

ELSAMEX INTERNACIONAL ,S.L.

ANNUAL REPORT

2009

Num IT - 5110

Date the 24th May 2010

PERFORMANCE:

Audit Report of Annual Accounts
for the fiscal year 2009

ENTITY:

ELSAMEX INTERNACIONAL,
S.R.L

DOMICILE:

18, San Severo St, 28042 -
MADRID

ENTRUSTED BY:

The General Quoteholders
(Shareholders) Meeting

ADDRESSED TO:

The Company Quoteholders
(Shareholders)

DOCUMENTS AUDITED:

Annual Accounts for the fiscal year
closed as of 31st December 2009

PERFORMED BY THE AUDITING
FIRM:

B. Tahoces Acebo
Nº 5625 of R.O.A.C.
Active Member of the Institute of
Auditors of Spain wich is a member
of the F.E.E., I.F.A.C. and I.A.S.B.

BERNARDO TAHOSES ACEBO
Auditor-Censor Jurado de Cuentas
Nº 5.625 del ROAC
C/ Alcalá, 161
28009-Madrid

AUDIT REPORT OF ANNUAL ACCOUNTS

To the Quoteholders (Shareholders) of Elsamex Internacional, S.R.L.

I have audited the Annual Accounts of Elsamex Internacional S.R.L. that include the Balance Sheet as of 31st December 2009, the Profit and Loss Account, the Statement of Changes in the Net Worth, the Statement of Cash Flow and the Notes of the fiscal year then ended which are responsibility of the Directors of the Company.

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

The Directors of Elsamex Internacional S.R.L. in keeping with the mercantile regulations present for the purposes of comparison for each item in the Balance Sheet , Profit and Loss Account, Changes in Net Worth, Cash Flow and the Notes the amounts of the present fiscal year and those of the preceding year. My opinion is provided only in respect of the Annual Accounts of fiscal year 2009. On 14.5.2009, I had issued the Audit Report on the 2008 Annual Accounts where I expressed a favourable opinion.

My work did not include the examination of the Annual Accounts of the participated entities audited by other Auditors and my opinion on these Accounts as expressed in the present Report is only based on the Reports of the respective Auditors.

Elsamex, S.A. has informed of his intention to give financial support to Elsamex Internacional S.R.L., with the extend and term which could be necessary.



IN MY OPINION based on my audit and on the reports of the other Auditors, the enclosed Annual Accounts express in all significant aspects a fair view of the Quateholders Equity, and of the financial position of Elsamex Internacional S.R.L. as of the 31st December 2009 and of the result of the operations of the changes in the Net Worth and of the Cash Flow corresponding to the 2009 fiscal year in conformity with generally accepted accounting principles, applicable in Spain.

The enclosed Management Report of the 2009 fiscal year comprises the explanations that the Directors consider are appropriate to the Company situation and on the evolution of the business and other matters and is not a part of the Annual Accounts. I have verified that the information therein contained is consistent with the Annual Accounts of 2009 fiscal year. My work as an 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.

Madrid, 24th May 2010



Bernardo Tahoces Acebo

Elsamex Internacional
S.L.

Annual Accounts of the tax year finished
on 31st December, 2009
and Management Report, together with
the Independent Audit Report

ELSAMEX INTERNACIONAL, S.L.

BALANCE SHEET AT 31 DECEMBER 2009 AND 2008
(Euros)

	ASSETS		LIABILITIES		Tax year	
	Report Notes	2009	2008	Report Notes	2009	2008
NON-CURRENT ASSETS						
Intangible assets	Note 5	7.553.893	7.632.244	NET WORTH		
Goodwill		2.201.078	2.200.346	EQUITY-	Note 12	11.152.936
Computer applications		2.200.346	2.200.346	Capital		11.186.834
Tangible fixed assets	Note 6	733	-	Registered capital		14.310.555
Lands and constructions		1.144.175	1.958.198	Reserves		14.310.555
Technical installations, and other tangible fixed assets		106.108	107.057	Legal and statutory		264.697
Long term investments in group and associated companies	Note 8	1.038.066	1.851.141	Other reserves		54.947
Equity instruments		2.659.302	1.915.664	Profit of previous years		209.750
Deferred taxes assets	Note 14	1.549.338	1.915.664	Negative benefits of previous years		(3.467.487)
			1.558.037	Profit of the year		(3.467.487)
				VALUE CHANGES ADJUSTMENTS-		79.069
				Conversion differences		(33.899)
				Others		(33.899)
CURRENT ASSETS						
Stocks	Note 11	23.778.948	25.397.135	NON-CURRENT LIABILITIES		305.423
Commercial		1.111.117	396.701	Long term debts		307.400
Raw materials and supplies		12.433	-	Financial leasing creditors		305.423
Advances to providers		1.082.001	336.368	Other financial liabilities		217.823
Trading debtors and other receivable accounts		16.684	60.334			87.600
Clients per sales and services rendering	Note 9	16.763.288	14.699.650	CURRENT LIABILITIES		
Group and associated Companies clients		13.504.013	11.315.615	Short term debts		19.689.636
Staff		1.423.759	1.740.509	Debits with credit entities		636.923
Current tax assets	Note 14	22.966	34.675	Financial leasing creditors		571.347
Other credits with the Public Administrations	Note 14	68.298	443.736	Other financial liabilities		32.431
Short term investments in Group and associated Companies	Note 18	1.744.253	1.163.115	Short term debts with Group and associated Companies		33.145
Other financial assets		3.523.703	9.518.065	Trade creditors and other accounts to be paid		10.115.237
Short term financial investments	Note 9	1.448.068	450.288	Providers		8.937.476
Other financial assets		1.448.068	450.288	Providers, Group and associated companies		4.660.609
Short term accruals		875.920	241.567	Sundry creditors		604.315
Cash and other equivalent liquid assets		875.920	241.567	Staff		8.212
Treasury		875.920	241.567	Other debts with the Public Administrations		156.749
				Advances of clients		286.382
TOTAL ASSETS		31.332.841	33.029.379	TOTAL NET WORTH AND LIABILITIES		31.332.841

Notes from 1 to 19 described in the attached Report are an integral part of the situation balance on 31st December, 2009

ELSAMEX INTERNACIONAL, S.L.

PROFIT AND LOSS ACCOUNTS FOR ACCOUNTING PERIOD ENDED DECEMBER 31 2009

(Euros)

	Report Notes	Tax year 2009	Tax year 2008
CONTINUING OPERATIONS			
Net amount of the annual turnover	Note 16	6,021,727	11,646,883
Sales		23,050	-
Rendering of services		5,998,677	11,646,883
Stocks	Note 16	(3,186,949)	(6,966,634)
Goods consumption		(154,421)	-
Consumption of raw and other consumable materials	Note 11	(1,289,221)	(2,513,150)
Works carried out by other Companies		(1,723,307)	(4,453,484)
Other income from operations		131,735	185,102
Supplementary and current management incomes		131,735	185,102
Staff expenses	Note 16	(1,270,665)	(2,239,478)
Salaries and others		(1,071,396)	(1,812,365)
Fringe benefits		(199,170)	(427,113)
Other operating expenditure	Note 16	(1,671,954)	(3,567,948)
External services		(1,574,309)	(2,867,381)
Taxes		(132,447)	(408,234)
Losses, damages and changes of provisions for trading operations	Note 9	50,335	(292,332)
Other current management expenses		(15,532)	-
Amortization of fixed assets	Note 5 and 6	(360,763)	(473,419)
Impairment and result for transfers of fixed assets		(30,386)	(3,954)
Transfer and other results		(30,386)	(3,954)
Other profits		1,800	7,110
OPERATING RESULT		(345,345)	(1,412,338)
Financial incomes		14,218	6,031
In equity instruments participations		-	6,031
Third parties		-	6,031
In negotiable securities and other financial instruments		14,218	-
Third parties		14,218	-
Financial expenses		(299,763)	(286,078)
Due to debts with third parties		(299,763)	(286,078)
Exchange differences		(42,993)	(23,579)
Impairment and result for transfers of financial instruments		702,880	1,776,489
Damages and losses	Note 8	700,000	(806,400)
Transfers profits and others		2,880	2,582,889
FINANCE EXPENSES (NET)		374,341	1,472,863
RESULT BEFORE TAXES		28,896	60,526
Tax on profits	Note 14	23,658	18,544
PROFIT AFTER TAXES		52,864	79,069
INTERRUPTED OPERATIONS			
Result of the year coming from interrupted operations			
RESULT FOR THE PERIOD		52,864	79,069

Notes from 1 to 19 described in the attached Report are an integral part of the Profit and Loss Accounts of tax year 2009.

ELSAMEX INTERNACIONAL, S.L.

