INSTITUTO TÉCNICO DE LA VIALIDAD Y DEL TRANSPORTE, S.A.

ANNUAL REPORT

2009

Num NT-5110	Date the 24th May 2010
PERFORMANCE :	Audit. Report on Abridged Annual Accounts for the fiscal year 2009
ENTITY :	INSTITUTO TECNICO DE LA VIALIDAD Y DEL TRANSPORTE, S.A. "INTEVIA, S.A."
DOMICILE :	18, San Severo St, 2842-Madrid
ENTRUSTED BY :	The Management by delegation of the Directors
ADDRESSED TO :	The Shareholders
DOCUMENTS AUDITED :	Abridged Annual Accounts for the fiscal year 2009
PERFORMED BY THE AUDITING FIRM :	B. Tahoces Acebo N° 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

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AUDIT REPORT OF ABRIDGED ANNUAL ACCOUNTS

To the Shareholders of:

INSTITUTO TÉCNICO DE LA VIALIDAD Y DEL TRANSPORTE, S.A.
"INTEVIA, S.A."

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

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

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

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

Madrid, 24th May 2010

Bernardo Tahoces Acebo

Instituto Técnico de la Vialidad y del Transporte, S.A.

Summarized Annual Accounts for the Period Ending
31st December 2009, together with
the Independent Auditor's Report

INSTITUTO TÉCNICO DE LA VIALIDAD Y DEL TRANSPORTE, S.A.

SUMMARIZED BALANCE SHEET AT DECEMBER 31ST 2009 AND 2008

(Euros)

ASSETS	Report Notes	Period 2009	Period 2008
NON-CURRENT ASSETS		161,895	190,600
Intangible fixed assets	Note 5	-	-
Developments		-	-
Tangible fixed assets	Note 6	161,895	190,600
Technical installations and other tangible fixed assets		161,895	190,600
CURRENT ASSETS		1,544,591	2,966,901
Stocks	Note 4.5	2,687	53,859
Down payments to suppliers		2,687	53,859
Trade debts and other accounts receivable	Note 8	1,085,726	2,437,749
Customers due to sales and provision of services		764,944	1,816,791
Customers, Group companies and associates	Note 15	150,902	567,624
Other debtors		127,031	21,035
Personnel		29,689	20,501
Other credits with Public Administrations	Note 12	13,160	11,798
Short-term investments in Group companies and associates	Note 15	236,957	411,933
Other financial assets		236,957	411,933
Short-term financial investments	Note 8	140,183	-
Other financial assets		140,183	-
Cash and other equivalent liquid assets		79,037	63,361
Treasury		79,037	63,361
TOTAL ASSETS		1,706,486	3,157,501

LIABILITIES	Report Notes	Period 2009	Period 2008
NET EQUITY		43,883	36,025
STOCKHOLDERS' EQUITY			
Capital	Note 10	60,200	60,200
Registered capital		60,200	60,200
Reserves		749	64
Legal and statutory		749	64
Results from previous periods		(24,924)	(24,924)
Surplus		(24,924)	(24,924)
Result of the period		7,858	685
NON-CURRENT LIABILITIES		54,712	94,630
Long-term debts		54,712	94,630
Debts with credit institutions	Note 11	29,260	-
Creditors due to financial leasing	Note 7	25,452	55,912
Other long-term debts		-	38,718
PASIVO CORRIENTE		1,607,892	3,026,846
Short-term debts		208,652	54,128
Debts with credit institutions	Note 11	-	18,981
Creditors sue to financial leasing	Note 7	30,460	35,147
Other financial liabilities		178,192	-
Short-term debts with Group companies and associates	Note 15	723,019	981,656
Trade creditors and other accounts payable	Note 11	673,263	1,987,960
Suppliers		479,389	670,874
Suppliers, Group companies and associates	Note 15	7,612	723,211
Other creditors		-	464,061
Personnel		3,428	6,285
Liabilities due to current tax		3,037	-
Other debts with Public Administrations	Note 12	68,829	85,095
Advances from clients		110,968	38,434
Short-term periodifications		2,958	3,102
TOTAL NET EQUITY AND LIABILITIES		1,706,487	3,157,501

Notes 1 to 16 of the present Report are an integral part of the balance sheet as at December 31st 2009

INSTITUTO TÉCNICO DE LA VIALIDAD Y DEL TRANSPORTE, S.A.

