

ELSAMEX S.A.

ANNUAL REPORT

2009

Num AT-5110

Date the 25th May 2010

PERFORMANCE :

Audit. Report on Annual Accounts for the
fiscal year 2009

ENTITY :

ELSAMEX, S.A

DOMICILE :

18, San Severo St, 28042 - Madrid

ENTRUSTED BY :

The General Shareholders Meeting

ADDRESSED TO :

The Shareholders

DOCUMENTS AUDITED :

Annual Accounts of Elsamex, S.A. for the
fiscal year 2009

PERFORMED BY THE AUDITING
FIRM :

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

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

AUDIT REPORT OF ANNUAL ACCOUNTS

To Shareholders of Elsamex, S.A.

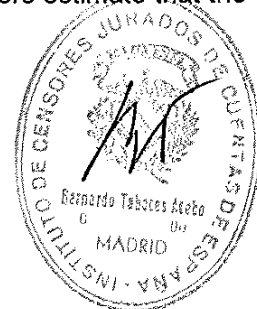
I have audited the Annual Accounts of Elsamex S.A. that include the Balance Sheet as of 31st December 2009, the Profit and Loss Account, the Statement of Changes in the Net Worth, the Statement of Cash Flow and the Notes of the fiscal year then ended, which are the responsibility of the Directors of 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 the mentioned Annual Accounts and the evaluation of the presentation of the accounting principles used and of the estimates made.

The Directors of Elsamex S.A. in keeping with the Spanish commercial regulations, present for the purposes of comparison with each item of 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 with uncertainties.

My work did not include the audits of the Annual Accounts of the Group companies Ramky Elsamex Hyderabad Ring Road Ltd and Sociedad Concesionaria A-4 Madrid, S.A. in Note 8, audited by other Auditors and my Opinion on the Annual Accounts as expressed in the present Report with respect to those companies is only based on the Reports of the respective Auditors.

Elsamex, S.A. has uncertainties for litigations which the legal consultant confirms to be difficult to estimate on an objective basis and the Administrators estimate that the final solution will not materially affect the Annual Accounts.

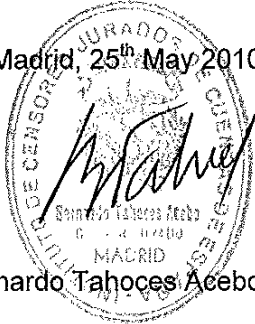


Elsamex, S.A. has informed of its intention to give financial support to the Group companies that need it with the extent and term which could be necessary.

IN MY OPINION based on my audit and on the reports of the other auditors, except for the effect of the uncertainties referred to above, the enclosed Annual Accounts express in all significant aspects a fair view of the financial position of Elsamex S.A. as of the 31st December 2009 and of the result of the operations, 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 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 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 that one obtained from the accounting record of the Company.

Madrid, 25th May 2010



Bernardo Tahoces Acebo

Elsamex, S.A.

Annual Accounts for the
Period Ending
31st December 2009
and Management Report, together with
the Independent Auditors' Report

Elsamex, S.A.

BALANCE SHEET AT 31 DECEMBER 2009 AND 2008
(Euros)

ASSETS		Report Notes	Period 2009	Period 2008	LIABILITIES		Report Notes	Period 2009	Period 2008
NON-CURRENT ASSETS					NET EQUITY		Note 13		
Intangible fixed assets		Note 5	49,414,595	45,573,843	STOCKHOLDERS' EQUITY			49,751,725	33,654,407
Development			3,297,504	3,446,974	Capital		50,455,882	50,455,882	33,654,407
Concessions			121,838	179,398	Registered capital		20,264,625	20,264,625	14,516,213
Patents			3,143,688	3,241,747	Issue premium		26,866,454	26,866,454	17,370,077
IT applications			255	258	Reserves		1,333,228	1,333,228	9,052,793
Tangible fixed assets		Note 6	31,723	25,571	Legal and statutory		952,224	952,224	916,237
Land and buildings			12,168,960	11,686,722	Other reserves		381,004	381,004	8,136,566
Technical installations and other tangible fixed assets			378,113	607,465	Results from previous periods		-	-	(7,644,546)
Fixed assets in progress and advances			8,697,686	11,044,257	Negative results from previous periods		-	-	(7,644,546)
Long-term investments in the Group and associates		Note 8	3,093,161	35,000	Result of the period		1,991,575	1,991,575	359,870
Equity instruments			30,193,689	25,182,560	ADJUSTMENTS FOR CHANGES IN VALUE		(704,157)	(704,157)	-
Credits to businesses		Note 9.1	24,249,667	22,435,100	Coverage operations		465,144	(1,169,301)	-
Long-term financial investments			5,944,021	2,747,460	Conversion discrepancies		-	-	-
Other financial assets		Note 15	751,583	1,902,325	NON-CURRENT LIABILITIES		41,583,289	44,200	32,461,269
Assets for deferred tax			751,583	1,902,325	Long-term provisions		44,200	44,200	-
			3,002,859	3,355,263	Other provisions		33,155,248	33,155,248	11,485,075
					Long-term debts		34,184,622	34,184,622	7,352,631
					Debtors with credit institutions		1,933,094	1,933,094	3,757,444
					Debtors from financial leasing		1,656,282	1,656,282	-
					Derivatives		381,251	381,251	375,000
					Other financial liabilities		2,500,000	2,500,000	20,086,638
					Long-term debts with Group companies and associates		657,650	657,650	657,650
					Liabilities for deferred tax		226,190	226,190	231,905
					Long-term periodifications		62,246,072	62,246,072	90,930,785
CURRENT ASSETS			104,166,492	111,472,618	CURRENT LIABILITIES		180,328	180,328	48,076
Stock		Note 12	1,729,116	4,294,876	Short-term provisions		14,516,153	14,516,153	24,272,027
Primary material and other supplies			1,186,919	2,326,710	Short-term debts		4,816,386	4,816,386	21,074,260
Advances to suppliers			542,197	1,968,166	Debtors with credit institutions		2,378,462	2,378,462	3,197,767
Trade debts and other accounts receivable		Note 9.2	65,669,884	76,660,843	Debtors from financial leasing		14,148	14,148	-
Customers for sales and provisions of services			58,027,610	64,981,292	Other financial liabilities		7,307,158	7,307,158	8,289,322
Customers, Group companies and associates			200,427	4,670,491	Short-term debts with Group companies and associates		4,620,907	4,620,907	56,929,395
Sundry debtors			6,546,745	5,972,802	Trade creditors and other accounts payable		41,581,620	41,581,620	34,656,037
Personnel			119,065	200,558	Suppliers		27,801,005	27,801,005	2,206,609
Assets for current tax		Note 15	776,036	835,700	Suppliers, Group companies and associates		308,875	308,875	2,568,311
Short-term investment in Group companies and associates			20,991,730	19,618,084	Sundry creditors		-	-	367,972
Other financial assets		Note 9.2	2,076,256	1,197,946	Personnel		4,195,480	4,195,480	8,696,968
Other financial investments			2,076,256	1,197,946	Other debts with Public Administrations		9,212,740	9,212,740	8,430,499
Short-term financial investments			828,005	1,119,170	Advances from clients		1,347,064	1,347,064	1,391,965
Other financial assets			12,871,501	8,581,688	Short-term periodifications		153,581,086	153,581,086	157,046,461
Cash and other equivalent liquid assets			12,871,501	8,581,688	TOTAL NET EQUITY AND LIABILITIES				
Treasury			12,871,501	8,581,688					
TOTAL ASSETS			153,581,086	157,046,461					

Notes 1 to 20 of the attached Report form an integral part of the balance sheet as at 31 December 2009

Elsamex, S.A.