STATEMENT OF CHANGE IN THE NET WORTH OF THE YEAR ENDED DECEMBER 31, 2009

A) STATUS OF RECOGNIZED INCOMES AND EXPENSES

(Euros)

	Report Notes	Tax year 2009	Tax year 2008
RESULT OF THE PROFIT AND LOSS ACCOUNT (I)		52,654	79,069
Incomes and expenses directly imputed to the net worth		(24,269)	(68,988)
- Conversion differences		8,087	(33,899)
- Tax effect		(32,356)	(35,089)
TOTAL INCOMES AND EXPENSES DIRECTLY IMPUTED TO THE NET WORTH (II)		(24,269)	(68,988)
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT (III)		-	-
TOTAL RECOGNIZED INCOMES AND EXPENSES (I+II+III)		28,385	10,081

Notes from 1 to 19 described in the attached Report are an integral part of the Status of recognized incomes and expenses of tax year 2009.

ELSAMEX INTERNACIONAL, S.L.

STATEMENT OF CHANGE IN THE NET WORTH OF THE YEAR ENDED DECEMBER 31, 2009

B) TOTAL CHANGE STATUS IN THE NET WORTH

(Euros)

	Capital	Reserves	Results of previous years	Tax year result	Value changes adjustments	TOTAL
BALANCE OF TAX YEAR 2007	14,310,555	294,180	-	(3,467,487)	-	11,137,249
Total recognized incomes and expenses	-	(35,089)	-	79,069	(33,899)	10,081
Appropriation of profit 2007	-	-	(3,467,487)	3,467,487	-	-
Other net worth changes	-	5,606	-	-	-	5,606
BALANCE OF TAX YEAR 2008	14,310,555	264,697	(3,467,487)	79,069	(33,899)	11,152,936
Total recognized incomes and expenses	-	-	-	52,654	(24,269)	28,385
Distribution of result 2008	-	79,069	-	(79,069)	-	-
Other net worth changes	-	154,485	-	-	-	154,485
BALANCE OF TAX YEAR 2009	14,310,555	498,251	(3,467,487)	52,654	(58,168)	11,335,805

Notes from 1 to 19 described in the attached Report are an integral part of the total change status in the net worth of tax year 2009.

ELSAMEX INTERNACIONAL, S.L.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2009

(Euros)

	Tax year 2009	Tax year 2008
CASH FLOW FOR OPERATING ACTIVITIES (I)	293.977	(6.352.642)
Result of the year before taxes	28.996	60.525
Adjustments to the result:	(33.537)	(995.490)
- Assets depreciation	360.753	473.419
- Damage valorative corrections	(700.000)	806.400
- Stocks changes	(50.335)	-
- Fixed assets cancellations and transfers results	30.386	3.954
- Financial instruments cancellations and transfers results	(2.880)	(2.582.889)
- Financial incomes	(14.218)	(6.031)
- Financial expenses	299.763	288.078
- Exchange differences	42.993	23.579
Changes in current capital	489.790	(4.132.594)
- Stocks	(714.416)	50.157
- Debtors and other receivable accounts	(1.945.005)	4.379.562
- Other current assets	4.996.582	(7.649.638)
- Creditors and other accounts to be paid	(4.592.677)	(929.220)
- Other current liabilities	2.711.293	-
- Other non-current assets and liabilities	34.013	16.545
Other cash flows of exploitation activities	(191.271)	(285.083)
- Interest payments	(299.763)	(309.657)
- Dividends collections	-	6.031
- Interest collections	14.218	-
- Tax on profits collections (payments)	(59.599)	18.544
- Other collections (payments)	153.873	-
CASH FLOWS OF INVESTMENT ACTIVITIES (II)	373.320	5.788.020
EXPLOITATION RESULTS		
Investment payments	(65.113)	(477.461)
- Group and associated companies	(43.639)	-
- Intangible assets	(1.055)	-
- Tangible fixed assets	(10.419)	(477.461)
Disinvestments collections	428.433	6.265.481
- Group and associated companies	2.880	6.265.481
- Tangible fixed assets	425.553	-
CASH FLOWS OF FINANCING ACTIVITIES (III)	(148.528)	(464.357)
Equity Instruments collections and payments	-	(63.382)
- Equity instruments depreciation	-	(63.382)
Instruments of financial liabilities collections and payments	(148.528)	(400.976)
- Other debts issue	-	293.405
- Refund and depreciation of debts with credit entities	(148.528)	(694.381)
EFFECT OF THE EXCHANGE RATES VARIATION (IV)	(34.920)	-
NET INCREASE / DECREASE OF CASH OR EQUIVALENTS (I+II+III+IV)	483.850	(28.980)
Cash or equivalent at the beginning of the tax year	241.567	270.546
Cash or equivalent at the end of the tax year	875.920	241.567

Notes from 1 to 18 described in the attached Report are an integral part of the cash flow status of tax year 2009.

Elsamex Internacional S.L.

Report of the
tax year finished
on 31st December, 2009

1. Incorporation and activity

Incorporation

The Company was incorporated on the 28th December, 2001 with the name *Elsamex Internacional, S.L.*, as a Limited Company for an undefined period of time. Its registered office is in calle San Severo 18, Madrid. It carries out its activity in the domestic and international market.

Corporate purpose

The Company has the following corporate purpose:

- a. Writing projects, quality control and technical management of all kind of public or private works, either industrial, agricultural, of civil engineering, railways and roads, from any country of the World.
- b. Technical assistance, business advice and management and administration of all kind of firms, companies or business; technology transfer of all kind of products and work systems in any part of the World.
- c. The purchase, sale or renting of materials, vehicles and work or construction machinery in all countries.
- d. The subscription, acquisition, holding and transfer of shares and participations in the assets of other companies of any kind, either civil or mercantile, national or foreign and, and everything on their own and excluding the activities controlled by the Law of Collective Investment Institutions and Share Market.
- e. Render information, administration, communication, maintenance services, and specially those of heating, air conditioning, sanitary hot water, plumbing, electricity, low pressure, fire protection, conservation, cleaning or work carrying out, with or without material contribution, on their own or someone else's.
- f. Carrying out of all kind of public building, agricultural, cattle-raising, forest and industrial works, either to firms or public or private institutions, as well as the manufacture or supply of any product or goods for the carrying out of the same in Spain or abroad.
- g. Promotion, sale and purchase, leasing, construction and restoration of all kind of real estate, excluding all the activities for which carrying out the Law enforces special requirements not accomplished by the Company. If the Law would enforce any professional qualification for these activities, these should be carried out by a person holding the qualification required.
- h. The management and administration of the representative values of the equity of Companies non resident in Spain

The above mentioned activities could be carried out totally or partially by the Company, in an indirect way, through participations in other company/ companies with a similar purpose.

This Company is part of the Group Elsamex, which dominant Company is Elsamex, S.A., with registered office in calle San Severo, 18 Madrid, being this Company the one which formulates consolidated financial statements. The consolidated Annual Accounts of the Group Elsamex, S.A. of tax year 2008 were formulated by the Administrators of Elsamex, S.A. in the meeting of its Board of Directors which was held on 14th May, 2009 and were included in the Companies Registry of Madrid. Besides, the Group Elsamex is dominated by an international Group which last dominant Company is "Infrastructure Leasing & Financial Services Limited (IL&FS)" with registered office in Bombay (India) Bandra – Kurla Complex.

2. Presentation rules of the Annual Accounts

2.1 Fair image

The attached Annual Accounts have been obtained from the accounting registers of the Company and are presented according to the R.D. 1514/2007 by which the General Accounting Plan is approved, so they show a fair image of the wealth assets, of the financial situation, of the results of the Company and of the cash flows of the corresponding tax year. These Annual Accounts, which have been formulated by the Administrators of the Company, shall be submitted to the approval of the General Board of the Shareholders Ordinary General Board, considering they will be approved without any modification. On the other hand, the Annual Accounts of the tax year 2008 were approved by the Shareholders General Board on the 30th June, 2009.

2.2 Applied non-compulsory accounting principles

No non-compulsory accounting principles have been applied. Besides, the Administrators have formulated these Annual Accounts taking into consideration all the accounting principles and rules of compulsory application which have a significant effect in those Annual Accounts. There is no compulsory accounting principle which has not been applied.

2.3 Critical aspects of the assessment and estimate of the uncertainty

Some estimates made by the Administrators of the Company have been used in the drawing-up of the Annual Accounts attached in order to value some of the assets, liabilities, incomes, expenses and compromises which are registered in them. These estimates basically refer to the valuation of possible losses due to the damage of some assets, the useful life of the material assets, damage of clients' invoices and the calculation of the supplies for creditors' invoices pending to be received.

Despite these estimates have been made based on the best information available at the closing of the tax year 2009, it is possible they could be forced to be changed due to events which could take place in the future (upward or downward) in the following tax years, which would take place, if so, in a prospective way.

2.4 Information comparison

The information of this report referred to the tax year 2009 is presented for comparative effects with the information of tax year 2008.

2.5 Items grouping

Some balance items, of the Profit and Loss Account, of the change status in the Net worth and of the cash flows status are presented in groups in order to facilitate their comprehension, although, as far as it is significant, the information has been included separately in the correspondent notes of the Report. There are no wealth elements registered in two or more items.

2.6 Changes in accounting criteria

There has been no change in accounting criteria regarding the criteria applied in tax year 2008, during the tax year 2009.

