ELSAMEX SA

ANNUAL REPORT

2012

Elsamex, S.A.

Consolidated financial statements for the
financial year ending on
31st December 2012
and Management Report, together with the
Independent Auditors' Report

Nº - CAT-0113	Date the 19th April 2013
PERFORMANCE:	Audit. Report Annual Accounts for the fiscal year 2012
ENTTY:	GROUP ELSAMEX S.A.
DOMICILE:	18, San Severo St, 28042 – Madrid Parque empresarial BARAJAS PARK
ENTRUSTED BY:	The General Shareholders Meeting of the parent Company ELSAMEX S.A.
ADDRESSED TO:	The Shareholders.
DOCUMENTS AUDITED:	Consolidated Annual Accounts for the fiscal year 2012
PERFORMED GY THE AUDITING FIRM:	L. TAHOCES ESCRIVÁ DE ROMANI
	Nº 22.330 del R.O.A.C. Active Member of the Institute of Auditors of Spain which is a member of the F.E.E., I.F.A.C. and I.A.S.B.

LAURA I. TAHOCES ESCRIVÁ DE ROMANÍ
Auditora-Censora Jurada de Cuentas
Nº 22.330 del ROAC
C/ Alcalá, 161
28009-Madrid

Madrid, April 19th ,2013

To the Board Directors of Elsamex, S.A.

AUDIT REPORT ON CONSOLIDATED ANNUAL ACCOUNTS

To the Shareholders of Elsamex, S.A.

I have audited the Consolidated Annual Accounts of Elsamex S.A. and dependent companies that include the Consolidated Balance Sheet as of 31st December 2012, the Consolidated Profit and Loss Account, the Consolidated Statement of changes in the Net Worth, the Consolidated Statement of Cash Flow and the Consolidated Notes of the fiscal year then ended. The Directors of the Parent Company are responsible to formulate the Consolidated Annual Accounts in keeping with the Regulatory Frame of Financial Information applicable to the Group (as indicated in Note 3 of the Consolidated Notes) and in particular with the accounting principles therein contained. My responsibility is to express an opinion on the cited Consolidated Annual Accounts as a whole based on the work performed that has been conducted in accordance with the rules which regulate the auditing activity in force in Spain which require the examination by selected tests of the evidence to justify the Consolidated Annual Accounts and the evaluation of whether its presentation, the accounting principles used and the estimates made agree with the Regulatory Frame of Financial Information as applicable.

IN MY OPINION, the enclosed Consolidated Annual Accounts of the fiscal year 2012 express in all significant aspects a fair view of the consolidated Shareholders Equity and of the consolidated financial position of Elsamex, S.A. and dependent Companies as of December 31, 2012, as well as the consolidated results of the operations, and of the consolidated Cash Flow corresponding to the fiscal year then ended on that date, in accordance with the Regulatory Frame of Financial Information as applicable and in particular with the accounting principles therein contained.

Without affecting my opinion, I have been informed by the company of the pending litigations, in favour and in contrary, that they estimate could not have a significant effect in the accounts (Note 17 and Note 23.3)

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

The enclosed Consolidated Management Report of the fiscal year 2012 comprises the explanations that the Directors consider appropriate regarding the situation of the Group, the evolution of the business and other matters, and is not a part of the Consolidated Annual Accounts. We have verified that the accounting information therein contained is consistent with the Consolidated Annual Accounts of fiscal year 2012. My work as Auditor is limited to the verification of the Consolidated Management Report with the scope mentioned in this paragraph and does not include review of information different from the one obtained from the accounting records of the Consolidated Companies.

Madrid, April 19th, 2013

Laura Inés Tahoces Escrivá de Romaní
Register Nº 22.330 ROAC

ELSAMEX, S.A. AND DEPENDENT COMPANIES

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2012 AND 2011

(Euros)

ASSETS	Notes	Year 2012	Year 2011
NON-CURRENT ASSETS		62.946.060	50.909.651
Intangible fixed assets	Note 6	15.679.367	14.448.553
Goodwill on consolidation		942.733	934.670
Other intangible assets		14.736.634	13.513.883
Tangible fixed assets	Note 7	18.057.151	15.169.199
Land and buildings		3.927.117	3.322.302
Technical installations and other tangible fixed assets		8.402.163	8.421.731
Fixed assets in progress and prepayments		5.727.871	3.425.166
Real State Investments	Note 8	1.325.530	-
Buildings		1.325.530	-
Long-term investments in Group and associated companies		11.273.092	11.617.947
Equity method investments	Note 10	2.626.761	2.971.616
Loans to companies carried by the equity method	Note 20	8.646.331	8.646.331
Long-term financial investments	Note 11.1	8.472.137	3.249.979
Equity instruments		74.546	74.430
Loans to third parties		1.006.196	1.217.678
Other financial assets		7.391.395	1.957.870
Deferred tax assets	Note 16	8.138.783	6.423.973
CURRENT ASSETS		92.789.158	103.668.226
Inventory	Note 13	4.233.834	3.298.569
Trade		1.088.482	2.314.969
Raw materials and other supplies		1.256.338	699.713
Prepayments to suppliers		1.889.014	283.887
Trade and other accounts receivable	Note 11.2	72.512.364	84.678.572
Trade receivables for sales and services		58.686.679	68.236.318
Equity method investments	Note 20	1.915.241	3.565.787
Other receivables		7.577.522	9.951.867
Personnel		143.304	460.323
Current tax assets	Note 16	4.189.618	2.464.277
Short-term investments in associated companies	Note 21	249.102	2.895.732
Other financial assets		249.102	2.895.732
Short-term financial investments	Note 11.2	10.058.858	7.744.827
Equity instruments		1.995	5.693
Loans to companies		1.376.705	789.303
Other financial assets		8.680.158	6.949.831
Short-term deposit		1.212.859	557.921
Cash and cash equivalents		4.522.141	4.492.605
TOTAL ASSETS		155.735.218	154.577.877

LIABILITIES	Report Notes	Year 2012	Year 2011
EQUITY	Note 14	39.807.756	38.268.529
CAPITAL AND RESERVES-		44.772.944	41.977.325
Share capital		20.264.625	20.264.625
Issue premium		26.866.454	26.866.454
Reserves and profits from previous years		4.117.147	2.960.474
Distributable reserves		2.549.933	1.593.865
Non-distributable reserves		1.567.214	1.366.609
Reserves in consolidated companies	Note 14.4	(9.684.774)	(9.692.531)
Reserves in equity method investments	Note 14.5	125.546	(271.847)
Income for the period attributable to the parent company		3.083.946	1.850.149
Income attributable to consolidated group		3.376.531	1.976.190
Income attributable to minority interests		(292.585)	(126.041)
ADJUSTMENTS FOR VALUE CHANGES-		(7.782.290)	(6.540.673)
CONVERSION DIFFERENCE FOR CONSOLIDATED COMPANIES	Note 14.6	-	-
Conversion difference for investments	Note 14.6	(272.387)	(507.835)
Conversion difference for associated investments		(171.651)	(79.165)
Conversion difference for equity method investments		(100.736)	(428.670)
Other impairment write-downs of consolidated companies	Note 14.8	(268.674)	(285.899)
Hedging transactions		(268.674)	(285.899)
Other impairment write-downs of equity method investments	Note 14.8	(7.241.229)	(5.746.939)
Hedging transactions		(7.241.229)	(5.746.939)
SUBSIDIES, DONATIONS AND LEGACIES RECEIVED		1.899.591	2.149.591
In equity method investments		1.899.591	2.149.591
MINORITY INTERESTS	Note 14.7	917.511	682.286
NON-CURRENT LIABILITIES		68.809.454	66.160.129
Long-term provisions		1.825.870	508.696
Long term payables	Note 15	61.199.065	62.219.409
Payables to credit institutions		57.637.432	59.613.045
Financial lease payables	Note 9	2.097.287	1.610.524
Derivatives		383.824	268.331
Other financial liabilities		1.080.522	727.509
Long-term payables to Group and associated companies		2.567.461	2.702.356
Payables to related companies and from equity method accounted investments		2.567.461	2.702.356
Deferred tax liabilities	Note 16	1.870.130	468.602
Long-term accruals		1.346.928	261.066
CURRENT LIABILITIES		47.118.007	50.149.219
Short-term provisions		2.233.464	718.207
Short-term payables	Note 15	7.264.085	8.186.918
Payables to credit institutions		5.501.906	4.279.511
Financial lease payables	Note 9	907.066	954.360
Derivatives		-	140.482
Other financial liabilities		855.113	2.812.565
Trade and other accounts payable		37.403.523	41.033.049
Suppliers		27.826.222	28.627.271
Suppliers, companies carried by the equity method		274.804	740.656
Other payables		68.626	501.285
Personnel		657.032	670.975
Current tax liabilities	Note 16	4.559.197	3.618.164
Customer prepayments		4.017.643	6.874.697
Short-term accruals		216.935	211.045
TOTAL EQUITY AND LIABILITIES		155.735.218	154.577.877

Notes 1 to 25 of the attached Notes to the Financial Statements form an integral part of the balance sheet at 31 December 2012

ELSAMEX, S.A. AND DEPENDENT COMPANIES

CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2012 and 2011

(Euros)

	Notes	Year 2012	Year 2011
CONTINUING OPERATIONS			
Net turnover	Note 19.1	140.222.139	113.536.712
Sales		800.244	1.773.551
Provision of services		139.421.895	111.763.161
Variación de existencias de Productos Terminados y en curso de fabricación		(241.269)	-
In-house work on assets	Note 7	2.160.208	7.646.359
Procurement	Note 19.2	(72.740.266)	(42.877.019)
Consumption of raw materials and other consumables		(19.860.349)	(887.773)
Work carried out by other companies		(52.879.917)	(41.989.246)
Other operating income		368.397	1.159.380
Non-core and other current operating income		301.152	176.061
Operating subsidies included in year-end results		67.245	983.319
Personnel expenses	Note 19.4	(41.308.013)	(42.527.886)
Wages, salaries and similar		(33.623.653)	(33.454.044)
Staff welfare expenses		(8.019.069)	(9.073.842)
Provision		334.709	-
Other operating expenses	Note 19.3	(19.025.746)	(28.656.951)
External services		(19.005.749)	(23.937.247)
Taxes		(718.231)	(409.964)
Losses, impairment and changes in trade provisions		793.190	(4.284.172)
Other current operating expenses		(94.956)	(25.568)
Depreciation of fixed assets	Notes 6&7&8	(4.066.926)	(3.916.276)
Surplus provisions		-	409.733
Impairment and gains on the disposal of fixed assets		307.999	(20.720)
Impairments and losses		(105)	-
Gains on disposals and other		308.104	(20.720)
Other results		602.508	-
OPERATING INCOME		6.279.031	4.753.332
Financial income		895.460	882.368
From associated companies		568.270	709.919
From investments in equity instruments		-	-
From tradable securities and other financial instruments		327.190	172.449
Financial expenses		(4.101.900)	(5.549.721)
From associated companies		(62.618)	
On debts to third parties		(4.039.282)	(5.549.721)
Exchange differences		(21.472)	(103.499)
Impairment and gains on the disposal of financial instruments		170.026	(3.000)
Gains on disposals and other		170.026	(3.000)
Excepcional income or losses		-	490.939
FINANCIAL INCOME		(3.057.886)	(4.282.913)
Share of profits and losses of equity method investments		682.166	1.439.839
PROFIT BEFORE TAXES		3.903.311	1.910.258
Tax on profits		(526.780)	65.933
PROFIT AFTER TAXES		3.376.531	1.976.191
DISCONTINUED OPERATIONS			
Income from discontinued operations, net of taxes in previous years		-	-
CONSOLIDATED INCOME FOR THE PERIOD		3.376.531	1.976.191
Income attributable to the parent company	Note 19.5	3.083.946	1.850.149
Result attributed to minority interests	Note 14.7	(292.585)	(126.042)

Notes 1 to 25 of the attached Notes to the Financial Statements form an integral part of the Income statement for 2012

ELSAMEX, S.A. AND DEPENDENT COMPANIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 2012 AND 2011
A) STATEMENT OF RECOGNISED INCOME AND EXPENSES

	Notes	Year 2012	Year 2011
CONSOLIDATED INCOME FOR THE YEAR		3.376.531	1.976.191
Income and expenses charged directly to equity			
- For cash flow hedges		(2.110.093)	(1.460.098)
- Subsidies, donations and legacies received		(250.000)	(452.171)
- Other adjustments			
- Conversion differences	Note 14.6	235.448	(744.255)
- Tax effect		633.028	(222.619)
TOTAL INCOME AND EXPENSES CHARGED DIRECTLY TO CONSOLIDATED EQUITY (II)		(1.491.617)	(2.879.143)
Transfers to income statement			
- For cash flow hedges		-	(105.209)
- Conversion differences		-	-
- Tax effect		-	37.267
TOTAL TRANSFERS TO CONSOLIDATED INCOME STATEMENT (III)		-	(67.942)
TOTAL CONSOLIDATED RECOGNISED INCOME AND EXPENSES (I+II+III)		1.884.914	(970.894)
Total Income and expenses allocated to parent company		1.592.329	(1.096.936)
Total Income and expenses allocated to external partners		292.585	126.042

Notes 1 to 25 f the attached Notes to the Financial Statements form an integral part of the statement of recognised income and expenses for 2012

ELSAMEX, S.A. AND DEPENDENT COMPANIES

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR 2012 AND 2011
B) STATEMENT OF CHANGES IN EQUITY

	Capital	Additional paid-in capital	Reserves and turnovers of previous years	Turnover of the year ascribed to the Parent Company	Adjustments due to value changes	Subsidies, donations and bequests	External Partners	TOTAL
BALANCE AT THE CLOSE OF PERIOD 2010	20.264.625	26.866.454	(7.326.991)	2.364.247	(4.045.758)	2.601.762	603.945	41.328.284
Adjustments for criteria changes 2010	-	-	-	-	-	-	-	-
Adjustments for errors 2010	-	-	-	-	-	-	-	-
BALANCE ADJUSTED A START OF PERIOD 2011	20.264.625	26.866.454	(7.326.991)	2.364.247	(4.045.758)	2.601.762	603.945	41.328.284
Total income and expenditure included	-	-	-	1.850.149	(2.494.915)	(452.171)	126.042	(970.895)
Transactions with shareholders	-	-	2.364.247	(2.364.247)	-	-	-	-
- Capital increases	-	-	-	-	-	-	-	-
- Appropriation of income 2010	-	-	2.364.247	(2.364.247)	-	-	-	-
Other changes in equity	-	-	(2.041.160)	-	-	-	(47.701)	(2.088.861)
BALANCE AT YEAR END 2011	20.264.625	26.866.454	(7.003.904)	1.850.149	(6.540.673)	2.149.591	682.286	38.268.528
Adjustments for criteria changes 2011	-	-	-	-	-	-	-	-
Adjustments for errors 2011	-	-	-	-	-	-	-	-
BALANCE ADJUSTED A START OF PERIOD 2012	20.264.625	26.866.454	(7.003.904)	1.850.149	(6.540.673)	2.149.591	682.286	38.268.528
Total income and expenditure included	-	-	-	3.083.946	(1.241.617)	(250.000)	292.585	1.884.914
Transactions with shareholders	-	-	1.850.149	(1.850.149)	-	-	-	-
- Capital increases	-	-	-	-	-	-	-	-
- Appropriation of income 2011	-	-	1.850.149	(1.850.149)	-	-	-	-
Other changes in equity	-	-	(288.326)	-	-	-	(57.360)	(345.686)
BALANCE AT YEAR END 2012	20.264.625	26.866.454	(5.442.081)	3.083.946	(7.782.290)	1.899.591	917.511	39.807.756

