural, farming, forest and industrial works, implementation of urban development and its maintenance, both for companies and for public or private bodies, as well as the manufacture or supply of any product or goods for performance of the same.
- g. The promotion, purchase and sale, leasing, construction and renovation of all types of real estate, excluding all activities for the performance of which the Law makes special requirements that the Company does not fulfil. If the Law demands a professional qualification for these activities, such activities shall be carried out by means of a person who holds the required qualification.
- h. Carrying out surveys and gathering data; caretaker services, control of access and information to the public; collection of luggage trolleys in airports and stations; maintenance of urban furniture; transport services by whatever means for people and goods.

- i. The construction, improvement, repair, conservation, extension, remodelling and maintenance works of all types, public or private, and the administration and operation of concessions which have the same objectives. Tendering for concession contracts for public works or for management of public services or, generally, for those on which their financing is charged, or must be managed by the bidders themselves, whatever the method adopted, with public or private financing.
- j. Social, cultural and labour promotion of persons with any type of disability, services for senior citizens and for persons with social assistance needs, all through the provision of assistance, education and advice services, in particular amongst others: management and operation of geriatric homes, domestic support services, management and operation of day centres, management and operation of homes for senior citizens and the elderly, sheltered accommodation, management and operation of children's homes.
- k. Operation of Service Stations, sale of fuels, operation of hotels, restaurants, cafeterias and shops; operation of mechanical workshops and vehicle washing services; operation of all types of renewable and non-renewable energy generator installations; operation of public car parks; manufacture and installation of corporate image signage of all types; supply of materials, installation and provision of services related to energy saving and efficiency; operation of waste treatment installations of all types; maintenance of all the elements pertaining to corporate objective activities.
- l. The implementation of all kinds of real estate activities such as promotion, construction, building, subdivision of land, restoration, sale and purchasing of urban and rustic properties, pieces of land, sites, plots, buildings, dwellings and premises.
- m. Management, renting, safe-keeping, sale management, exploitation and valuation of all kinds of real estate, made on its own or by third parties.
- n. Rendering of all kinds of services directly or indirectly related to the activities developed by the company.
- o. Rendering of all kinds of services to third parties, individuals or legal entities, including commercial management services, assessment of working risks, quality, safety and public relations.
- p. Maintenance and preservation of offices or industrial buildings and any other premises aimed to different activities, trade, exhibition, palaces, residences, gardens, and any other place that can be maintained.
- q. Replacement and remodelling of façades, roofs, general works, usual or unusual, water, electricity and gas conduction, individual and collective antennae, drain pipes, all kind of cables, even optical fibre, maintenance and management of different production plants, filtering, composting and any other place which needs maintenance.
- r. Superintendent services, controllers, messenger services, drivers, stewardess, promoters, telephonists, receptionists, repairer, merchandising, cleaners and any other services that may be needed.
- s. Design, manufacture, maintenance and sale of corporation image elements, signalling, defence and urban furniture.

All activities for which special requirements are required by Law and not fulfilled by the Company shall be excluded. Should any professional title was required by Law to implement these activities such activities shall be implemented by a person holding the required title.

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.

For the operation of administrative Concessions awarded to the Company, Elsamex S.A., by itself or in consortium, operates through "U.T.E.s" (. Joint Ventures see note 8.3) or subsidiaries (see Note 8.1). Elsamex, S.A. is the owner or co-owner of the following administrative concessions:

Company/ % participation	Activity	Date of Concession	Term of Concession
Elsamex S.A.:			
Abedul Villavidel U.T.E. (25%)	Service Station Maintenance	07-06-2001	44 years
Abedul Orihuela U.T.E. (25%)	Service Station Maintenance	09-04-2001	29 years
Abedul Zamora U.T.E. (25%)	Service Station Maintenance	06-05-2002	46 years
Abedul Ponferrada U.T.E. (25%)	Service Station Maintenance	11-03-2004	46 years
Área de Servicio Coiros, S.L.U. (100%)	Service Station Maintenance	08-03-2004	39 years
Área de Servicio Punta Umbría, S.L.U. (100%)	Service Station Maintenance	18-11-2010	30 years
Alcantarilla Fotovoltaica, S.L.U. (100%)	Exploitation of photovoltaic technology electricity generation systems	11-11-2010	25 years
Beasolarta, S.A.U. (100%)	Exploitation of photovoltaic technology electricity generation systems	26-02-2013	25 years
Sociedad Concesionaria Autovía A-4 Madrid S.A. (48.75%)	Highway operation	15-11-2007	19 years

The Company is head of a group of subsidiary entities and, in accordance with prevailing legislation, is required to prepare consolidated accounts separately. The consolidated annual accounts of the Elsamex Group for the 2013 period were authorised for issue by the Directors of the Company at a meeting of the Board of Directors held on 28 March 2014. The consolidated annual accounts for the 2012 period were approved at the Elsamex, S.A. General Shareholders' Meeting held on 5 June 2013 and deposited in 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. Basis of presentation of the annual accounts

2.1 Financial Reporting Framework applicable to the Company

The accompanying financial statements have been carried out by the Directors in accordance with the regulatory financial reporting framework applicable to the Company, which consist of:

- a) The Code of Commerce and other business legislation.
- b) General Accounting Plan approved by Royal Decree 1514/2007 and sector-specific adaptations, and in particular, the Sector Adaptation of the General Accounting Plan for construction companies, approved by Order EHA of 27 January 1993.
- c) The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.
- d) Other applicable Spanish accounting regulations.

2.2 Fair presentation

These financial statements were prepared on the basis of the Company's accounting records and are presented in accordance with the applicable financial reporting standards framework (Note 2.1), especially the accounting principles and criteria contained therein. They were formally prepared by the Directors of the Company in order to express fairly its equity, financial position, results from its operations, and changes in equity and cash flows that occurred in the year, in accordance with the aforementioned legislation in force. The Company's financial statements will be presented to the Shareholders' Meeting in due time. The Directors of the Company expect these accounts to be approved without any changes.

2.3 Non-mandatory accounting principles applied

No non-mandatory accounting principles were applied. However, the Directors prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect thereon. There is no mandatory accounting principle that has not been applied.

2.4 Key issues in relation to the measurement and estimation of uncertainty

Preparation of these financial statements requires that the Directors make certain accounting estimates and judgments. These are continuously evaluated and are based on historical experience and other factors, including expectations of future events considered reasonable under the circumstances. The main estimates and judgments considered in preparing the financial statements are the following:

- Useful lives of intangible assets and property, plant and equipment (see Notes 4.1 and 4.2)
- Possible impairment of goodwill and other assets (see Notes 4.1, 4.2, 4.4 and 4.5).
- Evaluation of litigation, obligations, and contingent assets and liabilities at year end (see Note 4.4).
- The calculation of Work in progress and Amounts Billed in Advance for works, See note (4.10)

Although the estimates used were made based on the best information available at the end date of authorisation for issue of these financial statements, any modification in the future to these estimates would be applicable prospectively as from that time, and the effect of the change in the estimates would be recognised in the income statement for the year in question.

2.5 Comparative information

The information included in the accompanying notes to the financial statements referring to the financial year 2012 is presented alongside the information for the financial year 2013 for comparative purposes.

2.5 Grouping of items

Certain items of the balance sheet, income statement of the year, statement of changes in equity and statement of cash flows are grouped together to make them easier to understand; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements. There are no assets and liabilities recognised under two or more balance sheet line items.

2.6 Changes in accounting policies

During the 2013 reporting period no changes in accounting policies have arisen with respect to the policies applied in the 2012 accounting period.

2.7 Correction of errors

No significant errors were detected in the preparation of the accompanying financial statements requiring that the figures disclosed in the 2012 financial statements be restated.

3. Distribution of profit

The proposal for the distribution of the results for the reporting period prepared by the Company's Directors and to be submitted for the approval of the General Shareholders' Meeting is as follows:

	Euros
Basis of distribution:	
Profits and losses (Profit)	3,907,804
	3,907,804
Distributions:	
To Legal reserve	390,780
To Voluntary reserves	983,946
To dividends	2,533,078
	3,907,804

The Company is required to assign 10% of the profits of the period to the formation of the legal reserve until this reaches, at least, 20% of the share capital. Until it reaches 20% of the share capital, this reserve is not distributable to the shareholders (see note 13).

Once covered the reserves stipulated by Act or the statutes, the dividends may only be distributed with a charge to the income of the financial year or to unrestricted reserves. if:

- After the reserves stipulated by law or by the statutes have been covered.
- The equity is not or, due to the distribution, does not result in a value inferior to the social capital. For these purposes, the profits taken directly to equity may not be directly or indirectly distributed. If there are losses from previous years which lower the value of the Company's net worth to below the social capital, the income shall be used to offset those losses.

It is equally forbidden all distribution of profits unless the worth of the available reserves is, as a minimum, equal to the expenses of investigation and development and there are no available reserves for an amount equal to the amounts pending of repaying of the previous accounts.

4. Accounting policies and measurement bases

The main accounting policies and measurement bases used by the Company in preparation of their financial statements, in accordance with those set out by the General Accounting Plan, the applicable tax legislation, registry and evaluation standards approved by the ICAC and other current legislation by which the rules for the preparation of consolidated financial statements were approved, were the following:

4.1 Intangible assets

As a general rule, the intangible assets indicated below are recognised at acquisition or production cost less accumulated amortisation and any loss due to impairment, useful life being evaluated on the basis of prudent estimates.

The carrying amount of intangible assets is reviewed for possible impairment when certain events or changes indicate that their carrying amount may not be recoverable.

a) Research and development expenditure:

With respect to the research and development expenditure, this is capitalised when the following two conditions are met:

- It is specifically itemised by project and the related costs are clearly identified so that they can be allocated over time.
- There are sound reasons for foresee the technical and economic success of the project.

The assets thus generated shall be amortised over their useful life and, in the event, within a five-year period.

Where there is reasonable doubt as to the technical success or economic and commercial feasibility of the project, any amounts capitalised shall be recognised directly as a loss in the reporting period.

The Company evaluates, at each balance sheet date, whether there is any indication of impairment in the value of any asset. Should such an indication exist, or when an annual impairment test is required, the Company estimates the recoverable amount of the assets, which is the greater of the fair value of an asset less costs to sell and its value in use. In order to determine the value in use of an asset, the future cash inflow that the asset is expected to generate is discounted from its present value using an interest rate that reflects the current value of money at long term rates and the specific risks of the assets.

In the event that the asset analysed does not generate cash flow independently of other assets, the fair value or value in use of the cash-generating unit that includes the asset (smallest identifiable group of assets separated from other assets or groups of assets) is estimated. If a cash-generating unit has impairment losses, the carrying amount of the goodwill assigned, if any, will be reduced, followed by a proportional reduction of the carrying amount of the other assets in relation to the unit.

b) Concessions:

The costs incurred in order to obtain the concession for the service stations are amortised in straight line based on the concession period (see note 1). If circumstances of non-fulfilment of conditions were to occur that might cause a loss of the rights derivative from this concession, the value entered for the same will be made whole in its entirety with the aim of cancelling its accountable net book value.

c) Industrial property:

In this account appropriate amounts are entered for the acquisition of property or the right of use of the different manifestations of the same, or for the costs incurred through purposes of registration of that developed by the Company.

d) Computer software:

This heading refers principally to the amounts paid for access to ownership or for the right to use computer programs, only when they are expected to be used over several years. Maintenance cost on these computer softwares are charged to the income statement in the year in which they are incurred. Amortisation of the computer software is done by applying the straight-line method over a term of between 4 and 5 years.

4.2 Property, plant and equipment.

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

The Company evaluates, at each balance sheet date, whether there is any indication of impairment in the value of any asset. Should such an indication exist, or when an annual impairment test is required (in the case of goodwill), the Company estimates the recoverable amount of the assets, which is the greater of the fair value of an asset less costs to sell and its value in use. In order to determine the value in use of an asset, the future cash inflow that the asset is expected to generate is discounted from its present value using an interest rate that reflects the current value of money at long term rates and the specific risks of the assets.