CUENTAS DE PÉRDIDAS Y GANANCIAS ABREVIADAS DEL EJERCICIO TERMINADO A 31 DE DICIEMBRE DE 2009 Y DE 2008

(Euros)

	Report Notes	Period 2009	Period 2008
CONTINUING OPERATIONS			
Net amount of the annual turnover	Note 13	**1,685,855**	**1,936,985**
Rendering of services		1,685,855	1,936,985
Stocks	Note 13	**(810,290)**	**(1,082,099)**
Consumption of raw and other consumable materials		(133,885)	(91,318)
Work carried out by other companies		(676,405)	(990,781)
Other income from operations		**358,457**	-
Additional income and current management income		210,140	
Operation subsidies included in the period's result	Note 13	148,317	-
Staff expenses	Note 13	**(509,122)**	**(479,428)**
Salaries and others		(404,670)	(376,250)
Fringe benefits		(104,452)	(103,178)
Other operating expenses	Note 13	**(665,259)**	**(329,179)**
External services		(406,397)	(317,129)
Taxes		(20,597)	(12,049)
Losses, impairments and variation in provisions from trade operations	Note 8	(238,265)	-
Amortizement of fixed assets	Note 6	**(44,293)**	**(38,668)**
Other results		**5,010**	-
OPERATIONS RESULT		**20,359**	**7,611**
Financial income		-	**4**
Negotiable securities and other financial instruments		-	4
Financial expenditure		**(9,328)**	**(6,702)**
Debts with third parties		(9,328)	(6,702)
FINANCIAL RESULT		**(9,328)**	**(6,698)**
RESULT BEFORE TAXES		**11,031**	**913**
Tax on profits	Note 12	(3,173)	(228)
PERIOD RESULT FROM CONTINUING OPERATIONS		**7,858**	**686**
PERIOD RESULT		**7,858**	**686**

Notes 1 to 16 of the present Report are an integral part of the profit and loss account for the period 2009

INSTITUTO TÉCNICO DE LA VIALIDAD Y DEL TRANSPORTE, S.A.

STATEMENT OF CHANGE IN THE NET WORTH OF THE PERIOD 2009 AND 2008
A) STATEMENT OF ASSIGNED INCOME AND EXPENDITURE
(Euros)

	Report Notes	Period 2009	Period 2008
RESULT OF THE PROFIT AND LOSS ACCOUNT (I)		7,858	685
TOTAL INCOME AND EXPENDITURE ASSIGNED DIRECTLY TO NET WORTH (II)		-	-
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACOUNT (III)		-	-
TOTAL ASSIGNED INCOME AND EXPENDITURE (I+II+III)		7,858	685

Notes 1 to 16 of the present Report are an integral part of the statement of assigned income and expenditure for the period 2009

INSTITUTO TÉCNICO DE LA VIALIDAD Y DEL TRANSPORTE, S.A.

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

B) STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euros)

	Capital	Reserves	Results of previous periods	Period Result	TOTAL
BALANCE AT CLOSING OF PERIOD 2007	**60,200**	**64**	**(25,500)**	**576**	**35,340**
Distribution of 2007 result	-	-	576	(576)	-
Result of 2008 period (profit)	-	-	-	685	685
FINAL BALANCE OF 2008 PERIOD	**60,200**	**64**	**(24,924)**	**685**	**36,025**
Distribution of 2008 result	-	685	-	(685)	-
Result of 2009 period (profit)	-	-	-	7,858	7,858
FINAL BALANCE FOR 2009 PERIOD	**60,200**	**749**	**(24,924)**	**7,858**	**43,883**

Notes 1 to 16 of the present Report are an integral part of the statement changes in total net worth for the period 2009

Instituto Técnico de la Vialidad y del Transporte, S.A.

Summary Report of the
Annual period ending
December 31st 2009

1. Constitution and activity

Constitution

Instituto Técnico de la Vialidad y del Transporte, S.A. (henceforth, the Company), was formed as a public company (Sociedad Anónima) with the name of Instituto Técnico de la Vialidad y del Asfalto, S.A. for a indefinite period of time on May 20th 1994. On November 30th 2000 it changed its company name to its current one. Its head office is in calle San Severo 18, Madrid.

Corporate objective

The Company's objective is:

a. Rendering all kinds of services to individual or legal entities, including consultancy, trade management and evaluation and auditing of occupational hazards, quality, security and public relations.

b. Carry out training, educational and recycling courses for agents, technicians, medium managers and workers and, in general, for all kinds of individuals both in Public Administrations and in companies working in the fields of building, maintenance, transport, environment, urban planning and infrastructures, as well as in aspects related to its technology.

c. Consultancy and technical assistance to Administrations and public entities in matters of Projects and Reports, Inventory, Management and Maintenance, Pathology and Renovation and Security and Risks Prevention.

d. Carry out studies and issue technical reports in the fields of construction, maintenance, transport, environment, urban planning and infrastructures, as well as perform auditing, arbitrating and expert appraising work to solve any problem that might arise in the aforementioned activities.

e. Investigation, development and innovation work of all sorts in the field of civil engineering, transport, environment and urban planning.