Notes 1 to 25 f the attached Notes to the Financial Statements form an integral part of the statement of recognised income and expenses for 2012

ELSAMEX, S.A. AND DEPENDENT COMPANIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011

(Euros)

	Report Notes	Year 2012	Year 2011
CASH FLOWS FROM OPERATING ACTIVITIES (I)		**14.228.570**	**2.795.591**
Income before taxes for the year		**3.903.312**	**1.910.258**
Adjustments to the result:		**4.816.351**	**5.468.357**
- Depreciation of fixed assets	Note 6&7&8	4.066.926	3.916.276
- Impairment write-downs		105	-
- Changes in provisions	Note 11.2	-	409.733
- Subsidies		(250.000)	(452.171)
- Gains/(losses) on derecognition and disposal of fixed assets	Note 6 and 7	(69.361)	61.197
- Financial income		(868.864)	(879.681)
- Financial expenses		4.073.683	5.464.966
- Exchange differences		21.472	103.499
- Changes in fair value of financial instruments		-	-
- Other income and expenses		(1.475.445)	(1.715.624)
- Share of profits and losses of equity method investments, net of dividends		(682.166)	(1.439.839)
Changes in current capital		**9.641.180**	**(130.754)**
- Stock		(935.265)	1.697.142
- Debtors and other accounts receivable		11.174.834	16.105.656
- Other current assets		(322.340)	(3.769.765)
- Creditors and other accounts payable		(1.483.913)	(13.361.091)
- Other current liabilities		1.521.147	(149.647)
- Other non-current assets and liabilities		(313.283)	(653.050)
Other cash flows from operating activities		**(4.132.273)**	**(4.452.271)**
- Payments of interest		(4.096.776)	(5.603.503)
- Receipts of dividends		682.381	1.439.839
- Receipts of interest		446.368	696.329
- Receipts (payments) for tax on profits		(1.586.527)	(1.168.288)
- Other receipts (payments)		422.281	183.352
CASH FLOWS FROM INVESTMENT ACTIVITIES (II)		**(13.327.895)**	**(8.069.520)**
CASH FLOWS FROM INVESTMENT ACTIVITIES		**(13.327.895)**	**(8.069.520)**
Payments for investments		**(13.735.741)**	**(10.257.037)**
- Associated companies		-	-
- Intangible fixed assets	Note 6	(1.977.946)	(4.534.027)
- Tangible fixed assets	Note 7	(6.535.636)	(5.574.469)
- Other financial assets		(5.222.159)	(148.540)
Proceeds from divestments		**407.846**	**2.187.516**
- Intangible fixed assets		344.854	2.054.373
- Tangible fixed assets			250
- Other financial assets		62.992	132.893
CASH FLOWS FROM FINANCING ACTIVITIES		**(1.106.586)**	**(1.359.474)**
Proceeds and payments relating to equity instruments		**(345.687)**	**(2.088.860)**
- Issue of equity instruments		-	-
- Disposal of own equity instruments and those of the parent company		(288.326)	(2.041.160)
- Acquisition of shares in minority interests		(57.361)	(47.700)
- Subsidies, donations and legacies received		-	-
Proceeds and payments relating to financial liabilities		**(760.899)**	**729.386**
- Debt issues with credit institutions	Note 15	4.771.681	9.144.981
- Repayment and amortisation of loans from credit institutions		(5.085.467)	(5.151.711)
- Repayment and amortisation of loans from Group companies and affiliates		(134.895)	(3.263.884)
- Repayment and amortisation of other debts		(312.218)	-
Payments for dividends and remuneration of other equity instruments		-	-
- Remuneration of other equity instruments		-	-
		-	-
EFFECT OF EXCHANGE RATE CHANGES (IV)		**235.447**	**(744.255)**
NET INCREASE / (REDUCTION) OF CASH AND CASH EQUIVALENTS (I+II+III+IV)		**29.536**	**(7.377.658)**
Cash and cash equivalents at the start of the year		4.492.605	11.870.263
Cash and cash equivalents at year end		4.522.141	4.492.605

Notes 1 to 25 of the attached Notes to the Financial Statements form an integral part of the cash flow statement for 2012

Elsamex, S.A. Consolidated

Notes to the Consolidated Financial Statements for the financial year ending on 31st December 2012

1. Activity of the Group

Elsamex, S.A., the Group's Parent Company, was incorporated as a public limited company (*Sociedad Anónima*) for an indefinite term on 9th December 1977. Its registered offices are located at calle San Severo 18, Madrid (Spain).

Its corporate purpose, in accordance with that set out in its Articles of Association, principally comprises the provision of services related to the essential maintenance of highways, the maintenance of buildings and installations, the renovation and construction of highways and buildings and the construction and maintenance of service stations.

In addition, the Elsamex Group, through its subsidiaries Grusamar Ingeniería y Consulting, S.L.U and Atenea Seguridad y Medio Ambiente, S.A.U. provides services, both to public and private bodies, in technical assistance in general and, in particular, in matters of management, environmental protection and in drafting projects and studies for all types of public or private works, inspection or surveillance, prevention of occupational risks and works management.

Through the company CIESM-INTEVIA, S.A.U, the Group provides services in drafting reports and highly specialised training in civil engineering, and with the support of its related laboratories, the aforementioned company provides services, both to public and private bodies, in the quality control of materials related to infrastructures, buildings and the environment.

In order to carry on these activities, the Elsamex Group has 6 regional and provincial offices distributed throughout the country, as well as 11 subsidiaries in Spain and 9 offices abroad.

For the provision of services related to the construction and maintenance of 6 service stations, as well as for the construction, operation and maintenance of photovoltaic technology electricity generation systems, and for the construction, maintenance and operation of highway A-4 from P.K. 3.78 to P.K. 67.5 and of the access highway to Hyderabad City from P.K. 95 to P.K. 133.63 in the State of Andhra Pradesh in India, Elsamex, S.A., by itself or through *Uniones Temporales de Empresas* (UTEs – Joint Ventures) and their subsidiaries Sociedad Concesionaria Autovía A-4 Madrid S.A. and Ramky Elsamex Hyderabad Ring Road Limited operate through different administrative concessions with the following characteristics:

Centre	Activity	Date of Concession	Term of Concession
Elsamex, S.A.:			
Abedul Villvidel UTE	Service Station Maintenance	07-06-2001	44 years
Abedul Orihuela UTE	Service Station Maintenance	09-04-2001	29 years
Abedul Zamora UTE	Service Station Maintenance	06-05-2002	46 years
Abedul Ponferrada UTE	Service Station Maintenance	11-03-2004	46 years
Area de Servicio Coirós, S.L.U.	Service Station Maintenance	08-03-2004	39 years
Área de Servicio Punta Umbría, S.L.U.	Service Station Maintenance	18-11-2010	30 years
Alcantarilla Fotovoltaica, S.L.U.	Operation of photovoltaic technology electricity generation systems	11-11-2010	25 years
Ramky Elsamex Hyderabad Ring Road Limited:			
Hyderabad highway	Highway operation	18-08-2007	15 years
Sociedad Concesionaria Autovía A-4 Madrid, S.A.:			
Highway A-4	Highway operation	26-12-2007	19 years

The concessions for service stations will not be transferable for a period of five years from the date they are awarded. Once this period has elapsed, the concession will be transferable, following the authorisation of the Ministry of Public Works, Transport and Environment.

2. Group Companies

Subsidiaries

The subsidiaries included within the scope of consolidation for the financial year 2012 and the information relating to them are as follows:

Group Company	Address	Share	Activity	Method of Consolidation	Euros Net Book Cost of Share
Atenea Seguridad y Medio Ambiente, S.A.U.	C/ San Severo, 18, Madrid 28042 España	100.00%	Services	Global (1)	130,183
Señalización Viales e Imagen S.A.U.	Pol Ind. La variante c/ La Grajera nª 2, 26140 Lardero, La Rioja España	100.00%	Manufacture of corporate image items	Global (1)	2.173.398
Elsamex Internacional, S.L.U	C/ San Severo, 18, Madrid 28042 España	100.00%	Maintenance / Construction	Global (1)	14,310,554
Grusamar Ingeniería y Consulting, S.L.U.	C/ San Severo, 18, Madrid 28042 España	100.00%	Consultancy	Global (1)	3,554,998
Elsamex Portugal Engenharia e Sistemas de Gestão, S.A.	Rua Quinta das Romeiras Edif.Eduardo Vian,104 6° 1495-236 Alges (Portugal)	73.50%	Consultancy	Global (2)	251,078
Intevial Gestao Integral Rodoviaria,	Edif.Atlas II Av.José Gomes Ferreira,11, 11495-139 Alges	100.00%	Construction	Global (2)	1,560,698

S.A.	(Portugal)				
Elsamex India Private LTD	C/A254 nº6 block Mahipalpur New Delhi (India) 1100.37	99.15%	Construction	Global (2)	326.926
Yala Construction CO. Private Ltd.	C/A254 nº6 block Mahipalpur New Delhi (India) 1100.37	96.03%	Construction	Global (2)	555,130
Mantenimiento y Conservación de Vialidades S.A. de C.V.	Mauricio Garces 855, Frac. La Joya 76180 Querétaro (México)	64.00%	Construction	Global (2)	381,686
ESM Mantenimiento Integral de S.A. de CV	Presidente Masaryk,61 piso 7 Colo.Chapultepec Morales CP 11570 deleg.Miguel Hidalgo (México)	100.00%	Construction	Global (2)	385,728
CIESM-INTEVIA, S.A.	San Severo 18, 28042 Madrid España	100.00%	Research / Consultancy	Global (1)	836,201
Control 7, S.A.	Polígono Malpica, Santa Isabel, C7E parcela 57-61, Nave 9, 50057 Zaragoza, España	100.00%	Consultancy	Global (1)	765,902
Grusamar Albania SHPK	Rr. Hik Kolli 26, Tirana (Albania)	51.00%	Consultancy	Global (3)	430
Área de Servicio Coiros, S.L.U.	C/ San Severo, 18, Madrid 28042 Spain	100.00%	Service Station Maintenance	Global (1)	2,820,734
Alcantarilla Fotovoltaica, S.L.U.	C/ San Severo, 18, Madrid 28042 Spain	100.00%	Installation, maintenance and operation of electric energy systems using PV technology	Global (1)	201,520
Área de Servicio Punta Umbría, S.L.U.	C/ San Severo, 18, Madrid 28042 Spain	100.00%	Service Station Maintenance	Global (1)	402,065
Beasolarta S.L.U	C/ San Severo, 18, Madrid 28042 Spain	100.00%	Installation, maintenance and operation of electric energy systems using PV technology	Global (1)	41,000
Conservación de Infraestructura de Méjico S.A. de C.V.	Mauricio Garces 855, La Joya, 76180, Ciudad de Santiago de Querétaro, Estado de Querétaro, México	96.40%	Services	Global (2)	2,696
Vias y Construcciones Viacon S.R.L	Avda 27 de Febrero nº 272 Edificio J.P La Julia. Santo Domingo (República Dominicana)	50%	Construction	Proportional (2)	-
Consorcio de Obras Civiles, Conciviles	Avda 27 de Febrero nº 272 Edificio J.P La Julia. Santo Domingo (República	34%	Construction	Proportional (2)	-

S.R.L	Dominicana)				
Geotecnia y Control de Qualitat, S.A.	C/ Begurdá nª 15, bloque B, nave 11, Polígono Industrial Can Bernadés-Subirá, 08130 Santa Perpetua de Mogola, Barcelona Spain	50.00%	Consultancy	Proportional (3)	90,350

(1) Audited by Mrs. Laura Tahoces.
(2) Audited by other auditors.
(3) Not audited, no legal commitment.

Associate companies

The details of the associate companies are as follows:

Group Company	Address	Share	Activity	Method of Consolidation	Euros Net Book Cost of Share
CGI-8, S.A.	Polígono de San Cipria de Viñas de Orense, 6 Parcela 33. Orense España	49.00%	Research / Consultancy	Equity Method	78,480
Sociedad Concesionaria Autovía A-4 Madrid, S.A.	C/ Caballero Andante, nº 8 Madrid Spain	48.75%	Highway concesion	Equity Method (1)	4,588,856
Ramky Elsamex Hyderabad Ring Road Limited	RAMKY House, 6-3-1089/G/10&11Gulmohar Avenue, Rajbahavan Road, Somajiguda, Hyderabad – 500 082. A.P. India	26.00%	Concesion	Equity Method (2)	811,711
Empresa PAME S.A. de C.V.	C/ Alberto Cossio 105, 15B, Tangamanga, San Luis Potosí, 78269, México	34. 10%	Services	Equity Method (1)	973
Elsamex Road Technology Company LTD	Block C1/F Eldex Industrial BLDG, 21 MA Tau Wai Road Hong Kong (China)	23.44%	Construction	-	352,243
Zhejiang Elsamex Road Technology Company LTD	Zhu Ma Industrial Park, Jinhua City, Zheijang Province, China	23.44%	Construction	-	-
Zhejiang Elsamex Road Construction Eqeipment CO LTD	Zhu Ma Industrial Park, Jinhua City, Zheijang Province, China	23.44%	Construction	-	-

(1) Companies audited on December 31, 2012
(2) Limited review

The detail for the provision for the impairment of securities traded in 2012 is the following:

Associates	Euros Amount
ESM Mantenimiento Integral de S.A. de CV	19,658
Elsamex Road Technology Company LTD	352,242
Elsamex India Private LTD	9,554
	381.454

The Company has analysed the possible impairment of its interests at year-ends 2012 and 2011 and has not found it necessary to record any provision for impairment other than those appearing in the detail above, on the basis of the expected performance of their Capital and Reserves and activities and the financial support that Elsamex, S.A. reports that it will give it subsidiaries for the necessary periods and in the necessary amounts.

3. Bases for presentation of the consolidated financial statements

3.1 True & Fair View

The consolidated financial statements of Elsamex, S.A. and subsidiaries relating to the financial year 2012, which have been drawn up by the Parent Company's Directors, have been obtained from the accounting records of Elsamex, S.A. and from those of the companies that are included in the consolidation (as specified in Note 2) and are presented in accordance with the Spanish Commercial Code and other commercial legislation, rules for Drawing Up Consolidated Annual Statements, approved by Royal Decree 1159/2010 and the General Chart of Accounts approved by Royal Decree 1514/2007, which approves the General Chart of Accounts, mandatory rules approved by the Spanish Institute of Accounting and Auditing to implement the General Chart of Accounts, its complementary rules, and all other Spanish accounting regulations that may apply, so as to show the true picture of the equity, the financial position, the Group's consolidated results and the cash flows in the period.

The annual consolidated accounts for the financial year 2012 and the individual financial statements for Elsamex, S.A. and each of the consolidated companies will be submitted for the approval of the corresponding General Meetings of Shareholders and it is expected that they will be approved without any amendments.

3.2 Consolidation principles

The most important consolidation principles applied in the preparation of these consolidated financial statements were the following:

1. The consolidation was carried out by the global integration method for the Companies over which the Parent Company has effective control through having the majority of votes in its representation and decision-making bodies. The value of the shares of the minority shareholders in the equity and in the results for the year is entered under the heading "Minority interests" in the attached consolidated balance sheet and under the heading "Result attributable to minority interests" of the attached income statement (see Note 14.7).