PROFIT AND LOSS ACCOUNTS FOR ACCOUNTING PERIOD ENDED DECEMBER 31 2009

(Euros)

	Report Notes	Period 2009	Period 2008
CONTINUING OPERATIONS			
Net amount of the annual turnover	Note 17	117,972,731	98,392,794
Rendering of services		117,972,731	98,392,794
Works carried out by the company for its assets		3,093,161	-
Stocks	Note 17	(68,216,256)	(42,516,656)
Consumption of raw and other consumable materials		(5,751,681)	(13,163,027)
Works carried out by other companies		(62,464,574)	(29,353,629)
Other Income from operations		117,776	1,910,273
Current additional income and other from management		117,320	1,910,273
Operation subsidies included in the Period's result		456	-
Staff expenses	Note 17	(28,274,354)	(33,929,438)
Salaries and others		(21,824,267)	(26,770,628)
Fringe benefits		(6,450,087)	(7,158,810)
Other operating expenditure		(15,633,700)	(14,764,091)
External services	Note 17	(14,134,678)	(13,551,753)
Taxes		(718,631)	(485,955)
Losses, impairments and variation in provisions from trade operations	Nota 9.2	(172,558)	(152,317)
Other current management expenditure		(607,833)	(564,066)
Amortization of fixed assets	Notes 5 and 6	(3,274,383)	(3,627,692)
Impairment and result of transfers of fixed assets		(82,624)	(31,879)
Impairments and losses		300	(32,010)
Results for transfers and other		(82,824)	131
RESULT FROM OPERATIONS		5,702,450	5,443,412
Financial income		64,912	107,554
From shares in equity instruments		-	30,699
- In Group companies and associates		-	30,699
From negotiable securities and other financial instruments		64,912	76,856
- On third parties		64,912	76,856
Financial expenditure	Note 14	(2,922,255)	(5,525,966)
For debts with Group companies and associates		(464,790)	(1,357,284)
For debts with third parties		(2,457,465)	(4,168,682)
Impairment and result for transfers of financial instruments		-	406,786
Results for transfers and other		-	406,786
FINANCE EXPENSES (NET)		(2,857,343)	(5,011,625)
RESULT BEFORE TAXES		2,845,107	431,787
Tax on profits	Note 15	(853,532)	(71,917)
PROFIT AFTER TAXES		1,991,575	359,870
INTERRUPTED OPERATIONS			
Result of the year coming from interrupted operations			
RESULT FOR THE PERIOD		1,991,575	359,870

Notes 1 to 20 of the attached Report form an integral part of the profit and loss account as at 31 December 2009

Elsamex, S.A.

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

A) STATEMENT OF ASSIGNED INCOME AND EXPENDITURE

(Euros)

	Report Notes	Tax Year 2009	Tax Year 2008
RESULT FOR THE PROFIT AND LOSS ACCOUNT (I)		1,991,675	359,870
Income and expenditure assigned directly to net worth			
- For cash flow coverage	Note 11	(1,670,430)	-
- For other adjustments		465,144	-
- Tax effect	Note 11	501,129	-
TOTAL INCOME AND EXPENDITURE ASSIGNED DIRECTLY TO NET WORTH (II)		1,287,418	-
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT (III)		-	-
TOTAL ASSIGNED INCOME AND EXPENDITURE (I+II+III)		1,287,418	359,870

Notes 1 to 20 of the attached Report form an integral part of the assigned income and expenditure in relation to accounting period 2009

Elsamex, S.A.

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

B) STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euros)

	Capital	Issue premium	Reserves	Results for previous periods	Result for the period	Adjustments for changes in value	TOTAL
BALANCE AT THE CLOSE OF PERIOD 2007	4,581,183	957,144	9,052,980	-	(7,644,733)	-	6,946,573
Adjustments for criteria changes 2007 and prior	-	-	-	-	-	-	-
Adjustments for errors 2007 and prior	-	-	-	-	-	-	-
BALANCE ADJUSTED AT THE BEGINNING OF PERIOD 2008	4,581,183	957,144	9,052,980	-	(7,644,733)	-	6,946,573
Total income and expenditure allocated	-	-	-	-	359,870	-	359,870
Application of 2007 result	-	-	-	(7,644,733)	7,644,733	-	-
Operations with shareholders	9,935,031	16,412,933	-	-	-	-	26,347,964
- Increases in capital	9,935,031	16,412,933	-	-	-	-	26,347,964
- Reductions in capital	-	-	-	-	-	-	-
FINAL BALANCE FOR PERIOD 2008	14,516,213	17,370,077	9,052,980	(7,644,733)	359,870	-	33,654,407
Adjustments for criteria changes 2008	-	-	-	-	-	-	-
Adjustments for errors 2008	-	-	-	-	-	-	-
BALANCE ADJUSTED AT THE BEGINNING OF PERIOD 2008	14,516,213	17,370,077	9,052,980	(7,644,733)	359,870	-	33,654,407
Total income and expenditure allocated	-	-	-	359,870	1,991,575	(704,157)	1,287,418
Distribution of 2008 result	-	-	-	-	(359,870)	-	-
Operations with shareholders	5,748,412	9,496,377	-	-	-	-	15,244,789
- Increases in capital	5,748,412	9,496,377	-	-	-	-	15,244,789
- Reductions in capital	-	-	-	-	-	-	(434,890)
Other variations in net worth	20,264,625	26,866,454	(7,719,753)	7,284,863	1,991,575	(704,157)	49,751,725
FINAL BALANCE FOR PERIOD 2009	20,264,625	26,866,454	1,333,227	-	1,991,575	(704,157)	49,751,725

Notes 1 to 20 of the attached Report form an integral part of the statement changes in total net worth relating to period 2009

ELSAMEX S.A.

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

(Euros)

	Report Notes	Period 2009	Period 2008
CASH FLOW FOR OPERATING ACTIVITIES (I)		(10,885,663)	(18,960,918)
Pre-tax result for the year		2,845,107	431,787
Adjustments to the result:		6,388,016	8,671,095
- Assets depreciation	Notes 5 and 6	3,274,383	3,627,592
- Valuation corrections for impairment	Note 9	172,558	32,010
- Variation in provisions		44,200	-
- Results for drops and transfers of fixed assets	Note 6	82,824	(131)
- Results for drops and transfers of financial instruments		-	(406,786)
- Financial income		(64,912)	(107,554)
- Financial expenditure	Note 14	2,922,255	5,625,966
- Other income and expenditure		(43,293)	-
Changes in current capital		(17,261,343)	(22,573,472)
- Stock		2,565,760	(1,314,317)
- Debtors and other accounts receivable		10,818,401	10,107,441
- Other current assets		(1,960,790)	(20,462,179)
- Creditors and other accounts payable		(15,347,776)	(11,580,917)
- Other current liabilities		(13,336,939)	(177,746)
- Other non-current assets and liabilities		-	854,245
Other cash flow from operating activities		(2,857,343)	(6,490,328)
- Interest payments	Note 14	(2,922,255)	(5,625,966)
- Dividend receipts		-	30,699
- Interest receipts		64,912	76,856
- Receipts (payments) for tax on profits		-	(71,917)
CASH FLOW FOR INVESTMENT ACTIVITIES (II)		(7,550,361)	(8,459,709)
OPERATING RESULT		(7,550,361)	(8,459,709)
Payments for Investments		(9,423,105)	(8,905,380)
- Group companies and associates		(1,814,567)	(7,142,049)
- Intangible fixed assets	Note 5	(30,519)	-
- Tangible fixed assets	Note 6	(4,381,457)	(513,992)
- Other financial assets		(3,196,562)	(1,249,339)
Receipts from disinvestments		1,872,744	446,672
- Intangible fixed assets		-	446,672
- Tangible fixed assets	Note 6	722,002	-
- Other financial assets		1,150,742	-
- Other assets		-	-
CASH FLOW FOR FINANCE ACTIVITIES (III)		22,725,726	32,808,569
Receipts and payments for equity instruments	Note 13	16,244,789	26,347,964
- Issue of equity instruments		15,244,789	26,347,964
Receipts and payments for financial liability instruments		7,480,936	6,460,605
- Issue of debts with credit institutions	Note 14	29,075,000	-
- Issue of debts with Group companies and associates		-	20,086,638
- Issue of other debts		-	375,000
- Repayment and amortization of debts with credit institutions		(2,230,528)	(14,001,033)
- Repayment and amortization of debts with Group companies and associates		(17,586,638)	-
- Repayment and amortization of other debts		(1,776,898)	-
EFFECT OF THE VARIATIONS IN EXCHANGE RATES (IV)			
NET INCREASE/REDUCTION OF CASH OR EQUIVALENTS (I+II+III+IV)		4,289,803	6,387,942
Cash or equivalents at the beginning of the year		8,581,698	3,193,755
Cash or equivalents at the end of the year		12,871,501	8,581,698

Notes 1 to 20 described in the attached Report form an integral part of the cash flow statement relating to period 2009

Elsamex, S.A.

Report for the period
ending
31st December 2009

1. Constitution and activity

Constitution

Elsamex, S.A. (henceforth, the Company), was formed as a public limited company (*sociedad anónima*) for an indefinite time on 9 December 1977. Its head offices are in calle San Severo 18, Madrid.

Corporate objective

The company's objective is:

- 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, sales 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.