f. Transfer technology in the fields of construction, maintenance, transport, environment, urban planning and infrastructures, promoting its development and progress, as well as promoting and establishing cooperation agreements with all kinds of entities, institutions, universities, companies and professionals.

g. Create and update a librarian collection and a reference and legal collection in the fields of civil engineering, transport, environment and urban planning to facilitate a service of external consultation.

h. Publish books and other types of publications of all sorts, as well as scientific and technical documents in the fields of civil engineering, transport, environment and urban planning.

i. Carry out economic and financial documents of road, infrastructures and urban planning organization, development and operation.

j. The substitution, purchase, possession and sale of shares and participations in other entities, civil or commercial, with any kind of activity or corporate objective, on its own behalf and with the exception of the activities regulated by the Law of Institutions of Collective Investment and Market Trade, without detriment to the administrative authorisations that any special Law may require.

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

The company is integrated in the Elsamex Group, Elsamex S.A. being the dominant firm, with head office in calle San Severo, 18 Madrid, company in charge of issuing consolidated financial accounts. The consolidated annual accounts of the Elsamex Group, S.A for the 2008 period were prepared by the Directors of Elsamex S.A., meeting with their Board on May 14th 2009 and deposited in Madrid Commercial Registry. In turn, the Elsamex Group is controlled by an international group whose ultimate dominant firm is "Infrastructure Leasing & Financial Services Limited (IL&FS)" , with head office in Bombay (India) Bandra – Kurla Complex.

2. Presentation principles for the summarized annual accounts

2.1 True picture

The summarized annual accounts attached have been obtained from the Company's accounts registers and are presented in accordance with the R.D. 1514/2007 by which the General Accountancy Plan is approved, showing the true picture of the equity, the financial situation, the Company's balance sheet and the cash flows during the corresponding period.

In accordance with the current Commercial Law, the Company is not obliged to have its summarized annual accounts audited; however, with the sole objective of improving the transparency of the financial information, the Administration Body has decided to submit the present summarized annual accounts for the 2009 period to the verification of an external auditor. The accounts will later be submitted to the approval in the General Ordinary Shareholder's Meeting, and are expected to be approved without any amendments.

In compliance with article 175 of the Public Companies Legislation (Ley de Sociedades Anónimas), modified by Law 16/2007, in force since the 1st of January 2008, the Company draws up summarized annual accounts.

These summarized annual accounts, that were prepared by the Directors, will be submitted to the approval in the General Ordinary Shareholders' Meeting, are expected to be approved without any amendments. Regarding the summarized annual accounts of period 2008, they were approved in the General Shareholders' Meeting of June 30th 2009.

2.2 Non-obligatory accounting principles

Non-obligatory accounting principles have not been applied. Additionally, the Directors have prepared the present summarized annual accounts taking into consideration all the obligatory accounting principles and standards of application that have a significant effect on the said accounts. No obligatory accounting principle has been left non-applied.

2.3 Critical aspects of valuation and estimation of uncertainty

In order to evaluate some of the assets, liabilities, income, expenditure and commitments of the present summarized annual accounts, estimations made by the Company's Administrators have been used. Basically, these estimations refer to the useful life of the tangible assets, degradation of customer invoices and the calculation of the supplies through creditor invoices pending receipt.

In spite of theses estimations having been done on the basis of the best information available at the closing 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, if necessary, would be done prospectively.

2.4 Comparison of information

For comparison purposes, the information contained in this report relating to the 2009 accounting period is presented together with the information of the 2008 accounting period.

2.5 Grouping of entries

Specific items from the balance sheet, profit and loss account and statement of changes in the net assets 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 summarized annual accounts attached no significant error has been detected that might presuppose the re-expression of the amounts included in the summarized annual accounts of the 2008 accounting period.

3. Distribution of results

The proposal for the distribution of the results of the period prepared by the Company's Directors to be submitted to the approval in the General Shareholders' Meeting is the following:

	Euros
Distribution basis:	
Voluntary reserves	616
Losses and gains (profit)	7,858
	8,474
Application:	
To legal reserve (10%)	786
To compensating previous periods	7,688
	8,474

4. Standards for recording and evaluation

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

4.1 Intangible fixed assets

As a general rule, the assets grouped under this heading are initially valued by their acquisition price or production cost. It is later evaluated to its reduced cost by the corresponding accrued amortization and losses through impairment, should there be any. The amortization of such assets depends on its economic life.

Research and development expenditure:

The Company follows the principle of entering the research expenditure of the accounting period in the profit and loss account of the said period. Regarding development expenses, theses are activated when the following conditions are fulfilled:

- They are 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 in the profit and loss account for the period.

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, should there be any.

