GRUSAMAR INGENIERÍA Y CONSULTING, S.L.U.

FINANCIAL STATEMENTS

2013

Num –IG-0214	Date March 31, 2014
PERFORMANCE :	Audit. Report on Annual Accounts for the fiscal year 2013
ENTITY :	GRUSAMAR INGENIERÍA Y CONSULTING, SLU
DOMICILE :	18, San Severo St, 28042 - Madrid
ENTRUSTED BY :	The General Shareholders Meeting
ADDRESSED TO :	The Shareholder
DOCUMENTS AUDITED :	Annual Accounts for the fiscal year 2013
PERFORMED BY THE AUDITING FIRM :	L.I. Tahoces Escrivá de Romaní Nº 22330 of R.O.A.C. Active Member of the Institute of Auditors of Spain which is a member of the FEE, IFAC and IASB

LAURA I. TAHOCES ESCRIVÁ DE ROMANÍ
Chartered Accountant
Nº 22.330 del ROAC
C/ Alcalá, 161
28009-Madrid

To the Board Directors of Grusamar Ingeniería y Consulting, SLU.

AUDIT INFORM OF ANNUAL ACCOUNTS

We have audited the Annual Accounts of Grusamar Ingeniería y Consulting, SLU. that include the Balance Sheet as of December 31, 2013, the Profit and Loss Account, the Statement of Changes in the Shareholder's Equity, the Statement of Cash Flow and the Notes of the fiscal year then ended. The Directors of the Company are responsible to formulate the Annual Accounts in keeping with to the Regulatory Frame of Financial Information applicable to the entity (as indicated in Note 2) and in particular with the accounting principles therein contained. My responsibility is to express an opinion on the cited 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 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 Annual Accounts of the fiscal year 2013, express in all significant aspects a fair view of the Shareholders Equity and of the financial position of Grusamar Ingeniería y Consulting, SLU. as of December 31, 2013 and as well as the result of the operations, and of the Cash Flow corresponding to the fiscal year then ended on that date, in conformity with the Regulatory Frame of Financial Information as applicable and in particular with the accounting principles therein contained.

Without qualifying my audit opinion, I draw the attention to the Note 8.1 of the Notes attached, about the Company "Grusamar Albania SHPK, Ltd" which is in liquidation process.

The enclosed Management Report of the fiscal year 2013 comprises the explanations that the Directors consider appropriate regarding the situation of the Company, the evolution of the business and other matters, and is not a part of the Annual Accounts. We have verified that the accounting information therein contained is consistent with the Annual Accounts of fiscal year 2013. My work as Auditor is limited to the verification of the Management Report with the scope mentioned in this paragraph and does not include any review of information different from the one obtained from the accounting records of the Company.

Auditores
INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

Miembro ejerciente:
TAHOCES ESCRIVA DE ROMANI LAURA INES

Año 2014 Nº 01/14/06574
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Informe sujeto a la tasa establecida en el artículo 44 del texto refundido de la Ley de Auditoría de Cuentas, aprobado por Real Decreto Legislativo 1/2011, de 1 de julio

LAURA INÉS TAHOCES ESCRIVÁ DE ROMANÍ
CENSOR JURADO AUDITOR
R.O.A.C. nº 22.330
MADRID

Auditores
INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

Madrid, March, 31th, 2014
Laura I. Tahoces Escrivá de Romaní
Register Nº 22.330 ROAC

Grusamar Ingeniería y Consulting S.L.U.

BALANCE SHEETS AT DECEMBER 31[ST.] 2013-2012

(Euro)

ASSETS	Notes of the Report	Year 2013	Year 2012
NON-CURRENT ASSETS		4,158,312	4,136,222
Intangible fixed assets	Note 5	1,499,992	850,389
Goodwill		850,010	850,010
Computer software		156	379
Research and Development		649,826	-
Property, plant and equipment	Note 6	541,046	1,095,906
Technical installations and other items		148,803	118,838
Under construction and advances		392,242	977,069
Non-current investments in group companies and associates		1,599,382	1,590,792
Equity instruments	Note 8.1	454,455	447,381
Loans to companies	Note 8.2	1,144,927	1,143,411
Non-current investments	Note 9.1	15,272	13,884
Other financial assets		15,272	13,884
Deferred tax asset	Note 14	502,622	585,250
CURRENT ASSETS		11,652,483	8,330,672
Inventories		10,635	16,147
Advances to suppliers		10,635	16,147
Trade and other receivables	Note 9.2	3,851,278	4,267,681
Trade receivables		2,856,222	4,138,367
Trade receivables from group companies and associates	Note 9.2 y 18	684,132	41,920
Other receivables	Note 9.2	18,315	20,328
Personnel	Note 9.2	6,908	1,711
Current tax assets	Note 14	24,381	16,985
Other credits with Public Administration	Note 14	261,320	48,370
Current investments in group companies and associates	Note 18	6,915,310	3,508,355
Other financial assets		6,915,310	3,508,355
Current investments	Note 9.2	287,497	213,950
Equity instruments		998	998
Other financial assets		286,499	212,952
Prepayments for current assets		53,855	56,695
Cash and cash equivalents		533,909	267,845
Treasury		533,909	267,845
TOTAL ASSETS		15,810,796	12,466,893

LIABILITIES	Notes of the Report	Year 2013	Year 2012
EQUITY	Note 11	4,264,676	3,979,211
OWN FUNDS-		4,273,649	3,979,426
Capital		3,494,897	3,494,897
Subscribed capital		3,494,897	3,494,897
Reserves		1,378,534	915,446
Legal and statutory		146,277	99,968
Other reserves		1,232,257	815,477
Prior period's losses		(894,004)	(894,004)
Profit/(loss) for the year		294,222	463,088
GRANTS, DONATIONS AND LEGACIES RECEIVED		(8,973)	(216)
Foreign Exchange Fluctuation Reserve		(8,973)	(216)
NON-CURRENT LIABILITY	Note 13	1,915,964	1,934,646
Non-current payables		54,488	58,967
Debts with credit entities		31,134	58,967
Finance lease payables	Note 7.1	23,355	-
Deferred tax liability	Note 14	-	14,203
Group companies and associates, non-current	Note 12	1,861,476	1,861,476
CURRENT LIABILITIES		9,630,155	6,553,037
Current provisions		337,384	541,208
Current payables	Note 13	121,927	202,693
Debt with financial institutions		29,205	79,250
Finance lease payables	Note 7.1	6,318	-
Other financial liabilities		86,404	123,442
Group companies and associates, current	Note 12	6,766,819	3,018,678
Trade and other payables		2,404,025	2,790,457
Suppliers	Note 13	1,423,897	2,028,334
Suppliers, group companies and partners	Note 13 y 18	113,256	5,572
Sundry creditors	Note 13	57,104	20,845
Personnel(salaries payable)	Note 13	79,428	43,169
Public entities, other	Note 14	333,203	184,910
Advances from customers	Note 13	397,136	507,627
TOTAL EQUITY AND LIABILITIES		15,810,796	12,466,893

The Notes 1 to 22 described in the attached Report form an integral part of the balance sheet at 31st December 2013

Grusamar Ingeniería y Consulting S.L.U.

INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31ST, 2013-2012

(Euro)

	Notes of the Report	Year 2013	Year 2012
CONTINUED OPERATIONS			
Turnover	Note 16.a	11,624,987	8,022,280
Provision of services		11,624,987	8,022,280
Works performed by the company for its assets	Note 6	227,456	583,103
Supplies	Nota 16.b	(6,177,016)	(2,468,640)
Consumption of raw materials and other consumables		(81,714)	(356,470)
Works carried out by other companies		(6,095,302)	(2,112,170)
Other income		3,268	3,736
Accesory incomens and other of current management		50	3
Operating subsidies included in the year result		3,218	3,733
Personnel expenses	Nota 16.c	(3,581,025)	(4,850,886)
Wages, salaries and similar		(3,040,584)	(3,911,599)
Social charges		(744,265)	(939,287)
Provisions	Note 12	203,824	-
Other exploitation expenses	Nota 16.d	(1,486,326)	(1,207,994)
Outside services		(1,467,401)	(1,301,456)
Taxes		(19,203)	(68,040)
Losses, impairment and variation of provision for trade operations	Note 9.2	278	161,502
Amortization of fixed assets	Note 5 y 6	(196,993)	(40,914)
Other income/(losses)		25,974	379,352
EXPLOITATION RESULT		440,325	420,037
Financial income		268,019	382,669
From shares in equity instruments		208,922	329,127
-In group companies and partners	Note 18	208,922	329,127
From negotiable values and other financial instruments		59,097	53,542
- From group companies and partners	Note 18	29,717	53,471
- From third parties	Note 18	29,380	71
Financial expenses		(235,664)	(368,056)
For debt with group companies and partners		(207,197)	(353,482)
For debts with third parties		(28,467)	(14,574)
Exchange differences		(24,231)	(12,443)
FINANCIAL RESULT		8,125	2,170
RESULT BEFORE TAXES		448,450	422,206
Income tax	Note 14	(154,227)	40,882
RESULT OF THE YEAR FROM CONTINUATED OPERATIONS		294,223	463,088
YEAR RESULT		294,223	463,088

The Notes 1 to 22 described in the attached Report form an integral part of the loss and profit account corresponding to year 2013

Grusamar Ingeniería y Consulting S.L.U.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31ST, 2013-2012

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD ENDED DECEMBER 31ST, 2013-2012

(Euro)

	Notes of the Report	Year 2013	Year 2012
RESULT OF THE LOSS AND PROFIT ACCOUNT (I)		294,223	463,088
Foreing exchange variances		(8,757)	(216)
TOTAL INCOMES AND EXPENSES DIRECTLY CHARGED ON NET EQUITY (II)		-	-
TOTAL TRANSFERS TO LOSS AND PROFIT ACCOUNT (III)		-	-
TOTAL RECOGNIZED INCOMES AND EXPENSES (I+II+III)		285,466	462,872

The Notes 1 to 22 described in the attached Report form an integral part of the statement of recognized incomes and expenses corresponding to year 2013

Grusamar Ingeniería y Consulting S.L.U.