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 provision of services related to the construction and maintenance of 5 service stations, as well as the construction, maintenance and operation of highway A-4 from P.K. 3.78 to P.K. 67.5 and of the access highway to Hyderabad City from P.K. 95 to P.K. 133.63 in the State of Andhra Pradesh in India, Elsamex, S.A., by itself or through Uniones Temporales de Empresas, (*U.T.E. – Joint Ventures*) and their dependents. Sociedad Concesionaria Autovía A-4 Madrid S.A. and Ramky Elsamex Hyderabad Ring Road Limited operate through different administrative concessions with the following characteristics:

Centre	Activity	Date of Concession	Term of Concession
Elsamex, S.A.:			
Abedul Villvidel U.T.E.	Service Station Maintenance	07-06-2001	44 years
Abedul Orihuela U.T.E.	Service Station Maintenance	09-04-2001	29 years
Abedul Zamora U.T.E.	Service Station Maintenance	06-05-2002	46 years
Abedul Ponferrada U.T.E.	Service Station Maintenance	11-03-2004	46 years
Coiros service area	Service Station Maintenance	08-03-2004	40 years
Ramky Elsamex Hyderabad Ring Road Limited:			
Hyderabad highway	Highway operation	18-08-2007	15 years
Sociedad Concesionaria Autovfa A-4 Madrid, S.A.:			
Highway A-4	Highway operation	26-12-2007	19 years

The Company is head of a group of dependent entities and in accordance with prevailing legislation, is required to prepare consolidated accounts separately. The consolidated annual accounts of the Elsamex Group for the 2008 period have been prepared by the Directors, meeting with their Board on 14th May 2009. The consolidated annual accounts for the 2008 period were approved at the Elsamex, S.A. General Shareholders' Meeting held on 30th June 2009 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. Presentation principles for the annual accounts

2.1 True picture

The attached annual accounts have been obtained from the Company's accounts registers and are presented in accordance with R.D. 1514/2007 by which the General Accountancy Plan is approved, so as to show the true picture of the assets, the financial situation, the Company Balance Sheet and the cash flows during the corresponding period. These annual accounts, which have been prepared by the Company Directors, are to be submitted for the approval of the General Ordinary Shareholders' Board, and are expected to be approved without any amendment. For their part, the annual accounts for the accounting period 2008 were approved at the Annual Shareholders' Meeting held on 30 June 2009.

2.2 Non-obligatory accounting principles

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

2.3 Critical aspects of valuation and estimation of uncertainty

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

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

2.4 Comparison of information

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

2.5 Grouping of entries

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

2.6 Changes in accounting principles

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

2.7 Correction of errors

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

3. Application of results

The proposal for the application of the results of the period prepared by the Company's Directors and to be submitted for the approval of the General Shareholders' Board is the following:

	Euros
Distribution basis:	
Losses and Gains (Profit)	1,991,575
	1,991,575
Application:	
To legal reserve	199,157
To voluntary reserves	1,792,418
	1,991,575

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 on Own Funds).

4. Standards for recording and evaluation

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

4.1 Intangible fixed assets

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

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

a) Research and development expenditure:

With respect to the research and development expenditure, this is activated when it fulfils the following conditions:

- It is specifically individualized by projects and their cost may be clearly established.
- There are good grounds for confidence in the technical success and economic and commercial profitability of the project.

The assets thus generated are amortized linearly throughout their useful life (over a maximum period of 5 years).

If there are doubts about the technical success or economic profitability of the project then the amounts entered in the assets are allocated directly to the profit and loss account for the period.

b) Concessions:

The costs incurred in order to obtain the concession for five service stations are amortized linearly in the concession period (see note 1). If circumstances of non-fulfilment of conditions were to occur that might cause a loss of the rights derived 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) IT applications:

The Company enters in this account the costs incurred in the acquisition and development of computer programs. The maintenance costs for the IT applications is entered in the profit and loss account for the period in which they are incurred. Amortization of the IT applications is done by applying the linear method over a term of between 4 and 5 years.

4.2 Tangible fixed assets

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

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

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

	Percentage
Buildings	2-7
Other installations, equipment and movable assets	10-15
Computer equipment	25
Transport items	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 that contribute to increasing the capacity or efficiency or lengthening the useful life of the said assets is entered as a major cost of the same.

4.3 Leasing

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 benefits inherent in the 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 the lesser between the reasonable value of the leased property and the actual value at the start of the lease, of the minimum amounts agreed, including the option to purchase, when there is no reasonable doubt over its exercise. 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 capital charge of the contract is allocated to the profit and loss account for the period in which it is accrued, the effective interest rate method being applied. Outgoings of a contingent nature are included as an expense for the period in which they are incurred.

The assets entered through this type of operation are amortized with principles similar to those applied to the whole of the tangible assets, attention being paid to their nature.

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 period in which they accrue.

Any income or payment made on contracting an operating lease is to be treated as an advance income or payment advance and is to be allocated to the results throughout the leasing period, as the profits of the leased asset are transferred or received.

4.4 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 originating in the sale of goods or in the provision of services through the company's trading operations, or those that do not have a commercial origin, are not equity instruments or derivatives and the charges of which are a fixed or specific amount and are not negotiated in an active market.
- b) Investments held up to maturity: securities representative of debt, with a fixed maturity date and receivables of specific amounts, which are negotiated in an active market and for which the Company shows its intention and capacity to hold until their maturity date.
- c) Financial assets held for negotiation: those that are acquired with the objective of transferring them in the short-term or those that form part of a portfolio for which there is evidence of recent activity with the said objective. This category also includes those derivative instruments that may not be contracted from capital guarantees (e.g. bank guarantees) and have not been designated coverage instruments.
- d) Investments in the equity of the companies of the group, associates and multi-group: those companies considered to be part of the group are those connected to the Company through a relationship of control, and associated companies are those over which the Company exerts significant influence. In addition, within the multi-group category those companies are included over which, under an agreement, control is exercised in conjunction with one or more partners.

Initial valuation -

The financial assets are entered initially at the reasonable value of the consideration delivered plus the transaction costs that may be directly attributable, unless they are financial assets for negotiation, in which case, the transaction costs that may be directly attributable to them are to appear in the profit and loss account for the period.

Subsequent valuation –

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

Financial assets held for negotiation are valued at their reasonable value, the result of the variations in the said reasonable value being entered in the profit and loss account.

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

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

The Company discharges the financial assets when they expire or their rights over the cash flow of the corresponding financial asset have been assigned and the risks and benefits inherent in their ownership have been substantially transferred, such as in firm sales of assets, assignment of commercial credit in "factoring" operations in which the company does not retain any credit risk or interest, sales of financial assets with agreements to repurchase at their reasonable value or the securitization of financial assets in which the assigning company does not retain subordinate financing nor assigns any type of guarantee or assumes any other type of risk.

On the other hand, the Company does not discharge the financial assets, and enters a financial debit for an amount equal to the consideration received, in assignments of financial assets in which the risks and benefits inherent in their ownership may be substantially retained, such as discount of effects, "factoring with recourse", sales of financial assets with agreements to repurchase at a fixed price or at the sale price plus interest or the securitization of financial assets in which the assigning company does retain subordinate financing or other types of guarantees that substantially absorb all the expected losses.

4.4.2 Financial liabilities

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

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

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

4.4.3 Equity instruments

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

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

4.4.4 Coverage

The Company uses derivative financial instruments in order to guarantee the risks 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.

In order that these financial instruments may qualify as accountable coverage, 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 coverage relationship is effective, i.e. that it is expected, prospectively, that the changes in the reasonable 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 coverage. In this type of coverage, 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.

4.5 Stock

The stock is valued at its acquisition price, cost of production 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 acquisition price.

The cost of production 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.

4.6 Transactions in foreign currency

The operating currency used by the Company is the Euro. Consequently, operations in currencies other than the 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 close 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.

4.7 Corporate tax

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

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

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

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

However, the assets 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 fiscal profits.

4.8 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.

4.9 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 Joint Ventures have been included at each section level of the balance sheet, the profit and loss account and the cash flow statements, by the proportional integration method, as a function of the percentage share that the Company has.

The main figures the Joint Ventures contribute to the balance sheet and to the profit and loss account for the accounting periods ending 31st December 2009 and 2008 are presented in Note 8.3.

4.10 Revenue and expenditure

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

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

4.11 Provisions and contingencies

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

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

The 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.

4.12 Compensation for dismissal

In accordance with prevailing legislation, the Company is obliged to pay 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.

4.13 Principles used in transactions between related parties

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

- a) The companies that are considered to be a company of the group, associates or multi-group, in accordance with article 41 of the Commercial Code.
- b) Individuals who, directly or indirectly, have participation in the voting rights of the Company, or in its dominant entity, to enable them to exercise a significant influence over one or another. The close relatives of these physical persons are also included.
- c) The key staff of the Company or of its dominant entity, which means the individuals with authority and responsibility over the planning, management and control of the Company's activity, either directly or indirectly, amongst whom are included the administrators and managers. The close relatives of these individuals are also included.
- d) The companies over which any of the persons mentioned in b) and c) above can exercise a significant influence.
- e) The companies that share any board member or director with the Company, unless this person does not exercise a significant influence in the financial and operational policies of both.
- f) The persons who are regarded as close relatives of the Company administration's agent, whenever this person is a legal entity.
- g) The pension plans for the employees of the Company or of any other which is a party linked to this.