In the event that the asset analysed does not generate cash flow independently of other assets (as is the case of goodwill), the fair value or value in use of the cash-generating unit that includes the asset (smallest identifiable group of assets separated from other assets or groups of assets) is estimated. If a cash-generating unit has impairment losses, the carrying amount of the goodwill assigned, if any, will be reduced, followed by a proportional reduction of the carrying amount of the other assets in relation to the unit.

Impairment losses (surplus of the asset's carrying amount over the recoverable amount) are recognised in the income statement for the year

The Company depreciates the tangible fixed assets following the straight-line method, applying annual depreciation percentages calculated as a function of the estimated years of useful life of the respective assets, in accordance with the following detail:

	Percentage
Construction	2-7
Machinery	15
Other installations, equipment and movable assets	10-15
Computer equipment	25
Motor vehicles	15

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 which increases capacity or productivity or extend the useful life of the assets shall be capitalised as part of the cost of the related assets.

4.3 Impairment of value of assets

The Company evaluates, at each balance sheet date, whether there is any indication of impairment in the value of any asset. Should such an indication exist, or when an annual impairment test is required (in the case of goodwill), the Company estimates the recoverable amount of the assets, which is the greater of the fair value of an asset less costs to sell and its value in use. In order to determine the value in use of an asset, the future cash inflow that the asset is expected to generate is discounted from its present value using an interest rate that reflects the current value of money at long term rates and the specific risks of the assets.

In the event that the asset analysed does not generate cash flow independently of other assets (as is the case of goodwill), the fair value or value in use of the cash-generating unit that includes the asset (smallest identifiable group of assets separated from other assets or groups of assets) is estimated. If a cash-generating unit has impairment losses, the carrying amount of the goodwill assigned, if any, will be reduced, followed by a proportional reduction of the carrying amount of the other assets in relation to the unit.

Management prepares, on an annual basis, a five-year business plan for each cash-generating unit, by market and by activity. The main components of this plan are as follows:

- Projected results
- Projected investment and working capital

Other variables affecting the calculation of the recoverable amount are as follows:

- Applicable discount rate, taken to be the weighted average cost of capital; the main variables affecting the calculation thereof are the cost of liabilities and the specific risks associated with the assets.
- The growth rate of cash flows used to extrapolate the projected cash flows beyond the period covered by budgets or forecasts.

Projections are prepared on the basis of previous experience and according to best estimates available, consistent with the external information.

Business plans are reviewed and ultimately approved by the Financial Department.

4.4 Leases and similar transactions

Leases are classified as capital leases provided that from the conditions for the same it may be deduced that they will transfer substantially to the lessee the risks and rewards incidental to ownership of the asset that is the subject of the contract. The other leases are classified as operating leases.

When the Company is the lessee – Capital lease

In the capital lease operations in which the Company is acting as lessee, the cost of the leased assets is presented in the balance sheet according to the nature of the property that is the subject of the contract and, simultaneously, a debit for the same amount. The said amount will be at the lower of the fair value of the leased asset and the present value of the minimum lease payments determined at the inception of the lease,

including the purchase option, when when it is reasonably certain this will be exercised. Not to be included in its calculation are outgoings of a contingent nature, the cost of services and taxes recoverable by the lessor. The total finance charge of the contract shall be allocated to the profit and loss account for the period in which it is accrued, using the effective interest rate method. Contingent rents shall be expensed in the reporting period in which they are accrued.

The lessee shall apply the relevant depreciation, amortisation, impairment and derecognition criteria based on the nature of the assets to be recognised in the balance sheet..

When the Company is the lessee – Operating lease

The expenses deriving from operating lease agreements are charged to the profit and loss account for the reporting period in which they are accrued.

Any payment received or made on entering into an operating lease shall be considered as revenue received in advance or a prepayment and taken to the income statement of the year over the lease term in accordance with the pattern of economic benefits transferred or received.

4.5 Financial Instruments

Classification-

4.4.1 Financial assets

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

- a) Loans and items receivable: financial assets arising on the sale of goods and the rendering of services in the course of the Company's trade operations, or those that not arising on trade transactions, are not equity instruments or derivatives, with fixed or determinable payments, and which are not traded in an active market. This category shall not include financial assets for which the holder may not recover substantially all of its initial investment, for reasons other than credit deterioration.
- b) Financial assets held for trading: those that are acquired principally for the purpose of selling them in the near time or those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent initiatives to obtain profits in the short term. This category also includes those derivative financial instruments except for a derivative that is a financial guarantee contract (e.g. bank guarantees) or a designated hedging instruments.
- c) Equity investments in group companies, jointly controlled entities and associates: 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 jointly controlled entities category those companies are included over which, under an agreement, control is exercised in conjunction with one or more partners.

Initial valuation-

Financial assets shall initially be measured at fair value. In the absence of evidence to the contrary, this shall be the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction cost, unless they are financial assets held for trading, in which case, the transaction costs that may be directly attributable to them shall be recognised in profit and loss for the reporting period.

Subsequent measurement-

Loans, items receivable shall subsequently be measured at amortized cost. Accrued interest shall be recognised in the income statement of the year using the effective interest rate method.

Financial assets held for trading shall subsequently be measured at fair value, without deducting any transaction cost incurred on disposal. Changes in fair value shall be recognised in profit or loss for the reporting period.

Equity investments in group companies, jointly controlled entities and associates shall initially be measured at cost less any accumulated impairment. The impairment loss shall be measured as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and the present value of future cash flows from the investments, estimated as either those from dividends expected to be received from the investee and the disposal or derecognition of the investment, or from the share in the cash flows expected to be generated by the investee in the ordinary course of business and from disposal or derecognition. When estimating impairment of these types of assets, the investee's equity shall be taken into consideration, corrected for any unrealised gains existing at the measurement date, unless better evidence of the recoverable amount of the investment is available.

At least at the balance sheet date, the Company carries out an impairment test for the financial assets that are not measured at fair value. It is considered that there is objective evidence of impairment if the recoverable 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 shall derecognise a financial asset, or a part of a financial asset, when the contractual right to the cash flows from the financial asset expire or have been transferred, provided that substantially all the risks and rewards of ownership have been transferred, such as bidding agreements for sales of assets, transfer of trade receivables in factoring transactions in which the Company retains no credit or interest rate risk, sales of financial assets with an agreement to repurchase them at fair value and securitisations of financial assets whereby the transferee neither retain any subordinated financing nor extends any type of guarantee or incurs any other type of risk.

The Company shall not derecognise financial assets in transfers whereby it retains substantially all the risks and rewards of ownership. These include discounted bills, factoring with recourse, sales of financial assets with an agreement to repurchase them at a fixed price or at the sales price plus interest, and the securitisations of financial assets whereby the transferor retains subordinated financing or another type of guarantee that absorbs substantially all expected losses.

4.5.2 Financial liabilities

Financial liabilities are all those debts and items payable the Company has and arising from the purchase of items and services for transactions of the company, or also those ones that not arising from commerce, cannot be considered derived financial instruments.

The debits and items payable entries are valued initially at the fair 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 derecognises financial liabilities when the obligations generated by them cease to exist.

4.5.3 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 recognised in the net equity as the amount received, net of costs of issue.

4.5.4 Derivative financial instruments

The Company uses derivative financial instruments to manage the financial risk to which it is exposed through its activities, operations and future cash flows. Fundamentally, these risks are variations in interest rates. In the context of the said operations the Company contracts financial instruments of coverage.

So that these financial instruments may qualify as hedges, they are designated initially as such, the coverage relationship being documented. Similarly, the Company checks initially and periodically throughout their life (at least every end of period) that the hedge relationship is effective, i.e. that it is expected, prospectively, that the changes in the fair value or in the cash flow of the item covered (attributable to the risk covered) are compensated almost completely by those of the coverage instrument and that, retrospectively, the coverage results will have oscillated within a variation range of between 80 and 125% in relation to the result of the item covered.

The Company applies cash flow hedge. In this type of derivative, the part of the gain or loss of the coverage instrument that has been determined as effective coverage is included temporarily in the net equity, being

allocated to the profit and loss account in the same accounting period in which the item that is the object of coverage affects the result, unless the coverage relates to an anticipated transaction that might terminate in the entry of a non-financial debit or credit, in which case the amounts entered in the net equity are to be included in the cost of the asset or liability when acquired or assumed.

Accounting of coverage is suspended when the coverage instrument matures, or is sold, ended or exercised, or fails to fulfil the accounting principles for coverage. At this time, any accrued profit or loss relating to the coverage instrument that may have been entered in the net equity is held within the net equity until the anticipated operation occurs. When the operation that is the subject of the coverage is not expected to occur, the accrued net profits or losses accounted for in the net equity are transferred to the net results for the period.

4.6 Inventories

Goods and services included in inventories are valued at cost, this is purchase price or production cost, or net realisable value, whichever is least. Commercial discounts, reductions obtained, other similar items and interest added to the nominal debits are deducted in determining the purchase price.

Production cost includes the direct costs of materials and if relevant, the direct costs of labour and the general costs of manufacture.

The net realisable value represents the estimation of the sales price less all the estimated costs to complete its manufacture and the costs that will be incurred in the marketing, sales and distribution processes.

In assigning a value to its stock inventories the Company uses the average weighted cost method.

The Company makes the appropriate value corrections, entering them as a cost in the profit and loss account when the net realisable value of the stock is lower than its acquisition price (or than its cost of production).

Also grouped under this heading are advance payments to suppliers for services to be received.

4.7 Transactions in foreign currency

The operating currency used by the Company is Euro. Consequently, operations in currencies other than Euro are considered to be denominated in foreign currency and are entered in accordance with the exchange rates prevailing on the dates of the operations.

At the end of the period, the monetary assets and liabilities denominated in foreign currency are converted by applying the exchange rate on the date of the balance sheet. The profits or losses shown are directly allocated to the profit and loss account for the period in which they occur.

4.8 Income 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, derivative 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 derivative 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 and liabilities 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.

At each period end the assets entered for deferred tax are re-assessed, the appropriate corrections being made to them insofar as there are doubts about its future recovery. Similarly, at each period end the assets are evaluated for deferred tax not entered on the balance sheet and these are subject to entry insofar as its recovery is likely with future tax profits.

By decision of the General Shareholder's Meeting on December 26th 2011, it was chosen to tax in Corporate Tax through the tax consolidation regime in accordance with Chapter VII of Title VII of the Corporate Tax Act from October 1st 2007, being the Company the responsible for filing and paying the Corporate Tax of the tax group. For that, at the end of the financial year the payable or receivable balances for the Corporate Tax are included classified in deposit accounts with companies of the group at short term.

4.9 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.

4.10 Joint ventures (Joint business)

The Company's annual accounts assemble the effect of the proportional integration of the Joint Ventures in which it participates.

The temporary joint ventures (UTE's) have been incorporated under each heading of the balance sheet, the profit and loss account and the statement of cash flows, through the method of proportional consolidation, according to the percentage of participation of the Company.

The main figures the Joint Ventures contribute to the balance sheet and to the profit and loss account for the accounting periods ending 31 December 2013 and 2012 are presented in Note 8.3.

4.11 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 derivative from them takes place. These revenue and expenditure are valued at fair 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 end of the period, in accordance with their advancement, independently of the date of issue of the invoice.

The estimations used to calculate the degree of the advancement include the effect that the margin of certain closures under process may have, and that the Company estimates as reasonable at that moment.

The difference between the work carried out at origin, valued at sale price, and the amount certified by the customer up to the date of the balance sheet, is entered under "Production carried out pending certification" under the "Customers for sales and provision of services" heading. In turn, the amounts certified in advance for miscellaneous headings are reflected in liabilities' balance sheet under "Trade customers".