STATEMENT OF CHANGE IN NET WORTH OF THE YEAR ENDED DECEMBER 31ST, 2013-2012

B) STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euro)

	Notes of the Report	Capital	Reserves	Neg. results Previous year	Foreing exchange Fluctuation Reserve	Result of the year	TOTAL
FINAL BALANCE OF YEAR 2011		**3,494,897**	**116,547**	**(894,004)**	**-**	**850,947**	**3,568,387**
Application of profit 2011		-	850,947	-	-	(850,947)	-
Adjustment previous years		-	(52,047)	-	-	-	(52,047)
Total recognized incomes and expenses		-	-	-	(216)	463,088	462,872
FINAL BALANCE OF YEAR 2012		**3,494,897**	**915,447**	**(894,004)**	**(216)**	**463,088**	**3,979,212**
Application of profit 2012		-	463,088	-	-	(463,088)	-
Total recognized incomes and expenses		-	-	-	(8,757)	294,223	**285,466**
FINAL BALANCE OF YEAR 2013		**3,494,897**	**1,378,535**	**(894,004)**	**(8,973)**	**294,223**	**4,264,678**

The Notes 1 to 22 described in the attached Report form an integral part of the statement of changes in net equity corresponding to year 2013

GRUSAMAR INGENIERIA Y CONSULTING, S.L.U.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31ST, 2013-2012

(Euro)

	Notes of the Report	Year 2013	Year 2012
CASH FLOW OF EXPLOITATION ACTIVITIES (I)		**661,777**	**819,802**
Result of the year before taxes		**448,450**	**422,206**
Adjustments to result:		**188,589**	**(122,757)**
- Amortization of fixed assets	**Note 5**	196,993	40,914
- Accumulated impairment losses	**Note 9.2**	(278)	(161,502)
- Financial income		(268,019)	(382,669)
- Financial expenses		235,664	368,056
- Other incomes and expenses		24,231	12,443
Changes in current capital		**170,840**	**477,301**
- Stocks		5,512	(6,178)
- Debtors and other receivables		416,681	474,519
- Other current assets		(3,477,662)	439,109
- Creditors and other payables		3,361,708	(623,435)
- Other current liabilities		(203,824)	541,208
- Other non-current assets and liabilities		68,425	(347,921)
Other cash flows of the exploitation activities		**(146,102)**	**43,052**
- Interests payments		(259,895)	(380,499)
- Interest accruals		268,019	382,669
- Accruals (payments) for profit tax		(154,227)	40,882
CASH FLOWS OF THE INVESTMENT ACTIVITIES (II)		**(301,712)**	**(705,127)**
EXPLOITATION RESULT			
Payments for investments		**(301,712)**	**(705,127)**
- Group companies and partners	**Note 9.2**	(8,590)	
- Tangible fixed assets	**Note 5**	357,868	(705,467)
- Other financial assets	**Note 9.2**	(1,388)	113
- Other assets		(649,603)	228
CASH FLOWS OF THE FINANCIAL ACTIVITIES (III)		**(94,002)**	**(53,318)**
Accruals and payments for equity instruments		**(8,757)**	**(52,264)**
- Emission of equity instruments			
- Amortization of equity instruments		(8,757)	(52,264)
Collection and payments for financial liability instruments		**(85,244)**	**(1,054)**
- Debt emission with credit entities		(91,563)	(863)
- Emission of other debts		-	-
- Devolution and amortization of debts with credit entities		6,318	(191)
- Devolution and amortization of other debts		-	-
EFFECT OF THE VARIATION OF EXCHANGE RATES (IV)			
INCREASE/DECREASE OF CASH FLOWS OR EQUIVALENTS (I+II+III+IV)		**266,064**	**61,358**
Cash flow or equivalents at start of year		267,845	206,487
Cash flow or equivalents at end of year		533,909	267,845

The Notes 1 to 22 described in the attached Report form an integral part of the statement of cash flow corresponding to year 2013

Grusamar Ingeniería y Consulting S.L.U

Annual Report of the fiscal year completed on December 31st 2013

1. Incorporation and activity

Incorporation

Grusamar Ingeniería y Consulting S.L. (hereinafter the Company), was incorporated on June 11th 2002 with the denomination of Grusamar Ingeniería y Consulting S.L as a private limited company for an indefinite period of time. Its registered office is located in Calle San Severo 18, Madrid.

On June 22nd, 2011, is issued the declaration of sole member, becoming then to be named Elsamex Internacional S.L.U, and being its sole owner Elsamex S.A.

Corporate purpose

The company aims to:

a. Drafting and tracking of projects and studies, quality control and technical management of any kind of public or private works, be they industrial, agricultural, civil engineering, hydraulic, railway, airports, roads and environment.

b. Technical assistance in general and specifically in matters of management and protection of the environment, including the verification, checking, surveillance and diagnosis in matters of environmental quality, business advisory and the management and administration of all kind of companies, partnerships or business; the transfer of technology of any kind of products and building systems, transport and hazardous waste management, excluding all activities for which exercise the Law requires special requisites not met by the Company.

c. Technical assistance and advise to those Companies and public or private institutions which require it about systems of technical organization of business, technical balance and research and lab works of new industrial products, quality controls, both of raw materials and finished products, as well as in works of any nature.

d. Issuing studies and technical reports about projects, construction work, preservation, exploitation, road safety, airports, railway, urban and communication roads, environment, as well as arbitrations in the different problems that may arise in the aforementioned activities.

e. Promoting and establishing cooperation agreements in all kind of entities and bodies, be they public or private, with the object of developing and enhance technology in roads, urban roads, airports, railway, communication roads and environment.

f. Provision of all kind of services to natural or legal persons, related to audits of labour risk prevention systems.

g. Education, training and retraining courses in labour risk prevention.

h. Doing studies and issuing technical reports in labour risks.

i. Developing research, development and innovation studies of every field of safety and health at work.

j. Purchase, sale and leasing of materials, vehicles and work and construction machinery.

The above mentioned activities may also, totally or partially, in an indirect way, be developed by the Company by participating in another or other companies with a similar object. All activities for whose execution the Law requires special requirements not accomplished by the Company are excluded hereby

The Company is part of the Grupo Elsamex, which dominant company is Elsamex, S.A., with registered office in calle San Severo, 18 Madrid, being this company the one that prepares consolidated financial statements. The consolidated annual accounts of the group Elsamex, S.A. of the year 2013 were prepared by the Administrators of Elsamex, S.A. in the Board Directors meeting held on March 5, 2012 and deposited with the Mercantile Register of Madrid. In turn, the Grupo Elsamex is dominated by an international group whose dominant company is the company "Infrastructure Leasing & Financial Services Limited (IL&FS)" located in Bombay (India) Bandra - Kurla Complex.

2. Basis of presentation of the annual accounts

2.1 Regulatory framework for financial information applicable to the Company

These annual accounts have been formulated by the Directors in accordance with the regulatory framework for financial information applicable to the Company, which is provided for under:

a) Spanish Code of Commerce and other applicable commercial legislation.

b) The General Chart of Accounts, approved by Royal Decree 1514/2007 and its sector adaptations.

c) The compulsory rules approved by the Accounting and Accounts Audit Institute in application of the General Chart of Accounts and its supplementary rules.

d) All other accounting regulations applicable in Spain.

2.2 Faithful image

The attached annual accounts have been obtained from the accounting records of the Company and are presented in accordance with the regulatory framework for financial information set out under Note 2.1, so that they show a faithful image of the equity, the financial situation, the profits of the Company and the cash flow during the corresponding year. These annual accounts, which have been formulated by the Administrators of the Company, will have to be approved by the sole shareholder. It is estimated that they will be approved without any modification. For its part, the annual accounts of the fiscal year 2012 were approved by the sole shareholder on June 5th 2013.

2.3 Non-obligatory accounting principles applied

Non-obligatory accounting principles were not applied. Additionally, the Administrators have prepared these annual accounts taking into consideration the totality of the accounting principles and rules of obligatory application which have a significant effect on those annual accounts. There is not an accounting principle that being obligatory, has failed to be applied.

2.4 Critical aspects on measuring and estimating uncertainty

In the elaboration of the attached annual accounts, estimates made by the Administrators of the Company were used to valuate certain assets, liabilities, income, expenses and obligations reported herein. Basically these estimates refer to:

- The evaluation of possible impairment losses on certain assets (see Notes 4.1, 4.2, 4.4 and 4.5),

- The useful life of tangible and intangible assets (see Notes 4.1 and 4.2),

- The calculation of provisions (see Note 4.11 and 12).

- The calculation of Work in progress and Amounts Billed in Advance for works (See Note 4.10).

Although these estimates have been made on the basis of the best available information at the end of the fiscal year 2013, it is possible that some events in the future force some adjustment (upward or downward) in the following fiscal years, which would be applied, if needed, prospectively.

2.5 Comparison of Information

The information contained in this Annual Report in relation to the year 2013 is presented, for comparison purposes, with the information regarding the year 2012.