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

- a) The spouse or person with an analogous relationship;
- b) The ascendants, descendants and siblings and the respective spouses or persons with an analogous relationship;
- c) The ascendants, descendants and siblings of the spouse or persons with an analogous relationship;
- d) Persons for whom the spouse or person with an analogous relationship is responsible for or with an analogous relationship;

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

4.14 Subsidies, donations and legacies

With regard to the accounting of subsidies, donations and legacies received, the Company adopts the following principles:

- a) Non-reimbursable capital subsidies, donations and legacies: they are valued by the reasonable value of the amount or asset granted, depending on whether or not they have a monetary nature, and they are attributed to the results in proportion to the allocation made to amortization in that period for the subsidized items or, if relevant, whenever their transfer or value impairment correction takes place, except those received from partners or owners which are entered directly into funds and which do not constitute income.
- b) Reimbursable subsidies: They are considered as liabilities as long as they are reimbursable.
- c) Operational subsidies: They are posted to profits at the time they are granted, unless they are used to finance operational deficits of future periods, in which case they are to be taken into account in those periods. If they are granted to finance specific expenditure, the allocation is to be made as the expenditure financed accrues.

5. Intangible fixed assets

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

Accounting period 2009

	Euros		
	31-12-08	Additions	31-12-09
Cost:			
Development	1,502,226	-	1,502,226
Concessions	3,656,798	-	3,656,798
Patents	28,103	-	28,103
IT Applications	1,721,040	30,519	1,751,559
	6,908,167	30,519	6,938,686
Accrued amortization:			
Development	(1,322,829)	(57,560)	(1,380,389)
Concessions	(415,050)	(98,060)	(513,110)
Patents	(27,845)	(2)	(27,847)
IT Applications	(1,695,469)	(24,367)	(1,719,836)
	(3,461,193)	(179,989)	(3,641,182)
Net value	3,446,974	(149,470)	3,297,504

Accounting period 2008

	Euros		
	31-12-07	Additions	31-12-08
Cost:			
Development	1,502,226	-	1,502,226
Concessions	3,656,798	-	3,656,798
Patents	28,103	-	28,103
IT Applications	1,721,040	-	1,721,040
	6,908,167	-	6,908,167
Accrued amortization:			
Development	(1,255,619)	(67,210)	(1,322,838)
Concessions	-	(415,050)	(415,050)
Patents	(27,826)	(19)	(27,845)
IT Applications	(1,638,351)	(57,118)	(1,695,469)
	(2,921,796)	(539,397)	(3,461,193)
Net value	3,986,371	(539,397)	3,446,974

At the close of accounting period 2009 and 2008, the Company had intangible fixed asset items that were completely amortized and which continued in use for a value of 2,935,178 Euros and 2,765,898 Euros respectively.

The Company has no intangible fixed asset items located abroad.

5. Tangible fixed assets

The movements occurring under this heading of the balance sheet during accounting periods 2009 and 2008, as well as the most significant information affecting this section are the following:

Accounting period 2009

	Euros				
	31-12-08	Additions	Adjustments and transfers	.	31-12-09
Cost:					
Land and buildings	719,477	59,694		(281,524)	497,647
Machinery	19,422,922	744,378	(1,958,492)	(1,110,887)	17,097,921
Other installations, tools and furniture	4,552,939	140,632	1,243,927	(121,902)	5,815,596
Equipment for information processing	473,221	10,393	-	-	483,614
Transport items	4,330,851	333,199	714,565	(209,596)	5,169,020
Tangible assets in progress	35,000	3,093,161	-	(35,000)	3,093,161
	29,534,410	4,381,457	-	(1,758,909)	32,156,959
Accrued amortization					
Land and buildings	(112,012)	(7,522)	-	-	(119,534)
Machinery	(10,166,890)	(2,481,961)	1,224,498	964,795	(10,459,558)
Other installations, tools and property	(3,865,803)	(268,917)	(765,927)	931	(4,899,716)
Equipment for information processing	(473,221)	(2,711)	-	-	(475,932)
Transport items	(3,229,762)	(333,283)	(458,571)	(11,643)	(4,033,259)
	(17,847,688)	(3,094,394)	-	954,083	(19,987,999)
Net value	11,686,722	1,287,063	-	(769,826)	12,168,960

Accounting period 2008

	Euros				
	31-12-07	Additions	Adjustments and transfers	Outgoings	31-12-08
Cost:					
Land and buildings	437,953	281,524	-	-	719,477
Machinery	20,550,980	916,703	(1,406,612)	(638,150)	19,422,922
Other installations, tools and furniture	4,227,419	87,231	287,187	(48,898)	4,552,939
Equipment for information processing	473,221	-	-	-	473,221
Transport items	3,260,324	226,075	1,119,425	(274,972)	4,330,851
Tangible assets in progress	35,000	-	-	-	35,000
	28,984,897	1,511,533	-	(962,020)	29,534,410
Accrued amortization					
Land and buildings	(104,321)	(7,691)	-	-	(112,012)
Machinery	(7,655,533)	(2,781,428)	-	270,071	(10,166,890)
Other installations, tools and property	(3,549,060)	(321,645)	-	4,902	(3,865,803)
Equipment for information processing	(468,328)	(4,894)	-	-	(473,221)
Transport items	(2,842,175)	(387,587)	-	-	(3,229,762)
	(14,619,417)	(3,503,245)	-	274,972	(17,847,688)
Net value	14,365,480	(1,991,712)	-	(687,047)	11,686,722

The main additions for the 2009 period correspond to the construction of a service station in Coirós (La Coruña) which appears in the section headed "Construction in progress assets". The Company's expenses from their assets (incurred from the use of their equipment and personnel) are capitalised using the "Work carried out by the company for their asset" account as the balancing entry. This appears in the income and loss for the year account.

The Company has other fixed assets the value of which, separated as buildings and land, at the close of accounting periods 2009 and 2008, is the following:

Assets	2009	2008
Land	59,694	281,524
Buildings	437,953	437,953
Total	497,647	719,477

Under the heading "Buildings", the Company includes 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 290,674 Euros remains amortizable in the long term and 44,304 in the short term (see Note 14).

During the accounting period 2009 the Company has continued with the construction works for the service station that it manages through the administrative concession in Coiros (La Coruña). The expenditure incurred is included under "Fixed assets in progress". It is expected that the work will be completed in the month of April 2010.

At 31 December 2009 the Company had the following investments in tangible fixed assets located abroad:

Description	Country	Accountable value (gross)	Accrued amortization	Net value
Technical installations	Dominican Rep	394,012	(315,209)	78,803
Machinery	Dominican Rep	1,282,618	(657,646)	624,972
Machinery	Honduras	1,574,026	(1,160,335)	413,691
Transport items	Dominican Rep	43,251	(34,601)	8,650
Transport items	Honduras	646,704	(474,545)	172,159
Total		3,940,611	(2,642,336)	1,298,275

The Company's policy is to formalize insurances 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 31st December 2009 and 2008 is the appropriate.

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 9,104,663 Euros and 1,256,078 Euros respectively.

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

7. Leasing

Financial leasing

At the close of accounting periods 2009 and 2008 the Company, as a financial lessee, has some leased assets included in accordance with the following information:

Accounting period 2009

	Assets valued at their reasonable value	Assets valued by the current value of the minimum payments	Total
Tangible fixed assets	11,729,689	-	11,729,689
Total	11,729,689	-	11,729,689

Accounting period 2008

	Assets valued at their reasonable value	Assets valued by the current value of the minimum payments	Total
Tangible fixed assets	15,033,000	-	15,033,000
Total	15,033,000	-	15,033,000

At the close of accounting periods 2009 and 2008 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	2009		2008	
	Nominal value	Current value	Nominal value	Current value
Less than one year	2,498,104	2,378,462	3,350,918	3,197,767
Between one and five years	2,003,630	1,933,094	3,889,721	3,757,444
More than five years	-	-	-	-
Total	4,501,734	4,311,556	7,240,639	6,955,211

There are no contingent quotas.

Operating leases

At the close of accounting periods 2009 and 2008 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	2009 Nominal value	2008 Nominal value
Less than a year	6,630,898	5,147,164
Between one and five years	1,041,310	2,232,117
More than five years	-	-
Total	7,672,208	7,379,281

In their capacity of lessor, the most significant operating leasing contracts that the Company has at the close of the 2009 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 annually. 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 contract began on 1st May 2009 and its term was 8 years, until 30th April 2017. With regard to the contingent rent, the contract is referenced to annual increases as a function of the CPI.
- Lease of offices in calle San Severo, 30 in Madrid. The leasing contract began on 19th January 2001 and its term was 5 years, having been renewed annually since then for 5 more years until 31st July 2010. With regard to the contingent rent, the contract is referenced to annual increases as a function of the CPI.
- Nevertheless, the major part of the accrued expenditure under this heading corresponds to the hire of equipment, vehicles and machinery for works or construction.