If the production from the beginning of a work is lower than the certifications issued, difference should be included under "Advances from customers" heading of the balance sheet.

The interest received from financial assets is included using the effective interest rate method. In any case, the interest on financial assets accrued subsequently at the time of the acquisition is included as revenue on account of consolidated profits and losses.

Following is a disclosure of special revenue recognition criteria for certain works carried on by the Company.

In the construction business, the outcome of a construction contract is recognised by the percentage of completion method. The amount of production carried out until the reporting date is recognised as revenue on the basis of the percentage of completion of the entire project. The percentage of completion is measured by reference to the state of completion of the construction work, i.e. the percentage of work performed until the reporting date with respect to the total contract work performed.

In the construction industry, the estimated revenue and costs of construction projects are susceptible to changes during contract performance which cannot be readily foreseen or objectively quantized. In this regard, the budgets used to calculate the stage of completion and the production of each year include the measurement at the sale price of the units completed, for which management of the consolidated companies consider there is reasonable assurance of their being collected, as well as their estimated costs

Other revenues are accounted for at the time of transfer of the ownership of the goods or services provided to the customer.

4.12 Provisions and contingencies

At the date of authorisation for issue of these financial statements, the Company Directors differentiate between:

- a) Provisions: credit balances that cover current obligations derivative 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 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 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.

4.13 Compensation for dismissal

In accordance with prevailing legislation, the Company must pay a compensation to those employees with whom, under specific conditions, it terminates its employment relations. Therefore, compensation for dismissal, subject to reasonable quantifying, is entered as an expense in the period in which the termination decision is taken. In the attached annual accounts there is no provision entered under this heading, as situations of this nature are not anticipated.

4.14 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 jointly controlled entities, 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 parent company, to enable them to exercise a significant influence over one or another. The end relatives of these physical persons are also included.

c) The key staff of the Company or of its parent company, 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 end relatives of these physical persons 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 director or manager with the Company; except in the case that this person does not have any significant influence in the financial and management policies of the Company.

f) The persons who are regarded as end 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, end 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) People 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 derivative.

5. Intangible fixed assets

The movements occurring under this heading of the balance sheet during accounting periods 2013 and 2012 are the following:

Accounting period 2013

	Euros			
	31-12-12	Additions	Transfers	31-12-13
Cost:				
Development	1,447,826	-	1,104,123	2,551,949
Concessions	3,656,798	-	-	3,656,798
Patents	27,820	-	-	27,820
Computer software	2,244,567	50,770	-	2,295,337
	7,377,011	50,770	1,104,123	8,531,904
Accrued amortization:				
Development	(1,447,826)	(220,824)	-	(1,668,650)
Concessions	(806,829)	(97,945)	-	(904,774)
Patents	(27,820)	-	-	(27,820)
Computer software	(1,994,999)	(96,421)	-	(2,091,420)
	(4,277,474)	(415,190)	-	(4,692,666)
Net value	3,099,537	(364,420)	1,104,123	3,839,240

Accounting period 2012

	Euros		
	31-12-11	Additions	31-12-12
Cost:			
Development	1,447,827	-	1,447,827
Concessions	3,656,798	-	3,656,798
Patents	27,820	-	27,820
Computer software	2,196,994	47,573	2,244,567
	7,329,439	47,573	7,377,011
Accrued amortization:			
Development	(1,441,507)	(6,321)	(1,447,826)
Concessions	(708,885)	(97,945)	(806,829)
Patents	(27,820)	-	(27,820)
Computer software	(1,888,989)	(106,010)	(1,994,999)
	(4,067,201)	(210,276)	(4,277,474)
Net value	3,262,238	(162,703)	3,099,537

Transfers registered in the heading "Development" corresponds to the capitalization in May 2013 of the project "Influence of modified bitumens in the mechanical behaviour of bituminous mixes", amounting to 1,104,123 Euros, which was still in progress at the end of 2012 and classified in the heading "Fixed assets in progress and advances" of the balance sheet (See Note 6).

At the end of accounting period 2013 and 2012, the Company had intangible fixed asset items that were fully amortised and which continued in use for a value of 3,281,257 Euros and 3,251,087 Euros respectively.

The detail of the R&D projects developed by the Company capitalized in to 2013 and ongoing project is as follows:

Completed R&D Projects
Reserach and development of additives for semi-hot and warm mixes (WARM MIXES)

Ongoing R&D Projects
Effect of polymers in Bituminous Mixes (POLYMER ETECT)
MIFAR (Integral Pavement Improvement wiht Recycled Aggregates)

6. Property, plant and equipment

The movements occurring under this heading of the balance sheet during accounting periods 2013 and 2012, as well as the most significant information affecting this section are the following:

Accounting period 2013

	Euros					
	31-12-12	Additions	Transfers	Adjustments	Disposals	31-12-13
Cost:						
Land and buildings	1,355,243	12,000	-	-	-	1,367,243
Machinery	17,616,302	587,982	18,250	(2,998)	(46,966)	18,172,570
Other installations, tools and furniture	5,362,127	373,830	-	(1,045)	(15,252)	5,719,660
Information technology equipment	511,131	12,672	-	(41)	(2,910)	520,852
Motor vehicles	8,058,158	239,984	-	(1,486)	(8,898)	8,287,758
Tangible assets under construction	1,523,994	2,402,466	(1,122,373)	-	(26,315)	2,777,773
3.855 euros (6.846 en el ejercicio 2012)	34,426,955	3,628,934	(1,104,123)	(5,570)	(100,342)	36,845,854
Accrued amortization						
Land and buildings	(338,562)	(22,027)	-	-	-	(360,589)
Machinery	(14,463,580)	(1,327,990)	-	2,378	22,245	(15,766,947)
Other installations, tools and property	(5,101,417)	(113,197)	-	1,035	15,252	(5,198,326)
Information technology equipment	(495,857)	(7,932)	-	16	2,910	(500,862)
Motor vehicles	(6,837,822)	(503,464)	-	1,216	7,786	(7,332,284)
	(27,237,238)	(1,974,610)	-	4,645	48,194	(29,159,009)
Net value	7,189,717	1,654,324	(1,104,123)	(924)	(52,148)	7,686,847

Accounting period 2012

	Euros					
	31-12-11	Merger (Note 3)	Additions	Transfers	Disposals	31-12-12
Cost:						
Land and buildings	620,392	-	672,952	61,899	-	1,355,243
Machinery	15,692,642	-	2,026,113	66,969	(169,422)	17,616,302
Other installations, tools and furniture	5,310,865	13,568	128,936	11,563	(102,806)	5,362,127
Information technology equipment	498,140	-	17,966	(2,057)	(2,918)	511,131
Motor vehicles	7,505,627	-	603,327	(1,499)	(49,297)	8,058,158
Tangible assets under construction	559,219	-	964,775	-	-	1,523,994
	30,186,885	13,568	4,414,069	136,876	(324,443)	34,426,955
Accrued amortization						
Land and buildings	(264,300)	-	(27,399)	(46,862)	-	(338,562)
Machinery	(12,912,231)	-	(1,592,777)	(67,127)	108,553	(14,463,580)
Other installations, tools and property	(4,988,202)	(13,568)	(132,861)	(11,568)	44,781	(5,101,417)
Information technology equipment	(491,894)	-	(5,641)	(254)	1,932	(495,857)
Motor vehicles	(6,331,388)	-	(541,654)	1,341	33,880	(6,837,822)
	(24,988,015)	(13,568)	(2,300,331)	(124,470)	189,146	(27,237,238)
Net value	5,198,870	-	2,113,738	12,406	(135,297)	7,189,717

At the end of 2012 period, the projects "Influence of modified bitumens in the mechanical behaviour of bituminous mixes" (finished during this year and transferred to Intangible fixed assets, see Note 5) and "Integral improvement of Pavements with Recycled Aggregates", of bi-annual length and still in progress at the end of period 2013, as well as other installations in construction, were classified in heading "Tangible assets under construction". Additionally, during year 2013 the facilities acquired for the Energy Efficiency Contract of Nijar were activated as fixed assets under construction. This contract includes the management of energy services and maintenance of municipal facilities and public lighting of the Ayuntamiento de Nijar (Almería). The concession starts in February 2014, and the term is for 14 years.

Part of the additions of the period correspond to "Works carried out by the company for assets" amounting to 2,638,312 Euros, of which 486,483 Euros are works for ongoing R+D projects (see paragraph above), 1,887,255 Euros correspond to ongoing technical installations for the Nijar contract (see paragraph above) and the other 264,574 Euros have been directly entered in the heading "Other installations, tools, furniture and technical installations", as they are still in use.

The disposals registered amounted to losses of 3,855 Euro (6,846 Euro in period 2012), and which have been registered in heading "Degradation and gains/(losses) for transfers of fixed assets - Gain/(losses) on disposal and others" of the profit and loss account of period 2013.

The Company has other fixed assets, whose value, separated as buildings and land, at the end of accounting periods 2013 and 2012, is the following:

	2013	2012
Lands	369,102	357,101
Building	998,142	998,142
Total	1,367,243	1,355,243

Under the heading "Land and Buildings", the Company includes a parking and an warehouse used as offices for the Delegation of Cataluña and an office in property situated in Coruña which is mortgaged under the guarantee of a loan made by a financial institution, for an initial amount of 450,000 Euros from which 99,156 Euros remain amortizable in the long term and 50,741 in the short term (see Note 14). Other Constructions are due to the incorporation of the joint ventures in which the Company participates.

The warehouse located in Badalona is financed by a leasing contract signed with financial company "Leasing de Cataluña"; this contract ends in July 2018. The Company estimated that the purchase option.

The Company's policy is to formalize insurance policies in order to cover the risks to which the different elements of its tangible fixed assets are subjected to. The Company Administrators consider the coverage of these risks on 31 December 2013 and 2012 is the appropriate.

At the closing of tax year 2013 and 2012 the Company had elements of tangible fixed assets completely amortized which were still in use to the value of 22,380,789 Euros and 17,272,766 Euros respectively.

As it is shown in Note 7, at the closing of tax years 2013 and 2012 the Company had several financial leasing operations on its tangible fixed assets contracted.