2.6 Grouping of items

Some items of the balance sheets, the profit and loss account, the statement of changes in equity and the statement of cash-flow are presented in groups to make them easier to understand, however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements. There are no asset elements recorded in two or more items.

2.7 Changes in accounting criteria

There have been no changes in the accounting criteria in the fiscal year 2013 regarding the criteria applied in the fiscal year 2012.

2.8 Correction of errors

In the elaboration of the attached annual accounts it has not been detected any significant error, which meant the restatement of the amounts included in the annual accounts of the fiscal year 2012.

3. Distribution of profit

The proposal of allocation of profits of the fiscal year prepared by the Administrators of the Company and that will be presented for approval in the General Meeting of shareholders is the following:

	Euro
Basis of distribution:	
Profit and loss (Profit)	294,223
	294,223
Application:	
To legal reserve	29,422
To goodwill reserve	42.501
To compensation for losses in prev. years	222.300
	294,223

The company has to use 10% of its annual profits to the constitution of the legal reserve until it reaches, at least, 20% of the social capital. This reserve, as long as it does not exceed the limit of 20% of social capital, is not distributable for the shareholders (See note 11 of Equity).

After the reserves stipulated by law or the Bylaws have been covered, dividends may only be distributed with a charge to income for the year, or to unrestrict reserves, if:

- The reserves stipulated by law or the bylaws have been covered.

- The value of the net equity is not or, as a profit of the distribution, will not be lower than the social capital. To this end, the profits attributed directly to the equity, may not be subject to either direct or indirect distribution. In the event of loss from previous years which made the equity of the Company be lower than the social capital, the profit will be directed to the compensation of that loss.

It is also forbidden any distribution of profits unless the amount of available reserves is, at least, equal to the research and development expenses and there are no available reserves for an amount equal to the unamortized balances of the previous accounts.

In any case, it has to be put an unavailable reserve for an amount equal to goodwill recognised in the assets side of the balance, using to that end an amount of the profit which represents, at least, a five per cent of the amount of the aforementioned goodwill. If there was no profit, or the profit was insufficient, the unrestricted reserves would be used.

4. Registration and valuation regulations

The main registration and valuation regulations used by the Company in the elaboration of its annual accounts, in accordance with those stipulated by the General Accounting Plan, have been the following:

4.1 Intangible fixed assets

The Company registers in this heading a goodwill existent at the date of transition to the General Accounting Plan approved by Royal Decree 1514/2007. The goodwill is register by its net worth per books on January 1st, 2008, that is, for the cost less the accumulated amortization and impairment that were registered at that date, in accordance with the accounting rules previously in force.

The amount of goodwill is the excess of the cost of the business combination over the corresponding reasonable value of the identifiable assets acquired less that of the assumed liabilities.

The goodwill, in accordance with the registration and valuation regulations of the General Accounting Plan approved by Royal Decree 1514/2007, is not subject to amortization. The cash-generating units or groups of cash-generating units to which goodwill has been assigned, are subject, at least annually to the check of value impairment comparing the registered book value of this cash-generating units with their fair value less selling costs or its value in use , and registering, when appropriate, to the registry of impairment loss.

In the event of having to recognise an impairment loss of a cash-generating unit to which goodwill or part of it had been assigned, it is first reduced the value per books of the goodwill corresponding to that unit. If the impairment loss exceeds the amount of it, it is reduced secondly, proportionally to its value per books, that of the rest of assets of the cash-generating unit, until reaching the limit of the biggest value in the following: its fair value less the cost of selling, its value in use and zero.

Value in use is determined by discounting the expected margins for existing portfolio of consulting and technical assistance as at December 31st 2013 in each C-GU using a discount rate before tax that reflects the value of money in the period and the specific risks of the asset depending on the expected generating period. The discount rates applied are as follows:

	2014	2015	2016	2017
Discount rate	4%	8%	8%	8%

No impairment loss has been registered in the fiscal year 2013.

The impairment losses recognised in the goodwill are not reversed in later years.

4.2 Tangible fixed assets

The assets in this item are valued by their acquisition price or production cost, and afterwards they are valued at their stated cost less the any accumulated amortization and, in its case, the accumulated impairment loss.

When signs of a loss of value are evident, the Company proceeds to estimate by the called "Impairment Test" the possible loss of value that decreases the recoverable value of those assets to a smaller amount to their value in the books.

The company amortizes the equipment following the lineal method, applying annual amortization percentages calculated in terms of the years of estimated useful life of the assets, according to the following detail:

	Percentage
Other installations, tools and furniture	10-15
Computer equipment	25
Transport elements	15

The preservation and maintenance expenses of the different elements that form the tangible fixed assets are assigned to the profit and loss account of the year in which they are incurred. On the contrary, the amounts invested in improvements that contribute to increase the capacity or efficiency or to expand the useful life of those assets are registered as a bigger cost of them.

4.3 Leases

Leases are classified as capital leases whenever the terms of the lease transfer substantially all the risk and rewards incidental to the ownership of the leased asset to the lessee. The other leases are classified as operating leases.

When the company is the lessee – Capital lease

In the operations of capital lease in which the Company acts as the lessee, the cost of the leased assets is presented in the situation balance according to the nature or the leased object and, simultaneously, a liability for the same amount. This amount will be the lesser of the fair value of the leased asset and the present value at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option, when it is reasonably certain. The minimum lease payments do not include contingent rent, cost of services and taxes to be paid by and reimbursed to the lesser. The total financial charge of the lease is recognised in the profits and loss of the year in which it accrues, using the effective interest method. The contingent rent is recognised as an expense of the year in which it is incurred.

The assets registered for this kind of operations are amortized with similar criteria to those applied to the equipment assets, depending on their nature.

When the company is the lessee – Operating lease

Expenditure for operation lease agreements is charged on the profit and loss item in the year in which they accrue.

Any fee or payment that may be made to contract an operating lease shall be treated as an advanced payment to be charged to profits over the term of the lease, as profits of the leased asset are given or received.

4.4 Financial instruments

4.4.1 Financial assets

Classification-

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

a) Loans and receivables: Financial assets arising in the sale of assets or in the provision of services for transactions of the company, or those which not having a commercial origin, are not equity instruments nor derivative instruments and which payments are fix or determinable and are not negotiated in an active market.

b) Held-for-trading financial assets: These are the assets acquired with the object of selling them in the near term or those assets that form part of a portfolio of which there is evidence of a recent actual pattern of current profit taking. This category also includes derivative financial instruments that are not financial guarantee contracts (for instance, bank guarantees) and have not been designated as hedging instruments.

c) Investments in the equity of group, associated and multi-group: Group companies are defined as companies affiliated to the Company in a controlling position and associated companies those over which the Company has a significant influence. Additionally, in the category of multi-group are included those companies over which, by an agreement, joint control is exercised with one or more partners.

Initial valuation -

Financial assets are initially recognised at the fair value of the consideration provided plus directly attributable transaction costs, except when they are financial assets to negotiate. In that event, the directly attributable transaction costs will be recognized in the profit and loss account of the year.

Subsequent valuation -

Loans and receivables are valued at depreciated cost.

The financial assets kept to negotiate are valued at fair value, recognizing in the profit and loss account the profit of the variations in that fair value.

The investments in companies of the group, associated and multi-group are valued at their cost, depreciated, in their case, by the accumulated amount of the impairment losses. Those impairment losses are calculated as the difference between their value in books and the recoverable amount, this one being the biggest amount between their fair value less the selling costs and the current value of the future cash-flows arising from the investment. Except where there is better evidence of the recoverable value, takes into account the net assets of the subsidiary company corrected for existing tacit gains on the valuation date (including goodwill, if any).

At least at the end of each year, the Company performs and impairment test for the financial assets that are not registered at fair value. Objective evidence of impairment is considered to exist when the recoverable value of the financial asset is less than its value in books. When this happens, the record of this impairment is recognised in the profit and loss account.

The company derecognises the financial assets when they expire or when the rights over the cash flows of the corresponding financial asset have been transferred and the risks and benefits inherent to their ownership have been substantially transferred.

On the contrary, the Company does not derecognise the financial assets and recognises a financial liability equal amount to the amount of consideration received, where the company retains substantially all the risks and rewards inherent to their ownership.

4.4.2. Financial liabilities

Financial liabilities are all those debts and items payable the Company has and arising from the purchase of items and services for transactions of the company, or also those ones that not arising from commerce, cannot be considered derived financial instruments.

Debts and items payable are initially valued at the fair value of the consideration received, adjusted by the directly attributable transaction costs. Subsequently, those liabilities are valued according to their amortized cost.

The Company derecognises the financial liabilities when the obligations that generated them have lapsed.

4.4.3 Equity instruments

An equity instrument represents a residual interest in the Net Assets of the Company, deducting all of its liabilities.

The capital instruments issued by the Company are recognised in consolidated equity at the proceeds received, net of direct issue costs.

4.4.4 Hedging

The Company uses derivative financial instruments in order to hedge the risks to which it is exposed by reason of its activities, operations and future cash flows. Fundamentally, said risks relate to interest rate variations. Within the framework of said operations, the Company contracts financial hedging instruments.

In order that the aforementioned financial instruments may be classified as hedge accounting instruments, they are initially designated as such with the hedging relationship being documented. Moreover, the Company initially verifies and thereafter, periodically throughout the life thereof (at least at the close of each fiscal year) that the hedging relationship remains effective, that is to say, that it is prospectively expected that the changes in the fair value or to the cash flows of the hedged item (attributable to the hedged risk) are almost completely off-set by the hedging instruments and that, retrospectively, the profits of the hedging have varied between a variation range of 80 to 125% of the profit of the hedged item.