8. Group, multi-group and associated companies

8.1 Equity instruments

The movement which has taken place in the balance sheet section during accounting periods 2009 and 2008, as well as the most important information which affects this section are the following:

Accounting period 2009

Participant company	Address	Activity	% Participation	Euros			
				Amount	Equity		
					Company Capital	Reserves	Result
Ramky Elsamex Hyderabad Ring Road Limited	RAMKY House, 6-3-1089/G/10&11 Gulmohar Avenue, Rajbahavan Road, Somajiguda, Hyderabad -- 500 082. A.P. India	Services	26%	2,624,440	2,984,344	5,953,945	-
Centro de Investigación Elpidio Sánchez Marcos, S.A.	San Severo 18, 28042 Madrid Spain	Laboratory	24.88%	29,859	120,000	44,779	11,190
Instituto Técnico de la Vialidad y del Transporte S.A.	San Severo 18, 28042 Madrid Spain	Services	50%	30,051	60,200	(24,175)	7,858
Proyectos de Gestión, Sistemas, Cálculo y Análisis S.A.	San Severo 18, 28042 Madrid Spain	Services	99.5%	59,801	60,101	(805,211)	(44,861)
Control 7, S.A.	Polígono Malpica, Santa Isabel, C7E parcela 57-61, Nave 9, 50057 Zaragoza, Spain	Laboratory	0.02%	481	550,516	28,258	5,423
Sánchez Marcos Señalización e Imagen, S.A.	C/ San Severo, 18, Madrid 28042 Spain	Services	99.92%	149,880	150,000	(25,234)	(64,954)
Atenea Seguridad y Medio Ambiente, S.A.	C/ San Severo, 18, Madrid 28042 Spain	Services	40.05%	52,106	130,200	451,561	84,637
Grusamar Ingeniería y Consulting, S.L.	C/ San Severo, 18, Madrid 28042 Spain	Engineer.	99.99%	3,494,777	3,494,897	35,640	65,788

Elsamex Internacional, S.L	C/ San Severo, 18, Madrid 28042 Spain	Services	99.99%	14,310,549	14,310,555	(3,001,592)	52,653
Proyectos y Promociones Inmobiliarias Sánchez Marcos, S.L	C/ San Severo, 18, Madrid 28042 Spain	Services	0.33%	10	3,010	(549,928)	(29,162)
Sociedad Concesionaria A4 Madrid, S.A.	C/ Caballero Andante, nº 8 Madrid Spain	Services	46.25%	4,353,512	9,413,000	(5,918,000)	(45,000)
Inversiones Tyndrum, S.A.	C/ Velázquez nº 17 3ª, 28011 Madrid Spain	v	100%	183,531	185,000	(9,571)	(7,412)
Señalización Viales e Imagen S.A.U.	Pol Ind. La variante c/ La Grajera nº 2, 26140 Lardero, La Rioja Spain	Manufact.	100%	773,398	688,025	(1,471,397)	(250,676)
				26,062,395			

The detail of the capital pending outlay is as follows:

Participant company	Euros
	Amount
Ramky Elsamex Hyderabad Ring Road Limited	1,812,728
	1,812,728

Accounting period 2008

Participant company	Address	Activity	% Partici-pation	Euros			
				Amount	Equity		
					Company capital	Reserves	Result
Ramky Elsamex Hyderabad Ring Road Limited	RAMKY House, 6-3-1089/G/10&11 Gulmohar Avenue, Rajbahavan Road, Somajiguda, Hyderabad – 500 082. A.P. India	Services	26%	2,624,440	1,490,280	3,451,473	-
	San Severo 18,						

Centro de Investigación Elpidio Sánchez Marcos, S.A.	28042 Madrid Spain	Laboratory	24.88%	29,859	120,000	31,126	13,653
Instituto Técnico de la Vialidad y del Transporte S.A.	San Severo 18, 28042 Madrid Spain	Services	50%	30,051	60,200	(24,860)	685
Proyectos de Gestión, Sistemas, Cálculo y Análisis S.A.	San Severo 18, 28042 Madrid Spain	Services	99.5%	59,801	60,101	(806,713)	1,502
Control 7, S.A.	Polígono Malpica, Santa Isabel, C7E parcela 57-61, Nave 9, 50057 Zaragoza, Spain	Laboratory	0.02%	481	550,516	24,070	4,188
Sánchez Marcos Señalización e Imagen, S.A.	C/ San Severo, 18, Madrid 28042 Spain	Services	99.92%	149,880	150,000	(27,127)	1,893
Atenea Seguridad y Medio Ambiente, S.A.	C/ San Severo, 18, Madrid 28042 Spain	Services	40.05%	113,126	77,640	408,421	43,140
Grusamar Ingeniería y Consulting, S.L.	C/ San Severo, 18, Madrid 28042 Spain	Engineer.	99.99%	3,494,777	3,494,897	14,724	43,914
Elsamex Internacional, S.L	C/ San Severo, 18, Madrid 28042 Spain	Services	99.99%	14,310,549	14,310,555	(3,202,789)	79,069
Proyectos y Promociones Inmobiliarias Sánchez Marcos, S.L	C/ San Severo, 18, Madrid 28042 Spain	Services	0.33%	10	3,010	(545,586)	(4,342)
Sociedad Concesionaria A4 Madrid, S.A.	C/ Caballero Andante, nº 8 Madrid Spain	Services	46.25%	4,310,185	9,320,000	(5,443,362)	(36,750)
Inversiones Tyndrum, S.A.	C/ Velázquez nº 17 3ª, 28011 Madrid Spain	Services	100%	183,531	185,000	(7,593)	(1,744)
Señalización Viales e Imagen S.A.U.	Pol Ind. La variante c/ La Grajera nº 2, 26140 Lardero, La Rioja Spain	Manufact.	100%	773,398	688,025	(1,384,286)	(39,041)
				26,080,088			

The detail of the capital pending outlay is as follows:

Participant company	Euros
	Amount
A-4 Concessionary company	1,404,908
Atenea Seguridad y Medio Ambiente	31,500
Ramky Elsamex Hyderabad Ring Road Limited	2,208,580
	3,644,988

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 province. 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. 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.

As a result of the above, during accounting period 2009, the Company paid out the amount of 1,404,908 Euros corresponding to liability dividends pending payout during the previous period and 42,327 Euros as a result of the issue of new shares in this period.

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 and a shared loan dated 29th December 2008 for the amount of 2,600,000 Euros, granted to the dependent 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.

8.3 Joint ventures

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

Joint Venture (UTE) name	Percentage participation	Sales Euros
Ute Elsamex Arias	75%	-
Elsamex-Arias Ute Conservación Coruña II	60%	-
Elsamex-Infraestructuras Terrestres	80%	-
Elsamex- Modecar Ute Chenlo	80%	-
Ute Elsamex Arias Oca Conservación Orense	50%	7,657
Ute Elsamex Grusamar	50%	-
Ute Elsamex-Alpidesa	50%	-
Elsamex-Iberseñal Ute Señalización Madrid	60%	-
Elsamex-Opsa Ute Peri Serrano Uribe	80%	-
Elsamex-Fitonoyo Ute Casa del Queso	50%	-
Elsamex-Const.Cesfer Ute San Jerónimo	50%	-
Elsamex-Torrescamara Ute Presas	50%	206,381
Elsamex-Opsa Ute campo Futbol Blanca	50%	-
Grusamar-Elsamex-Atenea Ute Seguridad Vial	30%	52,633

Murcia		
Elsamex-Cauchil Ute Elsamex- Cauchil Jaen	80%	1,217,434
Cauchil – Elsamex Ute Guadahortuna	50%	-
Elsamex-Cauchil Ute Sierra Nevada	50%	-
Elsamex-Cauchil Ute Estepona	50%	140,187
Elsamex- Prointec Ute R4	50%	137,668
Api Conservacion-Elsamex Ute Teruel II	50%	1,484,702
Elsan Pacsa-Elsamex Ute Navalvillar de Pela II	50%	729,310
Elsamex-Sando Ute II Conservación A-395	50%	-
Elsamex-Sando Ute Refuerzo del firme A-395	50%	29,321
Elsamex-Asfaltos Uribe Este Señal Ute Durango II	45%	343,848
Elsamex-Lopesan Ute Conservación Zona Sur	50%	124,071
Elsamex-Tecnoseñal	50%	-
Serop-Elsamex Ute Mantenimiento Serop-Elsamex	50%	808,024
Elsamex-Const.Hispánica Ute peaje La Jonquera	50%	75,845
Ute Elsamex Mag 3	40%	-
Ute Mag 3 Elsamex	60%	-
Elsamex-Asfaltos Urretxu Ute Itziar	50%	53
Elsamex-Tractores y obras	50%	86,099
Ute Elsamex-Tyosa Obras Públicas	50%	316,970
Ute Garcilen - Elsamex	50%	114,068
Ute Elsamex - Garcilen	50%	-
Elsamex-Velasco Ute Polideportivos Latina	50%	216,870
Elsamex-Velasco Ute Polideportivos Hortaleza	50%	202,664
Elsamex-Velasco Ute Polideportivos Tetuán	50%	99,023
Corsan Corviam-Elsamex Ute Corelsa	50%	14,196,599
Elsamex-Oca Ute Coruña III	70%	1,177,584
Asfaltos Uribe-Norte Industrial-Construcciones		
Eder-Elsamex Ute Vizcaya III	28%	1,374,421
Elsamex-Rubau Ute Argentona	50%	80,442
Elsamex- Martín Casillas Ute Conservación Cádiz	50%	68,210
Sice-Elsamex Ute Sice Fuente el Fresno II	50%	462,185
Elsamex-Vimac Ute Vimac 01	50%	35,779
Elsamex-Oca Ute Conservación Orense III	50%	15,858
Ute Abedul Orihuela	25%	372,948
Ute Area Zamora	25%	-
Ute Abedul Zamora	25%	179,934
Ute Area Leon	25%	-
Ute Abedul Villavidel	25%	133,768
Ute Abedul Cáceres	25%	-
Ute Abedul Ponferrada	25%	189,654
		24,680,212