Whenever there are loss of value indices, the Company proceeds to estimate by means of the "Impairment test" the possible existence of losses of value that reduce the redeemable value of the said assets to an amount smaller than their book value.

The Company amortizes the tangible fixed assets following the linear method, applying annual amortization percentages calculated considering the estimated years of useful life of the respective assets, as follows:

	Percentage
Technical installations	10
Machinery	15
Furniture	10
Computer equipment	25
Transport elements	15

The expenses for preserving 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 increase the capacity or efficiency or to lengthen the useful life of the said assets are entered as a major cost of the said items.

Leasing

Leases are classified as financial leases provided that it may be inferred from its conditions that the risks and benefits inherent to the ownership of the asset subject to the contract are substantially transferred to the lessee. Any other lease is classified as an operating lease.

When the company is the lessee – Financial lease

In the financial lease operations in which the Company acts as lessee, the cost of the leased assets is presented in the balance sheet according to the nature of the item subject of the contract and, simultaneously, as a liability for the same amount. The said amount will be the smaller figure between the reasonable value of the leased property and the current value at the beginning of the lease of the minimum amounts agreed, including the purchase option, when there are no reasonable doubts over its exercise. The outgoings of a contingent nature, the cost of services and the taxes reboundable by the lessor will not to be included in its calculation. The total financial charge of the contract is allocated in the summarized profit and loss account for the period in which it is accrued, applying the effective interest rate method. Outgoings of a contingent nature are included as an expense for the period in which they are incurred.

The assets entered by means of this sort of operation are amortized through similar principles to those applied to the whole of the tangible assets, in accordance with their nature.

4.4 Financial instruments

4.4.1 Financial assets

Classification -

The Company's capital assets are classified in loans and items receivable and correspond with financial assets originating in the sale of goods or in the provision of services through the company's trading operations, or those that not having a commercial origin, are not equity instruments or derivatives, corresponding to a fix or determinable amount not negotiated in an active market.

Initial valuation -

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

Subsequent valuation -

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

At least at the closing of the period, 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 this occurs, the entry of this impairment is made in the profit and loss account.

The Company discharges the financial assets when they expire or the rights over the cash flow of the corresponding financial asset have been assigned, causing a substantial transfer of the risks and benefits inherent to their ownership.

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

4.4.2 Financial liabilities

Financial liabilities are those debits and items payable held by the Company which have originated in the purchase of goods and services due to trading operations, and those that, without having a commercial origin, cannot be considered as derived financial instruments.

The debits and payable entries are initially evaluated 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 that have generated them are extinguished.

4.5 Stock

This heading comprises the advances paid to suppliers in exchange for services to be rendered.

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 closing 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 due to tax on profits comprises the part relating to the expenditure or income due to the current tax and the part corresponding to the expenditure or income of the deferred tax.

The current tax is the amount the Company satisfies as a consequence of the fiscal liquidations 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 applied effectively in the present period, bring about a lower amount of current tax.

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

Liabilities for deferred taxes are included 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, associated and partners businesses in which the Company can control the reversion time, without being probable that they will revert in the foreseeable future.

Regarding the assets and liabilities due to deferred taxes, they are only entered insofar as it is considered probable that the Company will have future fiscal gains against which they can be offset.

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

4.8 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. The said revenue and expenditure are valued by the reasonable value of the consideration received, once the discounts and interests have been deducted.

The recognition of the sales revenue occurs when the significant risks and benefits inherent to the ownership of the sold item have been transferred to the buyer, not keeping the current management or the effective control over the said item.

Regarding the revenue from rendering of services, these are recognised in consideration of the degree of progress of the service at the balance date, provided the transaction result can be estimated in a reliable manner.

The interests received from financial assets are recognised applying the principle of the effective interest rate and dividends, when the shareholder's right to collect them is declared. In any case, the interests and dividends from financial assets accrued after the acquisition are recognised as revenue in the profit and loss account.

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 closing of the period in accordance with their degree of development, independently of the date of issue on the invoice.

4.9 Environment

Assets of environmental nature are those used in a long-term basis in the Company's activity. Their main aim is to minimize environmental impact as well as protect and improve the environment, including the reduction or elimination of future pollution.

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

4.10 Temporary Joint ventures (Joint business)

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

The Temporary Joint Ventures have been included at each section level of the balance sheet, the profit and loss account and the cash flow statements, by means of the proportional integration method, taking into consideration the percentage share of the Company.

The main figures brought by the Temporary Joint Ventures to the summarized balance sheet and the profit and loss account for the accounting periods ending 31st December 2009 and 2008 are:

	Euros	
	2009	2008
Total assets	**148,769**	**542,668**
Circulating assets	148,769	542,668
Turnover net amount	**83,491**	**466,518**

4.11 Provisions and contingencies

When preparing the summarized annual accounts, the Company Directors differentiate 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 regards 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 conditioned on the occurrence or not of one or more future events independent of the Company's will and not reasonably calculable.