2. In those cases involving joint management with third parties (joint business), pursuant to contractual arrangements, the proportional integration method has been applied, meaning that the consolidated financial statements should include the proportional part of any assets, liabilities, expenses and income of such companies, according to the stake held by the Group. Joint business means transactions where there is joint control with other participants, which takes place under a legal or contractual agreement whereby strategic decisions for both financial and operating activities require the unanimous consent of the parties that are sharing control.

3. The Group has valued its interest in companies that fulfil the following conditions using the equity method:

    a. Interest between 20% and 50%.

    b. Substantial interest.

c. Permanent nature of the interest.

d. Companies in normal operation.

4. All the debtor and creditor balances, purchases, sales and other significant transactions and results arising from the transactions carried out between Group companies have been eliminated in the consolidation process.

5. In subsidiaries in which accounting and evaluation principles other than those of the Parent Company have been followed, their adjustment has been made, in the consolidation process, in accordance with the Group criteria with the aim of presenting the consolidated financial statements in a homogenous manner.

6. The financial statements of subsidiaries and associates located outside of the Eurozone have been converted into Euros by applying the rate of exchange as on the last working day of the period for the assets and liabilities, the historic rate of exchange for the capital and reserves and the average rate of exchange of the period for income and expenses.

The resulting difference in exchange between the conversion with previous criteria and the conversion at the rate of exchange at close is shown under the heading "Conversion differences" under the "Equity" heading in the attached consolidated balance sheet.

3.3 Accounting principles applied

The Directors have prepared these consolidated financial statements taking into consideration the application of obligatory accounting principles and standards that have a significant effect on these consolidated financial statements. There is no obligatory accounting principle that has not been applied.

3.4 Valuation and estimation of uncertainty

In the preparation of the attached consolidated financial statements estimations have been used in order to evaluate some of the assets, liabilities, income, expenses and commitments that appear in them. Basically these estimations refer to the useful life of the intangible and tangible assets, the evaluation of possible impairment losses of specific assets and the calculation of provisions for creditor invoices pending settlement.

In spite of these estimations having been made on the basis of the best information available at the close of the 2012 financial year, it is possible that future events may require them to be amended (upwards or downwards) in the next periods, which would be done prospectively, if required.

At the date of issue of these consolidated financial statements, no fact existed that could result in any significant event of uncertainty that may arise in the future which will affect the financial statements.

3.5 Comparative information

Variations in the scope of consolidation

During the financial year 2012, the following amendments were made to the scope of consolidation:

1. On June 30th 2012, the Sole Shareholders of Elsamex, S.A. and Sánchez Marcos Señalización e Imagen S.A.U and Proyectos y Promociones Inmobiliarias Sánchez Marcos S.L.U respectively, agreed unanimously the merger by take over of the two latter companies by the first one. The absorbed companies Sánchez Marcos Señalización e Imagen S.A.U and Proyectos y Promociones Inmobiliarias Sánchez Marcos S.L.U, were wholly owned by Elsamex, S.A., so no increase in capital and no exchange of shares have been made in the company taking over, in compliance with provisions of article 250 of R.D. 1564/1989 Consolidated Text of Corporation Act. The transactions made by the taken over companies between January 1st and December 31st 2012, were on account of the acquiring company.

2. On November 29, 2012 Elsamex formalized the acquisition of 100% of Beasolarta share capital. This company has a photovoltaic plan concession already built and also the right to build other photovoltaic plan in Almeria.

3. Yala Construction Private increased share capital in 2012. The subscription was attended by Elsamex increasing his ownership in 7.25%.

4. Along the exercise 2012 Yala Tailandia was closed. Two new companies have been incorporated in Dominican Republic (Vias y Construciones Viacon S.R.L and Consorcio de Obras Civiles Conciviles S.R.L)

3.6 Grouping of entries

Specific entries on the consolidated balance sheet, consolidated income statement, consolidated change in equity and consolidated cash flow statement have been grouped in a manner designed to facilitate their comprehension and, insofar as significant, the information is broken down in the related notes to the consolidated financial statements. There are no elements of net worth recorded in two or more items.

3.7 Change in accounting policies

During the year 2012 there has been no change in the accounting policies applied that differs from the previous year.

3.8 Correction of errors

In the preparation of the attached consolidated financial statements no significant error has been detected that might require any change in of the amounts included in the consolidated financial statements for 2011.

4. Distribution of the results of the Parent Company

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

	Euros
Distribution basis:	
Profit and Loss	1,842,362
	1,842,362
Application:	
To legal reserve	184,236
To voluntary reserves	1,658,126
	1,842,362

5. Standards for entry and evaluation

The principle rules for recording and evaluation used by the Parent Company in the preparation of its consolidated financial statements, in accordance with those set out by the General Chart of Accounts, Law 16/2007, of 4 July, Royal Decree Law 1159/2010, of 17 September, by which the rules for the preparation of consolidated financial statements were approved, were the following:

5.1 Consolidated goodwill and business combination

The acquisition by the Parent Company of control over a subsidiary represents a business combination subject to the acquisition method. In subsequent consolidations, a removal of the investment-equity of subsidiaries will generally be made according to the values resulting from the acquisition method described below, applied on the control date.

The business combination is accounted for using the acquisition method, which determines the acquisition date and calculates the combination cost, registering the identifiable assets acquired and liabilities assumed at their fair value at said date.

The goodwill or negative combination difference is determined by the difference between the fair values of the assets acquired and the registered liabilities assumed and the combination cost on the acquisition date.

The combination cost is determined by adding:

- The fair values at the acquisition date of the assets assigned, the liabilities incurred or assumed and the equity instruments issued.

- The fair value of any contingent consideration that depends on future events or on the fulfilment of predetermined conditions.

The combination cost does not include any expenses related to the issue of equity instruments or financial liabilities provided in exchange for the acquired components.

Furthermore, since 1 January 2010, the combination cost also excludes any fees paid to legal advisors or other professionals participating in the combination and, logically, any internal expenses incurred in this regard. These amounts are directly charged to the income statement.

If the business combination is staggered in such a way that a prior investment existed prior to the acquisition date (take-over date), the goodwill or negative difference is obtained according to the difference between:

- The business combination cost, plus the fair value at the acquisition date of any prior stake held by the purchaser in the target company; and

- The value of identifiable assets acquired, less the value of liabilities assumed, determined according to the foregoing.

Any profit or loss that arises from the reasonable valuation carried out on the take-over date of the interest previously existing in the target company will be included in the income statement. If the investment in the investee company were previously assessed at its fair value, any valuation adjustments pending to be charged to the year's results will be transferred to the income statement. On the other hand, it is assumed that the business combination cost is the best reference to estimate the fair value at the acquisition date of any prior interest.

Goodwill arising in the acquisition of companies using legal tender other than the Euro will be valued according to the legal tender of the acquired company. A Euro exchange will be carried out at the rate in force at the date of the current balance sheet.

Goodwill is not amortised and is subsequently valued according to its cost, minus any impairment losses. Any value adjustments for impairment acknowledged as Goodwill may not revert in subsequent years.

If, exceptionally, a negative difference were to arise in the combination, it will be charged to the income statement as income.

If, at the closure date of the year in which the combination takes place, the valuation processes required for the aforementioned acquisition method are not finalised, this accounting will be deemed provisional; said provisional values may be adjusted during the time required to obtain the necessary information, which in no event may be longer than one year. The effects of any adjustments made in this period will be retroactively accounted for by altering the comparative data, if necessary.

Any subsequent changes in the fair value of the contingent consideration will be adjusted against the results, unless this consideration has been classified as equity, in which case the subsequent changes for their fair value will be ignored.

5.2 Intangible fixed assets

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

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

a) Research and development expenses:

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

- It is specifically identifiable to a project and its cost may be clearly established.
- There are enough resources to complete the projects and commercialize them.
- There are good grounds for achieving technical success and economic and commercial profitability from the project.

The assets thus generated are amortised over 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 are allocated directly to the income statement for the period.

During the year, the Parent Company has capitalised expenses of this kind in its balance sheet.

In year 2012 the Parent company and subsidiaries have capitalized expenses of such nature. The capitalized expenses include works performed by other group companies

b) Concessions:

The costs incurred in obtaining the concession for six service stations, the operation and maintenance of photovoltaic technology electricity generation systems and the operation of the two dual carriageway concessions are amortised over the concession period (see Note 1). If circumstances of non-fulfilment of conditions were to occur that might cause a loss of the rights derived from this concession, the residual value for the same will be fully provided for.

c) Industrial property:

The amounts paid for the acquisition of property or the right of use of the different manifestations of the same are entered for the costs incurred to register the industrial property developed by the company.

d) IT applications:

The Group enters in this account the costs incurred in the acquisition and development of computer programs. The maintenance costs for the IT applications are entered in the consolidated income statement for the period in which they are incurred. Amortisation of the IT applications is carried out by applying the linear method over a term of between 4 and 5 years.

5.3 Tangible fixed assets

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

The Group amortises the tangible fixed assets by following the linear method and applying annual depreciation percentages calculated as a function of the estimated years of useful life of the respective items, in accordance with the following detail:

	Percentage
Buildings	2-7
Machinery	15
Other installations, equipment and movable assets	10-15
Computer equipment	25
Vehicles	15

The servicing and maintenance expenses for the different items comprising the tangible fixed assets are allocated to the consolidated income statement in the period in which they are incurred. However, the amounts invested in improvements that contribute to increasing the capacity or efficiency or lengthening the useful life of the said items are added to the cost of the asset.

The works the Group carries out for its own fixed assets are entered at the accumulated cost resulting from adding the external costs to the internal costs, determined as a function of the particular consumption of materials, the direct labour costs incurred and the general costs of manufacture calculated in accordance with rates of absorption similar to those applied for the purposes of stock valuation.

Impairment of value of assets

At the close of the period, provided that there are loss-of-value indices, the Group estimates by means of the "Impairment test" the possible existence of losses of value that reduce the redeemable value of these assets to an amount less than their carrying amount.

The redeemable amount is determined as the higher of the fair value less the costs of sale and the value in use.

At 31st December 2012, the Directors of the Parent Company consider that there are no loss-of-value indices for the tangible and intangible assets with a specific useful life and therefore the "Impairment test" has not been carried out.

5.4 Investment property

This caption in the balance sheet includes land, buildings and other constructions, that are kept for renting or for get some benefit in the sale as a consequence of the increase of market price in the future.

These assets are recorded in accordance with the policies included in Note 5.3. related to Fixed Assets.

5.5 Leasing

Leases are classified as capital leases provided that from their terms it may be deduced that they will substantially transfer to the lessee the risks and benefits inherent in the ownership of the asset that is the subject of the contract. Other leases are classified as operating leases.

When the Group Company is the lessee – Capital lease

In the capital lease transactions in which the Group is acting as lessee, the cost of the leased assets is presented in the consolidated balance sheet according to the nature of the item that is the subject of the contract. This amount will be the lesser of the fair value of the leased item and the actual value at the start of the lease, of the minimum amounts agreed, including the purchase option, when there is no reasonable doubt over its exercise. Quotas of a contingent nature, the cost of services and any taxes recoverable by the lessor are not included in its calculation. The total financial charge of the contract is allocated to the income statement for the period in which it is accrued, the effective interest rate method being applied. Quotas of a contingent nature are included as an expense in the period in which they are incurred.

The assets entered through this type of transaction are amortised with criteria similar to those applied to the entirety of the tangible assets, depending on their nature.

When the Group Company is the lessee – Operating lease

The expenses deriving from operating lease agreements are charged to the consolidated income statement for the period in which they accrue.

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

5.6 Financial Instruments

Classification -

5.6.1 Financial assets

The financial assets of the Group are classified into the following categories:

a) Loans and Receivables: financial assets originating in the sale of goods or in the provision of services through the company's trading operations, or those that do not have a commercial origin, are not equity instruments or derivatives, the charges of which are a fixed or specific amount that are not traded on an active market.

b) Financial assets held for trading: those that are acquired with the aim of transferring them in the short term or those that form part of a portfolio which is intended for sale in the short term. This category also includes those derivative instruments that are not for capital guarantees and have not been designated as hedging instruments.

c) Investments in the equity of group companies, associate companies and multi-group companies: for the purposes of preparing the consolidated financial statements, the interests in associate companies appear in the consolidated balance sheet of the Group as the percentage corresponding to the shareholders' equity in the associate company.

Initial valuation –

Financial assets are entered initially at the value of the consideration delivered plus the transaction costs that may be directly attributable, unless they are financial assets for trading, in which case the transaction costs that may be directly attributable to them will appear in the income statement for the period.

Subsequent valuation –

Loans and receivables are valued by their amortised cost.

Financial assets held for trading are valued at their fair value, the result of the variations in the said fair value being entered in the consolidated income statement.

At the close of the period at least, the Group carries out an impairment test for the financial assets that are not entered at fair value. It is considered that there is objective evidence of impairment if the redeemable value of the financial asset is less than its carrying amount. When this occurs, the entry of this impairment is made in the income statement.

For trade debtors and other accounts receivable, the criteria used by the Group is to calculate the value to be entered as a loss through impairment for those items whose payment is doubtful based on their age and the financial position of the debtors

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

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

5.6.2 Financial liabilities

Financial liabilities are payables that the Group has and which have originated in the purchase of goods and services through the company's trading operations, or those that cannot be considered as derivative financial instruments, as they do not have a commercial origin.

The payables are valued initially at the fair value of the consideration received, adjusted by the directly attributable transaction costs. Subsequently, the said liabilities are valued in accordance with their amortised cost.

The Group discharges the financial liabilities when the obligations have been fully discharged.

5.6.3 Equity instruments

An equity instrument represents residual interest in the Group equity, once all its liabilities have been deducted.

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

5.6.4 Hedging

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

In order that these financial instruments qualify as hedging instruments, the hedging relationship should be documented. Similarly, the Group checks periodically throughout their life (at least at the end of each financial year) that the hedging relationship is effective, i.e. that it is expected, prospectively, that the changes in the fair value or in the cash flow of the item hedged (attributable to the risk covered) would be offset almost completely by those of the hedging instrument and that, retrospectively, the hedging results will have fluctuated within a variation range of between 80 and 125% in relation to the result of the item covered.

In this type of hedging, the part of the profit or loss of the hedging instrument that has been specified as effective is included temporarily in the Group equity. This will be allocated to the consolidated income statement in the financial year in which the item that is the object of hedging affects the result, unless the hedging relates to an transaction that might be expected to terminate in the entry of a non-financial debit or credit, in which case the amounts entered in the consolidated equity will be included in the cost of the asset or liability when acquired or assumed.

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

5.7 Stock

The stock is valued at its acquisition price, cost of production or net realisable value, whichever is lower. Trade discounts, reductions obtained, or other similar items are deducted and interest added in determining the acquisition price.

The cost of production includes the direct cost of materials, direct labour costs and general manufacturing costs.

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

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

The Company makes the appropriate value corrections, entering them as a cost in the income statement when the net realisable value of the stock is lower than its purchase price (or than its production cost).