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 2009 and 2008 are:

	Euros	
	2009	2008
Non-current assets	3,510,524	3,666,608
Current Assets	18,337,135	16,370,120
Total Assets	21,847,659	20,036,728
Net equity	3,194,829	423,924
Non-current liabilities	3,509,530	3,699,604
Current liabilities	15,143,300	15,913,200
Total Liabilities and Net Equity	21,847,659	20,036,728

9. Financial assets (long and short-term)

9.1 Long-term financial assets

The balance of the account in the "Long-term financial investments" section at the close of the 2009 accounting period groups the bonds given in consequence of the operating lease contracts signed with third parties as described in Note 7 and some deposits by way of pledge contracted with a banking institution contracted as guarantee of line of credit and of a bank loan.

9.2 Short-term financial assets

The breakdown of the Company's financial assets is the following at the close of the 2009 accounting period:

	Euros	
	2009	2008
Credits and entries receivable	85,885,577	95,443,228
Investment held until maturity	2,062,256	1,183,946
Financial assets held for negotiation	14,000	14,000
Total	87,961,833	96,641,174

a) **a) Credits and items receivable**

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

	Euros	
	2009	2008
Customers for sales and provisions of services:		
Customers	58,027,610	64,981,292
Delinquent customers	598,823	416,417
Impairment of value of credits for commercial operations	(598,823)	(416,417)
	58,027,610	64,981,292
Customers, Group businesses current accounts (Note 15):	21,192,157	24,288,576
Sundry debtors:	6,546,745	5,972,802
Personnel:	119,065	200,558
Total	85,885,577	95,443,228

During the period the Company entered as losses through impairment the amount of 172,558 Euros.

At the close of the period the Company had pledged its customer accounts in guarantee of a loan granted through a pool of banks (see Note 14).

b) Investments held to maturity

The Company assembles under this heading mainly the current accounts with Joint Venture businesses and some short-term pledge implications contracted with various banking institutions as guarantee of line of credit and of a bank loan.

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 derived financial instruments to cover the risks to which its activities, operations and future cash flows are exposed.

11. Derived financial instruments

The Company Elsamex, S.A., by itself or through Uniones Temporales de Empresas, (*U.T.E. – Joint Ventures Abedules*) uses derived financial instruments to cover the risks to which its activities operations and future cash flows are exposed. In the context of these operations the Company has contracted specific financial instruments of coverage in accordance with the following details:

	Classification	Rate	Contracted amount (Euros)	Maturity	Inefficacy entered in results (Euros)	Reasonable value (Euros)	
						Credit	Debit
Interest rate Swap	Interest rate coverage	Variable to fixed	22,700,000	2010-2012	-	-	1,616,746
Interest rate Swap	Interest rate coverage	Variable to fixed	2,277,730	2014	-	-	53,684

The maturity date of the coverage instruments coincides with the period in which it is expected that cash flows may occur and which may affect the profit and loss account.

As a result of the valuation at reasonable value that at close the derived financial instruments have made, it is seen that the net equity of the Company has been reduced by the amount of 1,169,301 Euros once the fiscal impact has been deducted (see Note 15).

12. Stock

Accounting period 2009

	Euros			
	31-12-08	Additions	Withdrawals	31-12-09
Primary materials and other provisions	2,326,710	2,824,039	(3,963,830)	1,186,919
Net value	2,326,710	2,824,039	(3,963,830)	1,186,919

Accounting period 2008

	Euros			
	31-12-07	Additions	Withdrawals	31-12-08
Primary materials and other provisions	2,180,054	2,875,327	(2,728,672)	2,326,710
Net value	2,180,054	2,875,327	(2,728,672)	2,326,710

At the close

of accounting period 2009 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 31st December 2008 the Company's capital was divided and represented by 241,531 nominative shares of 60.101210 Euros of nominal value each, totally subscribed and paid.

During the 2009 accounting period, and with the aim of achieving re-equilibrium of the Company's equity and provided for with its own funds the following increases in capital were achieved:

- On 13th March 2009, the share capital was increased by the amount of 1,977,690.35 Euros, by means of the issue of 32,906 new shares of 60,101210 Euros nominal value each, with the same rights and obligations as the existing shares. The said shares are issued with a total issue premium of 3,267,196.92 Euros, which means a premium of 99.288790 Euros per share. The whole of the shares are subscribed and paid, together with the issue premium, by IL&FS Transportation Networks Ltd, a company of Indian nationality.
- On 3rd April 2009, the share capital was increased by the amount of 2,262,449.96 Euros, by means of the issue of 37,644 new shares of 60,101210 Euros nominal value each, with the same rights and obligations as the existing shares. The said shares are issued with a total issue premium of 3,737,627.21 Euros, which means a premium of 99.288790 Euros per share. The whole of the shares are subscribed and paid, together with the issue premium, by IL&FS Transportation Networks Ltd, a company of Indian nationality.
- On 30th July 2009, the share capital was increased by the amount of 188,477.39 Euros, by means of the issue of 3,136 new shares of 60,101210 Euros nominal value each, with the same rights and obligations as the existing shares. The said shares are issued with a total issue premium of 311,369.64 Euros, which means a premium of 99.288790 Euros per share. The whole of the shares are subscribed and paid, together with the issue premium, by IL&FS Transportation Networks Ltd, a company of Indian nationality.
- On 19th August 2009, the share capital was increased by the amount of 754,149.98 Euros, by means of the issue of 12,548 new shares of 60,101210 Euros nominal value each, with the same rights and obligations as the existing shares. The said shares are issued with a total issue premium of 1,245,875.73 Euros, which means a premium of 99.288790 Euros per share. The whole of the shares are subscribed and paid, together with the issue premium, by IL&FS Transportation Networks Ltd, a company of Indian nationality.
- Finally, on 20th October 2009, the share capital was increased by the amount of 565,552.39 Euros, by means of the issue of 9,410 new shares of 60,101210 Euros nominal value each, with the same rights and obligations as the existing shares. The said shares are issued with a total issue premium of 934,307.51 Euros, which means a premium of 99.288790 Euros per share. The whole of the shares are subscribed and paid, together with the issue premium, by IL&FS Transportation Networks Ltd, a company of Indian nationality.

At the close of period 2009 the Company's share capital amounted to 20,264,625 Euros, represented by 337,175 shares of 60.101210 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 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 assigned to the compensation of losses and provided that there are no other sufficient reserves available for *this purpose*.

13.3 Voluntary reserves

These are freely available reserves.

13.4 Conversion differences

The conversion differences for the 2009 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 close 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. Financial liabilities

	Euros	
	2009	2008
NON-CURRENT LIABILITIES:		
Debts with credit institutions	34,184,622	7,352,631
Financial leasing creditors (Note 7)	1,933,094	3,757,444
Derivatives (Note 11)	1,656,282	-
Other financial liabilities	381,251	375,000
Debts with other Group companies	2,500,000	20,086,638
Total non-current liabilities	40,655,248	31,571,713
CURRENT LIABILITIES:		
Short-term debts:		
Debts with credit institutions	4,816,386	21,074,260
Derivatives (Note 11)	14,148	-
Financial leasing creditors (Note 7)	2,378,462	3,197,767
Other financial liabilities	7,307,158	-
	14,516,154	24,272,027
Debts with group companies and partners (Note 19)	4,620,907	8,289,322
Trade creditors and other accounts payable:		
Suppliers	27,801,005	34,658,037
Suppliers, Group companies (Note 15)	63,521	2,206,609
Sundry creditors	308,875	2,569,311
Personnel	-	367,972
	28,173,401	39,801,928
Total current liabilities	47,310,460	72,363,278

Long-term debts with Group companies and associates:

The Company has a loan with one of its partners for an amount at close of 2,500,000 Euros. This loan accrues an annual market interest payable quarterly. The due date of this loan is fixed at the requirement of the lender but will not be before 18th March 2013. The accountable financial cost during this period amounts to 464,790 Euros and is entered in the "Financial expenditure through debts with Group companies and associates" section of the profit and loss account attached.