The summarized annual accounts assemble all the provisions with respect to which it is deemed that the probability of having to meet the obligation is higher than the reverse. The contingent liabilities are not included in the summarized annual accounts, but are shown in the report notes, insofar as they are not considered remote.

The provisions are evaluated by the current value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into consideration the information available about this event and its consequences, and entering any updating adjustments of these provisions as a financial expense once accrued.

The compensation receivable from a third party at the time the obligation is settled, provided there are no doubts as to whether this reimbursement will be made, is entered as an asset, unless there is a legal link that has caused part of the risk to be externalised and under which the Company is not obliged to respond. In this situation, the compensation will be taken into account in order to estimate the provision amount to be reflected.

4.12 Dismissal compensations

In compliance with prevailing legislation, the Company is obliged to pay compensations to those employees with whom, under specific conditions, it terminates its employment relation. Therefore, the dismissal compensations that may be reasonably quantified are entered as an expense in the period in which the termination decision is taken. In the summarized annual accounts attached there is no provision entered under this heading, since situations of this nature are not expected.

4.13 Subsidies, donations and legacies

In order to account the subsidies, donations and legacies received, the Company adopts the following principles:

a) Non-reimbursable capital subsidies, donations and legacies: they are valued according to the reasonable value of the amount or asset granted, taking into consideration if their nature is monetary or not, and they are attributed to results in proportion to the allocation made to amortization in the period for the subsidized items or, if relevant, whenever their sale or impairment value correction takes place, except those received from partners or owners, which are directly entered into stockholders' equity, not constituting 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 will be taken into account in the said periods. If they are granted for financing specific expenditure, the allocation will be made as the expenditure financed accrues.

4.14 Principles used in transactions between related parties

One party is considered to be 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 when taking financial and operational decisions.

In any case, they will be considered as related parties:

a) The companies with the consideration of group Company, associate or multi-group, in accordance with article 42 of the Commercial Code (Código de Comercio).

b) Individuals who, directly or indirectly, have any participation in the voting rights of the Company, or in its dominant entity, enabling them to exercise a significant influence over one or the other. This includes close relatives of the aforementioned individuals.

c) The key staff of the Company or its dominant entity, i.e., the individuals with authority and responsibility over the planning, management and control of the Company's activity, either directly or indirectly, which includes the directors and managers, as well as the close relatives of the aforementioned individuals.

d) Any company under a significant influence by the people mentioned in b) and c).

e) Any company that may share a board member or manager with the Company, unless this person exercise not a significant influence in the financial and operational policies of such companies.

f) The 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 any other company related to it.

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

a) The spouse or person with an analogous relationship;

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

c) The spouse's ascendants, descendants and siblings or individuals with an analogous relationship;

d) Individuals under his/her charge or under the spouse's charge, or under the charge of any individuals 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, and the Company Directors consider that there are no significant risks related to this aspect that could derive in important future liabilities. The Company is currently preparing the documentation required in article 16 of the Revised Corporate Tax Act and its Regulations (Texto Refundido de la Ley del Impuestos sobre Sociedades y de su Reglamento) in order to withstand the transfer prices applied in the transactions between linked entities.

5. Intangible fixed assets

The movements under this balance sheet heading during the accounting periods of 2009 and 2008, as well as its most significant information have been the following:

Period 2009

	Euros		
	31-12-08	Outgoings	31-12-09
Cost :			
Development	16,650	(16,650)	-
	16,650	(16,650)	-
Accrued amortization :			
Development	(16,650)	16,650	-
	(16,650)	16,650	-
Net value	-	-	-

Period 2008

	Euros		
	31-12-07	Additions	31-12-08
Cost :			
Development	16,650	-	16,650
	16,650	-	16,650
Accrued amortization :			
Development	(16,650)	-	(16,650)
	(16,650)	-	(16,650)
Net value	-	-	-

6. Tangible fixed assets

The movements under this balance sheet heading during the accounting periods of 2009 and 2008, as well as its most significant information have been the following:

Period 2009

	Euros			
	31-12-08	Additions	Withdrawals	31-12-09
Cost :				
Technical installations	248,586	14,500	(40,221)	222,865
Furniture	34,942	-	-	34,942
Equipment for information processing	1,627	1,087	-	2,714
Transport elements	42,673	-	-	42,673
	327,828	15,587	(40,221)	303,194
Accrued amortization :				
Technical installations and machinery	(114,338)	(32,126)	40,221	(106,243)
Furniture	(8,629)	(4,903)	-	(13,532)
Equipment for information processing	(1,153)	(497)	-	(1,649)
Transport elements	(13,108)	(6,767)	-	(19,875)
	(137,228)	(44,293)	40,221	(141,299)
Net value	**190,600**	**(28,706)**	-	**161,895**