The Company applies cash flow hedging principles. In this type of hedging, the part of the profits or losses of the hedging instrument which has been determined to be an effective hedge is temporarily recognised in net equity, which is attributed to the profit and loss statement for the same period in which the element the subject of the hedging instrument is to affect the profits, unless the hedging corresponds to a forecast transaction which concludes in the recognition of a non-financial asset or liability, in which case the amounts registered in the net equity shall be included in the cost of the assets or liabilities when acquired or incurred, respectively.

The hedge accounting is interrupted when the hedging instrument expires or when it is sold, cancelled or enforced, or when it ceases to satisfy the criteria of hedge accounting principles. At that time, any accumulated profit or loss which corresponds to the hedging instrument which has been registered in the net equity is maintained within the net equity until the forecast operation takes place. When the operation the subject of the hedging is not expected to take place, the net accumulated profits or losses recognised in the net equity are transferred to the net profits for the period.

4.5. Inventories

The inventories are valued at the lesser of their acquisition price, production cost or their net realisable value. The trade discounts, the deductions obtained, other similar items and the interest incorporated into the nominal amount of the debits are deducted for the determination of the acquisition price.

The cost of production includes the direct costs of materials and, as the case may be, the direct labour costs and the general manufacturing expenses.

The net realisable value represents the estimation of the sale price less all of the estimated costs in order to finish the manufacturing thereof and the costs which are to be incurred during the marketing, sale and distribution processes.

For the assignation of the value of the inventories, the Company uses the weighted average cost method.

The Company carries out the necessary valuation corrections, and recognises said modifications as an expense in the profit and loss statement when the bet realisable value of the inventories is lower than the acquisition price thereof (or the cost of production thereof).

This item also includes the prepaid advances to providers for pending services.

4.6 Transactions in foreign currency different to Euro

The functional currency of the Company is the EUR. Consequently, the operations with other currencies are considered in foreign currency and are recognized according to the exchange rates on the date of the transactions.

At the end of the year, the monetary assets and liabilities designated in foreign currency are converted applying the exchange rate of the date of the balance sheet. The gains and losses are directly recognised in the profit and loss account for the year in which they occur.

5.7 Corporations tax

The expenditure or income for tax over profits includes the part regarding to the expenditure or gain for the current tax and the part corresponding to the expenditure or income for deferred income tax.

Current tax is the amount the Company pays as a consequence of the tax assessments of the tax over the profit in one year. Deductions and other tax advantages in the income tax, excluding retentions and payments on account, as well as the off-settable tax losses from previous years and effectively applied in this one, profit in a lower current tax expense.

The expenditure or income for deferred tax corresponds to the recognition and cancellation of the deferred tax assets and liabilities. These include the temporary differences identified as those amounts that are expected to be paid or recoverable arising from the differences between the amounts in assets and liabilities books and their tax value, as well as the tax loss carry-forwards and the credits for tax deductions not taken. Those amounts are recognized by applying the temporary difference or credit corresponding to the tax obligation to which it is expected to recover them or liquidate them.

Deferred taxes liabilities are recognized for all taxable temporary differences, unless those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither tax or accounting profit and it is not a combination of business, as well as those associated to investments in depending companies, associated or joint ventures in which the Company can control the moment of reversion and they are not likely to revert in a foreseeable future.

For its part, the assets for deferred taxes are recognized only insofar as it is probable that the Company will have sufficient future taxable income against which the deferred tax assets can be utilized.

Deferred tax assets and liabilities, arising from transactions with direct charges or credits to equity accounts, are recognized with a balancing entry in equity.

By resolution of the General Shareholders Meeting dated December 26th, 2011, the Company opted to pay Corporate Income Tax pursuant to the tax consolidation system provided for under Chapter VII of Section VII of the Corporate Income Tax Act as from October 1st, 2007, and the parent company thereof is Elsamex S.A., which is obliged to file and pay Corporate Income Tax of the tax group. Accordingly, at the close of the fiscal year, the receivables or payables balances for Corporate Income Tax are classified under current accounts of the parent company of the group.

4.8 Environment

Environmental assets are considered to be assets used on a lasting basis in the Company's operations, whose main purpose is to minimize the impact on the environment and to protect and enhance the environment through the reduction or elimination of pollution caused in the future by the Company's operations.

The activity of the Company, by its nature, does not have a significant environmental impact.

4.9 Temporary Joint Ventures (Joint Ventures)

The annual accounts of the Company reflect the effect of the proportional integration of the Unincorporated Temporary Joint Ventures in which it takes part.

The Unincorporated Temporary Joint Ventures have been included under each heading of the balance sheet, the profit and loss account and cash flow status, by using the proportional integration method, based on the percentage of participation of the Company.

The main contribution the Unincorporated Temporary Joint Ventures provide to the balance sheet and the profit and loss accounts for the fiscal years ended on December 31st 2013 and 2012 are:

Items	Euro	
	2013	2012
Total Assets	**722,618**	**949,211**
Non-Current Assets	(43,484)	(39,844)
Current Assets	766,102	989,056
Net sales figure	**1,522,726**	**1,990,883**
Provisions of services	2,541,726	3,290,146
Elimination Consolidation	(1,019,000)	(1,299,263)

4.10 Income and expenditure

Income and expense are recorded on an accrual bases, that is, in the period in which the income or expense deriving from the goods or services in question is earned or incurred rather than the period in which the cash is actually received or disbursed. These income and expenses are valued at fair value of the consideration received or given, discounts and taxes deducted, interests added or similar items.

In order to adjust the incomes in the year where they accrue, the Company provisions those projects that are underway at the end of the year based on their degree of advancement, independently of the date when the invoice is made.

The estimations used to calculate the degree of advancement include the effect that the margin of certain closures under process may have, and that the Company deems as reasonable at that moment.

The difference between the works executed at the source, valued at their sale price, and the amount which has been certified by the client at the date of the balance sheet, is recognised as "Executed production pending certification" within the heading "Receivables for sales and provision of services". In turn, the amounts which have been certified in advance for different concepts are recognised under liabilities of the balance sheet within "Trade creditors".

The interest received from financial assets is recognised by using the effective interest rate method. In any event, interests from financial assets which accrue after the time of the acquisition thereof are recognised as income in the profit and loss statement.

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

4.11 Provisions and contingencies

The Administrators of the Company, in the formulation of the annual accounts, distinguish between:

a) Provisions: credit balances covering present obligations arising from past events whose cancellation is likely to cause an outflow of resources but is uncertain as to amount and/or moment of cancellation.

b) Contingent liabilities: obligations arising as a consequence of past events whose materialization is conditional upon the occurrence or non-occurrence of one or more future events outside the Company's control non reasonably estimable.

The annual accounts reflect all the provisions when it is considered more likely than not that this obligation will have to be met. The contingent liabilities are not recognized in the annual accounts, but are mentioned in the report notes as long as they are not considered remote.

Provisions are valued at the present value of the best possible estimate of the necessary amount to cancel or transfer the obligation, taking into consideration the available information about the event and its consequences, and recording the adjustments arising by the updating of those provisions as a financial expense as it is accrued.

The compensation to be received by a third party at the moment of liquidating the obligation, always that it is certain that the reimburse will be received, is recorded as an asset, except when there is a legal bond by which part of the risk has been externalized and under it the Company is not bound to respond. In this situation, the compensation will be taken into consideration to estimate the amount for which, in its case, the corresponding provision will be included.

4.12 Compensation for Dismissal

According to the current laws, the Company is liable to pay indemnities to those employees whose services are discontinued. Therefore, severance indemnities that may be reasonably quantified are recognised as an expense for the year in which the related decision is taken. In the attached annual accounts no provision has been recognized for this item, since situations of this nature are not intended.

4.13 Criteria in transactions between related parties

One party shall be considered to be linked to the other when either one of them, or a group acting together, exercises or holds the possibility of directly or indirectly exercising, or in virtue of pacts or agreements between shareholders, control over the other or an important influence on the financial or operating decisions of the other.

In any case, parties related are considered to be:

a) The companies that are considered a group company, associated or multi-group, under the article 42 of the Commercial Code.

b) Those individuals who own directly or indirectly any share in the voting rights of the company, or in the dominant entity of it, so that it allows them to exercise a significant influence over one or the other. Close relatives of these individuals are also included.

c) The key Personnel of the company or its dominant, understanding key Personnel as the individuals with authority and responsibility over the planning, management and control of the activities of the company, directly or indirectly, among them administrators and directors are included. Close relatives of the aforementioned individuals are also included.

d) The companies over which any of the individuals mentioned in sections b) and c) may exercise a significant influence.

e) The companies that share some consultant or director with the company, except when they do not exercise any significant influence over the financial and operating policies of both companies.

f) The individuals considered close relatives of the representative of the administrator of the company, when it is a legal person.

g) The pension plans for the employees of the same company or any other that is related part of it.

For purposes of this rule, close relatives are deemed those persons that may exercise influence, or may be influenced by, that person in their decisions related to the company. These will include:

a) The spouse or person with similar relationship of affection;

b) The ascendants, descendants and siblings and respective spouses or persons with similar relationship of affection;

c) The ascendants, descendants and siblings of the spouse or person with similar relationship of affection;

d) The persons at their charge or at the charge of the spouse or person with similar relationship of affection.

The company does all its operations with entities related to market values. Additionally, the transfer prices are properly incurred, so the Administrators of the Company estimate that there is not significant risk on this aspect from which important liabilities may arise in the future.