Debts with credit institutions:

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

	Euros		
	Limit	Provision	
		Long-term	Short-term
Credit policies	2,350,000	-	500,000
Loans	49,075,000	33,893,948	2,736,004
Mortgage loan (Note 6)		290,674	44,304
Customer factoring	1,700,000	-	1,446,007
Effects discount lines	300,000	-	90,071
		34,184,622	4,816,386

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 29,075,000 Euros at the close of the period. The due date of this loan is 17th July 2012 and it has been assigned to refinance part of the debt that the Company has at this time and to finance Company operating requirements. 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).

The Company has taken out four credit policies with four financial institutions in only one of which are there funds available. The resulting rate of interest for the amounts that are available in all of them is determined by the Euribor plus a spread, except that in one of them the rate of interest is fixed at market value.

The financial cost during the 2009 period for all these debts with credit institutions amounts to 2,457,465 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 entries that form part of the "Long-term debts" section is the following:

	Euros					
	2011	2012	2013	2014	2015 and beyond	Total
Debts with credit institutions	9,113,646	19,671,807	691,041	770,141	3,937,987	34,184,622

15. Public Administrations and fiscal situation

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

	Euros			
	2009		2008	
	Debtors' Balances	Creditors' Balances	Debtors' Balances	Creditors' Balances
Deferred tax assets	3,002,859	-	3,355,263	-
Deferred tax liabilities	-	657,650	-	657,650
Long-term balances with Public Administrations	3,002,859	657,650	3,355,263	657,650
Public Treasury, debtor for J.V. VAT	301,439	-	326,420	-
Public Treasury, debtor double taxation	99,977	-	103,460	-
Public Treasury, debtor for IGIC	25,143	-	-	-
Public Treasury, debtor for Corporation	290,538	-	195,908	-
Public Treasury, debtor for retentions made	58,939	-	209,912	-
Public Treasury, creditor J.V.	-	805,987	-	1,049,469
Public Treasury, creditor for VAT	-	2,500,967	-	6,642,601
Public Treasury, creditor for IPSI	-	60,247	-	156,310
Public Treasury, creditor for IGIC	-	(13,759)	-	(13,759)
Public Treasury, creditor for retentions on interest	-	20,961	-	55,891
Public Treasury, creditor for IRPF	-	325,898	-	569,482
Social Security bodies, Creditors	-	495,179	-	236,974
Short-term balances with Public Administrations	776,036	4,195,480	835,700	8,696,968

Accounting reconciliation and taxable base result

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

Accounting period 2009

	Euros	
	Base	Quota
Accounting result before tax (Profit)	2,845,107	853,532
Compensation for negative taxable bases for previous years	(2,845,107)	-
Fiscal taxable base	-	-

Accounting period 2008

	Euros	
	Base	Quota
Accounting result before tax (Profit)	431,787	129,536
Temporary differences:		
Tax processing of leasing contracts	(242,577)	(57,619)
Fiscal taxable base	189,210	(71,917)

The movement in the account for Assets for deferred tax on profits during the 2009 accounting period is as follows:

	Euros			
	Balance at 31-12-2008	Increase	Decrease	Balance at 31-12-2009
Assets for deferred tax on profits	3,355,263	501,128	(853,532)	3,002,859
	3,355,263	501,128	(853,532)	3,002,859

The increase during this year corresponds largely with the tax effect deriving from the accounting of the financial coverage instruments (see Note 11).

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

	Amount	Due date
Year 2007	7,249,895	Year 2024
	7,249,895	

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 15 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 the 2009 accounting period the inspection activity was completed for the 2005 accounting period relating to Corporation Tax, Value Added Tax, Retentions and revenue on account of work and professionals, returns on non-fixed capital and return on fixed capital. The papers for all of them, except those for Corporation Tax, were signed accordingly, resulting in an insignificant amount payable. On 31st December 2009, the inspection activity for the 2005 Corporation tax would remain to be finalised, unless the comparison activity carried out up to that date were to reveal that it was going to result in an amount payable to the Tax Administration.

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 2006 to 2009 (except for Corporate Tax that is has had open since 2005).

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 arising 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.

16. Contingent liabilities

At 31st December 2009, the Company has handed over different warranties demanded in order to contract with Public Bodies and as a financial guarantee for the value of 16,392,323 Euros and 95,499 dollars. The amount granted under this heading during 2008 amounted to 18,024,891 Euros and 3,211,500 dollars.

17. Revenue and expenditure

a) Net amount of the ventures figure

The net amount of the ventures figure entered by the Company relates to the revenues obtained through the activity considered in their Corporate objective.

The detail for this section in the results account at 31st December 2009 and 2008 is as follows:

Split	Euros	
	2009	2008
Provision of services to third parties	99,430,804	94,078,794
Provision of services to group businesses (Note 19)	18,541,927	4,314,000
	117,972,731	98,392,794

More than 70% of the provision of services was carried out on national territory. The rest of the sales were made in Latin America.

b) Provisions

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

	Euros	
	2009	2008
Purchase of other provisions	5,751,681	13,280,226
Works carried out by other businesses	54,787,572	26,519,629
Works carried out group business (Note 19)	7,677,003	2,834,000
	68,216,256	42,633,855

More than 70% of the purchases were made from suppliers were within national territory. The rest relates to purchases made in Latin America.

c) Personnel expenditure

The breakdown of the "Personnel expenditure" entry in the profit and loss account for the accounting period ending on 31st December 2009 and 2008 is as follows:

	Euros	
	2009	2008
Wages, salaries and equivalents	21,824,267	26,770,628
Social security payable by the Company	6,450,087	7,158,810
Total	28,274,354	33,929,438

The average number of persons employed during accounting periods 2009 and 2008, broken down into categories, is as follows:

Categories	2009	2008
Senior management	3	4
Technical personnel and middle management	92	204
Administration personnel	89	96
Unqualified personnel	583	580
Total	767	884

In accordance with the requirements of Art. 200.9 of the 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 2009 and 2008:

Categories	2009		2008	
	Men	Women	Men	Women
Senior management	3	-	4	-
Technical personnel and middle management	68	24	159	45
Administration personnel	27	62	32	64
Unqualified personnel	548	35	540	40
Total	646	121	735	149

d) Other operating expenses

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

	Euros	
	2009	2008
Leases and royalties	5,089,956	5,147,164
Repairs and maintenance	254,770	256,155
Independent professional services	899,274	928,218
Transport	67,182	61,891
Insurance premiums	829,322	796,280
Bank services and other similar	968,075	520,335
Publicity, advertising and Public Relations	9,767	203,388
Supplies	160,628	173,700
Other services	5,855,704	5,464,622
Other taxes	718,631	485,955
	14,853,309	14,037,708

The Audit invoices, received after the formulation of the Accounts of the previous tax year have amounted to 89,986 Euros for the Annual Accounts of that tax year and 5,568 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.

18. Environmental aspects

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

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

19. Operations with related parties

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

2009	Euros					
	Accounts receivable		Accounts payable		Income	Expenditure
	For provision of services	Credits	For provision of services	Loans	Services provided (Note 17.a)	Services received (Note 17.b)
ITNL Internacional Pte.Ltd	-	-	50,614	-	-	418,721
IL&FS Transportation Networks Ltd	-	-	-	-	11,000,000	5,481,932
Elsamex Internacional, S.L.	-	9,189,407	-	127,588	2,939,974	470,709
Inteval Gestao Integral Rodoviaria, S.A.	83,708	-	202	-	32,334	-
ESM Mantenimiento Integral de S.A. de CV	-	826	-	-	-	-
Atenea Seguridad y Medio Ambiente, S.A.	26,332	2,439,058	-	-	2,092,541	14,105
Inversiones Tyndrum, S.A.	-	118,818	-	-	-	-
Grusamar Ingeniería y Consulting, S.L.	21,881	-	-	4,493,319	1,537,993	149,898
Sánchez Marcos Señalización e Imagen, S.A.	123	482,987	641	-	166	-
Señalización de viales e Imagen, S.A.U.	(255)	2,774,813	-	-	24,432	776,077
Instituto técnico de la Vialidad y el Transporte, S.A.	-	343,534	-	-	190,469	35,100
Proyectos de gestión, sistemas, cálculo y análisis, S.A.	13,394	406,075	-	-	32,207	314,596
Proyectos y Promociones Inmobiliarias Sánchez Marcos, S.L	-	575,717	-	-	-	-
Centro de Investigación .Elpidio Sánchez Marcos S.A.	5,154	3,549,632	737	-	369,157	14,975
Geotecnia 7, S.A.	174	34,600	-	-	308	-
Control 7, S.A.	1,872	981,533	-	-	316,657	666
CGI-8, S.A.	4,860	62,767	10,847	-	745	-
Labetec Ensayos Técnicos Canarias, S.A.	103	31,780	260	-	30	224
Sociedad Concesionaria Autovía A-4 Madrid, S.A.	43,081	183	220	-	4,914	-
TOTAL	200,427	20,991,730	63,521	4,620,907	18,541,927	7,677,003