Period 2008

	Euros		
	31-12-07	Additions	31-12-08
Cost:			
Technical installations and machinery	189,692	58,895	248,586
Furniture	34,942	-	34,942
Equipment for information processing	1,627	-	1,627
Transport elements	42,673	-	42,673
	268,934	58,895	327,828
Accrued amortization :			
Technical installations and machinery	(62,938)	(25,937)	(114,338)
Furniture	(12,096)	(3,467)	(8,629)
Equipment for information processing	(1,153)	-	(1,153)
Transport elements	(22,372)	(9,264)	(13,108)
	(98,559)	(38,668)	(137,228)
Net value	**170,375**	**20,227**	**190,600**

The Company's policy is to formalize insurances policies in order to cover the risks its tangible fixed assets are subject to. The Company's Administrators consider the coverage of such risks at 31st December 2009 and 2008 to be appropriate.

At the closing of tax year 2009 and 2008 the Company did not have elements of tangible fixed assets completely amortized.

As it is shown in Note 7, at closing of periods 2009 and 2008 the Company had several financial leasing operations agreed against its tangible fixed assets.

7. Leasing

Financial leasing

At the closing of periods 2009 and 2008 the Company, as a financial lessee, has the following leased assets:

Period 2009

	Assets valued at their reasonable value	Assets valued by the current value of the minimum payments	Total
Tangible fixed assets	146,993	-	146,993
Total	**146,993**	-	**146,993**

Period 2008

	Assets valued at their reasonable value	Assets valued by the current value of the minimum payments	Total
Tangible fixed assets	146,993	-	146,993
Total	**146,993**	-	**146,993**

At the close of 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 repercussion 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 1 year	35,758	30,460	35,758	35,147
Between 1 and 5 years	30,773	25,452	61,723	55,912
Total	**66,531**	**55,912**	**97,481**	**91,059**

There are no contingent quotas.

8. Short-term financial assets

Credits and items receivable

The breakdown of this summarized balance sheet heading at December 31st 2009 and 2008 is as follows:

	Euros	
	2009	2008
Customers due to sales and provisions of services::		
Customers	764,944	1,816,791
Doubtful collection customers	238,265	-
Impairment of value of commercial operation credits	(238,265)	-
	764,944	1,816,791
Customers, Group businesses current accounts (Note 15):	387,859	979,557
Other debtors:	127,031	21,035
Personnel:	29,689	20,501
Other financial assets::	140,183	-
Total	**1,449,706**	**2,837,884**

During the period the Company entered the amount of 238,265 Euros as impairment losses.

9. Information about the nature 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 credit and liquidity risks. The main financial risks that affect the Company are:

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 the Company holds a significant volume of operations with an important number of customers, their solvency is mostly guaranteed, since they are basically Public Institutions, which eliminates credit risk with third parties.

b) Liquidity risk:

In order to guarantee the liquidity and capacity to fulfil all the payment commitments deriving from its activity, the Company relies on the Treasury to show its balance.

c) Market risk:

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 flows. That is the reason why the Company follows the policy of investing in financial assets that are virtually un-exposed to interest rate risks.

10. Stockholders' equity

10.1 Share capital

At the closing of period 2009 the Company's capital amounts to 60,200 Euros, represented by 10,000 nominative shares of 6,02 Euros of nominal value each, all of them of the same kind, totally subscribed and paid according to the following detail:

	% Participation
Elsamex, S.A.	50%
Centro de Investigación Elpidio Sánchez Marcos, S.A.	50%
	100%

The shares are not quoted in the Stock Exchange.

10.2 Legal reserve

In accordance with the Revised Corporations Act, a figure equal to 10% of the period's profit must be destined to the legal reserve until this sum reaches, at least, 20% of the share capital. The legal reserve can only be used to increase the capital in the part of its balance that exceeds 10% of the capital already increased. Except for the aforementioned purpose, and with the maximum limit of 20% of the share capital, this reserve may only be assigned to the compensation of losses provided there are no other sufficient reserves available for such purpose.

11. Financial liabilities

Debts and other accounts payable

At December 31st 2009 and 2008 the detail of this summarized balance sheet heading is as follows:

	Euros	
	2009	**2008**
NON-CURRENT LIABILITIES:		
Debts with credit institutions	29,260	-
Creditors due to financial leasing (Note 7)	25,452	55,912
Other long-term debts	-	38,718
Total non-current liabilities	**54,712**	**94,630**
CURRENT LIABILITIES:		
Short-term debts:		
Debts with credit institutions	-	18,981
Creditors due to financial leasing (Note 7)	30,460	35,147
Other financial liabilities	178,192	-
	208,652	**54,128**
Debts with Group companies (Note 15):	**723,019**	**981,656**
Trade creditors and other accounts payable:		
Suppliers	479,389	670,874
Suppliers, Group companies (Note 15)	7,612	723,211
Other creditors	-	464,061
Personnel	3,428	6,285
	490,429	1,864,431
Total current liabilities	**1,422,100**	**2,900,215**

Debts with credit institutions

Under the present heading the company registers the debt it holds with a bank due to cash discount certifications.