2.7 Mistakes correction

No significant mistake, which has meant the re-expression of the amounts included in the Annual Accounts of the tax year 2008 has been detected in the drawing-up of the attached Annual Accounts.

2.8 Consolidated Accounts

In accordance with what stipulated in the Law in force, which requires the presentation of the Accounts for each of the Companies, these Annual Accounts exclusively refer to the individual ones of *Elsamex Internacional, S.L.* and do not pretend to present the consolidated accounts of the Company together with its dependent Company (see Note 8.1). The Company is exempted from the obligation of presenting Consolidated Annual Accounts in accordance with the requirements established in article 43.2 of the Commerce Code and in the R.D. 1815/1991 about the Formulation of the Consolidated Annual Accounts, due to it is part of a Group of Companies which parent Company presents its Consolidated Annual Accounts in the Companies Registry of Madrid.

3. Distribution of profit

The proposal of the distribution of profit of the tax year formulated by the Administrators of the Company and which shall be submitted to the approval of the Shareholders General Board is the following:

	Euros
Share basis:	
Voluntary reserve	62.629
Profit and losses (Profit)	52.654
	115.283
Appropriation:	
To legal reserve	5.265
To Goodwill unavailable reserve	110.018
	115.283

The Company is forced to use 10% of the profits of the tax year for the constitution of the legal reserve, until it reaches, at least, the 20% of the corporate capital. This reserve, is not attributable to the shareholders until it does not exceed the 20% of the corporate capital (See Note 12 of Equity).

Once the cautions contemplated in the Law or Articles of Association are covered, only dividends charged to the profit of the tax year, or to general reserves could be distributed, if:

- The cautions contemplated in the Law or Articles of Association have been covered.
- The value of the net worth is not or, due to the distribution, does not seem to be lower than the corporate capital. For these purposes, the profits directly imputed to the net worth shall not be object of distribution, neither direct nor indirect. If there were losses of previous tax years which should make the value of the Company's net worth to be lower than the corporate capital amount, the profit shall be earmarked to the compensation of these losses.

All profit distribution is forbidden too except if the amount of the available reserves is, at least, equal to the amount of the goodwill and if there are no available reserves for an amount equivalent to the balances pending of depreciation of the previous accounts.

In any case, a non-available reserve which is equivalent to the goodwill which appears in the balance assets should be provided, and an amount of the profit which represents, at least, 5 per cent of the amount of the goodwill mentioned shall be used for this purpose. If there were no profit, or this should not be sufficient, the general reserves should be the ones used.

4. Registration and evaluation rules

The main registration and evaluation rules used by the Company when drawing-up its Annual Accounts, in accordance with those established by the General Accounting Plan, have been the following:

4.1 Intangible assets

As a general rule, the intangible assets are initially valued by their acquisition price or production cost. Later on it is valued at its value decreased by the correspondent accumulated depreciation and, if so, by the damage losses it has suffered. These assets are depreciated according to their useful life.

a) Goodwill:

The Company includes in this section a goodwill which exists at the time of transition to the General Accounting Plan passed by the Real Decree 1514/2007. The Goodwill is registered at its accounting net value of the 1st January, 2008, that is, at the cost minus the accumulated depreciation and the damage which were registered on that date, according with the former accounting rules in force.

The amount of the goodwill is the excess of the cost of the business merger on the corresponding reasonable value of the identifiable assets acquired, minus that of the assumed liabilities.

The goodwill, in accordance with the registry regulations and the valuation of the General Accounting Plan passed by the Real Decree 1514/2007, is not subject of depreciation. The units which create cash or the group of units which create cash to which the goodwill has been assigned to, are submitted, at least annually, to the verification of the value damage, registering, then, the valorative correction for damage. In tax year 2009 there has been no valorative correction for damage.

If a damage loss of a unit which creates cash and to which part or the whole goodwill should have been assigned should be recognized, the accounting value of the goodwill corresponding to that unit is reduced in first place. If the damage exceeds its amount, in second place, the rest of assets of the unit which creates cash shall be reduced until the limit of the highest value among the following: its reasonable value minus the sales cost, its value in use and zero.

The valorative damage corrections recognized in the goodwill are not subject of reversion in future tax years.

b) Computer applications:

The Company registers in this account the costs in which it has incurred in the acquisition and development of computer programs. The costs regarding the maintenance of the computer applications are registered in the loss and profit account of the tax year in which they take place. The depreciation of the computer applications is made implementing the linear method during a 4-5 years period.

4.2 Tangible fixed assets

The assets mentioned in this section are valued by their acquisition price or cost of production, and then it is decreased by the corresponding accumulated depreciation and the damage losses, if so.

As long as there are signs of loss of value, the Company begins to estimate by the so-called "Damage Test" the possible existence of losses of value which reduce the recovery value of those assets to an amount lower to its value in books.

The Company amortizes the intangible assets following the lineal method, using annual depreciation percentages calculated according to the years of useful life considered of the respective assets, according to the following information:

	Percentage
Other facilities, tools and furniture	10-15
IT equipment	25
Transportation elements	15

The expenses of the maintenance of the different elements which make up the intangible assets are attributed to the Profit and Loss account of the tax year in which they take place. On the other hand, the amounts invested in improvements which contribute to increase the capacity or efficiency or to make the life of these assets longer, are registered as a higher cost of the same.

4.3 Leasing

The leasing are classified as Financial leasing whenever it can be deducted, from their conditions, that the risks and profits inherent to the ownership of the assets which are the object of the contract are transferred to the lessee. The other leasing is classified as operating leases.

When the Company is the lessee – Financial leasing

In the operations of financial leasing in which the Company acts as the lessee, the cost of the leased assets in the situation balance is presented depending on the nature of the contract object, and, simultaneously, a liability for the same amount is presented too. That amount shall be the lowest between the reasonable value of the leased asset and the current value at the beginning of the leasing of the lowest amounts agreed, including the call option, when there are no doubts about its execution. The contingent quotas, the cost of the services and the taxes shifted by the lessor, are not included in its calculation. The total capital charge of the contract is imputed to the Profit and loss account of the tax year in which it is accrued, applying the method of the effective interest rate. The contingent quotas are classified as an expense of the tax year in which they take place.

The assets registered through these kind of operations are depreciated with similar criteria to those applied to the whole of material assets, according to their nature

When the Company is the lessee – Operating leases

The expenses derived from operating leases agreements are charged to the Profit and loss account in the tax year in which they are accrued.

Any collection or payment which could be done at the time of contracting an operating lease shall be considered a collection or payment in advance which shall be imputed to profits through the leasing period, as the profits of the leased asset are transferred or received.

4.4 Financial instruments

4.4.1. Financial assets

Classification-

The financial assets the Company owns are classified in the following categories:

- a) Loans and collection items: financial assets originated in the assets sale or in the services rendering through trade operations of the Company, or those which even they do not have a trade origin, are not equity instruments nor derivatives and which collections are of fixed amount or of other which can be determined and are not dealt in an buoyant market.
- b) Investments maintained until the due date: representative debt values, with a due date fixed and collections of an amount which can be determined, which are dealt in a buoyant market, and about the ones the Company shows its intention and authority to keep in its possession until the due date.
- c) Investments in the Group and associated Companies or multigroup wealth: the Group Companies are those linked to the Company by a control relation, and the associated Companies are those on which the Company exerts a significant influence. Besides, the multigroup category includes those companies on which, in accordance with an agreement, a joint control is exercised with one or more partners.

Initial evaluation -

The financial assets are initially registered at the reasonable value of the compensation given plus the transaction costs which are directly attributable.

Late evaluation -

The loans, collection items and investments maintained until the due date are valued by their amortized cost.

The investments in Group and associated Companies, and multigroup, are valued at their cost, decreased, in such case, by the accumulated amount of the damage valorative corrections. These corrections are calculated as the difference between its value in books and the amount which can be recovered, being this understood as the highest amount between its reasonable value minus the sales costs and the current value of the future cash flows derived from the investment. Unless there is a best evidence of the amount which can be recovered, the net assets of the associate company corrected by the implied capital gains existing at the time of the valuation (including the goodwill, if so).

The Company makes, at least at the closing of the tax year, a damage test regarding the financial assets which are not registered at a reasonable value. An objective damage evidence is considered to exist if the recoverable value of the financial asset is lower than its value in books. Whenever this happens, the registration of this damage is made in the Profit and loss account.

The Company cancels the financial assets when they expire or when the rights on the cash flows of the correspondent financial asset have been transferred or when the risks and profits inherent to its ownership have been briefly transferred.

On the other hand, the Company does not cancel the financial assets, and does admits a financial liability by an amount equal to the compensation received, in the transfers of financial assets in which the risks and profits inherent to its ownership are briefly retained.

4.4.2 Financial liabilities

Financial liabilities are those debts and items to be paid the Company has and which have been originated in the purchase of goods and services by trade operations of the Company, or also those which not having a trade origin cannot be considered as derivatives financial instruments.

The debts and items to be paid are initially valued at the reasonable value of the compensation received, adjusted by the costs of the transaction directly attributable. Lately, those liabilities are valued according to their depreciated cost.

The Company cancels the financial liabilities when the obligations which have generated them expire.