4.14 Grants, donations and legacies

For the accounting of grants, donations and legacies received, the Company follows these criteria:

a) Non-reimbursable grants, donations and legacies of capital: They are valued at fair value of the amount or good granted, depending on they being monetary or not, and they are accounted to profits proportionally to the provision for amortization of the period for the granted elements, or when their sale or value correction by depreciation occurs, with exception of those received by the partners or owners, which are directly registered in equity and do not represent any income.

b) Reimbursable grants: Whenever they are reimbursable, they are accounted as liabilities.

c) Exploitation grants: They are credited at the moment of being granted, except if they are for the financing of deficit in future fiscal years, in which case they will be credited in that corresponding year. If they are granted to financing specific expenses, they will be imputed as the financed expenses are accrued.

5. Intangible assets

The movement under this heading in the balance sheet of years 2013 and 2012, as well as the most significant information affecting to this heading, have been as follows:

Year 2013:

	Euro				
	31-12-12	Additions	Transfers	Dif. Exchange	31-12-13
Cost:					
Goodwill	850,010	-	-	-	850,010
Computer Software	253,764	-	-	(27)	253,737
Research & development	-	-	812,283	-	812,283
	1,103,774	-	812,283	(27)	1,916,030
Accumulated depreciation:					
Computer Software	(253,385)	(207)	-	11	(253,581)
Research & development	-	(162,457)	-	-	(162,457)
	(253,385)	(162,664)	-	11	(416,038)
Net Value	**850,389**	**(162,664)**	**812,283**	**(16)**	**1,499,992**

Year 2012:

	Euro			
	31-12-11	Additions	Dif. Exchange	31-12-12
Cost:				
Goodwill	850,010	-	-	850,010
Computer Software	253,777	-	(13)	253,764
	1,103,787	-	(13)	1,103,774
Accumulated depreciation:				
Computer Software	(253,170)	(217)	1	(253,385)
	(253,170)	(217)	1	(253,385)
Net Value	**850,617**	**(217)**	**(12)**	**850,389**

The impairment test carried out on the Goodwill is analysed in Note 4.1

In the fiscal year 2013, the Company has developed several works for its intangible fixed assets. These works are projects of I+D+i, with a biannual duration. Companies of the Group have collaborated in these projects. There are two projects:

a) Project "Auscultmar" for the development of a new tracking methodology, creation and implementation of asphaltic mixtures. The project is intended to develop a prototype of measurement of ruts and the design of new formulations of asphaltic mixtures type SMA
b) Project "Corotrans", which objective is to integrate in one single test all the variables that influence in the value of the resistance quotient and their subsequent evolution.

The project Auscultmar has ended successfully this year, proceeding to activate it in 2013 for an amount of 812,283 Euro. The project Corotrans is still on-going, for the sum of 392,242 Euro and the start-up thereof is expected to be carried out in 2014, so it has been registered in "Property,plant & equipment- Under construction & advances"(see Note 6) .

At the end of year 2013 and 2012 the Company had elements of intangible assets completely amortized and still in use and worth in 253,115 Euro.

6 Property, plant & equipment

The movements in this chapter of the balance sheet for the years 2013 and 2012, as well as the significant information related to this heading have been as follows:

Year 2013:

	Euro					
	31-12-12	Additions	Disposals	Transfers	Exchange dif.	31-12-13
Cost:						
Machinery	68,890	-	-	-	(1,515)	67,375
Other installations, equipment and furniture	52,748	21,094	(1,601)	-	(115)	72,126
Computer hardware	28,254	2,575	-	-	(145)	30,684
Vehicles	102,143	45,132	-	-	(3,540)	143,735
Under construction & advances	977,069	227,456	-	(812,283)	-	392,242
	1,229,103	296,257	(1,601)	(812,283)	(5,315)	706,162
Accumulated depreciation:						
Machinery	(36,832)	(6,869)	-	-	343	(43,358)
Other installations, equipment and furniture	(52,350)	(1,166)	1,601	-	93	(51,822)
Computer hardware	(23,173)	(4,262)	-	-	57	(27,378)
Vehicles	(20,843)	(22,032)	-	-	317	(42,558)
	(133,198)	(34,329)	1,601	-	810	(165,116)
Net Value	**1,095,906**	**261,928**	-	**(812,283)**	**(4,505)**	**541,046**

Year 2012:

	Euro			
	31-12-11	Additions	Exchange dif	31-12-12
Cost:				
Machinery	44,144	24,789	(43)	68,890
Other installations, equipment and furniture	51,103	1,650	(5)	52,748
Computer hardware	26,335	1,938	(19)	28,254
Vehicles	8,309	93,994	(160)	102,143
Under construction	393,966	583,103	-	977,069
	523,857	705,474	(227)	1,229,103
Accumulated depreciation:				
Machinery	(30,523)	(6,310)	1	(36,832)
Other installations, equipment and furniture	(42,704)	(9,646)	-	(52,350)
Computer hardware	(19,139)	(4,035)	1	(23,173)
Vehicles	(139)	(20,708)	4	(20,843)
	(92,505)	(40,698)	6	(133,198)
Net Value	**431,353**	**664,775**	**(221)**	**1,095,906**

As was said in Note 5, the project Corotrans is still on-going, for the sum of 392,242 Euro and the start-up thereof is expected to be carried out in 2014, so it has been registered in "Property, plant & equipment- Under construction & advances".

The policy of the Company is to take out insurance policies to cover the possible risks to which its fixed assets are subject. The Administrators of the Company estimate that on December 31st 2013 and 2012 there is a proper cover of those risks.

At the end of years 2013 and 2012 the Company had elements of tangible fixed assets completely amortized that were still in use with a value of 56.988 Euro and 58,848 Euro, respectively.

Description	Country	Book value (gross)	Accumulated depreciation	Net value
Machinery	Ecuador	21,272	(3,725)	17,547
Computer hardware	Ecuador	1,027	(701)	326
Furniture	Ecuador	242	(53)	189
Vehicles	Ecuador	7,804	(3,252)	4,552
Software	Ecuador	622	(467)	155
Furniture	Ecuador	62	(11)	51
Computer hardware	Ecuador	676	(404)	272
Machinery	Colombia	4,218	(598)	3,620
Furniture	Colombia	788	(741)	47
Computer hardware	Colombia	1,588	(1,095)	493
Electrical installations	Colombia	21,050	(1,032)	20,018
Vehicles	Colombia	68,581	(10,181)	58,400
Total		**127,930**	**(22,260)**	**105,670**

On December 31st 2013 the Company had the following investments in tangible fixed assets located abroad:

7. Leases

7.1 Financial Leasing

The detail of financial leases as at December 31st 2013 is as follows:

	Start date	Number of payments	Euro		
					2013
			Cost	Purchase option	Retired capital
Vehicles	11/June/2013	60 months	45.132	316	15.459

The same has been hired by Colombia Branch.

The detail of future payments is the following as at December 31st, 2013:

Minimum lease payments	Euro	
	2013	
	Lease payments to pay	Present value
Less than a year	8.611	6.318
Between one and five years	30.813	23.355
Total	**39.424**	**29.673**

7.2 Operating leases

At the end of years 2013 and 2012, the company has contracted with the lessors the following minimum lease payments, in accordance with the current contracts in force, without taking into account the impact of common costs, future increases for CPI, nor future updates of leases agreed by contract:

Financial leases Minimum payments	2013 Nominal value	2012 Nominal value
Less than one year	194,558	197,061
Between one and five years	1,148	2,754
Total	**195,706**	**199,815**

As lessor, the most significant operating lease agreements which the Company has in place at the end of the fiscal year 2013 are as follows:

- Lease of a first floor office premises at Calle Verónicas in Murcia. The lease agreement commenced on September 1st, 2011 and the lease term thereof was until August 31st, 2012, which has since then been renewed for annual periods. In relation to the contingent rents, the agreement provides for annual increases pursuant to CPI variations.

- Lease of two dwellings in Cartagena. The lease agreement commenced on September 3rd, 2007 for a period of 1 year, with annual renewals until the termination thereof on December 31st, 2013.

- Notwithstanding the foregoing, the majority of the expenses accrued for this concept correspond to the lease of vehicles and machinery used for the different contracts.

8. Group companies, multi-group and associated

8.1 Equity instruments

Year 2013:

				Euro			
			% of Particip ation		Equity		
Company owned	Address	Activity		Amount	Share Capital	Reserves	Profit
Grusamar India LTD	The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai, 400051, Maharashtra, India	Consulting	100%	7,073	7,073	-	68,713
Grusamar Albania SHPK	Rr. Hik Kolli 26, Tirana (Albania)	Consulting	51.00%	430	826	(38,851)	(4,120)
ESM Mantenimiento Integral de S.A. de CV	Presidente Masaryk,61 piso 7Colo.Chapultepec Morales CP 11570 deleg.Miguel Hidalgo (Mexico)	Maintenance	70.00%	211,608	345,689	31,872	(5,956)
Sociedad Concesionaria A4 Madrid, S.A. (2)	C/ Caballero Andante, nº 8 Madrid, Spain	Services	2.25%	235,344	9,413,370	440.948	908,463
				454,455			

Year 2012:

Company owned	Address	Activity	% of Particip ation	Euro			
					Equity		
				Amount	Share Capital	Reserves	Profit
Grusamar Albania SHPK	Rr. Hik Kolli 26, Tirana (Albany)	Consulting	51.00%	430	826	(30,137)	(8,714)
ESM Mantenimiento Integral de S.A. de CV	Presidente Masaryk,61 piso 7 Colo.Chapultepec Morales CP 11570 deleg.Miguel Hidalgo (Mexico)	Maintenance	70.00%	211,608	345,68	10,016	22,648
Sociedad Concesionaria A4 Madrid, S.A. (2)	C/ Caballero Andante, nº 8 Madrid, Spain	Services	2.25%	235,343	9,413,370	236.382	1,550,041
				447,381			

On August 29th 2013, it was constituted the subsidiary Grusamar Engenharia & Consultoria Brasil Ltda., which share capital has not been disbursed as at December 31st, 2013. Additionally, at the end of the present period, the subsidiary Sociedad Grusamar Albania SHPK is in process of liquidation.

