PROYECTOS Y PROMOCIONES INMOBILIARIAS SÁNCHEZ MARCOS, S.L.

ANNUAL REPORT

2009

Num IP-5110	Date the 24th May 2010
PERFORMANCE :	Audit. Report on Abridged Annual Accounts for the fiscal year 2009
ENTITY :	PROYECTOS Y PROMOCIONES INMOBILIARIAS SANCHEZ MARCOS, S.L. "PROPINSA, S.L."
DOMICILE :	18, San Severo St, 28042-Madrid
ENTRUSTED BY :	The Management by delegation of the Directors
ADDRESSED TO :	The Shareholders
DOCUMENTS AUDITED :	Abridged Annual Accounts for the fiscal year 2009
PERFORMED BY THE AUDITING FIRM :	B. Tahoces Acebo Nº 5625 of R.O.A.C. Active Member of the Institute of Auditors of Spain which is a member of the FEE, IFAC and IASB

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

AUDIT REPORT OF ABRIDGED ANNUAL ACCOUNTS

To the Quoteholders of:

PROYECTOS Y PROMOCIONES INMOBILIARIAS SANCHEZ MARCOS, S.L.
"PROPINSA, S.L."

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

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

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

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

INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA
Bernardo Tahoces Acebo
MADRID

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 PROPINSA, S.L. 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

Proyectos y Promociones Inmobiliarias Sánchez Marcos S.L.

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

PROYECTOS Y PROMOCIONES INMOBILIARIAS SANCHEZ MARCOS, S.L.

SUMMARIZED BALANCE SHEET AT DECEMBER 31ST 2009 AND 2008

(Euros)

ASSETS	Report Notes	Period 2009	Period 2008	LIABILITIES	Report Notes	Period 2009	Period 2008
NON-CURRENT ASSETS		1,861	1,861	NET EQUITY	Note 5	(576,080)	(546,918)
Assets due to deferred tax	Note 6	1,861	1,861	*STOCKHOLDERS' EQUITY*		(576,080)	(546,918)
				Capital		3,010	3,010
				Registered capital		3,010	3,010
				Reserves		522	1,044
				Legal and statutory		52	104
				Other reserves		470	940
				Results from previous periods		(550,450)	(546,630)
CURRENT ASSETS		28,785	28,599	Surplus		(550,450)	(546,630)
				Result of the period		(29,162)	(4,342)
Stocks		3,857	3,736				
Down payments to suppliers	Note 4.2	3,857	3,736	CURRENT LIABILITIES		606,726	577,378
Trade debts and other accounts receivable		24,067	23,741	Short-term debts		1	-
Customers due to sales and provision of services		20,330	20,330	Other financial liabilities		1	-
Other credits with Public Administrations	Note 6	3,738	3,411	Short-term debts with Group companies and associates	Note 8	575,717	572,520
Short-term investments in Group companies and associates		-	261	Trade creditors and other accounts payable		31,007	4,858
Other financial assets		-	261	Suppliers		26,969	817
Cash and other equivalent liquid assets		861	861	Other debts with Public Administrations	Note 6	-	3
Treasury		861	861	Advances from clients		4,039	4,039
TOTAL ASSETS		30,646	30,460	TOTAL NET EQUITY AND LIABILITIES		30,646	30,460

Notes 1 to 9 of the present Report are an integral part of the balance sheet as at December 31st 2009

PROYECTOS Y PROMOCIONES INMOBILIARIAS SANCHEZ MARCOS, S.L.

SUMMARIZED PROFIT AND LOSS ACCOUNTS FOR ACCOUNTING PERIOD ENDED DECEMBER 31ST 2009 AND 2008

(Euros)

	Report Notes	Period 2009	Period 2008
CONTINUING OPERATIONS			
Stocks		**(26,144)**	**(178)**
Work carried out by other companies		(26,144)	(178)
Other operating expenses		**(3,017)**	**(2,327)**
External services		(2,219)	(1,915)
Taxes		(537)	(413)
Other current management expenditure		(261)	-
Other operations results		-	**(3,697)**
OPERATIONS RESULT		**(29,162)**	**(6,202)**
RESULT BEFORE TAXES		**(29,162)**	**(6,202)**
Tax on profits		-	1,861
PERIOD RESULT FROM CONTINUING OPERATIONS		**(29,162)**	**(4,342)**
PERIOD RESULT		**(29,162)**	**(4,342)**

Notes 1 to 9 of the present Report are an integral part of the profit and loss account for the period 2009

PROYECTOS Y PROMOCIONES INMOBILIARIAS SANCHEZ MARCOS, S.L.