12. Public Administrations and fiscal situation

The makeup of this balance sheet heading at December 31st 2009 and 2008 is as follows:

	Euros			
	2009		2008	
	Debtors' Balances	Creditors' Balances	Debtors' Balances	Creditors' Balances
Public Treasury, debtor due to VAT	13,160	-	-	-
Public Treasury, creditor due to VAT	-	39,420	-	49,976
Public Treasury, Corporate tax	-	3,037	-	119
Public Treasury, creditor due to IGIC	-	-	-	-
Public Treasury, creditor due to VAT UTES	-	2,150	11,798	8,698
Public Treasury, creditor due to IRPF	-	23,344	-	21,115
Social Security institutions, Creditors	-	3,914	-	5,187
Short-term balances with Public Administrations	**13,160**	**71,865**	**11,798**	**85,095**

Accounting reconciliation and taxable base I

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

Period 2009

	Euros	
	Base	Quota
Accounting result before tax (Profit)	11,031	3,309
Permanent differences:		
Other:	(454)	(136)
Fiscal taxable base	10,577	3,173
Payments in instalments	-	136
Payable corporate tax	-	**3,037**

Period 2008

	Euros	
	Base	Quota
Accounting result before tax (Profit)	913	274
Permanent differences:		
Other:	(153)	(46)
Fiscal taxable base	760	228
Payments in instalments	-	109
Payable corporate tax	-	**119**

In accordance with the provisions of the prevailing legislation, taxes are not be considered finally settled until the returns presented have been inspected by the fiscal authorities or the four year time limit has elapsed. At closing of exercise 2009 the Company has no inspection in course. The Directors consider the aforementioned tax obligations have been satisfactorily settled, and thus, in the event of fiscal inspection and presupposing the arousal of discrepancies in the usual prevailing interpretation due to the fiscal treatment given to the operations, future resultant liabilities, should they materialise, would not significantly affect these summarized annual accounts.

13. Revenue and expenditure

a) Net amount of the turnover

The net amount of turnover entered by the Company corresponds with 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	1,483,203	1,515,204
Provision of services to group businesses (Note 15)	202,652	421,781
	1,685,855	**1,936,985**

Almost the whole of services were carried out within the national territory.

b) Provisions

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

	Euros	
	2009	2008
Purchase of other provisions	133,885	91,318
Works carried out by other businesses	16,263	640,644
Works carried out Group business (Note 15)	660,142	350,137
	810,290	**1,082,099**

Almost the whole of the purchases from suppliers have taken place within the national territory.

c) *Personnel expenditure*

The breakdown of the Personnel expenditure entry in the profit and loss account at December 31st 2009 and 2008 is as follows:

	Euros	
	2009	2008
Wages, salaries and equivalent	404,670	376,250
Social security payable by the Company	104,452	103,178
Total	**509,122**	**479,428**

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

Categories	2009	2008
Technical staff and middle management	18	16
Administration personnel	1	1
Total	19	17

In compliance with Art. 200.9 of the Corporation Law, distribution by sex of the Company's personnel is shown, broken down into categories, for the accounting periods 2009 and 2008:

	2009		2008	
Categories	Men	Women	Men	Women
Technical staff and middle management	10	8	9	7
Administration personnel	-	1	-	1
Total	10	9	9	8

d) Other operating expenses

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

	Euros	
	2009	2008
Advertising	5,450	-
Leases and royalties	34,256	20,983
Repairs and maintenance	25,109	7,857
Independent professional services	138,019	86,182
Transport	2,596	67
Insurance premiums	5,590	11,647
Bank services and similar	17,059	36,593
Supplies	3,742	1,893
Other services	174,575	151,908
Other taxes	20,598	12,049
Profit-Variation of trade operations provisions	238,265	-
	665,259	**329,179**

e) Operating subsidies

During 2209 the Company has received two non-refundable subsidies granted by the Ministry of Environment within the National Plan of Scientific Research, Development and Technological Innovation.

14. Environmental aspects

Given the activities of the Company, 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 of the present report.