At 31 December 2013 the Company had the following investments in tangible fixed assets located abroad:

Year 2013

Description	Country	Cost (gross)	Accumulated depreciation	Net Value
Machinery	Dominican R.	2,515,255	(2,504,828)	10,427
Transport items	Dominican R.	937,643	(909,756)	27,887
Machinery	Honduras	215,909	(215,888)	21
Furniture	Honduras	4,764	(4,764)	-
Transport items	Honduras	17,553	(17,553)	-
Machinery	Haiti	1,862,947	(908,957)	953,990
Technical installations	Haiti	2,064	(335)	1,729
Equipment	Haiti	28,221	(5,200)	23,021
Software	Haiti	629	(249)	380
Furniture	Haiti	86,008	(16,257)	69,751
Transport items	Haiti	684,032	(423,798)	260,334
Machinery	Ecuador	21,272	(3,725)	17,547
Software	Ecuador	1,027	(701)	326
Furniture	Ecuador	242	(53)	189
Transport items	Ecuador	7,804	(3,252)	4,552
IT applications	Ecuador	622	(467)	155
Software	Colombia	884	(682)	202
Software	Brasil	773	-	773
Furniture	Brasil	1,009	-	1,009
Other installations	Brasil	615	-	615
Transport items	Abu Dhabi	177,984	(15,574)	162,410
Machinery	Abu Dhabi	545,220	(47,257)	497,963
Technical installations	Abu Dhabi	5,429	(475)	4,954
Other installations	Abu Dhabi	22,192	(1,303)	20,889
Tools	Abu Dhabi	4,089	(286)	3,803
Total		7,144,187	(5,081,360)	2,062,827

Year 2012

Description	Country	Cost (gross)	Accumulated depreciation	Net Value
Machinery	Dominican R.	2,515,255	(2,464,717)	50,538
Transport items	Dominican R.	937,643	(881,870)	55,773
Machinery	Honduras	33,730	(33,720)	-
Technical installations	Honduras	11,866	(11,866)	-
Furniture	Honduras	5,073	(5,073)	-
Transport items	Honduras	18,694	(18,694)	-
Machinery	Haití	1,839,588	(496,846)	1,342,742
Technical installations	Haití	2,064	(26)	2,038
Equipment	Haití	27,705	(1,039)	26,666
Software	Haití	629	(92)	537
Machinery	Haití	86,008	(4,518)	81,490
Transport items	Haití	684,032	(220,572)	463,460
Machinery	Ecuador	22,211	(1,872)	20,339
Software	Ecuador	968	(386)	582
Machinery	Ecuador	252	(30)	222
Transport items	Ecuador	8,149	(1,766)	6,383
IT applications	Ecuador	649	(271)	378
Total		6,194,516	(4,143,358)	2,051,158

7. Leasing

Financial leasing

At the end of accounting periods 2013 and 2012 the Company has some leased assets included as a financial lessee, in accordance with the following information:

Accounting period 2013

	Assets valued at their fair value	Total
Tangible fixed assets	2,672,863	2,672,863
Total	2,672,863	2,672,863

Accounting period 2012

	Assets valued at their fair value	Total
Tangible fixed assets	6,426,641	6,426,641
Total	6,426,641	6,426,641

At the end of accounting periods 2013 and 2012 the Company has contracted with the lessors the following minimum leasing quotas (including, if appropriate, options to purchase), in accordance with the contracts currently in force, and not taking into account implications of common expenses, future increases due to the CPI or future updates in income agreed under contract:

Financial leasing Minimum quotas	2013		2012	
	Nominal value	Current value	Nominal value	Current value
Less than one year	629,634	602,166	744,435	697,410
Between one and five years	553,200	539,067	1,133,209	1,085,728
More than five years	-	-	-	-
Total	1,182,834	1,141,233	1,877,644	1,783,138

There are no contingent quotas.

Operating leases

At the end of accounting periods 2013 and 2012 the Company has contracted the following minimum leasing quotas with the lessors, in accordance with the current contracts in force, and not taking into account implications of common expenses, future increases due to the CPI or future updates in income agreed under contract:

Operating leases Minimum quotas	2013 Nominal value	2012 Nominal value
Less than a year	3,484,840	3,305,251
Between one and five years	497,591	612,918
Total	3,982,431	3,918,169

In their capacity of lessor, the most significant operating leasing contracts that the Company has at the end of the 2013 accounting period are the following:

- Lease of a building comprising a basement, ground floor and two upper floors, in calle San Severo, 18 in Madrid. The leasing contract began on 21st December 2000 and its term was 7 years, having been renewed on 1 June 2012 until 31 August 2016. With regard to the contingent rent, the contract is referenced to annual increases as a function of the CPI.
- Lease of an office on the first floor in calle San Severo, 20 in Madrid. The leasing contract began on 1st May 2009 and its term was 5 years, until 30th April 2014. A renewal was signed on 1 January 2014 for four years until 31 December 2016. With regard to the contingent rent, the contract is referenced to annual increases as a function of the CPI.

However, most of the expense of this corresponds to the lease of materials, vehicles and machinery for works or construction, totalling 2,871,808 Euros in 2013 and 2,507,795 in 2012.

8. Investments in group companies and associates

8.1 Equity instruments

Accounting period 2013

Participant company	Address	Activity	% Interest	Euros			
				Amount	Equity		
					Company Capital	Reserves	Profit
Ramky Elsamex Hyderabad Ring Road Limited (3)	RAMKY House, 6-3-1089/G/10&11 Gulmohar Avenue, Rajbahavan Road, Somajiguda, Hyderabad – 500 082. A.P. India	Services	26.00	811,711	2,580,033	(89,842)	(291,864)
CIESM - INTEVIA, S.A. (1)	San Severo 18, 28042 Madrid España	Laboratory	100.00	836,201	60,000	338,863	377,867
Atenea Seguridad y Medio Ambiente, S.A.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Services	100.00	130,183	130,200	1,073,766	535,501
Grusamar Ingeniería y Consulting, S.L.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Engineering	100.00	3,554,998	3,494,897	484,529	294,223
Elsamex Internacional, S.L.U.(1)	C/ San Severo, 18, Madrid 28042 Spain	Services	100.00	14,310,555	14,310,555	(5,562,833)	(202,906)
Sociedad Concesionaria A4 Madrid, S.A. (2)	C/ Caballero Andante, nº 8 Madrid Spain	Services	46.25	4,353,512	9,413,370	440,948	908,463
Señalización Viales e Imagen S.A.U. (1)	Pol Ind. La variante c/ La Grajera nº 2, 26140 Lardero, Rioja	Manufacture	100.00	2.173.398	688,025	(4,275,780)	(580,997)
Área de Servicio Coiros, S.L.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Service Station Maintenance	100.00	2,820,734	1,003,010	1,763,267	(31,023)
Alcantarilla Fotovoltaica, S.L.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Installation, maintenance & operation of PV energy	100.00	201,520	42,700	138,168	(90,984)
Beasolarta S.L. (1)	C/ San Severo, 18, Madrid 28042 Spain	Installation, maintenance & operation of PV energy	100.00	41,000	41,000	(12,462)	(41,578)

Participant company	Address	Activity	% Interest	Euros			
				Amount	Equity		
					Company capital	Reserves	Profit
Área de Servicio Punta Umbría, S.L. (1)	C/ San Severo, 18, Madrid 28042 Spain	Service Station Maintenance	100.00	402,065	82,810	359,854	48,632
Conservación de Infraestructura de Méjico S.A. de C.V. (2)	Mauricio Garces 855, La Joya, 76180, Ciudad de Santiago de Querétaro, Estado de Querétaro, México	Services	90.00	2,696	3,001	(1,709)	(385)
Empresa PAME S.A. de C.V. (2)	C/ Alberto Cossio 105, 15B, Tangamanga, San Luis Potosí, 78269, México	Services	32.50	973	2,774	-	-
ESM Mantenimiento Integral de S.A. de C.V. (2)	Av. Prolongación Tecnológico No 950 B, Co San Pablo 76130 Queretano, México	Services	0.01	27	345,689	31,872	(5,956)
Elsamex Construcao e Manutencao LTDA (Brazil) (4)	Rua Gonçaves Maia nº 207, Soledade, Recife-PE, CEP 50.070.060, Pernambuco, Brazil	Construction	99,99	33,960	33,960	-	(44,106)
Elsamex Maintenance Services LTD (India)(4)	1304/1304A, 43, Chiranjiv Tower, Nehru Place, New Delhi 110019 (India)	Construction	99,88	6,147	6,147	-	(560)
				29,679,680			

(1) Audited by Mrs. Laura Tahoces.

(2) Audited by other auditors.

(3) Limited Review by other auditors

(4) New establishment, no activity during the year.

Accounting period 2012

Participant company	Address	Activity	% Interest	Euros			
				Amount	Equity		
					Company Capital	Reserves	Profit
Ramky Elsamex Hyderabad Ring Road Limited (3)	RAMKY House, 6-3-1089/G/10&11 Gulmohar Avenue, Rajbahavan Road, Somajiguda, Hyderabad – 500 082, A,P, India	Services	26.00	811,711	2,765,739	122,559	(218,869)
CIESM - INTEVIA, S.A. (1)	San Severo 18, 28042 Madrid España	Laboratory	100.00	836,201	60,000	528,650	72,639
Atenea Seguridad y Medio Ambiente, S.A.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Services	100.00	130,183	130,200	734,505	39,260
Grusamar Ingeniería y Consulting, S.L.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Engineer	100.00	3,554, 998	3,494,897	21,441	463,089
Elsamex Internacional, S.L.U.(1)	C/ San Severo, 18, Madrid 28042 Spain	Services	100.00	14,310,555	14,310,555	(4,582,078)	(660,525)

Participant company	Address	Activity	% Interest	Euros			
				Amount	Equity		
					Company capital	Reserves	Result
Elsamex Internacional, S.L.U.(1)	C/ San Severo, 18, Madrid 28042 Spain	Services	100.00	14,310,555	14,310,555	(4,582,078)	(660,525)
Sociedad Concesionaria A4 Madrid, S.A. (2)	C/ Caballero Andante, nº 8 Madrid Spain	Services	46.25	4,353,512	9,413,370	236,382	1,550,041
Señalización Viales e Imagen S.A.U. (1)	Pol Ind, La variante c/ La Grajera nº 2, 26140 Lardero, Rioja	Manufact	100.00	2,173,398	688,025	(3,337,095)	(938,685)
Área de Servicio Coiros, S.L.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Service Station Maintenance	100.00	2,820,734	1,003,010	1,828,802	(65,535)
Alcantarilla Fotovoltaica, S.L.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Installation, maintenance& operation of electrical PV energy	100.00	201,520	42,700	144,107	(132,574)
Beasolarta S.L.U (1)	C/ San Severo 18, Madrid 28042 Spain	Installation, maintenance& operation of electrical PV energy	100,00	41,000	41,000	(8,063)	(10,954)
Área de Servicio Punta Umbría, S.L. (1)	C/ San Severo, 18, Madrid 28042 Spain	Service Station Maintenance	100.00	402,065	82,810	320,977	38,877
Conservación de Infraestructura de Méjico S,A, de C.V. (2)	Mauricio Garces 855, La Joya, 76180, Ciudad de Santiago de Querétaro, Estado de Querétaro, México	Services	90.00	2,696	3,001	(1,325)	(385)
Empresa PAME S.A. de C.V. (*) (2)	C/ Alberto Cossio 105, 15B, Tangamanga, San Luis Potosí, 78269, México	Services	32.50	973	2,995	-	-
ESM Mantenimiento Integral de S.A. de C.V. (2)	Av, Prolongación Tecnológico No 950 B, Co San Pablo 76130 Queretano, México	Services	0.01	27	345,689	10,016	22,648
				29,639,574			

On 26 June 2013, the Company purchased 99.99% of company Elsamex Construção e Manutenção LTDA (Brazil) for 33,960 Euros, whose corporate purpose is the rendering of maintenance services in Brazil. Also, on 12 September 2013, the Company acquired 99.88% of the company Elsamex Maintenance Services LTD (India) for 6,147 Euros, whose corporate purpose is to render maintenance services in the North area of India.

None of the shares of the Group companies are listed on the stock market.

The Company has analysed the possible impairment losses on the Company's investments at the end of financial years 2013 and 2012, not being necessary to recognize any amount in relation to impairment on the basis of the expected evolution of Own Funds and their activities as well as the financial support that Elsamex, S.A. announces that will give to those needing it for the periods and amounts needed.

The Company participates together with two other partners in the Highway A-4 Concessionary Company, the successful bidder in 2007 for a contract for the construction and operation as an administrative concession for the

stretch of highway A-4 from P.K. 3.78 to P.K. 67.5 (R4) in Madrid and Toledo provinces. During accounting period 2008 the concessionary company for Highway A-4 took out a syndicated loan for the financing of the construction works deriving from the concession contract, conditional upon the fulfilment of specific ratios of financial autonomy. This syndicated loan has two guarantees of two financial institutions different from the grantors of the loan, one of them, in name of Elsamex, S.A. and other one in name of the partner. Specifically, this syndicated loan requires the partners of the concessionary company to pay out in the manner of a participative loan or by means of the issue of new shares in the concessionary company, for an amount equivalent to 29.4% of the amount provided by the said loan.