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)		(29,162)	(4,342)
TOTAL INCOME AND EXPENDITURE ASSIGNED DIRECTLY TO NET WORTH (II)		(29,162)	(4,342)
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACOUNT (III)		(29,162)	(4,342)
TOTAL ASSIGNED INCOME AND EXPENDITURE (I+II+III)		(29,162)	(4,342)

Notes 1 to 9 of the present Report are an integral part of the statement of assigned income and expenditure for the period 2009

PROYECTOS Y PROMOCIONES INMOBILIARIAS SANCHEZ MARCOS, S.L.

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	**3,010**	**1,044**	**(2,054)**	**(544,576)**	**(542,576)**
Application of 2007 result	-	-	(544,576)	544,576	-
Result of 2008 period (loss)	-	-	-	(4,342)	(4,342)
FINAL BALANCE OF 2008 PERIOD	**3,010**	**1,044**	**(546,630)**	**(4,342)**	**(546,918)**
Application of 2008 result	-	-	(4,342)	4,342	-
Adjustments and transfers	-	(522)	522	-	-
Result of 2009 period (loss)	-	-	-	(29,162)	(29,162)
FINAL BALANCE FOR 2009 PERIOD	**3,010**	**522**	**(550,450)**	**(29,162)**	**(576,080)**

Notes 1 to 9 of the present Report are an integral part of the statement changes in total net worth for the period 2009

Proyectos y Promociones Inmobiliarias Sánchez Marcos S.L.

Summary Report of the
Annual period ending
December 31st 2009

1. Constitution and activity

Constitution

Proyectos y Promociones Inmobiliarias Sanchez Marcos, S.L. (henceforth, the Company), was formed as a limited company for a indefinite period of time. Its head office is in calle San Severo 18, 28042 Madrid.

Corporate objective

The company's objective is:

a) All sorts of real estate activities, such as the promotion, building, development, division, renovation, sale and purchase of urban and rural properties, land, plots of land, buildings, houses and offices.

b) The administration, leasing, custody, management, sale, exploitation and valuation of all kind of real estate, on its own or on behalf of others.

c) All kind of services related directly or indirectly with the activities operated by the Company.

d) The subscription and acquisition of stocks or shares in the assets of companies of all types, whether civil or commercial, on its own behalf and excluding activities regulated by the Law of Collective Investment and Security Market Institutions.

The activities for which the Law demands special requirements not met by the present company are excluded. If, for the activities mentioned above, the Law required a special kind of professional degree, such activities will be carried out by individuals in possession of the necessary qualification.

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

The company 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. These summarized annual accounts, prepared by the Directors, will be submitted to the approval in the General Ordinary Shareholders' 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.

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 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 Partners' Meeting, and are expected to be approved without any amendments.

2.2 Non-obligatory accounting principles

Non-obligatory accounting principles not have 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 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.

The Company has had losses that have translated in an important reduction of its funds and the existence of a significant negative working capital, elements that raise questions about the following of the accounting principle of working company and, therefore, the ability of the Company to encash its assets and liquidate its liabilities for the sums and according to the classification shown in the Balance Sheet attached, which has been prepared assuming that such activity will continue. There are several elements that tend to reduce or eliminate the doubt over the capacity of the Company to continue working as such, basically the financial support of the shareholders and the possibility of reducing the expenses without diminishing the operational capacity of the Company, as is inferred both from the budget of the 2010 period and the business plan approved by the Company's Administrators. This business plan is based on specific hypothesis and market tendencies that basically include: a market commercial expansion plan based on specific market niches; search of customers outside of the Group; direction of building work in all sorts of markets, all of them focusing on obtaining enough income to reach a positive result in the 2010 period, as well as the generating of positive cash flows in the same period

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. Application of results

The Company's Directors will present the proposal of applying the loss of the period (29,162 Euros) to negative results of previous periods in the General Partners' Meeting.

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 Financial instruments

4.1.1 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.

4.1.2 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.

4.1.3 Equity instruments

An equity instrument represents a 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.

4.2 Stock

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

4.3 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.

4.4 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.

4.5 Revenue and expenditure

Revenue and expenditure are allocated in accordance with the amount accrued principle, i.e. when the actual flow of goods and services they represent takes place, independently of the time in which the cash or financial flow derived from them takes place. The said 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 closing of the period in accordance with their degree of development, independently of the date of issue on the invoice.

4.6 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 to 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.

4.7 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 carge 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. Stockholders' equity

5.1 Share capital

At the closing of period 2009 the Company's capital amounts to 3,010 Euros, represented by 301 shares of 10 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.	0.33%
Sánchez Marcos Señalización e Imagen, S.A.	99.67%
	100.00%

5.2 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.

6. 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	Debtors' Balances	Creditors' Balances
Deferred tax assets	1,861	1,861	-
Long-term balances with Public Administrations	**1,861**	**1,861**	-
Public Treasury, debtor due to VAT	3,738	3,411	-
Public Treasury, creditor due to IRPF	-	-	3
Short-term balances with Public Administrations	**3,738**	**3,411**	**3**

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.