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

5.8 Transactions in currency other than euro

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

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

5.9 Corporate income tax

The current tax is the amount the Group meets as a consequence of settlements of tax on profits relating to a financial year. The deductions and other tax benefits in the tax quota, excluding withholdings and payments on account, as well as the tax losses from previous periods to be offset and applied in this the current period, give rise to a lower amount of current tax.

The expenditure or income for deferred tax relates to the entry and cancellation of assets and liabilities for deferred tax. These include temporary differences that are identified as those amounts anticipated to be payable or recoverable, derived from the differences between the book amounts of the assets and liabilities and their taxable value, as well as the unused tax loss carry-forwards and the credits for tax benefits not fiscally applied. These amounts are entered by applying a temporary difference or credit, which corresponds to the rate of tax at which it is expected to recover or pay them.

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

However, the assets for deferred taxes are only entered insofar as it is considered probable that the Company is going to have future taxable income against which they can be offset.

The assets and liabilities for deferred taxes that originate from operations with direct charges or payments to equity accounts are also accountable with an item in equity.

At each year-end the assets entered for deferred tax are re-assessed, the appropriate corrections being made to them insofar as there are doubts about their future recovery. Similarly, at each year-end the assets are evaluated for deferred tax not included in the balance sheet and these are subject to inclusion insofar as their recovery is likely with future taxable income.

By decision of the Sole Partner on December 26th 2011, it was determined to be subject to tax on the Corporate Tax through the regime of tax consolidation in accordance with Chapter VII of Title VII of Corporate Tax from October 1st 2007, being the Company the one subject to present and pay the Corporate Tax of the tax group. For this, at the end of the financial year the receivables and payables for Corporate Tax are classified in current deposit accounts with companies of the group.

5.10 Environment

Assets of an environmental nature are those used long-term in the Group's activity. Their main purpose is the minimisation of environmental impact and the protection and improvement of the environment, including the reduction or elimination of future contamination.

Due to its nature, the Group's activity does not have a significant environmental impact and the Group is not entitled to emission of greenhouse gases nor they have been acquired.

5.11 UTEs (Joint Ventures)

The consolidated financial statements collate the effect of the proportional integration of the UTEs in which each of the Group companies participates.

The UTEs have been included at each heading level of the consolidated balance sheet, the consolidated income statement and the consolidated cash flow statements, by the proportional integration method, as a function of the percentage interest of each of the Group's companies.

The main figures the UTEs contribute to the consolidated balance sheet and to the consolidated income statement for the financial years ending 31st December 2012 and 2011 are presented in Note 10 c).

5.12 Income and expenditure

Income 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, regardless of the time at which the cash or financial flow derived from them takes place. This income and expenditure are valued by the fair value of the consideration received or given, once the discounts and taxes, incorporated interests or similar items have been deducted.

For adjusting the income in the period in which it is accrued, the Group adopts the principle of provisioning those projects in progress at the close of the period, in accordance with their state of completion, regardless of the issue date of the invoice.

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

The interest received from financial assets is included using the effective interest rate method. In any case, the interest on financial assets accrued subsequently to the time of the acquisition is included as income in the consolidated financial statement.

The rest of the income is accounted for at the time of transfer of the ownership of the goods or services provided to the customer.

5.13 Provisions and contingencies

In the preparation of the consolidated financial statements, the Group's 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 regard to their amount and/or time of cancellation.

b) Contingent liabilities: possible obligations arising as a consequence of past events, the future materialisation of which is conditional on the occurrence, or not, of one or more future events, regardless of the Group's will and which are not reasonably calculable.

The consolidated financial statements collate all the provisions with respect to which it is deemed that the probability of having to meet the obligation is greater than not. The contingent liabilities are not included in the consolidated financial statements but the information about them can be found in the report notes, insofar as they are not considered remote.

The provisions are valued by the current value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into account the information available about this event and its consequences, and entering any adjustments that may arise through updating these provisions as a financial expense as it accrues.

Compensation receivable from a third party at the time the obligation is settled, provided that there are no doubts as to whether this reimbursement will be made, is entered as a credit, unless there is a legal link by which the risk part has been outsourced under which the Group is not obliged to respond. In this situation, the compensation is to be taken into account for estimating the amount for which, if relevant, the corresponding provision is to appear.

5.14 Severance pay

In accordance with prevailing legislation, the Group is obliged to pay severance pay to those employees with whom, under specific conditions, it terminates their employment relations. Therefore, severance pay, subject to reasonable quantification, is entered as an expense in the period in which the dismissal decision is taken. In the consolidated financial statements attached there is no provision entered under this heading, as situations of this nature are not anticipated.

5.15 Subsidies, donations and legacies

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

a) Non-reimbursable capital subsidies, donations and legacies: they are valued by the fair value of the amount or asset granted, depending on whether or not they have a monetary nature, and they are attributed to the results in proportion to the allocation made to amortisation in that period for the subsidised items or, if relevant, whenever their transfer or value impairment correction takes place, except those received from shareholders or owners which are directly recorded as equity and which do not constitute income.

b) Reimbursable subsidies: They are considered as liabilities as long as they are reimbursable.

c) Operating subsidies: They are paid 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 those periods. If they are granted to finance specific expenditure, the allocation is to be made as the expenditure financed accrues.

5.16 Transactions with related parties

The Group carries out all its transactions with related parties at market value. In addition, the transfer prices are adequately supported, because of which the Directors of the Parent Company consider that there are no significant risks in this respect that could result in significant liabilities for future consideration.

6. Intangible fixed assets

The composition and movement under this heading of the consolidated balance as at 31st December 2012 and 2011 are the following:

Financial year 2012

	Balance at 12/31/2011	Additions (Allocations)	Dif. Exchange	Adjustments	Deletions	Balance at 12/31/2012
Gross Value:						
Goodwill	934,670	8,063	-	-	-	942,733
Concession of patents, licences, trade marks and Similar Items.	13,015,616	1,900,540	-	9,668	(292,779)	14,633,045
IT applications	2,255,003	47,586	(84)	95.56	-	2,302,600
Research	2,641,544	122,037	-	180,905	-	2,944,487
Total	18,846,833	2,078,225	(84)	190,669	(292,779)	20,822,865
Accumulated amortisation:						
Goodwill	-	-	-	-	-	-
Concession of patents, licences, trade marks and similar items	(901,109)	(456,137)	-	-	1,973	(1,355,273)
IT applications	(1,928,328)	(116,552)	37	(97)	-	(2,044,940)
Research	(1,568,842)	(174,443)	-	-	-	(1,743,285)
Total	(4,398,279)	(747,132)	37	(97)	1,973	(5,143,498)
Intangible assets	**14,448,554**	**1,331,094**	**(47)**	**190,572**	**(290,806)**	**15,679,367**

Financial year 2011

	Euros				
	Opening Balance	Additions (Allocations)	Transfers	Adjustments	Closing Balance
Gross value:					
Goodwill	934,670	-	-	-	934,670
Concessions, patents, licences, trademarks and Similar items	8,534,909	5,174,751	-	(694,042)	13,015,618
IT applications	2,147,266	53,267	54,400	69	2,255,002
Development expenditure	2,696,227	-	(54,400)	(282)	2,641,545
Total	14,313,072	5,228,018	-	(694,255)	18,846,835
Accumulated amortisation:					
Goodwill	-	-	-	-	-
Concessions, patents, licences, trademarks and Similar items	(638,932)	(262,210)	-	32	(901,110)
IT applications	(1,789,652)	(103,326)	(35,334)	(17)	(1,928,329)
Development expenditure	(1,483,229)	(120,948)	35,334	-	(1,568,843)
Total	(3,911,813)	(486,484)	-	15	(4,398,282)
Intangible fixed assets	**10,401,259**	**4,741,534**	-	**(694,240)**	**14,448,553**

The main additions in the period relate to the construction by one of the Group's subsidiaries of a Services Station belonging to Punta Umbria Town Councli.

At the close of the financial years 2012 and 2011 the Group held elements of intangible fixed assets fully amortised for a value of 3,530,973 euros and 3,395,789 euros respectively.

6.1 Goodwill.

The movement shown under this heading in the balance sheet in the financial years 2012 and 2011 is the following:

Financial year 2012

	Opening Balance	Increases	Closing Balance
Señalización Viales e Imagen S.A.U.	687,920	-	687,920
Geotecnia 7, S.A.U (*)	64,388	-	64,388
Geotecnia y Control de Qualitat, S.A.	182,362	-	182,362
Beasolarta, S.L.U.	-	8,063	8,063
Total Goodwill	**934,670**	**8,063**	**942,733**

Financial year 2011

	Opening Balance	Additions	Closing Balance
Señalización Viales e Imagen S.A.U.	687,920	-	687,920
Geotecnia 7, S.A.(*)	64,388	-	64,388
Geotecnia i Control de Qualitat, S.A.	182,362	-	182,362
Total goodwill	**934,670**	**-**	**934,670**

(*)Geotecnia 7 S.A.U, was merger with Control 7 S.A.U. in 2011

No impairments have been entered in these funds during the period on the bases of estimations of results for future periods.

7. Tangible fixed assets

The summary of the variations during the financial years 2012 and 2011 in the different accounts under the heading "Tangible fixed assets" was the following

Financial year 2012

	Euros					
	Balance at 31/12/2011	Conversion differences	Additions (Allocations)	Adjustments	Deletions	Balances at 12/31/2012
Gross value:						
Land and buildings	3,914,481	(5,068)	694.240	61,899	-	4.665.552
Technical installations and machinery	27,769,017	(96,685)	2,140,797	259,584	(244,965)	29,827,748
Other installations, tools and furniture	7,170,249	(2,370)	148,037	125,454	(102,806)	7,338,564
Desktop computers	1,012,280	2,009	41,713	(190,450)	(2,918)	862,634
Vehicles	9,799,968	(41,422)	947,519	(11,557)	(127,789)	10,566,718
In progress	3,425,166	-	3,362,707	837,423	(1,897,425)	5,727,871
Total	53,091,161	(143,536)	7,335,012	1,082,353	(2,375,904)	58,989,087
Accumulated amortization:						
Land and buildings	(592,179)	107	(99.501)	(46,862)	-	(738.435)
Technical installations and machinery	(23,296,647)	41,396	(2,132,558)	(191,950)	184,044	(25,395,715)
Other installations, tools and furniture	(5,257,538)	13,592	(256,173)	(22,876)	44,781	(5,478,214)
Desktop computers	(899,923)	(3,607)	(27,931)	124,509	1,932	(805,020)
Vehicles	(7,875,677)	18,231	(772,583)	3	115,473	(8,514,552)
Total	(37,921,963)	69,719	(3.288.746)	(137,176)	346,230	(40.931.936)
Tangible fixed assets	**15,169,199**	**(73,817)**	**4,046,266**	**945,176**	**(2,029,674)**	**18,057,150**

Financial year 2011

	Euros						
	Balance at 31-12-10	Conversion Differences	Additions (Allocation)	Adjustments	Transfers	Write-offs	Balance at 31-12-11
Gross value:							
Land and buildings	3,733,981	(1,940)	-	-	182,439	-	3,914,480
Technical installations and machinery	27,325,616	(105,093)	288,090	(209,349)	(519,861)	(478,694)	26,300,709
Other installations, tools and furniture	6,879,965	(2,496)	1,376,833	36,619	89,474	(2,165)	8,378,230
Desktop computers	796,338	(4,395)	36,781	199,294	247,948	(3,362)	1,272,604
Vehicles	9,495,007	(90,063)	585,616	2,826	-	(193,417)	9,799,969
In progress	37,180	-	3,668,904	(243,738)	-	(37,180)	3,425,166
Total	48,268,087	(203,987)	5,956,224	(214,348)	-	(714,818)	53,091,158
Accumulated amortisation:							
Land and buildings	(520,277)	649	(72,550)	-	-	-	(592,178)
Technical installations and machinery	(20,605,169)	66,868	(2,197,120)	218,441	286,455	360,147	(21,870,378)
Other installations, tools and furniture	(6,060,147)	1,985	(308,354)	(35,649)	(105,099)	30,152	(6,477,112)
Desktop computers	(749,421)	(11,063)	(46,480)	(121,660)	(181,356)	3,362	(1,106,618)
Vehicles	(7,152,497)	39,184	(805,288)	(122,176)		165,104	(7,875,673)
In progress	(35,087,511)	97,623	(3,429,792)	(61,044)	-	558,765	(37,921,959)
Total	**13,180,576**	**(106,364)**	**2,526,432**	**(275,392)**	-	**(156,053)**	**15,169,199**

At the close of the financial years 2012 and 2011 the Group had items of tangible fixed assets fully amortised that continued in use for a value of 26,078,410 euros and 22,410,264 euros respectively.

At 31st December 2012, the Group had the following items of tangible fixed assets situated outside Spain:

	Euros		
	Gross Value	Accumulated Amortization	Net Book Value
IT applications	4,262	(2,936)	1,326
Land and buildings	1,486,505	(56,290)	1,430,215
Technical installations, tools and machinery	9,727,499	(7,601,033)	2,126,466
Other installations, tools and furniture	453,754	(248,204)	205,550
Desktop computers	125,861	(92,002)	33,859
Vehicles	3,886,417	(2,537,079)	1,349,338
Total	**15,684,298**	**(10,537,544)**	**5,146,753**

The Group's policy is to formalise insurance policies in order to cover the risks run by the various elements of their tangible fixed assets. The Directors of the Parent Company consider that the coverage for these risks at 31st December 2012 and 2011 is adequate.

As is shown in Note 8, at the close of the financial years 2012 and 2011 the Group had contracted various financial leasing operations relating to their tangible fixed assets.

8. Real state investment.

The real estate investments are related to buildings acquired in exchange of receivables and are located in Dominican Republic. These assets are kept in the balance sheet in order to obtain profits in their sale.

	Euros			
	Balance at 31-12-11	Additions (Allocations)	Deletions	Balances at 12/31/2012
Gross value:				
Real state for sale	-	1.356.578	-	1.356.578
Total	-	1.356.578	-	1.356.578
Accumulated depreciation:				
Real state depreciation	-	(31.048)	-	(31.048)
Total acc. Depreciation	-	(31.048)	-	(31.048)
Total	-	**1.325.530**	-	**1.325.530**

9. Leases

Capital leases

At the close of the financial years 2012 and 2011 the Group's companies, in their capacity of capital lessors, have included leased assets in accordance with the following:

Financial year 2012

	For goods valued at their fair value	For goods valued by the current value of the minimum payments	Total
Tangible fixed assets	9,012,354	-	9,012,354
Total	9,012,354	-	9,012,354

Financial year 2011

	For goods valued at their fair value	For goods valued by the current value of the minimum payments	Total
Tangible fixed assets	8,122,883	-	8,122,883
Total	8,122,883	-	8,122,883

At the close of the financial years 2012 and 2011, the Group's companies had contracted the following minimum leasing provisions with lessors (including, if agreed, purchase options), in accordance with the current contracts in force, without taking into account the repercussion of common expenditure, future CPI increases or future rental reviews agreed contractually:

Capital leases Minimum quotas	2012		2011	
	Nominal value	Current value	Nominal value	Current value
Less than one year	980,331	907,066	1,047,136	954,360
Between one and five years	1,660,269	1,529,699	1,216,967	1,041,318
More than five years	599,813	567,588	604,557	569,206
Total	3,240,413	3,004,352	2,868,660	2,564,884

There are no contingent provisions.