8.2 Loans to companies

The Company acts together with other two partners in the Concession Company of Autovía A4 awarded in 2007 with a contract for the construction and exploitation in regime of administrative concession of the part of the autovía A-4 from p.k (kilometre reference) 3.78 to p.k 67.5 (R4) in the region of Madrid. The Concession Company of the Autovía A-4 signed in the fiscal year 2008 a syndicated loan for the financing of the construction works arising from its concession contract, conditional upon compliance of some ratios of financial autonomy. Specifically, this syndicated loan binds the partners of the Concession Company to disburse in the form of an equity loan, or by subscription of the new shares in the Concession Company, an amount equal to 29.4% of the used amount of such loan.

The company recognizes in this heading the syndicated loan awarded to the Concession Company of the Autovía A-4 in accordance with what is described in the previous paragraph for a total of 435,745 Euro. In the fiscal year 2013 interest has been accrued in the sum of 28.469 Euro, 31,207 Euro in 2012.

In 2011 the Company formalized a contract of shareholder loan with a subsidiary of the Group to which it belongs, Señalización, Viales e Imagen, SAU for an amount of 700,000 Euro which accrues an annual fixed interest equal to Euribor plus 1.75%. In 2013 and 2012 interest of 26,460 Euro has accrued.

8.3 Joint Ventures

The detail of the turnover of the unincorporated temporary joint ventures in which the Company participates is the following:

Grusamar Ingeniería y Consulting, S.L.U.:

Name of the Temporary Joint Venture:	Percentage of participation	Sales in Euro
Grusamar – Progescan Ute Areas de Servicio	100%	-
Grusamar- Ineco- Inastecan Ute Arucas	40%	178,769
Betancourt –Grusamar Ute Rio Alhama	50%	-
Ute Grusamar – OHS Ingeniería y Urbanismo Ute Travesía de Hermigua	50%	55,907
Betancourt – Grusamar Ute Linares	50%	71,597
Grusamar- Elsamex – Atenea Ute seguridad vial Murcia	50%	70,563
Intevia-Grusamar-Dair Ute Seguridad Vial Bizkaia	10%	-
Intevia-Grusamar Ute seguridad Vial Norte	30%	22
Ute Almanzora	65%	-
Ute Autovía de Santiago	50%	246,626
Ute Tren Mallorca	80%	278,355
Ute Grusamar-Eyser	50%	394,756
Ute Grusamar-Inserco Rambla de Retamar	50%	-
Ute Dallas	50%	737,315
Ute Grusamar-Intecsa-Inarsa-Atenea	30%	36,000
Ute Grusamar- Ingelan	60%	87,281
Ute Asistencia Molinar	52%	14,433
Consorscio Epsilon	35%	120,349
Consorcio Grusamar-Elsamex Ecuador	50%	249,752
		2,541,726

9. Financial assets with third parties (long and short term)

9.1 Long term financial assets

The balance of the account "Long term financial investments" at the end of fiscal year 2013 reflects mainly the bonds supplied as a consequence of the operative leases signed with third parties as described in note 7.

9.2 Short term financial assets

The financial assets of the Company are broken-down in the following manner at the close of the fiscal year 2013 and 2012:

	Euro	
	2013	2012
Trade receivables:		
Customers	2,856,222	4,138,367
Doubtful debt clients	266,151	266,429
Impairment loss of loans for trade operations	(266,151)	(266,429)
	2,856,222	4,138,367
Trade receivables from group companies and associates (Note 18)		
Group company clients	684,132	41,920
Other financial assets	6,915,310	3,508,355
	7,599,442	3,550,275
Other receivables	18,315	20,328
Personnel	6,908	1,711
Current financial investments		
Equity instruments	998	998
Other financial assets	286,499	212,952
	287,497	213,950
Total	**10,768,384**	**7,924,631**

During the fiscal year 2013, the Company has reverted impairment losses, for the value of 278 Euro.

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

The management of financial risks of the Company is centralized in the Financial Management, which has taken the necessary measures to control the exposure to variations in interest and exchange rates, as well as to credit and liquidity risks. Next, the main financial risks that affect the Company are listed:

a) Credit risk:

In general, the Company maintains its cash and equivalent liquid assets in financial entities with a high credit rating.

Additionally, it has to be appointed that, notwithstanding maintaining a significant volume of operations with a significant number of clients, the credit worthiness of most of them is guaranteed as the majority of them are Public Entities, so there is no credit risk with third parties.

b) Liquidity risk:

With the object of securing the liquidity and to be able to serve all the payment commitments arising from its activity, the Company has the treasury that its balance shows, as well as short term financial investments broken down in Note 9.2.

c) Market risk:

Both treasury and short term financial investments of the Company are exposed to the interest rate risk, which could have an adverse effect on the financial profits and the cash flows. For that reason, the Company has the policy of investing in financial assets that practically are not exposed to interest rates risks. On the other hand, the financial instruments used have been chosen for the solidity of their financial value and the issuer entities.

11. Equity

11.1 Social capital

At the end of fiscal year 2013, the social capital amounts to 3,494,897 EUR, represented by 29.246 shares of 119.5 EUR of nominal value, all of them of the same kind and with the same rights, totally subscribed, and not listed for trading on an exchange, according to the following detail:

	% Participation
Elsamex, S.A.	100.00%
	100.00%

11.2 Legal reserve

In accordance with the Consolidated Text of the Law on Corporations, an amount equal to 10% of the profit in the year has to be directed to the legal reserve until it reaches, at least, the 20% of social capital. The legal reserve may be used to increase the capital in the part of its amount exceeding the 10% of the capital already increased. Except for the mentioned purpose, and as long as it does not exceed the 20% of social capital, this reserve can only be used for the compensation of losses, and only if there are not other available reserves sufficient for that object.

11.3 Voluntary reserves

Voluntary reserves are unrestricted reserves.

11.4 Conversion differences

The conversion differences for year 2013 are recognised in their totality for the impacts of the incorporation within the balance sheet of the Company in this fiscal year of the balances from branch offices which the Company has outside of Spain.

The Company applies the exchange rate at the close of the fiscal year to the assets of the branch offices situated abroad, expressed in a functional currency other than the Euro. The difference in profits compared to the amount for which the assets are incorporated into the equity of the Company, is directly accounted for against net equity, given that the items expressed in the functional currency shall not be converted into Euro in the current and, as a profit thereof, shall not affect the cash flows of the Company.

11.5 Goodwill reserves

In accordance with the Article 213.4 of the Consolidated Text of the Law on Corporations, an unavailable reserve must be created when applying the profit of each year as a profit of the goodwill that is stated on the assets side of the balance sheet, using for that object a portion of the profit that represents, at least, a five per cent of the amount of the mentioned goodwill. In the event of not existing profit, or if this should be insufficient, the unrestricted reserves will be used.

12. Provisions

The detail of short term provisions registered in the balance sheet at the end of years 2013 and 2012 is as follows:

Year 2013

	Euro			
	31/12/2012	Additions	Adjustments	31/12/2013
Performance-related pay	541.208	84,486	(288,310)	337.384
	541.208	**84,486**	**(288,310)**	**337.384**

Year 2012

	Euro		
	31/12/2011	Additions	31/12/2012
Performance-related pay	-	541,208	541,208
Total	-	**541,208**	**541,208**

13. Financial liabilities

The financial liabilities of the Company break down as follow at the end of years 2013 and 2012:

	Euro	
	2013	2012
Non-current financial liabilities:		
Debts credit entities	31,134	58,967
Debts with group and associate companies	1,861,476	1,861,476
Finance lease liabilities (Note 7)	23,355	-
Total Non-current financial liabilities	**1,915,964**	**1,920,443**
Current financial liabilities:		
Current debts:		
Debts credit entities	29,205	79,250
Finance lease liabilities (Note 7)	6,318	-
Other financial liabilities	86,404	123,442
	121,927	**202,692**
Debts with group companies (Note 18):	**6,766,819**	**3,018,678**
Trade and other payables:		
Suppliers	1,423,897	2,028,334
Suppliers, Group companies (Nota 18)	113,256	5,572
Sundry creditors	57,104	20,845
Prepayments from clients	397,136	507,627
Personnel	79,428	43,169
	2,070,821	**2,605,547**
Total current financial liabilities	**10,875,531**	**7,747,360**

Under the heading "Debts with group and associate companies- Long term debts" is registered as at December 31st, 2013 and 2012, a loan obtained by the Company from the Group Company Ciesm-Intevia, S.A.U. This loan was signed on December 31st 2012.

14. Public Agencies and Tax balance

The breakdown of this heading of the balance sheet at December 31st 2013 and 2012 is as follows:

	Euro			
	2013		2012	
	Balances Debtors	Balances Creditors	Balances Debtors	Balances Creditors
Deferred tax assets	502,622	-	585,250	-
Deferred tax liabilities	-	-	-	14,203
Non-current balances with Public Administration	**502,622**	-	**585,250**	**14,203**
Public finance, receivable for IVA, IGIC, IPSI	29,247	-	36,668	-
Public finance, tax receivable for Corporate tax	24,381	-	16,985	-
Public finance, withholdings and payments on account	232,074	-	11,702	-
Public finance, JVs receivables	-	5,977	-	5,159
Public finance, receivable for IVA, IGIC,	-	53,890	-	11,375
Public finance, Personal Income Tax withholdings	-	118,827	-	87,607
Public finance, tax receivable for Corporate tax	-	80,735	-	8,089
Social Security Bodies creditors	-	73,775	-	72,680
Current balances with Public Administration	**285,701**	**333,203**	**65,355**	**184,910**

Since 2010 the Company pays taxes subject to the tax consolidation system, with Elsamex, S.A being the parent company of the group, and accordingly the receivables amount owed by the Public Finance Department for Companies Tax and for VAT, corresponds to the consolidated amount. This system means that the Company has receivables and payables with its subsidiary companies depending upon the individual settlements which correspond thereto.