7. 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 annual accounts.

8. Operations with related parties

During periods 2009 and 2008 the Company holds several loans with the dominant firm ELSAMEX, S.A., acquired due to liquidity necessity. These intragroup transactions generate interests.

The principle to establish the transfer price policy rests on the "comparable free price" method, 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.

9. 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 Private Limited Company Act, the Board of Directors of Proyectos y Promociones Inmobiliarias Sánchez Marcos S.L.,, on xxx of xxx 2010 drew up the Annual Accounts of period 2009, which shall be submitted for approval in the General Partners' Meeting.

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

D. Ignacio Chueca García

Proyectos y Promociones Inmobiliarias Sánchez Marcos S.L.

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

PROYECTOS Y PROMOCIONES INMOBILIARIAS SANCHEZ MARCOS, S.L.

SUMMARIZED BALANCE SHEET AT DECEMBER 31ST 2009 AND 2008

(Euros)

ASSETS	Report Notes	Period 2009	Period 2008
NON-CURRENT ASSETS		1,861	1,861
Assets due to deferred tax	Note 6	1,861	1,861
CURRENT ASSETS		28,785	28,599
Stocks		3,857	3,736
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Customers due to sales and provision of services		20,330	20,330
Other credits with Public Administrations	Note 6	3,738	3,411
Short-term investments in Group companies and associates		-	261
Other financial assets		-	261
Cash and other equivalent liquid assets		861	861
Treasury		861	861
TOTAL ASSETS		30,646	30,460

LIABILITIES	Report Notes	Period 2009	Period 2008
NET EQUITY	Note 5	(576,080)	(546,918)
STOCKHOLDERS' EQUITY		(576,080)	(546,918)
Capital		3,010	3,010
Registered capital		3,010	3,010
Reserves		522	1,044
Legal and statutory		52	104
Other reserves		470	940
Results from previous periods		(550,450)	(546,630)
Surplus		(550,450)	(546,630)
Result of the period		(29,162)	(4,342)
CURRENT LIABILITIES		606,726	577,378
Short-term debts		1	-
Other financial liabilities		1	-
Short-term debts with Group companies and associates	Note 8	575,717	572,520
Trade creditors and other accounts payable		31,007	4,858
Suppliers		26,969	817
Other debts with Public Administrations	Note 6	-	3
Advances from clients		4,039	4,039
TOTAL NET EQUITY AND LIABILITIES		30,646	30,460

Notes 1 to 9 of the present Report are an integral part of the balance sheet as at December 31st 2009

PROYECTOS Y PROMOCIONES INMOBILIARIAS SANCHEZ MARCOS, S.L.

SUMMARIZED PROFIT AND LOSS ACCOUNTS FOR ACCOUNTING PERIOD ENDED DECEMBER 31ST 2009 AND 2008

(Euros)

	Report Notes	Period 2009	Period 2008
CONTINUING OPERATIONS			
Stocks		(26,144)	(178)
Work carried out by other companies		(26,144)	(178)
Other operating expenses		(3,017)	(2,327)
External services		(2,219)	(1,915)
Taxes		(537)	(413)
Other current management expenditure		(261)	-
Other operations results		-	(3,697)
OPERATIONS RESULT		(29,162)	(6,202)
RESULT BEFORE TAXES		(29,162)	(6,202)
Tax on profits		-	1,861
PERIOD RESULT FROM CONTINUING OPERATIONS		(29,162)	(4,342)
PERIOD RESULT		(29,162)	(4,342)

Notes 1 to 9 of the present Report are an integral part of the profit and loss account for the period 2009

PROYECTOS Y PROMOCIONES INMOBILIARIAS SANCHEZ MARCOS, S.L.

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)		(29,162)	(4,342)
TOTAL INCOME AND EXPENDITURE ASSIGNED DIRECTLY TO NET WORTH (II)		(29,162)	(4,342)
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACOUNT (III)		(29,162)	(4,342)
TOTAL ASSIGNED INCOME AND EXPENDITURE (I+II+III)		(29,162)	(4,342)

Notes 1 to 9 of the present Report are an integral part of the statement of assigned income and expenditure for the period 2009

PROYECTOS Y PROMOCIONES INMOBILIARIAS SANCHEZ MARCOS, S.L.