Operating leases

At the close of the financial years 2012 and 2011, the Group has contracted the following minimum leasing provisions with lessors, in accordance with the current contracts in force, without taking into account the repercussions of common expenditure, future CPI increases or future rental reviews agreed contractually:

Capital leases Minimum quotas	2012 Nominal value	2011 Nominal value
Less than one year	3,372,967	4,183,364
Between one and five years	22,942	73,048
More than five years	-	-
Total	**3,395,910**	**4,256,412**

The major part of the accrued expenditure under this heading corresponds to the rental of equipment, vehicles and machinery for works or construction

10. Investments in the Group companies and associate companies

a) Investments accounted for using the equity method

The summary of the transactions entered during the financial years 2012 and 2011 under the heading "Investments accounted for using the equity method" is the following:

Financial year 2012

Company	Holder	Equity at 31/12/12	%	**Investments from equity method**	Result 2012	**Share of profit of the year**
Ramky Elsamex Hyderabad Ring Road Limited	Elsamex, S.A.	9.975.550	26.00	2,593,643	(218,869)	(56,906)
CGI-8, S.A.	Centro de Investigación Elpidio Sánchez Marcos, S.A.	65,559	49.00	32,124	(33,823)	(16,573)
Sociedad Concesionaria Autovía A-4 Madrid, S.A.	Elsamex, S.A. / Grusamar Ingeniería y Consulting, S.L.	-	48.75	-	1,550,040	755,645
Empresa PAME S.A. de C.V.	Elsamex, S.A. / Mantenimiento y Conservación de Vialidades S.A. de C.V.	2,915	34.00	994	-	-
				2,626,761		**682,166**

Changes in "Investments accounted for using the equity method" during 2012 correspond mainly to:

- The decrease in the value of the investment in Concesionaria Autovía A-4 Madrid S.A. due to the negative fair values at year-end of derivative hedging instruments contracted with two financial instruments (see Note 14.8).

Financial year 2011

Company	Holder	Equity at 31/12/11	%	**Investments from equity method**	Result 2011	**Investments from associates**
Ramky Elsamex Hyderabad Ring Road Limited	Elsamex, S.A.	11,239,013	26.00	2,922,143	(35,237)	(9,162)
CGI-8, S.A.	Centro de Investigación Elpidio Sánchez Marcos, S.A.	98,894	49.00	48,458	(43,688)	(21,407)
Sociedad Concesionaria Autovía A-4 Madrid, S.A.	Elsamex, S.A. / Grusamar Ingeniería y Consulting, S.L.	-	48.75	-	3,016,221	1,470,408
Empresa PAME S.A. de C.V.	Elsamex, S.A. / Mantenimiento y Conservación de Vialidades S.A. de C.V.	2,982	34.00	1,014	-	-
				2,971,616		**1,439,839**

b) Credits to associates

This heading mainly includes the participative loan granted by the Parent Company and its subsidiary Grusamar Ingeniería y Consulting, S.L. to Sociedad Concesionaria de la Autovía A-4, which was awarded in 2007 a contract for the construction and operation as an administrative concession of the stretch of highway A-4 from KM 3.78 to KM 67.5 (R4) in the province of Madrid. During the financial year 2008, the Sociedad Concesionaria de la Autovía A-4 took out a syndicated loan for the financing of the construction works deriving from the concession contract, conditional upon the fulfilment of specific ratios of financial autonomy. This unionized loan has two guarantees of two financial institutions different from the grantors of the loan, one of them, in name of Elsamex, S.A. and other one in name of the partner. Specifically, this syndicated loan requires the shareholders of the concessionaire to pay out in the manner of a participative loan or by means of the issue of new shares in the concessionaire, for an amount equivalent to 29.4% of the amount provided by the said loan.

c) Joint Ventures

The detail of the business figures for the JV in which the Group companies participate is the following:

Elsamex, S.A.:

Name of Joint Venture:	Percentage interest	Euros Sales
Elsamex-Arias UTE Conservación Coruña II	60%	-
UTE Elsamex Arias Oca Conservación Orense II	50%	-
UTE Elsamex-Alpidesa	50%	-
Elsamex-Iberseñal UTE Señalización Madrid	60%	-
Elsamex-Opsa UTE Peri Serrano Uribe	80%	-
Elsamex-Fitonovo UTE Casa del Queso	50%	-
Elsamex-Torrescamara UTE Presas	50%	21,178
UTE Seguridad Vial Murcia	30%	70,507
Elsamex-Cauchil UTE Elsamex- Cauchill Jaen	80%	318,928
Api Conservacion-Elsamex UTE Teruel II	50%	103,539
Elsan Pacsa-Elsamex UTE Navalvillar de Pela II	50%	56,227
Elsamex-Sando UTE II Conservación A-395	50%	22,339

Elsamex-Sando UTE Refuerzo del firme A-395	50%	-
Elsamex-Asfaltos Uribe Este Señal UTE Durango II	45%	-
Serop-Elsamex UTE Mantenimiento Serop-Elsamex	50%	1,333
Elsamex-Const.Hispánica UTE peaje La Jonquera	50%	-
Elsamex-Asfaltos Urretxu UTE Itziar	50%	-
Elsamex-Velasco UTE Polideportivos Latina	50%	-
Elsamex-Velasco UTE PolideportivoS Hortaleza	50%	-2,042
Elsamex-Velasco UTE Polideportivos Tetuán	50%	-
Corsan Corviam-Elsamex UTE Corelsa	50%	-
Elsamex-Oca UTE Coruña III	70%	791,206
Asfaltos Uribe-Norte Industrial-Construcciones Eder-Elsamex UTE Vizcaya III (Durango Bi)	28%	461,968
Elsamex-Rubau UTE Argentona	50%	508,361
Elsamex- Martín Casillas UTE Conservación Cádiz	50%	282,247
Elsamex-Vimac UTE Vimac 01	50%	21,329
Elsamex-Oca UTE Conservación Orense III	50%	1,251,890
UTE Abedul Orihuela	25%	319,891
UTE Abedul Zamora	25%	146,780
UTE Abedul Villavidel	25%	126,294
UTE Abedul Cáceres	25%	-
UTE Abedul Ponferrada	25%	195,987
UTE Vizcaya II	45%	-
UTE Córdoba	50%	77,147
UTE Arona	60%	1,311,010
UTE Sector 03	50%	5,470
UTE AP-7 Ondara	60%	494,658
UTE Mantenimiento Cuenca	50%	1,491,823
UTE Elsamex-Maygar Sur Sevilla	50%	663,344
UTE Elsamex-Lujan Alicante	50%	1,851,788
UTE Conservación Almería	70%	1,852,105
UTE Conservación Asturias	50%	611,236
UTE Bizcaia Bi	37,5%	1,327,215
UTE Conservación Cáceres	50%	719,872
Consorcio Grusamar Elsamex Ecuador	50%	216.582
		15.320.212

Grusamar Ingeniería y Consulting, S.L.:

Name of Joint Venture:	Percentage interest	Euros Sales
Grusamar – Kv Consultores Ute puerto de Mahon	80%	-
Grusamar – Progescan Ute Areas de Servicio	70%	-
Atenea – Grusamar Ute Medio ambiente-Comunidad Valenciana	50%	-
Grusamar- Ineco- Inastecan Ute Arucas	40%	303,192
Betancourt –Grusamar Ute Rio Alhama	50%	3,556
Gusamar – Ineco Ute Inversiones 2008	50%	-
Ute Grusamar – OHS Ingeniería y Urbanismo Ute Travesía de Hermigua	50%	64,963
Betancourt – Grusamar Ute Linares	50%	126,784
Grusamar – Prover Ute Zeneta San Javier	50%	975
Grusamar- Elsamex – Atenea Ute seguridad vial Murcia	50%	117,512
Grusamar – Inserco Ute Santas Martas Palanquinos	50%	110,491
Intevia-Grusamar-Dair Ute Seguridad Vial Bizkaia	10%	-
Intevia-Grusamar Ute seguridad Vial Norte	30%	3,205
Ute Almanzora	65%	-
Ute Autovía de Santiago	50%	267,124

Ute Tren Mallorca	80%	331,310
Ute Grusamar-Eyser	50%	464,607
Ute Grusamar-Inserco Rambla de Retamar	50%	261,696
Ute Dallas	50%	679,455
Ute Grusamar-Intecsa-Inarsa-Atenea	30%	36,411
Ute Grusamar- Ingelan	60%	204,733
Consorcio Epsilon	35%	97.551
Consorcio Elsamex Grusamar Ecuador	50%	216.582
		3.290.147

Atenea Seguridad y Medio Ambiente, S.A.:

Name of Joint Venture:	Percentage interest	Euros Sales
Atenea – Consulnima Ute Consultea	50%	50,427
Atenea – Iz Ingenieros Ute Atda Embalse de Flix	50%	68,117
Atenea – Grusamar Ute Medio ambiente-Comunidad Valenciana	50%	-
Atenea – Inastecan Ute Supervision Baleares 2008	80%	48,384
Grusamar Elsamex Atenea Ute Seguridad Vial Murcia	20%	47,005
Ute Grusamar-Intecsa-Inarsa-Atenea	30%	36,411
Ute Atenea-Paymacotas (CSSAMB)	40%	7,210
Ute Atenea-Prevecons	55%	2,717
		260,271

CIESM-INTEVIA, S.A.:

Name of Joint Venture:	Percentage interest	Euros Sales
Ute 6/2004	23%	-
Ute Sg 2/2008	24%	-
Ute Sg 2/006	25%	-
Ute Cican-Ciesm	50%	-
Ute Intevia-Tairona- Castinsa	30%	-
Ute Grusamar-Intevia-Dair (Seg.Vial Bizcaya)	60%	-
Ute Seguridad Vial Norte	70%	7,477
Ute Dair-Intevia	50%	-
Ute Sg-2/2011	24%	64,068
		71,545

Control 7, S.A.:

Name of Joint Venture:	Percentage interest	Euros Sales
Ute Cap 1	50%	3,426
Ute Ceip 1	50%	12,358
		15,784

Elsamex Internacional, S.L.:

Name of Joint Venture:	Percentage interest	Euros Sales
Romana Sucursal Dominicana	100%	-
Conservación Grupo Sur	100%	-
Consorcio Josel Sadis	34%	-
Consorcio.Carreteras del Sur	60%	-
Consorcio Internariño	50%	97,395
		97,395

The contribution of the UTEs to the consolidated balance sheet and consolidated income statement for the financial years ending on 31st December 2012 and 2011 are:

	Euros	
	2012	**2011**
Non-current assets	3,265,501	3,399,768
Current assets	12,824,674	14,434,489
Total Assets	**16,090,174**	**17,834,256**
Equity	2,363,228	4,178,144
Non-current liabilities	3,045,742	3,226,253
Current liabilities	10,681,205	10,429,859
Total liabilities and equity	**16,090,174**	**17,834,256**

11 Financial assets (long- and short-term)

11.1 Long-term financial assets

The investment recorded in "Equity instruments" refers to the interest held in "Norvia, S.A." The Group holds an 8.08% interest carried at fair value, which coincides with its value at cost.

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

The balance of the account in the heading "Other financial assets" at year-end 2012 includes guarantee deposits given in respect of operating lease contracts entered into with third parties, as described in Note 9, other financial assets, and guarantee deposits received.

11.2 Short-term financial assets

The Groups financial assets are broken down in the following manner at the close of financial year 2012:

	Euros	
	2012	2011
Loans and receivables	78,630,707	91,728,118
Financial assets held for trading	-	5,693
Total	**78,630,707**	**91,733,811**

a) Loans and receivables

The breakdown under this heading of the balance sheet at 31st December 2012 and 2011 is as follows:

	Euros	
	2012	2011
Customers by sales and provision of services:		
Customers	58,686,679	68,236,318
Bad debtors	7,112,624	8,279,924
Bad debt provision	(7,112,624)	(8,279,924)
	58,686,679	68,236,318
Companies carried by the equity method (Note 20)	2,164,344	6,461,519
Sundry debtors:		
Sundry debtors	7,577,522	9,951,867
Doubtful debtors	406,247	406,247
Bad debt provision	(406,247)	(406,247)
	7,577,522	9,951,867
Personnel:	143,304	460,323
Loans to third parties:	8,851,018	5,653,010
Short-term deposits:	1,207,840.2	2,086,124.2
Total	**78,630,707**	**91,728,118**

At the close of the period the Parent Company has pledged its customer accounts as guarantee of a loan granted by a syndicated of banks (see Note 15).

b) Financial assets held for trading

Under this heading, the Company reflects its investments in commercial equity instruments through financial institutions.

12. Information about the nature and level of risk of financial instruments

The Management of the Group's financial risks is centralised in its Financial Management department, which has established the necessary mechanisms to control exposure to variations in the interest rates, as well as to credit and liquidity risks. The main financial risks that impact on the Group are mentioned below:

a) Credit risk:

In general, the Group holds its treasury and equivalent liquid assets in financial bodies with a high credit level.

In addition, it must be pointed out that, despite the fact that it maintains a significant volume of transactions with a significant number of customers; the solvency of the majority of them is guaranteed as they are largely public bodies and so the credit risk with third parties is not high.

b) Liquidity risk:

The liquidity risk is defined as the risk that the Elsamex Group, applicable to Elsamex, S.A., as parent company, would have on not being capable of settling or fulfilling its obligations on time and/or at a reasonable price.

The Elsamex Group manages its liquidity risk on a consolidated basis depending on the requirements of the company. Management controls the net liquidity position of the Group for expected mobile cash flow projections. Cash and other equivalent assets of the Group are held in the principal regulated institutions.

The management of this risk is also focused on the monitoring detailed below of the due dates of the lines of different debt (see Note 15), as well as in proactive management and the maintenance of credit lines that enable the anticipated cash requirements to be covered.

With regard to the management of this liquidity risk, it is pointed out that both at a Group level and at each area of business or project level, forecasts are made in a systematic manner on cash generation and the anticipated requirements that enable the position to be determined and monitored continuously.

c) Market risks:

Both the treasury and the financial debt of the Group are exposed to interest rate risks, which could have an adverse effect on the financial results and on cash flow. Therefore, the Group follows the policy of investing in financial assets that in practice are not exposed to interest rate risks and uses derivative financial instruments to cover the risks to which its activities, operations and future cash flows are exposed (see Note 14.8). On the other hand, the financial instruments used are selected according to the soundness of their financial value and of the issuing entities.

13. Stock

The composition of the stock heading of the consolidated balance sheet at the close of the financial years 2012 and 2011 is the following:

	Euros	
	2012	2011
Trade	1,088,482	2,314,969
Raw materials and other provisions	1,256,337	699,713
Prepayments to suppliers	1,889,014	283,887
Total	**4,233,834**	**3,298,569**

At the close of the financial year 2012 the Company has pledged its stock in guarantee of a loan granted by a consortium of banks (see Note 15).

14. Equity and Own funds

14.1 Share capital

At the close of the financial year 2012 the Company's share capital amounted to 20,264,625 Euros, represented by 337,175 shares of 60.101210 Euros nominal value each, all of the same class, fully subscribed and paid out in accordance with the following detail:

	% Interest
ITNL Internacional Pte. Ltd	22.61%
IL&FS Transportation Networks Ltd	77.39%
	100.00%

The shares are not quoted on the Stock Exchange.