4.4.3 Equity instruments

An equity instrument represents a residuary participation in the Company's equity, once all its liabilities have been deducted.

The capital instruments issued by the Company are registered in the net equity for the amount received, net of the flotation costs.

4.5 Stocks

The stocks are valued at the lowest of their acquisition Price, production cost and contingent net value. The commercial discounts, the allowances obtained, other similar items and the interests added to the nominal of the debts are deducted at the acquisition pricing.

The production cost includes the direct materials costs and, if so, the direct labour costs and the general manufacture expenses.

The contingent net value represents the sales price estimate minus all the costs estimated regarding the ending of its manufacture and the costs which shall be included in the trading, sale and distribution processes.

The Company uses the weighted average cost method in relation to the value assignment to its stocks.

The Company makes the appropriate valorative corrections, considering them as an expense in the loss and profit account when the contingent net value is lower than its acquisition price (or than its production cost).

4.6 Transactions in foreign currency

The currency used by the Company is the Euro. Consequently, the operations in other currencies different to the Euro are considered named in foreign currency and are registered according to the exchange rates in force on the dates of the operations.

At the closing of the tax year, the assets and the liabilities named in foreign currency are converted applying the exchange rate on the date of the balance situation. The profits or losses stated are directly imputed to the Profit and loss account of the tax year in which they take place.

4.7 Company tax

The expense or income for the tax on profits comprise the part relating to the expense or income of the current tax and the part corresponding to the expense or income of the deferred tax.

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

The expense or the income for deferred tax corresponds to the acknowledgment and cancellation of the assets and liabilities of deferred tax. These include the temporary differences which are identified as those amounts which are planned to be payables or recoverable derived from the differences between the amounts in books of the assets and liabilities and their fiscal value, as well as the negative tax base pending of compensation and the credits for tax credit not fiscally applied. Those amounts are registered applying a temporary difference or credit which corresponds to the kind of lien at which it is expected to recover or settle them.

There are liabilities for deferred taxes recognized for all the taxable temporary differences, except those derived from the initial acknowledgment of goodwill or of other assets or liabilities in an operation which does not affect the tax profit nor the accounting profit and is not a business mixture, as well as those related to investments in dependent companies, associated and joint business in which the Society can control the time of the reversion and it is probable they do not revert in a predictable future.

On the other hand, the assets for deferred taxes are only recognized as far as it is considered probable for the Company to have future tax profits against which it can make them effective.

The assets and liabilities for deferred taxes, originated from operations with direct charges or payments in equity accounts, are accounted also with a counterpart in net worth.

4.8 Environment

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

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

4.9 Joint ventures (Joint business)

The Annual Accounts of the Company includes the effect of the proportional integration of the Joint Ventures in which it participates.

The Joint Ventures have been incorporated at the level of each of the sections of the situation balance, of the Profit and loss account and of the cash flows statement, by the proportional integration method, according to the participation percentage the Company has.

The main figures the Joint Ventures contribute to the situation balance and to the Profit and loss account for the tax years finished on 31st December 2009 and 2008 are (the information is presented added due to its whole is not material for the Company) :

Concepts	Euros	
	2009	2008
Total Assets	477.318	2.519.670
Fix assets	10.224	321.363
Current assets	467.094	2.198.307
Turnover sales net amount	-	1.843

4.10 Incomes and expenses

The incomes and expenses are imputed according to the amount due criterion, that is, when the real flow of goods and services they do represent takes place, independently of the moment in which the flow of funds or the financial flow derived from them takes place. Those incomes and expenses are valued by the reasonable value of the compensation received or given, once the discounts and taxes, incorporated interests or similar items have been deducted.

With the aim of adjusting the incomes in the tax year in which they are accrued, the Company follows the criterion of covering those projects which are in course at the closing of the tax year according to their advance degree, independently of the date of the invoice issue.

4.11 Provisions and contingencies

The Company administrators, in the formulation of the Annual Accounts, make differences between:

- a) Provisions: credit balances which cover current obligations derived from past events, which cancellation can possibly cause a resources outflow, though they result indeterminate as for their amount and / or time of cancellation.
- b) Contingent liabilities: possible obligations originated as a consequence of past events, which future materialization is conditioned to the occurrence or not, of one or more future events, independent of the Company's will which are not reasonably estimable.

The Annual Accounts include all the provisions pursuant to which it is believed that the probability of having to meet the obligation is higher than the opposite. The contingent liabilities are not included in the Annual Accounts, but the information about them can be found in the Report notes, as far as they are not considered as remotes.

The provisions are valued by the current value of the best possible estimate of the necessary amount in order to cancel or transfer the obligation, taking into account the information available about this fact and its consequences, and registering the adjustments which can come up by the update of those provisions as a financial expense as it is being accruing.

The compensation to be received from a third party at the time of settling an obligation, whenever there are no doubts about that reimbursement shall be received, is registered as an asset, except a legal link by which part of the risk is exteriorized exists, and according to which the Company is not forced to respond. In this situation, the compensation shall be taken into account in order to value the amount by which, if so, that provision shall appear.

4.12 Dismissal indemnity

According to the law in force, the Company is forced to pay indemnities to those employees with whom, under determined conditions, it cancels its labour relations. That is why the dismissal indemnities susceptible of reasonable quantification are registered as an expense in the tax year in which the dismissal decision is taken. In the attached Annual Account there is no provision registered by this concept, due to there are no situations of this nature expected.

4.13 Criteria used in transactions between linked parties

One part is considered linked to other when one of them or a group which acts together, exercises or has the possibility of exercise directly or indirectly or according to agreements between shareholders or participants, the control on other or a significant influence in the financial decisions making and in the exploitation of the other.

In any case, the linked parts shall be:

- a) The companies which are considered as Group Company, associated or multigroup, according to the article 42 of the Commerce Code.
- b) The natural people who directly or indirectly have a participation in the voting rights of the Company, or in its dominant entity, so they can exercise a significant influence on one or the other. The close relatives of the mentioned natural people are also included.
- c) The key staff of the Company or of its dominant one, which means, the natural people with authority and responsibility on the planning, management and control of the Company's activity, either directly or indirectly, among the ones the administrators and the managers are included. The close relatives of the mentioned natural people are also included.
- d) The Companies over which any of the people mentioned in letters b) and c) can exercise a significant influence.
- e) The Companies which share any Board member or manager with the Company, except if this person does not exercise a significant influence in the financial and exploitation politics of both.
- f) The people which are considered as close relatives of the agent of the administrator of the Company, whenever this person is a corporate person.
- g) The pension plans for the staff of the Company or of any other which is a linked part of this one.

For the purposes of this rule, the close relatives shall be those which could exercise influence in, or be influenced by, this person in his/her decisions related to the Company. Between them we shall include:

- a) The partner or person with similar relation of affectivity;
- b) The ancestors, descendants and siblings and the respective partners or people with similar relation of affectivity;
- c) The ancestors, descendants and siblings of the partner or people with similar relation of affectivity;
- d) People for who he/she or his/her partner is responsible for or people with similar relation of affectivity.

The Company carries out all its operations with entities linked to market values. Besides, the transfers prices are suitably stood so the Administrators of the Company consider there are no significant risks related to this aspect from which liabilities to be considered in the future could be derived. The Company is currently preparing the documentation requested in article 16 of the Company Tax Law Rewritten Text and of its Regulations in order to stand the transfer prices applied in the transactions between linked entities.

5. Tangible fixed assets

The movement occurred in this chapter of the balance situation during tax years 2009 and 2008 has been the following:

Tax year 2009

	Euros		
	31-12-08	Additions	31-12-09
Cost:			
Goodwill	2.200.346	-	2.200.346
IT applications	6.806	1.055	7.861
	2.207.152	1.055	2.208.207
Accumulated depreciation:			
Goodwill	-	-	-
IT applications	(6.806)	(323)	(7.129)
	(6.806)	(323)	(7.129)
Net value	2.200.346	732	2.201.078

Tax year 2008

	Euros		
	31-12-08	Additions	31-12-09
Cost:			
Goodwill	2.200.346	-	2.200.346
IT applications	-	6.806	6.806
	2.200.346	6.806	2.207.152
Accumulated depreciation:			
Goodwill	-	-	-
IT applications	-	(6.806)	(6.806)
	-	(6.806)	(6.806)
Net value	2.200.346	-	2.200.346

At the closing of tax year 2009 and 2008 the Company had elements of tangible fixed assets completely amortized which were still in use to the value of 6,806 Euros.