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	**3,010**	**1,044**	**(2,054)**	**(544,576)**	**(542,576)**
Application of 2007 result	-	-	(544,576)	544,576	-
Result of 2008 period (loss)	-	-	-	(4,342)	(4,342)
FINAL BALANCE OF 2008 PERIOD	**3,010**	**1,044**	**(546,630)**	**(4,342)**	**(546,918)**
Application of 2008 result	-	-	(4,342)	4,342	-
Adjustments and transfers	-	(522)	522	-	-
Result of 2009 period (loss)	-	-	-	(29,162)	(29,162)
FINAL BALANCE FOR 2009 PERIOD	**3,010**	**522**	**(550,450)**	**(29,162)**	**(576,080)**

Notes 1 to 9 of the present Report are an integral part of the statement changes in total net worth for the period 2009

Proyectos y Promociones Inmobiliarias Sánchez Marcos S.L.

Summary Report of the
Annual period ending
December 31st 2009

1. Constitution and activity

Constitution

Proyectos y Promociones Inmobiliarias Sanchez Marcos, S.L. (henceforth, the Company), was formed as a limited company for a indefinite period of time. Its head office is in calle San Severo 18, 28042 Madrid.

Corporate objective

The company's objective is:

a) All sorts of real estate activities, such as the promotion, building, development, division, renovation, sale and purchase of urban and rural properties, land, plots of land, buildings, houses and offices.

b) The administration, leasing, custody, management, sale, exploitation and valuation of all kind of real estate, on its own or on behalf of others.

c) All kind of services related directly or indirectly with the activities operated by the Company.

d) The subscription and acquisition of stocks or shares in the assets of companies of all types, whether civil or commercial, on its own behalf and excluding activities regulated by the Law of Collective Investment and Security Market Institutions.

The activities for which the Law demands special requirements not met by the present company are excluded. If, for the activities mentioned above, the Law required a special kind of professional degree, such activities will be carried out by individuals in possession of the necessary qualification.

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

The company 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. These summarized annual accounts, prepared by the Directors, will be submitted to the approval in the General Ordinary Shareholders' 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.

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 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 Partners' Meeting, and are expected to be approved without any amendments.

2.2 Non-obligatory accounting principles

Non-obligatory accounting principles not have 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 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.

The Company has had losses that have translated in an important reduction of its funds and the existence of a significant negative working capital, elements that raise questions about the following of the accounting principle of working company and, therefore, the ability of the Company to encash its assets and liquidate its liabilities for the sums and according to the classification shown in the Balance Sheet attached, which has been prepared assuming that such activity will continue. There are several elements that tend to reduce or eliminate the doubt over the capacity of the Company to continue working as such, basically the financial support of the shareholders and the possibility of reducing the expenses without diminishing the operational capacity of the Company, as is inferred both from the budget of the 2010 period and the business plan approved by the Company's Administrators. This business plan is based on specific hypothesis and market tendencies that basically include: a market commercial expansion plan based on specific market niches; search of customers outside of the Group; direction of building work in all sorts of markets, all of them focusing on obtaining enough income to reach a positive result in the 2010 period, as well as the generating of positive cash flows in the same period

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. Application of results

The Company's Directors will present the proposal of applying the loss of the period (29,162 Euros) to negative results of previous periods in the General Partners' Meeting.

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 Financial instruments

4.1.1 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.

4.1.2 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.

4.1.3 Equity instruments

An equity instrument represents a 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.

4.2 Stock

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

4.3 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.

4.4 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.

4.5 Revenue and expenditure

Revenue and expenditure are allocated in accordance with the amount accrued principle, i.e. when the actual flow of goods and services they represent takes place, independently of the time in which the cash or financial flow derived from them takes place. The said 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 closing of the period in accordance with their degree of development, independently of the date of issue on the invoice.

4.6 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 to 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.

4.7 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 carge 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. Stockholders' equity

5.1 Share capital

At the closing of period 2009 the Company's capital amounts to 3,010 Euros, represented by 301 shares of 10 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.	0.33%
Sánchez Marcos Señalización e Imagen, S.A.	99.67%
	100.00%

5.2 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.

6. 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	Debtors' Balances	Creditors' Balances
Deferred tax assets	1,861	1,861	-
Long-term balances with Public Administrations	**1,861**	**1,861**	-
Public Treasury, debtor due to VAT	3,738	3,411	-
Public Treasury, creditor due to IRPF	-	-	3
Short-term balances with Public Administrations	**3,738**	**3,411**	**3**

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.

7. 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 annual accounts.

8. Operations with related parties

During periods 2009 and 2008 the Company holds several loans with the dominant firm ELSAMEX, S.A., acquired due to liquidity necessity. These intragroup transactions generate interests.

The principle to establish the transfer price policy rests on the "comparable free price" method, 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.

9. 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 Private Limited Company Act, the Board of Directors of Proyectos y Promociones Inmobiliarias Sánchez Marcos S.L.,, on xxx of xxx 2010 drew up the Annual Accounts of period 2009, which shall be submitted for approval in the General Partners' Meeting.

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

D. Ignacio Chueca García