14.2 Legal reserve

In accordance with the revised text of the Public Limited Companies Act, a figure equal to 10% of the profit for the year must be allocated to the legal reserve until this reaches at least 20% of the share capital. The legal reserve may be used to increase the capital in the part of its balance that exceeds 10% of the capital already increased. Except for the above mentioned purpose, and while it does not exceed 20% of the share capital, this reserve may only be assigned to offset losses and provided that there are no other sufficient reserves available for this purpose.

14.3 Voluntary reserves

These are freely available reserves.

14.4 Reserves in companies consolidated using global integration

The breakdown and movement for companies under the heading "Reserves in companies consolidated using global integration" at 31st December 2012, is as follows:

Company	Opening Balance	Results 2011	Mergers	Other Adjustments To Own Funds	Closing Balance
CIESM-INTEVIA, S.A.	(179,083)	(68,468)	-	-	(247,551)
Control 7, S.A.	(121,055)	498,378	-	-	377,323
Geotecnia y Control de Qualitat, S.L.	105,542	74,495		9,541	189,578
Elsamex Internacional, S.L.	(4,467,871)	(2,632.942)	-	7,199	(7.093.614)
Intevial Gestao Integral Rodoviaria, S.A.	(1,813,929)	346,605	-	-	(1,467,324)
Elsamex Portugal Engenharia e Sistemas de Gestão, S.A.	554,034	76,366	-	(4,950)	625,449

Elsamex India Private LTD	(184,156)	119,664	-	3	(64,488)
Yala Construction CO. Private Ltd.	589,568	28,463	-	(180,054)	437,978
ESM Mantenimiento Integral de S.A. de CV	(13,059)	1,848	-	1,091	(10,121)
Mantenimiento y Conservación de Vialidades S.A. de C.V.	(30,122)	194,287	-	-	164,164
Mantenimiento y Conservación de Vialidades S.A. de C.V.	(1,292)	(64)	-	(16)	(1,372)
Grusamar Albania SHPK	(6,360)	(9,018)	-	-	(15,378)
Atenea Seguridad y Medio Ambiente, S.A.	589,551	144,971	-	-	734,522
Grusamar Ingeniería y Consulting, S.L.	(1,687,568)	850,946	-	(52,048)	(888,670)
Sánchez Marcos Señalización e Imagen, S.A.	(143,273)	(57,716)	200,989	-	-
Señalización Viales e Imagen S.A.U.	(2,260,055)	(467,937)	-	(6,556)	(2,734,549)
Proyectos y Promociones Inmobiliarias Sánchez Marcos, S.L	(615,739)	(77,091)	692,831	-	-
Área de servicio Coirós, S.L.U.	(5,320)	16,398	-	-	11,078
Área de servicio Punta Umbría, S.L.U.	(1,381)	3,103	-	-	1,722
Alcantarilla Fotovoltaica, S.L.U.	(962)	(11,437)	-	(2,313)	(14,713)
Vias y Construcciones Viacon S.R.L	-	311,191	-	-	311,191
Consorcio de Obras Civiles Conciviles	-	-	-	-	-
Total	**(9,692,531)**	**(657,959)**	**893,819**	**(228,103)**	**(9,684,774)**

This heading includes the legal reserves for subsidiaries which, at 31st December 2012, amounted to 342.724 Euros. These reserves are not available.

14.5 Reserves in associates

The breakdown and movement for companies under the heading "Reserves in associates" at 31st December 2012, is as follows:

	Euros				
Company	Opening Balance	Result 2012	Adjustments	Dividends	Closing Balance
C.G.I. 8, S.A.	(8,615)	(21,407)	239		(29,782)
Sociedad Concesionaria Autovía A-4 Madrid, S.A.	(312,324)	1,470,408		(1,042,685)	115,398
Ramky Elsamex Hyderabad Ring Road Limited	49,092	(9,162)		-	39,930
Total	**(271,847)**	**1,439,839**	**239**	**(1,042,685)**	**125,546**

14.6 Exchange rate differences

The exchange rate differences in the financial year 2012 are mainly caused by the impact of the inclusion in the consolidated balance sheet during this period of the balances from branches that the Group has abroad and Group entities located in India, Central Europe and Latin America.

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

The breakdown of the heading "Exchange rate differences" for each of the companies that generate this balance at 31 December 2012 is the following:

Subsidiaries

Company	Euros
Elsamex Internacional S.L.U	(136,712)
Elsamex India Private LTD	(5,378)
Yala Construction CO Private Ltd	(212,039)
ESM Mantenimiento Integral de S.A. de CV	(23,181)
Mantenimiento y Conservación de Viales S.A. de CV	(21,843)
Conservación de Infraestructuras de Méjico	(31)
Viacon	(4,875)
Conciviles	(12,150)
Grusamar Albania SHPK	78
Grusamar Ingeniería y Consulting S.L.U	(216)
Elsamex, S.A.	244,696
Total	**(171,651)**

Associate Companies

Company	Euros
Ramky Elsamex Hyderabad Ring Road Limited	(100,684)
Empresas Pame	(52)
Total	**(100,736)**

14.7 Minority interests

The amount included under this heading in the attached consolidated balance sheet collates the value of the minority shareholders' share in the consolidated Group companies through global integration. Similarly, the balance shown under the heading "Result attributable to minority interests" in the attached consolidated income statement represents the share of the minority shareholders in the year's results.

The movement during the financial year 2012 under this heading of the consolidated balance sheet is the following:

Company	Euros						
	Opening Balance	Result for Period Attributed to External	Additions	Exchange Rate Differences	Write-offs	Other Adjustments and Dividends	Closing Balance
Conciviles	-	239,984	1,327	(26,378)	-	-	214,933
Elsamex Portugal Engheneria e Sistema de Gestao, S.A.	314,648	1,693	-	-	-	4,950	321,292
Elsamex India Private LTD	2,480	4,260	-	(276)	-	-	6,464
Yala Construction CO Private Ltd.	100,064	2,503	-	10,007	(62,423)	-	50,152
Mantenimiento y Conservación de Vialidades S.A. de CV	279,394	48,429	-	15,360	-	-	343,183
Conservación de Infraestructura de Méjico S.A. de C.V.	56	(14)	-	3	-	-	45
Grusamar Albania SHPK	(14,356)	(4,270)	-	69	-	-	(18,557)
Total	**682,286**	**292,585**	**1,327**	**(1,214)**	**(62,423)**	**4,950**	**917,511**

The breakdown for the amount for "Minority interests" in the various components of equity that are attributable to it would be: :

Company	Euros							
	Capital	Issue Premium	Own shares	Reserves	Exchange Rate differences	Others	Results	Total
Conciviles	1,327				(26,378)		239,983	214,933
Elsamex Portugal Engheneria e Sistema de Gestao, S.A.	92,750	-	(9,275)	236,123	-	-	1,693	321,292
Elsamex India Private LTD	2,866	-	-	(617)	(46)	-	4,260	6,464
Yala Construction CO Private Ltd.	38,393	-	-	18,022	(8,766)	-	2,503	50,152
Mantenimiento y Conservación de Vialidades S.A. de CV	214,039	-	-	93,001	(12,287)	-	48,429	343,183
Conservación de Infraestructura de Méjico S.A. de C.V.	110	-	-	(50)	(1)	-	(14)	45
Grusamar Albania SHPK	405	-	-	(14,767)	75	-	(4,270)	(18,557)
Total	**349,891**	-	**(9,275)**	**331,713**	**(47,403)**	-	**292,585**	**917,511**

14.8 Derivative financial instruments

The Parent Company, directly and through its UTE "Abedules" and its partner "Sociedad Concesionaria Autovia A-4 Madrid S.A." use derivative financial instruments in order to hedge the risks to which their future activities, operations and cash flows are exposed. In the context of these operations, the Group has contracted specific financial hedging instruments in accordance with the following details:

						Fair value (Euros)	
Company	Classification	Rate	Contracted amount (Euros)	Maturity date	Inefficacy registered in results (Euros)	Assets	Liabilities
Elsamex, S.A. (U.T.E. Abedules)	Interest rate hedge	Variable to fixed	2,055,786	2014	-	-	93,482
Área de Servicios Coiros, S.L.U.	Interest rate hedge	Variable to fixed	1,650,000	2019	-	-	207,994
Área de Servicios Punta Umbría, S.L.U.	Interest rate hedge	Variable to fixed	825,000	2019	-	-	82,348
Sociedad Concesionaria Autovía A-4 Madrid S.A.	Interest rate hedge	Variable to fixed	58,165,000	2025	-	-	9,478,273

The maturity date for the hedging instruments coincides with the period in which it is expected that the cash flows will occur and that they will affect the income statement.

The effect net of taxes of the cash flow hedging derivative financial instruments is recorded in equity for 7,509,903 Euros, 7,241,229 Euros of which relates to hedging operations of associates and the rest of consolidated companies.

15. Debts (long and short term)

The balance of the accounts under the headings "Long-Term Debts" and "Short-Term Debts" at the close of the financial year ending on 31st December 2012 is the following:

	Euros									
	Long- and Short-Term Financial Instruments									
	Debts with Credit Institutions		Creditors for financial leasing	Creditors for financial leasing	Derivatives (see Note 13.8)		Others		Total	
	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
Debits and entries payable	57,637,432	5,501,906	2,097,287	907,066	383,824	-	1,080,522	855,112	61,199,065	7,264,084
Total	**57,637,432**	**5,501,906**	**2,097,287**	**907,066**	**383,824**	**-**	**1,080,522**	**855,112**	**61,199,065**	**7,264,084**

The breakdown for long- and short-term debts with credit institutions is detailed below:

	Euros		
		Available	
	Limit	Long Term	Short Term
Credit lines	17,550,000	11,819,442	841,241
Loans	60,767,682	45,668,094	4,612,154
Mortgage loans (Note 6)		149,896	48,512
		57,637,432	**5,501,906**

In July 2009, the Company took out a syndicated loan policy with a group of financial institutions for a maximum amount of 47,500,000 Euros of which they have drawn down 37,500,000 Euros at the close of the year. The due date of this loan was set at 17 July 2012; however during the course of 2011, this was extended until 17 July 2019 and it has been assigned to refinance part of the debt that the Company has at this time and to finance Company operating requirements, The interest rate applicable to this syndicated loan is the Euribor plus a spread. The loan agreement is guaranteed by the pledging of specific assets of the business (see Notes 11 and 13) and by the Parent Company.

The Company has taken out five credit policies with five financial institutions in only three of which are there funds available. The resulting rate of interest for the amounts that are available in all of them is determined by the Euribor plus a spread. These policies are guaranteed by the Parent Company.

The Company is supporting policies of credit and loan of his Spanish subsidiaries for amount of 5,534,183 Euros.

The breakdown for the maturity dates of the Long-term loans is the following:

	Euros					
	2014	2015	2016	2017	2018 and beyond	Total
Debts with credit institutions	6,819,891	7,275,541	6,981,092	7,409,772	17,331,694	45,817,990

16. Public Administrations and fiscal position

The composition under this heading of the attached balance sheet at 31st December 2012 and 2011 is the following:

	Euros			
	2012		2011	
	Debit Balances	Credit Balances	Debit Balances	Credit Balances
Deferred tax assets	8.138.783	-	6,423,973	-
Deferred tax liabilities	-	1,870,130	-	468,603
Long term balances with Public Administrations	**8,138,783**	**1,870,130**	**6,423,973**	**468,603**
Tax receivable, VAT, IGIC, IPSI	1,144,118	-	1,734,800	-
Tax receivable, Corporate Tax	1,992,112	-	540,626	-
Tax receivable, other concepts	1,053,388	-	128,588	-
Tax receivable, foreign companies (India)	-	-	60,263	-
Tax payable, Utes (Joint ventures)	-	-	-	738,469
Tax payable, different taxes and Soc. Sec.	-	-	-	73
Tax payable, VAT, IGIC	-	842,392	-	1,133,090
Tax payable, other concepts	-	11,208	-	392,352
Income tax payments	-	603,294	-	583,841
Tax payable, Corporate Tax	-	2,395,884	-	66,265
Social Security institutions payable	-	706,418	-	704,074
Short term balances with Public Administrations	**4,189,618**	**4,559,197**	**2,464,277**	**3,618,164**

Reconciliation accounting result and taxable base

In year 2012 the Group is under consolidated tax regime.

The reconciliation between the accounting result and the taxable base for Corporate income tax for the Parent Company is as follows:

Financial year 2012

	Euros	
	Monthly Payment	Expense
Earnings before tax	2,781,268	834,380
Permanent differences:		
Non-tax deductible expenses	388,997	116,699
Non-deductible expenses from previous years	1,197,616	359,285
Expenses directly charged to equity	(67,088)	(20,126)
Temporary differences:		
Increases	1,821,980	-
Decreases	(1,418,883)	-
Tax loss carry-forwards from previous years	(138,102)	-
Taxable base (Tax result)	**4,565,789**	**1,290,238**
Gross tax due (30% of the taxable base)	1,369,737	-
Deductions	(351,332)	(351,332)
Corporate income tax receivables of Consolidated Group	**1,018,404**	-
Corporate income tax expenses	-	**938,905**

Financial year 2011

	Euros	
	Tax payable	Expense
Earnings before tax	2,084,385	625,315
Permanent differences:		
Non-tax deductible expenses	69,884	20,965
Expenses directly charged to equity	(1,298,035)	(389,410)
Temporary differences:		
Increases	982,376	-
Decreases	(299,442)	-
Tax loss carry-forwards from previous years	(769,585)	-
Taxable base	**769,585**	**256,870**
Gross tax due (30% of taxable base)	230,875	-
Tax credits	(230,875)	(177,832)
Withholdings and payments on account	(157,428)	-
Corporate income tax receivables	**157,428**	-
Corporate income tax expense	-	**79,039**

Deferred taxes for the consolidated Elsamex group

The movement in the Assets account for deferred tax on profits during accounting year 2012 is the following:

	Euros			
	Balance at 31-12-2011	Increase	Decrease	Balance at 31-12-2012
Assets for deferred tax on profits	6,423,974	2,903,629	(1,187,820)	8,138,783
	6,423,974	2,903,629	(1,187,820)	8,138,783

At 31st December 2012, the breakdown of the tax loses carry foward by company is the following:

Elsamex, S.A.	Elsamex Internaciona l, S.L.	Señalización Viales e Imagen SAU	Grusamar Ingeniería y Consulting S.L.	Área de Servicio Coiros S.A.U	Control 7, S.A.	Alcantarilla Fotovoltaic a, S.L.U.	CIESM-INTEVIA, S.A.	Total	Origin	Maturity
-	-	501,460			-	-	-	501,460	2004	2022
-	-	1,446,810			-	-	-	1,446,810	2005	2023
1,532	-	450,164	-		-	-	-	451,696	2006	2024
5,527,598	4,614,826	1,237,259	161,106		-	-	-	11,540,789	2007	2025
92,423	24,196	189,284			-	-	-	305,903	2008	2026
61,133	78,857	359,601	44,861		-	-	47,008	591,460	2009	2027
55,155	-	1,302,658	70,727		-	474	297,654	1,726,668	2010	2028
721,764	2,667,788	1,175,287				19,358	172,417	4,756,614	2011	2029
	1,053,790	1,398,108		93,622		193,295	121,445	2,860,260	2012	2030
6,459,605	**8,439,457**	**8,060,631**	**276,694**	**93,622**	-	**213,127**	**638,524**	**24,181,660**		

In accordance with prevailing legislation, the fiscal losses of a period may, for tax purposes, offset the profits of the tax periods that end in the immediately following 18 years. However, the final amount to be offset by these fiscal losses may be modified as a result of verifying the financial years in which they take place.