6. Tangible fixed assets

The movement which has taken place in this section of the situation balance during tax years 2009 and 2008, as well as the most important information which affects this section have been the following:

Tax year 2009

	Euros				
	31-12-08	Additions	Conversion differences increases or decreases	Outflow	31-12-09
Cost:					
Lands and construction	107.057	-	(949)	-	106.108
Technical installations	7.033	-	-	-	7.033
Machinery	2.655.874	5.171	(1.518)	(388.645)	2.270.882
Furniture	35.588	-	(317)	-	35.271
Transportation elements	1.160.865	1.577	(5.304)	(135.923)	1.021.215
Equipment for information processes	54.550	2.453	3.107	(14.951)	45.159
Others	33.160	1.218	2.227	(8.798)	27.807
	4.054.127	10.419	(2.754)	(548.317)	3.513.475
Accumulate depreciation:					
Technical installations	(1.758)	(1.055)	-	-	(2.813)
Machinery	(1.620.031)	(215.210)	(1.047)	69.455	(1.766.833)
Furniture	(13.524)	(4.148)	(3.506)	-	(21.178)
Transportation elements	(416.757)	(130.410)	2.397	5.484	(539.286)
Equipment for information processes	(31.591)	(7.251)	(2.156)	13.423	(27.575)
Others	(12.268)	(2.356)	(1.007)	4.016	(11.615)
	(2.095.929)	(360.430)	(5.319)	92.378	(2.369.300)
Net value	1.958.198	(350.013)	(8.073)	(455.939)	1.144.175

Tax year 2008

	Euros				
	31-12-07	Additions	Conversion differences increases or decreases	Outflow	31-12-08
Cost:					
Lands and construction	110.302	-	(3.245)	-	107.057
Technical installations	7.033	-	-	-	7.033
Machinery	2.174.820	580.367	(74.188)	(25.125)	2.655.874
Furniture	29.940	5.648	-	-	35.588
Transportation elements	1.160.865	-	-	-	1.160.865
Equipment for information processes	54.550	-	-	-	54.550
Others	33.160	-	-	-	33.160
	3.570.670	586.015	(77.433)	(25.125)	4.054.127
Accumulate depreciation:					
Technical installations	(703)	(1.055)	-	-	(1.758)
Machinery	(1.191.545)	(440.382)	3.035	8.861	(1.620.031)
Furniture	(12.884)	(640)	-	-	(13.524)
Transportation elements	(406.221)	(10.536)	-	-	(416.757)
Equipment for information processes	(23.315)	(8.276)	-	-	(31.591)
Others	(6.544)	(5.724)	-	-	(12.268)
	(1.641.212)	(466.613)	3.035	8.861	(2.095.929)
Net value	1.929.458	119.402	(74.398)	(16.264)	1.958.198

The Company applies the Exchange rate to the unliquid assets of the offices which are abroad expressed in a functional currency different to the Euro. The difference which appears in relation to the amount at which they are added to the Company's worth, are directly accounted against the net worth, due to the items expressed in functional currency shall not be converted into Euros in a short term and, consequently, they shall not affect the cash flows of the Company.

The Company's policy is to execute insurance policies in order to cover the risks to which the different elements of its tangible fixed assets are subjected to. The Administrators of the Company believe the coverage of these risks on the 31st December, 2009 and 2008 is the appropriate one.

At the closing of tax years 2009 and 2008 the Company had tangible fixed assets elements completely depreciated which were still in use at the value of 106,108 Euros.

As it is mentioned in Note 7, at the closing of tax years 2009 and 2008 the Company had several operations of financial leasing on its tangible fixed assets contracted.

7. Leasing

Financial leasing

At the closing of tax year 2009 and 2008 the Company, as a financial lessee, has some leased assets recognized according to the following information:

Tax year 2009

	Assets valued at their reasonable value	Assets valued by the current value of the minimum payments	Total
Tangible fixed assets	165.458	-	165.458
Total	165.458	-	165.458

Tax year 2008

	Assets valued at their reasonable value	Assets valued by the current value of the minimum payments	Total
Tangible fixed assets	428.381	-	428.381
Total	428.381	-	428.381

At the closing of tax year 2009 and 2008 the Company has contracted the following minimum leasing quotas with the lessors (including, if appropriate, call options), according to the current contracts in force, not taking into account repercussions of common expenses, future increases due to the CPI, nor future updates of incomes agreed under contract:

Financial leasing Minimum quotas	2009		2008	
	Nominal value	Current value	Nominal value	Current value
Less than a year	54.932	32.431	123.031	99.606
Between one and five years	90.759	69.296	247.191	217.823
More than five years	-	-	-	-
Total	145.691	101.727	370.222	317.429

There are no contingent quotas.

8. Group, multigroup and associated Companies

Tax year 2009

Associate Company	Address	Activity	% of participation	Euros			
				Amount	Equity		
					Corporate Capital	Reserves	Profit
<i>Grusamar Ingeniería y Consulting, S.R.L.</i>	San Severo 18, 28042 Madrid - Spain	Consulting	0,003	119	3.494.897	35.640	65.788
<i>Inteval Gestao Integral Rodoviaria, S.A.</i>	Edif. Atlas II Av. José Gomes Ferreira, 11, 11495-139 Alges (Portugal)	Construction	100	1.560.698	750.000	(45.007)	1.663
<i>ESM Mantenimiento Integral de S.A. de CV</i>	Presidente Masaryk, 61 piso 7 Colo. Chapultepec Morales CP 11570 deleg. Miguel Hidalgo (México)	Construction	99	385.483	345.689	(38.201)	1.862
<i>Mantenimiento y Conservación de Vialidades S.A. de C.V.</i>	Mauricio Garces 855, Frac. La Joya 76180 Querétaro (México)	Construction	64	381.686	594.553	(139.282)	2.584
<i>Elsamex Portugal Engenharia e Sistemas de Gestao, S.A.</i>	Rua Quinta das Romeiras Edif. Eduardo Vian, 104 6º 1495-236 Alges (Portugal)	Consulting	70	251.078	350.000	458.077	168.264
<i>Yala Construction CO. Private Ltd.</i>	C/A254 nº6 block Mahipalpur New Delhi (India) 1100.37	Construction	26,98	99.896	189.817	(381.594)	154.571
<i>VCS Enterprises Limited</i>	A-254 Road nº6 Block Mahipalpur	Construction	30	125.000	-	-	-

<i>Elsamex Road Technology Company LTD</i>	New Delhi (India) 110037	Construction	40,29	352.242	2.333.983	(2.420.636)	-
	Block C1/F Eldex Industrial BLDG, 21 MA Tau Wai Road Hong Kong (China)			3.156.202			

The detail for the provision for negotiable values damage is the following:

Associate Company	Euros
	Amount
VCS Enterprises Limited	125.000
Elsamex Road Technology Company LTD	352.242
ESM Mantenimiento Integral de S.A. de CV	19.658
	496.900

Tax year 2008

Associate Company	Address	Activity	% of participation	Euros			
				Amount	Equity		
					Corporate capital	Reserves	Profit
<i>Grusamar Ingeniería y Consulting, S.R.L.</i>	San Severo 18, 28042 Madrid España	Consulting	0,003	119	3.494.897	14.724	43.914
<i>Inteval Gestao Integral Rodoviaria, S.A.</i>	Edif. Atlas II Av. José Gomes Ferreira, 11, 11495-139 Alges (Portugal)	Construction	88	1.560.682	1.580.910	310.185	-1.336.103
<i>ESM Mantenimiento Integral de S.A. de CV</i>	Presidente Masaryk, 61 piso 7 Colo. Chapulte pec Morales CP 11570 deleg. Miguel Hidalgo (Méxi co)	Construction	100	385.483	345.689	(34.731)	7.025
<i>Mantenimiento y Conservación de Vialidades</i>	Mauricio Garces 855, Frac. La Joya 76180 Querétaro						

<i>S.A. de C.V.</i>	(México)	Construction	56	339.641	594.553	(15.406)	(111.133)
<i>Especialidades en Construcc y Mantenimiento Integral S.A. de CV</i>	Virgo, 120-A Col.	Construction	52	1.578	3.500	(100.523)	10.129
	Capricornio 78320 San Luis Potosi (México)						
<i>Elsamex Portugal Engheneria e Sistemas de Gestao, S.A.</i>	Rua Quinta das Romeiras Edif.Eduardo Vian,104 6º 1495-236 Alges (Portugal)	Consulting	70	251.078	350.000	308.913	219.164
<i>Yala Construction CO. Private Ltd.</i>	C/A254 n°6 block Mahipalpur New Delhi (India) 1100.37	Construction	70	99.896	189.817	434.930	(40.655)
<i>Yala Thailandia</i>	Soi Rajchakroo Phaholyotin Samset Nat, Phayathai 10400 Bangkok (Tailandia)	Construction	33,33	256.842	-	-	-
<i>VCS Enterprises Limited</i>	A-254 Road n°6 Block Mahipalpur New Delhi (India) 110037	Construction	30	125.000	384.000	(1.053.000)	(42.000)
<i>Elsamex India Private LTD</i>	C/A254 n°6 block Mahipalpur New Delhi (India) 1100.37	Construction	70	9.554	27.591	(614.058)	73.597
<i>Elsamex Road Technology Company LTD</i>	Block C1/F Eldex Industrial BLDG, 21 MA Tau Wai Road Hong Kong (China)	Construction	40	352.243	1.283.000	(939.000)	(330.000)
				3.382.116			

The detail for the provision for negotiable values damage is the following:

Associate Company	Euros
	Amount
<i>Elsamex India Private LTD</i>	9.554
<i>VCS Enterprises Limited</i>	125.000
<i>Yala Thailandia</i>	256.842
<i>Elsamex Road Technology Company LTD</i>	352.243
<i>ESM Mantenimiento Integral de S.A. de CV</i>	19.657
<i>Inteival Gestao Integral Rodoviaria, S.A.</i>	700.000
<i>Especialidades en Construcc y Mantenimiento Integral S.A. de CV</i>	1.578
	1.464.874

The shares on Specialties in Construction and Comprehensive Maintenance, S.A. of CV was pending of expenditure on 31st December, 2008.