Deferred corporate taxes

The movement of this heading of the balance sheet at December 31st 2013 and 2012 is as follows:

	Euro			
	31-12-2012	**Increase**	**Reduction**	**31-12-2013**
Prior year's losses	74.953	-	-	74.953
Depreciation limit deferred tax assets	-	17.729	-	17.729
R&D deductions	333.642	62.004	-	395.646
Other temporal differences deferred tax assets	176.655	-	(162.362)	14.293
Total deferred corporate tax assets	585.250	79.733	(162.362)	502.622

The increases relate to the deductions for research and development which are yet to be applied and which have been generated by the current projects throughout the fiscal year and the deferred assets generated by the limitation of the amortisation applied as an expense.

The reduction during the year corresponds to the adjustment of the Income tax calculated on December 2012 with the final tax liquidated.

Corporate income tax

By resolution of the Sole Shareholder dated December 26th, 2011, the Company opted to pay Corporate Income Tax pursuant to the tax consolidation system provided for under Chapter VII of Section VII of the Corporate Income Tax Act as from October 1st, 2007, and the parent company thereof is Elsamex S.A., which is obliged to file and pay Corporate Income Tax of the tax group.

The detail on negative tax bases pending to be used as of 31st December 2013 is as follows:

	Euro	Expiration date
Year 2007	161,106	Year 2023
Year 2009	44,861	Year 2025
Year 2010	70,727	Year 2026
	276,594	

Reconciliation between reported profits and taxable income

The reconciliation between the reported income and the taxable income of the Corporate Income Tax is as follows:

Year 2013:

	Euro	
	Share Payable	Expense
Profit before taxes	448,450	134,535
Permanent differences:		
Non-deductible expenses	67,845	20,353
Tax base (Output tax)	**516,295**	**154,888**
Gross tax accrued (30% of tax base)	154,888	-
Deductions	(66,462)	(66,462)
Expenses for branch taxes	65,800	65,800
Refundable corporate tax of Consolidated Group	-	-
Corporate Tax expense	-	**154,227**

Year 2012:

	Euro	
	Share Payable	Expense
Profit before taxes	422,207	126,662
Permanent differences:		
Non-deductible expenses	(48,563)	(14,569)
Non-deductible expenses from previous years	76,932	23,080
Temporary differences:		
Increases	541,208	-
Tax base (Output tax)	**991,784**	**135,173**
Gross tax accrued (30% of tax base)	297,535	-
Deductions	(176,055)	(176,055)
Refundable corporate tax of Consolidated Group	**121,480**	**-**
Corporate Tax expense	**-**	**(40,882)**

Both positive and negative temporary differences arise as a consequence of the different consideration, for accounting and tax purposes, of the accounted expense for the Company along the period as technical amortization of goods and rights of use arising from financial lease contracts, by applying R.D. 4/2004, of March 5th of the Corporations Tax.

In accordance with the provisions of applicable legislation, taxes may not be considered to be definitively settled until the declarations which have been filed have been inspected by the tax authorities or until the time-barring period of four years has elapsed. At the close of the fiscal year 2013 the Company does not have any inspections open. The Directors consider that the settlements of the aforementioned taxes have been adequately effected, and accordingly, in the case of any tax inspection and in the event that any discrepancies were to arise in respect of the interpretation of the regulations regarding the tax applications for the operations, any profit and future liabilities, as the case may be, shall not significantly affect these annual accounts.

15. Contingent liabilities

At December 31st 2013 the Company has been granted different guarantees required to contract with Public Agencies for a value of 1,159,806 Euro. The amount granted for this item in 2012 amounted to 1,644,129 Euro.

16. Income and expenditure

a) Turnover

Net amount of sales registered by the company corresponds with income from activities regarded in the company purpose (see Note 1).

The distribution of the amount net of sales for years 2013 and 2012 is as follows by geographical areas:

	Euro	
	2013	2012
National	5,437,080	7,052,723
International-		
Asia	4.615.338	-
North America	1.134.552	969.557
South America	438.017	-
	11,624,987	**8,022,280**

b) Supplies

The breakdown of this heading of the profits and loss account from the year ended on December 31st 2013 and 2012 is as follows:

	Euro	
	2013	2012
Net purchases of other supplies	81,714	356,470
Works carried out by other companies	6,095,302	2,112,170
	6,177,016	**2,468,640**

The breakdown of this heading by geographical area for periods 2013 and 2012 is as follows:

	Euro	
	2013	2012
National	5,200,600	2,130,071
International-		
Asia	369,540	-
North America	355,866	338.569
South America	251,010	-
	6,177,016	**2,468,640**

c) Personnel costs

The breakdown of the item "Personnel costs" in the profits and loss account from the year ended on December 31st 2013 and 2012 is as follows:

	Euro	
	2013	2012
Wages, salaries and similar expenses	3,040,584	3,911,599
Social security payable by the company	744,265	939,287
Provisions (See Note 12)	(203,824)	-
Total	**3,581,025**	**4,850,886**

The average number of employed individuals in the years 2013 and 2012, broken down in categories, is as follows:

Categories	2013	2012
Management	1	1
Intermediate	83	64
Administrative personnel	20	18
Non-qualified personnel	5	9
Total	**109**	**92**

The average number of individuals employed by the Company in the fiscal year 2013 with a disability bigger than or equal to 33%, broken down by categories, is the following:

Categories	2013
Administrative personnel	6
Total	**6**

In accordance with what is required by Art. 260.8 of the Corporation Law, below has been broken down the distribution by gender at the end of the year of the Personnel of the Company, distributed in categories for the years 2013 and 2012:

	2013		2012	
Categories	Men	Women	Men	Women
Management	1	-	1	-
Technical personnel and intermediate management	55	28	41	23
Administrative personnel	5	15	5	12
Non-qualified personnel	3	2	6	4
Total	**64**	**45**	**53**	**39**

In the year no amount has been accrued neither in allowances nor remunerations of any kind payable to the Administrators of the Company. Also, it does not enjoy any kind of repayable loan, life insurance, pension plan for any other item.

Data regarding the management personnel:

At December 31st, 2013 and 2012 the Management personnel cost is as follows:

Name	Responsibilities or duties that they hold or carry out in the company	Remuneration Period 2013	Remuneration Period 2012
Senior Managers	Management	90,293	90,000

d) Other exploitation expenses

The breakdown of this heading of the profits and loss account from the years 2013 and 2012 is as follows:

	Euro	
	2013	2012
Leases and taxes	174,231	199,650
Repairs and maintenance	20,489	8,547
Independent professional services	205,201	258,685
Transports	6,824	3,314
Insurance premiums	74,389	77,642
Bank services and similar	16,069	15,613
Publicity, advertising and public relations	-	1,318
Supplies	(13,203)	(21,734)
Other services	983,401	758,421
Other taxes	19,203	68,040
Losses, deterioration and variation provisions	(278)	(161,502)
	1,486,326	**1,207,994**

During the fiscal year 2013 and 2012, the fees regarding the auditing services of the annual accounts and other services provided by the auditor of the Company, Mr Bernardo Tahoces, are as follows (in Euro)

Description	Euro	
	2013	2012
Audit Services	5,000	9,185
Other Verification Services	-	-
Total Audit and Related Services	**5,000**	**9,185**
Other Services	-	-
Total Professional Services	**5,000**	**9,185**

During the fiscal year 2013, the fees regarding the auditing services of the annual accounts and other services provided by the auditor of the Company, Mrs Laura Tahoces are as follows (in Euro)

Description	2013
Audit Services	5,196
Other Verification Services	-
Total Audit and Related Services	**5,196**
Other Services	-
Total Professional Services	**5,196**

17. Environmental aspects

Given the kind of activities of the Company, it does not have responsibilities, expenses, assets, or provisions or contingencies of environmental nature that could be significant regarding the equity, financial situation or profits. For that reason, specific breakdowns are not included in this report.

The Administrators of the Company estimate that there are not contingencies related to protection and enhancement of the environment, and therefore no provisions for environmental liabilities and charges were recognized on December 31st, 2013 and 2012 in the annual report.