In accordance with the provisions of prevailing legislation, taxes may not be considered as finally settled until the returns presented have been inspected by the tax authorities or the four-year time limit has elapsed. The Parent Company has the financial years 2008 to 2012 open to inspection.

The Directors consider that it has satisfactorily settled the above-mentioned tax obligations, because of which, in the event of a tax inspection and presupposing differences arising in the usual prevailing interpretation by the tax treatment of transactions, any resulting future liabilities, should they materialise, would not significantly affect these financial statements.

17. Contingent liabilities

At 31st December 2012, the Group had several guarantees granted in respect of contracts awarded by Public Authorities and as financial guarantees in the amount of 31,833,418 euros. The amount granted in this respect in 2011 amounted to 26,785,254 euros and 333,600 dollars.

The Company has pending litigation in favour in contrary. The Board of Director do not considered these litigation should have a significant impact on the consolidated accounts.

18. Foreign currency

The breakdown of the most significant balances and transactions in foreign currency, valued at the rate of exchange at close and average rate respectively, are the following:

	Euros
Accounts receivable	20,889,036
Other assets	5,416,789
Accounts payable	20,395,438
Other liabilities	901,328
Sales and provision of services	49,077,861
Purchases and services received	42,855,532

19. Income and expenditure

19.1 Net turnover

The breakdown of this heading of the results at 31st December 2012 and 2011 are as follows:

Split	Euros	
	2012	2011
Sale of goods	800,244	1,773,551
Services to third parties	139,421,895	111,763,161
	140,222,139	**113,536,712**

The percentage of sales carried out on international territory amounts to 51%, the rest of the sales having been made in national territory.

19.2 Suppliers

The breakdown of this heading in the income statement for the period ending on 31st December 2012 and 2011 is as follows:

	Euros	
	2012	2011
Purchase of other supplies	19,860,349	887,773
Works carried out by other companies	52,879,917	41,989,246
	72,740,266	**42,877,019**

More than 39% of the amount from purchases made from suppliers was within national territory and the rest relates to purchases made abroad.

19.3 External services

The breakdown of this heading in the attached income statement for 2012 and 2011 is as follows:

	Euros	
	2012	2011
Leases and royalties	8,598,392	5,595,472
Repairs and maintenance	1,487,500	955,433
Independent professional services	1,530,287	1,084,925
Transport	575,605	63,859
Insurance premiums	2,917,637	2,301,508
Bank services and other similar	358,674	408,901
Publicity, advertising and public relations	14,290	102,797
Supplies	578,261	999,605
Other services	2,945,102	12,424,747
Other taxes	718,630	409,964
	19,723,980	**24,347,211**

19.4 Personnel expenditure

The breakdown of the "Personnel expenditure" entry in the income statement at 31st December 2012 and 2011 is the following:

	Euros	
	2012	2011
Wages, salaries and equivalents	33,623,653	33,454,044
Social Security chargeable to the company	8,019,069	9,073,842
Provision	(334,709)	-
Total	**41,308,013**	**42,527,886**

Under "Wages, salaries and equivalents" heading includes a bonus provision to be paid to the personnel based on objectives and personal development.

19.5 Contribution of the Group companies to the consolidated result

The contribution of each company included within the scope of consolidation to the consolidated results during the financial year 2012 was the following:

Company	Euros			
	Book Result	Consolidation Adjustments	Result Attributed to External Partners	Total
CIESM-INTEVIA, S.A.	72,639	-	-	72,639
Control 7, S.A.	350,992	-	-	350,992
Geotecnia Control de Qualitat, S.L.	(7,639)	-	-	(7,639)
Elsamex Internacional, S.R.L.	(660,527)	-	-	(660,527)
Viacon	(245,102)	-	-	(245,102)
Conciviles	867,644		(239,983)	627,661
Intevial Gestao Integral Rodoviaria, S.A.	1,066,896	-	-	1,066,896
Elsamex Portugal Engenharia e Sistemas de	6,390	-	(1,693)	4,697

Gestão, S.A.				
Elsamex India Private LTD	501,220	-	(4,260)	496,960
Yala Construction CO. Private Ltd.	63,057	-	(2,503)	60,554
ESM Mantenimiento Integral de S.A. de CV	22,648	-	-	22,648
Mantenimiento y Conservación de Vialidades S.A. de C.V.	134,524	-	(48,429)	86,095
Conser de Infract de Mexico	(385)	-	14	(371)
Grusamar Albania SHPK	(8,714)	-	4,270	(4,444)
Atenea Seguridad y Medio Ambiente, S.A.	339,260	-	-	339,260
Grusamar Ingeniería y Consulting, S.L.	463,088	(53,471)	-	409,617
Señalización Viales e Imagen S.A.U.	(938,685)	-	-	(938,685)
Área de Servicio Coiros, S.L.U.	(65,535)	-	-	(65,535)
Área de Servicios Punta Umbría, S.L.U.	38,877	-	-	38,877
Alcantarilla Fotovoltaica, S.L.U.	(101,563)	-	-	(101,563)
Beasolarta S.A.U	(4,399)	-	-	(4,399)
C.G.I. 8, S.A.	(16,573)	-	-	(16,573)
Sociedad Concesionaria Autovía A-4 Madrid, S.A.	755,644	-	-	755,644
Ramky Elsamex Hyderabad ring road limited	(56,906)	-	-	(56,906)
Elsamex SA	1,842,363	(989,214)	-	853,149
TOTA L	**4,419,216**	**(1,042,685)**	**(292,585)**	**3,083,946**

20. Balances with related parties

The breakdown of the balances during the financial years 2012 and 2011 between Elsamex Group companies and associates and related parties is the following:

2012	Euros				
	Accounts receivable			Accounts payable	
	For provision of services	Short-term loans	Long-term loans	For provision of services	Long-term loans
ITNL Internacional Pte.Ltd	-	-	-	9,751	60,000
Ramky	544,336	-	-	-	-
Ramky Infratructure Ltd.	361,083	-	-	-	-
Ramky Infrastructure Ltd.(ORR Project)	332,592	-	-	-	-
Ramky Margin Money Against B.G.	20,403	-	-	-	-
Ramky Security Deposit- (Witheld)	38,636	-	-	-	-
ILFS trnas net ltd	-	-	-	255,553	2,500,000
ILFS Transportation Networks Ltd.	192,562	-	-	3,022	-
ILFS Engineering and Cons.C.Ltd	163,070	-	-	-	-
CGI-8, S.A.	27,825	447	-	5,572	-
Treasure Gold Infraestructure	-	-	-	-	-
Sociedad Concesionaria Autovía A-4 Madrid, S.A.	6,565	202	8,646,331	-	-
ITNL OFFSHORE Pte Ltd	1,263	-	-	-	-
ITNK (Hyderabad)	120,005		-	-	-
ITNL (Rajkot-Gondal Site)	91,499	-	-	-	-
ITNL (Loan A/C)	-	-	-	-	7,641
Abu dabhi	-	235,506	-	-	-
Elsamex Brasil	-	8,596	-	-	-
GCQ	15,402	-	-	908	-
Grusamar Macedonia		4,351	-	-	-
TOTAL	**1,915,241**	**249,102**	**8,646,331**	**274,805**	**2,567,641**

2011	Euros				
	Accounts receivable			Accounts payable	
	For provision of services	Short-term loans	Long-term loans	For provision of services	Long-term loans
ITNL Internacional Pte.Ltd		-	-	16,181	2,560,000
Ramky Elsamex Hyderabad Ring Road Limited	725,081	182,723	-	-	-
Zhejiang Elsamex Road Technology Company LTD	117,556	547,538	-	-	-
VCS Enterprises Limited	274,409	-	-	-	-
ILFS Transportation Networks Ltd.	1,920,900	-	-	724,475	142,356
Labetec Ensayos Técnicos Canarias, S.A.	157,645	45,389	-	-	-
CGI-8, S.A.	27,958	52,367	-	-	-
Treasure Gold Infraestructure	123,082	1,218,647	-	-	-
Sociedad Concesionaria Autovía A-4 Madrid, S.A.	11,986	324,345	8,646,331	-	-
Yala Construction Company Limited	23,496	-	-	-	-
ITNK (Hyderabad)	86,751		-	-	-
FDR investment in IL&RS		239,687			
Abu dabhi	-	44,278	-	-	-
Elsamex Brasil	-	2,816	-	-	-
Centro de Investigación de Carreteras de Andalucía, S.A.	96,923	175,019	-	-	-
Grusamar Macedonia		62,923	-	-	-
TOTAL	**3,565,787**	**2,892,732**	**8,646,331**	**740,656**	**2,702,356**

Long-term debts with related companies and through the equity method:

The main item under this heading in the consolidated balance sheet is the loan granted to the Parent Company by one of its shareholders for an amount at year-end of 2,560,000 Euros. This loan accrues annual market interest payable quarterly. The maturity date of the loan is fixed at the lender's requirement but not before 18 March 2013. This financial cost accounted for during this period amounts to 76,969 Euros and is entered under the heading "Financial expenditure for debts with Group companies and affiliates" of the attached income statement.

21. Remuneration to the Board of Directors and Senior Management

Remuneration received during the financial year 2012 by the members of the Group's Senior Management, classified by category, were the following:

Name	Responsibilities or functions held or carried out in the company	Remuneration 2012
Senior management	Management	894,634

During the financial years 2012 and 2011 the members of the Board of Directors of the Group companies did not receive any remuneration in consideration of their posts.

The Group has not contracted any obligation in matters of pensions, sureties, guarantees, life insurance policies or of any other type in favour of the members of the Board of Directors.

There are no advance payments, loans or other obligations assumed by the Group on behalf of the members of the Board of Directors.

22. Breakdown of interests in companies with similar activities and carried out on their own behalf or on behalf of others by the part of the Directors

In compliance with the provisions of Article 231.1d) of the Capital Companies Act, introduced by Law 26/2003, of 17 July, which modifies the Securities Market Act 24/1988, of 28 July, of the, and the revised text of the Public Limited Companies Act, for the purpose of strengthening corporate transparency, it is reported that at year-ends 2012 and 2011 the members of the Elsamex S.A. Board have not held shares in the capital of companies with the same, analogous or a complementary type of activity to that constituting the corporate objective of the companies that make up the Elsamex Group. Similarly, activities have not been carried on nor are being carried on their own behalf or on behalf of others with the same, analogous or complementary type of activity to those constituting the Company's corporate purpose.

In the years 2012 and 2011 the members of the Board of Directors of the Company received no remuneration for their services.

The Company has not incurred any obligation in respect of pensions, sureties, guarantees, life insurance policies or obligations of any other kind in favour of its Board Members.

No advance payments, loans or any other kind of obligation has been assumed by the Company on behalf of its Board Members.

23. Other information

23.1 Personnel

The average number of persons employed during the financial years 2012 and 2011, broken down by category, is as follows:

Categories	2012	2011
Senior management	19	13
Technical staff and middle management	383	491
Administration staff	133	148
Unqualified staff	695	693
Total	**1,230**	**1,345**

The average number of handicapped persons employed during the financial years 2012, broken down by category, is as follows:

Category	2012
Senior management	-
Technical staff and middle management	3
Administration staff	6
Unqualified staff	22
Total	**31**

In accordance with the requirements of Article 260.8 of the Spanish Corporation Law, the following is the distribution by gender at the year-end of the Company personnel, broken down by category for the financial years 2012 and 2011:

	2012		2011	
Category	Men	Women	Men	Women
Senior management	17	2	13	5
Technical staff and middle management	275	108	364	125
Administration staff	49	84	64	86
Unqualified staff	638	57	634	59
Total	979	251	1,075	270

23.2 Audit fees

Audit fees for services provided to the various companies comprising Grupo Elsamex, S.A. and its subsidiaries by the principal auditors and other related entities in 2012 amounted to 140.000 euros. Other fees for the auditing services of other auditors providing services to various Group companies amounted to 40.328 euros.

23.3 International dispute

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

As a result of this dispute, Elsamex submitted an International Arbitration Request with the International Centre for Settlement of Investment Disputes (ICSID) dated 17/03/2009. This led to the submission of an Arbitration Claim dated 2/08/2010, requesting from the Sole Arbitrator the payment to Elsamex of a total of USD 11,546,388.81 (includes guarantees for amount of USD 3,754,608.47) plus interest during the periods prior and subsequent to the final award and all the costs of the procedure, including the fees and expenses incurred by the plaintiff, and the administrative expenses of the Centre and the fees of the Sole Arbitrator. The international defendant has submitted a counterclaim against Elsamex.

On November 16th 2012 the CIADI communicated to the Parties the Award. The Award sentences the Republic of Honduras to pay Elsamex S.A. USD$ 8,075,995 for different concepts plus the accrued interest. Also, the counterclaim presented by Honduras was dismissed.

The lawyers of Elsamex S.A., requested on December 21st 2012 the payment of the amount of the Award plus interest until the date of the request (USD$ 3,021,316)

On March 21, 2013, the Government of Republic of Honduras proceeded to appeal against the judgment rendered in the Award, being unlikely the chances that the appeal is considered successful according to the information provided by the Directors of the Company.

23.4 Segment information:

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

	Road Maintenance	Construction	Building Maintenance	Service Station Maintenance	Engineering & Consulting	Concesions	Laboratories
Sales	45,676,053	52,183,679	10,485,515	11,739,965	14,511,184	1,908,297	3,717,447
EBITDA	4,058,118	2,278,527	266,916	1,791,244	2,303,095	1,045,890	-1,397,832
Depreciation	1,264,127	1,150,531	117,482	172,707	238,011	506,037	618,031
EBIT	2,793,990	1,127,995	149,433	1,618,537	2,065,083	539,854	-2,015,861

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

	PAYMENTS REALIZED AND DEPENDENT ON PAYMENT IN THE CLOSING DATE OF THE BALANCE SHEET			
	Year 2011		Year 2011	
	AMOUNT	% (a)	AMOUNT	% (a)
In the maximum legal term (b)	17.991.632	57	31,264,967	68
Rest	13.558.649	43	14,630,415	32
Total payments of the year	31.550.281	100	45,895,382	100
PMPY (days) of payments	72		68	
Postponements that to the closing date exceed the maximum legal term	3.657.590		3,378,695	

a) Percentage on the total.

(b) The maximum legal term of payment will be, in every case, which corresponds depending on the nature of the good or service got for the company of agreement with arranged in the Law 3/2004, of December 29, by that measures of fight are established against the delinquency in the commercial operations.

25. Subsequent events

Subsequent to the close of the period, and up to the date of preparation of these annual account, no significant subsequent event has occurred that is worthy of mention.

Annex I

Information on the mergers that took place during the financial year

On June 30th 2012, the Sole Shareholder of the Company Elsamex S.A approves the Project of Merger by takeover by Elsamex S.A. of the companies Sánchez Marcos Señalización e Imagen S.A.U and Proyectos y Promociones Inmobiliarias Sánchez Marcos S.L.U.

The merger was carried out in accordance with provisions of article 30 and following of the Act 3/2009, of April 3rd, about structural modifications of corporations and it was deposited in the Registry of Companies of Madrid on September 24th 2012. As a consequence of the merger, the companies Sánchez Marcos Señalización e Imagen S.A.U and Proyectos y Promociones Inmobiliarias Sánchez Marcos S.L.U habe been extinguished by their takeover by the company Elsamex S.A. with full transfer, by means of universal succession, of the totality of the net worth of the absorbed companies, which were dissolved without liquidation.