9. Short-term financial assets

The Company's financial assets are broken down in the following way at the closing of tax year 2009:

	Euros	
	2009	2008
Receivable credits and items	19.822.509	22.959.152
Investments maintained until the due date	100.000	100.000
Total	19.922.509	23.059.152

a) Receivable credits and items

The information of this section of the situation balance on 31st December, 2009 and 2008 is the following:

	Euros	
	2009	2008
Sales and services rendering clients:		
Clients	13.504.013	11.315.615
Clients of doubtful collection	1.214.945	1.265.280
Trade operations Credits value damage	(1.214.945)	(1.265.280)
	13.504.013	11.315.615
Clients, and current accounts – Group companies (Note 18):	4.947.463	11.258.574
Staff:	22.966	34.675
Other financial assets:	1.348.067	350.288
Total	19.822.509	22.959.152

During the tax year the Company has reverted in 50,335 Euros part of the damage loss registered during last tax year.

b) Investments maintained until the due date

The Company has registered a fixed term deposits agreed in December 2008 with a financial entity as a collateral security of a guarantee line for a total amount of 100,000 Euros, at a rate of 0.50 and with a due date on the 10th December, 2010. This asset has been initially valued for the amount given for, after the closing, be valued at a amortized cost, recording in the profit of the tax year the interests accrued according to the method of the effective interest rate.

10. Information about the financial instruments nature and risk level

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

a) Credit risk:

With a general extent, the Company maintains its Treasury and equivalent liquid assets in financial entities with high credit level.

Besides, it must be said, despite it maintains a significant volume of operations with a significant number of clients, the solvency of the majority of them is guaranteed for largely being Public Organisms, so there is no credit risk with third parties.

b) Liquidity risk:

In order to guarantee the liquidity and be able to fulfil all the payment commitments derived from its activity, the Company counts on the Treasury which shows its balance, as well as on short-term financial investments which are mentioned in Note 7.b).

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 in the financial results and in the cash flows. That is the reason why the Company follows the policy of investing in financial assets which are practically not exposed to interest rate risks.

The Company is subjected to exchange rate risk, which mainly refers to the works contracting through the offices of Latin America and the Asian Southeast, designated in the country local currency.

11. Stock

Tax year 2009

	Euros			
	31-12-08	Acquisitions	Removals	31-12-09
Goods	-	166.854	(154.421)	12.433
Raw materials and other supplies	336.368	2.570.910	(1.825.277)	1.082.001
Net value	336.368	2.737.764	(1.979.698)	1.094.434

Tax year 2008

	Euros			
	31-12-08	Acquisitions	Removals	31-12-09
Raw materials and other supplies	391.934	1.392.174	(1.447.740)	336.368
Net value	391.934	2.457.584	(2.513.150)	336.368

During tax year 2009, the Company has gathered an important number of materials due to the new works awards in its office of the Dominican Republic.

The Company has some goods in the Warehouse of a third party for a value of 43,157 Euros.

12. Equity

12.1 Corporate capital

At the closing of tax year 2009 the corporate capital of the Company amounts to 14,310,555 Euros, represented by 2,862,111 shares, each one of 5 Euros of nominal value. All of them are of the same kind, according to the following information:

	% Participation
Elsamex, S.A.	99,99996%
Grusamar Ingeniería y Consulting, S.L.	0,00004%
	100,00000%

12.2 Legal reserve

According to the Public Limited Companies Law Rewritten Text, an amount equal to the 10% of the tax year profit must be transferred to the legal reserve until this one reaches, at least, the 20% of the corporate capital. The legal reserve could only be used to increase the capital in the part of the amount which exceeds the 10% of the capital already increased. This reserve could only be transferred to the loss compensation except for the purpose above mentioned, and as long as it does not exceeds the 20% of the corporate capital, and as long as there are not other sufficient reserves available for this purpose.

12.3 Goodwill reserves

According to what stipulated in article 213,4 of the Public Limited Companies Law Rewritten Text, there should be a non-available reserve in the appropriation of profit of each tax year, as a consequence of the goodwill which appears in the assets of the situation balance, using for that purpose some amount of the profit it represents, at least, five per cent of the amount of the goodwill mentioned. If there were no profit, or if this was not enough, the unrestricted reserves shall be used.

12.4 Differences of Conversion

Tax year 2009

	Euros			
	31-12-08	Acquisitions	Removals	31-12-09
Differences of conversion	(33.898)	96.765	(88.679)	(25.812)
Differences of conversion	(33.898)	96.765	(88.679)	(25.812)

Tax year 2008

	Euros			
	31-12-08	Acquisitions	Removals	31-12-09
Differences of conversion	-	20.599	(54.498)	(33.899)
Differences of conversion	-	20.599	(54.498)	(33.899)

The differences of conversion of tax years 2009 and 2008 are integrally motivated by the impact of the incorporation in the situation balance of the Company, of the balances coming from the incorporation of the offices the Company has in Thailand, Ecuador, Dominican Republic, Colombia and Argentina.

13. Financial liabilities

The financial liabilities of the Company are broken down as follows at the closing of tax year 2009 and 2008:

Unpaid debits and items

The information of this section of the situation balance at 31st December, 2009 and 2008 is the following:	Euros	
	2009	2008
NON-CURRENT LIABILITIES:		
Financial leasing creditors (Note 7)	69.296	217.823
Other financial liabilities	238.104	87.600
Total non-current liabilities	307.400	305.423
CURRENT LIABILITY:		
Short-term debts:		
Debts with credit entities	571.347	1.567.617
Financial leasing creditors (Note 7)	32.431	99.606
Other financial liabilities	33.145	205.805
	636.923	1.873.028
Debts with Group companies (Note 18):	10.115.237	6.169.417
Trade creditors and other unpaid accounts:		
Providers	4.668.820	10.354.183
Providers, Group companies (Note 18)	604.315	148.230
Staff	156.749	198.756
	5.429.885	10.701.169
Total current liabilities	16.182.045	18.743.614

Debts with credit entities:

On the 31st December, 2009, the Company has a loan policy available with the *Banco Múltiple Lopez de Haro, S.A.* for its office of the Dominican Republic for an amount of 566,805 Euros at the current exchange rate. The policy expires in October 2010 and bears annual interests of 20%. The loan policy arises at redeeming in a 10%, and at the same time renegotiating, in October 2009, the conditions previously fixed in a Credit line signed with the *Banco Múltiple Lopez de Haro, S.A.* on the 24th June, 2005. That credit line had a limit of 35,000,000 Dominican pesos and was guaranteed by *Elsamex, S.A.* (joint surety) and for a pledge on a volume of assets.

14. Public Administrations and Tax situation

The composition of this attached section of the balance situation on 31st December 2009 and 2008 is the following:

	Euros			
	2009		2008	
	Debtors` Balances	Creditors` Balances	Debtors` Balances	Creditors` Balances
Deferred tax Assets	1.549.338	-	1.558.037	-
Long-term balances with the Public Administrations	1.549.338	-	1.558.037	-
Public Treasury, VAT debtor	1.384.388	-	316.110	-
Public Treasury, Office VAT debtor	355.981	-	849.005	-
Public Treasury, Office VAT creditor	-	232.473	-	347.224
Public Treasury retentions and office down payments	3.884	-	-	-
Public Treasury, debtor for IS offices returns	68.298	-	443.736	-
Public Treasury, IRPF (Income tax) creditor	-	37.779	-	295.546
Creditor Social Security Organisms	-	12.692	-	27.256
Public Treasury retentions and office down payments	-	3.438	-	7.597
Short-term balances with the Public Administrations	1.812.551	286.382	1.608.851	677.623

Accounting result and fiscal tax base reconciliation

The reconciliation between the accounting result and the fiscal tax base is the following:

Tax year 2009

	Euros	
	Base	Cuota
Accounting result before taxes (Profit)	28.996	8.699
Temporary differences:		
Origin in previous tax years for the implementation of the new GAP	(107.854)	(32.357)
Fiscal tax base	(78.858)	(23.658)

Tax year 2008

	Euros	
	Base	Cuota
Accounting result before taxes (Profit)	60.525	18.157
Temporary differences:		
Origin in previous tax years for the implementation of the new GAP	(116.963)	(35.089)
Temporary differences:		
Tax treatment of leasing contracts	32.243	9.673
Fiscal tax base	(24.195)	(7.259)

The temporary differences with origin in previous tax years appear due to the Society, during tax year 2008, chose to integrate the accounting adjustments made against the estate by the first implementation of the new Accounting General Plan in equal parts in the tax base of the Company tax and during the three first chargeable period.