18. Related parties transactions

The breakdown of balances and transactions incurred in the years 2013 and 2012 between the Company and the companies of "Grupo Elsamex" is as follows:

Year 2013:

	Euro								
	Receivables		Payables		Expenses		Income		
	For services rendered	Credits	For services rendered	Loans	Services received	Interest	Dividends	Rendered services	Interest
CIESM-INTEVIA, S.A.U.	-	-	-	1,369,726	1,303,500	50,534	-	101	-
Señalizacion, Viales e Imagen, SAU	-	34,364	-	-	-	-	-	-	28,075
CGI-8, S.A.	-	-	-	-	2,394	-	-	-	-
CONTROL 7, S.A.	-	-	113,256	226,168	93,600	11,395	-	-	-
ELSAMEX, S.A.		6,243,994	-	-	1,436,772	-	-	632,923	144,140
Elsamex Portugal Engenhria e Sistemas	41,760	-	-	-	-	-	-	-	-
Elsamex Internacional SLU	-	-	-	2,054,006	2,100,132	-	-	-	8,239
Atenea Seguridad y Medio Ambiente, SAU	-	-	-	3,001,266	128,169	145,267	-	70,536	-
Soc. Concesionaria Autovia A-4 Madrid, SA	-	-		-	-	-	-	22,490	28,469
Intereses Préstamo participativo Sevimagen S.AU	-	52,920	-	-	-	-	29,717	-	-
IL&FS Transportation Network	642,372	-		-	-		-	4,644,710	-
Consolidated liabilities Colombia and Ecuador	-	-	-	115,652	-	-	-	-	-
Consolidated branch Colombia	-	1,451	-	-	-	-	-	-	-
Consolidated branch Ecuador	-	512,267	-	-	-	-	-	-	-
Gusamar Macedonia	-	5,384		-	-	-	-	-	-
Branch Peru	-	64,930		-	-	-	-	-	-
Cican	-	-	-	-	780	-	-	-	-
Elsamex ABU DAHABI	-	-		-	-	-	-	21,711	-
TOTAL	**684,132**	**6,915,310**	**113,256**	**6,766,819**	**5,065,346**	**207,197**	**29,717**	**5,392,472**	**208,922**

Year 2012:

	Euro								
	Receivables		Payables		Expenses		Income		
	For services rendered	**Credits**	**For services rendered**	**Loans**	**Received services**	**Interest**	**Dividends**	**Rendered services**	**Interest**
CIESM-INTEVIA, S.A.U.	-	-	-	1,861,476	102,181	134,211	-	1,135	-
Señalizacion, Viales e Imagen, SAU	-	30,348	-	-	378	-	-	-	1,861
CGI-8, S.A.	-	-	5,572	-	16,378	-	-	-	-
Control 7	-	-	-	214,773	62,561	11,334	-	-	-
ELSAMEX, S.A.	-	2,831,256	-	-	1,116,890	-	-	262,881	238,206
Elsamex Portugal Engenhria e Sistemas	41,920	-	-	-	-	-	-	-	-
Elsamex Internacional SLU	-	434,275	-	-	3,844	-	-	780	32,955
Atenea Seguridad y Medio Ambiente, SAU	-	-	-	2,786,129	219,473	207,937	-	133,066	-
Grusamar Albania, SHPK	-	64,930	-	-	-	-	-	-	-
Grusamar Macedonia	-	67,274	-	-	-	-	-	-	-
Branch Ecuador	-	53,811	-	-	-	-	-	-	-
Branch Colombia	-	-	-	17,776	-	-	-	-	-
Soc. Concesionaria Autovia A-4 Madrid, SA	-	-	-	-	-	-	53,471	24,654	29,645
Intereses Préstamo participativo Sevimagen S.AU	-	26,460	-	-	-	-	-	-	26,460
TOTAL	**41,920**	**3,508,355**	**5,572**	**4,880,154**	**1,521,706**	**353,482**	**53,471**	**422,516**	**329,127**

For structural expenses attributed by the Parent Company, the Company has supported in its accounts throughout the fiscal year 2013, the amount of 529,356 Euro and 375,067 Euro in 2012.

The Company received in 2013 a dividend of 29,717 Euro from its subsidiary "Sociedad Concesionaria Autovia A-4 Madrid, S.A", this dividend amounted 53,471 Euro in 2012.

19. *Details of shareholdings in companies with similar activities and details of the activities carried out by members of the Governing Body of the Company either for their own account or on behalf of other entities*

In accordance with the provisions of Section 231.1 d) of the Corporations Act, brought into force by Act 26/2003, of 17 July, which modified the Securities Market Act 24/1988, of 28 July, and the Consolidated Text of the Public Limited Companies Act, in order to strengthen and enhance the transparency of public limited companies, it is hereby recorded that during the fiscal years 2013 and 2012 the members of the Board of Directors of Grusamar Ingenieria y Consulting, S.L.U.. have not held shareholdings in the share capital of companies with identical, analogous or complementary types of activities as included under the corporate purposes of the companies which form part of the Elsamex Group. Moreover, they have not carried out and currently do not carry out activities, either on their own account for on behalf of other entities, of an identical, analogous or complementary nature to the activities which constitute the corporate purposes of the Company.

During the fiscal years 2013 and 2012 the members of the Board of Directors of the Company have not received any remuneration whatsoever by reason of the exercise of their positions.

The Company has not assumed any obligations whatsoever in terms of pensions, bonds, guarantees, life insurance or any other obligations whatsoever in favour of the members of the Board of Directors.

The Company has not assumed any advance payments, credits or obligations whatsoever on behalf of the members of the Board of Directors.

20 Information regarding payment deferments granted to suppliers. Third Additional Provision "Disclosure obligation" of Act 15/2010, of 5 July.

Hereinbelow, the information required pursuant to the Third Additional Provision of Act 15/2010, of 5 July, is set out.

	Payments effected and outstanding payments at the date of close of the fiscal year			
	Year 2013		Year 2012	
	Euro	% (a)	Euro	% (a)
Within the maximum legal period (b)	369,818	48,02%	439,970	56,32%
Rest	400,354	51,98%	341,180	43,68%
Total payments during the year	**770,172**		**781,150**	
AWDP (Average weighted default period) (days)	73		35	
Deferment which, at the date of close of the year, exceeds the maximum legal period	62,717		77,778	

21. Segment information

The Company deems that the best represented segmentation the one performed according to the different areas of business in which it develops its activity according to the following detail:

	Euro		
	Projects	Control and Surveillance	Total
Sales	6,983,355	4,641,632	11.624.987
EBITDA	1,597,672	(962,941)	634.731
Depreciation	(109,514)	(87,479)	(196.993)
EBIT	1,488,158	(1,050,420)	437.738

22. Subsequent events

After the end of the year, and until the preparation date of these financial statements, there has not occurred any significant later facts worth of mention.

Grusamar Ingeniería y Consulting S.L.

Management Report of Fiscal year ended at December 31st 2013

Business performance and situation of the Company

GRUSAMAR INGENIERIA Y CONSULTING, S.L., (GRUSAMAR) incorporates in June 2002 and currently is fully consolidated as the engineering consultory of the Group Elsamex.

In the year 2013, GRUSAMAR has competed for numerous public competitions to offer Technical Assistance in the writing of Projects and Studies, and in the Control and Surveillance or the Management of Works with several autonomic administrations and the Ministries of Civil Works and Environment, as well as with private clients, both in national territory and abroad.

The net turnover of the Company for provision of services in the period has amounted to 11,624,987 EUR, of which 39.93% are due to Control and Surveillance of Works and 60.07 % to the writing of Projects and Studies in different fields.

During this year international trade has been significantly boosted, with important contract awards, mainly of Control and Surveillance of Works and Project Management of projects of highway assignments. This meant the reinforcement of our market position in Ecuador and Colombia and the consolidation in business areas with great future in the market, as it is the case of consultation of assignments.

The objectives of production planned for year 2014 are 7.7 million EUR.

Subsequent events

No significant later events had taken place on the date of preparation of this management report that could affect the Annual Accounts of the fiscal year 2013

Research & Development activities performed

In the fiscal year 2013, the Company has developed several works for its intangible fixed assets. These works are projects of R&D, with a biannual duration. Companies of the Group have collaborated in these projects. There are two projects:

a) Project "Auscultmar" for the development of a new tracking methodology, creation and implementation of asphaltic mixtures. The project is intended to develop a prototype of measurement of ruts and the design of new formulations of asphaltic mixtures type SMA
b) Project "Corotrans", which objective is to integrate in one single test all the variables that influence in the value of the resistance quotient and their subsequent evolution.

The project Auscultmar has ended successfully this year, proceeding to activate it in 2013 for an amount of 812,283 Euro. The project Corotrans is still on-going, for the sum of 392,242 Euro and the start-up thereof is expected to be carried out in 2014.

Transactions with own shares

No movements of purchase or sale of own shares were carried out during the year.

Use of financial instruments by the company

The management of financial risks of the Company is centralized in the Financial Management, which has taken the necessary measures to control the exposure to variations in interest and exchange rates, as well as to credit and liquidity risks. Next, the main financial risks that affect the Company are listed:

a) Credit risk:

In general, the Company maintains its cash and equivalent liquid assets in financial entities with a high credit rating.

Additionally, it has to be appointed that, notwithstanding maintaining a significant volume of operations with a significant number of clients, the credit worthiness of most of them is guaranteed as the majority of them are Public Entities, so there is no credit risk with third parties.

b) Liquidity risk:

With the object of securing the liquidity and to be able to serve all the payment commitments arising from its activity, the Company has the treasury that its balance shows, as well as short term financial investments broken down in Note 9.2.

c) Market risk:

Both treasury and short term financial investments of the Company are exposed to the interest rate risk, which could have an adverse effect on the financial profits and the cash flows. For that reason, the Company has the policy of investing in financial assets that practically are not exposed to interest rates risks. On the other hand, the financial instruments used have been chosen for the solidity of their financial value and the issuer entities.

Dispatch of Preparation of consolidation of Annual Report and Management Report

In accordance with the rules set out in Corporation Act, the Board of Directors of Elsamex Internacional, S.R.L. on March 28th 2014 prepared the Annual Accounts and the Management Report corresponding to year 2013 which will be submitted to the approval of the General Meeting of Shareholders.

Mr. Fernando Bardisa Jorda

Mr. Enrique Pérez Rebanal

Mr. Harish Chandra Mathur

Mr. Suresh Chand Mittal