Both companies at the moment of the merger are wholly owned directly by Elsamex S.A, so there is no increase in the capital of the taking over company and no exchange of shares, in accordance with the provisions in article 52.1 of Act 3/2009 about structural modifications of corporations.

The transactions made by the absorbed companies will be deemed to be made on the account of Elsamex S.A., for accounting purposes, from January 1st 2012.
In the merger by takeover the value of the goods acquired incorporated to the books of the acquiring company has not varied.

The company Elsamex S.A., has applied to tax benefits observed in articles 83 and following of the Chapter VIII of Title VII, of the Consolidated Text of the Corporate Tax Act approved by Royal Decree 4/2004, on March 5th, attaching the following information in accordance with article 93 of the aforementioned Act towards the formal obligations:

1. The closing balances at 31-12-2011 of the absorbed companies.

Información relativa Sánchez Marcos Señalización e Imagen S.A.U. (Absorbed Company)

ACTIVO	Notas de la Memoria	Ejercicio 2011	Ejercicio 2010	PASIVO	Notas de la Memoria	Ejercicio 2011
ACTIVO NO CORRIENTE		34.327	12.591	PATRIMONIO NETO		74.006
Inversiones en empresas del grupo y asociadas a largo plazo	Nota 6	0	3.000	*FONDOS PROPIOS-*		74.006
Instrumentos de patrimonio		0	3.000	Capital	Nota 9	60.000
				Capital escriturado		60.000
Activos por impuesto diferido		34.327	9.591	Prima de emisión		72.614
				Reservas		(861)
				Legal y estatutarias		
ACTIVO CORRIENTE		730.612	705.439	Otras reservas		(861)
Deudores comerciales y otras cuentas a cobrar	Nota 7	19.964	6.305	Resultados de ejercicios anteriores		(31)
Clientes por ventas y prestaciones de servicios		19.382		Remanente		(31)
Clientes, empresas del grupo y asociadas	Nota 13		479	Resultado del ejercicio		(57.716)
Otros deudores		583	583			
Otros créditos con las Administraciones Públicas	Nota 10		6.242	PASIVO CORRIENTE		690.932
Inversiones en empresas del grupo y asociadas a corto plazo	Nota 13	707.394	692.804	Provisiones a corto plazo		
Otros activos financieros		707.394	692.804	Deudas con empresas del grupo y asociadas a corto plazo	Nota 13	662.017
Inversiones financieras a corto plazo		2	-	Acreedores comerciales y otras cuentas a pagar		28.915
Otros activos financieros		2	-	Proveedores		20.898
Periodificaciones		506		Proveedores, empresas del grupo y asociadas	Nota 13	
Efectivo y otros activos líquidos equivalentes		2.745	6.331	Otras deudas con las Administraciones Públicas	Nota 10	8.017
Tesorería		2.745	6.331	Anticipos de clientes		-
TOTAL ACTIVO		764.938	718.031	TOTAL PATRIMONIO NETO Y PASIVO		764.938

Information regarding Proyectos y Promociones Sánchez Marcos S.L.U. (Absorbed Company)

ACTIVO	Notas de la Memoria	Ejercicio 2011	Ejercicio 2010	PASIVO	Notas de la Memoria	Ejercicio 2011	Ejercicio 2010
ACTIVO NO CORRIENTE		51.532	18.493	PATRIMONIO NETO	Nota 5	1.533	(614.888)
Activos por impuesto diferido	Nota 6	51.532	18.493	*FONDOS PROPIOS-*		1.533	(614.888)
				Capital		3.010	3.010
				Capital escriturado		3.010	3.010
				Prima de emisión		69.458	
				Reservas		(841)	522
				Legal y estatutarias			62
				Otras reservas		(841)	470
				Resultados de ejercicios anteriores			(579.612)
				Remanente			(579.612)
ACTIVO CORRIENTE		32.050	28.802	Resultado del ejercicio		(70.091)	(38.808)
Existencias		3.857	3.857	PASIVO CORRIENTE		82.048	662.183
Anticipos a proveedores	Nota 4.2	3.857	3.857	Deudas a corto plazo		136	1
Deudores comerciales y otras cuentas a cobrar		27.871	24.945	Deudas con entidades de crédito		135	
Clientes por ventas y prestaciones de servicios		27.330	20.330	Otros pasivos financieros		1	1
Otros créditos con las Administraciones Públicas	Nota 6	541	4.616	Deudas con empresas del grupo y asociadas a corto plazo	Nota 8	48.250	653.960
Inversiones en empresas del grupo y asociadas a corto plazo		-	-	Acreedores comerciales y otras cuentas a pagar		33.663	8.221
Otros activos financieros		-	-	Proveedores		14.549	3.937
Efectivo y otros activos líquidos equivalentes		323	-	Otras deudas con las Administraciones Públicas	Nota 6	15.075	246
Tesorería		323		Anticipos de clientes		4.039	4.039
TOTAL ACTIVO		83.582	47.295	TOTAL PATRIMONIO NETO Y PASIVO		83.582	47.295

Elsamex, S.A. Consolidated

Management Report for the Financial year ending on 31 December 2012

In year 2012 it has remained the context of economic recession that started in Spain the last term of 2008, with a contraction of 1.6 % of GDP, in quarterly rate, according to INE (National Statistics Institute).

In this context of national recession, the Grupo Elsamex has developed in a very different way to that in 2011, when a period of economic recession had already started, with national growth rates that have decreased due to a dramatic contraction in the demand, both in public and private sectors.

During the financial year 2012, the GRUPO ELSAMEX, despite the existing economic crisis, has experienced an increment in sales of 17.11 % respect to the level of sales in the previous year, having finished the investment works of the new concessions and operating the rest of concessions in progress. It has also continued to reinforce and restructure the organization in order to fulfil the growth strategic plan adopted and basically oriented to international market.

GRUPO ELSAMEX has performed through 6 National Delegation and its 11 National Subsidiaries in Spain as well as the branches of its subsidiary Elsamex Internacional and its 9 International Subsidiaries in the foreign market, with an implementation of 11 Commercial branches in Spain and 12 Commercial branches abroad, in which four lines of business are developed:

*	Servicing and Maintenance	53 %
*	Renovations and Construction	34 %
*	Engineering, Consulting and R + D	11 %
*	Concesions	2 %

The average staff has increased respect to 2012 up to 1,304 workers, the technical staff accounting for 34% of the staff.

The group has followed a policy of forging partnerships with different partners by means of 91 Joint Ventures, and it currently has 11 National Subsidiary Companies and 9 Foreign Subsidiaries.

Sales figures for the year 2012 are as follows:

* Elsamex, S.A.	....	51.71 million Euros
* Through Joint Ventures	....	65.45 million Euros
* Through Subsidiaries	....	140.22 million Euros

Foreign markets made up 51% of total sales, with the remaining 49% coming from the national market.

By sector, 75.7% of sales pertained to Roads, 9.4% pertained to Chemicals and Oils, 10.7% to Buildings and other infrastructures, 2.7% to Hydraulic Works, 1.4% to Railways, and the remaining 0.15% pertains to Sports Facilities, Ports, Airports and the Environment.

The breakdown corresponding to sales per client this year is 76% to the Central Government, 14% to Local and Regional Government Entities and 10% to private companies.

The work portfolio for the coming years stands at 189.4 million Euros, 102.3 million Euros in Elsamex, S.A., 6.7 million Euros in Grusamar, S.L., 1.8 million Euros in Atenea, S.A:, 2.8 million Euros in the remaining national subsidiaries, and 75.8 million Euros in Elsamex Internacional S.L and its subsidiaries.

With respect to this year's results, the consolidated income statement shows a positive result of 5.03 million Euros after taxes, and the consolidated equity has raised, standing at 49.89 Euros.

MAINTENANCE, REHABILITATION AND OPERATION OF INFRASTRUCTURES

The outlook continues to be strong in this area due to the activity of the parent company ELSAMEX S.A., given that the work portfolio stands at 102.3 million Euros, 54% of the company's total portfolio.

Specifically, and regarding full maintenance of Roads, Elsamex holds a portfolio of 22 contracts of maintenance of roads with the Ministry of Development, different regional, provincial and local governments, and concession companies, with a steady market share with our main client, the Ministry of Development. Moreover, new contracts have been signed, among which the preservation of a sector in Asturias and anothed one in Almería stand out.

The ongoing performance of 6 Comprehensive Servicing contracts for the client Estradas Portuguesas, which has entered into a Joint Venture with our subsidiary Intevial and different local partners, continues in Portugal. Elsamex has a 25% interest, and the amount pending performance corresponding to the 25% is €6.2 million, with performance to take place over the next year.

The company continues to bid for more contracts in this area, both from the Ministry for Public Works as well as from other Public Entities, with new awards anticipated over the course of the year 2013.

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

In the Sector pertaining to the Renovation and Construction of Roads and Buildings. Noteworthy projects include the completion of the initial works pertaining to the Concession for Private Use of the Public Domain, the objective of which is the installation, maintenance and operation of electrical power produced using photovoltaic technology on the canopees of the parking lot of the University of Almería, with a nominal power of 1,096 MWp, an initial investment of 3,1 M€, and a duration of 25 years, as well as the finishing of the building and beginning of Exploitation of the Concession of a Service Station in the Town Hall of Punta Umbría, with an initial inversion of 1,7 million €, and a duration of 30 years.

As a relevant fact we should point out the allocation in UTE of the works of Conservation by Service Levels of the road of Abu Dhabi – Al Ain Main Highway & Truck Road for an amount of 25 million € and 24 of execution.

During the year 2013, there are plans, which are based mainly on possible awards which may be take place in the international market.

In the Area of Maintenance of Buildings and Installations our current portfolio has increased with new contracs, right now being particularly relevant the whole maintenance of many public buildings, such as the maintenance of different health centers in Madrid, sports centers in Murcia and Madrid, the schools in the Council of Fuenlabrada, different buildings and stations of the ADIF, and different installations of AENA, such as the airports in Almería, Gerona and Badajoz.

Likewise, we continue to be present in the private sector, with clients including banking entities such as La Caixa, la Caja de Ahorros [savings bank] of Murcia (CAM), Cajamar, Caja Rioja and BBK.

In the Area of Maintenance of Image and installation of Service Stations, more than 3,500 are contracted in Spain, Colombia and Ecuador, owned by Repsol, Cepsa, Exxon-Móvil, Disa, and Galp, having incorporated in Colombia Terpel as a new client in this area. Moreover, we still have presence in maintenance of shops in service stations for Repsol, those ones being in Madrid, Andalucía, Cataluña and Baleares, having incorporated to this activity as new clients Galp, Saras Energía and BP.

CONCESSIONS.-

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

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

Also, during 2012, Elsamex S.A has exploited the Concession of the Plant of Fotovoltaic Solar Energy on the public covers of the Council of Alcantarilla, with a nominal power of 1,127 megavats and it has started the works for the installation of another Plant of Fotovoltaic Solar Energy on the canopees of the parking lot of the University of Almería, with a nominal power of 1,096 MWp, an initial investment of 3,1 M€, and a duration of 25 years.

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

In March 2013 we will start the Exploitation of the new Concession of Fotovoltaic Solar Energy on the canopees of the parking lot of the University of Almería.

ENGINEERING AND CONSULTING.-

In the area of engineering, through our subsidiaries Grusamar and Atenea, we got sales worth 11,3 M€, which means that we keep the sales figures respect to year 2011, despite the low investment and the lack of new projects during 2012.

The goal for next year 2013 is to continue to keep the leading position as a reference company within the sector of engineering specialized in civil works and to increase the contracts in the Area of Environment, as well as trying to develop other lines of business within the area of consulting regarding their competence scope both in national and international market. However, in the market there are a series of variables that do not favour company interests, although efforts will be focused, as it was done in 2012, on improving the management and optimization of costs to be able to keep profitability as well as increasing the sales in international market.

CIESM-INTEVIA and its connected laboratories have invoiced over 4.3 million Euros consolidated through quality controls performed on a range of public works and private companies, such as Saica (paper company) or Repsol (oil company) where we carried out the external control of bitumens and emulsions.

In research we continue to be a leading company, standing out particularly in the current year the performance of a project that incorporates several companies for Asphal Roads for Extreme Temperatures (FATE) partially financed by the CEDETI.

Likewise, by means of this subsidiary, Grupo Elsamex has continued to demonstrate its high degree of specialisation and increasing incorporation of technology in the area of civil engineering. In fact, it has continued to provide training, both internally and externally, through the provision of highly specialised training courses taught in collaboration with leading experts in each area. In addition, its presence in the concessional world to which it provides a highly technologically-enhanced service has expanded, as has its presence in the Road Safety Sector.

ELSAMEX INTERNACIONAL, S.L.

Sales figures for the year 2012 are as follows:

* Elsamex Internacional .... 1.60 million Euros

* Through Joint Ventures and Regional Offices.............. 6.50 million Euros

* Through Subsidiaries .... 63.35 million Euros

Overall sales are geographically distributed as follows, Europe 20.6%, America 68.5%, Asia 7.9% and the rest of the world 3%.

By sector, 84% of sales have been in the Roads sector, 7.3% in Maintenance and other infrastructures, and the remaining 8.7% in the sale of products and machinery and technology transfer.

Sales by activity this year stand at 52.7% in Maintenance and Servicing, 11.2% in Engineering and Consulting, 34.9% in Construction and 1.2% in the sale and supply of products and machinery and in Technology Transfer and Research and Development.

The work portfolio for the next few years reaches 86.7 M €. This portfolio is distribute in 26.7 M € in Portugal, 2.2 M € in Colombia and Ecuador, 1 M€ in Mexico, 33.3 M € in Haiti, 5.8 M € in India, 2 M € in Dominican Republic, 3.2 M € in USA and 12.5 M € in Abu-Dhabi.

We continue to expand in the international market with important perspectives in Mexico, Colombia, Ecuador, Peru, Brasil, Angola, Mozambique, Senegal, Balcans and India.

The goal of GRUPO ELSAMEX for next year 2013 is to continue to keep the leading position as a reference company within the sector of activities in which it operates and to increase its activity in the Area of Concessions, both in national and international market. However, in the market there are a series of variables that Grupo Elsamex cannot control and do not favour company interests, although efforts will be focused, as it was done in 2012, on improving the management and optimization of costs to be able to keep profitability as well as keeping the growth rate.

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

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

All of this becomes even more complicated when we take into account that the demand, conformed mostly by Public Administrations, has fallen dramatically in 2012 and it is not expected to improve substantially in 2013, besides the strong deterioration in the market, where more and more, price is the only thing that matters.

In any case, we are still optimistic, despite all the existing economical difficulties and those regarding the activity sectors explained above. All the aforementioned makes us thing that in year 2013 results will be better than the ones of the present year.

Declaration of Submission of Annual Consolidated Accounts and Management Report

In compliance with the rules stipulated in the Corporations Act, the Board of Directors of Elsamex Group, lodged the Annual Accounts and the Management Report relating to accounting period 2012, on March 5, 2013, which shall be submitted for the approval of the General Shareholders' Board,

D. Ravi Parthasarathy	D. Fernando Bardisa Jorda	D. Murli Dhar Khattar
D. Hari Sankaran	D. Arun Kumar Saha	D. Ramchand Karunakaran