2008	Euros					
	Accounts receivable		Accounts payable		Income	Expenditure
	For provision of services	Créditos	For provision of services	Loans	Services provided	Services received
IL&FS Transportation Networks Ltd	3,500,000	-	-	-	-	-
Elsamex Internacional, S.L.	48,824	4,187,899	-	-	74,000	245,000
Inteval Gestao Integral Rodoviaria, S.A.	-	-	-	-	51,000	-
Atenea Seguridad y Medio Ambiente, S.A.	1,503	1,661,033	128,832	-	1,905,000	123,000
Inversiones Tyndrum, S.A.	-	-	-	240,526	-	-
Grusamar Ingeniería y Consulting, S.L.	87,852	-	220,857	5,352,298	816,000	193,000
Sánchez Marcos Señalización e Imagen, S.A.	38,113	874,825	710	-	-	-
Señalización, viales e Imagen S.A.U.	18,537	2,893,420	1,084,232	-	534,000	1,692,000
Instituto Técnico de la Vialidad y el Transporte, S.A.	-	677,223	287,067	-	250,000	64,000
Proyectos de gestión, sistemas, cálculo y análisis, S.A.	-	1,828,986	322,014	-	97,000	446,000
Proyectos y Promociones Inmobiliarias Sánchez Marcos, S.L	-	307,433	-	-	-	-
Centro de Investigación Elpidio Sánchez Marcos, S.A.	344,336	2,087,712	154,024	-	308,000	69,000
Geotecnia 7, S.A.	-	32,831	-	-	-	-
Control 7, S.A.	631,326	53,659	4,232	-	279,000	2,000
Uniones Temporales de Empresas	-	5,013,053	4,640	2,696,498	-	-
TOTAL	4,670,491	19,618,084	2,206,608	8,289,322	4,314,000	2,834,000

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

- Provision of services (subcontracting): specific Companies of the Elsamex 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 Elsamex Group that occur insofar as the companies require liquidity. These intragroup transactions accrue interest.
- Administration, financial and human resource services: Elsamex S.A., from its central offices in Madrid, provides administrative, legal and fiscal services to the rest of the group entities.

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

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

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

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

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

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

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

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

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

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

Data relating to senior management personnel:

Name	Responsibilities or duties that they hold or carry out in the company	Remuneration period 2009
Managers	Management	374,446

20. Subsequent facts

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

Elsamex, S.A.

Management report Results for 2009 and prospects for 2010

During the 2009 period, Elsamex, S.A. exceeded the sales targets set at the beginning of the year, the investment works of the concessions that are currently underway having advanced significantly. The organisation has also been continuously reinforced in order to achieve completion of the strategic growth plan.

Elsamex, S.A. has acted through 6 Branches with a total of 100 Production Centres and 12 Offices in Spain, which are developing the four lines of business:

*	Servicing and Maintenance	24 %
*	Renovation and Construction	50 %
*	Maintenance of Buildings and Installations	16 %
*	Maintenance of Service Stations	10 %

A staff of, on average, approximately 950 employees has been maintained, technical personnel accounting for 48% of the staff.

The sales figures for the year 2009 were the following:

*	Elsamex, S.A. only	98.9 Million Euros
*	With JVs	117.9 Million Euros

By sector, 70.1% of sales were in Highways, 14.9% in Buildings and other infrastructures, 9.6% in the Petrochemical sector and the remaining 5.4% was spread between Sports Complexes, Hydraulic Works, Railways, Ports, Airports and the Environment.

In this year, sales for customers were 60% to the Central Administration bodies, 25% to Autonomous and Local Institutions and finally 15% to private businesses.

The work portfolio for the coming years amounts to 83.4 million Euros.

With regard to the results and during this year, a result has been obtained of 2.85 million Euros before tax and a result equivalent to 2.0 million Euros after tax.

The shareholder equity has been valued at 50.5 million Euros in comparison with 32 million Euros in the previous year, the policy of capitalisation of the company continuing.

In the Field of the Servicing of Infrastructures, the prospects continue to be great, since the portfolio in this field is 35.9 million Euros, which represents 43% of the overall portfolio of the business.

Specifically, and in relation to essential Highway maintenance, Elsamex has a portfolio of 20 highway maintenance contracts with the Ministry of Public Works, various regional governments, city and town councils and concessions, which represents an increase on the previous year of 5 contracts, the Orense contract having been renewed with the Ministry of Public Works and those of Jaén, Teruel y Badajoz (2) having been extended with the same body. In addition, 5 new contracts have been won, 3 with regional bodies: Andalusia (Cadiz), Catalonia (Argentona), the Balearics (Palma de Mallorca) and two with local bodies: Córdoba and Avila.

Other contracts in this field continue to be bid for, both with the Ministry of Public Works and with other bodies, new awards being expected during 2010.

The maintenance services in the fields of Water, Ports and Environment have continued, maintenance works being carried out in green zones such as the Maintenance of the Gardens of Pontevedra City Council and Bursajot University. With respect to maintenance in the field of Water, we have continued maintenance work on three lakes in the Hydrographic Confederation of the North (Confederación Hidrográfica del Norte), also continuing the riverbed works with the Hydrographic Confederation of the Segura (Confederación Hidrográfica del Segura). With respect to ports, the maintenance work on various ports in Alicante province has continued.

In the field of Renovation and Construction of Highways and Buildings, we would highlight as the work most worthy of note, the restoration of a highway in Haiti with European funding (30.5 million Euros), the construction of the initial A-4 Concession works for the Ministry of Public Works, through a Joint Venture in which we have a 50% share, and the initial construction works for the Coiros Service Station Concession. These two investment works will be completed in 2010. The portfolio for this field is 18.2 million Euros, representing 22% of the overall portfolio of the business.

In the field of Building and Installation Maintenance, the current portfolio has continued to be widened with new contracts, the essential maintenance of multiple public buildings currently standing out, such as the maintenance of various health centres in Madrid, multiple sports complexes in Murcia and in Madrid, Colleges in the Fuenlabradas municipality, the high velocity train (AVE) stations of Puertollano, Ciudad Real and Córdoba, as well as the low voltage electrical maintenance of Terminals T1, T2 and T3 and the Uninterrupted Power Supply and plumbing for Terminal T4, of Barajas Airport.

Similarly, our presence continues in the private sector, with clients such as the banking institutions of La Caixa, la Caja de Ahorros de Murcia (CAM), Cajamar and Caja Rioja, and other private ones such as Iberdrola and Seguros Ocaso.

The portfolio for this field is 11.1 million Euros, representing 13% of the overall portfolio of the business.

In the field of Service Station Maintenance, we have more than 2,500 under contract between Spain, Colombia, the Dominican Republic and Ecuador, owned by Repsol, Cepsa, Exxon, Móvil, Disa, Agip and Galp. Furthermore, we are continuing our presence in the maintenance of shops in service stations for Repsol-YPF, maintaining these in Madrid, Andalusia, Catalonia and the Balearics.

The portfolio for this field is 18.1 million Euros, representing 22% of the overall portfolio of the business.

In the field of Concessions, Elsamex, S.A. has continued to carry out the Concession works for the Servicing and Operation of Highway A-4 from Km. 3.78 to Km 67.5 Stretch: Madrid-R4. This concession, the client for which is the Ministry of Public Works, is considering an initial investment of 67 million Euros and its duration is 19 years. The participation of Elsamex, S.A. in this project is 46.25 %.

In addition, Elsamex, S.A. is the winner of the Concession for the Construction and Operation of a Service Station in Coiros, located on the A-6, awarded by the Ministry of Public Works, with a completion time of 39 years. The construction of the works attached to this concession, with an investment of 5.5 million Euros, has advanced greatly during this year and will be completed next year.

During 2010 the operation of both concessions will begin.

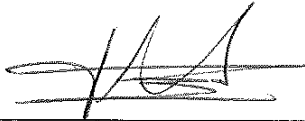
In summary, all the above has led us to believe that during 2010 we will be able to improve on the results of this year, in spite of these times of economic crisis.

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.

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 2009, on May 18, 2010, which shall be submitted for the approval of the General Shareholders' Board.

R. Parthasarathy

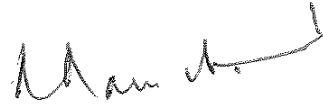
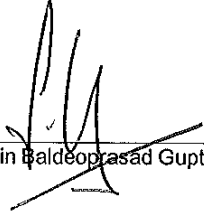


Murli Dhan Khattar

Mr. Ravi Parthasarathy

Mr. Fernando Bardisa Jorda

Mr. Murli Dhan Khattar



Mr. Sachin Baldeo Prasad Gupta

Mr. Arun Kumar Saha

Mr. Ramchand Karunakaran