The temporary differences with origin in tax year 2008 appear as a consequence of the different consideration, for accounting or tax effects, of the expense accounted by the Company during the period as a technical depreciation of the use assets and rights from financial leasing contracts, pursuant to what stipulated in R.D. 4/2004, of 5TH March, of Corporate Tax.

The detail of the Balance of the account of tax on profit assets deferred during tax years 2009 and 2008 is the following:

	Euros	
	Balance 31-12-2009	Balance 31-12-2008
Temporary differences (Tax advance):		
Origin in previous tax years for the implementation of the new GAP	32.356	64.712
Negative tax base fiscal credits	1.516.982	1.493.325
Total deferred tax assets	1.549.338	1.558.037

At the closing of tax year 2009, the due date of the negative tax base registered in the attached situation balance is the following:

	Amount	Due date
Tax year 2007	4.953.552	Tax year 2022
Tax year 2008	24.196	Tax year 2023
Tax year 2009	78.857	Tax year 2024
	5.056.605	

According to the Law in force, the fiscal losses of a tax year can be compensated for tax effects with the profits of the tax periods which end in the following immediate 15 years. However, the final amount to be compensated for those losses could be modified due to the checking of the tax years in which they took place.

The Company has not registered in the attached Situation balance some deferred tax assets, due to it considers it is not likely some positive tax bases which allow its recovery are created in the future.

The detail of those non-registered assets is the following:

Exporting Companies deductions	Amount	Due date
Tax year 2005	273.809	Tax year 2015
Tax year 2006	235.456	Tax year 2016
Tax year 2007	571.451	Tax year 2017
Tax year 2009	2.524	Tax year 2019
	1.083.240	

The Company has been object of inspection acts regarding the VAT of tax year 2005. On the 23rd April, 2009 the Agreement Minute was signed; and there were no tax quota or offence to be paid derived from the audit carried out by the State Tax Audit.

According to the current Law, the taxes cannot be considered definitely assessed until the statements presented have been inspected by the tax authorities or until the 4-year period of prescription has passed. The Company has audits in course for tax years 2006 to 2009 regarding the VAT and for tax years 2005 to 2009 regarding the rest of taxes.

At the closing of tax year 2009 the Company has no inspection in course. The Administrators consider the assessments of the mentioned taxes have been carried out appropriately, so, in case of a tax audit and of disagreements in the interpretation of the current Law by the tax treatment given to the operations, the resulting contingent liabilities shall not affect in a significant way the current Annual Accounts in case they are materialized.

15. Contingent liabilities

Up to the 31st December, 2009 the Company has different guarantees granted required to contract with Public Organisms for a value of 493,372 Euros. The amount granted for this concept Turing year 2008 added up to 606,000 Euros.

16. Incomes and expenses

a) Net amount of the annual turnover

The distribution of the net amount of the annual turnover corresponding to tax years 2009 and 2008, distributed by activities categories and geographic Markets, is the following:

Division	Euros	
	2009	2008
Services rendering to third parties	4.946.061	11.003.162
Services rendering – Group Companies (Note 16)	1.075.666	643.721
	6.021.727	11.646.883

Geographic Markets	2009	2008
Spain	287.824	25.000
Rest of the European Union countries	1.088.026	433.000
Rest of European countries	-	395.883
Rest of the World	4.645.877	9.993.000
Total	6.021.727	11.646.883

b) Provisions

The breakdown of this section of the Profit and Loss Account of the tax year ended on the 31st December, 2009 and 2008 is the following:

	Euros	
	2009	2008
Purchase of other provisions	1.443.642	2.513.150
Works carried out by other Companies	1.129.208	8.824.507
Works carried out by Group Companies (Note 18)	3.234.529	(64.532)
Provision reversion by invoices of the previous tax year	(2.640.430)	(4.306.491)
	3.166.949	6.966.634

The detail of the purchases made by the Company during tax years 2009 and 2008, according to its origin is the following:

	2009		2008	
	National	Within the EC	National	Within the EC
Purchases	3.099.594	67.354	6.790.560	176.074

c) Staff expenses

The breakdown of the item "Staff expenses" of the Profit and loss Account up to the 31st December, 2009 and 2008, is the following:

	Euros	
	2009	2008
Salaries and equivalents	1.071.396	1.812.365
Social Security by the Company	169.169	427.113
Total	1.270.565	2.239.478

The average number of people employed during tax year 2009 and 2008, detailed by categories, is the following:

Categories	2009	2008
Technical staff and intermediate Management	3	4
Administrative staff	1	1
Total	4	5

According to what required in article 200.9 of the Public Limited Companies Law, the distribution by sex of the Company's staff up to the end of the year is broken down by categories for tax years 2009 and 2008 as it follows:

Categories	2009		2008	
	Men	Women	Men	Women
Technical staff and intermediate Management	3	1	4	-
Administrative staff	-	-	-	1
Total	3	1	4	1

During the tax year no amount has been accrued as subsistence allowance or remunerations of any kind in favour of the Administrators of the Company. Likewise, there is no kind of loan's advance, life insurance, pension plan or profits for any other concept.

d) Other exploitation expenses

The information of this section regarding the attached Profit and Loss Account of tax year 2009 and 2008 is the following:

	Euros	
	2009	2008
Leasing and rules	236.745	159.962
Repairs and maintenance	1.002.583	13.850
Independent professionals services	51.005	50.058
Transportation	39.349	64.615
Insurance premiums	61.483	53.584
Bank services and other similar	12.978	27.745
Other services	170.167	2.497.568
Other taxes	132.447	408.234
Profit-Variation of trade operations provisions	-50.335	292.332
Other current management expenses	15.532	-
	1.671.954	3.567.948

The Audit invoices, received after the formulation of the Accounts of the previous tax year have amounted to 11345 Euros for the Annual Accounts of that tax year and for the present year 24.350 Euros and 4,630 Euros for other audit works of tax year 2009. The Report of next year shall inform about the ones which will be received later, what is mentioned according to the 14th A.R. of Law 44/2002 of 22/11.

17. Environmental aspects

Considering the activities of the Company, it has no responsibilities, expenses, assets nor provisions or eventualities of environmental nature which could be significant in relation to the equity, the financial situation and the results. This is why the specific breakdowns are not included in this Report.

The Company Administrators consider there are no eventualities related to the protection and development of the Environment, and they do not consider necessary to register in the Annual Accounts any endowment to the provision for risks and expenses of environmental nature up to the 31st of December, 2009 and 2008.

18. Operations with linked parts

The information regarding the salaries and transactions made during tax year 2009 and 2008 between the Company and the "Group Elsamex" is the following:

2009	Euros					
	Receivable accounts		Accounts to be paid		Incomes	Expenses
	For service rendering	Credits	For service rendering	Loans	Rendered services	Received services
Instituto Técnico de la Vialidad y del Transporte S.A.	-	30.405	-	-	1.311	-
Proyectos de Gestión, Sistemas, Cálculo y Análisis S.A.	-	-	-	120.422	-	2.854,69
Centro de Investigación Elpidio Sánchez Marcos, S.A	-	-	-	1.520.442	164.260	448.972
Inteval Gestao Integral Rodoviaria, S.A.	102.811	1.348.844	604.315	-	-	600.000
Grusamar Albania SHPK	11.000	1.000	-	-	-	-
Sánchez Marcos Señalización e Imagen, S.A.	-	52.000	-	-	-	-
Elsamex India Privated LTD	291.192	105.921	-	-	249.233	-
Elsamex Portugal Engheneria e Sistemas de Gestao , S.A.	123.175	-	-	-	210.175	-
VCS Enterprises Limited	202.853	-	-	-	-	-
China	-	1.766.186	-	-	-	-
Asia	-	23.909	-	-	-	-
Yala Construction CO. Private Ltd.	419.525	153.138	-	-	50.977	-
Yala Construction CO Limited Thailandia	23.496	-	-	-	-	-
Treasure Gold Infraestructures	123.082	-	-	-	-	-
Zhejiang Elsamex Road Technology Company LTD	49.153	-	-	-	-	-
Elsamex Road Technology Company LTD	68.403	-	-	-	136.000	-
Ecoasphalt Construction Company Private Limited	-	17.196	-	-	-	-
ESM Mantenimiento Integral de S.A.de CV	9.069	-	-	322.423	110.658	-
Mantenimiento y Conservación de Vialidades S.A. de CV	-	104	-	-	175.591	-
Control 7, S.A.	-	-	-	97.000	-	-
Elsamex, S.A.	-	-	-	7.401.579	511	2.978.034
Inversiones Tyndrum, S.A.	-	25.000	-	-	-	-
Atenea Seguridad y Medio Ambiente, S.A.	-	-	-	215.380	-	-
Grusamar Ingeniería y Consulting, S.L.	-	-	-	437.991	-	261
TOTAL	1.423.759	3.523.704	604.315	10.115.237	1.098.716	4.030.122