8.2 Credits to businesses

The Company includes the shared loan granted to the A-4 Highway concessionary company under this heading in accordance with that described in the previous paragraph for the amount of 8,202,920 and a shared loan dated 29th December 2008 for the amount of 2,600,000 Euros, granted to the subsidiary company Señalización Viales e Imagen S.A.U., which becomes due on 1st December 2018 and which accrues Euribor +1.75% fixed interest every 31st March and annual variable interest which will be adjusted as a function of the annual profits before tax, as a function of a scale. Additionally, this heading includes the interests accrued and not collected, which have been capitalized in 2013 to 28,051 Euros. The accrued interests for these loans during this financial year amount to 546,293Euros and 147,446 Euros, respectively.

8.3 Joint ventures

The details for the figures for the Joint Venture businesses in which the Company participates are as follows:

Name of the UTE	Participation %	Euro
		Sales
Elsamex-Arias UTE Conservación Coruña II	60%	-
UTE Elsamex Arias Oca Conservación Orense II	50%	-
Elsamex-Iberseñal UTE Señalización Madrid	60%	-
Elsamex-Torrescamara UTE Presas	50%	-
UTE Seguridad Vial Murcia	30%	42,338
Elsamex-Cauchil UTE Elsamex- Cauchill Jaen	80%	1,579,194
Api Conservacion-Elsamex UTE Teruel II	50%	-
Elsan Pacsa-Elsamex UTE Navalvillar de Pela II	50%	65,004
Elsamex-Sando UTE II Conservación A-395	50%	-
Elsamex-Asfaltos Uribe Este Señal UTE Durango II	45%	-
Serop-Elsamex UTE Mantenimiento Serop-Elsamex	50%	1,035
Ute Polideportivo Latina	50%	-
Corsan Corviam-Elsamex UTE Corelsa	50%	-
Elsamex-Oca UTE Coruña III	70%	694,958
Asfaltos Uribe-Norte Industrial-Construcciones Eder-Elsamex UTE Vizcaya III (Durango Bi)	28%	-
Elsamex-Rubau UTE Argentona	50%	469,415
Elsamex- Martín Casillas UTE Conservación Cádiz	50%	-
Elsamex-Oca UTE Conservación Orense III	50%	1,621,697
UTE Abedul Orihuela	25%	305,164
UTE Abedul Zamora	25%	152,509
UTE Abedul Villavidel	25%	129,616
UTE Abedul Cáceres	25%	-
UTE Abedul Ponferrada	25%	206,448
UTE Vizcaya II	45%	-
UTE Córdoba	50%	729
UTE Arona	60%	1,309,088
UTE AP-7 Ondara	60%	484,256
UTE Mantenimiento Cuenca	50%	1,315,539
UTE Elsamex-Maygar Sur Sevilla	50%	702,402
UTE Elsamex-Lujan Alicante	50%	1,745,931
UTE Conservación Almería	70%	3,452,361

UTE Conservación Asturias	50%	1,408,671
UTE Bizcaia Bi	37.5%	1,741,568
UTE Conservación Cáceres	50%	1,276,282
UTE Parking estación intermodal	50%	11,497
Consortio Elsamex-Grusamar-Ecuador	50%	120,349
JV Elsamex-Ascon (Abu Dhabi)	50%	3,093,762
Total		21,929,813

The main figures that the Joint Venture contributes to the balance sheet and the profit and loss account for the accounting periods ending on 31st December 2013 and 2012 are:

	Euros	
	2013	2012
Non-current assets	3,231,755	3,359,914
Current Assets	13,722,633	10,955,198
Total Assets	16,954,387	14,315,113
Net equity	2,058,359	1,556,202
Non-current liabilities	2,699,006	3,059,988
Current liabilities	12,197,023	9,698,923
Total Liabilities and Net Equity	16,954,387	14,315,113

9. Financial assets (long and short-term)

9.1 Long-term financial assets

Under the heading "Loans to third parties", the Company has included part of the long-term debt originated by the works performed for three public authorities which, by court order, are obliged, in the coming years, to pay Elsamex, S.A. the outstanding debt, interest on arrears, and the trial costs.

The balance of the account in the "Long-term Financial Investments" section at the end of the 2013 and 2012 accounting period groups the bonds given in consequence of the operating lease contracts signed with third parties as described in Note 7, other financial assets, and some deposits by way of pledge contracted with a banking institution.

9.2 Short-term financial assets

The breakdown of the Company's financial assets is the following at the end of the 2013 and 2012 accounting period:

	Euros	
	2013	2012
Trade receivables-		
Trade receivables	44,499,365	34,161,007
Doubtful debtss	3,527,499	3,413,885
Bad debt provision	(3,527,499)	(3,413,885)
	44,499,365	34,161,007
Other receivables	7,159,822	6,983,696
Personnel	70,264	56,892
Credits to third parties	4,259,168	1,457,347
Short-term deposits	6,822,027	951,597
Other financial assets	11.081.195	2.408.944
Total	62,740,382	43,610,539

The heading "Short-term deposits" at 31 December 2013 contains a deposit amounting to 6,057,273 Euros in the Commercial Bank of Dubai. This deposit is pledged as guarantee of a guarantee in favour of the State Road Agency of Ukraine, which ensures the good performance of the contract awarded to the Company for the rehabilitation and maintenance of the section "M06 Kiev-Chop".

During the 2013 period, the Company has allocated 113,614 Euro for impairment of commercial credits, which have been included as loss in the heading "Losses, impairment and supplies variation for commercial operations" of the profit and loss account attached of the period 2013. Additionally, the same heading of the profit and loss account has registered a transfer amounting to 27,299 Euros coming from the UTEs (the balance of customers of UTEs is shown as net, and so the supply does not change).

At the end of the period the Company had pledged its customer accounts in guarantee of a loan granted through a pool of banks (see Note 15).

10. 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.

In addition, it must be pointed out that, despite the fact that it maintains a significant volume of operations with a significant number of customers; the solvency of the majority of them is guaranteed as they are largely Public Bodies and so there is no high credit risk with third parties.

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 to show its balance, as well as on short-term financial investments which are detailed in Note 9.

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 and uses derivative financial instruments to cover the risks to which its activities, operations and future cash flows are exposed. On the other hand, the financial instruments used have been chosen for the soundness of their financial worth and the issuing institutions.

11. Derivative financial instruments

The Company, through Uniones Temporales de Empresas (U.T.E. - Abedules), uses derivative financial instruments to secure the risks to which its activities, operations and future cash flows are exposed. In the context of said operations, the Company has contracted several hedging financial instruments according to the following detail:

	Classification	Type	Amount contracted (Euros)	Due date	Fair value (Euros)
					Liabilities
Abedul Villavidel U.T.E. (25%)	Interest rate hedges	Variable to fixed	318,281	2014	8,315
Abedul Orihuela U.T.E. (25%)	Interest rate hedges	Variable to fixed	360,473	2014	8,991
Abedul Zamora U.T.E. (25%)	Interest rate hedges	Variable to fixed	560,438	2014	14,622
Abedul Ponferrada U.T.E. (25%)	Interest rate hedges	Variable to fixed	551,950	2014	14,474
			1,791,114		46,402

The maturity of the hedging instruments occurs in the same period when the cash flows are expected to occur and affect the profit and loss account.

As a consequence of the evaluation in fair value of the derivative financial instruments at end, the net equity of the Company has been increased in 32,956 Euros, once deducted the tax impact in the period 2013 (decrease of 2,973 Euros in 2012), accumulating a decrease in equity of 32,482 Euros at 31 December 2013 (65,437 Euros at 31 December 2012).

12. Inventories

The movements occurring under this heading of the balance sheet during accounting periods 2013 and 2012 are the following:

Accounting period 2013

	Euros			
	31/12/2012	Additions	Dispossals	31/12/2013
Raw materials and other supplies	677,827	349,404	(270,583)	756,648
Net value	677,827	349,404	(270,583)	756,648

Accounting period 2012

	Euros			
	31/12/2011	Additions	Dispossals	31/12/2012
Raw materials and other supplies	862,808	365,731	(550,712)	677,827
Net value	862,808	365,731	(550,712)	677,827

At the end of accounting period 2013 the Company has pledged its stock in guarantee of a loan granted by a pool of banks (see Note 14).

13. Stockholders' equity

13.1 Share capital

At the end of period 2013 the Company's share capital amounted to 20,264,625 Euros, represented by 337,175 shares of 60, 10121 Euros nominal value each, all of the same class, fully subscribed and paid in accordance with the following detail:

	% Participation
ITNL Internacional Pte, Ltd	22.61%
IL&FS Transportation Networks Ltd	77.39%
	100.00%

The company ITNL Internacional Pte Ltd, is subsidiary for a percentage of 100% of IL&FS Transportation Networks Ltd.

The shares are not quoted on the Stock Exchange.

13.2 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 used to offset losses and provided that there are no other sufficient reserves available for this purpose.

13.3 Voluntary reserves

These are freely available reserves.

It is equally forbidden all distribution of profits unless the worth of the available reserves is, as a minimum, equal to the expenses of investigation and development and there are no available reserves for an amount equal to the amounts pending of repaying of the previous accounts.

13.4 Foreign Exchange Fluctuation Reserve

The Foreign Exchange Fluctuation Reserve variations for the 2013 accounting period are brought about integrally by the impact of the inclusion in the Company's balance sheet in this period of balances coming from a branch that the Company has abroad.

The Company applies the rate of exchange at end to the assets of the branch located abroad expressed in an operating currency other than the Euro. The difference that arises with respect to the amount by which they are included in the Company's equity, is accounted directly against the net equity, given that the entries denominated in operating currency are not converted into Euros in the short term and, consequently, will not affect the Company's cash flow.

14. Provisions

The detail for provisions of the balance sheet at the closing of year 2013, as well as the main movements registered during the year is the following:

Year 2013

	Euro			
	31/12/2012	Additions	Disposals/ Adjustments	31/12/2013
Trade Provisions	233,464	-	(27,299)	206,165
Performance Bonus	1,062,302	312,204	(127,770)	1,246,736
	1,295,766	312.204	(155,169)	1,452,901

Year 2012

	Euro			
	31/12/2011	Additions	Disposals/ Adjustments	31/12/2012
Other Provisión	334.709	-	(334.709)	-
Trade Provisions	227.691	21.486	(15.714)	233.464
Performance Bonus	-	1.062.302	-	1.062.302
Total	562.400	1.083.788	-350.423	1.295.766

15. Financial liabilities

The Company's financial liabilities are itemized as follows at closure of the 2013 and 2012 financial years:

	Euros	
	2013	2012
Long-term financial liabilities		
Debts with financial institutions	52,778,273	52,353,129
Financial leasing payables (Note 7)	539,067	1,085,728
Derivatives (Note 11)	-	93,482
Other financial liabilities	6,250	6,250
Debts with group companies (Note 20)	2,560,000	2,560,000
Total	55,883,590	56,098,588
Short-term financial liabilities		
Short-term debts-		
Debts with financial institutions	13,133,213	4,425,308
Financial leasing payables (Note 7)	602,166	697,410
Derivatives (Note 11)	46,403	-
Other financial liabilities	1,157,499	597,925
	14,939,281	5,720,643
Group companies and associates, current (Note 20)	6,873,015	2,959,667
Trade and other payable-		
Suppliers	28,134,308	16,424,212
Suppliers, Group companies (Note 20)	1,888,088	269,254
Personnel	99,388	127,037
	30,121,784	16,820,503
Total	51,887,677	25,500,813

Long-term debts with Group companies and associates:

The company has two loans issued by the shareholders, amounting to 2,500,000 and 60,000 Euros, respectively. Said loans accrue an annual market interest payable quarterly. The accountable financial cost during this period for the loans amounts to 50,980 Euros and is entered in the "Financial expenditure through debts with Group companies and associates" section of the profit and loss account attached (see Note 20).