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

15. Operations with related parties

The detail of the balances and transactions during exercises 2009 and 2008 between the Company and the companies of Elsamex Group is as follows:

2009	Euros					
	Accounts receivable		Accounts payable		Income	Expenditure
	For provision of services	Credits	For provision of services	Loans	Services received	Services provided
Atenea, Seguridad y Medio Ambiente S.A.	-	-	-	200,781	-	16,066
Elsamex Portugal-Enghenería e Sistemas de Gestao, S.A.	50,444	-	-	-	-	-
Centro de Investigación de Carreteras de Andalucía, S.A.	16,510	-	-	-	-	-
Proyectos de Gestión, Sistemas, Cálculo y Análisis, S.A.	-	70,238	-	-	570	-
Sánchez Marcos Señalización e Imagen, S.U.	-	21,755	-	-	-	-
Señalización Viales e Imagen S.A.U.	-	61,000		-	-	-
Centro de Investigación Elpidio Sánchez Marcos, S.A.	162	81,319	-	-	375,018	71,326
CGI-8, S.A.	2,894	-	-	-	-	-
Control 7, S.A.	-	-	-	141,205	-	13,402
Elsamex, S.A.	-	-	-	343,534	194,156	20,012
Intevial Gestao Integral Rodoviaria, S.A.	-	-	7,612		-	-
Elsamex Internacional, S.L.	-	2,645	-	30,405	1,521	-
Grusamar Ingeniería y Consulting, S.L.	80,892	-	-	7,094	88,877	81,846
TOTAL	**150,902**	**236,957**	**7,612**	**723,019**	**660,142**	**202,652**

2008	Euros					
	Accounts receivable		Accounts payable		Income	Expenditure
	For provision of services	Credits	For provision of services	Loans	Services received	Services provided
Atenea, Seguridad y Medio Ambiente, S.A.	-	-	-	187,079	-	-
Proyectos de Gestión, Sistemas, Cálculo y Análisis, S.A.	513	60,408	-	-	310	-
Centro de Investigación Elpidio Sánchez Marcos, S.A.	211,757		-	33,537	74,114	223,508
Señalización, Viales e Imagen, S.A.		18,685	-	-		
Sánchez Marcos Señalización e Imagen, S.A.	-	9,735	-	-	-	20
Control 7, S.A.	4,273	-	-	176,800	-	4,273
Elsamex, S.A.	338,609	-	723,211	477,411	275,713	86,817
Elsamex Internacional, S.A.	12,472	-	-	34,884	-	12,473
Grusamar Ingeniería y Consulting, S.L.	-	323,105	-	71,945	-	94,690
TOTAL	**567,624**	**411,933**	**723,211**	**981,656**	**350,137**	**421,781**

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

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

- 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 in accordance with the type of transaction made:

a) For transactions consisting in rendering of services (subcontracting) between the different entities of the Group, the "resale price" method is used, that is, to subtract the usual margin in identical or similar operations with independent individuals or entities from the sale price of the item, or, failing this, the margin that independent individuals or entities apply to comparable operations, applying, if required, the necessary corrections to obtain the equivalence and consider the particularities of the operation.

b) For financial transactions and administration services between the different Group entities the "comparable free price" method is used, that is, to compare the price of the goods or service in an operation between connected individuals or entities with the price of identical goods or services, or goods or services of similar nature in an operation between independent individuals or entities in comparable circumstances, applying, if required, the necessary corrections to obtain the equivalence and consider the particularities of the operation.

The whole of the live balances existing between the connected entities at December 31st 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 describe 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 fulfillment on their own or on behalf of other of similar activities by the Administration body.

In compliance with Article 127 ter.4 of the Corporations Act, introduced by Law 26/2003 of July 17th, which amends Law 24/1988 of July 28th, regulating the Securities Market, and the Revised Corporation Act, with the aim of reinforcing corporate transparency, the present report informs that at the closing of accounting periods 2009 and 2008 the members of the Board of Instituto Técnico de la Vialidad y del Transporte, S.A. have not held shares in the capital of companies with an identical, analogous or complementary type of activity to that constituting the Company's corporate objective. In addition, they do not carry out activities, on their own or on behalf of others, with an identical, analogous or complementary type of activity to that 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 position.

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

No advanced payments, credits or obligations whatsoever have been assumed by the Company on behalf of the members of the Board of Directors.

16. Subsequent facts

After the closing of the period, and up to the date of preparation of the present summarized annual accounts, no significant subsequent facts worthy of mention have taken place.

Declaration of Submission of Summarized Annual Accounts

In compliance with the rules of the Corporations Act, the Board of Directors of Administración de Instituto Técnico de la Vialidad y del Transporte, S.A., , on xxx of xxx 2010 drew up the Summarized Annual Accounts of period 2009, which shall be submitted for approval in the General Shareholders' Meeting.

D. Sachin Baldeoprasad Gupta D. Ramchand Karunakaran D. Arun Kumar Saha

D. Ignacio Chueca García