2008	Euros					
	Receivable accounts		Accounts to be paid		Incomes	Expenses
	For service rendering	Credits	For service rendering	Loans	Rendered services	Received services
Instituto Técnico de la Vialidad y del Transporte S.A.	-	34.884	-	-	-	-
Proyectos de Gestión, Sistemas, Cálculo y Análisis S.A.	-	-	5.246	111.864	-	2.351
Centro de Investigación Elpidio Sánchez Marcos, S.A	7.071	-	132.094	1.062.806	35.193	113.874
Inteval Gestao Integral Rodoviaria, S.A. Bolivia	74.923	1.226.733	4.315	-	74.923	-
Grusamar Albania SHPK	110.000	1.000	-	33.145	-	-
Elsamex Portugal Engheneria e Sistemas de Gestao , S.A.	92.569	-	-	-	110.000	-
Zhejiang Elsamex Road Technology Company LTD	49.153	-	-	-	357.973	-
Elsamex Road Technology Company LTD	224.506	-	-	-	-	-
China	-	1.218.648	-	-	34.403	-
Asia	-	23.909	-	-	-	-
Yala Construction CO. Private Ltd.	368.548	-	-	-	-	-
Yala Construction CO Limited Thailandia	23.496	-	-	-	-	-
VCS Enterprises Limited	202.853	-	-	-	73.086	-
Sánchez Marcos Señalización e Imagen, S.A.	-	52.000	-	-	-	-
Elsamex India Privated LTD	41.960	276.256	-	-	-	30.460
Ecoasphalt Construction Company Private Limited	-	-	-	-	-	-
ESM Mantenimiento Integral de S.A.de CV	-	-	-	322.423	151.549	-
Especialidades en Construcc.y Mantenimiento Integral S.A. de CV	-	-	-	-	21.640	-
Mantenimiento y Conservación de Vialidades S.A. de CV	-	35.967	-	-	286.076	-
Control 7, S.A.	-	-	-	15.000	-	-
Elsamex, S.A.	545.430	-	5.101	4.174.606	284.875	-212.488
Inversiones Tyndrum, S.A.	-	25.000	-	-	-	-
Atenea Seguridad y Medio Ambiente, S.A	-	-	-	75.380	-	-
Grusamar Ingenieria y Consulting, S.L.	-	-	1.474	183.250	-	1.271
Others	-	6.623.668	-	189.365	-	-
TOTAL	1.740.509	9.518.065	148.230	6.167.839	1.429.718	-64.532

The nature of the transactions which take place among the different Companies of the Group Elsamex are the following:

- Services rendering (sub-contracting): some Companies of the Group Elsamex render additional services to Elsamex Internacional for it to be able to carry out its activity.
- Financial operations: There are some monetary transactions among the entities of Group Elsamex which take place as far as the companies need liquidity. These intragroup transactions bear interests.
- Administrative and financial services and Human Resources: the Company Elsamex, S.A. renders administrative, juridic, legal and tax services to the other Group companies from its Head offices in Madrid.

The method for fixing the transfer prices policy is different depending on the kind of transaction to make:

a) Regarding the transactions which consist in services rendering (sub-contracting) among the different entities of the Group, the method used is the "re-sale price method", by which the usual margin in identical or similar operations with independent people or entities is subtracted from the sale price of an asset. Otherwise, the margin subtracted shall be the one independent people or entities apply to comparable situations, making, if so, the necessary corrections in order to obtain the equivalent and to consider the special features of the operation.

b) Regarding the financial transactions and the administrative services among the different entities of the Group the method used is the "comparable free price method", by which the price of the asset or service is compared in an operation among people or entities linked with the price of an asset or service which is identical or has similar features in an operation among independent people or services in comparable situations, making, if so, the necessary corrections in order to obtain the equivalent and to consider the special features of the operation.

The whole of the balances which exist among the linked entities on the 31st December, 2009 and 2008 are net, due and receivables.

The Company is currently filling all the documentation requested by the Law (article 16 of the Corporate Tax Rules) in order to describe the different rendered and received services and bear the transfer prices applied to the transactions carried out among the different entities of the Group Elsamex .

19. Later facts

After the closing of the tax year, and up to the date of the formulation of these Annual Accounts, no worth mentioning significant later facts have happened.

Elsamex Internacional, S.R.L.

Management Report of the tax year finished on the 31st December, 2009

The sales figures for the year 2009 were the following:

* Sólo Elsamex Internacional, S.R.L.	2,3 Millones de Euros
* With JV's and Branches	6,0 Millones de Euros
* With Subsidiaries	25,8 Millones de Euros

The sales as a whole are spread geographically as follows: Europe 64.7%, America 26.8% and Asia 8.5%.

By sector, 79% of sales were in Highways, 11% in maintenance of other infrastructures, and the remaining 10% in sales of products and machinery and technology transfer.

Sales per activity in this year were: 66% in Servicing and Maintenance, 16% in Engineering and Consultancy, 9% in Construction and 9% in the sales and supply of products and machinery and in Technology Transfer and Research and Development.

The work portfolio for the coming years amounts to 37.5 million Euros. This portfolio is split into 9 million Euros in Portugal, 3 million Euros in Colombia, 3. million Euros in India, 22 million Euros in the Dominican and 0.5 million Euros in Mexico.

The shareholder equity has been valued at 11.4 Million Euros, achieving a pre-tax profit of 29 thousand of Euros.

Having analysed each of the countries in which we have activities, we are able to say:

Dominican Republic

During the 2009 period, we became the winners of a large resurfacing project in the eastern zone of the country for an amount of 22 million Euros (percentage of Elsamex Internacional, S.R.L.), consolidating as an important construction company in the country. We are also continuing to develop the essential maintenance contract for the Exxon Mobil service stations in the country.

Honduras

We are expecting during next year to be able to finalise completion of the contract for the performance of the Repair works on the Tegucigalpa-Danli highway, once the differences in criteria arising with the client have been resolved. These works are financed with Mitch and Development Assistance Funds (FAD) and have already been fully carried out.

Mexico

During 2009 our presence has lent continuity and consolidation to highway servicing activity. In fact, Elsamex Internacional, S.R.L. is viewed by the Mexican highway authorities as the principal experts in highway maintenance in the country. Great opportunities for the future are opening up in Highway Maintenance based on an ambitious multi-year Servicing Plan through standards that the Mexican Government will implement in the different states next year and which will give rise to 31 new contracts being put out to tender with a duration of 7 years and in which we will doubtless participate as the expert company in the sector. In addition, the commencement of activities in the Consultancy and Laboratory businesses is set as a strategic objective, as well as the maintenance of other infrastructures.

Colombia and Ecuador

The petrol station maintenance activity has continued to develop satisfactorily. To our current clients, Exxon Mobil and Chevron-Texaco, it is very likely that new clients will be added, such as Terpel, sector leader in Colombia. This will allow us to consolidate and reinforce our leadership in this activity.

Portugal

Our activity continues to maintain satisfactory levels of turnover and profit. Our expectation for 2010 is to maintain the 2009 results and to introduce ourselves in west Africa, mainly Angola and Capo Verde, boosting the Consultancy field.

In addition, through our subsidiary Inteval Gestao Integral Rodoviaria, S.A., we have continued to implement 14 highway servicing contracts that we have entered into with the Ministry of Public Works and Transport, being one of the largest companies in the field of activity in the country. These contracts will be completed in 2010, which means that the most immediate challenge will be to give continuity to these contracts, so that we win the same again. We are also intending to expand this experience in maintenance to other types of infrastructure.

India

During this year current projects in the portfolio have greatly advanced. Taking into account the potential of the company's new owners, who without any doubt will give impetus to the development of our works, the prospects in the country for next year are good.

Thailand

During this year 2010, activity in the Yala Construction Company Limited Thailand Company has been totally suspended and dissolution cannot be proceeded with for legal reasons.

China

The process of selling the ZERTC Company is continuing. The sale of the company is being delayed as a consequence of the economic crisis that is having a world-wide effect.

Europe/Africa/Arab Countries

In these countries great expectations are being harboured to give continuity to the consultancy projects already begun in Albania and to commence our activities in the world of infrastructure maintenance. During this year, trade activity has increased in Albania, Macedonia and Kosovo. Development of the machine and special products sales activity will also be continued, as will the transfer of technology, establishment of a laboratory in the zone, very probably in Albania, having been set as a specific objective for 2010. Trading activity in the Arab Countries and North Africa will also be increased and will be directed towards achieving the commencement of activities in these geographic areas.

In summary, all the above has led us to believe that during 2010 we will be able to improve on the turnover and profits of the previous year

Up to the date of the formulation of this Management report, no significant later facts which could affect the Annual Accounts of tax year 2009 have happened and there has not been any movements of purchases and sales of own shares either.

Procedure of the Annual Accounts Formulation and Management Report

In compliance with the rules stipulated in the Public Limited Companies Law, the Board of Directors of *Elsamex Internacional, S.R.L.*, formulated the Annual Accounts and the Management Report of tax year 2009 on May 18, 2010, which shall be submitted to approval in the Shareholders General Board.

Mr. Sachin Baldeoprasad Gupta

Mr. Ramchand Karunakaran

Mr. Arun Kumar Saha

Mr. José Maria Méndez-Vigo

Mr. José Luis González
Romero

Mr. Fernando Bardisa
Jorda