Debts with financial institutions:

The breakdown of the long-term debts with credit institutions is shown below:

	Euros		
	Limit	Available	
		Long-term	Short-Term
Credit lines	23,800,000	18,290,477	340,397
Loans	56,917,530	34,683,233	12,742,075
Mortgage loans (Note 7)	450,000	99,156	50,741
		53,072,866	13,133,213

The difference with respect to the balance of the Financial Statement corresponding to the measured at amortized cost, a difference of 294,593 euros in long-term loans and 226,984 euros in short term.

In July 2009, the Company took out a syndicated loan policy with a group of financial institutions for a maximum amount of 47,500,000 Euros from which they have availed themselves of 37,500,000 Euros at the end of the period. The due date of this loan is 17 July 2019. The interest rate applicable to this syndicated loan is Euribor plus a spread. However, the contract accommodates updating the differential dependant on the fulfilment of specific ratios. The loan contract is guaranteed by the pledging of specific assets of the business (see Notes 9 and 12) and by the pledging of part of its shares.

The Company has taken out seven credit policies with seven financial institutions from which cash has been used at end. The resulting rate of interest for the amounts that are available in all of them is determined by the Euribor plus a spread.

The Company is supporting policies of credit and loan of his Spanish subsidiaries for amount of 6,061,890 Euros.

The financial cost during the 2013 period for all these debts with credit institutions amounts to 2,794,167 Euros and is included in the "Financial costs for debts with third parties" section of the attached profit and loss account.

The detail for the due dates of the long-term loans of the Group is the following:

	Euros					
	2015	2016	2017	2018	2019 and beyond	Total
Debts with credit institutions	25,338,122	6,856,319	6,999,026	7,306,666	6,572,733	53,072,866

16. Public Administrations and fiscal situation

The composition of these balances at 31st December 2013 and 2012 is as follows:

	Euros			
	2013		2012	
	Balances Debtors	Balances Creditors	Balances Debtors	Balances Creditors
Deferred tax assets	3,382,656	-	3,107,690	-
Deferred tax liabilities	-	1,875,707	-	1,346,928
Long-term balances with Public Administrations	3,382,656	1,875,707	3,107,690	1,346,928
Public Treasury, debtor for J.V. VAT	229,159	-	170,344	-
Public Treasury, debtor for IGIC	17,035	-	13,408	-
Public Treasury, debtor for Corporation Tax	982,693	-	264,384	-
Public Treasury, debtor for retentions made	644,822	-	761,066	-
Public Treasury, creditor J.V.	-	842,368	-	1,091,869
Public Treasury, creditor for VAT	-	942,094	-	546,673
Public Treasury, creditor for IPSI	-	-	-	-
Public Treasury, creditor for retentions on interest	-	-	121,241	-
Public Treasury, creditor for IRPF	-	288,555	-	282,373
Social Security bodies, Creditors	-	391,647	-	445,579
Short-term balances with Public Administrations	1,873,709	2,464,664	1,330,443	2,366,494

The Company taxes in tax consolidation regime, and the head of the group is the same, therefore the amount to be charged by the Public Treasury for the Corporation Tax and for VAT corresponds to the consolidated amount. This regime means that the Company has accounts receivable and payable with the dependant companies, according to the corresponding individual settlements (see Note 20).

Accounting profit and taxable base reconciliation

The reconciliation between the account profit before taxes of the period ending 31 December 2013 and the taxable base of the Corporate Tax, as well as the calculation of the tax expense of the year and the credit of the parent company of the consolidation tax Group are as follows:

Accounting period 2013

	Euros	
	Taxable base	Expense
Earnings before tax	4,550,566	1,365,170
Permanent differences-		
Non-tax deductible expenses	(525,693)	(157,708)
Temporary differences-		
Decreases	716,943	-
Increases	(317,929)	-
Tax loss carry-forwards from previous years	(707,217)	-
Taxable base (Tax result)	3,716,670	1,207,462
Gross tax due (30% of the taxable base)	1,115,001	-
Deductions	(196,402)	(639,701)
Corporate income tax receivables of Consolidated Group	918,599	567,761
Adjustments:		
Adjustments previous year	-	56,312
Adjustments permanent establishments	-	18,689
Corporate income tax expenses	-	642,762

Accounting period 2012

	Euros	
	Taxable base	Expense
Earnings before tax	2,781,268	834,380
Permanent differences:		
Non-tax deductible expenses	388,997	116,699
Non-deductible expenses from previous years	1,197,616	359,285
Expenses directly charged to equity	(67,088)	(20,126)
Temporary differences:		
Increases	1,821,980	-
Decreases	(1,418,883)	-
Tax loss carry-forwards from previous years	(138,102)	-
Taxable base (Tax result)	4,565,788	1,290,238
Gross tax due (30% of the taxable base)	1,369,736	-
Deductions	(351,332)	(351,332)
Corporate income tax receivables of Consolidated Group	1,018,404	-
Corporate income tax expenses	-	938,906

The movement in deferred tax assets during the 2013 accounting period is as follows:

	Euros			
	31/12/2012	Increases	Decreases	31/12/2013
Prior period loss	2.177.335	235.617	-	2.412.952
R&D	450.728	146.534	-	597.262
Financial expenses limit/ derivatives	131.031	141.578	(131.031)	141.578
Depreciation limit		215.083	-	215.083
Others	348.596	-	(332.815)	15.781
	3.107.690	738.812	(463.846)	3.382.656

The increases are due to the tax credit for research and development pending to be used generated by projects in progress during this financial year and to the deferred assets generated by the limit in amortization applied as an expense of the year.

The decrease during this year corresponds largely with the tax effect deriving from the accounting of the financial hedge instruments (see Note 11) and the offsetting of taxable bases according to the results obtained in the financial year.

The company has the following individual negative taxable bases to be set against possible future fiscal profits:

	Amount Euros	Due date
Year 2006	1,532	Year 2024
Year 2007	5,153,287	Year 2025
Year 2008	27,704	Year 2026
Year 2011	536,712	Year 2029
	5,719,235	

In accordance with prevailing legislation, the fiscal losses of a period may be offset against the tax effects with the profits of the tax periods that end in the immediate 18 successive years. However, the final amount to be offset by these fiscal losses may be amended in consequence of the comparison of the accounting periods in which they occur.

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. The Company has opened to inspection accounting periods 2009 to 2013.

The Directors consider that it has satisfactorily settled the above mentioned tax obligations, because of which, in the event of fiscal inspection and presupposing the emergence of discrepancies in the usual prevailing interpretation by the fiscal treatment delivered to the operations, future resultant liabilities, should they materialise, would not significantly affect these annual accounts.

17. Contingent liabilities

At 31 December 2013, the Company has handed over different warranties demanded in order to contract with Public Bodies and as a financial guarantee for the value of 28,116,043 Euros and 101,500 dollars. The amount granted under this heading during 2012 amounted to 16,977,703 euros.

At the end of the year 2013 several legal proceedings and claims against the companies were in process, which have their origin in the ordinary course of its activities. Both the Group's legal advisers and directors consider that the outcome of proceedings and claims will not have a material effect on the financial statements for the years in which they settled.

18. Revenue and expenditure

a) Net amount of the revenue figure

The net amount of the revenue figure entered by the Company corresponds to the revenues obtained through the activities considered in its Statutory Activity

The detail for this section in the profit and loss statement at 31st December 2013 and 2012 is as follows:

Division	Euros	
	2013	2012
Income from services to third parties	79,223,243	64,911,003
Works carried out by the company for assets	2,638,311	761,422
	81,861,554	65,672,425

Out of the total services rendered by the Company in periods 2013 and 2012, the following took place outside the national territory:

Country	Euros	
	2013	2012
Haiti	10,824,389	7,789,512
Africa	125,017	-
Abu Dhabi	3,228,208	-
Colombia	1,336,322	-
Ecuador	120,349	216,582
Total	15,634,285	8,006,094

b) Purchases

The breakdown of this section of the profit and loss statement for the accounting period ending on 31st December 2013 and 2012 is as follows:

	Euros	
	2013	2012
Purchase of other materials	11,506,559	9,518,929
Works carried out by other companies	26,781,715	16,851,222
	38,288,274	26,370,151

Out of the total purchases made by the Company in periods 2013 and 2012, the following took place outside the national territory:

Country	Euros	
	2013	2012
Haiti	9,508,574	6,911,301
África	124,164	-
China	42,441	9,296
Total	9,675,179	6,920,597

c) Personnel expenditure

The breakdown of the "Personnel expenditure" entry in the profit and loss statement for the accounting period ending on 31st December 2013 and 2012 is as follows:

	Euros	
	2013	2012
Wages, salaries and equivalents	19,865,724	20,114,397
Social security payable by the Company	5,253,638	5,251,578
Total	25,119,361	25,365,975

The average number of persons employed during accounting periods 2013 and 2012, broken down into categories, is as follows:

Categories	2013	2012
Senior management	3	3
Technical personnel and middle management	88	86
Administration personnel	69	65
Unqualified personnel	491	438
Total	651	592

The average number of persons employed by Elsamex, S.A. during 2013 and 2012, with a handicap equal or greater than 33% by category, broken down into categories, is as follows:

Categories	2013	2012
Administration personnel	3	2
Unqualified personnel	26	21
Total	29	23

In accordance with the requirements of Art. 260.8 of the Capital Corporation Law, distribution by sex is shown for the end of the period for the Company's personnel, broken down by category for the accounting periods 2013 and 2012:

Categories	2013		2012	
	Men	Women	Men	Women
Senior management	3	-	3	-
Technical personnel and middle management	59	29	65	21
Administration personnel	22	47	19	46
Unqualified personnel	430	61	406	32
Total	514	137	493	99

d) Other operating expenses

The detail for this section of the attached profit and loss statement for accounting periods 2013 and 2012 is as follows:

	Euros	
	2013	2012
Leases and royalties	3,684,258	3,035,623
Repairs and maintenance	951,640	489,579
Independent professional services	1,314,847	618,112
Transport	117,737	25,559
Insurance premiums	2,375,044	2,434,855
Bank services and other similar	494,342	268,683
Publicity, advertising and public relations	21,517	10,907
Supplies	570,759	344,943
Other services	2,819,109	2,177,692
Other taxes	243,833	339,406
Losses, degradation and supplies variation (see Note 9.2).	86,315	(246,630)
Other current management expenses	5,805	8,502
	12,685,206	9,507,231

During 2013 and 2012, the fees for auditing services and other services provided by the auditor of the Company until March 2013, Mr. Bernardo Tahoces, have been as follows:

Description	Euros	
	2013	2012
Auditing Services	28,000	50,000
Total auditing and related services	28,000	50,000
Total professional services	28,000	50,000

During 2013, the fees for auditing services and other services provided by the auditor of the Company since March 2013, Ms. Laura Tahoces, have been as follows:

Description	Euros
	2013
Auditing Services	27,392
Other verification services	4,400
Total auditing and related services	31,792
Other services	3,000
Total professional services	34,792

19. 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 2013 and 2012 in the annual accounts.

The Company does not have granted rights of gas emissions and has not acquired them, as it does not need to do so.

20. Operations with related parties

The detail of the balances and transactions made during the 2013 and 2012 accounting periods between the Company and the "Elsamex Group" companies and other related parties is the following:

	Euros											
	Accounts receivable		Accounts payable		Expenditure			Income				
	For services rendered	Credits/ Current accounts	For services rendered	Loans/ Current accounts	Services received	Interests	Dividends	Services provided	Interests	Interests		
2013												
IPL-Untl Internacional Pte. Ltd	-	-	9,968	2,500,000	39,276	49,716	-	-	-	-	-	-
IL&FS Transportation Networks Ltd	-	-	1,782,141	60,000	1,126,748	1,264	-	159,070	-	-	-	-
ITNL Offshore Pte Ltd	1,263	-	-	-	-	-	-	-	-	-	-	-
IL&FS Global Financial Services (UK)	-	-	-	-	18,857	-	-	-	-	-	-	-
Ramky Elsamex Hyderabad Ring Road Ltd.	330,000	-	-	-	-	-	-	-	-	-	-	-
ESM Méjico, Ltda	-	-	-	3,669	-	-	-	-	-	-	-	-
Elsamex Internacional S.L.	-	19,606,641	-	-	137,653	-	-	1,326,535	-	867,850	-	-
Inteval Gestao Integral Rodoviaria. S.A.	603,900	-	-	-	-	-	-	1,209,918	-	-	-	-
Elsamex Portugal Engenharia e Sistemas de Gestao	106	-	3,188	-	4,898	-	-	106	-	-	-	-
Atenea Seguridad y Medio Ambiente. S.A.	-	3,453,667	-	-	111,731	-	-	538,166	-	171,516	-	-
Grusamar Ingeniería y Consulting. S.L.	-	3,774,183	-	6,243,269	632,923	144,140	-	1,436,772	-	-	-	-
Señalización de viales e Imagen. S.A.U.	-	6,938,063	-	-	558,637	-	-	366,555	-	302,468	-	-
Ciesm-Intevia S.A.	-	-	92,791	-	148,839	-	-	274,061	-	328,012	-	-
Geotecnia y Control de Qualitat S.L.	1,554	-	-	-	-	-	-	2,340	-	-	-	-
Control 7.S.A.	-	2,856,519	-	-	-	-	-	140,422	-	128,052	-	-
Área de servicios Punta Umbría, S.L.U	-	942,788	-	-	-	-	-	3,988	-	50,637	-	-
Alcantarilla Fotovoltaica S.A	-	2,519,988	-	-	-	-	-	47,555	-	123,579	-	-
Área de servicio Coiros, S.L.L.	-	-	-	577,169	-	15,044	-	18,615	-	-	-	-
Elsamex Brasil Ltda	-	13,905	-	-	-	-	-	-	-	-	-	-
CGI-8. S.A.	6,107	447	-	-	-	-	-	-	-	-	-	-
Beasolarta, S.L.U.	-	3,133,284	-	-	-	-	-	-	-	-	-	-
Sociedad Concesionaria Autovía A-4 Madrid. S.A.	1,457	369	-	-	-	-	-	2,060,177	-	122,457	-	-
Elsamex Construcao e Manutenca	-	53,722	-	-	-	-	-	649,186	-	546,293	-	-
Consorcio Grusamar-Elsamex-Ecuador	-	20,497	-	3,184	-	-	-	-	-	-	-	-
Elsamex Internacional- Sucursal Colombia	-	125,824	-	-	-	-	-	-	-	-	-	-
Elsamex Internacional- Sucursal Dominicana	-	-	-	45,724	-	-	-	-	-	-	-	-
TOTAL	944,386	43,409,898	1,888,088	9,433,015	2,779,562	210,164	549,771	8,233,467	8,233,467	2,640,864	2,640,864	2,640,864

	Euros									
	Accounts receivable			Accounts payable		Expenditure		Income		
	For services rendered	Credits/ Current accounts	For services rendered	Loans/ Current accounts	Services received	Interests	Dividends	Services provided	Interests	
2012										
IPL-Utlm Internacional Pte. Ltd	-	-	9.751	2.500.000	50.923	62.868	-	-	-	-
IL&FS Transportation Network Lt	-	-	255.553	60.000	1.326.630	1.395	-	335.996	-	-
ITNL Offshore Pte Ltd	1.263	-	-	-	-	-	-	1.263	-	-
IL&FS Global Financial Service (UK)	-	-	-	-	3.180	-	-	-	-	-
Ramky Elsamex Hyderabad Ring Road LTD	330.000	-	-	-	-	-	-	-	-	-
Área de Servicio Coiros, S.L.U.	-	-	-	124.742	78.749	17.009	-	45.900	-	-
Elsamex S.A.- Honduras Branch	-	1.328.226	-	-	-	-	-	-	-	-
Yala India Private Limited	-	371.504	-	-	-	-	-	-	-	-
Elsamex S.A.- Abu-Dabhi Branch	-	234.496	-	-	-	-	-	-	-	-
Asia	-	1.011	-	-	-	-	-	-	-	-
ESM Méjico, Ltda	-	-	-	3.669	-	-	-	-	-	-
Elsamex Internacional, S.L.	-	15.413.245	-	-	176.131	-	-	619.423	1.084.077	-
Inteval Gestao Integral Rodoviaria, S.A.	47.233	-	2.136	-	1.933	-	-	14.899	-	-
Elsamex Portugal Engenharia e Sistemas de Gestão, S.A.	1.710	-	-	-	-	-	-	-	-	-
Atenea Seguridad y Medio Ambiente, S.A.	-	3.598.440	-	-	46.701	-	-	330.557	257.733	-
Grusamar Ingeniería y Consulting, S.L.U	-	-	-	2.831.256	262.881	238.206	-	1.116.890	-	-
Señalización de viales e Imagen, S.A.U.	-	3.054.562	-	-	481.159	-	-	150.752	449.678	-
Ciesm-Intevia S.A.	-	6.021.084	-	-	28.780	-	-	362.690	441.732	-
Geotecnia y control de Qualitat, S.L.	847	-	1.815	-	1.500	-	-	2.232	-	-
Control 7, S.A.	-	2.397.452	-	-	124.137	-	-	300.733	152.548	-
Área de Servicio Punta Umbria, S.L.U.	-	1.004.836	-	-	-	-	-	-	80.069	-
Alcantarilla Fotovoltaica, S.L.U.	-	2.388.922	-	-	-	-	-	35.543	190.472	-
Elsamex Brasil Ltda	-	8.596	-	-	-	-	-	-	-	-
CGI-8, S.A.	6.107	447	-	-	-	-	-	-	-	-
Labetec Ensayos Técnicos Canarias, S.A.	-	31.789	-	-	-	-	-	-	-	-
Centro de Investigación de Carreteras de Andalucía, S.A.	-	19	-	-	-	-	-	-	-	-
Beasolarta S.L.U	-	1.110.495	-	-	-	-	-	1.008.625	17.290	-
Sociedad Concesionaria Autovía A-4 Madrid, S.A.	1.451	202	-	-	-	-	989.214	590.166	121.902	-
TOTAL	388.611	36.965.325	269.254	5.519.667	2.582.814	3.455.009	989.214	4.915.669	2.797.892	

The company has received 549,771 Euros in concept of dividends in the period 2013 (989,214 Euros in 2012) by the Sociedad Concesionaria Autovía A-4 Madrid S.A.

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

- Provision of services (subcontracting): specific Companies of the Group provide supplementary services to the Company so that the latter may develop its activity.
- Financial operations: there are monetary transactions between the entities of the 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 2013 and 2012 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 Group entities. The Company charges to his subsidiaries the structure expenses as follows

	2013	2012	
	Income	Expenditure	Income
Elsamex Internacional, S.L.	607.118	-	751.445
Ciesm-Intevia S.A.	159.920	-	160.113
Control 7, S.A.	166.500	-	138.630
Grusamar Ingeniería y Consulting, S.L.U	529.356	5.830	633.694
Atenea Seguridad y Medio Ambiente, S.A.	193.529	-	369.950
Señalización de viales e Imagen, S.A.U.	63.352	-	45.510
Alcantarilla Fotovoltaica, S.L.U.	14.032	-	9.951
Area de Servicio Coirós S.L.U.	13.420	-	9.464
Área de Servicio Punta Umbría, S.L.U.	9.251	-	3.988
Beasolarta S.L.U.	10.298	-	86
TOTAL	1.766.776	5.830	2.122.831

21. 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 231.1 d) of the Capital Corporations Act, introduced by Law 26/2003 of 17th July, by which is amended Law 24/1988 of 28th July, of the Securities Market, and the Revised Corporation Act, for the purpose of reinforcing corporate transparency, it is advised that at the end of accounting periods 2013 and 2012 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 2013 and 2012 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.

Data relating to senior management personnel and Board of Directors:

Name	Responsibilities or duties that they hold or carry out in the company	Remuneration period 2013	Remuneration period 2013
Managers and Directors	Senior management	342,000	374,446

22. Information on the postponements of payment effected to suppliers. Additional third disposition. "Duty of information" of the Law 15/2010, of July 5th

Group companies with tax residence in Spain have brought their terms of payment into line with Additional Provision Three of the "Disclosure Requirement" in Law 15/2010 of 5 July, in accordance with which information on payments made and outstanding at the balance sheet date is given below:

	Payments made and pending payment at the closing date of the period.			
	2013		2012	
	Euros	%	Euros	%
In the maximum legal term (b)	11,783,467	38	16,094,573	59
Rest	19,139,335	62	11,122,388	41
Total payments of the year	30,922,802	100	27,216,961	100
PMPE (days) of payments	111		75	
Postponements that to the closing date exceed the maximum legal term	4,546,058		2,909,166	

The data contained in the chart above on payments to suppliers refer to those which, by nature, are commercial creditors by debts with suppliers of goods and services, so they include data related to the item "Suppliers" of the current liabilities of the balance sheet.

The excess pondered average term (PMPE) of payments has been calculated as the quotient formed in the numerator by adding the products of each payment to suppliers made in the period with a postponement above the legal term of payment and the number of days of postponement which exceeds the term, and in the denominator the total amount of payments made in the period with a postponement above the legal term of payment.

The maximum legal term of payment applicable to the Company for period 2013 according to Law 3/2004 of 29 December, which establishes measures of fight against delay in terms of payment in commercial operations, is 60 days.

23. Other information

An international dispute with Honduras arose in respect of the payment of renovation works on a road, performed by Elsamex S.A, between the date of order to start the work (19/11/2004) and the date when the works were completed (20/04/2008), pursuant to two public works contracts entered into by Elsamex S.A and the Secretariat of Public Works, Transport and Housing of Honduras Republic dated 28/04/2003.

As a result of this dispute, Elsamex S.A. submitted an International Arbitration Request with the International Centre for Settlement of Investment Disputes (ICSID) dated 17/03/2009. Requesting from the Sole Arbitrator the payment to Elsamex of a total of USD 12.071.072 (includes guarantees amounting to USD 3,754,608.47) plus interest during the periods prior and subsequent to the final award and all the costs of the procedure, including the fees and expenses incurred by the Claimant, and the administrative expenses of the Centre and the fees of the Sole Arbitrator. The international defendant has submitted a counter-claim against Elsamex S.A.

On November 16th 2012, the ICSID communicated the Award to the Parties. The Award sentences the Republic of Honduras to pay to Elsamex S.A. USD\$ 8,290.725 for different concepts plus the accrued interest. The Counter-claim presented by Honduras was also rejected.

The lawyers of Elsamex S.A., applied on December 21st 2012 for the payment of the amount of the Award plus the accrued interests until that date (USD\$ 3,021,316).

On March 21, 2013, the Government of Republic of Honduras lodged an appeal against the judgment rendered in the Award.

On 11 March 2014, the International Centre for Settlement of Investment Disputes announced the decision to declare that the Republic of Honduras did not comply with the instructions of the Committee to issue a signed statement in the terms ordered by the Committee on the Decision on the application of the Republic of Honduras to stay suspension of Enforcement of the Award of 7 January 2014.

This Committee considers as concluded with immediate effect the suspension of enforcement of Award of 16 November 2012; the decision on distribution of costs associated is reserved for the decision on the invalidity of the Award. The procedure for annulment of Award continues; the Hearing for the parties is scheduled on 24/07/2014.

24. Segment information

The Company considers that the best segmental information which represents the different business areas is the following:

Accounting period 2013

	Euro				
	Conservation	Construction	Maintenance Buildings	Maintenance stations of service	Concessions
Sales	33.930.363	15.904.854	13.280.556	10.967.360	5.140.110
EBITDA	3.342.013	1.527.605	(96.754)	229.160	1.421.898
Depreciation	542.826	797.989	39.397	32.503	757.430
EBIT	2.799.188	729.616	(136.151)	196.657	664.468

Accounting period 2012

	Euro				
	Conservation	Construction	Maintenance Buildings	Maintenance stations of service	Concessions
Sales	28.762.625	12.625.992	10.481.476	11.057.694	1.983.217
EBITDA	2.014.989	753.552	(241.360)	1.229.020	952.622
Depreciation	1.021.733	585.025	171.648	214.166	518.036
EBIT	993.256	168.526	(413.008)	1.014.854	434.586

The details of this information distributed by geographical area are as follows for year 2013:

	Euro				
	Spain	Latin-america	Africa	Asia and Middel east	Total
Sales	63.588.575	12.281.442	125.017	3.228.208	79.223.243
EBITDA	4.567.218	1.719.860	853	323.859	6.611.789
Depreciation	(1.688.234)	(636.681)	0	(64.895)	(2.389.811)
EBIT	2.878.984	1.083.178	853	258.963	4.221.979

25. Subsequent events

Following the end of the period, and up to the date of issuing of these annual accounts, no significant subsequent event has occurred that is worth mentioning.

Elsamex, S.A.

Management Report for the Financial year ending on 31 December 2013

Business performance and situation of the Company

In 2013, the context of economic recession that started in Spain the last term of 2008 has remained, with a contraction of 1.1 % of GDP, in quarterly rate, according to INE (National Statistics Institute).

In this context of national recession, the Group Elsamex has developed in a very different way to that in 2012, when a period of economic recession had already started, with national growth rates that have decreased due to a dramatic contraction in the demand, both in public and private sectors.

During the financial year 2013, ELSAMEX, despite the existing economic crisis, has experienced a significant increase in sales in respect to the level of sales in the previous year, having finished the investment works of the new concessions and operating the rest of concessions in progress. It has also continued to reinforce and restructure the organization in order to fulfil the growth strategic plan adopted and basically oriented to international market.

ELSAMEX has performed through 5 National Delegations and its 10 National Subsidiaries in Spain as well as through Consortium and International Branches in the foreign market, including an important production centre in Haiti. In ELSAMEX, four main business lines are developed, which depending on the sales percentage are divided as follows:

*	Preservation of Infrastructures	48%
*	Renovations and Construction	19%
*	Buildings and Installations Maintenance	16%
*	Service Stations Maintenance	13%

The average staff compared to 2012 has increased to 642 workers, the technical staff accounting for 17% of the staff.

The group has followed a policy of partnerships with different partners by means of 37 Joint Ventures.

Sales figures for the year 2013 are as follows:

*	Only Elsamex, S.A.	58.66 Million Euros
*	Through Joint Ventures and Consortiums	79.22 Million Euros

Foreign markets made up 19.73% of total sales, with the remaining 80.27% coming from the national market.

By sector, 67% of sales pertained to Roads, 13% pertained to Chemicals and Oils, 16% to Buildings and other infrastructures, and the remaining 4% pertains to Sports Facilities, Hydraulic and Railway Projects, Airports and the Environment.

The breakdown corresponding to sales per client this year is 67% to the Central Government, 13% to Local and Regional Government Entities and 20% to private companies.

The work portfolio for the coming years stands at 285.10 million Euros.

As for this year's results, the --income statement of the year shows a positive result of 3.91 million Euros after taxes, and the consolidated equity has araised, standing at 56.89 million Euros.

In the sector of maintenance, rehabilitation and infrastructure, the outlook continues to be important, given that the work portfolio stands at 230.6 million Euros, 81% of GROUPO ELSAMEX portfolio.

Specifically, and regarding full maintenance of Roads, Elsamex holds a portfolio of 21 contracts of maintenance of roads with the Ministry of Public Works, different regional, provincial and local governments, and concession companies, with a steady market share with our main client, the Ministry of Development. Moreover, new contracts have been signed, among which the conservation in Coruña, Santiago and Jaen stands out.

The company continues to bid for more contracts in this area, both from the Ministry for Public Works as well as from other Public Entities, with new awards anticipated over the course of the year 2014.

Services including maintenance in the area of Water and the Environment have continued, with the performance of maintenance tasks in green zones such as the Maintenance of Gardens and Technical Assistance to Management of Environmental Work. With respect to maintenance in the Water Sector, several tasks are being performed in an ongoing manner in respect of the maintenance of waterways, with the collaboration of the Confederación Hidrográfica del Segura (the Segura water authority).

In the Area of Rehabilitation and Construction of Highways and Buildings, the most noteworthy project is the completion of the Construction and start of operation of the Concession for Private Use of the Public Domain, the objective of which is the installation, maintenance and operation of electrical power produced using photovoltaic technology on the canopies of the parking lot of the University of Almería, with a nominal power of 1,096 MWp, an initial investment of €3.1 M, and a duration of 25 years.

During 2013 we have continued the refurbishment of Route Nacional 3, section Hínche —San Rafael, of 44 km, awarded for an amount of €40.7 m and 30 months for its execution, fully financed with funds from the European Union (Funds FED).

We should highlight the starting of works of UTE Contract for the Conservation by Service Levels of the road of Abu Dhabi — Al Ain Main Highway & Truck Road for an amount of €25 million and 24 months of execution.

As a relevant fact, we should point out the award of the Improvement and Conservation Contract by Service Levels (OPRC) in Ukraine of Highway M06 Kyiv to Chop, amounting to €50.5 M and 84 months of execution, financed with funds from the European Union.

Also in 2013, we should highlight the award of two Improvement and Conservation Contracts by Service Levels (OPRC) in Botswana, amounting to €138.8 M and 120 months of execution, financed with funds from the World Bank.

During the year 2014, growth in this area is expected to continue, based mainly on possible awards which may take place in the international market.

In the Area of Maintenance of Buildings and Installations our current portfolio has been increased with new contracts; of particular relevance are currently the whole maintenance of many public buildings, such as the maintenance of different health centres in Madrid, many sports centres in Murcia and Madrid, the schools in the Ayuntamiento of Fuenlabrada, different buildings and stations of ADIF, and different facilities of AENA.

We should highlight our development in the new business area of Energy Efficiency, in particular the award in 2013 of the contract for MANAGEMENT OF ENERGY SERVICES AND MAINTENANCE OF MUNICIPAL FACILITIES AND PUBLIC LIGHTING OF THE AYUNTAMIENTO DE NÍJAR, amounting to €16.5 M, and 168 months of execution.

Likewise, we continue to be present in the private sector, for image and facilities maintenance works for clients such as bank entities La Caixa and BBVA.

In the area of Maintenance of Image and installation of Service Stations, we have contracted more than 2,000 Service Stations in Spain, owned by Repsol, Cepsa, Disa, and Galp. Moreover, we continue to have presence in shop maintenance in service stations for Repsol in Andalucia; this activity has continued for clients such as Galp, Saras Energía, CEPSA and, more remarkably, for BP, the only large operator that was not in our portfolio until now.

In the Concessions Area, Elsamex, S.A. continues to operate the Concession for the Maintenance and Operation of the A-4 Motorway from k.p. 3.78 to k.p. 67.5 Section: Madrid-R4. This concession, the client of which is the Ministry for Public Works, involved an initial investment of 67 million Euros, and its duration is 19 years. Elsamex, S.A. has an interest of 46.25% in this project.

Likewise, Elsamex, S.A. continues to operate the Concession for the Construction and Operation of a Service Station in Coiros, located on the A-6, and awarded by the Ministry for Public Works, with an initial investment of €4.9 million and a duration of 39 years, as well as the Service Stations at Santomera, Torre del Valle, Ponferrada and Villavidel by means of the Abedul Joint Venture in which Elsamex has a 25% interest. Moreover, it has started the Operation of the Service Station in Punta Umbría, awarded by its council, with an initial investment of €1.7 million, and duration of 30 years.

Also, during 2013, Elsamex S.A. has exploited the Concession of the Plant of Photovoltaic Solar Energy on the public covers of the Council of Alcantarilla, with a nominal power of 1,127 megawatts and it has started the works for the installation of another Plant of Photovoltaic Solar Energy on the canopies of the parking lot of the University of Almeria, with a nominal power of 1,096 MWp, an initial investment of €3.1 M, and a duration of 25 years.

The first of these involves an inroad by Elsamex into the renewable energy sector, the strategic objective of the company, and enables Elsamex to consolidate its presence in the business of renewable energy Concessions.

In March 2013 we started the Operation of the new Concession of Photovoltaic Solar Energy on the canopies of the parking lot of the University of Almeria.

The goal of ELSAMEX for next year 2014 is to maintain a leading position as a reference company within the sectors where it operates and to increase its activity in the Concessions Area, both in the national and international markets. However, in the national market there are a series of variables that do not favour business interests, although efforts will be focused, as in 2013, on improving the management and optimization of costs to be able to keep profitability as well as increasing the sales in international market.

Regarding profitability, it is necessary, more than ever, a responsible culture in cost control. This does not mean not to expend at all, but not to spend in what is not strictly necessary for the good performance of business units, which can be achieved by the utilization of our own resources and a small change in our behaviour and habits, as well as in our management systems.

As a consequence of the situation in the financial markets, Spanish public investment has been reduced along with an increase in late payment, which means more difficulty to make company investments with own resources, addressed to the diversification in activities related to our areas of activity, which avoid the destruction of jobs.

All of this becomes even more complicated when we take into account that the demand, conformed mostly by Public Administrations, has fallen dramatically in 2013 and it is not expected to improve substantially in 2014, besides the strong deterioration in the market, where more and more, price is the only thing that matters.

In any case, we are still optimistic, despite all the existing economical difficulties and those regarding the activity sectors explained above. All the aforementioned makes us think that in year 2014 results will be better than in this present year.

Subsequent events

Following the end of the period, and up to the date of issuing of these annual accounts, no significant subsequent event has occurred that is worth mentioning.

Research & Development activities performed

The detail of the R&D projects developed by the Company during year 2013 is as follows:

Completed R&D Projects
Reserach and development of additives for semi-hot and warm mixes (WARM MIXES)

Ongoing R&D Projects
Effect of polymers in Bituminous Mixes (POLYMER ETECT)
MIFAR (Integral Pavement Improvement wiht Recycled Aggregates)

Transactions with own shares

No movements of purchase or sale of own shares were carried out during the year.

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.

In addition, it must be pointed out that, despite the fact that it maintains a significant volume of operations with a significant number of customers; the solvency of the majority of them is guaranteed as they are largely Public Bodies and so there is no high credit risk with third parties.

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 to show its balance, as well as on short-term financial investments which are detailed in Note 9.

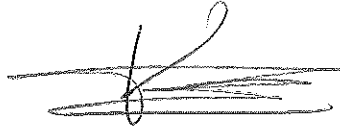
c) Market risks:

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 and uses derivative financial instruments to cover the risks to which its activities, operations and future cash flows are exposed. On the other hand, the financial instruments used have been chosen for the soundness of their financial worth and the issuing institutions.

Declaration of Submission of Annual Accounts and Management Report

In compliance with the rules stipulated in the Corporations Act, the Board of Directors of Elsamex, S.A, lodged the Annual Accounts and the Management Report relating to accounting period 2013, on March 28th 2014, which shall be submitted for the approval of the General Shareholders' Board,

R. Parthasarathy

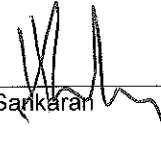
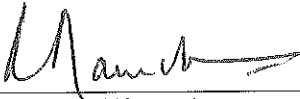


Mukind Gajanan Sapre

D. Ravi Parthasarathy

D. Fernando Bardisa Jorda

D. Mukind Gajanan Sapre



D. Ramchand Karunakaran

D. Arun Kumar Saha

D. Hari Sankaran



D. Ramesh Chander Bawa